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## **Drilling confirms main gold-shoot positions at depth at Golf Bore Gold Prospect near Challenger Gold Mine, S.A.**

### **Highlights**

- **Reverse Circulation (RC) and diamond drilling campaign confirms main gold shoot positions at Golf Bore prospect**
- **Numerous new broad gold intersections including 33m @ 1.1 g/t and 27m @ 1.2g/t**
- **High-grade assays in re-samples from previous drilling including 7m at 11.15 g/t from 54m**
- **Mineralisation open at downhole depth of 180 metres**
- **Further regional exploration results expected soon**

### **Summary**

Southern Gold Ltd's (ASX:SAU) third drilling program at its Golf Bore prospect, 40km northeast of the Challenger Gold Mine in South Australia, has successfully delineated and extended down plunge positions of gold mineralised shoots. The drilling has also verified orientation and plunge of lesser defined shoot positions in the South, Central and North Zones at the prospect.

Numerous broad gold intersections from the 2009 drilling program, including 33m @ 1.1 g/t and 27m @ 1.2 g/t, were drilled at interpreted down plunge positions based on previous shallow drill programs and application of the "Challenger style" model of mineralisation at Golf Bore. Importantly, interpretation of the new RC and diamond drilling results confirms the main shoot positions at the Golf Bore prospect.

In addition, significant high grade intercepts were returned for several broad intervals which had previously only been partially reported in 2007. An intercept from the 2007 RC programme of 20m at 1.88 g/t gold from 54m (including 3m at 9.64 g/t from 59m) in GB319 was previously untested and unreported.

Southern Gold has earned a 30% interest in the gold JV on eight Dominion Mining ELs surrounding (but excluding) the Challenger Mine (Figure 3). SAU is earning a 51% interest by October this year and a potential 80% interest by spending a \$2 million by October 2012.

### **GOLF BORE PROSPECT CENTRAL ZONE**

A total of 6 drillholes (GBRC391 - 396) for 951 metres were completed in the central zone of Golf Bore. Significant intercepts were returned for various up and down plunge positions of interpreted shoots of the Golf Bore Central Zone. These positions were interpreted from intercepts in historic drilling (96GBRC209, 96GBRC269 and 98GBDH001), Southern Gold's RC drilling in late 2007 (GB311) and from extrapolation of shallow intercepts from the 2008 AC drilling. These intercepts include:

- **33m at 1.10 g/t gold from 38m (including 5m at 2.13 g/t from 43m and 9m at 2.26 g/t from 61m) in GBRC394**
- **27m at 1.15 g/t gold from 89m (including 12m at 2.07 g/t from 98m which includes 2m at 5.52 g/t from 105m) in GBRC395**
- **17m at 1.00 g/t gold from 118m (including 4m at 2.06 g/t from 123m) in GBRC393**
- **19m at 1.01 g/t gold from 47m (including 7m at 2.28 g/t from 52m which includes 2m at 5.53 g/t from 53m) in GBRC393**
- **18m at 1.39 g/t gold from 72m (including 11m at 2.05 g/t from 78m which includes 2m at 6.56 g/t from 78m) in GBRC393**

### **GOLF BORE PROSPECT SOUTH ZONE**

A total of 5 RC drillholes (GBRC386 - 390) for 785 metres were completed in the south zone of Golf Bore. A single diamond drillhole (GBDD002) for 136.3 metres (47.65m RC pre-collar and 88.65m of NQ) was completed to provide density information for resource calculation. Significant intercepts were returned for various up and down plunge positions of interpreted shoots of the Golf Bore South Zone. These intercepts include:

- **13m at 1.01 g/t gold from 82m (including 4m at 2.08 g/t from 82m) in GBRC386**
- **19m at 1.04 g/t gold from 112m (including 6m at 2.00 g/t from 117m) in GBRC387**
- **6m at 1.25 g/t gold from 95m (including 2m at 2.45 g/t from 96m) in GBDD002**
- **1m at 2.73 g/t gold from 105m in GBRC389**

### **GOLF BORE PROSPECT NORTH ZONE**

A total of 2 drillholes (GBRC397 - 398) for 290 metres were completed in the north zone of Golf Bore. A significant intercept was returned for a down plunge position of interpreted shoots. This position was interpreted from intercepts in historic drilling (96GBRC260) and from extrapolation of shallow intercepts from the 2008 AC drilling.

- **12m at 1.5 g/t gold from 40m (including 2m at 5.89 g/t from 36m) in GBRC397**

### **GOLF BORE PROSPECT RESAMPLING OF 2007 RC DRILLING**

Selected anomalous zones from the 2007 RC phase of intervals were collected and submitted during the recently completed program to check and confirm the previous sampling. Two significant intercepts that were previously unknown were:

- **20m at 1.88 g/t gold from 54m (including 3m at 9.64 g/t from 59m) in GB319**
- **26m at 1.03 g/t gold from 44m (including 8m at 2.35 g/t from 52m which includes 1m at 5.03 g/t from 56m) in GB308**

Significant intercepts were returned for other several broad intervals which had previously only been partially reported. These intercepts include:

- **9m at 1.39 g/t gold from 42m (including 1m at 10.05 g/t from 49m) in GB311**
- **27m at 3.43 g/t gold from 71m (including 2m at 10.74 g/t from 82m and 6m at 10.09 g/t from 87m) in GB311**
- **39m at 2.35 g/t gold from 39m (including 7m at 11.15 g/t from 54m) in GB320**

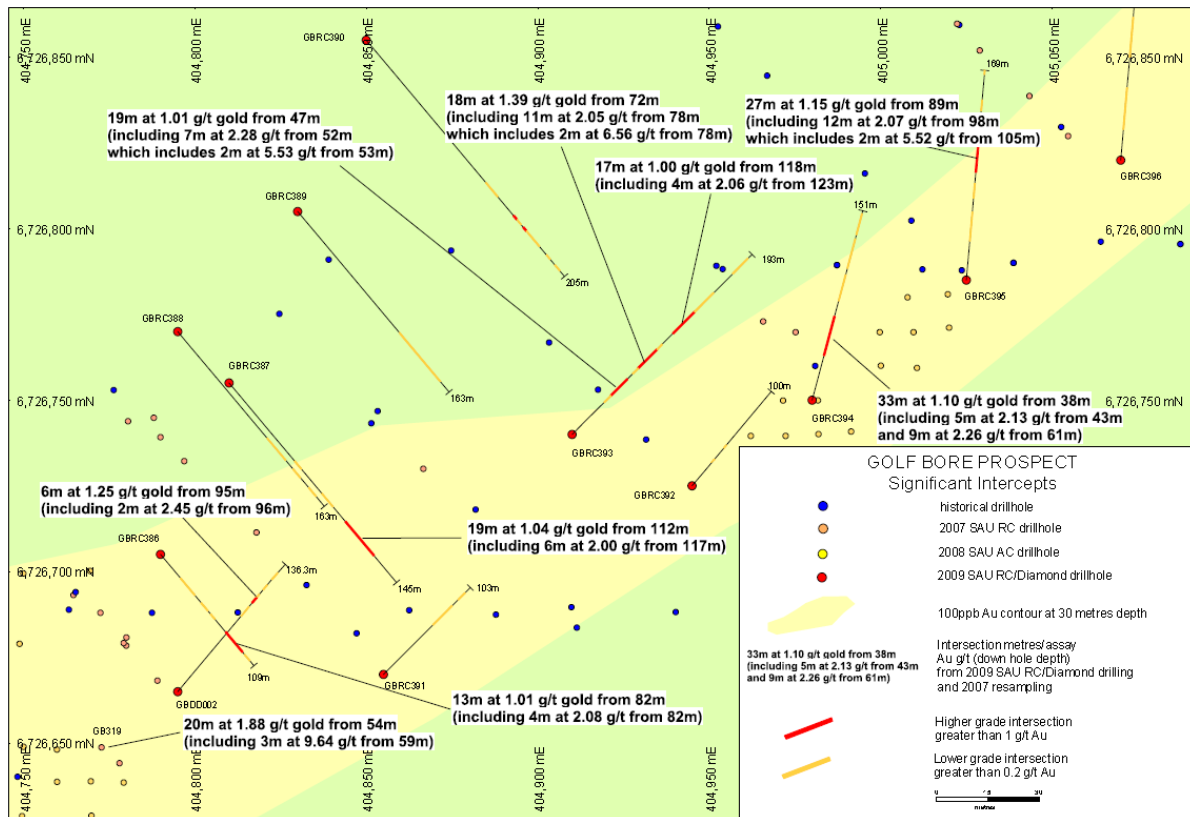


Figure 1. Significant new drill intersections South and Central Zone, Golf Bore Prospect

## COMPARISON TO CHALLENGER

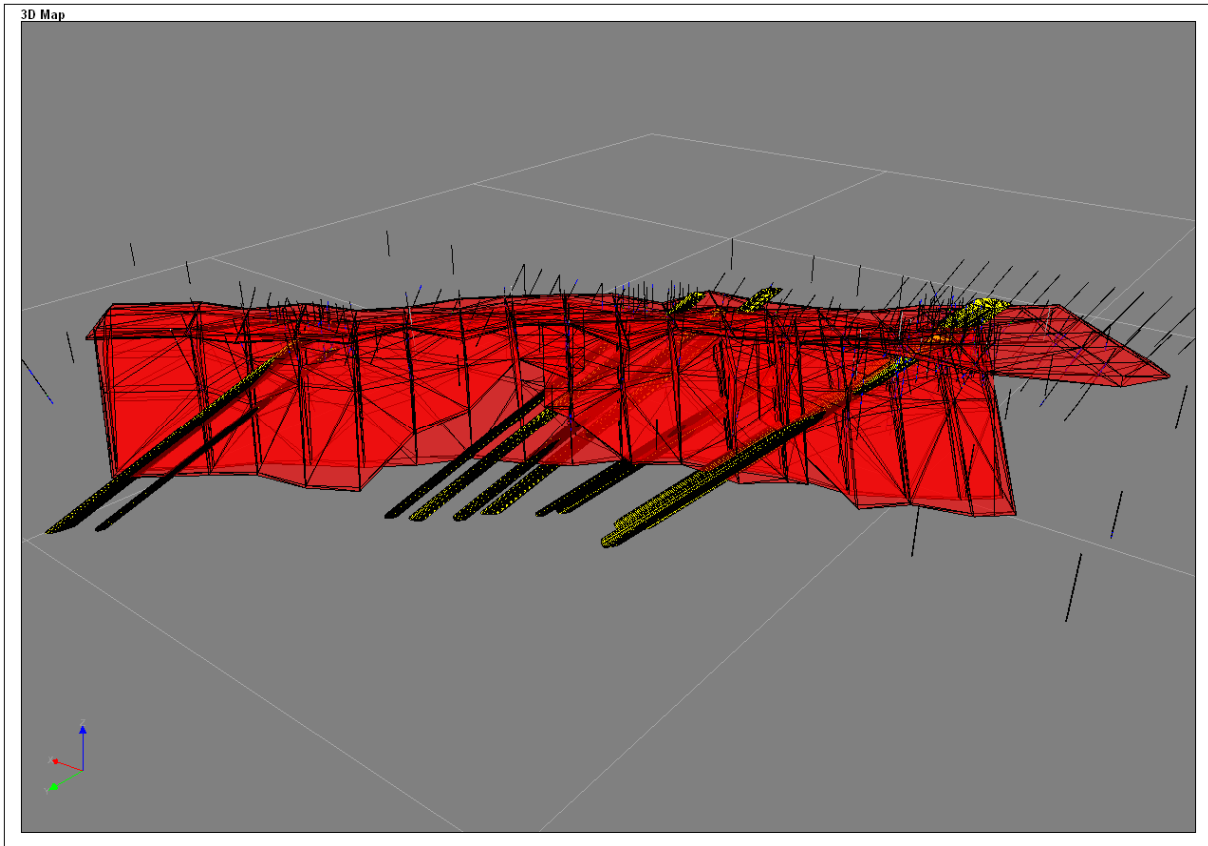
Several similarities exist between the Golf Bore prospect and Dominion's nearby Challenger Gold Deposit. These include similar orientations, deformed, folded and convoluted geometries, high grade gold shoots within a lower grade envelope, a gold-arsenic association and a relatively small target sizes.

The footprint of the 1 g/t halo at Challenger is approximately 50m by 200m at fresh basement interface. In comparison, the footprint at Golf Bore is smaller and in the order of 20m by 60m at fresh basement interface. Close spaced drilling is therefore necessary to delineate reasonable resource volumes at Golf Bore.

## IMPLICATIONS TO EXPLORATION POTENTIAL AT GOLF BORE

The small target size of the high-grade shoots at Golf Bore combined with the structural complexity of the folded bodies makes targeting with drilling difficult without drilling tight spaced fences over the strike extent of each mineralised body.

The need for closed spaced drilling is not surprising since it was not until near completion of the open cut mining at Challenger with a wealth of close spaced (5 metres) grade control drilling and years of mining history that the fold shape of M1 was defined.



*Figure 2. 3D model of Golf Bore mineralisation and drilling*

Potential for increased mineralisation exists at depth at Golf Bore, primarily in the broad envelopes that contain the South and Central Zone shoots. This may also increase grade, but that would require repeated testing of a limited dip extent of these shoots.

Although, it appears unlikely that any significant increase in tonnages will be attributed to the recently completed program, this will be evaluated over the coming period and incorporated into the resource models.

## **FUTURE WORK**

Drilling and resource evaluation at Golf Bore is being assessed in discussion with Joint Venture partner Dominion Mining.

Southern Gold's active regional exploration is continuing on the project on both JV and 100% owned tenure with progress results of regional exploration expected soon.

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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.

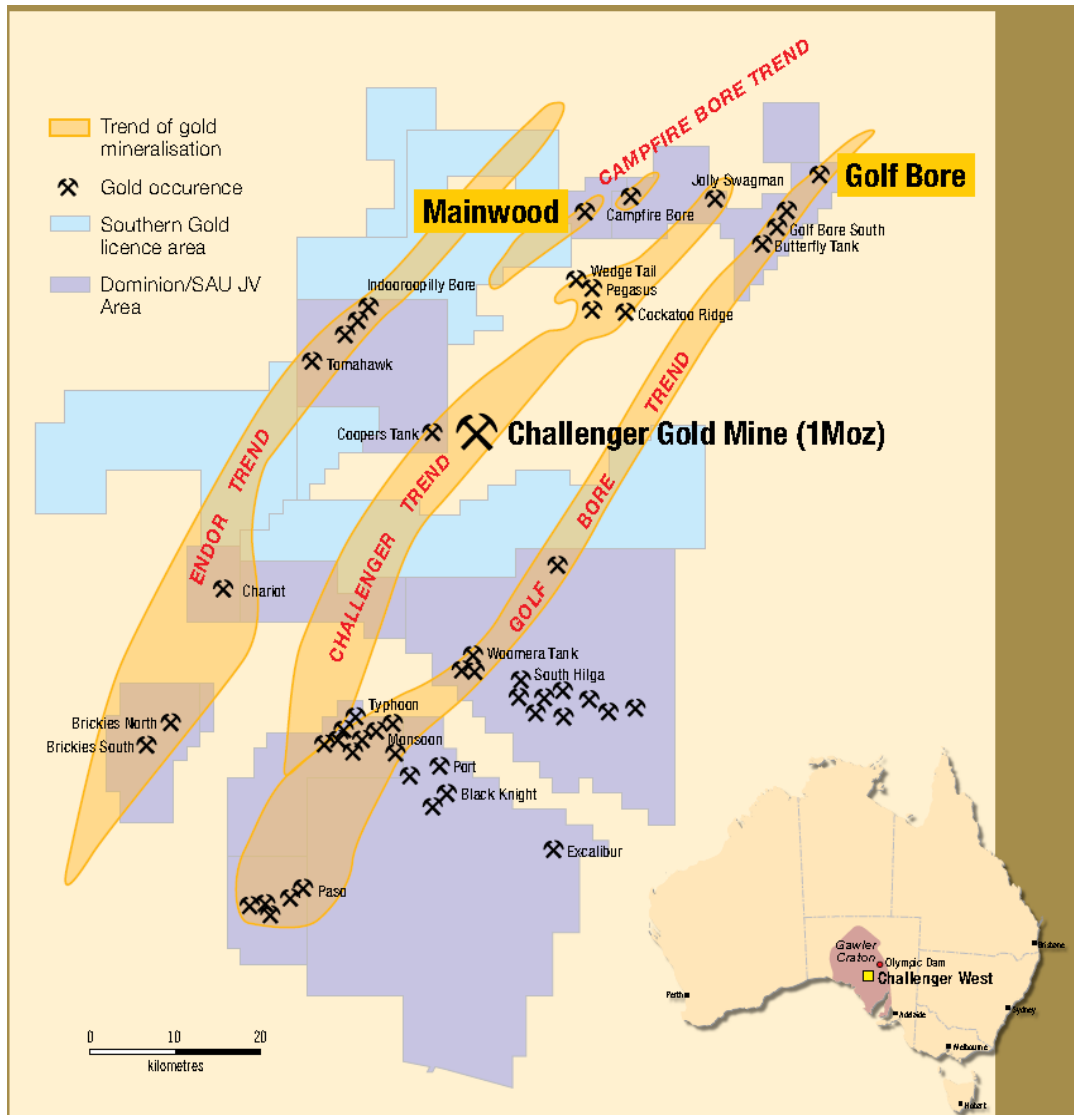


Figure 3. Southern Gold's 100% and JV tenure in the vicinity of the Challenger Gold Mine, S.A.

Table 1 – Significant intercepts (&gt;1g/t gold) Golf Bore 2009 RC Drilling

DH ID	MGA East	MGA North	Incl/Azm MGA	Total Depth	From	To	Grade	Intercept	gxm	Infill/Extension	
GBRC386	404790	6726705	-70°/140	109	26	29	1.13	3m at 1.13g/t	3.39	Extension	
					39	41	1.04	2m at 1.04g/t	2.08		
					82	95	1.01	13m at 1.01g/t	13.13		
				<b>including</b>	<b>82</b>	<b>86</b>	<b>2.08</b>	<b>4m at 2.08g/t</b>	<b>8.32</b>		
GBRC387	404810	6726755	-70°/140	145	98	99	1.24	1m at 1.24g/t	1.24	Extension	
					<b>112</b>	<b>131</b>	<b>1.04</b>	<b>19m at 1.04g/t</b>	<b>19.76</b>		
					<b>including</b>	<b>117</b>	<b>123</b>	<b>2</b>	<b>6m at 2.00g/t</b>		<b>12</b>
GBRC388	404795	6726770	-70°/140	163	124	127	1	3m at 1.00g/t	3	Extension	
					including	126	127	2.28	1m at 2.28g/t		2.28
GBRC389	404830	6726805	-70°/140	163	105	106	2.73	1m at 2.73g/t	2.73	Extension	
GBRC390	404850	6726855	-70°/140	205	160	163	1	3m at 1.00g/t	3	Extension	
					including	160	161	2.33	1m at 2.33g/t		2.33
						169	172	1.17	3m at 1.17g/t		3.51
				including	169	170	2.38	1m at 2.38g/t	2.38		
GBRC391	404855	6726670	-70°/045	103	<b>29</b>	<b>31</b>	<b>3.04</b>	<b>2m at 3.04g/t</b>	<b>6.08</b>	Infill	
					47	49	1	2m at 1.00g/t	2		
GBRC392	404945	6726725	-70°/040	100	25	26	1.64	1m at 1.64g/t	1.64	Infill	
GBRC393	404910	6726740	-70°/045	193	47	66	1.01	19m at 1.01g/t	19.19	Extension	
					<b>including</b>	<b>52</b>	<b>59</b>	<b>2.28</b>	<b>7m at 2.28g/t</b>		<b>15.96</b>
					<b>including</b>	<b>53</b>	<b>55</b>	<b>5.53</b>	<b>2m at 5.53g/t</b>		<b>11.06</b>
						72	90	1.39	18m at 1.39g/t		25.02
					<b>including</b>	<b>78</b>	<b>89</b>	<b>2.05</b>	<b>11m at 2.05g/t</b>		<b>22.55</b>
					<b>including</b>	<b>78</b>	<b>80</b>	<b>6.56</b>	<b>2m at 6.56g/t</b>		<b>13.12</b>
					<b>and</b>	<b>83</b>	<b>84</b>	<b>5.23</b>	<b>1m at 5.23g/t</b>		<b>5.23</b>
						94	100	1.04	6m at 1.04g/t		6.24
					<b>including</b>	<b>94</b>	<b>98</b>	<b>1.51</b>	<b>4m at 1.51g/t</b>		<b>6.04</b>
						<b>118</b>	<b>135</b>	<b>1</b>	<b>17m at 1.00g/t</b>		<b>17</b>
		<b>including</b>	<b>123</b>	<b>127</b>	<b>2.06</b>	<b>4m at 2.06g/t</b>	<b>8.24</b>				
			143	147	1.35	4m at 1.35g/t	5.4				
			179	180	1.16	1m at 1.16g/t	1.16				
			182	184	1.02	2m at 1.02g/t	2.04				
GBRC394	404980	6726750	-70°/015	151	28	33	1.44	5m at 1.44g/t	7.2	Extension	
					<b>including</b>	<b>28</b>	<b>30</b>	<b>3.3</b>	<b>2m at 3.30g/t</b>		<b>6.6</b>
						<b>38</b>	<b>71</b>	<b>1.1</b>	<b>33m at 1.1g/t</b>		<b>36.3</b>
					<b>including</b>	<b>43</b>	<b>48</b>	<b>2.13</b>	<b>5m at 2.13g/t</b>		<b>10.65</b>
					<b>and</b>	<b>61</b>	<b>70</b>	<b>2.26</b>	<b>9m at 2.26g/t</b>		<b>20.34</b>
						97	104	1.15	7m at 1.15g/t		8.05
		<b>including</b>	<b>97</b>	<b>99</b>	<b>3.41</b>	<b>2m at 3.41g/t</b>	<b>6.82</b>				
			110	111	1.07	1m at 1.07g/t	1.07				

Table 1 (continued) – Significant intercepts (>1g/t gold) Golf Bore 2009  
 RC Drilling

DH ID	MGA East	MGA North	Incl/Azm MGA	Total Depth	From	To	Grade	Intercept	gxm	Infill/Extension
GBRC395	405025	6726785	-70°/005	169	<b>89</b>	<b>116</b>	<b>1.15</b>	<b>27m at 1.15g/t</b>	<b>31.05</b>	Extension
				<b>including</b>	<b>98</b>	<b>110</b>	<b>2.07</b>	<b>12m at 2.07g/t</b>	<b>24.84</b>	
				<b>including</b>	<b>105</b>	<b>107</b>	<b>5.52</b>	<b>2m at 5.52g/t</b>	<b>11.04</b>	
GBRC396	405070	6726820	-70°/005	235	143	144	1.25	1m at 1.25g/t	1.25	Extension
GBRC397	405255	6727010	-70°/005	139	22	24	1.07	1m at 1.07g/t	2.14	Extension
					25	26	1.01	1m at 1.01g/t	1.01	
					33	34	1.17	1m at 1.17g/t	1.17	
					<b>40</b>	<b>52</b>	<b>1.5</b>	<b>12m at 1.50g/t</b>	<b>18</b>	
				<b>including</b>	<b>46</b>	<b>48</b>	<b>5.89</b>	<b>2m at 5.89g/t</b>	<b>11.78</b>	
GBRC398	405260	6727125	-70°/140	151	125	126	1.45	1m at 1.45g/t	1.45	Extension
GBDD002	404795	6726665	-70°/040	136.3	29	30	1.7	1m at 1.70g/t	1.7	Infill
					95	101	1.25	6m at 1.25g/t	7.5	
				<b>including</b>	<b>96</b>	<b>98</b>	<b>2.45</b>	<b>2m at 2.45g/t</b>	<b>4.9</b>	
					130	131	1.07	1m at 1.07g/t	1.07	

Table 2 – Comparison of Golf Bore RC resampling versus published and compiled results

DH ID	Source	Sample Type		From	To	Intercept	Comment
GB308	new	1m resplit		44	70	26m at 1.03g/t	Not reported due to insufficient resampling
	new	1m resplit	<b>including</b>	<b>52</b>	<b>60</b>	<b>8m at 2.35g/t</b>	
	new	1m resplit	<b>including</b>	<b>56</b>	<b>57</b>	<b>1m at 5.03g/t</b>	
	ASX 14/11/2007	3m comp		51	66	15m at 1.28g/t	Under-reported in comp samples
	new	1m resplit		81	84	3m at 1.30g/t	
	ASX 14/11/2007	3m comp		81	81	3m at 0.727g/t	Under-reported in comp samples
GB311		1m resplit		42	51	9m at 1.39g/t	Not reported due to insufficient resampling
		1m resplit	<b>including</b>	<b>49</b>	<b>50</b>	<b>1m at 10.05g/t</b>	
	ASX 14/11/2007	3m comp		48	51	3m at 5.06g/t	Under-reported in comp samples
		1m resplit		58	61	3m at 1.69g/t	
		1m resplit		<b>71</b>	<b>98</b>	<b>27m at 3.43g/t</b>	Not reported due to insufficient resampling
		1m resplit	<b>including</b>	<b>82</b>	<b>84</b>	<b>2m at 10.74g/t</b>	
		1m resplit	<b>and</b>	<b>87</b>	<b>93</b>	<b>6m at 10.09g/t</b>	
	ASX 14/11/2007	3m comp		81	93	12m at 7.56g/t	Under-reported in comp samples
	Booth Poster 2009	1m grab?		82	97	15m at 6.42g/t	Calculated from 1m questionable resamples
GB316		1m resplit		24	25	1m at 1.10g/t	
		1m resplit		43	44	1m at 1.13g/t	
		1m resplit		57	59	2m at 1.29g/t	
	ASX 14/11/2007	3m comp		57	60	3m at 1.09g/t	Over-reported in comp samples
		1m resplit		74	77	3m at 1.02g/t	
	ASX 14/11/2007	3m comp		75	78	3m at 0.722g/t	Under-reported in comp samples
		1m resplit		91	100	9m at 1.10g/t	
	ASX 14/11/2007	3m comp		90	99	9m at 1.13g/t	Over-reported in comp samples

		1m resplit		111	113	2m at 1.10g/t	
	ASX 14/11/2007	3m comp		111	114	3m at 0.85g/t	Over-reported in comp samples
		1m resplit		126	128	1m at 1.07g/t	
	ASX 14/11/2007	3m comp		126	129	3m at 0.681g/t	Over-reported in comp samples
GB319		1m resplit		27	29	2m at 2.27g/t	Not reported due to insufficient resampling
		1m resplit		<b>54</b>	<b>74</b>	<b>20m at 1.88g/t</b>	Not reported due to insufficient resampling
		1m resplit	<i>including</i>	<b>59</b>	<b>62</b>	<b>3m at 9.64g/t</b>	Not reported due to insufficient resampling
	ASX 14/11/2007	3m comp		57	60	3m at 1.56g/t	Major under-reporting in comp samples
	ASX 14/11/2007	3m comp		63	66	3m at 0.759g/t	Major under-reporting in comp samples
GB320		1m resplit		<b>39</b>	<b>78</b>	<b>39m at 2.35g/t</b>	Not reported due to insufficient resampling
		1m resplit	<i>including</i>	<b>54</b>	<b>61</b>	<b>7m at 11.15g/t</b>	
	ASX 14/11/2007	3m comp		51	63	12m at 4.53 g/t	Major under-reporting in comp samples
	ASX 25/09/2008	1m grab?		48	63	15m at 5.67g/t	Calculated from 1m questionable resamples