South Boulder Mines looks to publish Colluli Potash PFS in first quarter

South Boulder Mines (ASX:STB) has significant project milestones ahead for its Colluli Potash Project in Eritrea with completion of all pre-feasibility study work streams and publication of the PFS economics in the first quarter.

The company also expects to complete a high quality definitive/bankable feasibility study ("DFS") in third quarter.

Adding to the interest, the DFS work has already presented attractive optimisation opportunities that will enhance the final feasibility case.

"After the key PFS information is published, we intend to make progress on a number of key commercial and corporate fronts that will support the development of Colluli and clearly demonstrate a significant level of major investor, infrastructure developer and end user interest in Colluli," chairman Seamus Cornelius said.

He added the company will seek shareholder approval at an AGM before 31st May 2015 to change its name to better reflect its activities as an emerging producer of premium potash and agricultural chemicals from the Colluli resource.

Cornelius noted that Colluli will compare favourably with any of the more common emerging muriate of potash projects from any perspective including capital expenditure, operating costs and mine life.

The project has a unique composition of potassium bearing salts in solid form, suitable for the production of both potassium sulphate (SOP) and potash of magnesia (SOPM).

These are premium potassium fertilisers with limited primary production globally due to resource scarcity.

Moreover, the considerable size, shallow depth and consistency of the deposit make Colluli highly amenable to economically viable open cut mining. It is also in close proximity to the Red Sea coast, allowing easy access to end markets.

Recent Activity

Earlier this month, South Boulder completed metallurgical testwork for the project, which eliminated the need for fine grinding from the process plant circuit.

It also identified a number of internal plant configurations and the company kicked off optimisation work to further enhance DFS process design and internal plant configuration.

Potassium recoveries of over 85% have been modelled from optimised PFS flotation tests, and incorporation of solar recovery ponds.

Mini piloting has commenced, with key areas of focus including reducing plant water and infrastructure requirements, minimising reagent consumption, and maximising potassium recovery.

Plant commissioning and ramp-up profiles have been established, and preliminary results of the advanced metallurgical
testing indicate potential improvements in plant configuration, equipment requirements and product mix for the DFS.

A technical review team is currently being assembled to conduct a final review of the process plant and solar pond design, underlying assumptions and testwork results before finalising the DFS process flow diagrams.

The company previously noted the PFS is on track for completion in February.

In addition, AMC Consultants is working on a final resource report.

**Colluli Potash Project**

Colluli is a very large, long life, at surface deposit, that is highly amenable to open cut mining methods and is in close proximity to the coast.

It contains over 1 billion tonnes of potassium bearing salts suitable for the production of potash fertiliser in the Danakil depression, an emerging potash province where over 4 billion tonnes of measured and indicated potassium bearing salts have been identified.

The company continues to work with the equal partner Eritrean National Mining Company (ENAMCO) to develop the Colluli Potash Project.

**Cashed up**

South Boulder had $7.5 million in cash as at the end of December 2014 and has raised $2.05 million in January through the placement of 10 million shares at a 6% premium to market.

**Milestones ahead**

- Completion of all PFS work streams;
- Publication of the PFS economics in Q1; and
- Completion of a high quality DFS in Q3.

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