



Shares Issued: 46.4M
Share Price: \$0.30
Market Capitalisation: \$13.9m
Unaudited Cash Est.: \$5.5m
Debt: Nil
Enterprise Value: \$8.4m

Directors

Greg Boulton AM (Chairman)
Simon Mitchell (MD)
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Cash-in-bank doubles as further profits received from Cannon gold mine, WA

- Fifth profit distribution of \$3 million received
- Total of \$10.5 million now received-to-date from Cannon
- Southern Gold cash balance more than doubles to \$5.5 million
- Further processing and next distribution in June 2017

\$3 Million Profit Share Distribution Received

The Directors of gold miner and explorer, Southern Gold Ltd ('Southern Gold') are very pleased to advise the payment of the fifth profit share distribution from the Company's Cannon gold mine southeast of Kalgoorlie in Western Australia's Eastern Goldfields. The Cannon gold mine operations committee resolved to pay \$6 million in profit distributions, or \$3 million to Southern Gold as its 50% profit share. **This takes total payments to Southern Gold from Cannon since December 2016, to \$10.5 million.**

Southern Gold has fully repaid all of its debt with a total of \$3.7 million of payments being made in the last few months to various debt providers. **As such, this latest \$3 million distribution is fully banked, more than doubling the Company's unaudited cash position to approximately \$5.5 million.**

Southern Gold has significant accumulated tax losses it can use to offset any profits so no tax is expected to be payable on these distributions.

Status of Processing Campaigns and Future Cash Distributions

The ninth processing campaign of Cannon ore is currently scheduled to commence in June 2017. Around 35kt of ore is expected to be treated, recovering around 4,000oz gold. Subject to a successfully completed final mining phase, **the next cash distribution to Southern Gold is therefore expected at the end of June or early July.**

Southern Gold Managing Director, Mr Simon Mitchell:

"Our cash balance is building in a solid manner in parallel with our in-field activities, including drilling in several locations at once, finding new gold mineralisation and drill targets at several projects, and moving forward other projects with a potential for cash flow. We had anticipated 2017 would be a transformative year for Southern Gold financially, operationally and through exploration success and this is proving the case."

Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer and producer listed on the Australian Securities Exchange (under ASX ticker "SAU"). The Company's main focus is its Bulong Gold Project located 30 km east of the world renowned gold district of Kalgoorlie (WA) with the flagship Cannon Gold Mine projected to produce around 50koz gold.

Mining at Cannon has commenced with Westgold Resources Ltd financing and developing the deposit under a 50/50 profit share arrangement. Westgold is responsible for all mining, haulage and processing activities (ASX announcement 11/11/2014) with this mandate recently expanded to incorporate the commercial terms of a larger open pit development (ASX announcement 3/11/2015).

In addition to its cornerstone position in Kalgoorlie, Southern Gold owns a portfolio of high grade gold projects in South Korea. These projects are a combination of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. Southern Gold's aim is to move one or more of the orogenic gold mines into production in the medium term as well as test for world-class epithermal gold deposits.

Competent Person's Statements

The information in this report that relates to Exploration Results has been compiled under the supervision of Mr. Ian Blucher (MAusIMM). Mr Blucher, who is an employee of Southern Gold Limited and a Member of the Australian Institute of Mining and Metallurgy, 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 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Mr Blucher consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Cannon Mineral Resources is based on information compiled by Mr Ian Blucher (MAusIMM). Mr Blucher is an employee of Southern Gold Limited and has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC, 2012). Mr Blucher consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Forward-looking statements

Some statements in this release regarding estimates or future events are forward looking statements. These may include, without limitation:

- *Estimates of future cash flows, the sensitivity of cash flows to metal prices and foreign exchange rate movements;*
- *Estimates of future metal production; and*
- *Estimates of the resource base and statements regarding future exploration results.*

Such forward looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. Such statements are expressed in good faith and believed to have a reasonable basis. However the estimates are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from estimated results.

All reasonable efforts have been made to provide accurate information, but the Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.