

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

Share Price: 20.0 cents

Market Cap: \$11.0M

Shares on issue: 55.7M

Cash at Bank: \$2.0M
ASX listed shares: \$2.0M

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 share
Auvex (Pte) - 1.000m options

Extensive Gold Mineralisation Discovered at Terminator

South Boulder Mines Ltd (ASX: STB) is pleased to announce that recent aircore drilling (4m composite sampling) at the Terminator Prospect has returned high gold grades of up to 22.10 g/t over 2 metres (EOH) as well as broad zones of gold mineralisation including 64m @ 1.24 g/t from surface.

- Mineralisation is currently well defined over ~ 400m strike, is open in all directions and occurs within a broader anomalous zone over 3km. Numerous holes have finished in gold mineralisation;
- Highlights include;

TBAC 024

- 64m @ 1.24 g/t from surface;
including 12m @ 4.13g/t from surface;

TBAC 025

- 28m @ 2.68 g/t from 52m;
including 8m @ 7.40g/t from 72m;

TBAC 031

- 6m @ 7.84 g/t from 48m;
including 2m @ 22.10 g/t from 52m (EOH);

TBAC 019

- 60m @ 0.70 g/t from surface;
including 8m @ 2.00g/t from surface;
and 4m @ 3.17g/t from 56m

- Approximately 60% of results from Terminator Program outstanding.
- Thompsons Bore gold results to follow.
- 1m re-samples to follow.

A recently completed aircore drilling program at the Terminator Gold Prospect within the Duketon Project comprising 50 holes for 4,216m has discovered significant gold mineralisation. Assay results have been received for 22 holes (28 pending) and results have intersected widespread laterite and oxide mineralisation. The program has confirmed the potential for a significant gold system identified from the initial discovery hole, TBAC111 (37m @ 2.18g/t Au from 1m).

The laterite mineralisation occurs immediately below a thin 1m to 4m blanket of transported cover. The surface and extensive oxide gold zones are evident over large widths down hole. The samples have been taken as 4m composites and these will be re-sampled immediately once all assays have been received. It is expected that one metre re-sampling will significantly improve the grades.

The drill program targeted a sheared contact between an ultramafic and mafic sequence, which is currently believed to be the control on the gold mineralisation. The majority of holes were drilled to blade refusal and fenced on a 40m x 40m pattern. In addition a number of closer spaced holes (20m X 20m) were drilled to understand the vectors to mineralisation. Some wider spaced exploratory drill holes were completed as well as a small program at Thompsons Bore with results to follow.

Hole No.	East (m)	North (m)	RL (m)	Azi. (degr.)	Dip (degr.)	E.O.H.	From	To	Interval (m)	Au (g/t)	Comment
TBAC018	401900	6944380	500	270	60	82	0	8	8	0.70	Laterite
TBAC019	401920	6944380	500	270	60	122	0	60	60	0.70	Laterite/oxide
Includes							0	8	8	2.00	Laterite
Includes							56	60	4	3.17	Oxide
TBAC020	401940	6944380	500	270	60	152	0	8	8	0.65	Laterite
TBAC020							56	76	20	0.84	Oxide
TBAC023	401900	6944400	500	270	60	88	0	12	12	0.29	Laterite
TBAC024	401920	6944400	500	270	60	121	0	64	64	1.24	Broad Min.
Includes							0	12	12	4.13	Laterite/oxide
Includes							40	48	8	1.45	Oxide
TBAC025	401940	6944400	500	270	60	122	0	8	8	0.61	Laterite
TBAC025							52	80	28	2.68	Oxide
Includes							72	80	8	7.40	Oxide
TBAC026	401960	6944400	500	270	60	101	64	72	8	0.98	Oxide
TBAC028	401900	6944420	500	270	60	64	40	44	4	1.90	Oxide
TBAC028							56	64	8	0.62	Min. @ EOH
TBAC029	401920	6944420	500	270	60	114	0	56	56	0.41	Broad Min.
Includes							0	8	8	1.27	Laterite
TBAC030	401940	6944420	500	270	60	92	0	92	92	0.21	Broad Min.
Includes							0	8	8	0.55	Laterite
TBAC031	401960	6944420	500	270	60	54	48	54	6	7.84	Min. @ EOH
Includes							52	54	2	22.10	Min. @ EOH
TBAC034	401880	6944460	500	270	60	140	0	80	80	0.36	Broad Min.
Includes							0	12	12	0.50	Laterite
Includes							48	80	32	0.64	Broad Min.
TBAC035	401900	6944460	500	270	60	63	0	60	60	0.26	Broad Min.
Includes							0	8	8	0.90	Laterite
TBAC036	401920	6944460	500	270	60	39	36	39	3	0.45	Min. @ EOH

Table 1 – Compositated assay results from first pass aircore drilling at the Terminator Gold Prospect.

Note: Assays have been determined by the Aqua Regia ICP_MS method. Samples were collected as 4m composites. 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.

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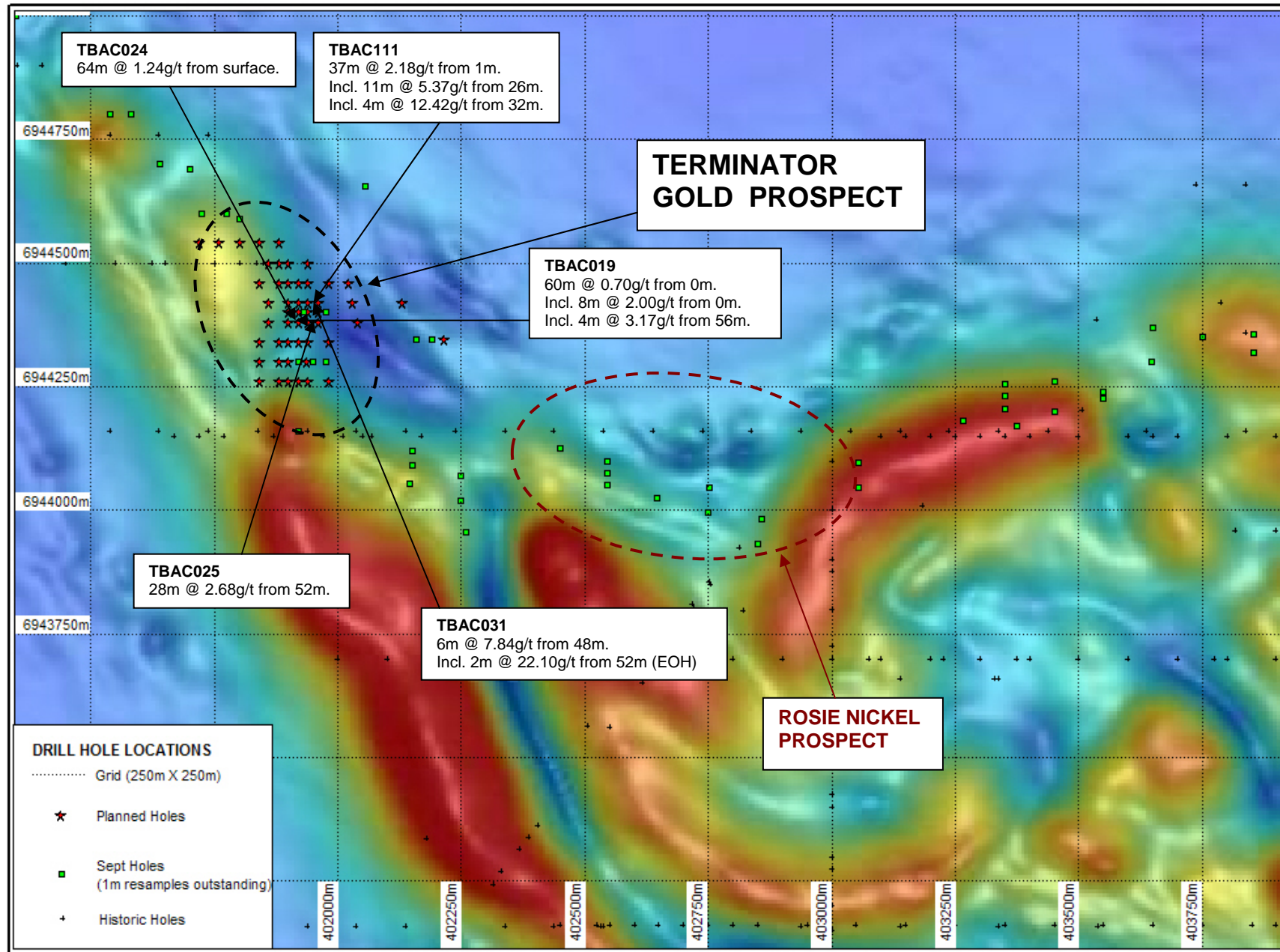


Figure 1 – The Terminator Gold Prospect in relation to the Rosie Nickel Prospect.

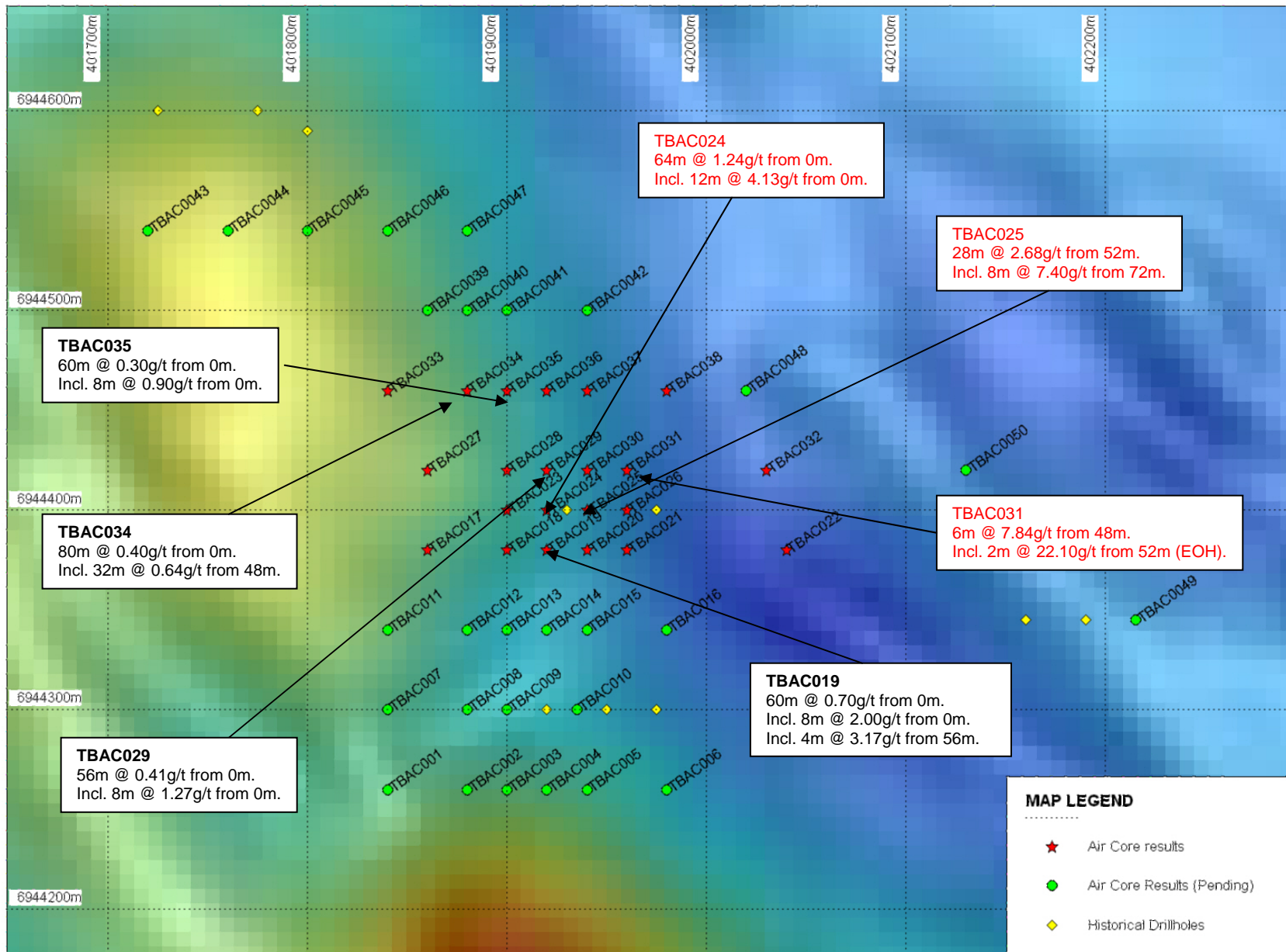


Figure 2 – The Terminator Gold Prospect.

Duketon Belt Gold Potential

The Duketon Belt contains highly prospective geological sequences and mineralised structures. Numerous structures are known to contain significant gold mineralisation. This is evidenced by the approximately 3 million ounces of unmined gold resources currently defined to date within the belt. In addition the plus 1.5 million ounce Moolart Well Gold Project is currently being developed by Regis Resources Ltd (ASX: RRL). Once operational this will be only mining operation in the Duketon Belt.

Very little systematic gold exploration has been completed within The South Boulder Duketon Gold Project. From the early 90's the majority of the Duketon Project was held by Normandy Mining Limited and Newmont Mining Corporation. Although wide spaced reconnaissance exploration was sporadically conducted, the vast majority of the project remains under shallow cover and vastly under explored.

About the Nickel 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 grant of the relevant tenements. The Duketon Project covers around 1800km² and is highly prospective for gold, nickel sulphide and base metal deposits. South Boulder holds 100% of the gold and base metal rights.

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.

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This ASX release has been compiled by Lorry Hughes using information on exploration results supplied by South Boulder Mines Ltd and 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 has 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 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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