



# ASX Announcement

30 October 2014

## COMPANY DETAILS

**ABN:** 62 147 346 334

### **PRINCIPAL REGISTERED OFFICE**

Potash West NL  
Suite 3  
23 Belgravia Street  
Belmont WA 6104

### **POSTAL ADDRESS**

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### **ASX CODE**

PWN

### **OTC PINK CODE**

PWNNY

### **CORPORATE INFORMATION**

(30 October 2014)

196M Ordinary shares  
36M Partly paid shares  
4M Unlisted options  
8M Listed options

### **BOARD OF DIRECTORS**

**Adrian Griffin**  
(Non-Executive Chairman)  
**Patrick McManus**  
(Managing Director)  
**George Sakalidis**  
(Non-Executive Director)  
**Gary Johnson**  
(Non-Executive Director)

## QUARTERLY REPORT

### Highlights

- Enters into a Joint Venture exploration project in an established German Potash field
- Consolidated landholding in Dandaragan Trough, by applying for a further 300km<sup>2</sup>

The Company has agreed to farm-in to an exploration project, in the South Harz Potash field, in Central Germany. Potash West is earning 55% by funding exploration licence applications and appraisal of previous work carried out.

Subsequent to the end of the quarter the Company undertook a capital raising, raising a total of \$2,900,000 before costs.

### Dandaragan Trough Project

Potash West NL (“Potash West” or “the Company”) has continued to consolidate its holdings associated with its flagship Dandaragan Trough project. It now holds exploration licenses and applications in the Dandaragan Trough, covering an area of 2,140km<sup>2</sup>. Potash West applied for an additional exploration licence during the quarter, ELA 70/4609, (Figure 1). This licence gives the Company virtually 100% of the prospective northern parts of the Dandaragan Trough and is the site of previous surface workings for phosphate.

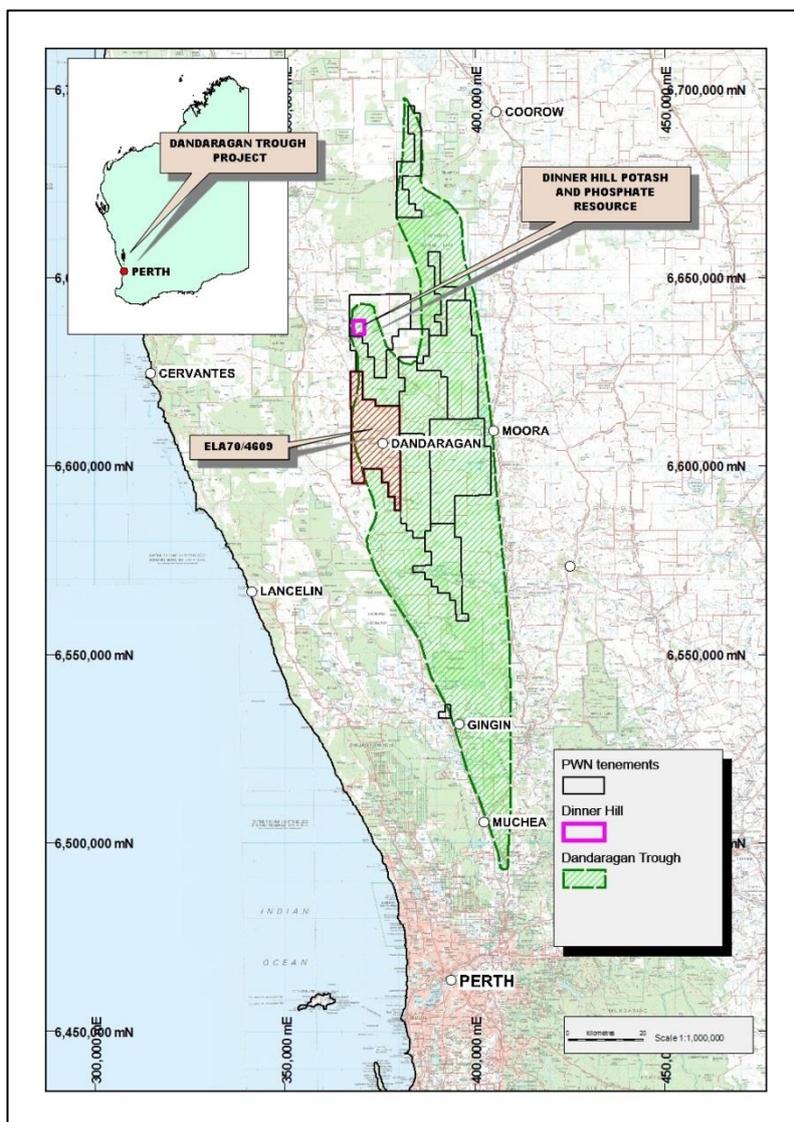


Figure 1 – Dandaragan Trough Project tenure plan

Phosphate mineralisation in ELA70/4609 is present as nodular layers at the top and bottom of the Molecap Greensand and outcrop sporadically over a distance of some 20km along the western edge of the tenement. In areas of good exposure these deposits have been the subject of small scale mining during times of economic constraint in the 1940s when imported supplies of rock phosphate became increasingly expensive. Since then there has been only limited drilling along the target horizons. The stratigraphy is the southern extension of the Company’s potash deposits at Dinner Hill some 10km to the north of ELA70/4609. This addition presents some 40km of prospective potash and phosphate mineralisation in the Molecap Greensand south of the Dinner Hill resources. Work has commenced on assembling historical data in preparation for drilling programs on final grant of the tenure.

The Dandaragan Trough project is focused on exploiting the large greensands deposits, which commence less than 100km to the north of Perth, Western Australia. The objective is to produce potash and single superphosphate fertilisers and a range of valuable by-products from the glauconite and phosphate present within the greensands.

The greensands within the Dandaragan Trough are widespread. The Dinner Hill project area covers approximately 60km<sup>2</sup> in the north-west of the Trough. Within the project area PWN has established an exploration target of 1000Mt to 1500Mt of fresh greensand at a grade of between 4.0% and 4.8% K<sub>2</sub>O, 8% and 10% Al<sub>2</sub>O<sub>3</sub>, 12% and 14% Fe<sub>2</sub>O<sub>3</sub>, and 2.0% and 2.4% MgO. Included within the Exploration Target is 300-600Mt of phosphate mineralisation at a grade of between 1.5% and 3% P<sub>2</sub>O<sub>5</sub>. (refer ASX announcement 7 May 2013).

*The potential quantity and grade of the target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource over its area and as it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

An area of approximately 9km<sup>2</sup> within Dinner Hill has been drilled to establish Indicated and Inferred Mineral Resources for potash (K-Max) and phosphate. The higher grade portion of the K-Max resource occurs in the Molecap Greensand. Nodular phosphate mineralisation at Dinner Hill occurs within a chalk unit, the Gingin Chalk and in upper and lower greensand units, the Poison Hill Greensand and the Molecap Greensand.

Current resource figures are shown in table 1:

<b>Phosphate Resource (All Indicated) (1)</b>				
<b>Lower Cut-off Grade (% P<sub>2</sub>O<sub>5</sub>)</b>	<b>Million Tonnes</b>	<b>Grade (% P<sub>2</sub>O<sub>5</sub>)</b>	<b>Grade (% K<sub>2</sub>O)</b>	<b>Grade (% CaO)</b>
<b>2.15</b>	<b>120</b>	<b>2.79</b>	<b>3.10</b>	<b>8.17</b>
<b>K-Max Resource (2)</b>				
<b>Unit</b>	<b>Category</b>	<b>Tonnes (Mt)</b>	<b>K<sub>2</sub>O %</b>	<b>P<sub>2</sub>O<sub>5</sub> %</b>
Molecap Greensand	Indicated	120	4.6	1.8
	Inferred	2	4.4	2.2
	<b>Total</b>	<b>122</b>	<b>4.6</b>	<b>1.8</b>

Table 1 Dinner Hill Resources

(1) Refer ASX release 20 March 2014)

(2) Refer ASX release 11 October 2012)

The Dandaragan Trough project has unique advantages of excellent connectivity to transport facilities, infrastructure and proximity to local and regional markets. The Dinner Hill resource is located less than 200km from two major bulk export ports, Kwinana and Geraldton and is well situated in relation to major project infrastructure.

The current time frame for commercialisation of the Dandaragan Phosphate Project is:

- Upgrade a significant portion of the current Indicated and Inferred Mineral Resources to the Measured category by April 2015
- Completion of a Feasibility Study by Dec 2015
- Completion of construction in Q4 2017
- Start-up of full scale production in Mid-2018.

### German Project

The Company is earning a 55% interest in a company, East Exploration Pty Ltd (EE), which has applied for exploration licences in the South Harz region of Germany, (Figure 2). The funding will complete the licence applications and carry out an assessment of the extensive geological data on one of the exploration applications, Kullstedt, (Figure 3).

The South Harz region has a long history of potash mining, dating back to the late 1890s. Extensive exploration work and R&D was carried out in the period from the 1960s to the 1980s. This confirmed that substantial potash deposits in the form of sylvinites (KCl/NaCl) and carnallite (KCl/MgCl) still remain in this region.

EE has commissioned ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH (ERCOSPLAN) to identify areas that have strong potential to contain significant potash mineralization. ERCOSPLAN are a leading global potash consultancy based in Erfurt, Germany. It employs about 200 people globally and has consulted on the development of many world class potash projects worldwide.

Two areas, Kullstedt (246km<sup>2</sup>) and Graefentonna (216km<sup>2</sup>) have been applied for. Both have extensive historical drilling that intersected potash mineralisation between 200m and 1000m below the surface. Both areas are adjacent to properties that have had significant potash production over the last 100 years.

Ercosplan is currently in the process of recovering archival data from some 50 historical drill holes located within the Kullstedt application area. When assembled and verified this historical data will be used to estimate JORC compliant Exploration Targets and to plan for ongoing drill programs. Depending on the quality and location of the data the Company is hoping that it will be possible to estimate Mineral Resources for parts of the application area to better quantify the tonnes and grade of the contained potash deposits.



Figure 2: Project Location

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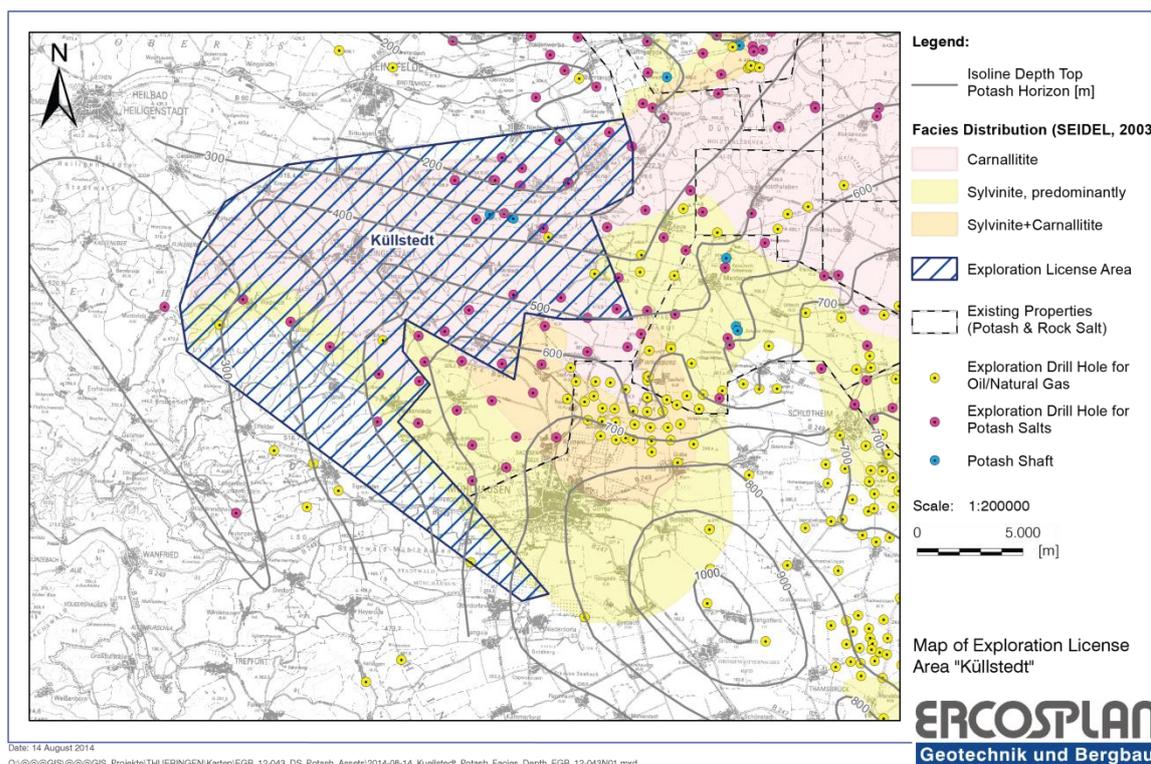


Figure 3: Küllstedt application

**Corporate**

The Company continued its marketing programme to potential investors, which culminated in a capital raising in October. It has engaged with a number of investors who are potential strategic partners to assist in progressing development activities on both the phosphate and K-Max projects, this work is ongoing.

**Announcements**

The following ASX announcements were made during the quarter:

- Trading Halt (07 July 2014)
- Completion of \$800,000 Placement (9 July 2014)
- S708A Notice & Appendix 3B (14 July 2014)
- Information Required Under ASX Listing Rule 3.10.5A ( 14 July 2014)
- Quarterly Activities and Cashflow reports (25 July 2014)
- S708A Notice and Appendix 3B ((25 July 2014)
- Information Required Under ASX Listing Rule 3.10.5A (25 July 2014)
- PWN Farming into Potash Project in Germany (29 July 2014)
- ABN Newswire Video ( 12 August 2014)
- -Notice of General Meeting/Proxy Form (13 August 2014)
- East Exploration Commissions Review of Geological Data (18 August 2014)
- Presentation (18 August 2014)
- Change of Director's Interest Notice (27 August 2014)
- Option Expiry (9 September 2014)-
- Results of Meeting (12 September 2014)
- PWN Acquires Additional Ground Within Dandaragan Project (20 August 2014)-
- PWN MineLife Daily Resources Bulletin (26 September 2014)-
- PWN Research (29September 2014)
- Annual Report to shareholders (30 September 2014)-

The following announcements were made subsequent to 30 September, 2014:

- Trading Halt (07 October 2014)
- Suspension from Official Quotation (09 October 2014)-

- Reinstatement To Official Quotation (10 October 2014)
- Completion of \$2,900,000 Placement (10 October 2014)
- S708A Notice & Appendix 3B (20 October 2014)
- Notice of Annual General Meeting/Proxy Form (27 October 2014) Presentation (30 October 2014)

### Cash on Hand

At 30 September 2014, \$0.3 million cash was available. \$2.9 million before costs was raised subsequent to period end.

### Tenement Summary

The following information is provided in accordance with ASX Listing Rule 5.4.3:

Country	Tenement	Tenement Interest held at 30 June 2014	Interest acquired / disposed of during quarter	Tenement Interest held at 30 September 2014
WA	E70/3100	100% <sup>(1)</sup>	100%	0%
WA	E70/3360	100% <sup>(1)</sup>	N/A	100%
WA	E70/3418	100% <sup>(1)</sup>	N/A	100%
WA	E70/3987	100% <sup>(1)</sup>	N/A	100%
WA	E70/3988	100% <sup>(1)</sup>	N/A	100%
WA	E70/3989	100% <sup>(1)</sup>	N/A	100%
WA	E70/4124	Pending	N/A	Pending
WA	E70/4137	100%	N/A	100%
WA	E70/4138	100%	N/A	100%
WA	E70/4139	100%	N/A	100%
WA	E70/4471	0%	100%	100%
WA	E70/4609	Pending	N/A	Pending

(1) Denotes Beneficial holding of the Mineral Rights to Glaucanite & Phosphate, and any byproducts resulting

For further information contact:

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### About Potash West

*Potash West (ASX:PWN) is an exploration company focused on developing large greensand deposits in West Australia's Perth Basin. The Company aims to define a substantial resource base and investigate how best to recover potash and other minerals from the Dandaragan Trough. The project is well situated in relation to infrastructure, with close access to rail, power and gas. A successful commercial outcome will allow the Company to become a major contributor to the potash and phosphate markets at a time of heightened regional demand.*

*The Company has a major land holding over one of the world's largest known glauconite deposits, with exploration licenses and applications covering an area of over 2,600km<sup>2</sup>. Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 30km in width. Current JORC*

compliant Indicated Mineral Resources stand at 241Mt at 3.0% K<sub>2</sub>O, including 120Mt at 4.6% K<sub>2</sub>O amenable to processing by the K-Max process and 120Mt at 2.8% P<sub>2</sub>O<sub>5</sub> of phosphate mineralisation.

**Forward Looking and Cautionary Statement:**

The scoping study referred to in this report is based on low-level technical and economic assessments and is insufficient to support any estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

The use of the word “ore” in the context of this report does not support the definition of “Ore Reserves” as defined by the 2012 Edition of the ‘Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves’. The word ‘ore’ is used in this report to give an indication of quality and quantity of mineralized material that would be fed to the processing plant and it is not to be assumed that ‘ore’ will provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the scoping study will be realized.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Potash West and its projects, are forward-looking statements. Such forward-looking statements are necessarily based upon a number of estimates and assumptions that, whilst considered reasonable by Potash West, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements; and may include, among other things, statements regarding targets, estimates and assumptions in respect of potash and phosphate production and prices, operating costs and results, capital expenditures, ore reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by Potash West, are inherently subject to significant uncertainties and contingencies

Potash West disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and other similar expressions identify forward-looking statements. All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Company is of the opinion that it has reasonable basis for providing the forward looking statements included in this announcement, including with respect to production targets, based on the information contained in this announcement and in particular the JORC 2012 Mineral Resource for Dinner Hill as of March 2014. This estimate was compiled by Continental Resource Management Pty Ltd. Additional independent metallurgical studies, determination of mining inventory, mine design and scheduling, external commodity price and operating cost data were undertaken by industry consultants.

**Competent Person’s Statement:**

The production targets and other information in this announcement that relate to Mineral Resources are based on, and fairly represent, the Mineral Resource and information and supporting documentation extracted from the report which was prepared by a Competent Person in compliance with the JORC Code (2012) and released to ASX by the Company on 20 March 2014. Potash West confirms that it is not aware of any new information or data that materially affect the information included in the original announcement. All material assumptions and technical parameters underpinning the Mineral Resource estimate in that previous ASX release continue to apply and have not materially changed.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Potash West NL

ABN

62 147 346 334

Quarter ended ("current quarter")

30 September 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(113)	(113)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (Government grant and R&D refund)	-	-
<b>Net Operating Cash Flows</b>	<b>(655)</b>	<b>(655)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(50)	(50)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	(705)	(705)

+ See chapter 19 for defined terms.

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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(705)	(705)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	891	891
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Equity Raising Costs)	(55)	(55)
	<b>Net financing cash flows</b>	<b>836</b>	<b>836</b>
	<b>Net increase (decrease) in cash held</b>	<b>131</b>	<b>131</b>
1.20	Cash at beginning of quarter/year to date	164	164
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>295</b>	<b>295</b>

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	155
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 relates to Directors Remuneration, Directors Fees and Superannuation Contributions.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>500</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	295	164
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>295</b>	<b>164</b>

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed E70/3100	-	100%	nil
6.2	Interests in mining tenements and petroleum tenements acquired or increased E70/4471	-	nil	100%

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	137,414,005 35,960,024	137,414,005 35,960,024	\$0.001 \$0.049
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	23,607,857	23,607,857	
7.5	<b>+Convertible debt securities</b> (description)			

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## Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
		100,000	-	\$0.400	8 September 2016
		100,000	-	\$0.600	8 September 2016
		1,250,000	-	\$0.280	30 November 2014
		1,350,000	-	\$0.355	13 November 2015
		8,221,457	8,221,457	\$0.300	15 March 2015
		1,000,000	-	\$0.130	25 October 2015
		500,000	-	\$0.150	7 February 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	500,000	-	\$0.300	8 September 2014
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



30 October 2014

Sign here: ..... Date: .....  
(Director/Company secretary)

Print name: Patrick McManus  
.....

### Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash

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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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