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4 February 2014

Potash West Entitlement Offer & Bonus Offer

Dear Shareholder,

By now you will have received the Prospectus and Acceptance Form for the Company's Entitlement Offer and Bonus Offer. I am writing to update you on the Company's findings from its work in the Dandaragan Trough.

Since our IPO we have evaluated two separate, but associated, projects looking at the same greensands deposit. One is investigating production of phosphate fertiliser from rock phosphate mineralisation, the other is production of potash, alum, phosphate and other minerals from the glauconite content.

Based on the scoping study level of evaluation, both projects look very promising and warrant further work to assess the projects more accurately via feasibility studies. We will focus initially on the phosphate project, because it has:

- low technical risk;
- lower capital requirements; and
- shorter time to production.

The funds raised from the Entitlement Offer will be used to progress the phosphate feasibility study.

The enclosed presentation discusses these items in further detail and I encourage you to review it. Further information is available on our website at www.potashwest.com.au

You will have also seen in the Prospectus that there is a Bonus Offer of partly paid shares which are offered based on your shareholding as at 24 March 2014. To be eligible for free partly paid shares you must accept the Offer by either:

- signing and returning the Bonus Offer Acceptance Form; or
- applying for all or some of your entitlement under the Entitlement Offer.

As detailed in the Prospectus, the partly paid shares will be issued at no cost to you. However, due to legal requirements, an application form is required for these shares to be issued.

I welcome the opportunity to talk to you regarding this capital raising and/or the performance of the Company's projects. I can be contacted at our office on 08 9479 5386.

Regards



Patrick McManus
Managing Director



WORLD CLASS PRODUCTS FROM A WORLD CLASS ASSET

PRESENTATION

January 2014

This presentation is for information purposes only. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

This presentation may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction.

This presentation does not constitute financial product advice and has been prepared without taking into account the recipients investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks which include, amongst others, the risk of adverse or unanticipated market, financial or political developments.

Certain statements contained in this presentation, including information as to the future financial or operating performance of Potash West NL ("Potash West" or "the Company") and its projects, are forward-looking statements. Such forward-looking statements are necessarily based upon a number of estimates and assumptions that, whilst considered reasonable by Potash West, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements; and may include, among other things, statements regarding targets, estimates and assumptions in respect of potash and phosphate production and prices, operating costs and results, capital expenditures, ore reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

Potash West disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and other similar expressions identify forward-looking statements. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to: competition; mineral prices; ability to meet additional funding requirements; exploration, development and operating risks; uninsurable risks; uncertainties inherent in ore reserve and resource estimates; dependence on third party smelting facilities; factors associated with foreign operations and related regulatory risks; environmental regulation and liability; currency risks; effects of inflation on results of operations; factors relating to title to properties; native title and aboriginal heritage issues; dependence on key personnel; and share price volatility and also include unanticipated and unusual events, many of which are beyond the Company's ability to control or predict.

Information in the presentation that relates to the Mineral Resource estimate for Dinner Hill is fully described in the ASX release of 11 October 2012. Information relating to the Dinner Hill Extended Exploration Target was released to the ASX on 07 May 2013. Information relating to the phosphate Mineral Resource estimate for Dinner Hill was released to the ASX on 23 September 2013. The Company is not aware of any new information or data that materially affects the information included in this presentation. All material assumptions and technical parameters underpinning the Mineral Resource estimates and Exploration Target in this presentation continue to apply and have not materially changed.

The K-Max Scoping Study referred to in this presentation was fully described in the ASX release of 10 January 2013 and the Phosphate Scoping Study was released on 19 September 2013. Both are based on low-level technical and economic assessments, and are insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. All material assumptions and technical parameters used in the Scoping Studies, and included in this presentation, continue to apply and have not materially changed. Potash West has concluded that it has a reasonable basis for including the forward looking statements provided in this presentation.

Competent Persons statements

The information in this report that relates to the estimation of Exploration Targets and Mineral Resources is based on and fairly represents information and supporting documentation prepared by J.J.G. Doepel, who is a member of the Australasian *Institute of Mining and Metallurgy. Mr Doepel, Principal Geologist of the independent consultancy Continental Resource Management Pty Ltd, 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 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". This report is issued with Mr Doepel's consent as to the form and context in which the Mineral Resource appears*

The information in this report that relates to reporting of Exploration Results based on and fairly represents information and supporting documentation prepared by Lindsay Cahill, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscience. Mr Cahill is a consultant to the mineral 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 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cahill consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The metallurgical information in this report is based on and fairly represents information and supporting documentation 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 20012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Johnson is a Non-executive Director of Potash West and Managing Director of Strategic Metallurgy Pty Ltd. This report is issued with Mr. Johnson's consent as to the form and context in which the results appear.

Photo's courtesy of IPI: www.ipipotash.org:
International Potash Institute (IPI) , Horgen, Switzerland

COMPANY SNAPSHOT

Experienced Board and Management Team

Adrian Griffin – Chairman

- Mine production and corporate management,
- Founding director of Washington Resources, Ferrum Crescent and Northern Minerals, MD Cobre Montana

Patrick McManus– Managing Director

- Industrial minerals specialist, project development and minerals marketing. Rio Tinto, RGC and Cable Sands.
- Founding Director and ex MD Corvette Resources

George Sakalidis – Non-executive Director

- Founding Director and ED Image Resources, Magnetic Resources & Meteoric Resources

Gary Johnson - Non-executive Director

- Process and extraction specialist. Deep hydrometallurgical experience. Developed Activox Process, Director Hard Creek Nickel (TSX) and Antipa Resources (ASX)

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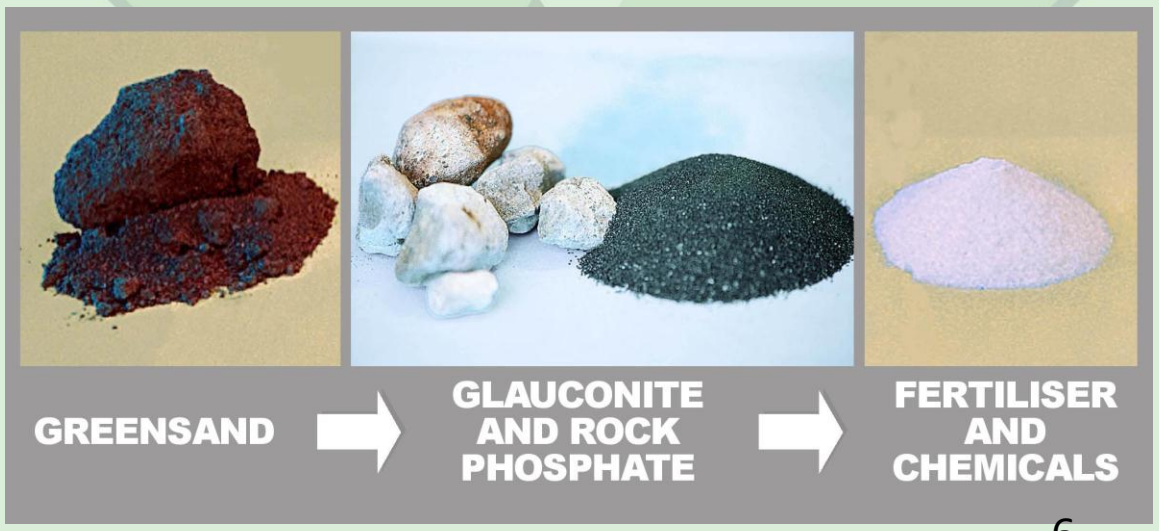
CORPORATE SNAPSHOT

ASX CODE	PWN
SHARE PRICE - 31Dec 2013	AU$0.09
MARKET CAP.	AU$8.3M
SHARES ON ISSUE	92 M
12 MONTH RANGE	9c – 28c
TOP 20 SHAREHOLDERS	52%
MGMT AND DIRECTORS	26%

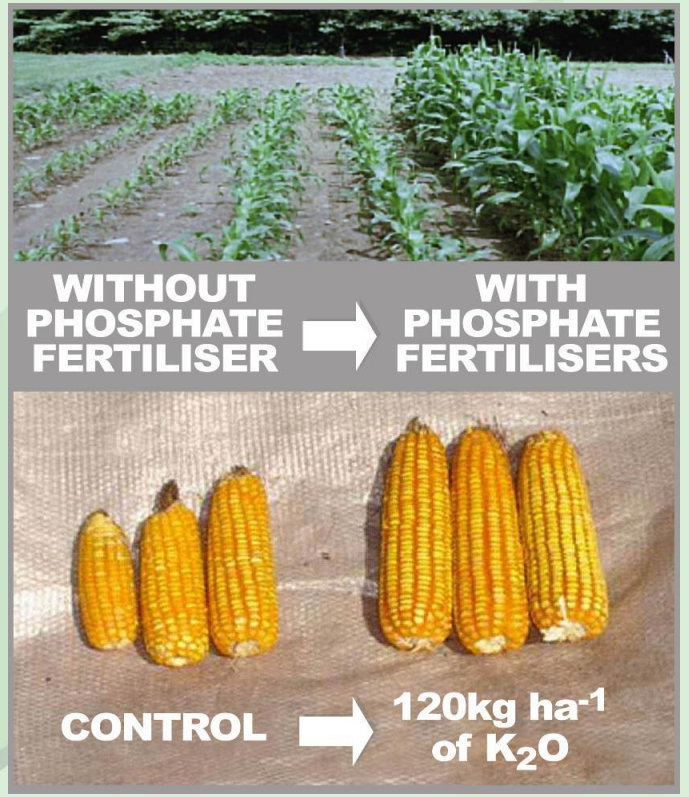
INVESTMENT CASE

- **We are creating an opportunity in the global fertiliser industry, :**
  - **Making fertiliser products from one of the world's largest glauconite deposits, 150 km from Perth in WA, close to markets in WA and SE Asia.**
  - **Low capex, low risk route to cashflow through phosphate production first. Low impact mining.**
  - **Scoping study completed**
  - **Community support**
  - **Scale large enough to attract JV partners in fertiliser industry**



FERTILISER BUSINESS

- 3 Fertiliser bulk commodities,
  - N, Nitrogen, promotes green growth
  - P, Phosphorous, promotes plants yield potential
  - K, Potassium, enables plants to take up nutrients from soil and air
- 3 Minors, Ca, S and Mg
- Most soils deficient in NPK
- Not interchangeable
  - Different crops = different ratios, eg
    - Bananas 3,000 kg of potash per ha. per year
    - Wheat 500kg per ha. per year



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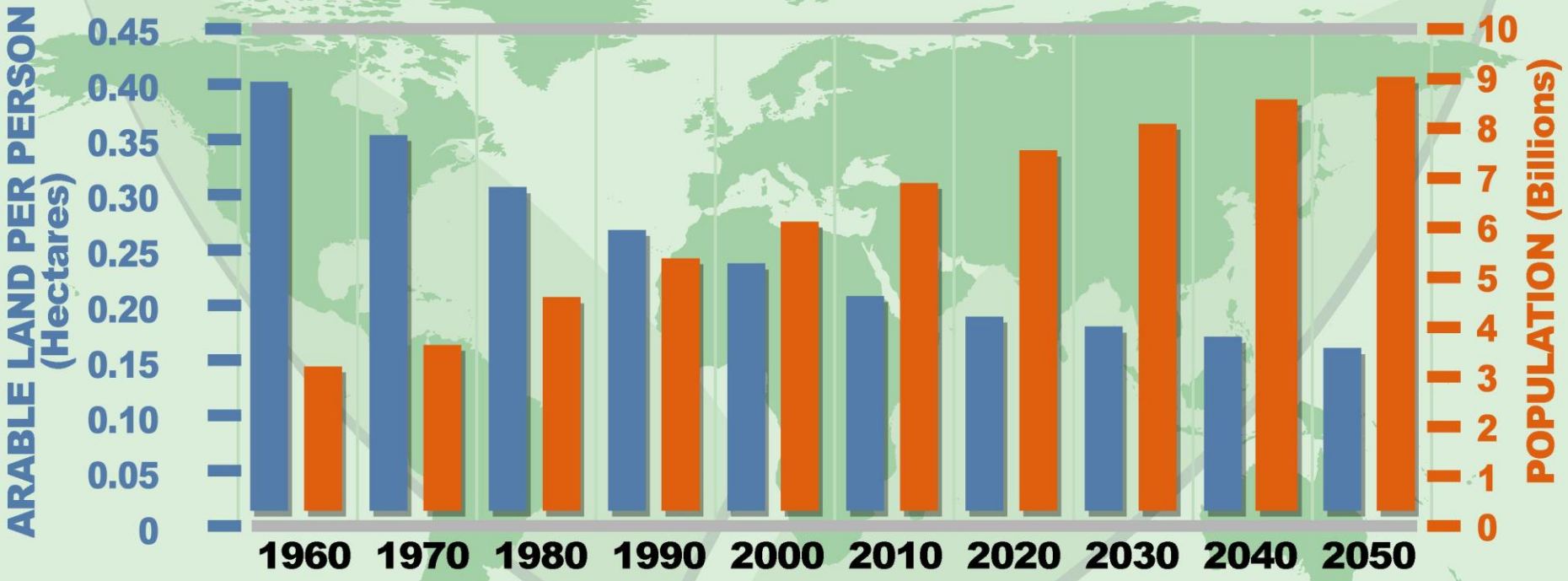
FERTILISER BUSINESS

- Forecast value of US$172B in 2015,
- Fertiliser wholesalers mix products for region, from bulk raw materials:
  - Nitrogen (109 Mtpa, N): from air, gas and coal
    - Urea
    - Ammonia Nitrate
  - Phosphates (41Mtpa, P): mined from rock phosphate deposits
    - Superphosphate
    - Phosphoric Acid
    - MAPs& DAPs
  - Potash (28Mtpa, K)
    - Salt lake brines
    - Ancient buried seabeds

POPULATION DYNAMICS



"The challenge is clear. With nearly 1 billion people already suffering from hunger and malnutrition in some of the fastest growing areas of the world, the challenge of doubling food production by 2050 will become more difficult as key resources become increasingly scarce and a changing climate creates unforeseen obstacles.

Undoubtedly, the world is going to have to produce more. But it cannot do so at the expense of the land or environment. We must produce more with less."

(Hugh Grant, Forbes October 2011)

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PHOSPHATE MARKET

- International Phosphate Market Dominated by MENA[(1)]
  - +50% of traded Rock Phosphate
  - +75% of reserves

"The world faces a dangerous shortage of phosphate, which could slash global crop yields and send food prices soaring within a generation if nothing is done to control its use in chemical fertilisers, according to two of Australia's leading sustainability researchers.

The use of phosphate rock as a fertiliser has significantly boosted crop yields in the past 50 years and it will become increasingly important as the world's population grows and living standards rise."

(Sydney Morning Herald Feb 21 2013)

(1) – Middle East-North Africa

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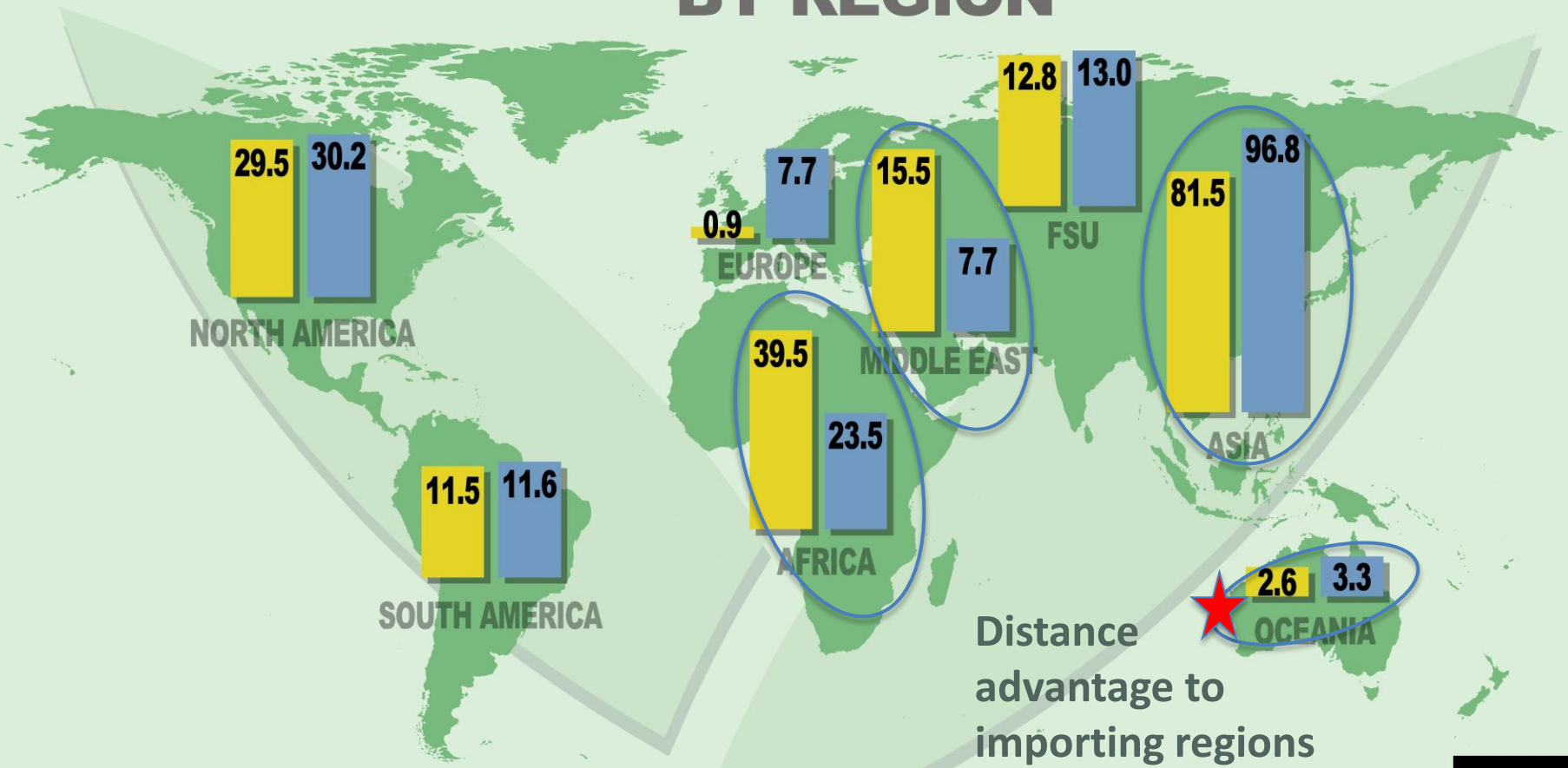
PHOSPHATE ROCK PRODUCTION AND DEMAND BY REGION



WORLD PHOSPHATE ROCK PRODUCTION

2011:190.9 MT

2010:183.9 MT

WORLD PHOSPHATE ROCK SALES

2011:190.9 MT

2010:183.9 MT

Source: IFA and Potash Corp

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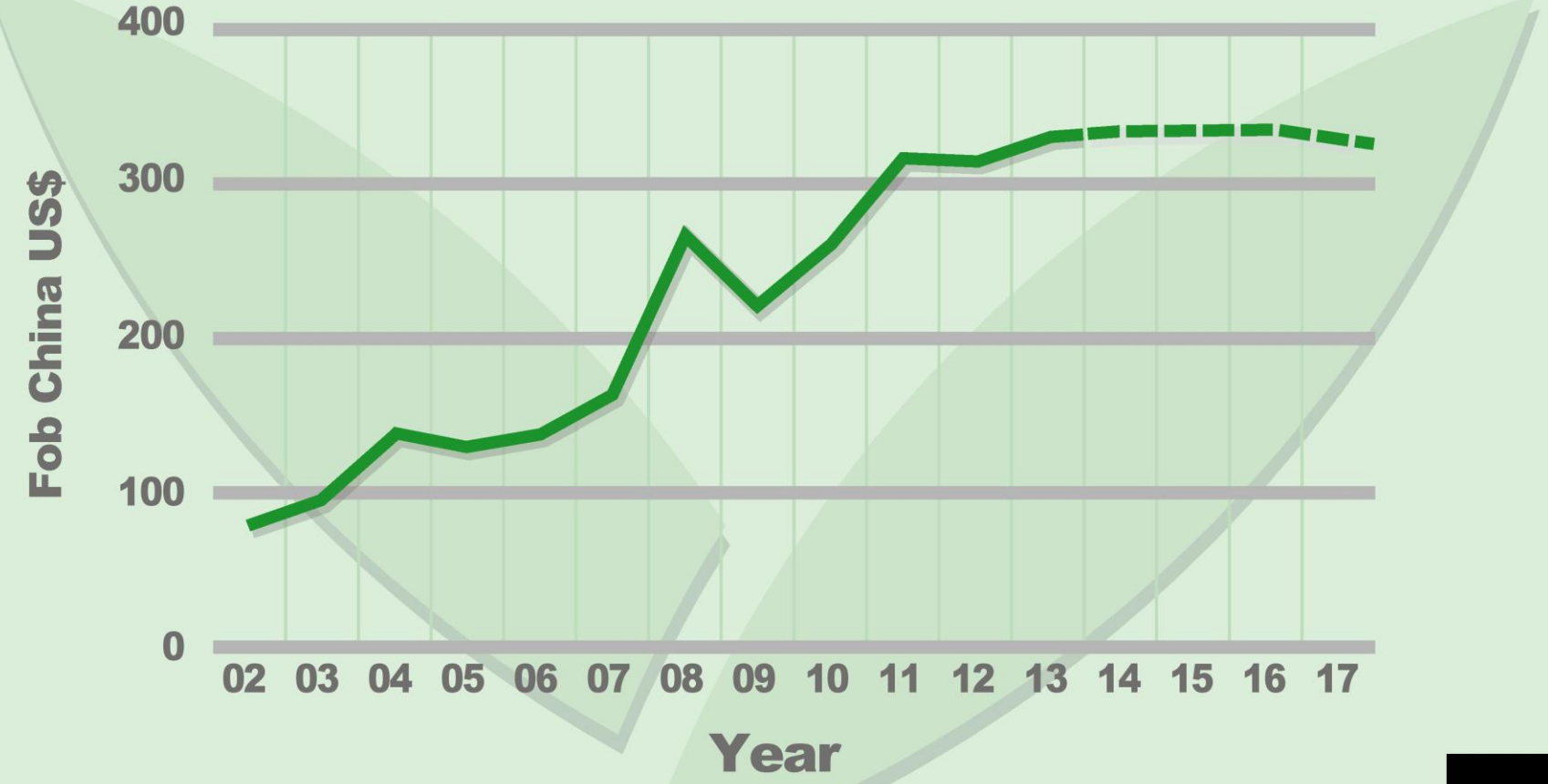
SSP PRICE HISTORY AND FORECAST PRICE



Source: CRU Private communication

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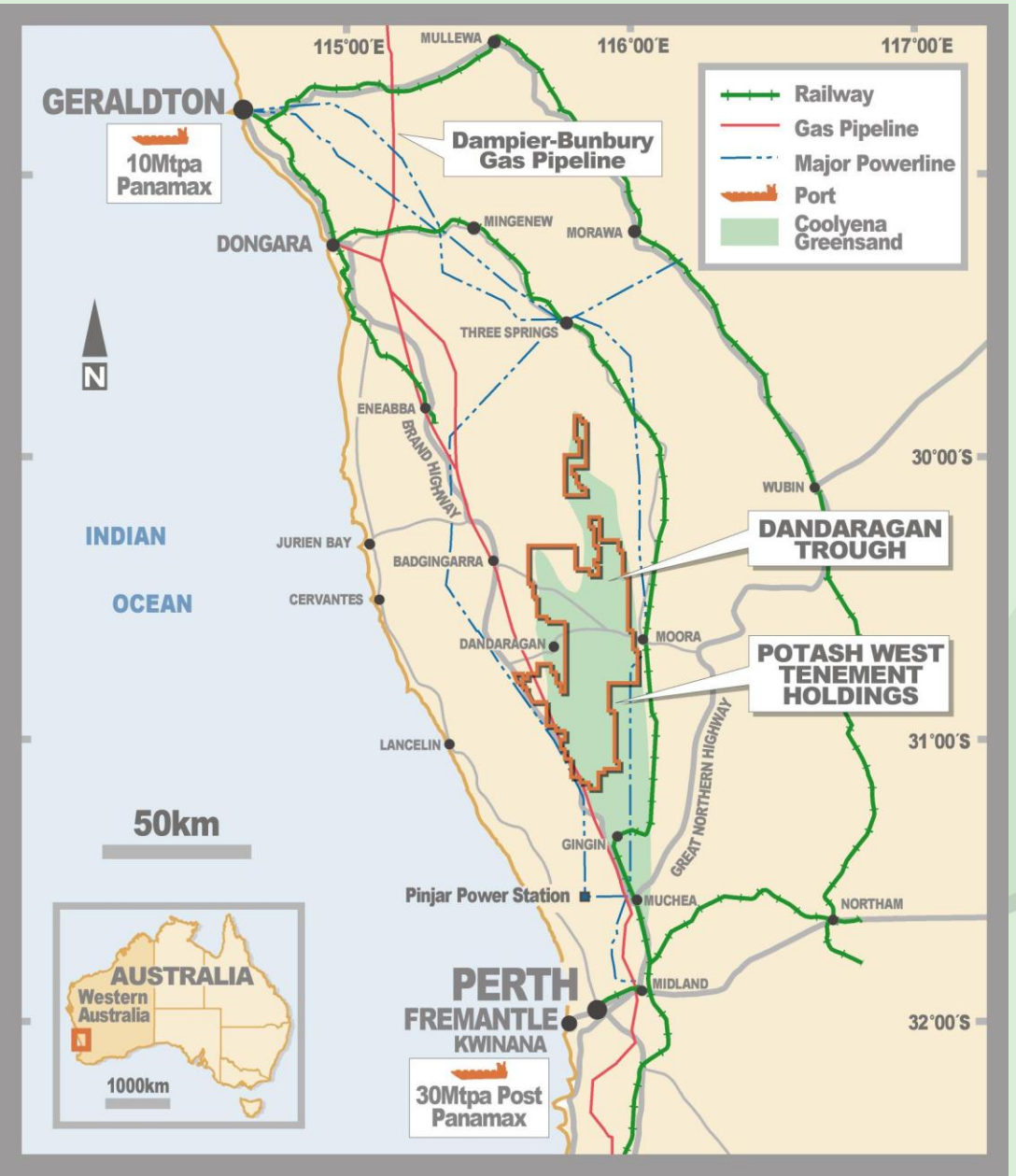
PROJECT LOCATION



- +2,000 km2 of prospective area
  - ~150km of strike
  - ~+20km width
  - Many intersections +40m
- Great infrastructure
  - Rail
  - Power
  - Gas
  - Water
- Close to local markets, WA and SE Asia
- Similar mining activity already in region
- Close to export ports

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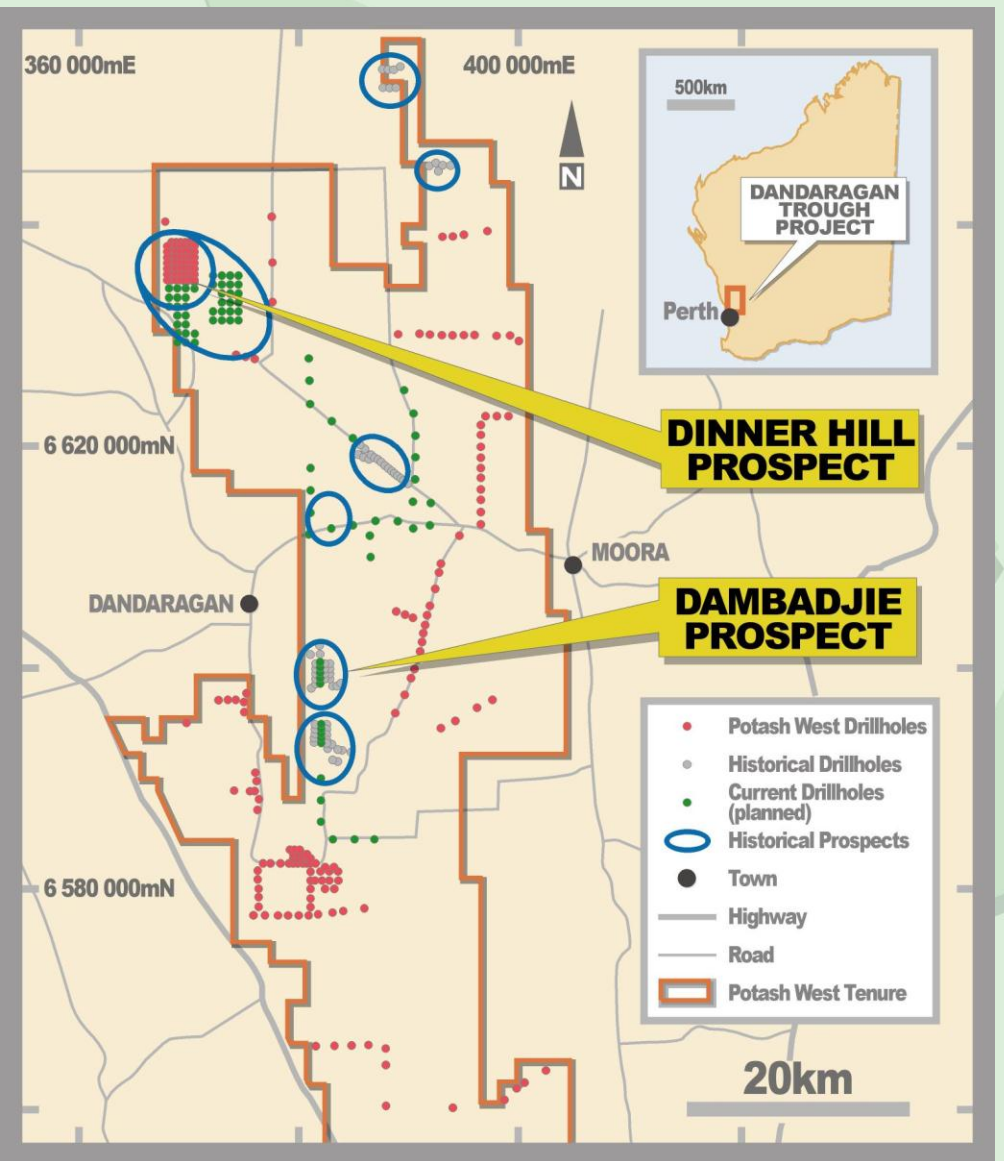
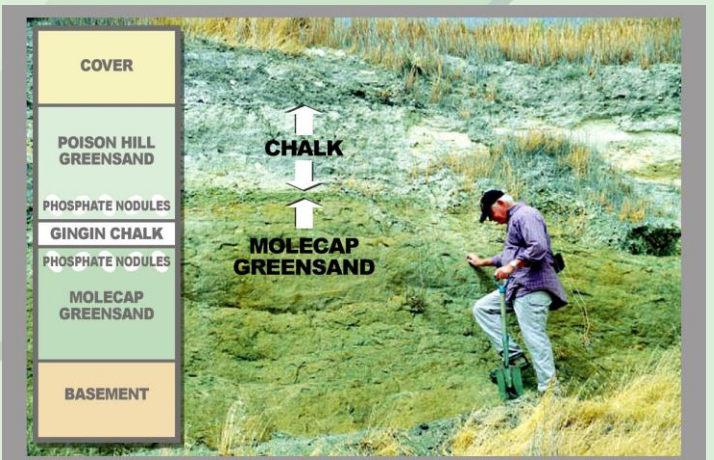
EXPLORATION

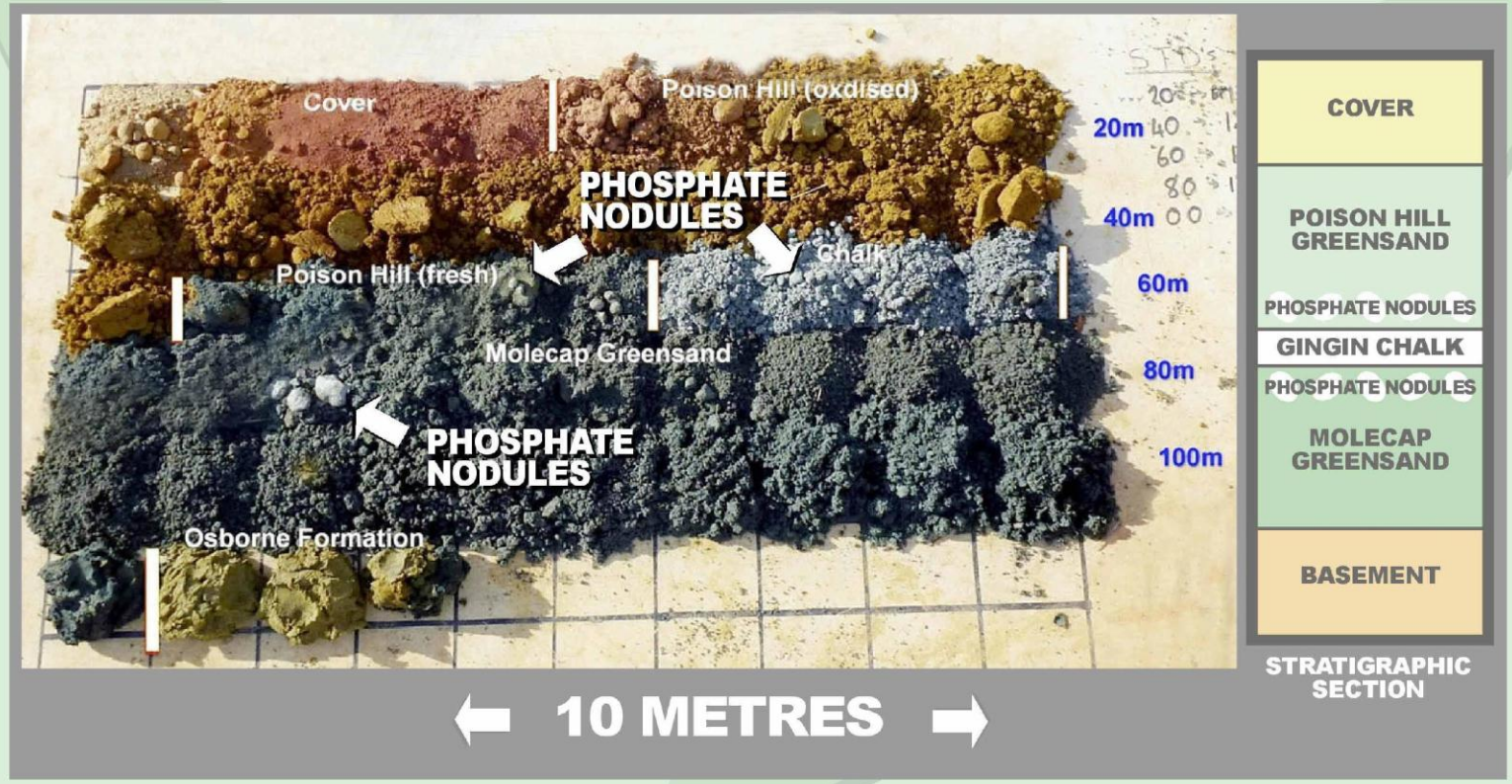


- Focus on Northern area, 409 holes drilled, 159 on Dinner Hill
- Numerous intersections of high grades close to the surface
- Dambadjie, +60m of high grade
- Dinner Hill, first resource, phosphate closer to surface

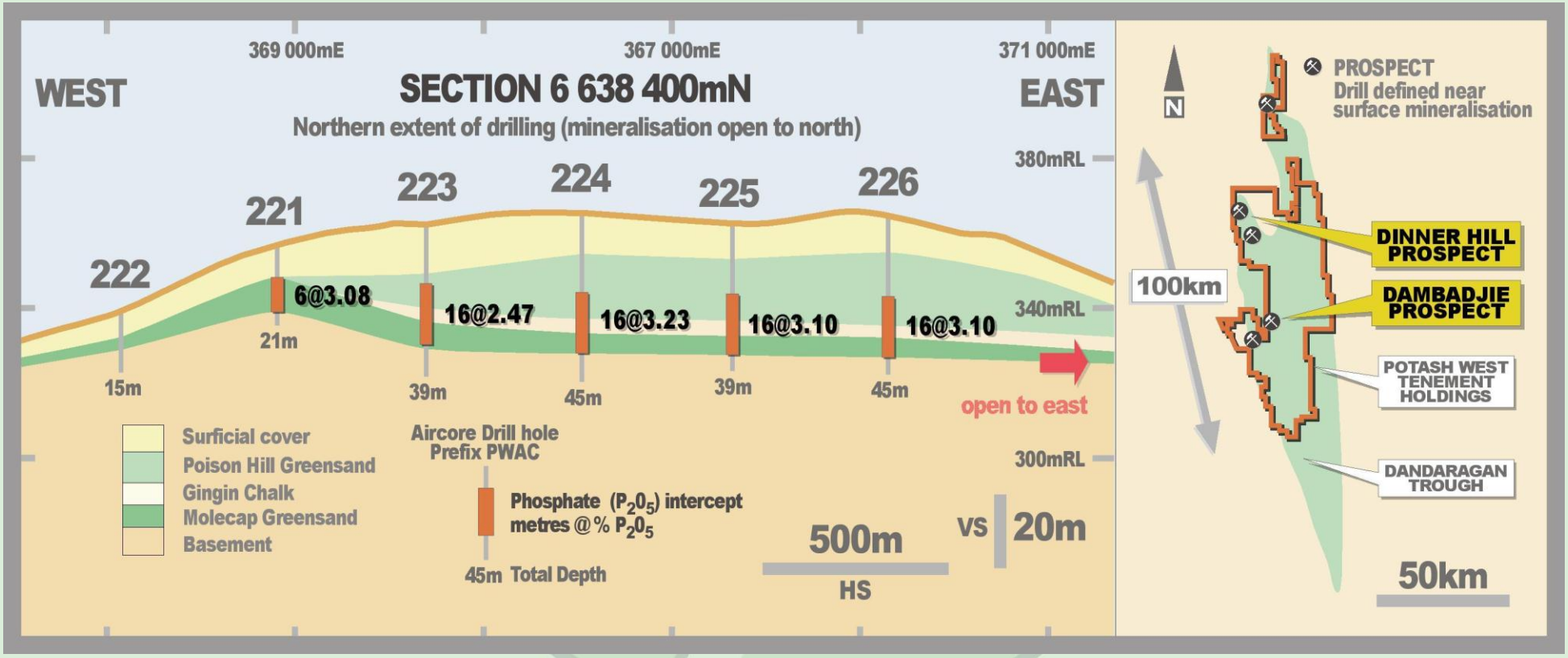


OUTCROP OF CHALK AND MOLECAP GREENSAND IN MOLECAP QUARRY

DAMBADJIE PROSPECT
DRILL SAMPLES

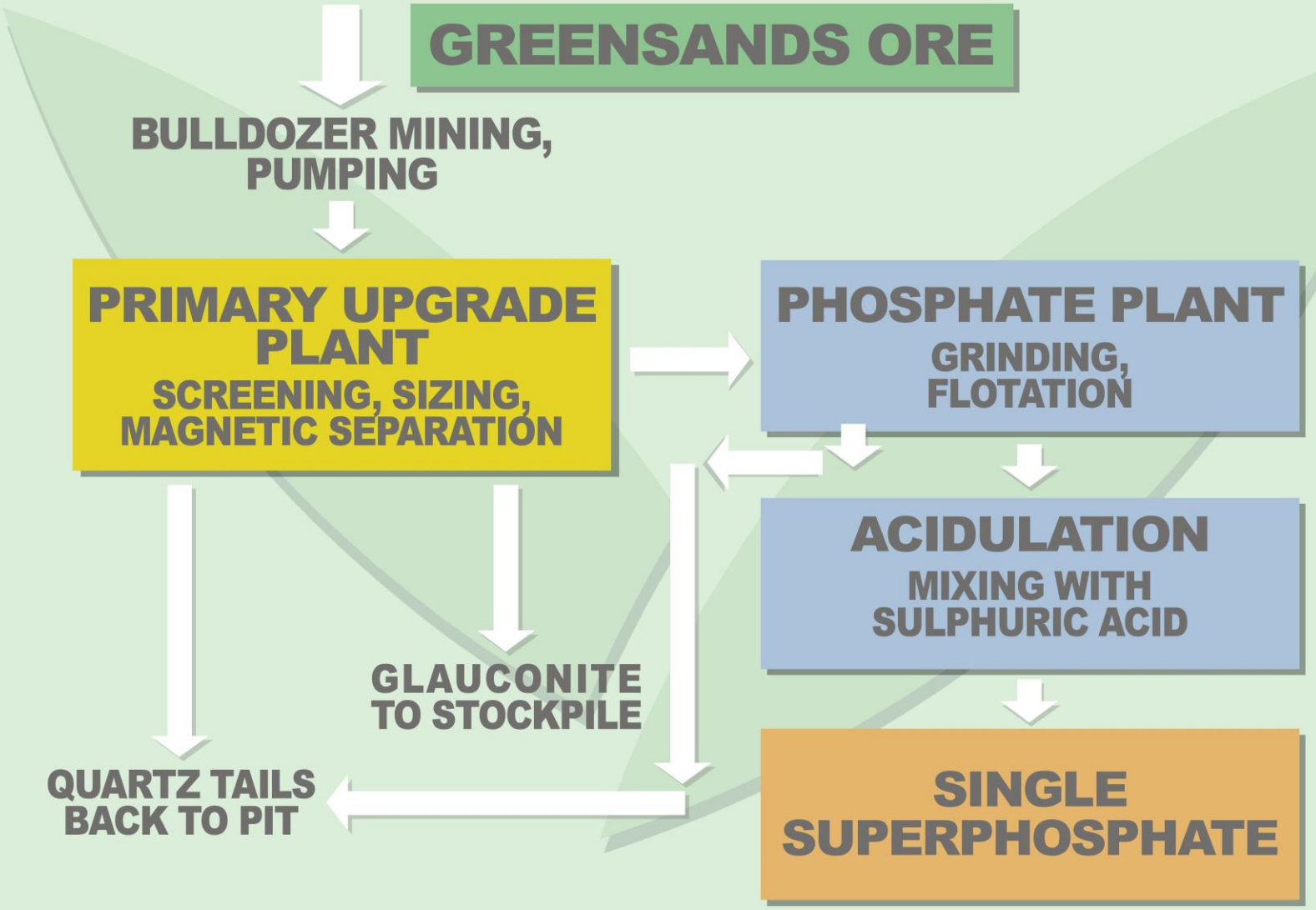


DINNER HILL PHOSPHATE RESOURCE



- Phosphate resource (JORC indicated), of 90 Mt @ 2.65%P_2O_5, close to surface
- Within less than 20% of Dinner Hill target area

GREENSANDS ORE - FLOWSHEET



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PHOSPHATE PLANT STUDY PARAMETERS

- Mining Rate 3.8 Mtpa
- One product: 342,000 tpa Single superphosphate
- Commodity Grade, 18% P_2O_5
- Capex and Opex estimates +/-35%
- 100,000 tpa consumed locally, balance exported
- Project works, despite low feed grade, because:
  - Unconsolidated sand ore, very low cost mining
  - Ability to upgrade to ~ 12% P_2O_5, with screening
  - High quality infrastructure in place, <200 km from ports
  - Access to sulphuric acid at low on-site cost
  - Low capital requirements
  - Low technical risk

SCOPING STUDY RESULTS - PHOSPHATE

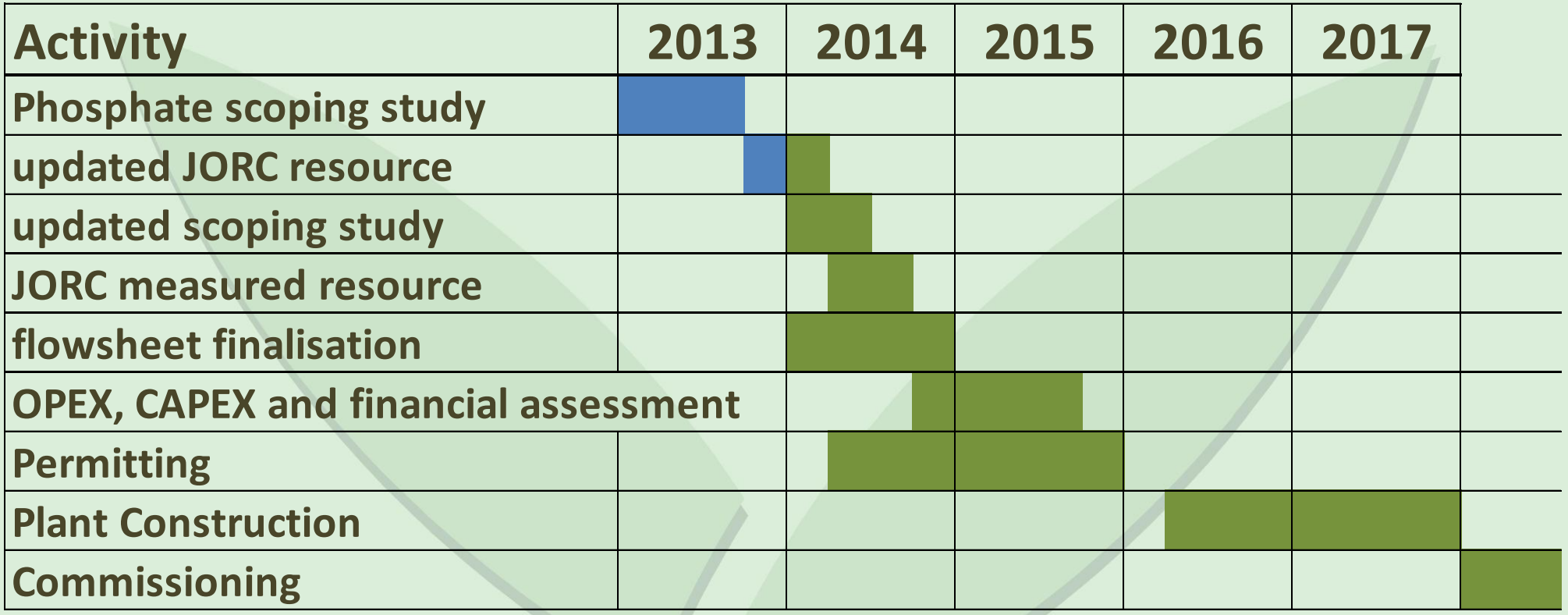
THROUGHPUT	**3.8 mtpa**
NPV_8 AU$M [1]	218
CAPITAL COSTS, AU$M	144
OPEX, AU$/tonne OF PRODUCT	285
REVENUE, AU$/tonne OF PRODUCT	383
IRR % [1]	26.2
MINE LIFE	+20 YEARS
FREE CASH FLOW, AU$M pa	33.0

(1) Ungeared, Pre-tax

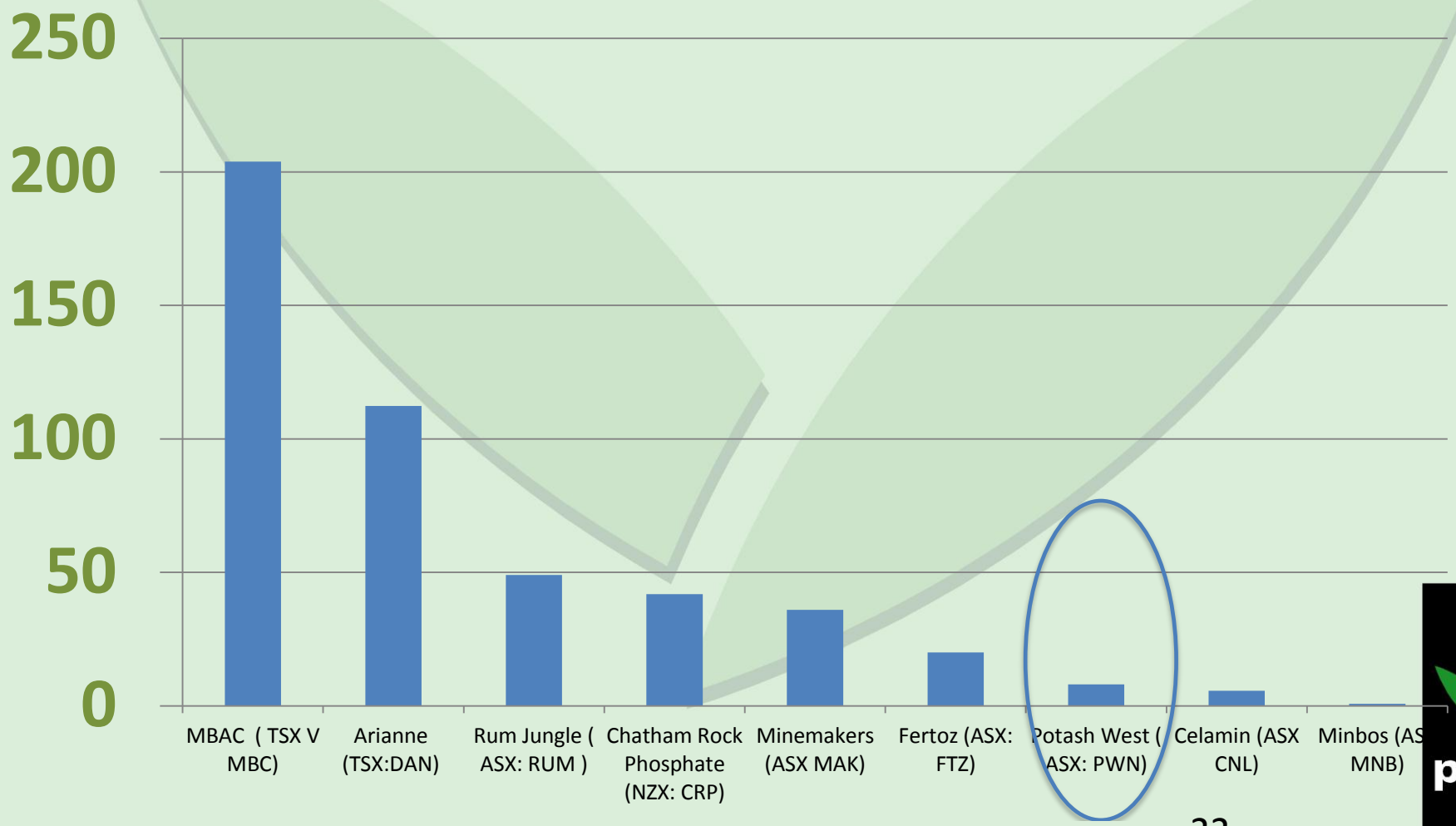
DEVELOPMENT PLAN

- Immediate target, focus on phosphate project:
  - Circuit optimisation,
  - Flotation to treat chalk layer
  - Commence permitting
- Investigate and quantify synergies between projects
  - Shared front end, mining and concentration plant
  - Shared infrastructure
- Pursue K-Max when market is right

INDICATIVE TIMELINE



Value proposition, Market capitalisation of explorers and developers, A$M



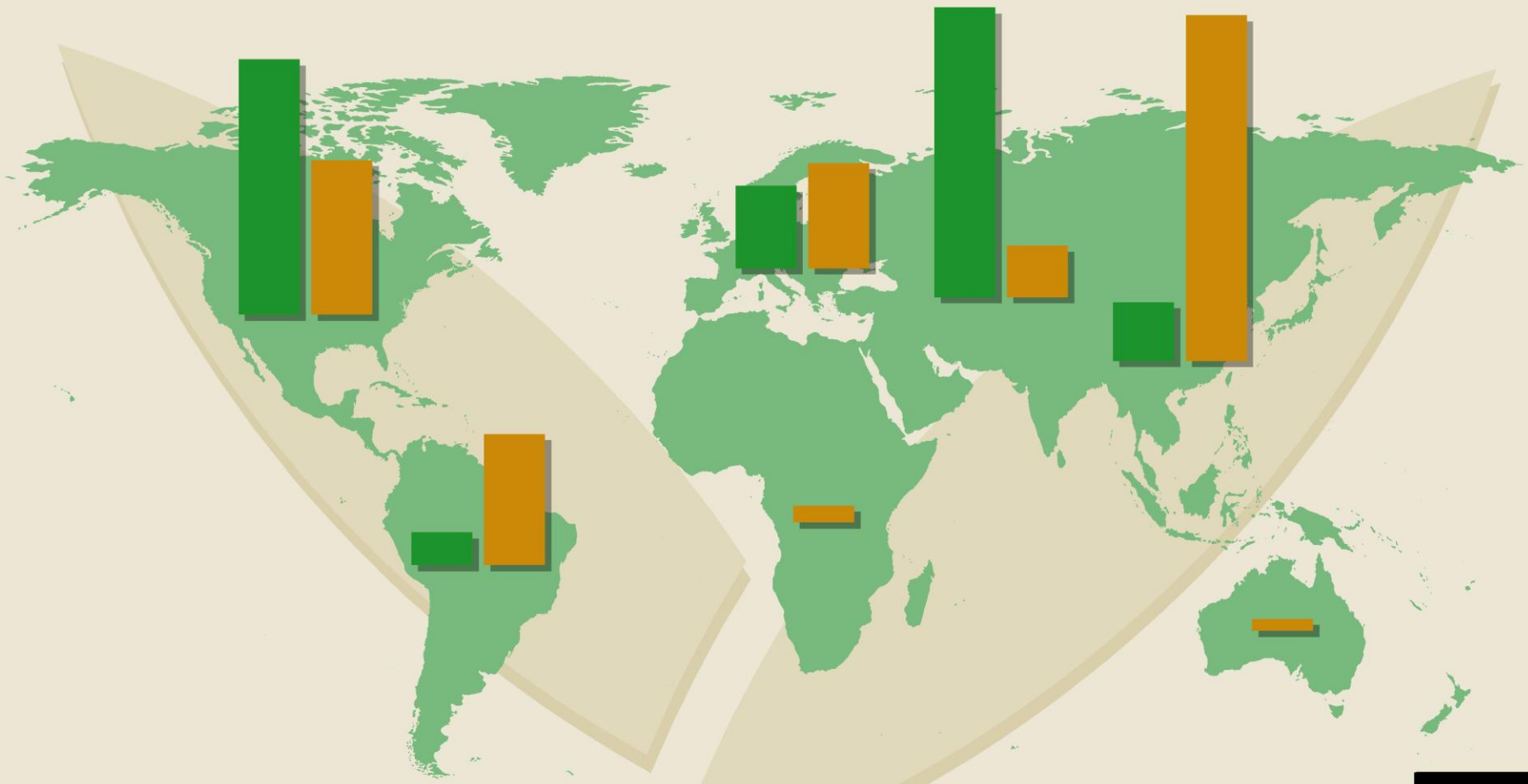
INVESTMENT HIGHLIGHTS

- Exposure to the growing fertiliser business
  - Region is major importer
- Strategic location
- Low risk start up with phosphate project
- Blue sky with large scale K-Max process
- High margin operations
- Control of one of the world's largest known glauconite/greensands deposits
  - Significant resource potential
  - Strong expansion opportunities
  - Ready market on doorstep

APPENDIX: K-MAX PROCESS

A process developed by Potash West to produce a range of chemicals from Glauconite

POTASH PRODUCTION AND SALES BY REGION



WORLD POTASH PRODUCTION

2011: 54.3 MT

2010: 50.2 MT

WORLD POTASH SALES

2011: 54.5 MT

2010: 52.7 MT

Source: IFA and Potash Corp

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POTASH PRICING - FOB VANCOUVER
MURIATE OF POTASH (KCL)



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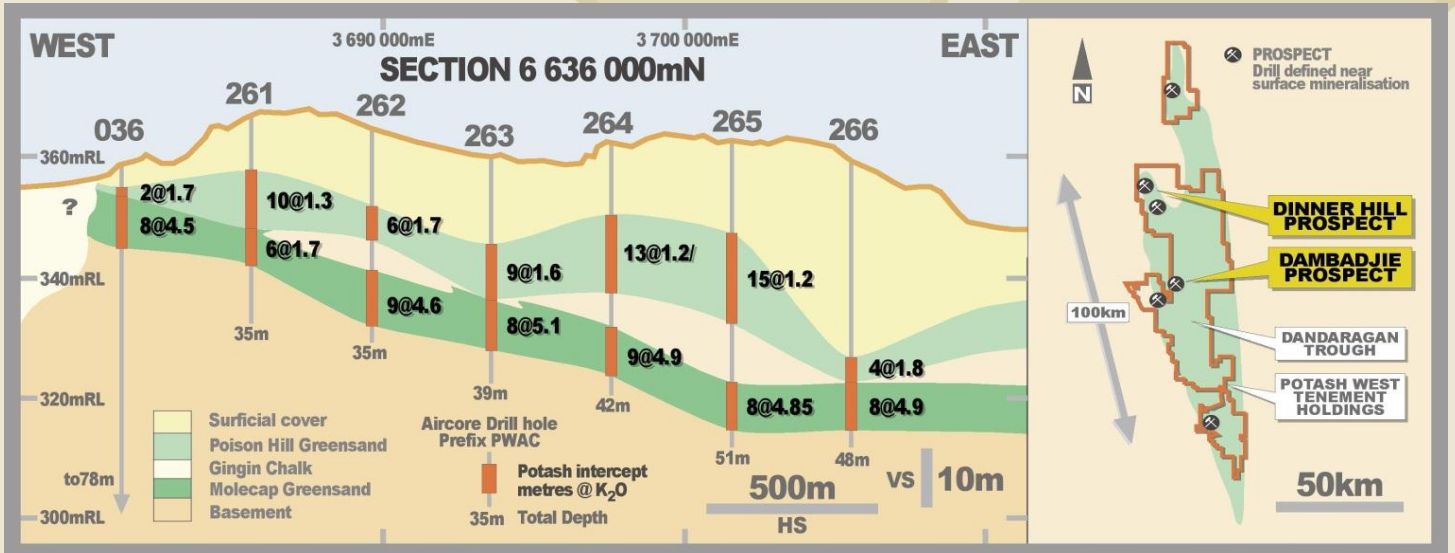
DINNER HILL MINERAL RESOURCE

Potash (K-Max Process)

Unit	Category	Tonnes	K_2O	P_2O_5
		(Mt)	%	%
Molecap Greensand	Indicated	120	4.6	1.8
	Inferred	2	4.4	2.2
	Total	122	4.6	1.8
Poison Hill Greensand	Indicated	121	1.5	1.4
	Inferred	1	1.6	1.1
	Total	122	1.5	1.4
Total Resources	Indicated	241	3.0	1.6
	Inferred	2	3.6	1.9
	Total	244	3.0	1.6

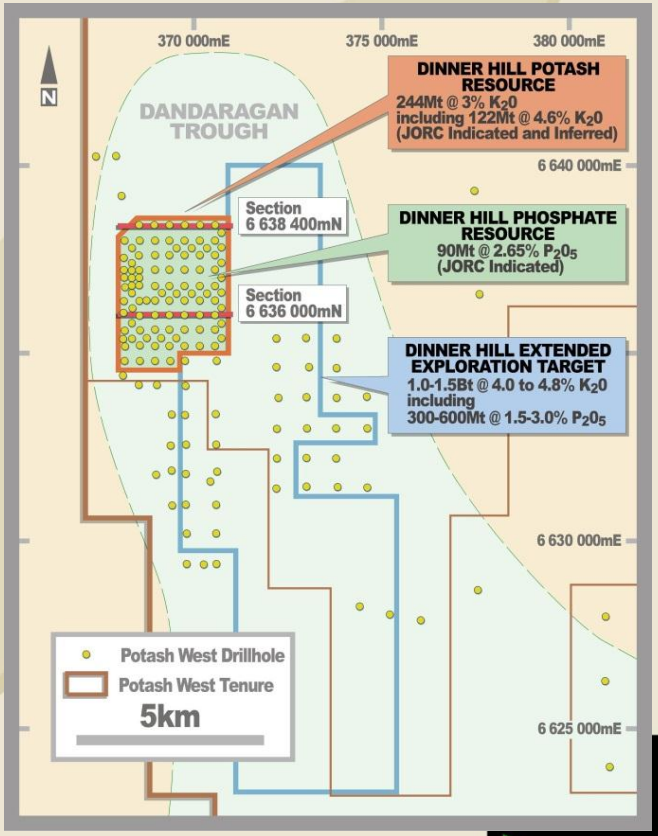
Dinner Hill Resource: above 1% K2O lower block cut – October 2012.

- **Total high grade K-Max resource 122 Mt @ 4.6%K_2O, within less than 20% of Dinner Hill target area. Total area 60 square km**



DINNER HILL EXPLORATION TARGET

- Exploration target of 1 to 1.5Bt of greensand @ 4.0 to 4.8% K_2O
- Includes 300-600Mt of phosphate mineralisation at a grade of between 1.5% and 3% P2O5.
- The exploration target has been derived from the exploration already undertaken by the Company. Refer to the diagram to the right.



(***NB: The potential quantity and grade of the target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource over its area and as it is uncertain if further exploration will result in the estimation of a Mineral Resource.)***

K-MAX STUDY PARAMETERS

- Mining Rate 2.4 Mtpa
- Suite of products:
  - 85,000 tpa Sulphate of Potash, SOP
  - 195,000 tpa high Magnesium SOP, KMS
  - 220,000 tpa Iron oxide
  - 900,000 tpa Aluminium Sulphate
  - 310,000 tpa phosphate
  -
- SOP and Phosphate consumed locally
- Balance exported

K-MAX STUDY RESULTS

THROUGHPUT	2.4 mtpa
NPV_{10} $m	808
Capital Costs, $m	650
Opex, $/tonne of feed	55
Revenue, $/tonne of feed Alum 40%, Potash 30%, Phosphate 25%, Iron 5%	150
IRR %	21
Mine Life	+60 years
Free Cash Flow $AM, pa	228

K - MAX DEVELOPMENT PLAN

ACTIVITY	COMPLETION
K - MAX PILOT PLANT	1 YEAR
PRE - FEASIBILITY STUDY	
FEASIBILITY STUDY	1 - 2 YEARS
CONSTRUCTION	2 - 3 YEARS
COMMISSIONING	1 YEAR

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QUESTIONS?

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