

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

Share Price: \$2.30

Market Cap: \$200M

Shares on issue: 87.1M
Company options: 18.7M (\$6.8)

Cash at Bank: \$10.2M
ASX/TSX listed shares: \$3.6M

Top 40 shareholders – 64%

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LISTED EQUITY HOLDINGS

(ASX: MZM) - 5.012m shares
(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
(ASX: LTX) - 1.016m shares
Auvex (Pte) - 1.000m shares

SHALLOW POTASH CONTNUES TO BE INTERSECTED AT AREA B

South Boulder Mines Ltd (ASX; STB) is pleased to report that exploration drilling at the Area B discovery continues to substantially grow the resource potential at the Colluli Potash Project. Drilling highlights include:

Hole Col-037

- 5.58m of sylvinitite from 65.59m and;
- 2.69m of carnallite/kieserite from 71.46m and;
- 6.54m of kainitite from 74.15m.

Hole Col-039

- 3.22m of sylvinitite from 42.70m and;
- 7.56m of kainitite from 48.44m.

Hole Col-040B

- 8.07m of kainitite from 16.51m.

Hole Col-041

- 1.42m of sylvinitite from 18.86m and;
- 7.03m of kainitite from 23.66m.

Exploration at the Area B discovery (Figure 1), continues to intersect potash from depths as shallow as 16m further confirming the current exploration target of #1.25 – 1.75 billion tonnes @ 18-20% KCl. Assays have yet to be returned from this new discovery area however, sylvinitite (a typically high grade ore) has been visually identified in core from 13 of 21 holes drilled to date (Table 1).

It is anticipated that if chemical assays from Area B confirm field observations of extensive sylvinitite, carnallite and kainitite mineralisation similar to that demonstrated at Area A, the economics of the entire Colluli Project will be substantially enhanced.

Drilling is continuing at Colluli in order to provide exploration and metallurgical data for the current engineering scoping study and subsequent definitive feasibility study. The scoping study is expected to be completed in the September quarter and first potash production is scheduled for 2016.

First assays from Area B are expected in the September quarter. Details on further exploration results and feasibility study activity will be released as they come to hand.

The potential quantity and grade of the total current exploration target which includes the current Mineral Resource Estimate is conceptual in nature and there has been insufficient exploration to define a Mineral Resource other than the current Mineral Resource Estimate and it is uncertain if further exploration will result in the determination of a Mineral Resource Estimate other than the current Mineral Resource Estimate.

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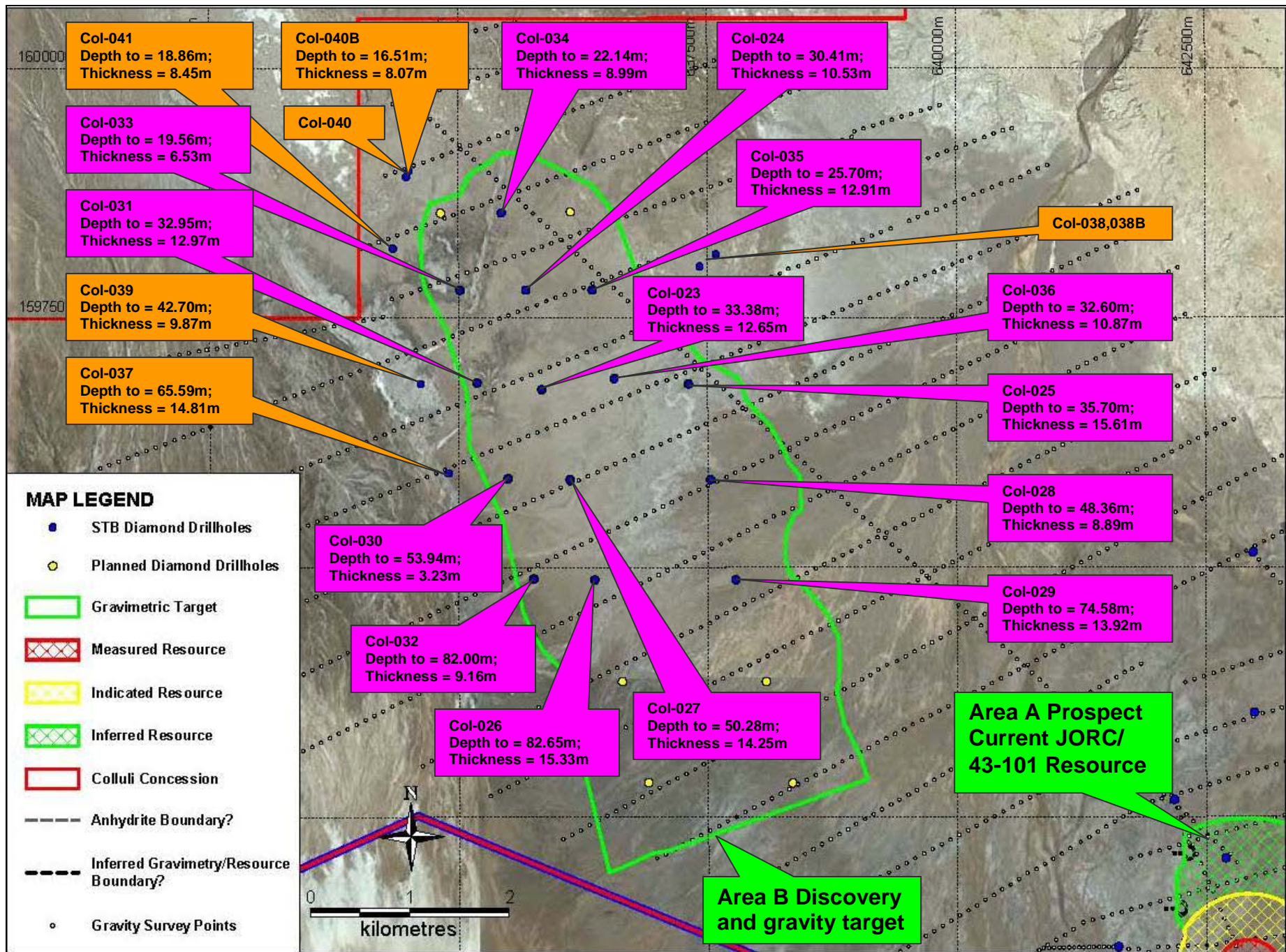


Figure 1: Colluli Project Area B Discovery plan showing drilling with outstanding results and the current JORC resource area and gravimetric survey data points.

Hole No.	East (m)	North (m)	RL (m)	Azi. (degr.)	Dip (degr.)	E.O.H.	Comment
Col-023	635833	1596782	-122	000	-90	52.60	Sylvinite, carnallite, kainitite; total thickness 12.65m from ~ 33.38m
Col-024	635677	1597779	-121	000	-90	45.00	Carnallite and kainitite; total thickness 10.53m from ~ 30.41m
Col-025	636562	1596890	-119	000	-90	54.00	Sylvinite, carnallite and kainitite; total thickness 15.61m from ~ 35.70m
Col-026	636356	1594877	-122	000	-90	102.00	Sylvinite, carnallite and kainitite; total thickness 15.33m from ~ 82.65m
Col-027	636116	1595879	-122	000	-90	72.00	Sylvinite, carnallite and kainitite; total thickness 14.25m from ~ 50.28m
Col-028	637528	1595879	-119	000	-90	63.00	Carnallite, kainitite; total thickness 8.89m from ~ 48.36m
Col-029	637780	1594876	-120	000	-90	93.00	Sylvinite, carnallite and kainitite; total thickness 13.92m from ~ 74.58m
Col-030	635493	1595891	-122	000	-90	75.00	Sylvinite, carnallite; total thickness 3.23m from ~ 53.94m
Col-031	635183	1596850	-121	000	-90	51.00	Sylvinite, carnallite and kainitite; total thickness 12.97m from ~ 32.95m
Col-032	635750	1594886	-122	000	-90	102.00	Sylvinite, carnallite and kainitite; total thickness 9.16m from ~ 82.00m
Col-033	635016	1597777	-120	000	-90	30.00	Sylvinite, kainitite; total thickness 6.53m from ~ 19.56m
Col-034	635432	1598553	-119	000	-90	36.00	Carnallite, kainitite; total thickness 8.99m from ~ 22.14m
Col-035	636343	1597777	-119	000	-90	42.00	Carnallite, kainitite; total thickness 12.91m from ~ 25.70m
Col-036	637309	1596837	-118	000	-90	114.00	Sylvinite, carnallite and kainitite; total thickness 10.87m from ~ 32.60m
Col-037	634893	1595946	-122	000	-90	83.30	Sylvinite, carnallite/kieserite and kainitite; total thickness 14.81m from ~ 65.59m
Col-038	637586	1598135	-117	000	-90	43.00	Clastic sediments; hole to be deepened
Col-038B	637422	1598015	-117	000	-90	78.00	Lower rock salt with clay; hole to be deepened
Col-039	634618	1596841	-122	000	-90	57.00	Sylvinite, kainitite; total thickness 9.87m from ~ 42.70m
Col-040	634500	1598976	-119	000	-90	78.00	Lower rock salt with clay; hole to be deepened
Col-040B	634476	1598917	-119	000	-90	27.00	Kainitite; total thickness 8.07m from ~ 16.51m
Col-041	634341	1598197	-120	000	-90	33.00	Sylvinite, kainitite; total thickness 8.45m from ~ 18.86m

Table 1 - Area B Prospect table of all drill hole collar details and preliminary field results.

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 links www.southbouldermines.com.au and www.abid.co.

About South Boulder Mines Ltd

Listed in 2003, South Boulder Mines (ASX: STB) is a diversified explorer 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.

The Colluli Potash Project has a current JORC/43-101 Compliant Measured, Indicated and Inferred Mineral Resource Estimate comprised of 33.39Mt @ 18.56% KCl of Measured Resources, 173.37Mt @ 18.57% KCl of Indicated Resources and 340.86Mt @ 18.58% KCl of Inferred Resources for a total of **547.62Mt @ 18.58% KCl (total contained potash of 101.73Mt)**; This includes higher grade material of 119.21Mt @ 23.14% KCl. There is an exploration target of **1.25 – 1.75 billion tonnes @ 18-20% KCl ##** (see disclaimer below). An engineering scoping study into open pit mining and processing to produce up to 10Mt p.a of potash is underway.

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. A resource definition and exploration drilling program and scoping study into an open pit mine at C2 and an underground mine at Rosie is underway.

More information:

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Disclaimer

The Colluli Potash Project has a current JORC/43-101 Compliant Measured, Indicated and Inferred Mineral Resource Estimate of 547.62Mt @ 18.58% KCl (total contained potash of 101.73Mt); Includes 119.21Mt @ 23.14% KCl. The resource contains 33.39Mt @ 18.56% KCl in the Measured Category, 173.37Mt @ 18.57% KCl in the Indicated Category and 340.86Mt @ 18.58% KCl in the Inferred Category. The current Mineral Resource Estimate is included in the current exploration target of 1.25 – 1.75 billion tonnes @ 18-20% KCl. The potential quantity and grade of the total current exploration target which includes the current Mineral Resource Estimate is conceptual in nature and there has been insufficient exploration to define a Mineral Resource other than the current Mineral Resource Estimate and it is uncertain if further exploration will result in the determination of a Mineral Resource Estimate other than the current Mineral Resource Estimate.

This ASX release has been compiled by Lorry Hughes using information on exploration results and Mineral Resource estimates supplied by South Boulder Mines Ltd under supervision by Ercosplan. Dr Henry Rauche and Dr Sebastiaan van der Klauw are co-authors of the JORC and 43-101 compliant resource report. Lorry Hughes is a member in good standing of the Australian Institute of Mining and Metallurgy and Dr.s' Rauche and van der Klauw are members in good standing of the European Federation of Geologists (EurGeol) which is a "Recognised Overseas Professional Organisation" (ROPO). A ROPO is an accredited organization to which Competent Persons must belong for the purpose of preparing reports on Exploration Results, Mineral Resources and Ore Reserves for submission to the ASX.

Mr Hughes, Mr Rauche and Mr van der Klauw 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 have undertaken 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". Mr Hughes, Mr Rauche and Mr van der Klauw 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.