

ASX Release

05 October 2009



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

Share Price: 16.5 cents

Market Cap: \$9.2M

Shares on issue: 55.7M

Cash at Bank: \$2.4M
ASX/TSX listed shares: \$1.5M

Top 20 shareholders – 48%

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LISTED EQUITY HOLDINGS

(ASX: MZM) - 4.150m shares
(ASX: MZMO) - 1.037m options
(ASX: IXR) - 1.325m shares
(ASX: AVZ) - 0.400m shares
(ASX: BUX) - 0.250m shares
(ASX: AGO) - 12,490 shares
(ASX: UNX) - 0.700m shares
(CDNX: CNI.V) - 130,000 shares

PLATINUM-PALLADIUM-NICKEL-COPPER MINERALISATION CONFIRMED AT ROSIE NICKEL SULPHIDE PROSPECT

South Boulder Mines Ltd (ASX: STB) is pleased to announce that the Duketon Nickel Sulphide JV with Independence Group (ASX: IGO) has returned high Platinum-Palladium grades from one metre re-sampling at the newly discovered "Rosie Prospect". Highlights include:

ROSIE PROSPECT

HOLE TBAC122

- 20m @ 0.99g/t Pt+Pd (0.61% Ni, 0.14% Cu) from 61m including;
 - 7m @ 2.42g/t Pt+Pd (0.64% Ni, 0.31% Cu) from 65m including;
 - 3m @ 4.24g/t Pt+Pd (0.73% Ni, 0.54% Cu) from 66m including;
 - 1m @ 8.23g/t Pt+Pd (1.09% Ni, 0.81% Cu) from 68m.

HOLE TBAC124

- 10m @ 2.25g/t Pt+Pd (0.40% Ni, 0.49% Cu) from 32m including:
 - 3m @ 4.00g/t Pt+Pd (0.56% Ni, 0.88% Cu) from 33m.
- 14m @ 0.29g/t Pt+Pd (0.59% Ni, 0.07% Cu) from 46m.

HOLE TBAC126

- 35m @ 1.59g/t Pt+Pd (0.40% Ni, 0.27% Cu) from 32m.

HOLE TBAC127

- 11m @ 0.15g/t Pt+Pd (0.81% Ni, 398ppm Cu) from 48m.
- 15m @ 0.04g/t Pt+Pd (0.63% Ni, 199ppm Cu) from 63m.

BULGE C2 SOUTH

HOLE TBAC102

- 3m @ 1.74g/t Pt+Pd (0.30% Ni, 602ppm Cu,) from 89m.

ROSIE PROSPECT

South Boulder recently announced 4m composite samples at the newly discovered 'Rosie' Nickel-Copper-Platinum-Palladium sulphide Prospect. All results have now been received from the follow up one metre sampling program of the initial four metre composite sampling conducted by Independence. This re-sampling has highlighted an excellent first pass platinum/palladium/nickel/copper/gold signature over an approximate 350m strike length largely from within the oxide zone. It is important to note that within the transitional zone disseminated sulphides and in some cases possible matrix style accumulations of sulphides were observed in the drill chips.

The presence of nickel-copper-PGE sulphide mineralisation is also confirmed by sulphur analyses (maximum 27.5%) and some correlation of these with nickel, copper and PGE results occurs in places. The metal grades intersected are in the oxide and transition zones, so primary grades may vary from the initial results. Maximum metal results intersected to date at the Rosie prospect are 1.40%Ni, 0.99%Cu, 3.09g/t Pt and 5.14g/t Pd. Also there is a definite gold association in all of the holes at the Rosie prospect with a best intercept of 2m @ 2.35g/t from 36m to 38m in TBAC124.

In addition to the strong PGE nickel-copper signature and visible sulphides the MLTEM coverage of the Rosie prospect indicates the presence nearby of a strong continuous conductor. DHEM has been completed on the AC holes in the Rosie prospect to try to delineate the orientation of this conductor with respect to the contact position, and also to test for any conductors which may be associated with the mineralisation. The interpretation of these geophysical results are pending.

No sediment has been intersected on the ultramafic contact in the drilling to date at the Rosie Prospect. Elsewhere to the east and west the contact is almost continuously associated with siltstones and carbonaceous black shales. The sediment horizon may locally be within the footwall basalts rather than on the contact position.

Lorry Hughes said "With the initial discovery of 'The Bulge C2' Nickel Prospect and now the new Rosie discovery the Bulge area is clearly shaping up as one of the most exciting new nickel-copper-PGE areas in Australia. The PGE values at Rosie in particular highlight the outstanding success of exploration efforts to date. We look forward to further result as Independence accelerates exploration in an effort to unveil the commercial potential of the Duketon Belt as a new nickel district."

BULGE C2 SOUTH

Five hundred metres south of the Bulge C2 prospect drill hole TBAC102 intercepted;

- **3m @ 1.74g/t Pt+Pd (0.30% Ni, 602ppm Cu,) from 89m.**

This drill hole suggests that The C2 Prospect nickel sulphide mineralisation (currently outlined over a 700m strike length) may extend 500m south of the currently outlined mineralisation at the C2 Prospect or it may be a separate occurrence. Further work is required to assess the significance of these results.

Previously at 'The Bulge' C2 Prospect, numerous robust drill intercepts have been intersected including 50m @ 0.92% Ni from 275m, 20m @ 1.00% Ni from 160m and 4.5m @ 2.04% Ni from 267m. Individual assays up to 3.43% Ni with Pt+Pd grades up to 2.46g/t have also been returned.

The reconnaissance program was designed to test for additional shallow mineralisation along the interpreted eastern ultramafic contact within 'The Bulge' area and comprised a total of 61 holes for 4,649m.

Significant one metre re-sample results for the Rosie and Bulge C2 South prospects are shown in Table 1 and Table 2. Two separate tables have been compiled to highlight the occurrences of significant nickel, copper and PGE mineralisation. In some cases significant nickel-copper mineralisation overlaps with significant PGE mineralisation and in other cases it does not.

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.

More information:

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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.

<i>Hole No.</i>	<i>Easting (m)</i>	<i>Northing (m)</i>	<i>Azimuth (degr)</i>	<i>Dip (degr)</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Interval (m)</i>	<i>Ni (%)</i>	<i>Cu (ppm)</i>	<i>Pt (ppb)</i>	<i>Pd (ppb)</i>
TBAC102	401349	6945000	270	-60	89	92	3	0.30	602	1115	621
TBAC122	402450	6944125	180	-60	65	72	7	0.64	3149	916	1499
TBAC124	402545	6944050	180	-60	32	42	10	0.40	4856	1130	1120
TBAC126	402645	6944025	180	-60	32	67	35	0.40	2699	867	725
TBAC127	402750	6943995	180	-60	32	44	12	0.31	2053	457	313
					81	83	2	0.59	1260	242	422
					91	94	3	0.59	1088	253	368

Table 1 – Significant platinum + palladium, one metre sample results from the reconnaissance nickel sulphide drilling.

Hole No.	Easting (m)	Northing (m)	Azimuth (degr)	Dip (degr)	From (m)	To (m)	Interval (m)	Ni (%)	Cu (ppm)	Pt (ppb)	Pd (ppb)
TBAC102	401349	6945000	270	-60	84	88	4	0.41	229	49	66
					101	113	12	0.46	206	36	53
					118	120	2	0.50	223	70	85
TBAC106	401700	6944690	270	-60	86	90	4	0.42	276	31	51
TBAC111	401930	6944400	270	-60	55	58	3	0.46	109	20	13
TBAC114	401920	6944300	270	-60	20	24	4	0.47	195	26	22
					28	35	7	0.44	249	29	21
					60	80	20	0.51	3	11	0
TBAC122	402450	6944125	180	-60	61	81	20	0.61	1425	373	613
					84	91	7	0.49	89	16	23
TBAC124	402545	6944050	180	-60	33	37	4	0.53	7520	1700	1558
					46	60	14	0.59	672	107	184
TBAC126	402645	6944025	180	-60	41	44	3	0.54	3567	900	1198
					47	54	7	0.57	2771	1010	629
					62	81	19	0.57	1291	310	377
TBAC127	402750	6943995	180	-60	36	40	4	0.42	1930	395	350
					48	59	11	0.81	399	55	98
					63	78	15	0.63	199	12	30
					81	87	6	0.52	841	176	284
					91	95	4	0.55	964	225	330
TBAC141	403550	6944240	360	-60	40	52	12	0.68	345	7	0
TBAC142	403648	6944300	360	-60	28	32	4	0.43	62	0	0
TBAC144	403750	6944350	360	-60	36	40	4	0.42	248	0	0
TBAC146	403853	6944318	360	-60	32	40	8	0.44	75	8	0
					44	48	4	0.42	84	5	0
TBAC152	404440	6943805	270	-60	32	40	8	0.42	37	18	0
TBAC161	402260	6943955	270	-60	44	48	4	0.50	18	30	0

Table 2 – Significant nickel, one metre sample results from the reconnaissance nickel sulphide drilling.

Note: Samples were originally collected as 4m composites and then followed up with 1m individual samples in geologically encouraging areas. 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%, or Pt+Pd >= 500ppb over a minimum 2m interval. Maximum internal waste allowed is 2m. Results have been rounded where appropriate. Intervals are expressed as down hole intervals in metres. There is insufficient information at present to make an estimation of the true width of the mineralisation encountered.

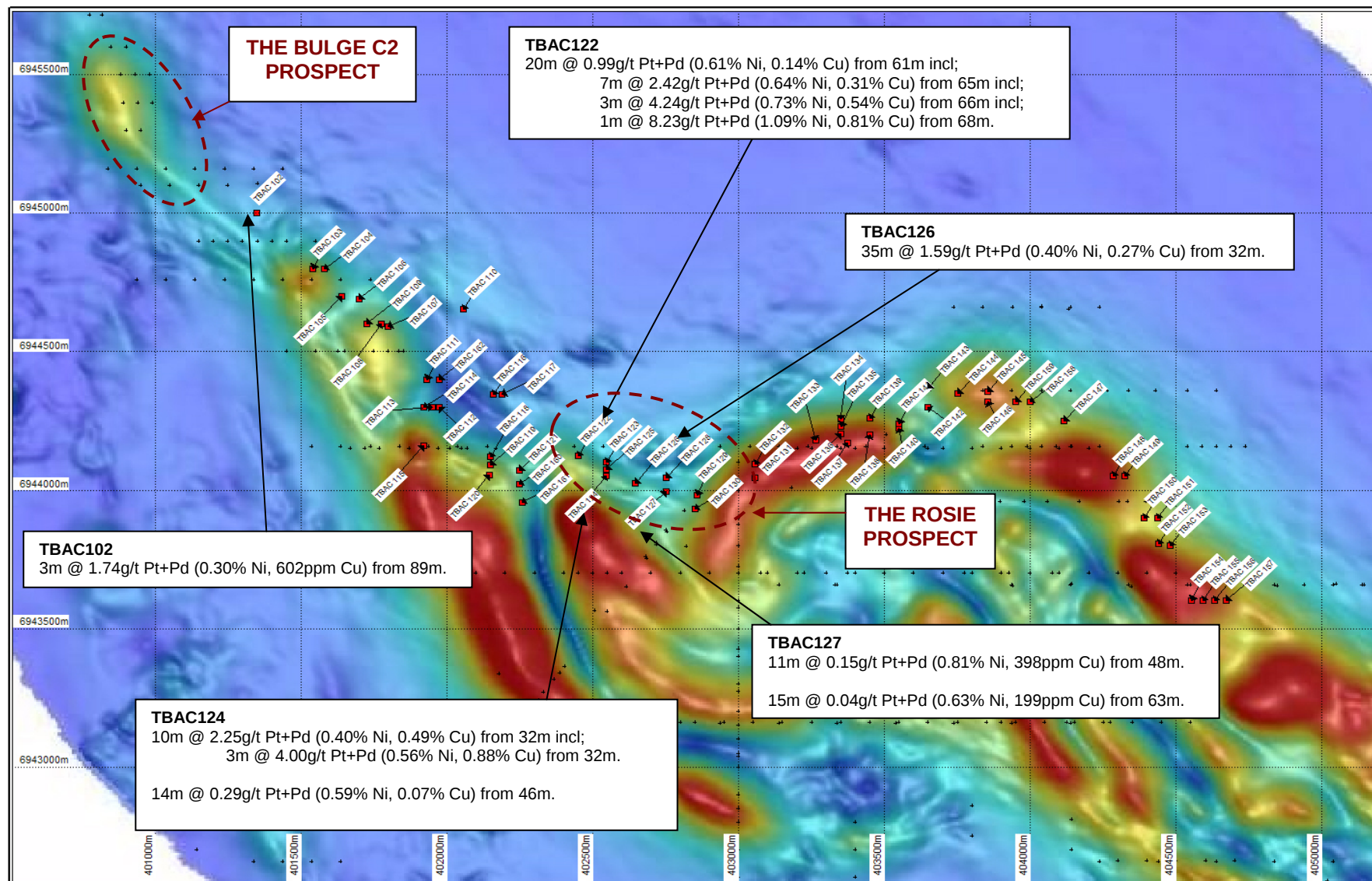


Figure 1 – The “Bulge C2” and the “Rosie” Nickel Sulphide Prospects with significant drill intercepts.