

# ASX Release

30 April 2015

## Company Details

ASX Code:	STB
Share Price	\$0.28
Market Cap	\$42M
Shares on issue	150M
Company options	27M
Cash at Bank	\$5.1M

## Contact Details

### Managing Director

Paul Donaldson

### Address

Ground Floor, 31 Ventnor Avenue  
West Perth WA 6000

PO Box 970  
West Perth WA 6872

### Telephone

+61 8 6315 1444

### Facsimile

+61 8 9486 7093

### Email & Web Page

info@southbouldermines.com.au  
www.southbouldermines.com.au

## Rights Issue Cleansing Notice

South Boulder Mines Limited ("STB" or "the Company") provides the following information in respect of the Rights Issue announced 28 April 2015.

The Company confirms the New Shares will be issued without disclosure to investors under section 708AA(2)(f) of the Corporations Act 2001 ("Corporations Act") as notionally modified by ASIC Class Order 08/35 ("CO 08/35"), and without a prospectus.

Further details regarding the Offer will be set out in the Offer Document that the Company will mail to eligible shareholders on 11 May 2015. The Offer Document will also be available on both the ASX's website and the Company's website from that date.

### Information required by section 708AA of the Corporations Act

For the purposes of 708AA(2)(f) of the Corporations Act the Company advises:

1. the New Shares will be offered for issue without disclosure under Part 6D.2 of the Corporations Act as notionally modified by CO 08/35;
2. this notice is given under section 708AA(2)(f) of the Corporations Act as notionally modified by CO 08/35;
3. as at the date of this notice, the Company has complied with:
  - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
  - (b) section 674 of the Corporations Act;
4. as at the date of this notice, there is no information that is "excluded information" (as defined in sections 708AA(8) and 708AA(9) of the Corporations Act); and
5. the potential effect the Rights Issue will have on the control of the Company and the consequences of that effect is dependent upon a number of factors including investor demand but is not expected to have any material effect or consequence on the control of the Company. No person can acquire more than 19.9% of the Company's diluted issued capital by participation in the rights issue or the placement of the Shortfall. However given the structure of the Offer as a pro rata offer, the potential effect that the issue of the New Shares will have on the control of the Company is as follows:
  - (a) if all Eligible Shareholders take up their Entitlements under the Offer, the Offer will have no effect on the control of the Company (subject to (c) below);
  - (b) to the extent that any Eligible Shareholder fails to take up their Entitlement for New Shares under the Offer, that Eligible

Shareholder's percentage holdings in the Company will be diluted by those other Eligible Shareholders who take up some, all or more than their Entitlement;

- (c) the proportional interests of shareholders who are not Eligible Shareholders will be diluted because those shareholders are not entitled to participate in the Offer; and
- (d) assuming that:
  - (i) following completion of the Placement announced 28 April 2015, the Company's largest shareholder will be Well Efficient Limited with 20,000,000 Shares. If Well Efficient Limited, the Company's largest shareholder, is the only one to take up its Entitlement and no other shares are issued, its voting power would increase from 12.44% to approximately 13.34%; and
  - (ii) only 5,000,000 New Shares are issued to each of the two underwriters, their respective voting power will be 2.93%.

Shareholders can view all of STB's announcements relating to the Offer on the ASX website ([www.asx.com.au](http://www.asx.com.au)) and STB's website ([www.southbouldermines.com.au](http://www.southbouldermines.com.au)).

**Further information:**

**Email:** [info@southbouldermines.com.au](mailto:info@southbouldermines.com.au)

**Website:** [www.southbouldermines.com.au](http://www.southbouldermines.com.au)

**South Boulder Mines Limited:** Telephone +61 8 6315 1444

**ABN:** 56 097 904 302

Paul Donaldson  
**MANAGING DIRECTOR**

Amy Just  
**COMPANY SECRETARY**

**About South Boulder Mines Ltd**

South Boulder Mines is an ASX listed company and 50% owner of the Colluli Potash Project in Eritrea, East Africa. The company is currently developing the Colluli Project in partnership with the Eritrean National Mining Company (ENAMCO).

The project is located in the Danakil Depression region of Eritrea, and is ~75km from the Red Sea coast, making it one of the most accessible potash deposits globally. Mineralisation within the Colluli resource commences at just 16m, making it the world's shallowest potash deposit. The resource is amendable to open pit mining, which allows higher overall resource recovery to be achieved, is generally safer than underground mining and is highly advantageous for modular growth.

The Colluli has a JORC 2012 compliant resource containing over 1 billion tonnes of potassium bearing salts suitable for the production of potash fertilisers. The resource is positively unique in its size, combination of salts, proximity to coast and shallow mineralisation. The combination of salts within the resource makes it suitable for high yield, low energy input production of potassium sulphate, which is also known as sulphate of potash or SOP. SOP is a specialty fertiliser that carries a substantial price premium relative to the more common potassium chloride, which is the most common potassium salt known as potash.

The company has completed a prefeasibility study for the production of potassium sulphate, otherwise known as SOP. SOP is a chloride free, specialty fertiliser which carries a substantial price premium relative to the more common potash type; potassium chloride. Economic resources for production of SOP are geologically scarce. The unique composition of the Colluli resource favours low energy input, high potassium yield conversion to SOP using commercially proven technology. One of the key advantages of the resource is that the salts are present in solid form (in contrast with production of SOP from brines) with which reduces infrastructure costs and substantially reduces the time required to achieve full production capacity.

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

The JORC 2012 Compliant Mineral Resource Estimate for the Colluli Potash Project now stands at 1.289 billion tonnes @ 10.76% K<sub>2</sub>O for 260Mt of contained SOP. Substantial project upside exists in higher production capacity and market development for other contained products such as potassium magnesium sulphate, potassium chloride, rocksalt and magnesium chloride.

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