ASX ANNOUNCEMENT **2 February 2012**

COMPLETION OF SHARE PLACEMENT TO INTEGRA MINING LIMITED

Southern Gold Limited (ASX : SAU) ('Southern Gold") is pleased to advise that it has today completed the placement to Integra Mining Limited (ASX : IGR) ("Integra") of 26,967,644 ordinary shares at $0.05 each providing funds totaling $1,348,382 as previously announced to the market on 31 January 2012. As a result Integra now holds 10% of Southern Gold's expanded share capital.

The funds raised through this cornerstone investment will be directed towards advancing evaluation studies into mining Southern Gold's wholly owned Cannon Gold Resource located 30km south east of Kalgoorlie.

As also announced on 31 January 2012, Southern Gold intends to undertake a non-renounceable pro rata Rights Issue to eligible shareholders to raise up to an additional $3 million. Integra has undertaken pursuant to the Share Subscription Agreement to take up of its full entitlement under the Rights Issue, subject to certain conditions, and will have the right to elect to underwrite any shortfall to a level agreed by Southern Gold. Details of this proposed Rights Issue are expected to be announced in early February.

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