

ASX Code: STB

Share Price: 32 cents

Market Cap: \$15.0M
Shares on issue: 45.27M

Cash at Bank: \$1.0M
ASX/TSX listed shares: +\$2.0M

Top 20 shareholders – 50%

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Access Agreement signed with Traditional Land Owners for Lake Disappointment East Potash Project

South Boulder Mines Ltd (ASX: STB) is pleased to announce that it has signed an Access Agreement with the Traditional Land Owners of the Lake Disappointment East Potash Project in Western Australia.

The signing of this Agreement with the Martu People removes any impediments to the grant of Project. The Company intends to expedite the grant process by working closely with the Department of Industry and Resources (DoIR).

The Lake Disappointment Potash Project is 100% owned by South Boulder and the Company intends to commence on ground work as soon as possible with the aim of defining a JORC compliant Resource by the end of calendar year 2008.

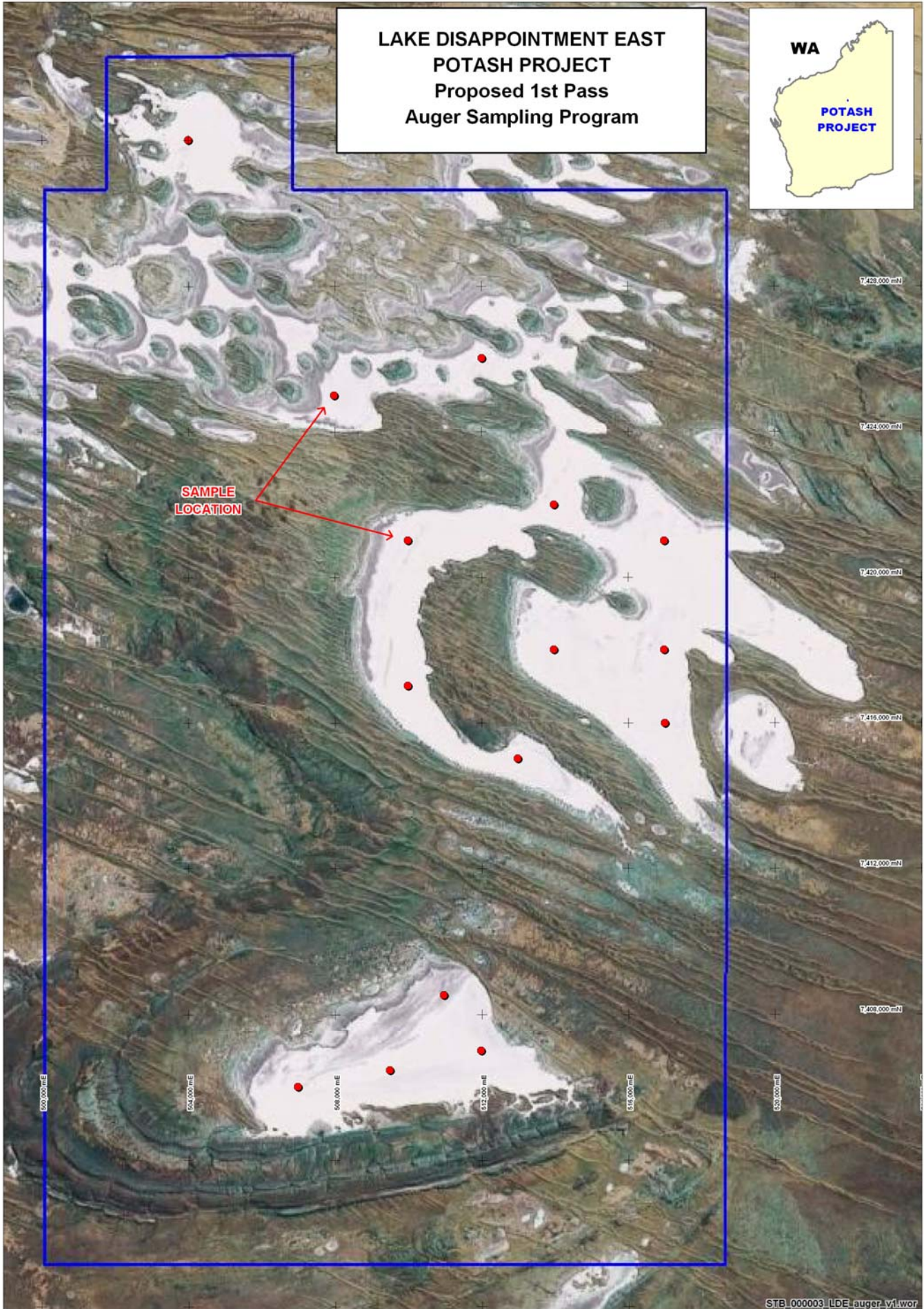
The Lake Disappointment Potash project consists of a single Exploration Licence Application covering 572km² of the Lake Disappointment shallow lacustrine system located approximately 400kms east of Newman in WA.

The Agreement has been signed by South Boulder and the Western Desert Lands Aboriginal Corporation (WDLAC) on behalf of the Martu People. The terms of the Agreement allow for exploration to commence once the license has been granted.

Exploration plans are well advanced, with the appointment of key hydrogeological and resource consultants complete. Once the plans are finalised a submission will be made to WDLAC to initiate heritage surveys and community consultation.

South Boulder looks forward to working closely with the Martu people to advance the Project toward a possible production scenario.

**LAKE DISAPPOINTMENT EAST
POTASH PROJECT
Proposed 1st Pass
Auger Sampling Program**



About South Boulder Mines Ltd

Listed on the ASX in 2003, South Boulder Mines Ltd (ASX: STB) is primarily focused on gold, nickel and base metal exploration within the Duketon Project.

Recently with the increase in demand for bulk fertilizer, South Boulder has undertaken to participate in the sector by acquiring and evaluating projects that have the potential to produce economic resources.

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:

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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.