

1 December 2010

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

Share Price: \$1.33

Market Cap: \$92.6M

Shares on issue: 69.6M

ASX/TSX listed shares: \$2.6M

Top 20 shareholders – 48%

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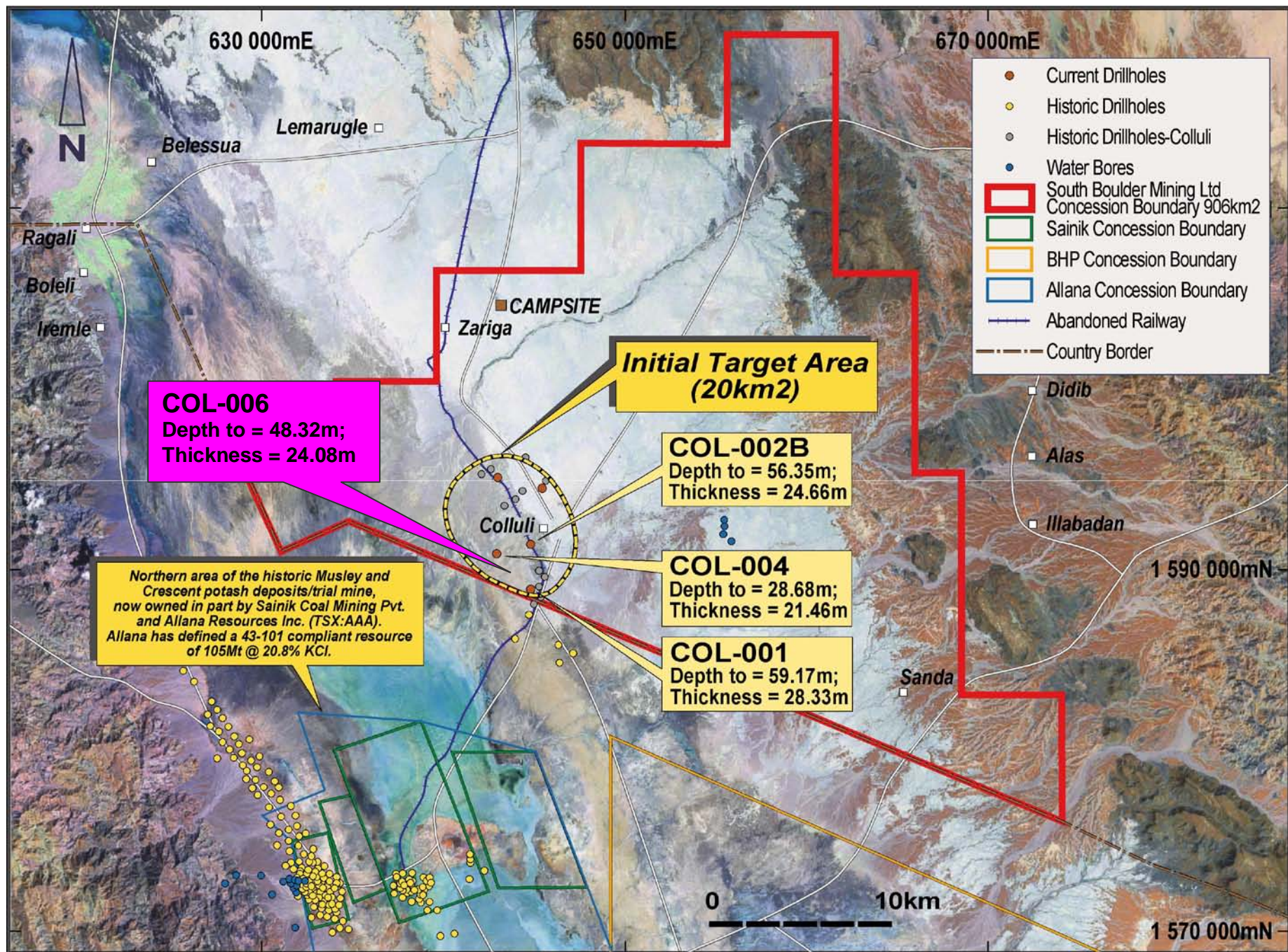
www.southbouldermines.com.au

LISTED EQUITY HOLDINGS

(ASX: MZM) - 3.957m shares
(ASX: MZMO) - 1.037m options
(ASX: AVZ) - 0.400m shares
(ASX: BUX) - 1.463m shares
(unlisted options) 0.750m options
(ASX: UNX) - 0.700m shares
(CDNX: CNI.V) - 130,000 shares
Auvex (Pte) - 1.000m options

DRILLING CONTINUES TO INTERSECT SHALLOW POTASH AT COLLULI

- Drill hole Col-006 has intersected a total potash interval of 24.08m starting from 48.32m vertical depth;
- The result further supports the stated initial exploration target of 300-500mt of potash ores with average grades of 21 – 25% KCl;
- Col-006 was drilled approximately half way between previous holes Col-001 and Col-004 and confirms the extensive continuity of mineralisation over at least 4.5km²;
- Hole Col-001 and Col-004 intersected a total thickness of 28.33m and 21.46m of potash respectively;
- Hole Col-006 intersected;
 - 6.29m of sylvinitite from 48.32m;
 - 0.64m of carnallitite from 54.61m;
 - 7.36m of carnallitite from 70.85m;
 - 9.79m of kainitite from 78.21m;
- It is expected that grades similar to that announced from previously released holes will be confirmed with chemical assays;
- Assays up to 44% KCl have been intersected over 3.44m from sylvinitite intercepts;
- The current drilling is part of a JORC/43-101 resource and mining engineering study into the open pit mining and processing operation with an initial starting capacity of 1.5Mt of potash p.a.;
- The study will also examine the viability of additional production of up to 3Mt of potash p.a.;
- Exploration results to date have confirmed Colluli as the world's shallowest buried evaporite potash deposit;
- New drilling and scoping study results will be released as they come to hand.



Colluli Potash Project plan showing current drill holes. Hole Col-006 has coordinates of 643853m East, 1589912m North and was drilled vertically to a depth of 91.60m.

Investor Coverage

Recent investor relations, corporate videos and broker/media coverage on The Company's projects can be viewed on the website in the "Media Centre" and "Investor Centre" sections by following the link www.southbouldermine.com.au.

About South Boulder Mines Ltd

Listed in 2003, South Boulder Mines (ASX: STB) is a diversified explorer primarily focused on gold, nickel and potash. South Boulder has a 100% interest in the Colluli Potash Project in Eritrea and a 100% interest in the Duketon Gold Project in Western Australia.

Within the Duketon Gold Project area, South Boulder entered a farm-out Joint Venture (JV) Agreement with Independence, whereby Independence can earn a 70% interest in the nickel rights on JV 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.

About the Nickel Joint Venture

The Duketon Nickel JV has had recent success at The Rosie and C2 Nickel sulphide prospects where drilling has defined intercepts of **5.20m @ 9.13% Ni, 1.09% Cu, 0.21% Co and 7.09g/t PGE's at Rosie and 50m @ 0.92% Ni including 37m @ 1.05% Ni at C2**. The deposits are located approximately 120km NNW of Laverton, W.A in the Duketon Greenstone Belt. The deposits are approximately 2km apart and the mineralisation at both prospects is considered open in most directions. A Mining Lease application has been lodged with the Department of Mines and Energy. The Mining Lease application comprises a total of 19.13km².

More information:

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Disclaimer

The potential quantity and grade of the Colluli exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

This ASX release has been compiled by Lorry Hughes using information on exploration results supplied by South Boulder Mines Ltd under supervision by ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH. 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.

Quality Control and Quality Assurance

South Boulder Exploration programs follow standard operating and quality assurance procedures to ensure that all sampling techniques and sample results meet international reporting standards. Drill holes are located using GPS coordinates using WGS84 Datum, all mineralisation intervals are downhole and are true width intervals. Assay values are shown above a cut-off of 6% K₂O. The samples are derived from HQ diamond drill core which in the case of carnallite ores are sealed in heat sealed plastic tubing immediately as it is drilled to preserve the sample. Significant sample intervals are dry quarter cut using a diamond saw and then resealed and double bagged for transport to the laboratory. Halite blanks and duplicate samples are submitted with each hole.

Chemical analyses were conducted by Kali-Umwelttechnik GmbH Sondershausen, Germany utilising flame emission spectrometry, atomic absorption spectroscopy and ionchromatography. Kali-Umwelttechnik (KUTEC) Sondershausen1 have extensive experience in analysis of salt rock and brine samples and is certified according by DIN EN ISO/IEC 17025 by the Deutsche Akkreditierungssystem Prüfwesen GmbH (DAR). The laboratory follow standard procedures for the analysis of potash salt rocks • chemical analysis (K⁺, Na⁺, Mg²⁺, Ca²⁺, Cl⁻, SO₄²⁻, H₂O) and • X-ray diffraction (XRD) analysis of the same samples as for chemical analysis to determine a qualitative mineral composition, which combined with the chemical analysis gives a quantitative mineral composition.