

Wednesday 10th March 2010

**Gold mineralisation in first assay from Southern Gold's
2010 drill campaign at Anchor prospect in Cambodia**

Highlights

- **Results have been received from the first drillhole of Southern Gold's 2009/2010 field season in Cambodia**
- **Assay results from first drill hole include 1m @ 9.09g/t gold and 307g/t silver**
- **Alteration, veins and sulphides intersected in all Phase 1 drillholes**
- **Result is from only drillhole assayed to date from 7-hole Phase-1 drilling completed in January at Anchor**
- **Assay results from remaining six Phase-1 holes due late March-early April**
- **Phase-2 drilling of 17 holes scheduled to commence in April**
- **2,300m gold trenching program also commenced at Anchor**

Assays results have confirmed significant gold and silver mineralisation, including 1m @ 9.09 g/t gold and up to 300 g/t silver – in the first of seven new holes drilled by Southern Gold Limited (ASX: "SAU") at its 100%-owned Snoul gold project in Cambodia.

Alteration, veins and sulphides were intersected in all Phase-1 drillholes at Anchor. Assay results of the remaining 6 core drillholes are eagerly anticipated and are expected in March-April 2010.

Southern Gold has scheduled an exploration program comprising 2,300m of trenching and a total of 2,000m of core drilling (Figure 1) at Anchor for the 2010 field season including the just completed 714m Phase-1 campaign.

The 24-hole Phase-2 drill schedule is expected to commence in April. Both drill phases are designed to target the source of significant gold trench and Reverse Circulation drilling intercepts previously detected at the Anchor Prospect (Figures 1 and 2).

The 2,300m trenching program has also commenced at the Anchor Prospect but no assay results are yet to hand.

Anchor Prospect is located within an interpreted 10km x 10km cluster of dioritic intrusives prospective for intrusive related epithermal gold vein systems and polymetallic gold skarns. Gold mineralisation at Anchor Prospect and the nearby Snoul Prospect are associated with quartz/sulphide veins hosted in silicified metasediments and intrusive diorites.

Southern Gold is sole funding exploration on its 100% owned Anchor Prospect. Anchor Prospect is located on the Snoul EL, one of Southern Gold's four 100% owned tenements in Cambodia

Southern Gold's work at Anchor is part of the Company's aggressive exploration program underway in Cambodia during the 2009-2010 field season, including:

- 4,000 geochemical samples
- 8,500m of trenching
- 3,000m of RC drilling (1 rig on-site)
- 4,000m diamond core drilling (3 rigs on-site)

Drillhole	from	to	interval	gold (g/t)	silver (g/t)
DD09ANC011	33	34	1	1.43	1
DD09ANC011	49	50	1	9.09	307

Table 1 Significant core drilling gold intersection above 1g/t Au.

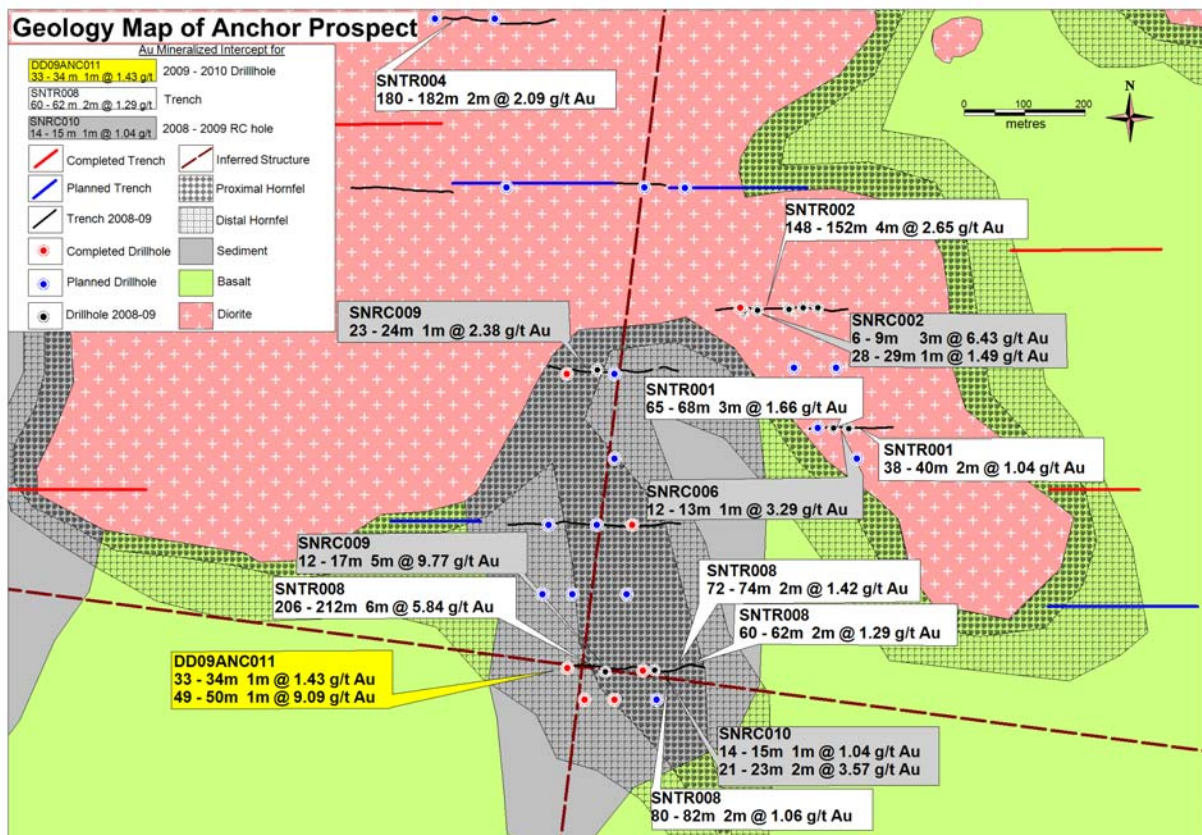


Figure 1. Geology Map of Anchor Prospect with significant gold (Au) intersections in trenches and drillholes, Snoul EL (SAU 100%).

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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.

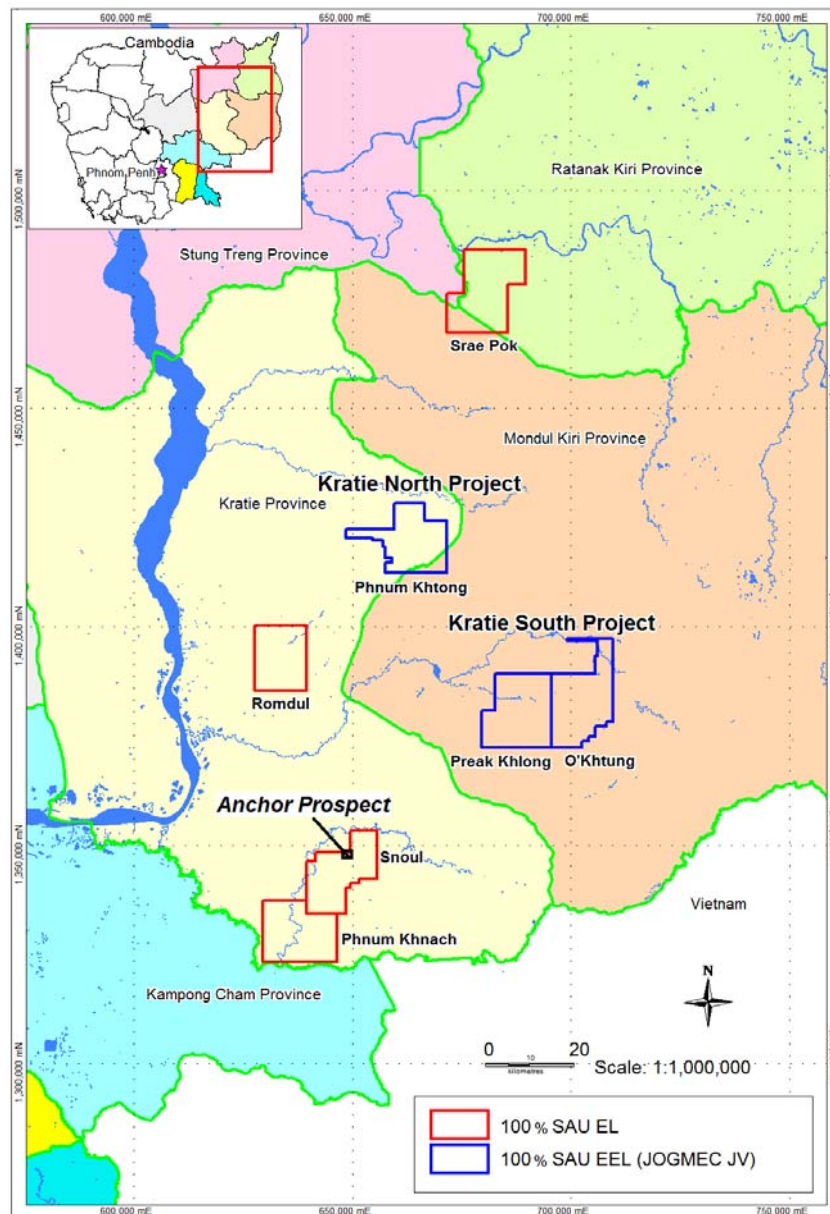


Figure 2. Southern Gold's four 100% and three JV tenements in eastern Cambodia and Anchor Prospect location.