
POTASH WEST NL

ABN 62 147 346 334

NOTICE OF GENERAL MEETING

TIME: 9:00am WST

DATE: Friday, 12 September 2014

PLACE: Potash West NL
Suite 3
23 Belgravia Street
Belmont WA 6104

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9479 5386.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Potash West NL which this Notice of General Meeting relates to will be held at **9:00am WST on Friday, 12 September 2014** at the offices of Potash West NL: **Suite 3, 23 Belgravia Street, Belmont WA 6104.**

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and

- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the question that the resolution be passed; and
- either of the following applies:
 - if a record of attendance is made for the meeting - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Potash West NL will be held at **9:00am WST on Friday, 12 September 2014** at the offices of Potash West NL: **Suite 3, 23 Belgravia Street, Belmont WA 6104.**

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5:00pm WST on Wednesday, 10 September 2014.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – PLACEMENT OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue and allot shares up to that number of Shares, when multiplied by the issue price, to a value of \$2,000,000 at a price that is at least 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made; and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 1 is passed and any associate of those persons. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 2,000,000 Shares and 1,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 500,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 500,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 12,803,802 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 10,804,055 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 12 AUGUST 2014

BY ORDER OF THE BOARD



**ELIZABETH HUNT
COMPANY SECRETARY
POTASH WEST NL**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting of the Company to be held at **9:00am WST on Friday, 12 September 2014** at the offices of Potash West NL: **Suite 3, 23 Belgravia Street, Belmont WA 6104**.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

1. RESOLUTION 1 – PLACEMENT OF SHARES

Resolution 1 seeks shareholder approval for the issue and allotment of up to that number of Shares that, when multiplied by the issue price, will raise up to \$2M on the terms set out below ('Placement').

The effect of Resolution 1 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

1.1 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1 to allow Shareholders to assess the proposed Placement for the future issue of Shares which, when multiplied by the issue price equals \$2,000,000;

- (a) the Shares the subject of Resolution 1 will be issued and allotted no later than three (3) months after the date of this Meeting or such later date as approved by ASX;
- (b) the issue price of the Shares proposed to be allotted and issued will be at a price that is at least 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made;
- (c) the allottees in respect of Resolution 1 are not, as yet, identifiable, but will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue. The allottees will not be related parties of the Company;
- (d) the Shares to be issued will rank pari-passu on allotment and issue with the existing fully paid ordinary Shares of the Company;
- (e) the Shares to be issued will be allotted progressively as allottees are identified, however no Shares will be issued or allotted after the date which is three (3) months after the date of the Meeting.
- (f) the Company intends to use the funds raised by the issue of Shares the subject of Resolution 1, for general working capital purposes, current and potential projects, business development purposes, acquisition of new projects and consultancy fees.

1.2 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 1. The Board recommends Shareholders vote in favour of Resolution 1 as it will enable the Company to fund its ongoing commitments.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 2,000,000 Shares and 1,000,000 Options on the terms set out below ('Ratification').

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.1 ASX Listing Rule 7.4

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Approval is sought under Resolution 2 to allow the Company to ratify the issue and allotment of the 2,000,000 Shares and 1,000,000 Options issued not previously approved by Shareholders pursuant to ASX Listing Rule 7.4. The reason for an approval under ASX Listing Rule 7.4 is to reinstate the Company's capacity to issue up to 15% of its issued Shares without the approval of its Shareholders in any 12 month period.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue, the subject of Resolution 2 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company was 2,000,000 Shares and 1,000,000 Options;
- (b) those Shares were issued and allotted on 12 November 2013;
- (c) the Shares were issued at a price of \$0.10 and the Options were granted as free attaching Options;
- (d) the issued Shares are fully paid ordinary shares and rank equally with the existing Shares on issue. The attaching Options issued are an unlisted class of securities and the terms and conditions of the attaching Options are set out in Annexure 'A';
- (e) the allottees of the Shares and Options were private investors which are not related parties of the Company;

- (f) \$200,000 was raised via the issue of the Shares; and
- (g) funds raised from this issue were used for general working capital purposes of the Company.

2.2 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 2. The Board believes that the ratification of the Share issue the subject of Resolution 2 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 2 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of issue of 500,000 Shares on the terms set out below ('Ratification').

These Shares were issued at a deemed price of \$0.05 per Share in lieu of cash payments for investor relations services provided by General Research GmbH.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.1 ASX Listing Rule 7.4

ASX Listing Rule 7.4 is summarised in section 2.1.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue, the subject of Resolution 3 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company was 500,000;
- (b) those Shares were issued and allotted on 8 April 2014 (250,000 Shares) and 20 June 2014 (250,000 Shares);
- (c) the Shares were issued at a deemed price of \$0.05 each;
- (d) the issued Shares are fully paid ordinary shares and rank equally with the existing Shares on issue;
- (e) the allottee of the Shares was General Research GmbH which is not a related party of the Company; and
- (f) no cash was raised via the issue of the Shares as they were issued in lieu of cash payment for services rendered in order to preserve the Company's cash reserves.

3.2 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 3. The Board believes that the ratification of the Share issue the subject of Resolution 3 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 3 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of issue of 500,000 Options on the terms set out below ('Ratification').

The Options were issued to Intuitive Pty Ltd in lieu of cash payments for investor relations services provided.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.1 ASX Listing Rule 7.4

ASX Listing Rule 7.4 is summarised in section 2.1.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the option issue, the subject of Resolution 4 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company was 500,000 Options;
- (b) those Options were issued and allotted on 6 February 2014;
- (c) the Options were issued at a deemed price of \$Nil each;
- (d) The Options issued are an unlisted class of securities and the terms and conditions of the attaching Options are set out in Annexure 'B';
- (e) the allottee of the Options was Intuitive Pty Ltd who is not a related party of the Company; and
- (f) no cash was raised via the issue of the Options as they were issued in lieu of cash payment for services rendered in order to preserve the Company's cash reserves and in accordance with a services agreement.

4.2 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 4. The Board believes that the ratification of the Share issue the subject of Resolution 4 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 4 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of issue of 12,803,802 Shares on the terms set out below ('Ratification').

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.1 ASX Listing Rule 7.4

ASX Listing Rule 7.4 is summarised in section 2.1.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue, the subject of Resolution 5 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company was 12,803,802;
- (b) those Shares were issued and allotted on 11 July 2014;
- (c) the Shares were issued at a deemed price of \$0.035 each;
- (d) the issued Shares are fully paid ordinary shares and rank equally with the existing Shares on issue;
- (e) the allottees of the Shares were clients of Helmsec Global Capital Limited and other private investors none of which are related parties of the Company;
- (f) \$448,133 was raised via the issue of these Shares; and
- (g) the funds raised from this issue will be used for ongoing project development activities at the Company's Dandaragan Trough projects.

5.2 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 5. The Board believes that the ratification of the Share issue the subject of Resolution 5 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 5 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of issue of 10,804,055 Shares on the terms set out below ('Ratification').

ASX Listing Rule 7.1B an eligible entity may seek the approval of holders of Shares at the annual general meeting to have the additional capacity to issue equity securities under LR7.1A.

This approval was obtained by the Company on 25 November 2013 and is valid for 12 months after the date of the annual general meeting (subject to any other ASX Listing Rule requirements).

By ratifying this issue, the Company will retain the flexibility to issue equity securities up to the 10% placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval, for the 12 month period referred to above.

6.1 ASX Listing Rule 7.4

ASX Listing Rule 7.4 is summarised in section 2.1.

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue, the subject of Resolution 6 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company was 10,804,055;

- (b) those Shares were issued and allotted on 11 July 2014 (1,374,769 Shares) and 25 July 2014 (9,429,286 Shares);
- (c) the Shares were issued at a deemed price of \$0.035 each;
- (d) the issued Shares are fully paid ordinary shares and rank equally with the existing Shares on issue;
- (e) the allottees of the Shares were Helmsec Global Capital Limited and other private investors none of which are related parties of the Company;
- (f) \$378,142 was raised via the issue of these Shares; and
- (g) the funds raised from this issue will be used for ongoing project development activities at the Company's Dandaragan Trough projects.

6.2 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 6. The Board believes that the ratification of the Share issue the subject of Resolution 6 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 6 as it provides the Company with the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months without shareholder approval.

ANNEXURE A – TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options are set out below.

(a) **Exercise price**

The exercise price of each Option is \$0.13 per Share to be issued.

(b) **Entitlement**

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

(c) **Option period**

The Options will expire at 5.00pm (WST) on 25 October 2015 (**Expiry Date**). Subject to clause (g), Options may be exercised at any time prior to the Expiry Date and any not exercised shall automatically expire on the Expiry Date.

(d) **Ranking of Shares allotted on exercise**

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of allotment.

(e) **Voting**

A registered holder of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a Shareholder.

(f) **Transfer**

Options are transferable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX.

(g) **Method of exercise**

- (i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Exercise Notice**). Options may be exercised by the Option Holder completing the Exercise Notice and forwarding the same to the Company Secretary to be received prior to the Expiry Date. The Exercise Notice must state the number of Options being exercised and the consequent number of Shares to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by a Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.
- (ii) The Exercise Notice of Options by an Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of \$0.13 per Share.
- (iii) Subject to paragraph (g)(i) above, the exercise of less than all of a Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.

- (iv) Within 14 days from the date the Option Holder properly exercises Options, the Company shall issue and allot to the Option Holder that number of Shares so subscribed for by the Option Holder.
- (v) The Company will within 3 Business Days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules.
- (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

(h) **ASX listing**

Application for quotation of the Options on the ASX will not be made.

(i) **Reconstruction**

In the event of a reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

(j) **Participation in new Share issues**

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the Expiry Date unless and until the Options are exercised. The Company will ensure that the record date for the purposes of determining entitlements to any new issue will be at least seven (7) Business Days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

(k) **No change of exercise price or number of underlying Shares**

There are no rights to change the exercise price of the Options or the number of underlying Shares.

ANNEXURE B – TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options are set out below.

(a) **Exercise price**

The exercise price of each Option is \$0.15 per Share to be issued.

(b) **Entitlement**

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

(c) **Option period**

The Options will expire at 5.00pm (WST) on 7 February 2017 (**Expiry Date**). Subject to clause (g), Options may be exercised at any time prior to the Expiry Date and any not exercised shall automatically expire on the Expiry Date.

(d) **Ranking of Shares allotted on exercise**

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of allotment.

(e) **Voting**

A registered holder of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a Shareholder.

(f) **Transfer**

Options are transferable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX.

(g) **Method of exercise**

(i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Exercise Notice**). Options may be exercised by the Option Holder completing the Exercise Notice and forwarding the same to the Company Secretary to be received prior to the Expiry Date. The Exercise Notice must state the number of Options being exercised and the consequent number of Shares to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.

(ii) The Exercise Notice of Options by an Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of \$0.15 per Share.

(iii) Subject to paragraph (g)(i) above, the exercise of less than all of a Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.

- (iv) Within 14 days from the date the Option Holder properly exercises Options, the Company shall issue and allot to the Option Holder that number of Shares so subscribed for by the Option Holder.
- (v) The Company will within 3 Business Days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules.
- (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

(h) **ASX listing**

Application for quotation of the Options on the ASX will not be made.

(i) **Reconstruction**

In the event of a reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

(j) **Participation in new Share issues**

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the Expiry Date unless and until the Options are exercised. The Company will ensure that the record date for the purposes of determining entitlements to any new issue will be at least seven (7) Business Days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

(k) **No change of exercise price or number of underlying Shares**

There are no rights to change the exercise price of the Options or the number of underlying Shares.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning:

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 724 791).

ASX Listing Rules or **Listing Rules** means the official Listing Rules of ASX.

Board means the board of directors of the Company.

Company means Potash West NL (ABN 62 147 346 334).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director mean a director of the Company.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Statement means the explanatory statement to this Notice.

Meeting means the meeting convened by the Notice.

Notice means the notice of meeting accompanying this Explanatory Statement.

Option means an option to acquire a Share.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

VWAP means the volume weighted average price of the Shares.

WST means Western Standard Time, being the time in Perth, Western Australia.

POTASH WEST NL
ABN 62 147 346 334
Proxy Form

APPOINTMENT OF PROXY
POTASH WEST NL
ABN 62 147 346 334

GENERAL MEETING

I/We

of

Appoint being a member of Potash West NL entitled to attend and vote at the General Meeting, hereby

Name of proxy

OR the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at **9:00am WST on Friday, 12 September 2014** at the offices of Potash West NL: **Suite 3, 23 Belgravia Street, Belmont WA 6104**, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Ratification of Prior Issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s): _____ **Date:** _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

E-mail Address: _____ **Consent for contact by e-mail** YES NO

POTASH WEST NL
ABN 62 147 346 334
Proxy Form Instructions

1. A shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of section 127 of the Corporations Act. section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - Directors of the company;
 - a Director and a company secretary of the company; or
 - for a proprietary company that has a sole Director who is also the sole company secretary – that Director.

For the Company to rely on the assumptions set out in section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed and either:
 - (a) send the proxy form by post to Potash West NL, PO Box 588, Belmont, Western Australia 6984; or
 - (b) send the proxy form by facsimile to the Company on facsimile number (08) 9475 0847,

so that it is received not later than 9.00am WST on Wednesday, 10 September 2014.

Proxy forms received later than this time will be invalid.