



ASX Release

24 March 2014

Company Details

ASX Code:	STB
Share Price	\$0.20
Market Cap	\$26M
Shares on issue	129M
Company options	21M
Cash at Bank	\$10M

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AMC appointed to calculate Colluli resource and maiden reserve as part of revised feasibility study

South Boulder Mines (ASX: STB) ("STB" or "the Company") is pleased to advise that it has taken another step in its strategy to develop the Colluli potash project in Eritrea by appointing AMC Consultants ("AMC") to calculate the revised mineral resource estimate in preparation for the maiden Ore Reserve.

The reserve estimate will form part of the revised definitive feasibility study (DFS) on Colluli. The revised DFS will reflect South Boulder's new strategy to process the three different types of potassium-bearing salts at Colluli, all of which can be used to make potash products.

South Boulder Chief Executive Paul Donaldson said AMC was already overseeing the mine planning for Colluli, a role which would overlap with the resource and reserve studies.

Mr Donaldson said the decision to appoint AMC was also consistent with South Boulder's policy of ensuring that wherever possible, the work on Colluli was done close to the Company's head office in Perth.

The current Colluli resource estimate of 1.08 billion tonnes was calculated by ERCOSPLAN of Germany. Mr Donaldson said that with the data now available to calculate a revised resource estimate, this was the logical time to relocate these studies to Perth.

As part of its Mineral Resource study, AMC will also estimate the grade and tonnage of the upper rock salt unit at Colluli, which lies above the potash units and report them in accordance with the JORC code.

"AMC has worked closely with us on the mine planning elements of the Colluli resource and its staff are familiar with the project," Mr Donaldson said. "AMC will also act as the competent person to satisfy JORC Code requirements".

In parallel with the resource and reserve studies, South Boulder will appoint consultants to undertake metallurgical and engineering testwork to determine the most appropriate processing route incorporating the three types of potassium-bearing salts.

The strategy to process these three ore types, as opposed to just one as considered in the original DFS, has the potential to lift the economic feasibility of Colluli significantly. This is because material previously considered to be waste would instead be classified as ore, slashing the strip ratio and therefore the mining costs.

It would also have the benefit of extending the mine life by a substantial period.

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CHIEF EXECUTIVE OFFICER

Flavio Garofalo
COMPANY SECRETARY

About South Boulder Mines Ltd

South Boulder is an ASX-listed (ASX: STB) resources company currently developing the emerging, world-class Colluli Potash Project located in Eritrea, Africa. The Colluli Potash Project is located in the Danakil Depression region of Eritrea ~65km from the coast comprising approximately 500km². South Boulder Mines Limited has been actively exploring for potash at the Colluli Potash Project in Eritrea since 2009. Colluli is the world's shallowest potash deposit (starting at 16m), facilitating the low capex open pit mining and favourably positioned to supply the world's fastest growing markets.

The JORC/NI43-101 Compliant Mineral Resource Estimate for the flagship Colluli Potash Project now stands at 1.08 billion tonnes @ 18% KCl for 194Mt of contained potash. Substantial project upside exists in higher production capacity and market development for other contained products. Engineering Scoping Study (ESS) results were favourable, proving that an economic 2Mt p.a. potash mine can be built at a materially lower cost than typical potash development. The start-up capital cost for Colluli is one of the lowest in the industry; couple this with cheap expansion capability via open pit mining methods, excellent infrastructure and location, and it becomes even more attractive, ensuring South Boulder gains a high level of investment interest for the long term. South Boulder Mines Ltd is working steadily towards developing the world's first, modern, open pit potash mine.

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% K₂O (total contained potash of 194.09Mt KCl or 122.61Mt K₂O). The resource contains 261.81Mt @ 17.94% KCl or 11.33% K₂O of Measured Resources, 674.48Mt @ 17.98% KCl or 11.36% K₂O of Indicated Resources and 143.50Mt @ 18.00% KCl or 11.37% K₂O of Inferred Resources.

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported by independent consultants ERCOSPLAN and announced by South Boulder on 16 April 2012.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Greg Knox using 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. Greg Knox 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 Knox, Dr Rauche and Dr 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 Knox, Dr Rauche and Dr Van Der Klauw consent to the inclusion in the report of the matters based on 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% K₂O. 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.

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