

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

Share Price: \$2.11

Market Cap: \$185M

Shares on issue: 87.1M

Cash at Bank: \$10.4M  
ASX/TSX listed shares: \$3.5M

Top 40 shareholders – 64%

#### Board

Terrence Grammer – Chairman  
Lorry Hughes – CEO/MD  
Liam Cornelius – Exec. Director

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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

## COLLULI POTASH PROJECT UPDATE

South Boulder Mines Ltd (ASX; STB) is pleased to report that assay results from diamond drilling have returned further high grade potash from the Colluli Area A potash deposit. The results from another two holes within the current JORC/43-101 compliant Mineral Resource Estimate area, continue to confirm the robust nature of the deposit (Figure 1).

Hole Col-015 intersected a total thickness of 17.53m of potash with a combined grade of 17.31% KCl including;

- 2.12m of sylvinitite @ 19.31% KCl from 62.98m;
- 9.10m of kainitite @ 21.39% KCl from 82.24m includes;
- 6.22m of kainitite @ 23.37% KCl from 85.12m.

Hole Col-017 intersected a total thickness of 22.03m of potash with a combined grade of 21.97% KCl including;

- 7.60m of sylvinitite @ 30.01% KCl from 45.95m includes;
- 4.93m of sylvinitite @ 37.20% KCl from 48.62m;
- 1.70m of kainitite @ 25.78% KCl from 53.55m;
- 7.32m of kainitite @ 22.10% KCl from 60.66m.

The results will be included in an upgraded Mineral Resource Estimate for the Area A deposit (Table 1) which will be used as the basis for the current engineering scoping study due to be complete in the September quarter.

The highly encouraging Area B Discovery will be included in the definitive feasibility study to follow.

The engineering scoping study is being completed by a multi-disciplinary technical team that is highly experienced in potash, mining and environmental assessment. Definitive feasibility study activities commenced or completed include;

- Initial JORC/43-101 Mineral Resource Estimate (complete);
- Determination of initial open pit design parameters (complete);
- Metallurgical processing route testwork (underway);
- Design of the hydrogeological assessment program and model parameters for surface and groundwater (underway);
- Port, coastal and transport options evaluation field trip and report (complete);
- Environmental, social impact and archaeological survey planning (underway);
- Collection of environmental and local climate data (underway);
- Marketing study for MOP and SOP production/sales (underway).

Drilling is continuing and details on further exploration results and feasibility study activity will be released as they come to hand.

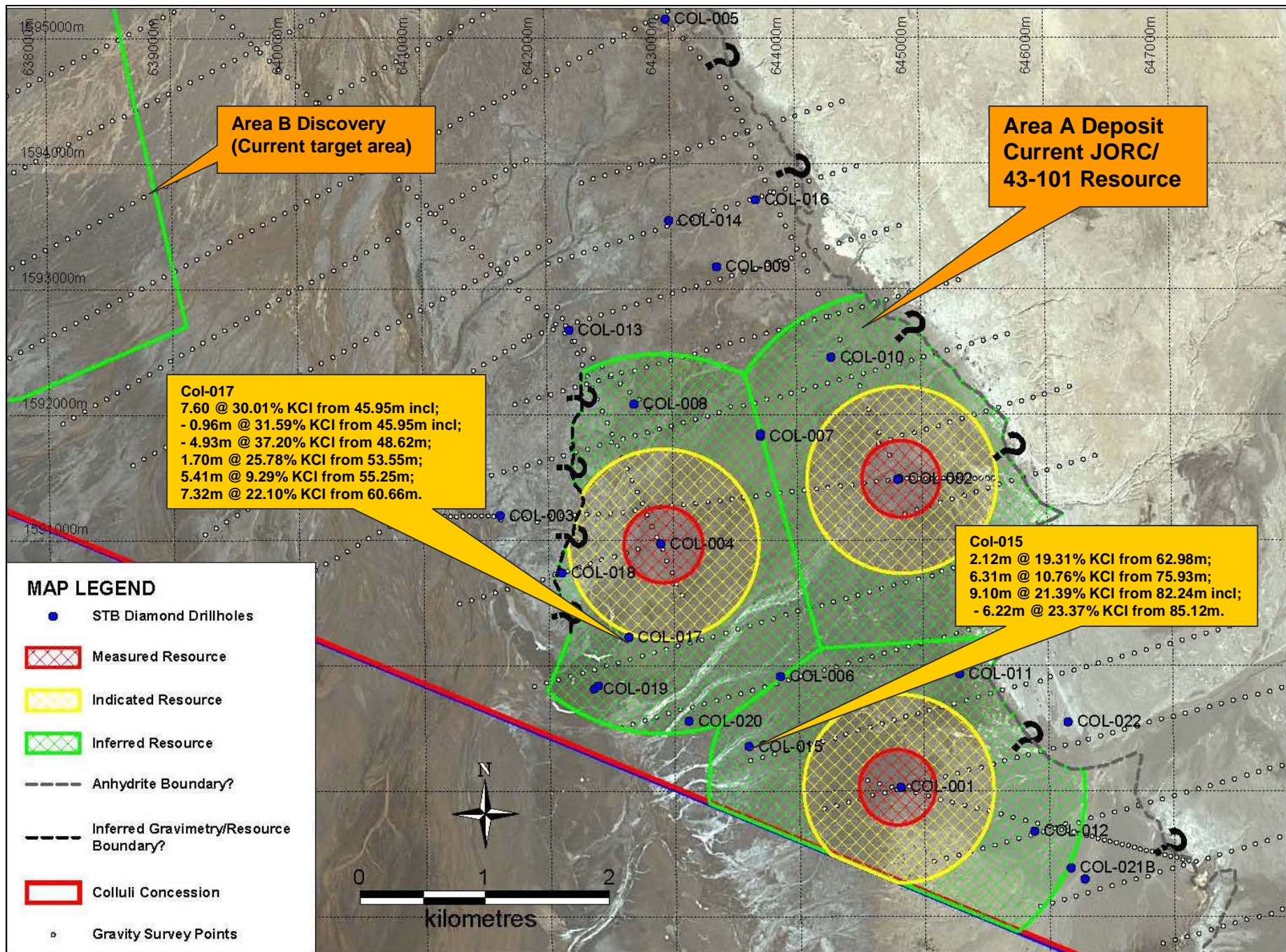


Figure 1: Colluli Project plan showing recent drilling results, the current JORC resource area and the proximity to the Area B Discovery.

Hole No.	East (m)	North (m)	RL (m)	Azi. (degr.)	Dip (degr.)	E.O.H.	From	To	Interval (m)	KCl (%)	Comment
Col-001	644810	1589031	-115	000	-90	141.30	59.17	67.80	8.63	21.09	Sylvinite and Carnallite
					INCLUDES		59.17	61.13	1.96	25.72	Sylvinite
					INCLUDES		63.37	67.80	4.43	27.25	Sylvinite and Carnallite
					INCLUDES		63.85	65.20	1.35	39.07	Sylvinite
							83.78	103.48	19.70	16.36	Lower Carnallite and Kainitite
					INCLUDES		94.17	103.48	9.31	19.73	Kainitite
Col-002	644817	1591488	-113	000	-90	40.60					Abandoned
Col-002B	644806	1591484	-114	000	-90	90.10	56.35	81.01	24.66	16.04	Lower Carnallite and Kainitite
					INCLUDES		62.71	67.60	4.89	20.38	Lower Carnallite
					INCLUDES		76.60	80.37	3.77	21.85	Kainitite
Col-003	641614	1591197	-122	000	-90	120.82					No samples taken, results to be reviewed
Col-004	642900	1590970	-116	000	-90	73.60	28.68	36.40	7.72	24.92	Sylvinite
					INCLUDES		32.96	36.40	3.44	43.48	Sylvinite
							48.55	63.34	14.79	15.86	Lower Carnallite and Kainitite
					INCLUDES		55.60	62.80	7.20	22.10	Kainitite
					INCLUDES		58.60	62.80	4.20	24.47	Kainitite
Col-005	642975	1595149	-114	000	-90	141.00					No samples taken, hole to be deepened
Col-006	643853	1589912	-119	000	-90	91.60	48.00	48.77	0.77	23.40	Sylvinite
							51.12	54.56	3.44	34.31	Sylvinite
					INCLUDES		51.59	54.56	2.97	35.65	Sylvinite
							54.56	55.60	1.04	20.19	Upper Carnallite
							70.60	77.76	7.16	11.53	Lower Carnallite
							77.76	87.49	9.73	18.90	Kainitite
Col-007	643708	1591828	-117	000	-90	60.10	24.98	25.37	0.39	19.35	Sylvinite
							38.29	45.39	7.10	13.65	Lower Carnallite
							45.39	54.71	9.32	18.43	Kainitite
Col-007B	643710	1591845	-117	000	-90	27.10					Stratigraphic hole, no samples taken
Col-008	642696	1592083	-120	000	-90	52.60	22.22	24.74	2.52	38.79	Sylvinite
							36.53	40.21	3.68	13.80	Lower Carnallite
							40.21	48.42	7.45	20.57	Kainitite
Col-009	643367	1593178	-113	000	-90	40.60	23.98	24.63	0.65	42.00	Sylvinite
							24.82	27.72	2.90	15.60	Lower Carnallite
							27.72	36.55	8.83	16.97	Kainitite

Hole No.	East (m)	North (m)	RL (m)	Azi. (degr.)	Dip (degr.)	E.O.H.	From	To	Interval (m)	KCl (%)	Comment		
Col-010	644278	1592455	-118	000	-90	60.60	23.65	24.98	1.33	37.35	Sylvinitite		
							28.11	39.60	11.49	14.66	Lower Carnallite		
							39.60	54.60	15.00	15.55	Kainitite		
Col-011	645288	1589934	-119	000	-90	93.10	63.98	76.43	12.45	14.43	Lower Carnallite		
								INCLUDES	71.30	74.87	3.57	19.68	Lower Carnallite
									76.43	88.45	12.02	14.90	Kainitite
								INCLUDES	85.16	88.45	3.29	19.90	Kainitite
Col-012	645881	1588680	-112	000	-90	106.60	81.56	90.64	9.08	16.08	Lower Carnallite		
							90.64	102.74	12.10	14.81	Kainitite		
Col-013	642179	1592673	-118	000	-90	37.60	24.56	25.75	1.19	12.56	Sylvinitite		
								29.07	30.56	1.49	11.05	Lower Carnallite	
								32.65	33.78	1.13	21.20	Kainitite	
Col-014	642986	1593545	-117	000	-90	34.60	19.60	29.45	9.85	16.17	Kainitite		
#Col-015	643596	1589355	-115	000	-90	94.60	62.98	65.10	2.12	19.31	Sylvinitite		
								75.93	82.24	6.31	10.76	Lower Carnallite	
								82.24	91.34	9.10	21.39	Kainitite	
								INCLUDES	85.12	91.34	6.22	23.37	Kainitite
Col-016	643683	1593710	-115	000	-90	28.60	18.09	24.10	6.01	18.32	Kainitite		
#Col-017	642638	1590227	-118	000	-90	72.10	45.95	53.55	7.60	30.01	Sylvinitite		
								INCLUDES	45.95	46.91	0.96	31.59	Sylvinitite
								INCLUDES	48.62	53.55	4.93	37.20	Sylvinitite
									53.55	55.25	1.70	25.78	Kainitite
									55.25	60.66	5.41	9.29	Lower Carnallite
									60.66	67.98	7.32	22.10	Kainitite
Col-018	642104	1590740	-116	000	-90	55.60					Assays awaited, approximate thickness 2.50m		
Col-019	642356	1589817	-125	000	-90	61.00	-	-	-	-	No samples taken		
Col-019B	642391	1589841	-125	000	-90	80.00	-	-	-	-	No samples taken		
Col-020	643114	1589559	-102	000	-90	147.00	-	-	-	-	No samples taken		
Col-021A	646281	1588298	-112	000	-90	51.00	-	-	-	-	Collapsed hole, no samples taken		
Col-021B	646170	1588388	-112	000	-90	117.10					Assays awaited, approximate thickness 29.19m		
Col-22	646155	1589549	-117	000	-90	85.60	-	-	-	-	No samples taken, hole to be deepened		

Table 1 – Colluli Prospect table of recent true width assay results. (# denotes previously un-released.)

## 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](http://www.southbouldermines.com.au) and [www.abid.co](http://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 19<sup>th</sup> 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% K<sub>2</sub>O. 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.