

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98

Name of entity

SOUTHERN GOLD LIMITED

ACN or ARBN

ACN 107 424 519

Quarter ended ("current quarter")

31 December 2007

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to Date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for (a) exploration and evaluation	(882)	(2,711)
(b) development	0	0
(c) production	0	0
(d) administration	(341)	(589)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	40	68
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other (Including project management fees)	(197)	(168)
<b>Net Operating Cash Flows</b>	<b>(1,380)</b>	<b>(3,400)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	0	0
(b)equity investments	0	0
(c) other fixed assets	(50)	(59)
1.9 Proceeds from sale of: (a)prospects	0	0
(b)equity investments	0	0
(c)other fixed assets	0	0
1.10 Loans to other entities	0	0
1.11 Loans repaid by other entities	0	0
1.12 Other (provide details if material)	0	0
<b>Net investing cash flows</b>	<b>(50)</b>	<b>(59)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,430)</b>	<b>(3,459)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,430)	(3,459)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	4,362	5,877
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	0	0
1.18	Dividends paid	0	0
1.19	Other - prospectus issue costs (placement)	(22)	(22)
<b>Net financing cash flows</b>		<b>4,340</b>	<b>5,855</b>
<b>Net increase (decrease) in cash held</b>		<b>2,910</b>	<b>2,396</b>
1.20	Cash at beginning of quarter/year to date	3,021	3,535
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,931	5,931

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	262
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

Amount of \$262,002 at 1.23 comprises consulting fees paid to related corporations of directors – ie C M Horn (\$23,130), M McDonald (\$114,755), M R Billing (\$16,700) and salary payments to S R Biggins (\$63,250) plus directors fees – C M Horn (\$14,167) J A Anderson (\$10,000), M McDonald (\$10,000), M R Billing (\$10,000)

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	
<b>Total</b>	<b>1,000</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5,231	1,921
5.2 Deposits at call	700	1,100
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>5,931</b>	<b>3,021</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

---

**Changes in interests in mining tenements**

		Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
			(note (2))		
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL3080	U rights only	100%	0%
		EL3097	U rights only	100%	0%
		EL3308	U rights only	100%	0%
		EL3395	JV (U only)	20%	0%
		EL3396	JV (U only)	20%	0%
		EL3160	JV	35%	0%
		EL3158		100%	0%
		EL3595		100%	0%
		EL3512		100%	0%
		EL3493		100%	0%
		EL3479		100%	0%
		EL3552		100%	0%
		EL3594		100%	0%
		EL3603		100%	0%
		EL3675		100%	0%
		EL3284	U rights only	100%	0%
		ELA324/06		100%	0%
		ELA707/05		100%	0%
		ELA 98/06		100%	0%
		ELA 99/06		100%	0%
6.2	Interests in mining tenements acquired or increased	M25/182		0%	100%
		M25/183		0%	100%
		E25/349		0%	100%
		P25/1990		0%	100%
		Phnum Knach MOU		0%	100%
		Puchar Leu MOU		0%	100%

---

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 <b>+Ordinary securities</b>	91,813,661	91,813,661	N/A	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	12,453,587	12,453,587		Fully Paid
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	833,390 50,000 75,000 1,720,000 250,000 1,000,000 1,000,000 400,000 750,000	- - - - - - - - -	N/A N/A N/A N/A N/A N/A N/A N/A N/A	<i>31 December 2007</i> <i>31 March 2008</i> <i>1 June 2008</i> <i>30 June 2010</i> <i>7 December 2011</i> <i>27 November 2011</i> <i>7 February 2012</i> <i>27 March 2012</i> <i>21 October 2012</i>
7.8 Issued during quarter	-	-	N/A	-
7.9 Exercised during quarter	3,630,510	3,630,510		
7.10 Expired during quarter	Nil			
7.11 <b>Debentures</b> <i>(totals only)</i>	Nil			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	Nil			

+ See chapter 19 for defined terms.

## **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Print name: Michael R Billing  
Director/Company Secretary

Date: 24 January 2008

## **Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.