


Asset Base – WA, Australia

Cannon Gold Mine (100%)
 Bulong Gold Project (100%)
 Glandore Gold Project (50%*)
 Cowarna Gold Project (100%)
 Bulong East JV (80%)
 Transfind Extended (Option)
 *currently earning 75%

Asset Base – South Korea

Gubong Project (100%*/BMV)
 Taechang Project (100%*/BMV)
 Kochang Project (100%)
 Weolyu Au-Ag Project (100%)
 Hampyeong Au-Ag Proj. (100%)
 Huengdeok Project (100%)
 *Currently under BMV farm-in

Directors

Greg Boulton AM (Chairman)
 Simon Mitchell (MD)
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FY17 – A Transformative Year

- Undiluted Earnings Per Share of 5.5c
- Net Assets Increased by 62% to \$15.1m
- Cash on balance date of >\$5.3 million and debt reduced to zero
- Ground breaking 3c per share unfranked Special Dividend paid post FY

A 'Blue Chip' Explorer

The Board of Directors of junior Australian gold miner, Southern Gold Ltd ('Southern Gold'), is very pleased to announce the results for the Financial Year ended 30 June 2017, released to the ASX today.

This has been a transformative year for the Company with a substantial cash injection, a significant gold acquisition in South Korea, a subsequent value-add deal with LSE listed Bluebird Merchant Ventures Ltd, and the repayment of all outstanding debt.

Some of the highlights from the financial results announced today include:

- An undiluted Earnings Per Share (EPS) of 5.5c and fully diluted EPS of 5.2c reflecting Southern Gold's underlying profit position;
- Current assets, including cash, gold inventory and other receivables increased significantly to \$6.2 million;
- Net assets increased by \$5.8 million, a 62% increase on FY16 level, to a total of \$15.1 million; and
- Repayment of all outstanding debt resulting in a net cash balance on 30 June 2017 in excess of \$5.3 million.

Ultimately these excellent financial results and the healthy cash balance led to the announcement recently of a 3c per share unfranked dividend (or equivalent in Southern Gold shares priced at 25c per share under the Dividend Reinvestment Plan) that was paid post financial year end.

Managing Director, Mr Simon Mitchell: *"I think Southern Gold can be rightfully proud of what it has achieved in the past financial year. How many junior gold explorers out there return a positive EPS, expand their net assets by more than 60% and bolster their balance sheet while keeping the share count as tight as drum?"*

"The Board of Southern Gold is committed to the model of monetising assets, using the cash to build the exploration asset base while avoiding dilutive equity raisings wherever possible and keeping an eye on our Total Shareholder Return."

"We seek to develop a gold company with a difference. I am hoping, in time, the market will recognise and use the term "blue-chip explorer" for companies such as Southern Gold, companies that look to advance exploration activity, manage the balance sheet like a normal profit-making business while continuing to focus on looking for that elusive 'world class' gold deposit."

Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer and producer listed on the Australian Securities Exchange (under ASX ticker “SAU”). The Company’s main focus is its Bulong Gold Project located 30 km east of the world renowned gold district of Kalgoorlie (WA) with the flagship Cannon Gold Mine. An underground mining phase at Cannon is currently being assessed.

Southern Gold is also exploring at projects such as Glandore, Transfind Extended and Cowarna, looking for additional small high grade open pit-able gold resources and potential new discoveries.

In addition to its cornerstone position in Kalgoorlie, Southern Gold owns a portfolio of high grade gold projects in South Korea. These projects are a combination of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. Southern Gold’s aim is to move one or more of the orogenic gold mines such as Gubong and Taechang into production in the short to medium term utilising the technical expertise of its joint venture partner and London Stock Exchange listed Bluebird Merchant Ventures Limited as well as explore for world-class epithermal gold deposits.

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, 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.