

QUARTERLY ACTIVITIES REPORT JUNE 2011

COMPLETED ACTIVITY SUMMARY JUNE 2011 QUARTER	PROPOSED ACTIVITY SUMMARY FOR QUARTER TO SEPTEMBER 2011
<p>AUSTRALIA</p> <p>Bulong Gold Project, W.A.</p> <ul style="list-style-type: none"> • Resource Upgrade: 20% Increase in gold ounces and 6% increase in average grade at Cannon Gold Deposit. • Significant gold intersections from June RC drill results include: 5m @ 7.9g/t gold (from 36m), 4m @ 5.22g/t gold (from 26m) and 6m @ 3.2g/t (from 17m). • Shallow high grade gold mineralisation intersected at Pinner and SW Cannon targets – first order gold targets for August drill programme. • Regional soil survey completed over Heron HOA tenements and new 100% owned Clinker Hill tenements. 	<ul style="list-style-type: none"> • Early August RC drilling first order target with focus on identifying additional near-surface gold resources. • Air core drilling planned for mid-September to test new soil targets and regional gold structures. • Assay results expected for newly completed regional soil sampling programme on new Bulong ground held under the Heron HOA and Clinker Hill tenement package (100% SAU).
<p>CAMBODIA</p> <p>Kratie South Project (JOGMEC 51%)</p> <ul style="list-style-type: none"> • New results - high grade hits include 5m @ 8.25g/t (from 56m), 2m @ 13.49g/t (from 89m) and 2m @ 2.87g/t (from 55m) gold. • Previous high grade hits 5m @ 5.42g/t (from 73m) and 3m @ 8.51g/t (from 58m) • High grade gold bearing quartz veins identified over 250m strike length, 10 kms south from OZ Minerals' 605,000 oz gold Ok Vau project 	<ul style="list-style-type: none"> • 2 high priority prospects – Panther and Cougar – to be drill tested at the start of the next field programme to commence second quarter of the 2012 fiscal year. • Definition drilling to commence at Gossan prospect in upcoming field season. • Incorporate and interpret gold assay results from Memot project area.

QUARTERLY SUMMARY

In September 2010 Southern Gold Ltd (“Southern Gold” or “the Company”) announced a maiden gold resource for Cannon which coincided with the gold price reaching record highs of up to US\$1300 per ounce. Nine months on we see the gold price continue to rise, reaching a new record high of US\$1622 per ounce. At this time Southern Gold has announced the first upgrade to its Cannon Gold resource with a 20% increase in contained gold to 94,500oz and a 6% increase in the average gold grade to 3.3.g/t¹. With the Cannon resource envelope outcropping at its southern extent and open down dip to the west, Southern Gold continues to focus its attention on building on this resource base through near resource drill programmes as well as investigating development options.

Active work programmes during the June quarter resulted in significant gold hits 300m SW of the Cannon Gold deposit with gold intersections reaching grades of 15.02g/t and 10.68g/t over 1m intervals. These 1m intervals occur within broader gold zones with best intersections including 4m @ 5.22g/t Au, 5m @ 7.94g/t Au and 6m @ 3.02g/t Au. These results allow Southern Gold to prioritise the Cannon Trend targets with SW Cannon and Pinner as first order targets, Monument second order and the wide broad gold zones intersected at Homerton third order. Follow up drill testing of the first and second order targets commences early August 2011.

With final gold assays now at hand from Cambodia we see positive results achieved at both the Kratie South and Memot projects. Significantly high grade gold quartz veins (with high sulphide content) at Gossan prospect have now been defined by drilling for a total strike length of approximately 250m. The Gossan prospect is expected to be the focus of definition drilling in the upcoming field season with the aim of outlining a high grade, shallow gold zone.

RC Drilling is set to commence early August at the Bulong Gold Project, while field activities have been completed in Cambodia and shall recommence at the end of the wet season.

EXPLORATION ACTIVITIES

BULONG GOLD PROJECT, WESTERN AUSTRALIA

Increased Cannon Gold Resource

In June Southern Gold was pleased to report an updated Mineral Resource for the Company’s 100%-owned Cannon Gold Deposit, located 30km south east of Kalgoorlie, Western Australia (Figure 1).

The upgraded Cannon resource shows a 20% increase in gold ounces and a 6% increase in average grade. The new estimate totals **896,000 tonnes at 3.3 g/t for 94,500 ounces of gold** (Table 1).

Integral to the increase in ounces and more so increased grade were the stand out results, achieved earlier in the year. A resource drill programme intersected a wide, high grade gold zone, over a strike length of 100m. 4 holes intersected grades of **22m @ 10.05 g/t, 11m @ 9.75g/t, 5m @ 12.26g/t and 4m @ 15.73g/t gold**².

¹ [For ‘Resource Statement and Parameters’ and other details of the Cannon Gold Resource as estimated by Runge Limited, see Southern Gold’s ASX Announcement dated 22 June 2011]

² (see SAU March quarterly report of ASX Announcement dated 31 January 2011 for further details)

Following this successful drill programme, Runge Limited (“Runge”) was commissioned to update the Cannon Resource model, resulting in the increase in both size and grade of the Cannon Gold deposit¹. Importantly, a large portion of the deposit has been estimated to a higher level of confidence, with 83% of the resource now categorised as Indicated (Table 1).

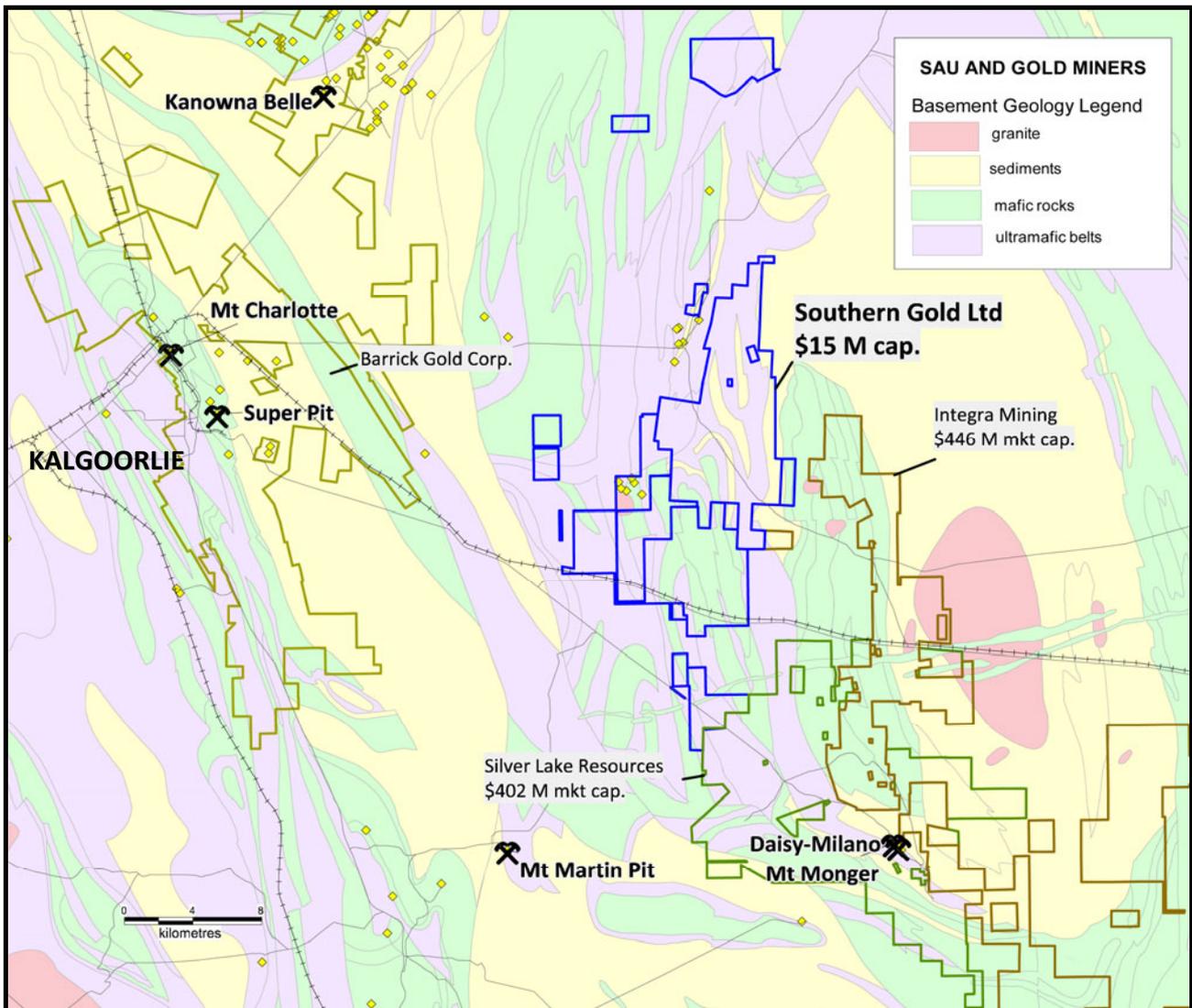


Figure 1. Bulong Gold Project located 30km east of Kalgoorlie. Tenement outlines showing neighbouring gold mining companies with market capitalisations greater than \$400M.

Runge stated in the Resource Estimate Report that *“The shallow, medium grade nature of the mineralisation and the proximity to toll treatment facilities suggests that the project has reasonable prospects for eventual economic extraction. It is recommended that preliminary economic analysis be conducted to assist in understanding the project potential. The deposit remains open in a number of areas and further drilling is warranted to define the full extent of the mineralisation.”*

Southern Gold’s near-term objective at the Bulong South Gold project is to continue to build on the resource base by testing for further extensions to the Cannon Gold Deposit and discovering additional gold deposits in close proximity to the central mining lease.

Table 1: Cannon Deposit May 2011 Mineral Resource Estimate - 1.0g/t Au Cut-off

Type	Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces
Oxide	8,400	3.0	800	1,000	1.4	-	9,000	2.9	900
Transitional	113,700	3.1	11,400	25,700	1.3	1,100	139,000	2.8	12,500
Fresh	549,500	3.8	66,600	198,300	2.3	14,600	748,000	3.4	81,100
Total	672,000	3.6	78,800	225,000	2.2	15,700	896,000	3.3	94,500

The estimate in the above table prepared by Runge Limited is in compliance with recommendations in the Australasian Code for Reporting Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC). This Table must be read in conjunction with the 'Resource Statement and Parameters' listed at the end of this announcement.

The Cannon Gold Deposit is the first of several gold occurrences in Bulong Gold Project to be tested in detail by RC drilling. The discovery of broad high grade gold zones highlights the importance of the recently announced RC gold intersections along the Cannon Trend at SW Cannon and Pinner prospects³.

Cannon SW and Pinner Prospects

Thirty-one RC drill holes (totalling 3422m) were completed by Southern Gold along the Cannon Trend during April 2011. This trend was originally defined by the high gold in soil values detected by the Company and encompasses the Cannon Resource, the Arsenal, Pinner, Homerton prospects and extends to the Monument prospect.

Of the 31 RC holes drilled in April, 20 holes intersected gold greater than or equal to 1g/t gold over minimum 1m intervals, and 29 holes intersected low grade gold $\geq 0.1\text{g/t}$ gold (Figure 2).

The highest grade gold hits returned included 1m intervals of 15.02 g/t and 10.68 g/t respectively from the SW Cannon and Pinner prospects. These 1m intervals occur within broader gold zones with best intersections including **4m @ 5.22g/t Au**, **5m @ 7.94g/t Au** and **6m @ 3.02g/t Au**.

Several key factors highlight SW Cannon and Pinner as a priority target to follow up. These factors include high grade intersections, several holes intersecting good grade and widths, plus their close proximity to the Cannon Resource. Similar to the southern extent of Cannon, much of the mineralisation is shallow (<50m depth).

These results provide Southern Gold with a clear first order target to focus its efforts in identifying additional near-surface gold resources to compliment the current Cannon Gold Resource. Follow up drilling commencing early August will explore for high grade lodes developed in the broader gold envelopes in a similar mineralisation style of the Cannon Deposit.

³ (see SAU ASX announcement dated 20 June 2011 for map and detailed results)

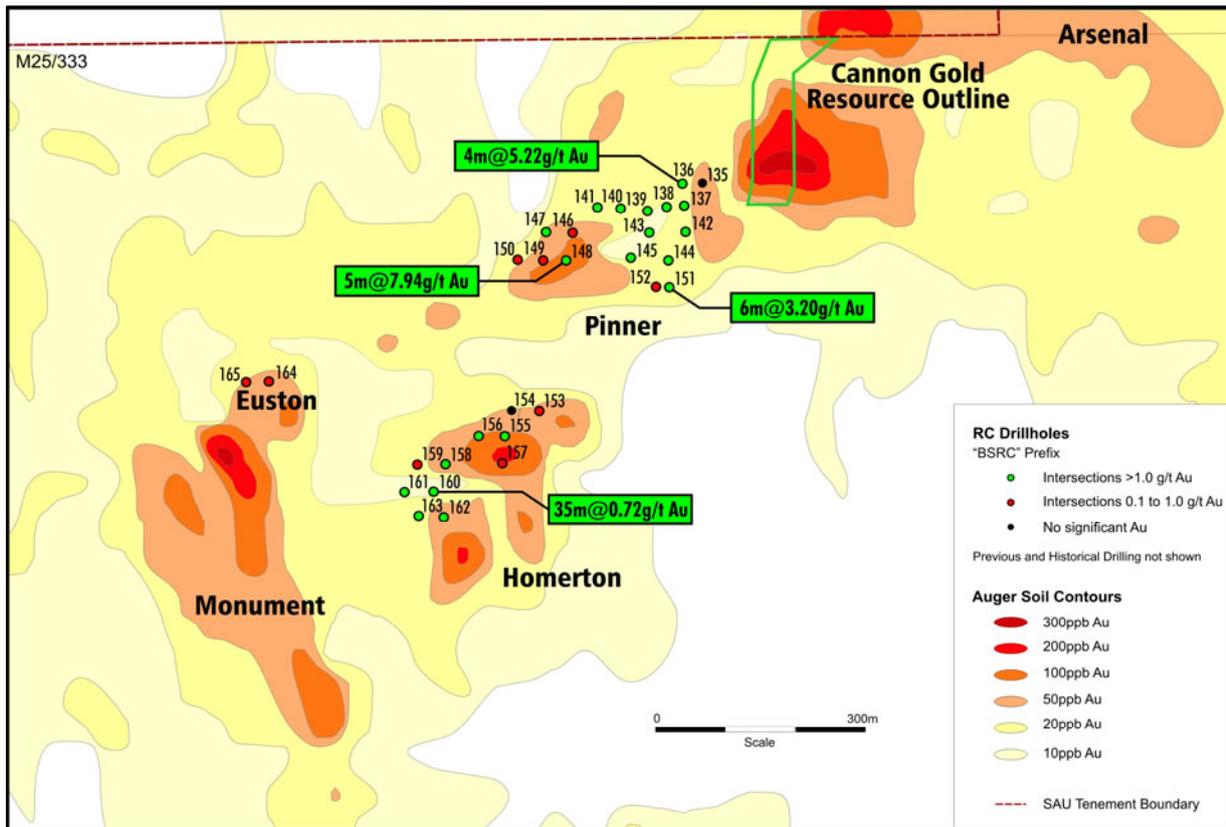


Figure 2. The RC drill programme confirmed widespread gold mineralisation along the Cannon Trend, with significant intersections at SW Cannon and Pinner. [Background map : High gold in soil values that define the Cannon Trend].

Second and third order targets were also identified from the latest round of RC drilling. At Homerton, four RC drill traverses identified a broad mineralised gold system over 100m strike length. Several holes intersected two zones of gold mineralisation, near surface and at depth, often with a broad low grade gold halo that can extend over 10 metres between the two zones. RC drill hole BSRC 160 in particular intersected **35m @ 0.71g/t** gold (from 18m) including **5m @ 1.65g/t** gold (from 20m) and **2m @ 2.66g/t** gold (from 27m). Data analysis is underway to determine whether this broad gold zone in the near surface supergene zone reflects gold mineralised structures at depth or along strike.

The success of the Cannon resource upgrade and the positive results along the Cannon trend during the quarter continues to reaffirm Southern Gold’s decision to expand its tenement holding through the recent Heads of Agreement (“HOA”) with Heron Resources Ltd and the addition of the Clinker Hill tenements, all contiguous within the Bulong Gold Project.

Based on Southern Gold’s recognition of the gold potential of the greater Bulong region, the Company has recently completed an extensive soil sampling program over the newly acquired holding with the view to identifying gold anomalism similar to that which defines the Cannon trend. Anomalous gold zones that are generated will be tested by a regional air core drill programmes. As much of this ground was held by companies that had a greater focus on nickel exploration, Southern Gold is keen to replicate its success of discovery at Cannon on this new ground, as part of its strategy to build on the current gold resource of 94,500oz.

CAMBODIA - Summary



Figure 3: Memot – Anchor Prospect: visual logging identifies sulphide alteration.

Southern Gold is pleased to advise that all results are now to hand from the 2010/2011 Cambodian Kratie South project drill campaign (i.e. final five drillhole assay results).

The drill results show significant gold assays at the Preak Khlong NW prospect with new assays including 5m @ 8.25g/t Au (from 56m) and at Gossan prospect with assays including 2m @ 13.495g/t (from 89m) and 2m @ 2.87g/t (from 55m) Au. Results received earlier in the quarter included 5m @ 5.42g/t (from 73m) and 3m @ 8.51g/t (from 58m)

Final drillhole assay results are also now to hand for the Memot project 2010/2011 Cambodian drill campaign (Figure 3). The drill results show positive gold hits at the Anchor prospect with assays including 1m @ 1.11g/t Au (from 150m), 1m @ 1.78g/t Au (from 195m), 1m @ 1.31g/t Au (from 95m) and 1m @ 4.15g/t Au (from 97m) and at O Cham Ven prospect with assays including 1m @ 1.68g/t Au (from 38m) and 1m @ 0.72g/t Au (from 132m).

These results indicate that Southern Gold has again successfully intercepted targeted mineralisation zones at the Kratie South and Memot projects (Figure 4).

High grade gold quartz veins (with high sulphide content) at Gossan prospect have now been defined by drilling for a total strike length of approximately 250m. The Gossan prospect is expected to be the focus of definition drilling in the upcoming field season with the aim of outlining an initial inferred/indicated gold resource.

Further drilling is required at Preak Khlong NW, Anchor and O Cham Ven prospects to delineate the extent of the mineralisation outlined by these assay results.

Several high priority prospects such as Panther and Cougar (Figure 4) within the Kratie South project require immediate drill testing at the start of the upcoming field season which is expected to commence in November 2011. These prospects have similar characteristics to Gossan such as outcropping quartz vein hosted gold mineralisation (and high sulphide content).

These initial drilling results at O Cham Ven are encouraging and further drilling is required to delineate the full extent of gold mineralisation. Drilling is expected to begin at the start of the upcoming field season. The recently defined (i.e. via soil sampling) Thmo Dom Rei prospect (Figure 1) within the Memot project will also be drilled as a priority at this time.

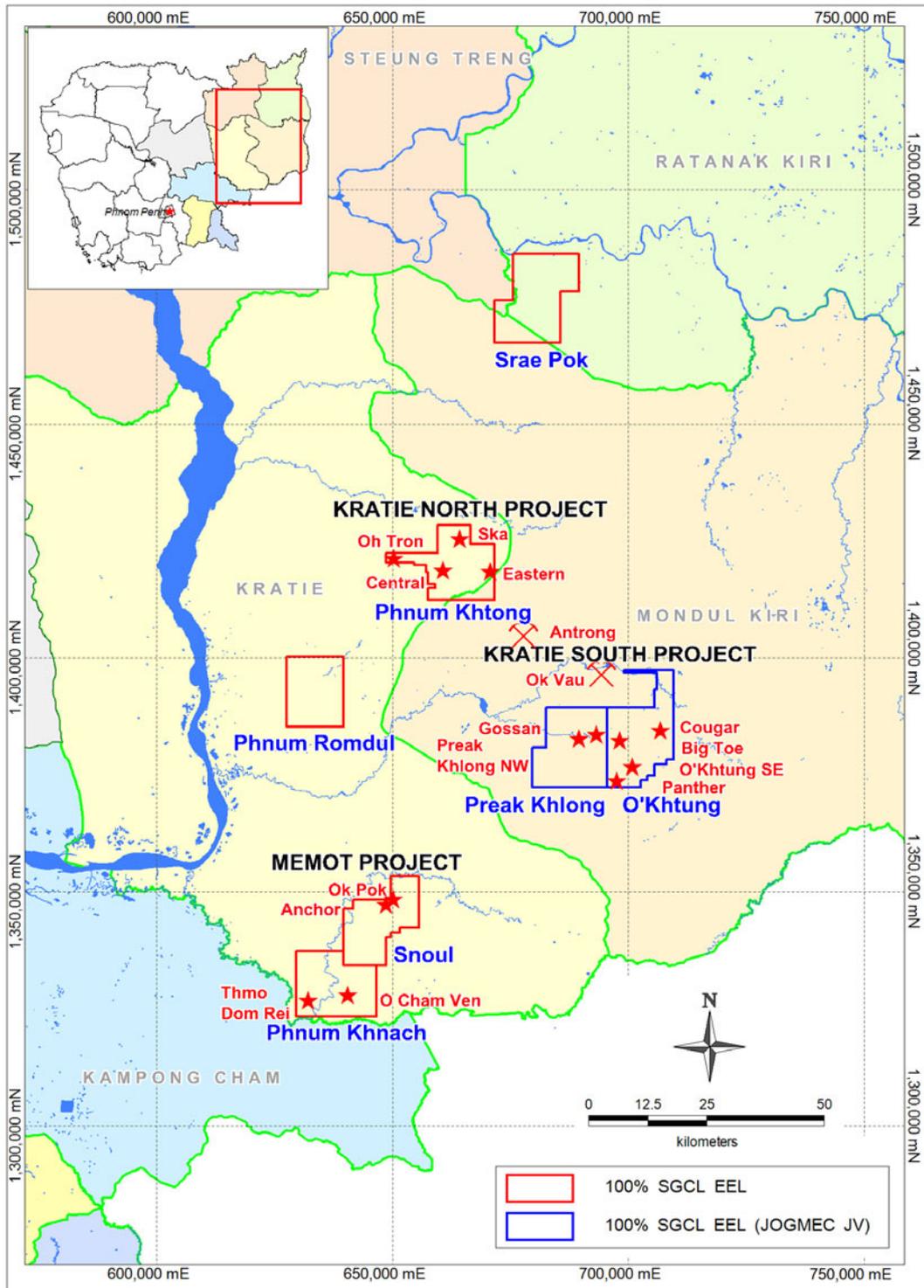


Figure 4: Southern Gold's 2011 drill campaign tested prospects at the Kratie South and Memot project areas. All five of SAU's project areas are located in the eastern provinces of Cambodia.

Southern Gold considers that the ground held in Cambodia is prospective for intrusive related shear and vein hosted gold (and base metal) mineralisation similar to that of the 600,000oz gold Okvau resource defined by Oz Minerals in March 2010⁴. The Okvau deposit is located 10km north of Southern Gold’s Kratie South project area (Figure 5).

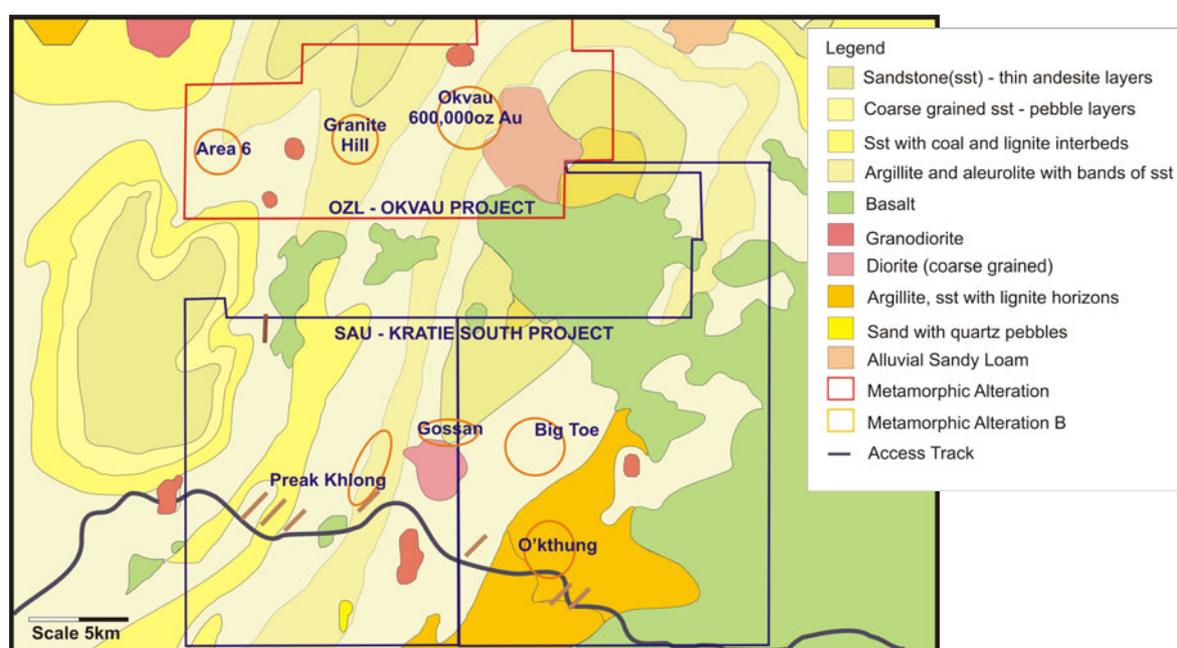


Figure 5: Drilling at Kratie South Project targeted Gossan and Preak Khlong prospects located approximately 10km south of Oz Minerals Ltd’s Okvau Resource.

KRATIE SOUTH PROJECT

The majority of work during the 2010/2011 field exploration drilling and trenching campaigns have been completed at the JOGMEC⁵ funded Kratie South project. A total of 23 core drillholes have been completed at 3 prospects for a total of 3,888m. The clear aim of the drill programme was to test geochemical targets outlined in previous years and to infill drill test significant drillhole intercepts identified in 2009/2010. These include gold and base metal soil anomalies, rock chip samples with values up to 35g/t gold and drill results of 3m @ 14.6g/t Au (from 38m) with minor zinc/lead and copper mineralisation.

Three prospects were tested during 2010/2011, namely Gossan, Preak Khlong NW and O’Khtung SE (Figure 5). Initial assay results from Gossan and Preak Khlong NE indicate that five drillholes have intersected mineralisation with significant intercepts of 3m @ 8.51g/t (from 58m) and 5m @ 5.42g/t gold (from 73m). Initial results from O’Khtung SE show copper (Cu) and zinc (Zn) anomalism reaching 1,126ppm and 8,130ppm respectively.

New assay results for the final 2 holes (i.e. DD11PKL006, 10, 014 and 015 bolded in Table 2 & 3) are now to hand for the Kratie South project 2010/2011 Cambodian drill campaign. The drill results show significant gold and silver (Ag) assays at the Preak Khlong NW prospect with assays including drillhole DD11PKL006

⁴ [2010 March, Oz Minerals Limited, Okvau Resource Statement, available @ www.ozminerals.com/Operations/Resources--Reserves.html]

⁵ (JOGMEC: Japan Oil, Gas and Metals National Corporation - the Japanese Government-backed company, is currently earning 51% equity in the Kratie South project by funding exploration activity to a total of US\$3.029M over 3 years)

5m @ 8.25g/t Au and 5.36g/t Ag (from 56m), 1m @ 1.0g/t Au (from 22m) and 1m @ 3.76g/t Au (from 64m) and at Gossan prospect with assays including drillhole DD11GSN010 2m @ 2.87g/t Au and 19.55/t Ag and DD11GSN015 2m @ 13.49g/t Au and 27.40g/t Ag (from 89m) indicating that Southern Gold has again successfully intercepted targeted mineralisation zones at the Kratie South project (Tables 1 and 2 and Figures 3, 4, 5 and 6). Tables 2 & 3 show both the new (bolded) and previously announced results.

Table 2: Gold Intersections (0.1g/t Au cut-off) from the Preak Khlong NW Prospect

Hole No.	From	To	Copper %	Lead %	zinc %	Gold g/t	Gold average	Silver g/t	Silver average
DD11PKL006	22	23	0.00	0.02	0.01	1	1m @ 1.00 g/t	0.8	1m @ 0.80 g/t
	56	57	0.01	0.07	0.11	10.33	5m @ 8.25 g/t	7.4	5m @ 5.36 g/t
	57	58	0.01	0.07	0.11	7.17		6.3	
	58	59	0.00	0.11	0.08	23.02		11.1	
	59	60	0.01	0.01	0.03	0.51		1.2	
	60	61	0.01	0.01	0.05	0.22		0.8	
	64	65	0.01	0.03	0.10	3.76	1m @ 3.76 g/t	26.8	1m @ 26.8 g/t

DD10PKL002	73	74	0.00	0.02	0.04	3.57	5m @ 5.42 g/t	1.2	5m @ 2.22 g/t
	74	75	0.00	0.03	0.05	1.53		2.1	
	75	76	0.00	0.07	0.07	21.66		7.2	
	76	77	0.00	0.00	0.01	0.15		0.6	
	77	78	0.00	0.00	0.00	0.19		<0.5	
						<i>including (73-76m)</i>	<i>3 m @ 8.92 g/t</i>		
DD10PKL004	130	131	106	46	309	1.29	1 m @ 1.29	22.9	1 m @ 22.9

Table 3: Gold intersections with base metals (0.1 g/t Au cut-off) from the Gossan Prospect

Hole No.	From	To	Copper %	Lead %	Zinc %	Gold g/t	Gold average	Silver g/t	Silver average
DD10GSN010	55	56	0.05	0.66	2.89	2.52	2m @ 2.87 g/t	25.5	2m @ 19.55 g/t
	56	57	0.02	0.57	0.46	3.22		13.6	
DD11GSN014	82	83	0.03	0.08	0.04	0.17	1m @ 0.17 g/t	9.9	1 m @ 9.9 g/t
DD11GSN015	89	90	0.00	0.02	0.02	0.94	2m @ 13.49 g/t	1.2	2m @ 27.40
	90	91	0.06	1.37	0.84	26.04		53.6	
DD10GSN004	73	74	0.00	0.01	0.01	0.1	3m @ 1.92 g/t	1.1	3m @ 61.4 g/t
	74	75	0.11	0.74	0.14	4.38		127.4	
	75	76	0.02	0.45	0.30	1.27		55.8	
DD11GSN006	130	131	0.03	0.41	1.18	3.43	2m @ 2.82 g/t	22.9	2 m @ 18.5 g/t
	131	132	0.03	0.49	0.34	2.2		14	
DD11GSN009	58	59	0.003	0.04	0.06	0.4	3m @ 8.51 g/t	2.8	3m @ 33.7 g/t
	59	60	0.06	0.97	0.88	14.23		49	
	60	61	0.06	1.73	1.48	10.91		49.4	

Four high grade gold quartz veins (with high sulphide content) at Gossan prospect have now been defined by drilling for a total strike length of approximately 250m. The Gossan prospect is characterised by consistently high grade gold quartz veins (i.e. 8-15g/t Au, and up to 50g/t Au rock samples) with widths of 1.5-2.5m. Drilling to date has consistently traced the veins to a vertical depth of 50-75m. It is expected that the Gossan prospect be the focus of definition drilling in the upcoming field season with the aim of outlining a high grade, shallow gold zone.

These results extend the known mineralisation at the Preak Khlong NW prospect to the south (Figures 5 and 6) and provide positive encouragement for infill and/or resource definition drilling in the 2011/2012 field season.

Several high priority prospects such as Panther and Cougar (Figure 4) within the Kratie South project require immediate drill testing at the start of the upcoming field season which is expected to commence in November 2011. These prospects have similar characteristics to Gossan such as outcropping quartz vein hosted gold mineralisation (and high sulphide content).

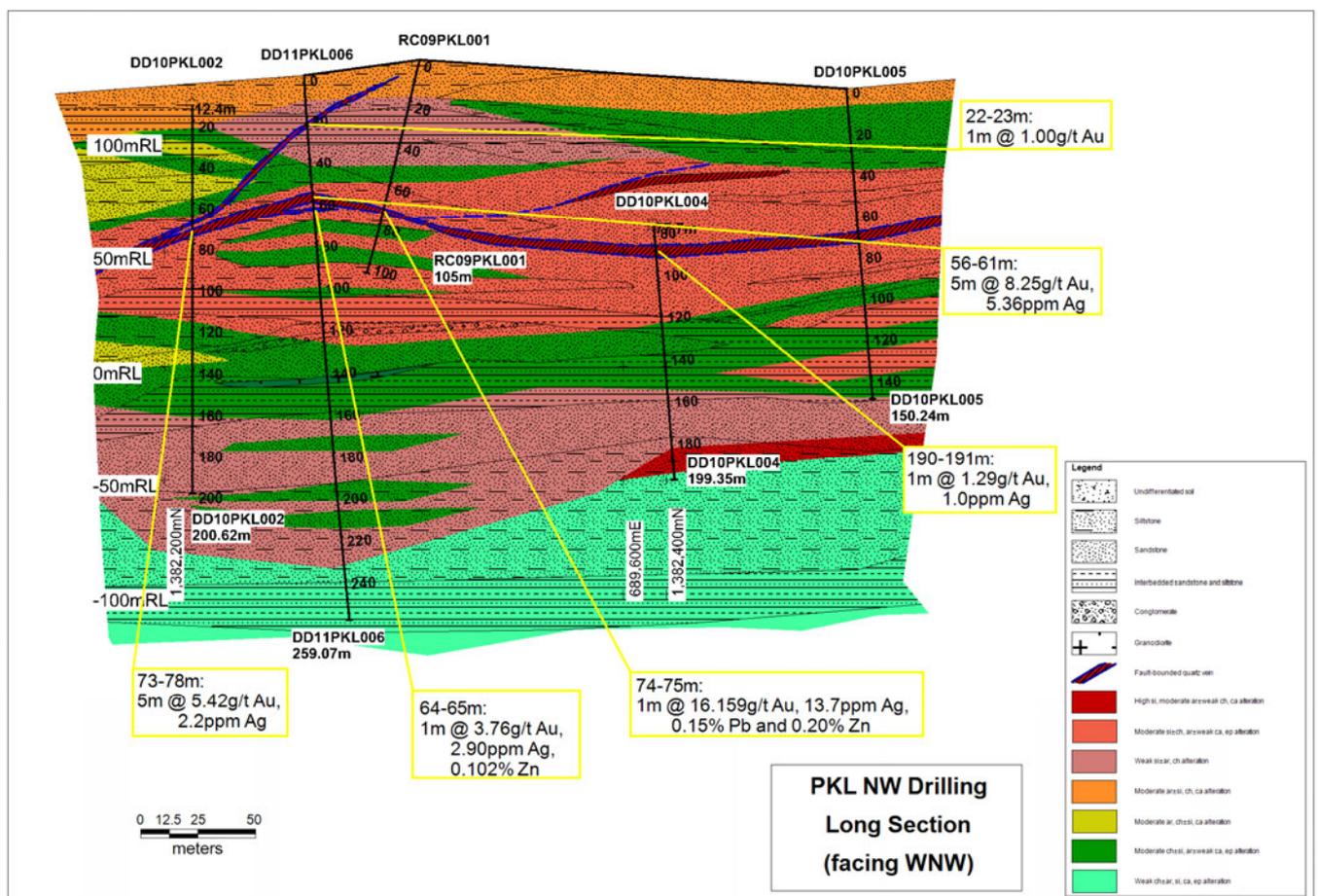


Figure 6: Kratie South project, Preak Khlong NW prospect drillhole section and assay results.

MEMOT PROJECT

Following several significant drillhole gold intercepts from the Memot 2009/2010 field campaigns (i.e. in particular the Anchor prospect), Southern Gold has conducted a follow up programme of 12 core drillholes at the Anchor and O Cham Ven prospects during the 2010/2011 field season (Figure 4).

Drilling at the Anchor prospect identified gold mineralisation in quartz veins and massive sulphide, predominantly pyrite, galena, sphalerite and trace arsenopyrite. Drilling at the O Cham Ven prospect was to test gold/copper soil geochemical anomalies identified during 2009/ 2010.

The final drillhole assay results are now available for the Memot project. The drill results show further anomalous gold and silver assays at the Anchor prospect indicating that Southern Gold has successfully intercepted the target mineralisation zones at the Memot project (Tables 4 and 5).

Table 4: Gold intersections with base metals (1 g/t Au cut-off) from the Anchor Prospect

Hole No.	From (m)	To (m)	Copper (%)	Lead (%)	Zinc (%)	Gold (g/t)	Gold average	Silver (g/t)	Silver average
DD10ANC030	150	151	0.02	0.02	0.02	1.11	1m @ 1.11 g/t	5.10	1m @ 5.10 g/t
DD10ANC030	195	196	0.10	0.02	0.15	1.78	1m @ 1.78 g/t	15.00	1m @ 15.00 g/t
DD10ANC031	95	96	0.00	0.01	0.03	1.31	1m @ 1.31 g/t	2.60	1m @ 2.60 g/t
DD10ANC032	97	98	0.08	0.30	1.28	4.15	1m @ 4.15 g/t	19.60	1m @ 19.60 g/t

Table 5: Gold intersections with base metals (1 g/t Au cut-off) from the O Cham Ven Prospect

Hole No.	From (m)	To (m)	Copper (%)	Lead (%)	Zinc (%)	Gold (g/t)	Gold average	Silver (g/t)	Silver average
DD11OCV005	38	39	0.01	0.01	0.04	1.68	1m @ 1.68 g/t	1	1m @ 1.00 g/t
DD11OCV005	132	133	0.28	0.01	0.04	0.72	1m @ 0.72 g/t	9.1	1m @ 9.10 g/t

The Anchor prospect has been the subject of several drilling campaigns over the last three field seasons and, although several high grade gold intercepts have been identified, the mineralisation has not been extensive and it is likely that no further work will be carried out on the prospect.

These initial drilling results at O Cham Ven are encouraging and further drilling is required to delineate the full extent of gold mineralisation. Drilling is expected to begin at the start of the upcoming field season which is expected to commence in November 2011. The recently defined (i.e. via soil sampling) Thmo Dom Rei prospect (Figure 1) within the Memot project will also be drilled as a priority at this time.

The work conducted and results received over the past few years by Southern Gold and other “pioneer” Australian explorers in Cambodia has started to show the prospectivity of a country that has had limited “modern-day” exploration or market attention. Southern Gold is keen to build on its exploration success to date through the growth and project development of its recent gold and base metal discoveries.

CORPORATE

NEW SOUTH WALES -Devil's Elbow Copper Project

In January 2011, a heads of agreement (HOA) was signed with Southern Gold Limited (ASX: 28 January 2011) whereby IMX would explore exploration licence EL6653, which lies southeast of Parkes and covers a number of manganese prospects and the historic Eurow-Vychan copper mine. Under the terms of the HOA, IMX committed to spend \$100,000 to drill test identified copper – gold targets prior to making a decision on spending an additional \$200,000 to earn a 51% joint venture interest.

Previous drilling by Southern Gold at Eurow-Vychan combined with historical drilling, delineated a zone of mineralisation with of copper (>2%) and gold (1-2 g/t) with silver up to 120 g/t and zinc up to several percent. The massive sulphides have a thickness of 2-3 metres over a strike length of 280m and are coincident with a well-defined magnetic anomaly. Southern Gold's air borne magnetic surveys had also revealed several adjacent magnetic bodies with similar geophysical characteristics to the Eurow-Vychan deposit.

In early May IMX completed an RC drilling programme of five holes (total 785m) to test for additional tonnage potential on a selected magnetic target in proximity to Eurow-Vychan. Drilling showed minor sulphides at the main targets zones however the magnetic anomaly was explained by the presence of magnetite in volcanic rocks. Analysis off drill samples showed no significant levels of copper or gold.

In addition to the drilling programme, IMX collected rock chip samples across several historic manganese (Mn) occurrences located 7km north of Eurow-Vychan: Cookamidgera mine, Vanity Hill and Sunny Side farm. Anomalous Mn mineralisation was reported at all 3 localities with a best result of 42.3% Mn at Cookamidgera, where a 4m wide discontinuous Mn zone associated with quartz jaspilite, pinches out to the north of the old mine shaft. At Sunny Side, anomalous Cu and Co is associated with the Mn and returned a best result of 14.3% Mn, 0.17% Cu and 0.44% Co.

While the rock chip samples indicate that Mn is present in potentially economic grades, their extent and nature did not meet IMX's exploration parameters. As the results did not achieve the target size for IMX, the Company has elected to withdraw from the HOA with Southern Gold.

FINANCIALS

Cash on hand at the end of the quarter was \$2.934M. Net of JV reimbursement expenses from JOGMEC, exploration expenditure for the quarter totalled \$66k. During the 3 months to 30 June 2011 total cash receipts received from JOGMEC for reimbursement of expenses incurred by Southern Gold Cambodia under the Kratie South Joint Venture was \$786,141. A further \$181,899 was received from JOGMEC on the 1 July 2011 which completed their expenditure commitment under the joint venture thereby earning JOGMEC 51% interest in the Kratie South project.

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The information in this report concerning Australian exploration has been compiled by Peter Hill (BSc) as an employee of Southern Gold and who is a member of the Australian Institute of Geoscientists and is bound by and follows the Institute's codes and recommended practices. As a Competent Person, as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve.' - he has a minimum of 5 years relevant experience in the style of mineralisation and types of activities being reported and has given written consent to the above report in the form and context in which it appears.

The information in this report concerning Cambodian exploration has been compiled by Grant Thomas BSc as an employee of Southern Gold and who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. As a Competent Person, he has a minimum of 5 years relevant experience in the style of mineralisation and types of activities being reported and has given written consent to the above report in the form and context in which it appears.