



Shares Issued: 46.4M

Directors

Greg Boulton AM (Chairman)
 Simon Mitchell (MD)
 Michael Billing
 David Turvey

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Proposed Options for Directors Post Biennial Review

- Total of 3.5 million options, 2 million to be issued to the Managing Director and 0.5 million to each of the non-executive Directors
- Options issued will have a 3 year term, with 50% having a \$0.40/share exercise price and 50% a \$0.50/share exercise price
- Subject to shareholder approval at the next Annual General Meeting

Proposed Call Options for Directors

Southern Gold Ltd ('Southern Gold') wishes to advise that, after a biennial review of the Directors longer term equity incentive, it intends to seek shareholder approval under Listing Rule 10.11 for the issuance of incentive options to Directors as per Table 1 below.

Table 1: Details of proposed incentive options for Directors

Director	Position	\$0.40 Exercise Price	\$0.50 Exercise Price
Greg Boulton	Chairman	250,000	250,000
Simon Mitchell	Managing Director	1,000,000	1,000,000
Michael Billing	Non-Executive Director	250,000	250,000
David Turvey	Non-Executive Director	250,000	250,000
TOTAL		1,750,000	1,750,000

Each call option will have a 3 year term from date of issuance (post approval) and 50% will have an exercise price of \$0.40, the other 50% an exercise price of \$0.50, with either tranche being exercisable at any time. The exercise prices are set at a premium above the current 20 day VWAP of \$0.287/share of approximately 40% and 74% respectively.

The options will not be quoted on the ASX and will lapse should the holder cease to be a Director.

The Directors believe that the practice of issuing options to the Board, senior management and staff is an important tool to incentivise and align the activities of the company to shareholder interests.

Moving the Company into the Next Stage

Southern Gold is about to enter into an exciting period and will be advancing company prospects on a number of fronts, including repeating the successful Cannon Mine development model at other projects in its portfolio as well as advancing our exploration and discovery efforts at Kalgoorlie and in South Korea. This package of options is deemed by the Southern Gold board to be an appropriate incentive package for the Directors in taking the company forward in this context.

Approval for this issuance of these proposed call options will be sought at the next Annual General Meeting.

Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer and producer listed on the Australian Securities Exchange (under ASX ticker "SAU"). The Company's main focus is its Bulong Gold Project located 30 km east of the world renowned gold district of Kalgoorlie (WA) with the flagship Cannon Gold Mine projected to produce around 50koz gold. Mining at Cannon is now well advanced with Westgold Resources Ltd mining the deposit under a 50/50 profit share arrangement.

In addition to its cornerstone position in Kalgoorlie, Southern Gold has recently acquired a portfolio of high grade gold projects in South Korea. These projects are a mix of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. The aim is to move one or more of the orogenic gold mines into production in the medium term as well as test for world-class epithermal gold deposits.

Forward-looking statements

Some statements in this release regarding estimates or future events are forward looking statements. These may include, without limitation:

- Estimates of future cash flows, the sensitivity of cash flows to metal prices and foreign exchange rate movements;*
- Estimates of future metal production; and*
- Estimates of the resource base and statements regarding future exploration results.*

Such forward looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. Such statements are expressed in good faith and believed to have a reasonable basis. However the estimates are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from estimated results.

All reasonable efforts have been made to provide accurate information, but the Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.