

14th November 2007

High grade gold shoots intersected in new RC drilling at Golf Bore, Challenger Area JV, in S.A.

High grade plunging gold shoots have been intersected in Southern Gold's (ASX:SAU) first RC drilling program at the Golf Bore Prospect in South Australia, as part of the Company's Challenger Area Gold Joint Venture with Dominion Mining Ltd (ASX:DOM).

The exciting gold assay results now available for the 20 hole RC program completed in September provide the Southern Gold-Dominion JV with assurance that further investment into this project is well founded.

The high grade gold intersections drilled by Southern Gold at Golf Bore are of similar grade and width to the exploration drill intersections at the nearby producing Challenger mine.

Best intersections from the Southern Gold drill program include:

GB311: 12m @ 7.56 g/t from 81m (including 3m @19.4 g/t)	24 m down dip from Dominion's hole 97GBRC280 which intersected 1m @ 52g/t from 71m
GB320: 9m @ 5.79 g/t from 54m	confirmation of gold bearing shoot, interpreted by Southern Gold in October 2006 (see 26/10/2006 ASX release).
GB306: 9m @ 2.69 g/t from 63m	
GB308: 15m @ 1.28 g/t from 51m	
GB317: 9m @ 1 .98 g/t from 129m	

The drill data from this program will be assessed and modelled in 3D over the next few months to plan subsequent drilling programs from which Southern Gold and Dominion will further evaluate and define the potential at Golf Bore.

The Company anticipates that a drilling rig will be available in February 2008 for further work at the project.

Southern Gold is now in the process of appointing a Mining Consultant to prepare a JORC compliant Resource estimate at Golf Bore.

The geological style of Archaean gold mineralisation revealed in the underground workings of Dominion's Challenger mine to the southwest of Golf Bore, shows that high grade gold shoots are only metres wide and that close spaced drilling is important. Consequently this RC drilling program was designed to establish the direction and continuity for gold zones by drilling with stepouts from Dominion's shallow prior drilling undertaken in the late 1990's.

Also, as part of the 2007 RC drilling program an additional 11 RC holes were completed at the Mainwood Prospect to the west. It is anticipated that a statement of these results will be released next week.

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Gold Envelopes and High Grade Shoots

The new drilling confirmed the gold zones at the Golf Bore prospect are analogous to Challenger with continuous higher grade shoots contained within extensive lower grade gold envelopes that enable the prediction of downplunge extensions. By generating a suite of drill cross-sections a 100ppb gold contour can be used to reliably delineate gold enriched layers which were otherwise difficult to distinguish on lithological evidence alone. These gold envelopes were confirmed by the September drilling program.

Both at Challenger and Golf Bore, high grade gold shoots are developed within the broader lower grade gold envelopes, in particular where there has been structural thickening of the envelope due to isoclinal folding.

Gold Bore RC Drilling Program

In August-September 2007, Southern Gold drilled 20 reverse circulation (RC) drill holes at Golf Bore, numbered GB301 to GB320 for a total metreage of 1936m. A total of 677 samples (3m composites from surface to base of hole, and including duplicates) were submitted to ALS-Chemex for gold and multi-element analysis.

Overall, Southern Gold's maiden RC drilling program was designed to:

1. Drill test gold zones identified by historical drilling (Dominion Mining Ltd).
2. Drill test newly interpreted high grade gold shoots with view to increasing volume of high grade zones.
3. Confirming and define geological factors which affect the development of the gold envelope.
4. Define geological factors which affect the development of the high grade shoots within the gold envelope.

Hole G311 (3m @ 19.4g/t gold) confirmed the potential for depth continuity and volume of high grade gold shoots at Golf Bore. It also reaffirms our confidence the JV's geological model for predicting gold shoot geometry.

Drilling confirmed and extended the known gold mineralisation at Golf Bore. Gold grades on the southern most drill traverse (drillholes GB319, 320), the northern most traverse (drillholes GB 315, 316, 317), and on intervening traverses encourage further drilling to test lateral and down dip extensions and to test continuity between sections.

Hole GB320 successfully intersected gold (9m @ 5.79g/t gold, from 54m) in interpreted plunging shoots which were described in Southern Gold's ASX release of 26th October 2006. Consistent with the structural model for this type of mineralisation, this shoot is orientated at an acute angle to the main northeasterly trend of the Golf Bore gold envelopes (refer Figure 1 below).

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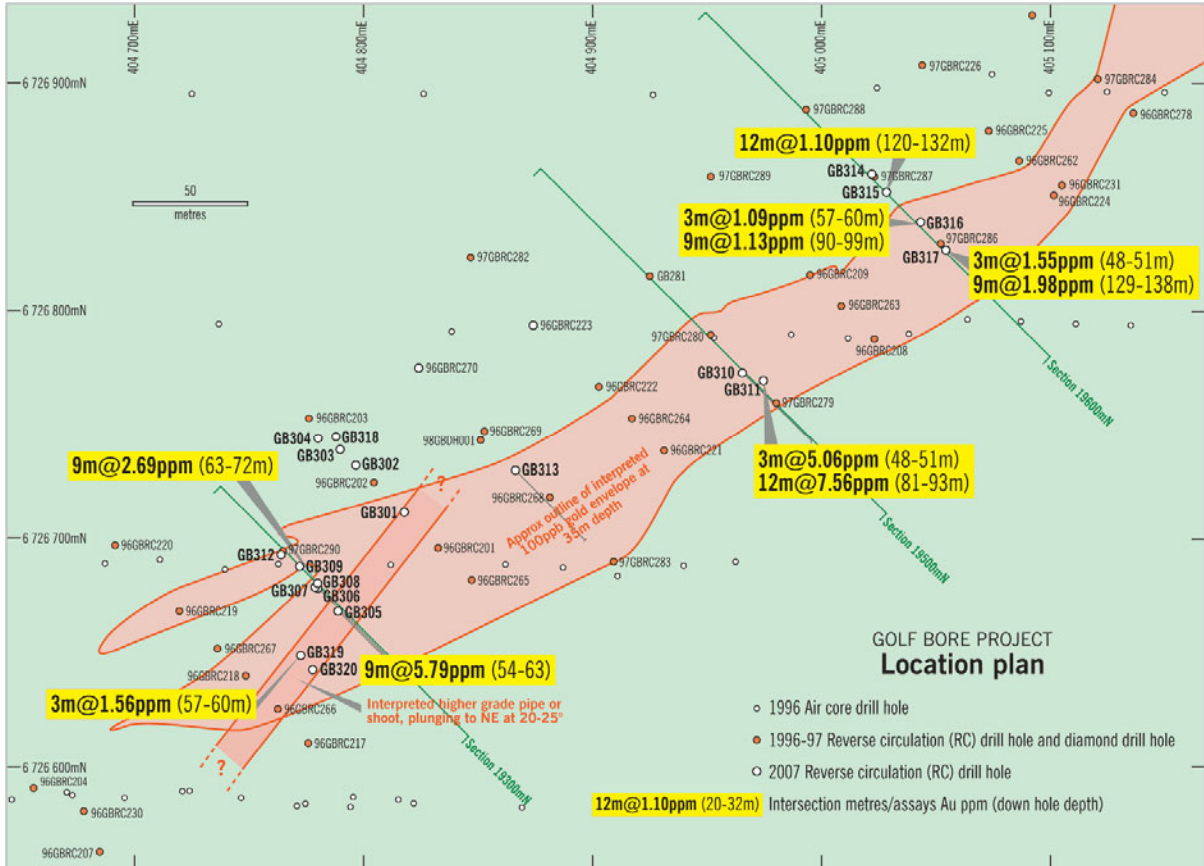


Figure 1. Location plan of drilling and identified gold envelope at Golf Bore Project, SA.

Table 2. Summary of the best gold assays from the program (0.5g/t cut-off)

Hole ID	Easting	Northing	RL	Azimuth	Dip	Depth	From	To	Metres & Grade
GB301	404818	6726711	158.7	0	-90	105	81	84	3m @ 1.11 ppm
GB305	404789	6726668	158.4	135	-60	70	33	36	3m @ 1.02 ppm
GB305							57	60	3m @ 1.18 ppm
GB306	404780	6726678	158.4	135	-60	88	33	45	12m @ 0.593 ppm (includes 39-42m @ 0.344 ppm)
GB306							63	72	9m @ 2.69 ppm includes 3m @ 6.435 ppm, 66-69m
GB308	404780	6726681	158.2	0	-90	120	27	33	6m @ 0.923 ppm
GB308							51	66	15m @ 1.28 ppm
GB308							81	84	3m @ 0.727 ppm
GB309	404772	6726688	158.1	0	-90	120	27	33	6m @ 1.18 ppm
GB309							66	69	3m @ 1.08 ppm
GB310	404966	6726773	159.4	135	-60	90	33	39	6m @ 0.622 ppm
GB310							42	45	3m @ 0.704 ppm
GB310							57	60	3m @ 0.532 ppm
GB311	404975	6726770	159.3	0	-90	110	24	27	3m @ 0.666 ppm
GB311							48	51	3m @ 5.06 ppm
GB311							57	60	samples are being re-assayed
GB311						110	72	78	6m @ 0.813 ppm

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GB311							81	93	12m @ 7.56 ppm
GB311									includes 3m (81-84m) @ 7.93 ppm, 3m (87-90m) @ 19.4 ppm, & 3m (90-93m) @ 2.39 ppm
GB312	404765	6726693	158.3	0	-90	120	21	24	3m @ 0.736 ppm
GB312							30	39	9m @ 0.898 ppm
GB312									includes 3m (33-36m) @ 1.42 ppm
GB312							69	72	3m @ 0.690 ppm
GB312							81	87	6m @ 1.70 ppm
GB312									includes 3m (84-87m) @ 2.71 ppm
GB312							102	105	3m @ 1.54 ppm
GB313	404867	6726730	159.0	135	-60	86	33	36	3m @ 0.929 ppm
GB315	405029	6726852	159.5	0	-90	130	105	108	3m @ 0.596 ppm
GB315							120	132	12m @ 1.10 ppm
GB315									includes 3m (126-129m) @ 1.77 ppm
GB316	405043	6726839	159.8	0	-90	130	57	60	3m @ 1.09 ppm
GB316							75	78	3m @ 0.722 ppm
GB316							90	99	9m @ 1.13 ppm
GB316									includes 6m (90-96m) @ 1.24 ppm
GB316							111	114	3m @ 0.850 ppm
GB316							126	129	3m @ 0.681 ppm
GB317	405055	6726827	160.0	0	-90	140	24	33	9m @ 0.812 ppm
GB317									includes 3m (24-27m) @ 1.06 ppm
GB317							48	51	3m @ 1.55 ppm
GB317							72	75	3m @ 0.713 ppm
GB317							84	87	3m @ 0.671 ppm
GB317							129	138	9m @ 1.98 ppm
GB317									includes 1m (137-138m) @ 5.11 ppm
GB319	404773	6726649	158.0	0	-90	79	57	60	3m @ 1.56 ppm
GB319							63	66	3m @ 0.759 ppm
GB320	404778	6726644	158.0	0	-90	79	27	30	3m @ 0.839 ppm
GB320							51	63	12m @ 4.53 ppm
GB320									includes 9m (54-63m) @ 5.79 ppm
GB320							69	72	3m @ 0.548 ppm

Note:

1. All intersections are from RC drilling, HQ rods
2. Samples were collected & composited over 3m intervals from a 3-tier splitter below the sample return cyclone
- 3 Results are based on 30g fire assays by ALS Chemex
4. All intersections are measured down hole
5. Collar co-ordinates and elevations were confirmed by differential GPS
6. Eastings and Northings are in MGA94_53
6. Mean grades are calculated on a 3m 0.5 ppm lower cut-off and no upper cut-off grade

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Geology

Drilling intersected a weathering profile of soft bleached and leached silty/clayey saprolite and saprock over fresher Archaean basement, overlain in turn by thin Cainozoic sands, calcrete and silcrete.

Dominion's Challenger mine provides a geological model for interpreting the lithologies and mineralisation encountered in drilling at Golf Bore. High grade gold zones occur in tight to isoclinal folds enclosed in lower grade gold bearing Archaean metasedimentary rocks, with gold concentrated near fold hinges. The generally fine to medium grained quartz-biotite-feldspar metasedimentary sequence is variably garnetiferous and sulphidic and includes coarser grained quartz-feldspar leucosomes.

The cross sections below show the outline of the gold envelope and the higher grade intercepts within them.

Future programs

At the time of drilling, samples were collected as 3-metre composites from the drill rig cyclone splitter. Over the next month 1 metre intervals from composites with greater than 300ppb gold will be re-split and analysed for gold to allow for more accurate grade estimation and shoot location.

More detailed geological interpretation will be undertaken as sections are compiled and drill logs checked and upgraded where necessary. Further work will be directed toward at determining the complex lithological and structural controls to gold.

The drill data from this program will be assessed and modelled in 3D over the next few months to plan subsequent drilling programs from which Southern Gold will further evaluate and define the potential at Golf Bore. Southern Gold anticipate that a drilling rig will be available in February 2008 for further work at Golf Bore.

Southern Gold is now in the process of appointing a Mining Consultant to prepare a JORC compliant Resource estimate at Golf Bore.

As part of the 2007 RC drilling program at Golf Bore, an additional 10 RC holes were completed at the Mainwood prospect to the west. It is anticipated that a statement of these results will be released by Friday 23rd November 2007.

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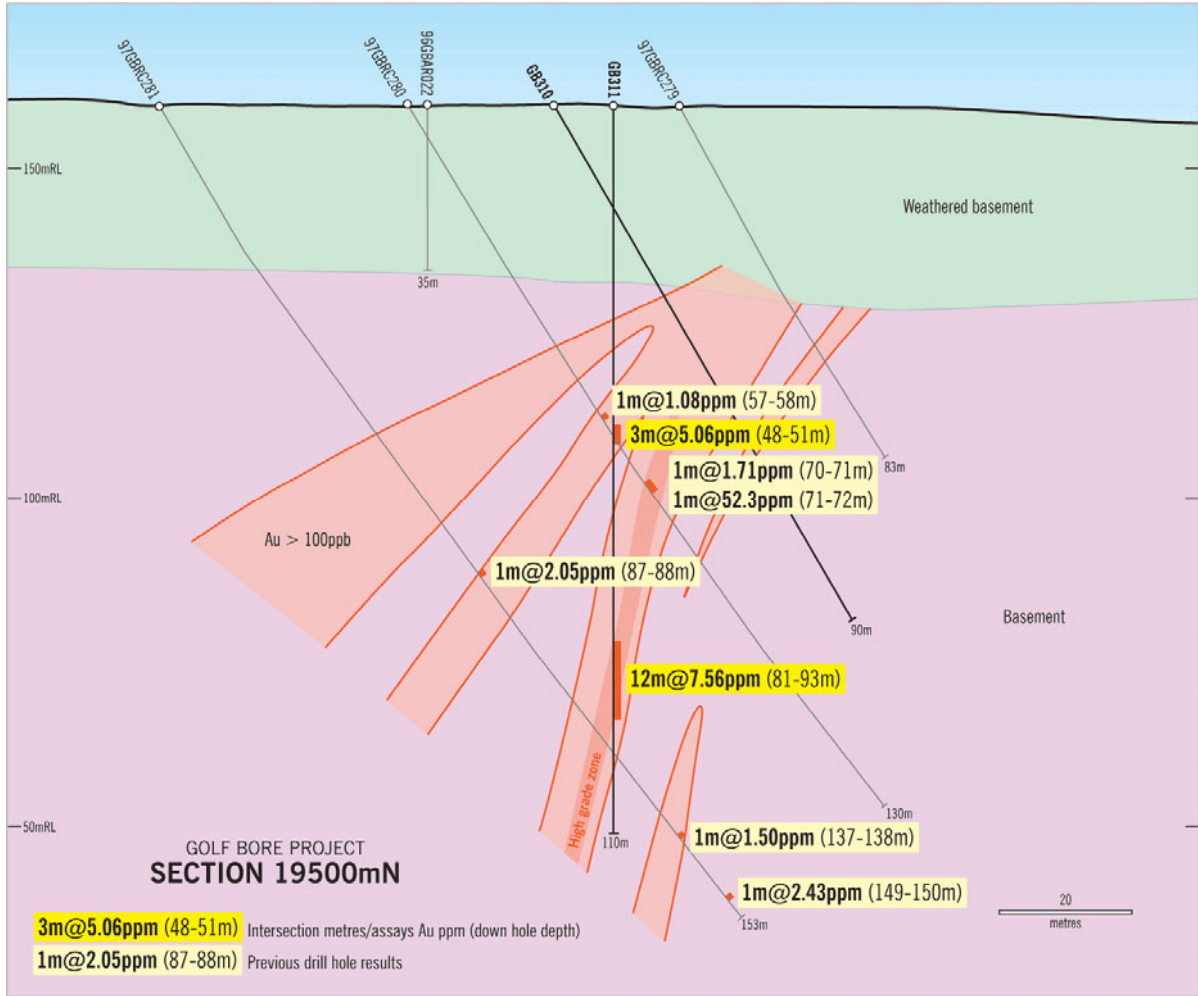


Figure 2. Cross section (NW-SE) showing gold intersections in gold envelope (100ppb contour)

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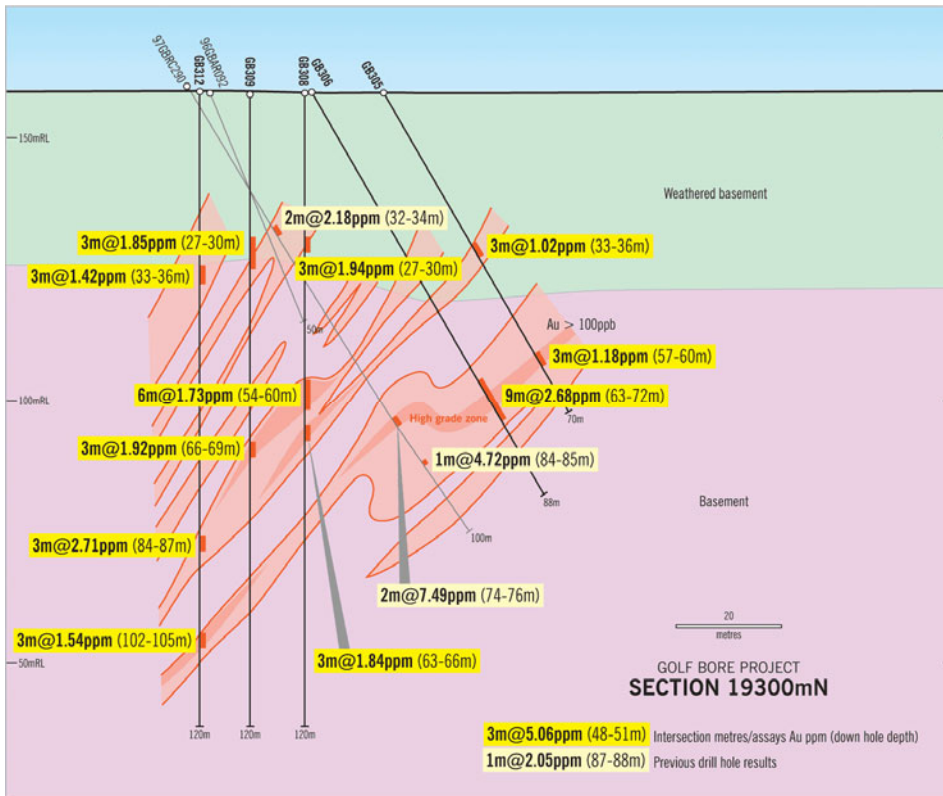


Figure 3. Cross sections (NW-SE) showing gold intersections in gold envelope (100ppb contour)

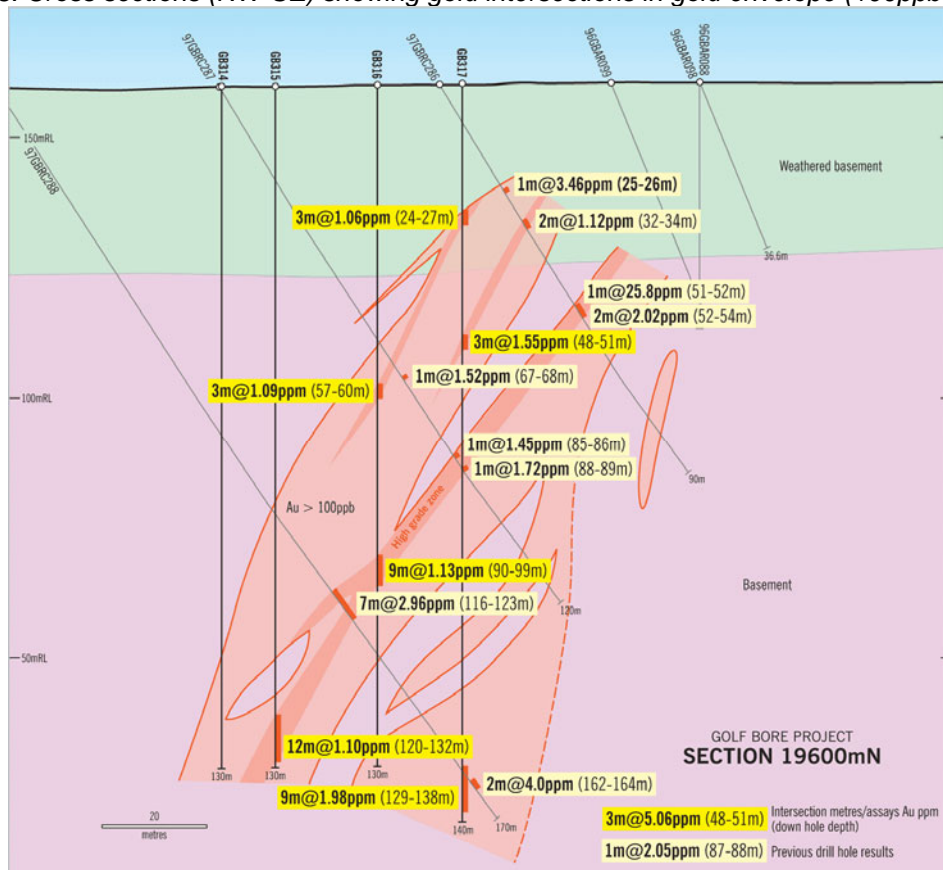


Figure 4. Cross sections (NW-SE) showing gold intersections in gold envelope (100ppb contour)

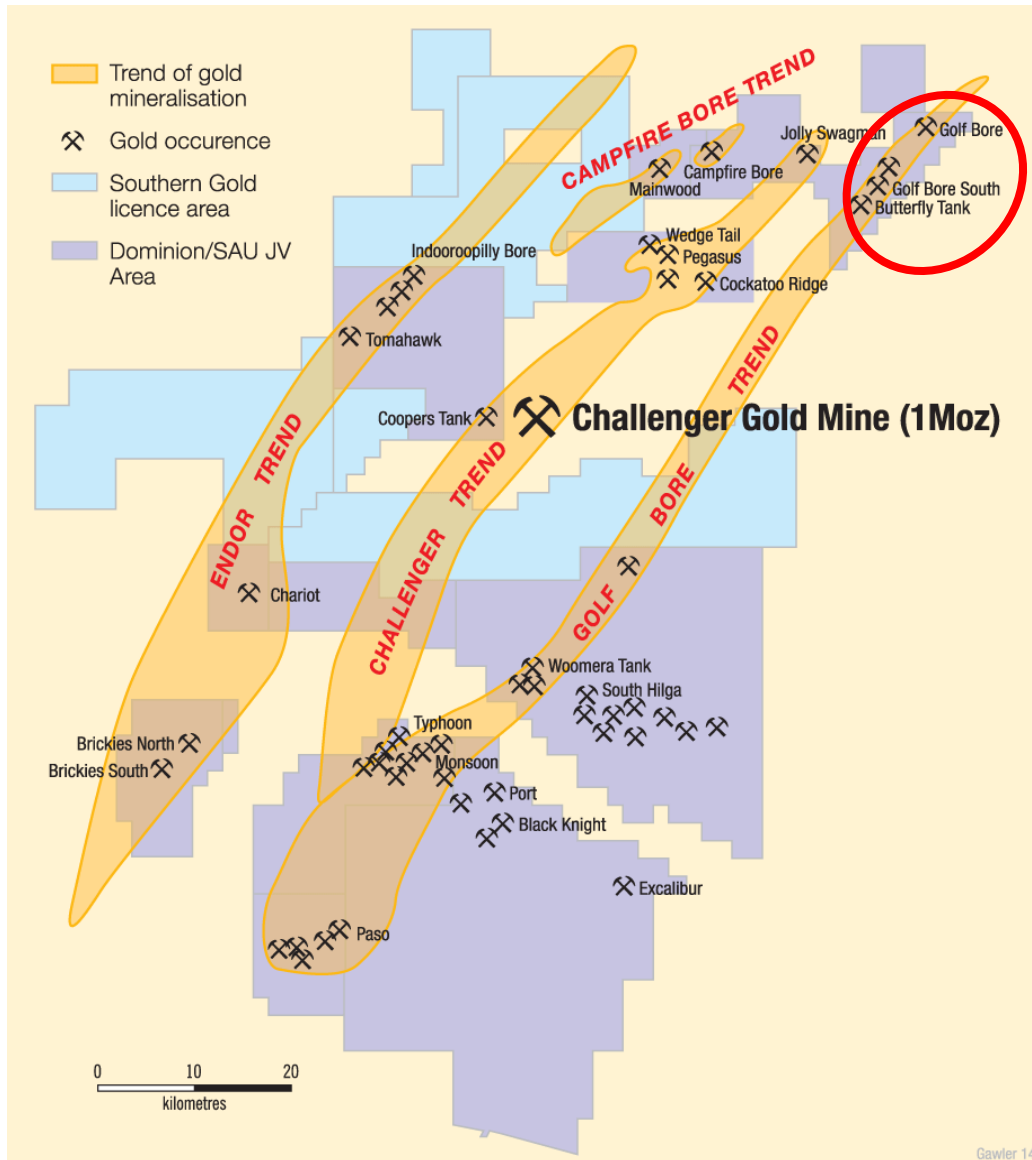


Figure 5. Golf Bore Prospect locations and Southern Gold's 100% and JV tenure covering a total of 5000km² in the vicinity of the Challenger gold mine.

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The information in this report has been compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as an employee of Southern Gold and who is a member of the Australasian Institute of Mining and Metallurgy 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 written consent to the above report in the form and context in which it appears.

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