



ASX Announcement

20 August 2014

COMPANY DETAILS

ABN: 62 147 346 334

PRINCIPAL REGISTERED OFFICE

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ASX CODE

PWN

OTC PINK CODE

PWNNY

CORPORATE INFORMATION

(20 August 2014)

138M 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)

POTASH WEST ACQUIRES ADDITIONAL PROSPECTIVE GROUND WITHIN THE DANDARAGAN TROUGH PROJECT

HIGHLIGHTS

- 300km² of additional ground added to the 2,600km² Dandaragan Trough Project
- 15km south of the Dinner Hill deposit in a favourable geological setting
- Technical database will aid ongoing exploration

Background

Potash West NL ("Potash West" or "the Company") is pleased to announce that it has added some 300 km² of prospective ground to its dominant landholding comprising the Dandaragan Trough project, Figure 1. This project is focused 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 new tenement was formerly held as E70/3741 by Dempsey Minerals Ltd ("Dempsey"). Potash West has agreed to purchase the technical data generated by Dempsey for 200,000 fully paid ordinary shares and a 0.4% Net Smelter Royalty.

The new application ELA70/4609 overlies the Dandaragan Scarp, on the western edge of the Dandaragan Trough, in a similar geological setting to the Company's potash and phosphate resources at Dinner Hill. Current JORC compliant Indicated Mineral Resources at Dinner Hill 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.

Managing Director Patrick McManus said: "This acquisition consolidates our tenement holding over one of the most prospective areas of the Dandaragan Trough and provides an opportunity to add to our already extensive resource base, very close to Dinner Hill".

Background

The first drill program focused on evaluating the phosphate potential of the area was carried out by Australian Fertilizers Limited in the 1980's, Figure 2. This drilling in the southeast of ELA70/4609 confirmed the presence of nodular phosphate within the greensand units. Potash was not assayed due to the lack of processing routes then available to extract potash fertiliser products from the glauconite with the greensands.

Dempsey drilled ten aircore drill holes for 758m in November 2011. The results of this drilling were announced by Dempsey in their quarterly activities report for the period ended 31st December 2011 (ASX: DMI, Dec 2011 Quarterly Activities Report, 31 Dec 2012). Given that drilling was not targeted but designed to achieve maximum coverage over the tenement area both the potash grades and the thickness of the intersections were highly significant. Potash West has yet to review the assumptions behind the results. It is known that, within the lithologies of the Dandaragan Trough potassium, can be derived from minerals other than glauconite, mainly potassium rich feldspar in arkosic sandstones.

However the drilling did confirm the presence of the favourable host lithologies, the Poison Hill and Molecap Greensand units over large areas of the tenement. It is these greensand units that are the host to the Company's Dinner Hill deposit some 15km to the north. Importantly the new ground overlies a portion of the Dandaragan Scarp in a similar geological setting to Dinner Hill where fresh greensand units are exposed at shallow depths close to the scarp.

Next Steps

Potash West will continue to analyse the drill data generated by Dempsey and will plan drilling to target greensand units that have the potential to add to the potash and phosphate inventories already defined at Dinner Hill.

For further information contact:

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Competent Person's Statement:

The information in this announcement that relate to Mineral Resources is based on, and fairly represents, the Mineral Resource and information and supporting documentation extracted from the reports which were prepared by a Competent Person in compliance with the JORC Code (2012) and released to ASX by the Company on 11 October 2012 and 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 announcements. All material assumptions and technical parameters underpinning the Mineral Resource estimate in those previous ASX releases continue to apply and have not materially changed.

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 and phosphate markets at a time of heightened regional demand. The company has recently taken an interest in a Joint Venture applying for exploration licences in a prospective location in Germany

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 2,600km². 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 2.85% P₂O₅ of phosphate mineralisation.

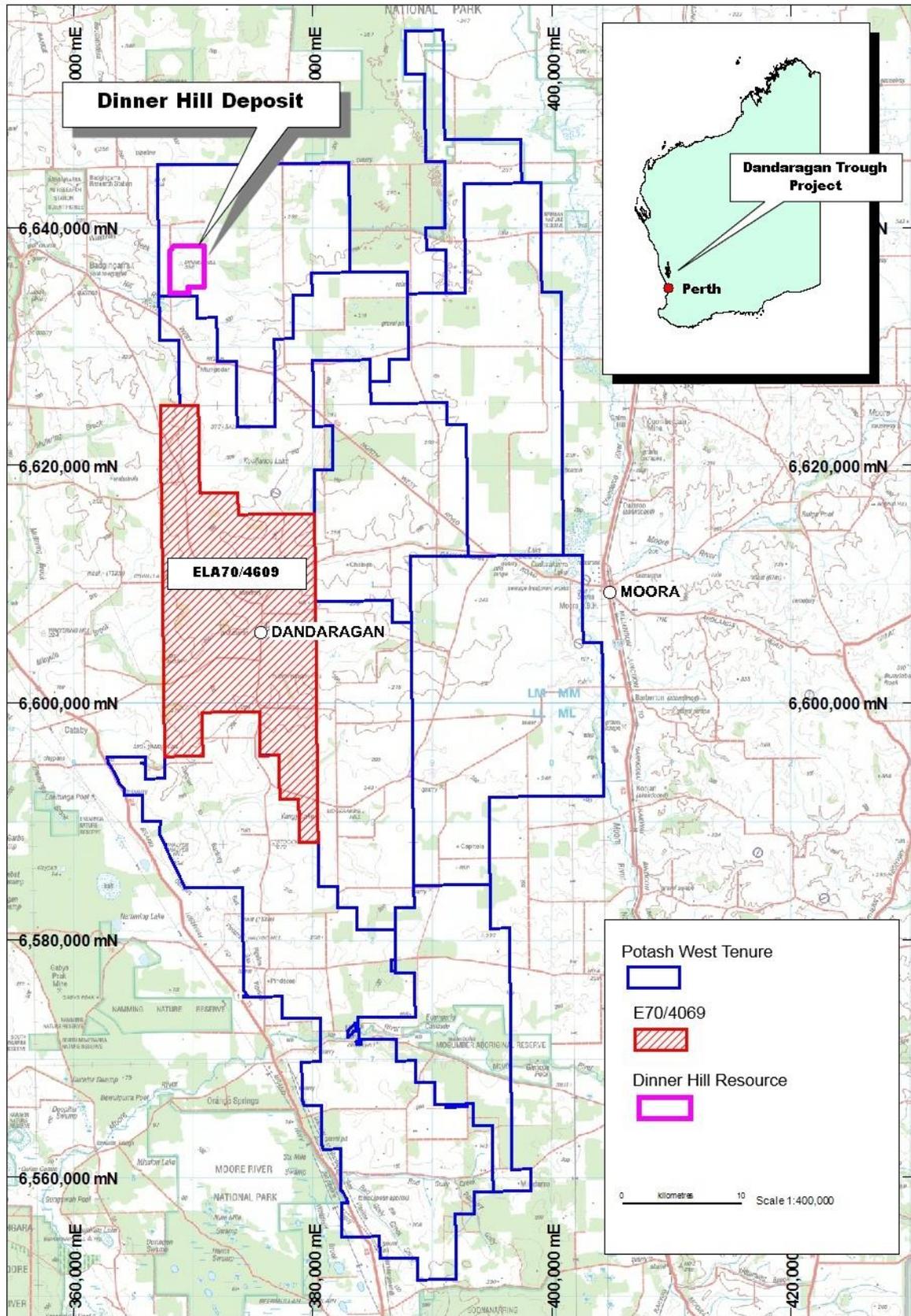


Figure 1: Location plan

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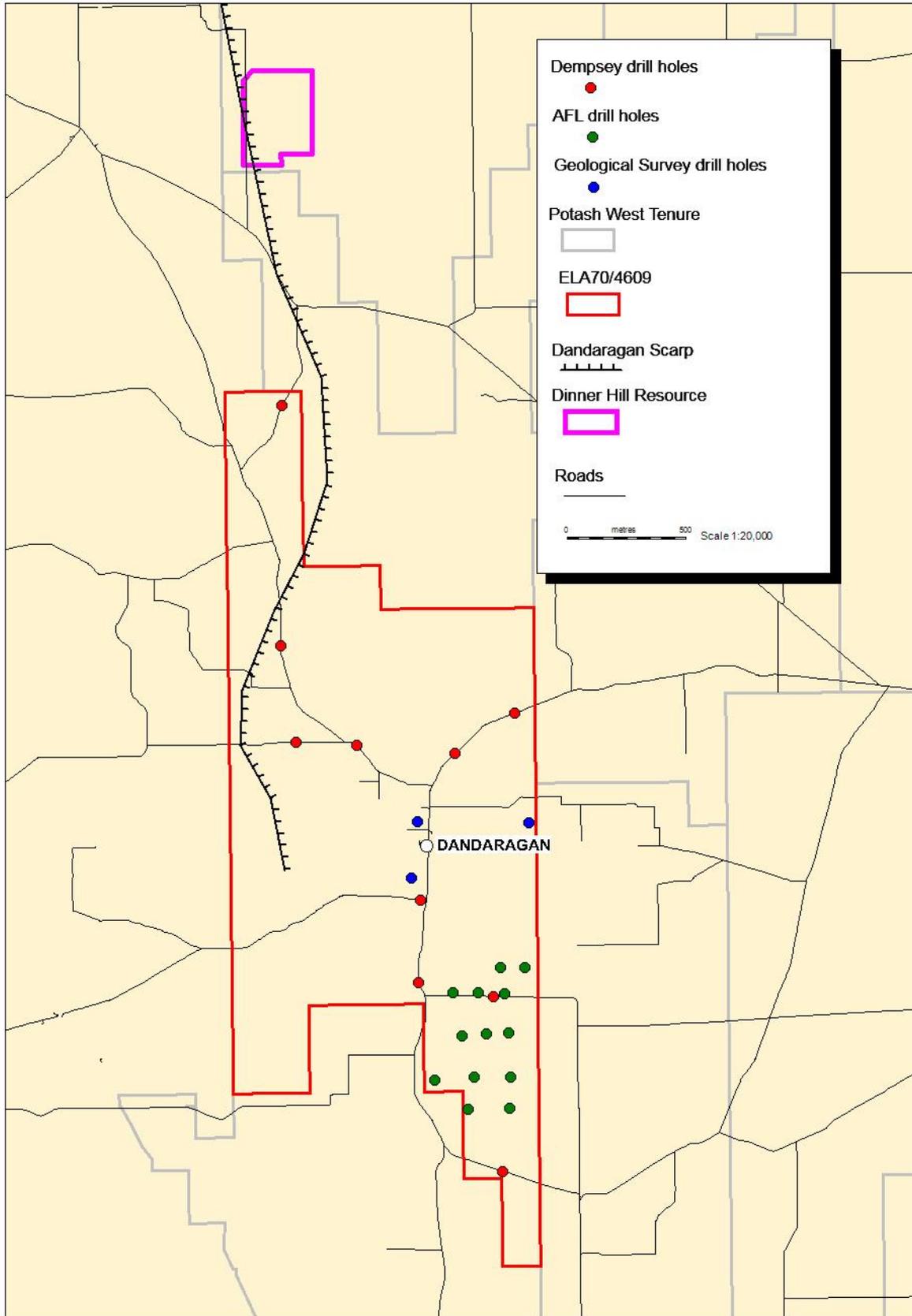


Figure 2: Historical exploration