

ASX Release

19 May 2014

Company Details

ASX Code:	STB
Share Price	\$0.20
Market Cap	\$26M
Shares on issue	128M
Company options	22M
Cash at Bank	\$11M

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South Boulder appoints BHP mining engineer as co-ordinator of Colluli potash project

South Boulder Mines (ASX: STB) is pleased to advise that it is continuing to make strong progress in its strategy to develop the Colluli potash project in Eritrea, appointing highly experienced operations engineer James Durrant as Project Co-ordinator.

Mr Durrant joins South Boulder Mines from BHP Billiton Iron Ore, where he has held several senior operational roles.

Mr Durrant, who has degrees in both mechanical and mining engineering, has substantial experience in large-scale open cut mining operations including mine planning, load and haul and drill and blast.

These skills are highly relevant given that Colluli is set to be the only major open cut potash project in the world.

His appointment comes as South Boulder implements its revised development strategy for Colluli with key metallurgical test work underway. Consultant Lycopodium is managing this process and the feasibility studies on the project infrastructure.

The test work is aimed at confirming that each of the three types of potassium-bearing salts at Colluli can be used to make potash.

The results are considered pivotal because this approach has the potential to deliver a significant boost to Colluli's economics, including a considerably lower strip ratio and therefore reduced costs, as well as the production of the superior potash product potassium sulphate, which carries a \$300-a-tonne premium to the more common potash product, potassium chloride.

South Boulder Managing Director Paul Donaldson said Mr Durrant's skills and experience would be of immense value to

the company as it conducted the economic assessments and project planning for Colluli.

"James has extensive experience in the areas which are now central to our development strategy," Mr Donaldson said. "His appointment will help ensure our studies are conducted in a thorough and time-efficient manner, maximising our ability to demonstrate that the project is both technically and financially robust."

Mr Donaldson said South Boulder was set to announce the resumption of social and environmental impact work in coming weeks.

He said mining studies had also resumed following the pre-feasibility-level analysis conducted last year. This analysis supported South Boulder's revised approach of processing all the three salt types at the same time.

Paul Donaldson
MANAGING DIRECTOR

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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.