



ASX RELEASE

23 May 2008

SPROTT ASSETT MANAGEMENT TAKES \$2 MILLION PLACEMENT IN SOUTH BOULDER MINES LTD

South Boulder Mines (ASX Code: STB) is pleased to announce the details of a capital raising which will raise AUD \$2 million via a placement of 6.4 million shares at an issue price of 31 cents. The funds raised will be used to advance the company's move into the exploration for potash and phosphorous "fertilizer" minerals and advancement of the Duketon Project.

The placement consists of two tranches, "Tranche 1" of 4.3 million shares with a 1 for 2 free attached 2 year option with an exercise price of 50 cents raising approximately AUD \$1.3 million immediately. The second tranche "Tranche 2" will require shareholder approval and will consist of 2.1 million shares with a 1 for 2 free attached 2 year option with an exercise price of 50 cents raising approximately AUD \$0.7 million.

South Boulder Mines welcomes the support of Sprott Asset Management ("Sprott") in participating in the issue.

Integral Wealth Limited (Toronto) acted as Lead Manager to the Placement.

Yours faithfully

Dennis Wilkins
Company Secretary

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