



ASX Code : STB
Berlin : SO3-Ber
Frankfurt : SO3-Fra

Share Price: 24 cents

Market Cap: \$13M
Shares on issue: 55.7 M

Cash at Bank: \$2.0M
ASX/TSX listed shares: +\$2.0M

Top 20 shareholders – 48%

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LISTED EQUITY HOLDINGS

(ASX: MZM) - 3,950m shares
(ASX: MZMO) - 1.037m options
(ASX: IXR) - 1.325m shares
(ASX: AVZ) - 0.400m shares
(ASX: BUX) - 0.250m shares
(ASX: AGO) - 12,490 shares
(ASX: UNX) - 0.700m shares
(CDNX: CNI.V) - 130,000 share
Auvex (Pte) - 1.000m options

Non Renounceable Entitlement Offer

South Boulder Mines Ltd (ASX: STB) is pleased to announce a pro-rata non renounceable entitlement offer of up to 5,570,794 fully paid ordinary shares in the capital of the Company (**New Shares**) at \$0.20 on the basis of one (1) new share for every ten (10) shares held on the record date, to raise approximately \$1,114,159 (**Entitlement Offer**).

The record date for determining the entitlement for shareholders to participate in the Entitlement Offer is 7 December 2009.

The Entitlement Offer will open on 8 December 2009 and the closing date for receipt of applications for New Shares pursuant to the Entitlement Offer is 5.00pm (Perth Time) on 23 December 2009.

The Entitlement Offer is not underwritten and any shortfall arising under the offer may be placed at the discretion of the Board of Directors. An offer document relating to the Entitlement Offer (**Offer Document**) will be sent to eligible shareholders on 9 December 2009.

There will be no deferred settlement trading in relation to the Entitlement Offer.

Use of Proceeds

The Entitlement Offer will raise approximately \$1,114,159 before costs (assuming the Entitlement Offer is fully subscribed or that any shortfall is placed by the directors).

It is intended that these funds will be used to accelerate exploration of the Company's recent Terminator gold discovery as well as to step up exploration at a pipeline of other gold prospects within the Duketon Gold Project, north of Laverton in Western Australia.

The Entitlement Offer will proceed in accordance with the following timetable.

Announcement Date	26 November 2009
Ex Date	1 December 2009
Record Date 5.00pm (Perth Time) South Boulder determines eligible Shareholders	7 December 2009
Opening Date The date on which the Entitlement Offer opens	8 December 2009
Mailing Date Entitlement and Acceptance Form sent to all eligible shareholders	9 December 2009
Closing Date The date on which the Entitlement Offer closes Applications must be received by 5.00pm (Perth Time)	23 December 2009
Allotment Date The date on which New Shares are allotted.	29 December 2009
Dispatch Date The date on which holding statements are sent to shareholders	5 January 2010
Share Trading Date The date on which New Shares commence trading on the ASX	6 January 2010

The Directors reserve the right to extend the closing date for the Entitlement Offer at their discretion. Should this occur the extension will have a consequential effect of the anticipated date of the issue of the New Shares.

Notice under Section 708AA(2)(f) of the Corporations Act

The Company hereby advises ASX that:

- a) the Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth) (**the Act**);
- b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- c) as at the date of this announcement, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- d) as at the date of this announcement, the Company has complied with section 674 of the Act;
- e) as at the date of this announcement there is currently no information to be disclosed which is excluded information (as defined in section 708AA(8) of the Corporations Act) which would reasonably be required for the purpose of making an informed assessment by investors and their professional advisers, of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. the rights and liabilities attaching to the New Shares; and
- f) if all shareholders take up their entitlement under the Entitlement Offer, the Entitlement Offer will have no effect on the control of the Company. The Entitlement Offer will result in a maximum issue of 5,570,794 shares, which is 10% of the shares currently on issue. The Company is of the view that even in the event that there is a shortfall that is allocated at the

discretion of the Board, the issue of the New Shares will have no material effect on control of the Company.

If you require further information in relation to the Entitlement Offer, please contact the Company on (08) 9227 1144.

About South Boulder Mines Ltd

Listed in 2003, South Boulder Mines (ASX: STB) is a diversified explorer primarily focused on gold, nickel, potash and phosphate.

More information:

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