

ASX Announcement



15 January 2014

COMPANY DETAILS

ABN: 62 147 346 334

PRINCIPAL AND REGISTERED OFFICE

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ASX CODE

PWN

CORPORATE INFORMATION

(15 January 2014)

94M Ordinary 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)

POTASH WEST TO RAISE \$0.9 MILLION IN EQUITY VIA A NON-RENONCEABLE ENTITLEMENT ISSUE

Key Details:

- **Fully underwritten Entitlement Offer to shareholders to raise approximately \$0.9 million**
- **Provides Potash West with funding to advance feasibility studies on the Company's Dandaragan Trough Project**
- **Bonus Offer of partly paid shares deemed to be paid up to \$0.001**

Potash West NL (ASX: PWN) ("**Potash West**" or "**The Company**") is pleased to announce today the launch of an equity raising of approximately \$0.9 million. The equity raising is being conducted by way of a fully underwritten non-renounceable, pro rata entitlement offer of shares to eligible shareholders at an issue price of \$0.05 each on the basis of 1 new share for every 5 shares held at 28 January 2014 (**First Record Date**), to raise approximately \$0.9 million (**Entitlement Offer**). Under the same prospectus, the Company is also undertaking a non-renounceable, pro rata bonus issue of partly paid shares to eligible shareholders at a total issue price of \$0.05 each on the basis of 1 new partly paid share for every 2 shares held at 24 March 2014 (**Second Record Date**) with each partly paid share deemed to be paid up to \$0.001 (**Bonus Offer**).

Overview of Entitlement Offer

The Entitlement Offer is a pro rata non-renounceable offer of shares to eligible shareholders at an issue price of \$0.05 each on the basis of 1 new share for every 5 shares held at the First Record Date. The Entitlement Offer is fully underwritten by Barclay Wells Limited.

Based on the current capital structure of the Company (and assuming no existing options are exercised prior to the First Record Date), the number of shares to be issued pursuant to the Entitlement Offer is 18,804,213. The Entitlement Offer will raise approximately \$940,210 before costs.

Use of Proceeds of Entitlement Offer

The purpose of the Entitlement Offer is to raise up to \$940,210 before expenses. The funds raised will be used to advance the feasibility studies on the Company's assets in the Dandaragan Trough and manage the patents for the K-Max process.

Overview of Bonus Offer

The Bonus Offer is a non-renounceable, pro rata bonus issue of partly paid shares to eligible shareholders at a total issue price of \$0.05 each on the basis of 1 new partly paid share for every 2 shares held at the Second Record Date. Each partly paid share will be **issued for nil cash consideration** and will be deemed to be paid up to \$0.001. There is no contractual obligation on holders to pay up the unpaid amount of the partly paid shares. The Company will not make any call in respect of the unpaid amount within the first 6 months of issue. After that date the Company will not call more than \$0.02 in any 6 month period.

IMPORTANT

The partly paid shares will be issued to eligible shareholders for **no cash consideration**. However, in order for shareholders to receive their entitlement (if any), they **must return an acceptance form** in accordance with the Company's Prospectus dated 15 January 2014. Shareholders who apply for shares under the Entitlement Offer are deemed to accept their entitlements (if any) under the Bonus Offer and are therefore not required to lodge a separate (additional) acceptance form for new partly paid shares. Shareholders who fail to return an acceptance form for partly paid shares by 25 March 2014 (or who do not apply for shares under the Entitlement Offer) will not receive their entitlement (if any) to free partly paid shares.

The Company will apply for quotation of the partly paid shares however quotation will be subject to ASX confirmation and the Company meeting the spread requirements of the ASX Listing Rules. Based on the capital structure of the Company (and assuming no existing options are exercised prior to the Second Record Date), the maximum number of partly paid shares to be issued pursuant to the Bonus Offer is 56,412,638.

No rights trading

Entitlements to securities pursuant to the Offers are non-renounceable and, accordingly, rights cannot be traded on the ASX.

Indicative Timetable

| Event | Date |
|---|------------------|
| Announcement of Offers, Appendix 3B lodged with ASX and Prospectus lodged with ASX and ASIC | 15 January 2014 |
| Entitlement Offer | |
| Notice sent to Optionholders | 15 January 2014 |
| Notice sent to Shareholders | 16 January 2014 |
| 'Ex' date | 21 January 2014 |
| First Record Date (5.00pm (WST)) | 28 January 2014 |
| Prospectus issued to Eligible Shareholders and announcement of issue of Prospectus | 31 January 2014 |
| Opening Date of Offers | 31 January 2014 |
| Entitlement Offer Closing Date (5.00pm (WST)) | 14 February 2014 |
| Deferred settlement trading commences | 17 February 2014 |
| ASX notified of under-subscriptions | 19 February 2014 |

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| Issue of New Shares and deferred settlement trading ends | 24 February 2014 |
| Commencement of trading of New Shares | 25 February 2014 |
| Bonus Offer | |
| ‘Ex’ date and deferred settlement trading commences | 18 March 2014 |
| Second Record Date (5.00pm (WST)) | 24 March 2014 |
| Bonus Offer Closing Date (5.00pm (WST)) | 25 March 2014 |
| Issue of New Partly Paid Shares and deferred settlement trading ends | 31 March 2014 |
| Commencement of trading of New Partly Paid Shares | 1 April 2014 |

The timetable is subject to change. Potash West reserves the right to vary the timetable for the Offers without notice, subject to the Corporations Act, ASX Listing Rules and other applicable laws. The commencement of quotation of new securities is subject to confirmation from the ASX.

The Company lodged a Prospectus for the Offers at the Australian Securities & Investment Commission on 15 January 2014. The Prospectus will be mailed to eligible shareholders on 31 January 2014. Each shareholder’s entitlement under the Entitlement Offer will be set out in the Entitlement Offer Application Form that will accompany the Prospectus.

Shareholders should consult their brokers or professional advisors in regards to the definition of ‘Ex’ date and record date to ensure that their entitlements to participate in the Offers are assured.

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