

78.6g/t gold and 13,000g/t silver (1.3% Ag)



KRS205352: Deokon Au-Ag Project, South Korea

Forward-looking statements

The information in this presentation is published to inform you about Southern Gold Limited (“Southern Gold”) and its activities. Some statements in this presentation 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 and increasing the company’s resource base

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.

Competent Person’s statements

The information in this report that relates to Exploration Results has been compiled under the supervision of Dr Chris Bowden (FAusIMM(CP)). Dr Bowden, who is a consultant of Southern Gold Limited and a Fellow and Chartered Professional of The Australasian 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 Exploration Results, Mineral Resources and Ore Reserves. Dr Bowden consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.

Additional information in this report that relates to Exploration Results has been compiled under the supervision of Paul Wittwer. Mr Wittwer, who is an employee of Southern Gold Limited 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 Exploration Results, Mineral Resources and Ore Reserves. Mr Wittwer consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Mineral Resources has been compiled under the supervision of Mr. Paul Androvic (AusIMM). Mr Androvic who is an employee of Southern Gold Limited and a Member of the Australasian 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 Androvic consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.



- ❑ **Focus on South Korea**, a relatively unknown jurisdiction with a long history of gold mining that has seen very little modern exploration or recent mine development
- ❑ **High-grade gold-silver targets**, with conceptual strategic target of Tier 1 gold-silver epithermal deposits, for example Hishikari in Japan
- ❑ **First class expatriate exploration team with ‘first mover advantage’** and excellent discovery record is well established in country with a small professional Korean team
- ❑ **Compelling investment case**, tight capital structure, low valuation, quality asset base, A\$5m cash base from fully underwritten rights issue, placement and asset sale
- ❑ **Drilling our 100% owned new targets now** and with first gold pour targeted by the 50%/50% JV with LSE listed Bluebird Merchant Ventures (BMV) in 2020



“Discovery, definition and development of high-grade precious metal deposits in South Korea.”

- Focus on South Korea**
- Focus on high-grade gold-silver**
- Building a team of good people with a...**
- ‘boots on the ground’ exploration culture that is...**
- backed by technically driven drilling programs.**

Corporate Overview



Board



Greg Boulton,
Chairman
Businessman
Capital markets
and investment
expertise



Simon Mitchell,
Managing Director
Geologist, Finance
Exploration and
development
geologist with
applied finance



Peter Bamford,
NED
Engineer
Narrow vein
underground
mining expertise



David Turvey,
NED
Geologist
Geological and
metallurgical
expertise



Bee Jay Kim
Executive Director
South Korean
Project
management
expertise

Number of ordinary shares on issue	83.4m
Share price (20 Sept. 2019)	AUD\$0.245
Market capitalisation (undiluted)	AUD\$20.4m
Proforma Cash (post AGM approval)	~AUD\$5m
Debt (matures Sept. 2020)	AUD\$0.75m
Enterprise value	~AUD\$16m
Company Assets	
100% South Korean (SK) Exploration Portfolio	
50% SK JV LSE-listed Bluebird Merchant Ventures (BMV)	

Major Shareholders:

- PS Super Nominees (Sydney based HNW) 10%
- Ilwella PL (Flannery Family Office) 8.4%
- Potenza Gromadka (French HNW) 5.6%++
- Valbonne II (French Family Office) 5.5%++

Board:

- Greg Boulton (Chair) 2.7%
- Simon Mitchell (MD) 1.0%
- David Turvey 0.8%
- Peter Bamford 0.3%
- Bee Jay Kim (ED) [recent appointment]

Top 20 hold approximately 57%

= AUD\$2.3m rights + AUD\$0.44m placement +
AUD\$2.5m asset sale

Backed by 4,411,765 17c options

= **GBP8.8m**

BMV market cap ~GBP8.5m* on LSE

*369m shares as per 14/6/19 BMV prospectus @ 2.4p/share

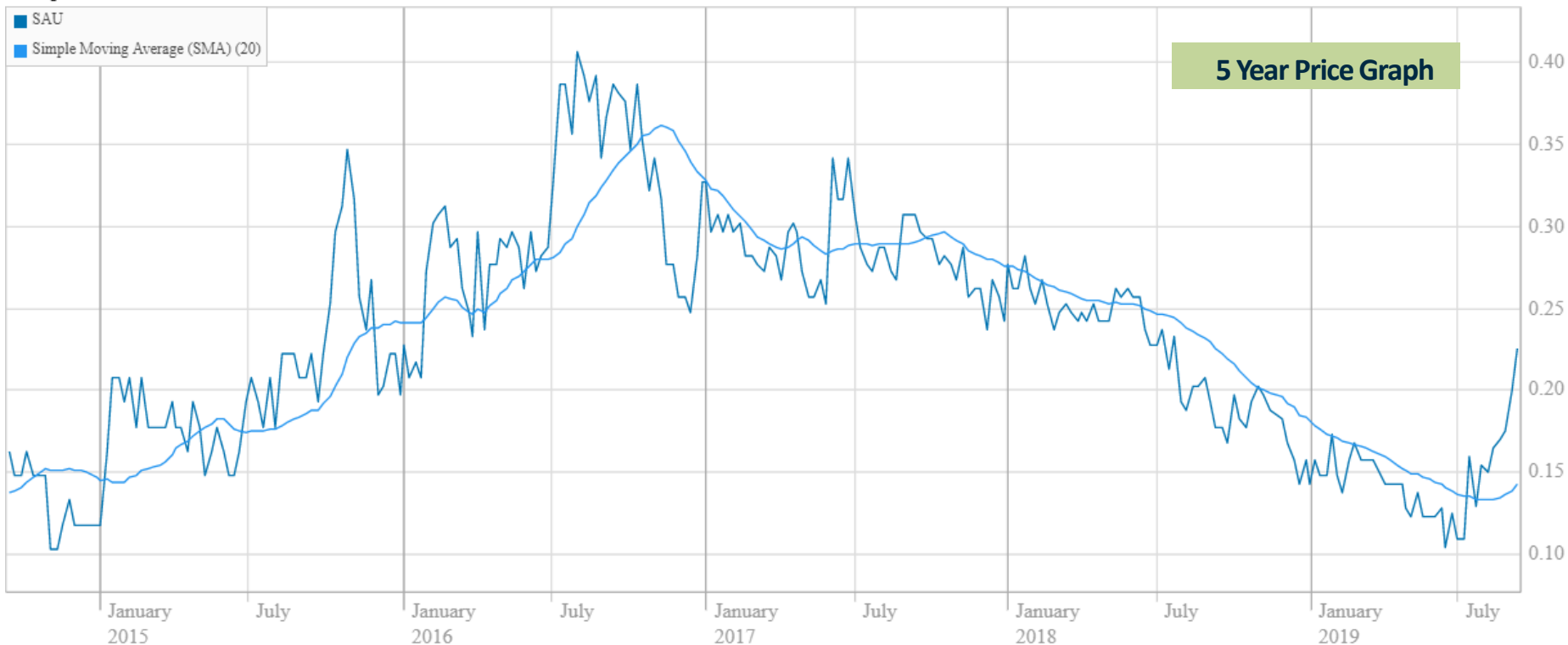
Very supportive major shareholders:
Underwrote recent \$2.3m rights issue and
completed \$0.44m placement (subject to
shareholder approval). Collectively holding 33%

Board collectively holds 4.8%
MD, Chair and Bamford on-market purchases

Share Price – Past 5 Years



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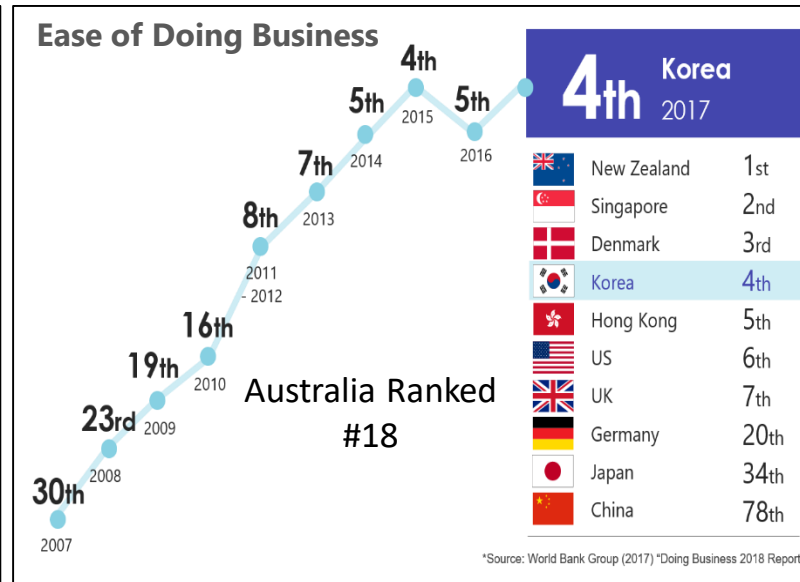
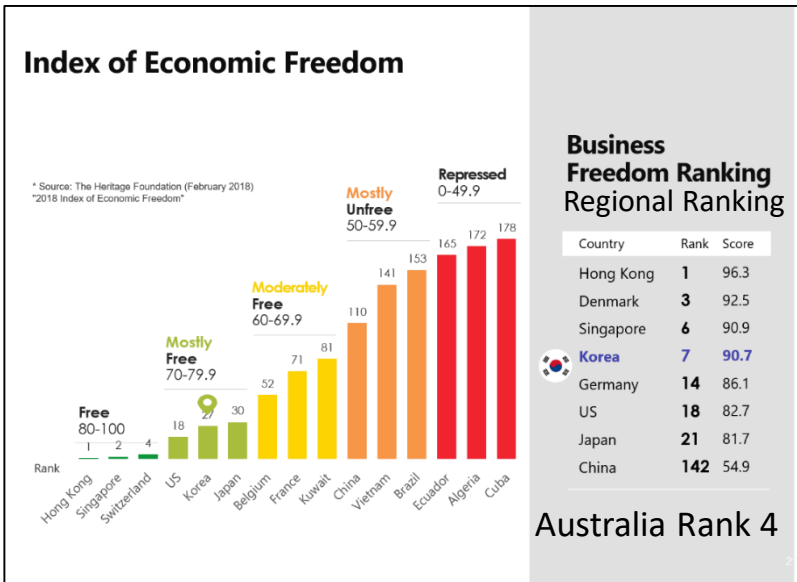
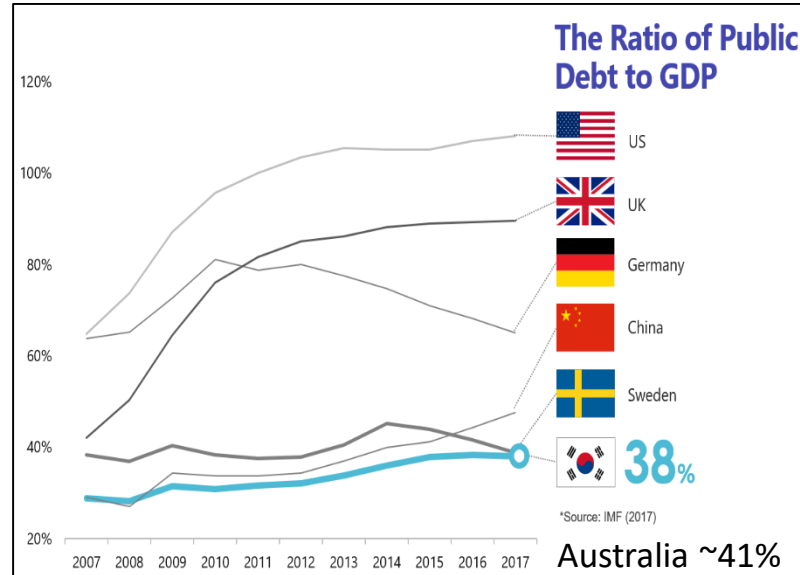
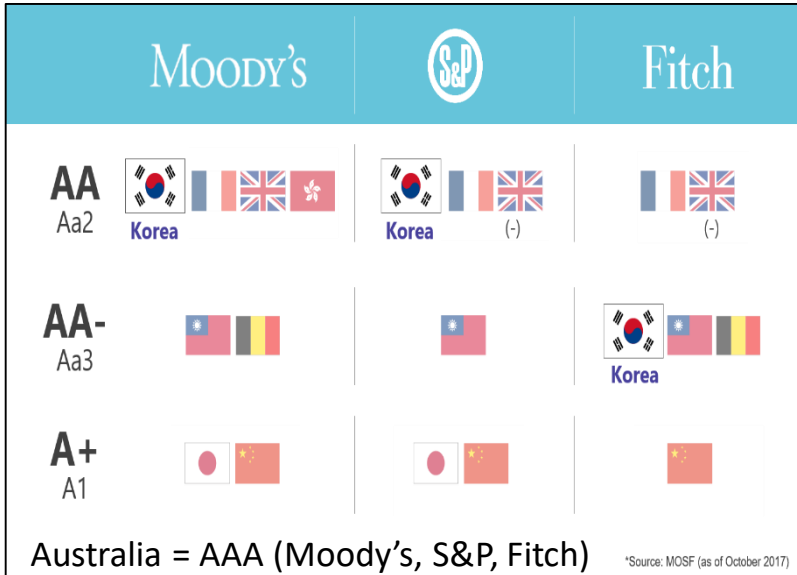
South Korea (I)



- ❑ No government royalties
- ❑ Tax rate 24.2% (<KRW300b=US\$300m); or 22.0% (<KRW20b=US\$20m)
- ❑ Government encouraging development through funding (e.g. KORES)
- ❑ Established infrastructure: road, rail, electricity, internet
- ❑ Large manufacturing base driving leading economy (see next slide)
- ❑ Low corruption, significant finance sector, business friendly
- ❑ Free trade agreement between Australia and South Korea
- ❑ An exploration “time capsule” – very little modern exploration
- ❑ Highly prospective “ring of fire” Pacific rim geology (see appendix)

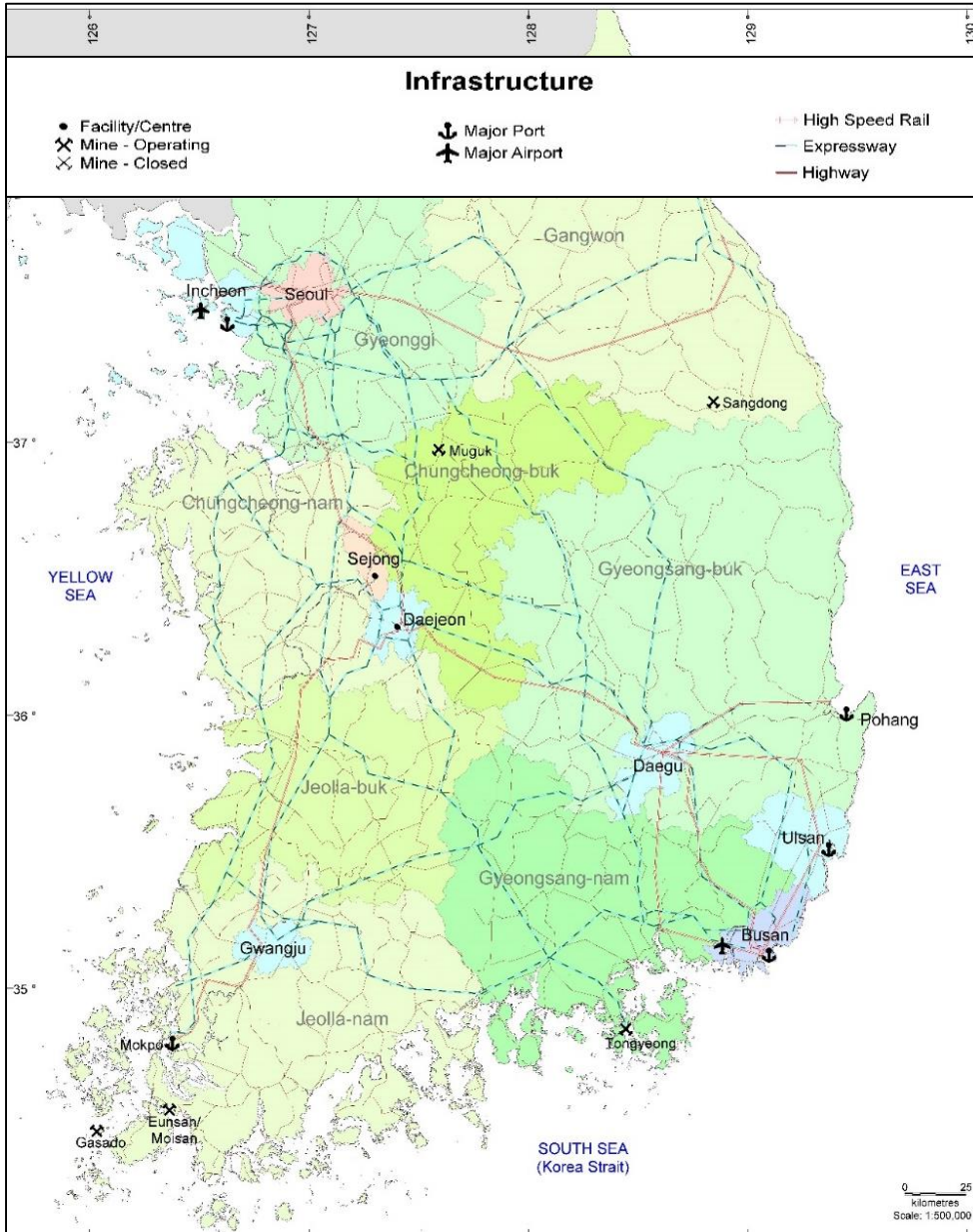
Drilling rig manufacturing plant, Hanjin D&B,
Gwangju, South Korea

South Korea (II)



Southern Gold is a member of the Australia-Korea Business Council (AKBC)

South Korea (III)

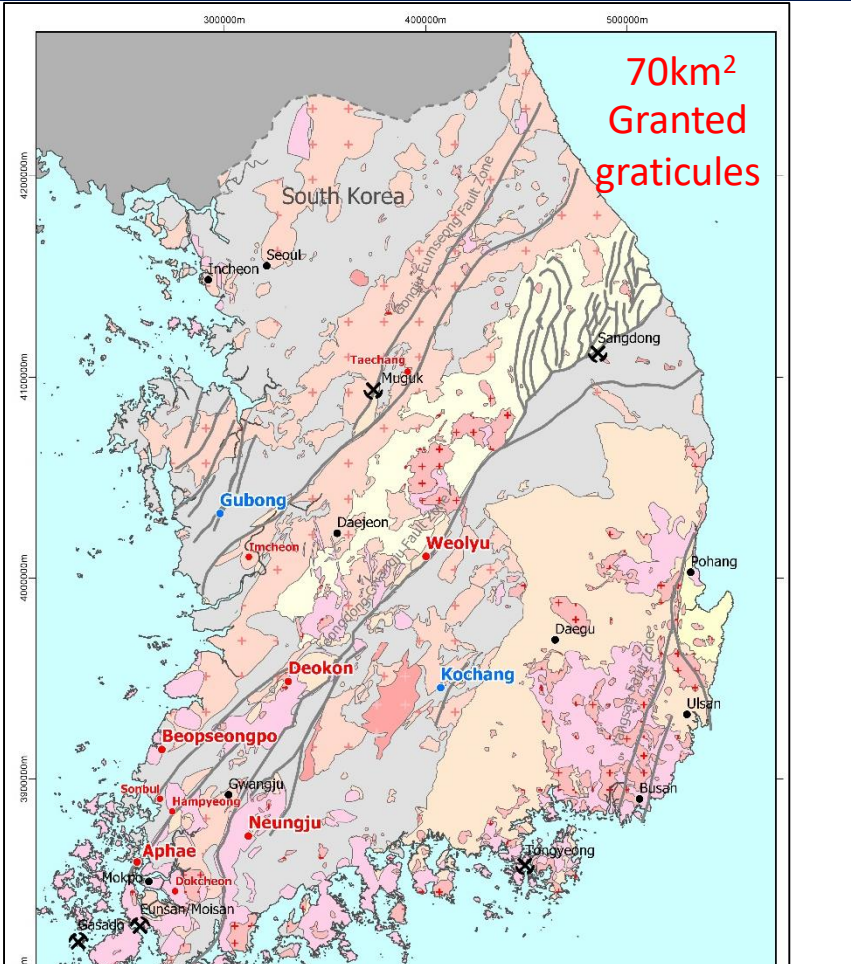


Infrastructure

- ❑ Extensive road network
- ❑ High speed rail network
- ❑ 5 x Major ports
- ❑ 2 x Major international airports
- ❑ High speed internet
- ❑ Manufacturing in Gwangju, Busan etc
- ❑ 23 nuclear reactors provide ~30% power
- ❑ SAU sample prep facility at Pohung (SGS)
- ❑ SAU core shed / field facility Daejeon
- ❑ SAU office in Daejeon

Projects (I)

SAU 100% Key Projects
 SAU 100% Priority 2 Projects
 SAU 50% BMV JV Projects



LEGEND

Facilities

- Major cities
- ⌘ Operating Mines
- ⌘ Closed Mines

SGK_Projects

- SGK_Granted_Tenure
- SGK_BMV_Granted_Tenure

Geology (1:1M)

Cainozoic	Triassic
● Sediments	● Granitoid
Cretaceous	Cambrian-Ordovician
● Bulgugsa Granitoid	● Sediments
● Volcanics	Precambrian
● Sediments	● Metamorphics
Jurassic	Structures
● Deabo Granitoid	— Fault(1:1M)

District Group	Mine Name	Tenement Info			
		Korean	English	Block ID	Area (ha)
Weolyu	Weolyu	영동	Yeongdong	66	277
		영동	Yeongdong	67	277
Jeolla	Beopseongpo	법성포	Beopseongpo	29	280
		법성포	Beopseongpo	30	280
	Deokkon	전주	Jeonju	70	279
		전주	Jeonju	80	279
	Neungju	능주	Neungju	33	281
	Aphae	무안	Muan	109	281
		무안	Muan	99	281
Dokcheon	독천	Yeongam	116	282	
	독천	Yeongam	116	282	
Hampyeong	나주	Naju	136	281	
	나주	Naju	136	281	
Taechang	Taechang (Sobo)	목계	Mockgye	136	137
		목계	Mockgye	137	261
Gubong	Gubong	청양	Cheongyang	137	276
	Imcheon	부여	Buyeo	58	264
Gubong (BMV JV)	Gubong	청양	Cheongyang	134	276
		청양	Cheongyang	135	276
		청양	Cheongyang	136	276
		청양	Cheongyang	145	276
		청양	Cheongyang	146	276
		청양	Cheongyang	147	276
		대천	Daecheon	6	276
		대천	Daecheon	7	276
Kochang (BMV JV)	Kochang	안의	Aneui	11	279
		안의	Aneui	12	279
		안의	Aneui	22	279
TOTAL	12 Projects		26 tenements		7061

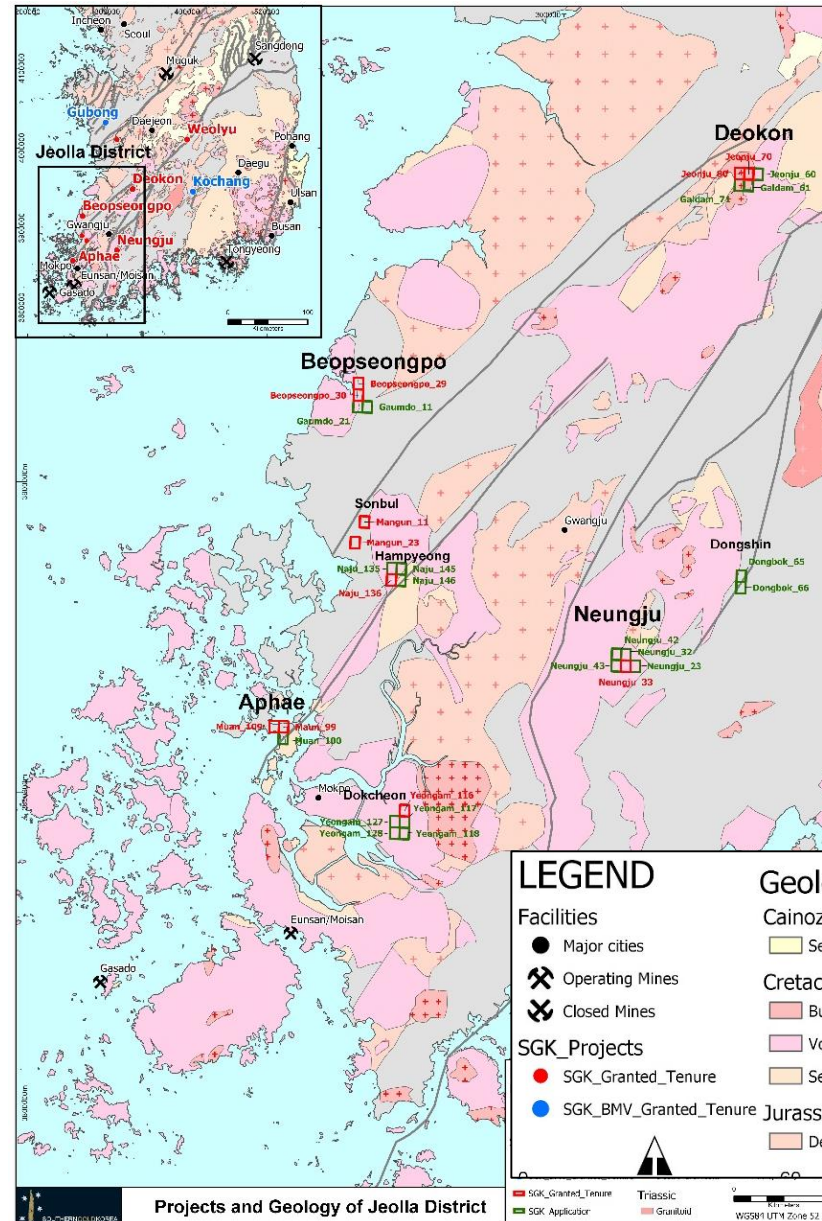
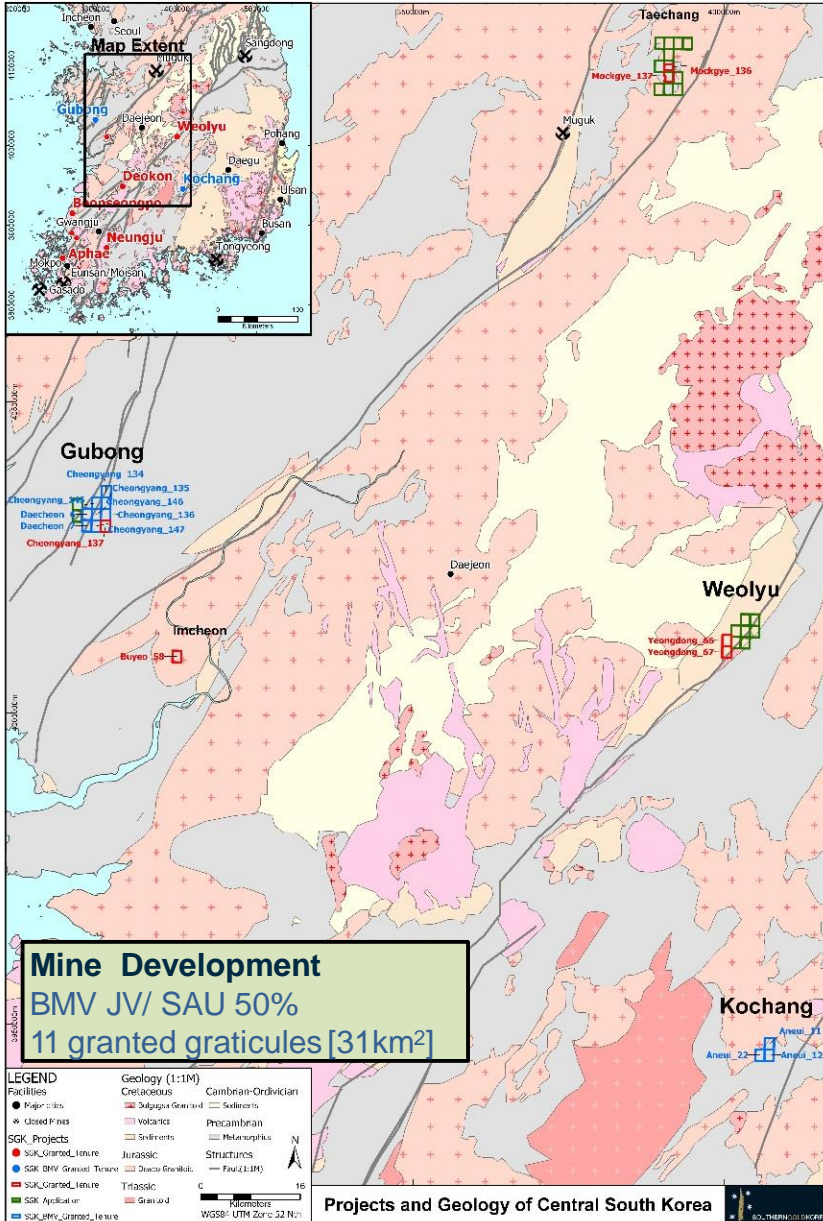
Priority 1

Priority 2

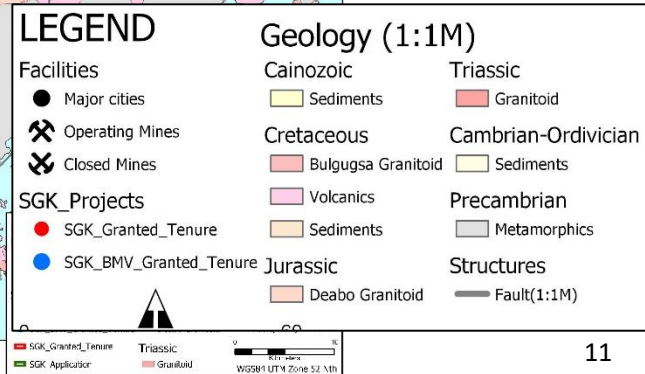
BMV

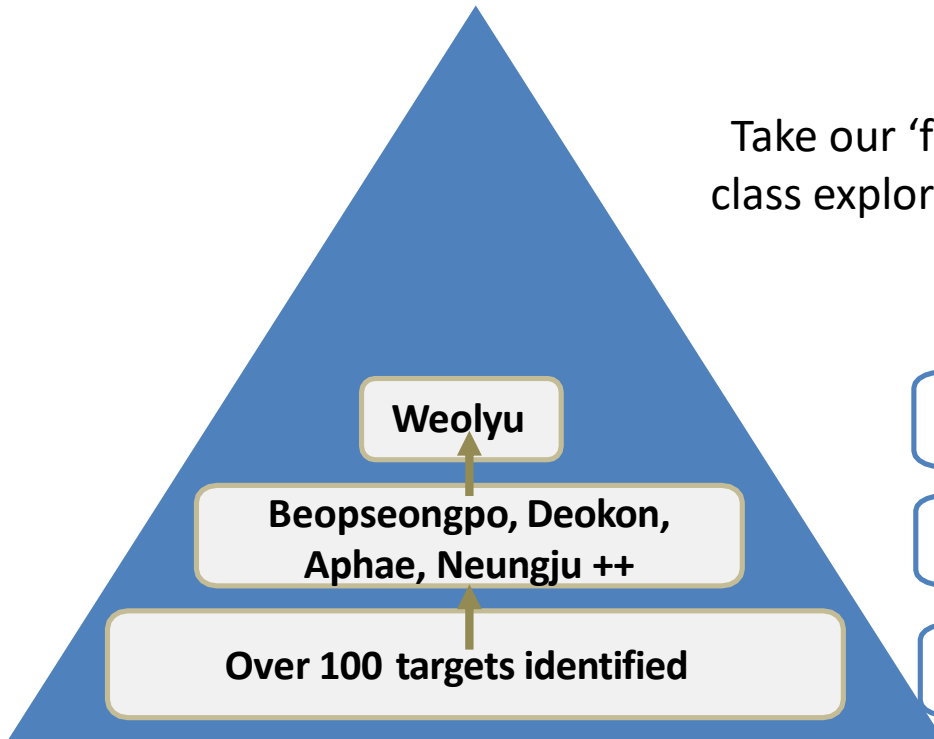
70km²

Projects (II)



Exploration Footprint
SAU 100%
15 granted graticules
[40km²]





Principal Objective:

Take our 'first mover' advantage to build a pipeline of first class exploration targets and a regional ground position that is the best of any foreign operator.

Advanced Exploration

Drilling for JORC Res.

Greenfield Exploration

Drilling for Discovery

Project Generation

Portfolio/Asset build



Doug Kirwin,
Technical Advisor

Multiple world-class deposit discoverer and leading economic geologist



Paul Wittwer
Exploration Manager

Geologist with extensive experience encompassing exploration, development, JORC resource definition and mining.



Craig Panther,
Consultant, SK

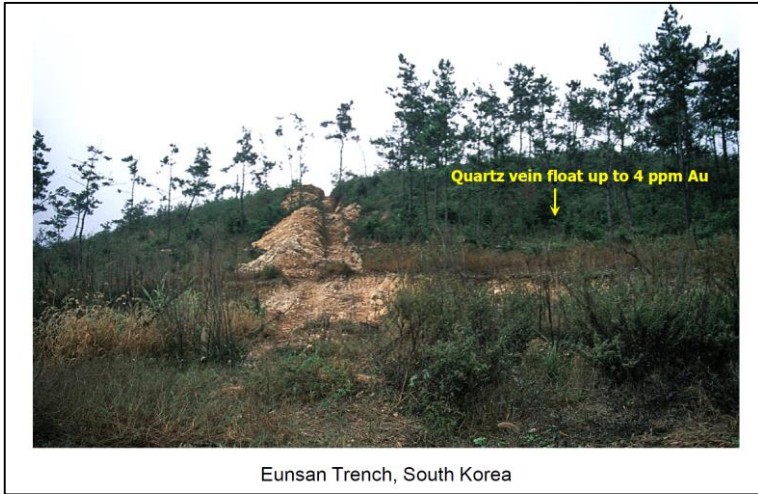
Exploration geologist with extensive experience throughout Asia-Pacific (



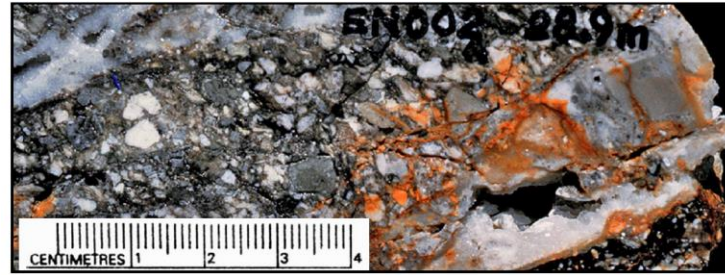
Dr Chris Bowden,
Consultant, SK

Phd completed on South Korean epithermal rocks and discoverer of Dish Mountain Au, Ethiopia

Indochina Goldfields 1990's

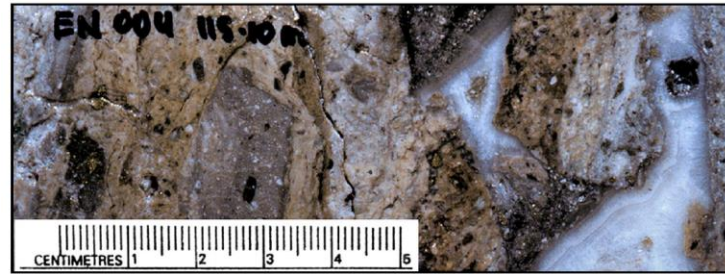


Eunsan Trench, South Korea



Crystalline quartz veined and flooded, water re-worked, dacitic lapilli tuff with minor visible electrum.

EN002 - 28.90m, from an interval of 1.15m @ 56.96 ppm Au & 37.90 ppm (1.2 oz) Ag.



Dacitic pumiceous lithic-lapilli tuff, flooded by colloform to crustiform banded quartz with minor visible electrum.

EN004 - 115.10m, from an interval of 1.00m @ 124.82 ppm Au & 255 ppm (8.2 oz) Ag.



Eunsan Trench 1: 3.61m @ 603.64 ppm (19.4 oz) Au and 4264.30 ppm (137.1 oz) Ag



Acanthite – native silver, Eunsan Mine.

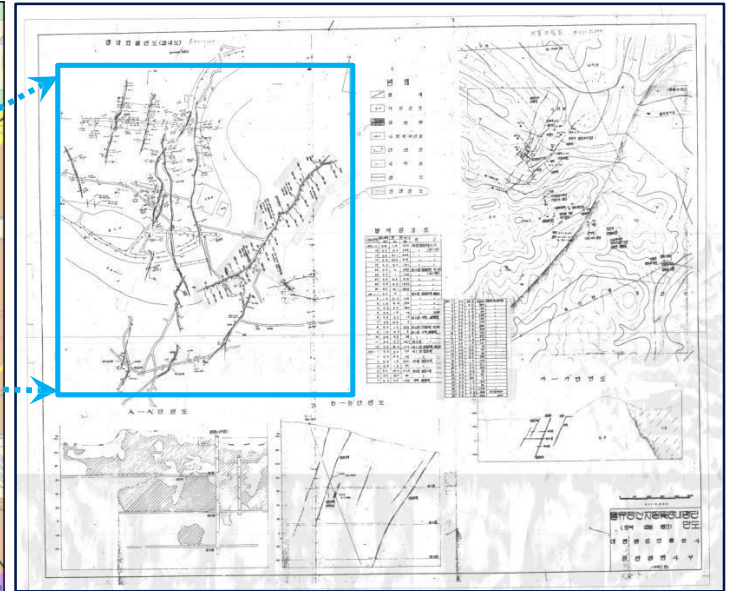
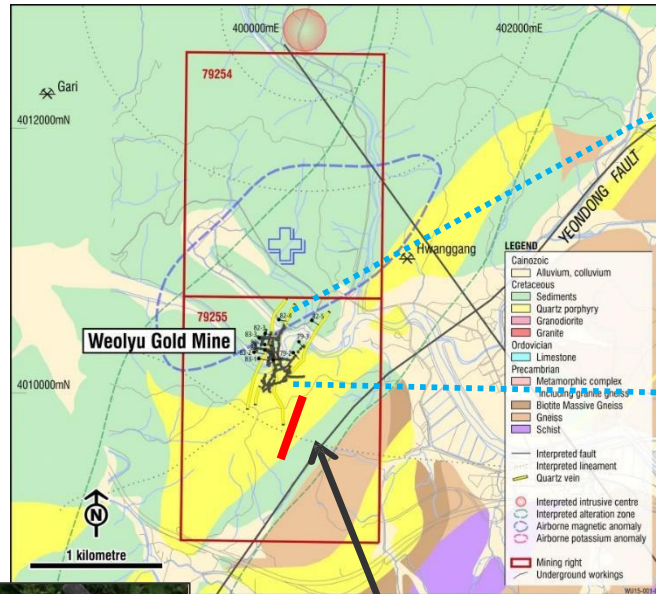
Note: this is not a Southern Gold project

Principal Objective:

Drill to confirm discoveries and build a significant JORC resource base of high grade Au-Ag deposits.

Discovery 1: Weolyu

- ❑ Weolyu North is an historic small scale Ag-Au-Ge mine;
- ❑ Very high grade silver likely indicative of higher level of mineralised system;
- ❑ Newly discovered zone of Au-Ag epithermal veins at the top of steep ridge to the south;
- ❑ Mineralised system is open: what's inside the mountain?



NEW DISCOVERY



30.4g/t Au + 1,240g/t Ag
(KRS200052)



6.18g/t Au + 1030g/t Ag
(KRS202116)



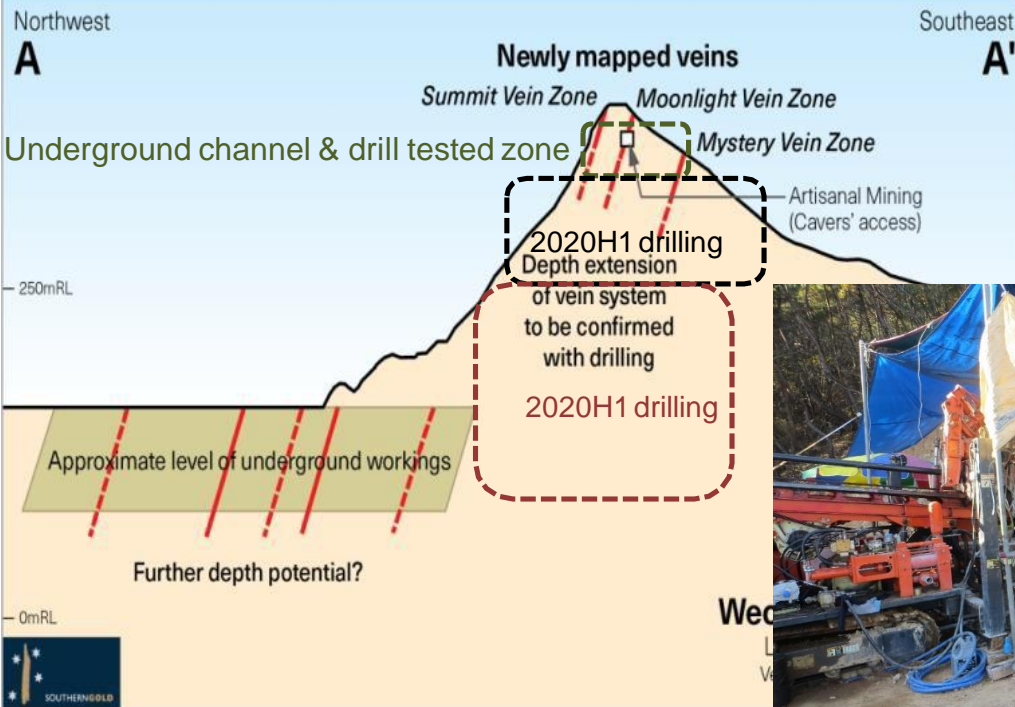
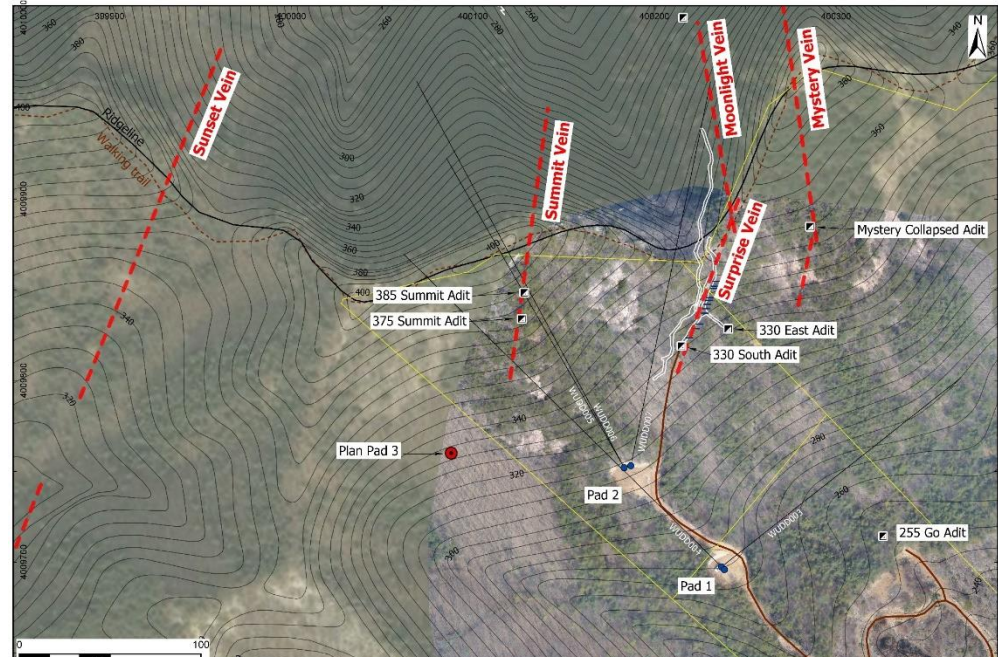
0.4m @ 32.8g/t Au and 764g/t Ag
(KRD500635)



Newly discovered classic high-level low-sulphidation epithermal quartz veining

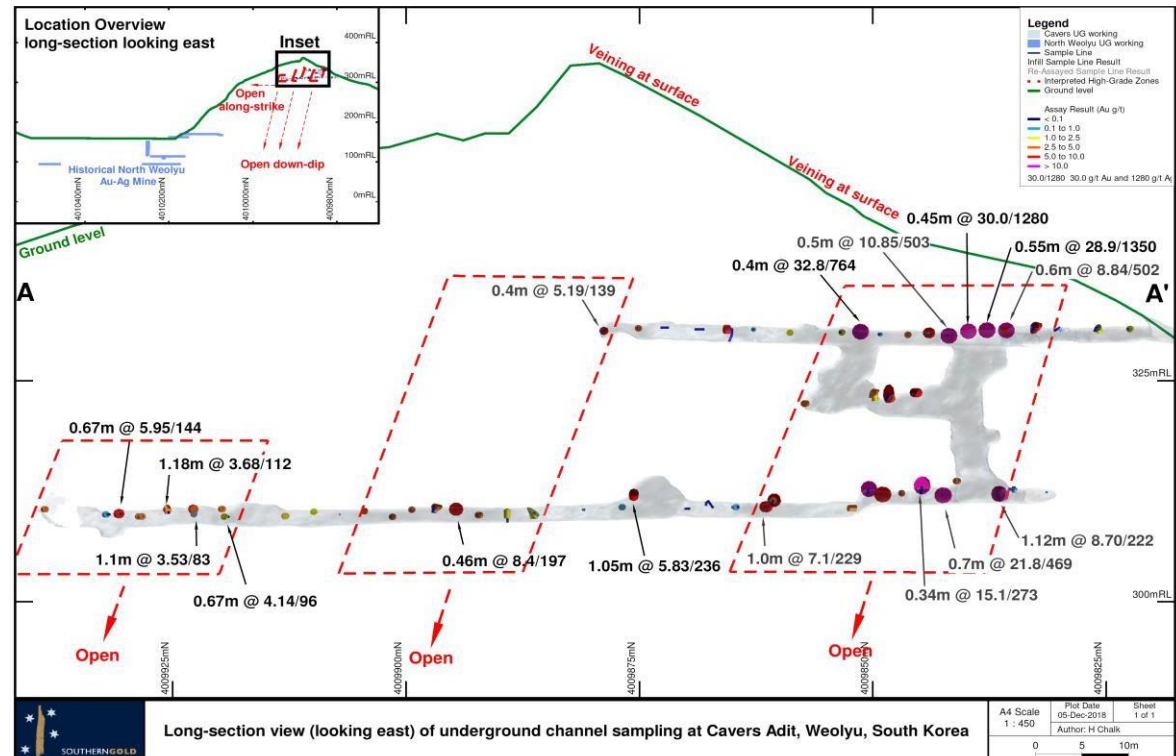
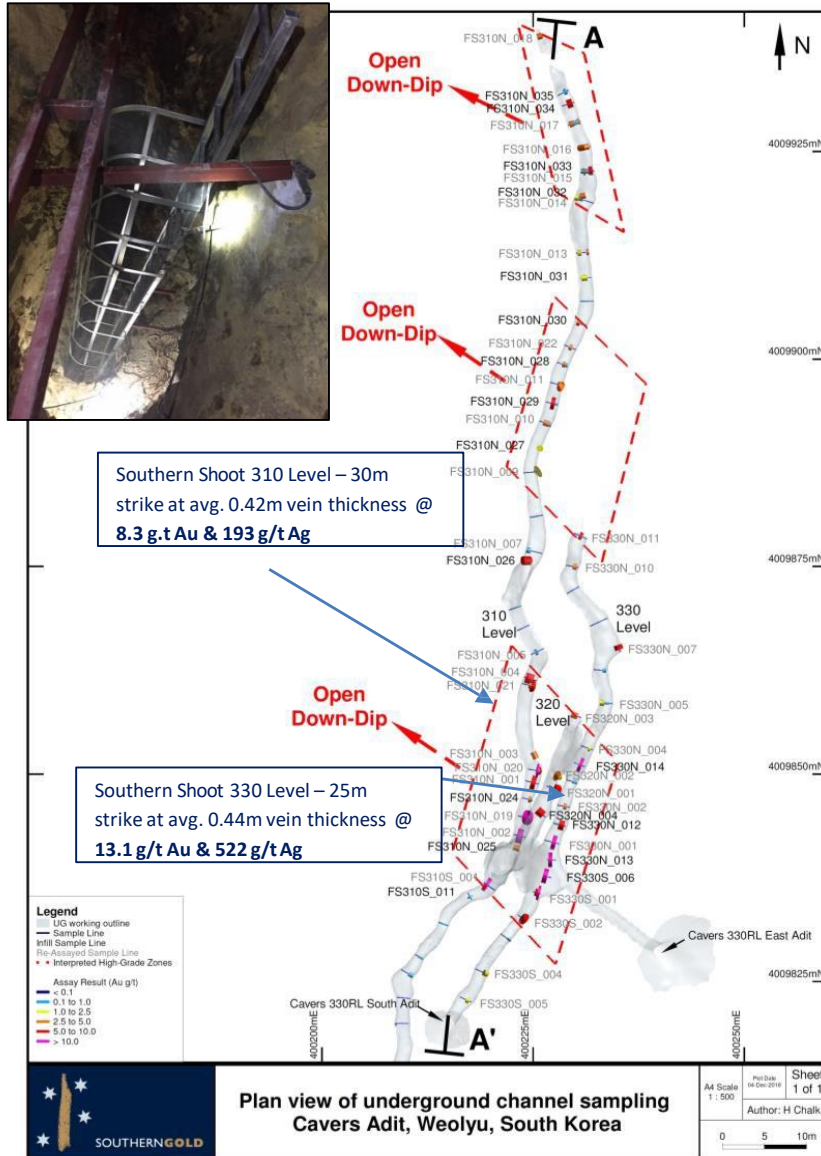
Weolyu (II) : Drilling

Drill Hole ID	From (m)	Int (m)	Au (g/t)	Ag (g/t)	Target
WUDD006	222.40	2.47	2.36	37	Summit Vein Zone
including:	222.40	0.70	3.19	64	Summit Vein Zone
	231.40	0.30	21.10	49	Summit Vein Zone
WUDD007	152.90	3.58	4.80	129	Moonlight Vein
	165.70	0.92	13.55	447	Moonlight Vein
including:	166.10	0.30	35.00	1,110	Moonlight Vein



How big is the system and what happens at depth?

Weolyu (III): In Situ Vein



Line ID	Int (m)	Au (g/t)	Ag (g/t)	Au (gm)
FS330N_014	0.4	32.80	764.0	13.1
FS330N_013	0.45	30.00	1,280.0	13.5
FS330S_006	0.55	28.90	1,350.0	15.9
FS310N_002	0.7	21.80	469.0	15.3
FS310N_019	0.34	15.07	272.6	5.1
FS330N_001	0.5	10.85	503.0	5.4
FS310N_001	0.55	9.94	181.0	5.5
FS330S_001	0.6	8.84	501.5	5.3
FS310S_001	1.12	8.70	222.4	9.7

High grade shoot average: vein width ~0.43m and Au > 10g/t + Ag>350g/t

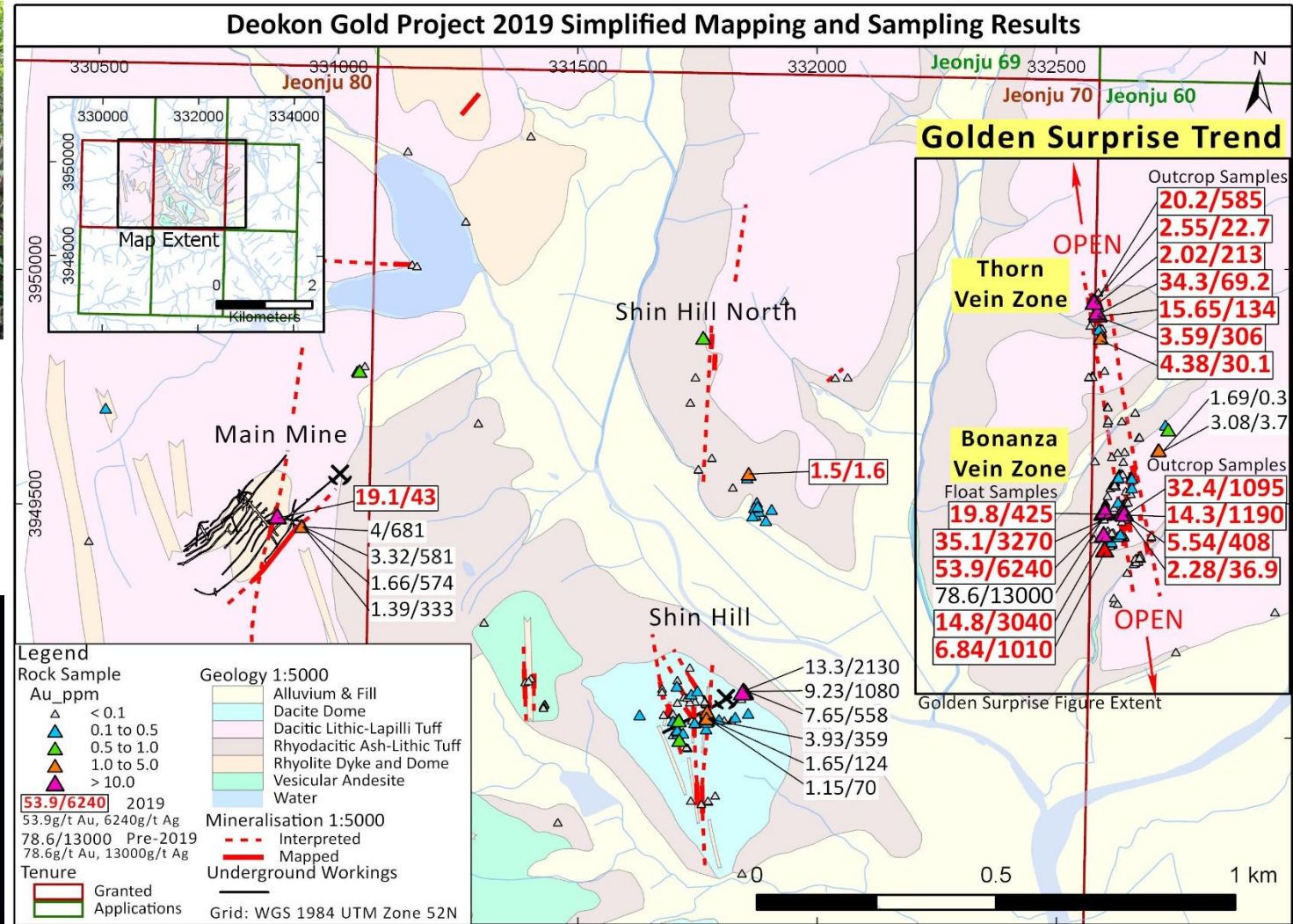
Discovery 2: Deokon



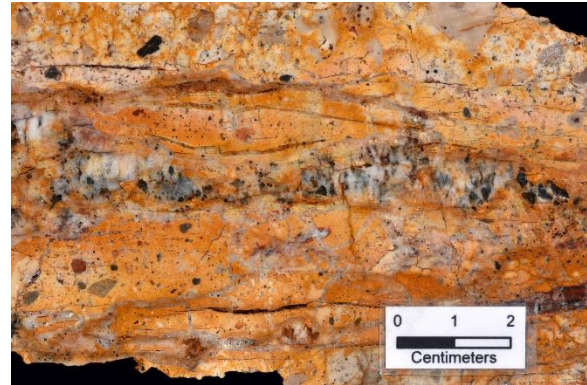
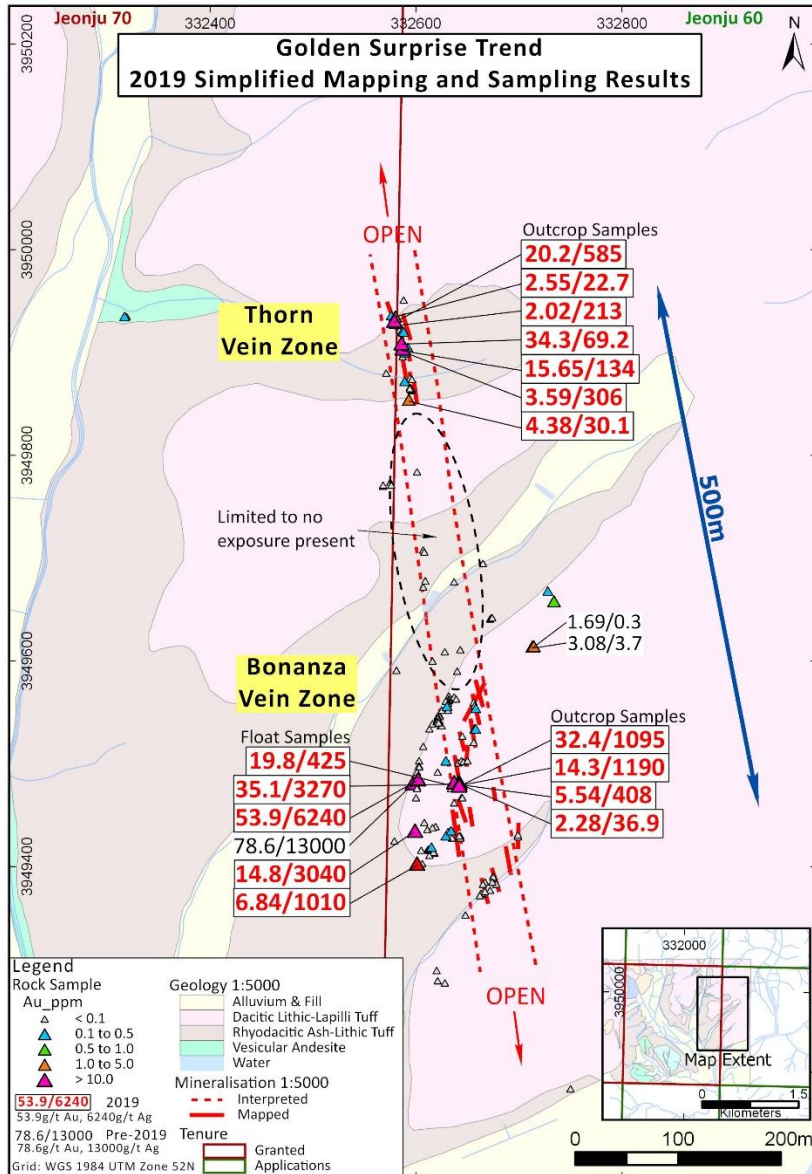
Discovery Outcrop, 'Thorn Zone' vein, 500m along strike of the 'Bonanza Zone' vein. Intense hydraulic fracturing and mesocrystalline to chalcedonic quartz flooding within a four-metre-wide core zone of sheeted and networked vein development.



Discovery Sample KRS205352 – **78.6 g/t Au, 1.3% Ag (418/0z/t)** Float sample of strongly hydraulically brecciated & silica-illite/adularia altered rhyolite, cut by a commutated wall-rock & crystalline quartz vein. Bonanza Zone.



Deokon (II)



New Float Sample KRS206270, 53.9g/t Au and 6,240g/t Ag. Rhyolitic to dacitic lapilli tuff, intensely silica-illite/adularia-pyrite altered, with oxidation of pyrite to limonite & lesser haematite. Cut by sheeted interlocking to comb quartz veining. **Golden Surprise, Bonanza Zone.**



New Outcrop Sample KRS206353, 14.3 g/t Au and 1190g/t Ag. Intensely silica-illite/adularia-pyrite altered and limonite-haematite-stained, hydraulically brecciated and interlocking crystalline quartz network re-healed dacitic to rhyolitic lithic-lapilli tuff. **Bonanza Zone.**



New Outcrop Sample KRS206311, 20.2 g/t Au and 585g/t Ag. Intensely silica-illite-pyrite altered and limonite-stained, dacitic lithic tuff to tuffaceous sandstone. Cut by a 2 cm wide, limonite-stained mesocrystalline to interlocking crystalline quartz vein hosting segregations of bluish-grey silver sulfosalts and sulfides. **Thorn Zone.**

Deokon (III)



Slab photos of samples KRS205352 **78.6g/t Au** and **13,000g/t Ag** (upper sample) and KRS206389 **6.8g/t Au** and **1010g/t Ag** (lower sample) both float samples from the Bonanza Zone with visible native silver in hand specimen.

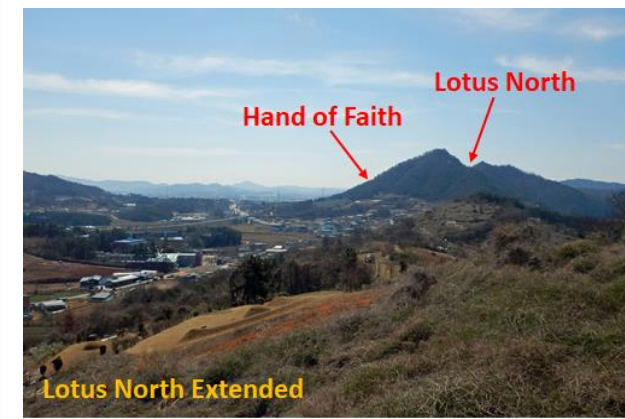
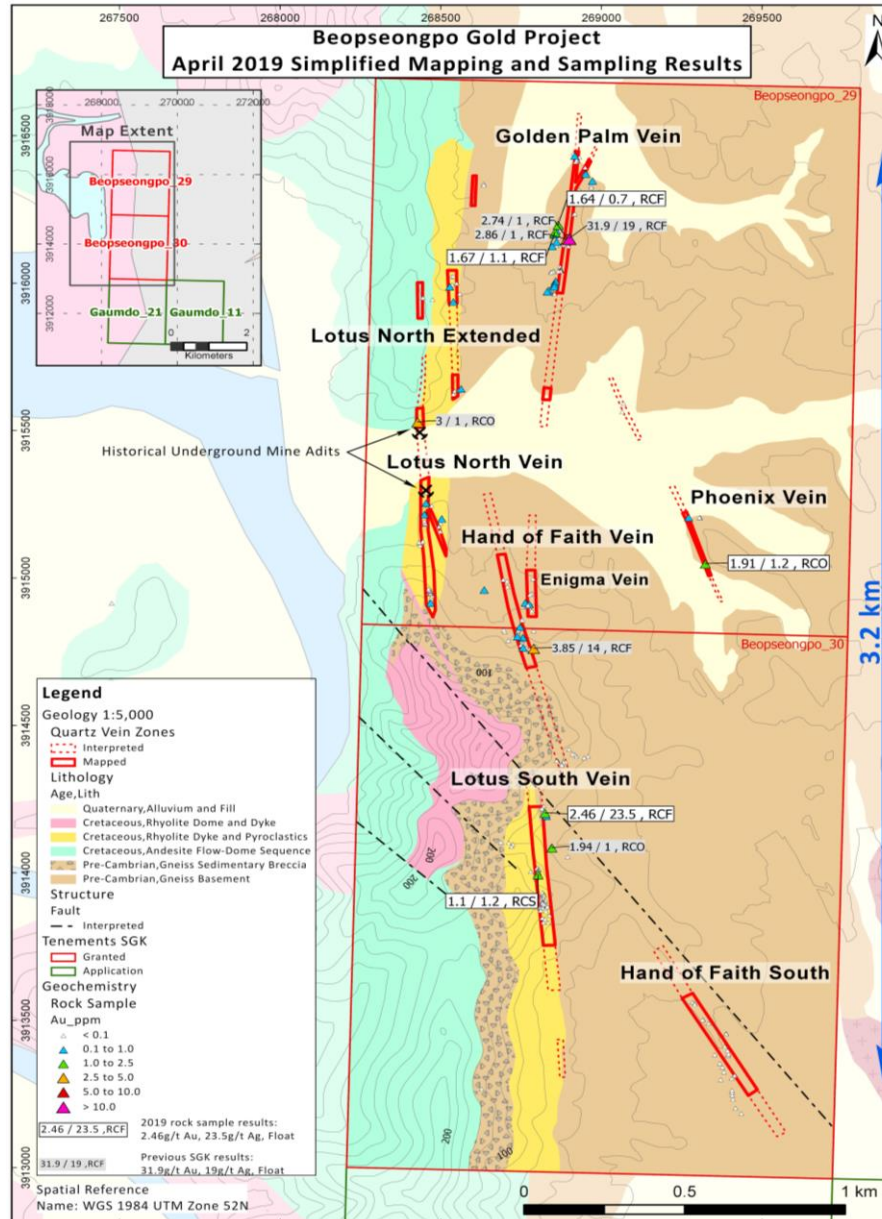


Land access almost granted – expect to be drilling the Bonanza zone in October

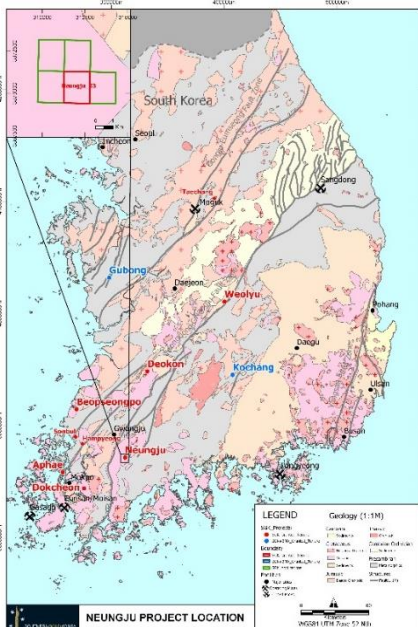
Discovery 3: Beopseongpo

- 5 major veined zones identified with widths in excess of 20m and strike length 2,750m;
- Small scale historic mine present;
- High-level low-sulphidation style deposit with target @ 100m-500m depth;
- World-class low-sulfidation epithermal vein-breccia hosted target.

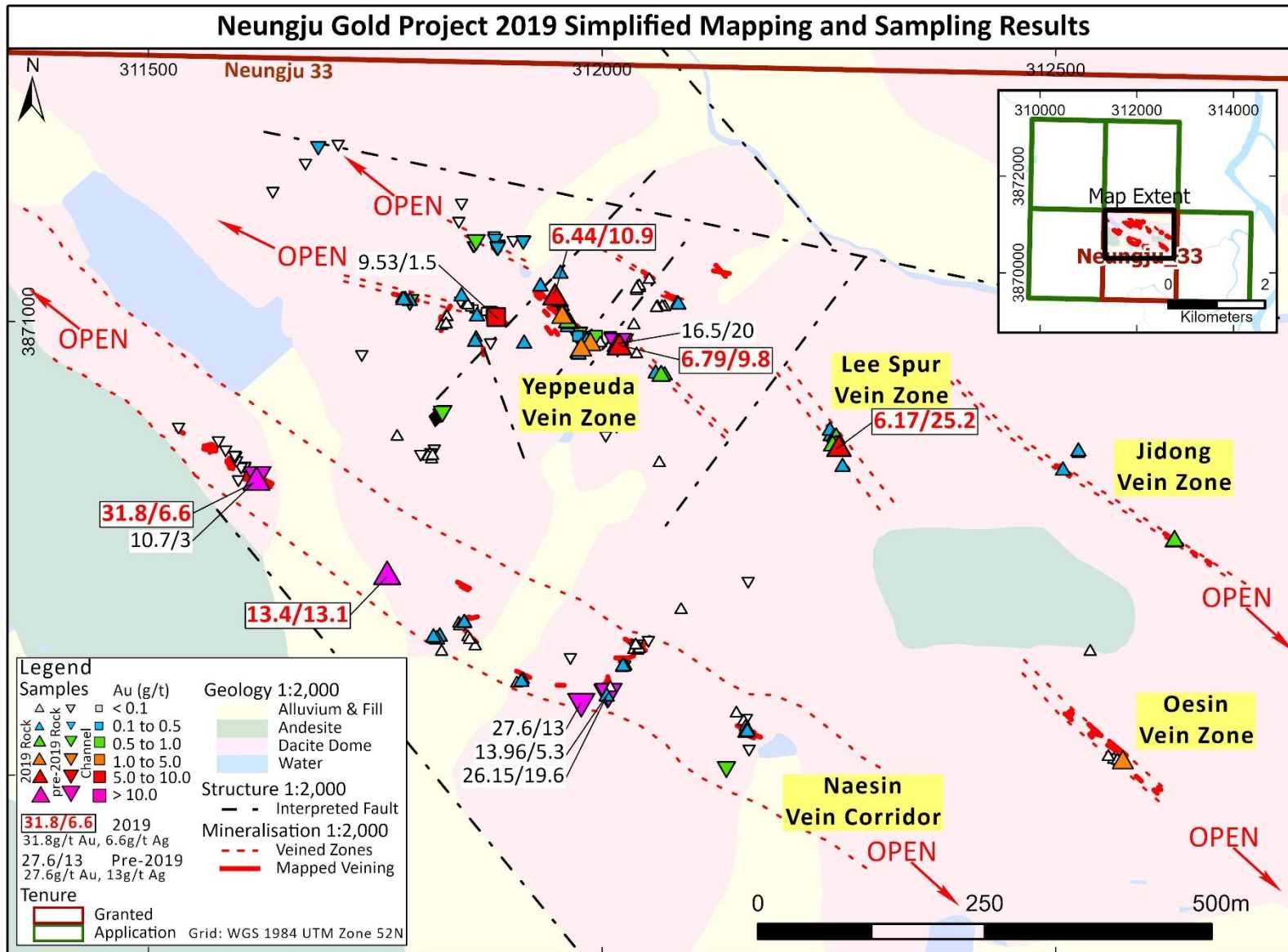
Drilling has commenced



Discovery 4: Neungju



Subcrop sample
KRS206458, 31.8g/t Au
and 6.6g/t Ag. Naesin
Vein Zone (Western end).



Principal Objective:

Rapid, low capital intensity, mine development to achieve first gold pour as soon as possible.

50%/50% JV with **Bluebird** (LSE: BMV)*



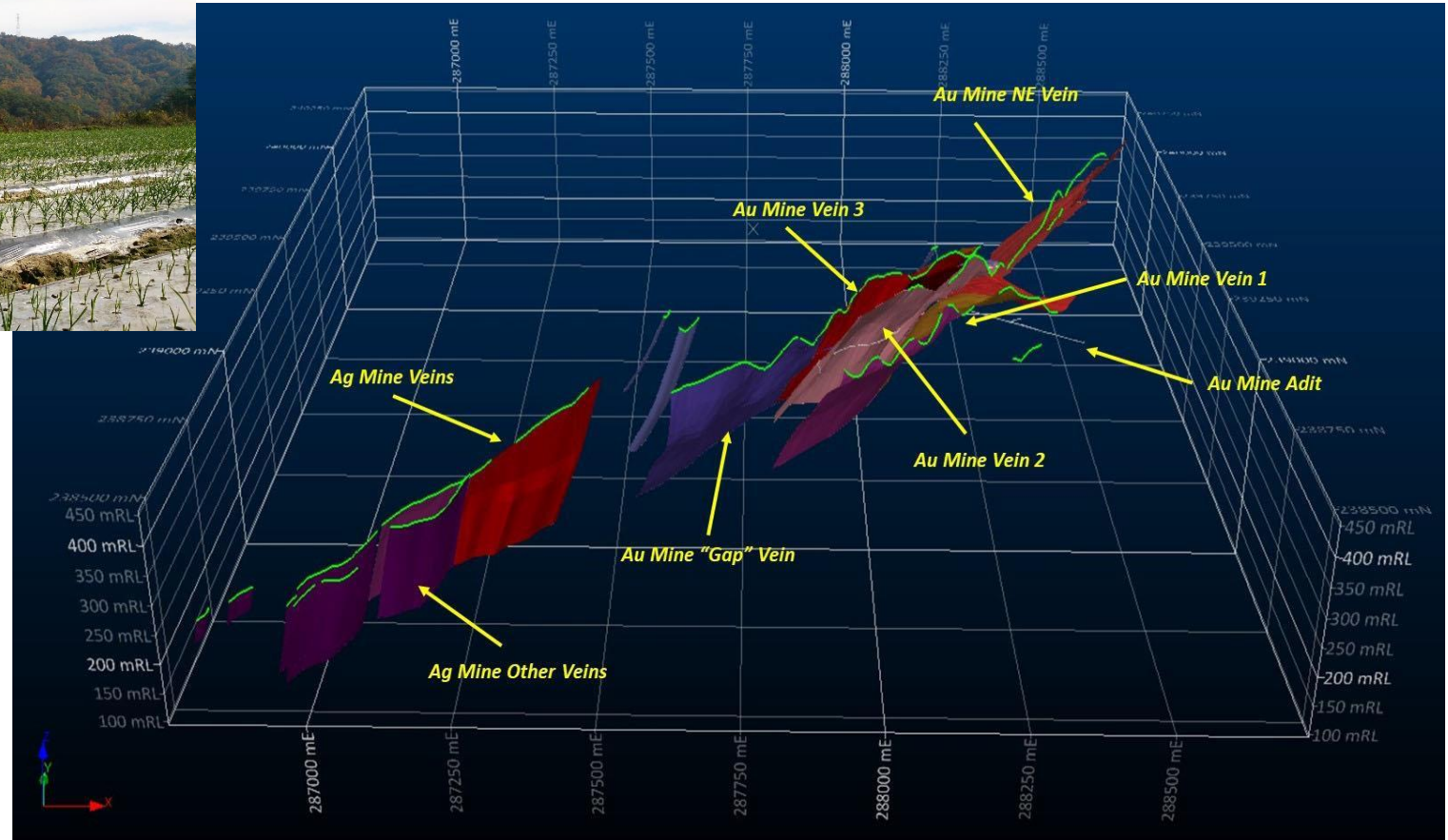
Aim of the JV is to:

- Reopen old high grade gold mines
- Extract using simple process e.g. gravity or vat leach
- Keep capital intensity low
- Achieve cash flow to organically fund South Korea

Currently seeking regulatory approvals. Gubong 'Permit to Develop' now approved by MOTIE.

*BMV is a specialist development and mining company with expertise in narrow vein underground gold mining listed on the London Stock Exchange

50% JV: Kochang (II) - ETR



Exploration Target Range (ETR)

500,000 and 700,000 tonnes, with a grade range of 5.0 to 7.0 g/t gold and 27g/t and 35 g/t silver. (80-150koz Au)

This exploration target is not a mineral resource and is conceptual in nature. The estimate is based upon 3D modelling of the geological structures within the Kochang Gold and Silver mines using the recently obtained underground access to the Kochang 245mRL and 265mRL Levels and the geological mapping and channel sampling. See ASX Release 22 November 2018.

50% JV: Gubong (II) - ETR



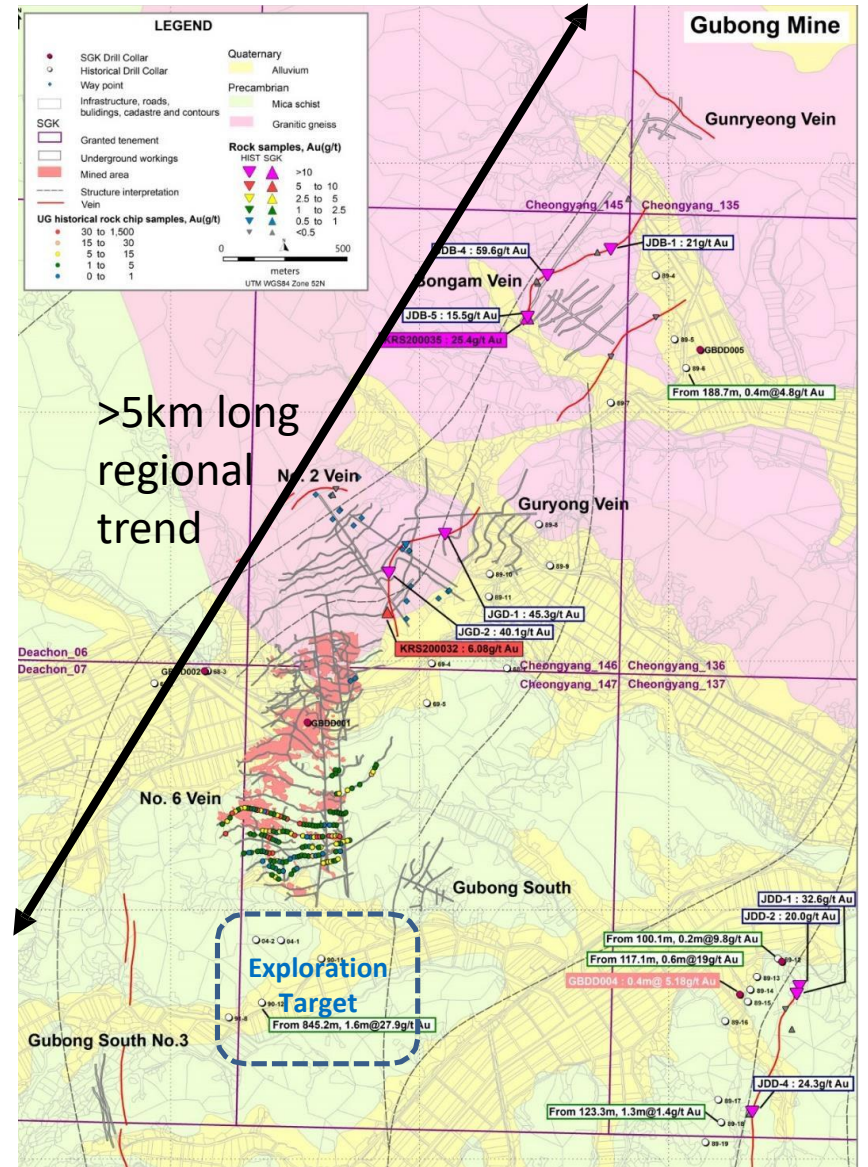
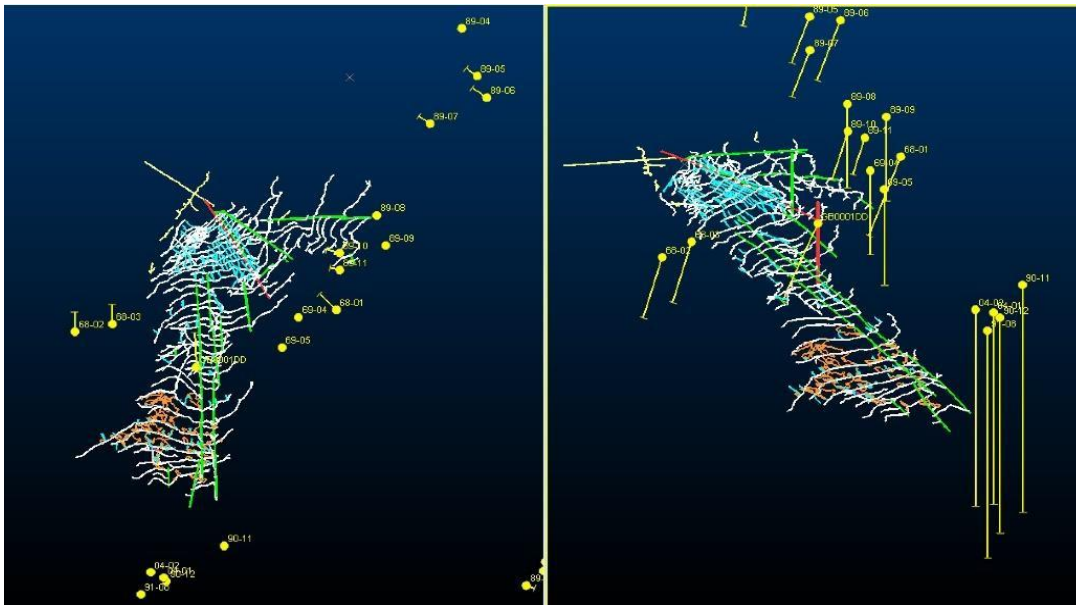
Exploration Target Range (ETR):
1.2 to 2.3mt @ 6 – 8g/t Au (230-580koz Au)

See inset area



Vein No6 only

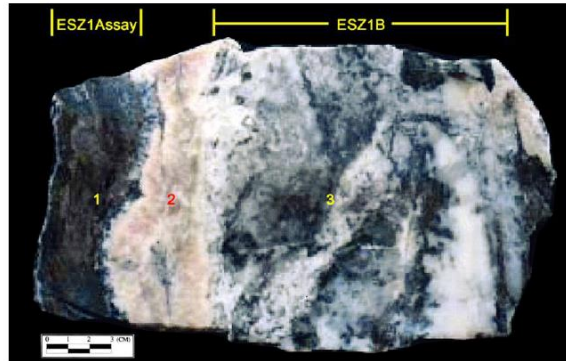
This exploration target is not a mineral resource and is conceptual in nature. Exploration carried out to date is insufficient to estimate a resource and it is uncertain whether further exploration will result in the estimation of a resource. See ASX Release 8 July 2016.



It can be done...

Indochina Goldfields

Source: Doug Kirwin,
presentation 2019



Zoned silver - acanthite - silica, carbonate, quartz vein. Vein section exhibits several phases of vein growth and has survived repeated brecciation that commonly destroys or disrupts large scale vein relationships.

Vein styles present are:

- 1) Massive silver - acanthite - silica with silica replacing carbonate,
- 2) Late orange manganoan calcite,
- 3) Quartz with disseminated silver - acanthite \pm pyrite.

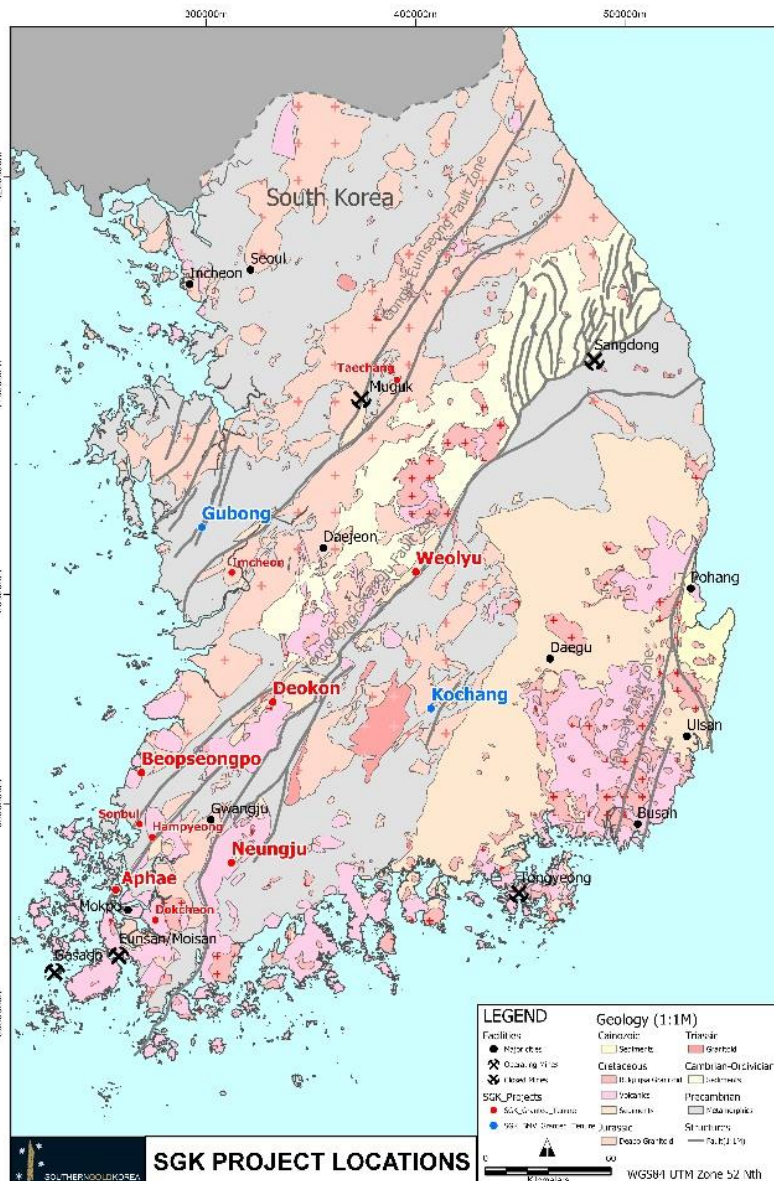
Selective sampling of silver - acanthite vein section (ESZ1Assay) returned results of **182142 g/t Ag and 1524.7 g/t Au.**

The quartz vein disseminated native silver and acanthite (ESZ1B) returned results of **7781 g/t Ag and 69.1 g/t Au** and 113:1 respectively. Late calcite infill was not sampled.



Eunsan Mine in February 2002, Korea

Near Term News Flow



- ❑ First drilling of major new vein system 2019Q3 at **Beopseongpo** (SAU 100%)
- ❑ Modern drill testing of high-grade project 2019H2 – **Deokon** (SAU 100%)
- ❑ Drilling (FY2019/20) and Maiden JORC resource at **Weolyu** (SAU 100%)
- ❑ Other earlier stage projects drill tested 2020H1 (**Aphae, Neungju** SAU 100%)
- ❑ Progress with the BMV JV Mine Developments (**Kochang, Gubong**, SAU 50%)

Why Invest In Southern Gold?



- ❑ South Korea has seen little modern exploration or development
- ❑ We have a 'first mover' advantage with significant tenure position
- ❑ We have an exploration team with excellent discovery record
- ❑ Tight capital structure (83.4m) and low EV (~A\$16m/~US\$9.7m/~GBP7.8m)
- ❑ A\$2.3m Rights + A\$2.5m Asset Sale + A\$0.44m Placement (tbc) = Cash in bank
- ❑ 'Walk-up' drill targets starting to be tested, drilling at Beopseongpo now
- ❑ **World-class exploration targets with very high discovery potential of high-grade gold-silver epithermal systems**