# South Boulder Mines Limited Divestment of Cardabia Phosphate Project

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Perth, Australia (ABN Newswire) - Feb 17, 2012 - South Boulder Mines Limited (ASX:STB) is pleased to announce that it has entered into a joint venture agreement with TSX listed Strata Minerals Inc. (CVE:SMP) ('Strata') on the non-core Cardabia Phosphate Project in Western Australia.

Key components of the deal are;

- South Boulder has received $200,000 in cash and Strata has been granted TSX Venture approval on the 13th February 2012 for the Cardabia transaction. 2.5 million fully paid Strata shares will be allotted and in return Strata has acquired an 80% interest in the project

- South Boulder retains a 20% free carried interest through to the completion of a bankable feasibility study (BFS)

- Project divestment allows South Boulder to further focus efforts on the expedited development of the Colluli Potash Project and continue transitioning the Company into a potash producer

The Cardabia Project is comprised of exploration tenement applications E08/2359, E08/2322, E08/2301, E08/2302 and E08/2303 which cover a total area of ~1,600km2. It is located ~ 1,000km north of Perth and ~ 80km south of the town of Exmouth. Historical work conducted at the Cardabia Project in the late 1980's defined widespread shallow nodular phosphate in air-core drilling.

The agreement allows for Strata to own an 80% interest in the project and to sole fund all exploration through to the completion of a BFS.

Lorry Hughes, Managing Director of South Boulder stated,

'We have been looking for some time to unlock value for our shareholders in some of our non-potash fertilizer assets, which tend to be overshadowed by the magnitude and potential of the flagship Colluli Potash Project. The agreement allows for the Cardabia project to be explored by an experienced phosphate company at no risk or cost to South Boulder. We look forward to Strata commencing exploration and working with them to create value for South Boulder shareholders.'

**About South Boulder Mines Limited:**

Listed in 2003, South Boulder Mines (ASX:STB) is a diversified explorer focused on potash, nickel and gold. South Boulder has a 100% interest in the Colluli Potash Project in Eritrea and a 100% interest in the Duketon Gold Project in Western Australia.

The Colluli Potash Project has a current JORC Compliant Measured, Indicated and Inferred Mineral Resource Estimate comprised of 133.70Mt @ 17.55% KCl of Measured Resources, 343.33Mt @ 17.38% KCl of Indicated Resources and 87.37Mt @ 24.96% KCl of Inferred Resources for a total of 564.40Mt @ 18.60% KCl (total contained potash of 104.96Mt); This includes higher grade Sylvinite of 130.39Mt @ 27.02% KCl. There is an exploration target of 1.25 - 1.75 billion tonnes @ 18-20% KCl. A definitive feasibility study into the open pit mining and processing to produce up to 10Mt p.a of potash is underway.

Within the Duketon Gold Project area, South Boulder entered a farm-out Joint Venture (JV) Agreement with Independence, whereby Independence can earn a 70% interest in the nickel rights on JV tenements held by South Boulder in the Duketon Project, by the completion of a Bankable Feasibility Study within 5 years of the grant of the relevant tenement.

**Contact**:

South Boulder Mines Limited
Lorry Hughes, CEO/Managing Director

Kerry Rudd, Share Holder Enquiries
Liam Cornelius, Executive Director
Flavio Garofalo, CFO
Dr. Chris Gilchrist, Non-Exec Director

South Boulder Mines Limited
T: +61-8-6315-1444
F: +61-8-9486-7093
www.southbouldermines.com.au