



ASX Announcement

25 August 2016

COMPANY DETAILS

ABN: 62 147 346 334

PRINCIPAL AND REGISTERED OFFICE

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ASX CODE

PWN

FRANKFURT CODE

A1JH27

OTC PINK CODE

PWNNY

CORPORATE INFORMATION

(25 August 2016)
329M Ordinary shares
36M Partly paid shares
18M Listed Options
3M Unlisted options

BOARD OF DIRECTORS

Adrian Griffin
(Non-Executive Chairman)
Patrick McManus
(Managing Director)
Chew Wai Chuen
(Non-Executive Director)
Natalia Streltsova
(Non-Executive Director)

POTASH WEST - UPDATE TO SHAREHOLDERS

HIGHLIGHTS:

- Successful capital raisings to inject in excess of \$3m into Potash West.
- Dinner Hill prefeasibility study to accelerate. Anticipated completion mid 2017.
- Global Business advisory firm FTI Consulting has commenced marketing the Dinner Hill project.
- Davenport Resources IPO and listing on ASX, expected before December 2016, PWN shareholders to have priority entitlement at IPO.
- PWN now has a substantial shareholding (96.98m shares, 5.54%) in Platypus Minerals.

As a result of recent and ongoing successful capital raising initiatives, fertiliser developer, Potash West NL (ASX:PWN) (the **Company**) is pleased to provide shareholders with an update on how those proceeds will be used to advance the current projects.

In all, over \$3 million will be available to Potash West by September, through the total proceeds of an oversubscribed placement to sophisticated investors, a placement subject to shareholder approval and the recent Share Purchase Plan which raised \$1.1 million.

The key outcome of this strong investor support has been the decision by your Board and management to accelerate work on our key pre-feasibility study (PFS) into the flagship Dinner Hill phosphate project northeast of Perth in Western Australia. Details are as follows:

CAPITAL RAISING

The Company carried out a capital raising, via a placement to sophisticated investors, which was completed on 18 July, raising \$1.7 million, before costs. The Offer was oversubscribed. An EGM to be held in Perth on 29th August 2016 will seek shareholder approval to ratify the placement shares and approve the issue of a further 30 million shares, on the same terms as the raising – A\$0.03 cents per share. Potash West has also just completed a Share Purchase Plan on the same terms (SPP) which has raised \$1.1 million. These combined funds will allow the Company to complete a number of key initiatives, as detailed below.

DINNER HILL FERTILISER PROJECT (WA)

The fund raising completed this month will allow the completion of key elements of the phosphate feasibility study for Dinner Hill, located within the Dandaragan Trough, close to Perth in Western Australia. Dinner Hill contains both phosphate and potash, providing a unique, long-life fertiliser project, close to areas that forecast strong demand growth.

Work will focus on metallurgical testwork leading to the finalisation of the phosphate process design, and mine planning based on the geo-metallurgical parameters identified in our most recent drilling and testwork programmes. PWN currently anticipates completing these activities over the next 9 months.

Global Corporate advisory firm, FTI Consulting have completed their due diligence process on the development plans for Dinner Hill and has now moved to the marketing phase, with the intention of finding a Joint Venture partner to accelerate the development of the project. Investment at the project level should achieve our objective of advancing the Dinner Hill project, whilst reducing shareholder dilution that could result from equity funding.

ISSUE OF BONUS NON-CONTRIBUTING SHARES

Your management anticipates completion of the recently announced (3 August 2016) 1-for-4 bonus issue of partly paid shares at an issue price of A\$0.05 cents per share, by October this year. The full details of the Bonus Issue will be contained in a prospectus to be lodged with the Australian Securities and Investments Commission and the ASX, by October. The bonus issue, which does not require a cash commitment, will only be available to those PWN shareholders registered on the record date to be outlined in the prospectus.

As a No Liability Company, Potash West has the ability to issue partly paid shares, providing shareholders with a valuable bonus and giving the Company a low cost alternate source of funding in the future. The partly paid shares will have the same terms as the currently listed partly paid shares, **PWNCA**, and will be listed on the ASX.

DAVENPORT IPO AND ASX LISTING

As has been previously announced, East Exploration Pty Ltd, 55% owned by PWN, is being sold to Davenport Resources (DAV) which plans a minimum capital raising of \$5 million and a listing on the ASX within this calendar year. East Exploration is focused on potash exploration projects in central Germany, a long-term and current producing region. Potash West will own 19.2m shares of Davenport, 26.1% of the company at the minimum raising. Potash West shareholders will have a priority entitlement to DAV shares at the IPO.

PLATYPUS MINERALS INVESTMENT

Platypus Minerals (ASX:PLP) is focused on lithium exploration and the development of the L-Max technology that could offer a lower cost source of lithium minerals, suitable for the lithium-ion battery market. Following PLP's capital raising in June 2016, Potash West has emerged with a current 96.98 million shares or 5.54% stake in Platypus Minerals which is now progressing with exploration of its projects, including the imminent drilling of the Lemare pegmatite in Quebec.

For further details please 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 phosphate, 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 2,600km². 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 250Mt at 2.9% P₂O₅ of phosphate mineralisation and 175Mt at 4.2% K₂O, amenable to processing by the K-Max process (ASX release:3 June 2015). A pre-feasibility study is in progress for stage 1, production of phosphate fertilisers.

The Company has 55% of a potash exploration project in the South Harz region of Thuringia, in Central Germany. The region has been a potash producing area for over 100 years.