

## Southern Gold widens South Korean exploration to include Copper, Lithium and Rare Earths

Southern Gold Limited (ASX: SAU) (Southern Gold or the Company) is pleased to outline preliminary plans to broaden exploration efforts in South Korea to include the search for copper, lithium and rare earth element (REE) deposits while remaining focussed on its precious metals exploration program heading into 2023.

### Highlights

- A comprehensive independent report commissioned by SAU will progress the Company to widen exploration within South Korea to include specifically identified “critical metals”.
- The study by consulting group RSC was successful in identifying specific areas of positive exploration potential, several close to known small-scale historical mines and occurrences.
- SAU is working with RSC to refine priorities over the winter months and commence reconnaissance exploration during Q3 FY23 to field validate mineralisation of lithium and REE.
- SAU has initiated discussions with government research agencies to investigate joint research opportunities and with companies for potential future joint venture opportunities.
- SAU’s precious metals exploration program remains focused and will return to drilling starting in Q3 FY23, following the recent opening of South Korea post-COVID-19.

**Southern Gold MD and CEO Robert Smillie said:** “After living in South Korea for the last 12 months and travelling extensively around the country, it is readily apparent that there are significant opportunities to broaden our gold-silver exploration portfolio to include other metals such as copper, lithium and REE. Several of our new projects in the east of the country already contain good copper grades, as reported recently from our Goseong and Geoje Island Projects. South Korea has small-scale, historic lithium mines and known occurrences of REEs, however there has been little to no modern-day exploration for these “critical minerals”.

“The RSC Prospectivity Study commissioned by SAU has really highlighted the opportunity for the Company to explore for lithium and REE deposits here in South Korea, and where to best focus our initial efforts. The South Korean government keenly wishes to develop new domestic supplies of critical minerals to diversify supplies, and the SAU team and I are in discussions with mandated government agencies with the aim of working together in the search for critical minerals in South Korea.”

“Going forward, our epithermal gold-silver program will continue to be our primary focus as we move to drill testing a number of priority projects in 2023, and we intend to leverage our first-mover advantage and in-country capability to explore for these critical metals to create additional value for our shareholders and support government efforts”.

## Background

South Korea is the world's fifth-largest consumer of mineral resources and relies on imports for 99.6% of minerals it needs to underpin its growing high-technology manufacturing industries, including its EV, semiconductor, permanent magnets and battery industries. These minerals include "critical minerals" such as lithium, REEs, cobalt, tungsten, and others. Demand for these minerals is expected to increase globally 50-fold according to the International Energy Agency as the world transitions from fossil fuels to clean energy technologies to combat the impact of climate change.

To address this supply challenge, the South Korean government has recently devised a national Critical Minerals Strategy to ensure security of supply of these minerals and reduce mineral dependence on China. This strategy includes developing strategic cooperation agreements with several critical minerals-producing countries, including Australia and Canada, to provide an alternative, secure and sustainable supply of critical minerals. In addition, Korean corporates have committed to investing more than half a billion dollars into various Australian mining projects through multiple-year offtake agreements and memoranda of understandings.

## South Korean Critical Minerals

As part of its Critical Minerals Strategy, the Korean government, through agencies KOMIR (Korea Mine Rehabilitation and Mineral Resources Corporation) and KIGAM (Korea Institute of Geoscience and Mineral Resources), is seeking development of domestic critical minerals deposits. This support includes subsidising re-development costs of the Sangdong Tungsten mine, owned by global tungsten miner Almonty Industries (ASX:All), one of the world's largest historical tungsten mines before it closed in the 1990s due to depressed metal prices.

Other key government initiatives include national research programs led by KIGAM to promote the exploration and development of critical minerals such as lithium and REEs in regions where small-scale historical mines and known occurrences exist.

## RSC Study

Southern Gold commissioned an independent and comprehensive desktop prospectivity study assessing the exploration opportunities for lithium and REEs in South Korea with the view to complementing its existing in-country precious metals exploration program. The study was completed in September by international geology consulting group RSC, experts in the field of critical minerals targeting and exploration, who adopted a 'mineral system analysis' approach for this study.

The RSC study utilised open-file government regional datasets, including KIGAM 1:50,000 geological maps, stream-sediment data, and airborne magnetics and radiometrics. It also analysed multielement data from more than 3,000 SAU rock chip samples. Research papers, published company reports, and other open government reports were also used.

The RSC study identified multiples areas that were considered prospective to host Li and REE deposits. The study identified and ranked several targeted areas based on geology, geochemistry, geophysics and proximity to known mineralisation, including historical deposits. Several targeted areas were identified from the following mineralisation systems based on similarity to known deposits, permissive geology, and anomalous geochemistry: REE carbonatites, REE alkaline granites, and LCT pegmatites.

### Next Steps

Going forward, Southern Gold will work with RSC from November 2022 to January 2023 to refine the areas of interest identified into exploration targets through additional data verification and compilation work. Once this work is complete, Southern Gold will commence a program of regional reconnaissance exploration in Q3 FY23 that is comprised of stream-sediment sampling, rock-chip sampling, geological mapping and soil sampling, to field-validate Li and REE mineralisation. Detailed project-scale exploration work could commence mid-year.

Southern Gold has initiated discussions with government agencies to investigate possibilities for joint research opportunities as part of this critical minerals exploration program. The company has also initiated discussions with companies for potential future joint ventures opportunities.

This critical mineral exploration program is complementary to SAU's precious metals exploration program and will use the same in-country resources and field geology skills. SAU's precious metals exploration program continues as a high priority with drilling planned to start in Q3 FY23. SAU's objective is to take advantage of its first-mover advantage in South Korea to pursue additional exploration opportunities for shareholders as well as supporting government initiatives to source domestic supplies of critical metals.

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 (under ASX ticker "SAU"). Southern Gold owns 100% of a substantial portfolio of high-grade copper-gold-silver projects in South Korea that are largely greenfield epithermal gold-silver targets in the south of the country. Backed by a first-class technical team, Southern Gold's aim is to find world-class epithermal gold-silver deposits in a jurisdiction that has seen very little modern exploration.

### 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 ASX release, except as maybe required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.