POTENTIALLY THE MOST EXCITING POTASSIUM SULPHATE PROJECT GLOBALLY

Overview

- Colluli is a large, multi-salt resource located in Eritrea, East Africa.
- The resource is located 75km from the Red Sea Coast and 180km from the port of Massawa, the key import-export facility within Eritrea.
- The salts within the resource are suitable for the production of potash fertiliser.
- The Colluli Project is 100% owned by the Colluli Mining Share Company, a 50-50 joint venture between South Boulder Mines (STB) and the Eritrean National Mining Company (ENAMCO).
- Pre-feasibility work is well advanced and due for completion in early 2015.
- Preliminary process design utilises proven technology.
- South Boulder Mines board and management team have extensive experience in project and operational management, marketing and logistics and are focussed on the development of the Colluli project in partnership with ENAMCO.

Unique composition suitable for low energy input, high yield conversion to potassium sulphate

Table 1: Colluli N43-101/JORC compliant mineral resource estimate

<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>310</td>
<td>28.40%</td>
<td>31</td>
<td>16</td>
</tr>
<tr>
<td>Polysulphate</td>
<td>65</td>
<td>10.80%</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Camallite (KCl,MgCl₂.H₂O)</td>
<td>309</td>
<td>12.30%</td>
<td>38</td>
<td>19</td>
</tr>
<tr>
<td>Kainitite (KCl,MgSO₄.H₂O)</td>
<td>596</td>
<td>19.80%</td>
<td>118</td>
<td>61%</td>
</tr>
<tr>
<td>Total</td>
<td>1,080</td>
<td>18.00%</td>
<td>194</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: The information in Table 1 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 on ASX by South Boulder on 16 April 2012.

BEST COASTAL ACCESS FROM AN EMERGING POTASH PROVINCE

The Dallol basin runs across the Eritrea-Ethiopia border and is the focus of multiple potash exploration and development projects.

Colluli is positioned only 75km from the Red Sea coast, giving it the most simple and favourable logistics from the basin. The identified location for Colluli’s ship loading facility at Anfile Bay gives access to water depths suitable for loading up to Panamax size vessels.
SIMPLE PROVEN PROCESS TO PRODUCE POTASSIUM SULPHATE (SULPHATE OF POTASH) FROM ALL POTASSIUM BEARING SALTS IN THE RESOURCE

The path to potassium sulphate from the Colluli resource utilises the simple and proven process of flotation to separate the potassium carrying salts from sodium chloride. The purified salts of potassium chloride and decomposed kainite are combined and a spontaneous reaction occurs under ambient conditions to form potassium sulphate.

This path is the lowest energy input, highest potassium yield conversion route to potassium sulphate production and is currently used in the key potassium sulphate production centres in China, United States and Chile.

Potassium sulphate is a premium potash fertiliser suitable for use on higher value crops such as fruits, vegetables, coffee and nuts. The chloride free composition also makes potassium sulphate suitable for use in arid regions.

Potassium sulphate carries a substantial price premium over the more common potassium chloride. Production centres are limited due to lack of economic resources.

Source: Compass Minerals, FOB mine gates
Potash Corp. MOP Prices
*Compass Minerals average selling prices were converted from short tons to metric tonnes @ 1.1023 short tons=1metric tonne

PRE-FEASIBILITY WELL ADVANCED

Studies initiated in May 2014 have progressed at a rapid rate with pre-feasibility study completion projected for late 2014.

FURTHER INFORMATION

For further information on the Colluli Potash Project

For further information on STB and the Colluli Potash project, please visit www.southbouldermines.com.au or contact

Paul Donaldson, Managing Director South Boulder Mines, pdonaldson@southbouldermines.com.au

James Durrant, Colluli Study Manager, jdurrant@southbouldermines.com.au