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## **MEDIA RELEASE/ASX ANNOUNCEMENT**

### **SCOPING STUDY TO COMMENCE ON FLOWSHEET PRODUCING A RANGE OF FERTILIZER AND OTHER CHEMICALS**

#### ***HIGHLIGHTS:***

- **A flexible process flowsheet will form the backbone of the Potash West business plan**
- **Flowsheet identifies potential for production of sulphate of potash, high-magnesium potash, superphosphate, aluminium and iron chemicals.**
- **High-value by-products will add significant value to the project**
- **Scoping Study to be completed by end of 2012**
- **JORC resource estimate targeted for release in October**

Potash West (the Company) (ASX: PWN) is pleased to announce the commencement of a scoping study to estimate the costs of producing Sulphate of Potash (SOP) and other high-value chemicals from the extensive glauconite deposits in the Dandaragan Trough project area, north of Perth in Western Australia.

Tenova Bateman Projects was selected from a number of qualified engineering consultants with experience in capital and operating cost estimates in the chemical industry. Their brief is to estimate the capital and operating costs of a plant designed to treat glauconite, using a flowsheet designed by the Company's technology partner, Strategic Metallurgy. Significantly the flowsheet has been specifically designed to produce a number of high-value products from the greensands which have been the subject of investigation by the Company since inception. The flowsheet selected as the basis for the scoping study concludes a process that has involved over 1000 bench scale tests and exhaustive process modelling. This flowsheet, which is in the process of patent application, produces the following products from the glauconite, which is readily concentrated from the greensand ore.

- Sulphate of Potash
- A mixed potassium/magnesium sulphate
- Aluminium sulphate
- Iron oxide
- Superphosphate

Managing Director Patrick McManus said: “The ability to produce a range of by-products, in addition to the primary sulphate of potash, comes as a major breakthrough in the development of the Dandaragan project. With the development work complete, we are in a position to commence the scoping study which is the first stage of project feasibility. We anticipate completion of this stage by December 2012.

A JORC resource is expected to be announced by early October. The maiden resource will be sufficient to support our 10 year business model of displacing potash imports into WA. These inputs will allow a financial evaluation of the Dandaragan Trough project to be completed”.

“We also continue to evaluate additional market opportunities for this range of valuable products” Mr McManus said.

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***About Potash West***

*Potash West (ASX: PWN) is an exploration company focused on developing potassium-rich glauconite deposits in West Australia's Perth Basin. The Company aims to define a substantial resource base and investigate how best to recover potash from the mineral. 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 market at a time of heightened 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 2,905km<sup>2</sup>. Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 15km in width.*