ASX Release

30th November 2012

Corporate Details

ASX Code:	**STB**
Germany:	**SO3-Fra**
OTC/ADR:	**SBMSY**
Share Price:	**$0.40**
Market Cap:	**$49M**
Shares on issue:	**126.8M**
STB Options:	**16.6M**
Cash/NTA:	**$21.7M**
Top 40 shareholders:	**65%**

Contact Details

Address
Ground Floor, 31 Ventnor Avenue
West Perth WA 6000
PO Box 970
West Perth WA 6872

Telephone
+61 8 6315 1444

Facsimile
+61 8 9486 7093

Email & Web Page:
info@southbouldermines.com.au
www.southbouldermines.com.au

Media Enquiries

Read Corporate
Paul Armstrong & Nicholas Read -
Telephone: +61 8 9388 1474

Listed Equity Holdings

(ASX: MZM)	5.382M
(ASX: AVZ)	0.400M
(ASX: LTX)	1.016M
(ASX: BUX)	2.012M
(BUX options)	0.201M
(ASX: IXR)	0.448M
(CDNX: SMP.V):	2.500M
Auvex (Pte):	0.500M

UPDATE ON PROPOSED DEMERGER OF NON-POTASH ASSETS

South Boulder Mines Ltd (ASX: STB) ("South Boulder" or "the Company") is seeking shareholder approval of the proposed demerger of its non-potash assets at the Annual General Meeting to be held on Friday, 30 November 2012.

If Shareholders approve the demerger, the final decision to proceed with the demerger will be made by the Directors of the Company, at their absolute discretion. In any event, and in accordance with the notice of Annual General Meeting and Explanatory Memorandum released to the ASX on 30 October 2012, notice of the Record Date will be given by the Company at least 7 Business Days prior to the Record Date.

Full details regarding the proposed demerger of the Company's non-potash assets are contained in the Notice of Annual General Meeting and Explanatory Memorandum released to the ASX on 30 October 2012.

-ENDS-

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.

The Colluli Potash Project has a current JORC Compliant Measured, Indicated and Inferred Mineral Resource Estimate comprised of 261.81Mt @ 17.94% KCl or 11.33% K_2O of Measured Resources, 674.48Mt @ 17.98% KCl or 11.36% K_2O of Indicated Resources and 143.50Mt @ 18.00% KCl or 11.37% K_2O of Inferred Resources for a total of 1,079.00Mt @ 17.97% KCl or 11.35% K_2O (total contained potash of 194.09Mt KCl or 122.61Mt K_2O). **This includes higher grade Sylvinite of 114.60Mt @ 28.56% KCl or 18.04% K_2O**. The current resource is included in an Exploration Target of 1.25 – 1.75 billion tonnes @ 18-20% KCl ## (see disclaimer below).

An Engineering Scoping Study for the production of 1Mt p.a. of potash demonstrated an estimated capital cost of US$0.74bn. A Definitive Feasibility Study into open pit mining and processing of the resource is underway with initial production scheduled for 2016 or sooner. South Boulder has strong support from the Eritrean Government to build a long term, economically and environmentally sustainable resource project.

Within the Duketon Gold Project area, South Boulder entered a farm-out Joint Venture (JV) Agreement with Independence Group NL, whereby Independence can earn a 70% interest in the nickel rights on select 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.

South Boulder plans to undertake a demerger of its non-potash assets, including listed investment as well as cash of $1m, to be held in Duketon Mining Limited. The Demerger will be via in-specie distribution of 100% of the shares of Duketon Mining Limited to shareholders of South Boulder on a one for four basis, comprising about 31million Duketon Shares to be issued.

About the Duketon Nickel Joint Venture

The Duketon Nickel Joint Venture (DNJV) has had recent success at the Rosie and C2 Nickel sulphide prospects where drilling has defined intercepts of ***5.20m @ 9.2% 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, WA 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 November 2010. A Maiden JORC Compliant Mineral Resource Estimate has been compiled for the Rosie deposit; please refer to the Company's 25th January 2012 ASX Announcement for details.

For more information Email info@southbouldermines.com.au or Telephone +61 8 6315 1444
Lorry Hughes, Managing Director

Competent Persons and Responsibility Statement

The Colluli Potash Project has a current JORC/NI43-101 Compliant Measured, Indicated and Inferred Mineral Resource Estimate of 1,079.00Mt @ 17.97% KCl or 11.35% K_2O (total contained potash of 194.09Mt KCl or 122.61Mt K_2O). The resource contains 261.81Mt @ 17.94% KCl or 11.33% K_2O of Measured Resources, 674.48Mt @ 17.98% KCl or 11.36% K_2O of Indicated Resources and 143.50Mt @ 18.00% KCl or 11.37% K_2O of Inferred Resources. 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 NI43-101 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 organisation 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% K_2O. 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.