ASX Release

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Company Details

ASX Code:	STB
Share Price	$0.255
Market Cap	$38M
Shares on issue	149M
Company options	28M
Cash at Bank	$8.5M

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Colluli Project
Technical Assessment Complete

South Boulder Mines (ASX:STB) ("South Boulder") is pleased to announce the completion of the technical review of staged deliverables of the pre-feasibility study ("PFS") process design, process design criteria, metallurgical testwork, plant configuration, and process equipment list for the Colluli Project.

Highlights

- Process review requested by South Boulder and Lycopodium
- Technical review committee consists of sulphate brine, solar pond and process plant design experts
- Process flow diagrams, process design criteria, process development, process equipment list and process test report reviewed
- Review committee confirmed Colluli potassium sulphate ("SOP") process comprises well proven process steps
- Production path to SOP via intermediate salts is known and commercially proven
- Testwork to date confirms validity of process flow diagrams
- No major process design flaws
- Recommendations made for additional data from DFS pilot tests to enhance process design

The review was completed by the Colluli process technical review committee, which was established in January 2015. Following initial independent assessments, the committee met in Denver, Colorado on the 27th February to review the PFS design and testwork. The committee also reviewed the definitive feasibility study ("DFS") optimisation metallurgical testwork and pilot test programme which are currently underway, to ensure adequacy of the test program in all critical elements of the process design.

The committee comprises Don Larmour from Global Potash Solutions, David Butts from DSB International, John McEwan from McEwan Chemical Engineering Consulting, and Tom Broderick from Hazen Research, Inc.

The key findings of the review concluded that the process design for the production of SOP from the Colluli resource is functional, feasible, uses well proven processes and technologies, and is underpinned by testwork that confirms the validity of the process flow diagrams.

The review has also identified a number of potential enhancements in the overall process design that will be further examined as part of the DFS.

Recommendations have been made for specific tests to be completed as part of the DFS pilot test programme.

South Boulder's Managing Director, Paul Donaldson said; "The recently released PFS for Colluli demonstrates that the project will be one of the lowest cost potassium sulphate producers in the world. Colluli is underpinned by a large resource that has the potential to grow a multi agrichemical business of global significance.

We are pleased that the process design and testwork to date have been endorsed by a highly capable and experienced team of industry experts. No material issues have been identified, and a number of opportunities for improvement have been put forward to integrate with the DFS.

The project will focus on a modular development path, with the first two modules each producing an expected 425,000 tonnes of SOP per annum."

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Paul Donaldson
MANAGING DIRECTOR

Amy Just
COMPANY SECRETARY

About South Boulder Mines Ltd

South Boulder is an ASX-listed (ASX:STB) resources company which is currently developing the Colluli Project in partnership with the Eritrean National Mining Company (ENAMCO). The project is located in the Danakil Depression region of Eritrea, East Africa, and is ~75km from the Red Sea coast, making it one of the most accessible potash deposits globally.

Since exploration commenced in 2009 over 1 billion tonnes of potassium bearing salts have been identified. The combination of salts within the resource makes it suitable for high yield, low energy input production of potassium sulphate, which is also known as sulphate of potash or SOP. SOP is a specialty fertiliser that carries a substantial price premium relative to the more common potassium chloride, which is the most common potassium salt known as potash.

Mineralisation within the Colluli resource commences at just 16m, making it the world's shallowest potash deposit. The resource is amendable to open pit mining, which allows higher overall resource recovery to be achieved, is generally safer than underground mining and is highly advantageous for modular growth.

The resource is favourably positioned to supply the world's fastest growing markets.

The JORC 2012 Compliant Mineral Resource Estimate for the Colluli Potash Project now stands at 1.289 billion tonnes @ 10.76% K_2O for 260Mt of contained SOP. Substantial project upside exists in higher production capacity and market development for other contained products such as potassium magnesium sulphate, potassium chloride, rocksalt and magnesium chloride.

Our vision is to bring the Colluli project into production using the principles of risk management, resource utilisation and modularity, using the starting module as a growth platform to develop the resource to its full potential.