South Boulder Mines Limited Continues to Intersect Shallow Potash at Area B

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Perth, Australia (ABN Newswire) - July 26, 2011 - South Boulder Mines Limited (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:

- 5.58m of sylvinite from 65.59m and;

Hole Col-037

- 2.69m of carnallite/kieserite from 71.46m and;

- 6.54m of kainitite from 74.15m.

- 3.22m of sylvinite from 42.70m and;

Hole Col-039

- 7.56m of kainitite from 48.44m.

- 8.07m of kainitite from 16.51m.

Hole Col-040B

- 1.42m of sylvinite from 18.86m and;

Hole Col-041

- 7.03m of kainitite from 23.66m.

Exploration at the Area B discovery, 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, sylvinite (a typically high grade ore) has been visually identified in core from 13 of 21 holes drilled to date.

It is anticipated that if chemical assays from Area B confirm field observations of extensive sylvinite, 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.

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.

For the complete South Boulder Mines announcement including figures and tables, please view the following

link:
http://media.abnnewswire.net/media/en/docs/ASX-STB-550192.pdf

About South Boulder Mines Limited:

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. 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 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.

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