South Boulder Mines Limited New Potash Discovery Continues To Deliver Shallow Potash

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Sydney, Australia (ABN Newswire) - Apr 27, 2011 - South Boulder Mines Limited (ASX: STB) is very pleased to report that the new potash discovery located approximately 10kms northwest along strike of the current 43-101/JORC compliant Colluli Potash Resource continues to deliver shallow potash in all diamond holes drilled to date. The mineralisation has been intersected over approximately 5km2 and is open in all directions. With further drilling, the area of mineralisation is expected to grow significantly. Diamond drill holes Col-024, 025 and 026 intersected the following mineralisation;

Hole Col-024

- 1.10m of carnallitite from 30.41m and;

- 9.43m of kainitite from 31.51m.

Hole Col-025

- 5.51m of sylvinite from 35.70m and;

- 0.93m of carnallitite from 41.21m and;

- 9.17m of kainitite from 41.93m.

Hole Col-026

- 3.25m of sylvinite from 82.65m and;

- 5.04m of carnallitite from 85.90m and;

- 7.04m of kainitite from 90.94m.

Preliminary geological logging of all the holes has indicated that the sylvinite (KCl) mineralisation appears to be very similar to high grade intervals that have been identified at the Colluli Resource. Grades up to 44% KCl have been intersected within the Colluli Resource.

The carnallite intersected contains the sulphate mineral kieserite (MgSO4.H2O) which is a mineral used for large scale production of SOP (K2SO4).

Further definition and extensional drilling at the new area is planned to resume soon after Easter and a scheduled rig maintenance/field break.

Once resumed, drilling activity will focus on the general area. The proposed hole locations will initially explore a priority area of approximately 20km2.

It is expected the new discovery will significantly enhance the Colluli project economics that are currently under scoping study and become part of the full feasibility study.

The samples will be dispatched for assaying as soon as possible once all South Boulder standard quality control and quality assurance procedures have been completed. Details on further exploration will be released as they come to hand.

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 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 announcement of South Boulder Mines Limited including figures, please refer to the following link:
http://www.abnnewswire.net/media/en/docs/538759.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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