



Shares Issued: 46.4M
Share Price: \$0.325
Market Capitalisation: \$15.0m
Unaudited Cash Est.: \$4.5m
Debt: Nil
Enterprise Value: \$10.5m

Directors

Greg Boulton AM (Chairman)
Simon Mitchell (MD)
Michael Billing
David Turvey

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Placement to Colin Patterson, CEO of Bluebird Merchant Ventures

- Placement completed to entity controlled by Colin Patterson, CEO of Bluebird Merchant Ventures Ltd (BMV), under the Share Subscription, Farm In and Joint Venture Agreement – Gubong Project in place of BMV
- Placement of \$250,000 at \$0.386 per Southern Gold share, a 35% premium at the time of original agreement execution with BMV in March 2017

Placement Completed

Gold miner and explorer, Southern Gold Ltd ('Southern Gold') is very pleased to advise the completion of a placement to an entity controlled by Mr Colin Patterson, CEO of Bluebird Merchant Ventures Ltd ('Bluebird'). **The placement comprised 647,668 shares in Southern Gold priced at \$0.386 per share for total proceeds of \$250,000.**

This placement has been made in lieu of the placement to Bluebird Merchant Ventures Ltd under the Share Subscription, Farm In and Joint Venture Agreement - Gubong Project executed earlier this year (see ASX Release 27 March 2017). Pricing for the placement was set at the time the agreement was executed as a 35% premium to the 20 day volume weighted average price.

Gubong is a major historical gold mine in South Korea that Bluebird has agreed to farm into. Approval to access the underground mine was granted recently by Korean regulatory authorities (see ASX Release 21 June 2017).

Taking the placement now enables Mr Patterson to participate in the recently announced 3c per Southern Gold share special unfranked dividend that can be taken as cash, shares or a combination of both (see ASX Release 6 June 2017).

Southern Gold Managing Director, Mr Simon Mitchell:

"Having Colin invest in Southern Gold is a great vote of confidence in the mutual future of Southern Gold and Bluebird, particularly when it comes to the advancement of the Gubong project. Of course Colin is not only directly supporting Bluebird by completing this placement but also taking a position in Southern that provides exposure to our Kalgoorlie operations, our other projects within South Korea and of course the 3c per share dividend that was recently announced."

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 by open pit methods. Mining at Cannon is being conducted by Westgold Resources Ltd, which financed and developed the deposit under a 50/50 profit share arrangement. Westgold is responsible for all mining, haulage and processing activities.

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 release, except as may be required under applicable laws. Readers should make their own enquiries in relation to any investment decisions and obtain advice from a licensed investment advisor.