



ASX Details

ASX Code	STB
Berlin	SO3-Ber
Frankfurt	SO3-Fra
Share Price	\$1.18
Market Cap	\$114M
Shares on issue	96.7M
Company options	9.1M (\$4.2M)
Cash/NTA (pre rights issue funds)	\$13M
Top 40 shareholders	65%

Contact Details

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Listed Equity Holdings

(ASX: MZM)	5.382M
(ASX: AVZ)	0.400M
(ASX: BUX)	1.610M
(unlisted options)	0.750M
(CDNX: CNI.V)	0.121M
(ASX: LTX)	0.016M
Auvex (Pte):	0.500M

Fully Underwritten Non Renounceable Entitlement Offer - Notification of Shortfall

South Boulder Mines Ltd (**ASX: STB**) (**Company**) is pleased to advise the shortfall in subscriptions under its non-renounceable rights issue announced on 22 December 2011 (**Entitlement Offer**) as follows:

Total number of shares offered:	19,347,138
Final number of shares accepted:	17,524,374
Shortfall:	1,822,764

The Entitlement Offer is fully underwritten. Following allotment of all shares under the Entitlement Offer, the Company will have approximately \$21 million in cash.

Use of Proceeds from Entitlement Offer

The funds raised under the Entitlement Offer will be used to:

- expedite the rapid completion of the Definitive Feasibility Study on the Colluli Open Cut Potash Project in Eritrea (Potash Production is currently scheduled for 2016 or sooner);
- provide general working capital; and
- meet the costs of the entitlement offer.

-ENDS-

Investor Coverage

Recent investor relations, corporate videos and broker/media coverage on The Company's projects can be viewed on the website in the "Media Centre" and "Investor Centre" sections by following the links www.southbouldermine.com.au and www.abid.co.

About South Boulder Mines Ltd

South Boulder Mines (ASX: STB) is a diversified exploration and development company focused on potash, nickel and gold. The Company owns a 100% interest in the Colluli Potash Project in Eritrea (Eritrean Government option to purchase 30% and is entitled to a 10% carried interest upon JV formation) and a 100% interest in the Duketon Gold Project in Western Australia. The Colluli Potash Project has a current JORC Compliant Measured, Indicated and Inferred Mineral Resource Estimate comprised of 133.70Mt @ 17.55% KCl of Measured Resources, 343.33Mt @ 17.38% KCl of Indicated Resources and 87.37Mt @ 24.96% KCl of Inferred Resources for a total of 564.40Mt @ 18.60% KCl (total contained potash of 104.96Mt); This includes higher grade Sylvinitite of 130.39Mt @ 27.02% KCl. There is an exploration target of 1.25 – 1.75 billion tonnes @ 18-20% KCl ## (see disclaimer below).

A detailed engineering scoping study for the production of 1Mt p.a. of potash demonstrated an estimated capital cost of USD 0.74bn generating a Pre-tax NPV₁₂ of USD 1.33 bn. A DFS study into the open pit mining and processing to produce in 2016 or sooner is underway. South Boulder has strong support from the Eritrean Government to build a long term economically and environmentally sustainable resource project.

Within the Duketon Gold Project area, South Boulder entered a farm-out Joint Venture (JV) Agreement with Independence, whereby Independence can earn a 70% interest in the nickel rights on JV tenements held by South Boulder in the Duketon Project, by the completion of a Bankable Feasibility Study within 5 years of the grant of the relevant tenement.

About the Nickel Joint Venture

Within the Duketon Gold Project area, South Boulder entered a farm-out Joint Venture (JV) Agreement with Independence, whereby Independence can earn a 70% interest in the nickel rights on JV tenements held by South Boulder in the Duketon Project, by the completion of a Bankable Feasibility Study within 5 years of the grant of the relevant tenement. The Duketon Nickel JV has had recent success at The Rosie and C2 Nickel sulphide prospects where drilling has defined intercepts of 5.20m @ 9.13% Ni, 1.09% Cu, 0.21% Co and 7.09g/t PGE's at Rosie and 50m @ 0.92% Ni including 37m @ 1.05% Ni at C2. The deposits are located approximately 120km NNW of Laverton, W.A in the Duketon Greenstone Belt. The deposits are approximately 2km apart and the mineralisation at both prospects is considered open in most directions. A Mining Lease was granted over the Rosie and C2 deposits on the 19th of November. A resource definition and exploration drilling program and scoping study into an open pit mine at C2 and an underground mine at Rosie is underway.

More information:

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Competent Persons and Responsibility Statement Potash

The Colluli Potash Project has a current JORC/43-101 Compliant Measured, Indicated and Inferred Mineral Resource Estimate of 564.40Mt @ 18.60% KCl (total contained potash of 104.96Mt); Includes 130.39Mt @ 27.02% KCl. The resource contains 133.70Mt @ 17.55% KCl in the Measured Category, 343.33Mt @ 17.38% KCl in the Indicated Category and 87.37Mt @ 24.96% KCl in the Inferred Category. The current Mineral Resource Estimate is included in the current exploration target of 1.25 – 1.75 billion tonnes @ 18-20% KCl. The potential quantity and grade of the total current exploration target which includes the current Mineral Resource Estimate is conceptual in nature and there has been insufficient exploration to define a Mineral Resource other than the current Mineral Resource Estimate and it is uncertain if further exploration will result in the determination of a Mineral Resource Estimate other than the current Mineral Resource Estimate.

This ASX release has been compiled by Lorry Hughes using information on exploration results and Mineral Resource estimates supplied by South Boulder Mines Ltd under supervision by Ercosplan. Dr Henry Rauche and Dr Sebastiaan van der Klauw are co-authors of the JORC and 43-101 compliant resource report. Lorry Hughes is a member in good standing of the Australian Institute of Mining and Metallurgy and Dr.s' Rauche and van der Klauw are members in good standing of the European Federation of Geologists (EurGeol) which is a "Recognised Overseas Professional Organisation" (ROPO). A ROPO is an accredited organization to which Competent Persons must belong for the purpose of preparing reports on Exploration Results, Mineral Resources and Ore Reserves for submission to the ASX.

Mr Hughes, Mr Rauche and Mr van der Klauw are geologists and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hughes, Mr Rauche and Mr van der Klauw consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

