



## ASX Release

15 January 2015

## South Boulder Raises A\$2M Via Strategic Share Placement

### Company Details

ASX Code:	STB
Share Price	\$0.185
Market Cap	\$26M
Shares on issue	139M
Company options	28M
Cash at Bank	\$9M

### 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

### Highlights

- Agreement to issue 10M shares at 20.5c per share to Hong Kong based investor to raise A\$2,050,000
- Issue at 6% premium to 30 day VWAP
- Funds will be used for completion of the definitive feasibility work for the Colluli Potash Project

South Boulder Mines (ASX:STB) ("South Boulder" or "the Company") is pleased to announce that it has agreed to a private placement of 10M shares at 20.5c per share to the Hong Kong based Special Purpose Vehicle, Well Efficient Limited, to raise A\$2,050,000. The shares are to be issued at a 6% premium to South Boulder's 30 day volume weighted average price ("VWAP") and the funds will be used to complete the definitive feasibility work for the Colluli Potash Project in 2015.

Well Efficient Limited is associated with the well-known resource and private equity industry executive, Mr. James Huang, who is based in Hong Kong and has significant experience and an extensive network of relationships in Greater China and Eritrea with international resource companies, private equity funds and governments.

The Company anticipates the placement will be completed within 7 days. An Appendix 3B and Cleansing Notice will be lodged with the ASX upon the issue and allotment of the placement shares. Upon issue, the placement shares will rank equally alongside existing fully paid ordinary shares on issue. South Boulder will have approximately 150 million shares on issue following completion of the placement.

Commenting on the private placement, South Boulder's Managing Director, Paul Donaldson said "This placement to another sophisticated international investor further demonstrates the attractiveness of the Colluli Potash Project, particularly as it was achieved at a premium to the recent share price and did not require the payment of fees or commission.

"This year we are on track to deliver a high quality pre-feasibility study, followed by a definitive study. As the project continues to advance further along the development path towards production, we anticipate that other international groups, particularly those based in Greater China, North America and Europe which have consistently shown great interest in the Colluli project, will become involved with the development of our potash project.

"Alongside our partner in Eritrea, ENAMCO, we are firmly committed to developing the Colluli project as efficiently and safely as possible with the objective of delivering excellent outcomes for all our stakeholders. We look forward to keeping the market informed on our progress at Colluli and ongoing discussions once agreements are concluded," he added.

**More information:**

**Email:** info@southbouldermines.com.au

**Website:** 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 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.

MrKnox, DrRauche 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-UmwelttechnikGmbH 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 AkkreditierungssystemPrüfwesen 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.