



Southern Gold Limited

Annual General Meeting 2012 Presentation



Board of Directors & Key Management

Non-Executive Chairman **Greg Boulton AM BA FCA FAICD**

25 years of corporate experience in a finance capacity, with experience in capital raisings, acquisitions and commercial negotiations.

Managing Director **Nanette Anderson BSc MAICD**

15 years working in the resource sector with a background in geology, exploring and developing projects throughout Australia and Indonesia and corporate experience in capital raisings and project negotiations.

Non-Executive Director **Mick Billing BBus MAICD**

30 years of mining industry experience in finance and senior commercial roles. He has held several directorships and is currently Executive Chairman of AIM listed Thor Mining PLC.

Non-Executive Director **David Turvey BSc AusIMM**

27 years experience in the Australian and Asian mining industries where he has driven business development and corporate M&A activities .

Company Secretary **Nick Harding BA FCPA ACIS**

**Project Development
Manager** **Ian Blucher MSc AusIMM**

Exploration Manager **Pat O'Sullivan MSc**

SOUTHERNGOLD



Disclaimer

The information in this presentation is published to inform you about Southern Gold Limited and its activities. Some statements in this presentation regarding estimates or future events are forward looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. All reasonable effort has been made to provide accurate information, but we do not warrant or represent its accuracy and we reserve the right to make changes to it at any time without notice. To the extent permitted by law, Southern Gold Limited accepts no responsibility or liability for any losses or damages of any kind arising out of the use of any information contained in this presentation. Recipients should make their own enquiries in relation to any investment decisions, from a licensed investment advisor.

The technical information in this report has been compiled by Ian Blucher as an employee of Southern Gold and who is a member of the AusIMM 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 prior written consent to the following presentation in the form and context in which it appears.

The Cannon Gold Resource estimate included in this presentation was conducted and prepared by Runge Limited in compliance with recommendations in the Australasian Code for Reporting Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC).

SOUTHERNGOLD 

SAU – Chairman’s Address

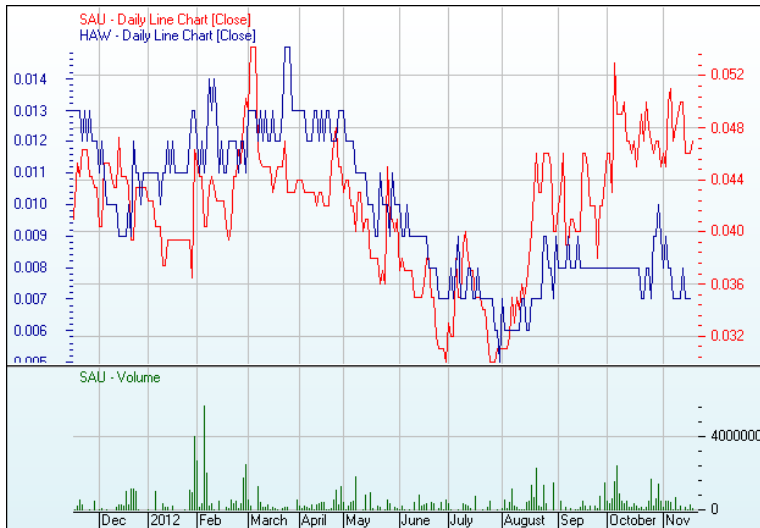
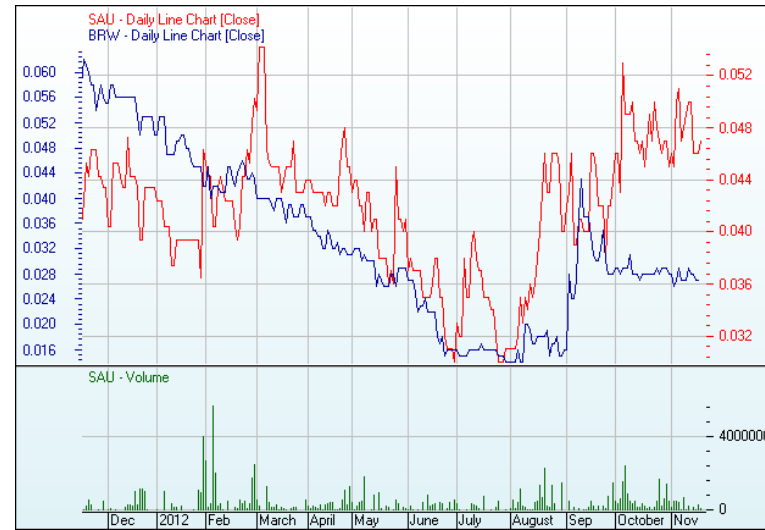
Key Elements

- Consolidation of assets and focus on the Company’s Flagship project – The Bulong Gold project, Western Australia.
- The potential opportunity to develop a mining operation at Bulong could see an early cashflow to underpin future exploration and growth.
- Secured strategic 12.5% cornerstone investor, Integra Mining Ltd.
- Well funded to complete a Feasibility Study and follow up new regional gold targets.

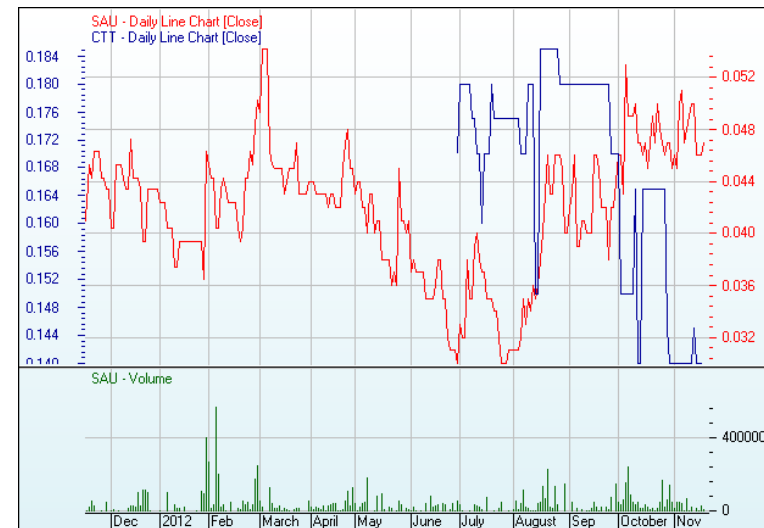
SOUTHERNGOLD



Share Price Graph Comparisons

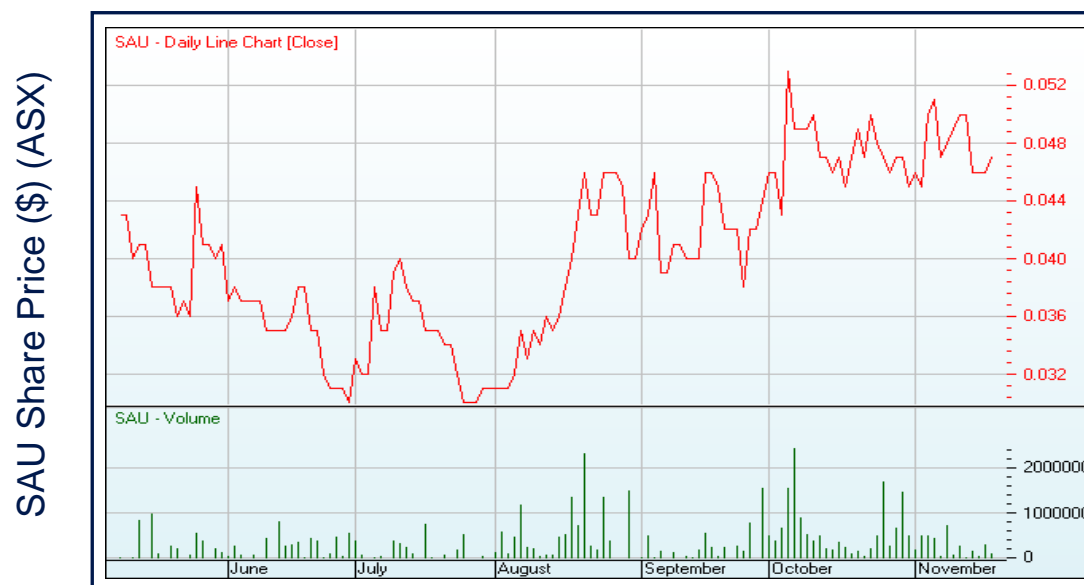


Share Price Graph Comparisons



SAU - Corporate Snapshot

ASX Code		SAU	Major Shareholders	
Issued Shares		346.7m	Integra Mining Ltd	12.5%
Market Cap (@ 4.7c)		\$16.3m	National Nominees Ltd	4.69%
Cash (@ 30 Sept 2012)		\$3.2m	Gary B Branch Pty Ltd	3.75%



SOUTHERNGOLD

SAU – 2012 Strategic Objectives

1.

To complete the necessary work to generate the relevant data needed, to conduct a financial feasibility assessment of the Cannon Gold Resource.

2.

Test the regional areas of the Bulong Gold project for prospective gold targets, and if successful secure tenure over these areas.

3.

Ensure funding is available to resource these work programmes and any follow up work required.

4.

Consolidate the project portfolio, to allow the company to focus both its financial and technical resources on the Bulong Gold Project.

SOUTHERNGOLD



SAU – 2012 Achievements

Value	Stand out grades from the Cannon Gold resource support development work. Regional results highlight gold prospectivity through out the Bulong district.
Growth	Building the Bulong Gold project through joint venture and tenement applications.
Funding	\$1.35m placement to Integra Mining Ltd to become cornerstone investor. \$3.31m Fully Underwritten Rights Issue.
Focus	Sale of the Challenger JV project to Trafford Resource Ltd. Mekong Minerals Ltd to fund Cambodian assets through Earn In/Joint Venture Agreement.

SOUTHERNGOLD



Gold Price

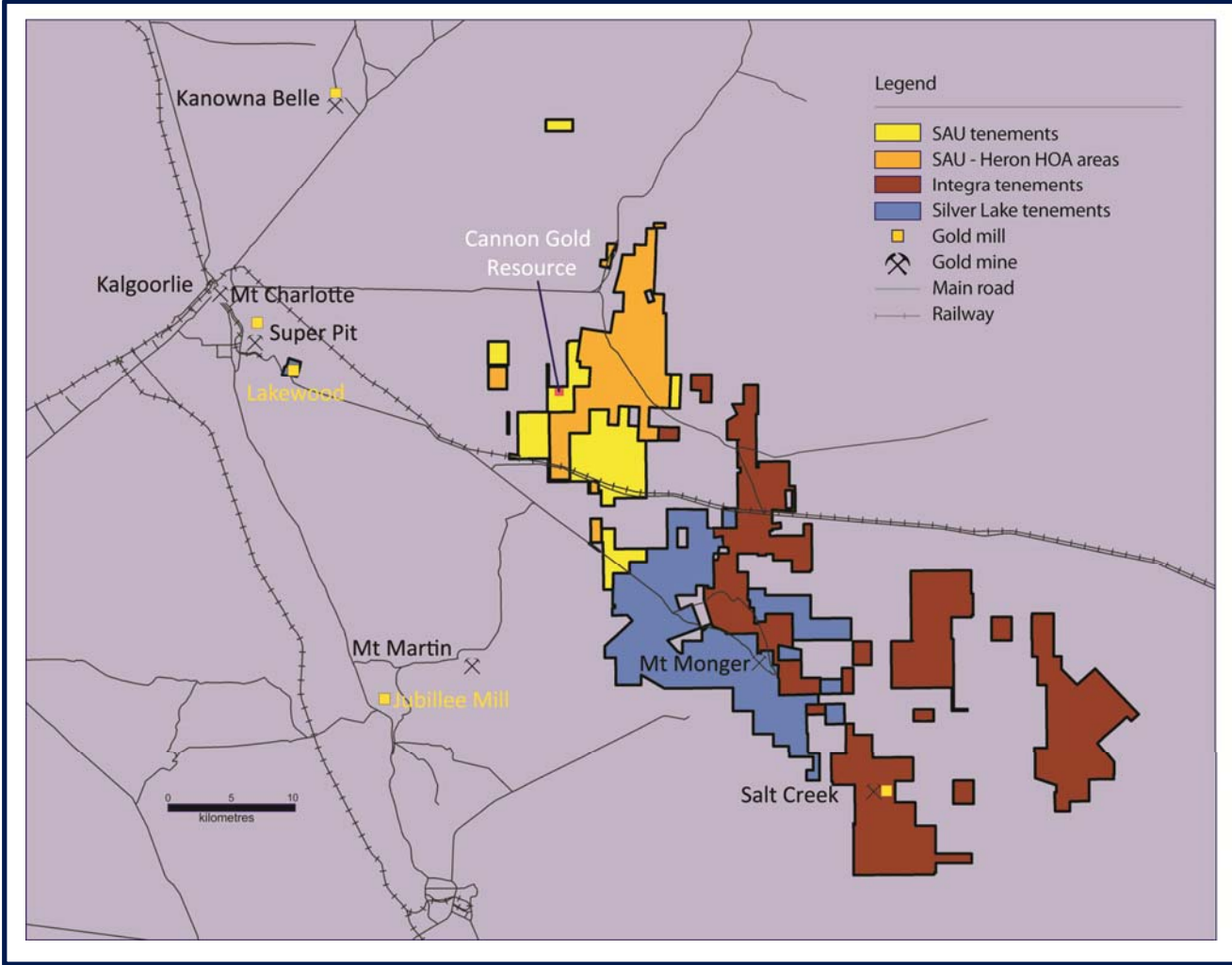


GOLD PRICE

- Historically the Gold Price tends to perform positively in times of economic uncertainty.
- Record Gold Prices reached in 2011, hitting US\$1900/oz.
- Forecasts for 2012/2013 show a range of US\$1400/oz to US\$2550/oz (Bloomberg analyst survey June 2012)

SOUTHERNGOLD

SAU – Prime Location

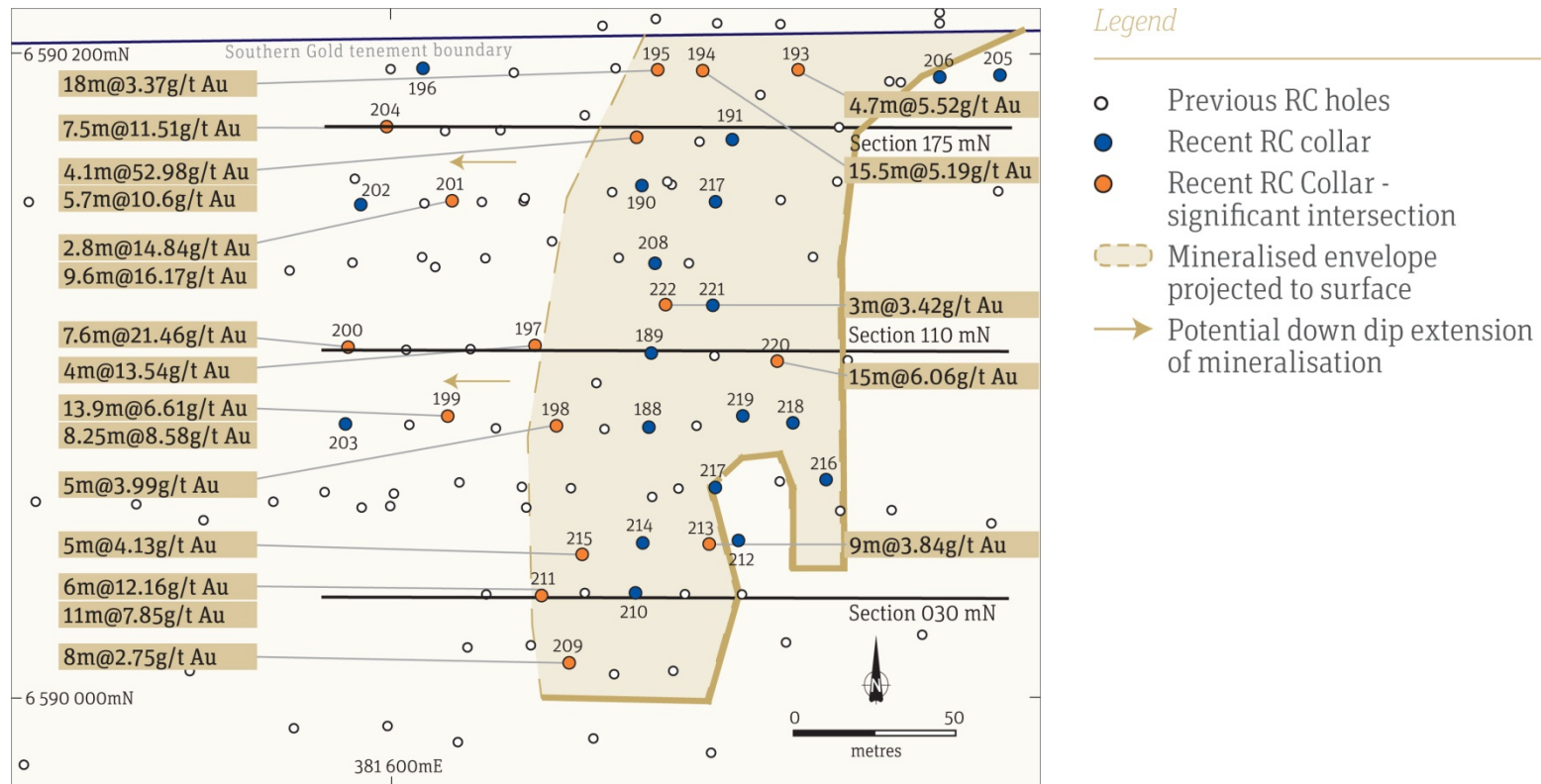


SOUTHERNGOLD



Cannon Gold Resource

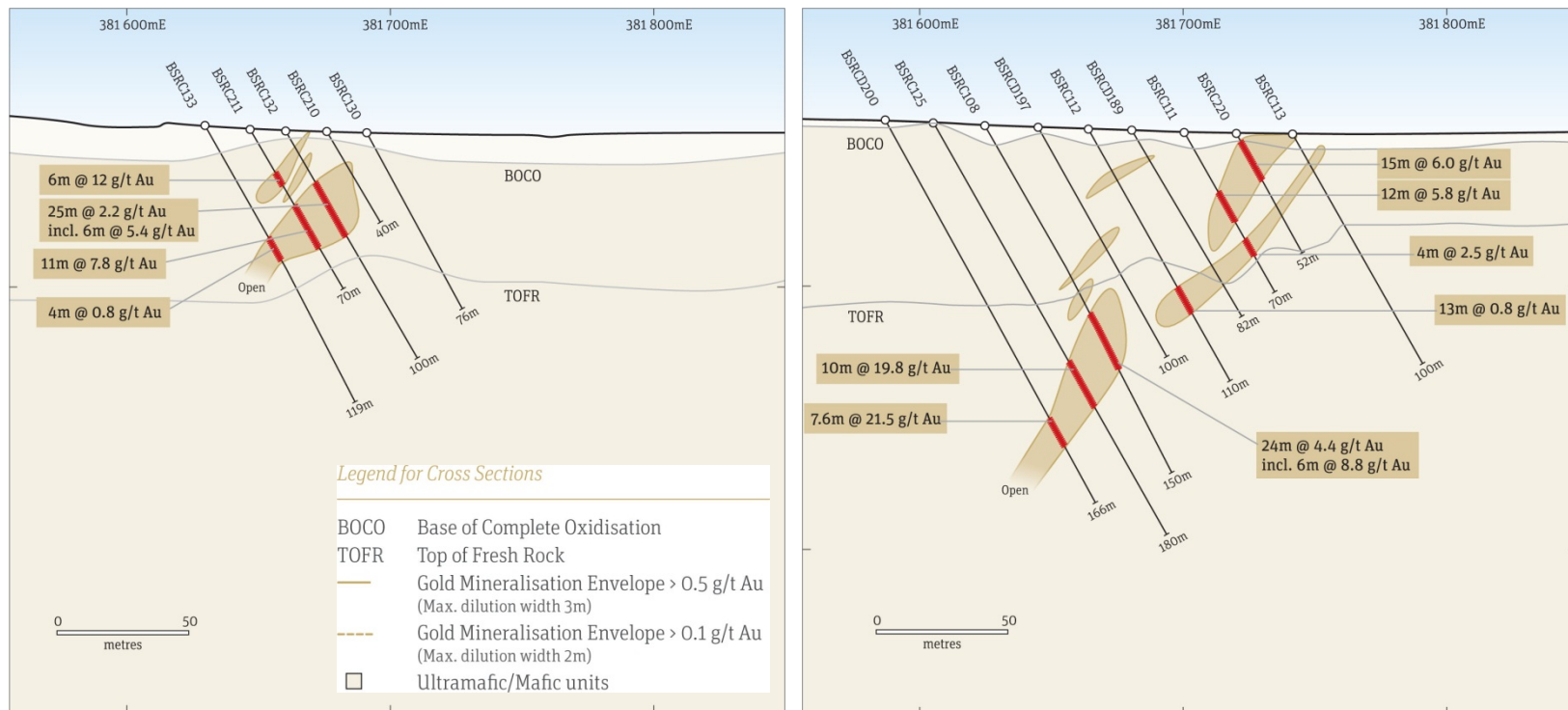
Infill drilling tested continuity of broad high grade gold zones



SOUTHERNGOLD

Cannon Gold Resource – Cross Sections

Cross Sections show continuity of broad high grade gold zones



SOUTHERNGOLD

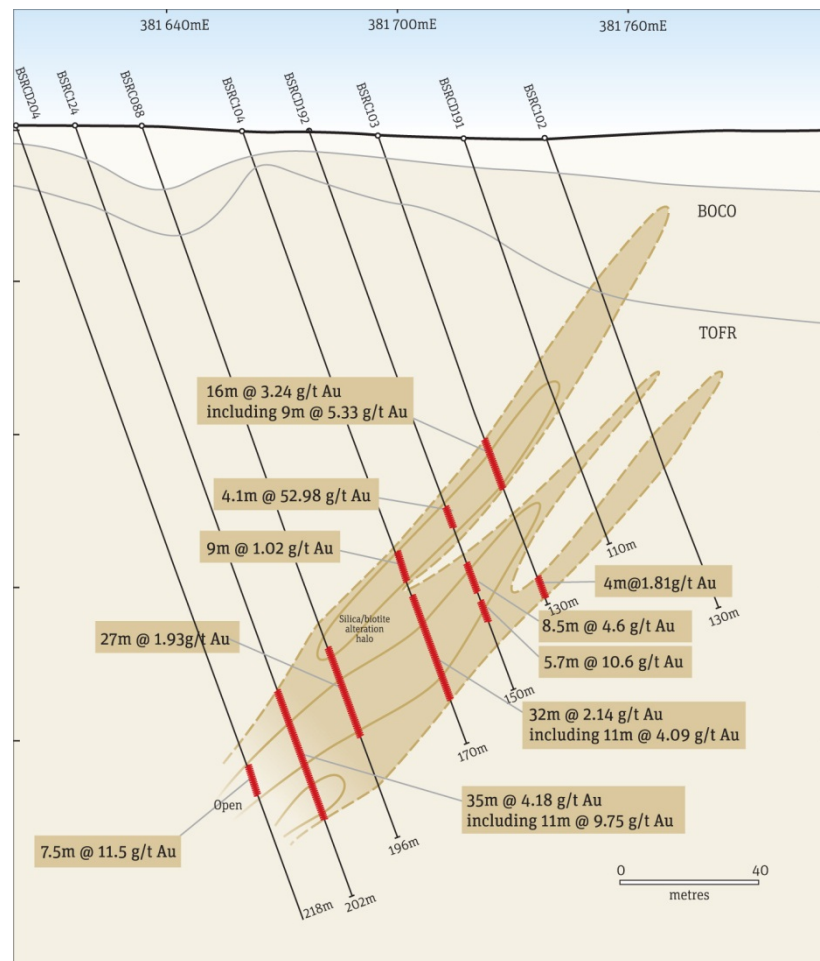
Cannon Gold Resource – Pre-Feasibility

Pre- Feasibility Study

- Stage 1 – economic evaluation of open cut development of near surface material.
- Stage 2 – evaluate extensions at depth and underground development options.
- Report due March 2013
- Further test work to assess mineralisation to the west of the Cannon Gold resource.

Legend for Cross Sections

BOCO	Base of Complete Oxidisation
TOFR	Top of Fresh Rock
	Gold Mineralisation Envelope > 0.5 g/t Au (Max. dilution width 3m)
	Gold Mineralisation Envelope > 0.1 g/t Au (Max. dilution width 2m)
	Ultramafic/Mafic units



SOUTHERNGOLD

Cannon Gold Resource - Multiple High Grade Hits

2012 Drilling - Significant Results

See Southern Gold Sept 2012 Quarterly for full results table

BSRCD192	0.9m @ 30.26 g/t Au (from 71.2m) 4.1m @ 52.98 g/t Au (from 89m) 5.7m @ 10.60 g/t Au (from 120.7m)
BSRCD194	15.5m @ 5.19 g/t Au (from 86.5m)
BSRCD197	4.0m @ 13.54g/t Au (from 49m)
BSRCD199	13.9m @ 6.61 g/t Au (from 81.7m) 8.25m @ 8.58 g/t Au (from 100.1m)
BSRCD 200	7.6m @ 19.05 g/t Au (from 130.7m) 1.2m @ 10.83 g/t Au (from 140.6m)
BSRCD 201	2.8m @ 14.84 g/t Au (from 130m) 9.6m @ 16.17 g/t Au (from 137.6m)
BSRCD 204	7.5m @ 11.51 g/t Au (from 183m)
BSRC 211	6.0m @ 12.16 g/t Au (from 20m) 13.0m @ 6.8 g/t Au (from 38m)
BSRC 220	15m @ 6.06 g/t Au (from 5m)

SOUTHERNGOLD 

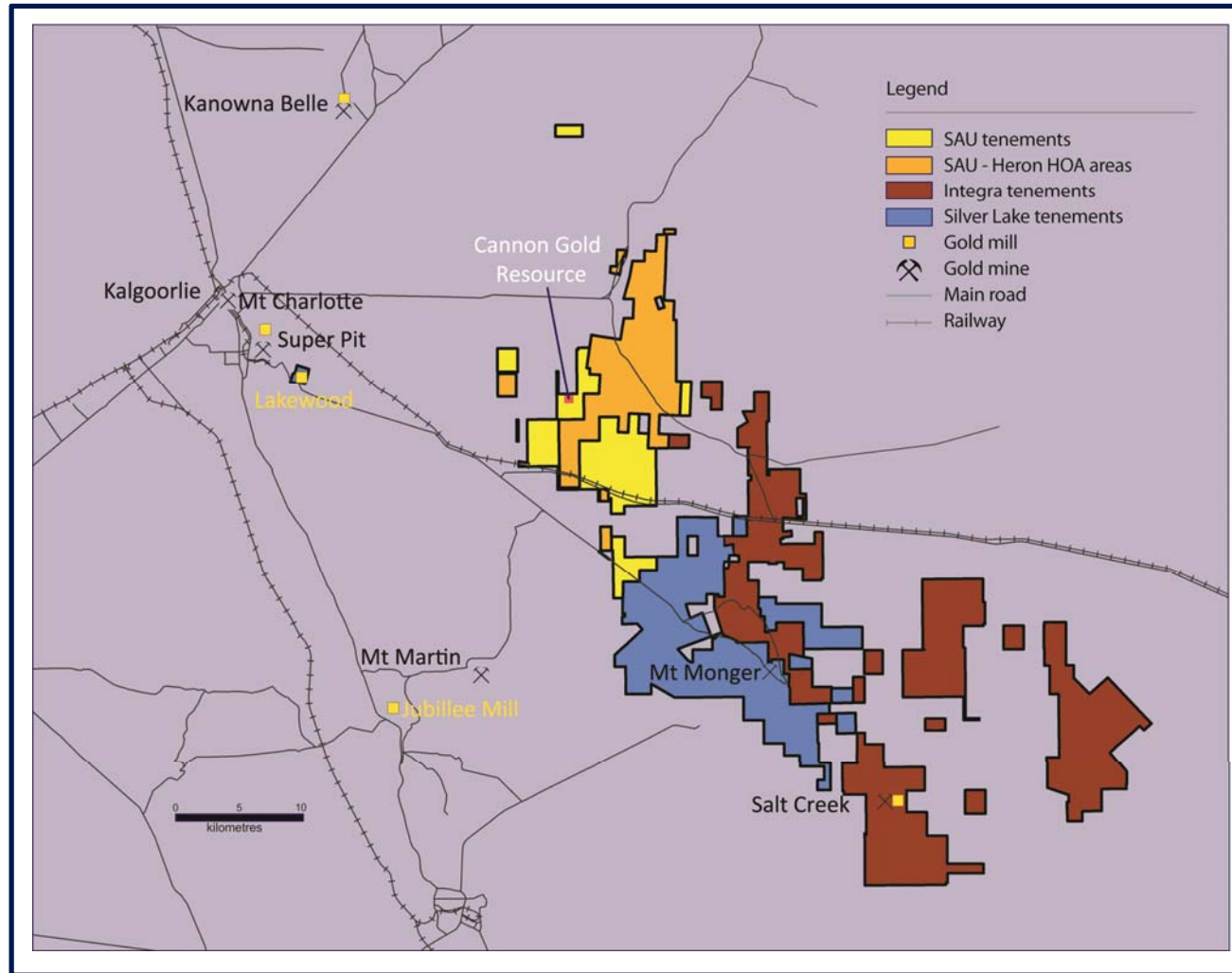
Near Term Growth

- Decision to commence a Pre-Feasibility Study
- Examine open pit and/or underground mining and toll treating options for the Cannon Gold resource.
- Building on a gold resource base of 94,500oz from surface. (896,000t at a grade of 3.3g/t – see Resource table App. 1).
- Take advantage of strong gold price.
- Cannon Gold resource within “trucking distance” of 5 gold processing facilities – opens the door to toll treating options which could provide early cashflow opportunities.

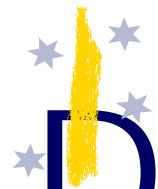
SOUTHERNGOLD



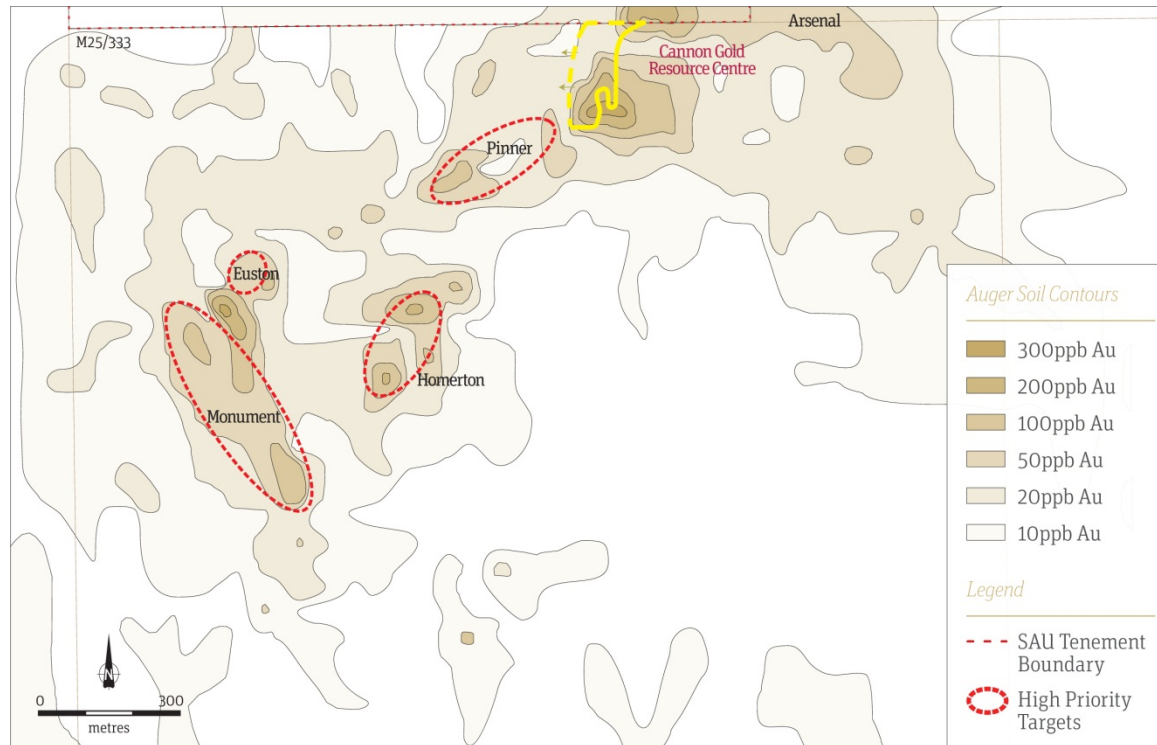
Building on the Resource Upside



SOUTHERNGOLD



Cannon Trend

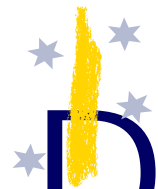


CANNON TREND

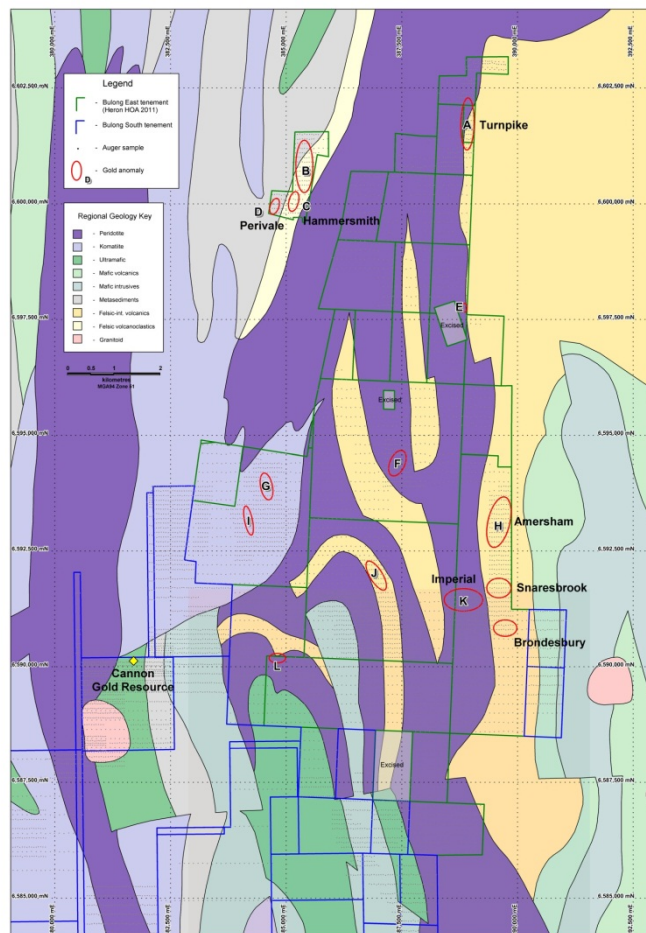
- Four priority targets.
- Westerly extensions to Cannon Gold resource
- Near surface high grade intersections at both Pinner and Monument prospects.

Base map: High gold in soil values that define the Cannon Trend.

SOUTHERNGOLD



The Bigger Picture



Bulung East tenements (Heron HOA)
GSWA 1:500000 scale Regional Geological Map.

Bulong Gold Project

- 250km² tenement holding 30km east of the world class Kalgoorlie goldfield.
- 30 priority anomalies identified from regional geochemical auger programme conducted over the Bulung East tenements.
- Infill auger sampling and first pass drilling lead to the prioritisation of 12 targets.

SAU – A Value Growth Focus

Value	Commence Pre-Feasibility Study on the Cannon Gold resource. Geophysical programmes to commence along the Cannon Trend and regional geochemical and structural targets.								
Growth	Look to build on the Company's Resource base, through test work on Cannon extensions and assessment of Monument and Pinner prospects. Follow up high priority regional gold targets.								
Focus	Confidence in Bulong region prompted us to divest two large project areas - the Challenger JV in South Australia, and our Cambodian assets Allows the company's resources to be directed to the Bulong Gold Project.								
Funding	Well funded - \$3.2m in cash reserves to meet 6 month work programmes. <table data-bbox="757 1043 1447 1241"> <tr> <td>Pre-Feasibility Study</td> <td>\$300k</td> </tr> <tr> <td>Cannon Trend Test Work</td> <td>\$100k</td> </tr> <tr> <td>Regional Exploration</td> <td>\$300k</td> </tr> <tr> <td>Administration</td> <td>\$500k</td> </tr> </table>	Pre-Feasibility Study	\$300k	Cannon Trend Test Work	\$100k	Regional Exploration	\$300k	Administration	\$500k
Pre-Feasibility Study	\$300k								
Cannon Trend Test Work	\$100k								
Regional Exploration	\$300k								
Administration	\$500k								

SOUTHERNGOLD





Southern Gold Limited

Nanette Anderson
Managing Director
+61 8 8368 8888
info@southerngold.com.au

www.southerngold.com.au



SOUTHERNGOLD

Appendix 1 - Cannon Gold Resource Estimate

83% of the Cannon Gold Resource in Indicated Category

Type	Indicated			Inferred			Total		
	Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
	t	g/t	Ounces	t	g/t	Ounces	t	g/t	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 should be read in conjunction with details of Resource parameters available in the ASX Announcement dated 23 June 2011

Recommendations by Runge include “**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.”

SOUTHERNGOLD

