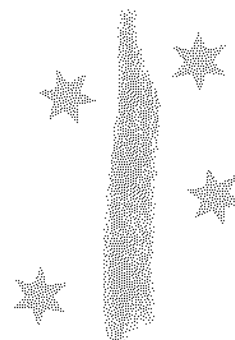


09 January 2006

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam



SOUTHERN**GOLD**

ABN 30 107 424 519

ADVANCED WORK ON COPPER, GOLD, URANIUM AND NICKEL EXPLORATION PROJECTS

Southern Gold Ltd (ASX Code: SAU) a diversified copper, gold, uranium and nickel explorer has commenced the new 2006 year with an ongoing intensive program on its exploration projects in S.A, N.S.W and W.A.

HIGHLIGHTS

Yalbrinda - IOCGU/Gold : EL 3217, 100km NE Ceduna, S.A (100% interest, HMR earning 35%)

\$80,000 PACE funding approved by S.A Government for drilling of Yathong iron oxide, copper, gold, uranium (IOCGU) style targets on EL 3217.

Detailed gravity surveys have also been completed at Yathong targeting this prospect for IOCGU style deposits.

Yalbrinda South – IOCGU/Gold : EL 3160, 100km E Ceduna, S.A (35% interest, earning 70%)

Calcrete surveys completed over the last untested portion of the Yalbrinda Shear Zone on EL 3160 targeting shear-hosted gold mineralisation similar to the Tunkillia gold deposit 80 kilometres to the north.

Detailed gravity surveys have also been completed targeting IOCGU style deposits.

Southern Gawler Arc – IOCGU : EL 3158, 50km N Kimba, S.A (100% interest, HMR earning 35%)

Core-samples from the drilling at Victory are with an analytical laboratory and we are awaiting assay results in the next 2 weeks.

Tallaringa South – Uranium : EL 3395, 200km SW Coober Pedy, S.A (100% HMR, SAU earning 30% uranium)

Gravity survey completed detailing the Anthony palaeochannel for uranium mineralisation on EL 3395 by joint venture partner, ASX listed uranium explorer, Hindmarsh Resources Limited.

Grenfell - Gold : EL 6122, 380km W Sydney, N.S.W (100% interest)

IP geophysical surveys completed over Lawson's Line porphyry target zone.

Southern Gold is planning a Reverse Circulation (RC) drilling program late in January - early February to test the identified gold targets. We anticipate this program will comprise about 800 metres of drilling and be completed by the end of February.

Bulong South – Gold/Nickel : PL 25/1680 & 25/1681, 30km E Kalgoorlie, W.A (100% interest)

Bulong South RAB drilling samples with anomalous nickel are being re-assayed for nickel sulphide indicators and platinum group elements in the lead up to ground EM surveys.

Corporate

In parallel with these exploration operations, Southern Gold remains active on the corporate front through development of joint ventures and alliances which will add value to its current projects and reviewing opportunities to enhance our advanced exploration portfolio.

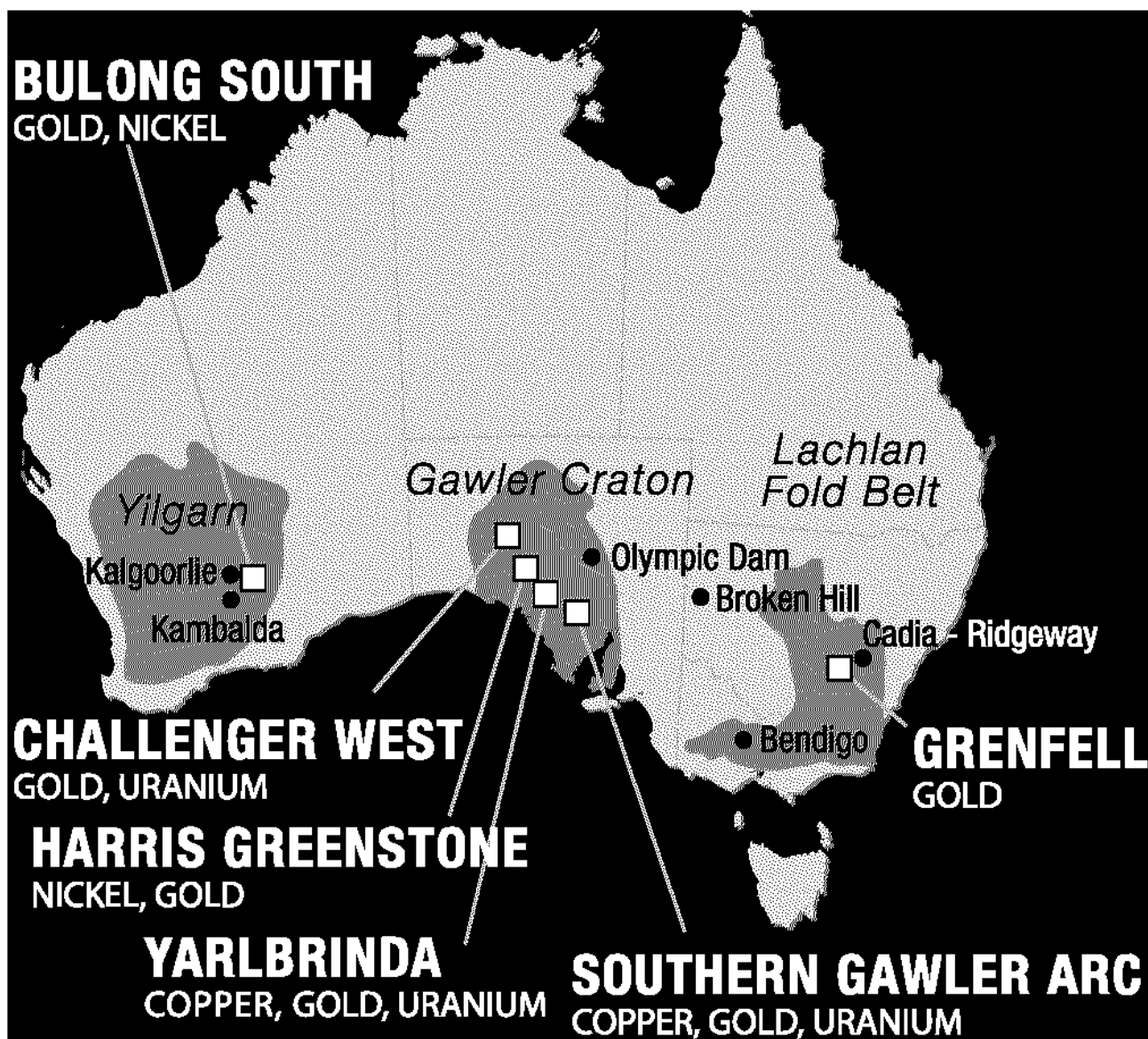
Yours faithfully

S BIGGINS
Managing Director

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The information in this report has been compiled by Stephen Biggins (MBA,BSc(Hons)Geol), as an employee of Southern Gold Limited, 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. He has a minimum of 5 years experience in the types of activities being reported.

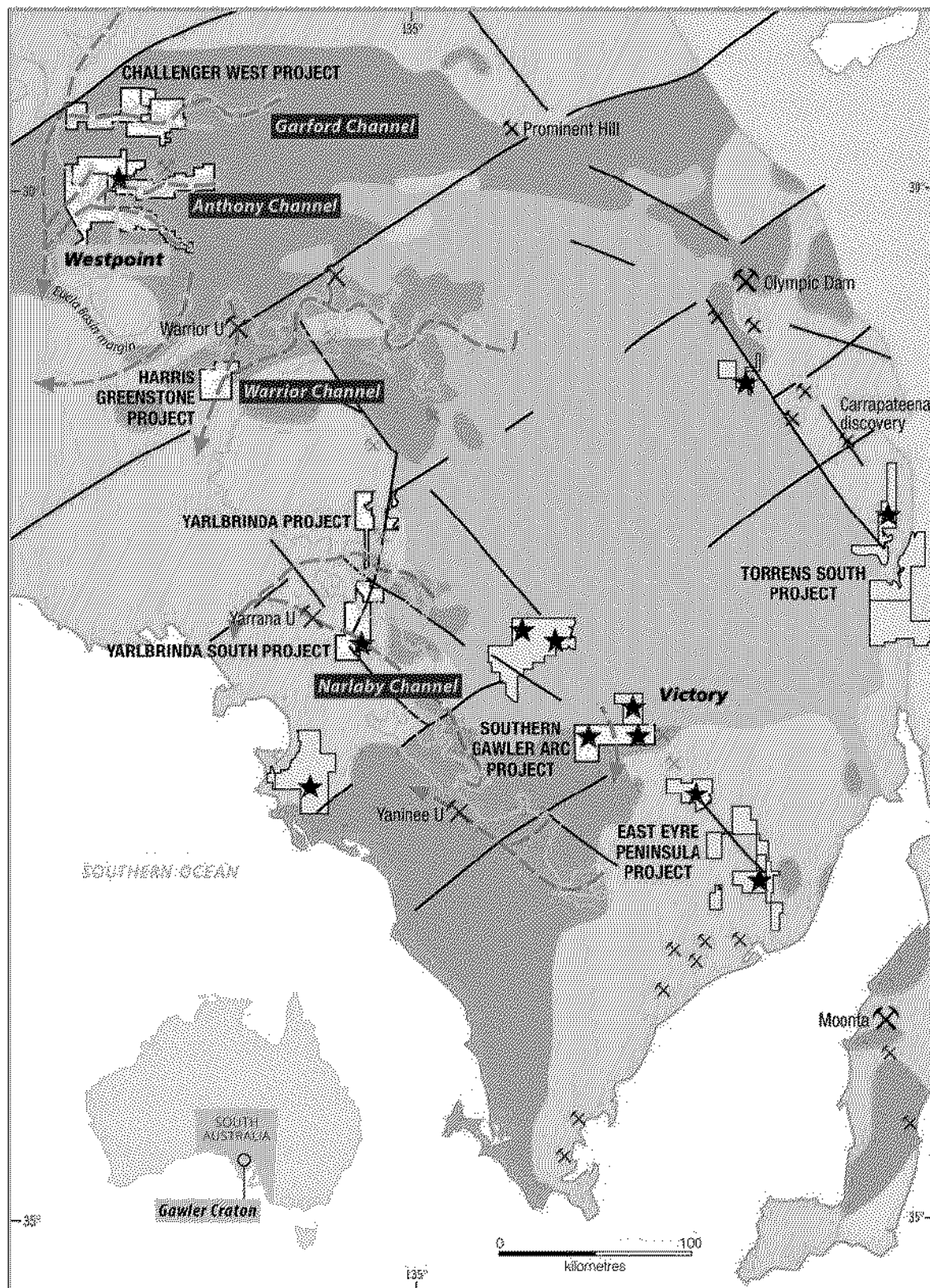
Please visit our website at www.southerngold.com.au



Southern Gold Limited's Projects in Australia's world class mining belts

GLOSSARY

IOCGU:	Iron Oxide Copper Gold Uranium. Mineralisation style typical of Olympic Dam
Palaeochannel:	Buried, ancient drainage channel
IP surveys:	IP (Induced Polarisation) surveys are a surface electrical geophysical surveying method that are effective in mapping the presence of sulphides which are often associated with gold mineralisation.



- Gawler Range Volcanics
- Hiltaba Granite
- Proterozoic gneiss, granite
- Archaean gneiss, greenstone
- Major fault zone
- Iron oxide copper/gold/uranium mine, deposit
- Other gold/base metal deposit
- IOCGU target locations

- Paleochannels
- Paleochannel uranium deposit
- Other uranium occurrence

- Southern Gold Exploration Licence
- Southern Gold EL applications

SOUTHERNGOLD

Figure 1

SOUTH AUSTRALIA
GAWLER CRATON TENEMENTS
Location Map

0 100
kilometres