

22 June 2011

The Manager
Companies Announcements Office
Australian Stock Exchange
20 Bridge Street
SYDNEY, NSW 2000

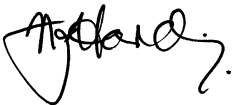
Dear Sir,

CANCELLATION OF OPTIONS

The following options to acquire ordinary shares in Southern Gold Limited have been cancelled due to an employee ceasing to be associated with the company.

Number of Options	Exercise Price	Expiry Date
200,000	19 cents	25 March 2013
125,000	15 cents	30 September 2013
125,000	15 cents	30 September 2013

Regards



Nick Harding
Company Secretary