

COMPLETION OF SHARE SALE FACILITY



Shares

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Southern Gold Limited (“Southern Gold” or the “Company”) is pleased to announce the completion of the Share Sale Facility for holders of less than a marketable parcel of ordinary shares in the Company (“Facility”).

On 7 April 2017, Southern Gold announced a share sale facility for shareholders who owned less than \$500 value of shares. The Company provided the Facility so that holders of less than a marketable parcel could sell their shares without incurring any brokerage or handling costs that could otherwise make a sale of their shares uneconomic and/or difficult.

The total of all holdings with less than a marketable parcel, as at the record date of 5 April 2017, was 626,421 ordinary shares of the Company, held by 1,153 shareholders (“Facility Shares”).

The Facility closed on Friday 26 May 2017, with 185 shareholders electing to retain their combined shareholding of 110,024 Facility Shares.

The remaining Facility Shares of 516,397, have been sold off-market to sophisticated investors at a price of \$0.25 per share. The proceeds will be distributed to shareholders who participated in the Facility, with cheques expected to be despatched on or before 12 June 2017.

Southern Gold Managing Director, Mr Simon Mitchell: “We had around 1000 shareholders holding shares worth a little over \$100 on average and compliance and administration costs of managing these shareholders adds up over time. We have completed the process of rationalising the smaller holders at minimal cost, a cost that will be recouped inside the next 12-18 months. This is a good outcome for all parties: shareholders with small holdings receive value for their share free of brokerage, and the remaining shareholders with marketable parcels get the benefit of reduced costs and new sophisticated investors on the register.”

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 projected to produce around 50koz gold. Mining at Cannon is now well advanced with Westgold Resources Ltd mining the deposit under a 50/50 profit share arrangement.

In addition to its cornerstone position in Kalgoorlie, Southern Gold has recently acquired a portfolio of high grade gold projects in South Korea. These projects are a mix of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. The aim is to move one or more of the orogenic gold mines into production in the medium term as well as test 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.