

Completion of Australian Asset Sale



Shares on Issue: 83.3m

Share Price: \$0.175

Market Capitalisation: \$14.6m

South Korea Exploration (100%)

Weolyu Au-Ag Project

Deokon Au-Ag Project

Beopseongpo Au Project

Neungju Au-Ag Project

Aphae Au-Ag Project

Hampyeong Au-Ag Project

Taechang Project

South Korea Development (50%)

BMV# JV

Gubong Project JV Co Ltd

Kochang Project JV Co Ltd

Bluebird Merchant Ventures is LSE listed

Directors

Greg Boulton AM (Chairman)

Simon Mitchell (MD)

Peter Bamford

David Turvey

Head Office

Southern Gold Ltd

10 George St

Stepney SA 5069

Telephone: (08) 8368 8888

Facsimile: (08) 8363 0697

info@southerngold.com.au

www.southerngold.com.au

ABN: 30 107 424 519

Postal Address

Southern Gold Ltd

PO Box 255, Kent Town SA 5071

- Sale of Southern Gold's Australian assets has now completed
- The total sale price of \$2.5 million cash (before adjustments and expenses) has now been received

Sale Completion

Southern Gold Ltd (**Southern Gold**) advises that the previously announced binding Sale and Purchase Agreement (see ASX Release on 5 August 2019 for details) executed with Sydney based private gold mining company, Aurenne Group Holdings Pty Ltd via its subsidiary Aurenne Cannon Pty Ltd ACN 634 889 982, has now been completed.

The balance of the total sale price of \$2.5 million has been received by Southern Gold. This sale price is before adjustments, including a pro-rata refund to Southern Gold of the payment of rents and rates for the sale tenements in the current period, and expenses of the transaction.

Southern Gold was advised on the transaction by PCF Capital Group with legal advice provided by HopgoodGanim.

Southern Gold Managing Director, Mr. Simon Mitchell:

"Southern Gold has now completed the important milestone of selling the Australian assets and this not only provides us with significant additional capital of approximately \$2.5 million before costs, it also removes the not insignificant ongoing holding costs of maintaining our ground position in Western Australia. The transaction value of \$2.5 million is the equivalent of 3c per Southern Gold share and enables the company to now focus on the South Korean assets."

"The drill rig is currently turning at the Beopseongpo Gold Project, where we had land access arrangements already in place and, with the first 4 drill holes or 650m now complete, we are well into assessing the project. Drilling continues at Beopseongpo with multiple vein systems being tested in this drilling round, but I am highly encouraged by the much-improved drilling productivity which is approaching 30m per day when drilling."

"Excellent progress has also been made in the land access arrangements for the Bonanza Zone at Golden Surprise, including a recently signed land access agreement with a local landowner group, and this bodes well for further drilling continuing for the balance of this calendar year."

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

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.