

Danakali Ltd

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South Boulder Mines encouraged by shallow potash at Colluli Project

South Boulder Mines (ASX: STB, SO3-Fra, SO3-BER) has reported that diamond drilling has confirmed the presence of potash at its 100% owned Colluli Potash Project in Eritrea with the first hole of a 4-5 hole program intercepting the upper portion of a potash layer starting at ~65.00m vertical depth.

White carnallite potash mineralisation has been identified from visual and physical field tests. The full chemical composition of the mineralised intervals cannot be determined until laboratory chemical analyses can be performed.

The company said significant core recovery issues were encountered at a depth of approximately 70.80m and drilling was temporarily halted in the potash zone, in order to identify and rectify the problems.

The recovery issues have now been assessed and an updated drilling mud plan has been implemented in order to maximise core recovery. Drilling recommenced on the 4th of July.

South Boulder said a 6.5m interval of potash rich mineralisation was intercepted from 65.00m which included ~1.50m of core loss at the base of the interval.

Lorry Hughes, managing director, said "we are having a few teething problems with our drilling muds as this is the first hole of the program. It wasn't unexpected as potash drilling is technically involved. I am incredibly pleased with the early success of this first hole though."

"We were expecting potash, however, it was a very nice surprise to get it in our first hole and so shallow. We will continue to drill until we get conclusive results and confirm the visual identification of the minerals by chemical analyses."

The company said results from the program as well as progressive updates will be released as the information comes to hand.

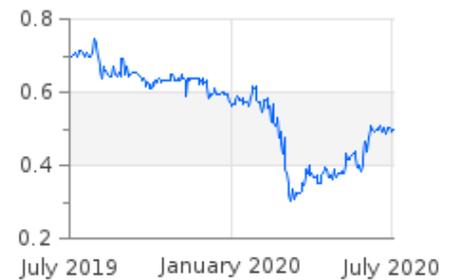
South Boulder Mines has a market capitalisation of \$43.0 million, 65.5 million shares on issue and \$3.8 million cash at bank.

Eritrea is a country in the Horn of Africa, bordered by Sudan in the west, and Ethiopia in the south.

Price: 0.495

Market Cap: \$157.78 m

1 Year Share Price Graph



Share Information

Code: DNK

Listing: ASX

52 week High Low
0.76 0.285

Sector: Rare earths & specialist minerals

Website: www.danakali.com.au

Company Synopsis:

Danakali Ltd (ASX:DNK) is developing the Colluli Potash Project, a world class greenfield SOP development project.

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