



South Boulder Mines

Managing Director : Lorry Hughes

Worlds Shallowest
Potash Deposit

AGM Presentation Perth
22nd November 2010

www.southbouldermines.com.au (ASX: STB)

Geo Surveys International conducting the ground gravity survey over known mineralisation at the Colluli Potash Project, Eritrea.

For personal use only



1. Executive Summary

SOUTH BOULDER MINES

PROJECTS

- ASX Listed October 2003 (ASX: STB), (SO3-Ber), (SO3-Fra); and
- Three outstanding projects: potash, nickel and gold.

Colluli Potash Project, Eritrea.

- **World class buried evaporite potash project in Eritrea;**
- **4.5km² of potash mineralisation identified and growing;**
- **Sylvinitite assays returned up to 44% KCl (28% K₂O);**
- **Exploration target of 3-500Mt @ 21-25% KCl identified at present at less than 100m depth;**
- **Drilling re-commenced, JORC/43-101 resource due in December, update in March quarter, scoping study due for completion in March quarter;**
- **Strategy to define a 1.5Mt p.a open pit operation.**

Duketon Greenstone Belt Projects, Western Australia.

- **Nickel Sulphide JV with Independence Group (ASX: IGO);**
- **New Nickel Sulphide Discovery – “Australia’s most exciting greenfields nickel discovery”**
- **IGO earning 70% of nickel upon completion of BFS; and 5.20m @ 9.13% Ni, 1.09% Cu, 0.21% Co and 7.09g/t PGEs (2.20g/t Pt, 1.74g/t Pd, 0.82g/t Rh, 1.79g/t Ru);**
- **Mining Lease granted on 19th of November 2010;**
- **Currently Drilling and conducting scoping study work;**
- **STB has 100% of Gold Rights on the DNJV and additional tenure in the Duketon Greenstone Belt.**



Shallow carnallite mineralisation from COL-001, Colluli Potash Project, Eritrea.



Outstanding Nickel - copper – PGE mineralisation from the Duketon Nickel Project W.A.

2. Company Snapshot

COMPANY DETAILS

Market cap @ 1.18c/share)	\$82.0M
Ordinary Shares	69.6M
Cash/NTA	\$6.0M
Unlisted Options	32.9M
Top 40 Shareholders	48.00%

BOARD

Terry Grammer (Chairman) – 35 years experience, discovered Cosmos Nickel Deposit and was a founder of Western Areas NL;

Lorry Hughes (Managing Director) – 18 years experience, K, Au, U, Pb mining and exploration, Aust., Malaysia, Indon.; Energy Metals Ltd, Magellan Metals Inc., Riotinto, North Limited, Plutonic;

Liam Cornelius (Executive Director) – 18 years experience, Au, Ni, company founder, Aust., SE Asia, Africa;

Dennis Wilkins (Company Secretary) – +20 years experience with resource companies;

ERCOSPLAN (Potash Consultant) - +50 years experience in planning and execution of projects in the potash and mineral salt industry. World renowned experts.



South Boulder Mines Ltd booth at the recent EMEC in Asmara Eritrea.



COL-004 drill core showing high grade carnallite and kainitite mineralisation.

3. Share Price Performance and Activities

For personal use only



4. Potash – Why Potash?

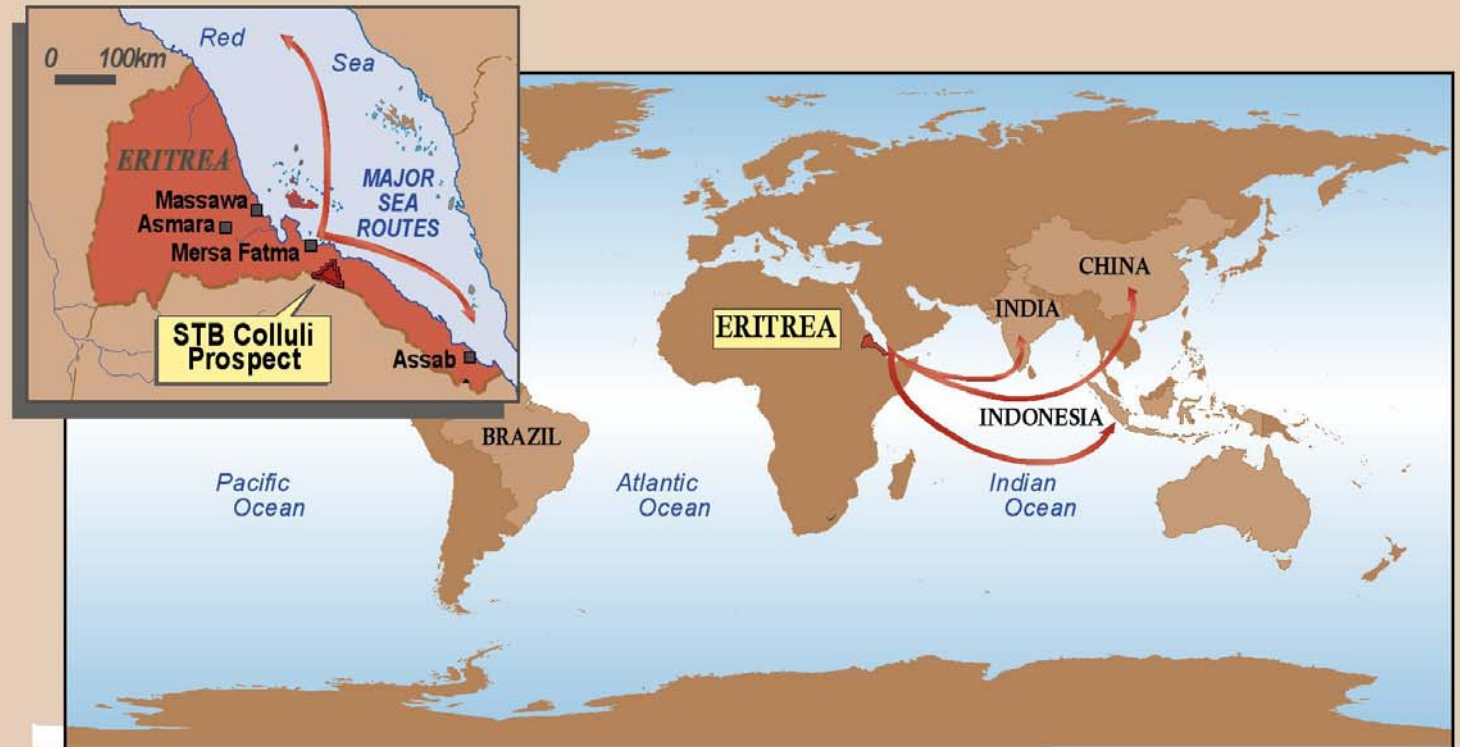
- Large scale, long term projects, strategic asset;
- Rising population and improving diets are driving food consumption growth and potash demand;
- Potash is required to produce more food from a declining per-capita land base;
- Price estimates of USD\$350 – 400/t of KCl in 2010 and rising, peak price USD\$1,000/t in 2008;
- Short-term decline in fertilizer use is not sustainable – irreplaceable, reduced use cannot continue without potential consequences for the global food supply;
- **Upshot is the potash market has strong fundamentals for demand growth;**
- Recent deals include BHP knock back offer of USD \$39bn to acquire Potash Corp and Mag Industries (TSX: MAA) option to COMPLANT to purchase 50.1% of the Mengo Potash Project in the ROC for debt financing of US\$1.2b.
- BHP is planning to build the largest potash mine in the world. 8Mt p.a, capital cost USD\$10.5bn;
- **Colluli Project initial potential target to define a 1.5Mt p.a operation, capital cost ~ USD\$0.5-0.75bn and mine life exceeding +30 years.**



5. Colluli Potash Project Ticks a lot of Boxes

Colluli Potash Project Ticks a lot of Boxes

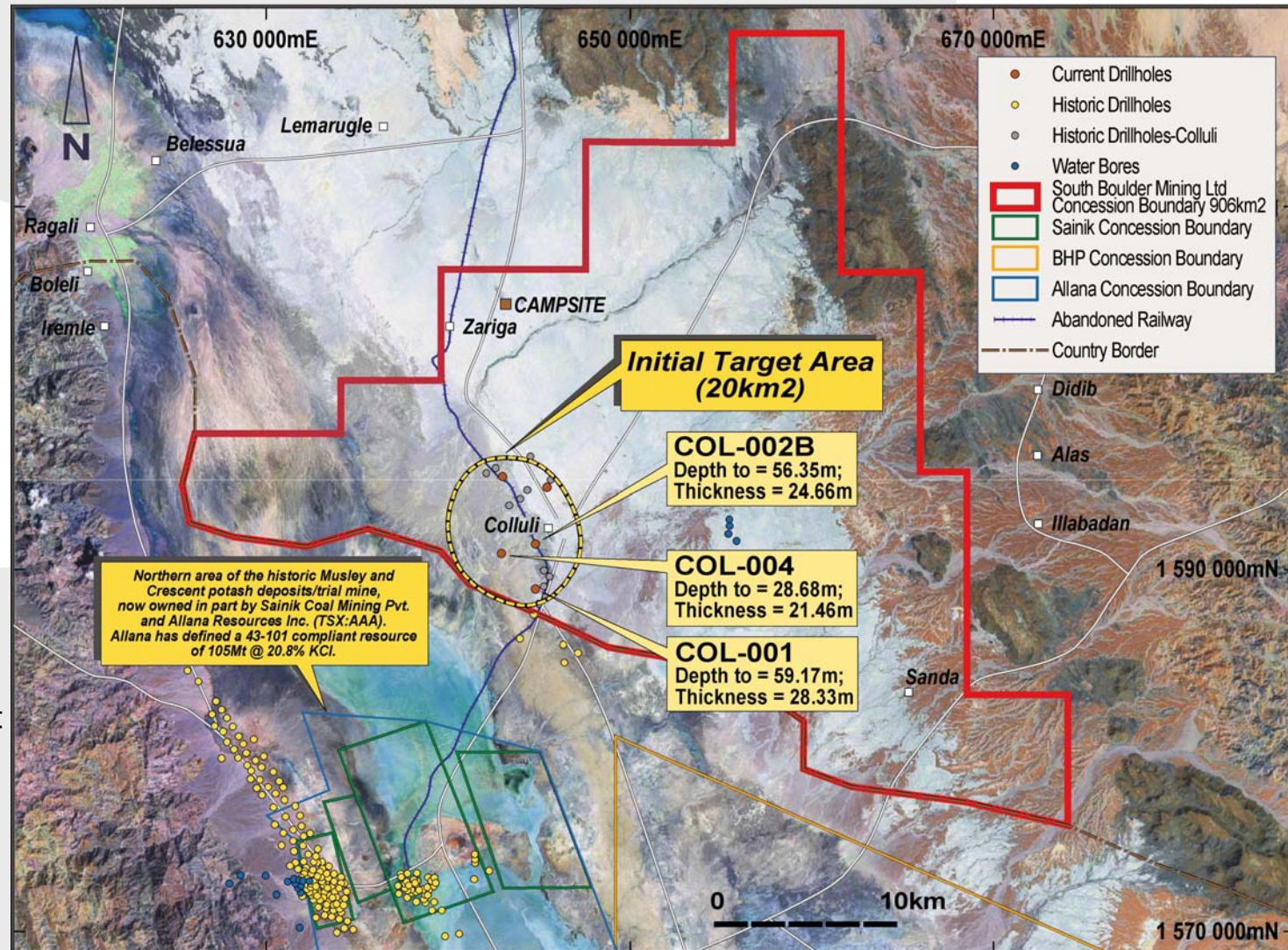
- **Close to port and markets**
(70km to Mersa Fatma)
- **Size and grade of targets**
(Massive deposits, huge mine lives)
- **Shallow potash horizons**
(25 to 400m deep)
- **Underlying demand for Potash**
(Irreplaceable)
- **Mining methods**
(Potential for low cost solution to mining)
- **Two products can be produced**
(KCl and K₂SO₄)
- **Solar evaporation**
(Energy use ~40% of opex at other sites)
- **Geothermal energy**
(Known hot spots in region)
- **No known significant environmental issues**



✓ **Potential low cap-ex and op-ex production**

5. Colluli Potash Project (CONT'D)

- Scoping study into a world first, open cut potash mine is underway;
- This hasn't been done before because there are no deposits with these grades of potash so shallow;
- Potash mineralisation zones average 24.8m;
- Houston Formation potash rich layers have been intersected up to 45m thick at Musley, only 15kms from Colluli;
- Exploration target of 3-500Mt @ 21-25% KCl has an in ground value of up to ~ \$40bn at current prices of KCl;
- Sylvite- KCl
Carnallite – $\text{KMgCl}_3 \cdot 6(\text{H}_2\text{O})$
Kainite – $\text{MgSO}_4\text{KCl} \cdot 3(\text{H}_2\text{O})$

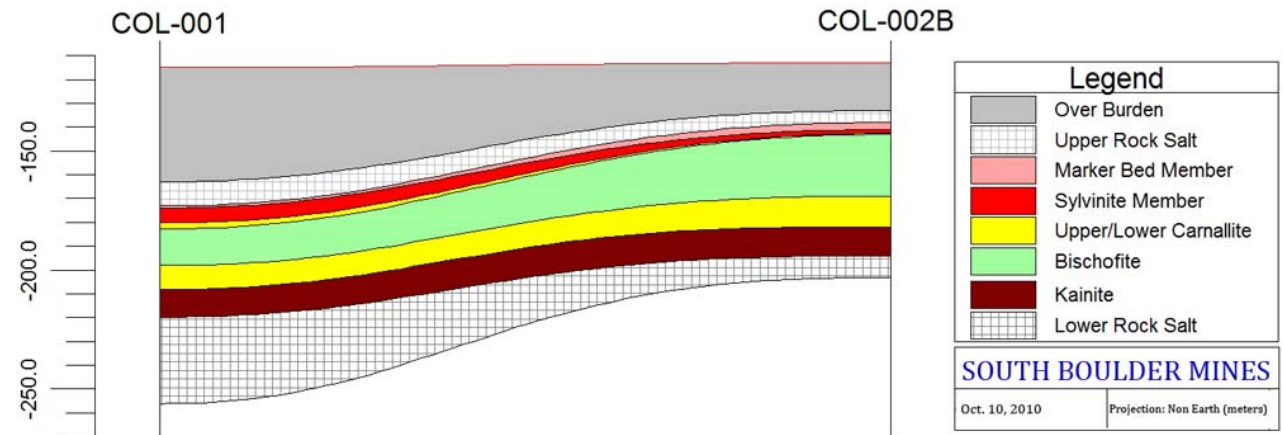


✓ *All ore types have been mined and processed together in the past*

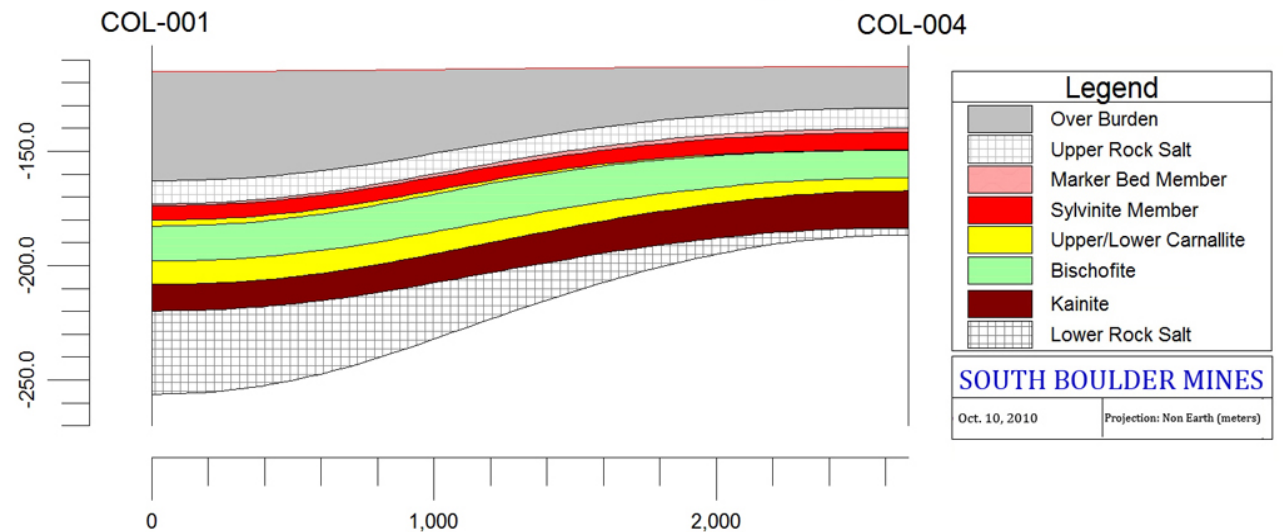
6. What is Happening Next

- *Continue drilling potash;*
- *Compile JORC/43-101 compliant resource in December;*
- *Award DHole geophysics contract for March quarter;*
- *Complete scoping study, by mid 2011;*
- *Award seismic survey for Dec quarter 2011;*
- *JORC/43-101 resource update;*
- *Decide on full feasibility studies by mid 2011.*

COL-001 - COL-002B Stratigraphic Cross-Section



COL-001 - COL-004 Stratigraphic Cross-Section

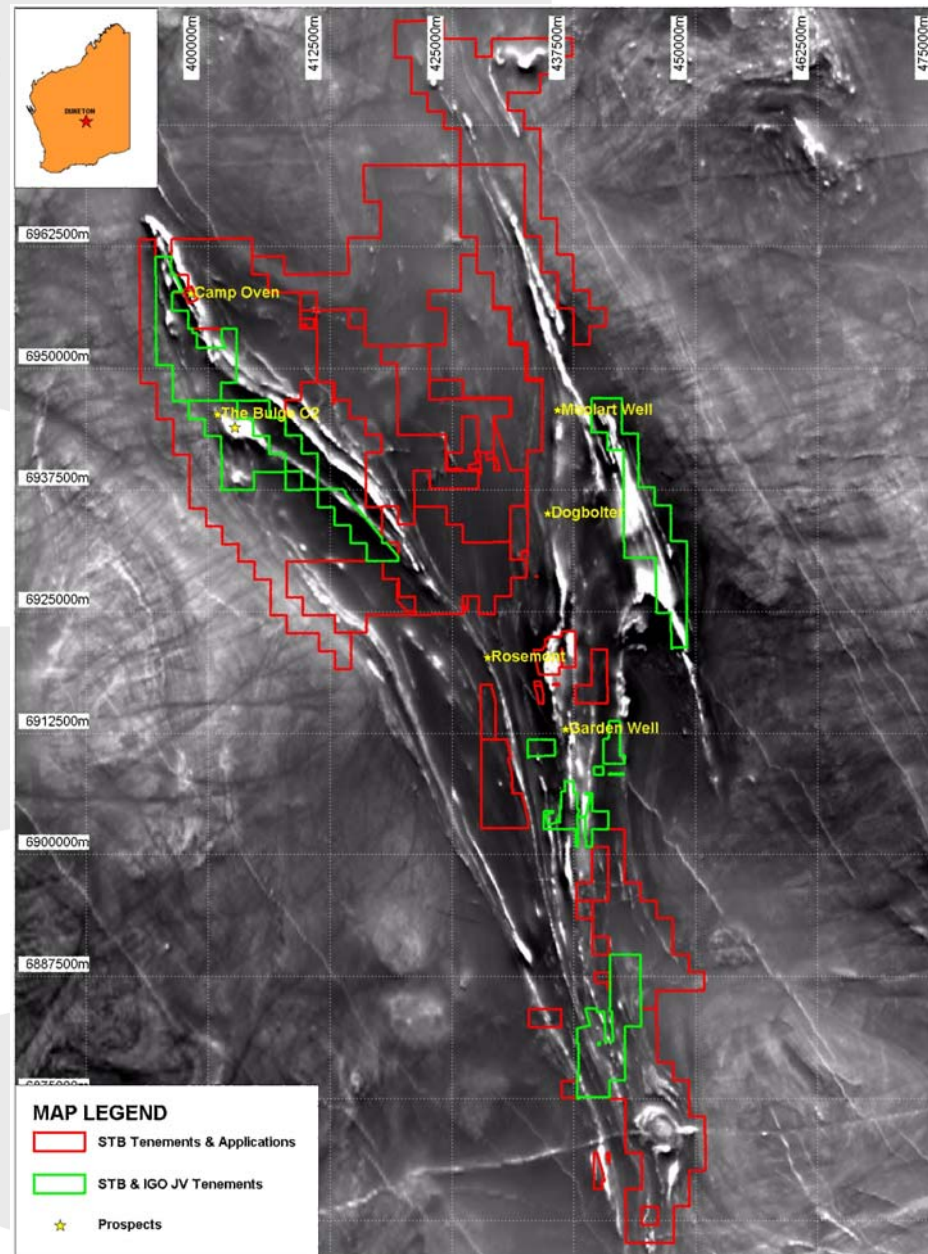


For personal use only

8. Duketon Nickel Project

QUALITY NICKEL ASSETS

- Successfully targeted extensions to massive Ni-Cu-PGE mineralisation intersected in TBDD080;
 - **Hole TBDD098 - 5.20m @ 9.13% Ni, 1.09% Cu, 7.09g/t PGE's (2.20g/t Pt, 1.74g/t Pd, 0.82g/t Rh, 1.79g/t Ru) (TW~3.3m);**
 - **Hole TBDD087 – 4.55m @ 4.05% Ni, 0.74% Cu, 2.71g/t Pt+Pd (TW~2.4m);**
 - **Hole TBDD093 - 3.20m @ 3.20% Ni, 0.41% Cu, 2.37g/t Pt+Pd (TW~1.8m) including;**
 - **1.68m @ 4.21% Ni, 0.46% Cu;**
- Preliminary met work has been highly encouraging;
- Further positive results at C2;
 - **9.70m @ 1.11% within a broader zone of 25.50m @ 0.70% Ni;**
 - **50.00m @ 0.92% Ni, 0.04% Cu, 0.08g/t Pt+Pd from 275.0m, including 37.00m @ 1.05% Ni.**



8. Duketon Nickel Project (CONT'D)

MASSIVE NICKEL
SULPHIDES FROM
ROSIE

**TBDD098 - 5.20m
Massive Sulphide
Intercept.**

Nickel = 9.13%

Copper = 1.09%

Cobalt = 0.21%

PGE's = 7.09g/t

Platinum = 2.22g/t

Palladium = 1.74g/t

Rodium = 0.82g/t

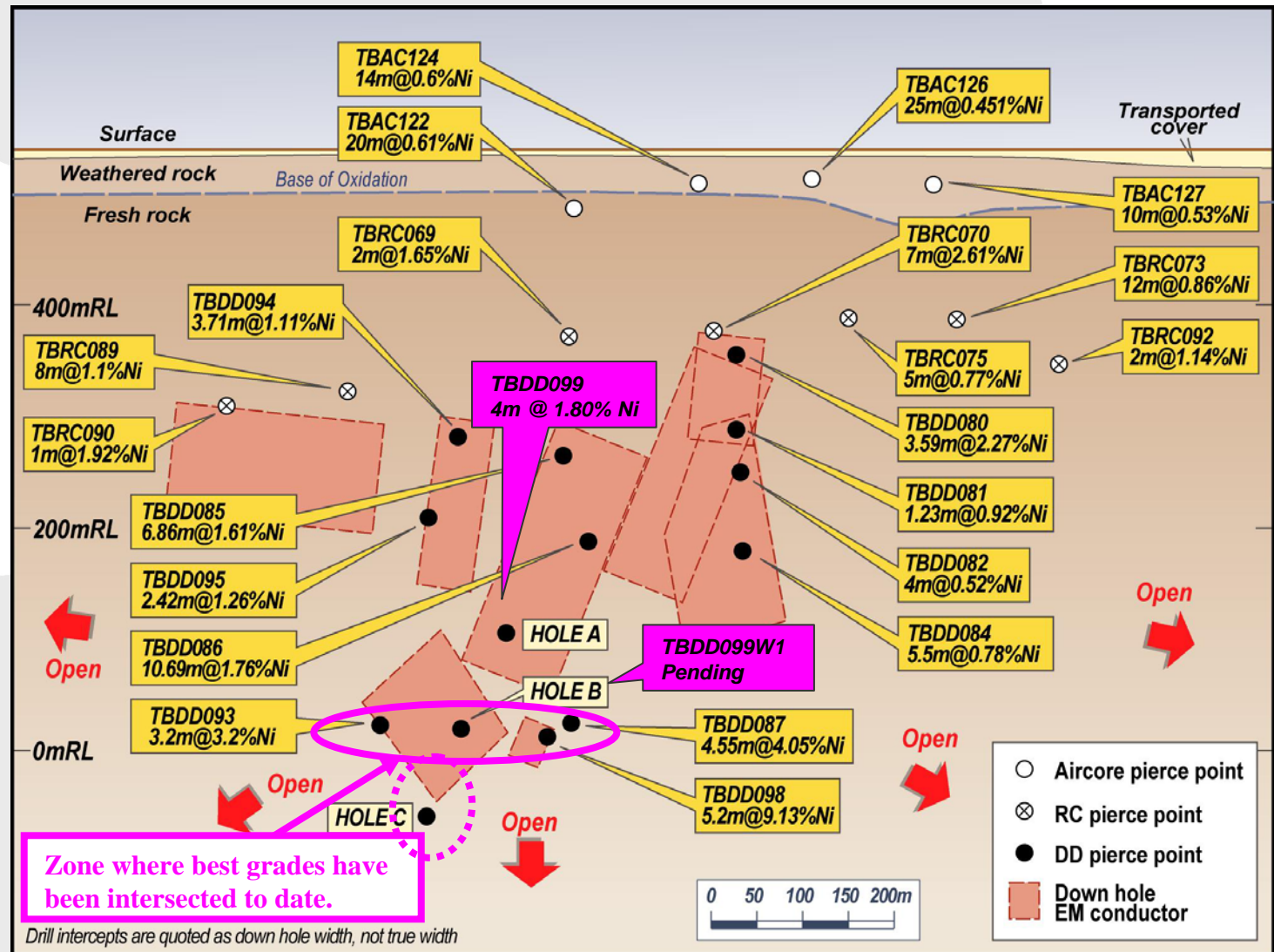
Ruthenium = 1.79g/t



8. Duketon Nickel Project (CONT'D)

QUALITY NICKEL
SULPHIDE
MINERALISATION
IS OPEN; MUCH
MORE DRILLING
IS REQUIRED

MINERALISATION
CURRENTLY
INTERSECTED
OVER 750m
STRIKE; 400m DIP
HIGHEST GRADE
MINERALISATION
IS CONTINUOUS
FOR AT LEAST
250M

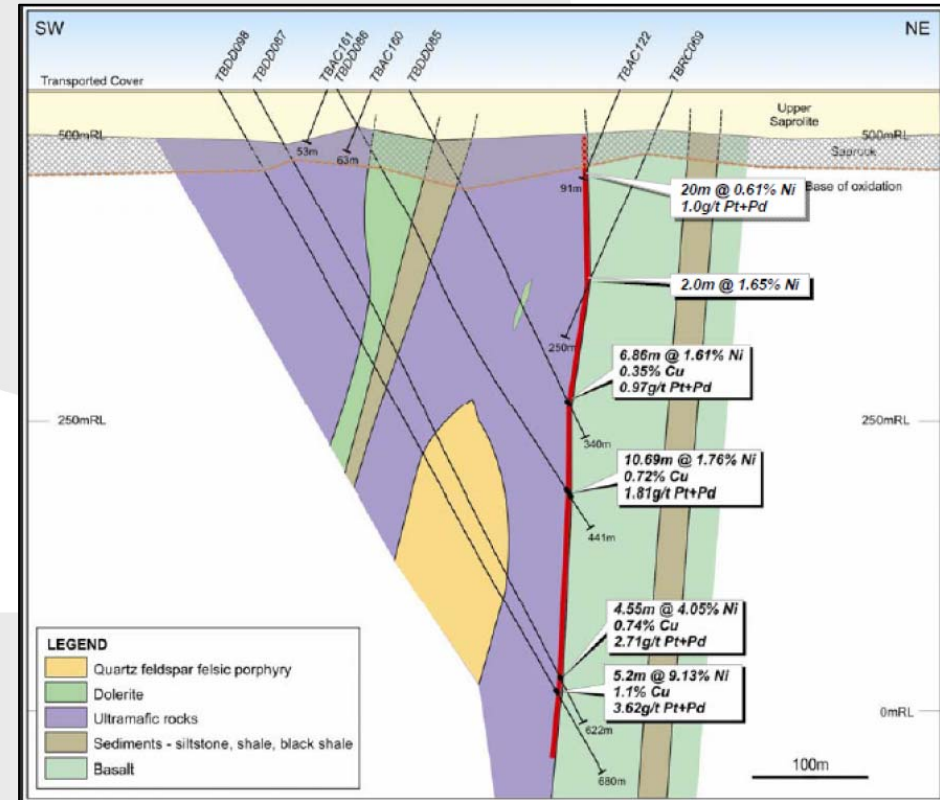
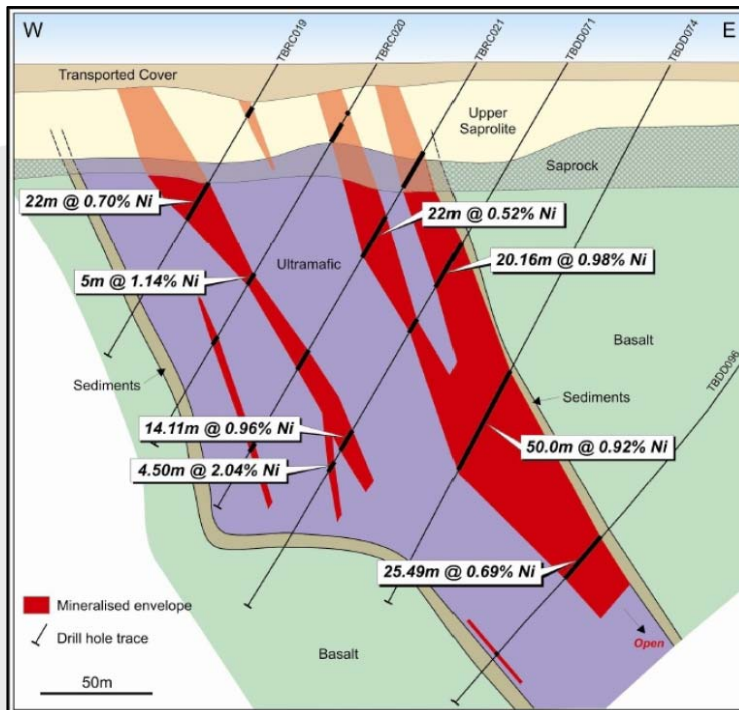
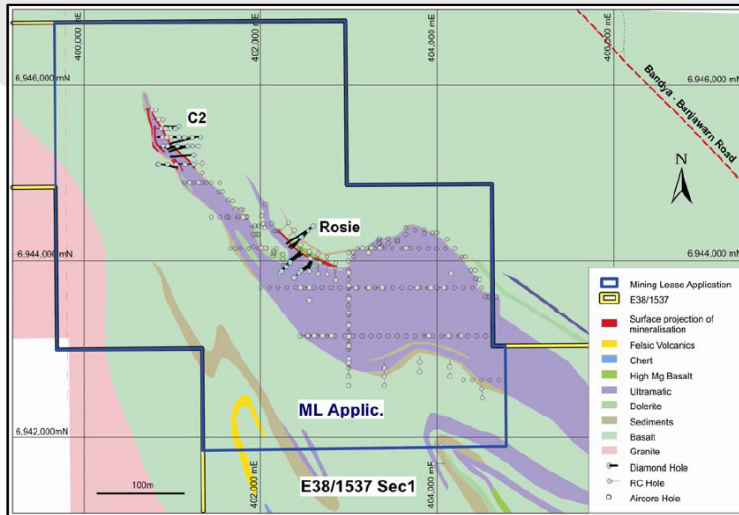


Strong potential for additional high grade intercepts is supported by the interpretation of down-hole transient-electromagnetic (DHTEM) survey results from holes TBDD093 and TBDD098 which suggests that the strongest mineralisation is situated between these holes and continues steeply down plunge to the north west.

8. Duketon Nickel Project (CONT'D)

For personal use only

QUALITY
NICKEL
ASSETS



“The most promising and exciting Greenfields nickel project in Australia”. Terry Grammer.



9. Reasons to Invest

- ✓ South Boulder has recently discovered the world's shallowest potash deposit at Colluli, drilling and scoping study work underway;
- ✓ South Boulder with JV Partner Independence has recently discovered the Rosie and C2 Ni-Cu-PGE deposits, drilling and scoping study work underway;
- ✓ The Colluli project is situated in a prime infrastructure location in an emerging potash province;
- ✓ The potash sector has excellent long term growth drivers and very large multinational resource companies participate in the sector, BHP and Potash Corp, competitor activity;
- ✓ Increased level of company promotion in key markets that understand the potential of potash, USA, Canada, Europe, Asia;
- ✓ Tight capital structure with 69.6M shares on issue, highly leveraged to success;
- ✓ Well funded with approximately \$6.0M in liquid assets;
- ✓ On-going news flow from drilling and scoping study results in coming months.

CONTACT

Lorry Hughes Bsc. MAusIMM
Managing Director

Mobile 0400 038 439

Int. Mobile +61 400 038 439

Telephone +61 8 6315 1444

Facsimile +61 8 9478 7093

lorry@southbouldermines.com.au

www.southbouldermines.com.au

For personal use only

Disclaimer

Forward-Looking Statements

The following presentation represents South Boulder Mine's best judgement at the time of presentation. This document is in summary form and does not purport to be all inclusive or complete. The contents include forward looking statements prepared on the basis of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by South Boulder Mine Limited. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

Competent Persons

Information that relates to Exploration Results including exploration data and geological interpretations is based on information compiled by Lorry Hughes who is a full time employee at South Boulder Mines Ltd. Exploration results from the Duketon Nickel JV has been supplied by Independence Group who are operator of the Duketon Nickel JV. Lorry Hughes is a member of the AusIMM and has experience which is relevant to the style of mineralisation and type of deposits under consideration, and to the activities which is being undertaken to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Lorry Hughes consent to the inclusion in the report of the matters based on his information in the form and context in which it appears. The data, interpretation and diagrams for the Duketon Nickel JV have been provided courtesy of Independence.

JORC- Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this presentation relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade stated or implied is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and it is uncertain if further exploration will result in the determination of a Mineral Resource.