

ASX Release

Thursday, 11 Sept 2008



ASX Code: STB

Share Price: 12.5 cents

Market Cap: \$7M

Shares on issue: 55.50M

Cash at Bank: \$3.1M

ASX/TSX listed shares: +\$1.0M

Top 20 shareholders: 48%

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ACQUISITION OF QLD GEORGINA BASIN PHOSPHATE PROJECT

South Boulder Mines Ltd (ASX: STB) has further strengthened its position in the fertiliser sector by applying for two new exploration licenses prospective for phosphate mineralisation in the Georgina Basin in Queensland.

The exploration licence applications (EPM17662 and EPM17663) cover approximately 422 square kilometres (km²) in the Central Eastern Georgina Basin and include substantial extents of prospective Cambrian carbonate sequences.

The tenements have been previously explored and drilled for phosphate mineralisation by Mines Exploration Pty Ltd and Continental Oil Company of Australia Pty Ltd in the late 1960's with the best drilled intercept intersected of 7.9m @ 4.6% P₂O₅ from 51m depth.

The project is located in central north east Queensland, approximately 110km northeast of Mt Isa. The tenements are immediately adjacent north and south to Superior Resources Limited's (ASX: SPQ) Inca Phosphate Project as shown in Figure 1.

Both of the exploration license application areas have been subject to exploration for phosphate in the mid to late 1960's by Mines Exploration Pty Ltd and Continental Oil Company of Australia Pty Ltd. The broad spaced drilling conducted by the previously explorers is considered by South Boulder to be limited and it has identified significant phosphate mineralisation. South Boulder is encouraged by the excellent historic results obtained from the sparse drilling and expects follow-up drilling to be undertaken once targets are better defined.

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.

South Boulder intends to immediately commence historical data compilation/evaluation, traditional owner consultation and express the tenement through to grant. It is expected that the grant process will take a minimum of 6 months.

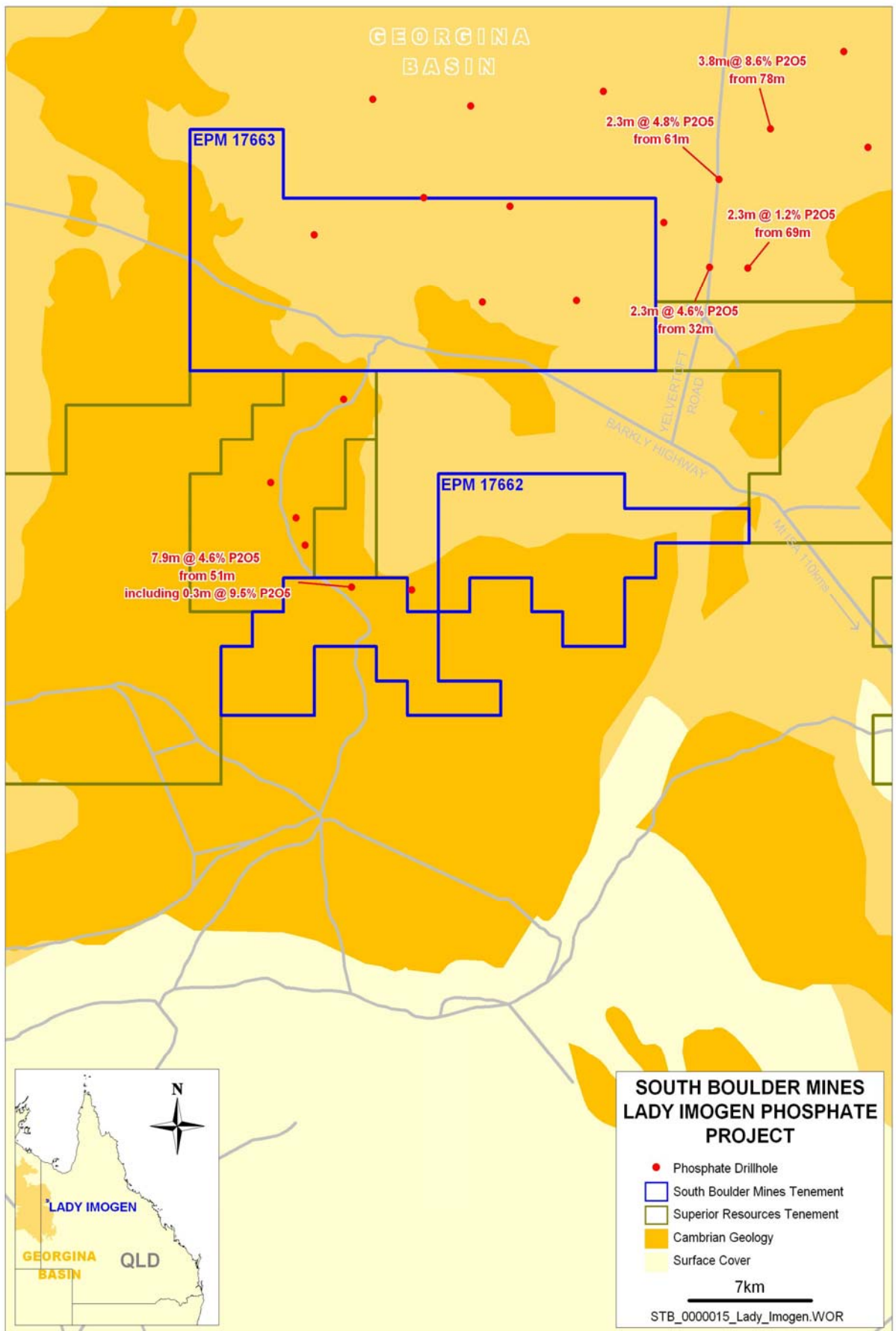


Figure 1: Lady Imogen Phosphate Project Location (The assay results shown are historic and have been determined using atomic absorption spectroscopy by AMDEL Laboratories Pty Ltd.)

About South Boulder Mines Ltd

Listed in 2003, South Boulder Mines (ASX: STB) has primarily focused on gold, nickel and base metal exploration within the Duketon Project W.A. The company has recently become involved in exploration for potash and phosphate.

In April 2004 South Boulder signed a farm-out joint venture agreement with Independence Group NL who can earn a 70% interest of the nickel rights on tenements held by South Boulder within the Duketon Project by the completion of a Bankable Feasibility Study within five years. New in-house technology developed by Independence 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.