South Boulder Mines (ASX: STB) is pleased to lodge a copy of the presentation that Managing Director Mr. Paul Donaldson will be giving at this year’s Asmara Mining Conference that is being held in Asmara, Eritrea from Wednesday, 1 October through Friday, 3 October 2014.

More information:
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Website: www.southbouldermines.com.au

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 400km². 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 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. South Boulder Mines Ltd is working with the Eritrean government to developing a modern, open pit potash mine.
Forward Looking Statements and Disclaimer

The information in this presentation is published to inform you about South Boulder Mines (the “Company” or “STB”) and its activities. STB has endeavored to ensure that the information in this presentation is accurate at the time of release, and that it accurately reflects the Company’s intentions. All statements in this presentation, other than statements of historical facts, that address future production, project development, reserve or resource potential, exploration drilling, exploitation activities, corporate transactions and events or developments that the ‘Company expects to occur, are forward-looking statements. Although the Company believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements.

Factors that could cause actual results to differ materially from those in forward-looking statements include market prices of potash and, exploitation and exploration successes, capital and operating costs, changes in project parameters as plans continue to be evaluated, continued availability of capital and financing and general economic, market or business conditions, as well as those factors disclosed in the Company’s filed documents.

There can be no assurance that the development of the Colluli Project will proceed as planned. Accordingly, readers should not place undue reliance on forward looking information. Mineral Resources have been estimated using the Australian JORC (2004) Code (‘JORC 2004’), which is a permitted code under Canadian National Instrument 43-101 (‘NI 43-101’). In addition to the CIM Definition Standards on Mineral Resources and Mineral Reserves. Mineral Resource classifications under the two reporting codes are recognized as equivalent in categories with no material differences. To the extent permitted by law, the Company accepts no responsibility or liability for any losses or damages of any kind arising out of the use of any information contained in this presentation. Recipients should make their own enquiries in relation to any investment decisions.
Colluli highlights

1. Large, high grade potassium bearing resource close to surface in an emerging potash province.

2. Close proximity to coast and geographically favourable relative to key markets.

3. Unique combination of salts suitable for low cost production of potassium sulphate (SOP or sulphate of potash).

4. Strong and effective relationship with joint venture partners - ENAMCO
Potash and demand drivers

Potash is a generic term used to describe a variety of potassium bearing minerals and manufactured chemicals used primarily as fertiliser.

Key drivers of growth

1. Increasing global population: +80 million people annually
2. Decreasing arable land
3. Changing dietary preferences
Potash comes in a variety of forms

<table>
<thead>
<tr>
<th>Potash Type</th>
<th>Nutrients</th>
<th>Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potassium Nitrate</td>
<td>Potassium and nitrogen</td>
<td>Chloride sensitive crops that require additional nitrogen</td>
</tr>
<tr>
<td>Sulphate of Potash Magnesia</td>
<td>Potassium, sulphur and magnesium</td>
<td>Specialty fertiliser, high value crops, limited production centres</td>
</tr>
<tr>
<td>Sulphate of Potash</td>
<td>Potassium and sulphur</td>
<td>Chloride intolerant and specialty crops such as fruits, vegetables, nuts, beans and coffee</td>
</tr>
<tr>
<td>Potassium Chloride</td>
<td>Potassium</td>
<td>Staples – wheat, corn, chloride tolerant</td>
</tr>
</tbody>
</table>

Source: UN FAO, BMO Capital Markets
**SOP – Price premium and limited advanced projects**

**Significant price premium over potassium chloride (MOP)**
- Historical price premium has been in the order of 35%
- Current premium over 80%
- Suitable for high value crops
- Advantageous in saline and arid soils

**Limited advanced new projects**
- 4% CAGR projected
- Approximately 2 million tonnes of growth over the next 10 years
- Limited new projects
  - Greenfield SOP Projects at DFS = 1
  - Greenfield SOP Projects at PFS = 2

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*Source: Parthenon Analysis, EPM Mining*

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*Compass Minerals North American average selling price for sulphate of potash, compared to North American average selling price of Potash reported by Potash Corporation of Saskatchewan*

*Source: Compass Minerals Limited Presentation, Nov'13*
The Danakil Depression - an emerging potash province

The Danakil Potash belt compares favourably in terms of size, resource depth and environmental issues against other potash belts globally.

> **4.2 billion tonnes of measured and indicated potassium salts across the Danakil to date**

Key Global Potash Belts

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Danakil, East Africa – Eritrea, Ethiopia</th>
<th>Saskatchewan, Canada</th>
<th>Manaus – Santarem Basin, Amazonas, Brazil</th>
<th>Urals, Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>350km across</td>
<td>600km across</td>
<td>400km across</td>
<td>150km across</td>
</tr>
<tr>
<td>Operator(s) Profile</td>
<td>Emerging junior mining companies South Boulder, Allana, Circum Mineralised zones occur much closer to the surface</td>
<td>Established, large cap companies i.e. Canpotex</td>
<td>Emerging mining companies i.e. Brazil Potash,</td>
<td>Established, large cap companies K&amp;S Group, Uralkali (Bela-Russian)</td>
</tr>
<tr>
<td>Resource Depth</td>
<td>Typically only 20-100m in Eritrea 150 – 950m in Ethiopia 1</td>
<td>Canadian deposits typically range from 1,500–2,000m</td>
<td>Similar depth as Saskatchewan Typically ~500-2,000m 1</td>
<td>Russian depths are typically 1,800 to 2,000m</td>
</tr>
<tr>
<td>Climate</td>
<td>Conducive to the use of Evaporation and geothermal power</td>
<td>Cold climate Evaporative solar ponds less effective</td>
<td>Wet climate, heavy rainfall Evaporative solar ponds less effective</td>
<td>Cold climate Evaporative solar ponds less effective</td>
</tr>
<tr>
<td>Environment / Social</td>
<td>Flat, arid desert with sparse population Minimal community/social concerns</td>
<td>Heavily populated area Significant community/social concerns</td>
<td>Tropical climate, dense vegetation Considerable environmental issues</td>
<td>Mountainous terrain Low environmental concerns</td>
</tr>
</tbody>
</table>

Notes:
1. Measured and Indicated tonnages for Danakil based on combined tonnages from South Boulder Mines, Allana Potash and Ethiopian Potash (Agriminco) South Boulder Mines tonnages from stated N43-101/JORC resource, Allana tonnages from Allana Feasibility N43-101 compliant project summary, Ethiopian Potash (subsequently Agriminco) tonnages obtained from SEDAC, N43-101 resource report
2. Based on Brazil Potash presentation (February 2013).  
3. Ethiopia drill depths obtained from Allana reports
Large, high grade potassium bearing resource

Over 1 billion tonnes of potassium bearing salts – all potassium salts in the Colluli resource are suitable for the production of potash fertilisers.

Shallow mineralisation supports Colluli as open pit – a proven, safer mining method, easier to expand and better overall resource recovery than underground.

One of only three major resources containing kainite salt (key salt for SOP production) in solid form globally.

Colluli at a Glance

<table>
<thead>
<tr>
<th>Location</th>
<th>South Eritrea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>Approximately 400km²</td>
</tr>
<tr>
<td>Product</td>
<td>Sulphate of Potash</td>
</tr>
<tr>
<td>Resource¹</td>
<td>Measured: 262Mt</td>
</tr>
<tr>
<td></td>
<td>Indicated: 581Mt</td>
</tr>
<tr>
<td></td>
<td>Inferred: 173Mt</td>
</tr>
<tr>
<td></td>
<td>Total: 1016Mt</td>
</tr>
<tr>
<td>Potassium</td>
<td>Sylvinite: 110Mt</td>
</tr>
<tr>
<td>Bearing Salts</td>
<td>Carnallitite: 309Mt</td>
</tr>
<tr>
<td></td>
<td>Kainitite: 597Mt</td>
</tr>
<tr>
<td>Process</td>
<td>Flotation/Solar Evaporation</td>
</tr>
<tr>
<td>Stage</td>
<td>PFS level testwork program underway</td>
</tr>
</tbody>
</table>

¹ Refer to Resource Statement on Page 30
Colluli is the closest potassium sulphate resource to the coast globally and has the most favourable coastal access from the Danakil depression.

- 75km to designated loading point at Anfile Bay
- 180km from the Port of Massawa (4 berth bulk and container terminal)
Well located to key growth markets
Colluli’s switch from MOP to SOP - strong economic uplift

- Switching from MOP to SOP better matches resource, process and product
  - Lower strip ratio 14:1 to 2.3:1
  - Lower mine cost $224 to $75/tonne of product
  - Potentially longer mine life 17yrs to 200yrs
  - Substantial price premium +$US300 price premium over MOP

**Reduction in strip ratio and mining costs**

**Substantial potential increase in mine life**

**Substantial Premium based on current and historical product prices**

Source: 6th February 2014, South Boulder Mines ASX release, ‘Positive Results from Colluli Processing Review’
21st March 2013, Colluli Potash Project, Updated Economics
ESS1 = Engineering Scoping Study, 1 million tpa potassium chloride
SDM = Staged Development Model
Production process is simple and proven

1. Colluli’s key salts can be purified using simple liberation and conventional flotation processes.
2. The combination of the purified salts results in an ambient temperature, high yield conversion directly to potassium sulphate.
3. This simple, proven process is currently used by low cost brine producers.
4. The key difference is that Colluli starts with salts rather than brine. This is a major advantage of the Colluli resource. It reduces footprint size, improves reliability of productivity, and reduces complexities of brine chemistry management.
5. The presence of kainite and sylvite (from sylvinite and carnallite) give the Colluli a major advantage for SOP production. It is the combination of these salts that minimise energy inputs and result in maximum potassium yield.
Potassium chloride produced is combined with kainite to produce SOP

This is the lowest energy input, highest potassium yield route to potassium sulphate
Limited low cost potassium sulphate (SOP) resources globally

Potassium sulphate production is generally produced by:

1. Low cost production from kainite /sylvite (KCl) rich brines
2. Combining magnesium sulphate with sylvite
3. High cost reaction of potassium chloride and sulphuric acid
Other key factors for Colluli

1. No communities within the exploration tenements.
2. Process can accommodate seawater – consistent and unlimited water supply to be piped from the Red Sea coast to the Colluli site. No major abstraction from local aquifer.
3. Unsealed coastal road runs within 60km of the Colluli site.
4. No clearing required.
5. Ease of access for construction equipment and mining fleet.
Colluli Mining Share Company was incorporated in March 2014.

1. 3 board meetings held to date
2. Financials approval process for CMSC established
3. Board overseeing and governing the Colluli development
Adopting the principles of modularity

Colluli has changed the development philosophy from large scale development to one where modularity and expandability are key themes.

Why Modularity?

1. Risk Mitigation: Safety, Capital/Commercial
2. Process Optimisation
3. Capital Management
4. Ease of Expandability
Risk mitigation

Safety:
• Managing workforce size, skills and training
• Avoiding competition for limited skills within developing mining industry
• Developing capability at a manageable rate

Capital/Commercial:
• Analysis of Australian mining projects shows larger % cost increases with increasing project size
• Highest level of confidence in the bracket with the largest number of projects ($100m - $500m)

Value of Mining Projects Completed ($m)

<table>
<thead>
<tr>
<th>Value of Mining Projects Completed ($m)</th>
<th>20 – 100</th>
<th>101 - 500</th>
<th>501 - 1000</th>
<th>+1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number completed</td>
<td>43</td>
<td>54</td>
<td>17</td>
<td>27</td>
</tr>
<tr>
<td>Average cost change</td>
<td>2.4%</td>
<td>-3.8%</td>
<td>4.0%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

Source: Deloitte Access Economics, March 2014
Greenfield developments rely on data acquisition and metallurgical test programs for process design. While this proves and derisks the process, operational data and process understanding are core elements of process optimisation.

Module designs can be optimised with the combination of data, plant performance, improved understanding of raw material and processing behaviour.
The advantages of modularity

1. De-risking the project
2. Resource utilisation – introducing other value accretive products
3. Market penetration
4. Expandability

Example
- Module 1 = 350,000 tonnes product
- Market development for mined rocksalt
- Module 2 = replicate 350,000 tonne module
  - Reduced engineering costs
  - Economy of scale benefits
  - Reduced time to deploy
- Test and deploy direct application kainite as MOP-M type fertiliser
- Develop SOP-M products
Colluli’s infrastructure solution based on modularity

- Simpler logistics
- Reduced Earthworks
-Ease of expandability
-Improved capital management
-Improved process ramp up
Case study: Modular expansion at the Dead Sea

A modular expansion path was used at Arab Potash Company’s (APC) Dead Sea operations. This laid the foundation for ongoing growth.

**Modular Expansion Case Study: APC**

- Produce in the Dead Sea
- Modular expansion a success
  - Began in 1983 with 280kt potash production
  - Introduced downstream industries such as salt, NPK, Magnesia, Bromine & Potassium Nitrate
  - By 2011 producing 2.25Mt of potash
  - This supports STB’s planned ‘first generation’, ‘second generation’ and ‘long term’ expansion stages

**Modular Production Profile**

- 2.25Mt of Potash by 2011
- Introduced other downstream products
- Initial 280kt production
## 2014 Accomplishments

<table>
<thead>
<tr>
<th>Accomplishment</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options review to process all salts completed</td>
<td>Feb</td>
</tr>
<tr>
<td>CMSC incorporated</td>
<td>Mar</td>
</tr>
<tr>
<td>Initiated transfer of resource model to AMC consultants</td>
<td>Mar</td>
</tr>
<tr>
<td>Commencement of metallurgical testwork for SOP production</td>
<td>Apr</td>
</tr>
<tr>
<td>Appointed study manager</td>
<td>May</td>
</tr>
<tr>
<td>Established all project workstreams for feasibility studies</td>
<td>May</td>
</tr>
<tr>
<td>Anfile Bay allocated to the project as export location</td>
<td>Jun</td>
</tr>
<tr>
<td>Oceanography studies initiated</td>
<td>Jul</td>
</tr>
<tr>
<td>Preliminary process design flowsheets developed</td>
<td>Aug</td>
</tr>
<tr>
<td>First tranche of environmental baselines submitted</td>
<td>Aug</td>
</tr>
<tr>
<td>Resource hole ‘twinning’ and geotech drilling initiated</td>
<td>Sep</td>
</tr>
</tbody>
</table>
## PFS well progressed

<table>
<thead>
<tr>
<th>Milestones</th>
<th>2014E</th>
<th>2015E</th>
<th>2016E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>Metallurgical Testwork</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary Feasibility Study</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finalise the resource</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feasibility Study</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Environmental Impact Assessment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining License Application</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detailed Engineering</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase 1 Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

24
Colluli summary

1. Large, high grade potassium bearing resource close to surface.

2. Close proximity to coast and geographically favourable relative to key markets.

3. Unique combination of salts suitable for low cost production of potassium sulphate (SOP or sulphate of potash).

4. Strong and effective working relationship with the government.
Thank you
Appendix
Highly capable team working through SOP PFS

Colluli Study Manager: James Durrant
Commencement Date: May 2014

Resource
Mine planning
Mine geotech

AMC Consultants

Lycopodium

Infrastructure and process design
(with Global Potash Solutions)

Hydrogeology, ponds
and infrastructure
geotech

Knight Piésold Consulting

Metallurgical Testing

Export logistics

SRC - Saskatchewan Research Council

Social and Environmental Impact Assessment

PRDW Consulting Port and Coastal Engineers

MBS Environmental
Potential market opportunities

Markets for these products are well established.

<table>
<thead>
<tr>
<th>Mineral Present at Colluli</th>
<th>Colluli Resource</th>
<th>Global Market Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>rock salt (NaCl)</td>
<td>+ 650Mt</td>
<td>300Mtpa global salt market</td>
</tr>
<tr>
<td>halite (NaCl)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>bischofite (MgCl₂)</td>
<td>+200Mt</td>
<td>6 – 7Mtpa global market</td>
</tr>
<tr>
<td>anhydrite</td>
<td>Avg 4% (~40Mt)</td>
<td>187Mtpa Gypsum market</td>
</tr>
<tr>
<td>kieserite (MgSO₄)</td>
<td>40Mt</td>
<td>Established fertiliser segment</td>
</tr>
</tbody>
</table>

1 Refer to Resource Statement on Page 30
Resource statement

The Current Colluli JORC-Compliant Mineral Resource Estimate by potash mineral is as follows:

<table>
<thead>
<tr>
<th>Occurrence</th>
<th>Tonnes (Mt)</th>
<th>Equivalent KCl</th>
<th>Contained KCl (Mt)</th>
<th>% of Total Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sylvinite (KCl.NaCl)</td>
<td>110</td>
<td>28.4%</td>
<td>31</td>
<td>16%</td>
</tr>
<tr>
<td>Polysulphate (K₂SO₄.NaCl.MgSO₄.H₂O)</td>
<td>65</td>
<td>10.8%</td>
<td>7</td>
<td>4%</td>
</tr>
<tr>
<td>Carnallite (KCl.MgCl₂.H₂O)</td>
<td>309</td>
<td>12.3%</td>
<td>38</td>
<td>19%</td>
</tr>
<tr>
<td>Kainite (KCl.MgSO₄.3H₂O)</td>
<td>596</td>
<td>19.8%</td>
<td>118</td>
<td>61%</td>
</tr>
<tr>
<td>Total</td>
<td>1,080</td>
<td>18.0%</td>
<td>194</td>
<td>100%</td>
</tr>
</tbody>
</table>

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% K2O (total contained potash of 194.09Mt KCl or 122.61Mt K2O). The resource contains 261.81Mt @ 17.94% KCl or 11.33% K2O of Measured Resources, 674.48Mt @ 17.98% KCl or 11.36% K2O of Indicated Resources and 143.50Mt @ 18.00% KCl or 11.37% K2O 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.

Competent Persons and Responsibility Statement

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.
Paul Donaldson, CEO and Managing Director

Mr Donaldson was appointed to the role of Chief Executive Officer in February 2013. He joins South Boulder Mines from a series of senior management roles with BHP Billiton. Mr Donaldson has experience in large scale open cut mine management, supply chain logistics, mineral processing, business improvement and marketing.

Seamus Cornelius, Non Executive Chairman

Mr Cornelius has 21 years of corporate experience in both legal and commercial negotiations. He has been based in Shanghai and Beijing since 1993, where he has been living and working as a corporate lawyer. From 2000 to 2011 Mr Cornelius was an international partner with one of Australia’s leading law firms, specialising in cross border investments in the energy and resource sectors.

Tony, Kiernan, Non Executive Director

Mr Kiernan was previously a commercial lawyer and is currently Chairman of the Australian iron ore producer BC Iron Ltd (ASX:BCI) and a non-executive director of several listed mining companies including Chalice Gold Mines Ltd (ASX: CHN), which has been operating in Eritrea since 2009.

Liam Cornelius, Non Executive Director

Mr Cornelius graduated from Curtin University of Technology with a BAppSc in Geology. He has been involved in the exploration industry within Australia and Africa for 18 years. As a founding member of South Boulder Mines, Mr Cornelius has played a key role in outlining areas of interest for the company.

James Durrant, Project Coordinator

Mr. Durrant joined South Boulder Mines after a series of operational roles within BHP Billiton. With tertiary qualifications in both mechanical and mining engineering, Mr. Durrant brings project management, organisational design and operational management of large scale open cut mines skills to the organisation.

Zeray Leake, Country Manager

Mr Leake is a Geologist with over 12 years experience in the development and exploration of potash, gold, base metals and industrial minerals. Mr Leake previously worked for the Geological Survey of Eritrea.