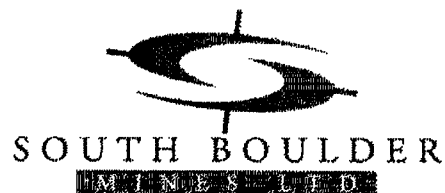


ASX Release

05 December 2006



Duketon JV – New Nickel Discovery at The Bulge Prospect

- **Bulge “C2” conductor, one metre splits returned 25m @ 0.73% Ni, 154ppb Pt & 157ppb Pd, 300ppm Cu from 40m, including:**
 - 4m @ 1.07% Ni, and 199ppb PGE's (Pt + Pd), from 60m,
 - and 1m @ 905ppb Pt, 373ppb Pd from 40m
- **Visible sulphides from fresh bedrock**
- **“C2” also returned 7m @ 0.45% Ni, 314ppb Pt +Pd and 198ppm Cu from 114m**
- **A further 5 holes to be drilled into “C2” early to mid December**
- **New TEM conductor discovered at Bandy Prospect**
- **Drilling of Bandy conductor expected January 07**

South Boulder Mines Ltd (ASX: STB) is pleased to announce significant 1m split sample nickel assay results from recent Independence Group NL (ASX: IGO) RC drilling at the 'C2' target at the Bulge Prospect, within the Duketon Project north of Laverton in WA. These results further highlight the Nickel prospectivity of the Duketon area, with IGO set to continue drilling in December.

Drilling Results

- **Bulge “C2” conductor, 1m assays returned 25m @ 0.73% Ni, 154ppb Pt & 157ppb Pd, 300ppm Cu from 40m, including:**
 - 4m @ 1.07% Ni, and 199ppb PGE's (Pt + Pd), from 60m,
 - 1m @ 905ppb Pt, 373ppb Pd from 40m
- **Visible sulphides from fresh bedrock**
- **“C2” also returned 7m @ 0.45% Ni, 314ppb Pt +Pd and 198ppm Cu from 114m**

Subsequent to 4m composite assays of the recent drilling at the Bulge, analysis of 1m samples from RC drill hole TBRC001 has returned a broad zone of 35m @ 0.72% Ni and 241ppb PGE's (Pt + Pd) from 40m. Sampling within this zone returned a core of 25m @ 0.73% Ni, 154ppb Pt, 157ppb Pd, and 300ppm Cu from 40m; including 4m @ 1.07% Ni, 199ppb Pt+Pd and 119ppb Cu from 60m. Logging from this zone recorded massive and semi massive stringers of goethite (possibly after sulphides) within a weathered cumulate ultramafic rock.

This zone also includes 1m @ 905ppb Pt and 373ppb Pd from 40m, which is some 300 times the background for these elements. Gold is also highly elevated in some instances with 1m @ 580ppb returned from 57m.

Further down the hole re sampling on a one metre basis returned 7m @ 0.45% Ni, 313ppb Pt +Pd and 198ppm Cu from 114m. This zone corresponds with a zone of fresh visible disseminated sulphides in fresh ultramafic bedrock.

TBRC001 represents the first drilling for nickel sulphides in the area for more than three decades and is the only hole drilled into “C2” conductor to date. TBRC001 was originally drilled to a depth of 186m and was designed to target a strong buried TEM conductor (dimensions 500m x 200m). TBRC001 initially returned a composite sample of 36m at 0.66% Ni from 40m together with

198ppm Cu, 97ppb Pt and 51ppb Pd. From 112m a further intercept with visible disseminated sulphides returned 8m @ 0.39% Ni, together with 83ppb Pt, 115ppb Pd and 116ppm Cu.

The 1m re-sampling in the core zone has effectively increased the nickel values by over 10%, the PGE's by over 100% and the copper by over 50%.

Figure 1. IGO RC drill hole TBRC001, targeting 'C2' conductor, the Bulge Prospect.

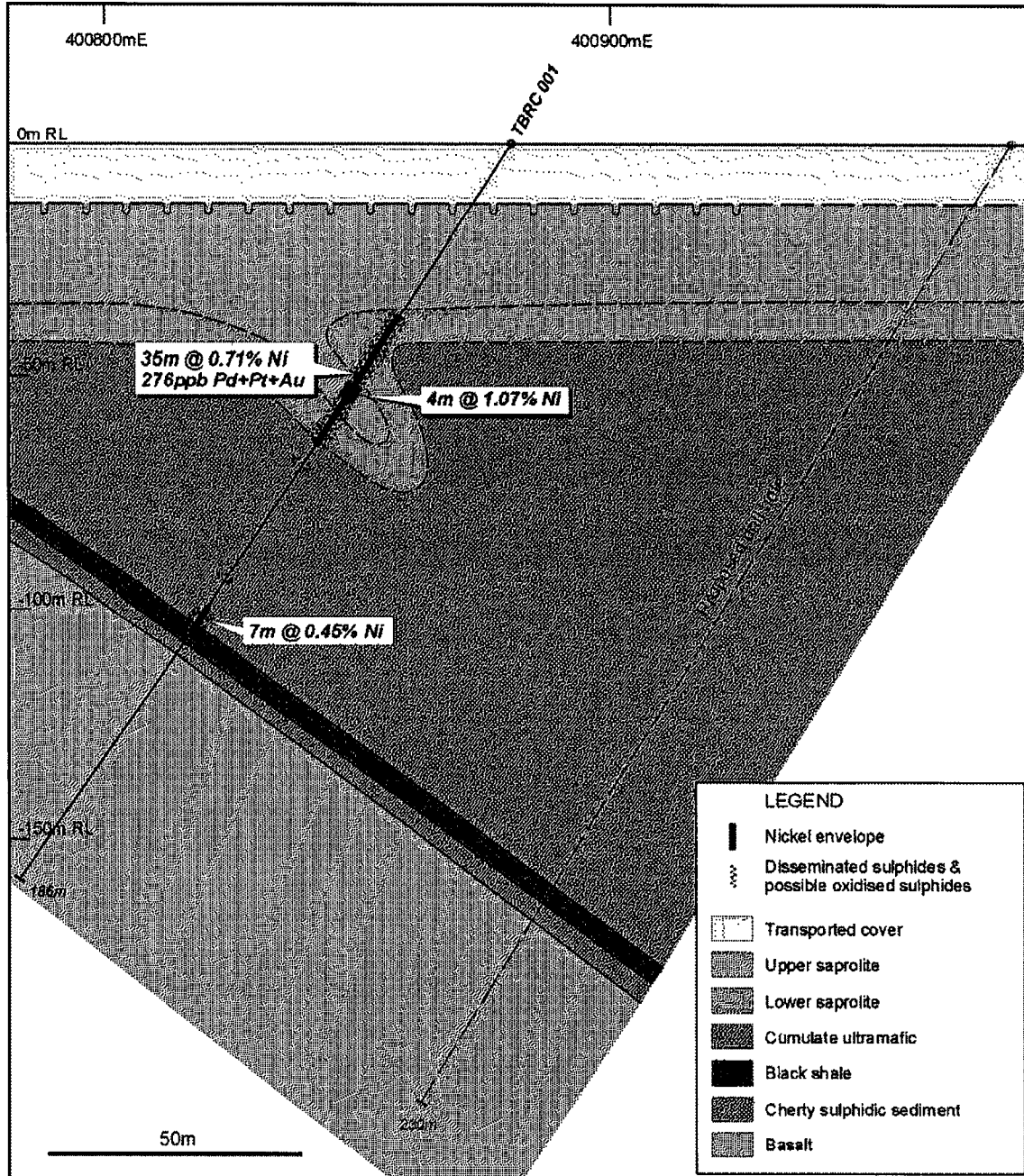


Table 1. RC hole TBRC001 targeting “C2” at the Bulge Prospect, Duketon JV

Hole ID	From	To	Au	Pt	Pd	Co	Cu (ppb)	Ni %	Zn	Mg	S	Pt+Pd+Au(ppb)
TBRC001	40	41	4	905	373	305	1740	0.291	345	9.08	0.06	1282
TBRC001	41	42	2	220	180	395	1290	0.487	480	11.7	0.02	402
TBRC001	42	43	4	135	155	335	470	0.484	345	14.2	0.03	294
TBRC001	43	44	7	190	205	570	410	0.649	425	12.6	0.01	402
TBRC001	44	45	1	175	205	690	270	0.607	480	12.7	0.01	381
TBRC001	45	46	3	170	185	630	275	0.666	525	11.8	0.01	358
TBRC001	46	47	1	135	175	355	285	0.529	445	15.7	0.01	311
TBRC001	47	48	0	125	170	635	260	0.636	350	13.4	0.01	295
TBRC001	48	49	4	120	145	535	205	0.556	325	10.9	0.01	269
TBRC001	49	50	2	120	155	520	185	0.648	330	10.5	<0.01	277
TBRC001	50	51	3	100	140	300	135	0.603	290	12.1	<0.01	243
TBRC001	51	52	5	145	155	450	160	0.734	275	10.3	0.01	305
TBRC001	52	53	1	170	185	640	170	0.874	260	9.8	0.02	356
TBRC001	53	54	1	125	140	310	150	0.649	235	10.9	0.01	266
TBRC001	54	55	10	75	100	280	105	0.717	440	9.56	0.02	185
TBRC001	55	56	5	115	155	635	110	0.799	415	10.4	0.02	275
TBRC001	56	57	5	135	140	710	240	0.888	460	8.6	0.02	280
TBRC001	57	58	580	120	160	530	190	0.783	500	9.31	0.02	860
TBRC001	58	59	56	95	140	595	135	0.852	490	10.2	0.02	291
TBRC001	59	60	27	80	125	475	100	0.843	405	11.6	0.02	232
TBRC001	60	61	23	85	110	725	135	1.3	435	8.04	0.04	218
TBRC001	61	62	44	85	115	590	105	0.958	405	13	0.03	244
TBRC001	62	63	78	85	105	470	115	0.98	260	12.6	0.02	268
TBRC001	63	64	8	90	120	690	120	1.05	270	12.2	0.02	218
TBRC001	64	65	90	60	90	345	80	0.752	155	16.3	0.01	240
TBRC001	65	66	56	40	85	330	65	0.79	130	15.8	0.02	181
TBRC001	66	67	18	40	65	400	50	0.764	145	16.9	0.02	123
TBRC001	67	68	28	45	75	450	70	0.913	170	14.9	0.02	148
TBRC001	68	69	33	30	60	515	45	0.835	155	17	0.02	123
TBRC001	69	70	19	15	35	420	35	0.722	145	17	0.02	69
TBRC001	70	71	12	15	35	245	55	0.521	85	18	0.01	62
TBRC001	71	72	8	10	20	195	100	0.429	60	16.8	0.01	38
TBRC001	72	73	38	10	30	195	225	0.567	115	17.2	0.02	78
TBRC001	73	74	23	10	20	200	170	0.552	110	16.5	0.02	53
TBRC001	74	75	23	15	35	225	55	0.634	125	15.4	0.02	73
TBRC001	75	76	9	10	20	185	45	0.425	60	16.8	0.03	39
TBRC001	76	77	3	5	10	120	40	0.354	35	17.8	0.05	18
TBRC001	77	78	7	5	15	150	65	0.381	25	16.5	0.02	27
TBRC001	78	79	3	15	10	120	20	0.295	25	20.7	0.17	28
TBRC001	79	80	7	30	30	105	35	0.329	35	18.1	0.3	67
TBRC001	80	81	14	30	30	205	115	0.628	55	20.4	1.04	74
TBRC001	97	98	6	30	30	140	100	0.401	90	20.3	0.76	66
TBRC001	107	108	9	45	60	170	380	0.389	60	16.6	1.12	114
TBRC001	108	109	23	60	70	165	245	0.457	50	18	1.36	153
TBRC001	109	110	16	45	55	180	280	0.524	50	18.6	1.59	116
TBRC001	114	115	15	90	145	135	125	0.419	60	18.6	1.41	250
TBRC001	115	116	21	95	150	115	100	0.382	50	17.3	1.32	266
TBRC001	116	117	11	105	160	145	135	0.484	60	16.7	2.02	276
TBRC001	117	118	10	80	130	125	105	0.388	50	17.7	1.39	220
TBRC001	118	119	9	125	210	150	165	0.569	45	16.4	2.46	344
TBRC001	119	120	9	95	160	115	110	0.418	45	15.9	1.76	264
TBRC001	120	121	14	275	375	180	645	0.5	105	10.3	5.04	664

South Boulder Mines Managing Director Liam Cornelius said: “This first hole into the Bulge “C2” conductor confirms the presence of a nickeliferous system within the JV area. This nickel mineralisation and coincident platinoid and copper mineralisation is intersected over a wide interval, these results are very encouraging.”

Future Exploration

It is currently anticipated that a drill rig will be on site and ready to commence RC drilling during the second week of December. A further five holes are planned to target the down dip and strike extensions of the "C2" nickel sulphide mineralisation. Drilling is planned to intercept the down dip extensions of the "C2" mineralisation in fresh bedrock. At this stage 3 RC holes are planned to a depth of 240m, while the other 2 are planned to a depth of 180m. See diagram below.

Bandy Station TEM anomaly

Ongoing ground TEM surveys have outlined a further conductor of interest near the deserted Bandy homestead. It is currently anticipated that drilling will commence to test this conductor in January following statutory site clearances.

About South Boulder Mines Ltd

Listed in 2003, South Boulder Mines Ltd (STB) is focused on exploration within the Duketon Gold-Nickel Project. In early 2004, STB signed a farm-out joint venture agreement with Independence Group (IGO), who can earn a 70% interest of the nickel rights on tenements held by STB within the Duketon Project by the completion of a Bankable Feasibility Study within 5 years. New in-house technology developed by IGO and currently in use on the Duketon Nickel JV lends a significant advantage over previous explorers.

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The Information in this report that relates to Exploration Results is based on information compiled by Liam Cornelius, who is a member of the Australian Institute of Geoscientists. Mr Cornelius is a geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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. Liam Cornelius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.