



## ASX Release

4 August 2014

### Company Details

ASX Code:	STB
Share Price	\$0.21
Market Cap	\$27M
Shares on issue	129M
Company options	15M
Cash at Bank	\$9M

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## South Boulder Appoints GED for geotechnical and hydrogeology drilling

South Boulder Mines (ASX:STB) is pleased to announce it has appointed GED to conduct geotechnical and hydrogeological drilling at the Colluli resource. As part of the drilling program GED will also conduct twinning of a number of resource holes as part of the transfer of the resource model from Ercosplan to AMC Consultants.

Mobilisation is expected within two weeks and drilling is expected to commence within three weeks. The drilling program will be conducted under the close supervision of AMC Consultants' representatives and South Boulder personnel.

The information collected will be used for both pre-feasibility and feasibility work. Drill results will be used to determine earthworks requirements for key pieces of infrastructure, dewatering infrastructure requirements, pit wall angles, trafficability of the upper layer materials for mine planning purposes, and material characteristics for solar pond construction.

Managing Director, Paul Donaldson said "Following a competitive bidding process, we are pleased to be engaging GED to conduct this body of work. GED conducted the original resource drilling at Colluli and is not only familiar with the operating environment and resource, but also has a camp set up on site from the previous campaign which will reduce the execution timeframe.

This work forms an important component of both the pre-feasibility and feasibility work and we are pleased that we have been able to develop an integrated data collection program from multiple project workgroups, derive a holistic drilling program, and mobilise and execute the drilling program within a relatively short timeframe."

#### More information:

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Paul Donaldson  
**MANAGING DIRECTOR**

Amy Just  
**COMPANY SECRETARY**

## About South Boulder Mines Ltd

South Boulder is an ASX-listed (ASX: STB) resources company 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 500km<sup>2</sup>. 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 flagship 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. Engineering Scoping Study (ESS) results were favourable, proving that an economic 2Mt p.a. potash mine can be built at a materially lower cost than typical potash development. The start-up capital cost for Colluli is one of the lowest in the industry; couple this with cheap expansion capability via open pit mining methods, excellent infrastructure and location, and it becomes even more attractive, ensuring South Boulder gains a high level of investment interest for the long term. South Boulder Mines Ltd is working steadily towards developing the world's first, modern, open pit potash mine.

## Competent Persons and Responsibility Statement

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% K<sub>2</sub>O (total contained potash of 194.09Mt KCl or 122.61Mt K<sub>2</sub>O). The resource contains 261.81Mt @ 17.94% KCl or 11.33% K<sub>2</sub>O of Measured Resources, 674.48Mt @ 17.98% KCl or 11.36% K<sub>2</sub>O of Indicated Resources and 143.50Mt @ 18.00% KCl or 11.37% K<sub>2</sub>O 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.

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.

## Quality Control and Quality Assurance

South Boulder Exploration programs follow standard operating and quality assurance procedures to ensure that all sampling techniques and sample results meet international reporting standards. Drill holes are located using GPS coordinates using WGS84 Datum, all mineralisation intervals are downhole and are true width intervals. Assay values are shown above a cut-off of 6% K<sub>2</sub>O. The samples are derived from HQ diamond drill core, which in the case of carnallite ores, are sealed in heat sealed plastic tubing immediately as it is drilled to preserve the sample. Significant sample intervals are dry quarter cut using a diamond saw and then resealed and double bagged for transport to the laboratory. Halite blanks and duplicate samples are submitted with each hole. Chemical analyses were conducted by Kali-Umwelttechnik GmbH Sondershausen, Germany utilising flame emission spectrometry, atomic absorption spectroscopy and ionchromatography. Kali- Umwelttechnik (KUTEC) Sondershausen1 have extensive experience in analysis of salt rock and brine samples and is certified according by DIN EN ISO/IEC 17025 by the Deutsche Akkreditierungssystem Prüfwesen GmbH (DAR). The laboratory follow standard procedures for the analysis of potash salt rocks chemical analysis (K<sup>+</sup>, Na<sup>+</sup>, Mg<sup>2+</sup>, Ca<sup>2+</sup>, Cl<sup>-</sup>, SO<sub>4</sub><sup>2-</sup>, H<sub>2</sub>O) and X-ray diffraction (XRD) analysis of the same samples as for chemical analysis to determine a qualitative mineral composition, which combined with the chemical analysis gives a quantitative mineral composition.