

12 July 2012

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

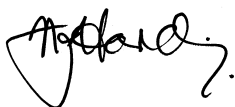
Dear Sir,

CANCELLATION OF OPTIONS

The following options to acquire ordinary shares in Southern Gold Limited have now lapsed.

Number of Options	Exercise Price	Expiry Date
1,500,000	15 cents	29 June 2012

Regards



Nick Harding
Company Secretary