

VIDEO PPR-TV: PFS Proves Colluli a Low-cost World-class Potassium Sulphate Project for South Boulder Mines

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Perth, Australia (ABN Newswire) - East Africa focused potash company [South Boulder Mines](#) (ASX:STB) has announced Pre-feasibility Study results that show its flagship Colluli potash project could become one of the lowest-cost, and most significant, potassium sulphate operations in the world.

Operations will focus on the production of high quality potassium sulphate which commands a price premium over the more common potassium chloride product.

It is also the world's shallowest known potassium bearing evaporate deposit.

Cash costs are forecast at US\$189 per tonne of potassium sulphate, with the premium Anfile Bay potassium sulphate expected to fetch US\$588 per tonne on market.

Studies have demonstrated that undiscounted after-tax cashflow is anticipated at US\$186 million per year; or US\$5.1 billion over the first 30 years of the project life.

The Colluli PFS has examined a modular, two-phase operation using conventional mining methods over a 30 year mine life, but the large resource can support a mine life well over 100 years.

Capital costs for Phase One Colluli development are estimated to be US\$442 million (including a US\$48 million contingency) with annual production of 425,000 tonnes of potassium sulphate. It is planned that Phase Two will be operational from the fifth year, boosting production to 850,000 tonnes per annum for an additional capital cost of US\$282 million.

The Perth-based, ASX-listed company's project hosts a large, high grade potassium bearing resource of 1.28 billion tonnes of potassium bearing salts, with a contained potassium oxide of 152.7mt.

"What the Pre-feasibility Study does show is that the Colluli project will be a globally significant, low cost production centre for potassium sulphate", South Boulder Mines managing director and CEO Paul Donaldson said.

"Potassium sulphate is a specialty fertiliser with limited production centres globally, and is currently in short supply. There are limited geological resources and there are limited production centres for primary production. In fact, there are only two outside of China."

"We see this as a key significant project for the future", Donaldson said, "There is a huge amount of upside for Colluli."

What separates South Boulder Mines from its potassium sulphate peers is the project is located only 75km from the Red Sea coast, making it the closest potassium sulphate resource globally to the coast.

A Definitive Feasibility Study is underway and is expected to be completed in Q3 2015.

Colluli is a 50:50 joint venture held with the Eritrean National Mining Company (ENAMCO). Eritrea is regarded as a stable jurisdiction with mining an important component of the country's economic development.

Colluli lies in an emerging potash province, the Danakil Potash belt, which currently hosts over 4.2 billion tonnes of measured and indicated potassium salts. Danakil compares favourably in terms of size, resource depth and environmental issues against other potash belts globally.

To view the video, please visit:
<http://www.abnnewswire.net/press/en/79510/south-boulder>

About South Boulder Mines Limited:

CMSC owns exploration tenements spanning over 400km² within the Danakil Depression in South East Eritrea.

Since 2010, 97 holes have been drilled identifying a resource containing more than one billion tonnes of potassium bearing salts suitable for the production of potash fertilisers.

South Boulder Mines Ltd. is currently working on the Feasibility Study to support the development of the project.

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