South Boulder Mines Ltd
Annual General Meeting

Paul Donaldson *Managing Director and CEO*

29th May 2015

ASX:STB

Helping grow a better future

Forward Looking Statements and Disclaimer

The information in this presentation is published to inform you about South Boulder Mines (the “Company” or “STB”) and its activities. STB has endeavoured to ensure that the information in this presentation is accurate at the time of release, and that it accurately reflects the Company’s intentions. All statements in this presentation, other than statements of historical facts, that address future production, project development, reserve or resource potential, exploration drilling, exploitation activities, corporate transactions and events or developments that the ‘Company expects to occur, are forward-looking statements. Although the Company believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements.

Factors that could cause actual results to differ materially from those in forward-looking statements include market prices of potash and, exploitation and exploration successes, capital and operating costs, changes in project parameters as plans continue to be evaluated, continued availability of capital and financing and general economic, market or business conditions, as well as those factors disclosed in the Company's filed documents.

There can be no assurance that the development of the Colluli Project will proceed as planned. Accordingly, readers should not place undue reliance on forward looking information. Mineral Resources have been estimated using the Australian JORC (2012) Code (‘JORC 2012’). To the extent permitted by law, the Company accepts no responsibility or liability for any losses or damages of any kind arising out of the use of any information contained in this presentation. Recipients should make their own enquiries in relation to any investment decisions.

Material resource and financial assumptions made in this presentation are consistent with assumptions detailed in the Company’s ASX announcements dated 25 February 2015 and 4 March 2015, which continue to apply and have not materially changed. The Company is not aware of any new information or data that materially affects assumptions made.

Investment drivers

South Boulder Mines owns 50% of the Colluli Mining Share Company (CMSC) and is working with its Joint Venture partner, the Eritrean National Mining Company (ENAMCO) to develop the Colluli Potash Project in Eritrea, East Africa. The project is 100% owned by CMSC.

The Colluli project is positively unique. The investment drivers are:

- **Large resource containing over 1.2 billion tonnes of potassium bearing salts, suitable for the production of potash fertiliser - an essential, non-substitutable source of potassium for plant growth**
- **A unique potassium salt composition which allows the production of a diverse range of potash types**
- **Composition is particularly favourable for the production of sulphate of potash (SOP) - a high quality fertiliser that achieves a price premium over the more common potassium chloride**
- **Economically viable resources for primary production of SOP are geologically scarce**
- **Colluli has unrivalled access to the coast and is the closest SOP resource to a coastline anywhere in the world**
- **Shallow mineralisation allows open cut mining which gives superior resource recovery relative to alternate mining methods.**
- **High purity product – Colluli SOP is at the top of the quality spectrum**
- **Positive prefeasibility study results indicating lowest capital intensity and lowest operating costs for SOP production**
- **Substantial project upside from rocksalt, gypsum and magnesium chloride**
- **Experienced and capable management team with track record of delivery**

Development focus

Delivering on our commitments

- ✓ Strengthened balance sheet with two above market capital raisings
- ✓ Strengthened board composition with the appointment of John Fitzgerald
- ✓ Completed JORC 2012 compliant resource review on Colluli
- ✓ Delivered an economically robust PFS for production of SOP
- ✓ Submitted 70% of environmental baseline assessments
- ✓ Completed Technical review of PFS process design
- ✓ Initiated definitive feasibility study
- ✓ Initiated optimisation and pilot testing of DFS process design
- ✓ Generated high purity SOP samples for product marketing
- ✓ Declared 1.1Bt Maiden Ore Reserve
- ✓ Appointed Head of Market Development

On track to complete DFS by Q3 2015

Positive progress reflected in share price value accretion

Capital Structure as at 26th May 2015	
Ordinary shares on issue	168M
Options on issue	27M
Share Price[1]	$0.38
Undiluted Market Capitalisation	**$64M**
Debt	No debt
Cash[1]	$9.5m
Undiluted Enterprise Value	$54.5M

Share price performance **ASX:STB**

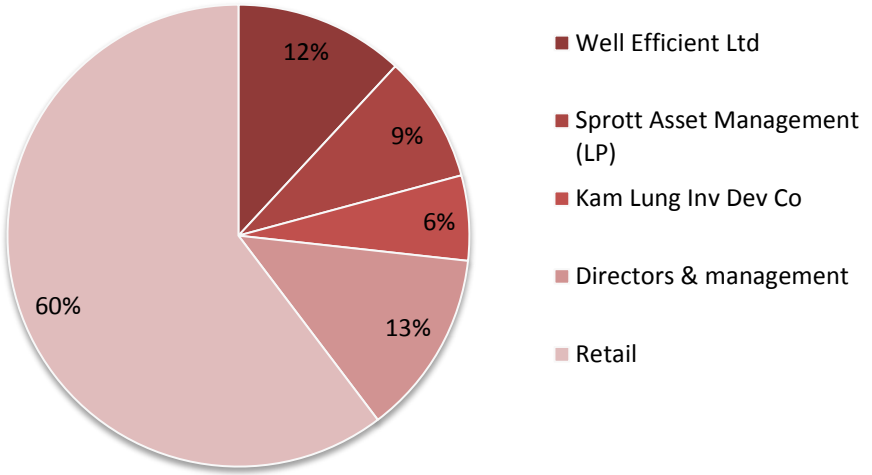
[1] As of 26th May

STB corporate overview

Major Shareholders	
Well Efficient	12%
Sprott Asset Management	9%
Kam Lung Investment Development	6%
STB Management	13%
Top 20 shareholders	63%

Directors and Management	
Seamus Cornelius	Non Executive Chairman
Paul Donaldson	Managing Director
Tony Kiernan	Non Executive Director
John Fitzgerald	Non Executive Director
Liam Cornelius	Non Executive Director
Amy Just	Company Secretary
Stuart Tarrant	Head of Finance
Gordon Tainton	Head of Market Development
James Durrant	Project Manager

STB Registry Composition 26 May 2015



- *2,926 shareholders in total*
- *84% of shares held by 155*

Strengthening our board

John Fitzgerald – Non Executive Director

17th February, 2015

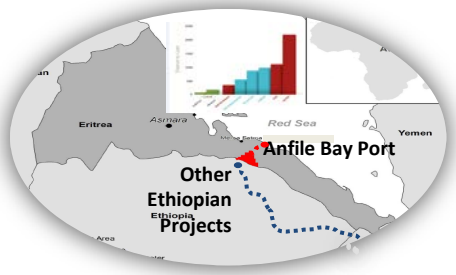
- Experienced mining and finance industry executive
- Previously held senior positions at NM Rothschild and Sons, Investec Bank Australia, Commonwealth Bank and HSBC Precious Metals
- Non Executive Director of Northern Star Resources Ltd. And Chairman of Mungana Goldmines Ltd.

The Colluli potash project – an unparalleled opportunity

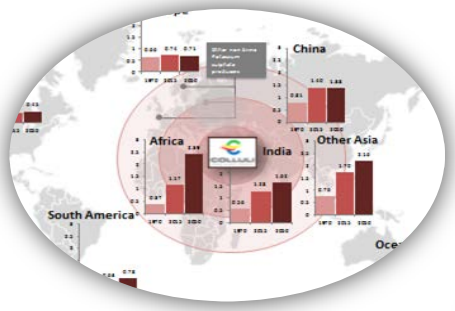
Large resource

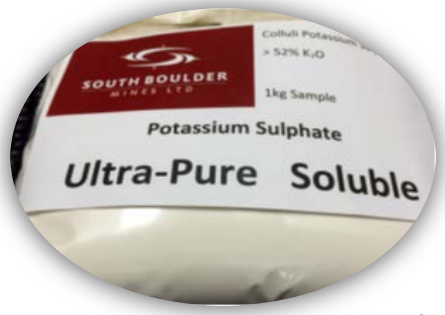
Strong support from government

Unmatched proximity to coast



Positively Unique





Close to proximity to key growth markets

Highest purity product

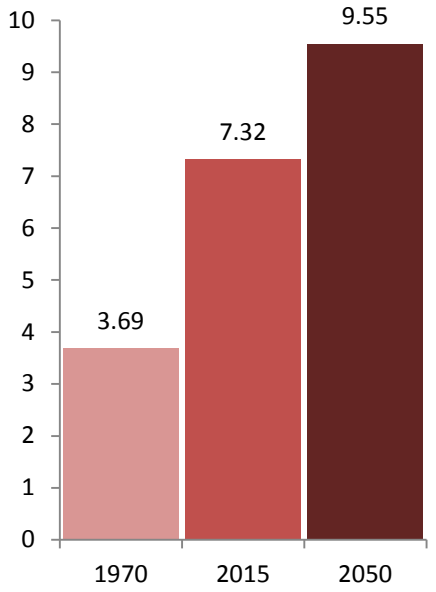
Lowest capital intensity and lowest operating costs

Potash overview

Potash: generic term used to describe a variety of potassium bearing minerals and manufactured chemicals used primarily as fertiliser

- **Essential to the world's food supply**
- **No known substitute**

Global Population versus time
Billion people



Key Drivers

- Global population growing at 80 million people per annum
- Reduction in arable land
- Calorific demand growing and dietary mix changing

More People = More Food = More Fertiliser = More Potash

Potash comes in a variety of types

- Potash types are differentiated by chemistry
- Availability of economic resources varies with potash type
- Potash prices are fundamentally different

Potash type	Abbreviated name	Typical sale price (US$/t)	Key Primary Production Centres	Abundance of resources suitable for exploitation
Potassium chloride[1]	MOP	315	Canada, Russia, Middle East, China	Very high
Potassium magnesium sulphate[2]	SOP-M	400	United states	Very low
Potassium Sulphate[3]	SOP	720	United states, Chile, China	Very low
Potassium Nitrate[4]	NOP	900		Manufactured

Source: Company Announcements, Greenmarkets

1. FOB Vancouver, Standard
2. FOB Carlsbad
3. FOB Utah
4. California

Colluli start up module focuses on SOP

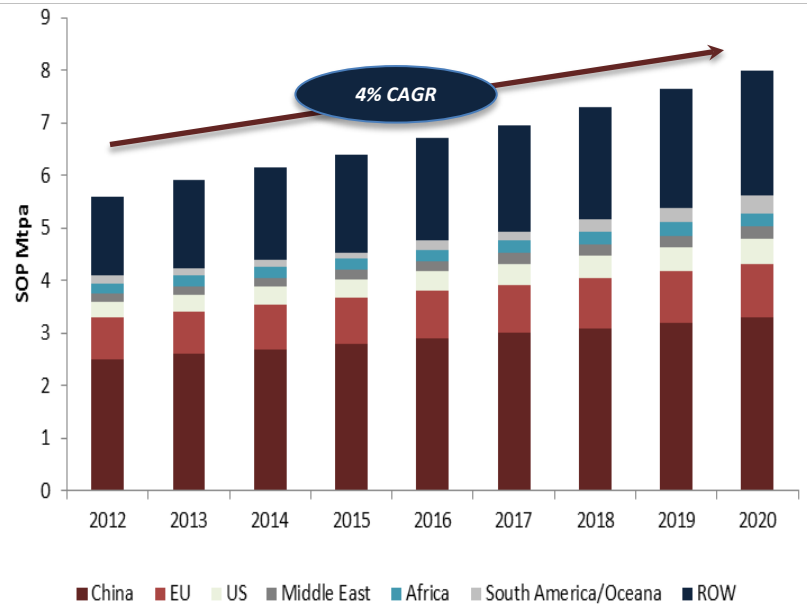
Improves yields, quantity, taste and enhances shelf life

Especially valued for chloride sensitive crops, where it increases yields :

- Fruits
- Vegetables
- Nuts
- Tea
- Coffee
- Beans

SOP is also highly valued in arid regions with low rainfall, and salinity affected soils

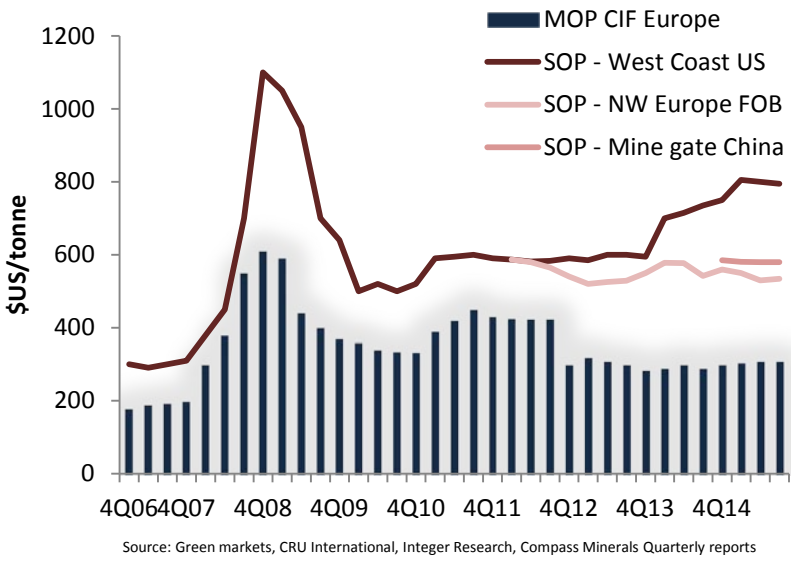
SOP Demand growing strongly



Source: Parthenon Analysis, EPM Mining

4 % CAGR and approx. 2 million tonnes of SOP growth projected over next decade

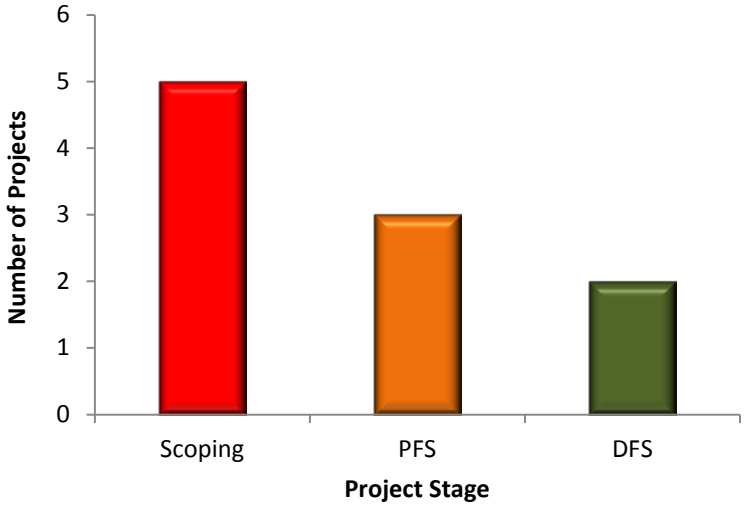
SOP: Supply constrained market with limited greenfield developments



Source: Green markets, CRU International, Integer Research, Compass Minerals Quarterly reports

SOP Prices Up

- While MOP prices have dropped since 2010, SOP prices in the US continue to climb and Europe remains stable at higher than historical premiums
- Since 2006, MOP prices have increased 72% while SOP prices have increased by **165%**



Source: Company Announcements

Limited advanced projects (PFS or DFS)

- Only two greenfield SOP developments with completed DFS
- Only three greenfield projects with completed PFS (including Colluli)

Colluli – a class of its own

- ✓ Economically favourable prefeasibility study
- ✓ Large, long life, expandable resource
- ✓ Unrivalled proximity to coast
- ✓ Colluli resource yields high purity, premium SOP
- ✓ Commercially proven process
- ✓ Potassium salts are mined in solid form
- ✓ Lowest capital intensity and operating costs
- ✓ Unmatched potash diversification potential
- ✓ Excellent access to the key markets of the future
- ✓ Stable and maturing mining jurisdiction

Positively Unique

Economically favourable PFS

	Phase I	Phase II	Phase III and beyond
[1]Project $NPV_{10\%}$ (US$m)	462	846	Project will grow with market over time and diversify product mix.
Project IRR (%)	22.3	24.7	
STB $NPV_{10\%}$ (US$m)	206	397	
STB IRR (%)	22.3	25.9	
Development Capital (US$m)	442	282[2]	
Expected Module Capacity (tpa)	425,000	+ 425,000	
Average Mine Gate Cash Costs (US$/t SOP)	162	141	
Production Commences	Q3 2018	Q3 2023	
Expected mine life (years - based on Measured and Indicated)	520	260	
Undiscounted cumulative cash flow (US$m)	2,645	5,134	

Phase I has been modelled as a standalone project and is an attractive investment in itself.

Phase II calculated with the second module commencing in 2023, with volumes in addition to Phase I.

[1]Modelled at long term SOP price of US$588/tonne

Note: PFS for EPM Mining modelled US$716/tonne SOP [Source: EPM Mining N43-101 PFS report]

Note: DFS for IC Ochoa modelled at $618/tonne SOP [Source: IC Ochoa N43-101 Feasibility report]

Note: Colluli Project NPV10% @ US$700/tonne = US$689m Phase I (28.3% IRR) and US$1,205m (30.5% IRR) Phase II

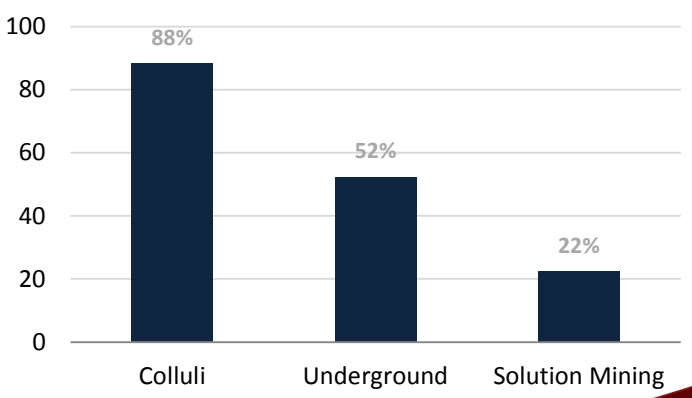
[2] Incremental additional capital

Large, long life, expandable resource

- 1.1Bt Ore Reserve
  - 287 million tonnes Proved
  - 820 million tonnes Probable
- 205 million tonnes of recoverable sulphate of potash (SOP)
  - Largest volume of recoverable SOP of all greenfield projects
- Shallow mineralisation allows open cut mining
  - A safer mining method versus underground
  - High resource recovery
  - Reduced complexity
  - High degree of selectivity
  - Ideal for modular growth
  - Proven method for salt mining in arid regions

Photo: South Boulder Mines employee checking drill hole coordinates

Conversion of Mineral Resource to Ore Reserve estimates for selected potash (MOP and SOP) projects



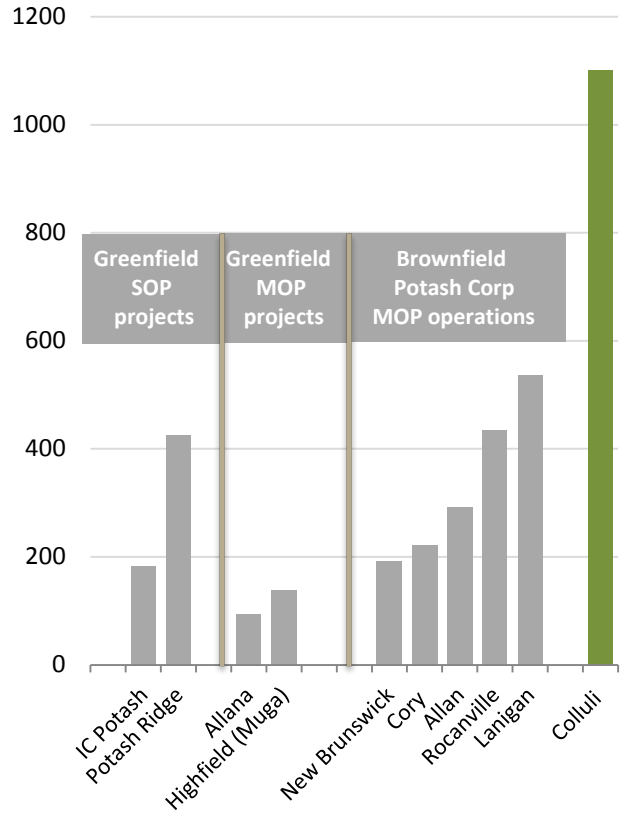
1. Underground mining methods and applications, company reports
2. South Boulder Mines Mineral Reserve, Allana Potash , IC Ochoa

Ore reserve comparable to large scale operations

- Colluli Ore Reserve estimate dwarfs many planned and current large scale operations

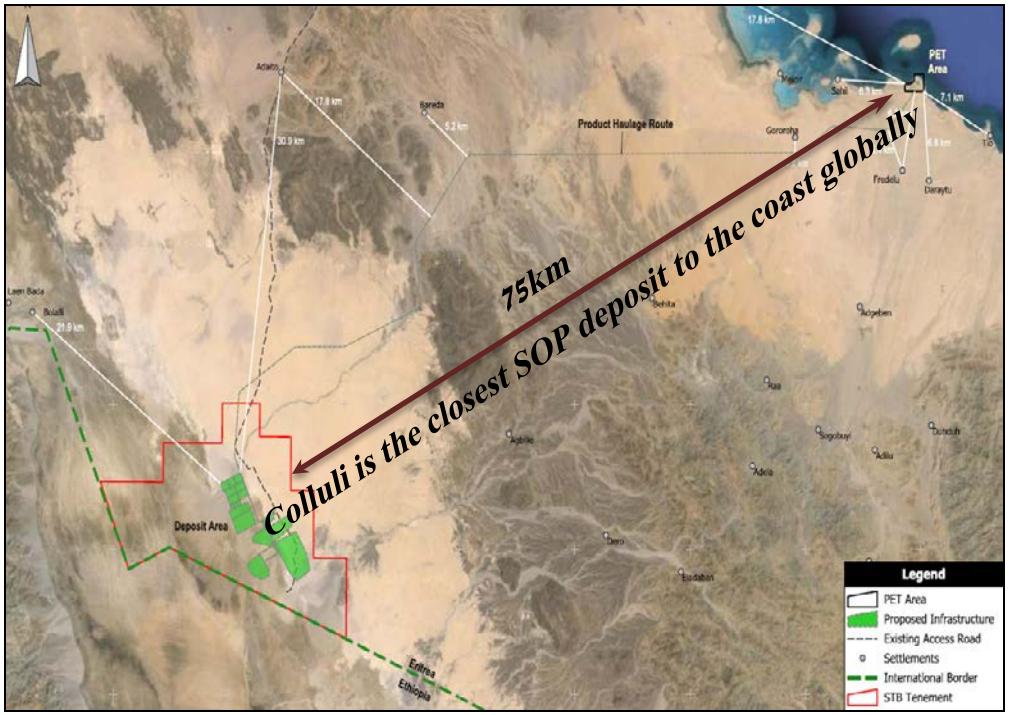
Company	Project	Design Capacity (Mtpa)	Mine Life (yrs)
IC Potash	Ochoa	0.75	50
Potash Ridge	Blawn Mountain	0.65	40
Allana	Danakhil Project	1.00	20
Highfield	Muga	1.12	24
Potash Corp	New Brunswick	0.80	107
	Cory	1.50	125
	Allan	1.40	100
	Rocanville	2.80	74
	Lanigan	3.40	85
South Boulder Mines	Colluli	0.850	243

Ore Reserve estimates for selected potash (MOP and SOP) projects
Million tonnes[1,2,3]



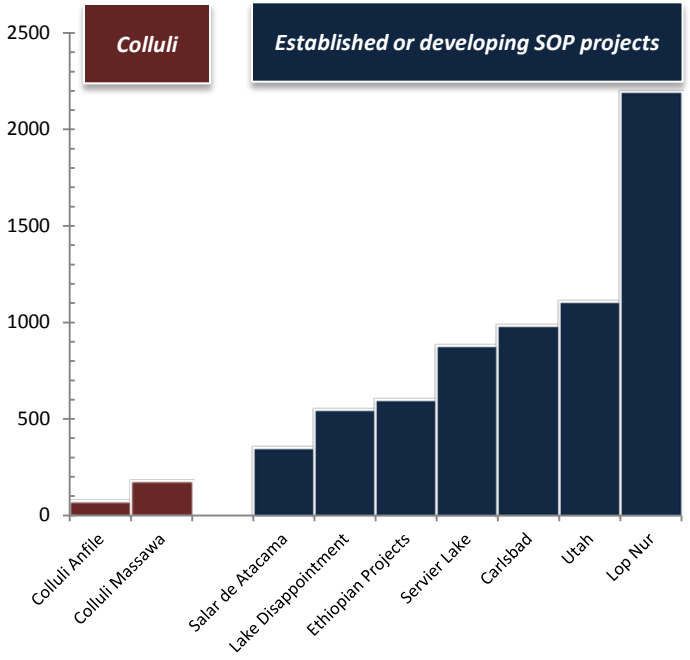
1. Company websites, Potash Corp annual report
2. MOP = Muriate of Potash, otherwise known as potassium chloride
3. SOP = sulphate of potash, otherwise known as potassium sulphate

Unrivalled proximity to coast



Distance to coast for selected SOP projects

Km[1,2]



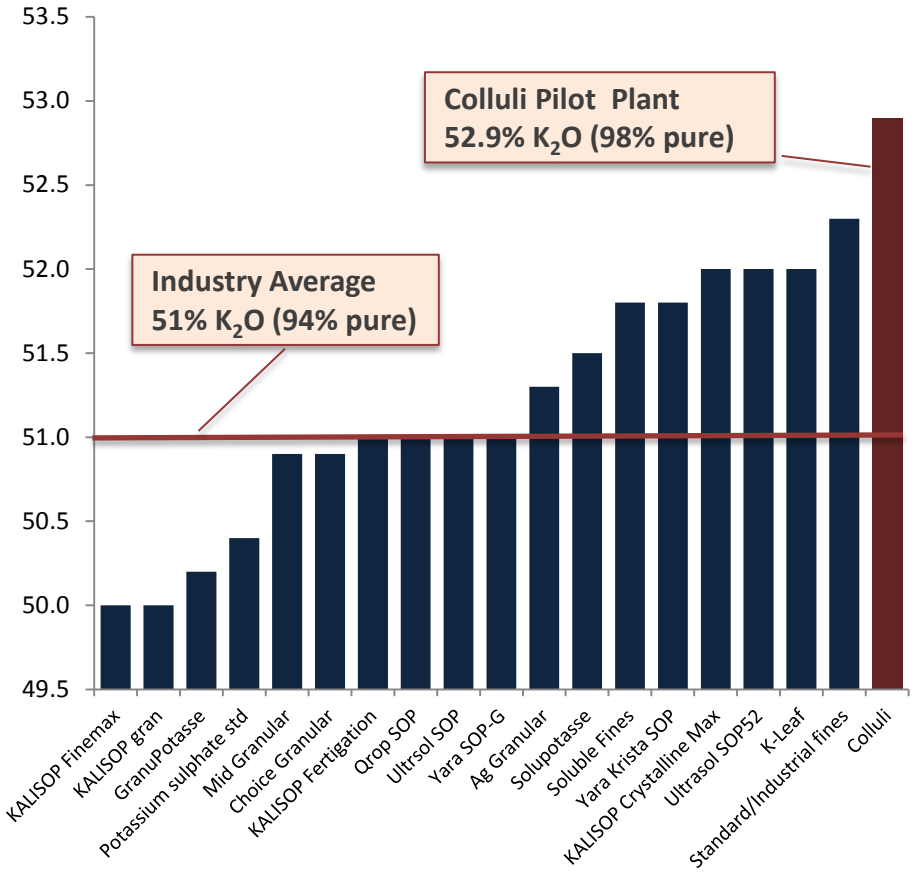
- Colluli is significantly closer to shipping point than potassium sulphate peers globally
- Only 75km to the Red Sea Coast (Anfile Bay)
- Only 180km to the Port of Massawa (The key import/export facility in Eritrea)
- Trucking is a simple, low cost option to access port

1. Company announcements: Allana Potash, Circum
2. South Boulder Mines Analysis

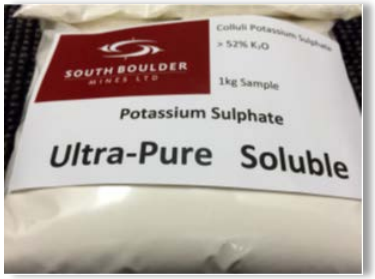
Colluli will be at the top end of the quality spectrum

The SOP Quality Spectrum

%K_2O versus SOP product[1,2]



Colluli pilot test generated SOP samples for marketing[2]



Colluli Soluble

Fine powder – rapidly dissolves in water. Suitable for open feed fertigation, foliar feeding and greenhouse and hydroponic systems

Colluli Standard

Suitable for application on hardy crops and in manufacture of compound fertilisers

Colluli Granular

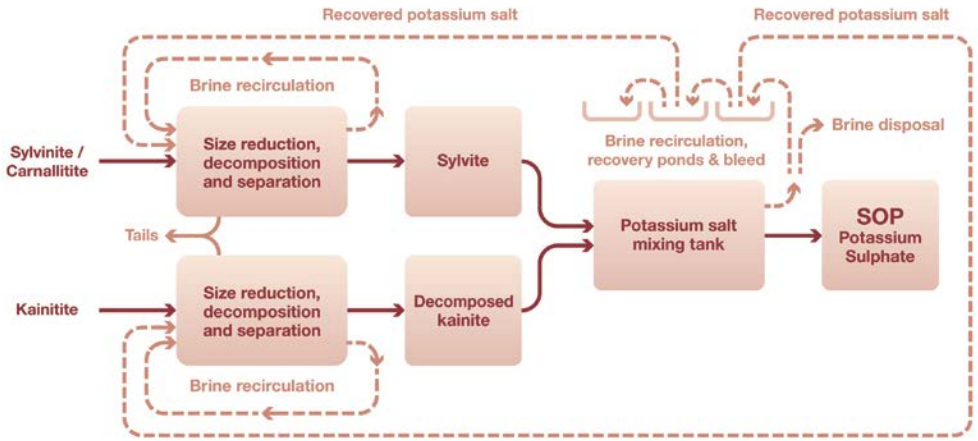
Suitable for bulk blends, mechanised spreading and for manual application

1. Company websites
2. South Boulder Mines Colluli salt pilot plant tests

Commercially proven process

- The Colluli resource salt composition is highly favourable for SOP production
- The resource contains both kainite and sylvite (KCl)
- Combining these salts in water results in a high yield, ambient temperature conversion to SOP
- Process uses simple mineral processing units including conventional flotation, mixing tanks and centrifuges
- This process is the most commonly used for the primary production of SOP
- One important difference is that Colluli salts are mined in solid form versus potassium rich brines

Colluli SOP Production Process Overview



High potassium yield, ambient temperature conversion to SOP

Colluli SOP production process design reviewed and endorsed by Technical Review Committee comprising selected industry experts

Salts mined in solid form – a distinct advantage

- Smaller surface footprint and reduced infrastructure
  - Naturally occurring or solution mining generated potassium rich brines require pre-processing ponds to produce harvest salt for subsequent processing
  - Salts in solid form only require evaporation ponds to improve overall recovery – sizes much smaller
- Reduced water consumption
  - Relative to solution mining , water consumption is very low
  - Low impact on sub-surface water resources
- Faster production ramp up
  - No pre-production evaporation required to generate harvest salts

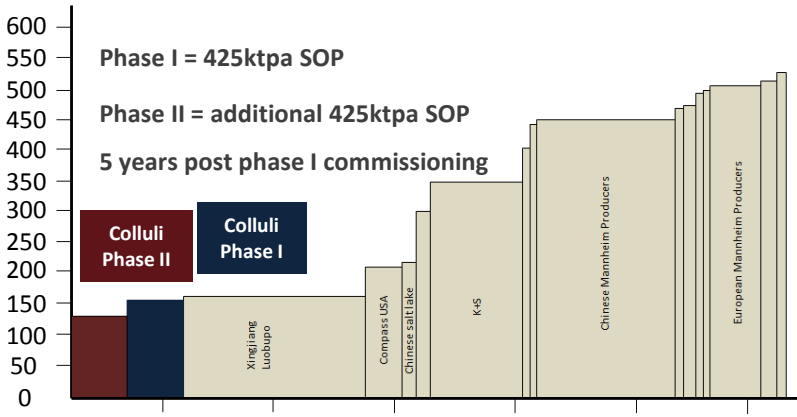
Photo: Cores from the Colluli resource

Lowest operating costs and capital intensity

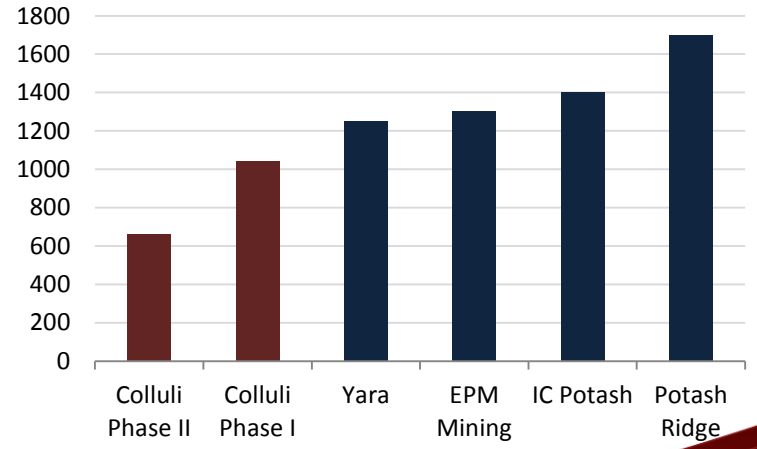
- Economically attractive prefeasibility study for a two phase development for production of sulphate of potash (SOP). PFS indicates:
  - **Lowest operating costs for SOP production globally**
  - **Lowest capital intensity of advanced greenfield SOP projects globally**
  - Phase I demonstrates robust economics with significant upside in Phase II
  - Colluli is one of only two SOP projects in the world with development capital <US$450m

- Underpinned by a large resource with the capability of potash product diversification, the project can support a pipeline of projects to grow capacity well beyond Phase II

Mine gate operating costs for SOP production
US$ per tonne[1]



Capital intensity of advanced SOP projects
US$ per tonne[2]



1. CRU Research, EPM Mining presentation 2014, Company websites, Integer Research
2. South Boulder Mines Prefeasibility Study

Unmatched potash diversification potential

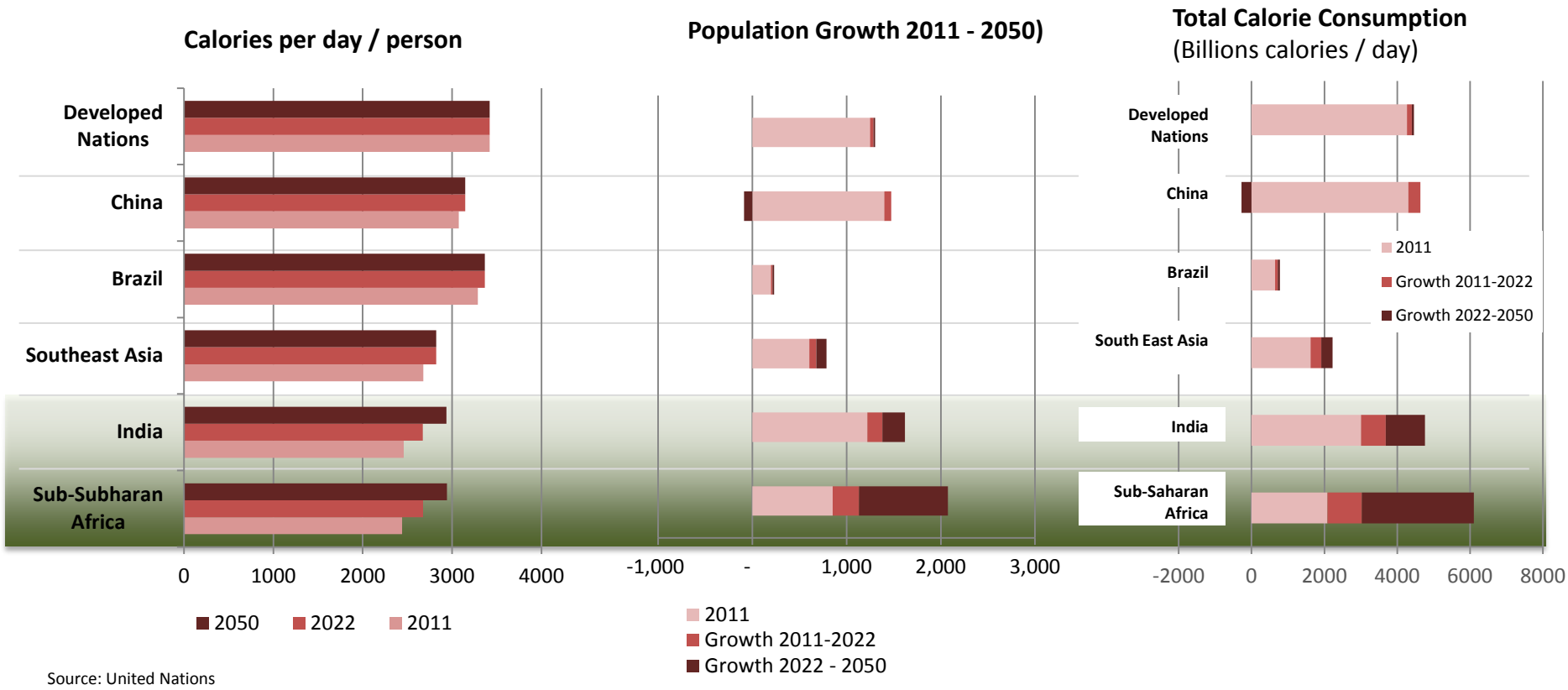
- The variety of potassium salts in the Danakil basin provides unrivalled potash diversification opportunities that cannot be replicated by any other potash basin in the world
- Colluli has the largest advantage of potash product diversification due to selective mining of potassium salts from open pit operations
- The potential potash suite includes sulphate of potash (SOP), sulphate of potash magnesia (SOP-M) and muriate of potash (MOP)

Colluli Potash Type Production Potential

Danakil Potential	Potash Type	Also known as	Sale Price US$/tonne[1]	Nutrients	Uses
✓	Potassium Chloride	MOP	315	Potassium	Staples – wheat, corn, chloride tolerant crops
✓	Sulphate of Potash Magnesia	SOP-M	400	Potassium, sulphur and magnesium	Specialty fertiliser, high value crops, limited production centres
✓	Sulphate of Potash	SOP	720	Potassium and sulphur	Chloride intolerant and specialty crops such as fruits, vegetables, nuts, beans and coffee
	Potassium Nitrate	NOP	900	Potassium and nitrogen	Chloride sensitive crops that require additional nitrogen

1. Greenmarkets, (May 2015), Compass Minerals Quarterly Report, Potash Corp

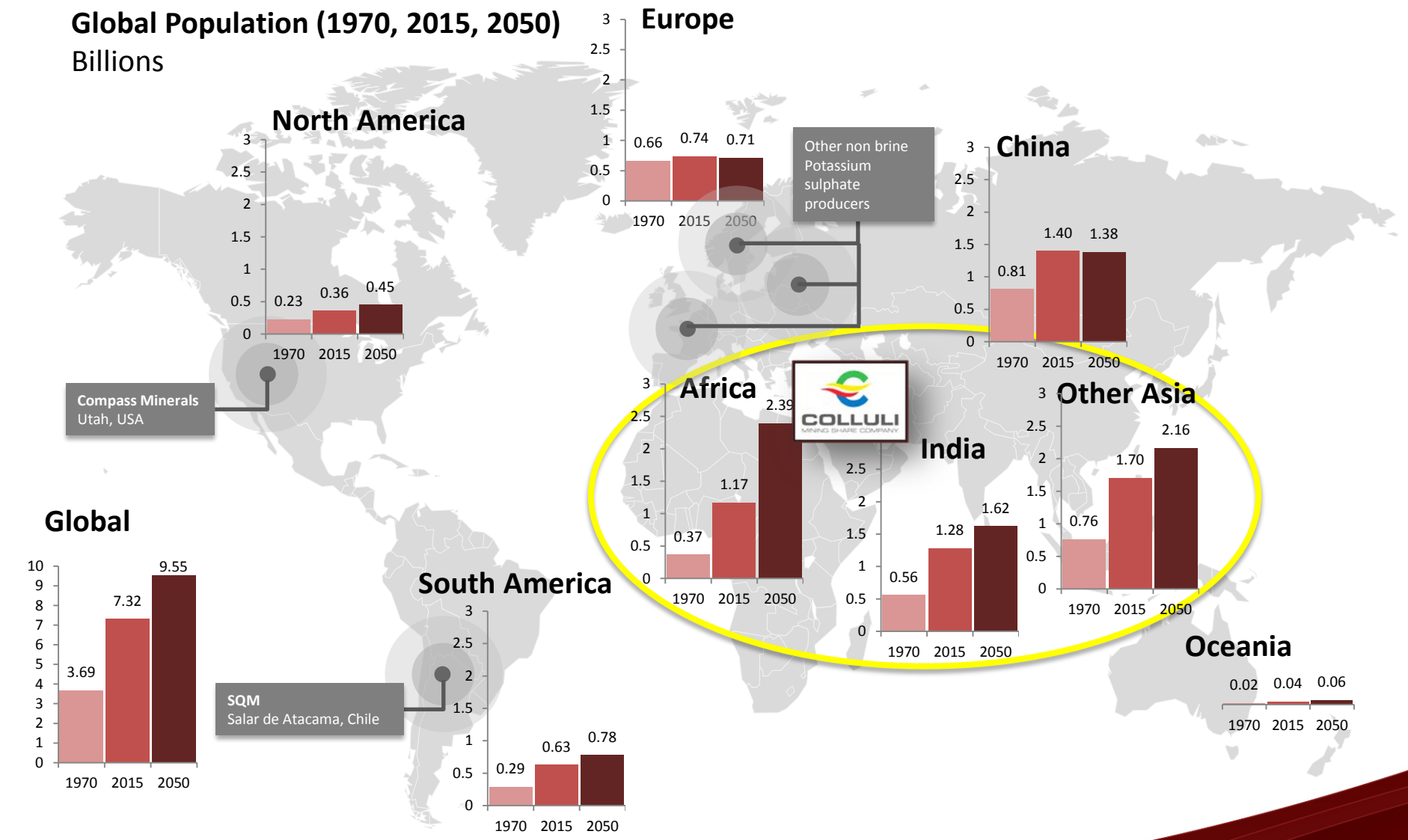
Location, location, location



Source: United Nations

<u>Africa and India</u> will dominate growth in food consumption, driven by population growth and rising economic wealth

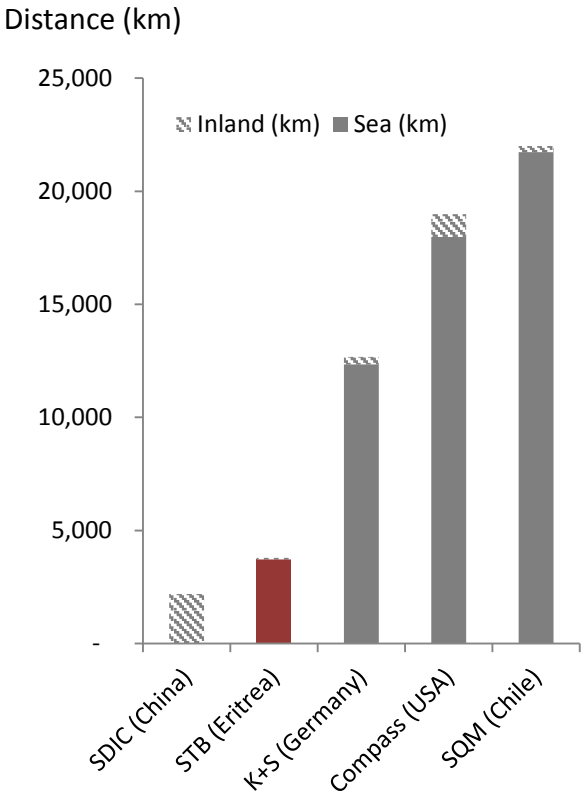
Colluli is centered around major population growth regions



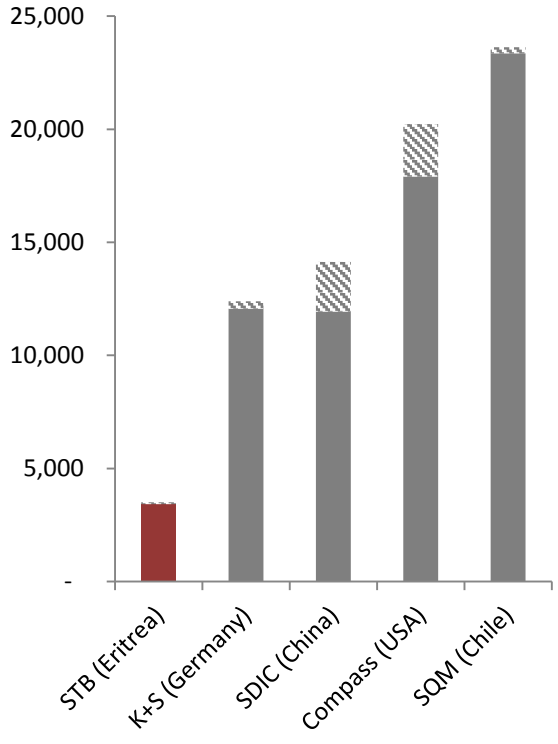
Source: United Nations

Logistically favourable - relative proximity to key markets

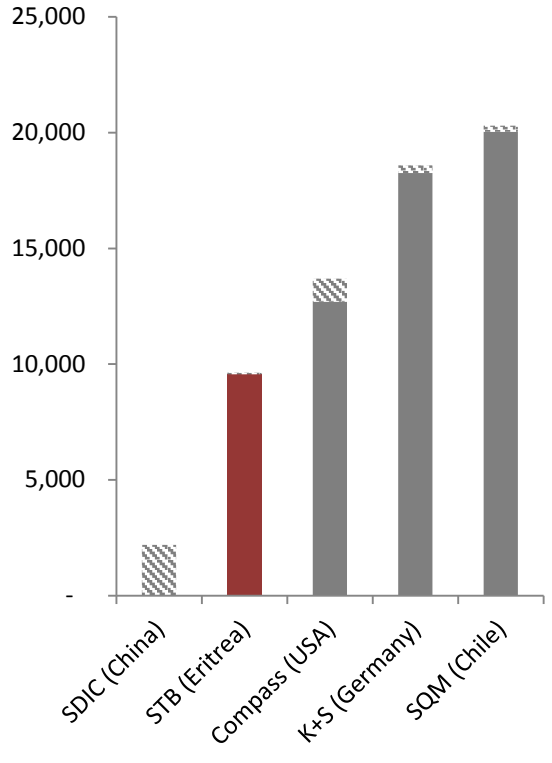
TO: MANGALORE (India)



TO: PORT REITZ (Kenya)



TO: ZHANJIANG (China)



Major population growth centres

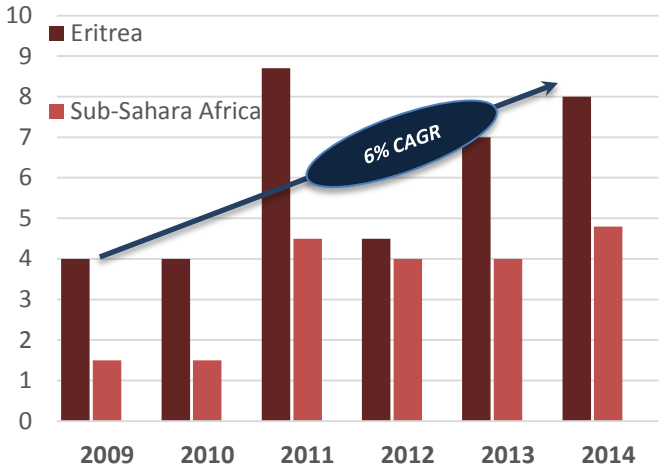
Source: Sea distances.org, Company websites, STB analysis

Eritrea – growing economy, maturing mining industry and stable jurisdiction

Fast growing economy

- Eritrea was ranked 11th fastest growing economy globally in 2014, at 8% p.a.
- Growth driven by strong mineral exports, agricultural output and infrastructure development

Gross domestic Product
(% year on year change)



Source: Economic Intelligence Unit, Economist

Maturing Mining Industry

- ✓ Bisha mine (Nevsun:ENAMCO) in production since 2010
- ✓ Zara mine (previous owner Chalice Gold) currently commissioning
- ✓ Asmara project (Sunridge Gold:ENAMCO) completed DFS
- ✓ Colluli project (South Boulder Mines:ENAMCO) completed PFS

Stable jurisdiction

- 24 years of independence
- Stable government

DFS work well advanced

Project engineering and environmental teams have completed site visits

Pilot tests well advanced

On track for Q3 completion

Colluli summary

- Large resource containing over 1.2 billion tonnes of potassium bearing salts
- Unique potassium salt composition which allows the production of a diverse range of potash types
- Resource composition favourable for the production of sulphate of potash (SOP)
- Unrivalled access to the coast
- Shallow mineralisation
- Superior resource recovery
- High purity product
- Lowest capital intensity and lowest operating costs estimated for SOP production
- Substantial project upside from rocksalt, gypsum and magnesium chloride
- Experienced and capable management team with track record of delivery

A positive future – development and production focus

Building Exploration Portfolio
Cardabia Phosphate
Lake Disappointment Potash
Duketon Nickel and Gold
Colluli potash

2003 STB Founded
2008
2009
2010
2011
2012
2013
2014
2015

Refinement
Relinquishment of low potential projects (Cardabia, Lake Disappointment)

Consolidation and Focus
Spin out of Duketon Mining
Colluli project focus only
Restructure of STB Board and Management team
Positive Pre-feasibility on sulphate of potash (SOP) production
Initiation of Colluli definitive feasibility study

SOUTH BOULDER MINES LTD

ASX:STB

Founded in 2003

A diversified exploration company focussing on nickel, gold, phosphate and potash exploration with an objective of identifying high potential, value accretive projects.

Explorer

Developer

Producer

We are transforming…

DANAKALI

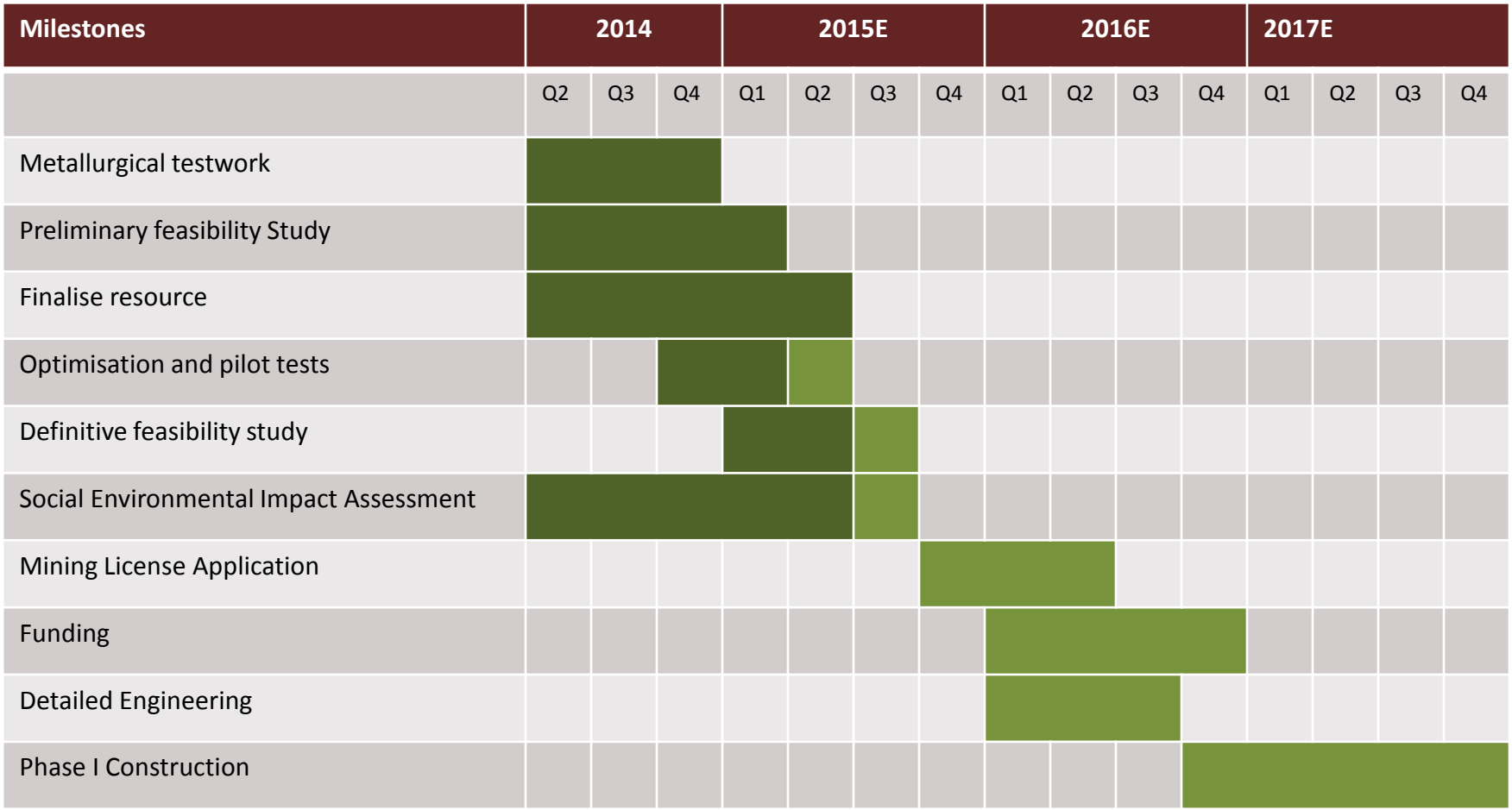
ASX:DNK

May 2015

A development and production company focussing on developing the Colluli potash project to an agrichemical business of global significance

Development timeline

DANAKALI



DANAKALI

Thank you

Colluli: Positively Unique

Experienced board and management

Seamus Cornelius, Non Executive Chairman

Mr Cornelius has 21 years of corporate experience in both legal and commercial negotiations. He has been based in Shanghai and Beijing since 1993, where he has been living and working as a corporate lawyer. From 2000 to 2011 Mr Cornelius was an international partner with one of Australia's leading law firms, specialising in cross border investments in the energy and resource sectors.

Paul Donaldson, CEO and Managing Director

Mr Donaldson was appointed to the role of Chief Executive Officer in February 2013. He joins South Boulder Mines from a series of senior management roles with BHP Billiton. Mr Donaldson has experience in large scale open cut mine management, supply chain logistics, mineral processing, business improvement and marketing.

Tony, Kiernan, Non Executive Director

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.

Liam Cornelius, Non Executive Director

Mr Cornelius graduated from Curtin University of Technology with a BAppSc in Geology. He has been involved in the exploration industry within Australia and Africa for 18 years. As a founding member of South Boulder Mines, Mr Cornelius has played a key role in outlining areas of interest for the company.

John Fitzgerald, Non Executive Director

Mr Fitzgerald joined the board in February 2015, and has previously held positions at NM Rothschild and Sons, Investec Bank Australia, Commonwealth Bank and HSBC Precious Metals. He is the Managing Director of Optimum Capital Pty Ltd, a corporate debt and advisory business focussed on the mining sector. Mr. Fitzgerald is also a Non-Executive Director of Northern Star Resources Limited and Chairman of Mungana Goldmines Limited. Mr Fitzgerald is a Chartered Accountant, a Fellow of FINSIA and a member of the Australian Institute of Company Directors.

James Durrant, Project Manager

Mr. Durrant joined South Boulder Mines after a series of operational roles within BHP Billiton. With tertiary qualifications in both mechanical and mining engineering, Mr. Durrant brings project management, organisational design and operational management of large scale open cut mines skills to the organisation.

Zeray Leake, Country Manager

Mr Leake is a Geologist with over 12 years experience in the development and exploration of potash, gold, base metals and industrial minerals.
Mr Leake previously worked for the Geological Survey of Eritrea.

PFS – Economic snapshot

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	Phase I	Phase II	Phase III and beyond
[1]Project $NPV_{10\%}$ (US$m)	462	846	Project will grow with market over time and diversify product mix.
Project IRR (%)	22.3	24.7	
STB $NPV_{10\%}$ (US$m)	206	397	
STB IRR (%)	22.3	25.9	
Development Capital (US$m)	442	282[2]	
Expected Module Capacity (tpa)	425,000	+ 425,000	
Average Mine Gate Cash Costs (US$/t SOP)	162	141	
Production Commences	Q3 2018	Q3 2023	
Expected mine life (years - based on Measured and Indicated)	520	260	
Undiscounted cumulative cash flow (US$m)	2,645	5,134	

Phase I has been modelled as a standalone project and is an attractive investment in itself.

Phase II calculated with the second module commencing in 2023, with volumes in addition to Phase I.

[1]Modelled at long term SOP price of US$588/tonne

Note: PFS for EPM Mining modelled US$716/tonne SOP [Source: EPM Mining N43-101 PFS report]

Note: DFS for IC Ochoa modelled at $618/tonne SOP [Source: IC Ochoa N43-101 Feasibility report]

Note: Colluli Project NPV10% @ US$700/tonne = US$689m Phase I (28.3% IRR) and US$1,205m (30.5% IRR) Phase II

[2] Incremental additional capital

Two phase SOP development creates a platform for growth

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	Phase I	Phase II
Capacity (tpa)	425,000	425,000
Breakdown of development capital ($USm)		
Process plant and ponds	165	179[1]
Mine development and infrastructure	71	7
Water supply, product road and port	49	14
Support infrastructure	10	3
EPCM	37	18
Indirects	27	27
Owners costs	35	3
Contingency	48	31
Capital	**US$442m**	**US$282m[2]**

[1]Includes plant modifications to process lower carnallitite material

[2]Clear economies of scale in mine development, pit dewatering, port and product road

Clear economies of scale and significant upside

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From Phase I to Phase II:

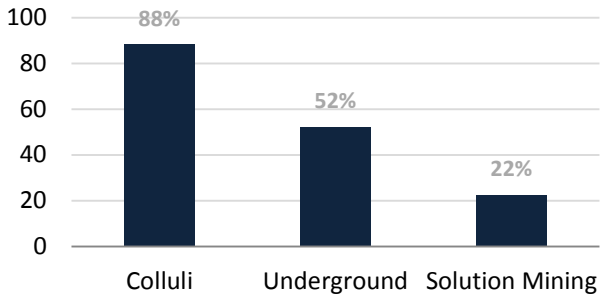
- **46% reduction in G and A:** due to fixed senior management structure across both modules
- **14% reduction in mining costs:** fixed cost dilution and improved equipment utilisation
- **11% reduction in OPEX overall**

	Phase I	Phase II
Project Production Capacity (tpa)	425,000	850,000 (+425kt)
Breakdown of operating costs ($US/t SOP)		
Mining costs	82.71	71.53
Processing Plant	58.34	57.89
General and Administration	20.92	11.37
Mine gate cash costs	**161.97**	**140.79**
Trucking to port	6.49	6.48
Shiploading	20.93	20.87
Total Operating Costs	**189.39**	**168.14**

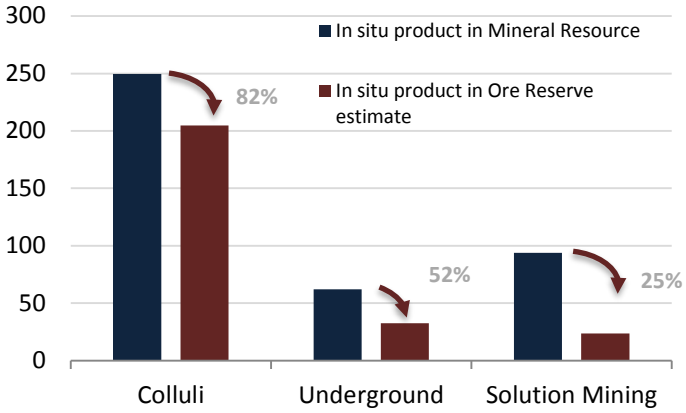
High resource recoveries primarily the result of open pit mining

- Open pit mining substantially increases the mineable material
  - No resource loss for roof support
    - Room and pillar mining for potash sterilises approximately 50 to 55% of the resource[1]
  - No solution mining complexities
    - losses from roof support
    - geological continuity and seam thickness
    - preferentially soluble salt types
- In addition to high resource recovery, open pit mining also has the advantages of
  - Safety – safer working conditions and better safety record than underground mining
  - Expandability – open cut mining offers ease of growth using the principles of modularity
  - Selectivity – salts within diverse suites can be selectively mined, allowing consistent grade and stable processing operations

Conversion of Mineral Resource to Ore Reserve estimates for selected potash (MOP and SOP) projects
%[2,3]



In situ product in Mineral Resource and in situ product in Ore Reserve estimates for selected potash (MOP and SOP) projects
Million tonnes [1,2]



1. Underground mining methods and applications, company reports
2. South Boulder Mines Mineral Reserve, Allana Potash , IC Ochoa
3. IC Ochoa mine life run over 50 years

Potential project upside

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Markets for these products are well established

Potential Markets for Various Resource Mineralisation

Mineral Present at Colluli	Colluli Resource[1]	Global Market Context
rock salt (NaCl) halite (NaCl)	+ 650Mt	300Mtpa global salt market
bischofite ($MgCl_2$)	+200Mt	6 – 7Mtpa global market
anhydrite	Avg 4% (~40Mt)	187Mtpa Gypsum market
kieserite ($MgSO_4$)	40Mt	Established fertiliser segment

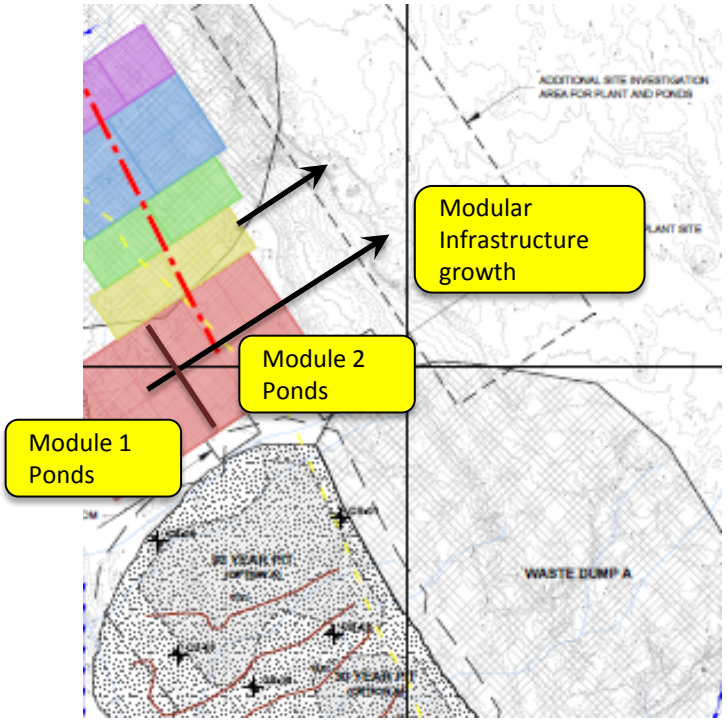
[1] Exploration targets

Colluli infrastructure solution based on modularity

Modular Servicing Bays (example)

Modular Fuel Pods (example)

Modular Offices and Camp (example)



- Simpler logistics
- Reduced Earthworks
- Ease of expandability
- Improved capital management
- Improved process ramp up

Modular growth underpinned by 1.289Bt JORC compliant high grade resource

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Over 1 billion tonnes of potassium bearing salts – all potassium salts in the Colluli resource are suitable for the production of potash fertilisers.

Shallow mineralisation supports Colluli as open pit – a proven, safer mining method, easier to expand and better overall resource recovery than underground.

Danakil basin is an emerging potash province – over 4 billion tonnes of potassium bearing salts identified to date, and one of **only three** major deposits globally containing kainite salt (key salt for SOP production) in solid form.

Colluli at a Glance	
Location	South Eritrea
Product	Sulphate of Potash
Resource[1]	Measured: 303Mt Indicated: 951Mt Inferred: 35Mt *Total: 1289Mt*
Potassium Bearing Salts	Sylvinite: 265Mt Carnallitite: 398Mt Kainitite: 626Mt
Process	Flotation/Solar Evaporation
Stage	DFS level testwork program underway

[1]Refer to STB ASX announcement 25th February, 2015

Modular approach mitigates risks – safety, capital, process and market

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Safety:

- Managing workforce size, skills and training in developing mining jurisdiction
- Avoiding competition for limited skills within developing mining industry
- Developing capability at a manageable rate
- Managing span of control

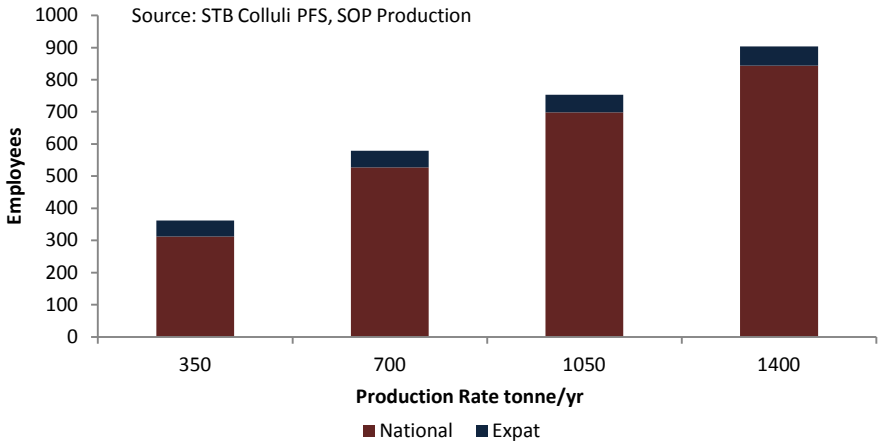
Capital/Commercial:

- Analysis of Australian mining projects shows larger % cost increases with increasing project size
- Highest level of confidence in the bracket with the largest number of projects

  ($100m - $500m)

Process:

- Greenfield developments rely on data acquisition and metallurgical test programs for process design. While this proves and de-risks the process, operational data and process understanding are core elements of process optimisation
- Module designs can be optimised with the combination of data, plant performance, improved understanding of raw material and processing behaviour



Value of Mining Projects Completed ($m)	20 – 100	101 - 500	501 - 1000	+1000
Projects	43	**54**	17	27
Average cost change	**2.4%**	**-3.8%**	**4.0%**	**14.6%**

Source: Deloitte Access Economics, March 2014

Phase II will make Colluli the third largest SOP producer globally

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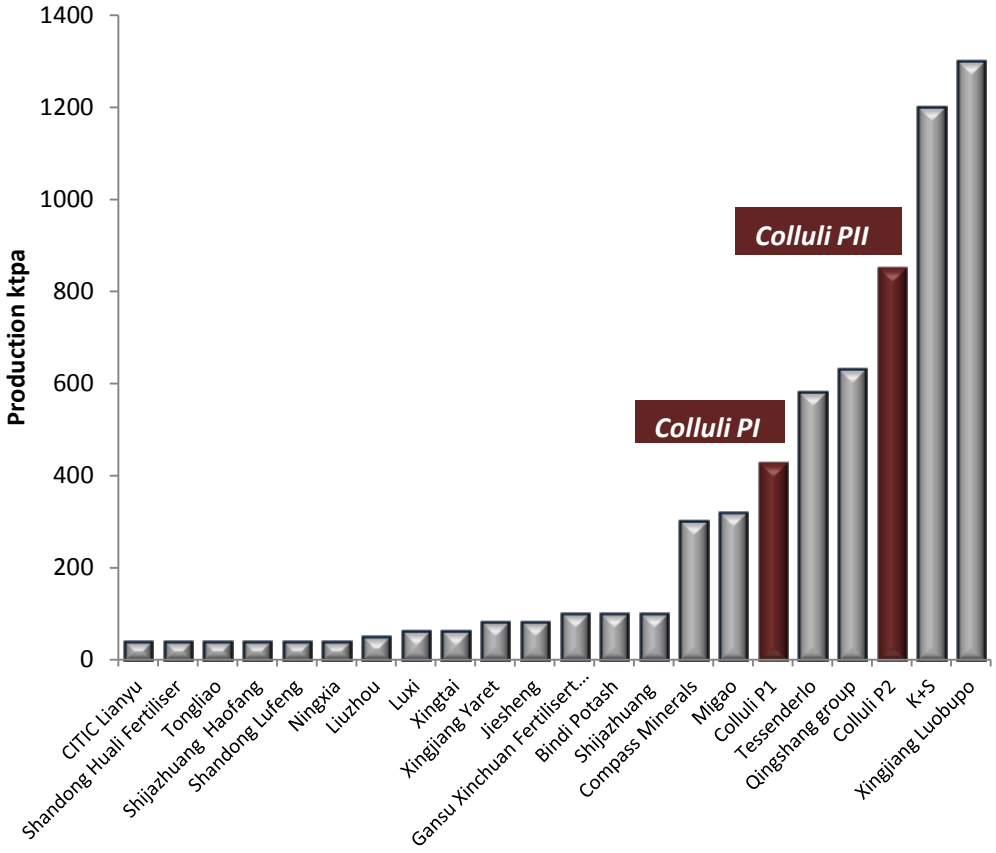
SOP Annual Production Rate by Producer



First module = non disruptive market entry point

Global SOP Market approx. 6 Mtpa

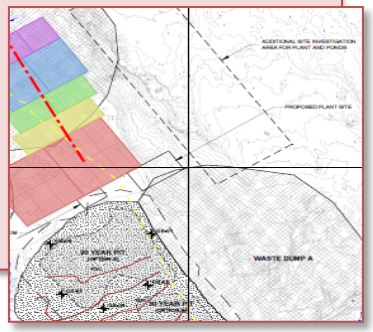
Only two producers above 1Mtpa.

Colluli Phase I: Places Colluli in top 10 producers globally and allows non disruptive market entry.

Colluli Phase II: Will place Colluli in the top 3 producers globally.

Modular development approach mitigates risks

- Safety
- Capital
- Process
- Market



Social and environmental baselines well progressed

- Community engagement well advanced
- Two tranches of environmental baseline assessments submitted to the Ministry of Environment
- Feedback received from first submission
- Oceanography base studies well progressed
- Final tranche due to be submitted in Q2 2015
- Colluli exploration camp managed by closest community as needed

Eritrea mining law

1. **Stable Tax Regime**
2. **Accelerated depreciation –** straight line method over 4 years of all capital and pre-production costs
3. **Generous reinvestment deduction**
   - (5% of gross income)
4. **10 year carrying forward of losses**
5. **0.5% import duty on mining inputs**
6. **Simple "one stop" licensing system**

Bisha Mine

Zara Mine

Eritrea – advancing

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	1991	2014
Population with Access to Safe Water	14%	80%
Net Primary Enrolment in School	30%	80%
Maternity Mortality	1700/100,000	380/100,000
Under 5 Mortality	151/1000	50/1000
Prevalence of HIV Aids	2.94%	0.93%
Immunisation Coverage of 1 Yr olds	76%	99%
Population with access to Electricity	20%	38%

STB's American Depository Receipts (ADR)

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USEFUL INFORMATION:

Books Open/Closed:
www.adrbnymellon.com/corp_actions_bc.jsp

Corporate Actions:
www.adrbnymellon.com/corp_actions.jsp

Dividends:
www.adrbnymellon.com/dr_divd_distributions.jsp

DR Headroom:
www.adrbnymellon.com/dr_mal_landing.jsp

DR Custody Network:
www.adrbnymellon.com/custodian_network.jsp

DR Directory:
www.adrbnymellon.com/dr_directory.jsp

DR Indices:
www.adrbnymellon.com/index_family.jsp

FOR MORE INFORMATION, PLEASE CALL BNY MELLON:

LONDON
Mark Lewis
mark.lewis@bnymellon.com
Telephone +44 207 163 7407

NEW YORK
Kristen Resch
kristen.resch@bnymellon.com
Telephone +1 212 815 2213

HONG KONG
Herston Powers
herston.powers@bnymellon.com
Telephone +852 2840 9868

South Boulder's ADRs Trade on the US Over the Counter "OTC" Market with the following information:

DR Symbol	SBMSY
CUSIP	836709105
Ratio	1 ADR : 1 ORD
Country of Incorporation	Australia
Effective Date	July, 12, 2011
Underlying SEDOL	6684464
Underlying ISIN	AU000000STB3
Depositary	BNY Mellon

BENEFITS OF WORKING WITH BNY MELLON:

- We work with you on flexible conversion pricing and to ensure transparent transactions and costs
- You can benchmark returns with more than 140 BNY Mellon DR indices
- We issue updates on regulatory changes related to corporate governance matters
- We can often facilitate connections with senior-level executives of DR issuers.

ADR BENEFITS FOR INVESTORS:

- ADRs give access to cross-border market liquidity
- ADRs eliminate the need to set up a custodian account in another country to hold ordinary shares
- ADRs can be more convenient to own than ordinary shares for reasons including the ease of trading in US$ and familiar trading, clearance, and settlement procedures

BNY MELLON ROLE IN ORDER FLOW