

Corporate Details

ASX Code:	STB
Germany:	SO3-Fra
OTC/ADR:	SBMSY
Share Price:	\$1.02
Market Cap:	\$118M
Shares on issue:	116.2M
STB Options:	10.4M (\$6.7M)
Cash/NTA:	\$22.3M
Top 40 shareholders:	65%

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Listed Equity Holdings

(ASX: MZM)	5.382M
(ASX: AVZ)	0.400M
(ASX:LTX)	1.016M
(ASX: BUX)	1.610M
(BUX options)	0.750M
(CDNX: CNI.V)	0.121M
(CDNX: SMP.V):	2.500M
Auvex (Pte):	0.500M

MERIDIAN CAPITAL SUBSCRIBES FOR ALL OF \$9.5M SHARE PLACEMENT

- International private equity group Meridian Capital International Fund to take all of the recently announced \$9.5 million placement, up from \$4.5m originally.
- Initial funds of A\$4.5 million received from Meridian Capital International Fund.
- Full settlement will now take place by 5 July 2012, up to 12 days earlier than previously announced.
- Expedited settlement will allow South Boulder to focus on next key elements of developing the Colluli Potash Project, including discussions with potential strategic investors.

South Boulder Mines Ltd (South Boulder, ASX:STB) is pleased to announce that international private equity group Meridian Capital International Fund will now subscribe to all of South Boulder's previously announced A\$9.5 million share placement, increasing its contribution from the initial amount of A\$4.5 million.

In doing so, Meridian will take up the approximately 5.26 million shares (\$A5 million) allocation which was to have been placed by Sprott Private Wealth LP (SPW, see ASX release dated 26 June 2012).

The change means South Boulder will now receive all the placement proceeds by 5 July 2012. Under the initial plan, the \$5 million placement to SPW was not due to settle until as late as 17 July 2012. By mutual agreement it was decided that not listing the options and completing the placement sooner was in the best interests of all parties.

The price of the placement remains 95 cents a share. The placement will still be accompanied by a free one-for-two option exercisable at A\$1.50 by 17 July 2014. The Options issued in the placement will have the potential to raise up to a further A\$8.2 million. Under the original proposal, these options were to be listed. However, they will now be unlisted.

Meridian will also receive a finder's fee comprising a cash component and 350,000 finder's options on the same terms as the above options.

On completion of the placement, Meridian and its associates will hold a 9.2% per cent stake in South Boulder, rising to 12.9 per cent if it exercises all its options.

The expedited settlement of the placement will enable South Boulder to focus on completing the Definitive Feasibility Study on its Colluli Potash Project in Eritrea, start early access works, provide working capital and finalise discussions with the state-owned ENAMCO.

South Boulder Managing Director Lorry Hughes said Meridian's strong support shown for the raising reflected the strength of the Colluli Project.

"Meridian is a well-regarded investor with a strong interest in potash," Mr Hughes said. "We are delighted that they have decided to take all of this placement at what is a pivotal time for South Boulder as we embark on the next stage of the development strategy for Colluli.

"With this funding in place, we can focus on the next key planks of this project, including discussions with potential strategic investors, as part of our strategy to be in production no later than 2016."

The placement will be made in accordance with South Boulder's available 15 per cent placement capacity pursuant to ASX Listing Rule 7.1 and accordingly shareholder approval is not required. The new shares, and shares issued on exercise of the options, will rank equally with South Boulder's existing shares.

-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.southbouldermine.com.au and 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 90% 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 261.81Mt @ 17.94% KCl or 11.33% K₂O of Measured Resources, 674.48Mt @ 17.98% KCl or 11.36% K₂O of Indicated Resources and 143.50Mt @ 18.00% KCl or 11.37% K₂O of Inferred Resources for a total of 1,079.00Mt @ 17.97% KCl or 11.35% K₂O (total contained potash of 194.09Mt KCl or 122.61Mt K₂O); **This includes higher grade Sylvinite of 114.60Mt @ 28.56% KCl or 18.04% K₂O**. The current resource is included in an exploration target of 1.25 – 1.75 billion tonnes @ 18-20% KCl ## (see disclaimer below).

An engineering scoping study for the production of 1Mt p.a. of potash demonstrated an estimated capital cost of US\$0.74bn generating a Pre-tax NPV₁₂ of US\$1.33bn. A Definitive Feasibility Study into open pit mining and processing of the resource is underway with initial production scheduled for 2016 or sooner. South Boulder has strong support from the Eritrean Government to build a long term, economically and environmentally sustainable resource project.

Within the Duketon Gold Project area, South Boulder entered a farm-out Joint Venture (JV) Agreement with Independence Group NL, whereby Independence can earn a 70% interest in the nickel rights on select 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 Duketon Nickel Joint Venture

The Duketon Nickel Joint Venture (DNJV) has had recent success at The Rosie and C2 Nickel sulphide prospects where drilling has defined intercepts of **5.20m @ 9.2% 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 19th of November. A Maiden JORC Compliant Mineral Resource Estimate has been compiled for the Rosie deposit; please refer to the Company's 25th January 2012 ASX Announcement for details.

More information:

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Lorry Hughes	Kerry Rudd	Liam Cornelius	Flavio Garofalo	Dr. Chris Gilchrist
CEO/Managing Director	Executive Assistant	Executive Director	CFO	Non-Exec Director

Competent Persons and Responsibility Statement

The Colluli Potash Project has a current JORC/N143-101 Compliant Measured, Indicated and Inferred Mineral Resource Estimate of 1,079.00Mt @ 17.97% KCl or 11.35% K₂O (total contained potash of 194.09Mt KCl or 122.61Mt K₂O). The resource contains 261.81Mt @ 17.94% KCl or 11.33% K₂O of Measured Resources, 674.48Mt @ 17.98% KCl or 11.36% K₂O of Indicated Resources and 143.50Mt @ 18.00% KCl or 11.37% K₂O of Inferred Resources. 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 N143-101 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 organisation 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% K₂O. 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+, Na+, Mg²⁺, Ca²⁺, Cl⁻, SO₄²⁻, H₂O) 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.