

ASX Release

3 September 2014

Company Details

ASX Code:	STB
Share Price	\$0.19
Market Cap	\$26M
Shares on issue	139M
Company options	23M
Cash at Bank	\$11M

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Company presentation

South Boulder Mines (ASX: STB) is pleased to lodge a copy of the presentation that Managing Director Mr. Paul Donaldson will be presenting at this year's Africa Down Under conference that is being held from Wednesday 3 September to Friday 5 September 2014 in Perth, Western Australia.

Mr. Donaldson will be presenting at 10:10AM WST on Friday 5 September 2014, and will otherwise be available at booth number 29 and welcomes all shareholders and investors to visit at the booth.

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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 a modern, open pit potash mine.



SOUTH BOULDER
MINES LTD



Colluli: A unique and unrivalled potash opportunity

Africa Down Under 2014

Paul Donaldson – CEO and Managing Director

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 (2004) Code (‘JORC 2004’), which is a permitted code under Canadian National Instrument 43-101 (‘NI 43-101’). In addition to the CIM Definition Standards on Mineral Resources and Mineral Reserves. Mineral Resource classifications under the two reporting codes are recognised as equivalent in categories with no material differences. 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.



Potash and Demand Drivers

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



Key drivers of growth

1. Increasing global population: +80 million people annually
2. Decreasing arable land
3. Changing dietary preferences



Potash comes in a variety of forms

Muriate of Potash ("MOP")

Potassium chloride

Most common form of potash

Can be harmful to sensitive crops

Sulphate of Potash Magnesia ("SOPM")

Specialty Fertiliser

Used as a source of potassium, sulphur and magnesium

Used for high value crops

Potassium Nitrate("NOP")

Provides both potassium and nitrogen

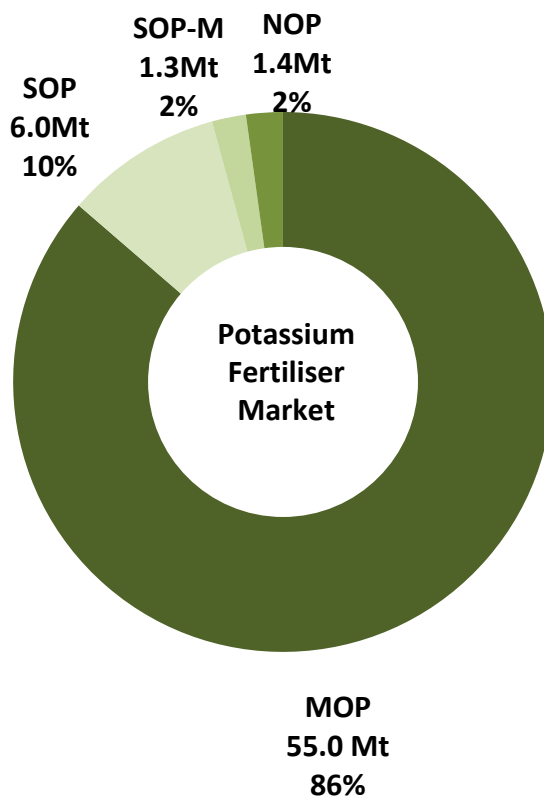
Used for chloride sensitive crops that require additional nitrogen

Sulphate of Potash ("SOP")

Contains both potassium and sulphur

Used principally for specialty crops such as fruits, vegetables, nuts, beans

Chloride free



Source: UN FAO, BMO Capital Markets



A unique and unrivalled opportunity – Colluli, Eritrea

1. Large, high grade potassium bearing resource close to surface.
2. Close proximity to coast and geographically favourable relative to key markets.
3. Unique combination of salts suitable for low cost production of potassium sulphate (SOP or sulphate of potash).
4. STB has a strong and effective working relationship with the Eritrean government.



Large, high grade potassium bearing resource

Over 1 billion tonnes¹ 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.

One of only three major deposits containing kainite salt (key salt for SOP production) in solid form globally.

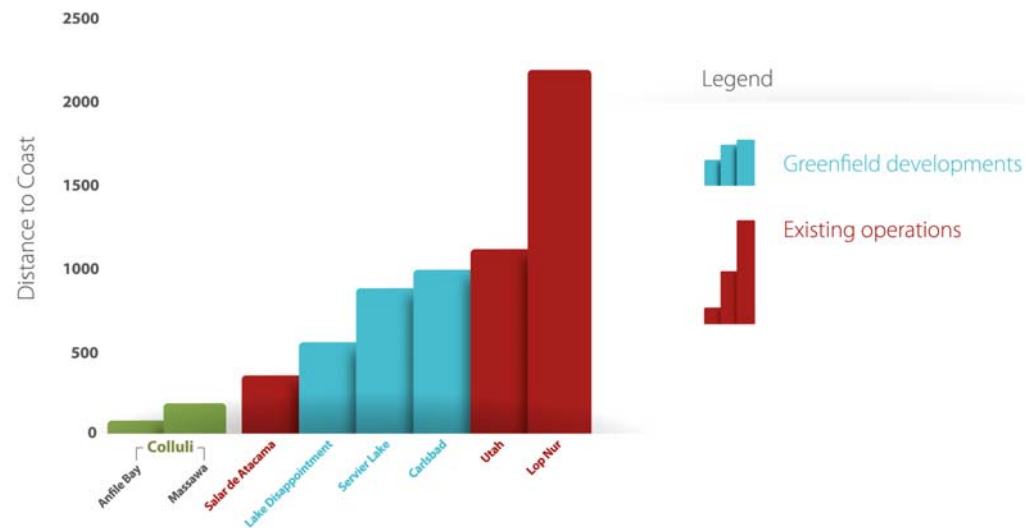
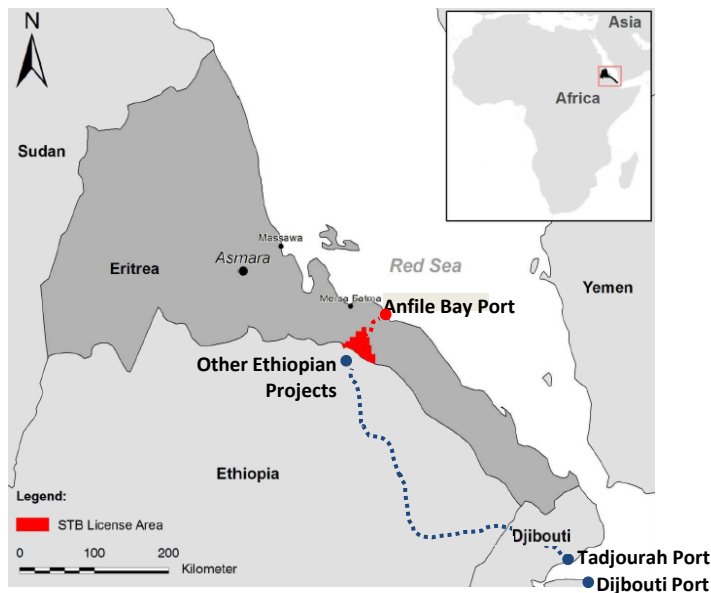
Colluli at a Glance	
Location	South Eritrea
Size	Approximately 400km ²
Product	Sulphate of Potash
Resource ¹	Measured: 262Mt Indicated: 581Mt Inferred: 173Mt <u>Total: 1016Mt</u>
Potassium Bearing Salts	Sylvinite: 110Mt Carnallite: 309Mt Kainite: 597Mt
Process	Flotation/Solar Evaporation
Stage	PFS level testwork program underway

¹ Refer to Resource Statement on Page 19



Close proximity to the coast

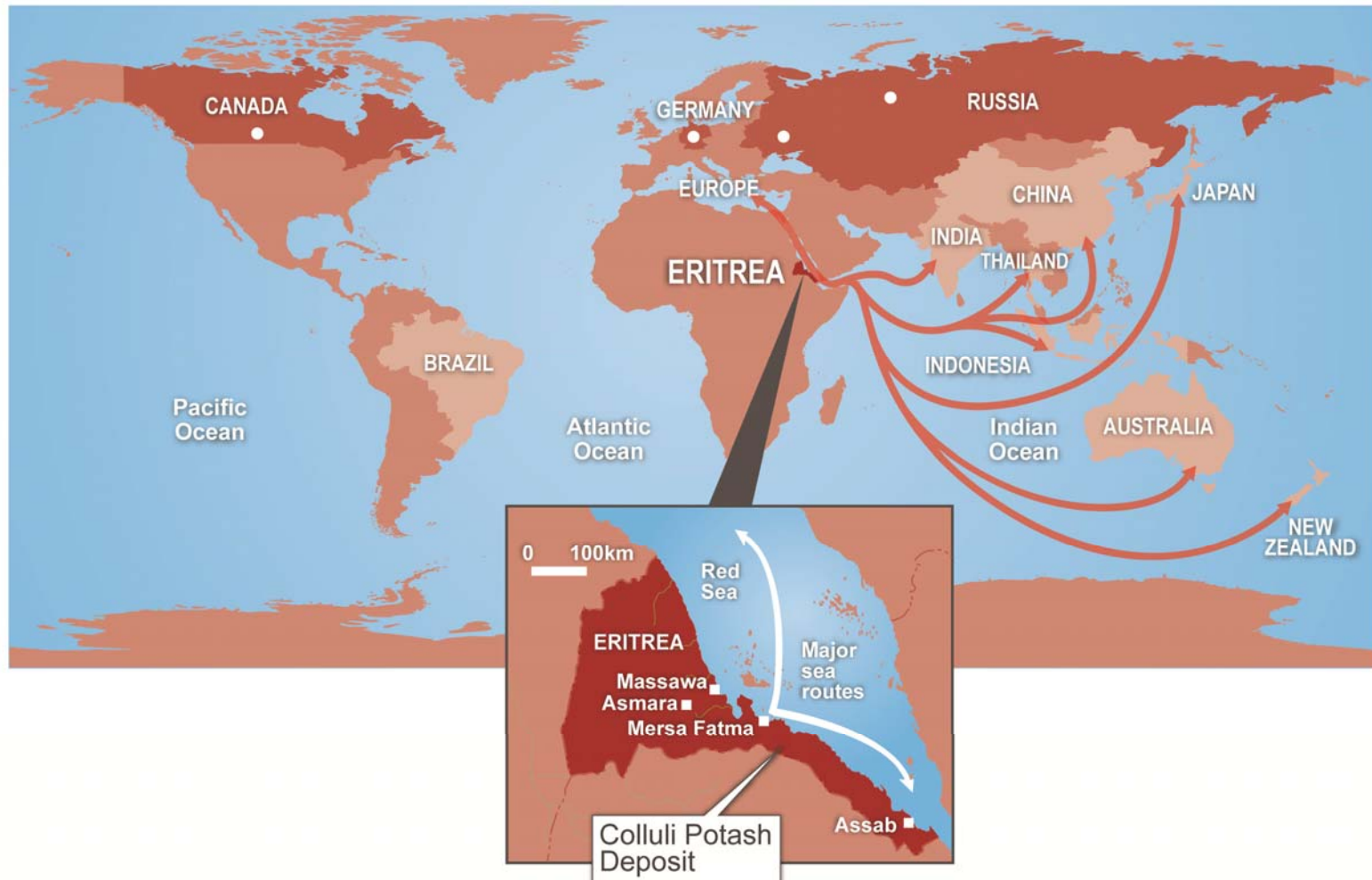
The Colluli resource has the most favourable coastal access from the Danakil depression and relative to peers.



- Location is significantly closer to port than potassium sulphate peers.
- Trucking is a low cost option to access port.
- Deepwater access at Anfile Bay suitable for loading vessels up to Panamax size.



Geographically favourable location

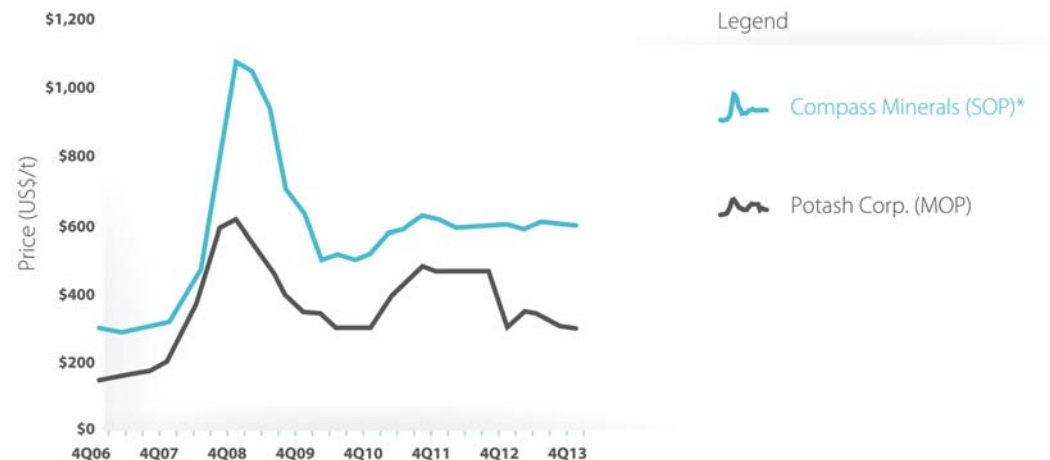


Unique combination of salts suitable for SOP production

Potassium Sulphate (sulphate of potash or SOP) – potassium sulphate is a specialty fertiliser suitable for application to high value crops such as fruits, vegetables, nuts and coffee.

Potassium Sulphate – is chloride free and in addition to potassium, contains sulphur which is another important plant nutrient.

Potassium Sulphate – achieves a substantial price premium over the more common potassium chloride.

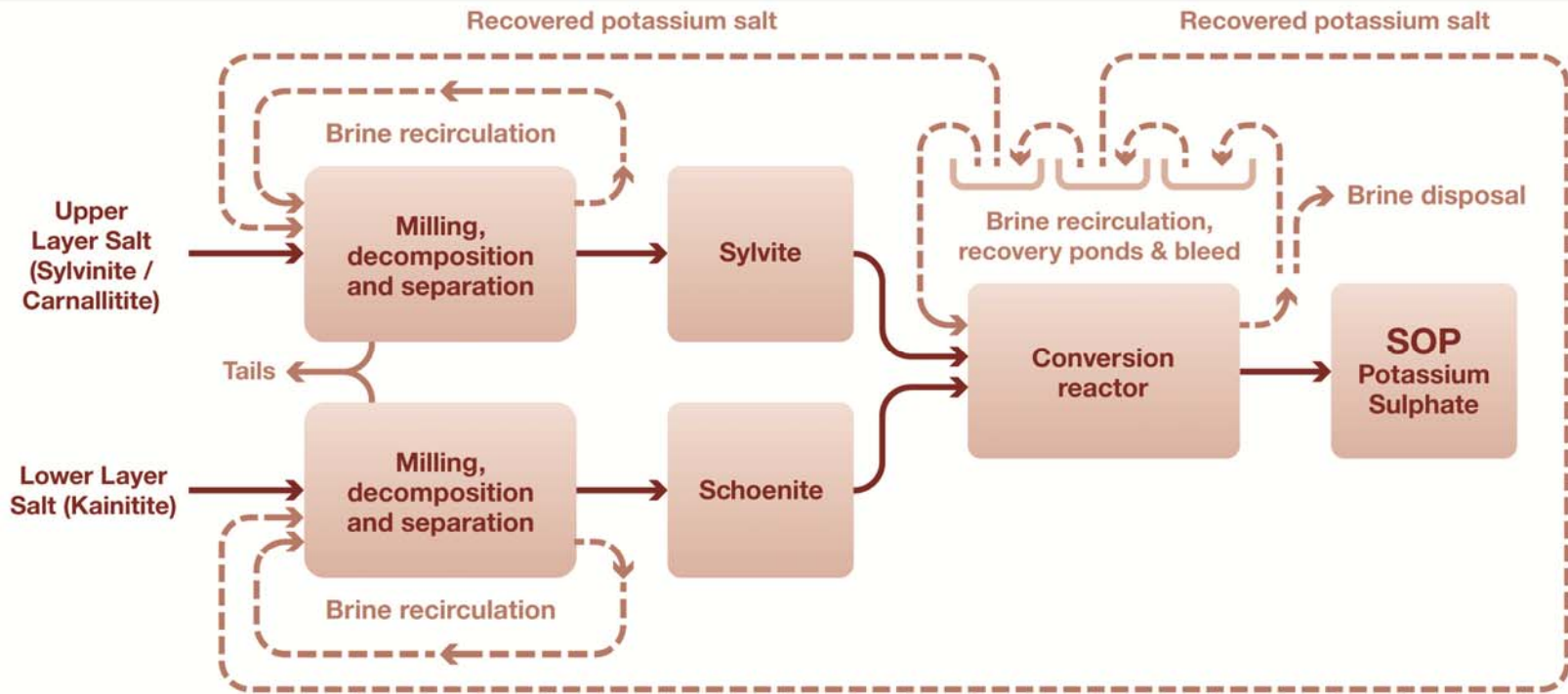


Source: Refer to Page 17



Unique combination of salts suitable for SOP production

Potassium chloride produced is combined with kainite to produce SOP



This is the lowest energy input, highest potassium yield route to potassium sulphate

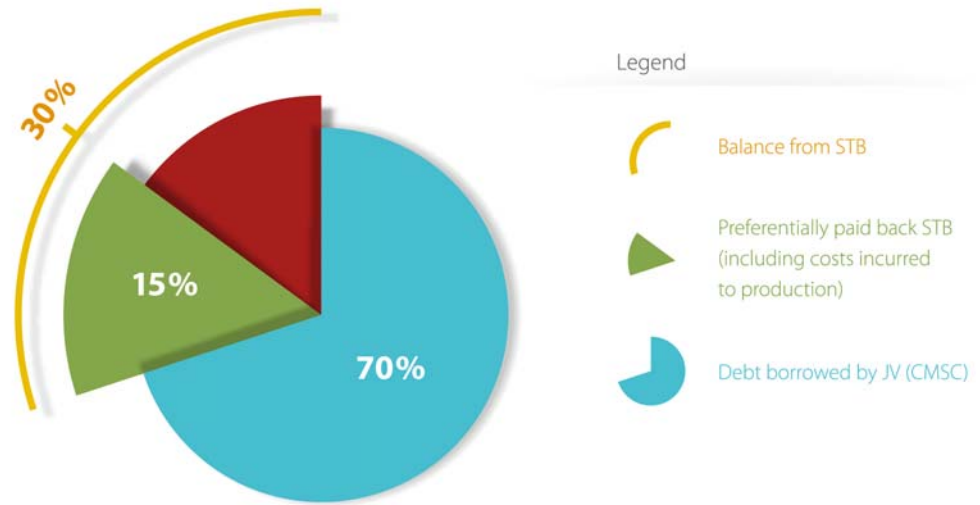
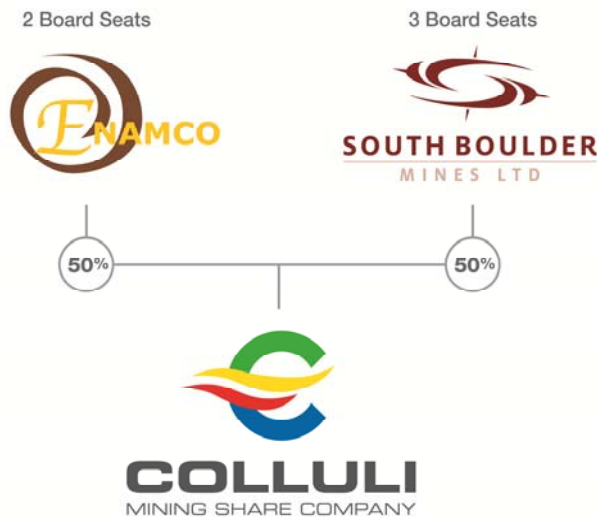


Unique combination of salts suitable for SOP production

- ✓ **Simple, proven process supports low energy, high yield potassium sulphate production** – potassium sulphate is formed by a spontaneous reaction at ambient conditions by combining KCl and kainite.
- ✓ **Solid phase salts in situ reduce footprint size and environmental disturbance.** Salts exist in solid form from the outset, in contrast with brine production facilities.
- ✓ **Strip ratios and mining costs minimised** by processing all potassium bearing mineralisations in the resource through a single plant.
- ✓ **High ambient temperatures** support evaporation for improving processing recoveries.



Strong and effective relationship with Eritrean government



- The Colluli potash project is 100% owned by the Colluli Mining Share Company (CMSC)
- CMSC is a formally incorporated and established entity
- STB holds 50% stake in CMSC, while Eritrean National Mining Company (ENAMCO) holds the balance



Strong and effective relationship with Eritrean government

- Eritrea is a stable jurisdiction; mining is an important component of the country's economic development and government supports new entrants to the industry
- Reputation clear government policy
- STB and the Eritrean National Mining Company (ENAMCO) are working collaboratively on developing the project



PFS well progressed

Milestones	2014E			2015E				2016E			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Metallurgical Testwork											
Preliminary Feasibility Study											
Finalise the resource											
Feasibility Study											
Social Environmental Impact Assessment											
Mining License Application											
Funding											
Detailed Engineering											
Phase 1 Construction											



Colluli Project Summary

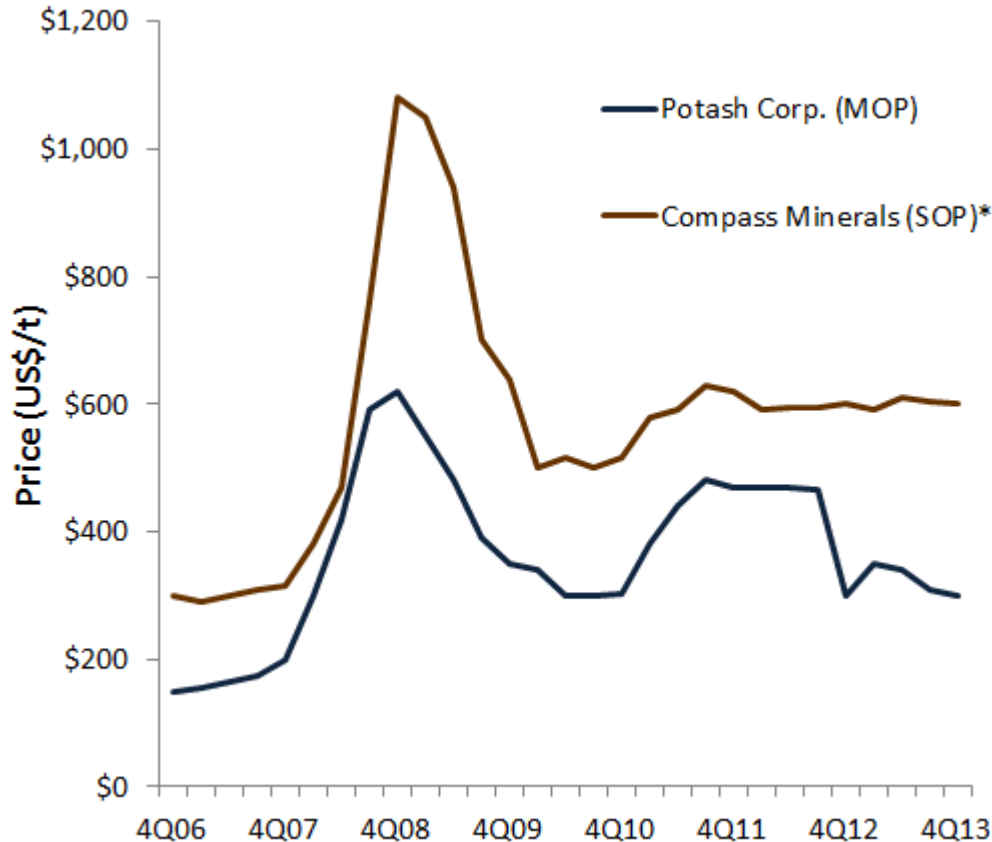
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Appendix



Supply shortfall is driving up the premium



- Estimated demand in growth in the order of 4% to 2020
- Limited supply centres and planned capacity
- Current premium >\$350 per tonne

Source: Compass Minerals, FOB mine gates

Potash Corp. MOP Prices

*Compass Minerals average selling prices were converted from short tons to metric tonnes @ 1.1023 short tons=1metric tonne



Potential Market Opportunities

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 Refer to Resource Statement on Page 19



Resource Statement

The Current Colluli JORC-Compliant Mineral Resource Estimate by potash mineral is as follows:

Occurrence	Tonnes (Mt)	Equivalent KCl	Contained KCl (Mt)	% of Total Resource
Sylvinite (KCl.NaCl)	110	28.4%	31	16%
Polysulphate ($K_2SO_4.NaCl.MgSO_4.H_2O$)	65	10.8%	7	4%
Carnallite (KCl.MgCl ₂ .H ₂ O)	309	12.3%	38	19%
Kainite (KCl.MgSO ₄ .3H ₂ O)	596	19.8%	118	61%
Total	1,080	18.0%	194	100%

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.

Competent Persons and Responsibility Statement

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.



Experienced Board and Management



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.



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.



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.



James Durrant, Project Coordinator

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.



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.



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.

