



ASX Code: STB

Share Price: 7.0 cents

Market Cap: \$3M
Shares on issue: 55.5M

Cash at Bank: \$2.9M
ASX/TSX listed shares: +\$0.75M

Top 20 shareholders – 48%

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DUKETON NICKEL JV FOLLOW UP DRILLING TO COMMENCE

South Boulder Mines Ltd (ASX: STB) is pleased to announce that further RC and diamond drilling is set to commence early next month at the Bulge C2 nickel prospect north of Laverton Western Australia.

Most recent highlights include:

- 5m @ 1.14% Ni (0.20% Cu + 0.91g/t Pt+Pd) from 127m in TBRC020 incl. 1m @ 2.25% Ni.
- 22m @ 0.70% Ni (0.30% Cu, 0.98g/t Pt+Pd) from 68m in TBRC019.
- 12m @ 0.76% Ni from 172m in TBRC021 incl. 1m @ 1.57% Ni.
- 4m @ 0.77% Ni from 90m in TBRC067.
- 1m @ 2.11% Ni from 279m in TBRC066.
- 7m @ 0.59% Ni (110m) TBRC018.

Independence Group NL (ASX: IGO) has advised that they plan to complete up to 6 combination RC and diamond drill holes to test extensions to the previously intersected mineralisation.

In early 2004, South Boulder entered a farm-out Joint Venture (JV) Agreement with Independence, whereby Independence can earn a 70% interest in the nickel rights on tenements held by South Boulder in the Duketon Project. The data, interpretation, text and diagrams that form this ASX release have been provided courtesy of Independence.

The program will test an off-hole DHEM conductor identified in TBRC066 which intersected up to 2.1% Ni and will also test down dip extensions of previously identified intercepts. All of the holes will be cased with PVC and surveyed with DHEM.

A plan of the drilling locations at the Bulge prospect completed to date with some significant intercepts is shown in Figure 1. Figure 2 shows a schematic geological cross section of line 6945100N through a significantly mineralised nickel intercept.

A total of 1,725m is planned to be drilled comprising 1,065m of RC and 660m of NQ2 diamond drilling. It is expected that once started the drilling will take 2-3 weeks to complete. Results will be released as soon as they become available to South Boulder.

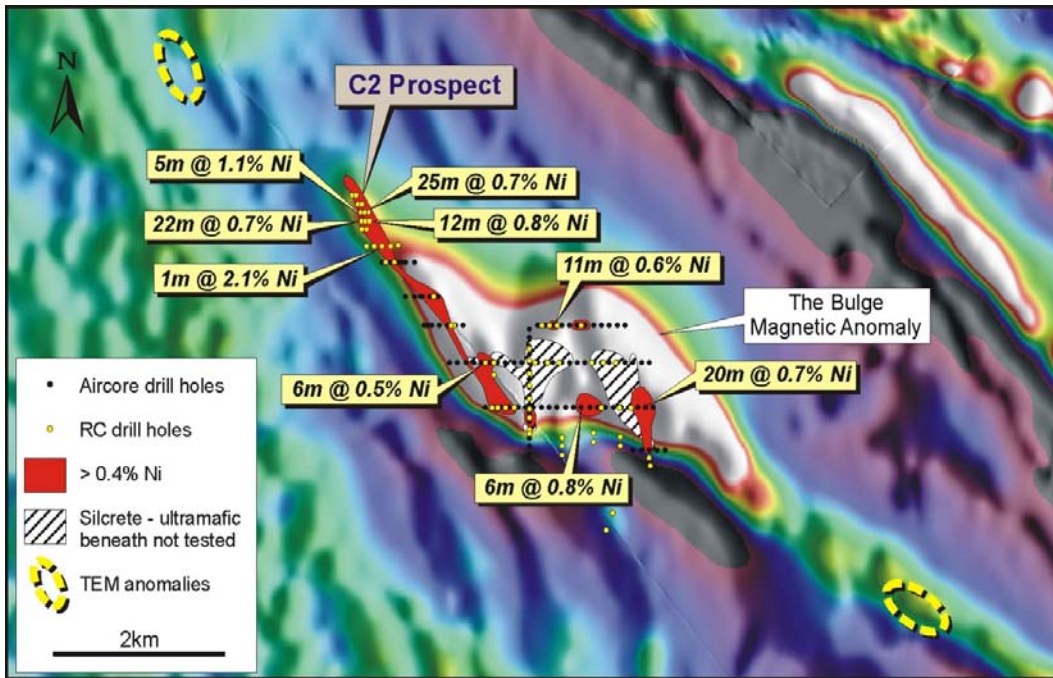


Figure 1 – The Bulge TMI Aeromagnetic Image with RC and AC Drilling and TEM anomalies.

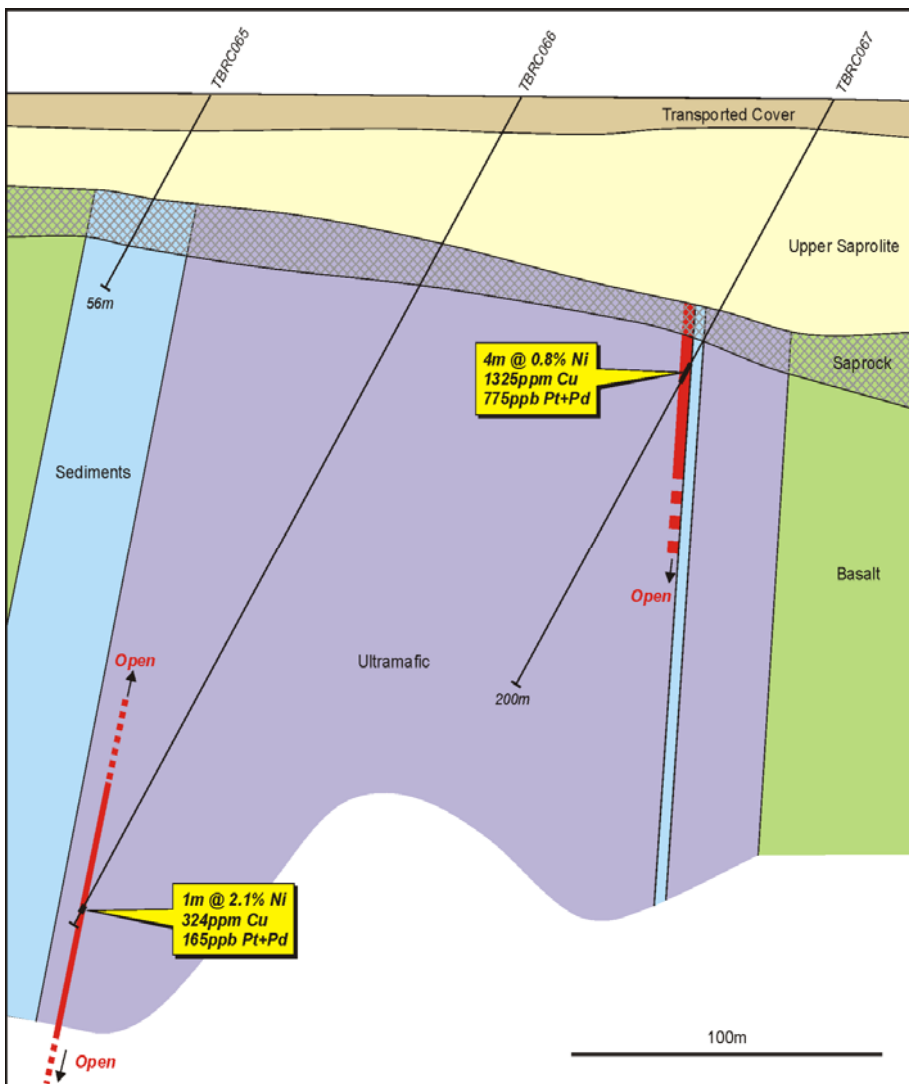


Figure 2 – The Bulge C2 Prospect Cross Section 6945100N

About South Boulder Mines Ltd

Listed in 2003, South Boulder Mines (ASX: 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 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. 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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This ASX release has been compiled by Lorry Hughes using information on exploration results supplied by Paull Parker of Independence Group who are the operator of the Duketon Nickel JV. Lorry Hughes and Paull Parker are members of the Australian Institute of Mining and Metallurgy. Mr Hughes and Mr Parker 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 are 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 and Paull Parker consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.