



PLACEMENT TO EUROPEAN RESOURCE FUND

- **STB adds \$960,000 to its working capital**
- **Cash position now \$1,900,000**
- **Shares in other ASX listed company's reaches \$2,400,000**

South Boulder Mines Ltd (ASX:STB) is pleased to announce the placement of 3,840,000 ordinary shares in the capital of South Boulder to clients of Pacificque Asset Management Limited (PAML) at 25 cents per share ("New Shares"). A one for one 'unlisted' 30 cent option to acquire a further fully paid ordinary share is attached to each New Share. The attached options will have an expiry date of 31 March 2011.

South Boulder will use the funds raised from this issue to:

- Advance drilling of the company's 100% owned gold exploration portfolio within the Duketon Greenstone Belt.
- Further business development and working capital.

Following the placement South Boulder will have 44,122,943 ordinary shares on issue and working capital of around \$1,900,000.

South Boulder also has net tangible assets in the form of equity positions in other ASX-listed companies that total approximately \$2,400,000 as at close of business yesterday.

South Boulder will pay a 2% management fee to PAML on all funds raised. There are no other costs associated with the issue.

PAML is an investment fund based in Switzerland. The fund operates a diversified portfolio with a specialist resource investment arm that deals with investments in small and medium capitalised resource companies.

The placement stock of 3,840,000 shares will be issued to professional and sophisticated investors in two tranches at an issue price of 25 cents and will rank equally in all respects with shares currently on issue. The attaching options will also be issued in two tranches.

The first tranche of 2,850,000 shares + options will be issued immediately while a further 990,000 shares + options will be issued subject to shareholder approval at a General Meeting. Funds subject to the General Meeting will be held in trust, pending the outcome of the General Meeting. Details of the issue and proposed timetable are outlined below;

	Number of Shares	Number of Options	Issue price \$A	Total amount \$A
Tranche 1 - Placement	2,850,000	2,850,000	\$0.25	712,500
Tranche 2 - Placement	990,000	990,000	\$0.25	247,500

EMPLOYEE OPTIONS

The board of directors has approved the issue of 2.3M options to employees and consultants of South Boulder Mines Ltd. The options are exercisable at 25 cents on or before the 31 March 2011.

The board has also resolved to issue a further 1.5M options under the same class to managing director, Mr Liam Cornelius.

This resolution is subject to shareholder approval. A notice of meeting will be circulated shortly.

The issue of options to employees is in keeping with board's philosophy of offering incentives to employees in a competitive employment market.

ABOUT SOUTH BOULDER MINES LTD

STB is focused on creating shareholder value through a number of initiatives in the resources industry. In addition to its own targeted gold exploration program, STB has a number of significant free-carried interests in nickel and uranium exploration within Western Australia and gold exploration in Bolivia.

STB is actively exploring the 100%-owned Duketon Project located north of Laverton in Western Australia. The Duketon Project consists of granted tenure and applications which cover 2250km². The Project area is highly prospective for Gold, Nickel Sulphide and Base Metal deposits.

Recent exploration, fully funded by Independence Group NL which is earning a 70% interest in the 'nickel rights' on tenements within the Duketon Project, has delivered success at The Bulge nickel prospect where the first significant 'nickel sulphide' mineralisation within the Duketon Belt has been discovered.

STB has a 35% free carried interest in the Thatchers Soak east uranium project which is currently being funded by Uranex Limited.

STB also retains a 10% interest free-carried to the completion of a feasibility study in the La Fortaleza Gold Project. The La Fortaleza Gold Project is a significant high-grade gold system located 110km north of 'La Paz' the Capital of Bolivia.

More information:

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