POTASH WEST NL

A.C.N. 147 346 334

Annual Report

For the year ended
30 June 2015

Potash West NL

A.C.N. 147 346 334

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Corporate directory

Directors:
Adrian Griffin
Patrick McManus
Chew Wai Chuen (Appointed 26 November 2014)
Natalia Streltsova (Appointed 30 June 2015)
George Sakalidis (Resigned 26 November 2014)
Gary Johnson (Resigned 30 June 2015)

Company Secretary:
Amanda Wilton-Heald (Appointed 7 November 2014)
Elizabeth Hunt (Resigned 7 November 2014)

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Stock Exchange Listing
Potash West NL shares are listed on the Australian Securities Exchange (ASX code: PWN), OTC Pink (OTC Pink code: PWNNY) and Frankfurt Stock Exchange (Ticker: A1JH27).

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Potash West NL

A.C.N. 147 346 334

CHAIRMAN'S LETTER

Dear Shareholder

As you will be aware, Potash West controls one of the largest known greensand deposits in the world, the Dandaragan Trough (Western Australia). Locked within those greensands is abundant wealth in the form of potassium and phosphorus, two vital components of fertiliser. It is these vast quantities of very cheap feed for fertiliser production that set Potash West apart from its peers, particularly as it owns the intellectual property that is key to releasing much of that wealth.

During 2015, Potash West focused much more on the Dandaragan Trough's phosphate resources, which are broadly coincident with the potash-bearing greensands. It is the close geological relationship between the phosphate and glauconite (the potassium-bearing component of the greensands) that provides Potash West with its unique opportunity – that of developing a low-cost, low-risk phosphate operation as an entry point to a higher-capital potash operation. It's a strategy that reduces overall risk for the project and advances the company's aim of producing potash from the Dandaragan Trough. We see the project as one of national importance, in that it may transform Australia from being completely dependent on potash imports to actually exporting potash to Asian nations with rapidly expanding populations. With this in mind, Potash West has doubled its phosphate resource and completed a scoping study on the production of super-phosphate from Dinner Hill, located in the northern extremities of the Dandaragan Trough.

Moreover, Potash West plans to capitalise on its low-cost entry strategy with the acquisition of 55% of East Exploration Pty Ltd, owner of the South Harz project, a conventional potash (salt) mine in Germany's Thuringia province. Historically, the South Harz project has been the subject of extensive potash exploration, and this has led to the development of a robust exploration target. The project's value will be enhanced by an IPO, designed to provide Potash West with a controlling interest and upgrade the exploration target to a JORC-compliant resource.

The proprietary KMax technology Potash West developed to recover potash from glauconite has evolved extensively over time, to the point that certain aspects of the process have been successfully applied to recovering lithium from mica. Potash West's role in this groundbreaking development earned it a 21% interest in the company controlling the lithium extraction technology, now known as LMax. Rapid expansion of world lithium markets, primarily for portable power applications (batteries), has created an unprecedented opportunity in that sector.

No summary of the activities of a commodity aspirant would be complete without some comment on markets. The potash market in particular has seen great changes in recent times. Historically, the industry was dominated by two marketing groups, one in Canada and the other in eastern Europe; collectively, they controlled more than 80% of global sales. The break-up of the eastern European group created turmoil in the industry, destabilising markets and reducing prices. Fortunately, the market stabilised during 2015, albeit with weaker prices. Similarly, the phosphate market is characterised by structural weaknesses within much of its resource/supply base, which is dominated by a handful of north African nations in which political intervention remains a risk.

Current market conditions continue to subdue investment in exploration and development companies worldwide. Against that backdrop, Potash West has sought to diversify its fertilizer-based portfolio and in the process create new opportunities for the company.

I would like to end with this observation: with the global population rapidly increasing and areas of arable land decreasing, humans cannot survive without increased agricultural productivity – and the simplest way to achieve it is the optimal application of fertiliser. Potash West is poised to take advantage of this scenario and provide economic fertiliser products to meet both Australian and Asian demand.

Finally, thanks to all Potash West shareholders for their support over the last year, and to staff for helping the company achieve its objectives in such a difficult economic climate.

Adrian Griffin
Chairman

Directors' Report

On 4 May 2015, Potash West NL ("Potash West" or "the Company") has settled the final payment and increased the Company's ownership of East Exploration Pty Ltd ("East Exploration" or the "controlled entity") to 55%.

The directors present their report on Potash West NL, and its controlled entity (the "consolidated entity") for the year ended 30 June 2015.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below, directors were in office for the entire year unless otherwise stated.

Adrian Griffin was appointed as Non-executive Chairman.

Patrick McManus was appointed as Managing Director.

Chew Wai Chuen was appointed as Non-executive Director, effective from 26 November 2014.

Natalia Streltsova was appointed as Non-executive Director, effective from 30 June 2015.

George Sakalidis was appointed as Non-executive Director and resigned effective from 26 November 2014.

Gary Johnson was appointed as Non-executive Director and resigned effective from 30 June 2015.

Names, qualifications, experience and special responsibilities

Adrian Griffin *Non-Executive Chairman*

Adrian Griffin, an Australian-trained mining professional, has had exposure to metal mining and processing worldwide during a career spanning more than three decades. A pioneer of the lateritic nickel processing industry, he has helped develop extraction technologies for a range of minerals over the years. He is a former Chief Executive Officer of Dwyka Diamonds Limited, an AIM- and ASX-listed diamond producer, was a founding director and executive of Washington Resources Limited and also a founding director of Empire Resources Limited, Ferrum Crescent Limited and Reedy Lagoon Corporation Limited. Moreover, Mr Griffin was a founding director of ASX-listed Northern Minerals Limited, of which company he is currently a non-executive director. He is a non-executive director of Reedy Lagoon and also managing director of ASX-listed Lithium Australia NL a global developer of dispruptive lithium-from-mica opportunities..

Other listed company directorships during the last 3 years:
Northern Minerals Ltd (Director June 2006 – present), Lithium Australia NL (Director February 2011 – Present) and Reedy Lagoon Corporation Limited (Director June 2014 – Present)

Adrian Griffin is also a member of the Audit Committee, Remuneration and Nomination Committee.

Patrick McManus *Managing Director*

Patrick McManus has a degree in mineral processing from Leeds University and an MBA from Curtin University. A mining professional for more than 30 years, his work has taken him to many sites within Australia and overseas, including Eneabba and the Murray Basin in Australia, and Madagascar, Indonesia and the United States. During that time, Patrick has worked in operational, technical and corporate roles for RioTinto, RGC Limited and Bemax Resources Limited. He was a founding director and, from January 2007 to March 2010, managing director of ASX-listed Corvette Resources Limited.

Other listed company directorships during the last 3 years:
Tungsten Mining NL (Director December 2012 – January 2015)

Directors' Report (continued)

Chew Wai Chuen *Non-Executive Director*

Mr Chew is a financial advisor with more than 15 years of industry experience, specialising in the provision of corporate and wealth management for ultra-high net worth individuals. With experience in South East Asia capital market and extensive networks of clients based in Singapore and Malaysia, Mr Chew will provide important contributions to the Board. He has successfully worked with a number of financial institutions in Singapore such as, Standard Chartered Bank, OCBC Bank and Credit Suisse Singapore.

Mr Chew is now a Managing Partner with a financial advisory firm, providing personal investing planning and wealth management for high net worth individuals and has a good track record of investment into junior mining companies in Australia and South East Asia.

Other listed company directorships during the last 3 years:
Tungsten Mining NL (Director April 2014 – present)

Natalia Streltsova *Non-Executive Director*

Dr Natalia Streltsova is a senior executive with over 25 years' experience in the minerals industry of which 15 years, prior to forming her own consulting business in 2014, was spent in various leadership and technical roles with major mining houses including Vale SA (formerly CVRD), BHP Billiton and WMC Resources Limited. In all of these roles, there was considerable interaction with operations to provide support as well as to identify and implement innovative projects leading to increased production and cost reduction.

Dr Streltsova has a strong background in mineral processing and metallurgy with broad international experience in project, technical and business development capacities. Dr Streltsova has previously been a director on a number of Vale subsidiary boards as well as on several collaborative industry boards. She was also a Non-Executive Director on ASX listed CopperMoly Limited.

Other listed company directorships during the last 3 years:
CopperMoly Limited (Director September 2013 –March 2014)

As at the date of this report, Natalia Streltsova is also a member of the Audit Committee and Chair of the Remuneration and Nomination Committee.

Company secretary as at year end

Amanda Wilton-Heald (appointed 7 November 2014)

Ms Wilton-Heald is a Chartered Accountant and has more than 17 years' experience within Australia and in the United Kingdom. That experience has included the auditing of the company financial statements of both ASX- and LSE-listed companies, an accounting role with an AIM-listed company in the UK specialising in the provision of collaboration technology, and involvement in the ASX listings of junior exploration companies, as well as the provision of corporate advisory and company secretarial services.

Elizabeth Hunt (resigned 7 November 2014)

Directors' Report (continued)

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors (including related parties) in the shares and options of the company were:

	Number of ordinary shares	Number of options over ordinary shares
Adrian Griffin	6,095,933	200,000
Patrick McManus	3,878,407	750,000
Chew Wai Chuen	122,639	-
Natalia Streltsova	-	-

Dividends

No dividend has been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal activities

The principal activity of the entity during the financial year was the exploration for minerals, namely potash.

Operating and financial review

Operating results for the year

The loss after income tax benefit for the year ended 30 June 2015 was $2,871,003 (2014: $1,822,505).

Financial Performance

	2015 $	2014 $	% Increase/ (Decrease)
Company income	62,157	605,096	-89.73%
Loss before tax	(2,871,003)	(1,822,505)	57.53%
Profit/(loss) after income tax benefit	(2,871,003)	(1,822,505)	57.53%
Earning per share (cents)	(1.33)	(1.72)	-22.67%

The financial position of the Company is presented in the attached Statement of Financial Position.

OPERATING AND FINANCIAL REVIEW

Introduction

Australia

Potash West NL ("Potash West" or "the Company") has continued to advance the Dinner Hill Potash and Phosphate Deposit, located some 175km north of Perth in Western Australia, Figure 1. Dinner Hill forms part of the larger Dandaragan Trough landholding having an area of over 2,630km^2. Sedimentary rocks within the trough contain glauconite, a potash rich mica, and phosphate nodules. The objective is to produce potash and phosphate fertilisers and a range of valuable by-products from the glauconite and phosphate present within the sediments of the Dandaragan Trough.

A scoping study undertaken in the third quarter demonstrated significantly improved economics through integration of potash and phosphate plants. The results of this study were released to the market on 13 January 2015.

OPERATING AND FINANCIAL REVIEW (continued)

In the fourth quarter, results from previous work and drilling completed in March 2015 were used to update the Potash and Phosphate Mineral Resources for the Dinner Hill Project and released to the market on 03 June 2015.

Germany

In July 2014 the Company announced that it had entered into an agreement to earn a 55% interest in a conventional potash project in the South Harz region of Germany. The two licence applications having a combined area of 450km^2 were granted in January 2015. A review of historical drill hole data resulted in the estimation of a very large Exploration Target, the details of which were released to the market on 04 March 2015.

Dandaragan Trough Project
Scoping Study – Integration of Potash and Phosphate Projects
The new study confirms significant improvements in economics through integrating the Dinner Hill potash and phosphate plants. The key assumptions and outcomes are:

- Processing 4.2 Mtpa to produce phosphate and potash fertilisers and Alum
- Estimated average total annual cash costs of A$40/tonne of ROM ore
- Estimated average total revenue of A$91/tonne of ROM ore
- IRR of 30%
- $NPV_{12\%}$ of A$652 million
- Staged development allows for initial production to assist with expansion Capex

Previous high level studies evaluated the production of potash, alum and phosphates (ASX Announcement 10 January 2013) and the production of single superphosphate (SSP) (ASX Announcement 17 September 2013) as standalone operations.

The study assumes the production of SSP in a standalone plant for the first 5 years of operation. Subsequently, the glauconite concentrate and phosphate rock will be processed in a joint facility (Integrated K-Max plant) to produce fertilisers, potassium sulfate, potassium magnesium sulfate and merchant grade phosphoric acid, as well as iron oxide and, aluminium sulfate for the remaining life of mine.

The Scoping Study (+/- 35% accuracy) further demonstrates the robust nature of Potash West's Dandaragan project.

The Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves, 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.

Unless otherwise stated, all cashflows are in Australian dollars and are not subject to an inflation/escalation factor.

The Company has concluded that it has reasonable basis for providing the forward looking statements included in this announcement. The detailed reasons for that conclusion are outlined throughout this announcement and in particular in the attached "Forward Looking and Cautionary Statements".

The synergy of combining both projects was recognised but not pursued, in 2013, as stand-alone projects were at the forefront of considerations at that time.

However, as the phosphate resource lies directly above the K-Max resource, the concept of a staged production profile was clearly identified as being cost effective and viable.

The Scoping Study is based upon the JORC compliant Mineral Resource quoted for the Dinner Hill phosphate deposit which includes an Indicated Resource of 120Mt at 2.8% P_2O_5, 3.1% K_2O and 8.2% CaO (see ASX announcement 20 March 2014).

OPERATING AND FINANCIAL REVIEW (continued)

The study involves the production of SSP at a site near the Dinner Hill deposit for the first 5 years of operation. The ore will be processed through a beneficiation and acidulation plant, Figure 2. The pelletised product will be transported by road to Moora and dispatched by rail to Kwinana and / or Geraldton for local and international distribution. The study assumed using sulfuric acid sourced internationally and delivered to site from Kwinana, Western Australia. The beneficiation plant may produce a glauconite concentrate (the source of potash), which will be stockpiled for later treatment.

During the fourth and fifth years of operation the Integrated K-Max plant (which will process the phosphate and potassium containing minerals), Figure 3, will be constructed and commissioned. The mining and beneficiation process will be unchanged. The integrated plant will receive glauconite containing magnetic concentrate and phosphate rock from the beneficiation plant. The Integrated K-Max plant will produce potassium sulfate (SOP), potassium magnesium sulfate (KMS), iron oxide and aluminium sulfate. A sulfur burning acid plant will be installed to generate the acid requirements for the plant.

The installation of the Integrated K-Max plant allows for the production of phosphoric acid from the phosphate concentrate and phosphate contained in the magnetic concentrate. The production of phosphoric acid, as opposed to SSP, is viable due to the on-site acid plant, cheaper transportation costs and larger phosphoric acid market.

OPERATING AND FINANCIAL REVIEW (continued)

Figure 1: Dandaragan Trough Location Plan

OPERATING AND FINANCIAL REVIEW (continued)

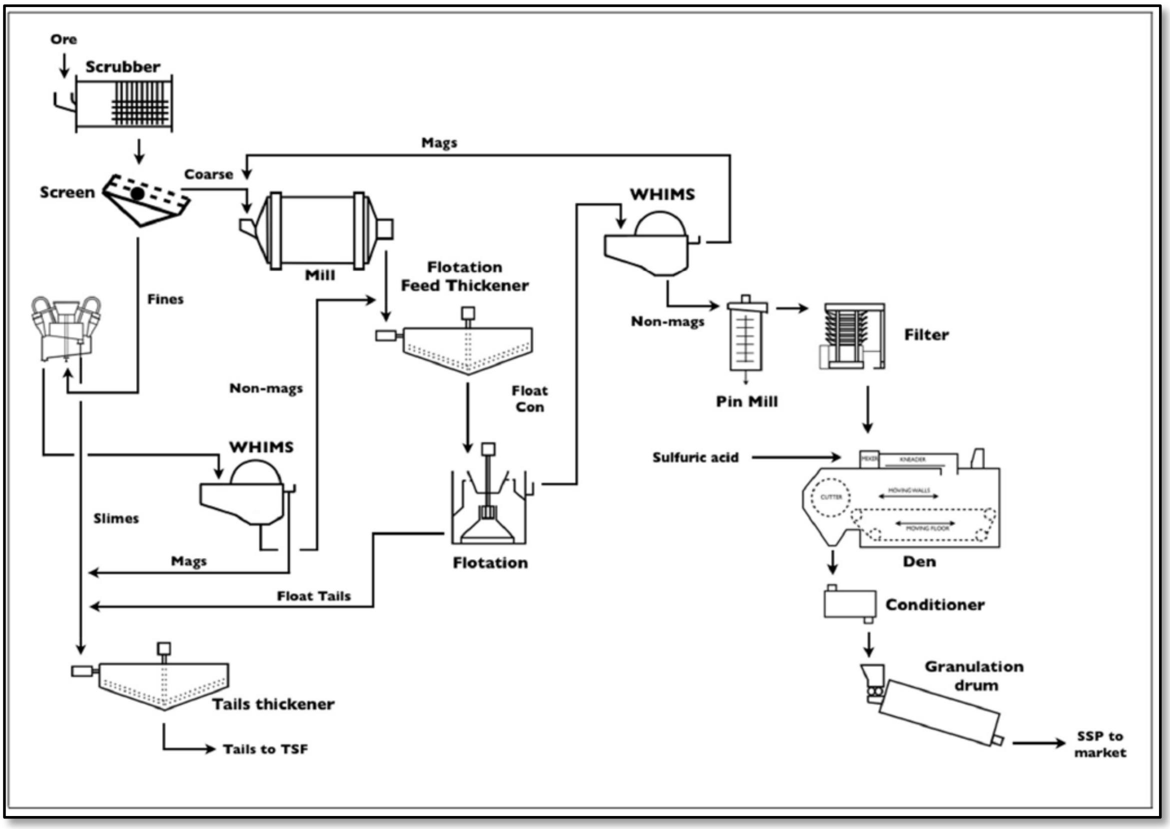

Figure 2: Phosphate process flowsheet.

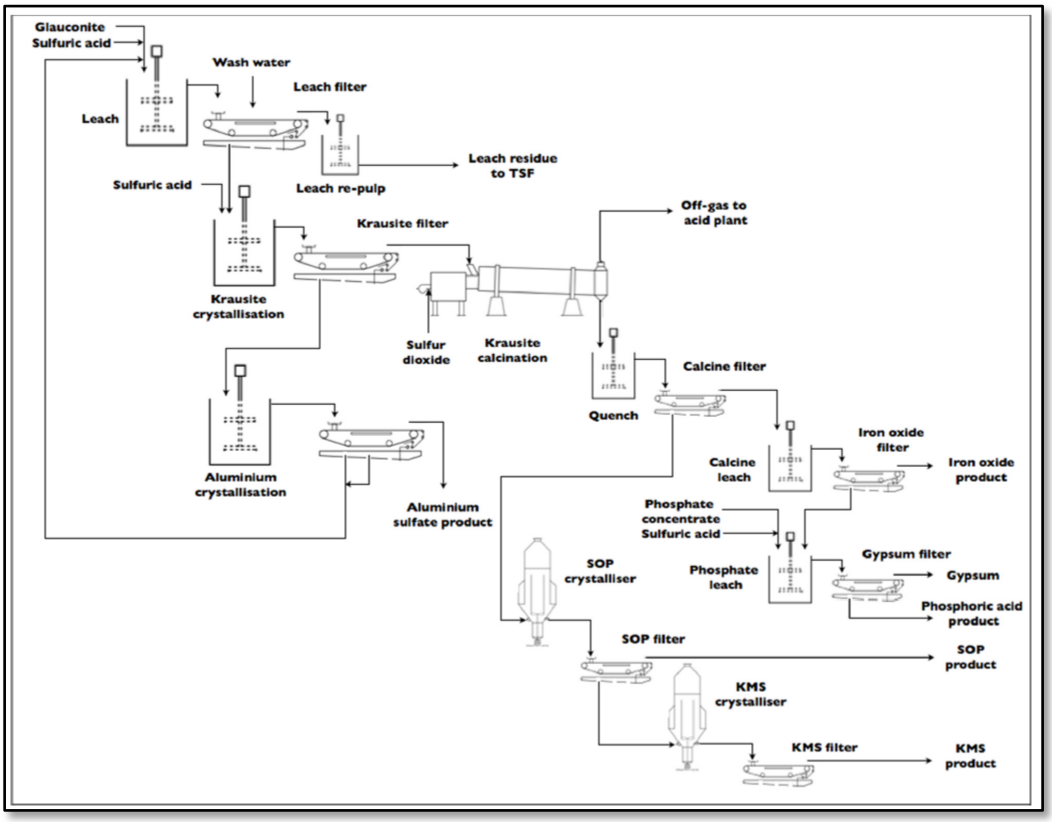

Figure 3: Integrated K-Max process flowsheet

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Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Annual Mineral Resource Statement as at 30 June 2015

The June 2015 resource update uses drilling carried out in 2014 and 2015 comprising an additional 90 aircore drill holes for 2732m. The resource now covers an area of some 17 km^2, Figure 4. Higher grade phosphate mineralisation is continuous to the north within the area of the new drilling significantly upgrading the inventory in both tonnes and grade, compared with the phosphate resource estimate published in 2014, (ASX release 20 March 2014). These results will form the basis of pit design and mine scheduling studies carried out as part of the planned feasibility study into phosphate production at Dinner Hill, set to begin in the third quarter of 2015.

The Dinner Hill Deposit has, above a cut-off grade of 1.45% P_2O_5, an Indicated Mineral Resource of 250Mt at 2.9% P_2O_5. Within this phosphate resource there is an Indicated Mineral Resource of 155Mt at 4.1% K_2O and an Inferred Mineral Resource of 20Mt at 2% K_2O. An additional Indicated Mineral Resource of 18Mt at 3.8% K_2O occurs marginal to the phosphate resource.

Dinner Hill Deposit Resource Summary[1]

Resource	Category	Tonnes (Mt)	P_2O_5 (%)	K_2O (%)
Phosphate	**Indicated**	**250**	**2.9**	
Potash				
Potash resources included within the phosphate resource area	Indicated	155		4.1
	Inferred	20		2
	Totals	175		3.8
Potash resource outside the phosphate resource area	Indicated	18		3.8
Total Potash Resources	Indicated	175		4.0
	Inferred	20		2
	Totals	**195**		**3.8**

1: Totals may differ from sum of individual items due to rounding

Comparison with Previously Estimated Mineral Resources

The previously reported phosphate Mineral Resource for Dinner Hill was estimated to be 120Mt at 2.79% P_2O_5 above a lower cut-off grade of 2.15% P_2O_5. The phosphate resource herein reported is 250Mt at 2.9% P_2O_5 above a lower cut-off grade of 1.45% P_2O_5. The tonnage increase of 108% is attributed to new mining studies, which indicate that lower grades can be processed, and to extensional drilling in the north of the deposit.

The current potash Mineral Resource of 195Mt at 3.8% K_2O compares with the previously reported 244Mt at 3.0% K_2O. The reduction in tonnage reflects more recent metallurgical testwork suggesting that much of the highly oxidised mineralisation in the Poison Hill Greensand would have reduced recovery and should be excluded from the estimate. The target Molecap Greensand previously estimated at 122Mt at 4.6% K_2O is now estimated to contain 175Mt at 4.2% K_2O, a tonnage increase of 43% due to extensional drilling in the north of the deposit. The grade decreased by 9% due to the lower K_2O encountered in the north of the area.

The project tenements cover two virtually horizontal greensand formations within the Cretaceous Coolyena Group: the Poison Hill Greensand and the Molecap Greensand. Over most of the area of the deposit they are separated by the Gingin Chalk and in places are underlain by a thin pebble horizon containing phosphatic nodules. An average thickness of about 11m of surficial, mostly sandy, cover overlies the greensand units. The greensands and the chalk contain significant amounts of phosphate as grains and nodules of fluorapatite. They also contain significant potash within the mineral glauconite. Figure 5 is a section through the deposit showing the geology and summary intersections through potash and phosphate mineralisation

OPERATING AND FINANCIAL REVIEW (continued)

The cut-off grades used for both potash and phosphate are based on ongoing metallurgical and economic studies and are set at levels that ensure continuity of mineralisation throughout the deposit as shown in Figures 6 and 7. The phosphate resource is shown at a range of cut-off grades in Figure 8 and the potash resource is similarly shown in Figure 9.

This indicated resource will be used to develop an optimised mining plan which will be the basis for a new scoping study model for mining Dinner Hill. Two development options will be considered:

1. Mining the phosphate rich parts of the deposit, to produce single superphosphate, for the life of the indicated resource.
2. Using the phosphate mining project as a "springboard" to generate cashflows, some of which would be used to complete the development work for the K-Max process. In this model the K-Max operation will commence ~ 5 years after the phosphate project.

OPERATING AND FINANCIAL REVIEW (continued)

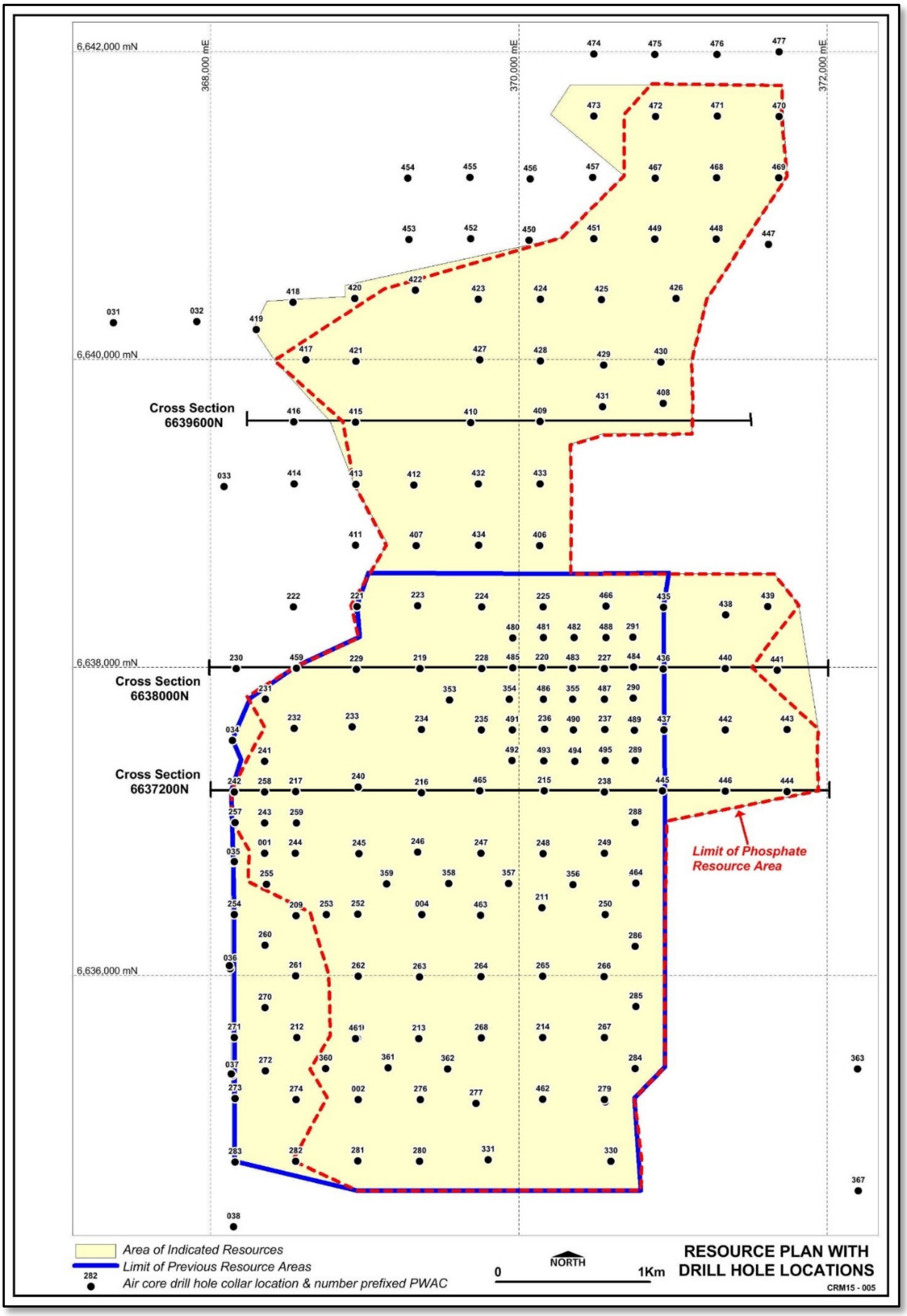

Figure 4: Dinner Hill resource plan with drill hole locations

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

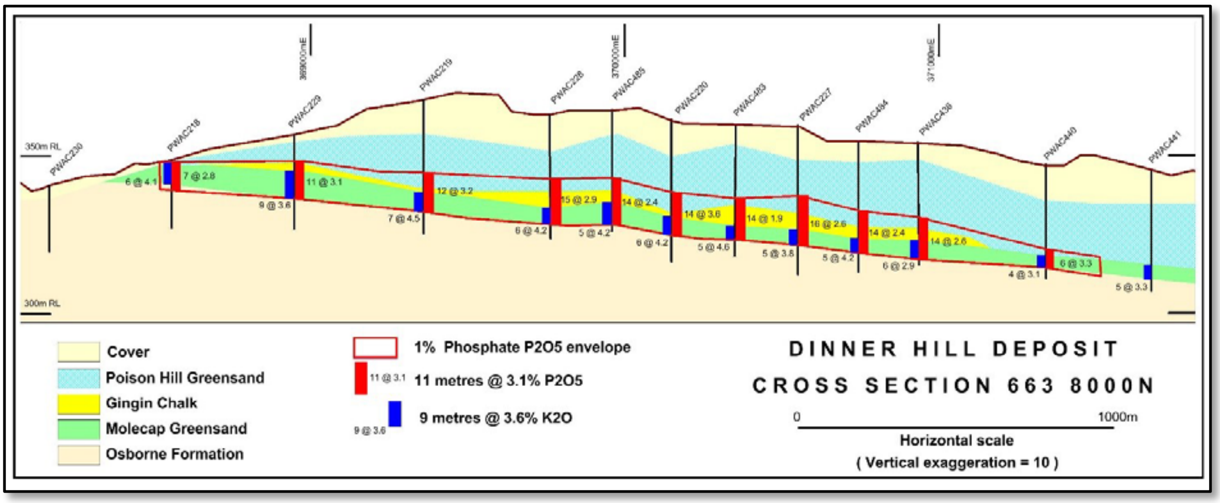

Figure 5: Dinner Hill cross section 6,668,000

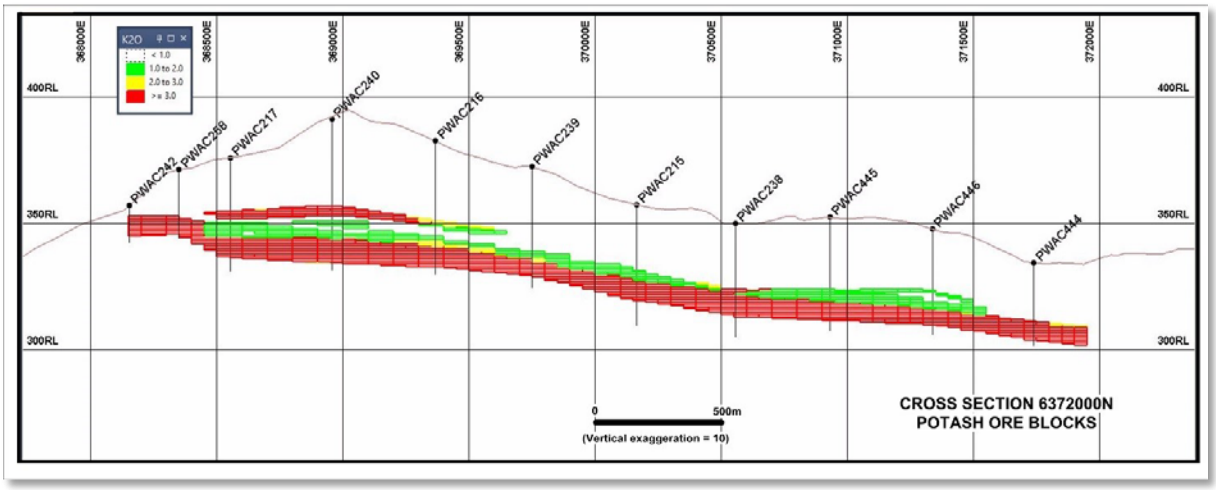

Figure 6: Dinner Hill cross section 6,372,000 with potash ore blocks

OPERATING AND FINANCIAL REVIEW (continued)

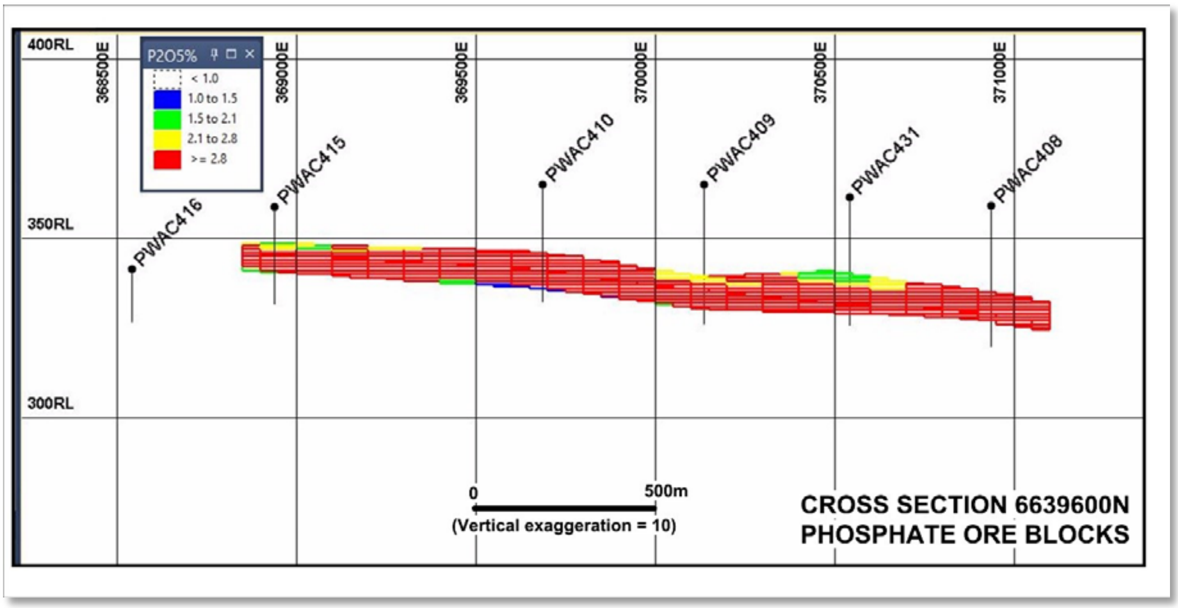

Figure 7: Dinner Hill cross section 6,639,600 with phosphate ore blocks

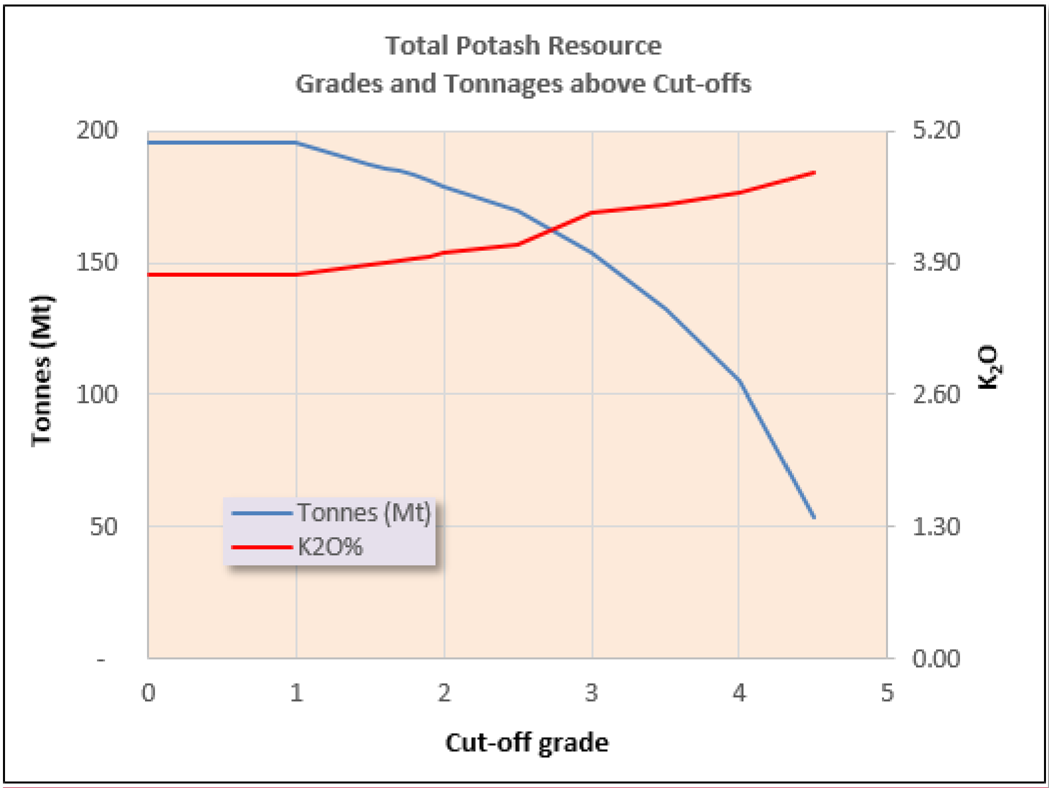

Figure 8: Grade tonnage curve for the Dinner Hill potash resource above a range of cut-off grades.

OPERATING AND FINANCIAL REVIEW (continued)

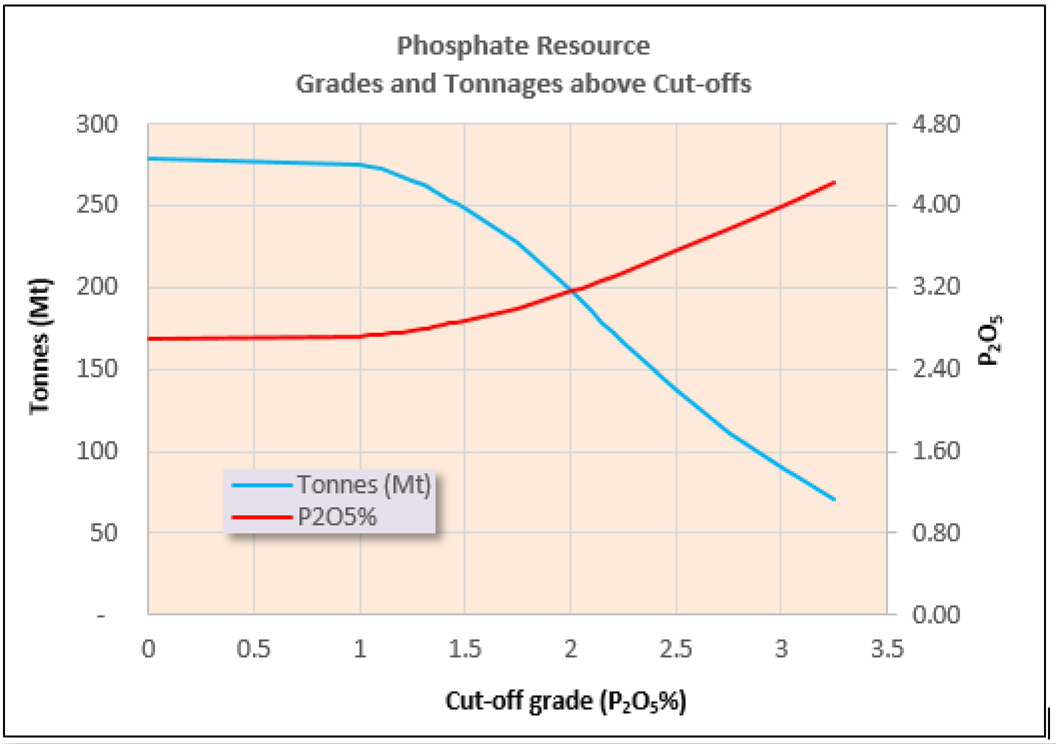

Figure 9: Grade tonnage curve for the Dinner Hill phosphate resource above a range of cut-off grades.

South Harz Project Germany

In July 2014, the Company announced that it had entered into an agreement to earn a 55% interest in a conventional potash project in the South Harz region of Germany. Potash West is earning 55% of East Exploration (EE) which has been granted two exploration licences, Küllstedt and Gräfentonna, covering 450km^2 in the South Harz Potash field in central Germany, Figure 10.

Potash mining commenced in the South Harz potash district in 1896 and potash is still being produced. Over 500 million tonnes of potash ore was extracted from the South Harz region in the 22 year period between 1970 and 1992, producing over 100 million tonnes of potash fertiliser.

Directors' Report (continued)

OPERATING AND FINANCIAL REVIEW (continued)

Figure 10: South Harz project location

EE has commissioned ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau GmbH (ERCOSPLAN) to review and summarise the results of all available geological data relating to the Küllstedt licence and to estimate an Exploration Target for the area. ERCOSPLAN has a long association with the German potash industry. In its former role as the Central Engineering Office for the East German potash mining industry, ERCOSPLAN was closely associated with exploration drilling in the South Harz region in the 1970s and 80s and has access to most of the summary exploration data. The Exploration Target for the Küllstedt licence area (released to the ASX on 04 March 2015) is tabled below.

OPERATING AND FINANCIAL REVIEW (continued)

Küllstedt Exploration Target			
Tonnage (MMT) 1	**Grade Range % K_2O** 2	**Grade Range %KCl** 3	**Potash (K_2O) Tonnage (MMT)** 4
4,055 – 5,141	7.2 – 25	11.8 - 41	292 – 1,285

Notes to Exploration Target

1 - The volume of the potash seam was estimated from the geological model which has been constructed using historical drillhole data. The tonnage was derived from the style of mineralisation and its characteristic density which can vary between 1.83 t/m^3 and 2.32 t/m^3. This amounts to a tonnage range of between 4,055 million metric tonnes and 5,141 million metric tonnes of mineralized rock.

2 - The grade range was estimated from assayed drill intersections of the potash seam which range from 7.2% to 25% K_2O

3 - Conversion of assay K_2O to KCl product multiply by 1.6393

4 - The tonnages of K_2O were obtained by multiplying the tonnage of mineralized material with the corresponding K_2O grade of the potash seam, which range from 7.2% to 25%. Accordingly, the minimum K_2O tonnage is 292 million metric tonnes and the maximum K_2O tonnage is 1,285 million metric tonnes.

Between 1900 and 1978, 34 drill holes and three shafts were sunk from the surface within the Küllstedt Exploration Licence Area, Figure 11, of which 28 drill holes were drilled for potash exploration. An additional six drillholes were drilled, among others, for oil and gas exploration and did not necessarily fully evaluate potash horizons. ERCOSPLAN does not, at this time, have access to the detailed exploration database for many of these holes. ERCOSPLAN is confident that a more complete database will eventually be recovered from the archives of federal and local authorities.

Given their long history with potash mining in the South Harz region, ERCOSPLAN is of the understanding that the historical exploration was carried out according to long established procedures that were current best practice in the German potash industry. Drill hole locations are shown in Figure 11.

OPERATING AND FINANCIAL REVIEW (continued)

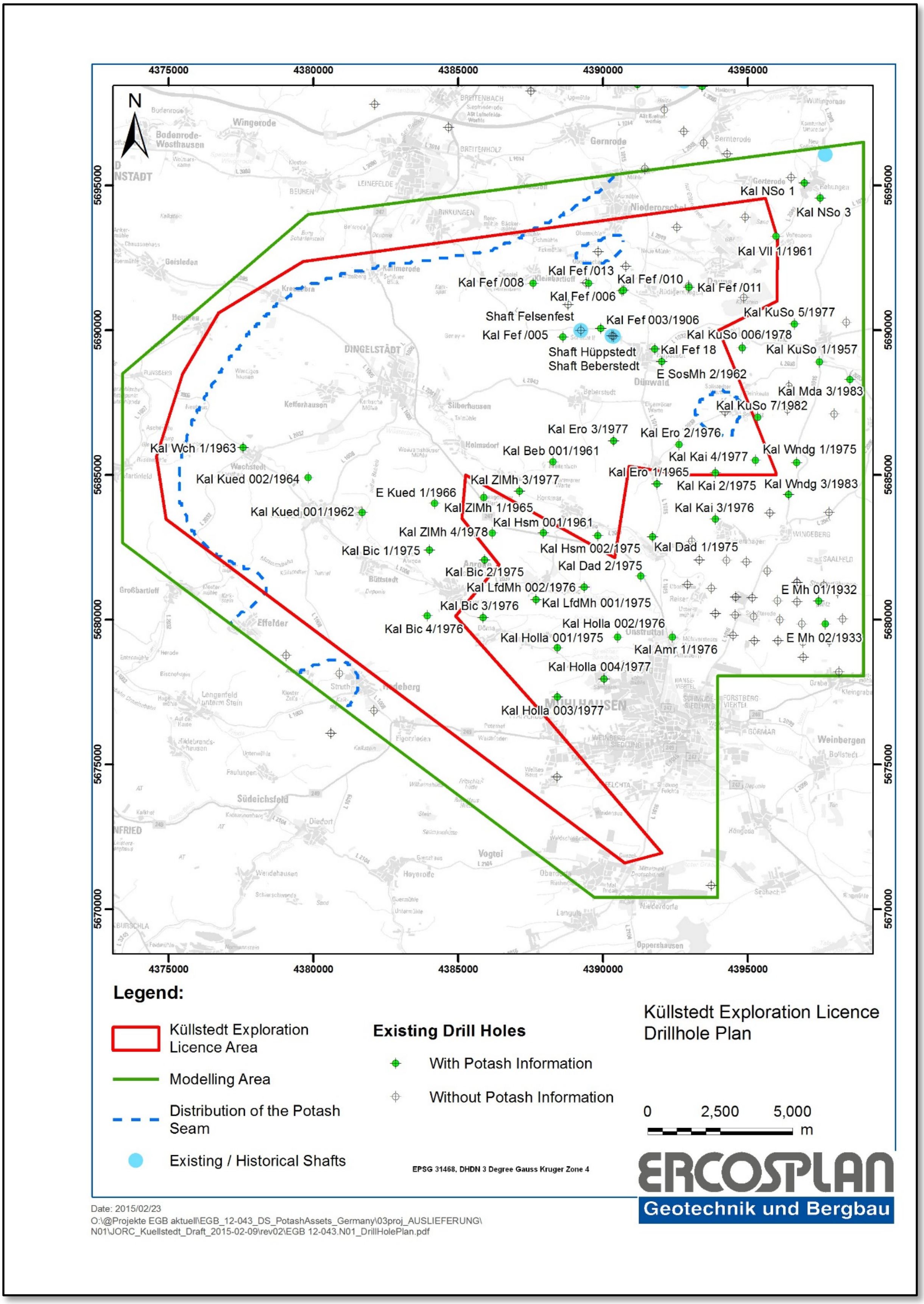

Figure 11: Küllstedt drill hole plan showing hole location and year of drilling start

OPERATING AND FINANCIAL REVIEW (continued)

Technology

Potash West owns the intellectual property regarding the K-Max process which unlocks the valuable elements that exist within the vast glauconite deposits of the Dandaragan Trough. We are applying for patents for this technology. There has been interest from other companies looking at similar deposits and the Company is investigating opportunities to licence the technology.

In addition the Company has a significant (21% at the time of writing) shareholding in an exciting technology, dubbed L-Max, which shows potential as a method to extract lithium from lithium rich micas. The company that owns the technology, Lepidico Ltd, has a plan to licence the technology to development companies and the first licences have been granted, to Lithium Australia NL.

Lithium is a commodity which is facing very strong demand growth, due to its use in lightweight batteries. We believe that Lepidico could develop a strong business model licencing the technology to a range of projects and receiving a royalty stream.

Exploration Tenure

During the year the following tenements were relinquished: E70/3100, E70/3360 and E70/4124. The decision to relinquish was based on a combination of lower prospectivity and high holding costs.

A new application E70/4609 was made during the year. It is on the western margin of the Dandaragan Trough, in a similar geological setting to the Company's Dinner Hill project.

Corporate Activity

The Company continued to promote the Dandaragan Trough, at local and investment market conferences. The Company was listed on the Frankfurt Stock Exchange, under the code A1JH27.

We have raised $4.8M during the year, through share issues.

Subsequent to year-end we have entered into a transaction to sell our 55% of East Exploration to Davenport Resources. If that progresses to completion the Company will own 29.3% of Davenport at the IPO. The transaction is expected to be completed by the end of December 2015.

During the year George Sakalidis and Gary Johnson resigned as directors and were replaced by Chew Wai Chuen and Natalia Streltsova

Competent Person's Statements
Dandaragan Trough Project
The information in this report that relates to the estimation of the 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.

South Harz Project, Germany
The information in this report that relates to Exploration Targets and Exploration Results, is based on information compiled by Andreas Jockel, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1018) and Dr Henry Rauche, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 729).

OPERATING AND FINANCIAL REVIEW (continued)

Andreas Jockel and Dr Henry Rauche are full-time employees of ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH (ERCOSPLAN). ERCOSPLAN, Andreas Jockel and Dr Henry Rauche are not associates or affiliates of East Exploration Pty Ltd, or of any associated company. ERCOSPLAN will receive a fee for the preparation of this Report in accordance with normal professional consulting practices. This fee is not contingent on the conclusions of this Report and ERCOSPLAN, Andreas Jockel and Dr Henry Rauche will receive no other benefit for the preparation of this Report. ERCOSPLAN, Andreas Jockel and Dr Henry Rauche do not have any pecuniary or other interests that could reasonably be regarded as capable of affecting their ability to provide an unbiased opinion in relation to the Küllstedt Exploration Licence Area.

ERCOSPLAN does not have, at the date of this Report, and has not had within the previous years, any shareholding in or other relationship with East Exploration Pty Ltd or the Küllstedt Exploration Licence Area and consequently considers itself to be independent of East Exploration Pty Ltd.

Andreas Jockel and Dr Henry Rauche have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Andreas Jockel and Dr Henry Rauche consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Cautionary Statement:
The scoping referred to in this report is based on low-level technical and economic assessments and is insufficient to support any 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.

The use of the word "ore" in the context of this report does not support the definition of "Ore Reserves" as defined by the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. The word 'ore' is used in this report to give an indication of quality and quantity of mineralized material that would be fed to the processing plant and it is not to be assumed that 'ore 'will provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the scoping study will be realised.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Potash West 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.

Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by Potash West, are inherently subject to significant uncertainties and contingencies

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 announcement 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.

OPERATING AND FINANCIAL REVIEW (continued)

Significant changes in the state of affairs

On 4 May 2015, the Company settled the final payment and increased the Company's ownership of East Exploration Pty Ltd to 55%.

Other than the above mentioned, there have been no significant changes in the state of affairs of the Company from 1 July 2014 to the date of this report.

Significant events after the balance date

On 6 July 2015, the Company issued 27,500,000 shares at $0.04 per share, raising $1,100,000 before costs. This is part of the $1.8 million placement announced on 25 June 2015.

On 18 August 2015, the Company agreed and its controlled entity entered into a term sheet with Davenport Resources Pty Ltd ("Davenport"), a wholly owned subsidiary of Arunta Resources Limited ("Arunta"), to sell 100% of East Exploration, which is the owner of South Harz Potash project. The term sheet is subject to the completion of due diligence by both parties, entry into formal documentation by East Exploration's shareholders for the sale of their shares, Arunta and Davenport being satisfied with any conditions imposed on the demerger of Davenport or subsequent listing of Davenport by ASX, the proposed seed capital placement and IPO capital raising by Davenport and satisfaction of ASX and regulatory requirements including Arunta Resources, Davenport and the Company shareholder approval.

There have not been any matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than disclosed elsewhere in this annual report.

Likely Developments and expected results

The Company will continue its focus on the Dandaragan Trough and exploring opportunities to progress both the phosphate and the K-Max projects. Work has commenced on the pre-feasibility study for single superphosphate production.

We will also look to advance the South Harz project, the vending of that project into a company that will list on the ASX, is in progress at this moment. .

Environmental regulation and performance

The Company's activities are subject to Australian legislation relating to the protection of the environment. The Company is subject to significant environmental legal regulations in respect to its exploration and evaluation activities. There have been no known breaches of these regulations and principles.

Indemnification and Insurance of directors and officers

The Company has entered into deeds of access and indemnity with the officers of the Company, indemnifying them against liability incurred, including costs and expenses in successfully defending legal proceedings. The indemnity applies to a liability for costs and expenses incurred by the director or officer acting in their capacity as a director or officer.

Except in the case of a liability for legal costs and expenses, it does not extend to a liability that is:

(a) owed to the Company or a related body corporate of the Company;

(b) for a pecuniary penalty order under section 1317G or a compensation order under section 1317H or section 1317HA of the *Corporations Act 2001*; or

(c) owed to someone other than the Company or a related body corporate of the Company where the liability did not arise out of conduct in good faith.

Directors' Report (continued)

Indemnification and Insurance of directors and officers (continued)

Similarly, the indemnity does not extend to liability for legal costs and expenses:

(d) in defending proceedings in which the officer is found to have a liability described in paragraph (a), (b) or (c);

(e) in proceedings successfully brought by the Australian Securities and Investments Commission or a liquidator; or

(f) in connection with proceedings for relief under the *Corporations Act 2001* in which the court denies the relief.

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the Directors and Officers. The terms of the contract prohibit the disclosure of the details of the insurance contract and premiums paid.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Share Options

As at the date of this report there were 5,042,188 (2014: 13,021,457) unissued ordinary shares under options.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate.

Non-audit services

The Company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company are important. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for audits by the *Corporations Act 2001.* The nature and scope of each type of non-audit service provide means that auditor independence was not compromised.

Details of the amounts paid or payable to the auditor, Ernst & Young, for non-audit services provided during the year are set out below.

	2015	2014
	$	$
Remuneration of the auditor of the Company for:		
-other services; research & development tax concession.	17,909	38,072
	17,909	38,072

Directors' Report (continued)

Directors' meetings

Meetings of directors held and their attendance during the financial year were as follows:

Name of director:	Directors' meeting held whilst in office	Directors' meetings attended	Audit Committee meetings held	Audit Committee meetings attended	Remuneration and Nomination Committee meetings held	Remuneration and Nomination Committee meetings attended
Adrian Griffin	6	6	2	2	2	2
Patrick McManus	6	6	-	-	-	-
George Sakalidis*	2	1	1	1	-	-
Gary Johnson**	6	6	2	2	2	2
Chew Wai Chuen***	4	4	1	1	2	2
Natalia Streltsova****	-	-	-	-	-	-

***** *George Sakalidis resigned as Non-executive Director, effective from 26 November 2014.*
****** *Chew Wai Chuen was appointed as Non-executive Director, effective from 26 November 2014.*
******* *Gary Johnson resigned as Non-executive Director, effective from 30 June 2015*
***** Natalia Streltsova was appointed as Non-executive Director, effective from 30 June 2015*

Remuneration Report (audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, and includes executives of the Company. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Details of Key Management Personnel

(i) Directors:

Adrian Griffin	Non-Executive Chairman
Patrick McManus	Managing Director
Chew Wai Chuen	Non-Executive Director (appointed effective 26 November 2014)
Natalia Streltsova	Non-Executive Director (appointed effective 30 June 2015)
George Sakalidis	Non-Executive Director (resigned effective 26 November 2014)
Gary Johnson	Non-Executive Director (resigned effective 30 June 2015)

(ii) Executives:

Lindsay Cahill	Geologist
Robert Van Der Laan	Chief Financial Officer

<u>Remuneration Philosophy</u>

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value.

Remuneration Report (audited) (continued)

Shares and options issued under the incentive plans provide an incentive to stay with the Company. At this time, shares and options issued do not have performance criteria attached. This policy is considered to be appropriate for the Company, having regard to the current state of its development.

The Company does not have a policy which precludes directors and executives from entering into contracts to hedge their exposure to options or shares granted to them as remuneration.

The Company also recognises that, at this stage in its development, it is most economical to have only a few employees and to draw, as appropriate, upon a pool of consultants selected by the directors on the basis of their known management, geoscientific, and engineering and other professional and technical expertise and experience. The Company will nevertheless seek to apply the principles described above to its directors and executives, whether they are employees of/or consultants to the Company.

Remuneration Committee Responsibilities

The Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive and executive director remuneration is separate and distinct.

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors must be determined from time to time by shareholders of the Company in a general meeting. An amount not exceeding the amount determined is then divided between the non-executive directors. As at the date of the report, the aggregate directors' fees for non-executive Directors has been set at an amount not exceeding $200,000 per annum (2014: $200,000 per annum).

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst non-executive directors is reviewed annually. The Board may consider advice from external consultants, as well as the fees paid to non-executive directors of comparable companies, when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. No additional fee is paid for participating in the Audit, Remuneration and Nomination Committees.

Non-executive directors are encouraged by the Board to hold shares in the Company (purchased on market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The non-executive directors of the Company may also participate in the share and option plans as described in this report.

Remuneration Report (audited) (continued)

As an incentive to employees, Directors, executive officers and consultants, the Company has adopted a scheme called the Potash West Employee Incentive Scheme ('the Scheme'). The purpose of the Scheme is to give employees, Directors, executive officers and consultants of the Company an opportunity to subscribe for shares and/or options in the Company. The Directors consider that the Scheme will enable the Company to retain and attract skilled and experienced employees, Board members and executive officers and provide them with the motivation to participate in the future growth of the Company and, upon becoming shareholders in the Company, to participate in the Company's profits and development.

Executive director and senior management remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company, business team and individual performance;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

- At this time, the cash component of remuneration paid to the Executive directors, and other senior managers is not dependent upon the satisfaction of performance conditions.

- It is current policy that some executives be engaged by way of consultancy agreements with the Company, under which they receive a contract rate based upon the number of hours of service supplied to the Company. There is provision for yearly review and adjustment based on consumer price indices. Such remuneration is hence not dependent upon the achievement of specific performance conditions. This policy is considered to be appropriate for the Company, having regard to the current state of its development.

- Executive directors are encouraged by the Board to hold shares in the Company (purchased on market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The Executive directors of the Company may also participate in the share and option plans as described in this report.

Performance table

The following table details the loss of the Company from continuing operations after income tax, together with the basic loss per share since the incorporation of the company:

	2015 $	**2014 $**	**2013 $**	**2012 $**	**2011 $**
Net loss from continuing operations after income tax	2,871,003	1,822,505	4,193,632	3,900,096	808,723
Basic loss per share in cents	1.33	1.72	5.85	5.76	1.08
Share Price in Cents	4.9	3.6	12.0	23.0	18.0

** The Company was registered in November 2010*

The options on issue are not considered dilutive for the purpose of the calculation of diluted earnings/loss per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share. Consequently, diluted earnings/loss per share is the same as basic earnings per share.

Remuneration Report (audited) (continued)

Agreements with non-executive directors

The director's fees of $90,000 per annum inclusive of superannuation requirements were paid, or due and payable to Mr Adrian Griffin. In the event of termination, there is no notice period required.

The director's fees of $50,000 per annum inclusive of superannuation requirements were paid, or due and payable to Mr George Sakalidis. In the event of termination, there is no notice period required.

The director's fees of $50,000 per annum inclusive of superannuation requirements were paid, or due and payable to Mr Gary Johnson. In the event of termination, there is no notice period required.

The director's fees of $50,000 per annum inclusive of superannuation requirements were paid, or due and payable to Mr Chew Wai Chuen. In the event of termination, there is no notice period required.

The director's fees of $50,000 per annum inclusive of superannuation requirements were paid, or due and payable to Dr Natalia Streltsova. In the event of termination, there is no notice period required.

The company has also entered into a services agreement with Strategic Metallurgy Pty Ltd for the provision of Metallurgical Services. Service fees are agreed on an arm's length transaction basis. Mr Gary Johnson is a director and shareholder of Strategic Metallurgy Pty Ltd.

The company had also entered into a services agreement with Precious Capital Pte Ltd for the provision of corporate advisor services. Service fees are agreed on an arm's length transaction basis. However, this agreement had also been terminated from December 2014. Mr Chew Wai Chuen is a director and shareholder of Precious Capital Pte Ltd.

<u>Executive director and senior management remuneration</u>

Long-Term Incentive ("LTI") awards to executives are made under the Employee Share Plan ("ESP") and are delivered in the form of shares. Shares granted under the ESP are released equally over 36 months, 12 months from the grant date.

Agreement with Managing Director

On the 6 September 2012, the Remuneration Committee recommended to increase Mr Patrick McManus's annual salary from $250,000 inclusive of superannuation requirements to $275,000 per annum inclusive of superannuation requirement, effective from 1 July 2012.

The agreement can be terminated by either party by giving three months' notice or payment of three months' salary in lieu of notice.

Agreement with Chief Financial Officer

Mr Robert Van Der Laan was appointed as Chief Financial Officer, effective on 13 May 2011. On 5 August 2011 the company entered into an agreement containing the terms and conditions under which the services of Chief Financial Officer are provided. In the event of termination, there is no notice period required.

The agreement involves the payment to the Company associated with Robert Van der Laan of an hourly fee of $120 and reimbursement of expenses. The hourly rate was revised up to $130 effective from 1 July 2013.

The company has also entered into an agreement with Richmond Resources Pty Ltd for the transfer of tenements. Fees are agreed on an arm's length transaction basis. Mr Robert Van Der Laan is a director and shareholder of Richmond Resources Pty Ltd.

Directors' Report (continued)

Remuneration Report (audited) (continued)

The company has also entered into a services agreement with Horn Resources Pty Ltd for the provision of investor relations, corporate advisory, office accommodation, accounting staff, administrative staff and exploration staff. Service fees are agreed on an arm's length transcation basis. Mr Robert Van Der Laan is a director and shareholder of Horn Resources Pty Ltd.
Agreement with Exploration Manager

On 25 August 2011, the Company and a company associated with Mr Lindsay Cahill entered into an agreement containing the terms and conditions under which the services of the Mining Services Manager are provided to the Company. In the event of termination, there is no notice period required.

The agreement involves the payment to the Company associated with Mr Cahill of an hourly fee of $125 and reimbursement of expenses.

<u>Directors' Remuneration 2015</u>

	Short-term		**Post-employment benefits**		**Share and Option Based Payments**		
Executive	**Directors' Fees $**	**Salary and Consulting Fees $**	**Superannuation Contribution $**	**Termination Benefits $**	**Shares $**	**Options $**	**Total $**
Adrian Griffin	73,024	-	7,808	-	9,167	-	90,000
Patrick McManus	-	219,952	33,012	-	22,036	-	275,000
George Sakalidis	15,885	-	1,807	-	3,140	-	20,833
Gary Johnson	40,537	-	4,338	-	5,126	-	50,000
Chew Wai Chuen	28,602	-	-	-	1,250	-	29,852
Natalia Streltsova	-	-	-	-	-	-	-
Total	**158,049**	**219,952**	**46,965**	**-**	**40,719**	**-**	**465,685**

<u>Executives' Remuneration 2015</u>

	Short-term		**Post-employment benefits**		**Share and Option Based Payments**		
Executive	**Salary $**	**Consulting Fees $**	**Superannuation Contribution $**	**Termination Benefits $**	**Shares $**	**Options $**	**Total $**
Lindsay Cahill	-	65,914	-	-	-	-	65,914
Robert Van der Laan	-	79,365	-	-	-	-	79,365
Total	**-**	**145,279**	**-**	**-**	**-**	**-**	**145,279**
Total Directors' and Executives' Remuneration	**158,049**	**365,231**	**46,965**	**-**	**40,719**	**-**	**610,964**

Directors' Report (continued)

Remuneration Report (audited) (continued)

Directors' Remuneration 2014

	Short-term		Post-employment benefits		Share and Option Based Payments		
Director	**Directors' Fees $**	**Salary and Consulting Fees $**	**Superannuation Contribution $**	**Termination Benefits $**	**Shares $**	**Options $**	**Total $**
Adrian Griffin	76,982	-	7,636	-	5,382	-	90,000
Patrick McManus	-	228,315	33,213	-	13,472	-	275,000
George Sakalidis	42,711	-	4,242	-	3,047	-	50,000
Gary Johnson	42,771	-	4,242	-	2,987	-	50,000
Total	**162,464**	**228,315**	**49,333**	**-**	**24,888**	**-**	**465,000**

Executives' Remuneration 2014

	Short-term		Post-employment benefits		Share and Option Based Payments		
Executive	**Salary $**	**Consulting Fees $**	**Superannuation Contribution $**	**Termination Benefits $**	**Shares $**	**Options $**	**Total $**
Lindsay Cahill	-	54,083	-	-	-	-	54,083
Robert Van der Laan	-	86,172	-	-	-	-	86,172
Total	**-**	**140,255**	**-**	**-**	**-**	**-**	**140,255**
Total Directors' and Executives' Remuneration	**162,464**	**368,570**	**49,333**	**-**	**24,888**	**-**	**605,255**

<u>Incentive shares and options: Granted and vested during the year</u>

Shares

There were no shares issued to key management personnel as part of the incentive plan during the year ended 30 June 2015 (2014: nil).

Options

There were no options granted to key management personnel as part of the incentive plan during the year ended 30 June 2015 (2014: nil).

Remuneration Report (audited) (continued)

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel, which including the directors and executives.

(a) Share holdings of Key Management Personnel

2015	Balance at 1 July 2014 Ordinary	Granted as remuneration Ordinary	On Exercise of Options Ordinary	Net change other Ordinary	Balance at 30 June 2015 Ordinary
Directors					
Adrian Griffin	5,890,297	205,636	-	-	6,095,933
Patrick McManus	3,384,121	494,286	-	-	3,878,407
George Sakalidis	1,080,600	69,465	-	-	1,150,065
Gary Johnson	436,097	114,973	-	(380,788)	170,282
Chew Wai Chuen	91,389	31,250	-	-	122,639
Natalia Streltsova	-	-	-	-	-
Total	**10,882,504**	**915,610**	**-**	**(380,788)**	**11,417,326**
Executives					
Lindsay Cahill	3,755,082	-	-	(40,000)	3,715,082
Robert Van der Laan	6,786,023	-	-	(255,000)	6,531,023
Total	**10,541,105**	**-**	**-**	**(295,000)**	**10,246,105**
Total Directors' and Executives Share holdings	**21,423,609**	**915,610**	**-**	**(675,788)**	**21,663,431**

2014	Balance at 1 July 2013 Ordinary	Granted as remuneration Ordinary	On Exercise of Options Ordinary	Net change other Ordinary	Balance at 30 June 2014 Ordinary
Directors					
Adrian Griffin	5,175,622	99,667	-	615,008	5,890,297
Patrick McManus	2,612,205	249,475	-	522,441	3,384,121
George Sakalidis	947,205	56,420	-	76,975	1,080,600
Gary Johnson	339,121	55,309	-	41,667	436,097
Total	**9,074,153**	**460,871**	**-**	**1,256,091**	**10,791,115**
Executives					
Lindsay Cahill	554,863	-	-	3,200,219	3,755,082
Robert Van der Laan	75,000	-	-	6,711,023	6,786,023
Total	**629,863**	**-**	**-**	**9,911,242**	**10,541,105**
Total Directors' and Executives Share holdings	**9,704,016**	**460,871**	**-**	**11,167,333**	**21,332,220**

Directors' Report (continued)

Remuneration Report (audited) (continued)

(b) Partly Paid Contributing Shares of Key Management Personnel

2015	Balance at 1 July 2014 Partly Paid	Granted as remuneration Partly Paid	On Exercise of Options Partly Paid	Net change other Partly Paid	Balance at 30 June 2015 Partly Paid
Directors					
Adrian Griffin	2,895,317	-	-	-	2,895,317
Patrick McManus	1,567,323	-	-	-	1,567,323
George Sakalidis	454,705	-	-	-	454,705
Gary Johnson	-	-	-	-	-
Chew Wai Chuen	-	-	-	-	-
Natalia Streltsova	-	-	-	-	-
Total	**4,917,345**	**-**	**-**	**-**	**4,917,345**
Executives					
Lindsay Cahill	1,877,542	-	-	-	1,877,542
Robert Van der Laan	2,823,012	-	-	-	2,823,012
Total	**4,700,554**	**-**	**-**	**-**	**4,700,554**
Total Directors' and Executives Share holdings	**9,617,899**	**-**	**-**	**-**	**9,617,899**

2014	Balance at 1 July 2013 Partly Paid	Granted as remuneration Partly Paid	On Exercise of Options Partly Paid	Net change other Partly Paid	Balance at 30 June 2014 Partly Paid
Directors					
Adrian Griffin	-	-	-	2,895,317	2,895,317
Patrick McManus	-	-	-	1,567,323	1,567,323
George Sakalidis	-	-	-	454,705	454,705
Gary Johnson	-	-	-	-	-
Total	**-**	**-**	**-**	**4,917,345**	**4,917,345**
Executives					
Lindsay Cahill	-	-	-	1,877,542	1,877,542
Robert Van der Laan	-	-	-	2,823,012	2,823,012
Total	**-**	**-**	**-**	**4,700,554**	**4,700,554**
Total Directors' and Executives Share holdings	**-**	**-**	**-**	**9,617,899**	**9,617,899**

Directors' Report (continued)

Remuneration Report (audited) (continued)

(c) Option holdings of Key Management Personnel

2015	**Balance at 1 July 2014 Number**	**Granted as remuneration Number**	**Options exercised Number**	**Net change other Number**	**Balance at 30 June 2015 Number**	**Not exercisable Number**	**Exercisable Number**
Directors							
Adrian Griffin	509,090	-	-	(309,090)	200,000	-	200,000
Patrick McManus	1,535,834	-	-	(785,834)	750,000	-	750,000
George Sakalidis	475,000	-	-	(275,000)	200,000	-	200,000
Gary Johnson	491,667	-	-	(291,667)	200,000	-	200,000
Chew Wai Chuen	-	-	-	-	-	-	-
Natalia Streltsova	-	-	-	-	-	-	-
Total	**3,011,591**	**-**	**-**	**(1,661,591)**	**1,350,000**	**-**	**1,350000**
Executives							
Lindsay Cahill	613,637	-	-	(613,637)	-	-	-
Robert Van der Laan	1,754,534	-	-	(1,504,534)	250,000	-	250,000
Total	**2,368,171**	**-**	**-**	**(2,118,171)**	**250,000**	**-**	**250,000**
Total Directors' and Executives Share holdings	**5,379,762**	**-**	**-**	**(3,779,762)**	**1,600,000**	**-**	**1,600,000**

2014	**Balance at 1 July 2013 Number**	**Granted as remuneration Number**	**Options exercised Number**	**Net change other Number**	**Balance at 30 June 2014 Number**	**Not exercisable Number**	**Exercisable Number**
Directors							
Adrian Griffin	450,000	-	-	59,090	509,090	-	509,090
Patrick McManus	1,250,000	-	-	285,834	1,535,834	-	1,535,834
George Sakalidis	450,000	-	-	25,000	475,000	-	475,000
Gary Johnson	450,000	-	-	41,667	491,667	-	491,667
Total	**2,600,000**	**-**	**-**	**411,591**	**3,011,591**	**-**	**3,011,591**
Executives							
Lindsay Cahill	500,000	-	-	113,637	613,637	-	613,637
Robert Van der Laan	-	-	-	1,754,534	1,754,534	-	1,754,534
Total	**500,000**	**-**	**-**	**1,868,171**	**2,368,171**	**-**	**2,368,171**
Total Directors' and Executives Share holdings	**3,100,000**	**-**	**-**	**2,279,762**	**5,379,762**	**-**	**5,379,762**

Directors' Report (continued)

Remuneration Report (audited) (continued)

(d) Other Transactions with Key Management Personnel

There were no other transactions with key management personnel.

End of Remuneration Report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 36 and forms part of this report.

This report is made in accordance with a resolution of directors.

Patrick McManus
Managing Director
Perth
Dated: 30 September 2015

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Auditor's Independence Declaration to the Directors of Potash West NL

In relation to our audit of the financial report of Potash West NL for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Robert A Kirkby
Partner
30 September 2015

RK:MW:PotashWest:092

Potash West NL

A.C.N. 147 346 334

Corporate Governance Statement

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has considered the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*.

In line with the above, the Board has set out the way forward for the Company in its implementation of its Principles of Good Corporate Governance and Recommendations. The approach taken by the board was to set a blueprint for the Company to follow as it introduces elements of the governance process. Due to the current size of the Company and the scale of its operations it is neither practical nor economic for the adoption of all of the recommendations approved via the board charter. Where the Company has not adhered to the recommendations it has stated that fact in this Corporate Governance Statement however has set out a mandate for future compliance when the size of the Company and the scale of its operations warrants the introduction of those recommendations. Date of last review and Board approval: 14 September 2015.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight			
Recommendation 1.1			
A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Yes	Board Charter Code of Conduct, Independent Professional Advice Policy Website	To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge it responsibilities and duties. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment. The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out those delegated duties. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company. To assist the Board carry its functions, it has developed a Code of Conduct to guide the Directors. In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight (continued)			
Recommendation 1.1 (continued)			
			• Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board. • Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company. • Overseeing Planning Activities: the development of the Company's strategic plan • Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company as well as ensuring timely and balanced disclosures of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity's securities. • Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company. • Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting along with ensuring the integrity of the Company's financial and other reporting. • Human Resources: reviewing the performance of Executive Officers and monitoring the performance of senior management in their implementation of the Company's strategy. • Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees. • Delegation of Authority: delegating appropriate powers to the Managing Director to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board. • Monitoring the effectiveness of the Company's corporate governance practices.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight (continued)			
Recommendation 1.1 (continued)			
			Full details of the Board's and Company Secretary's roles and responsibilities are contained in the Board Charter. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at $2,000), to assist them to carry out their responsibilities.
Recommendation 1.2			
A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re- elect a director.	Yes, however the full information of new Directors for election was not included in all notices of meeting but will be included in future notices of meeting	Director Selection Procedure Website	Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's operations. The Company's current Directors all have relevant experience in the operations. In addition, Directors should have the relevant blend of personal experience in: • Accounting and financial management; and • Director-level business experience. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company. In determining candidates for the Board, the Nomination Committee follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting. Each Non-Executive Director has a written agreement with the Company that covers all aspects of their appointment including term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations as well as roles on the Company's committees.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight (continued)			
Recommendation 1.2 (continued)			
			Each executive director's agreement with the Company includes the same details as the non-executive directors' agreements but also includes a position description, reporting hierarchy and termination clauses. The Nomination Committee is responsible for implementing a program to identify, assess and enhance Director competencies. In addition, the Nomination Committee puts in place succession plans to ensure an appropriate mix of skills, experience, expertise and diversity are maintained on the Board.
Recommendation 1.3			
A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Kept at registered office, Independent Professional Advice Policy	The Company has entered into an agreement with each director setting out the terms of their appointment. Each non-executive director has a written agreement with the Company that covers all aspects of their appointment including term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations as well as roles on the Company's committees. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.
Recommendation 1.4			
The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Board Charter Website	Full details of the Board's and Company Secretary's roles and responsibilities are contained in the Board Charter.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight (continued)			
Recommendation 1.5			
A listed entity should: a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and	Yes	Diversity Policy Website	The Company recognises and respects the value of diversity at all levels of the organisation. The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation. The Diversity Policy was re-adopted during the year and the Company set the following objectives for the employment of women: • to the Board – 25% by 2016 • to senior management – no target set • to the organisation as a whole – 30% by 2016 As at the date of this report, the Company has the following proportion of women appointed: • to the Board – 25% • to senior management (including Company Secretary) – 33% • to the organisation as a whole – 22% The Company recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills will be limited in some instances. The Company recognises that diversity extends to matters of age, disability, ethnicity, marital/family status, religious/cultural background and sexual orientation. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool. The addition of Chew Wai Chuen to the Board provides a different cultural view to the operations of the Company.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight (continued)			
Recommendation 1.5 (continued)			
c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: 1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.			

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight (continued)			
Recommendation 1.6:			
A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board, Committee & Individuals Performance Evaluation Procedure Website	It is the policy of the Board to conduct evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the Board and its members was not formally carried out. However, a general review of the Board and senior executives has occurred on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.
Recommendation 1.7:			
A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board, Committee & Individuals Performance Evaluation Procedure Website	It is the policy of the Board to conduct evaluation of individuals' performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the individuals was not formally carried out. However, a general review of the individuals has occurred on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 2: Structure the board to add value			
Recommendation 2.1			
The board of a listed entity should: a) have a nomination committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Yes	Nomination Committee Charter, Independent Professional Advice Policy Website	The role of the Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times. At the year end, the Nomination Committee consisted of three Non-Executive directors, being Natalia Streltsova, Adrian Griffin and Chew Wai Chuen and the Company Secretary. The Chair of the Nomination Committee is Natalia Streltsova, an independent director. The Nomination Committee met once during the year and all members at the time were present. The responsibilities of the Nomination Committee include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee also oversees management succession plans including the Managing Director and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Matters such as remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice are clearly understood by all Directors, who are experienced public company Directors. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at $2,000), to assist them to carry out their responsibilities.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 2: Structure the board to add value (continued)			
Recommendation 2.2			
A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Internal management document	The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages. The Company is working towards filling these gaps through professional development initiatives as well as seeking to identify suitable Board candidates for positions from a diverse pool.
Recommendation 2.3			
A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.	Yes	Board Charter, Independence of Directors Assessment Website	The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. An Independent Director: 1. is a Non-Executive Director and; 2. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company; 3. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment; 4. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided; 5. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; 6. has no material contractual relationship with the Company or other group member other than as a Director of the Company; 7. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and

Principle / Recommendation	Compliance	Reference	Commentary
Principle 2: Structure the board to add value (continued)			
Recommendation 2.3 (continued)			
			8. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company. Materiality for the purposes of points 1 to 8 above is determined on the basis of both quantitative and qualitative aspects with regard to the independence of Directors. An amount over 5% of the Company's expenditure or 10% of the particular directors annual gross income is considered to be material. A period of more than six years as a Director would be considered material when assessing independence. Adrian Griffin (appointed 12 November 2010) is a Non-Executive Director and Chairman of the Company and meets the Company's criteria for independence. Although Adrian Griffin has entered into a profit á prendre re mineral interest rights with the Company, he is still considered to be independent as the agreement is not considered to be material as the proportion vended in is insignificant to both parties. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board and in his position as Chairman. Chew Wai Chuen (appointed 26 November 2014) is a Non-Executive Director of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board and in his position as a Non-Executive Director. Natalia Streltsova (appointed 30 June 2015) is a Non-Executive Director of the Company and meets the Company's criteria for independence. Her experience and knowledge of the Company makes her contribution to the Board such that it is appropriate for her to remain on the Board and in his position as a Non-Executive Director. Patrick McManus (appointed 23 November 2010) is an Executive Director of the Company and does not meet the Company's criteria for independence. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 2: Structure the board to add value (continued)			
Recommendation 2.4			
A majority of the board of a listed entity should be independent directors.	Yes	Independence of Directors Assessment Website	The Board has a majority of Directors who are independent.
Recommendation 2.5			
The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Independence of Directors Assessment Website	The Chairperson is an independent Director who is not the CEO / Managing Director.
Recommendation 2.6			
A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Director Induction Program, Ongoing Education Framework Website	It is the policy of the Company that each new Director undergoes an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include: • details of the roles and responsibilities of a Director; • formal policies on Director appointment as well as conduct and contribution expectations; • a copy of the Corporate Governance Statement, Charters, Policies and Memos and • a copy of the Constitution of the Company. In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. The Board has implemented an Ongoing Education Framework.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 3: Act ethically and responsibly			
Recommendation 3.			
A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.	Yes	Code of Conduct Website	As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole.
Principle 4: Safeguard integrity in corporate reporting			
Recommendation 4.1			
The board of a listed entity should: (a) have an audit committee which: a) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 1) is chaired by an independent director, who is not the chair of the board, and disclose: 2) the charter of the committee; 3) the relevant qualifications and 4) experience of the members of the committee; and 5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Audit and Risk Committee Charter Website	During the reporting year, the Audit and Risk Committee consisted of Natalia Streltsova, Adrian Griffin and Chew Wai Chuen who are independent Non-Executive Directors with experience relevant to being a member of the Audit and Risk Committee. Natalia Streltsova is a graduate of AICD. She has had experience with audit and financial compliance as part of her responsibilities with various companies. Adrian Griffin's financial experience is limited to practical application as a director of a number of private and public companies over a period of 30 years. Chew Wai Chuen is a Qualified Chartered Financial Planner, holding BBA and MBA qualifications. He has had experience with financial compliance as part of his engagement with various companies. The Audit and Risk Committee met once during the year and all members at the time were present. As of 24 September 2015, the Board has resolved to appoint Barry Woodhouse as the Independent Chairman of the Audit and Risk Committee. Mr Woodhouse is a CPA and a Fellow of Governance Institute of Australia and has more than 27 years' experience in the junior mineral exploration, mineral production, mining services and manufacturing sectors in both private and public companies in Australian and foreign jurisdictions. The Board also resolved that Chew Wai Chuen is no longer a member of the Audit and Risk Committee.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 4: Safeguard integrity in corporate reporting (continued)			
Recommendation 4.1 (continued)			
b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.			
Recommendation 4.2			
The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Kept at registered office	The Managing Director and the Chief Financial Officer provide a declaration to the Board in accordance with section 295A of the Corporations Act for each financial report and assure the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 4: Safeguard integrity in corporate reporting (continued)			
Recommendation 4.3			
A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	AGM	The external auditor is invited to attend every AGM for the purpose of answering questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure			
Recommendation 5.1			
A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.	Yes	Continuous Disclosure Policy Website	The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information: 1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and 2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.
Principle 6: Respect the rights of security holders			
Recommendation 6.1			
A listed entity should provide information about itself and its governance to investors via its website.	Yes	Website Disclosure Policy Website	The Company's website includes the following: • Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks • Names and biographical details of each of its directors and senior executives • Constitution • Copies of annual, half yearly and quarterly reports • ASX announcements • Copies of notices of meetings of security holders • Media releases • Overview of the Company's current business, structure and history

Principle / Recommendation	Compliance	Reference	Commentary
Principle 6: Respect the rights of security holders (continued)			
Recommendation 6.1 (continued)			
			• Details of upcoming meetings of security holders • Summary of the terms of the securities on issue • Historical market price information of the securities on issue • Contact details for the share registry and media enquiries • Share registry key security holder forms
Recommendation 6.2			
A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Shareholder Communication Policy, Social Media Policy Website	The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to: • communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company; • giving shareholders ready access to balanced and understandable information about the Company and corporate proposals; • requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report of future Annual Reports. The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.
Recommendation 6.3			
A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholder Communication Policy Website	The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to making it easy for shareholders to participate in shareholder meetings of the Company. The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 6: Respect the rights of security holders (continued)			
Recommendation 6.4			
A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Yes	Shareholder Communication Policy Website	Shareholders are regularly given the opportunity to receive communications electronically.
Principle 7: Recognise and manage risk			
Recommendation 7.1			
The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	No	Risk Management Policy Website	The Board has not established a separate Risk Committee, and therefore it is not structured in accordance with Recommendation 7.1. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performs the role of Risk Committee. Items that are usually required to be discussed by a Risk Committee are discussed at a separate meeting when required. When the Board convenes as the Risk Committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Risk Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions. The Board as a whole did not meet as the Risk Committee during the year. Risk identification and risk management discussions occurred at several Board meetings throughout the year. To assist the Board to fulfil its function as the Risk Committee, the Company has adopted a Risk Management Policy.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 7: Recognise and manage risk (continued)			
Recommendation 7.1 (continued)			
b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.			
Recommendation 7.2			
The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Risk Management Policy Website	The Company's Risk Management Policy states that the Board as a whole is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's Risk Management Strategy are to: • identify risks to the Company; • balance risk to reward; • ensure regulatory compliance is achieved; and • ensure senior executives, the Board and investors understand the risk profile of the Company. The Board monitors risk through various arrangements including: • regular Board meetings; • share price monitoring; • market monitoring; and • regular review of financial position and operations. The Company has developed a Risk Register in order to assist with the risk management of the Company. The Company's Risk Management Policy is considered a sound strategy for addressing and managing risk. During the year, management regularly reported to the Board on the following categories of risks affecting the Company as part of the Company's systems and processes for managing material business risks: operational, financial reporting, sovereignty and market-related risks.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 7: Recognise and manage risk (continued)			
Recommendation 7.2 (continued)			
			The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director and Chief Financial Officer (or equivalent) having ultimate responsibility to the Board for the risk management and control framework. Arrangements put in place by the Board to monitor risk management include: • regular reporting to the Board in respect of operations and the financial position of the Company; • where appropriate the appointment of appropriately skilled consultants to provide independent assessment of operational results, proposals and activities; and Use of a risk register to assist with risk management.
Recommendation 7.3			
A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	No	Audit and Risk Committee Charter Website	When the Audit and Risk Committee convenes it carries out those functions which are delegated to it in the Company's Audit and Risk Committee Charter which include overseeing the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the Company, which includes the Company's internal compliance and control systems.. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 7: Recognise and manage risk (continued)			
Recommendation 7.4			
A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Corporate Governance Statement	The Company has considered its economic, environmental and social sustainability risks by way of internal review and has concluded that it is not subject to material economic, environmental and social sustainability risks.
Principle 8: Remunerate fairly and responsibly			
Recommendation 8.1			
The board of a listed entity should: a) have a remuneration committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	Remuneration Committee Charter, Independent Professional Advice Policy Website	The role of the Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. During the year, the Remuneration Committee consisted of three Non-Executive Directors, being Natalia Streltsova, Adrian Griffin and Chew Wai Chuen and the Company Secretary. The Chair of the Remuneration Committee is Natalia Streltsova, an independent director. The Remuneration Committee met once during the financial year ended and all members at the time were present. The responsibilities of the Remuneration Committee include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors, recommendations for remuneration by gender and making recommendations on any proposed changes and undertaking reviews of the Managing Director's performance, including, setting with the Managing Director goals and reviewing progress in achieving those goals. The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, (that limit is currently set at $2,000), to assist them to carry out their responsibilities.

Corporate Governance Statement (continued)

Principle / Recommendation	Compliance	Reference	Commentary
Principle 8: Remunerate fairly and responsibly (continued)			
Recommendation 8.1 (continued)			
b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.			As of 24 September 2015, the Board has resolved that Chew Wai Chuen is no longer a member of the Remuneration Committee.
Recommendation 8.2			
A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Remuneration Policy Website	Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Managing Director remuneration is set by the Board with the executive director in question not present. Full details regarding the remuneration of Directors has been included in the Remuneration Report within the Annual Report.
Recommendation 8.3			
A listed entity which has an equity-based remuneration scheme should: a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) disclose that policy or a summary of it.	Yes	Remuneration Policy Website	Executives and Non-Executive Directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Potash West NL
A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	For the year ended 30 June 2015 $	For the year ended 30 June 2014 $
INCOME FROM CONTINUING ACTIVITIES			
Geological services		-	660
Administrative services		38,147	35,595
Interest		24,010	10,120
Government grant		-	558,721
TOTAL INCOME		62,157	605,096
EXPENSES			
Administration		743,853	735,642
Depreciation		15,026	20,719
Equity based payments	19	341,635	67,735
Exploration		685,806	777,352
Legal		72,069	57,750
Occupancy		62,000	71,000
Remuneration (excluding share based payments)		662,764	697,402
Share of net losses of associates		350,007	-
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		**(2,871,003)**	**(1,822,505)**
INCOME TAX BENEFIT	4	-	-
NET LOSS FOR THE YEAR		(2,871,003)	(1,822,505)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(2,871,003)**	**(1,822,505)**
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Members of the controlling entity		(2,859,357)	-
Non controlling interest		(11,646)	-
		(2,871,003)	**-**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Members of the controlling entity		(2,859,357)	-
Non controlling interest		(11,646)	-
		(2,871,003)	-
Basic and diluted loss per share (cents per share)	7	1.33	1.72

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Potash West NL
A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	As at 30 June 2015 $	As at 30 June 2014 $
CURRENT ASSETS			
Cash and cash equivalents	8	1,542,256	164,270
Trade and other receivables	9	75,638	48,133
Other assets	10	13,860	18,804
Total Current Assets		**1,631,754**	**231,207**
NON CURRENT ASSETS			
Exploration and evaluation	11	2,500,000	2,500,000
Investment in associate	12	-	100,000
Financial assets	13	75,000	-
Plant and equipment	14	53,513	65,580
Total Non Current Assets		**2,628,513**	**2,665,580**
TOTAL ASSETS		**4,260,267**	**2,896,787**
CURRENT LIABILITIES			
Trade and other payables	15	390,327	297,490
Provisions	16	60,210	46,281
Total Current Liabilities		**450,537**	**343,771**
TOTAL LIABILITIES		**450,537**	**343,771**
NET ASSETS		**3,809,730**	**2,553,016**
EQUITY			
Issued capital	17	16,718,598	12,754,631
Reserves	18	687,091	523,341
Accumulated losses		(13,595,959)	(10,724,956)
TOTAL EQUITY		**3,809,730**	**2,553,016**

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Potash West NL

A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued Capital	Accumulated Losses	Share and Option Based Payment Reserve	Total
		$	$	$	$
At 1 July 2013	**Note**				
Opening Balance		**11,725,227**	**(8,902,451)**	**455,606**	**3,278,382**
Loss for the year		-	(1,822,505)	-	(1,822,505)
Other comprehensive income (net of tax)		-	-	-	-
Total comprehensive loss for the year (net of tax)		-	(1,822,505)	-	(1,822,505)
Transactions with owners in their capacity as owners:					
Shares issued		1,204,395	-	-	1,204,395
Share issue transaction costs		(116,807)	-	-	(116,807)
Share and option based payments	19	-	-	9,552	9,552
Balance at 30 June 2014		**12,812,815**	**(10,724,956)**	**465,158**	**2,553,017**
Balance at 1 July 2014		**12,812,815**	**(10,724,956)**	**465,158**	**2,553,017**
Loss for the year		-	(2,871,003)	-	(2,871,003)
Other comprehensive income (net of tax)		-	-	-	-
Total comprehensive loss for the year (net of tax)		**-**	**(2,871,003)**	**-**	**(2,871,003)**
Transactions with owners in their capacity as owners:					
Shares issued		4,283,160	-		4,283,160
Share issued transaction costs		(319,194)	-	-	(319,194)
Share and option based payments	19	-	-	163,750	163,750
Balance as at 30 June 2015		**16,776,781**	**(13,595,959)**	**628,908**	**3,809,730**

The consolidated statement of changes in equity should be read in conjunction with the accompanying condensed notes.

Potash West NL
A.C.N. 147 346 334

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	For the year ended 30 June 2015 $	For the year ended 30 June 2014 $
OPERATING ACTIVITIES			
Payments to suppliers and employees		(2,420,853)	(2,491,516)
Government grant received		-	11,139
R&D tax rebate		-	547,582
Interest received		24,010	10,120
NET CASH FLOWS USED IN OPERATING ACTIVITIES	23	**(2,396,843)**	**(1,922,676)**
INVESTING ACTIVITIES			
Purchase of plant and equipment		-	-
Payment for equity investments		(75,000)	(100,000)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(75,000)**	**(100,000)**
FINANCING ACTIVITIES			
Proceeds from issue of shares		4,100,278	1,146,211
Share issue costs		(250,445)	(116,807)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**3,849,833**	**1,029,404**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		1,377,990	(993,272)
Cash and cash equivalents at the beginning of the year		164,270	1,157,541
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	**1,542,260**	**164,270**

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to Financial Statements

Note 1: Corporate information

In March 2014, Potash West entered into an agreement with RL Holdings Pty Ltd and Lufgan Nominees Pty Ltd, which allows the Company to earn up to a 55% interest in East Exploration, which holds a potash project in Germany. The Company has subscribed the shares in East Exploration in different tranches and on 4 May 2015, the Company has settled the final payment and increased the its ownership of East Exploration to 55%. To this effect, the financial statements of Potash West and East Exploration are consolidated for reporting purposes.

The financial report of Potash West NL for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of directors on 30 September 2015.

Potash West NL is a company limited by shares incorporated in Australia the shares of which are publicly traded on the Australian Securities Exchange (ASX), OTC Pink and the Frankfurt Stock Exchange.

East Exploration Pty Ltd is a privately owned propriety company limited by shares incorporated in Australia.

The nature of operations and principal activities of the Consolidated Entity are described in the directors' report.

Note 2: Statement of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. Potash West NL is a for-profit entity for the purpose of preparing the financial statements.

The accounting policies detailed below have been consistently throughout the year presented unless otherwise stated.

The financial report has also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are mineral exploration.

(b) Adoption of new and revised standards

The Company has adopted the following new and amended Australian Accounting Standard and AASB Interpretations for the reporting year ended 30 June 2015:

Reference	Title	Application date of standard	Application date for Group
AASB 2012-3	*Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities* AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2014

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(b) Adoption of new and revised standards (continued)

Reference	Title	Application date of standard	Application date for Group
Interpretation 21	*Levies* This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	1 July 2014
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 July 2014
AASB 2013-4	*Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]* AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.	1 January 2014	1 July 2014
AASB 2013-5	*Amendments to Australian Accounting Standards – Investment Entities* *[AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]* These amendments define an investment entity and require that, with limited exceptions, an investment entity does not consolidate its subsidiaries or apply AASB 3 *Business Combinations* when it obtains control of another entity. These amendments require an investment entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.	1 January 2014	1 July 2014
AASB 2013-7	*Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policyholders [AASB 1038]* AASB 2013-7 removes the specific requirements in relation to consolidation from AASB 1038, which leaves AASB 10 as the sole source of consolidation requirements applicable to life insurance entities.	1 January 2014	1 July 2014
AASB 1031	*Materiality* The revised AASB 1031 is an interim standard that cross-references to other Standards and the F*ramework (*issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.	1 January 2014	1 July 2014

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(b) Adoption of new and revised standards (continued)

<table>
<tr><th>Reference</th><th>Title</th><th>Application date of standard</th><th>Application date for Group</th></tr>
<tr><td>AASB 2013-9</td><td>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
The Standard contains three main parts and makes amendments to a number of Standards and Interpretations.
Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.
Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.
Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments.</td><td>^</td><td>^</td></tr>
<tr><td>AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle</td><td>AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle.
Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:
► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.
► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.
► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segment assets to the entity's total assets.
► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.
AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 Related Party Disclosures for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.</td><td>1 July 2014</td><td>1 July 2014</td></tr>
</table>

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(b) Adoption of new and revised standards (continued)

Reference	Title	Application date of standard	Application date for Group
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB 13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 July 2014	1 July 2014
Amendments to Australian Accounting Standards - Part B Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)	AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.	1 July 2014	1 July 2014
Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements [AASB 1053]	The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to: • clarify that AASB 1053 relates only to general purpose financial statements; • make AASB 1053 consistent with the availability of the AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* option in AASB 1 *First-time Adoption of Australian Accounting Standards*; • clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather that applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.	1 July 2014	1 July 2014

^ The application dates of AASB 2013-9 are as follows:
Part A – periods ending on or after 20 Dec 2013 Application date for the Group: period ending 30 June 2014
Part B - periods beginning on or after 1 January 2014 Application date for the Group: period beginning 1 July 2014
Part C - reporting periods beginning on or after 1 January 2015 Application date for the Group: period beginning 1 July 2015

The adoption of these new and revised standards has not resulted in any significant changes to the Company's accounting policies or to the amounts reported for the current or prior periods.

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(b) Adoption of new and revised standards (continued)

Accounting Standards and Interpretations issued but not yet effective:

Reference	**Title**	**Application date of standard**	**Application date for Group**
AASB 9	*Financial Instruments*	1 January 2018	1 July 2018
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	1 January 2016	1 July 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	1 January 2016	1 July 2016
AASB 15	Revenue from Contracts with Customers	1 January 2017	1 July 2017
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	1 January 2016	1 July 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	1 July 2016
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	1 January 2016	1 July 2016
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	1 July 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 *Materiality*	1 July 2015	1 July 2015
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	1 July 2015	1 July 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	1 July 2015	1 July 2015

The impact of the above new and revised standards is yet to be determined.

(c) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(d) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Note 2: Statement of significant accounting policies (continued)

(d) Critical accounting estimates and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Share-based payment transactions

The Company measures the share-based payment transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 18.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

(e) Share-based payment transactions

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in equity based payments expense (Note 18).

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(e) Share-based payment transactions (continued)

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 7).

(f) Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company has incurred a net loss for the year ended 30 June 2015 of $2,871,003 (2014: $1,822,505) and experienced net cash outflows from operating activities of $2,396,843 (2014: $1,922,676). At the end of the reporting year, the Directors recognise the need to raise additional funds via equity raising to fund future planned exploration activities.

The Directors have reviewed the Company's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company will be successful in securing additional funds through the equity issue.

Should the Company not achieve the matters set out above, there is significant uncertainty whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Company not be able to continue as a going concern.

(g) Exploration and evaluation expenditure

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(h) Plant & equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over two to 15 years

Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication exists of impairment and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition
An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

(i) Income tax

Current tax assets and liabilities for the current year and prior periods are measured at amounts expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(i) Income tax (continued)

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(j) GST

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(k) Provisions and employee benefits (continued)

Employee leave benefits

i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

ii. Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(l) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(m) Receivables

Receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts.

Collectability or receivables are reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt.

(n) Prepayments

Prepayment for goods and services which are to be provided in future years are recognised as prepayments. Prepayments are recorded in the other assets in the balance sheet.

(o) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Income
Income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(o) Revenue recognition (continued)

Fee Income
Revenue from geological services provided is recognised as the services are rendered, the revenue and the costs incurred or to be incurred in respect of the transactions can be measured reliably and the economic benefits associated with the transaction will flow to the Company.

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

(p) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(r) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Company adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Company adjusted for:
- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Note 2: Statement of significant accounting policies (continued)

(s) Investments and other financial assets (continued)

(i) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit and loss when the investment are derecognised or impaired, as well as through the amortisation process.

(ii)Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(t) Impairment of financial assets

The Company assesses at each balance date whether a financial asset or group of financial assets is impaired.

Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit and loss if the increase in an instrument’s fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(u) Leases

Operating Lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and the reduction of the liability.

(v) Investment in associate

The Group’s investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate since the acquisition date.

The consolidated statement of profit or loss reflects the Group’s share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Notes to Financial Statements (continued)

Note 2: Statement of significant accounting policies (continued)

(v) Investment in associate (continued)

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(w) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The comparative figures are for the Company only as it acquired the controlled entity during the year ended 30 June 2015.

Note 3: Segment information

The Company has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

The Company currently does not have production and is only involved in exploration. As a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis.

Based on these criteria the Company has only one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in Note 2 for the computation of the Company's results presented in this set of financial statements.

Notes to Financial Statements (continued)

Note 4: Income tax

	2015 $	2014 $
(a) Income tax expense/(benefit)		
Current tax	-	-
Deferred tax	-	-
Adjustments for current tax of prior years	-	-
Total tax expense/(benefit)	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(2,871,003)	(1,822,505)
Prima facie tax benefit at the Australian tax rate of 30%	(861,300)	(546,751)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payment	102,491	-
Non-deductible expenses	6,370	7,366
Non-assessable income	-	(164,275)
Capital raising costs deductible	-	(35,042)
Deferred tax assets not brought to account	752,441	738,702
Income tax expense/(benefit)	-	-
(c) Deferred tax assets		
Accrued expenses	9,380	7,500
Business related deduction	163,991	-
Employee entitlement provisions	23,509	13,884
Tax losses	3,401,294	3,920,326
	3,598,175	3,941,710
Deferred tax asset not recognised	(2,848,175)	(3,191,710)
	750,000	750,000
Offset against deferred tax liabilities	(750,000)	(750,000)
Net deferred tax assets	-	-
(d) Deferred tax liabilities		
Exploration tenement	750,000	750,000
	750,000	750,000
Offset against deferred tax assets	(750,000)	(750,000)
Net deferred tax liabilities	-	-

Notes to Financial Statements (continued)

Note 5: Directors' and Executives' remuneration

	2015 $	2014 $
Short-term employee benefits	523,280	531,034
Post-employment benefits	46,965	49,333
Termination benefits	-	-
Share-based payment	40,719	24,888
Total compensation	**610,964**	**605,255**

Note 6: Auditor's remuneration

	2015 $	2014 $
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial report	42,745	42,745
- research & development tax concession	17,909	33,440
- tax agent	-	4,632
	60,654	**80,817**

Note 7: Earnings per share

	2015 $	2014 $
Basic loss per share (cents per share)	1.33	1.72
Diluted loss per share (cents per share)	1.33	1.72
Net loss	(2,871,003)	(1,822,505)
Loss used in calculating basic and diluted loss per share	(2,871,003)	(1,822,505)
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic and diluted (loss)/earnings per share	215,683,626	106,144,476

During the year there were no listed or key management personnel options exercised.

The options issued under Employee Option Plan (EOP) are not considered dilutive for the purpose of the calculation of diluted earnings/loss per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share. Consequently, diluted earnings/loss per share is the same as basic earnings per share.

Subsequent to the reporting date, the Company undertook a capital raising, raising a total of $1.8 million before costs at $0.04 per share. As of the reporting date, the company has received $379,000 and a further $721,000 was received subsequent to 30 June 2015. A total of 27,500,000 ordinary shares have been issued as a result of the capital raising and that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Notes to Financial Statements (continued)

Note 8: Cash and cash equivalents

	30-Jun-15 $	30-Jun-14 $
Cash at bank and on hand	1,542,256	164,270
	1,542,256	164,270

Reconciliation of cash and cash equivalents

Cash at the end of financial period is shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash and cash equivalents	1,542,256	164,270

Note 9: Trade and other receivables

	30-Jun-15 $	30-Jun-14 $
Trade debtors	37,924	14,837
GST Receivables	37,714	33,296
	75,638	48,133

(i) Non-trade debtors are non-interest bearing and are generally on 30-90 days terms. The carrying amounts of these receivables represent fair value and are not considered to be impaired.

Note 10: Other assets

	30-Jun-15 $	30-Jun-14 $
Prepayments	13,860	18,804
	13,860	**18,804**

Note 11: Exploration expenditure

	30-Jun-15 $	30-Jun-14 $
Acquisition of mineral rights - Dandaragan Trough tenements	2,500,000	2,500,000
	2,500,000	**2,500,000**

The ultimate recoupment of acquisition costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or scale of the respective ar

Notes to Financial Statements (continued)

Note 12: Investment in associate

	30-Jun-15 $	30-Jun-14 $
Opening Balance	100,000	100,000
Further investment - East Exploration Pty Ltd	50,000	-
Further investment - East Exploration Pty Ltd	50,000	-
Further investment - East Exploration Pty Ltd	100,000	-
Further investment - East Exploration Pty Ltd	50,007	-
Share of associated company's losses after income tax	(350,007)	-
Balance at the end of the financial year	**-**	**100,000**

On 7 May 2015, the investment in East Exploration Pty Ltd ceased to be an associate when the Company acquired a 55% interest in East Exploration Pty Ltd. The investment is now treated as a subsidiary. Refer to note 25 for details.

Note 13: Financial assets

	30-Jun-15 $	30-Jun-14 $
Investment – Lepidico	75,000	-
	75,000	**-**

During the year, the Company subscribed to shares in Lepidico Ltd, a technology developer which has developed a process of extracting Lithium from Lithium bearing micas.

Note 14: Plant and equipment

	Office Equipment $	Plant and Equipment $	Computer Software $	Total $
At 30 June 2014				
Cost	16,078	72,835	42,451	131,364
Accumulate depreciation	(9,581)	(34,756)	(21,447)	(65,784)
Closing net carrying value	**6,497**	**38,079**	**21,004**	**65,580**
Year ended 30 June 2015				
Opening net carrying value	6,497	38,079	21,004	65,580
Additions	2,959	-	-	2,959
Depreciation charge for the year	(2,185)	(7,604)	(5,237)	(15,026)
Closing net carrying value	**7,271**	**30,475**	**15,767**	**53,513**

Notes to Financial Statements (continued)

Note 15: Trade and other payables

	30-Jun-15 $	30-Jun-14 $
Current		
Unsecured liabilities		
Trade payables	390,327	297,490
	390,327	**297,490**

Ageing Analysis

30 June 2015	Current	90 - 120 Days	120 - 180 Days	180 + Days	Total
Financial assets					
Trade and other receivables	75,638	-	-	-	75,638
Financial liabilities					
Trade and other payables	390,327	-	-	-	390,327
Loans and borrowings	-	-	-	-	-
Net Maturity	**(314,690)**	**-**	**-**	**-**	**(314,690)**

30 June 2014	Current	90 - 120 Days	120 - 180 Days	180 + Days	Total
Financial assets					
Trade and other receivables	46,525	1,608	-	-	48,133
Financial liabilities					
Trade and other payables	297,490	-	-	-	297,490
Loans and borrowings	-	-	-	-	-
Net Maturity	**(250,965)**	**1,608**	**-**	**-**	**(249,357)**

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.

Note 16: Provisions

	30-Jun-15 $	30-Jun-14 $
Employee benefits	60,210	46,281
	60,210	**46,281**

Note 17: Contributed equity

	30-Jun-15		30-Jun-14	
	No.	$	No.	$
Ordinary shares - fully paid	200,929,615	17,111,805	113,806,148	13,047,840
Contributing Shares - partly paid	35,960,024	-	35,960,024	-
	236,889,639	17,111,805	149,766,172	13,047,840

Effective 1 July 1998, the corporation legislation abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares. Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

When managing capital (which is defined as the Company's total equity amounting $3,809,730, (2014: $2,553,016), the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available for future exploration and development activity. The Company is not subject to any externally imposed capital requirements.

Movements in ordinary shares on issue of the legal parent are:

	Note	2015 Number	2014 Number
At the beginning of reporting year		113,806,148	92,021,064
Issue of 2,000,000 shares via private share placement	17.1		2,000,000
Issue of 8,174,790 shares via non-renounceable entitlement issue	17.2		8,174,790
Issue of 10,649,423 shares via non-renounceable entitlement shortfall issue	17.3		10,649,423
Issue of 460,871 shares to directors and senior management via remuneration sacrifice share plan	17.4		460,871
Issue of 500,000 shares to consultant in lieu of services provided	17.5		500,000
Issue of 23,607,857 shares via private share placement	17.6	23,607,857	
Issue of 56,400,000 shares via private share placement	17.7	56,400,000	
Issue of 1,250,000 shares to consultant in lieu of services provided	17.8	1,250,000	
Issue of 1,000,000 shares to acquire exploration license	17.9	1,000,000	
Issue of 250,000 shares to consultant in lieu of services provided	17.1	250,000	
Issue of 1,600,000 shares via private share placement	17.11	1,600,000	
Issue of 2,000,000 shares to consultant via employees share plan	17.12	2,000,000	
Isuse of 100,000 shares to transfer the tenements	17.13	100,000	
Issue of 390,045 shares to directors and senior management via remuneration sacrifice share plan	17.14	390,045	
Issue of 473,402 shares to directors and senior management via remuneration sacrifice share plan	17.15	473,402	
Issue of 20,913 shares to directors and senior management via remuneration sacrifice share plan	17.16	20,913	
Issue of 31,250 shares to directors and senior management via remuneration sacrifice share plan	17.17	31,250	
Shares to be issued via private share placement	17.20	9,475,000	
Shares to be issued under the director and senior management fee and remuneration sacrifice share plan	17.21	600,440	
		211,005,055	113,806,148
Reserved shares		(3,150,000)	(1,150,000)
At the end of the reporting year		207,855,055	112,656,148

Note 17: Contributed equity (continued)

Movements in ordinary shares on issue of the legal parent are (continued):

	Note	2015 $	2014 $
At the beginning of reporting year		13,047,840	11,960,253
Issue of 2,000,000 shares via private share placement	17.1		200,000
Issue of 8,174,790 shares via non-renounceable entitlement issue	17.2		408,740
Issue of 10,649,423 shares via non-renounceable entitlement shortfall issue	17.3		532,471
Issue of 460,871 shares to directors and senior management via remuneration sacrifice share plan	17.4		24,887
Issue of 500,000 shares to consultant in lieu of services provided	17.5		25,000
Shares to be issued to Steda Nominees Pty Ltd via private share placement	17.18		5,000
Shares to be issued under the director and senior management fee and remuneration sacrifice share plan	17.19		8,296
Issue of 23,607,857 shares via private share placement	17.6	821,275	
Issue of 56,400,000 shares via private share placement	17.7	2,820,000	
Issue of 1,250,000 shares to consultant in lieu of services provided	17.8	43,750	
Issue of 1,000,000 shares to acquire exploration license	17.9	50,000	
Issue of 250,000 shares to consultant in lieu of services provided	17.10	12,500	
Issue of 1,600,000 shares via private share placement	17.11	80,000	
Issue of 2,000,000 shares to consultant via employees share plan	17.12	100,000	
Isuse of 100,000 shares to transfer the tenements	17.13	5,000	
Issue of 390,045 shares to directors and senior management via remuneration sacrifice share plan	17.14	15,903	
Issue of 473,402 shares to directors and senior management via remuneration sacrifice share plan	17.15	21,303	
Issue of 20,913 shares to directors and senior management via remuneration sacrifice share plan	17.16	1,004	
Issue of 31,250 shares to directors and senior management via remuneration sacrifice share plan	17.17	1,250	
Shares to be issued via private share placement	17.20	379,000	
Shares to be issued under the director and senior management fee and remuneration sacrifice share plan	17.21	32,175	
Equity raising costs	17.22	(319,194)	(116,807)
		17,111,806	13,047,840
Reserved shares		(335,025)	(235,025)
At the end of the reporting year		16,776,781	12,812,815

Note 17: Contributed equity (continued)

Movements in partly paid contributing shares on issue of the legal parent are:

	Note	2015 Number	2014 Number
At the beginning of reporting year		35,960,024	-
Issue of 35,960,024 partly paid contributing shares pursuant to non-renounceable entitlement issue	17.23	-	35,960,024
At the end of the reporting year		35,960,024	35,960,024

Outstanding amount per partly paid contributing share at 30 June 2015 is $0.049 (2014: $0.049).

The partly paid contributing share are issued with 35,960,024 outstanding calls of 4.9 cents each. The dates for the future calls are not before 30 June 2015. The partly paid contributing share carry a right to a dividend on the same basis as holders of Ordinary Shares. Partly paid contributing shares carry the right to vote in proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). The company has the power to forfeit any shares where the call remains unpaid 14 days after the call was payable. The company must then offer the shares forfeited for public auction within six weeks of the call becoming payable.

17.1 The issue of 2,000,000 shares at $0.10 per share via private share placement.
17.2 The issue of 8,174,790 shares to existing shareholders at $0.05 per share via non-renounceable entitlement issue.
17.3 The issue of 10,649,423 shares to existing shareholders at $0.05 per share via non-renounceable entitlement shortfall issue.
17.4 The issue of 460,871 shares to directors and senior management at $0.054 per share via director fee and remuneration sacrifice share plan.
17.5 The issue of 500,000 shares to consultant at $0.05 per share in lieu of services provided.
17.6 The issue of 23,607,857 shares at $0.035 per share via private share placement.
17.7 The issue of 56,400,000 shares at $0.05 per share via private share placement.
17.8 The issue of 1,250,000 shares to consultant at $0.035 per share in lieu of services provided.
17.9 The issue of 1,000,000 shares to Dempsey Minerals Ltd and Fyfehill at $0.05 per share for exploration license.
17.10 The issue of 250,000 shares to General Resources GmbH at $0.05 per share in lieu of services provided
17.11 The issue of 1,600,000 shares at $0.05 per share via private share placement.
17.12 The issue of 2,000,000 shares to consultants at $0.05 per share.
17.13 The issue of 100,000 shares to Richmond Resources Pty Ltd at $0.05 per share for transferring the tenements.
17.14 The issue of 390,045 shares to directors and senior management via director fee and remuneration sacrifice share plan at $0.044 per share.
17.15 The issue of 473,402 shares to directors and senior management via director fee and remuneration sacrifice share plan at $0.0455 per share.
17.16 The issue of 20,913 shares to directors and senior management via director fee and remuneration sacrifice share plan at $0.048 per share.
17.17 The issue of 31,250 shares to directors and senior management via director fee and remuneration sacrifice share plan at $0.04 per share.
17.18 Shares to be issued to Steda Nominees Pty Ltd at $0.05 per share via private share placement.
17.19 Shares to be issued to directors and senior management via director fee and remuneration sacrifice share plan. Shares have not yet been issued, with the number of shares to be determined at issue date, dependent on the market share price.

Notes to Financial Statements (continued)

Note 17: Contributed equity (continued)

17.20 Shares to be issued to subscribers at $0.04 per share via private share placement.
17.21 Shares to be issued to directors and senior management via director fee and remuneration sacrifice share plan. Shares have not yet been issued, with the number of shares to be determined at issue date, dependent on the market share price.
17.22 For the year 2015, the payment of costs incurred by the Company in relation to equity raising and listing of the Company's shares and of $319,194 (2014: $116,807).
17.23 The issue of 35,960,024 partly paid contributing shares pursuant to non-renounceable entitlement bonus issue.

Note 18: Share based payment reserve

	Note	30-Jun-15 Number	30-Jun-14 Number
At the beginning of reporting year		4,950,000	4,450,000
Issue of 500,000 options for option based payment	18.1		500,000
Issue of 429,688 options for option based payment	18.2	429,688	-
Issue of 1,562,500 options for option based payment	18.3	1,562,500	-
Issue of 2,000,000 reserve shares treated as in substance options	17.12	2,000,000	-
At the end of the reporting year		8,942,188	4,950,000

	Note	30-Jun-15 $	30-Jun-14 $
At the beginning of reporting year		523,341	455,606
Amount expensed for options issued to consultant. 500,000 options with exercise price of $0.15	18.1	-	9,552
Amount expensed for options issued to consultant. 429,688 options with exercise price of $0.087	18.2	13,750	-
Amount expensed for options issued to consultant. 1,562,500 options with exercise price of $0.087	18.3	50,000	-
Amount expensed for shares (in substance options) issued to consultant in lieu of services provided. 2,000,000 share at $0.05 per share	17.12	100,000	-
At the end of the reporting year		628,908	465,158

18.1 The issue of 500,000 $0.15 options exercisable on or before 7 February 2017 on 6 February 2014 to consultant. Please refer to Note 18 for further explanation.
18.2 The issue of 429,688 $0.087 options exercisable on or before 6 November 2017 on 6 November 2014 to consultant. Please refer to Note 18 for further explanation.
18.3 The issue of 1,562,500 $0.087 options exercisable on or before 6 November 2017 on 6 November 2014 to consultant. Please refer to Note 18 for further explanation.

Note 19: Equity based payments

Expenses arising from share-based payment and option-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	30-Jun-15 $	30-Jun-14 $
Options issued in consideration for services. See note 18.2 and 18.3	63,750	9,552
Shares issued under the director and senior management fee and remuneration sacrifice share plan. See note 17.4, 17.19, 17.14, 17.15, 17.16, 17.17 and 17.21.	71,635	33,183
Shares issued in consideration of services. See note 17.8, 17.9, 17.10 and 17.12.	206,250	25,000
	341,635	**67,735**

During 2015 financial year, 1,992,188 options were issued to consultant as part of the fees paid to consultants for capital raising. The fair value of options granted under this plan is calculated using 5-day VWAP plus a 50% premium prior to the issue and the term of the options is 3 years.

On 20 October 2014, the Company issued 1,250,000 shares at $0.035 per share and further 1,000,000 shares and 250,000 shares at $0.05 per share to consultants in lieu of cash payments for services provided. This issue has been approved by shareholders at the 2014 AGM.

On 7 January 2015, the Company issued 2,000,000 shares (in substance options) to consultants under the Employee Share Plan ("ESP"). The fair value of the shares issued is at market value $0.05 per share.

Under the Management fee and remuneration sacrifice share plan, the eligible directors and senior management of the Company may elect to sacrifice part of their directors' fees or consulting fees to acquire Shares in the Company. Under the Plan, the relevant directors and senior management will receive the remainder of their directors' fees or consulting fees in cash. As such, the Shares will be issued for nil cash consideration and will be valued at market fair value. The Plan has been approved by the shareholders during 2013 AGM. The associated shares for the sacrificed amount up to March 2015 have been issued to the directors who have elected to sacrifice part of their directors fees, with remaining associated shares to be issued in next financial year.

During the 2014 financial year, 500,000 options were issued to consultants under the Employee Option Plan (EOP). The fair value of options granted under the EOP is estimated at the date of grant using a Black-Scholes option pricing methodology, taking into account the terms and services were valued at the market price at the date of issue as the value of the services received could not be reliably measured. Options issued during the period vested at grant date.

On 8 April 2014 and 20 June 2014, a total of 500,000 shares were issued to consultants in lieu of services provided to the Company at a market value, $0.05 per share.

The fair value of the shares and options granted for the year ended 30 June 2015 was estimated on the date of grant using the following assumptions:

	30-Jun-15	30-Jun-14
Dividend yield (%)	Nil	Nil
Expected volatility* (%)	75	75
Risk-free interest rate (%)	2	2.5
Expected life (years)	3	3
Share price ($)	See below tables:	See below tables:

Notes to Financial Statements (continued)

Note 19: Equity based payments (continued)

Share-based payment plans	**2015 Number**	**2015 WAEP**	**2014 Number**	**2014 WAEP**
Outstanding at 1 July	2,110,871	$0.1348	1,150,000	$0.2040
Granted during the year	915,610	$0.0431	960,871	$0.0500
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 30 June	3,026,481	$0.1071	2,110,871	$0.1348
Exercisable at 30 June	-	-	-	-

Share-based payment plans (to consultants)	**2015 Number**	**2015 WAEP**	**2014 Number**	**2014 WAEP**
Outstanding at 1 July	-	-	-	-
Granted during the year	4,500,000	$0.0458	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 30 June	4,500,000	$0.0458	-	-
Exercisable at 30 June	-	-	-	-

Option-based payment plans	**2015 Number**	**2015 WAEP**	**2014 Number**	**2014 WAEP**
Outstanding at 1 July	2,600,000	$0.3189	2,600,000	$0.3189
Granted during the year			-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(1,250,000)	$0.2800	-	-
Outstanding at 30 June	1,350,000	$0.3549	2,600,000	$0.3189
Exercisable at 30 June	-	-	-	-

** Volatility was determined using considered judgement as to the volatility of the share price over the vesting period.*

Option-based payments (to consultants)	**2015 Number**	**2015 WAEP**	**2014 Number**	**2014 WAEP**
Outstanding at 1 July	1,200,000	$0.2708	700,000	$0.357
Granted during the year	1,992,188	$0.0870	500,000	$0.150
Forfeited during the year	-	-	-	-
Exercised during the year			-	-
Expired during the year	(500,000)	$0.3000	-	-
Outstanding at 30 June	2,692,188	$0.1294	1,200,000	$0.2708
Exercisable at 30 June	-	-	-	-

Note 20: Commitments

(i) The Company has certain obligations with respect to tenements and minimum expenditure requirements on areas, as follows:

	30-Jun-15	30-Jun-14
	$	$
Within 1 year	930,500	1,000,500
1 to 2 years	930,500	1,000,500
Total	1,861,000	2,001,000

The commitments may vary depending upon additions or relinquishments of the tenements, as well as farm-out agreements. The above figures are based on the mines department Emits reports as at 30 June 2015. These figures are adjusted at the anniversary date of each tenement and therefore the total can change on a monthly basis.

(ii) Mr Patrick McManus was appointed as Managing Director on 23 November 2010. Pursuant to a revised agreement dated 23 November 2010, his reviewed salary is set at $275,000 per annum inclusive of 9.25% superannuation effective from 1 July 2013. The agreement can be terminated by either party by giving three months' notice or payment of three months' salary in lieu of notice being $68,750.

Note 21: Contingent liabilities

There are no contingent liabilities as at 30 June 2015 (2014: Nil).

Note 22: Related party transactions

	30-Jun-15 $	30-Jun-14 $
Consulting fees were paid to Strategic Metallurgy Pty Ltd, a company of which Gary Johnson is a director and shareholder	157,270	340,785
Corporate advisory fees and options were paid and issued to Precious Capital Pte Ltd, a company of which Chew Wai Chuen is a director and shareholder	196,300	57,600
The issue of 100,000 shares to Richmond Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder, at $0.05 per share for transferring the tenements.	5,000	-
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included investor relations, corporate advisory, office accommodation, accounting staff (excluding fees directly related to Robert Van der Laan), administrative staff and exploration staff.	337,769	409,093
	696,339	807,478

The Company issued 15,000,000 shares to Barclay Wells Ltd for the Contingent Entitlement shares in 2011 year (Nil: 2015 year). The Contingent Entitlement share Trustee has entered into a declaration of trust under which it declares that it holds the Contingent Entitlement shares on trust for certain shareholders of the Company (‘Eligible Beneficiaries’), being those shareholders who hold at least 10,000 shares in the Company as the Listing Date and who hold at least one shares in the Company on the first Business Day following the date that all shares in respect of which the ASX imposes restrictions as a condition to the listing cease to e restricted securities (‘the Entitlement Date’). These shares are held in Share Plan Trust on behalf of the Company and accounted for as reserve shares with nil value.

Notes to Financial Statements (continued)

Note 22: Related party transactions (continued)

During the prior year, the 15,000,000 Contingent Entitlement shares were transferred from the Share Plan Trust to the Eligible Beneficiaries accordingly.

As at the date of this report , there were total 3,150,000 shares issued under the Employee Share Plan (ESP) accounted for as in-substance options (2014: 1,150,000 shares). The Company has provided each employee with a Resource Loan up to the amount payable in respect of the shares. The employee must repay the Loan in full prior to expiry of the Loan Term but may elect to repay the Loan Amount in respect of any or all of the Plan Shares at any time prior to expiry of the Loan Term.

Note 23: Cash flow information

	30-Jun-15 $	30-Jun-14 $
Reconciliation of cash flow from operations with (loss)/profit from ordinary activities after income tax		
Loss from ordinary activities after income tax	(2,871,003)	(1,822,505)
Share of associates loss	350,000	-
Depreciation and amortisation	15,026	20,719
Expenses settled via equity issues	338,887	67,735
Changes in assets and liabilities		
(Increase)/decrease in receivables	(22,560)	49,957
Increase/(decrease) in payables	(221,122)	(250,576)
Increase/(decrease) in provisions	13,929	11,994
Cash flows from operations	**(2,396,843)**	**(1,922,676)**

Note 24: Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to finance the Company's operations. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk
The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The Group has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

Notes to Financial Statements (continued)

Note 24: Financial risk management objectives and policies (continued)

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total	Interest Rate Risk Sensitivity -10% Profit	Interest Rate Risk Sensitivity -10% Equity	Interest Rate Risk Sensitivity 10% Profit	Interest Rate Risk Sensitivity 10% Equity
	%	$	$	$	$	$	$	$	$
2015									
Financial Assets									
Cash	1.50	1,115,395	-	426,862	1,542,257	-1,171	-1,171	1,171	1,171
Receivables		-	-	75,638	75,638				
Total Financial Assets		1,115,395	-	502,500	1,617,895				
Financial Liabilities									
Trade creditors		-	-	390,327	390,327				
Total Financial Liabilities		-	-	390,327	390,327				

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total	Interest Rate Risk Sensitivity -10% Profit	Interest Rate Risk Sensitivity -10% Equity	Interest Rate Risk Sensitivity 10% Profit	Interest Rate Risk Sensitivity 10% Equity
	%	$	$	$	$	$	$	$	$
2014									
Financial Assets									
Cash	2.35	92,968	-	71,302	164,270	-153	-153	153	153
Receivables		-	-	48,133	48,133				
Total Financial Assets		92,968	-	119,435	212,403				
Financial Liabilities									
Trade creditors		-	-	297,490	297,490				
Total Financial Liabilities		-	-	297,490	297,490				

A sensitivity of 10% (2014: 10%) has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A -10% sensitivity would move short term interest rates at 30 June 2015 from around 1.50% to 1.35% (2014: 2.35% to 2.12%) representing a 15.0 basis points (2014: 23.5 basis points) downwards shift, which is 10.5 basis points (2014: 16.5 basis points) net of tax.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

(a) Liquidity Risk
The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current exploration and administration commitments, through the continuous monitoring of actual cash flows.

All payables are due within 30 days, which is consistent with the prior year.

(b) Fair Values
For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

Notes to Financial Statements (continued)

Note 24: Financial risk management objectives and policies (continued)

(d) Credit Risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Company is exposed to credit risk from its operating activities, financing activities including deposits with banks. The credit risk control procedures adopted by the Company is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally limited to the carrying amount.

Cash is maintained with National Australia Bank.

Note 25: Controlled entity

Potash West NL is the ultimate parent entity of the consolidated group.

The following was a controlled entity at the balance date and has been included in the consolidated financial statements. All shares held are ordinary shares.

Name	Country of Incorporation	Percentage Interest Held % 2015	Date Acquired/Incorporated
East Exploration Pty Ltd (i)	Australia	55%	7 May 2015

(i) On 24 April 2014, the Company entered into an agreement with Lufgan Nominees Pty Ltd and RL Holdings Pty Ltd to set up a new company called East Exploration Pty Ltd to acquire exploration permits in respect of the tenements and developing the tenements in Germany, which is the principal place of business. Upon signing of the Heads of Agreement, the Company agrees to subscribe 300,000 shares at $1.00 per share and further 66,666 shares at $0.0001 per share to acquire a total of up to 55% of East Exploration ("acquisition"). On 7 May 2015, the Company settled the final payment of $50,000 and completed the acquisition.

As at 30 June 2015, there are no commitment or contingent liabilities in respect of the controlled entity.

Notes to Financial Statements (continued)

Note 26: Parent entity disclosure

	Parent 30-Jun-15	Parent 30-Jun-14
Assets		
Current assets	1,624,717	231,207
Non current assets	2,628,513	2,665,580
Total Assets	4,253,230	2,896,787
Liabilities		
Current liabilities	450,537	343,771
Total Liabilities	450,537	343,771
Net Assets	3,802,693	2,553,016
Equity		
Issued capital	16,540,712	12,754,631
Reserves	864,977	523,341
Accumulated losses	(13,602,996)	(10,724,956)
Total Equity	3,802,693	2,553,016

	Parent 30-Jun-15	Parent 30-Jun-14
Income/(Loss) for the year	(2,778,040)	(1,822,505)
Other comprehensive income	-	-
Total comprehensive income for the financial year	(2,778,040)	(1,822,505)

Note 27: Subsequent events

On 6 July 2015, the Company issued 27,500,000 shares at $0.04 per share, raising $1,100,000 before costs. This is part of the $1.8 million placement announced on 25 June 2015.

On 18 August 2015, the Company agreed and its controlled entity entered into a term sheet with Davenport Resources Pty Ltd ("Davenport"), a wholly owned subsidiary of Arunta Resources Limited ("Arunta"), to sell 100% of East Exploration, which is the owner of South Harz Potash project. The term sheet is subject to the completion of due diligence by both parties, entry into formal documentation by East Exploration's shareholders for the sale of their shares, Arunta and Davenport being satisfied with any conditions imposed on the demerger of Davenport or subsequent listing of Davenport by ASX, the proposed seed capital placement and IPO capital raising by Davenport and satisfaction of ASX and regulatory requirements including Arunta Resources, Davenport and the Company shareholder approval.

There have not been any matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than disclosed elsewhere in this annual report.

Potash West NL
A.C.N. 147 346 334

Directors' Declaration

In the opinion of the directors of Potash West NL:

(a) the financial statements and notes set out on pages 57 to 89 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position of the Company as at 30 June 2015 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(c); and

(c) subject to the matters discussed in Note 2(f), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ending 30 June 2015.
This declaration is made in accordance with a resolution of the directors.

Patrick McManus
Managing Director
Perth
Dated: 30 September 2015

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Independent auditor's report to the members of Potash West NL

Report on the financial report

We have audited the accompanying financial report of Potash West NL, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company Potash West NL and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Potash West NL is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 (f) in the financial report which describes the principal conditions that raise doubt about the company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Potash West NL for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Robert A Kirkby
Partner
Perth
30 September 2015

Potash West NL

A.C.N. 147 346 334

Shareholder Information

Distribution schedules of shareholders and statements of voting rights are set out in Table 1, whilst the Company's top twenty shareholders and option holders are shown in Tables 2, 3 and 4. Substantial shareholder notices that have been received by the Company are set out in Table 5.

Table 1
Shareholder spread as at 11 September 2015

Ordinary shares, with right to attend meetings and vote personally or by proxy, through show of hands and, if required, by ballot (one vote for each share)

Spread of Holdings	No. Holders PWN	No. Holders PWNCA
1-1,000	104	30
1,001-5,000	232	129
5,001-10,000	202	139
10,001-100,000	900	279
100,001 - and over	260	51
Total number of holders of securities	1,698	628
Total number of securities	229,679,615	35,960,024

Table 2
Top twenty shareholders as at 11 September 2015

	Shareholder	No. Shares	Percentage
1	Citicorp Nominees Pty Limited	37,953,438	16.525
2	Yap Thai Choy	12,000,000	5.225
3	HSBC Custody Nominees (Australia) Limited	11,407,857	4.967
4	UOB Kay Hian Private Limited <Clients A/C>	9,549,745	4.158
5	Mr Dennis Bell	5,957,143	2.594
6	Mr Robert Peter Van Der Laan	5,867,645	2.555
7	Mr Adrian Christopher Griffin	5,077,045	2.210
8	Mr John Stephen Bladon Millward	3,687,814	1.606
9	Torbinup Resources Pty Ltd	3,518,057	1.532
10	Potash West NL <Employer Share Loan A/C>	3,150,000	1.371
11	Mr Patrick Bernard Mc Manus & Mrs Vivienne Edwina Mc Manus <Mc Manus Super Fund <A/C>	3,107,230	1.353
12	Gilpin Park Pty Ltd	2,855,000	1.243
13	Flourish Super Pty Ltd <Flourish S/F A/C>	2,500,000	1.088
14	Davsms Investments Pty Ltd <D & A Koutsantonis S/F A/C>	2,175,000	0.947
15	Dr Tack-Shin Lee	2,120,229	0.923
16	SBI Investments (PR) LLC	2,108,348	0.918
17	Philip Anthony Feitelson	2,000,000	0.871
18	Sept Rogues Ltd	1,827,781	0.796
19	Mr Brett James Smith & Mrs Lynne Smith <B & L Smith Super Fund A/C>	1,600,000	0.697
20	Nutsville Pty Ltd <Indust Electric Co S/F A/C>	1,500,000	0.653
		119,962,332	**52.230**

Potash West NL

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Shareholder Information (continued)

Table 3
Top twenty partly paid shareholders as at 11 September 2015

	Shareholder	No. Shares	Percentage
1	HSBC Custody Nominees (Australia) Limited	2,869,345	7.979
2	Mr Robert Peter Van Der Laan	2,598,823	7.227
3	Mr Adrian Christopher Griffin	2,575,931	7.163
4	Mr John Stephen Bladon Millward	1,863,907	5.183
5	Torbinup Resources Pty Ltd	1,779,029	4.947
6	Roberin Pty Ltd <McManus Family A/C>	1,553,615	4.320
7	Mr Mohan Singh Nandha	1,072,541	2.983
8	Sept Rogues Ltd	913,891	2.541
9	Mrs Anjana Nandha	911,091	2.534
10	Richmond Resources Pty Ltd	697,917	1.941
11	National Nominees Limited	655,817	1.824
12	Mr Frederick Denis L'Aime	591,499	1.645
13	Potash West NL <Employee Share Loan A/C>	575,000	1.599
14	Ossart Holdings Pty Ltd <The OT Family A/C>	494,556	1.375
15	Citicorp Nominees Pty Limited	479,241	1,333
16	Mr Bruno Carraro & Mrs Giuseppina Carraro <Investment A/C>	415,422	1.555
17	Nutsville Pty Ltd <Indust Electrive Co S/F A/C>	400,000	1.112
18	First Investment Partners	350,000	0.973
19	Mr Brent Arthur Cotsworth	295,376	0.821
20	Mr Adrian Christopher Griffin	260,310	0.724
		21,353,311	**59.381**

Table 4
Top twenty option holders as at 11 September 2015

Optionholder	No. Options	Percentage
Nil	-	-

Table 5
Substantial shareholders as at 11 September 2015

Shareholder	No. of shares	Percentage
Nil	-	-

Voting Rights

The voting rights attached to each class of equity securities are set out below.

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Shareholder Information (continued)

Unlisted options as at 30 June 2015

Details of unlisted option holders are as follow:

Class of unlisted options	No. Options
Options exercisable at $0.40 on or before 8 September 2016	100,000
Holders of more than 20% of this class	1
Options exercisable at $0.60 on or before 8 September 2016	100,000
Holders of more than 20% of this class	1
Options exercisable at $0.355 on or before 13 November 2015	1,350,000
Holders of more than 20% of this class	1
Options exercisable at $0.13 on or before 25 October 2015	1,000,000
Holders of more than 20% of this class	2
Options exercisable at $0.15 on or before 7 February 2017	500,000
Holders of more than 20% of this class	1
Options exercisable at $0.087 on or before 6 November 2017	1,992,188
Holders of more than 20% of this class	2

Potash West NL
A.C.N. 147 346 334

Tenement Register

Tenements (Australia) as at 6 August 2015

Tenements Name	Project	Holder	Details
Bell	E70/3418	Image Resources NL	100% Mineral Rights for Potash
Dinner Hill	E70/3987	Richmond Resources Pty Ltd	100% Mineral Rights for Potash
Dalaroo North	E70/3988	Richmond Resources Pty Ltd	100% Mineral Rights for Potash
Daraloo South	E70/3989	Richmond Resources Pty Ltd	100% Mineral Rights for Potash
Mogumber	E70/4124	Potash West NL	Pending
Jam Hill	E70/4137	Potash West NL	100% Mineral Rights for Potash
Bald Hill	E70/4138	Potash West NL	100% Mineral Rights for Potash
Ingra Hills	E70/4139	Potash West NL	100% Mineral Rights for Potash
Watheroo	E70/4471	Potash West NL	100% Mineral Rights for Potash
Dandaragan	E70/4609	Potash West NL	100% Mineral Rights for Potash
Dandaragan	E70/4687	Potash West NL	Pending