


Shares on Issue: 83.3m

Share Price: \$0.145

Market Capitalisation: \$12.1m

South Korea Exploration (100%)

Weolyu Au-Ag Project

Deokon Au-Ag Project

Beopseongpo Au Project

Aphae Au-Ag Project

Neungju Au-Ag Project

Dokcheon Au-Ag Project

Hampyeong Au-Ag Project

South Korea Development
BMV# JV (50%)

Gubong Project JV Co Ltd

Kochang Project JV Co Ltd

Bluebird Merchant Ventures is LSE listed

Australia (100%)*

Cannon Au Mine

Glandore Au Project

Cowarna Au Project

*current sale process with PCF Capital

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\$0.44 Million Post-Rights Issue Placement

- Subscription agreements with 4 major shareholders executed on terms identical to the recently completed Rights Issue
- The placement is for 4 million shares at 11c per share and will add \$0.44 million cash to the \$2.3 million Rights Issue funding
- The subscription comes with a 1-for-2 attached 18c call option exercisable until 31 December 2021 as per the Rights Issue
- The Placement will be subject to shareholder approval which will be sought at the next Annual General Meeting

Southern Gold Ltd ("Southern Gold") recently completed a 1-for-3 non-renounceable rights issue that was oversubscribed and resulted in \$2.3 million being raised after a scale back on subscriptions. Due to the excess demand and considering the significant support from several major shareholders over the last 12 months, the company has entered into subscription agreements with 4 shareholders under provisions open to sophisticated investors.

The terms of the placement are identical to the recent rights issue, namely a share subscription price of 11c per share and a 1-for-2 attached call option exercisable at 18c until 31 December 2021.

In total 4 million shares have been placed (with 2 million call options) to the 4 investors raising \$0.44 million. The placement was non-brokered and free of commission.

The company will seek approval from shareholders for the placement of these shares and attached options at the next Annual General Meeting of shareholders, expected in October 2019.

Funding will be used to augment working capital to ensure drilling operations continue uninterrupted until the start of the winter season in December. Drilling has now commenced at Beopseongpo, South Korea, with an initial ~500m scout drilling programme at the Lotus North vein system adjacent to the historic mine.

Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer listed on the Australian Securities Exchange (under ASX ticker “SAU”).

Southern Gold owns 100% of a substantial portfolio of high-grade gold projects in South Korea that are largely greenfield epithermal gold-silver targets in the south-west of the country. Backed by a first-class technical team, including renowned geologist Douglas Kirwin, Southern Gold’s aim is to find world-class epithermal gold-silver deposits in a jurisdiction that has seen very little modern exploration.

Southern Gold also retains a 50% equity interest in a Joint Venture company that is looking to commission a small scale mine at either the Kochang or Gubong project in South Korea within the next 12 months with development partner London-listed Bluebird Merchant Ventures (BMV).

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 or release, 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.