

ASX Release

19 August 2009



ASX Code : STB
Berlin : SO3-Ber
Frankfurt : SO3-Fra

Share Price: 13.0 cents

Market Cap: \$7.2M

Shares on issue: 55.7M

Cash at Bank: \$2.5M
ASX/TSX listed shares: \$1.5M

Top 20 shareholders – 48%

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LISTED EQUITY HOLDINGS

(ASX: MZM) - 4.150m shares
(ASX: MZMO) - 1.037m options
(ASX: IXR) - 1.325m shares
(ASX: AVZ) - 0.400m shares
(ASX: BUX) - 0.250m shares
(ASX: AGO) - 12,490 shares
(ASX: UNX) - 0.700m shares
(CDNX: CNI.V) - 130,000 shares

DUKETON NICKEL JV DRILLING COMMENCES

South Boulder Mines Ltd (ASX: STB) is pleased to announce that JV partner, Independence Group (ASX: IGO) has commenced a 30 – 50 hole (approximately 5000m) follow up drill program at the Bulge Sulphide Nickel Prospect.

The program is designed to test for additional shallow mineralisation along the interpreted eastern ultramafic contact. The planned drillhole collars are shown in Figure 2.

At 'The Bulge' C2 Prospect, numerous robust drill intercepts have been intersected including 50m @ 0.92% Ni from 275.00m, 20m @ 1% Ni from 160m and 4.5m @ 2.04% Ni from 267m. Individual assays up to 3.43% Ni with Pt/Pd grades up to 2.46g/t have also been returned.

Initial results from a low level (40m X 40m) high definition magnetic survey have been received and as expected, provide enhanced detail of the structure of 'The Bulge' magnetic anomaly. An image of the new magnetic data is shown in Figure 2.

Due to the success of holes TBDD071 and TBDD074 in identifying significant widths of nickel sulphide mineralisation on the eastern contact, the remainder of the eastern contact is seen as a compelling target. Aircore drilling will be used to try and define the exact contact between the ultramafic and mafic sequences and test for accumulations of nickel sulphide. Slimline RC will also be available if required if a silica cap is encountered with the aircore drilling method.

Holes have been planned approximately 30-40m away from the interpreted contact position. This will ensure approximately 30m of lower saprolite and/or fresh rock of the ultramafic target unit is intersected.

To date the mineralisation intersected at The Bulge C2 Prospect has defined a disseminated semi-continuous sulphide body that occurs over a 700m strike length and is up to 35m thick. It includes heavy interstitial disseminated (pyrite, pyrrhotite, pentlandite, chalcopyrite and occasional millerite) sulphides, stringer sulphides and magmatic vesicular "blebby" sulphide textures.

This drill program is expected to be completed in August and results will be released as soon as they become available.

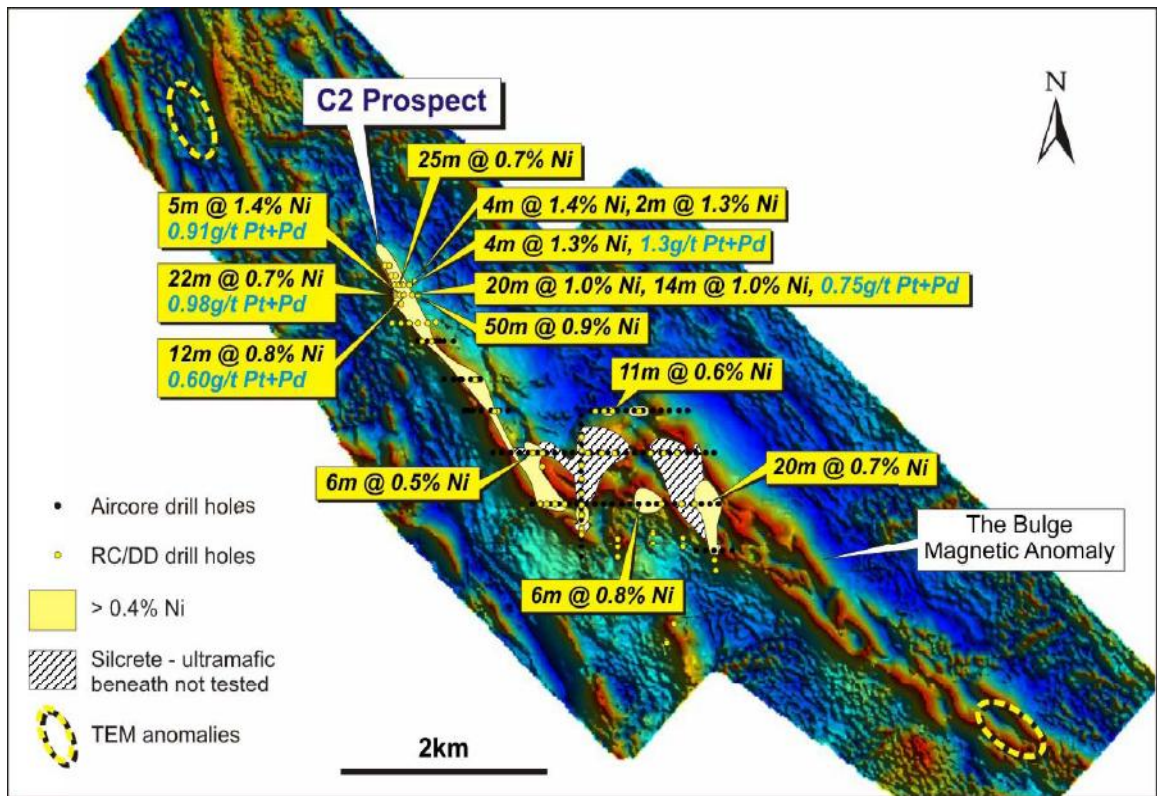


Figure 1 – The Bulge C2 Nickel Sulphide Prospect with significant drill intercepts.

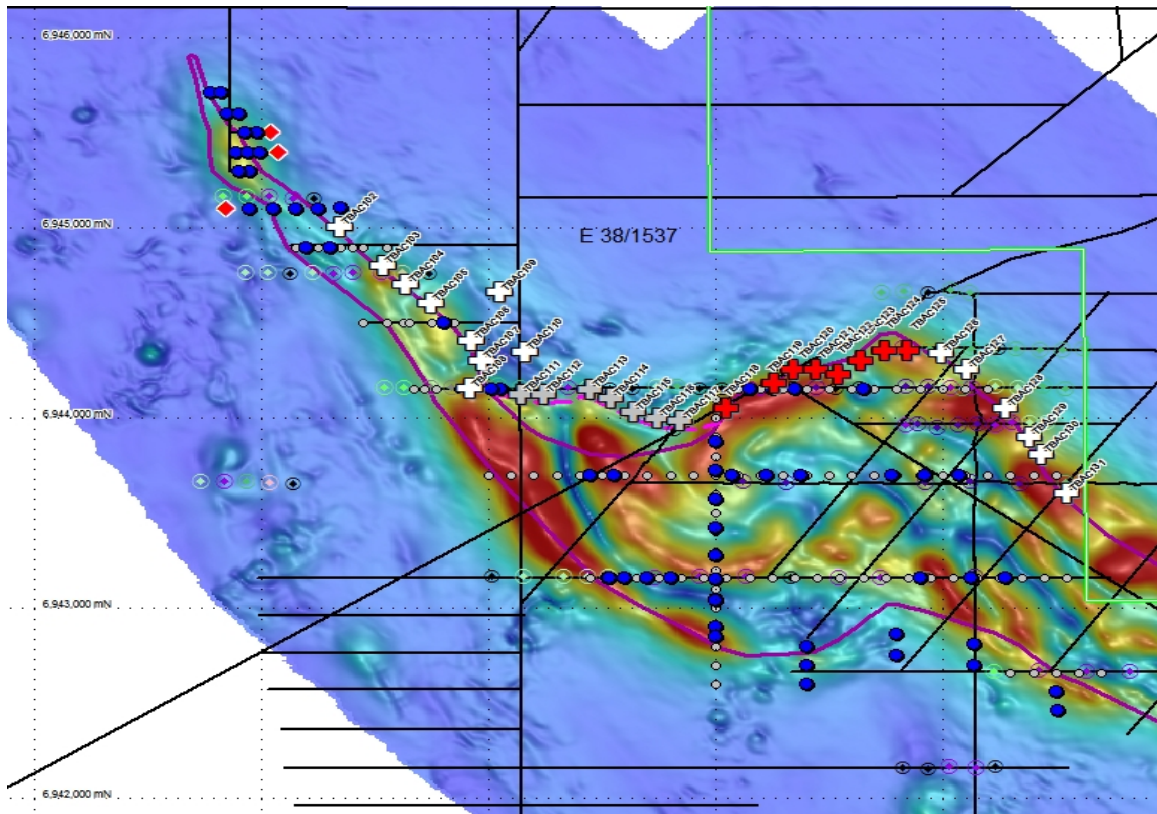


Figure 2 - TMI Analytical Signal Aeromagnetics

Planned Aircore white crosses (to be drilled towards 270°)

Planned Aircore grey crosses (to be drilled towards 180°)

Planned Aircore red crosses (to be drilled towards 360°)

Ultramafic contact (purple line), tracks (black line), tenement boundary (green line).

Previous IGO drilling (Aircore-Grey, RC drilling- Blue, Diamond drilling-red dots)

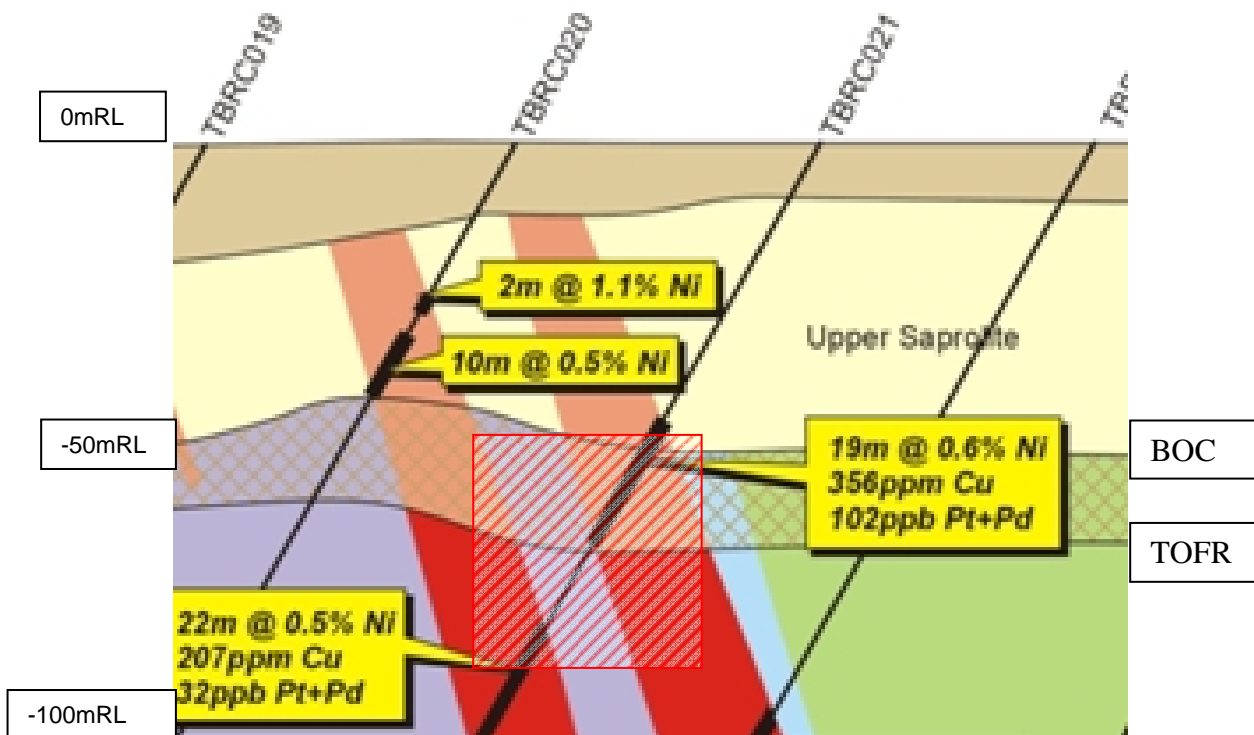


Figure 3 - Idealised cross section with intended contact (target) position (red box), most of the ultramafic intersected is at or below the base of oxidation in TBRC021 at around 50-80m depth.

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, cross and long section 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 a diversified explorer primarily focused on gold, nickel, potash and phosphate.

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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.