

**SOUTH BOULDER MINES LIMITED**  
**ACN 097 904 302**

**NOTICE OF GENERAL MEETING**

**AND**

**EXPLANATORY MEMORANDUM**

**Date of Meeting**

16 July 2008

**Time of Meeting**

10:00 am

**Place of Meeting**

Level 3, 46 Ord Street  
WEST PERTH WA 6005

**SOUTH BOULDER MINES LIMITED**  
**ACN 097 904 302**  
**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of shareholders of South Boulder Mines Limited ("**Company**") will be held at Level 3, 46 Ord Street, West Perth WA on 16 July 2008 at 10.00 am for the purpose of transacting the following Business.

**ORDINARY BUSINESS**

**Resolution 1 – Ratification of Allotment and Issue of Securities**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Company approves and ratifies the allotment and issue of 4,300,000, Shares and 2,150,000 Options to acquire a further share on the terms and conditions outlined in Annexure A with such shares and options to be issued on terms and conditions set out in the Explanatory Memorandum accompanying this Notice to persons who are not related parties of the Company.”*

**Short Explanation:** Approval is sought under Listing Rule 7.4 to allow the Company to ratify the issue and allotment of these securities. Please refer to the Explanatory Memorandum for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associates of those persons.

**Resolution 2 – Ratification of Allotment and Issue of Securities**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Company approves and ratifies the allotment and issue of 1,385,000 Shares with such shares to be issued on terms and conditions set out in the Explanatory Memorandum accompanying this Notice to persons who are not related parties of the Company.”*

**Short Explanation:** Approval is sought under Listing Rule 7.4 to allow the Company to ratify the issue and allotment of these securities. Please refer to the Explanatory Memorandum for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associates of those persons.

**Resolution 3 – Authority to Issue and Allot Securities – Placement**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX and for all other purposes, approval is given for the Company to be authorised to issue and*

*allot up to 2,100,000 Shares and 1,050,000 Options to acquire a further share on the terms and conditions outlined in Annexure A with such shares and options to be issued on the terms set out in the Explanatory Memorandum accompanying this Notice.”*

**Short Explanation:** Approval is sought under Listing Rule 7.1 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associate of any such person.

#### **Resolution 4 – Securities Placement Facility**

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX and for all other purposes, approval is given for the Company to be authorised to issue and allot up to 20,000,000 ordinary fully paid shares in the capital of the Company at an issue price of not less than 80% of the average market price of the Company’s shares (calculated over the 5 days on which sales of shares were recorded before the day on which the issue is made) and 20,000,000 free attaching options to acquire a further share on the terms and conditions outlined in Annexure B, with such securities to be issued to such persons as the directors in their absolute discretion may determine and otherwise upon the terms set out in the notice of meeting and explanatory memorandum.”*

**Short Explanation:** Approval is sought under Listing Rule 7.1 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associate of any such person.

#### **Resolution 5 – Approval of Grant of Options to Related Parties**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purpose of Listing Rules 7.1 and 10.11 of ASX the issue of 2,500,000 options to acquire ordinary fully paid shares in the capital of the Company at an exercise price of 35 cents each and expiring on the date which is 5 years from the date of grant and otherwise on the terms and conditions outlined in Annexure C, to the Related Parties, or their nominees, for nil consideration be and is hereby approved.”*

- 1. The options issued under Resolution 5 will be issued to each of the Related Parties or their nominees in accordance with the terms and conditions outlined in Annexure C.*
- 2. The Related Parties or their nominees will be issued 2,500,000 options for no issue price;*
- 3. The options will be granted within one month of the date of this meeting;*

4. *A Summary of the terms and conditions are set out in the attached Explanatory Memorandum;*
5. *shares issued as a result of the exercise of the options will rank pari passu with ordinary shares in the Company;*
6. *No funds will be raised as a result of the grant of the options; and*
7. *the Company will, in accordance with section 224 of the Corporations Act 2001 (Cth), disregard any votes cast on Resolution 5 by Related Parties and any associates of Related Parties. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on a proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**Resolution 6 - Authority to Issue and Allot Options to Employees and Contractors**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purpose of Listing Rule 7.1 of the ASX the issue of 1,500,000 options to acquire ordinary fully paid shares in the capital of the Company at an exercise price of 35 cents and expiring on the date which is 5 years from the date of grant, and otherwise on the terms and conditions outlined in Annexure C, to current employees and contractors of the company for nil consideration be and is hereby approved.”*

**Short Explanation:** Approval is sought under Listing Rule 7.1 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associate of such person.

By order of the Board

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Dennis Wilkins  
Company Secretary  
Date: 9 June 2008

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide shareholders in South Boulder Mines Limited ACN 097 904 302 (“**Company**”) with sufficient information to assess the merits of Resolutions 1 to 6 contained in the Notice of General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to Resolutions 1 to 6.

### **Resolution 1 – Ratification of Allotment and Issue of Securities Regulatory Requirements**

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company’s maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 1 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify previous issues of securities. The Company confirms that the issue and allotment of the securities the subject of Resolution 1 did not breach ASX Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) 4,300,000 Shares and 2,150,000 Options were issued by the Company;
- (b) the issue price per share was 31 cents;
- (c) the exercise price per Option is 50 cents;
- (d) funds raised from this placement will be applied to advance the company’s move into the exploration for potash and phosphorous “fertiliser” and for advancement of the Duketon Project;
- (e) the Shares were allotted to parties introduced by Integral Wealth Management Limited (Toronto);
- (f) the Shares rank equally with the existing Shares;
- (g) \$1,333,000 (before costs) was raised by this placement; and
- (h) a voting exclusion statement is included in the Notice.

### **Resolution 2 – Ratification of Allotment and Issue of Securities Regulatory Requirements**

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company’s maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 2 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify previous issues of securities. The Company confirms that the issue and allotment of the securities the subject of Resolution 2 did not breach ASX Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) 1,385,000 Shares were issued by the Company, following exercise of options;
- (b) the issue price per share was 20 cents;
- (c) funds raised from this placement were applied to working capital;
- (d) the Shares were allotted to option holders;
- (e) the Shares rank equally with the existing Shares;
- (f) \$277,000 (before costs) was raised by this placement; and
- (g) a voting exclusion statement is included in the Notice.

### **Resolution 3 – Authority Issue and Allotment of Securities - Placement Regulatory Requirements - ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that the prior approval of the Shareholders of the Company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Up to 2,100,000 Shares and 1,050,000 Options are proposed to be issued by the Company pursuant to Resolution 3 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

The proposed issue of Shares and Options to parties will be to persons who are not related parties of the Company and is placed before Shareholders to allow the Shares to be excluded from the calculation set out in ASX Listing Rule 7.1.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the maximum number of securities to be issued pursuant to Resolution 3 is 2,100,000 Shares and 1,050,000 Options per the terms and conditions as outlined in Annexure A;
- (b) the issue price of the Shares will be 31 cents per share;
- (c) the exercise price per Option is 50 cents;
- (d) funds raised from this placement will be applied to advance the company's move into the exploration for potash and phosphorous "fertiliser", for advancement of the Duketon Project, and for working capital purposes;
- (e) it is anticipated that the securities will be issued, in total, no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the listing rules;

- (f) the Shares will be allotted to parties introduced Integral Wealth Management Limited (Toronto);
- (g) the Shares will rank equally with the existing Shares on issue;
- (h) a voting exclusion statement is included in the Notice.

### Capital Structure of the Company

The capital structure of the Company following successful completion of the issue and allotments of the Resolutions 1 - 3 is summarised below:

#### Details of Number of Shares and Options:

	<b>Shares</b>	<b>Options</b>
Current	49,807,943	21,955,000
Placement – Resolution 3	2,100,000	1,050,000
<b>TOTAL</b>	<b>51,907,943</b>	<b>23,005,000</b>

### Resolution 4 - Securities Placement Facility

Resolution 4 seeks the approval of shareholders for a share placement facility of up to 20,000,000 ordinary fully paid shares, and up to 20,000,000 free attached options to be issued at no less than an 80% weighted average for the previous 5 days trading, which the directors may utilise to raise additional working capital for the Company.

As at the date of this notice of meeting there has been no decision by the directors whether to issue these shares. The directors believe that it is prudent for the Company to have a share placement facility available so that additional equity funds can be raised if considered necessary. If not utilised, the facility would lapse 3 months after the date of the meeting.

ASX Listing Rule 7.1 prohibits a company from issuing shares representing more than 15% of its issued capital in any 12 month period, without the prior approval of its shareholders (subject to certain exceptions). Accordingly, shareholder approval is being sought under Listing Rule 7.1 for the issue of up to 20,000,000 shares and up to 20,000,000 options in the Company. In accordance with ASX Listing Rule 7.3 the following information is provided to shareholders:

- a) the maximum number of securities that may be issued under Resolution 4 is 20,000,000 fully paid shares, and 20,000,000, 35 cent options.
- b) any securities issued in accordance with Resolution 4 will be issued and allotted within 3 months from the date of the annual general meeting (or such later date as approved by ASX).
- c) the shares will be issued at a price which is not less than 80% of the average market price of the Company's shares, calculated over the 5 days on which sales in the Company's shares were recorded on ASX before the day on which the issue is made.
- d) as at the date of this notice of meeting there has been no decision by the directors to issue any securities. Accordingly, the names of any allottees or proposed allottees are not known.

- e) any shares issued pursuant to Resolution 4 will rank equally in all respects with existing ordinary fully paid shares on issue in the Company. Options will be issued pursuant to the terms and conditions as outlined in Annexure B.
- f) funds raised by the issue of any shares will be used as additional working capital for the Company, primarily in relation to ongoing exploration and evaluation of the Company's exploration projects in Australia.
- g) as noted above, as at the date of this notice of meeting no decision has been made by the directors on whether to utilise the share placement facility and accordingly, it is not known whether any allotments will occur as a single allotment or will occur progressively. However, it would be likely that any issue of shares will be made as a single allotment.

### **Resolution 5 - Approval of Grant of Options to Related Parties**

The Company proposes to grant a total of 2,500,000 Options to Related Parties, or their nominee(s), for nil consideration, as follows:

<b>Number of options</b>	<b>Exercise price</b>	<b>Expiry date</b>	<b>Vesting</b>
2,500,000	\$0.35	5 years from date of grant	Immediately following shareholder approval

The full terms of the Options are set out in Annexure C to this Explanatory Memorandum.

The grant of the Options is designed to encourage Related Parties to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. Under the Company's current circumstances the Related Parties consider that the incentives represented by the grant of the Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as payment of additional cash compensation.

In the event all the Options are exercised, the Related Parties (or their nominee(s)) will need to pay a total of \$875,000 to the Company.

#### ***Related Party Transactions Generally***

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months, are considered to be a related party of the Company.

Resolution 5 provides for the grant of Options to a related party which is a financial benefit which requires shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

***The related party to whom the proposed resolution would permit the financial benefit to be given***

Subject to shareholder approval, the Options the subject of Resolution 5 will be granted to Mr Terry Grammer, Mr Liam Cornelius, Mr David Hughes and Mr Dennis Wilkins or nominee(s) within one month of the passing of this Resolution.

Messrs Grammer, Cornelius and Hughes are Directors of the Company whilst Mr Wilkins has been, within the previous six months, a director of the Company and is therefore classified as a related party.

***The nature of the financial benefit***

The proposed financial benefit is the grant to Related Parties or their nominees, for no issue price, that number of options shown beside their name in the table below. Each option will allow the Related Parties to subscribe for one ordinary fully paid share in the Company. The exercise price of each option is also detailed in Table 1. The options form part of the Related Parties incentive for continuing and future efforts.

***Directors' recommendation***

The Directors do not wish to make a recommendation about the proposed Resolution, as each of them may potentially receive a financial benefit from the passing the Resolution in relation to the grant of the options and they do not consider themselves sufficiently independent to make a recommendation.

Mr Dennis Wilkins does not wish to make a recommendation about the proposed Resolution 5. As he will receive a financial benefit from the passing of the Resolution in relation to the payment, he does not consider himself sufficiently independent to make a recommendation

***Interests of director***

The Directors have noted their respective interest in the approval of the Resolution in relation to the options.

***Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.***

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant options to each of the Related Parties or their nominees as outlined in Table 1.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure C to this Explanatory Memorandum and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers have provided an indicative value to the options by reference to the Black-Scholes valuation method, based upon the assumptions outlined in Table 3.
- (d) The total value of the options to be issued is outlined in Table 1. If Options granted to Related Parties or their nominee(s) are exercised, the effect would be to dilute the shareholdings of the existing shareholders. The valuation cannot be finalised until the issue date of the options.

- (e) As at the date of this Notice, the issued capital of the Company comprised 49,807,943 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised (and assuming the Options the subject of Resolution 5 are granted and exercised), and assuming other share issues proceed, the effect would be to dilute the shareholding of existing shareholders as per the table below:

	Existing Shares & Options (“ESO”)	ESO plus shares & options per Resolution 3 (3,150,000)	ESO plus shares & options per Resolution 4 (20,000,000)	ESO plus shares & options per Resolution 6 (1,500,000)	ESO plus shares & options per all Resolutions (24,650,000)
Shares & Options	71,762,943	74,912,943	91,762,943	73,262,943	96,412,943
Options to be granted	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
<b>New Total</b>	<b>74,262,943</b>	<b>77,412,943</b>	<b>94,262,943</b>	<b>75,762,943</b>	<b>98,912,943</b>
Dilutionary Effect to existing shareholders	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>

- (f) The Directors’ current interest in securities of the Company are detailed in Table 2.
- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary shares of the Company have been traded on ASX since October 2003. In the twelve months prior to the date of this notice the shares have traded in the range of 22 cents to 34 cents, the most recent closing price prior to printing of this notice was 28 cents. The options are capable of being converted to shares by payment of the exercise price
- (i) The Directors will receive annual directors’ fees for company activities related to their duties as a director, exclusive of statutory superannuation (9%), as outlined in Table 4.
- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to the Directors or their nominee(s) pursuant to this resolution.
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by this resolution.

### ***Additional Information***

The following information in relation to the Options to be granted pursuant to Resolution 5 is provided to shareholders:

- (a) the Options will be granted to Related Parties, or their nominee(s), as noted above;
- (b) the maximum number of Options to be granted pursuant to Resolution 5 is 2,500,000;
- (c) the Options will be allotted and granted on a date which will be no later than 1 month after the date of the general meeting;
- (d) the Options will be granted for no consideration and accordingly no funds will be raised by the grant of the Options; and
- (e) the terms and conditions of the Options are set out in Annexure C to this Explanatory Memorandum.

**Table 1 - Details of options to be issued to Related Parties**

<b>Name</b>	<b>Relationship</b>	<b>Number of options</b>	<b>Exercise price</b>	<b>Expiry date</b>	<b>Vesting</b>	<b>Value as determined by Black-Scholes valuation</b>
David Hughes	Director	1,000,000	\$0.35	31 July 2013	At date of allotment	\$129,900
Terry Grammer	Director	500,000	\$0.35	31 July 2013	At date of allotment	\$64,950
Liam Cornelius	Director	500,000	\$0.35	31 July 2013	At date of allotment	\$64,950
Dennis Wilkins	Related party	500,000	\$0.35	31 July 2013	At date of allotment	\$64,950

**Table 2 -Details of Directors current holdings of securities in the Company**

<b>Director</b>	<b>Shareholding</b>	<b>Option holding</b>
David Hughes	-	400,000
Terry Grammer	-	1,200,000
Liam Cornelius	2,452,125	6,000,000

**Table 3 - Option Valuation details**

<b>Details</b>	<b>5 Year Term</b>
Share price	\$0.28
Exercise Price	\$0.35
Risk Free Rate (RBA Cash Rate)	7.25%
Volatility (Annualised)	50%
Time (years) to expiry	5
Start Date	31 July 2008
<b>Value per Option</b>	<b>\$0.1299</b>

**Table 4 – Directors Remuneration**

<b>Director</b>	<b>Salary / Fees p.a.</b>	<b>Value of Options</b>	<b>Total Financial Benefit</b>
David Hughes	\$165,000	\$129,900	\$294,900
Terry Grammer	\$125,000	\$64,950	\$189,950
Liam Cornelius	\$97,500	\$64,950	\$162,450

**Resolution 6 – Authority to Issue and Allot Options to Employees & Contractors**

ASX Listing Rule 7.1 provides that the prior approval of the Shareholders of the Company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Up to 1,500,000 Options proposed to be issued by the Company pursuant to Resolution 6 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

The proposed issue of Options to parties will be to persons who are not related parties of the Company and is placed before Shareholders to allow the Options to be excluded from the calculation set out in ASX Listing Rule 7.1.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the maximum number of securities to be issued pursuant to Resolution 6 is 1,500,000 Options, exercise price 35 cents, expiring 31 July 2013;
- (b) the options are to be issued for nil consideration;
- (c) it is anticipated that the Options will be issued progressively and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the listing rules;
- (d) the allottees are not known at this stage.
- (e) the terms and conditions of the options are set out in Annexure C of this Notice;
- (f) a voting exclusion statement is included in the Notice.

## ANNEXURE A

### TERMS AND CONDITIONS 50 CENT OPTIONS EXPIRING 5 YEARS FROM THEIR DATE OF ISSUE

The Options to be issued pursuant to the Resolutions will be issued on the following terms:

1. Each Option shall be issued for no consideration.
2. Each Option entitles the holder to subscribe for one Share in South Boulder Mines Ltd ABN 56 097 904 302 ("**Company**") upon the payment of 50 cents per Share subscribed for.
3. The Options will lapse at 5.00 pm, Western Standard Time 5 years from their date of Issue ("**Expiry Date**").
4. The Options are not transferable and will not be listed for official quotation on the ASX.
5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
6. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by it.
10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

## ANNEXURE B

### TERMS AND CONDITIONS 35 CENT OPTIONS EXPIRING 5 YEARS FROM THEIR DATE OF ISSUE

The Options to be issued pursuant to the Resolutions will be issued on the following terms:

1. Each Option shall be issued for no consideration.
2. Each Option entitles the holder to subscribe for one Share in South Boulder Mines Ltd ABN 56 097 904 302 ("Company") upon the payment of 35 cents per Share subscribed for.
3. The Options will lapse at 5.00 pm, Western Standard Time 5 years from their date of Issue ("Expiry Date").
4. The Options are not transferable, and will not be listed for official quotation on the ASX.
5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
6. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by it.
10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

## ANNEXURE C

### TERMS AND CONDITIONS 35 CENT OPTIONS EXPIRING 31 JULY 2013

The Options to be issued pursuant to the Resolution will be issued on the following terms:

1. Each Option shall be issued for no consideration.
2. Each Option entitles the holder to subscribe for one Share in South Boulder Mines Ltd ABN 56 097 904 302 ("**Company**") upon the payment of 35 cents per Share subscribed for.
3. The Options will lapse at 5.00 pm, Western Standard Time on 31 July 2013 ("**Expiry Date**").
4. The Options are not transferable other than to an associate of the Option holder, and will not be listed for official quotation on the ASX.
5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
6. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by it.
10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

**SOUTH BOULDER MINES LIMITED**


**ACN 097 904 302  
PROXY FORM**

The Company Secretary  
South Boulder Mines Limited  
PO Box 1153  
WEST PERTH WA 6872

**Facsimile: 61 8 9483 3599**

I/We (name of shareholder) .....  
of (address) .....  
being a member/members of South Boulder Mines Limited HEREBY APPOINT  
(name) .....  
of (address) .....  
and/or failing him (name) .....  
of (address) .....  
or failing that person then the Chairperson of the meeting as my/our proxy to vote for me/us and on my/our behalf at  
the General Meeting of the Company to be held on 16 July 2008 and at any adjournment of the meeting.

**PROXY INSTRUCTIONS**

<p>If you wish to instruct your proxy how to vote, insert "X" in the appropriate column against the item of business set out below.</p>	
<p>If you do not wish to direct your proxy how to vote please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest. The Chairman has advised that his intention is to vote in favour of both resolutions.</p>	

*Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:*  
I/We direct my/our Proxy to vote in the following manner:

RESOLUTION	FOR	AGAINST	ABSTAIN
1 Ratification of Allotment and Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Allotment and Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Authority to Issue and Allot Securities – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Securities Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Grant of Options to Related Parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Authority to Issue and Allot Options to Employees and Contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

<p><i>This Proxy is appointed to represent _____ % of my voting right, or if 2 proxies are appointed Proxy 1 represents _____ % and Proxy 2 represents _____ % of my total votes</i></p>
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Dated : \_\_\_\_\_ 2008

**If the shareholder is an individual:**

Signature: \_\_\_\_\_

**If the shareholder is a company:**

Affix common seal (if required by Constitution)

\_\_\_\_\_  
Director/Sole Director and Secretary

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Print name

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by each of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint **proxies must be received by the Company no later than 48 hours** before the time appointed for the holding of this General Meeting **that is by 11:30 am WST on 14 July 2008** by post to PO Box 1153, West Perth WA 6872 or facsimile (61 8) 9483 3599.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
  - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
  - (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
  - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.