



QUARTERLY OPERATIONS REPORT THREE MONTHS ENDING 31 MARCH 2008

HIGHLIGHTS

- South Boulder moves into the potash and phosphate industry with the addition of 3 new projects (Lake Disappointment East, Cardabia and The Canning Basin).
- Lake Disappointment East, access agreement nearing finalisation which will allow the grant process to proceed. Work program plans at an advanced stage, aiming to define a JORC compliant potash resource by the end of December 2008.
- Cardabia phosphate project swells to 1,384 km² of ground prospective for nodular phosphate.
- Latest air-core drilling at the Thompson's Bore Prospect continues to provide incentive for further work. Drilling planned in the June quarter.
 - 1m @ 75.30g/t from 14m
 - 7m @ 5.80g/t (inc. 2m @ 15.70g/t from 18m)
 - 4m @ 5.00g/t (inc. 1m @ 17.3g/t) from 8m
 - 12m @ 2.10g/t from 76m
 - 4m @ 3.03g/t (inc. 2m @ 5.2g/t) from 37m
 - 5m @ 3.98g/t (inc 1m @ 6.44g/t) from 63m
 - 4m @ 4.40g/t from 44m
- RC drilling planned at the Duketon Nickel Project JV in the June quarter.

PHOSPHATE AND POTASH PROJECTS

South Boulder Mines Ltd ("South Boulder") (ASX:STB) during the quarter has focussed its attention on the bulk commodity fertilizer industry, by acquiring a 100% interest in 3 exploration projects in Western Australia. The projects have the potential to host large deposits of potash (Lake Disappointment East), phosphate (Cardabia) and potash and phosphate (Canning Basin).

Potash and phosphate prices are expected to reach record highs in 2008 driven by increasing populations placing demand on food supplies, as well as new demand from the bio-fuels industry. World consumption of potash is currently in excess of 50M tonnes per annum and demand is expected to outstrip supply over the next 5-10 years.

During the reporting period South Boulder continued to examine a number of opportunities within the fertilizer industry both within Australia and overseas aimed at complimenting our existing portfolio.

Lake Disappointment East - Potash (ELA 45/3122)

The Lake Disappointment East Project (see figure below) is located in the Gibson Desert in Western Australia, approximately 400km east from Newman. Low rainfall and high precipitation have resulted in large evaporite potash salt deposits in the area.

The Project area contains two key target lacustrine systems covering in excess of 80km² of prospective drainage which is immediately adjacent and a part of the same lake system which hosts Reward Minerals Ltd's JORC compliant potash resource of 8,635Mt @ 3.17kg/t for 27.37Mt K₂SO₄.

Negotiations for access to the ground are at an advanced stage with the Western Desert Lands Aboriginal Corporation (WDLAC) and the company is expecting to be able to announce details of this early in the June quarter.

Plans for exploration programs are at an advanced stage in preparation for heritage surveys and community consultation which are aimed at completion prior to grant. The exploration will consist of an initial 1st pass assessment of the potash potential which will include auger drilling and basic hydrogeological assessment. If results are encouraging a follow-up program will be undertaken which will be designed to define a JORC compliant resource by the end of December 2008.

A guide to the timing of activities to be undertaken in 2008 are as follows:

- Finalise access agreement with WDLAC – (by end of April 08);
- Submit plans to WDLAC for 1st pass and follow exploration programs with a goal of defining a JORC compliant potash resource within 12 months – (by end of May 08);
- Conduct Heritage Survey – (by end of July 08);
- Receive grant of tenement by DOIR – (by end of August 08);
- Conduct 1st pass auger drill sampling and hydrogeological assessment – (by end of September 08);
- If results are encouraging, conduct detailed sediment and brine sampling and hydrogeological assessment, resulting in a JORC compliant resource estimate – (by end of December 08).

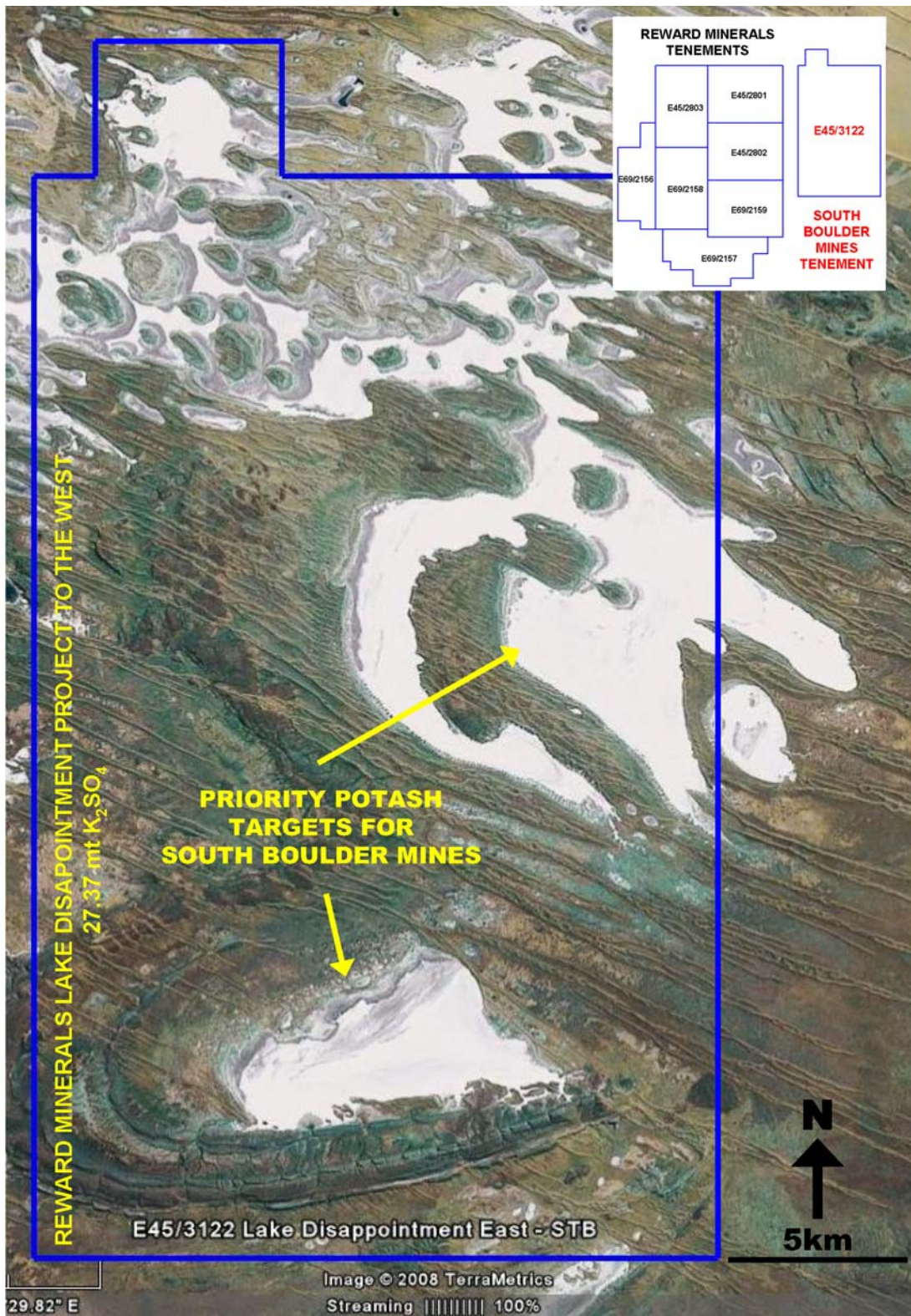


Figure 1: Plan showing Lake Disappointment East Potash Project W.A.

Cardabia – Phosphate (ELA 08/1850, 08/1855, 08/1856)

The 100% owned Cardabia Phosphate Project is located in the northern Carnarvon Basin in Western Australia, approximately 200km north, north east from Carnarvon.

The area comprises ~ 1,384 km² of Palaeozoic (540-251m yrs), Mesozoic (251-65m yrs) and Tertiary (65-1.8m yrs) sediments lying unconformably on or faulted against Pre-Cambrian schists, gneiss, granite and sediments. Extensive phosphate rich nodules (calcium phosphate) are hosted within contact zones between the Gerle Siltstone and Toolonga Calcilutite and Toolonga Calcilutite and Korojon Calcarenite.

Wide spaced air-core drilling (approximately 7km x 3km) by CRA Exploration Pty Ltd during 1989-90 demonstrated that phosphate mineralisation was widespread throughout South Boulder's exploration licences. The air-core samples were screened to the +5mm size fraction and then assayed (see figure below). Grades encountered were up to 49% P₂O₅ in the +5mm fraction and numerous grades in the 25-30% range.

South Boulder's immediate exploration target will be to locate depressions along the White Peaks and Nabawarra Synclines which is considered favourable for the economic accumulations of phosphate nodules.

South Boulder intends to expedite the licences to grant with a view to commencing on-ground exploration as soon as possible. Upon grant of the licence South Boulder intends to commence exploration efforts to determine the potential for the project to contain an economic phosphate resource.

A guide to the timing of activities to be undertaken in 2008 are as follows:

- Sign RSHA with traditional owners – (by end of April 08);
- Negotiate access agreement with traditional owners - (by end of May 08);
- Develop exploration plans and data compilation – (by end of June 08);
- Conduct heritage clearance and community consultation – (by end of Sept 08);
- Receive grant of tenement by DOIR - (by end of Sept 08);
- Conduct follow-up exploration once granted.

Canning Basin – ELA’s 04/1806, 04/1807, 04/1808, 45/3227

The Canning Basin Project, contains 4 prospects that are prospective for evaporite hosted (MoP) Potash deposits (see figure below). The Thangoo Prospect is also prospective for phosphate. All the projects are located in the Canning Basin W.A. and are underlain by an extensive sedimentary sequence with significant evaporitic horizons within the Siluro-Devonian Carribuddy Formation. The sequence was subject to oil exploration in the 1950's and more recently potash exploration by BHP in the mid 1980's.

All the prospects are license applications and South Boulder intends to expedite the licences to grant with a view to commencing on-ground exploration as soon as possible.

Thangoo – Potash and Phosphate (ELA 04/1807)

The Thangoo prospect is named after the Thangoo 1, oil exploration well completed by WAPET in 1959 and comprises ~220 km² in area. The hole is located in the northern part of ELA 04/1807 and intersected 15.2m @ 4.3% P₂O₅ from 137.2m. The phosphate mineralization is hosted in the Upper Jurassic Jarlemai Siltstone.

The potential for the prospect to host higher concentrations of phosphate mineralization in locations closer to surface will be the target of exploration efforts by South Boulder.

Gingerah, Musca and Pegasus – Potash (ELA’s 04/1806, 04/1808, 45/3227)

All 3 prospects are also named after the oil or potash exploration wells/holes drilled within the tenements and comprise areas of ~564, 132 and 199 km² respectively. A thick evaporite horizon “The Carribuddy B Unit” was intersected between 960 – 1,991m vertical depth within the prospects and the salt thicknesses ranged from 485 – 660m.

From the existing data and using comparisons to the geology of similar sedimentary basins worldwide, the large salt horizon has the potential to host end stage precipitation of potash salts. This is evident at the Gingerah Prospect where anomalous values of K₂O (up to 1.6%) in the separated salt appear at numerous levels throughout the core. The K₂O values are equivalent to 10% carnallite (KMgCl₃.6H₂O).

BHP from their work in the Canning Basin on the Gingerah Prospect concluded, that “The Carribuddy Formation Unit B” has potential for potash development.

South Boulder intends to follow up on the work done by previous explorers by targeting gravity lows which may indicate favorable sites for the accumulation on potash salts. The Projects are currently at an early stage of data compilation and evaluation, prior to exploration commitments.

A guide to the timing of activities to be undertaken in 2008 are as follows:

- Sign RSHA with traditional owners – (by mid May 08);
- Negotiate access agreement with traditional owners - (by end of June 08);
- Develop exploration plans and data compilation – (by end of July 08);
- Conduct heritage clearance and community consultation – (by end of Oct 08);
- Receive grant of tenement by DOIR - (by end of Nov 08);
- Conduct follow-up exploration once granted.

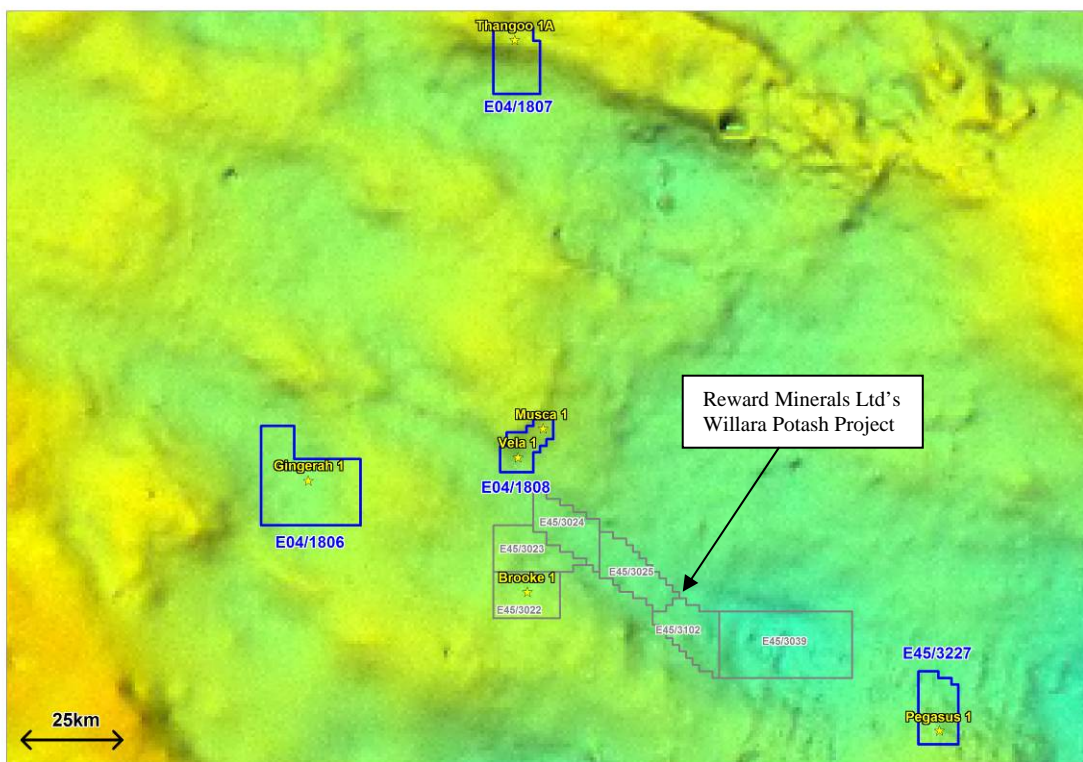


Figure 3: Plan showing the Canning Basin Project W.A. over a Geoscience Australia regional gravity image, with Reward Minerals Ltd's Willara Project tenements shown in grey

THE DUKETON PROJECT

South Boulder's 100% owned Duketon Project is located north of Laverton in Western Australia and is highly prospective for gold, nickel sulphide and base metals.

The Project totals approximately 2,000km² in area, making South Boulder the largest single land holder in the Duketon Greenstone Belt.

From the early 90's the majority of the Duketon Project was held by Normandy Mining Limited (Normandy) and Newmont Mining Corporation (Newmont). Although wide spaced reconnaissance exploration was sporadically conducted on areas of outcrop, the vast majority of the project remains under shallow cover and vastly under explored.

DUKETON GOLD EXPLORATION

The Duketon Greenstone Belt contains highly prospective geological sequences and mineralised structures. Numerous structures are known to contain significant gold mineralisation. This is evidenced by the approximately +3M ounces of unmined gold resources currently defined to date within the belt. In addition the +1.5M ounce Moolart Well Gold Project is currently being developed by Regis Resources NL.

South Boulder plans to systematically drill test over 20 gold targets in 2008 that were identified by previous workers, including Thompson's Bore, Thompson's Bore South, Henry's Bore and others on both the western and eastern margins of the belt. Up to 5,000m of drilling is planned to be conducted in the June quarter.

The prospectivity of a number of areas has been improved with the recent construction and imminent commissioning of the Moolart Well operation which enhances opportunities for toll treating of suitable ores.

Thompson's Bore Gold Prospect

The Thompson's Bore Gold Prospect is located within E38/1537, 5km due south of the Bulge Nickel Sulphide discovery and 30km east of the 1.5M ounce Moolart Well deposit owned by Regis Resources NL. Significant results from air-core drilling previously announced include:

- TBAC009 - 8m @ 0.59g/t from 0m + 4m @ 12.7g/t from 44m
- TBAC010 - 16m @ 7.8g/t (inc 4m @ 14.4g/t) from 32m
- TBAC018 - 4m @ 3.1g/t from 56m
- TBAC020 - 12m @ 2.3g/t (inc 4m @ 3.5g/t) from 20m
- TBAC009 - 5m @ 2.92g/t (inc 1m @ 8.13g/t from 0m) + 1m @ 59.0g/t from 44m
- TBAC010 - 11m @ 8.70g/t (inc 2m @ 27.75g/t) from 35m
- TBAC018 - 4m @ 3.26g/t (inc 1m @ 6.5g/t) from 57m
- TBAC020 - 7m @ 4.01g/t from 23m

Most recent 1m re-split samples (announced on 11th March 2008) include:

- TBAC034 - 1m @ 75.30g/t from 14m
- TBAC042 - 7m @ 5.80g/t (inc 2m @ 15.70g/t) from 18m
- TBAC036 - 4m @ 5.0g/t (inc 1m @ 17.3g/t) from 8m
- TBAC030 - 12m @ 2.10g/t from 76m
- TBAC041 - 4m @ 3.03g/t (inc 2m @ 5.2g/t) from 37m
- TBAC040 - 5m @ 3.98g/t (inc 1m @ 6.44g/t) from 63m
- TBAC047 - 4m @ 4.4g/t from 44m

A full tabulation of significant re-split gold results is presented below:

Hole Number	Easting	Northing	Depth (From)	Depth (To)	Interval (m)	Au (g/t)
TBAC025	403295	6939010	9	12	3	3.23
<i>Includes</i>			10	11	1	6.05
TBAC029	403003	6939086	16	23	7	0.57
<i>Includes</i>			21	22	1	1.50
			48	50	2	2.46
TBAC030	403187	6939245	34	36	2	1.02
			38	39	1	1.22
			71	72	1	2.95
			76	88	12	2.10
			89	92	3	1.33
TBAC031	403145	6939277	53	54	1	1.1
			59	60	1	5.26
TBAC032	403188	6939276	11	13	2	0.65
			44	45	1	2.70
TBAC034	403154	6939337	10	11	1	1.91
			14	15	1	75.30
TBAC035	403106	6939366	14	15	12	0.90
TBAC036	403134	6939367	45	49	4	5.0
<i>Includes</i>			47	48	1	17.30
			60	64	4	1.86
<i>Includes</i>			61	62	1	3.60
TBAC037	403105	6939389	56	57	1	2.43

TBAC038	403084	6939426	60	63	3	1.10
TBAC039	403072	6939488	70	71	1	1.80
TBAC040	403070	6939527	51	52	1	1.49
			59	60	1	0.95
			63	68	5	3.98
<i>Includes</i>			63	64	1	6.44
TBAC041	403030	6939281	26	27	1	1.31
			37	41	4	3.03
<i>Includes</i>			39	41	2	5.20
TBAC042	402991	6939307	18	25	7	5.80
<i>Includes</i>			19	21	2	15.70
TBAC044	402965	6939354	39	40	1	1.20
TBAC047	403245	6939068	44	48(EOH)	4	4.40
TBAC054	403044	6939271	32	35(EOH)	3	0.71

Note: results are rounded where appropriate. EOH- End of hole

1m re-splits were submitted to Ultra Trace Analytical Laboratories in Perth for aqua regia assay.

The mineralisation is considered open in all directions and indications are that significant mineralised intersections are significantly depleted down to depths of ~ 80m. At least 2 and possibly 3 steeply dipping, parallel north - north west striking gold zones exist within the project. Deeper drilling is required to determine the grade and width of the primary mineralisation.

Gold mineralisation at Thompson's Bore appears to be related to (smokey and often pink) quartz veining and ferruginised structures in the oxidised zone of the weathering profile often at the contact between mafic and felsic volcanic rocks. Host rocks are volcanic in origin and often intercalated with chert bands.

Additional aircore samples from Thompsons Bore South, were assayed over 1m intervals in March with results awaited.

South Boulder plans to aggressively follow the mineralised structures as well as test for further repetitions both along strike and parallel to the known mineralised structures.

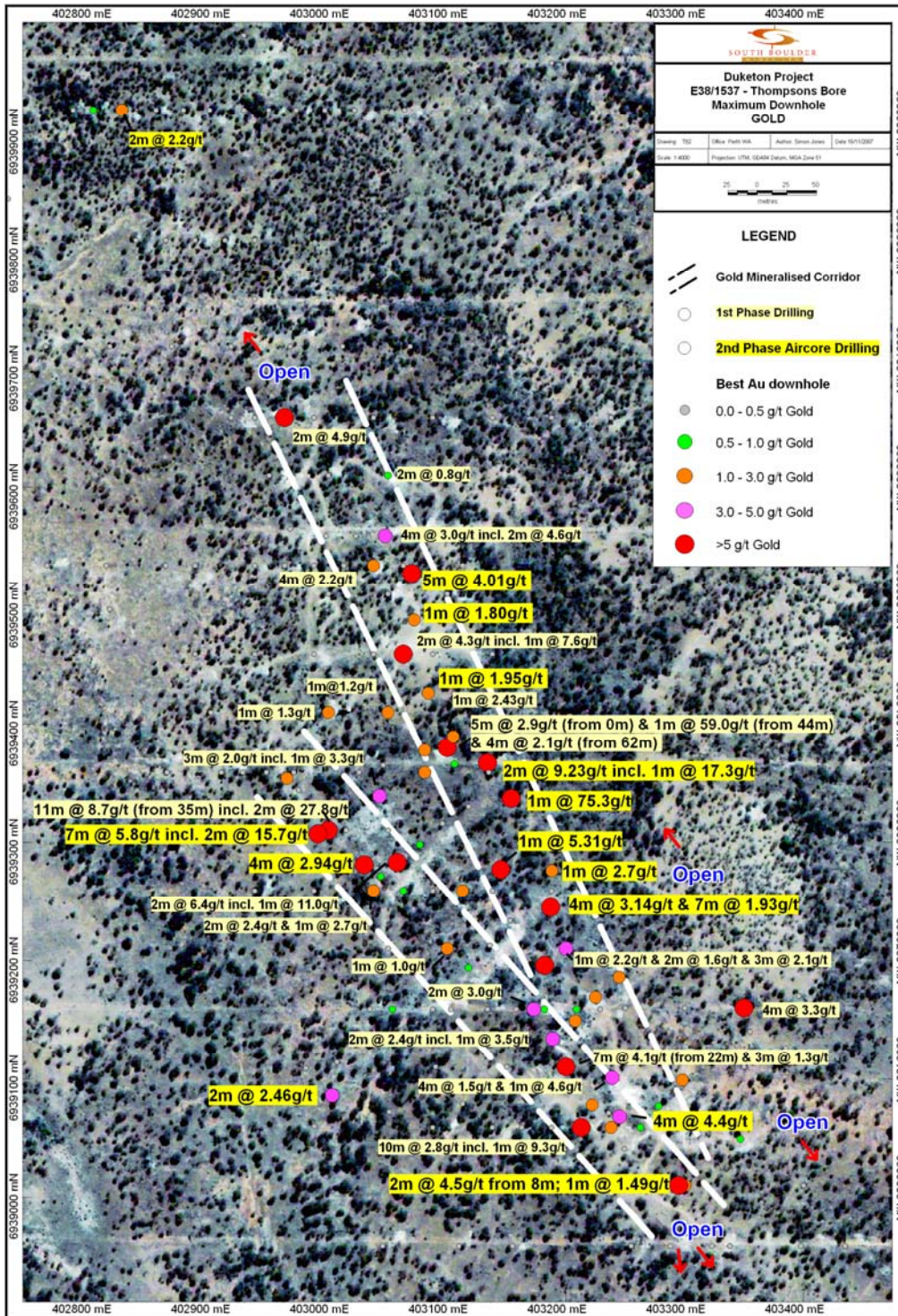


Figure 4: Plan showing gold mineralisation at the Thompsons Bore Gold Prospect

Henry's Bore Gold Prospect

The Henry's Bore Prospect is located within E38/1793.

Significant re-split results from Henry's Bore are tabulated below.

Hole Number	Easting	Northing	Depth (From)	Depth (To)	Interval (m)	Au (g/t)
HNAC003	403050	6939610	75	76	1	2.10
			77	79	2	1.50

Note: results are rounded where appropriate

This significant result was returned from the most eastern hole on the most northern line of a reconnaissance aircore program designed to test a moderate order soil anomaly. Further drilling will be conducted in the June quarter to identify extensions to this significant mineralisation.

DUKETON NICKEL JOINT VENTURE

South Boulder signed the Duketon Nickel Joint Venture with Independence Group NL ("Independence") (ASX:IGO) in April 2004.

Independence must complete a Bankable Feasibility Study within 5 years to earn 70% of the nickel rights. Within the joint venture area there are numerous areas that are highly prospective for nickel. The areas where detailed exploration has been conducted to date are discussed below.

The Bulge Prospect

Previous air-core and reverse circulation drilling at The Bulge Prospect has confirmed the presence of disseminated nickel sulphide mineralisation associated with platinum group element ("PGE") anomalism.

During the September quarter, an air-core drill programme comprising 101 holes for 6,544m on 400m x 100m centres was completed over the Bulge Ultramafic.

This drilling was designed to test the depth and strike extensions of the nickel sulphide mineralisation intersected during second phase drilling and to search for new areas of nickel sulphide mineralization in the host ultramafic.

Drilling was carried out on 7 east - west lines, with holes drilled at -60° toward the west. In addition 1 was line was completed in a north-south orientation, with holes drilled at -60° toward the south.

Approximately 25% of the area could not be tested effectively due to a thick silica cap rock which could not be penetrated by the air-core drill rig.

Results from all the air-core program have been received. In the portions that could be tested effectively, nickel anomalism of 0.4% or greater was defined over an area of approximately 1.5km² coincident with the Bulge ultramafic. The extent of this anomalism provides ample scope for the presence of significant accumulation of disseminated nickel sulphide.

All samples (1,674) were submitted to Ultratrace in Perth for analysis. The results were encouraging with 19 intercepts of 0.4% Ni or better. All samples greater than 0.3% Ni (1007) have been re-sampled on a 1m basis.

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A plan with Ni intercepts greater than 5000ppm (pink dots), and Cu >100ppm (red dots) has been plotted in Figure 2. These high Ni/Cu anomalies are prime candidates for RC follow-up drilling, and are well defined on section.

Copper values clearly decline to background levels along section, away from these anomalous zones. Similarly, in certain areas elevated Cu and Pt+Pd can be seen within the ultramafic, which clearly adjoin anomalous zones of Ni and Cu in nearby drill holes.

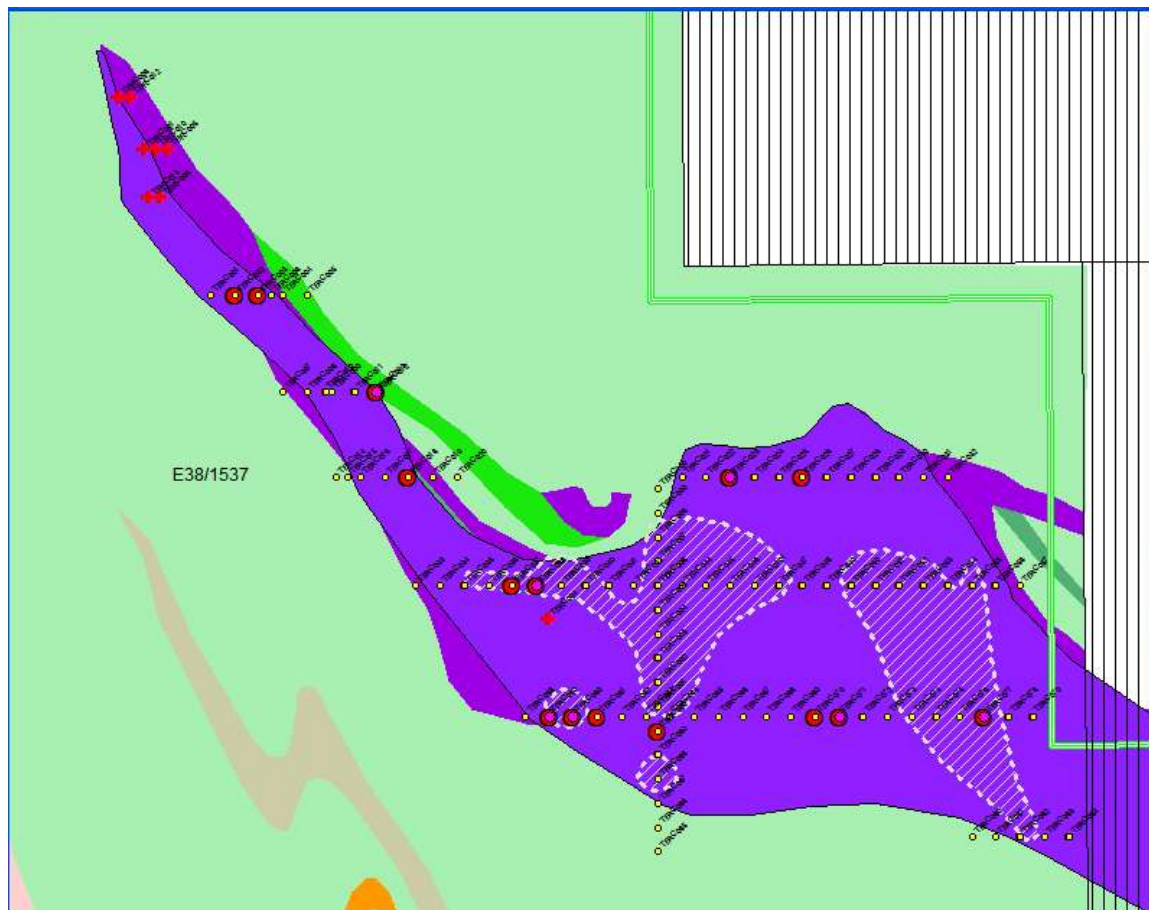


Diagram courtesy of Independence)

Figure 5: E38/1537 Bulge completed AC Sept/Oct 2007 (pink dots >0.5% Ni intercept (1m resample's), red dots Cu >100ppm) with IGO surface projection of ultramafic geology (purple) over Newmont Interpreted Geology (lilac) and supergene silica development (white hatch)

Robinson Prospect

A TEM survey testing ultramafic stratigraphy at the Robinson Prospect, located between the Bulge and the Camp Oven Ni-Cu-PGE occurrence has been completed. One conductor delineated during the survey (Anomaly B) is closely associated with a magnetic anomaly at the interpreted ultramafic contact. The anomaly is 400m long with a sub-vertical dip and is considered a high priority nickel sulphide target.

Bulge Bandya Prospect

A TEM survey has been completed at the Bulge-Bandya area testing ultramafic stratigraphy south-east along strike from the Bulge. A strong, short strike length anomaly consistent with a nickel sulphide response has been identified close to or on the ultramafic-sediment contact.

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Priority conductors at the Robinson and Bulge-Bandya prospects will be drill tested in the June quarter.

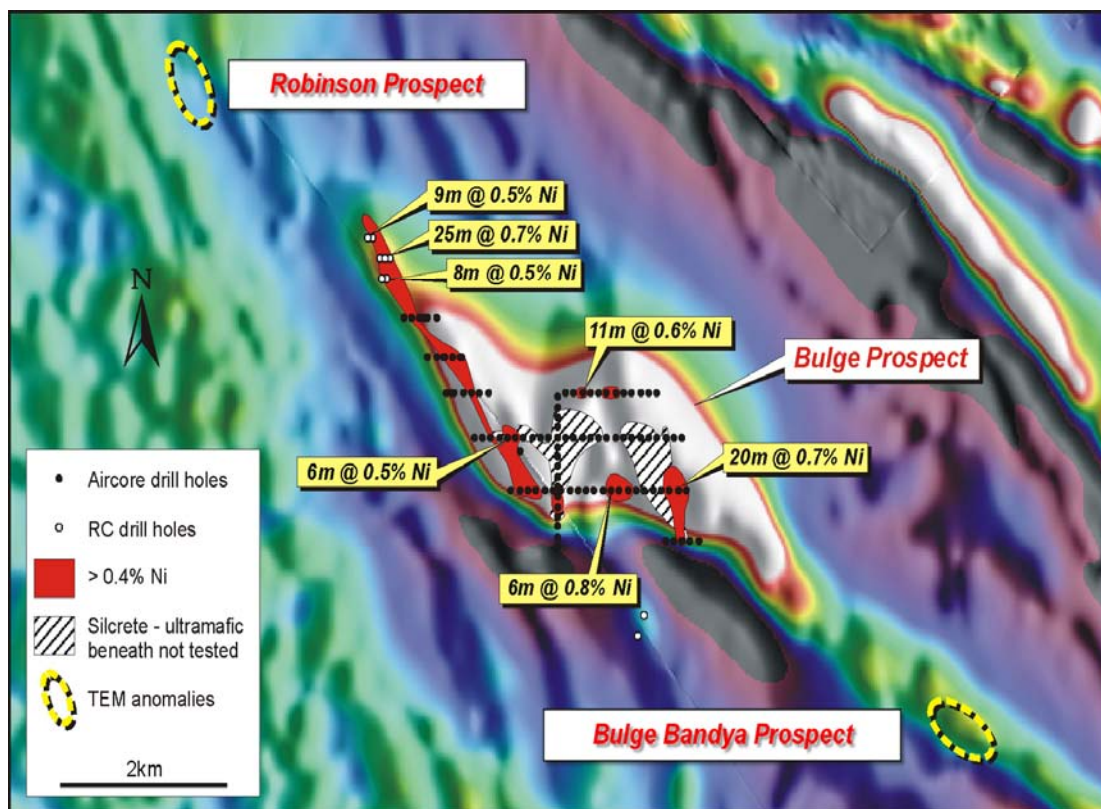


Diagram courtesy of Independence)

Figure 6: Bulge Ultramafic as well as location of potential nickel sulphide TEM conductors at the Robinson and Bulge-Bandya Prospects

THATCHER SOAK URANIUM JOINT VENTURE

In September 2006, South Boulder entered into a Uranium JV with Uranex NL ("Uranex") (ASX:UNX) whereby Uranex can earn a 65% interest in the uranium rights on P38/3298.

South Boulder retains a 35% free carry to the completion of a bankable feasibility study ("BFS") which must be completed within 6 years.

Previous eU3O8 intercepts returned from drilling conducted by Uranex on the South Boulder joint venture ground include 2.75m @ 473.2ppm, 4.5m @ 335.4ppm, 1.85m @ 346.9ppm and 0.95m @ 415ppm.

Further drilling has been completed by Uranex during the December quarter with a resource estimate expected in the June quarter 08. Results of this work will be detailed once data is available from Uranex.

Significant Infill results from drilling completed during the December quarter are outlined in the table below:

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Hole Number	Easting (GDA94_Z51)	Northing (GDA94_Z51)	Depth (From)	Depth (To)	Interval (m)	Grade (ppm eU3O8)
TSAC0462	557395	6900200	1.98	3.2	1.22	279
TSAC0471	557395	6900600	0.22	2.72	2.5	206
TSAC0476	557395	6900800	0.17	1.67	1.5	223

LISTED SHARES

South Boulder holds a number of shares and options in other ASX and TSX listed companies:

Company Name	Stock Exchange	No of fully paid Shares	20c Options	Option Expiry Date
IMX Resources NL	ASX	1,325,000		
Montezuma Mining Company Ltd	ASX	4,150,000	1,037,500	31/08/2011
Buxton Resources Limited	ASX	250,000	750,000	30/06/2012
Gold Aura Limited	ASX	1,000,000		
Avonlea Minerals Limited	ASX	400,000		
Continental Nickel	TSX	121,200		

During the reporting period 175,000 IMX Resources NL shares were sold for a profit of \$107,625.

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For more information visit the South Boulder Mines website www.southbouldermines.com.au

30 APRIL 2008

The Information in this report that relates to exploration results is based on information compiled by Lorry Hughes, who 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 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". Liam Cornelius is an Executive Officer of South Boulder Mines Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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