South Boulder Mines produces high purity potassium sulphate

South Boulder Mines (ASX:STB) pilot tests conducted for the Colluli SOP project Definitive Feasibility Study (DFS) have produced ultra-high purity potassium sulphate (SOP) grades.

Potassium sulphate is a premium potash fertiliser used for chloride intolerant crops and arid climatic conditions.

The pilot tests have provided SOP samples that can be introduced to potential commercial partners.

Samples are still being generated as the pilot plant trials progress from 20 hours trial runs to 40 hour trial runs.

These results were consistently achieved from a series of pilot plant runs conducted throughout March 2015.

The grades achieved were consistently higher than industry standard grades, with results including:

- 98% K2SO4 achieved in final Colluli product vs typical industry product of 94% K2SO4.

In conventional potash K2O reporting terms:

- 52.9% K2O avg. grade SOP product from Colluli vs typical industry product 50.8% K2O.
- Maximum Colluli K2O 53.2%.
- Minimum Colluli K2O 52.4%.

Results are repeatable over a range of feed material and feed grade. Two more repeatability tests are planned to round off the DFS metallurgical program.

South Boulder said that given the results to date, it is unlikely that there will be any material differences in the results.

The Colluli ultra-pure SOP also has exceptionally low chlorine levels at less than 0.1%. Chloride intolerant crops include fruits, vegetables, nuts, and coffee.

Paul Donaldson, managing director, commented: “The Colluli project simply gets better and better. We have a process and a unique resource which combine to produce a premium fertiliser with a premium grade.

“The repeatability of the results with a diverse range of feed material demonstrates the robustness of the process.

“Global Potash Solutions and the Saskatchewan Research Council have done an excellent job on the Colluli process design, which is a commercially proven high yield, low energy input conversion to potassium sulphate achieved by combining KCl and kainite.”

Robust Process Design

SOP has been produced from different feed compositions and sources. Pilot tests were run over a 20 hour period using combinations of kainite from the Colluli resource, with sylvite from both the Canadian potash province of Saskatchewan.
and sylvite produced from the Colluli resource.

Results were consistent, repeatable, and reliable, demonstrating a robust process design.

SOP production from the combination of KCl and kainite is a commercially proven process and application of this process, in combination with process enhancements proposed by the Colluli Technical Review Committee, to the Colluli salts gives a superior SOP product.

Analysis

South Boulder’s pilot tests conducted for the Colluli SOP project DFS have produced ultra-high purity potassium sulphate grades, and have provided samples that can be introduced to potential commercial partners.

The prefeasibility study completed in February 2015 indicates that the Colluli SOP Project will be in the bottom quartile of production costs.

Colluli also has the lowest capital intensity of all advanced SOP projects globally.

The resource has unrivalled proximity to the coast, robust project economics, is underpinned by a large resource, and will produce a premium fertiliser with superior product quality.

Proactive Investors had on 24th March calculated a 12 month price target range of $0.40 to $0.45 and placed a Speculative Buy recommendation on South Boulder, and at the time the company was trading at $0.23.

Yesterday the company hit a 12-month high of $0.43, or 87% higher than when the price target was allocated.

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