

*Drilling at Aphae Project,
South Korea, June 2020*



Noosa Mining Virtual Conference

**15-17 July 2020
ASX Ticker: SAU**

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

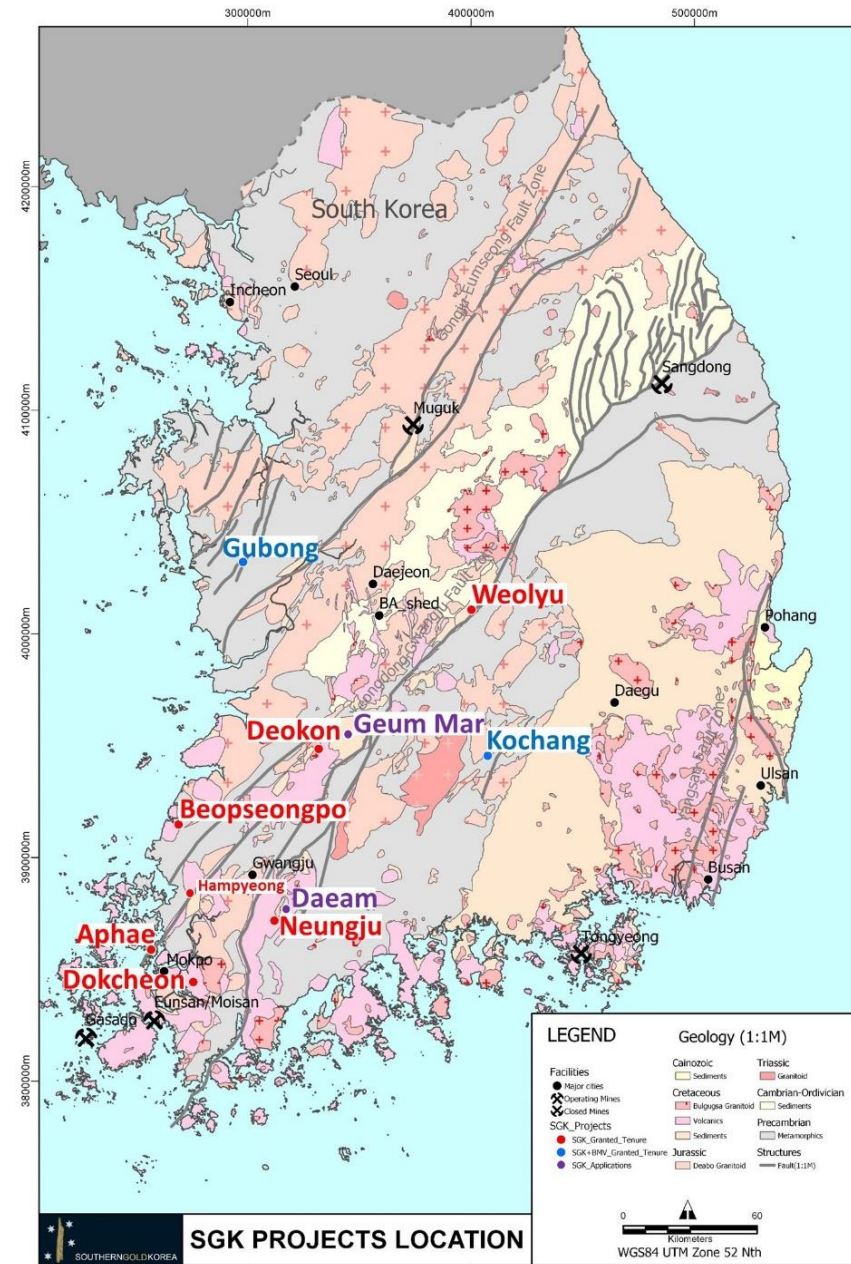
The information in this report that relates to Exploration Results has been compiled under the supervision of Dr Chris Bowden (FAusIMM(CP)). Dr Bowden, who is a consultant of Southern Gold Limited and a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy, has sufficient 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.

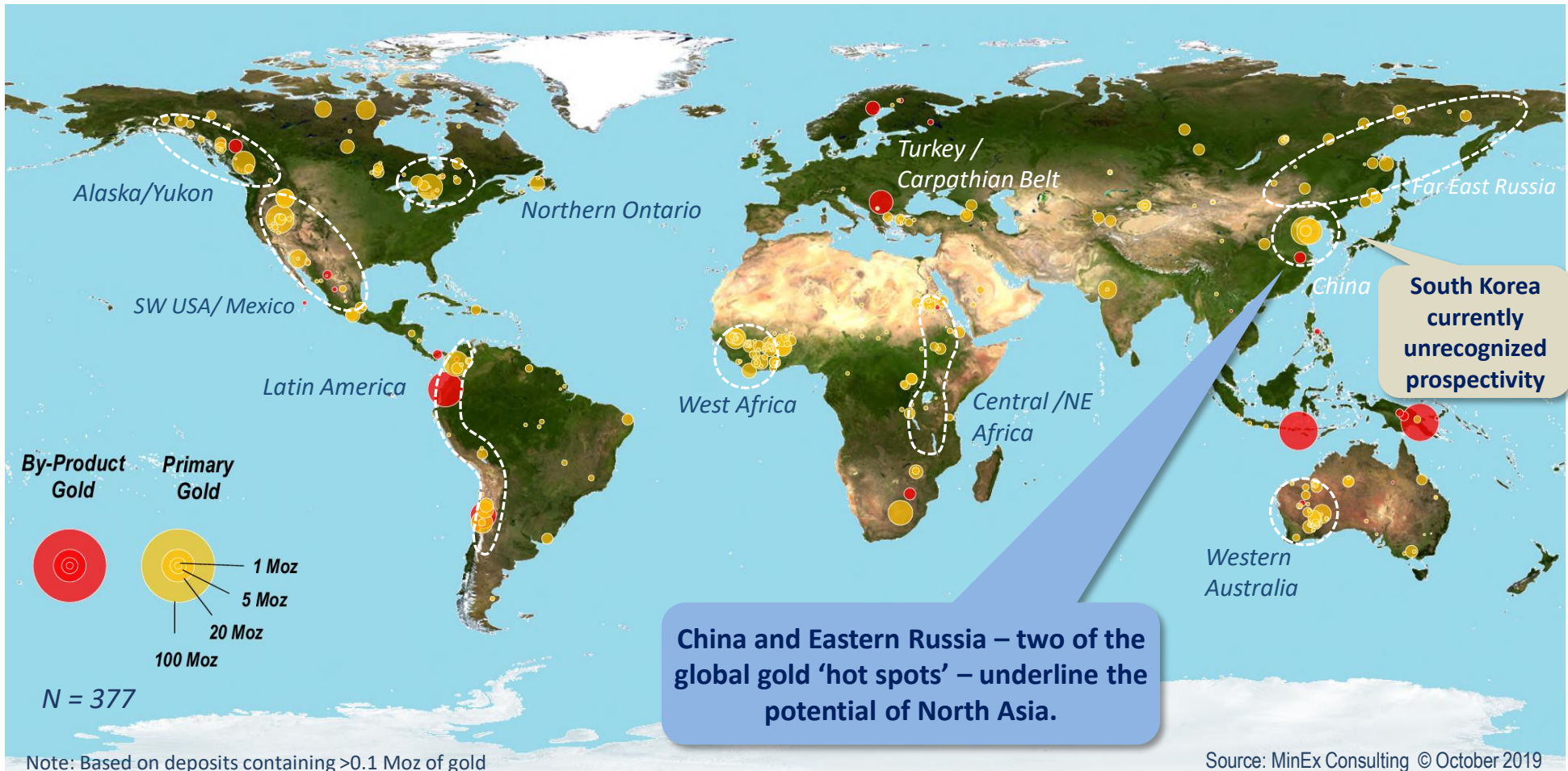
Our Strategic Focus:
“The discovery and definition of high-grade precious metal deposits in South Korea.”

What are the key’s to our success?

- 1. South Korean geology**
- 2. ‘Boots on the ground’ culture**
- 3. Secure tenure in good jurisdiction**
- 4. Actively drilling our targets**
- 5. Funded, with right capital structure**

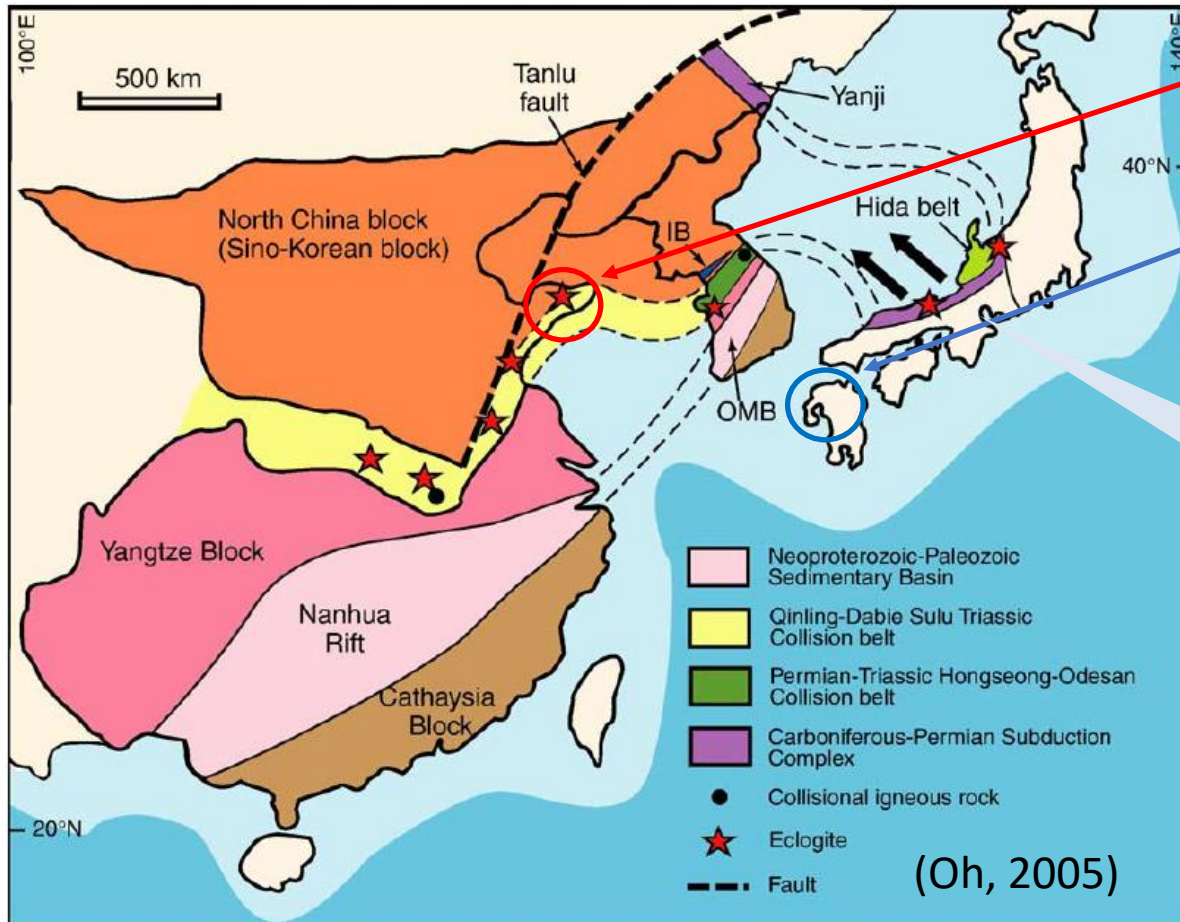


Map of the World showing size and location of gold deposits found in the period 2009-2018.



South Korea is a virtually unexplored jurisdiction with all the right macro-geological context to host world-class epithermal precious metal deposits. North Asia has seen limited exploration dollars compared to other ‘hot spots’.

South Korea, a piece of the North Asian tectonic puzzle between Japan and China



- World class Au deposits in China
e.g.: Jiaodong Peninsula orogenic Au
- World class Au deposits in Japan
e.g.: Hishikari epithermal Au
- Huge discovery potential due to very little modern exploration in South Korea

Barrick Gold & Newmont invested in Japan via Japan Gold & Irving Resources

Southern Gold: the only foreign gold explorer currently active in South Korea

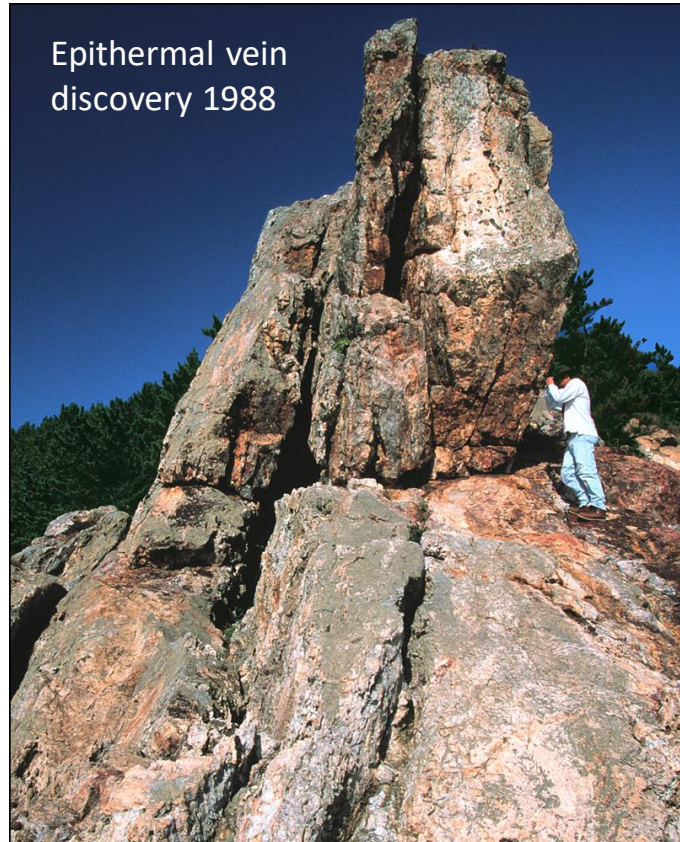
Gold production in South Korea is largely in the past....

- ❑ In pre-modern times Korea and Japan were well recognised sources of gold in the far east
- ❑ Gold mining occurred during Japanese occupation and in 1960-70's
- ❑ Doug Kirwin (and team) explored in 1980-1990's with Lighthouse Vein 'eureka' moment

Head frame and winding house, Tongyeong Mine, 1988



15m wide Lighthouse Vein exposed on the southern coast of Gasado Island



Cut slab of Lighthouse Vein, colloform banded epithermal Au-Ag



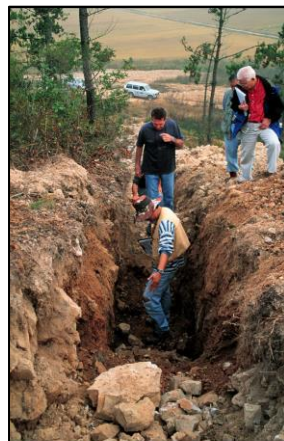
Colloform banded quartz – rhodochrosite – base metal sulphide vein.

Bonanza gold & silver was mined at Eunsan by Ivanhoe prior to focusing on Mongolia

- ☐ Various South Korean groups mined Eunsan, Moisan and Gasado Island ever since



4g/t Au peak on hill (n>100)



Eunsan Trench 1

3.61m @ 603.64g/t Au & 4264g/t Ag



Slot open pit on bonanza zone



Eunsan Mine (depleted) and plant, 2019. Currently mining Moisan and Gasado Island, also Ivanhoe/ Doug Kirwin discoveries.

Ex-Ivanhoe geological team 'Boots on the Ground' culture

Recent board appointment



**Doug Kirwin, NED
Economic Geologist**

- Oyu Tolgoi Cu-Au, Mongolia
- Hill 217 Au, China
- Kerta/Jelai/Seruyung Au, Indonesia
- Merlin Mo-Re, Australia
- Eunsan/Moisan/Gasado Au-Ag, South Korea
- Ulugtau Au (Carlin type), Kyrgyz Republic



**Paul Wittwer
Exploration Manager**
Extensive experience
exploration, development,
JORC resource definition,
mining

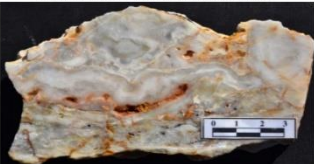






**Craig Panther,
Consultant**
Very senior exploration
geologist with extensive
experience throughout
Oceania/China/Mongolia



**Cyrill Orrsich
Consultant**
Very senior exploration
geologist with extensive
experience globally



<p>Photo 1. KRS202008: 1.5g/t Au, 120g/t Ag</p>  <p><i>15cm wide polyphasal vein float, comprised of hydraulic rip-up breccias and crude mesocrystalline to chalcedonic quartz colloform band development.</i></p>	<p>Photo 2. KRS202022: 6.12g/t Au, 170g/t Ag</p>  <p><i>Polyphasal hydraulic vein breccia & colloform-banded vein comprised of white mesocrystalline quartz with grey-black sulfidic inter-bands and wispy fills.</i></p>
<p>Photo 3. KRS202024: 4.57g/t Au, 110g/t Ag</p>  <p><i>Polyphasal, crudely banded mesocrystalline grey-white quartz vein with localised ghosted quartz pseudomorphs after bladed calcite & wisps of bluish-grey sulfides & sulfosalts.</i></p>	<p>Photo 4. KRS202027: 8.41g/t Au, 200g/t Ag</p>  <p><i>Polyphasal hydraulic vein breccia with rip-up vein fragments and a central black sulfidic band comprised of fine-grained pyrite & sulfosalts.</i></p>
<p>Photo 5. KRS202043: 2.37g/t Au, 150g/t Ag</p>  <p><i>Hydraulic quartz vein and rhyolite host rock breccia, pervasively flooded by mesocrystalline quartz and fine-grained pyrite. Highly oxidised with ubiquitous limonite after pyrite.</i></p>	<p>Photo 6. KRS202045: 3.22g/t Au, 140g/t Ag</p>  <p><i>Slip fragment from Mystery Vein Zone, comprised of colloform-banded, sulfide-bearing hydraulic vein breccia.</i></p>

70km² secure tenure in good jurisdiction (and growing)

- ❑ Tenure registered in online database, mining code, detailed regulatory system
- ❑ 0% government royalty, 25% corporate tax rate, extensive infrastructure/manufacturing base
- ❑ Government funding available (e.g. KORES drilling)

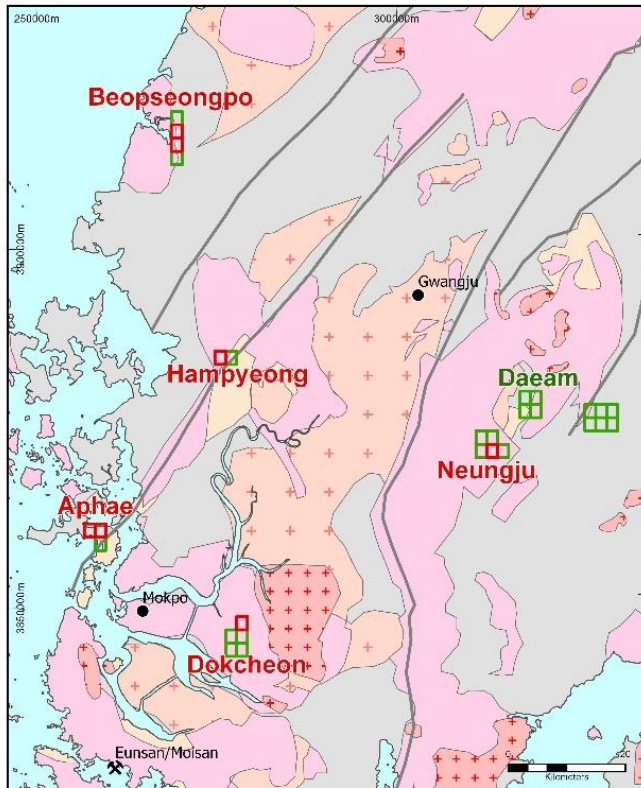
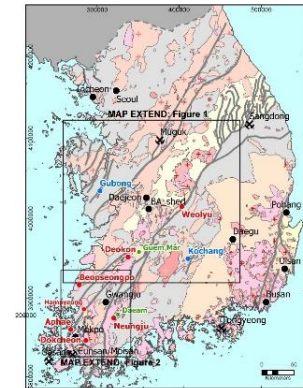


Figure 2. South-West of South Korea District

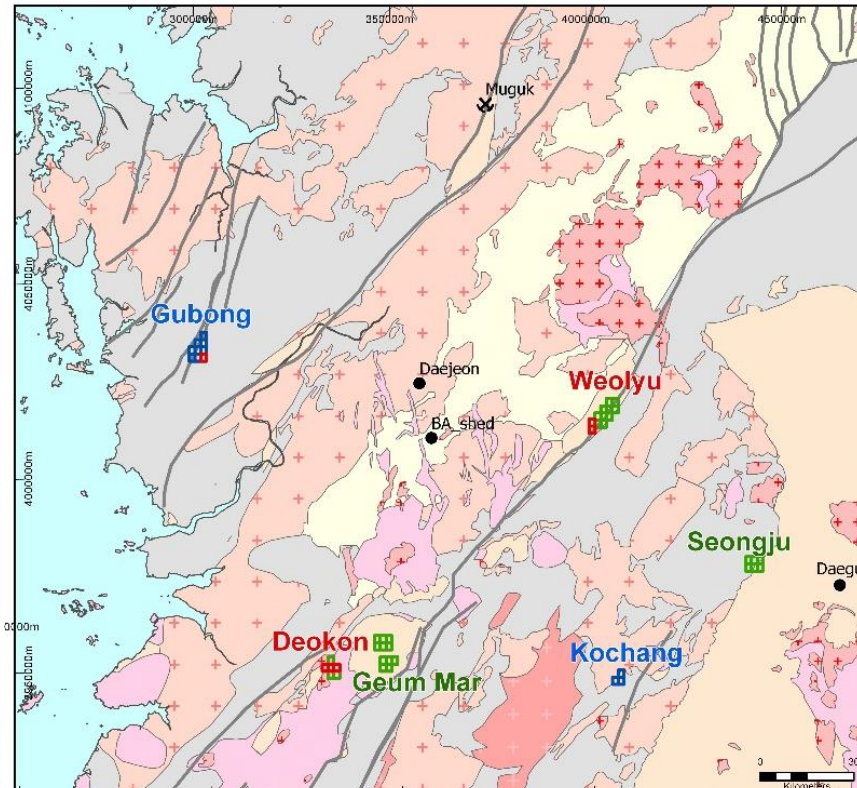
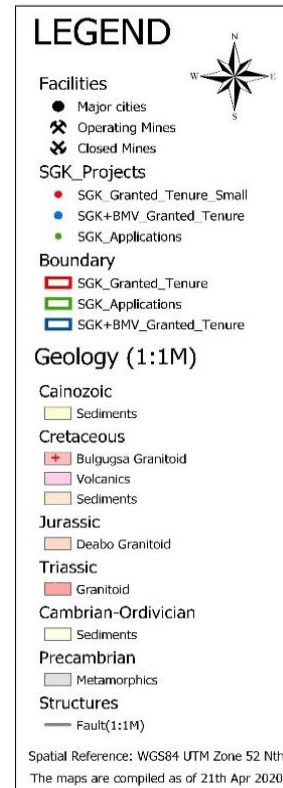


Figure 1. Central South Korea District



Drill Operations relatively unimpacted by COVID19



'Hand of Faith', Beopseongpo
Assays reported – low Au tenor



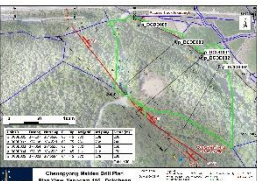
'Spider', Beopseongpo
Assays pending



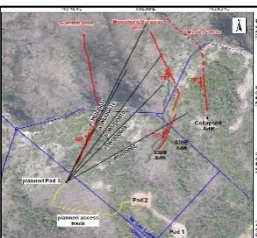
Aphae
Assays pending



Shin Adit, Deokon – Drilling completed

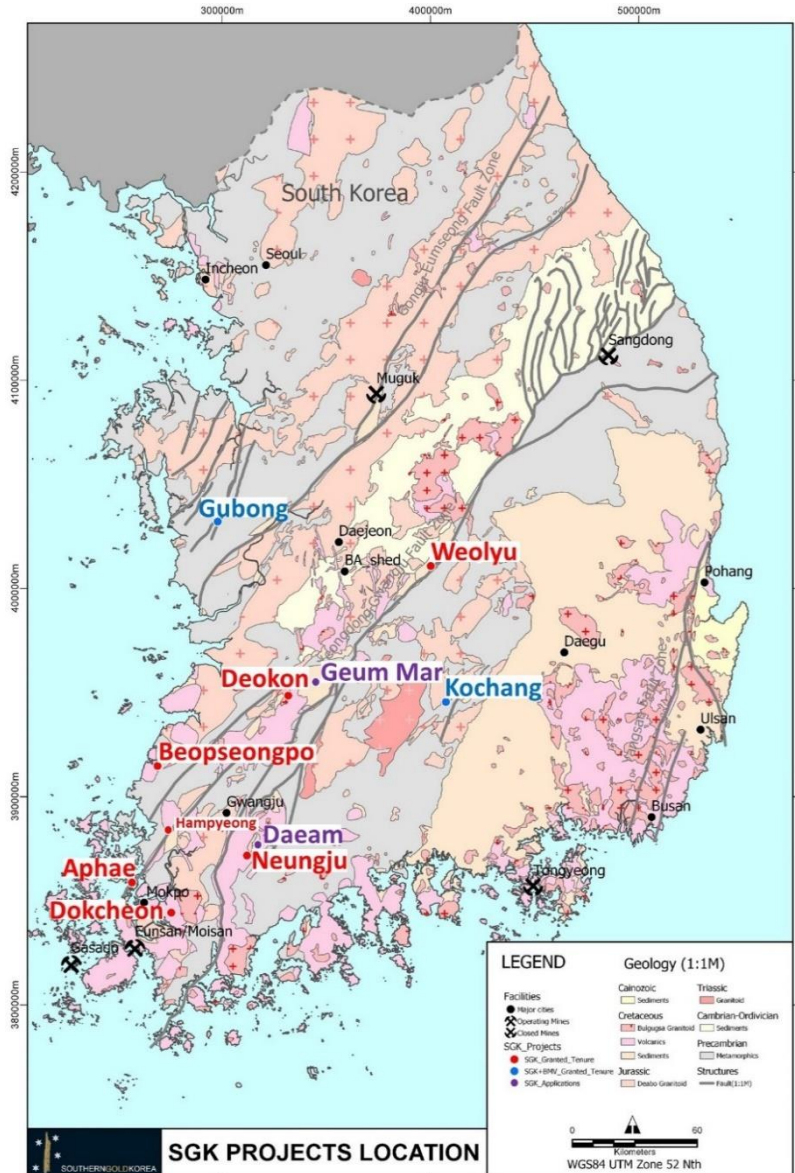


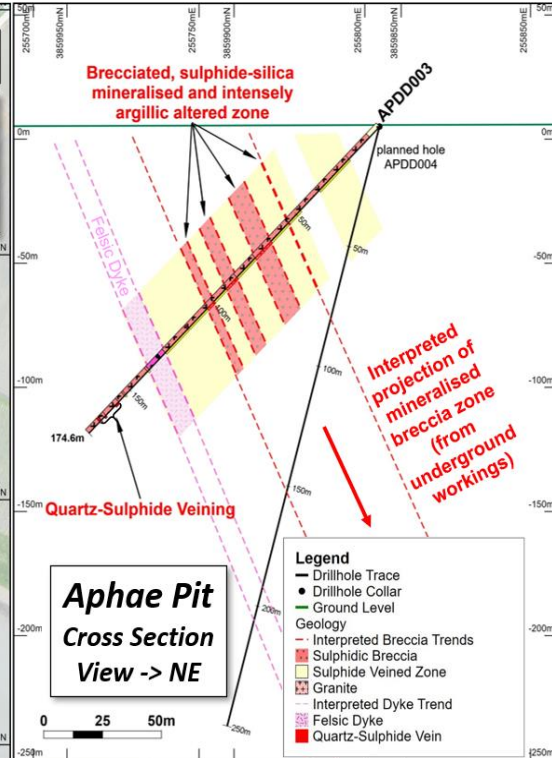
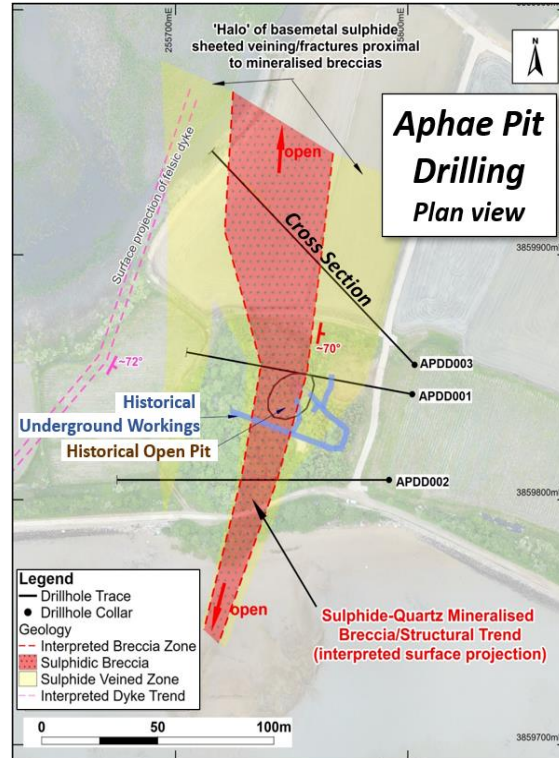
Dokcheon - Drill pending

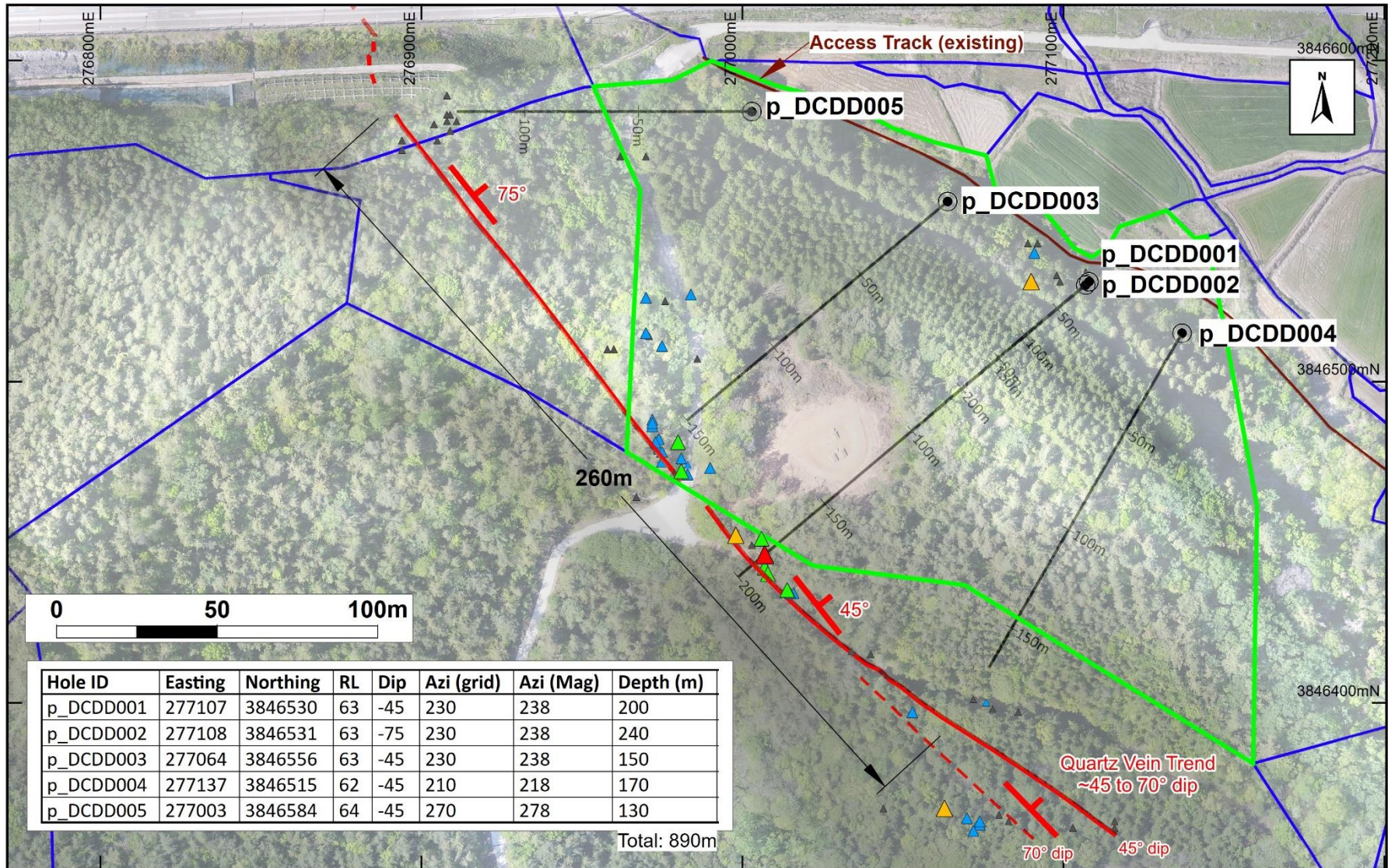


Weolyu - Drill pending

Drill Pipeline



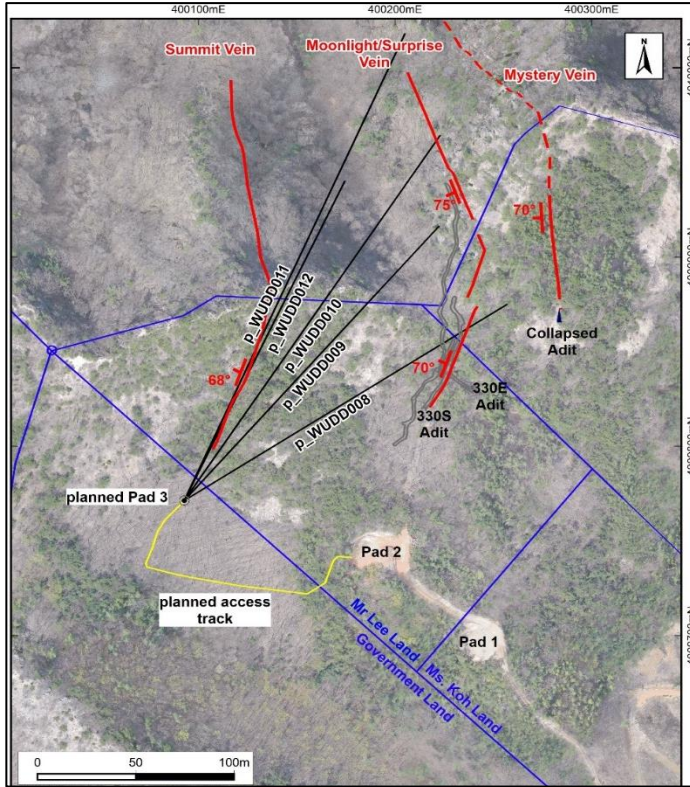




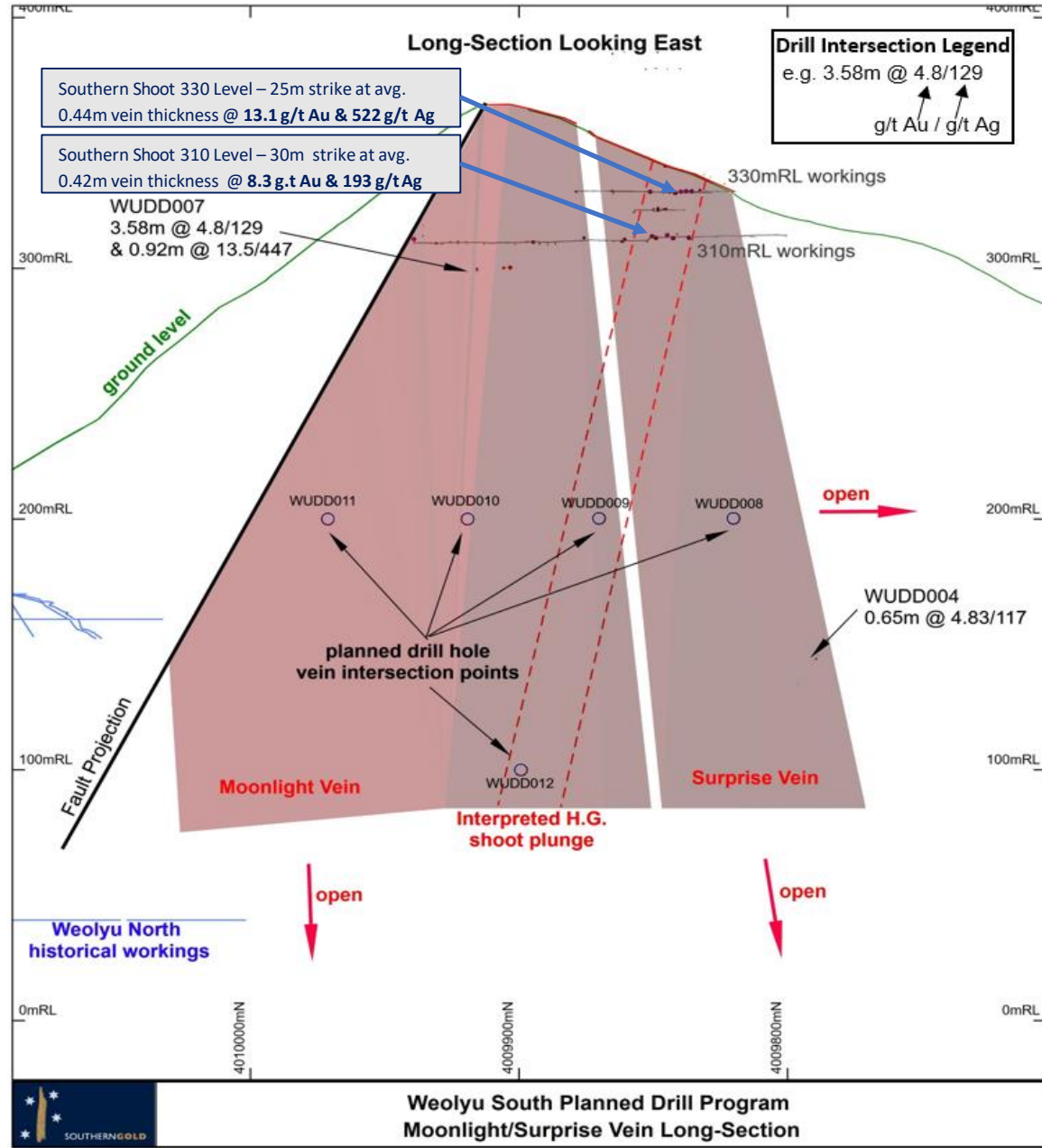
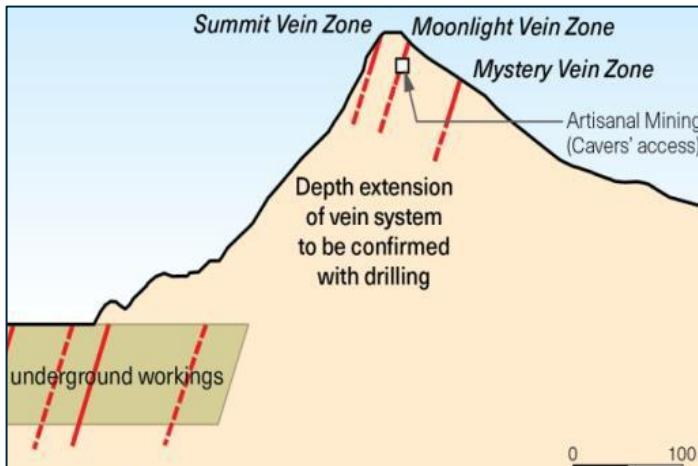
Hole ID	Easting	Northing	RL	Dip	Azi (grid)	Azi (Mag)	Depth (m)
p_DCDD001	277107	3846530	63	-45	230	238	200
p_DCDD002	277108	3846531	63	-75	230	238	240
p_DCDD003	277064	3846556	63	-45	230	238	150
p_DCDD004	277137	3846515	62	-45	210	218	170
p_DCDD005	277003	3846584	64	-45	270	278	130

Total: 890m

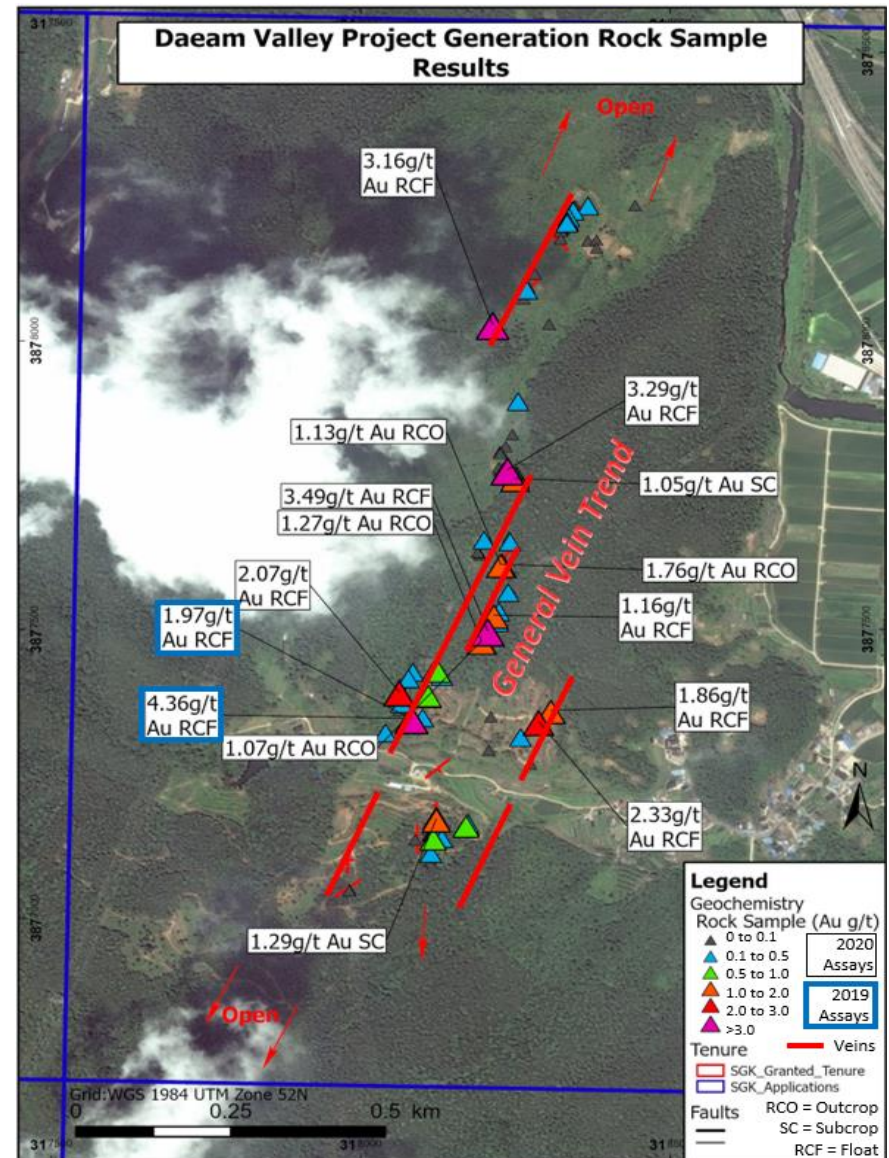
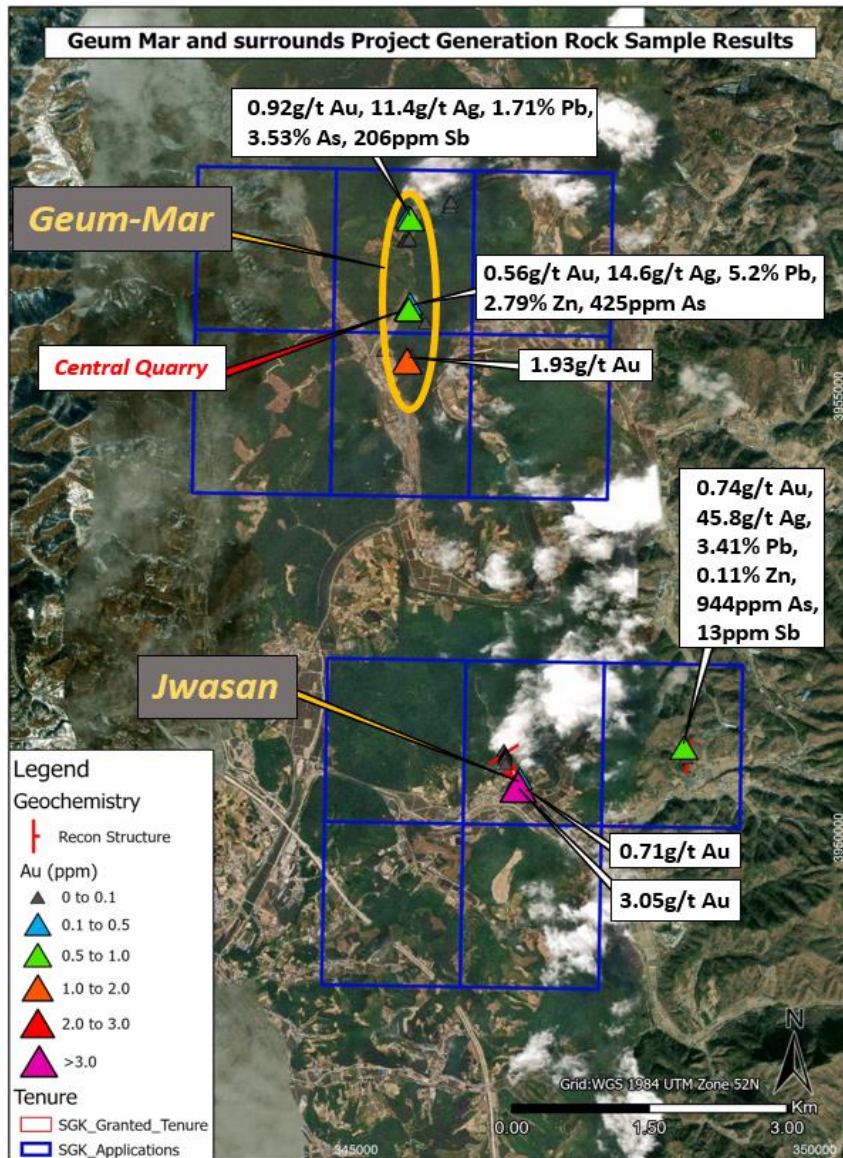
Multi Vein Target



~300m Vertical Relief



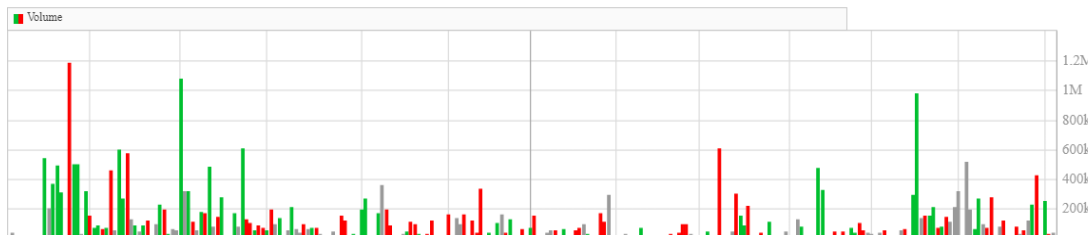
Field teams identifying new mineralised systems every 4-6 weeks of field work, 100 targets



Ordinary shares	128.3m
Share price (8 July 2020)	AUD\$0.13
Market capitalisation (undiluted)	AUD\$16.7m
Estimated Cash (June 2020, unaudited)	AUD\$4m
Debt (matures Aug. 2020)	AUD\$0.75m
Enterprise value (EV) AUD	~AUD\$13.4m
EV USD (US\$0.693 fx rate)	~USD\$9.3m
EV CAD (US\$0.737 fx rate)	~CAD\$12.6m

Options		
17c Call to 16 September 2020 (debt linked)	4,411,765	} 25.3m
18c Call to 31 December 2021	11,845,676	
15c Call to 31 December 2020	4,000,000	
24c Call to 15 Sept/9 Oct 2023 (staff/board)	5,060,000	

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Board (in transition)

- Greg Boulton (Chairman)
- Simon Mitchell (MD – Geologist and Finance)
- Peter Bamford (NED Mining Engineer)
- David Turvey (NED – Geologist)
- Beejay Kim (ED – South Korea)
- Doug Kirwin (NED – Geologist) [Recent appointment]
- Michael McNeilly (NED – Metal Tiger PLC) [Recent appointment]

Major Shareholders:

- Metal Tiger PLC (pending shareholder approval) ~17.1%
 - Ilwella PL (Flannery Family Office) ~9.7%
 - PS Super Nominees (Sydney based HNW) ~8.2%
 - Potenza Gromadka/ Leon (French HNW) ~5.8%
 - Valbonne II (French Family Office) ~5.8%
 - Board ~4.3%
- } >50%

Metal Tiger PLC ('Metal Tiger'), listed on the London Stock Exchange AIM Market invests in high potential mineral projects with a base, precious and strategic metals focus. Metal Tiger completed A\$2.2m of the recent A\$4m raising by SAU.

North East Asia Gold Play

World class Au deposits in Jiaodong Peninsula, China



World class Au deposits in Kyushu, Japan (discovery pre 2009)

Southern Gold (SAU.AX)

ASX Listed: 13c/share
Market Capitalisation =
AUD\$16.7m / CAD\$15.6m

US\$11m

Irving Resources (IRV.CN)

CNSX Listed: C\$3.92/share
Market Capitalisation =
CAD\$220m

US\$160m

Japan Gold (JG.V)

TSXV Listed: CAD34c/share
Market Capitalisation =
CAD\$60m

US\$44m

Backed by **Newmont
Goldcorp**

Backed by **Barrick
Gold Corp.**

Funded to complete diamond drilling programmes across the portfolio in FY21

- ❑ Follow up drilling of major new vein system at **Beopseongpo** (SAU 100%): Hand of Faith + Spider
- ❑ First pass scout drilling of Shin Adit at **Deokon** (SAU 100%)
- ❑ First pass scout drilling at **Aphae** (SAU 100%)
- ❑ First pass scout drilling at **Dokcheon** (SAU 100%)
- ❑ Follow up drilling at **Weolyu** (SAU 100%)
- ❑ First pass scout drilling at **Geum-Mar** (SAU 100%)
- ❑ First pass scout drilling at **Daeam Valley** (SAU 100%)
- ❑ Follow-up drilling at various projects (SAU 100%)
- ❑ Project generation to resume once COVID19 allows

Assays in process

Assays in process

Assays in process

2020Q3

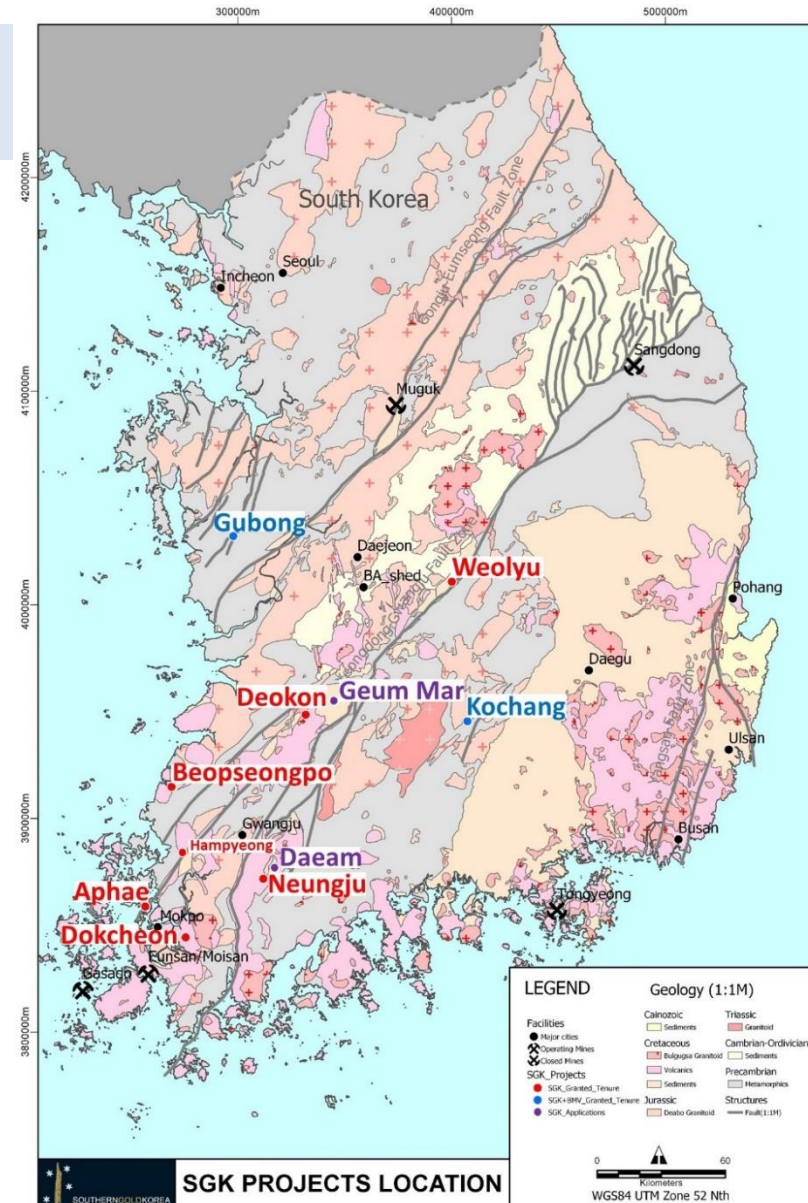
2020H2

2020Q4

2020Q4

[2021Q1]

TBC





- ❑ **South Korea:** a long history of gold mining but very little modern exploration and is a first-world stable jurisdiction
- ❑ **Strategic target:** Tier 1 high-grade epithermal gold-silver deposits, e.g. Hishikari in Japan
- ❑ **Experienced exploration team:** ‘first mover advantage’ and well established in country
- ❑ **Compelling investment case:** tight capital structure, very low valuation (EV~US\$9m), fully funded with >AUD\$4 million cash (US\$2.8m)
- ❑ **Active:** drilling 100% owned new targets now and full drill pipeline for 2020-2021, on the cusp of discovery

Simon Mitchell

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Research:

‘Dragon Rising’ research report by Simon Francis, published in November 2019 provides excellent background material on South Korea as a jurisdiction and includes comparatives with Japan Gold and Irving Resources, both operating in nearby Japan.

<https://www.southerngold.com.au/research-reports>

