



SOUTH BOULDER
MINES LTD

ASX Release

28 April 2011

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

Share Price: \$3.65

Market Cap: \$314M

Shares on issue: 86.1M

Cash at Bank: \$11.7M
ASX/TSX listed shares: \$5.1M

Top 40 shareholders – 66%

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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
Lithex (Pte) - 1.016m shares
Auvex (Pte) - 1.000m options

FURTHER POTASH ASSAY RESULTS RETURNED FROM COLLULI

South Boulder Mines Ltd (ASX; STB) is pleased to report that further significant preliminary potash assays have been returned from drilling conducted both within the current JORC/43-101 compliant Mineral Resource Estimate area and from outside of the current resource boundary. The results continue to confirm visual field estimates of grade and mineralisation and provide encouragement that an economic open pit mine can be developed. Extensive shallow mineralisation has already been defined and reported as detailed in the ASX releases dated 19th January and 28th March 2011.

Hole Col-008 intersected;

- 2.52m of sylvinitite @ 38.79% KCl from 22.22m;
- carnallitite and kainitite intervals are yet to be received.

Hole Col-009 (outside resource boundary) intersected a total thickness of 12.38m of potash with a combined 17.96% KCl including;

- 0.65m of sylvinitite @ 42.00% KCl from 23.98m and;
- 2.90m of carnallitite @ 15.60% KCl from 24.82m and;
- 8.83m of kainitite @ 16.97% KCl from 27.72m.

Hole Col-010 intersected a total thickness of 27.82m of potash with a combined 16.22% KCl including;

- 1.33m of sylvinitite @ 37.35% KCl from 23.65m and;
- 11.49m of carnallitite @ 14.66% KCl from 28.11m and;
- 15.00m of kainitite @ 15.55% KCl from 39.60m.

Hole Col-014 (outside resource boundary) intersected;

- 9.85m of kainitite @ 16.17% KCl from 19.60m.

Further definition and extensional drilling at Colluli and the new discovery area ~ 10kms northwest will resume soon after Easter and a scheduled rig maintenance/field break. The results will be incorporated into the current engineering scoping study which is due for completion mid 2011.

In addition a second drill rig is currently in Eritrea, pending approvals. Upon clearance this rig will be utilised for both further exploration and for the geotechnical/metallurgical test work required for scoping/feasibility studies.

Details on further exploration and results will be released as they come to hand.

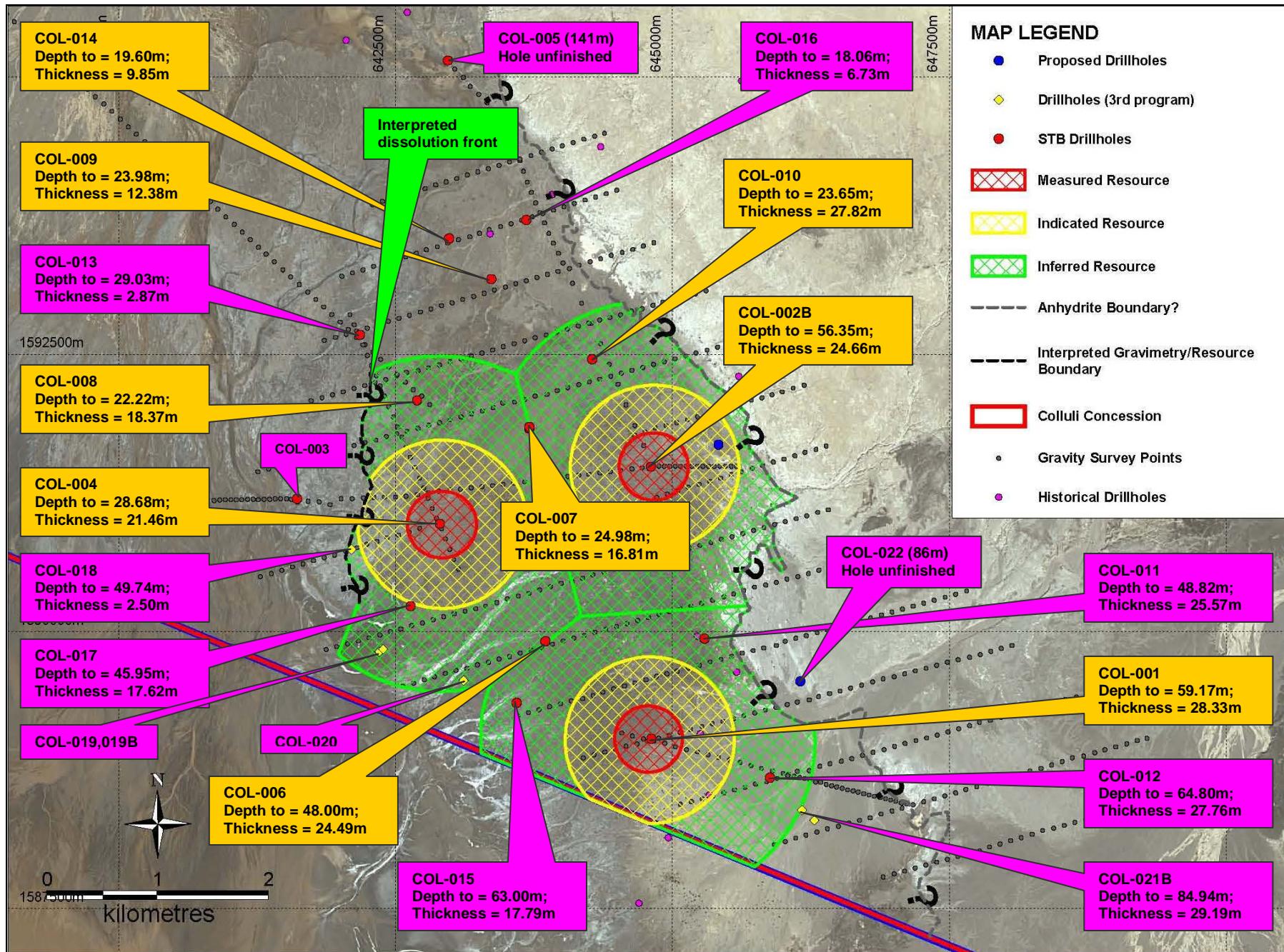


Figure 1: Colluli Project plan showing drilling and the current JORC/43-101 Mineral Resource Estimate area.

Hole No.	East (m)	North (m)	RL (m)	Azi. (degr.)	Dip (degr.)	E.O.H.	From	To	Interval (m)	KCl (%)	Comment
Col-008	642696	1592083	-120	000	-90	52.60	22.22	24.74	2.52	38.79	Sylvinite
											Assays from carnallite and kainite intervals for remainder of hole yet to be received
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	Kainite
Col-010	644278	1592455	-118	000	-90	60.60	23.65	24.98	1.33	37.35	Sylvinite
							28.11	39.60	11.49	14.66	Lower carnallite
							39.60	54.60	15.00	15.55	Kainite
Col-011	645288	1589934	-119	000	-90	93.10					Assays awaited, approximate thickness 25.57m
Col-012	645881	1588680	-112	000	-90	106.60					Assays awaited, approximate thickness 27.76m
Col-013	642179	1592673	-118	000	-90	37.60					Assays awaited, approximate thickness 2.87m
Col-014	642986	1593545	-117	000	-90	34.60	19.60	29.45	9.85	16.17	Kainite
Col-015	643596	1589355	-115	000	-90	94.60					Assays awaited, approximate thickness 17.79m
Col-016	643683	1593710	-115	000	-90	28.60					Assays awaited, approximate thickness 6.73m
Col-017	642638	1590227	-118	000	-90	72.10					Assays awaited, approximate thickness 17.62m
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	-80	000	-90	51.00	-	-	-	-	Collapsed hole, no samples taken
Col-021B	646170	1588388	-82	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 Project table of recent drill hole collar details and results.

Hole No.	East (m)	North (m)	RL (m)	Azi. (degr.)	Dip (degr.)	E.O.H.	From	To	Interval (m)	KCl (%)	Comment
Col-023	635833	1596782	-122	000	-90	52.60					Assays awaited, approximate thickness 12.65m
Col-024	635677	1597779	-121	000	-90	45.00					Assays awaited, approximate thickness 10.53m
Col-025	636562	1596890	-119	000	-90	54.00					Assays awaited, approximate thickness 15.61m
Col-026	636356	1594877	-122	000	-90	102.00					Assays awaited, approximate thickness 15.33m

Table 2: Area B Prospect table of recent drill hole collar details and 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 **750Mt – 1.25 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 potential quantity and grade of the Colluli exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource Estimate (outside the current JORC Mineral Resource Estimate area shown in Figure 1) and it is uncertain if further exploration will result in the determination of a Mineral Resource (outside the current JORC Mineral Resource Estimate area shown in Figure 1).

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 Klaauw 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 Klaauw 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 Klaauw 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 Klaauw 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.