

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

Share Price: 18.5 cents

Market Cap: \$10.3M

Shares on issue: 55.7M

Cash at Bank: \$2.4M  
ASX 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 share

## Re-sampling improves grades at Terminator gold discovery

- Follow-up 1 metre re-sampling (fire assay) have returned improved results at the newly discovered Terminator Gold Prospect within the Duketon Gold Project. Results include;
  - TBAC111 - 37m @ 2.18g/t from 1m;
    - including 11m @ 5.37g/t from 26m
    - including 4m @ 12.42g/t from 33m.
- Program of work submitted to Department of Mines and Petroleum for follow up 4000m drill program
- ~50% of the initial 4m composite samples are outstanding. A substantial follow-up 1m resample program is underway with results outstanding.
- STB holds 100% ownership of gold rights for the Duketon Gold Project.
- Third party gold processing plant currently under construction 30km's from Terminator Prospect.
- Further drilling to commence immediately upon final departmental clearances and securing a suitable drill rig

South Boulder Mines Ltd (South Boulder) (ASX:STB) is pleased to announce that re-sampling on a one metre basis of a portion of the initial four metre composite air core samples at the Terminator Gold Prospect at its 100% owned Duketon Gold Project near Laverton, WA has improved the grade of the initial discovery hole.

The follow up sampling was conducted by JV Partner Independence Group as part of exploration on the Duketon Nickel JV. Initial 4m composite sampling results were released to the market on the 8<sup>th</sup> September 2009.

It is apparent that there is a thin 1m to 2m blanket of transported cover over the prospect and gold mineralisation starts immediately below this cover. The current strike length of the sub -cropping gold mineralisation is approximately 250m 'to date' within the 3km long gold corridor.

Although the mineralisation outcrops near surface no historic shafts are evident within or close to the mineralised corridor.

Further 1m re-sampling of significant gold intervals and outstanding 4m composite samples will be released as soon as they are available. Further drilling is planned to test for extensions to the recently discovered gold mineralisation which is open in all directions. Gold exploration drilling will be accelerated at the Terminator Prospect subject to sourcing a suitable drilling rig.

| Hole No.        | East (m)      | North (m)      | RL (m)     | Azi. (degr.) | Dip (degr.) | E.O.H.    | From      | To        | Interval (m) | Au (g/t)     |
|-----------------|---------------|----------------|------------|--------------|-------------|-----------|-----------|-----------|--------------|--------------|
| TBAC109         | 401725        | 6944600        | 550        | 270          | -60         | 99        | 28        | 30        | 2            | 0.64         |
| TBAC109         |               |                |            |              |             |           | 63        | 88        | 25           | 0.27         |
| <b>TBAC111</b>  | <b>401930</b> | <b>6944400</b> | <b>550</b> | <b>270</b>   | <b>-60</b>  | <b>90</b> | <b>1</b>  | <b>38</b> | <b>37</b>    | <b>2.18</b>  |
| <b>Includes</b> |               |                |            |              |             |           | <b>26</b> | <b>37</b> | <b>11</b>    | <b>5.37</b>  |
| <b>Includes</b> |               |                |            |              |             |           | <b>33</b> | <b>37</b> | <b>4</b>     | <b>12.42</b> |
| TBAC111         | 401930        | 6944400        | 550        | 270          | -60         | 90        | 42        | 44        | 2            | 1.11         |
| TBAC111         |               |                |            |              |             |           | 61        | 67        | 6            | 0.27         |

**Table 1** – 1 metre assay results from the Terminator Gold Prospect. Note: results for 95% of 1m re-samples are pending.

*Note: Assays have been determined by Fire Assay with ICP-AES (Ultratrace FA002). Samples were collected as 1m resamples. Results have been rounded where appropriate. Intervals are expressed as down hole intervals in metres. There is insufficient information at present to make an estimation of the true width of the mineralisation encountered.*

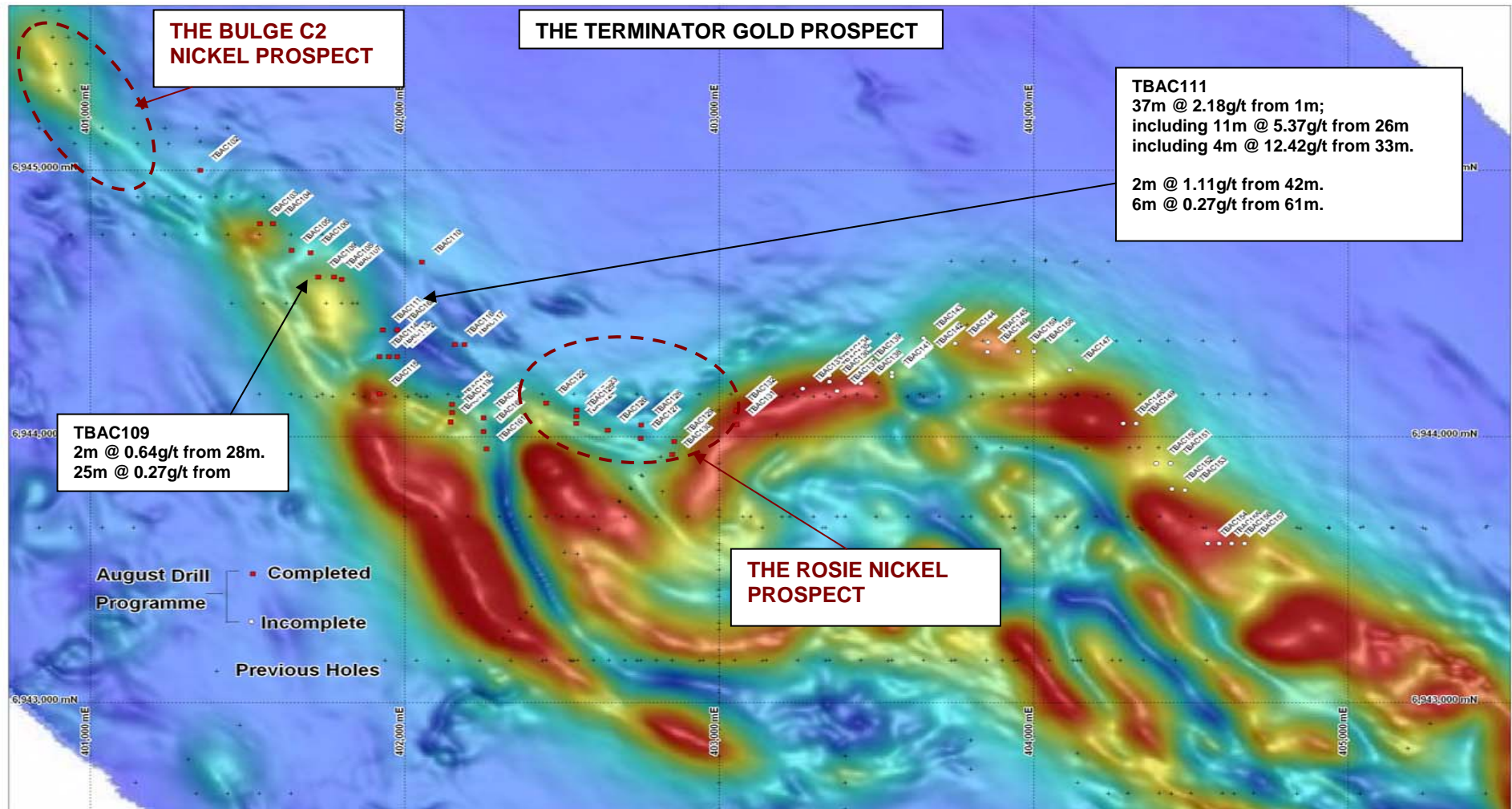
## Duketon Belt Gold Potential

The Duketon Belt contains highly prospective geological sequences and mineralised structures. Numerous structures are known to contain significant gold mineralisation. This is evidenced by the approximately 3 million ounces of unmined gold resources currently defined to date within the belt. In addition the plus 1.5 million Moolart Well Gold Project is currently being developed by Regis Resources Ltd (ASX: RRL). Once operational this will be only mining operation in the Duketon Belt.

Very little systematic gold exploration has been completed within The South Boulder Duketon Gold Project. From the early 1990's the majority of the Duketon Project was held by Normandy Mining Limited and Newmont Mining Corporation. Although wide spaced reconnaissance exploration was sporadically conducted, the vast majority of the project remains under shallow cover and vastly under explored.

## About the Nickel 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 of grant of the relevant tenements. The Duketon Project covers around 1800km<sup>2</sup> and is highly prospective for gold, nickel sulphide and base metal deposits. South Boulder holds 100% of the gold and non-nickel related base metal rights.



**Figure 1** – The Terminator Gold Prospect and The Bulge C2 and Rosie Nickel Prospects. Image is data from the recent low level high definition magnetic survey. All historic collars are shown with collars from the current drill program shown in red and white.

## **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.

### **More information:**

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This ASX release has been compiled by Lorry Hughes using information on exploration results supplied by Independence Group who are the operator of the Duketon Nickel JV. Lorry Hughes 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 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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.