



South Boulder Mines

Apr 29th 2015

South Boulder Mines on target for DFS in September quarter

South Boulder Mines (ASX:STB) continues to advance the Colluli Potash Project in Eritrea, and during the March quarter completed a Pre-Feasibility Study (PFS) which demonstrated highly favourable economic outcomes.

The results of the PFS demonstrated Phase I as a standalone development (425ktpa of SOP) with improved outcomes through the development of Phase II 5 years after Phase I (a further 425ktpa).

A two phase approach became the case taken forward to the Definitive Feasibility Study (DFS), which is on target for completion in the September quarter 2015.

March quarter 2015 milestones include:

- Delivering a Resource of 1.289 billion tonnes;
- Appointment of Highly Experienced Colluli Technical Review Committee;
- Completion of technical review of the PFS process design, process design criteria, metallurgical testwork, plant configuration, and process equipment list;
- Second Tranche of Baseline Assessments submitted; and
- Completion of hydrogeology drilling campaign to provide ground water model data and provide bores for dewatering ahead of pre-stripping.

Colluli is a 50:50 joint venture between the Eritrean National Mining Company (ENAMCO) and South Boulder.

Keys to Colluli

The Colluli resource is located 75 kilometres from the coast making it one of the most accessible potash deposits globally.

It is favourably positioned relative to key growth markets for potassium-bearing fertilisers, commonly known as potash, and is the shallowest known potassium bearing evaporite deposit in the world.

Mineralisation starts at just 16 metres, making the resource amenable to open cut mining methods.

Substantial upside for the project exists from the exploitation of other contained products within the resource such as high purity rocksalt, kieserite (magnesium sulphate), gypsum and magnesium chloride.

DFS

Select sections of the DFS began in late 2014 and progressed during the March quarter.

These included the infrastructure geotechnical assessments for the port, plant, ponds and road, along with metallurgical optimisation and piloting.

Specialist consultants Ausenco have been allocated the offsite infrastructure including the pipeline, road and port with

Price: A\$0.3

Market Cap: A\$41.952M

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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Lycopodium concentrating on the plant and site infrastructure with expert assistance on specific areas by Knight Piesold.

AMC consultants will continue with the mining study and MBS Environmental with the social and environmental impact assessment.

Funding

South Boulder will raise up to \$6 million through a placement and rights issue priced at \$0.25.

The placement will issue 10.974 million shares to Well Efficient Limited of Hong Kong and Arlington Group Asset Management (AGAM) of London.

The 1 for 12 non-renounceable pro-rata rights issue will raise up to \$3.35 million, and is underwritten for \$2.5 million by Montezuma Mining Company (ASX:MZM) and RSR Premier Holdings, a privately held investment vehicle.

Funds will be allocated to:

- Complete the Definitive Feasibility Study for the Colluli Potash Project;
- Build in house capability to support the development of the project;
- Advance funding discussions for the project; and
- Provide working capital.

South Boulder also held \$6.1 million in cash at the end of March 2015.

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