



# ASX Announcement

26 April 2013

## COMPANY DETAILS

**ABN:** 62 147 346 334

## **PRINCIPAL AND REGISTERED OFFICE**

Potash West NL  
Suite 3  
23 Belgravia Street  
Belmont WA 6104

## **POSTAL ADDRESS**

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## **ASX CODE**

PWN

## **OTC-QX CODE**

PWNNY

## **CORPORATE INFORMATION**

(26 April 2013)

92M Ordinary shares  
11M Unlisted Options

## **BOARD OF DIRECTORS**

**Adrian Griffin**  
(Non-Executive Chairman)  
**Patrick McManus**  
(Managing Director)  
**George Sakalidis**  
(Non-Executive Director)  
**Gary Johnson**  
(Non-Executive Director)

## QUARTERLY REPORT, MARCH 2013

### HIGHLIGHTS

- **Dandaragan Trough Scoping Study released**
- **Marketing of Scoping Result and Dandaragan Trough Project in full swing**
- **Company now progressing project towards Feasibility Study**
- **\$1.8 million raised through Entitlements Issue.**

### Dandaragan Trough Project

Potash West NL (ASX:PWN) achieved a significant moment in its relatively short history on January 10, 2013 when it produced a Scoping Study on its wholly owned Dandaragan Trough project in Western Australia that has shown the project to be commercially viable.

This project is focused on exploiting the large glauconite deposits present in the Dandaragan Trough, which commences less than 60km to the north of Perth, Western Australia (Fig 1). The objective is to produce potash fertiliser and a range of valuable by-products, including superphosphate, from the glauconite.

The current focus is on firming up the prospectivity of a project based on an initial throughput rate of 2.4Mtpa, which was determined by the Scoping Studies to fit with current demand forecasts for demand within the local region, WA and SE Asia, the most immediate market for project offtake.

Based on that Mining Rate of 2.4 Mtpa, the current identified JORC resource of 122 Mt from the Dinner Hill area within the Dandaragan Trough permits may:

- Have a mine life of more than 60 years
- Produce a suite of products, including:
  1. 85,000 tpa SOP, Sulphate of Potash
  2. 195,000 tpa KMS, high magnesium SOP
  3. 220,000 tpa Iron oxide
  4. 900,000 tpa Aluminium Sulphate
  5. 310,000 tpa phosphate

With SOP and Phosphate consumed locally and the Balance exported

Key earning estimates and costs on a throughput of 2.4 mtpa are:

NPV10 \$m	808
Capital Costs, \$m	650
Opex, \$/tonne of feed	55
Revenue, \$/tonne of feed	150
Revenue/cash costs	2.7:1
IRR %	21.0

### **Dandaragan Trough Project Background**

The Company has continued to build on its holdings associated with its flagship Dandaragan Trough project, since its listing in May 2011. It now holds exploration licenses and applications in 15 tenements in the Dandaragan Trough, covering an area of 2,905km<sup>2</sup>.

Located approximately 100 km north of the Western Australian capital of Perth in the North Perth Basin, the Dandaragan Trough project has unique advantages of excellent connectivity to transport facilities, infrastructure and proximity to local markets.

The current time frame for commercialisation of the Dandaragan Project is:

- Completion of the Phosphate Study in Q3 2013
- Completion of pilot plant operations in Q2 2014
- Completion of Pre-Feasibility Studies in Q4 2014
- Completion of a Feasibility Studies in Q4 2015
- Start-up of Construction in Q4 2017
- Start-up of Full Scale Production in Mid-2018.

Following the release of the Scoping Study, much of the Company's activities during the quarter have focused on promoting the values of the Dandaragan Trough Project and refining the current path forward for its development. This included marketing the Company through a number of Road Shows and participation in the prestigious PDAC event in Canada and Mines & Money Hong Kong.

### **Corporate**

On March 27, 2013 the Company announced it had successfully raised \$1,790,477.04 through a Renounceable Entitlement Issue.

The Directors noted that the lead manager for the Issue, Stellar Securities, will endeavour to place the shortfall in accordance with Section 3.6 of the Prospectus dated 18 February 2013.

Potash West continues to investigate opportunities to market the company and to further expand its activities.

### **Announcements**

The following ASX announcements were made during the quarter:

- Dandaragan Project Scoping Study Produces Positive Results (10 January )
- BRR Webcast (11 January)
- Change of Director's Interest Notice (15 January)
- Company Presentation (21 January)
- Quarterly Activities and Cashflow Reports (30 January)
- Renounceable Entitlement Offer (18 February)
- Appendix 3B (18 February)
- Entitlement Issue Prospectus (18 February)
- Letter to Option holders- Entitlement Offer to Shareholders (19 February)
- Trading of Rights for Renounceable Pro Rata Offer Prospectus (22 February)

- Research Report (27 February)
- Dispatch of Renounceable Pro Rata Offer Prospectus (1 March)
- Replacement Announcement - Dispatch of Prospectus (1 March)
- Half Yearly Report and Accounts (11 March)
- Rights Trading Ends (15 March)
- Mines and Money Presentation (19 March)
- Change of Director's Interest Notice (20 March)
- Interview on Potash West (21 March)
- Closure of Entitlements Issue (27 March)

The following announcements were made subsequent to 31 March, 2013:

- Letter to Shareholders - Contingent Entitlements Issue (2 April)
- Change of Directors' Interest Notices (2 April)
- Research Report (11 April)
- Record thickness of target horizon intersected near surface (24 Apr)

#### **Cash on Hand**

At 31 March 2013, \$0.09 M was available, at 2 April 2013, \$1.79 M was available.

For further information contact:

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#### **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 has defined a substantial resource base and completed a scoping study on the extraction of valuable products from Glauconite. 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 fertiliser 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 2,905km<sup>2</sup>. Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and +15km in width. An indicated JORC resource of 244 Mt at 3.0% K<sub>2</sub>O, including 122 Mt at 4.6% K<sub>2</sub>O has been established.;*

#### **Competent Person's Statement:**

*The information in this report that relates to Exploration Results is based on information compiled by Lindsay Cahill, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Cahill is a consultant to the mining industry, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. This report is issued with Mr Cahill's consent as to the form and context in which the exploration results appears.*

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Potash West NL

ABN

62 147 346 334

Quarter ended ("current quarter")

31 March 2013

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(226)   (730)	(1,403)   (1,827)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	4	40
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (R&D Tax Refund)		61
<b>Net Operating Cash Flows</b>	<b>(952)</b>	<b>(3,129)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	  (4)	  (9)
1.9 2  (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (Investment in Subsidiary)		
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(956)</b>	<b>(3,138)</b>

+ See chapter 19 for defined terms.

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(956)	(3,138)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Equity Raising Costs)	(22)	(22)
<b>Net financing cash flows</b>		(22)	(22)
<b>Net increase (decrease) in cash held</b>		(978)	(3160)
1.20	Cash at beginning of quarter/year to date	1,068	3,250
1.21	Exchange rate adjustments		
1.22	<b>Cash at end of quarter</b>	<b>90</b>	<b>90</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	116
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 relates to Directors Remuneration, Directors Fees and Superannuation Contributions.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	
4.3 Production	
4.4 Administration	350
<b>Total</b>	<b>850</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	90	1,068
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>90</b>	<b>1,068</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

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**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	83,795,833	51,906,292		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	100,000	-	<i>Exercise price</i> \$0.400	<i>Expiry date</i> 08-Sep-16
	100,000	-	\$0.600	08-Sep-16
	500,000	-	\$0.300	08-Sep-14
	1,250,000	-	\$0.280	30-Nov-14
	1,350,000	-	\$0.355	13-Nov-15
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Patrick McManus Date: 26 April 2013

Print name: Patrick McManus  
Managing Director

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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