MEDIA RELEASE **22 NOVEMBER 2012**

SOUTHERN GOLD TO TEST MAIDEN PRODUCTION OPTIONS

Speaking yesterday afternoon at the AGM of Southern Gold (SAU) (Wednesday, November 21) chairman Greg Boulton said the company would undertake a pre-feasibility study to examine open pit and/or underground mining and toll treating options for its Cannon Gold resource at Bulong, near Kalgoorlie, Western Australia.

Mr. Boulton said the establishment of a 94,500oz resource (896,000t at a grade of 3.3g/t) at Cannon, coupled with positive results from regional exploration, indicated that Southern Gold was moving closer to the point for a decision on development, at its flagship resource, that could provide a revenue stream to support further exploration of its overall project area, where 30 new gold anomalies had been identified in the past year.

"With cash reserves of more than $3m, we consider it prudent to invest in a detailed pre-feasibility to ensure that our models are robust and bankable," said Mr. Boulton.

"Our confidence in this region prompted us to divest ourselves of two large project areas - the Challenger JV in South Australia, and our Cambodian assets – in order to focus our financial and management resources on Bulong.

"That confidence received a major boost at the beginning of the year when Integra Mining paid more than $1m to become a cornerstone (12.5%) investor in our project," he said.

Southern Gold has increased its market capitalisation by 45% during the past year during a period of economic uncertainty that has seen many Australian exploration companies struggle.

A full transcript of the Chairman's address was lodged with the ASX on 21 November 2012, and a recording of the presentation will be uploaded to the BRR media and the Company's website.

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Cannon Gold Resource Estimate Table

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 information in this report that relates to Mineral Resources is based on information compiled by Mr Aaron Green. Mr Green who is a full time employees of Runge Limited and a Member of the of the Australian Institute of Geoscientists, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. This table should be read in conjunction with details of Resource parameters which are available in the ASX Announcement dated 23 June 2011

Competent Person's Statement

The technical information in this report has been compiled by Ian Blucher (MSc) 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 announcement in the form and context in which it appears.