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MEDIA RELEASE

Beneficiation Testwork confirms low-cost K₂O upgrading of 120%

Highlights

- Target feed grades achieved for potash production
- Low cost sizing and magnetic separation removes waste minerals.
- Company on target to define a flowsheet by mid-year 2012.
- Scoping study to commence in the second half of 2012.

Potash West NL (ASX: **PWN**) (“**Potash West**” or “**the Company**”) is pleased to report that it continues to make important breakthroughs in the critical area of identifying a commercial process to produce Potash from its world scale greensands resources in Western Australia.

Target process feed grades have been achieved from a bulk sample of the Poison Hill Greensand sequence. A screening and magnetic separation process has been applied, which shows that quartz, feldspars and chalk can be removed by sizing and magnetic separation leaving a clean glauconite concentrate (the feed material for potash production), with a grade of over 6% K₂O.

Sizing of the samples, rejecting the +2mm and the -53 um produced the following results:

	Wt%	%K ₂ O	K ₂ O distribution
Feed	100	2.8	100
+2mm	3.0	2.0	2.1
-2mm, +53um	65.7	3.4	80.1
-53um	31.3	1.6	17.8

Magnetic separation of the glauconite rich intermediate fraction gave the following results:

	Wt%	%K ₂ O	K ₂ O distribution
Feed	100	3.5	100
Magnetics	52.0	6.2	93.0
Non-Magnetics	48.0	0.5	7.0

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Potash West MD, PM, said “These results show that we can cost-effectively upgrade the feed to the processing plant to a grade of approximately 6% K₂O, over twice the grade of the mined material. This will substantially reduce treatment costs by removing gangue minerals, some of which would be acid consuming. We are on track to finalise a flowsheet by mid 2012, allowing commencement of a scoping study. The extensive greensand deposits within the Dandaragan Trough have the potential to reduce Australia’s reliance on potash imports, which will lower costs for an essential ingredient of modern farming.”

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Competent Person’s Statement:

The metallurgical information in this report is based on information compiled by Gary Johnson, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Johnson has sufficient experience relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Johnson is a consultant to the mining industry. This report is issued with Mr Johnson’s consent as to the form and context in which the results appear.

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 2,905km². Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 15km in width. Work to date has confirmed the greensands can be beneficiated to extract glauconite and commercial grades of potash produced.

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