



ASX Code: STB

Share Price: 7.5 cents

Market Cap: \$4M

Shares on issue: 55.5M

Cash at Bank: \$2.7M

ASX/TSX listed shares: +\$0.75M

Top 20 shareholders – 48%

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## MATRIX AND MASSIVE NICKEL SULPHIDES INTERSECTED AT THE BULGE NICKEL PROJECT

South Boulder Mines Ltd (ASX: STB) is pleased to announce that matrix and massive nickel sulphides with grades of up to 3.43% nickel have been intersected in the latest drilling programme at the Bulge Prospect. Significant platinum, palladium (combined grades up to 2.46 g/t) and copper values (up to 0.47%) are associated with the nickel sulphides.

Highlights include:

### HOLE TBDD071

- 20.16m @ 0.98% Ni (0.04% Cu, 0.08g/t Pt + Pd) from 159.84m.
- 14.11m @ 0.96% Ni (0.07% Cu, 0.75g/t Pt + Pd) from 248.89m including;
  - 2.26m @ 2.23% Ni (0.20% Cu, 2.10g/t Pt + Pd) from 248.89m and
  - 1.33m @ 2.20% Ni (0.13% Cu, 1.54g/t Pt + Pd) from 254.78m and
  - 0.42m @ 3.28% Ni (0.17% Cu, 1.57g/t Pt + Pd) from 255.69m.
- 4.5m @ 2.04% Ni (0.04% Cu, 0.36g/t Pt + Pd) from 267.33m including;
  - 0.67m @ 3.43% Ni (0.07% Cu, 0.93g/t Pt + Pd) from 267.33m and
  - 1.00m @ 2.99% Ni (0.06% Cu, 0.32g/t Pt + Pd) from 268.0m.

### HOLE TBDD073 (\*S.G. weighted assay result)

- \*23.0m @ 0.66% Ni (0.05% Cu, 0.45g/t Pt + Pd) from 200m including;
  - \*4.0m @ 1.31% Ni (0.19% Cu, 1.37g/t Pt + Pd) from 200m including;
  - \*1.27m @ 2.60% Ni (0.39% Cu, 2.46g/t Pt + Pd) from 202m including;
  - 0.69m @ 3.16% Ni (0.47% Cu, 2.35g/t Pt + Pd) from 202.31m.

Large untested off-hole DHTEM conductor defined adjacent to Hole TBDD073.

Nickel sulphide grade increasing with depth.

The program was designed to test down dip extensions of previously identified disseminated nickel sulphide intercepts within the Bulge Nickel Prospect as well as to test an off-hole DHEM conductor identified in TBRC066 which previously intersected up to 2.1% Ni at a vertical depth of ~240m.

Independence has advised that only 3 holes out of the 6 holes originally planned were completed due to drilling difficulties and time constraints leading up to Christmas.

The results have confirmed a general increase in sulphide content and grade for the central and eastern zone at the Bulge C2 target. Encouragingly, nickel sulphide grades appear to be increasing with depth.

The latest results have returned the highest grades intersected so far at the Bulge. Individual assays returned grades in the order of 3.28% Ni - 3.43% Ni. Additionally high platinum and palladium values up to 2.46g/t confirm the potential for significant credits if a commercial resource is defined. Narrow zones of massive sulphides were intersected within wider zones of matrix sulphides (up to 1m) in TBDD071, within the central zone of the ultramafic body. A full table of results is included as Table 1.

Additional to the drilling results, a (100m X 100m) off-hole DHEM conductor was defined adjacent to hole TBDD073. Further drilling is required to test this conductor.

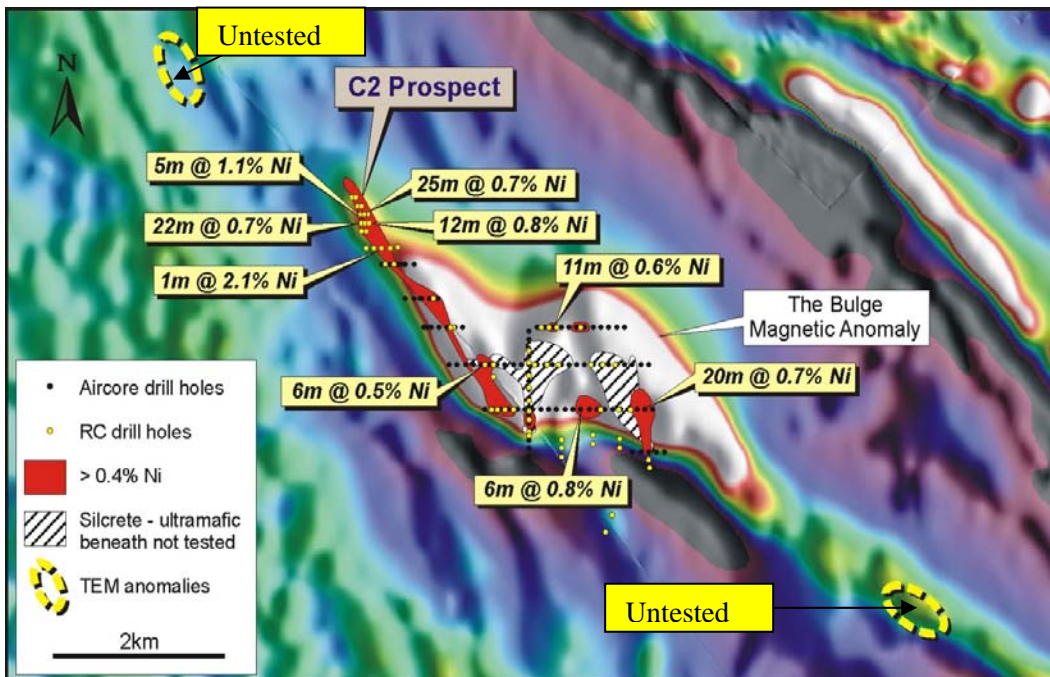
A plan of previous drilling locations at the Bulge prospect with significant intercepts is shown in Figure 1. Figure 2 shows a schematic geological cross section of line 6945400N through significantly mineralised nickel intercepts.

The diamond hole designed to test the off-hole DHEM conductor below TBRC066 was drilled as a scissor hole. This hole did not penetrate the intended basal contact and therefore this conductor remains untested. Independence is in the process of updating the geological interpretation for this area.

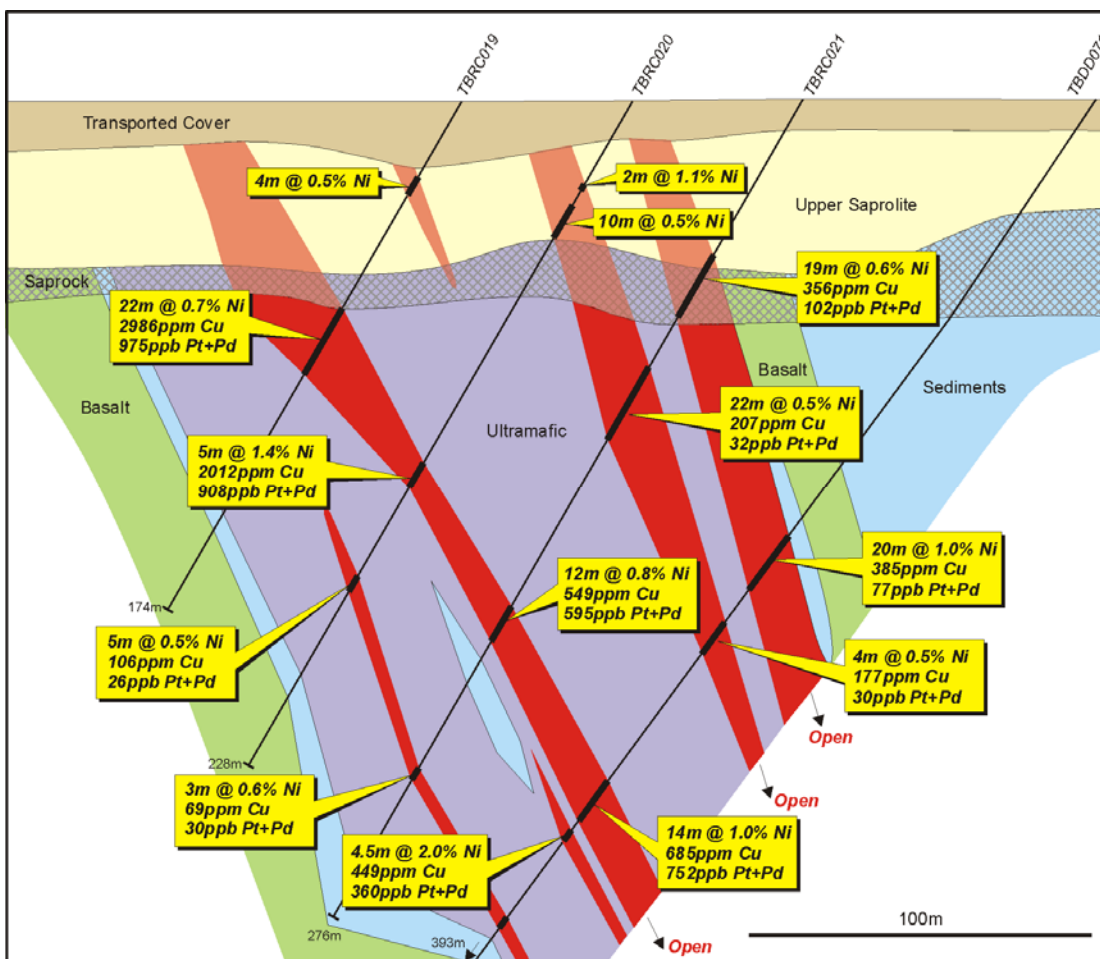
Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Interval (m)	True width (m)	Ni (%)	Cu (%)	Pt+Pd (g/t)
TBDD071	401078	6945400	550	270	-56	393	159.84	180.00	20.16	16.00	0.98	0.04	0.08
includes							159.84	167.00	7.16	5.68	1.16	0.05	0.08
includes							171.08	171.69	0.61	0.48	1.21	0.04	0.14
includes							175.00	177.15	2.15	1.98	1.25	0.04	0.09
							189.00	193.06	4.06	4.00	0.46	0.02	0.03
							248.89	263.00	14.11	14.00	0.96	0.07	0.75
includes							248.89	251.15	2.26	2.24	2.23	0.20	2.10
includes							254.78	256.11	1.33	1.32	2.20	0.13	1.54
							267.33	271.83	4.50	4.46	2.04	0.04	0.36
TBDD073	401045	6945500	550	270	-61	372	200.00	223.00	23.00	14.00	0.66	0.05	0.45
includes							200.00	204.00	4.00	2.43	1.31	0.19	1.36
includes							202.00	203.27	1.27	0.77	2.56	0.39	2.46
includes							213.00	223.00	10.00	6.09	0.57	0.02	0.10
includes							214.00	215.00	1.00	0.61	1.40	0.06	0.14

**Table 1** – Compositing assay results included estimated true width intervals.

Independence are currently reviewing and formulating follow-up drilling designs based on these new results. South Boulder intends to release plans about follow-up exploration work as the information becomes available.



**Figure 1** – The Bulge TMI Aeromagnetic Image with RC and AC Drilling and TEM anomalies (Recently completed diamond drilling not shown).



**Figure 2** – The Bulge C2 Prospect 6,945,400mN Schematic cross-section showing significant drilling results.

## **About the Joint Venture**

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, by the completion of a Bankable Feasibility Study within 5 years. The data, interpretation, text and diagrams that form this ASX release have been provided courtesy of Independence.

## **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.

### **More information:**

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*This ASX release has been compiled by Lorry Hughes using information on exploration results supplied by Tim Kennedy of Independence Group who are the operator of the Duketon Nickel JV. Lorry Hughes and Tim Kennedy are members of the Australian Institute of Mining and Metallurgy. Mr Hughes and Mr Kennedy 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 Tim Kennedy consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.*