

ASX Release

28 May 2008



ASX Code: STB

Share Price: 28.0 cents

Market Cap: \$14M

Shares on issue: 45.12M

Cash at Bank: \$1.0M

ASX/TSX listed shares: +\$2.1M

Top 20 shareholders – 48%

Contact Details

133-135 Edward St Perth WA 6000

PO Box 8355 Perth BC WA 6849

Telephone +61 8 9227 1144

Facsimile + 61 8 9328 8302

www.southbouldermines.com.au

New Georgina Basin Phosphate Project

South Boulder Mines (ASX: STB) is pleased to announce that it has further strengthened its position in the fertiliser sector by applying for seven additional exploration licenses that form the Central Georgina Phosphate Project in the Northern Territory Australia.

The exploration licenses, EL26760 – EL26766, are located in the central Georgina Basin and comprise a total of 5,761 km².

The tenements will target areas with similar geological characteristics to known phosphate deposits and occurrences within the Georgina Basin.

Tenements EL26763, EL26764, and EL26766 are in close proximity to historic phosphate occurrences at Alexandria, Alroy, and Buchanan Dam (Figure 1).

Numerous holes have been drilled in the area including 88 holes at the Alexandria Prospect. Drilled intercepts include 6.1m @ 15.6% P₂O₅ from 49m and 3.8m @ 13% P₂O₅ from 53m.

South Boulder intends to immediately commence detailed historical data compilation and evaluation of regional geophysical and geochemical datasets to identify targets that warrant further exploration.

The Central Georgina Basin Project is located in the central east Northern Territory approximately 1,000 kms south east of the Port of Darwin.

The phosphate deposits in the Central Georgina Basin are hosted in Lower to Middle Cambrian marine carbonate and clastic sediments including mudstones, claystones and limestones. The deposits are formed by chemical and biological precipitation.

The largest deposits in the area include the Wonarah Deposit (1,955Mt @ 14.4% P₂O₅, MAK JORC Resource) and a historic resource at Highland Plains (Phosphate Australia Pty Ltd).

Companies that have previously explored in the region for phosphorites between 1968 and 1977 include IMC Development Corporation, Australian Geophysical Pty Ltd, Pickands Mather & Co, Minoil Services Pty Ltd and ICI Australia Limited. Rio Tinto Limited explored the Wonarah deposit in 2001.

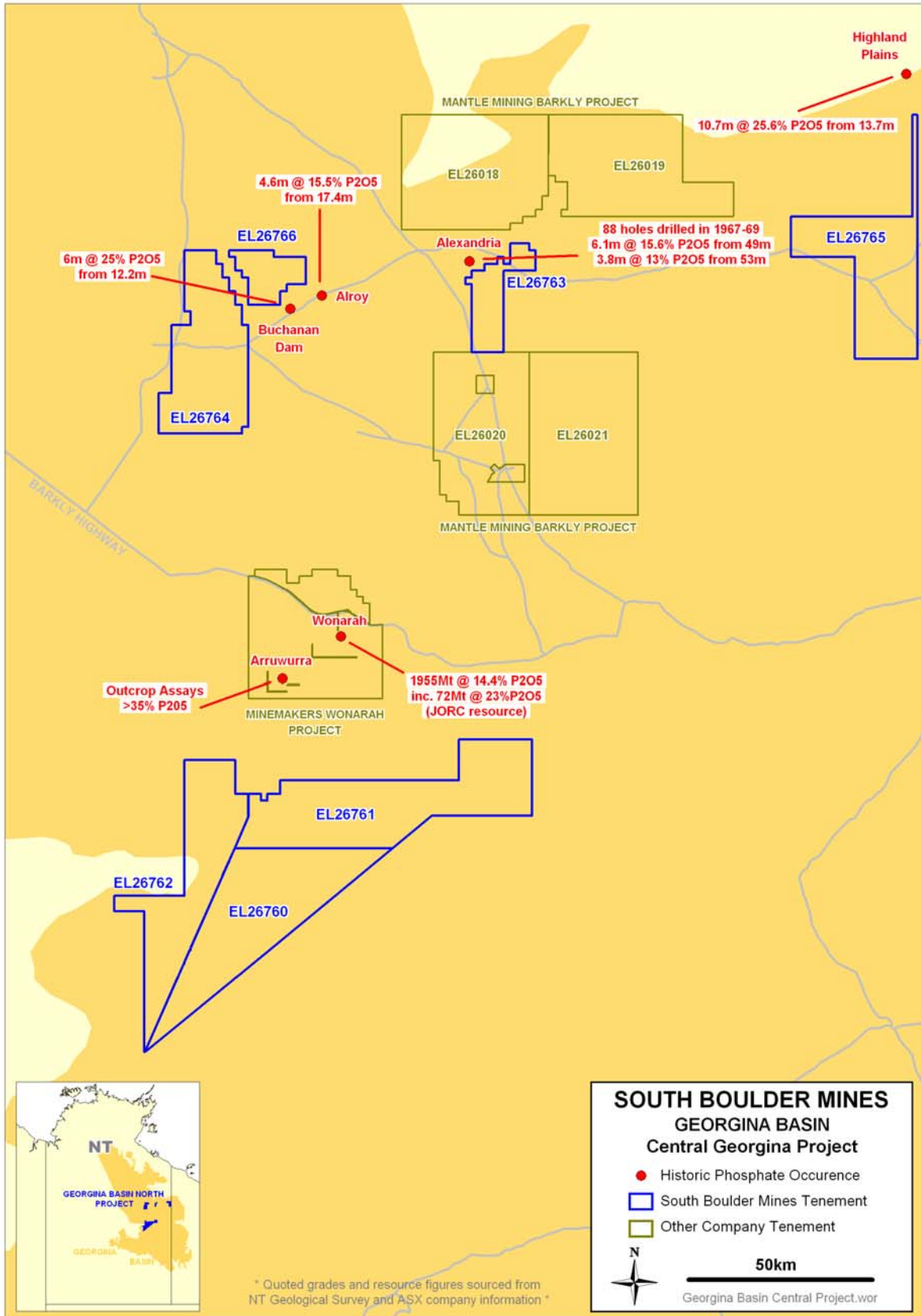


Figure 1: Central Georgina Basin Phosphate Project Location

About South Boulder Mines Ltd

Listed in 2003, STB is primarily focused on gold, nickel and base metal exploration within the Duketon Project. The company has also recently become involved in exploration for potash and phosphate.

In April 2004 STB signed a farm-out joint venture agreement with IGO who can earn a 70% interest of the nickel rights on tenements held by STB within the Duketon Project by the completion of a Bankable Feasibility Study within five years. New in-house technology developed by IGO and currently in use on the Duketon Nickel JV lends a significant advantage over previous explorers.

More information:

Lorry Hughes
Managing Director
South Boulder Mines Ltd
+ 61 (08) 9227 1144

Media enquiries:

Sarah Allchurch
Allchurch Communications
+ 61 (08) 9381 6625
0412 346 412

The information in this report that relates to exploration results is based on information compiled by Lorry Hughes, who is a member of the Australian Institute of Mining and Metallurgy. Mr Hughes is a geologist and 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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.