

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

Share Price: \$3.87

Market Cap: \$331M

Shares on issue: 85.5M

Cash at Bank: \$12.1M
ASX/TSX listed shares: \$4.9M

Top 40 shareholders – 66%

Contact Details

31 Ventnor Avenue
West Perth WA 6000

PO Box 970 West Perth WA 6872

Telephone +61 8 6315 1444

Facsimile + 61 8 9478 7093

www.southbouldermines.com.au

LISTED EQUITY HOLDINGS

(ASX: MZM) - 5.012m shares
(ASX: AVZ) - 0.400m shares
(ASX: BUX) - 1.610m shares
(unlisted options) 0.750m options
(ASX: UNX) - 0.800m shares
(CDNX: CNI.V) - 130,000 shares
Lithex (Pte) - 1.016m shares
Auvex (Pte) - 1.000m options

DRILLING CONTINUES TO INTERSECT MASSIVE NICKEL SULPHIDES

South Boulder Mines Ltd (ASX; STB) is very pleased to report that together with JV partner Independence Group NL (ASX; IGO) further highly significant Ni-Cu-PGE assays have been returned from the Rosie Prospect including a very high grade Palladium interval.

Diamond hole TBDD100W1 intersected downhole intervals of;

- 6.53m @ 2.87% Ni, 0.57% Cu, 0.08% Co and 6.00g/t 6PGE's from 588.47m including;
- 3.77m @ 4.17% Ni, 0.67% Cu, 0.12% Co and 9.51g/t 6PGE's from 589.23m including;
- A "massive sulphide" intercept of 0.81m @ 9.76% Ni, 1.15% Cu, 0.17% Co and 7.77g/t 6PGE's from 589.23m including;
- 0.40m @ 2.26% Ni, 0.61% Cu, 0.29% Co and 45.93g/t 6PGE's from 590.84m includes 44.8g/t Pd.

Further, diamond hole TBDD107 (results awaited) intersected a total downhole intercept of ~2.0m of massive and brecciated sulphides from ~509.5m (Figure 2). Preliminary geological logging has indicated there is ~1.5m of low MgO ultramafic rock between the 1.5m and 0.5m massive sulphide zones. The massive sulphides are within a larger zone with a combined downhole thickness of ~10m containing mostly disseminated, blebby, massive, breccia and stringer sulphides.

The position of the TBDD107 intercept is located ~50m above hole TBDD087 which intersected 4.55m @ 4.05% Ni, 0.70% Cu and 4.50 g/t 6PGE's from 575.31m downhole (Figure 1). Hole TBDD087 contained 1.05m of massive sulphides with the assay grading 8.9% Nickel.

Diamond hole TBDD100W2 intersected a downhole interval of;

- 4.01m @ 1.32% Ni, 0.25% Cu, 0.09% Co and 4.73g/t 6PGE's from 646.21m.

The results further confirm the overall continuity of significant mineralisation at Rosie.

The diamond drilling is part of a major resource definition program designed to test the continuity of mineralisation on a nominal 80m x 80m and 80m x 40m pattern. The drill out is currently utilising two rigs, will drill ~20 holes and is expected to take ~3 months to complete.

In addition a ~7,000m air-core program has commenced and is designed to test the interpreted western ultramafic contact. The program will also test interpreted extensions to the ultramafic unit that hosts the Rosie mineralisation (Figure 3).

Details on updated drill hole designs and further exploration results will be released as they come to hand.

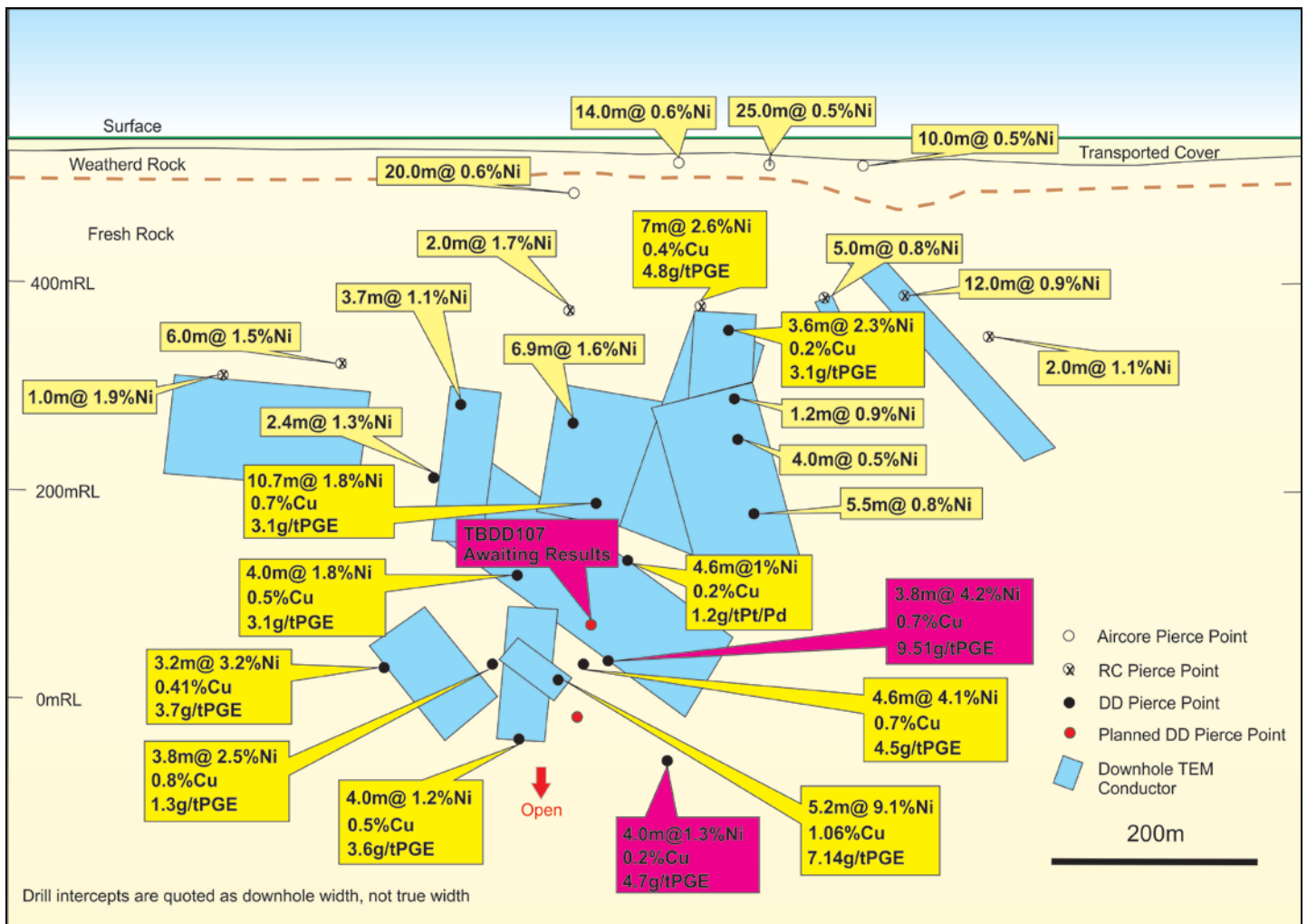


Figure 1: Rosie Ni-Cu-PGE Prospect long section showing significant intercepts and new results. MGA94 Zone 51 collar coordinates of TBDD0100, W1, W2 are 402278E; 6943800N; Dip -60.7 degrees; Azimuth – 32.64 degrees. TBDD0107 coordinates are 402272E; 6943905N, Dip -64 degrees; Azimuth – 41.5 degrees. The true width estimates of the intervals is expected to be less than the down hole widths.



Figure 2: Rosie Prospect hole TBDD107 showing massive sulphides.

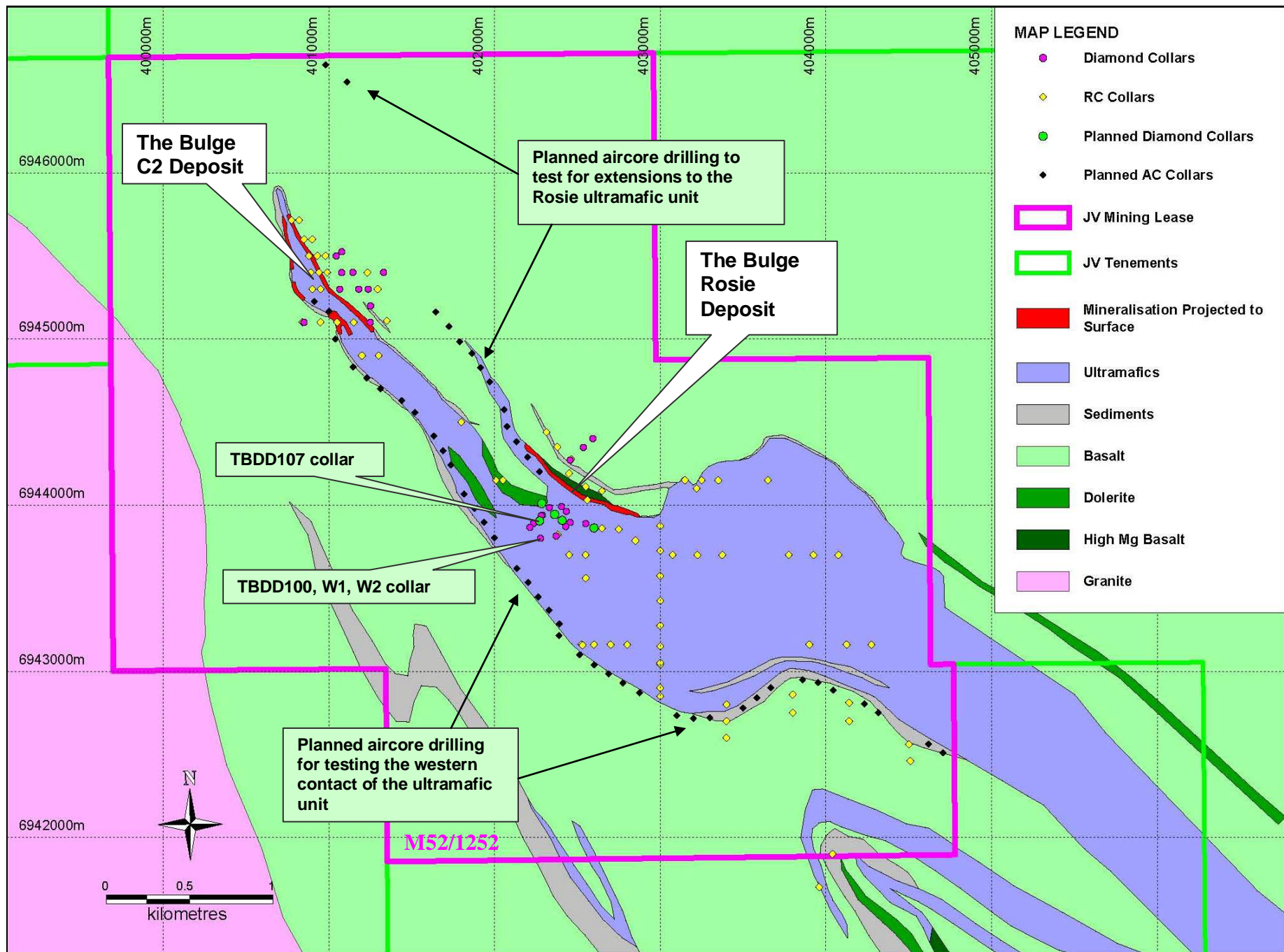


Figure 3: Rosie and C2 Ni-Cu-PGE Prospects drilling plan, interpreted geology map and Mining Lease (M52/1252).

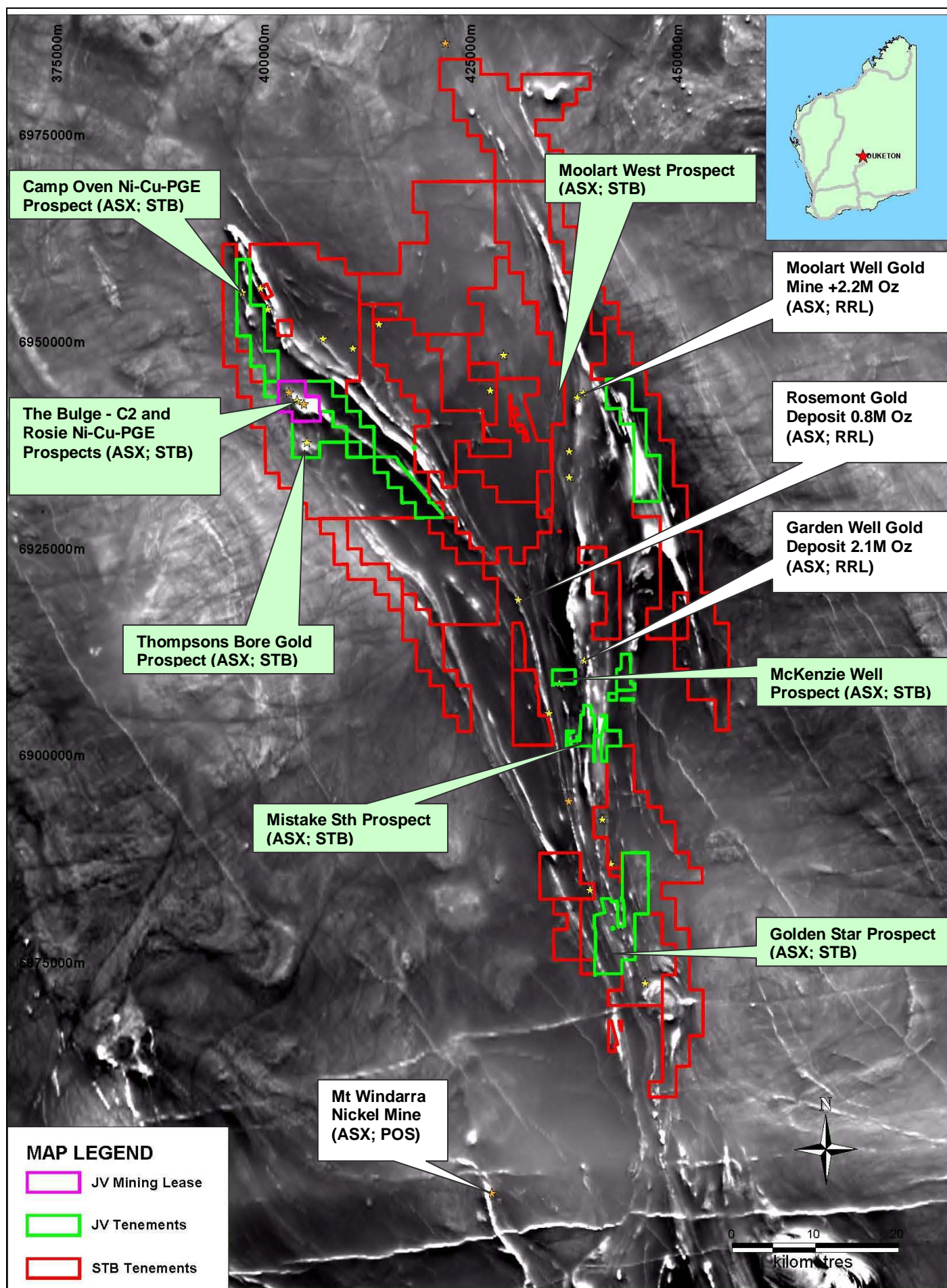


Figure 4: Duketon Nickel JV, South Boulder Mine's Duketon Gold Project Tenements and significant deposits.
Note; South Boulder Tenements refer to both granted tenements and to applications. Due to the DOIR application process there is no guarantee that South Boulder applications will be granted.

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

Listed in 2003, South Boulder Mines (ASX: STB) is a diversified explorer focused on potash, nickel and gold. South Boulder has a 100% interest in the Colluli Potash Project in Eritrea and a 100% interest in the Duketon Gold Project in Western Australia (Figure 4).

The Colluli Potash Project has a current JORC/43-101 Compliant Measured, Indicated and Inferred Mineral Resource Estimate comprised of 33.39Mt @ 18.56% KCl of Measured Resources, 173.37Mt @ 18.57% KCl of Indicated Resources and 340.86Mt @ 18.58% KCl of Inferred Resources for a total of **547.62Mt @ 18.58% KCl (total contained potash of 101.73Mt)**; This includes higher grade material of 119.21Mt @ 23.14% KCl. There is an exploration target of **750Mt – 1.25 billion tonnes @ 18-20% KCl**. An engineering scoping study into open pit mining and processing to produce up to 10Mt p.a of potash is underway.

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

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/exploration drilling program and a scoping study into an open pit/underground mining is underway.

More information:

Lorry Hughes
CEO/Managing Director
+61 (8) 6315 1444

Kerry Rudd
Share Holder Enquiries
+61 (8) 6315 1444

Liam Cornelius
Executive Director
+61 (8) 6315 1444

Terry Grammer
Chairman
+61 (8) 6315 1444

Disclaimer

This ASX release has been compiled by Lorry Hughes using information on exploration results supplied by Independence Group who are the operator of the Duketon Nickel JV. Lorry Hughes is a member of the Australian Institute of Mining and Metallurgy. Mr Hughes is a geologist and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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". Lorry Hughes consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Note: Samples were collected as 1m split samples for RC drill hole and half core samples for diamond drill holes. Nickel and copper values have been assayed using ICP-AES mixed acid digest. Some very high Platinum and Palladium values have been assayed using the Fire Assay Method (FA40) with ICP-AES Quantification. Significant assay results are tabulated if Ni >= 0.40%, over a minimum 2m interval and 1m if Ni >=1.0%. Intersections are quoted as down-hole widths.

The potential quantity and grade of the Colluli exploration target is conceptual in nature and there has been insufficient exploration to define a JORC Mineral Resource Estimate (outside the current JORC resource). It is uncertain if further exploration will result in the determination of a Mineral Resource Estimate (outside the current JORC resource).