



ASX Announcement

30 April 2014

COMPANY DETAILS

ABN: 62 147 346 334

PRINCIPAL REGISTERED OFFICE

Potash West NL
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ASX CODE

PWN

OTC PINK CODE

PWNNY

CORPORATE INFORMATION

(30 April 2014)

113M Ordinary shares
36M Partly paid shares
5M 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

- **Phosphate Indicated Mineral Resource increased by 33% to 120Mt at 2.8% P₂O₅, 3.1% K₂O, and 8.2% CaO**
- **Completion of a fully underwritten, non-renounceable pro rata Entitlement Offer**
- **Appointment of Intuitive Pty Ltd as Corporate Advisor**

Dandaragan Trough Project

The significant phosphate potential contained within the Dandaragan Trough Project in Western Australia continued to be a major area of focus for Potash West NL (ASX: PWN) during the March 2014 quarter.

On February 12, 2014 the Company announced that a significant breakthrough implementing a selective flotation regime to recover phosphate from the chalk seam. Based on these results work progressed to revise the resource. This was a critical breakthrough which will reduce costs and increase mine life.

The successful flotation tests led to the 20 March, 2014 announcement in which the Company highlighted the outstanding growth potential at Potash West's Dandaragan Trough Project by reporting a revised Indicated Mineral Resource of 120Mt at 2.8% P₂O₅, 3.1% K₂O, and 8.2% CaO at a 2.15% P₂O₅ lower cut-off grade for the Dinner Hill Phosphate resource located within the world-class Dandaragan Trough project area.

Dandaragan Trough Project Background

Potash West has continued to consolidate its holdings associated with its flagship Dandaragan Trough project, since its listing in May 2011. It now holds exploration licenses and applications in the Dandaragan Trough, covering an area of 2,300km².

This project is focussed on exploiting the large greensands deposits present in the Dandaragan Trough, which commences 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 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 Project is:

- Completion of measured JORC resource by Dec. 2014
- Completion of a Feasibility Study by Dec 2015
- Completion of construction in Q4 2017
- Start-up of full scale production in Mid-2018.

Corporate

On February 19, 2014 the Company announced that the fully underwritten, non-renounceable pro rata Entitlement Offer of shares, made pursuant to a prospectus lodged on 15 January 2014, had closed.

The Company reported that a total of 18,804,213 shares were offered to eligible shareholders under the Entitlement offer, and acceptances and application for the additional new shares totalling 8,097,815 were received, leaving a shortfall of 10,706,398 shares. The Company announced on March 27, 2014 that the Offer was completed and subscriptions for the shortfall had been issued and allotted.

During the quarter the Company also appointed Intuitive Pty Ltd as Corporate Advisor to assist with the introduction of potential new investors and interested parties to Potash West.

The Company has continued to promote the values of the Dandaragan Trough Project through a number of road shows and participation in the prestigious Mines & Money Hong Kong event.

Potash West continues to investigate opportunities to market the company and to further expand its activities.

Announcements

The following ASX announcements were made during the quarter:

- Analyst Coverage: Arrowhead Report (7 January)
- Potash West to Raise \$0.9 Million in Equity via a Non-Renounceable Entitlement Issue (15 January)
- Appendix 3B (15 January)
- Letter to Option Holders, Non-Renounceable Entitlement Offer and Bonus Offer (15 January)
- Non-Renounceable Issue Prospectus (15 January)
- Letter to Shareholders, Non-Renounceable Entitlement Offer and Bonus Offer (16 January)
- Presentation (20 January)
- Amended Presentation (22 January)
- Quarterly Report, December 2013 (28 January)
- Quarterly Activities Report Clarification (28 January)
- Dispatch of Prospectus for Entitlement Offer and Bonus Offer (31 January)
- Letter to Shareholders and Presentation, Non-Renounceable Entitlement Offer and Bonus Offer (4 February)
- Potash West Appoint Advisor (6 February)
- Appendix 3B (6 February)
- Clarification Regarding Partly Paid Shares (11 February)
- Testwork Confirms Gingin Chalk can be Treated to Extract Phosphate (12 February)
- Closure of Non-Renounceable Entitlement Offer (19 February)
- Change of Director's Interest Notice (20 February)
- Half-Year Financial Report, 31 December 2013 (12 March)
- Completion of Non-Renounceable Entitlement Offer (17 March)

- Potash West Achieves Significant Upgrade to Dinner Hill Phosphate Resource (20 March)
- Potash West Phosphate Resource Update (21 March)
- Breakaway Research Report (21 March)
- Completion of Non-Renounceable Entitlement Offer (27 March)
- Q&A Investor Video Update (27 March)
- Change of Director’s Interest Notice (31 March)

The following announcements were made subsequent to 31 March, 2014:

- Notice Under Section 708A (10 April)
- Improvements to Phosphate Study Economics (15 April)

Cash on Hand

At 31 March 2014, \$0.7million cash was available.

Tenement Summary

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

Country	Tenement	Interest held at 31 December 2013	Interest acquired / disposed of during quarter	Interest Held at 31 March 2014
WA	E70/3100	100% ⁽¹⁾	N/A	100% ⁽¹⁾
WA	E70/3360	100% ⁽¹⁾	N/A	100% ⁽¹⁾
WA	E70/3418	100% ⁽¹⁾	N/A	100% ⁽¹⁾
WA	E70/3987	100% ⁽¹⁾	N/A	100% ⁽¹⁾
WA	E70/3988	100% ⁽¹⁾	N/A	100% ⁽¹⁾
WA	E70/3989	100% ⁽¹⁾	N/A	100% ⁽¹⁾
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	PENDING	N/A	PENDING

(1) Denotes Beneficial holding of the Mineral Rights to Glaucinite & Phosphate, and any byproducts resulting from their processing

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 2,300km². 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% K₂O, including 120Mt at 4.6% K₂O amenable to processing by the K-Max process and 120Mt at 2.8% P₂O₅ of phosphate mineralisation.

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")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 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	(140)	(565)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	8
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (Government grant and R&D refund)	-	558
Net Operating Cash Flows	(670)	(1,379)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(100)	(100)
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)		
Net investing cash flows	(100)	(100)
1.13 Total operating and investing cash flows (carried forward)	(770)	(1,479)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(770)	(1,479)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	941	1,141
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)	(84)	(105)
	Net financing cash flows	857	1,036
	Net increase (decrease) in cash held	87	(443)
1.20	Cash at beginning of quarter/year to date	627	1,157
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	714	714

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	139
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

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+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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	200
4.2 Development	
4.3 Production	
4.4 Administration	300
Total	500

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	714	627
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	714	627

+ See chapter 19 for defined terms.

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	nil	nil	nil
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E70/4471 Tenement Granted 6/02/2014	0%	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	Preference securities			
7.2	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	112,845,277 35,960,024	112,845,277 35,960,024	\$0.001 \$0.049
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	18,824,213 35,960,024	11,824,213 35,960,024	\$0.05 \$0.001 \$0.05 \$0.049
7.5	+Convertible debt securities			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

Appendix 5B

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	Options (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
		500,000	-	\$0.300	8 September 2014
		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	500,000	-	\$0.150	7 February 2017
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (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 /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: ..30 April 2014.....
(Director/Company secretary)

Print name: Patrick McManus

+ See chapter 19 for defined terms.

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 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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