

### Corporate Details

ASX Code:	STB
Germany:	SO3-Fra
OTC/ADR:	SBMSY
Share Price:	\$1.10
Market Cap:	\$128M
Shares on issue:	116.2M
STB Options:	9.2M (\$4.2)
Cash/NTA:	\$23.2M
Top 40 Shareholders:	65%

### Contact Details

Ground Floor  
31 Ventnor Avenue  
West Perth WA 6000

PO Box 970  
West Perth WA 6872

info@southbouldermines.com.au  
Telephone +61 8 6315 1444  
Facsimile + 61 8 9478 7093

[www.southbouldermines.com.au](http://www.southbouldermines.com.au)

### Equity Holdings

(ASX: MZM):	5.382M
(ASX: AVZ):	0.400M
(ASX: LTX)::	1.016M
(ASX: BUX):	1.610M
(BUX options):	0.750M
(CDNX: CNI.V):	0.121M
(CDNX : SMP.V) :	2.500M
Auvex (Pte):	0.500M

## DRILLING RECOMMENCED AT THE DUKETON NICKEL JV

South Boulder Mines Ltd ("South Boulder" or the Company) is pleased to announce that Diamond and RC resource definition and extension drilling has recommenced at the Duketon Nickel Joint Venture (DNJV) located ~120km NNW of Laverton in Western Australia. Independence Group NL (ASX: IGO) is earning 70% of the nickel rights by sole funding exploration and development through to the completion of a Bankable Feasibility Study (BFS) within 5 years of the grant of the relevant tenement.

Numerous drilling targets are planned to be tested at the Rosie and C2 Ni-Cu-PGE deposits and in other areas within granted Mining License M38/1252 including;

- The Rosie Deposit – explore strike extents of the Rosie system for additional resources, including structural target zones to test for thicker high grade zones within the Contact domain (Figure 1). *A maiden JORC Compliant Mineral Resource Estimate for the Rosie deposit has been compiled; refer to the Company's 25<sup>th</sup> January 2012 ASX Announcement for details;*
- In-fill the C2 deposit to 50m sections, to test for potential higher grade zones and better define the current resource outline (Figure 2);
- Test beneath the TBRC034 target where a reconnaissance RC program in 2008 returned an oxide intercept of 4m @ 0.44% Ni, 0.19% Cu and 1.7g/t Pt+Pd;
- Test the Eastern contact of the Bulge Ultramafic (South of C2) on 100m spaced sections to explore for possible repeats of Rosie-style mineralisation between Rosie and the C2 Ni sulphide deposit.

Lorry Hughes, CEO and Managing Director of South Boulder commented,

"It is very pleasing to see exploration step up a notch at the DNJV with the most intensive drilling plans to date. The mineralisation discovered to date at the DNJV is similar to other magmatic nickel systems that host long life nickel mines. The Rosie JORC Compliant Resource Estimate completed in January provides a robust starting point for resource growth and I'm expecting many new discoveries."

The total number of holes planned to be drilled will be dependent upon results however, it is expected that up to 60 holes for ~16,000m will be completed in a continuous program over the next 3 months. Results will be released as they come to hand.

-ENDS-

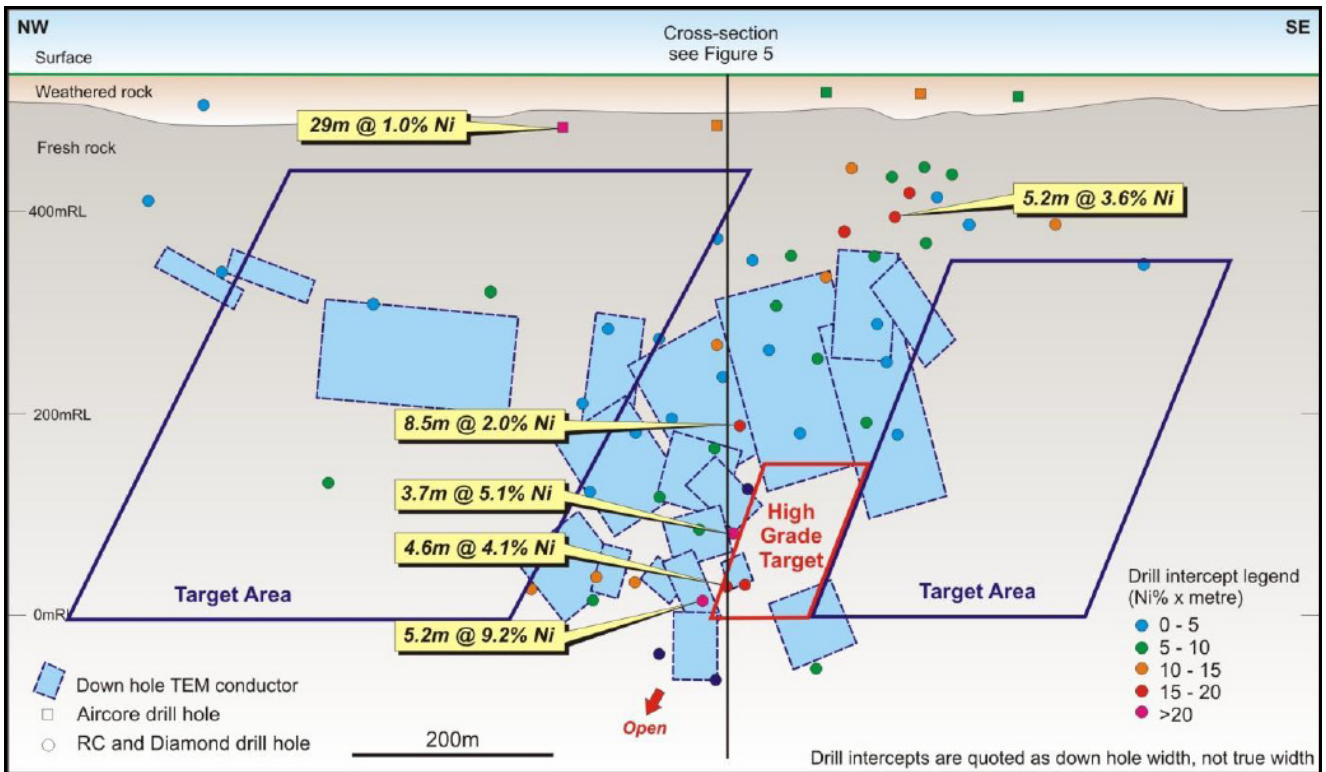


Figure 1 – Rosie Long-section showing drill hole intercepts, DHEM conductors and drill targets.

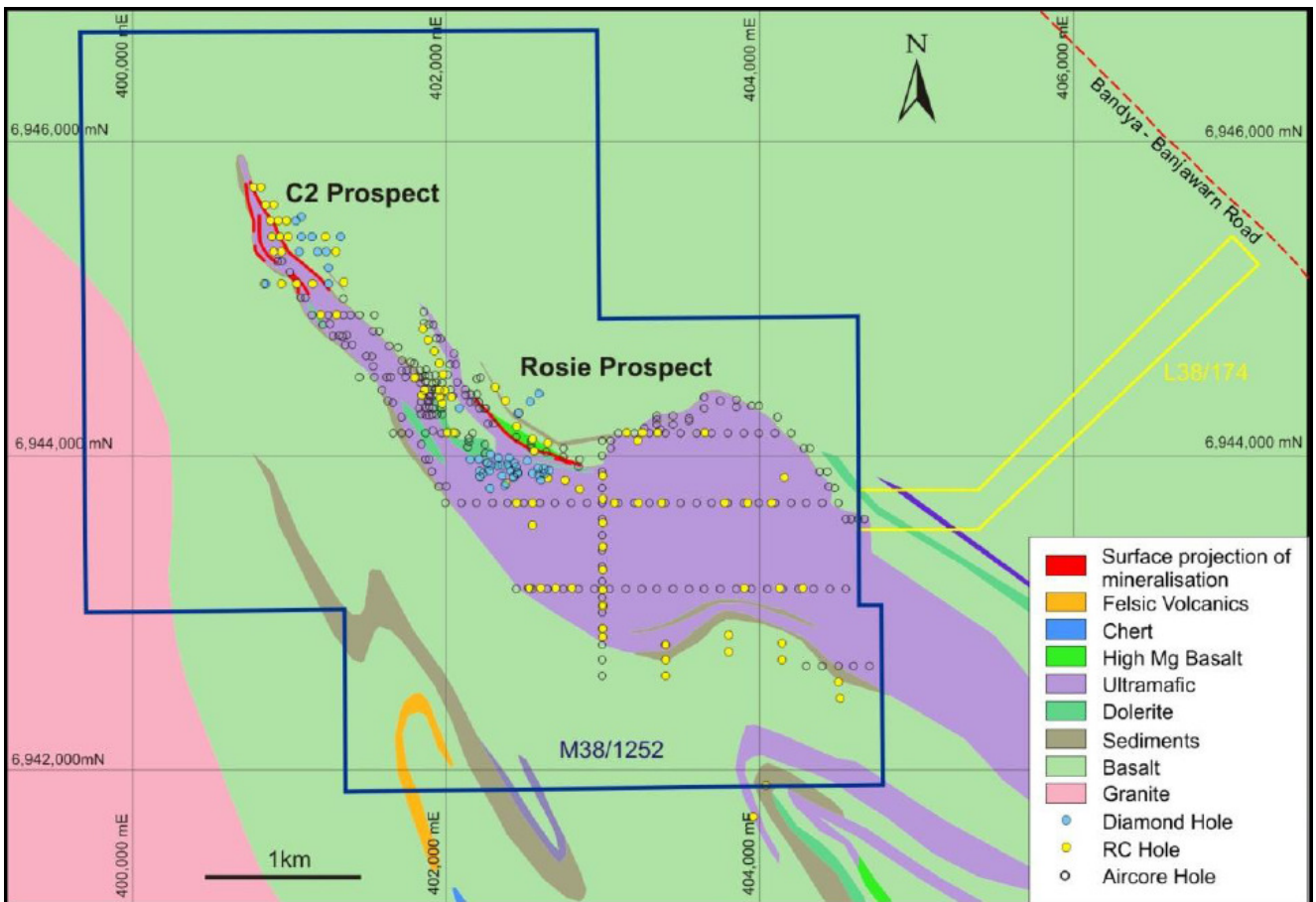


Figure 2 – Location of the C2 and Rosie deposits within Mining Lease M38/1252 over interpreted geology and current drill hole locations. (Figures have been provided courtesy of Independence Group NL).

## 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](http://www.southbouldermine.com.au) and [www.abid.co](http://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.

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 NPV<sub>12</sub> of USD 1.33bn. A DFS study into open pit mining and processing of the resource is underway with initial production scheduled for 2016 or sooner. 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 Agreement with Independence Group NL, 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 Project is located ~120km NNW of Laverton, W.A in the Duketon Greenstone Belt.

## About the Duketon Nickel Joint Venture (DNJV)

The DNJV has had success at The Rosie and C2 Nickel sulphide prospects. Drilling has defined a current JORC Compliant Indicated and Inferred Mineral Resource Estimate for the Rosie Prospect of 715,000t @ 1.9% Ni, 0.4% Cu, 1.9g/t Pt + Pd of Indicated Resources and 1,029,000t @ 1.6% Ni, 0.4% Cu, 2.0g/t Pt + Pd of Inferred Resources for a total initial resource of **1,744,000 tonnes @ 1.7% Ni (29,800 Ni t), 0.4% Cu, 1.9g/t Pt + Pd ##** (see competent persons statement below). Better drilling intercepts to date include **5.20m @ 9.2% 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 ~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 19<sup>th</sup> of November 2010.

## More information:

Email: [info@southbouldermine.com.au](mailto:info@southbouldermine.com.au)

Lorry Hughes	Kerry Rudd	Liam Cornelius	Terry Grammer	Dr. Chris Gilchrist
CEO/Managing Director	Executive Assistant	Executive Director	Chairman	Non-Exec Director
+61 (8) 6315 1444	+61 (8) 6315 1444	+61 (8) 6315 1444	+61 (8) 6315 1444	+61 (8) 6315 1444

### **## 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.

### **## Competent Persons and Responsibility Statement – Nickel**

Please refer to the Company's ASX Announcement dated 25<sup>th</sup> of January 2012 for full details.