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QUARTERLY ACTIVITIES REPORT

FOR THE 3 MONTHS ENDED 31 MARCH 2013

Highlights

- **Environmental Assessment Public Comments addressed**
- **State wells remediated and bond refund received**
- **BLM Approval received subsequent to quarter end**

Overview

The board of Potash Minerals Limited ("Potash" or "the Company") is pleased to present its quarterly activities report for the quarter ended 31 March 2013.

At Potash Minerals 90% owned Paradox Basin Potash Project, the Company made significant progress towards securing the project's maiden JORC compliant resource. This resource is anticipated to include 45 drill holes. Drilling on state lands has been completed, cores analysed, results released and well bore remediation completed.

In August 2012 the Company announced that the U.S. Bureau of Land Management's (BLM) initial 30 day public consultation period closed. This consultation period forms part of the BLM's drilling permit approvals process for drilling on Federal land. All comments were subsequently addressed by K20 Utah and its environmental consultant, Kleinfelder and the Environmental Assessment (EA) was published by the BLM.

Following the EA, a final 30 Day notice period was initiated which occurs prior to the BLM issuing a Finding of No Significant Impact and the awarding of a federal drilling permit. This final notice period closed on 30 November 2012 with only seven comments being received from the public, environmental groups and government agencies. The BLM and Kleinfelder reviewed the comments and during this quarter made the required modifications to the BLM's original environmental assessment.

Subsequent to the end of the quarter the Company announced that the BLM completed its Environmental Assessment (EA), issued a Finding of No Significant Impact (FONSI) and signed a Decision Record (DR) approving this potash project in San Juan County Utah.

Approval of the Exploration Project and issuing these 22 potash prospecting permits now allows exploration activity to move on to the Federal land following on from the significant progress made during 2012 on the State areas. Importantly, it also means the Company's independent geologists, Agapito, can immediately prepare the maiden JORC resource for the project.

The three Utah State holes have been remediated to the State's satisfaction and a Utah State Bond of US$218,500 has already been returned to the company. The State of Utah drilling permit for the four federal holes has been granted which was subject to approval of the BLM drilling permit.

The K2O Utah Potash Project is strategically located to serve the large US market with the Company enjoying significant support at a County, State and Federal level which will hold it in good stead as it moves towards Bankable Feasibility.

Paradox Basin Potash Project

EXPLORATION PERMIT APPROVALS

On 25 April 2013 the US BLM approved the Company's 90% owned K2O Utah LLC's Hatch Point Potash Exploration Project ("Project"). The BLM completed its Environmental Assessment (EA), issued a Finding of No Significant Impact (FONSI) and signed a Decision Record (DR) approving the Project in San Juan County Utah.

The Company is delighted to report this development to shareholders, and views this as achieving the most significant milestone since acquiring the Project.

The US BLM Federal Potash Exploration Permit awarded to K2O Utah is the first one to be granted in Utah for more than 25 years according to company research. K2O Utah is also the only applicant to receive a "Non-Known Potash Leasing Area (Non-KPLA) Designation" in Utah during this time.

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Potash Minerals can now drill in the highly prospective leases on Federal land contained in the 405 Km^2 project area, where the company will be targeting the best widths and grades of Sylvinite within the project area.

The Company will now focus efforts on working with Agapito to prepare the maiden JORC resource as well as commencing negotiations with potential drilling contractors to complete the federal drilling program now approved by the BLM.

STATE DRILLING PROGRAM

A total of 20,140 ft (6,140 m) was drilled in the three holes from the State Lands drilling programme. The cores have been entrusted under contract to the Utah Geological Society (UGS) for further study as there are few cores with physical potash in existence in this area. This drilling, along with the 38 historic oil and gas holes, one US government cored and assayed hole and data from 3 recently drilled Stone Energy holes gives further confidence in the presence of potash over a wide area of the project.

Independent geologists Agapito Associates Inc. is preparing a JORC resource based on the cores and gamma logs from all 45 holes drilled on or in close vicinity of the Potash Minerals tenements. Until the federal exploration permit was granted, only the state lease lands were able to be included in a resource estimate.

The three state holes were drilled within the constraints of the state block locations. Drilling efforts will now be directed to the preferred and more prospective federal areas covered by the recently approved Federal permit. This is the area believed to hold the greatest potential for extensive potash mineralization. Securing this Exploration Permit gives the Company greater flexibility to drill at locations with better potential for mineralization and is expected to provide the Company with its initial JORC resource including both federal lands and state lands.

The map below sets forth the Potash Minerals Ltd (K2O Utah) drilling program and historical drilling across State and Federal lands showing interpreted (from geophysical logs) and assayed results reported as %K2O converted to %KCl equivalent. KCl equivalent (KCl = 1.6 x K2O) may represent a combined potash mineralogy.

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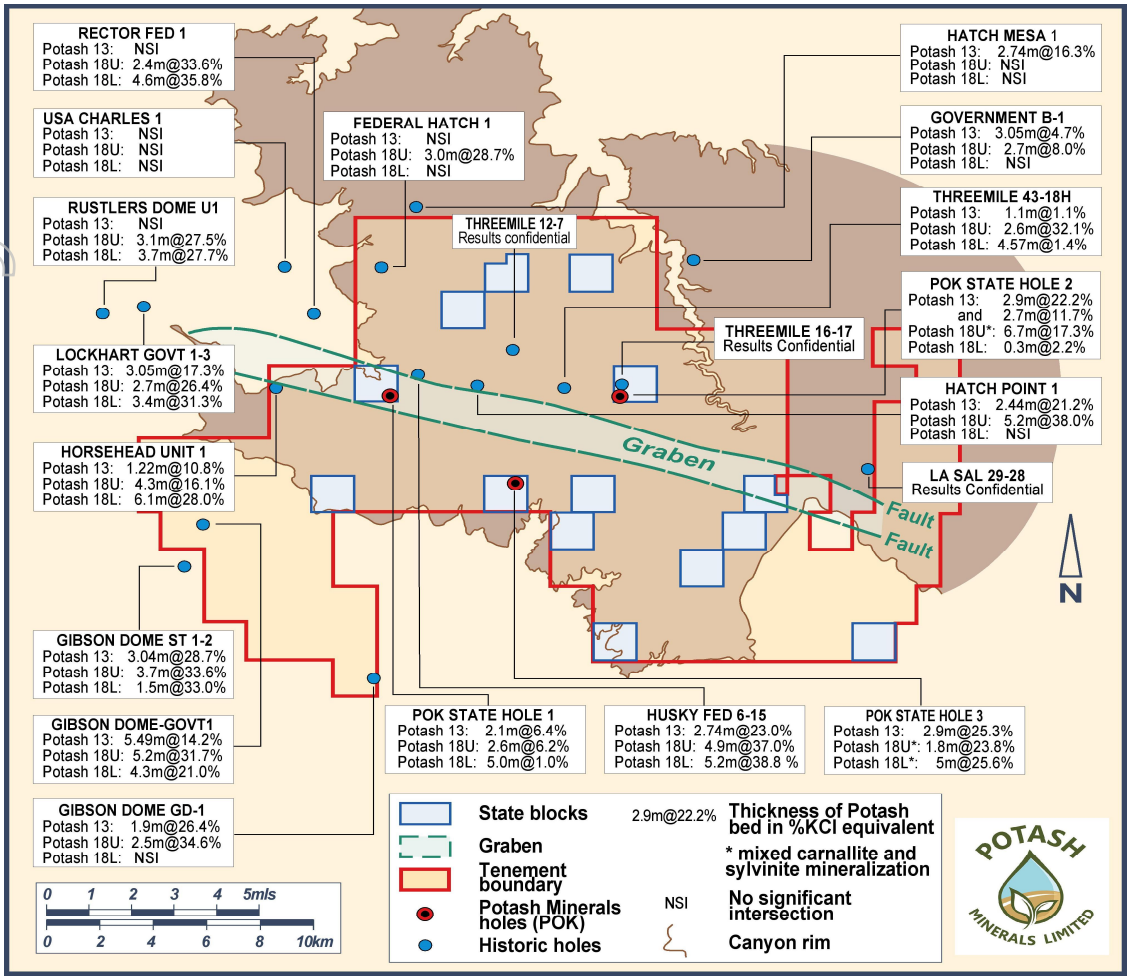

ABOUT THE PROJECT

Potash Minerals Limited has earned 90% of the Paradox Basin Potash Project ("the Project") which covers 405km^2 in the Paradox Basin in south eastern Utah. The Company's focus is on sylvinite, a high grade form of potash ore that is cheaper and more effective to process to a saleable form than any other form of potash ore.

The BLM has approved the assignment of all leases to K2O Utah. In 2012, the BLM has also advised that all K2O federal lands are now designated a Non-Known Potash Leasing Area and therefore will not be subject to competitive bidding.

The Paradox Basin Potash Project is located close to key agricultural regions of the United States and as such is well situated to supply fertilizer manufacturers and agricultural cooperatives in the western United States. The Project also has substantial export potential given its excellent proximity to key US rail infrastructure leading to West Coast ports.

The Paradox Basin Potash Project comprises potash (KCl) mineralization in two beds of interest, Potash 13 and Potash 18, which occurs in two sub-beds. Potash 18 Upper is ubiquitous across the property, while Potash 18 Lower occurs locally to the southwest. An Exploration Target estimated by independent consultants Agapito Associates, Inc. for Potash Beds 13 and 18 of 3.4 to 5.2 billion tonnes of sylvinite at an average grade of 23% to 34% KCl has been delineated within the Project. Potash 18, which is the principal bed of interest, was estimated to be 3.0 to 4.6 billion tonnes sylvinite at an average grade of 24 to 35% KCl. The Exploration Target estimate was updated on July 8, 2011 to reflect changes in the Project boundary and newly acquired geologic information.

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The Exploration Target assumes a grade cut-off of 16% KCl and a thickness cut-off of 2.0 m, below which mineralization is excluded from the estimate. The Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2004). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

**The information set out above that relates to exploration target and exploration results is based on information prepared by Dr Michael P. Hardy, who is a Senior Consultant with Agapito Associates, Inc. Dr. Hardy is a Registered Member of The Society of Mining, Metallurgy, and Exploration (SME), a Recognised Overseas Professional Organisation and is employed by Agapito Associates Inc, a consultant to the Company. Dr Hardy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Hardy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

**The potential quantity and grade of potash reported as exploration potential is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

RADAR IRON INVESTMENT (POTASH MINERALS' STAKE ~28%)

For further information regarding Potash Minerals' 28% investment in Radar Iron Limited (RAD), visit Radar Iron's website www.radariron.com.au

Corporate

During the quarter the Company's Class C Converting Shares were converted into 1 ordinary share for every 1 Converting Share owned. The conditions for the conversion of the Company's Class C Converting Shares relating to the Company's Utah based Potash project had not been completed within the specified time frame and the shares were converted to ordinary shares in accordance with the Share Sale Agreement to acquire Citadel Potash Pty Ltd and the K2O Utah Potash Project.

The Company's cash position at 31 March 2013 was $510,000. As noted above the Company has received the Utah State Bond of US$218,500 subsequent to the end of the quarter which is not reflected in this balance.

ASX Announcements

The Company made the following announcements during the quarter.

Date	Headline
15/03/13	Appendix 3B
12/03/13	Half year accounts
30/01/13	Quarterly activities and cashflow report

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Appendix 5B

Mining exploration entity quarterly report

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

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Name of entity

Potash Minerals Limited

ABN

21 121 184 316

Quarter ended (ñcurrent quarterò)

31 March 2013

Consolidated statement of cash flows

			Current quarter $Aõ000	Year to date (9 months) $Aõ000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(464)	(1,061)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(159)	(551)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		6	21
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net Operating Cash Flows		(617)	(1,591)
Cash flows related to investing activities				
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c) other fixed assets	-	-
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c)other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other (provide details if material) - Government Agency Bond (Payments)/Refunds		-	-
	Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)		(617)	(1,591)

1.13	Total operating and investing cash flows (brought forward)	(617)	(1,591)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	1,250
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Capital Raising Costs	-	(61)
	Net financing cash flows	-	1,189
	Net increase (decrease) in cash held	(617)	(402)
1.20	Cash at beginning of quarter/year to date	1,127	912
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	510	510

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

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

1.25 Explanation necessary for an understanding of the transactions

Amounts paid to directors including salaries and wages for director services.

Non-cash financing and investing activities

2.1

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

Financing facilities available

Add notes as necessary for an understanding of the position.

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

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Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	325[1]
4.2	Development	-
4.3	Production	-
4.4	Administration	125
	Total	450

(1) This amount includes a deposit to the US Bureau of Land Management of approximately US$250,000 which is required for permit approvals.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	510	1,127
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	510	1,127

Changes in interests in mining tenements

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

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Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)* (Converting shares)				
7.2	Changes during quarter (a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs, redemptions	(3,000) Class C Converting Shares	-	Nil	Nil
7.3	**+Ordinary securities**	78,796,054	78,796,054		
7.4	Changes during quarter (a) Increases through issues	3,000	3,000	Nil	Nil
	(b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description*)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Exercise date*
		1,000,000	-	50 cents	30/11/13
		1,000,000	-	75 cents	31/05/14
		1,000,000	-	100 cents	30/11/14
		2,250,000	-	75 cents	31/07/14
		2,250,000	-	100 cents	31/07/14
		500,000	-	125 cents	31/07/14
		500,000	-	75 cents	31/07/13
		1,000,000	-	100 cents	31/07/13
		200,000	-	125 cents	30/11/14
		1,562,500	-	50 cents	30/11/14
		200,000	-	60 cents	30/11/14
	Total	**13,562,500**			
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures***(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

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Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 30 April 2013

(Director/**Company secretary**)

Print name: Phillip Wingate

Notes

1 The quarterly report provides a basis for informing the market how the entityôs activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The ñNature of interestò (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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