



ASX Announcement

6 February 2017

COMPANY DETAILS

ABN: 62 147 346 334

PRINCIPAL AND REGISTERED OFFICE

Parkway Minerals NL
Level 1, 675 Murray St.
West Perth WA 6005

POSTAL ADDRESS

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West Perth WA 6872

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ASX CODE

PWN

FRANKFURT CODE

A1JH27

OTC PINK CODE

PWNNY

CORPORATE INFORMATION

6 February 2017

350M Ordinary shares
123M Partly paid shares
18M Listed Options
6M 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)

PARKWAY MINERALS ENTERS AGREEMENT WITH LITHIUM AUSTRALIA REGARDING PARKWAY SHAREHOLDING IN LEPIDICO LTD

Parkway Minerals (**PWN** or the **Company**) announces that it has reached an agreement with Lithium Australia NL (**LIT**) regarding 97 million Lepidico (**LPD**) shares owned by the Company.

LIT has announced a takeover offer for all of the shares of LPD (refer ASX announcement by **LIT**, 6 Feb 2017). The Company has agreed to sell its 97 m LPD shares, subject to various conditions, common for this form of transaction, as shown in the attached agreement.

For further information contact:

Parkway Minerals NL:

Patrick McManus

Managing Director

Tel: +61 (0)8 9479 5386

Email: info@parkwayminerals.com.au

Web: www.parkwayminerals.com.au

ATTACHMENT : Agreement between Parkway Minerals and Lithium Australia

About Parkway Minerals

Parkway Minerals (ASX:PWN) is an exploration company focused on developing large greensand deposits in Western Australia's Perth Basin. The Company has defined a substantial resource base and is investigating 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 2,000km². 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 owns 26% of , Davenport Resources (ASX:DAV) which owns 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.

3 February 2017 9am

Parkway Minerals NL
PO Box 1088
West Perth WA 6008

Attention: Mr Patrick McManus

Dear Sir

LEPIDICO LIMITED

Lithium Australia NL (LIT) believes a strong business rationale exists to combine the businesses of LIT and Lepidico Limited (LPD). LIT has sought engagement with LPD to pursue a merger by scheme of arrangement. Failing that, LIT is considering making an off-market takeover offer for LPD.

LIT understands that Parkway Minerals (PWN) is the holder of a parcel of 96,977,330 shares in Lepidico. (PWN Shares).

LIT is interested in entering into a pre-bid agreement with PWN, whereby PWN will by executing this document in the space provided below, agree to accept LIT's off-market takeover offer for LPD on the following basis:

- a. The Offer price will be no less than 1 LIT fully paid ordinary share for each 13.25 LPD fully paid ordinary shares.
- b. The Offer will include conditions to be set out in the Bidders Statement which will include:
 - i. no 'prescribed occurrences' occurring in relation to LPD;
 - ii. no material adverse change occurring in relation to LPD;
 - iii. LIT's share price on ASX not falling by 20% or greater after the date of the Offer; and
 - iv. LPD's share price on ASX not falling by 40% or greater after the date of the Offer.
- c. PWN will deliver a signed acceptance form (as set out in the Bidders Statement) in respect of the PWN Shares, to LIT within 10 days after the date of the Offer.
- d. PWN shall be entitled not to accept the Offer and may elect to terminate this agreement by written notice to LIT if no later than 10 days after the date of the Offer another party makes an unconditional offer to acquire at least 50.1% of the ordinary fully paid shares in LPD which offer values LPD shares at a premium of not less than 11% of the Offer price based on the LIT 10 day volume weighted average price for shares traded on ASX prior to the date the superior offer is made (and if that offer includes scrip consideration based on the value of that scrip over the same period).
- e. PWN agrees to a holding lock being applied to the PWN Shares until the earlier to occur of:
 - i. completion of the Offer; or
 - ii 3 April 2017 if the Offer is not made on or before that date; or
 - iii termination of this agreement by the parties, or by PWN under d or f.

LIT will use its best endeavours to complete the Bidder's Statement as soon as possible.

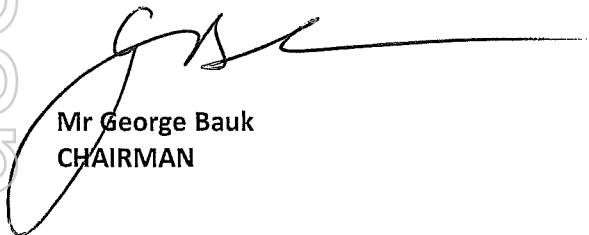
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- f. If, but for this agreement, PWN would be entitled to withdraw its acceptance under s650E of the Corporations Act 2001 (Cth), then PWN may withdraw its acceptance of the Offer and elect to terminate this agreement by written notice to LIT.

If PWN agrees to accept LIT's offer on the terms outlined above in consideration of LIT agreeing to make the takeover bid on or before 3 April 2017 please countersign this letter where indicated and return it to me no later than 2pm Perth Australia time, 3 February 2017. A request of a holding lock to be applied to the PWN Shares will then be made.


If you require any further information, please call me.

Yours faithfully,
LITHIUM AUSTRALIA NL



Mr George Bauk
CHAIRMAN

I, Mr Patrick McManus, Director of Parkway Minerals NL, accept the offer based on the terms and conditions as listed above.



Mr Patrick McManus,
Parkway Minerals NL

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