



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

Share Price: \$2.87

Market Cap: \$217M

Shares on issue: 75.7M

Cash at Bank: \$10.7M
ASX/TSX listed shares: \$4.8M

Top 20 shareholders – 48%

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LISTED EQUITY HOLDINGS

(ASX: MZM) - 3.957m shares
(ASX: MZMO) - 1.037m options
(ASX: AVZ) - 0.400m shares
(ASX: BUX) - 1.610m shares
(unlisted options) 0.750m options
(ASX: UNX) - 0.800m shares
(CDNX: CNI.V) - 130,000 shares
Auvex (Pte) - 1.000m options

MORE POTASH INTERSECTED AND EXPLORATION TARGET INCREASED

- Diamond core drilling intersects additional potash in holes Col-011, 012, 013, 014, 015, 016 and 017 (Figure 1);
- The results confirm an increase in the initial exploration target to 500 – 750Mt of potash ores with average grades of 21-25% KCl located above 100m vertical depth. *(To comply with the JORC Code, the following statement must be read proximal to the stated exploration target above; The potential quality 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)*
- A total of 17 diamond holes have been drilled at Colluli defining an area of >9km²;
- The extensive mineralisation intersected to date at the project is considered open in all directions;
- 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 minimum starting capacity of 1.5Mt of potash p.a. The study will also examine the viability of substantially increased production capacity;
- A maiden JORC/43-101 resource report is due for completion in January 2011. Scoping study results are planned to be completed in mid 2011;
- Exploration results to date have confirmed Colluli as the world's shallowest buried evaporite potash deposit;
- South Boulder is well financed to advance exploration and feasibility studies with ~ \$15.5m in cash and NTA;
- Assay results and full details on further exploration drilling and scoping study results will be released as they come to hand.

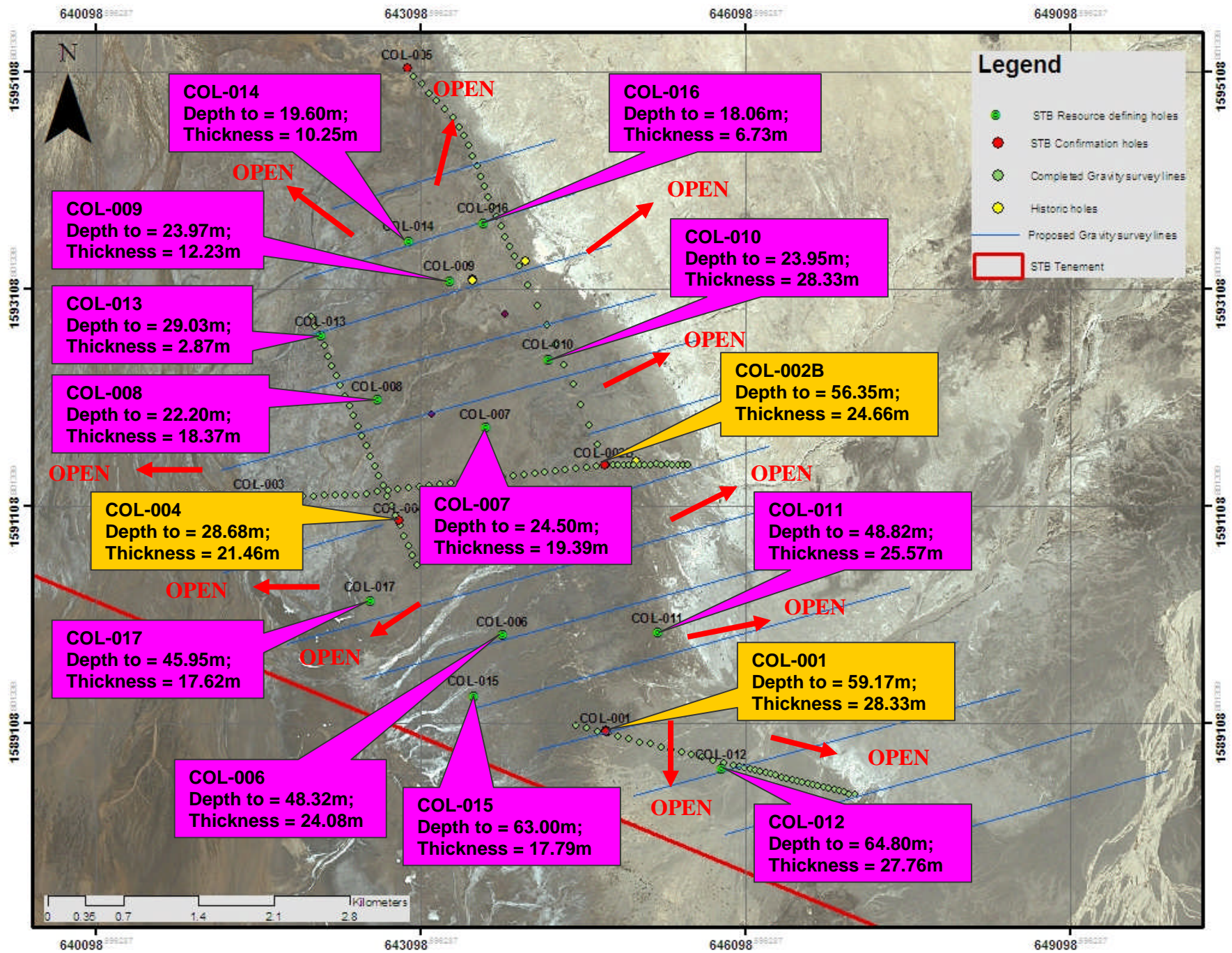


Figure 1: Colluli Project drilling plan showing down hole depth to and thickness of potash bearing intervals. Holes shown in purple have assay results outstanding.

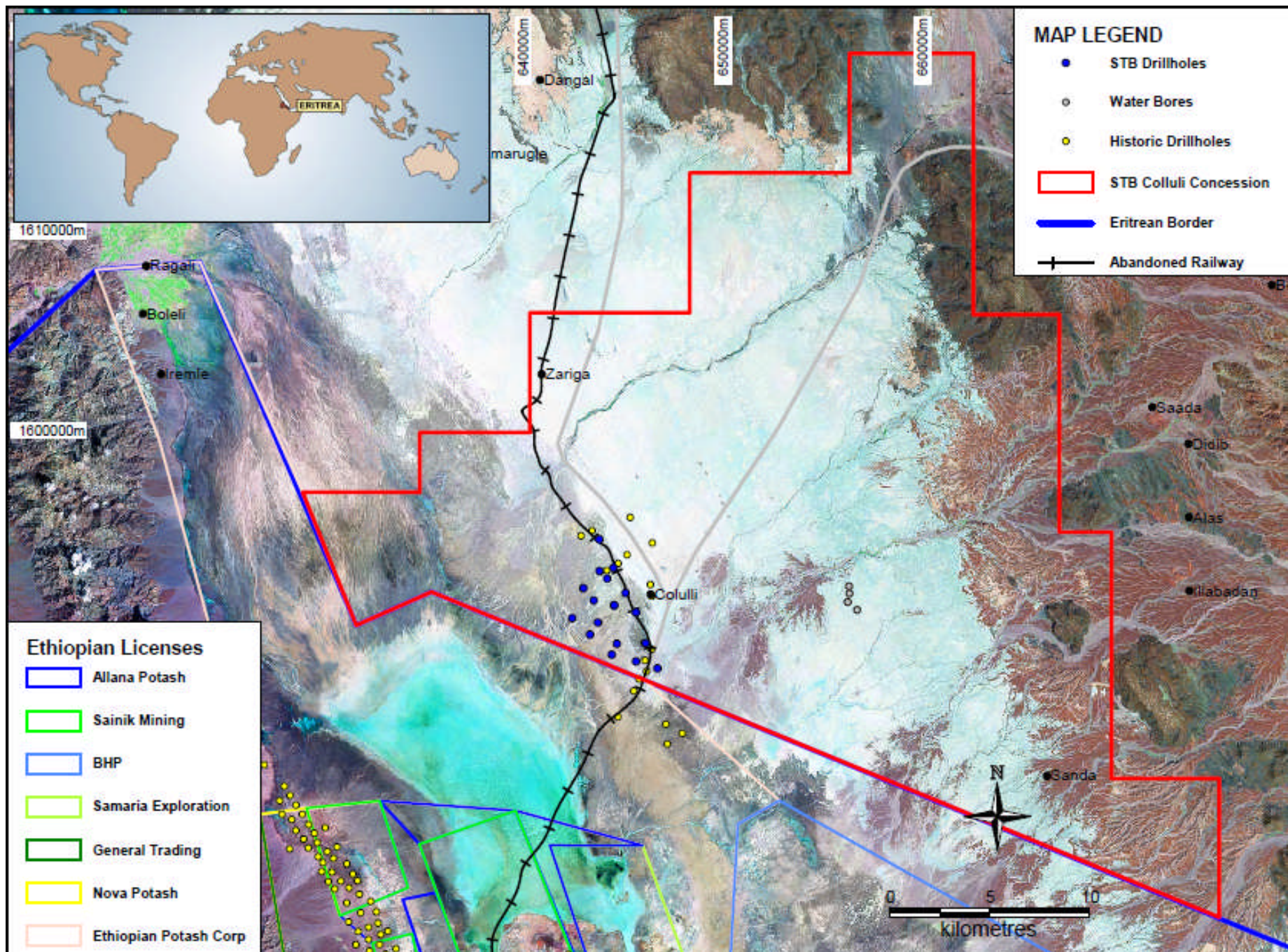


Figure 2: Colluli Project plan showing the exploration license and proximity to neighbouring potash projects.

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 potash, nickel and gold. 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 was granted over the Rosie and C2 deposits on the 19th of November. The Mining Lease 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.