

Update on the sale process for Southern Gold's Gubong and Kochang Joint Venture interests

Southern Gold Ltd ("Southern Gold" or "the Company") through its wholly owned Singaporean subsidiary, International Gold Private Limited ("IGPL") is in an incorporated joint venture with London Stock Exchange (LSE) listed Bluebird Merchant Ventures PLC ("BMV") at the Gubong and Kochang (Geochang) projects in the Republic of Korea. Each party holds an equity interest of 50% in each joint venture.

As advised in the Company's 30 November 2020 ASX release, IGPL is deemed to have offered for sale both of its joint venture interests to BMV and BMV has elected to acquire them. In accordance with the sale process under the Joint Venture Agreements the price payable by BMV is US\$9,945,000 (approximately AUD\$12,915,000 at the current exchange rate of USD\$0.77) and BMV had 60 days, or to 26 January 2021, to complete the payment.

As at commencement of business yesterday, 27 January 2021, no payment has been received by Southern Gold or IGPL, which is ready and willing to complete the sale and purchase of its joint venture interests.

On the 26 January 2021 BMV emailed the Company a letter outlining, in general terms, alternative means by which the sale and purchase may be settled. Southern Gold intends to consider these proposals and to maintain an open dialogue with BMV to see whether an acceptable agreement may be reached.

Southern Gold reserves its and IGPL's legal rights under the Joint Venture Agreements and in relation to the sale and purchase of IGPL's Joint Venture Interests.

Authorised for release by the Board of Southern Gold Limited.

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Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer listed on the Australian Securities Exchange (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, Southern Gold's aim is to find tier one epithermal gold-silver deposits in a jurisdiction that has seen very little modern exploration.