



# South Boulder Mines

Feb 26<sup>th</sup> 2015

## South Boulder Mines reveals review of Colluli financial model completed

South Boulder Mines (ASX:STB) has advised the completion of an independent review of the financial model which will be used to assess the financial viability of the Pre-Feasibility Study for the Colluli Project.

The project is located in Eritrea, East Africa, and hosts a 2012 JORC resource of 1.289 billion tonnes with an average grade 10.76% K<sub>2</sub>O.

The review was undertaken by a "Big 4" accounting and audit firm, and the scope of the review examined:

- The logical integrity and arithmetic accuracy;
- The appropriateness in reference to Eritrean Tax Law; and
- The agreement with key provisions of the Joint Venture agreement between STB and Eritrean National Mining Company.

The overall economic viability of the project will be evaluated using simple cash flow techniques through the financial model.

Estimates, received for all the individual elements of cash revenue and cash expenditures, will be combined with initial development and construction of the project.

The model treats estimates as cash flows and provides an economic outcome in the form of Net Present Value and Internal Rate of Return.

South Boulder and the Eritrean National Mining Company (ENAMCO) are equal shareholders of the Colluli Mining Share Company (CMSC) which will develop the project.

Paul Donaldson, managing director, commented:

"Completion of this review is another important step in our PFS.

"Our process, underpinned by extensive and rigorous work and, where possible, validated by external experts, improves confidence that our plan for the development of Colluli is robust.

"We are pleased that we have been able to complete this review on time and without material error, well ahead of the PFS completion. This is critical to ensure accurate upcoming reporting of results."

South Boulder expects the Colluli PFS to be completed in February 2015.

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**Price:** A\$0.26

**Market Cap:** A\$41.093M

### 1 Year Share Price Graph



### Share Information

**Code:** STB

**Listing:** ASX

**Sector:** General Mining

**Website:** www.southbouldermine.com.au

### Company Synopsis:

South Boulders (ASX: STB) flagship project is the world class Colluli Potash Fertilizer Project in Eritrea. .

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