

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

Share Price: 32 cents

Market Cap: \$19.5M

Shares on issue: 61.278M

Cash at Bank: \$3.0M
ASX/TSX listed shares: \$2.0M

Top 20 shareholders – 48%

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LISTED EQUITY HOLDINGS

(ASX: MZM) - 3.957m shares
(ASX: MZMO) - 1.037m options
(ASX: IXR) - 1.325m shares
(ASX: AVZ) - 0.400m shares
(ASX: BUX) - 1.000m shares
(unlisted options) 0.750m options
(ASX: UNX) - 0.700m shares
(CDNX: CNI.V) - 130,000 shares
Auvex (Pte) - 1.000m options

Updated 1m re-sampling results for ROSIE Ni-Cu-PGE Prospect *plus* BULGE C2 Ni-Cu-PGE Prospect Update

South Boulder Mines Ltd (ASX: STB) is pleased to announce that additional 1m re-sampling results by JV partner Independence Group NL has demonstrated that +2% nickel with associated Cu-PGE sulphides has been intercepted over ~350m strike length at the Rosie Prospect.

A significant follow-up drill program comprising 15-20 combination RC and diamond holes is set to commence in late January. Final 1m re-sample results include TBRC069, drilled ~ 100m northwest of previously released massive sulphides intercept in TBDD080.

HOLE TBRC069

- 2m @ 1.65% Ni, 0.26%Cu, 0.08g/t Pt+Pd from 192m including;
- 1m @ 2.85% Ni, 0.36% Cu, 0.12g/t Pt+Pd from 193m.

The previously released intercepts for TBDD070 and TBDD080 are;

HOLE TBRC070

- 20m @ 1.32 % Ni, 0.23% Cu, 1.54g/t Pt+Pd from 184m including;
- 7m @ 2.61% Ni, 0.42% Cu, 3.75g/t Pt+Pd from 190m and;

HOLE TBDD080

- 3.59m @ 2.27% Ni, 0.24% Cu, 3.10g/t Pt+Pd from 205m including;
- 0.76m @ 4.98% Ni, 0.25%Cu, 6.98g/t Pt+Pd from 207.84m

Also previously released TBRC073 which was drilled ~200m east and along strike from TBRC070 and TBDD080 and ~350m east and along strike from TBRC069 intercepted;

HOLE TBRC073

- 14m @ 0.79% Ni, 0.16% Cu, 0.58g/t Pt+Pd from 146m including;
- 1m @ 1.39% Ni, 0.58% Cu, 1.18g/t Pt+Pd from 148m and;
- 2m @ 1.77% Ni, 0.09% Cu, 1.12g/t Pt+Pd from 154m and;
- 1m @ 2.24% Ni, 0.11% Cu, 1.46g/t Pt+Pd from 155m.

Six conductors are interpreted from the DHTM surveys, and are located below the previously drilled holes.

DUKETON NICKEL JOINT VENTURE

ROSIE PROSPECT

One metre assay results for TBRC069 have returned **2m @ 1.65% Ni, 0.26%Cu, 0.08g/t Pt+Pd from 192m including; 1m @ 2.85% Ni, 0.36% Cu, 0.12g/t Pt+Pd from 193m.**

The holes tested ~350m of strike on 100m spaced sections. The drilling programme was a success, with strong nickel, copper and PGE mineralisation intersected on all four sections.

TBRC080 intersected massive sulphides which included including a **maximum grade of 4.98% Ni, 6.93 g/t Pt+Pd, 0.25% Cu, 0.21 g/t Au and 1250ppm Co over 0.76m from 207.84m.** This hole intersected the nickel mineralisation 25m 'down contact' from TBRC070, which intersected a best interval of **20m @ 1.32 % Ni, 0.23% Cu, 1.54g/t Pt+Pd, 365ppm Co and 0.14 g/t Au from 184m including; 7m @ 2.61% Ni, 0.42% Cu, 3.75g/t Pt+Pd, 686ppm Co and 0.21 g/t Au from 190m.**



Figure 1: Massive brecciated Ni-Cu-PGE sulphides

Hole ID	From	To	Interval	Ni (%)	Cu (%)	Co (ppm)	Pt (ppm)	Pd (ppm)	As (ppm)	S (%)
TBRC069	192.00	194.00	2.00	1.65	0.26	180	0.01	0.07	8	8.86
Including;	193.00	194.00	1.00	2.85	0.36	295	0.02	0.10	16	14.60
TBRC070	184.00	204.00	20.00	1.32	0.23	365	0.47	1.07	944	6.50
Including;	186.00	188.00	2.00	1.30	0.26	305	0.03	0.04	2576	8.37
and;	190.00	197.00	7.00	2.61	0.42	686	1.11	2.64	1305	11.10
TBRC073	146.00	160.00	14.00	0.79	0.16	228	0.30	0.28	323	6.23
Including;	148.00	149.00	1.00	1.39	0.58	460	0.49	0.69	280	12.20
and;	154.00	156.00	2.00	1.77	0.09	368	0.74	0.38	400	13.40
and;	155.00	156.00	1.00	2.24	0.11	465	0.94	0.52	582	16.50
TBRC075	171.00	176.00	5.00	0.77	0.14	266	0.47	0.83	86	5.11
TBDD080	205.54	209.13	3.59	2.27	0.24	596	1.06	2.04	1973	10.46
Including;	205.76	209.13	3.37	2.38	0.25	622	1.12	2.20	2085	10.93
and;	207.84	208.60	0.76	4.98	0.25	1250	2.27	4.66	3020	24.00

Table 1: Significant assay results from drilling at the Rosie Prospect.

Note: Samples were collected as 1m split samples for RC drill hole and half core samples for diamond drill holes. Nickel and copper values have been assayed using ICP-AES mixed acid digest. Some very high Platinum and Palladium values have been assayed using the Fire Assay Method (FA40) with ICP-AES Quantification. Significant assay results are tabulated if Ni \geq 0.40%, over a minimum 2m interval and 1m if Ni \geq 1.0%. Maximum internal waste allowed is 2m except for hole TBRC070 which has 3m of <0.40% from 198-201m. Intersections are quoted as down-hole widths.

Downhole EM

Downhole EM surveys have been completed and an interpretation of the data has been received. Data quality was good with six conductors interpreted from the results. The conductors are interpreted as being coincident or proximal to the ultramafic-dolerite contact, one of the key target locations for massive sulphide mineralisation. The locations of these conductors are shown in Figure 2 and their interpreted parameters are tabulated below in Table 2.

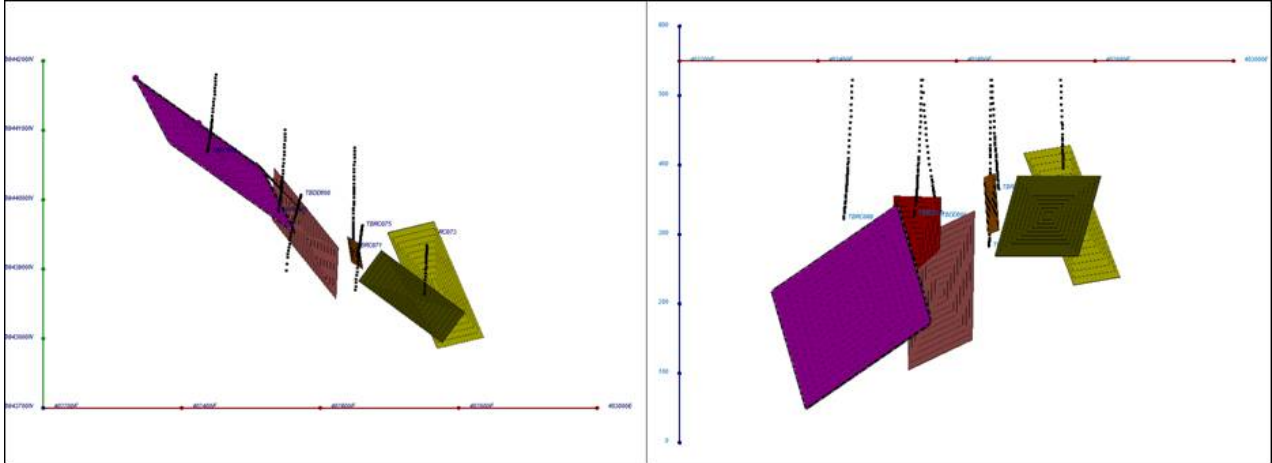


Figure 2: Current filament model for the Rosie prospect, viewed in plan (left) and from the south showing location of the recent drill holes (black traces) and plates as tabled above (solid shapes).

Conductor	TBRC069_A	TBRC070-080_A	TBRC071_A	TBRC073_JC_A	TBRC073_B	TBRC075A
Easting (centre top edge)	402424	402543	402579	402731	402748	402647
Northing	6944110	6944016	6943988	6943960	6943822	6943942
RL (550m at surface)	280	354	312	423	384	385
Dip (°)	78	89	76	48	65	73
Dip Direction (°)	222	47	235	175	216	217
Plunge (° and direction)	29.8 West	1.2 West	17.1 West	12.6 West	0	17.6 West
Strike Length (m)	255	100	153	70	150	20
Depth Extent (m)	200	150	200	260	128	90
Conductance (Siemens)	10000	11000	5000	900	600	5000

Table 2: Rosie Prospect DHEM conductor modeled parameters

The tops of the conductors are located below or approximately coincident with the massive sulphides intersected in the recent drilling. A thin sulphide-rich sediment was also intersected on the basalt-dolerite contact for the two eastern sections drilled at the Rosie prospect. The DHEM results are regarded as highly encouraging, with follow up drilling to test the geophysical anomalies as well as other geological target positions scheduled for January 2010. Independence has advised they will be expediting a follow-up 15-20 hole combination RC and diamond drilling program in late January with results available for release as they come to hand.

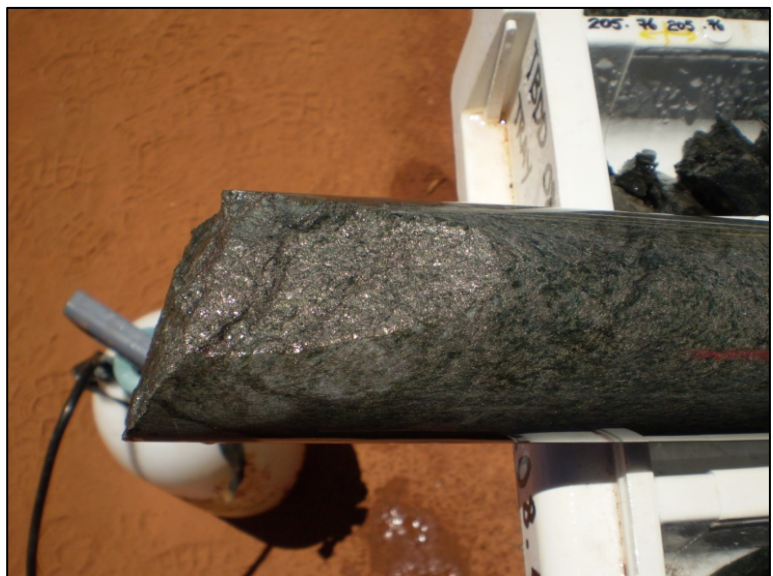


Figure 3: Rosie Prospect Matrix Ni-Cu-PGE Mineralisation

C2 PROSPECT

In addition to the results at Rosie, drilling has also been completed at the C2 prospect. Four holes were completed on section 6945300N which included three RC/DD combination holes and one failed RC precollar. These holes were targeting potential mineralisation, down plunge and 100m along strike to the south, from the mineralisation previously intersected in drill holes TBDD071 and TBDD074 on section 6945400N, Figure 4.

A further RC/DD hole was completed on section 6945200N (a further 100m south), again to test the plunge of the system to the south. Assays have been received for the drilling and are listed in Table 3.

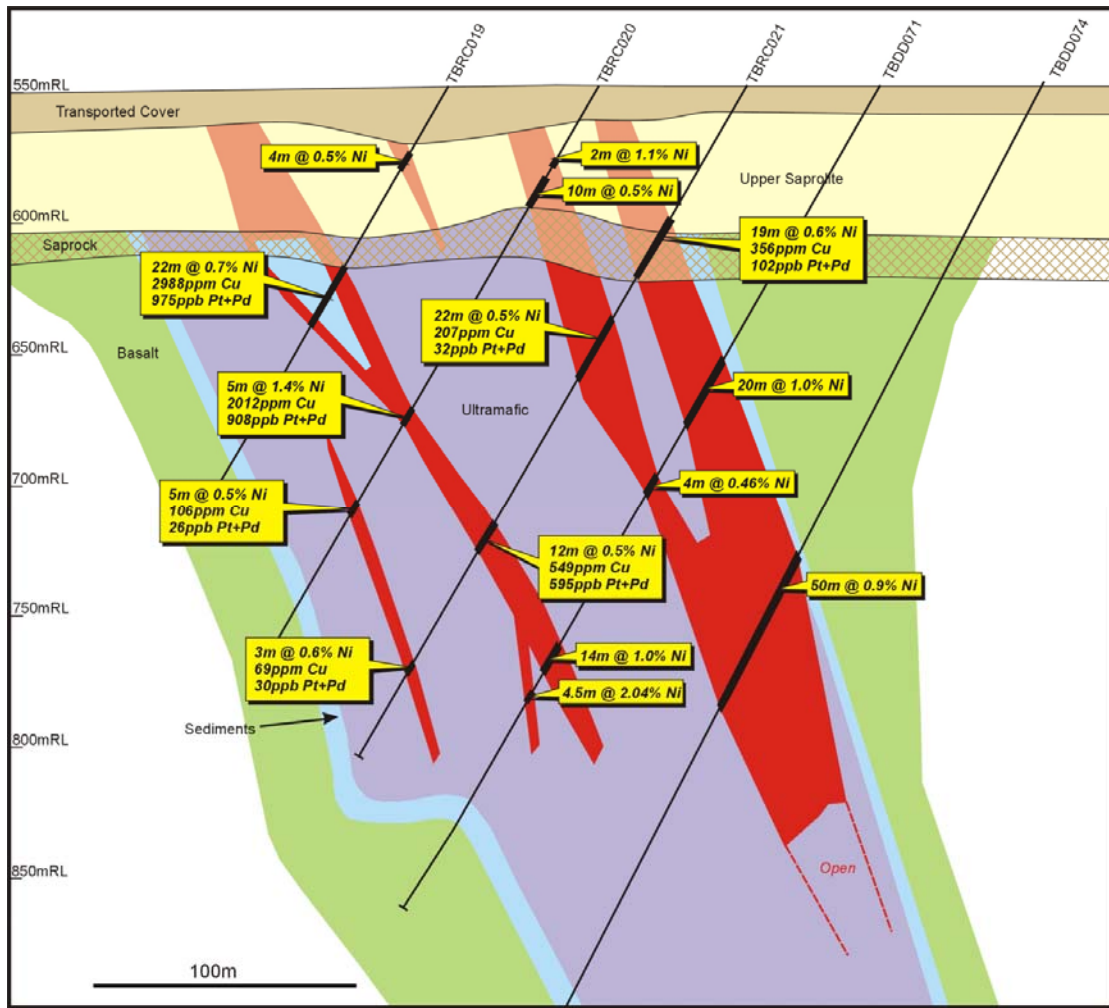


Figure 4: The Bulge C2 section 6945400N with geology and significant intersections >0.4 Ni.

Disseminated mineralisation (~0.7% Ni) was intersected in all four diamond holes over widths of 7-14m, coincident with the eastern sediment/ultramafic contact zone (Dip 65 degrees east) and within the ultramafic unit on the eastern side "Eastern Zone". Two, minor semi-massive accumulations of pentlandite were observed in TBDD077 with a maximum grade of 7.36% Ni over 4cm at 247.38m. The true extent of the disseminated mineralisation is yet to be determined, as many of the intervals sampled to date have ended in anomalous mineralisation. It is thus planned to sample and analyse additional drill core intervals to determine their upper and lower extents of the mineralisation.

There was no obvious mineralisation within the Central zone of the ultramafic. Minor occurrences of disseminated and foliation parallel sulphides stringers were observed toward the western contact zone. These intervals were 4-6m wide up to 0.5% Ni, generally off contact approximately

20m, from the western sediment contact (Dip 56 degrees east). Further sampling is still required at the western contact zone in some of the holes.

TBRC076 was planned as the pre-collar for the deepest planned diamond hole on section 6945300N, however the hole lifted excessively and had to be abandoned. Hence the plunge of the system has not been adequately tested. An updated long section interpretation is currently being compiled.

DHEM was completed utilising the IGO the high-powered transmitter. This resulted in excellent quality data with multiple anomalous responses. Responses in all holes can be attributed to the known sediment distribution, however the sediments limit the distances the DHEM surveys would be able to detect any other conductors present off-hole.

This drilling has confirmed the continuity of disseminated mineralisation of the eastern zone over 600m of strike. The extra sampling needs to be completed and all relevant data compiled before the next stage of exploration at C2 can be determined.

Hole ID	From	To	Interval	Ni (%)	Cu (%)	Co (ppm)	Pt (ppm)	Pd (ppm)	As (ppm)	S (%)	
TBDD076	65.00	68.00	3.00	0.66	0.07	303	0.04	0.04	56	0.01	
	106.00	109.00	3.00	0.70	0.03	198	0.03	0.05	21	1.20	
Including;	106.00	107.00	1.00	1.06	0.05	310	0.06	0.10	30	2.18	
	113.00	122.00	9.00	0.71	0.03	230	0.03	0.03	32	2.57	
TBDD077	126.00	132.00	6.00	0.45	0.02	162	0.02	0.02	15	1.72	
	190.00	193.00	3.00	0.40	0.02	162	0.03	0.04	8	1.06	
	259.00	265.00	6.00	0.53	0.02	190	0.01	0.02	133	1.39	
	189.00	194.00	5.00	0.55	0.10	273	0.16	0.38	2330	7.72	
	197.00	201.00	4.00	0.49	0.08	334	0.42	0.48	3048	6.85	
		242.00	255.70	13.70	0.74	0.03	222	0.02	0.03	18	2.52
	Including;	244.48	247.43	2.95	1.21	0.04	331	0.03	0.05	36	4.72
and;	247.39	247.43	0.04	7.36	0.07	870	0.16	0.44	10	19.2	
and;	244.48	250.98	6.50	0.91	0.03	259	0.03	0.04	24	3.20	
	368.58	373.00	4.42	0.58	0.03	192	0.02	0.02	-	2.32	
TBDD078*	286.00	300.00	14.00	0.69	0.03	223	0.03	0.06	12	2.39	
Including;	287.63	289.00	1.37	1.03	0.04	320	0.02	0.02	22	3.79	
and;	293.00	293.80	0.80	1.10	0.04	300	0.03	0.04	-	4.08	
and;	295.00	296.00	1.00	1.10	0.04	305	0.12	0.14	30	4.35	
TBDD079	189.91	197.00	7.09	0.61	0.12	177	0.01	0.02	1069	7.55	

Table 3: Significant assay results from drilling at the C2 Prospect.

Note: Samples were collected as 1m split samples for RC drill hole and half core samples for diamond drill holes. Nickel and copper values have been assayed using ICP-AES mixed acid digest. Some very high Platinum and Palladium values have been assayed using the Fire Assay Method (FA40) with ICP-AES Quantification. Significant assay results are tabulated if Ni >= 0.40%, over a minimum 2m interval and 1m if Ni >=1.0%. Maximum internal waste allowed is 2m

Prospect	HOLE_ID	Easting	Northing	Azimuth	Dip	Depth
Rosie	TBRC069	402450	6944190	180	60	250
Rosie	TBRC070	402550	6944110	180	60	250
Rosie	TBRC071	402650	6944085	180	60	300
Rosie	TBRC073	402750	6943855	0	60	202
Rosie	TBRC074	402560	6944030	0	60	250
Rosie	TBRC075	402650	6943860	0	60	208
Rosie	TBDD080	402550	6943888	0	62	234
C2	TBDD076	401065	6945300	270	60	351.7
C2	TBDD077	401180	6945300	270	60	439
C2	TBDD078	401238	6945300	270	60	460
C2	TBDD079	401252	6945200	270	60	253
C2	TBRC076	401295	6945300	270	60	244

Table 4: Drill hole locations and orientations for recently completed program.

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.