

ASX Release

5 November 2008



ASX Code: STB

Share Price: 7.0 cents

Market Cap: \$3M

Shares on issue: 55.5M

Cash at Bank: \$3.0M

ASX/TSX listed shares: +\$0.75M

Top 20 shareholders – 48%

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DUKETON NICKEL JV DRILLING RESULTS PROVIDE SIGNIFICANT ENCOURAGEMENT

South Boulder Mines Ltd (ASX: STB) is pleased to announce that significant RC drilling results have been received from recently completed work at The Bulge nickel sulphide prospect at its Duketon Project, near Laverton in Western Australia.

Highlights include:

- 5m @ 1.14% Ni (0.20% Cu + 0.91g/t Pt+Pd) from 127m in TBRC020 incl. 1m @ 2.25% Ni.
- 22m @ 0.70% Ni (0.30% Cu, 0.98g/t Pt+Pd) from 68m in TBRC019.
- 12m @ 0.76% Ni from 172m in TBRC021 incl. 1m @ 1.57% Ni.
- 4m @ 0.77% Ni from 90m in TBRC067.
- 1m @ 2.11% Ni from 279m in TBRC066.
- 7m @ 0.59% Ni (110m) TBRC018.

South Boulder is incredibly encouraged by the sulphide mineralisation that has been intersected at The Bulge Prospect and believes that the potential for a significant discovery has been considerably enhanced.

In early 2004, South Boulder entered a farm-out Joint Venture (JV) Agreement with Independence Group NL (ASX: IGO), whereby Independence can earn a 70% interest in the nickel rights on tenements held by South Boulder in the Duketon Project. The data, interpretation, text and diagrams that form this ASX release have been provided courtesy of Independence.

The second round RC drill program testing the Bulge-Bandya ultramafic unit in the Duketon JV was designed to test known areas of anomalous geochemistry intersected in aircore drilling, and beneath areas of silcrete development, previously untested. Drilling was focused along aircore drill lines on an approximate 400m x 100m grid. Twelve RC holes of the 55 hole program were designed to test the C2 prospect in more detail. (Figure 1)

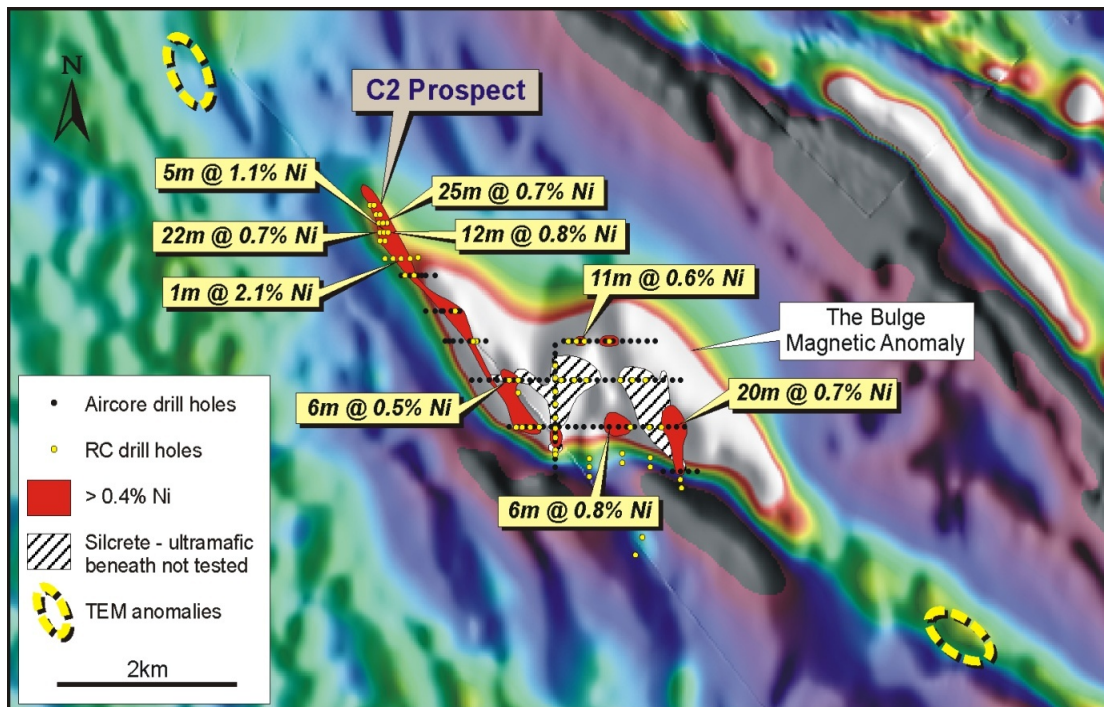


Figure 1 – The Bulge TMI Aeromagnetic Image with RC and AC Drilling and TEM anomalies.

Drill coverage of the C2 prospect now consists of 5 sections at 100m spacings, and then one section 200m to the south of these sections. Drilling recently completed added infill cross sections and extended the known mineralisation to the south. Mineralisation at the C2 Prospect has now been outlined on 100m-200m spaced sections over 700m strike and is open to the south and down dip.

The zones of disseminated Ni mineralisation are generally east dipping, in two to three contact-parallel layers, a western, central and eastern zone (Figure 2). These zones can, in places, be traced from one section to another, based on their spatial distribution and elemental signatures. The central zone in particular can be traced, with elevated Cu, Pt and Pd values.

To the north the ultramafic unit thins to less than 40m wide and the number of separate zones of mineralisation is reduced from three to two. To the south, the 2.11% Ni intersected by TBRC066 is open, up and down dip (Figure 3). There is also a marked shift to the east in the surface projection of the ultramafic stratigraphy on this section (6945100mN), possibly due to faulting or thrusting. The dip of the contacts appears to have changed from 65-70° east, to 80° west, and the mineralised zones appear to be more discreet and wider apart.

The 2 RC holes drilled 200m to the south, on 6944900mN, may not have tested the position, as the contacts may have rolled over, and a dolerite dykes/sill is observed intruding the ultramafic on that section. The system appears complex, with a number of mineralised positions present, and mineralisation may be of variable tenor. Mineralisation is present on or near both the western and eastern contacts, and also about 60m off the western contact within the unit.

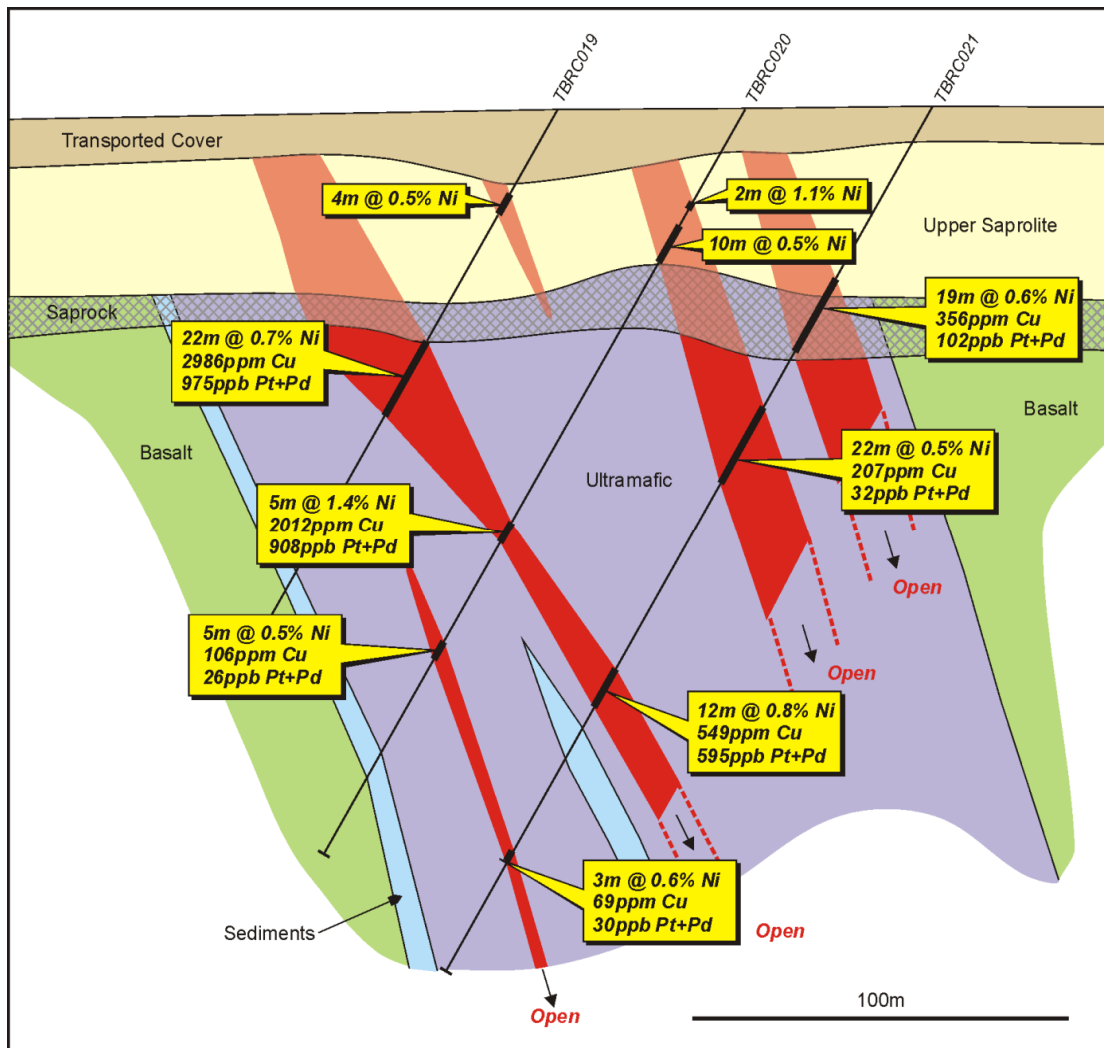


Figure 2 – The Bulge C2 Prospect Cross Section 6945400N

Down hole TEM (DHTEM) surveys have been completed for holes TBRC021, TBRC066, TBRC067 and TBRC068. A strong anomaly at the bottom of the TBRC066 log is consistent with a conductor lying in the path of the drillhole beyond its end. This may be interpreted as a sediment horizon (Figure 3) but drilling is required to test this. The DHTEM survey of TBRC021 showed a complex response that requires a more detailed examination. This is currently under way, and it will then be checked against our current geological interpretation for the prospect to decide if additional drilling is required to test the feature.

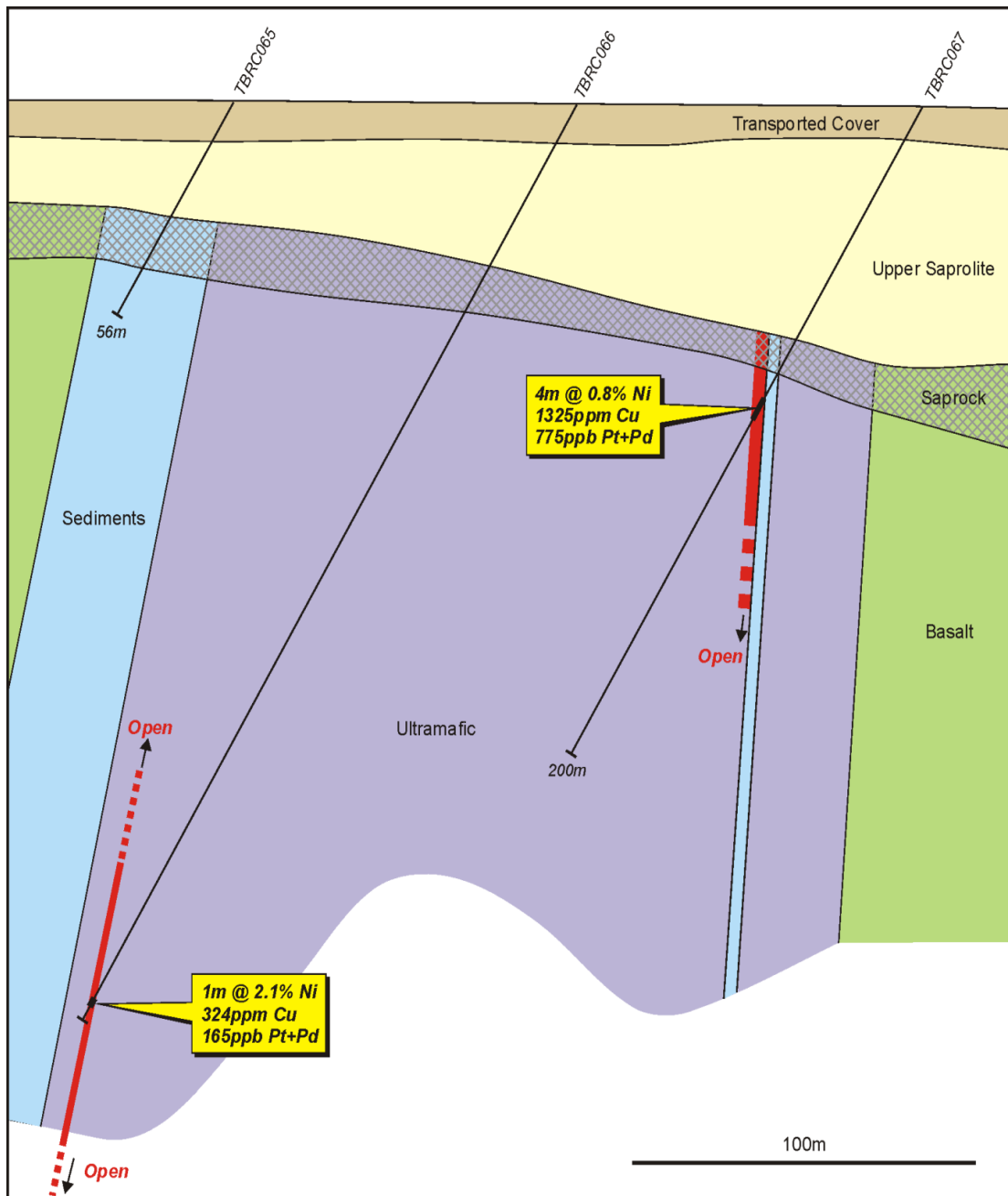


Figure 3 – The Bulge C2 Prospect Cross Section 6945100N

Table 1 - The Bulge C2 Prospect Results (1m split samples)

Hole ID	East	North	m From	m To	Length	Ni %	Cu %	Pt+Pd g/t	Notes
TBRC017	400850	6945600	57	62	5	0.529	0.050	0.13	
			66	72	6	0.644	0.020	0.048	
			74	75	1	0.406	0.025	0.055	
TBRC018	400900	6945600	110	117	7	0.585	0.100	0.373	includes 1m 1.09%Ni
			122	128	6	0.510	0.027	0.074	
			150	154	4	0.616	0.036	0.081	
			157	158	1	0.449	0.181	0.17	
TBRC019	400890	6945400	32	36	4	0.518	0.042	0.101	
			62	63	1	0.415	0.121	0.235	
			68	90	22	0.704	0.299	0.975	includes 1m 1.05%Ni and 1m 1.15%Ni
TBRC020	400940	6945400	28	30	2	1.065	0.038	0.043	
			35	45	10	0.530	0.019	0.069	includes 1m 1.16%Ni
			60	64	4	0.603	0.012	0.029	
			84	86	2	0.498	0.027	0.04	
			107	113	6	0.453	0.007	0.071	
			127	132	5	1.136	0.201	0.908	Includes 1m 2.25%Ni
			141	142	1	0.867	0.046	0.045	
			164	169	5	0.506	0.011	0.026	
			194	195	1	0.547	0.023	0.42	
TBRC021	400990	6945400	52	71	19	0.608	0.036	0.102	
			75	76	1	0.853	0.016	0.01	
			92	114	22	0.524	0.021	0.032	
			118	120	2	0.515	0.017	0.013	
			172	184	12	0.759	0.055	0.595	Up to 1.57%Ni
			230	233	3	0.570	0.007	0.03	
TBRC066	401150	6945100	279	280	1	2.110	0.032	0.165	1m @ 2.11% Ni
TBRC067	401250	6945100	90	94	4	0.770	0.133	0.775	

Table 2 - The Bulge Prospect 2008 RC Assay Results to date

Hole ID	East	North	m From	m To	Length	Ni %	Cu %	Pt+Pd g/t	S %	Notes
TBRC014-016					NSI					
TBRC017	400850	6945600	57	62	5	0.529	0.050	0.130	0.04	
TBRC017			66	72	6	0.644	0.020	0.048	0.03	
TBRC017			74	75	1	0.406	0.025	0.055	0.02	
TBRC018	400900	6945600	110	117	7	0.585	0.100	0.373	11.35	includes 1m 1.09%Ni
TBRC018			122	128	6	0.510	0.027	0.074	4.38	
TBRC018			150	154	4	0.616	0.036	0.081	1.53	
TBRC018			157	158	1	0.449	0.181	0.170	16.5	
TBRC019	400890	6945400	32	36	4	0.518	0.042	0.101	0.04	
TBRC019			62	63	1	0.415	0.121	0.235	0.06	

TBRC019			68	90	22	0.704	0.299	0.975	11.28	includes 1m 1.05%Ni and 1m 1.15%Ni
Hole ID	East	North	m From	m To	Length	Ni %	Cu %	Pt+Pd g/t	S %	Notes
TBRC020	400940	6945400	28	30	2	1.065	0.038	0.043	0.04	
TBRC020			35	45	10	0.530	0.019	0.069	0.02	includes 1m 1.16%Ni
TBRC020			60	64	4	0.603	0.012	0.029	0.02	
TBRC020			84	86	2	0.498	0.027	0.040	1.96	
TBRC020			107	113	6	0.453	0.007	0.071	0.74	
TBRC020			127	132	5	1.136	0.201	0.908	8.67	Includes 1m 2.25%Ni
TBRC020			141	142	1	0.867	0.046	0.045	1.71	
TBRC020			164	169	5	0.506	0.011	0.026	0.82	
TBRC020			194	195	1	0.547	0.023	0.420	3.52	
TBRC021	400990	6945400	52	71	19	0.608	0.036	0.102	0.03	
TBRC021			75	76	1	0.853	0.016	0.010	0.01	
TBRC021			92	114	22	0.524	0.021	0.032	1.8	
TBRC021			118	120	2	0.515	0.017	0.013	1.51	
TBRC021			172	184	12	0.759	0.055	0.595	4.17	Up to 1.57%Ni
TBRC021			230	233	3	0.570	0.007	0.030	0.72	
TBRC022-023					NSI					
TBRC024	401800	6944500	34	37	3	0.693	0.042	0.045	0.02	
TBRC025	402050	6944150				NSI				
TBRC026	402450	6943700	42	60	18	0.744	0.013	0.007	0.03	
TBRC027	402550	6943700	29	40	11	0.496	0.012	0.012	0.03	
TBRC028-029					NSI					
TBRC030	402600	6943160	44	54	10	0.531	0.016	0.020	0.01	
TBRC031	402700	6943160	20	48	28	0.511	0.004	0.033	0.01	
TBRC032	402800	6943160				NSI				
TBRC033	403900	6943160				NSI				
TBRC034	402010	6944150	78	82	4	0.437	0.192	1.658	3.44	elevated PGE
TBRC035	403000	6942900	64	70	6	0.465	0.025	0.033	0.01	
TBRC036	403000	6943050	40	43	3	0.424	0.001	0.025	0.01	
TBRC037-041					NSI					
TBRC042	403250	6944150	62	65	3	0.464	0.102	0.292	0.06	
TBRC043	403350	6944150	36	42	6	0.577	0.020	0.018	0	
TBRC044	403650	6944150	50	52	2	0.422	0.001	0.005	0	
TBRC045	403075	6943700	49	52	3	0.548	0.011	0.005	0	
TBRC046	403225	6943700				NSI				
TBRC047	403375	6943700	26	39	13	0.600	0.002	0.005	0	
TBRC047			42	44	2	0.419	0.001	0.005	0.015	
TBRC048	403000	6943275				NSI				
TBRC049	403000	6943425	40	44	4	0.424	0.012	0.008		awaiting 1m split assays
TBRC050	403000	6943575	104	112	8	0.462	0.004	0.008		awaiting 1m split assays
TBRC051-065					NSI					
TBRC066	401150	6945100	229	235	6	0.447	0.005	0.151	0.64	
TBRC066			238	240	2	0.422	0.003	0.206	0.57	
TBRC066			249	251	2	0.469	0.006	0.238	0.87	
TBRC066			279	280	1	2.110	0.032	0.165	2.87	Includes 1m @ 2.11% Ni
TBRC067	401250	6945100	90	94	4	0.770	0.133	0.775	12.44	Includes 1m @ 1.12% Ni
TBRC067			170	172	2	0.572	0.009	0.356	0.49	
TBRC068	401350	6945109				NSI				

About South Boulder Mines Ltd

Listed in 2003, South Boulder Mines (ASX: STB) is primarily focused on gold, nickel and base metal exploration within the Duketon Project. The company has also recently become involved in exploration for potash and phosphate.

In April 2004 South Boulder signed a farm-out joint venture agreement with Independence Group NL who can earn a 70% interest of the nickel rights on tenements held by South Boulder within the Duketon Project by the completion of a Bankable Feasibility Study within five years. In-house technology developed by Independence and currently in use on the Duketon Nickel JV lends a significant advantage over previous explorers.

More information:

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This ASX release has been compiled by Lorry Hughes using information on exploration results supplied by Paull Parker of Independence Group who are the operator of the Duketon Nickel JV. Lorry Hughes and Paull Parker are members of the Australian Institute of Mining and Metallurgy. Mr Hughes and Mr Parker are geologists and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 and Paull Parker consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.