

### Corporate Details

ASX Code:	STB
Germany:	SO3-Fra
OTC/ADR:	SBMSY
Share Price:	\$0.90
Market Cap:	\$114M
Shares on issue:	126.7M
STB Options:	16.7M (\$14.7M)
Cash/NTA:	\$23.3M
Top 40 shareholders:	65%

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### Listed Equity Holdings

(ASX: MZM)	5.382M
(ASX: AVZ)	0.400M
(ASX: LTX)	1.016M
(ASX: BUX)	1.610M
(ASX: BUXO)	0.201M
(CDNX: CNI.V)	0.121M
(CDNX: SMP.V):	2.500M
Auvex (Pte):	0.500M

## SOUTH BOULDER STRENGTHENS BOARD WITH APPOINTMENT OF TONY KIERNAN AS NON-EXECUTIVE DIRECTOR

South Boulder Mines Ltd (ASX: STB – “South Boulder” or “the Company”) is pleased to announce the appointment of highly experienced resource company director and corporate advisor, Mr Anthony (Tony) Kiernan, as a non-executive Director.

The appointment further strengthens the Company’s Board, and represents a step change in the transition to a Board structure which reflects the production focussed strategies which lay ahead. Mr Kiernan brings particular skills in the areas of Government relations and approvals, corporate strategy and corporate governance, all of which are key areas for the Company as it progresses the development of its key asset, the Colluli Potash Project in Eritrea, East Africa.



*High-res image available on request*

Mr Kiernan was previously a commercial lawyer and is currently Chairman of the Australian iron ore producer BC Iron Ltd (ASX:BCI) and a non-executive director of several listed mining companies including Chalice Gold Mines Ltd (ASX: CHN), which has been operating in Eritrea since 2009.

Mr Kiernan played a lead role as part of the Chalice team responsible for overseeing the acquisition, evaluation, approvals process and ultimately the successful sale of Chalice’s Zara Gold Project in Eritrea to China SFECO Group and the Eritrean National Mining Corporation (“ENAMCO”) for combined proceeds of US\$114 million.

South Boulder’s Managing Director, Lorry Hughes, said the Board is delighted to have secured a new non-executive Director of Mr Kiernan’s calibre and experience, adding further depth and capability to its Board.

“Tony is an accomplished mining company Director with over 25 years of experience who has been actively involved in mineral exploration in Eritrea since 2009,” he said. “He brings significant capabilities in areas that will be of great value to South Boulder as we complete the Feasibility Study and progress the approvals process for the Colluli Potash Project.”

## Investor Coverage

Recent investor relations, corporate videos and broker/media coverage on the Company's projects can be viewed on the website in the "Media Centre" and "Investor Centre" sections by following the links [www.southbouldermines.com.au](http://www.southbouldermines.com.au) and [www.abid.co](http://www.abid.co).

## About South Boulder Mines Ltd

Listed in 2003, South Boulder Mines (ASX: STB) is a diversified explorer focused on potash, nickel and gold. South Boulder has a 90% interest in the Colluli Potash Project in Eritrea and a 100% interest in the Duketon Gold Project in Western Australia.

The Colluli Potash Project has a current JORC Compliant Measured, Indicated and Inferred Mineral Resource Estimate comprised of 261.81Mt @ 17.94% KCl or 11.33% K<sub>2</sub>O of Measured Resources, 674.48Mt @ 17.98% KCl or 11.36% K<sub>2</sub>O of Indicated Resources and 143.50Mt @ 18.00% KCl or 11.37% K<sub>2</sub>O of Inferred Resources for a total of 1,079.00Mt @ 17.97% KCl or 11.35% K<sub>2</sub>O (total contained potash of 194.09Mt KCl or 122.61Mt K<sub>2</sub>O). **This includes higher grade Sylvinite of 114.60Mt @ 28.56% KCl or 18.04% K<sub>2</sub>O.** The current resource is included in an Exploration Target of 1.25 – 1.75 billion tonnes @ 18-20% KCl ## (see disclaimer below).

An engineering scoping study for the production of 1Mt p.a. of potash demonstrated an estimated capital cost of US\$0.74bn generating a Pre-tax NPV<sub>12</sub> of US\$1.33bn. A Definitive Feasibility Study into open pit mining and processing of the resource is underway with initial production scheduled for 2016 or sooner. South Boulder has strong support from the Eritrean Government to build a long term, economically and environmentally sustainable resource project.

Within the Duketon Gold Project area, South Boulder entered a farm-out Joint Venture (JV) Agreement with Independence Group NL, whereby Independence can earn a 70% interest in the nickel rights on select tenements held by South Boulder in the Duketon Project, by the completion of a Bankable Feasibility Study within 5 years of the grant of the relevant tenement.

## About the Duketon Nickel Joint Venture

The Duketon Nickel Joint Venture (DNJV) has had recent success at The Rosie and C2 Nickel sulphide prospects where drilling has defined intercepts of **5.20m @ 9.2% Ni, 1.09% Cu, 0.21% Co and 7.09g/t PGE's at Rosie and 50m @ 0.92% Ni including 37m @ 1.05% Ni at C2.** The deposits are located approximately 120km NNW of Laverton, W.A in the Duketon Greenstone Belt. The deposits are approximately 2km apart and the mineralisation at both prospects is considered open in most directions. A Mining Lease was granted over the Rosie and C2 deposits on the 19<sup>th</sup> November 2010. A Maiden JORC Compliant Mineral Resource Estimate has been compiled for the Rosie deposit; please refer to the Company's 25<sup>th</sup> January 2012 ASX Announcement for details.

## More information:

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Lorry Hughes	Kerry Rudd	Liam Cornelius	Flavio Garofalo	Dr Chris Gilchrist
CEO/Managing Director	Executive Assistant	Executive Director	CFO	Non-Exec Director

## ## Competent Persons and Responsibility Statement

The Colluli Potash Project has a current JORC/Ni43-101 Compliant Measured, Indicated and Inferred Mineral Resource Estimate of 1,079.00Mt @ 17.97% KCl or 11.35% K<sub>2</sub>O (total contained potash of 194.09Mt KCl or 122.61Mt K<sub>2</sub>O). The resource contains 261.81Mt @ 17.94% KCl or 11.33% K<sub>2</sub>O of Measured Resources, 674.48Mt @ 17.98% KCl or 11.36% K<sub>2</sub>O of Indicated Resources and 143.50Mt @ 18.00% KCl or 11.37% K<sub>2</sub>O of Inferred Resources. The current Mineral Resource Estimate is included in the current exploration target of 1.25 – 1.75 billion tonnes @ 18-20% KCl. The potential quantity and grade of the total current exploration target which includes the current Mineral Resource Estimate is conceptual in nature and there has been insufficient exploration to define a Mineral Resource other than the current Mineral Resource Estimate and it is uncertain if further exploration will result in the determination of a Mineral Resource Estimate other than the current Mineral Resource Estimate.

This ASX release has been compiled by Lorry Hughes using information on exploration results and Mineral Resource estimates supplied by South Boulder Mines Ltd under supervision by Ercosplan. Dr Henry Rauche and Dr Sebastiaan van der Klauw are co-authors of the JORC and Ni43-101 compliant resource report. Lorry Hughes is a member in good standing of the Australian Institute of Mining and Metallurgy and Dr.s' Rauche and van der Klauw are members in good standing of the European Federation of Geologists (EurGeol) which is a "Recognised Overseas Professional Organisation" (ROPO). A ROPO is an accredited organisation to which Competent Persons must belong for the purpose of preparing reports on Exploration Results, Mineral Resources and Ore Reserves for submission to the ASX.

Mr Hughes, Mr Rauche and Mr Van Der Klauw are geologists and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hughes, Mr Rauche and Mr van der Klauw consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Quality Control and Quality Assurance

South Boulder Exploration programs follow standard operating and quality assurance procedures to ensure that all sampling techniques and sample results meet international reporting standards. Drill holes are located using GPS coordinates using WGS84 Datum, all mineralisation intervals are downhole and are true width intervals. Assay values are shown above a cut-off of 6% K<sub>2</sub>O. The samples are derived from HQ diamond drill core which in the case of carnallite ores are sealed in heat sealed plastic tubing immediately as it is drilled to preserve the sample. Significant sample intervals are dry quarter cut using a diamond saw and then resealed and double bagged for transport to the laboratory. Halite blanks and duplicate samples are submitted with each hole. Chemical analyses were conducted by Kali-Umwelttechnik GmbH Sondershausen, Germany utilising flame emission spectrometry, atomic absorption spectroscopy and ionchromatography. Kali-Umwelttechnik (KUTEC) Sondershausen1 have extensive experience in analysis of salt rock and brine samples and is certified according by DIN EN ISO/IEC 17025 by the Deutsche Akkreditierungssystem Prüfwesen GmbH (DAR). The laboratory follow standard procedures for the analysis of potash salt rocks • chemical analysis (K+, Na+, Mg2+, Ca2+, Cl-, SO42-, H2O) and • X-ray diffraction (XRD) analysis of the same samples as for chemical analysis to determine a qualitative mineral composition, which combined with the chemical analysis gives a quantitative mineral composition.