

ASX Code: STB

Share Price: 15 cents

Market Cap: \$6.6M

Shares on issue: 44.12M

Cash at Bank: \$1.6M

ASX listed shares: +\$2M

Top 20 shareholders – 57%

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Duketon Gold Project Thompson's Bore drilling intersects 16m @ 7.8g/t

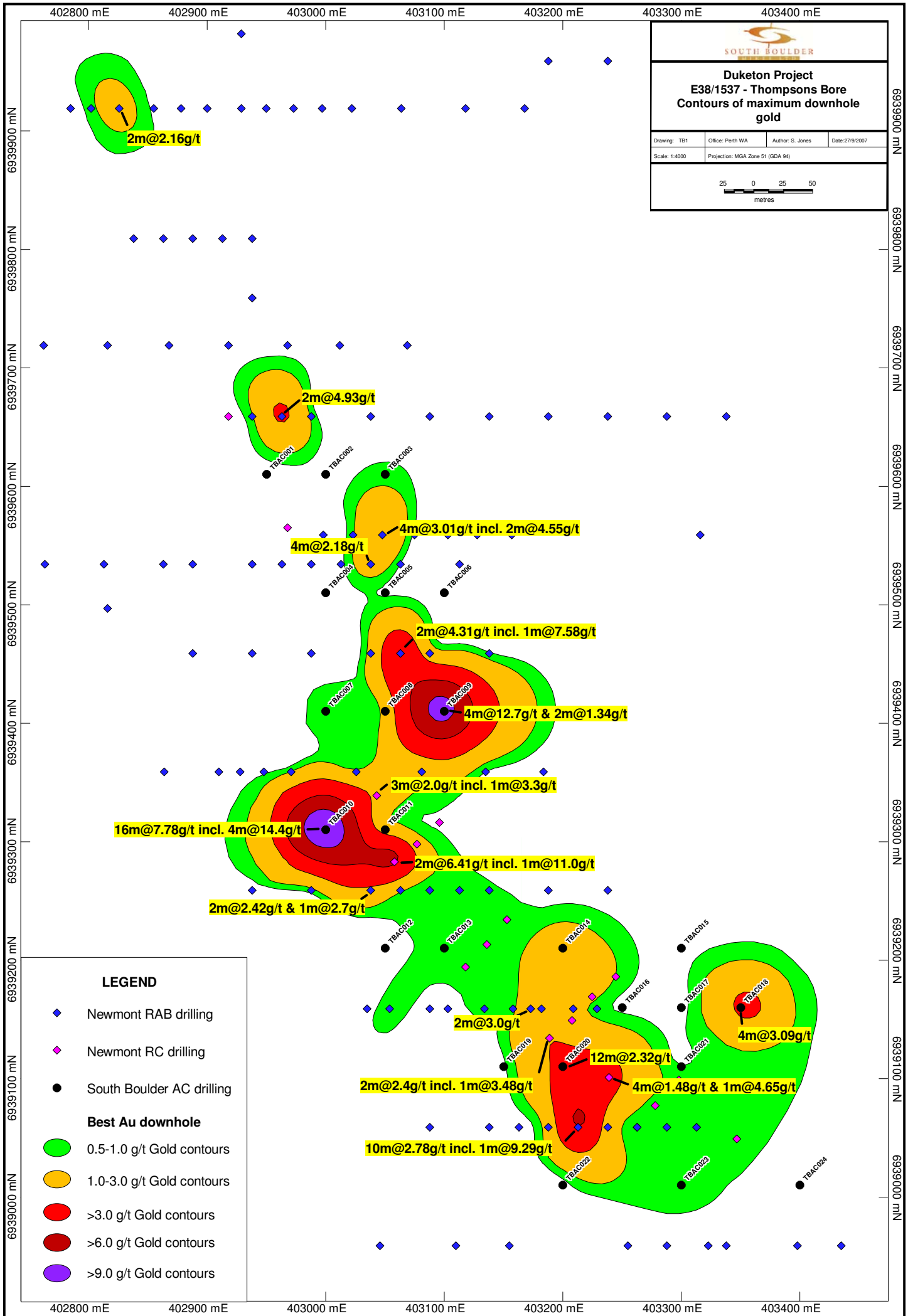
- High gold grades intersected at the Thompson's Bore Prospect within the Duketon Project including;
 - 16m @ 7.8g/t (inc 4m @ 14.4g/t) from 32m
 - 4m @ 12.7g/t from 44m
 - 12m @ 2.3g/t (inc 4m @ 3.5g/t) from 20m
 - 4m @ 3.1g/t from 56m
- STB holds 100% ownership of gold rights for the Duketon Project
- Exploration to be accelerated at Thompson's Bore
- Further drilling to commence upon securing a suitable drill rig

South Boulder Mines Ltd (South Boulder) (ASX:STB) is pleased to announce that first phase Aircore drilling at the Thompson's Bore Gold Prospect at its 100% owned Duketon Project near Laverton, WA has intersected significant oxide gold mineralisation.

A total of 24 Aircore holes (TBAC001 – TBAC024) were drilled at the Thompson's Bore Gold Prospect for 1809 metres. All holes were drilled at - 60° towards 270° except where access necessitated vertical drilling.

Further drilling is planned to test for extensions to known mineralisation which is open in a number of locations as well as infill drilling designed to better understand the controls of mineralisation. Exploration drilling is being accelerated at Thompson's Bore subject to sourcing a suitable Aircore drilling rig.

Managing Director Liam Cornelius said "the presence of high grade, shallow gold mineralisation is always welcomed and encouraging, however there has never been a better time to discover gold in the Duketon Belt with the strong gold price and Regis Resources pushing forward with their planned development of the Moolart Well Gold Mine".



The Thompson's Bore Prospect is located 12km south west of the Famous Blue Gold Deposit and 5km due south of the Bulge Nickel Sulphide discovery.

The Aircore drilling program was planned to test a 1km long gold corridor previously defined by historical drilling by Newmont Mining Corporation.

Samples were collected as 4m composites. Significant results are as follows:

Hole Number	Easting	Northing	Depth (From)	Depth (To)	Interval (m)	Au (ppm)
TBAC003	403050	6939610	72	76	4	0.69
TBAC007	403000	6939410	72	76	4	0.43
TBAC009	403100	6939410	0	8	8	0.59
TBAC009			44	48	4	12.7
TBAC009			60	68	8	0.96
TBAC010	403000	6939310	32	48	16	7.78
<i>Includes</i>			32	36	4	14.4
TBAC013	403100	6939210	44	48	4	0.57
TBAC014	403200	6939210	32	36	4	0.43
TBAC014			60	64	4	0.9
TBAC014			68	72	8	1.28
TBAC018	403350	6939160	56	60	4	3.09
TBAC020	403200	6939110	20	32	12	2.32
<i>Includes</i>			24	28	4	3.5
TBAC020			64	72	8	0.80

Note: results are rounded where appropriate

1m re-splits of significant intervals will be collected as soon as possible and submitted to Ultra Trace Analytical Laboratories in Perth for assay. Results will be released as soon as they are available.

Gold mineralisation is related to (smokey and often pink) quartz veining and ferruginised structures in the oxidised zone of the weathering profile. Host rocks are mafic in origin and often intercalated with chert bands. At this stage the dip orientation of the mineralisation is unclear as historic drilling was for the most part drilled vertically on 100m spaced grid lines, however the general trend of the mineralisation appears to be coincident with the regional 330° strike.

Duketon Belt Gold Potential

The Duketon Belt contains highly prospective geological sequences and mineralised structures. Numerous structures are known to contain significant gold mineralisation. This is evidenced by the approximately 2.5M ounces of unmined gold resources currently defined to date within the belt. In addition the plus 1M ounce Moolart Well Gold Project is currently being developed by Regis Resources NL.

Very little systematic gold exploration has been completed within The South Boulder Duketon Gold Project. From the early 90's the majority of the Duketon Project was held by Normandy Mining Limited and Newmont Mining Corporation. Although wide spaced reconnaissance exploration was sporadically conducted, the vast majority of the project remains under shallow cover and vastly under explored.

About the Duketon Project

STB's 100%-owned Duketon Project is located north of Laverton in Western Australia. The Duketon Project covers 2150km² and is highly prospective for gold, nickel sulphide and base metal deposits.

STB has a two-pronged attack on the gold potential of the Duketon Project, seeking both large scale stand alone operations as well as looking closely at smaller, higher-grade opportunities. As part of its push to find further resources, South Boulder is targeting prospects that would not have met the size criteria of the previous explorers.

Nickel sulphide potential within the Duketon Project is highlighted by the recent Collurabbie discovery by Falcon Minerals Ltd and BHP Billiton Ltd to the north, and by the recently revived Windarra nickel mine to the south held by Poseidon Nickel Ltd.

First pass drilling targeting a buried bedrock conductor has been completed at The Bulge Prospect. Highly encouraging results were returned including wide disseminated nickel sulphide intervals as well as several + 1% nickel sulphide intercepts. This drilling was completed by joint venture partner Independence Group NL (IGO).

Previously reported surface sampling from the Duketon Project has returned a significant nickel sulphide signature at Camp Oven.

About South Boulder Mines Ltd

Listed in 2003, STB is focused on gold, nickel and base metal exploration within the Duketon Project.

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.

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The information in this report that relates to exploration results is based on information compiled by Liam Cornelius, who is a member of the Australian Institute of Geoscientists. Mr Cornelius 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". Liam Cornelius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.