



19 September 2008

Ben Donovan  
Senior Advisor, Issuers (Perth)  
Australian Stock Exchange Limited  
BY FACSIMILE +61 9221 2020

Dear Ben,

RE: SOUTH BOULDER MINES LIMITED ("THE COMPANY")

I acknowledge receipt of your letter dated 17 September 2008 regarding the failure of the Company to comply with ASX Listing Rules 3.19A and 3.19B.

Accordingly, in relation to the questions raised in your letter, I respond on behalf of the Company as follows:

1. *Why was the Appendix 3Y lodged later than the time frame set out in listing rule 3.19A?*  
The late lodgement resulted from an oversight due in part to the misplacement of records during an office move.
2. *What arrangement does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?*  
The Company believes it has adequate arrangements in place, which include processes to inform the Company's directors of their obligations to advise the Company of securities trading activity and acknowledgments from directors of their obligations in relation to those matters. It has a publicised policy on trading in securities by directors and officers of the Company.
3. *If the current arrangements are inadequate or are not being enforced what additional steps does the Company intend to take to comply with listing rule 3.19B?*  
The Company does not believe the current arrangements to be inadequate.

I am happy to discuss this matter further if required.

Yours faithfully

Dennis Wilkins  
Company Secretary

South Boulder Mines Ltd. ABN 56 097 904 302  
133 - 135 Edward Street, Perth, WA 6000  
PO Box 8355, Perth Business Centre, WA 6849  
Phone: (08) 9227 1144 Fax: (08) 9328 8302  
Website: www.southbouldermines.com.au  
E-mail: southboulder@southbouldermines.com.au

For personal use only

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

**FXED**  
7 September 2008

Mr Dennis Wilkins  
Company Secretary  
South Boulder Mines Limited  
Level 3, 46 Ord Street  
WEST PERTH WA 6005

By facsimile: 9483 3599

Dear Dennis,

ASX Limited  
ABN 98 008 624 691  
Level 8  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

GPO Box D187  
Perth WA 6840

Telephone 61 9224 0025  
Facsimile 61 9221 2020  
Internet <http://www.asx.com.au>

**South Boulder Mines Limited (the "Company") Appendix 3Y – Change of Directors' Interest Notice.**

We refer to the Appendix 3Y's lodged by the Company with ASX on 9 September 2008 and subsequently on 16 September 2008 for David Hughes, Liam Cornelius and Terrence Grammer.

Listing rule 3.19A which requires an entity to tell ASX the following:

- 3.19A.2 A change to a notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

Listing rule 3.19B which states as follows:

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3Y indicated that the securities were issued on 31 July 2008 it appears that the Appendix 3Y should have been lodged with ASX by 7 August 2008. As the Appendix 3Y was lodged on 9 and subsequently 16 September 2008 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

For personal use only

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

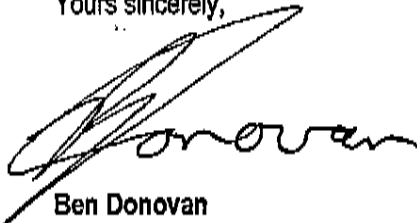
1. Please explain why the Appendix 3Y's were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps do the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than 5.00 pm W.S.T. on Friday, 19 September 2008.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately

Yours sincerely,



**Ben Donovan**  
**Senior Adviser, Issuers (Perth)**

RECEIVED  
15/09/08

For personal use only