



## ASX Details

ASX Code	STB
Berlin	SO3-Ber
Frankfurt	SO3-Fra
Share Price	\$1.10
Market Cap	\$106M
Shares on issue	96.7M
Company options	9.07M (\$4.2M)
Cash at Bank	\$11.27M
ASX/TSX listed shares	\$2.4M
Top 40 shareholders	64%

## Contact Details

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## Listed Equity Holdings

(ASX: MZM)	5.012M
(ASX: AVZ)	0.400M
(ASX: BUX)	1.610M
(unlisted options)	0.750M
(CDNX: CNI.V)	0.121M
(ASX: LTX)	1.016M
Auvex (Pte)	0.500M

## Change to terms of Non Renounceable Entitlement Offer

### Entitlement Offer

On 13 December 2011 South Boulder Mines Ltd (ASX: STB) (**Company**) lodged a rights issue prospectus with ASIC with respect to the pro-rata non-renounceable rights issue announced to the market on 7 December 2011.

The Directors sought to provide a discounted opportunity to existing shareholders to acquire additional shares in the Company through the non-renounceable rights issue announced on 7 December 2011. However, given current market conditions the Directors consider that the price at which the new shares were to be issued did not provide a sufficient incentive for shareholders to acquire further shares in the Company.

As a result, the Company has now resolved to withdraw the rights issue prospectus and change the terms of the rights issue to a pro-rata non renounceable entitlement offer on the basis of one (1) new share for every five (5) shares held on the record date at \$0.55 each to raise approximately \$10,640,926 (assuming no options currently on issue in the Company are exercised prior to or on the record date) (**Entitlement Offer**).

Shares issued under the Entitlement Offer will rank equally with existing Shares on issue and the Company will apply for official quotation of the Shares issued pursuant to the Entitlement Offer. An Appendix 3B accompanies this announcement.

The Entitlement Offer is fully underwritten. Full details of the Entitlement Offer including the underwriting terms will be contained in the Entitlement Offer document to be lodged with ASX and to be dispatched to shareholders in accordance with the timetable set out below (**Offer Document**).

There will be no deferred settlement trading in relation to the Entitlement Offer.

### Use of Proceeds from Entitlement Offer

The Entitlement Offer will raise approximately \$10,640,926.

It is intended that these funds raised will be used to:

- expedite the rapid completion of the Definitive Feasibility Study on the Colluli Open Cut Potash Project in Eritrea (Potash Production is currently scheduled for 2016 or sooner);
- provide general working capital; and
- meet the costs of the entitlement offer.

### Indicative Entitlement Offer Timetable

Key dates for the Entitlement Offer are set out below. The dates are indicative only and the Company reserves the right to vary them in consultation with the underwriter and subject to the requirements of the ASX Listing Rules.

<b>Announcement of Entitlement Offer and Lodgment of Appendix 3B</b>	<b>22 December 2011</b>
<b>Lodge Offer Document with ASX</b>	<b>23 December 2011</b>
<b>Ex Date</b>	<b>29 December 2011</b>
<b>Record Date</b> The Company determines eligible shareholders.	<b>5 January 2012</b>
<b>Despatch of Offer Document</b> Offer Document sent to all eligible shareholders.	<b>10 January 2012</b>
<b>Closing Date</b> The date on which the Entitlement Offer closes. Applications must be received by 5:00pm (WST).	<b>25 January 2012</b>
<b>Notification of shortfall to ASX</b>	<b>30 January 2012</b>
<b>Allotment Date</b> The date upon which the Shares are allotted.	<b>2 February 2012</b>
<b>Despatch Date</b> The date on which holding statements are sent to shareholders that have taken up their entitlement of new Shares.	<b>2 February 2012</b>
<b>Share Trading Date</b> The date upon which new Shares commence trading on the ASX.	<b>3 February 2012</b>

-ENDS-

## Investor Coverage

Recent investor relations, corporate videos and broker/media coverage on The Company's projects can be viewed on the website in the "Media Centre" and "Investor Centre" sections by following the links [www.southbouldermines.com.au](http://www.southbouldermines.com.au) and [www.abid.co](http://www.abid.co).

## About South Boulder Mines Ltd

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 ## (see disclaimer below). A definitive feasibility study into open pit mining and processing of an initial 1-2Mt p.a. of potash is underway and due for completion in 2013. Production is targeted in 2016 or sooner.**

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.

## About the Nickel Joint Venture

The Duketon Nickel JV has had recent success at The Rosie and C2 Nickel sulphide prospects where drilling has defined intercepts of **5.20m @ 9.13% Ni, 1.09% Cu, 0.21% Co and 7.09g/t PGE's at Rosie and 50m @ 0.92% Ni including 37m @ 1.05% Ni at C2**. The deposits are located approximately 120km NNW of Laverton, W.A in the Duketon Greenstone Belt. The deposits are approximately 2km apart and the mineralisation at both prospects is considered open in most directions. A Mining Lease was granted over the Rosie and C2 deposits on the 19<sup>th</sup> of November. A resource definition and exploration drilling program and scoping study into an open pit mine at C2 and an underground mine at Rosie is underway.

## More information:

Lorry Hughes	Kerry Rudd	Liam Cornelius	Terry Grammer	Dr Chris Gilchrist
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## ## Competent Persons and Responsibility Statement

The Colluli Potash Project has a current JORC/43-101 Compliant Measured, Indicated and Inferred Mineral Resource Estimate of 564.40Mt @ 18.60% KCl (total contained potash of 104.96Mt); Includes **130.39Mt @ 27.02% KCl**. The resource contains 133.70Mt @ 17.55% KCl in the Measured Category, 343.33Mt @ 17.38% KCl in the Indicated Category and 87.37Mt @ 24.96% KCl in the Inferred Category. The current Mineral Resource Estimate is included in the current exploration target of 1.25 – 1.75 billion tonnes @ 18-20% KCl. The potential quantity and grade of the total current exploration target which includes the current Mineral Resource Estimate is conceptual in nature and there has been insufficient exploration to define a Mineral Resource other than the current Mineral Resource Estimate and it is uncertain if further exploration will result in the determination of a Mineral Resource Estimate other than the current Mineral Resource Estimate.

This ASX release has been compiled by Lorry Hughes using information on exploration results and Mineral Resource estimates supplied by South Boulder Mines Ltd under supervision by Ercosplan. Dr Henry Rauche and Dr Sebastiaan van der Klauw are co-authors of the JORC and 43-101 compliant resource report. Lorry Hughes is a member in good standing of the Australian Institute of Mining and Metallurgy and Dr.s' Rauche and van der Klauw are members in good standing of the European Federation of Geologists (EurGeol) which is a "Recognised Overseas Professional Organisation" (ROPO). A ROPO is an accredited organization to which Competent Persons must belong for the purpose of preparing reports on Exploration Results, Mineral Resources and Ore Reserves for submission to the ASX.

Mr Hughes, Mr Rauche and Mr van der Klauw are geologists and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hughes, Mr Rauche and Mr van der Klauw consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Quality Control and Quality Assurance

South Boulder Exploration programs follow standard operating and quality assurance procedures to ensure that all sampling techniques and sample results meet international reporting standards. Drill holes are located using GPS coordinates using WGS84 Datum, all mineralisation intervals are downhole and are true width intervals. Assay values are shown above a cut-off of 6% K<sub>2</sub>O. The samples are derived from HQ diamond drill core which in the case of carnallite ores are sealed in heat sealed plastic tubing immediately as it is drilled to preserve the sample. Significant sample intervals are dry quarter cut using a diamond saw and then resealed and double bagged for transport to the laboratory. Halite blanks and duplicate samples are submitted with each hole.

Chemical analyses were conducted by Kali-Umwelttechnik GmbH Sondershausen, Germany utilising flame emission spectrometry, atomic absorption spectroscopy and ionchromatography. Kali-Umwelttechnik (KUTEC) Sondershausen1 have extensive experience in analysis of salt rock and brine samples and is certified according by DIN EN ISO/IEC 17025 by the Deutsche Akkreditierungssystem Prüfwesen GmbH (DAR). The laboratory follow standard procedures for the analysis of potash salt rocks • chemical analysis (K<sup>+</sup>, Na<sup>+</sup>, Mg<sup>2+</sup>, Ca<sup>2+</sup>, Cl<sup>-</sup>, SO<sub>4</sub><sup>2-</sup>, H<sub>2</sub>O) and • X-ray diffraction (XRD) analysis of the same samples as for chemical analysis to determine a qualitative mineral composition, which combined with the chemical analysis gives a quantitative mineral composition.