



ABN 56 097 904 302

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting

29 May 2015

Time of Meeting

10:00 am

Place of Meeting

Professional Public Relations (PPR)

Level 2, 1 Altona Street

WEST PERTH WA 6005

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

The 31 December 2014 Annual Report may be viewed on the Company's website at www.southbouldermines.com.au

SOUTH BOULDER MINES LTD
ACN 56 097 904 302
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of South Boulder Mines Limited (**Company**) will be held at Professional Public Relations (PPR), Level 2, 1 Altona Street, West Perth, Western Australia on 29 May 2015 at 10:00am for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

Business

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

Annual Accounts

To receive the financial statements of the Company for the transitional financial year ended 31 December 2014, consisting of the annual financial report, the Directors' report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 31 December 2014 Annual Report be and is hereby adopted."

Short Explanation: Section 250R of the Corporations Act requires a listed company to put to Shareholders at each AGM a resolution adopting the report on the remuneration of the Company's Directors, executives and senior managers included in the Company's Annual Report. The above Resolution is being proposed to comply with this requirement. The vote on this Resolution is advisory only and neither binds the Company's Directors nor the Company. A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the AGM.

Voting Prohibition: The Company will, in accordance with the Corporations Act, disregard any votes cast on Resolution 1 (in any capacity) by a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by such a person as a proxy if the vote is not cast on behalf of such a person and either the voter is appointed as a proxy by writing that specifies how that voter is to vote on Resolution 1 or the voter is the chair of the meeting and the appointment of the chair as proxy does not specify the way the proxy is to vote on this Resolution and expressly authorises the chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Resolution 2 – Re-election of Mr John Daniel Fitzgerald as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr John Daniel Fitzgerald, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be elected a Director of the Company."

Short Explanation: Pursuant to the Company's Constitution and Listing Rule 14.4, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next AGM.

Resolution 3 – Re-election of Mr Liam Raymond Cornelius as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Liam Raymond Cornelius, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be elected a Director of the Company."

Short Explanation: Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election at that AGM.

Resolution 4 – Ratification of Prior Placement

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 10,000,000 Shares (**Prior Placement Shares**) each at an issue price of \$0.205 (**Prior Placement**)."*

A voting exclusion statement is set out below.

Resolution 5 – Ratification of Second Prior Placement

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 10,974,174 Shares (**Second Prior Placement Shares**) each at an issue price of \$0.25 (**Second Prior Placement**)."*

A voting exclusion statement is set out below.

Resolution 6 – Change of Company Name

To consider, and if thought fit, to pass with or without amendment the following as a **special resolution**:

"That, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Danakali Ltd."

Resolution 7 – Appointment of Auditor at AGM to Fill Vacancy

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

"That, for the purposes of section 327B of the Corporations Act and for all other purposes, Ernst & Young, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting."

Resolution 8 – Issue of Options to Mr John Daniel Fitzgerald

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue 750,000 Unlisted Options to Mr John Daniel Fitzgerald or his nominee, on the terms set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 9 – Renewal of Proportional Takeover Provisions

To consider, and if thought fit, to pass with or without amendment the following as a **special resolution**:

"That for the purposes of Schedule 5 of the Constitution of the Company and section 648G of the Corporations Act 2001, and for all other purposes, the Company renew the proportional takeover provisions contained in Schedule 5 of the Constitution with effect from the date of this Meeting for a period of three years."

Resolution 10 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment the following as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Voting exclusion statements

Listing Rule 14.11

Under Listing Rule 14.11, the Company will disregard any votes cast on the following Resolutions by the following persons:

Resolution	Persons excluded from voting
Resolution 4 – Ratification of Prior Placement	A person who participated in the issue and an associate of that person.
Resolution 5 – Ratification of Second Prior Placement	A person who participated in the issue and an associate of that person.
Resolution 8 – Issue of Options to Mr John Daniel Fitzgerald	A person who is to receive securities in relation to the entity and an associate of that person.
Resolution 10 – Approval of 10% Placement Facility	Persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and an associate of that person.

However, the Company need not disregard a vote if:

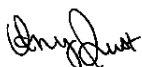
- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- (ii) it is cast by the person chairing the Meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company's Share Registry no later than 10:00 am (WST) on 27 May 2015:

- by post to:
Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953
- by facsimile on +61 8 9315 2233
- by email: registrar@securitytransfer.com.au

By order of the Board



Amy Just
Company Secretary
Date: 29 April 2015

PROXIES

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00 pm WST time on 27 May 2015 will be entitled to attend and vote at the AGM.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of South Boulder Mines Limited ABN 56 097 904 302 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Professional Public Relations (PPR), Level 2, 1 Altona Street, West Perth, Western Australia, on 29 May 2105 commencing at 10:00 am.

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- adopting the Remuneration Report;
- re-electing Mr John Daniel Fitzgerald as a Director;
- re-electing Mr Liam Raymond Cornelius as a Director;
- ratifying the Prior Placement to Well Efficient Limited;
- ratifying the Second Prior Placement to Well Efficient Limited and other sophisticated and institutional investors;
- approving a change of Company name;
- appointing Ernst & Young as the Company's auditor;
- approving the issue of Unlisted Options to Mr John Daniel Fitzgerald;
- renewing proportional takeover provisions; and
- approving the 10% Placement Facility.

Financial and Other Reports

As required by Section 317 of the Corporations Act, the financial statements for the transitional financial year ended 31 December 2014 and the accompanying Directors' report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

Resolution 1 – Remuneration Report

1. Introduction

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- (a) information about the Board's policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- (b) a description of the relationship between the Company's remuneration policy and the Company's performance;
- (c) a summary of performance conditions for each of the Directors and senior executives, including a summary of why they were chosen and how performance is measured against them; and
- (d) remuneration details for each Director and for each of the Company's specified executives.

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share register or visiting the Company's web site www.southbouldermines.com.au.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors (other than the

Managing Director) must go up for re-election.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

The Chairman will cast available proxies in favour of Resolution 1.

Shareholders may choose to direct the Chairman to vote for or against Resolution 1 or to abstain from voting.

Resolution 2 – Re-election of Mr John Daniel Fitzgerald as a Director

2.1 Introduction

Mr John Daniel Fitzgerald was appointed as a Director on 19 February 2015.

In accordance with the Constitution and Listing Rule 14.4, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next AGM of the entity. Accordingly, Mr Fitzgerald retires from the Board and, being eligible, offers himself for re-election by the Shareholders.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's Biography

Mr Fitzgerald has over 25 years resource financing experience and has provided project finance and corporate advisory services to a large number of companies in the resource sector. Mr Fitzgerald is the Managing Director of Optimum Capital Pty Ltd, a corporate advisory business focussed on the mining sector. He has previously held senior positions at NM Rothschild & Sons, Investec Bank Australia, Commonwealth Bank and HSBC Precious Metals. Mr Fitzgerald is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia and a graduate member of the Australian Institute of Company Directors.

He is also a Non-Executive Director of Northern Star Resources Limited and Chairman of Mungana Goldmines Limited, and was previously Chairman of Integra Mining Ltd.

2.3 Directors' Recommendation

After considering the results of background checks undertaken by the Company, all the Directors except Mr Fitzgerald recommend that Shareholders vote in favour of Resolution 2.

Mr Fitzgerald is an independent director of the Company.

Resolution 3 – Re-election of Mr Liam Raymond Cornelius as a Director

3.1 Introduction

Mr Liam Raymond Cornelius was appointed as a Director on 21 August 2001.

In accordance with Listing Rule 14.4, no Director of the Company may hold office (without re-election) past the third AGM following the Director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's Directors must retire at each AGM. Accordingly, Mr Cornelius will retire by rotation and, being eligible, offers himself for re-election.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

3.2 Director's Biography

Mr Cornelius graduated from Curtin University of Technology with a BApp.Sc in Geology. Mr Cornelius has been involved in the exploration industry within Australia, Asia and Africa for nearly 20 years. Whilst originally specializing in gold he has experience with a wide range of commodities including nickel, copper, platinum, uranium and potash.

As a founding member of South Boulder Mines Ltd, Mr Cornelius has played a key role in outlining areas of interest for the Company. Mr Cornelius has not held any other directorships in the last 3 years.

3.3 Directors' Recommendation

All the Directors except Mr Cornelius recommend that Shareholders vote in favour of Resolution 3.

Resolution 4 – Ratification of Prior Placement

4.1 Introduction

On 16 January 2015, the Company issued 10,000,000 Shares at an issue price of \$0.205 each to Well Efficient Limited (**Prior Placement Shares**).

The funds raised from the issue of the Prior Placement Shares have been used by the Company for completion of definitive feasibility work for the Colluli Potash Project.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The Prior Placement Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 4 seeks Shareholder approval for the ratification of the issue of the Prior Placement Shares pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolution 4 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months, without obtaining prior Shareholder approval.

Resolution 4 is an ordinary resolution.

4.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the Prior Placement is provided as follows:

- (a) 10,000,000 Shares were issued pursuant to the Prior Placement.
- (b) The Shares were issued at \$0.205 each.
- (c) The Prior Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Prior Placement Shares were issued to Well Efficient Limited (who is not a related party of the Company).
- (f) The funds raised from the issue of the Prior Placement Shares have been used by the Company for completion of definitive feasibility work for the Colluli Potash Project.
- (g) A voting exclusion statement is included in the Notice.

Resolution 5 – Ratification of Second Prior Placement

5.1 Introduction

On or about 28 April 2015¹, the Company issued 10,974,174 Shares at an issue price of \$0.25 each to Well Efficient Limited and other sophisticated and institutional investors (**Second Prior Placement Shares**).

The funds raised from the issue of the Second Prior Placement Shares will be used by the Company for completion of definitive feasibility work for the Colluli Potash Project and corporate overheads.

A description of Listing Rules 7.1 and 7.4 is set out at section 4.1.

The Second Prior Placement Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 5 seeks Shareholder approval for the ratification of the issue of the Second Prior Placement Shares pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolution 5 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months, without obtaining prior Shareholder approval.

¹ The Shares had not yet been issued when this Notice went to print.

Resolution 5 is an ordinary resolution.

5.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the Second Prior Placement is provided as follows:

- (a) 10,974,174 Shares were issued pursuant to the Second Prior Placement.
- (b) The Shares were issued at \$0.25 each.
- (c) The Second Prior Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) 10,000,000 Second Prior Placement Shares were issued to Well Efficient Limited (who is not a related party of the Company), and 974,174 Second Prior Placement Shares issued to other sophisticated and institutional investors (who are not related parties of the Company).
- (f) The funds raised from the issue of the Second Prior Placement Shares will be used by the Company for completion of definitive feasibility work for the Colluli Potash Project, development of additional in house capabilities to support the development of the Project, advancement of funding discussions for the Project, and corporate overheads.
- (g) A voting exclusion statement is included in the Notice.

Resolution 6 – Change of Company Name

6.1 Introduction

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 6 seeks the approval of Shareholders for the Company to change its name to Danakali Ltd. Danakali Ltd represents the geographic location of the Colluli Potash Project (Danakil).

The Directors recommend changing the Company's name to one which is more relevant to the Colluli Potash Project and what it represents. The Directors believe Danakali Ltd more accurately reflects the Company's current and proposed activities, and aligns its brand to its day to day operations.

If Resolution 6 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 6 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

Resolution 7 – Appointment of Auditor at AGM to Fill Vacancy

Rothsay Chartered Accountants, which is the Company's current auditor, has given notice of its intention to resign as auditor of the Company to ASIC (under section 329(5) of the Corporations Act).

Upon receipt of ASIC's consent to their resignation, Rothsay Chartered Accountants has advised that it will submit a notice of resignation to the Company in accordance with section 329(5) of the Corporations Act, such resignation to take effect from the date of the Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for Ernst & Young to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Memorandum as Annexure C.

Ernst & Young has given its written consent to act as the Company's auditor, subject to Shareholder approval and the resignation of Rothsay Chartered Accounts.

If Resolution 7 is passed, the appointment of Ernst & Young as the Company's auditors will take effect from the close of the Annual General Meeting.

Resolution 8 – Issue of Options to Mr John Daniel Fitzgerald

8.1 Introduction

The Company proposes to issue 750,000 Unlisted Options to Mr John Daniel Fitzgerald, a Director of the Company, or his nominee. The valuation of the 750,000 Unlisted Options is \$145,500. See Annexure B for details.

The proposed issue of securities to Mr Fitzgerald or his nominee requires Shareholder approval under both the

Corporations Act and Listing Rules.

8.2 Requirement for Shareholder approval

Chapter 2E of the Corporations Act

Mr Fitzgerald is a Director, and therefore a related party of the Company, and the issue of the Unlisted Options to him or his nominee constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

The Directors have determined that the issue is reasonable remuneration for the purposes of Chapter 2E and therefore, Shareholder approval for the purposes of the related party provisions set out in Chapter 2E of the Corporations Act is not required.

Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party. If shareholder approval is obtained under Listing Rule 10.11, shareholder approval is not required under Listing Rule 7.1 and the proposed issue will not be included in the 15% annual limit permitted by Listing Rule 7.1 of the number of Equity Securities that can be issued without shareholder approval.

8.3 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue:

- (a) The securities will be issued to Mr John Daniel Fitzgerald, a Director of the Company.
- (b) The maximum number of securities to be issued is 750,000 Unlisted Options.
- (c) The securities will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (d) The Unlisted Options will be issued for nil cash consideration. The terms of the issue are set out in Annexure A.
- (e) A voting exclusion statement is included in the Notice.
- (f) No funds will be raised from the issue. The funds raised if the Unlisted Options are exercised will be used for general working capital.

8.4 Directors' recommendation

The Directors, other than Mr Fitzgerald, unanimously recommend that Shareholders vote in favour of Resolution 8.

Mr Fitzgerald declines to make a recommendation to Shareholders in relation to Resolution 8 as he has a material personal interest in the outcome of Resolution 8. Mr Fitzgerald and his associates will not be entitled to vote on Resolution 8.

Resolution 9 – Renewal of Proportional Takeover Provisions

The Corporations Act permits a company's constitution to include a provision that enables it to refuse to register shares acquired under a proportional takeover bid, unless shareholders approve the bid. Schedule 5 of the Constitution was approved by Shareholders at the Company's November 2012 AGM, but that approval (and therefore the rule) ceases to have effect on 17 November 2015.

The Directors consider it in the interests of Shareholders to continue to have a proportional takeover provision in the Constitution and since the Company recently changed its end of financial year and will no longer be holding its AGM at the end of the year, Shareholders are requested to renew the proportional takeover provisions contained in Schedule 5 of the Constitution with effect from the date of this meeting for a further period of three years.

9.1 Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that

Shareholder's shares (i.e. less than 100 per cent).

9.2 Effect of a proportional takeover bid provision

If a proportional takeover bid is made, the Directors must ensure that a general meeting to approve the bid is held more than 14 days before the last day of the bid period, at which Shareholders will consider a resolution to approve the takeover bid. Each Shareholder will have one vote for each fully paid Share held, with the vote to be decided on a simple majority. The bidder and its associates are not allowed to vote.

If the resolution is not passed at that meeting, no transfer will be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid will be taken to have been approved. If the bid is approved (or taken to have been approved) all valid transfers must be registered.

The proportional takeover approval provisions do not apply to full takeover bids and, if renewed, will only apply for three years after the date of renewal.

9.3 Potential advantages and disadvantages

- (a) The Directors consider that the proportional takeover approval provisions have no potential advantages for the Directors, but do have some for Shareholders including:
- (i) Shareholders will be given the right to decide by majority vote whether to accept a proportional takeover bid;
 - (ii) the provisions may help Shareholders avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without paying an adequate control premium (i.e. paying for all of their Shares);
 - (iii) the provisions may increase Shareholders' bargaining power and may help ensure that any bid is adequately priced; and
 - (iv) knowing the view of the majority of Shareholder may help each individual Shareholder to decide whether to accept or reject the proportional offer.
- (b) The potential disadvantages of the proportional takeover provisions for Shareholders include:
- (i) they may discourage proportional takeover bids being made for Shares in the Company;
 - (ii) Shareholders may lose an opportunity to sell some of their shares at a premium; and
 - (iii) the likelihood of a proportional takeover succeeding may be reduced.

During the three years that the existing proportional takeover provisions have been in effect, there had been no takeover bids for the Company. The Directors are not aware of any potential bid that was discouraged by Schedule 5 of the Constitution.

The Directors consider that the potential advantages for shareholders of the proportional takeover provisions operating for the next three years outweigh the potential disadvantages.

9.4 Knowledge of takeover bids

As at the date of this Notice, no Director is aware of any proposal to acquire or to increase the extent of a substantial interest in the Company.

The Board unanimously recommends the renewal of the proportional takeover provisions.

Resolution 10 – Approval of 10% Placement Facility

10.1 General

The Company seeks Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period following shareholder approval (**10% Placement Facility**).

Shareholder approval under Listing Rule 7.1A was obtained at the Company's last annual general meeting, held on 17 November 2014. However, approval is being sought under Listing Rule 7.1A at this Meeting given that:

- (a) Listing Rule 7.1A approval may only be sought at a company's annual general meeting;
- (b) a listed company's annual general meeting must be held within 5 months of the end of its financial year; and
- (c) as announced on 21 November 2014, the Company changed its end of financial year from 30 June to 31

December.

If Resolution 10 is not passed, the Company will only be permitted to issue Equity Securities under its 10% Placement Capacity up to and including 17 November 2015. If Resolution 10 is passed, the Company will have the capacity to issue Equity Securities under its 10% Placement Capacity up to and including 29 May 2016.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 10.3(a) below).

10.2 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 10. This will allow the Company to issue securities and raise funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

10.3 Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period following shareholder approval by way of a special resolution. The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalization of \$300 million or less. The Company is an eligible entity.

(a) Maximum number of Equity Securities which may be issued

The number of Equity Securities which may be issued, or agreed to be issued, under the 10% Placement Facility is prescribed in Listing Rule 7.1A.2 and is calculated as follows:

$\text{Number of Equity Securities} = (A \times D) - E$

- "A" the number of shares on issue 12 months before the date of issue or agreement:
- A. plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - B. plus the number of partly paid shares that become fully paid in the 12 months;
 - C. plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
 - D. less the number of fully paid shares cancelled in the 12 months.
- "D" is 10%
- "E" is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

As at the date of this Notice, the Company has 160,802,000 Shares on issue². As a result, the Company has capacity to issue:

² The Company intends to undertake a partially underwritten 1 for 12 non-renounceable rights issue under which 13,400,167 Shares are due to be issued at \$0.25 per Share on 27 May 2015 i.e. before the date of the Meeting. If the maximum number of Shares are issued under the rights issue, the Company will have 174,202,167 Shares on issue. Please refer to the ASX announcement released on or about 27 April 2015 for more details on the rights issue.

- (i) Nil³ Equity Securities under Listing Rule 7.1; and
- (ii) 13,982,783⁴ Equity Securities under Listing Rule 7.1A.

As set out at section 10.1, Shareholder approval under Listing Rule 7.1A was obtained at the Company's last annual general meeting held on 17 November 2014. However, given that the Company changed its end of financial year from 30 June to 31 December, approval is being sought under Listing Rule 7.1A at this Meeting.

Therefore, if Resolution 10 is not passed, the Company's Listing Rule 7.1A capacity will still be 13,982,783 Equity Securities (or 17,420,216 Equity Securities if Resolutions 4 and 5 are passed and the rights issue is fully subscribed) as set out above, however, those Equity Securities may only be issued up to and including 17 November 2015. If Resolution 10 is passed, the Company will have the capacity to issue those 13,982,783 Equity Securities (or 17,420,216 Equity Securities if Resolutions 4 and 5 are passed and the rights issue is fully subscribed) under its 10% Placement Facility until 29 May 2016.

(b) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the relevant class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in section (i) above, the date on which the Equity Securities are issued.

10.4 Specific information by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided about the proposed issue:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in the relevant class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in section (i) above, the date on which the Equity Securities are issued.
- (b) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:
 - (i) the market price for the Company's Equity Securities may be significantly lower of the date of the issue of the Equity Securities than when Shareholders approval the 10% Placement Facility; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, or issued for non-cash consideration for the acquisition of a new asset.

Following is a table that sets out the potential dilution of existing Shareholders if Equity Securities are issued under the 10% Placement Facility:

³ If Resolutions 4 and 5 are passed and the rights issue is fully subscribed, the Company will have capacity to issue 26,130,325 Equity Securities under its 15% Placement Capacity. The dilution table below has been prepared on this basis.

⁴ If Resolutions 4 and 5 are passed and the rights issue is fully subscribed, the Company will have capacity to issue 17,420,217 Equity Securities under its 10% Placement Capacity. The dilution table below has been prepared on this basis.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.1725 50% decrease in Issue Price	\$0.345 Issue Price	\$0.69 100% increase in Issue Price
Current Variable A	Shares Issued	17,420,217	17,420,217	17,420,217
	Funds Raised	\$3,004,987	\$6,009,975	\$12,019,950
50% increase in current Variable A	Shares Issued	26,130,325	26,130,325	26,130,325
	Funds Raised	\$4,507,481	\$9,014,962	\$18,029,924
100% increase in current Variable A	Shares Issued	34,840,433	34,840,433	34,840,433
	Funds Raised	\$6,009,975	\$12,019,950	\$24,039,899

The table has been prepared on the following assumptions:

- (i) The rights issue is fully subscribed.
- (ii) The Company issues, or agrees to issue, the maximum number of Equity Securities available under the 10% Placement Facility (including additional capacity if Resolutions 4 and 5 are passed).
- (iii) The Company has no Listed Options that may be exercised into Shares before the date of the issue of the Equity Securities;
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

The issue price is \$0.345 being the closing price of the Shares on ASX on 21 April 2015.

The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (e) The latest date by which Equity Securities may be issued is 12 months after the Meeting. Approval for the issue of Equity Securities under the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Equity Securities may be issued for the following purposes:
 - (i) to raise funds, in which case the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and expenditure on the Company's current assets and/or general working capital; or
 - (ii) in consideration of the acquisition of new resources assets and investments, in which case the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (g) The Company is yet to identify the persons to whom Equity Securities will be issued to under the 10% Placement

Facility. The Company's policy for allocating Equity Securities issued under the 10% Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:

- (i) The fundraising methods available to the Company, including but not limited to, rights issue or other issue which may minimise dilution to Shareholders.
- (ii) In the case of an asset or investment acquisition, the nature and circumstances of the acquisition.
- (iii) The effect of the issue of the Equity Securities on the control of the Company.
- (iv) The financial situation and solvency of the Company.
- (v) Advice from corporate, financial and broking advisers (if applicable).

The subscribers may include vendors (in the case of any issue for non-cash consideration), existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (h) The total number of Equity Securities issued in the 12 months preceding the date of the Meeting is 60,924,341, representing 40.4% of the total number of Equity Securities on issue at the commencement of that 12 month period.
- (i) The details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting is set out in Annexure D.
- (j) A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities, and no existing Shareholder's votes will be excluded under the voting exclusion in the Notice.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Business Day	means a day in Perth, Western Australia on which ASX is open for trading in securities and banks are open for general banking business.
Closely Related Party	has the same meaning as defined in Section 9 of the Corporations Act.
Company or STB	means South Boulder Mines Limited ABN 56 097 904 302.
Constitution	means the Constitution of the Company as adopted by Shareholders from time to time.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Equity Securities	has the same meaning given in the Listing Rules.
Key Management Personnel	has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
Listing Rules	means the listing rules of ASX.
Meeting or AGM	means the Annual General Meeting of the Company the subject of this Notice.
Notice or Notice of Annual General Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Option	means an option to acquire an ordinary fully paid share in the capital of the Company.
Performance Right	means a right to acquire an ordinary fully paid share in the capital of the Company.
Prior Placement	means the placement described in more detail in section 4.1.
Prior Placement Shares	has the definition given as per section 4.1.
Proxy Form	means the proxy form attached to this Notice.
Related Party	has the meaning given in the Corporations Act.
Remuneration Report	means the remuneration report of the Company included in the Directors' Report section of the Company's 2014 Annual Report.
Resolution	means a resolution contained in the Notice.

Second Prior Placement	means the placement described in more detail in section 5.1.
Second Prior Placement Shares	has the definition given as per section 5.1.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Trading Day	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
Unlisted Option	means Options issued on the terms outlined in Annexure A.
VWAP	means volume weighted average price.

ANNEXURE A

TERMS AND CONDITIONS OF UNLISTED OPTIONS

The Options are to be issued on the following terms:

- (a) Each Option shall be issued for no consideration.
- (b) Each Option entitles the holder to subscribe for one Share in the Company upon the payment of the exercise price being 140% of the VWAP of the fully paid ordinary shares of the Company on the five days prior to the date of Shareholder approval per Share subscribed for.
- (c) The Option will lapse at 5.00 pm, Western Standard Time on 29 May 2018 (**Expiry Date**).
- (d) Each Option is transferrable.
- (e) The Options will vest 1 July 2015.
- (f) The Options must be exercised in minimum tranches of 250,000.
- (g) The Options may not be exercised during last two weeks of June.
- (h) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
- (i) Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
- (j) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (k) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (l) The Options shall be exercisable in whole or in part at any time and from time to time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of one or more notices in writing (each a "**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares.

The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
- (m) The Company shall as soon as practicable, and no later than 10 business days of exercise of the Options:
 - (i) take steps so that any offer of Shares for sale within 12 months of their issue will not require disclosure under section 707(3) of the Corporations Act 2001 (Cth);
 - (ii) allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number.
- (n) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

ANNEXURE B

OPTION VALUATION DETAILS

The Unlisted Options were valued using the Black and Scholes Option Valuation Methodology on 21 April 2015.

Details	Input
Share price	\$0.345
Exercise Price	140% of the VWAP of the fully paid ordinary shares of the Company on the five days prior to the date of Shareholder approval per Share subscribed for being \$0.483 for the purposes of this valuation.
Risk Free Rate (RBA Cash Rate)	2.55%
Volatility (Annualised)	100%
Start Date	29 May 2015
Expiry Date	29 May 2018
Dividend yield	0%
Value per Option	\$0.194

ANNEXURE C
AUDITOR NOMINATION LETTER

20 April 2015

To:

South Boulder Mines Ltd
Ground Floor
31 Ventnor Avenue
West Perth WA 6005

I, Stuart Tarrant, being a member of South Boulder Mines Ltd (**Company**), nominate Ernst & Young in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 20 April 2015.

A handwritten signature in black ink, appearing to read 'S. Tarrant'.

Stuart Tarrant
Head of Finance

ANNEXURE D
INFORMATION REQUIRED BY LISTING RULE 7.3A.6

	Issue 1	Issue 2	Issue 3	Issue 4
Date of issue:	17 June 2014	6 August 2014	6 August 2014	13 November 2014
Number issued:	150,000	10,000,000	8,000,000	550,000
Class/Type of equity security:	Ordinary Shares	Ordinary Shares	Unlisted Options (\$0.35; 04/09/2015)	Performance Rights, Class 3
Summary of terms:	Exercise of Unlisted Options	Strategic Share Placement announced 30 July 2014	Unlisted Options vesting upon delivery of a binding offtake contract for potassium sulphate on commercial terms agreeable by the Colluli Mining Share Company board as per announcement dated 30 July 2014	Conversion to Ordinary Shares is subject to the achievement of vesting conditions.
Names of persons who received securities or basis on which those persons was determined:	Renae Wainright	Kam Lung Investment Development Company	Kam Lung Investment Development Company	James Durrant
Price:	\$0.149	\$0.185	Nil – free attaching options issued as part of Strategic Share Placement	Nil

SOUTH BOULDER MINES LIMITED

 Notice of Annual General Meeting 29 May 2015

Discount to market price (if any):	Closing price on date of issue \$0.17. Discount of 12.35%	Closing price on date of issue \$0.27. Discount 31.48%	N/A	N/A
------------------------------------	--	---	-----	-----

For cash issues

Total cash consideration received:	\$22,350	\$10,000,000	N/A	N/A
Amount of cash consideration spent:	\$22,350	\$10,000,000	N/A	N/A
Use of cash consideration:	Completion of pre-feasibility and feasibility work for the Colluli Potash Project and corporate overheads	Completion of pre-feasibility and feasibility work for the Colluli Potash Project and corporate overheads	N/A	N/A
Intended use for remaining amount of cash (if any):	N/A	N/A	N/A	N/A

For non-cash issues

Non-cash consideration paid:	N/A	N/A	Issued as part of Strategic Share Placement	Issued pursuant to employment contract.
Current value ¹ of that non-cash consideration:	N/A	N/A	\$676,000 The fair value of \$0.0845 per Option was calculated using the Black-Scholes European Option pricing model.	\$189,750 The fair value of \$0.345 per Performance Right was calculated based upon the closing share price of \$0.345 on 21 April 2015, using a 100% probability that vesting conditions will be met.

¹ Current value at 21 April 2015.

ANNEXURE D

INFORMATION REQUIRED BY LISTING RULE 7.3A.6

	Issue 5	Issue 6	Issue 7	Issue 8
Date of issue:	9 December 2014	9 December 2014	16 January 2015	18 March 2015
Number issued:	5,000,000	2,450,000	10,000,000	400,000
Class/Type of equity security:	Unlisted Options (\$0.278; 17/11/2017)	Performance Rights, Class 4	Ordinary Shares	Ordinary Shares
Summary of terms:	Unlisted Options issued to Directors as approved at AGM held 17 November 2014 and detailed in Notice of Meeting released 16 October 2014	Issue of Performance Rights as approved at AGM held 17 November 2014 and detailed in Notice of Meeting released 16 October 2014	Strategic Share Placement announced 16 January 2015	Issue of Ordinary Shares on vesting of Performance Rights
Names of persons who received securities or basis on which those persons was determined:	1,500,000 Seamus Cornelius 1,000,000 Paul Donaldson 1,500,000 Anthony Kiernan 1,000,000 Liam Cornelius	Paul Donaldson	Well Efficient Limited	300,000 Paul Donaldson 100,000 James Durrant
Price:	Nil	Nil	\$0.205	Nil
Discount to market price (if any):	N/A	N/A	Closing price on date of issue \$0.185. Premium of 7.31%	N/A

For cash issues

Total cash consideration received:	N/A	N/A	\$2,050,000	N/A
Amount of cash consideration spent:	N/A	N/A	\$2,050,000	N/A
Use of cash consideration:	N/A	N/A	Completion of definitive feasibility work for the Colluli Potash Project	N/A
Intended use for remaining amount of cash (if any):	N/A	N/A	N/A	N/A

For non-cash issues

Non-cash consideration paid:	Issued to Directors as approved at AGM held 17 November 2014	Issue of Performance Rights as approved at AGM held 17 November 2014	N/A	Issue of shares on vesting of Performance Rights
Current value ¹ of that non-cash consideration:	\$1,100,000 The fair value of \$0.22 per Option was calculated using the Black-Scholes European Option pricing model.	\$845,250 The fair value of \$0.345 per Performance Right was calculated based upon the closing share price of \$0.345 on 21 April 2015, using a 100% probability that vesting conditions will be met.	N/A	\$104,000 The fair value of \$0.26 per Ordinary Share was calculated based on the closing price on date of issue.

¹ Current value at 21 April 2015.

ANNEXURE D
INFORMATION REQUIRED BY LISTING RULE 7.1A.3

	Issue 9	Issue 10
Date of issue:	Anticipated to be 28 April 2015 ⁵	Anticipated to be 27 May 2015 ⁶
Number issued:	10,974,174	13,400,167 ⁷
Class/Type of equity security:	Ordinary Shares	Ordinary Shares
Summary of terms:	Share Placement announced on or about 27 April 2015 ⁸	Non-renounceable rights issue announced on or about 27 April 2015
Names of persons who received securities or basis on which those persons was determined:	Well Efficient Limited and other sophisticated and institutional investors	Eligible shareholders at the record date (anticipated to be 6 May 2015)
Price:	\$0.25	\$0.25
Discount to market price (if any):	Discount of 20.63% to the closing price on the last day of trading before this Notice was sent to print (i.e. 22 April 2015) being \$0.315 ⁹	Discount of 20.63% to the closing price on the last day of trading before this Notice was sent to print (i.e. 22 April 2015) being \$0.315 ¹⁰

⁵ This Notice was sent to print prior to the Shares being issued.

⁶ This Notice was sent to print prior to the rights issue being announced.

⁷ Assuming the rights issue is fully subscribed.

⁸ This Notice was sent to print prior to the Shares being issued.

⁹ This Notice was sent to print prior to the Shares being issued.

¹⁰ This Notice was sent to print prior to the Shares being issued.

For cash issues

Total cash consideration received:	\$2,743,544	\$3,350,042 ¹¹
Amount of cash consideration spent:	Nil	Nil
Use of cash consideration:	N/A	N/A
Intended use for remaining amount of cash (if any):	Completion of definitive feasibility work for the Colluli Potash Project, development of additional in house capabilities to support the development of the Project, advancement of funding discussions for the Project, and corporate overheads.	Completion of definitive feasibility work for the Colluli Potash Project, development of additional in house capabilities to support the development of the Project, advancement of funding discussions for the Project, and corporate overheads.

For non-cash issues

Non-cash consideration paid:	N/A	N/A
Current value of that non-cash consideration:	N/A	N/A

¹¹ Assuming the rights issue is fully subscribed.

«EFT_REFERENCE_NUMBER»

+

SOUTH BOULDER MINES LTD

ACN: 097 904 302

REGISTERED OFFICE:

GROUND FLOOR
31 VENTNOR AVENUE
WEST PERTH WA 6005

+

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»

Code:

STB

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am WST on Friday 29 May 2015 at Professional Public Relations (PPR), Level 2, 1 Altona Street, West Perth WA 6005 and at any adjournment of that meeting.

Chairperson authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairperson of the Meeting as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on Resolution 1 (to adopt the Remuneration Report) (except where I/we have indicated a different voting intention below) even if Resolution 1 (to adopt the Remuneration Report) is connected directly or indirectly with the remuneration of a member of key management personnel for the Company

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain		For	Against	Abstain
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr John Daniel Fitzgerald as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Appointment of Auditor at AGM to Fill Vacancy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Liam Raymond Cornelius as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Issue of Options to Mr John Daniel Fitzgerald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Prior Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Renewal of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of Second Prior Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00am WST on Wednesday 27 May 2015.

+

STBPX1290515

1

1

STB

STBPX1290515

+



My/Our contact details in case of enquiries are:

Name:

Number:

()

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd

Postal Address PO BOX 535
Applecross WA 6953 AUSTRALIA

Street Address Alexandria House
Suite 1, 770 Canning Highway
Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

