ASX Release

12 August 2014

Company Details

ASX Code:	STB
Share Price	$0.26
Market Cap	$36M
Shares on issue	139M
Company options	23M
Cash at Bank	$11M

Contact Details

Managing Director

Paul Donaldson

Address

Ground Floor, 31 Ventnor Avenue
West Perth WA 6000

PO Box 970
West Perth WA 6872

Telephone

+61 8 6315 1444

Facsimile

+61 8 9486 7093

Email & Web Page

info@southbouldermines.com.au

www.southbouldermines.com.au

Media Enquiries

Read Corporate

Paul Armstrong &

Nicholas Read

Telephone

+61 8 9388 1474

South Boulder completes and submits first phase of environmental baseline assessments for Colluli Potash Project

South Boulder Mines (ASX:STB) is pleased to advise that it has completed and submitted the first tranche of environmental baseline assessments to the Ministry of Energy and Mines of the State of Eritrea for the Colluli Potash Project. The baseline reports include the following:

1. Landforms and Aesthetics
2. Vegetation
3. Terrestrial Wildlife and Habitat
4. Livestock
5. Geology and Soils
6. Socio-Economic
7. Land Use and Land Cover
8. Cultural Heritage

These baseline assessments have been submitted on behalf of the Colluli Mining Share Company (CMSC) and are aligned with Colluli's revised development strategy, which is based on processing all three types of potassium-bearing salts within the resource.

The remaining assessments will be submitted in two further tranches and will be followed by the submission of a draft Social and Environmental Impact Assessment (SEIA), which will be completed as part of the Feasibility Study. This will allow sufficient time, in the unlikely event that any issues arise prior to the completion of the definitive feasibility study.

Metallurgical studies on the Colluli ore are well advanced. These are aimed at confirming that each of the three salt types which make up the resource can be processed. Under the previous development strategy, just one of these salts was to be processed.

This revised approach is expected to boost the project's economics by cutting mining costs and enabling the production of higher-value potash products.

South Boulder Managing Director Paul Donaldson said: “This is a significant milestone for the project as it represents the first step of the approval process for the mining license for Colluli. The DFS must be completed and submitted prior to the license being allocated to the joint venture company, but getting an early start on the environmental submissions will support the compression of the project timelines by ensuring sufficient time is available to respond to any queries that may arise from the work.

We have been working closely with Eritrea’s Ministry of Environment for the past two years on both the terms of reference for the social and environmental impact assessment and the supporting baseline reports required.

Given that we are submitting an SEIA consistent with World Bank standards and the Equator Principles, it speaks volumes about the quality of the local employees and consultants we have secured in Eritrea.”

ENAMCO General Manager Berhane Habtemariam said: “These assessments are an important step forward for Colluli and early submission is a good indication that appropriate consideration is being given to reducing the project timelines. They have also provided an outstanding opportunity to demonstrate Eritrea’s expertise in these areas.

Responsible social and environmental management is very important to us and our people, and although our mining industry is in its infancy, we believe it is important to ensure that the assessments and management plans are done to the appropriate standards, and are accompanied by the right level of engagement and discussion with all stakeholders.”

More information:
Email: info@southbouldermines.com.au
Website: www.southbouldermines.com.au
South Boulder Mines Limited: Telephone +61 8 6315 1444
ABN: 56 097 904 302

Paul Donaldson
MANAGING DIRECTOR

Amy Just
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 400km². 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 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. South Boulder Mines Ltd is working with the Eritrean government to developing amodern, 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-UmwelttechnikGmBHSondershausen, 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 AkkreditierungssystemPrüfwesen 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.