



RC AND DIAMOND DRILLING COMMENCES AT THE ROSIE AND C2 NICKEL SULPHIDE PROSPECTS

South Boulder Mines Ltd (ASX: STB) is pleased to announce that further drilling has commenced at the Duketon Nickel JV as follows:

ROSIE PROSPECT

- 6 x 250metre RC holes
- 1 possible further RC hole to 250m

BULGE C2 SOUTH

- 4 x Diamond Holes ~500 – 550metres depth
- 1 x Diamond Hole to 650metres contingent on visual results of previous holes

These holes will be drilled to follow-up earlier programs which returned the following highlights;

ROSIE PROSPECT

- 35m @ 1.59g/t Pt+Pd (0.40% Ni, 0.27% Cu) from 32m.
- 20m @ 0.99g/t Pt+Pd (0.61% Ni, 0.14% Cu) from 61m including;
 - 7m @ 2.42g/t Pt+Pd (0.64% Ni, 0.31% Cu) from 65m including;
 - 3m @ 4.24g/t Pt+Pd (0.73% Ni, 0.54% Cu) from 66m including;
 - 1m @ 8.23g/t Pt+Pd (1.09% Ni, 0.81% Cu) from 68m.
- 10m @ 2.25g/t Pt+Pd (0.40% Ni, 0.49% Cu) from 32m including;
 - 3m @ 4.00g/t Pt+Pd (0.56% Ni, 0.88% Cu) from 33m.

BULGE C2

- 50m @ 0.92% Ni from 275m including;
 - 37m @ 1.05% Ni from 275m.
- 20m @ 0.98% Ni from 160m.
- 14m @ 0.96 % Ni, (0.75g/t Pt/Pd, 0.07% Cu) from 249m 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.

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

Share Price: 23.5 cents

Market Cap: \$13.2M

Shares on issue: 55.7M

Cash at Bank: \$2.0M
ASX/TSX listed shares: \$2.0M

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
Auvex (Pte) - 1.0m options

DUKETON NICKEL JOINT VENTURE

Independence Group NL (Independence) has confirmed that follow-up exploration drilling at the Rosie and C2 Nickel Sulphide Prospects commenced during the week starting 9th November 2009.

Previous drilling has intersected a broad, robust first pass platinum/palladium/nickel/copper/gold signature over an approximate 350m strike length at the Rosie Prospect, with individual assays up to 8.23g/t Pt + Pd, 0.99% Cu and 1.4% Ni.

Additionally at The C2 Prospect, numerous robust drill intercepts have been defined over a 700m strike length including individual assays up to 3.43% Ni and up to 2.46g/t Pt+Pd.

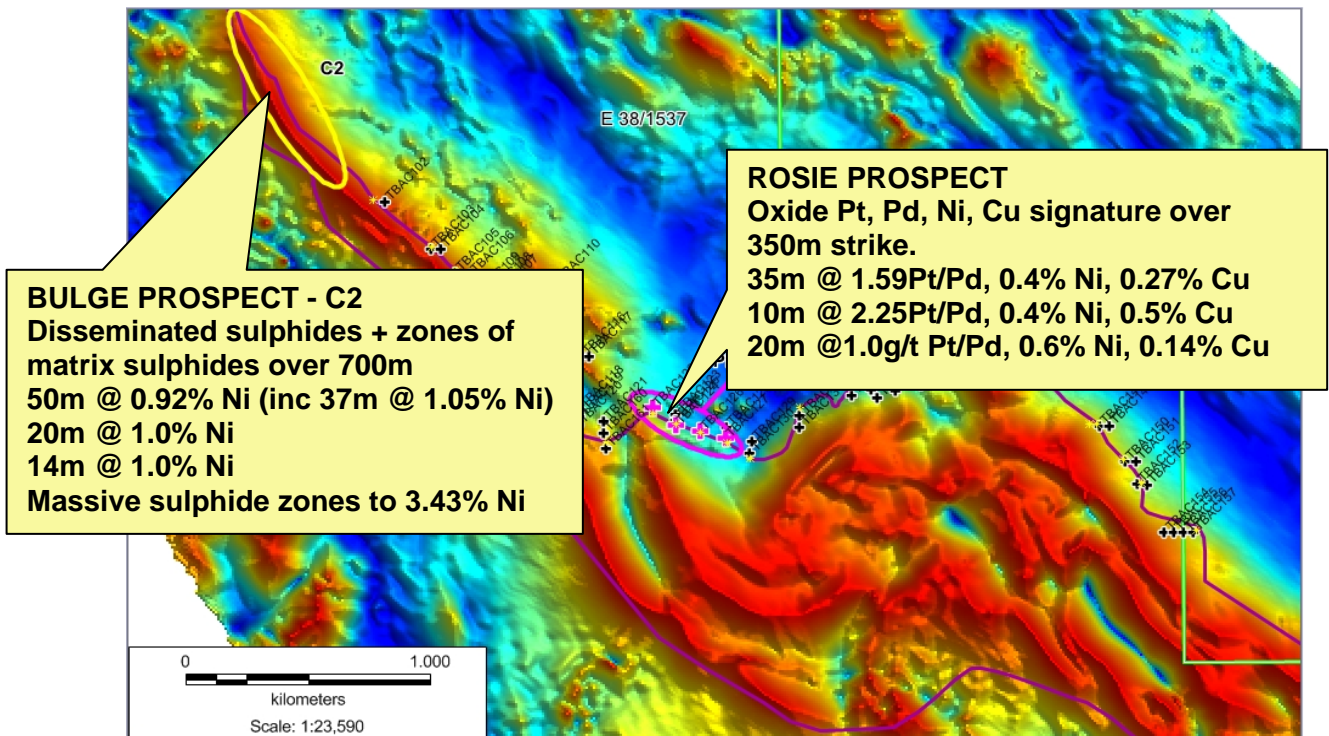


Figure 1 – Total Magnetic Intensity Aeromagnetic Image with Prospects.

ROSIE PROSPECT

Six RC holes have been planned at the Rosie Prospect to a depth of 250m. These RC holes will be drilled to follow up on the highly encouraging results intersected in a first pass aircore drilling program completed in August 2009. (Figure 2)

The RC drilling will test both down contact and further into the core of the ultramafic unit identified at The Rosie Prospect. Four holes have been planned on section, ~50-60m to the north of each of the anomalous aircore holes TBAC122, TBAC124, TBAC126 and TBAC127. The holes are planned to intersect the ultramafic contact ~80m down contact from the aircore intersections, and then drill ~100m into the ultramafic unit. A further hole may be drilled to the north to try to intersect the EM conductor which sits ~130m north of the contact position and is modelled to be dipping to the south. A further two holes will be drilled to the south of TBAC126, into the body of the ultramafic unit.

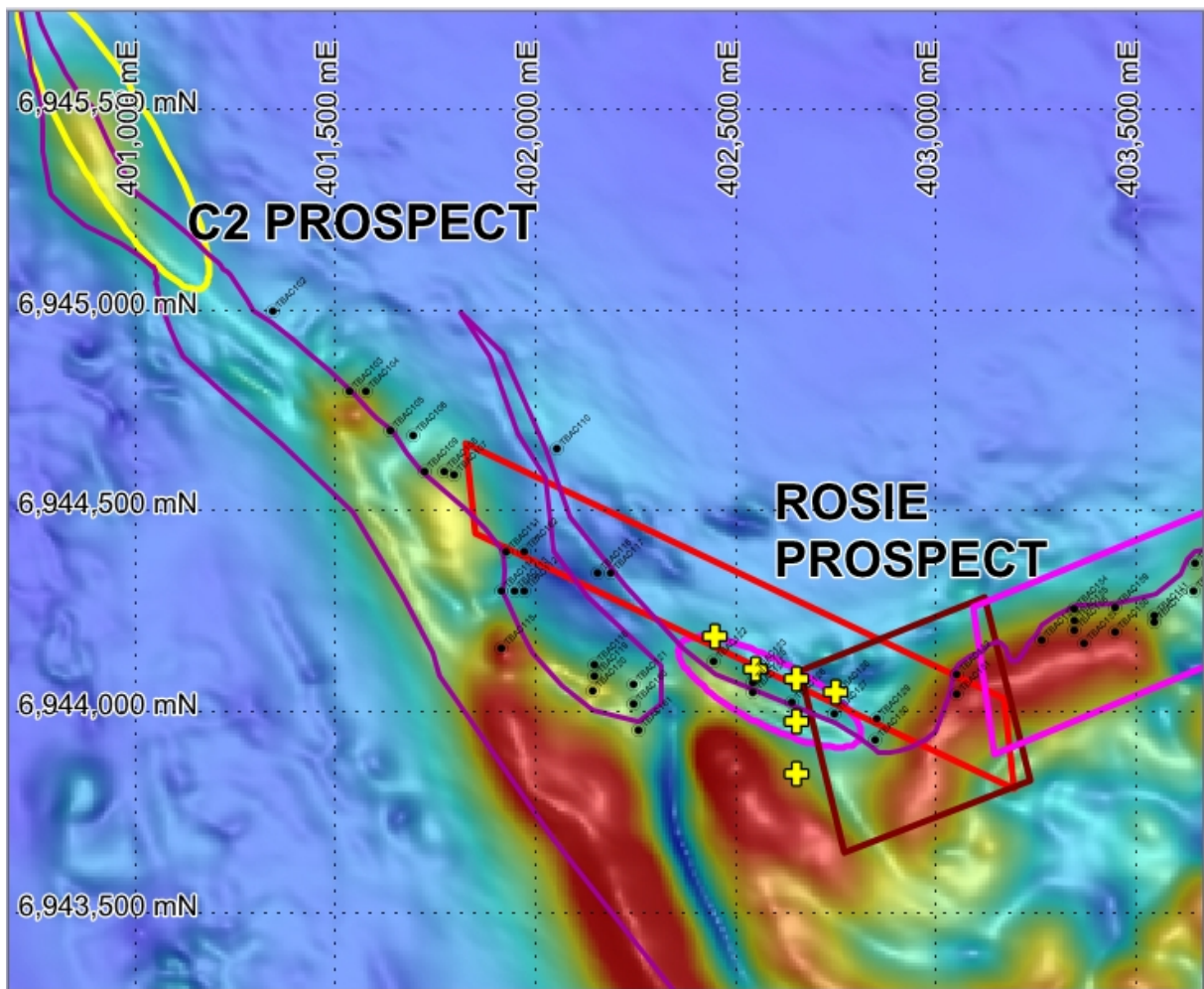


Figure 2: The Bulge Rosie Prospect plan view of proposed RC drilling (yellow crosses), ultramafic surface projection (purple line) with DHEM/MLTEM conductor models, over TMIRTP tilt derivative aeromagnetic image.

BULGE C2 PROSPECT

Previously at 'The Bulge' C2 Prospect, numerous robust drill intercepts have been intersected including 50m @ 0.92% Ni from 275m, 20m @ 1.00% 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.

Four RC holes with Diamond tails have been planned at the The Bulge C2 Prospect. The drilling will test the down plunge southern extension of the mineralisation intersected in drill holes TBDD071 and TBDD074 on section 6945400N, figure 2. Two holes will be drilled 100m south on section 6945300N at similar stratigraphic positions as TBDD071 and 074. These holes will be ~500m and ~550m deep respectively. This will test the hypothesis that there is a south easterly plunge to the mineralisation. One hole will be drilled on section 6945200N again to test the plunge of the system, ~550m deep. If the holes are successful a further hole may be drilled on section 6945300N, ~650m deep, below the two planned holes, figure 4.

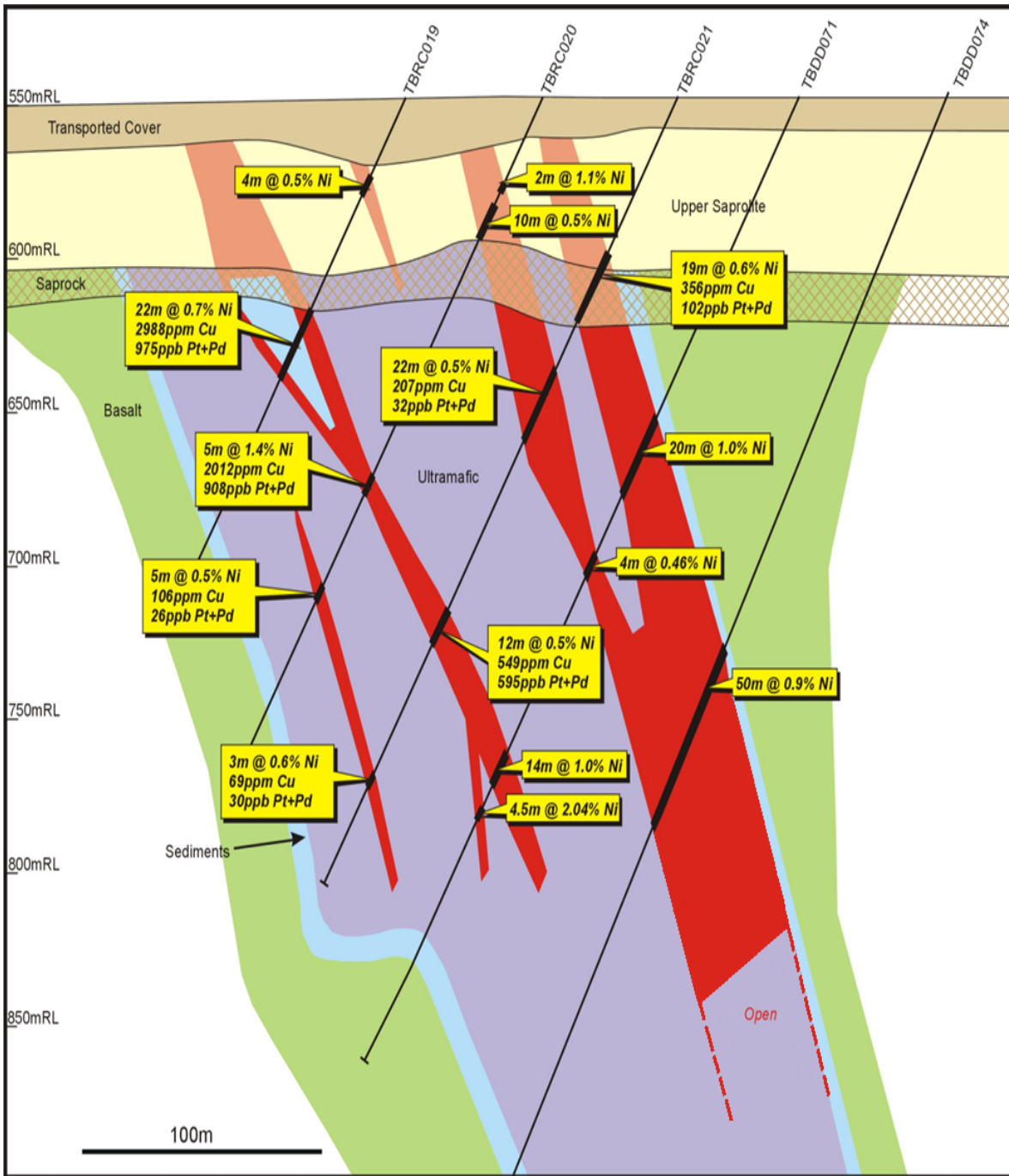


Figure 3: The Bulge C2 section 6945400N with geology and significant intersections >0.4 Ni

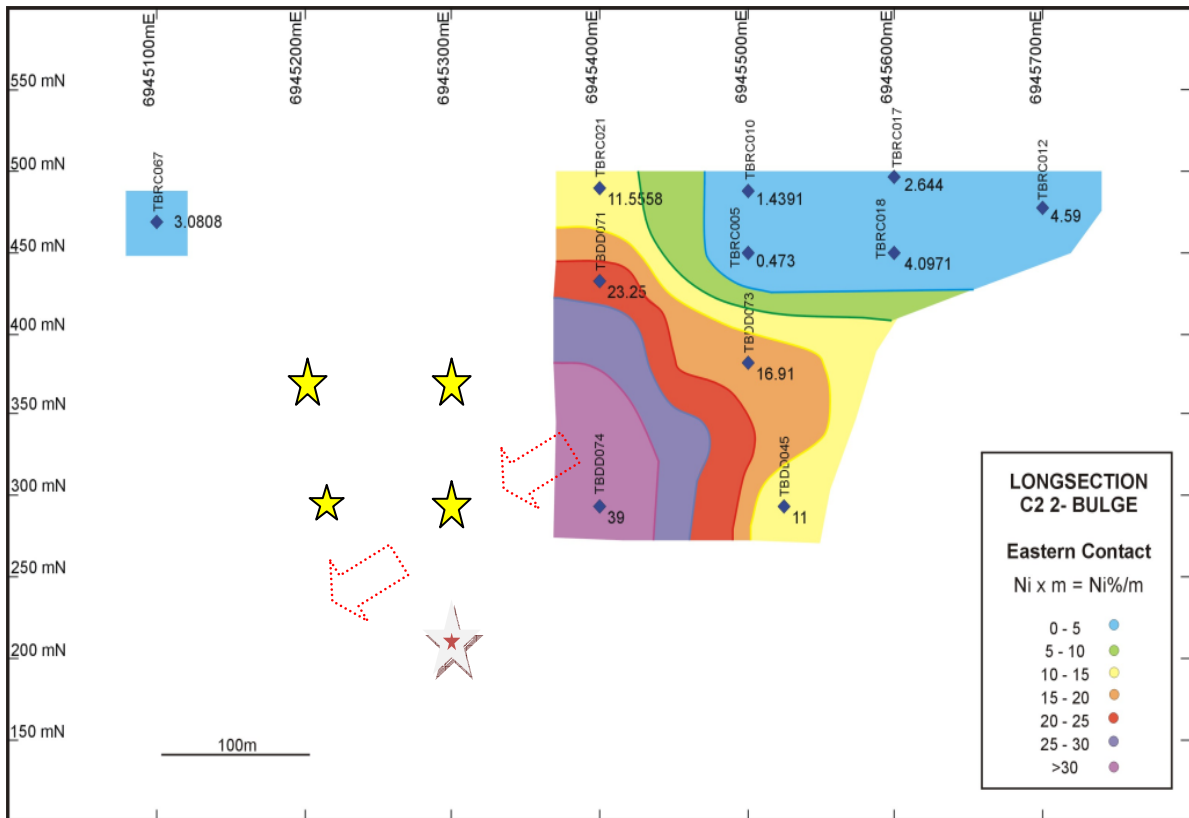


Figure 4: The Bulge C2 Long section with planned RC/DD drilling, confirmed holes (yellow stars), contingent on success in the other holes (red star), interpreted plunge direction (red arrows)

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 of the grant of the relevant tenement. The data, interpretation 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 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 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 he 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 consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.