



Shares on Issue: 87.87m
Share Price: \$0.17
Market Capitalisation: \$14.9m

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 Au Project

South Korea Development (50%) BMV[#] JV

Gubong Project JV Co Ltd
Kochang Project JV Co Ltd
Bluebird Merchant Ventures is LSE listed

Directors

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Kochang Project ‘Permit to Develop’ Approved by South Gyeonsang Province

- JV Partner, Bluebird Merchant Ventures has reported it has secured approval to mine
- Approval is subject to several conditions largely related to mine development requirements

Southern Gold Ltd (Southern Gold) has been advised by its Joint Venture partner, London listed Bluebird Merchant Ventures Ltd (‘Bluebird’, www.bluebirdmv.com), that it has received confirmation that the Permit to Develop for the Kochang Gold Mine has been approved by the South Gyeonsang Provincial Government. Mine development in South Korea is formally approved through a process run by the provincial government.

The approval is subject to several conditions largely in relation to physical development requirements regarding safety and environmental management.

Bluebird will now present this approval document to the local County government prior to initiating any site works, for which County government approval is required. From a practical point of view, the approval is now in hand and allows for the next stage of development works to begin, subject to presentation of these activities to local community members.

Southern Gold and Bluebird each hold a 50% equity interest in Singaporean company Kochang Project JV Co Ltd which in turn holds 100% of South Korean company Geochang Project Co Ltd which holds the Kochang gold development project. Joint Venture costs are currently shared 50/50 while Bluebird is responsible for day to day operations.

Because the proposed development at Kochang is essentially the re-opening of an historical mine with substantial underground workings already in place, the next stage of work at Kochang will entail very modest capital costs, with Bluebird current estimate being US\$2.2m, of which Southern Gold 50% share is US\$1.1m, to achieve first gold production. Southern Gold is currently exploring various funding options that will be non-dilutive to current shareholders.

Note that the Bluebird development proposal is not based on any Resources or Reserves defined in accordance with the JORC Code 2012 and as such Southern Gold does not provide estimates of gold production levels, operating costs or estimated cash flows at this stage of development.

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 projects 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.