



Shares Issued: 47.3M
Share Price: \$0.29
Market Capitalisation: \$13.7m
Unaudited Cash Est.: \$6m
Debt: Nil
Enterprise Value: \$7.7m

Directors

Greg Boulton AM (Chairman)
Simon Mitchell (MD)
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Seventh Profit Distribution - of \$1.5m - from Cannon gold mine, WA

- Seventh profit distribution of \$1.5 million received
- Total of \$13 million now received-to-date from Cannon
- Final distribution expected late in August 2017

Further \$1.5 Million Profit Share Distribution Received

The Directors of gold producer and explorer, Southern Gold Ltd ('Southern Gold') are pleased to advise the payment of the seventh profit share distribution from the Company's Cannon gold mine southeast of Kalgoorlie in Western Australia's Eastern Goldfields. **The Cannon gold mine operations committee resolved to pay a further \$3 million in profit distributions, or \$1.5 million to Southern Gold as its 50% profit share.** This takes total payments to Southern Gold from Cannon since December 2016 to \$13 million.

Southern Gold has fully repaid all of its debt and the Company's unaudited cash position is approximately \$6 million.

Southern Gold has significant accumulated tax losses it can use to offset any profits so no tax is expected to be payable on these distributions.

The final cash distribution to Southern Gold from the now ceased Cannon open pit operations is anticipated to be late in August once all final accounts have been settled over coming weeks.

Cannon Mine Next Steps

Results from the Reverse Circulation (RC) drilling campaign completed in July are expected to be reported shortly. These results will assist confirmation of the below-pit gold resource, particularly the distribution of the high grade zone that drives the economics of the proposal to further develop Cannon now as an underground gold mine.

Once a revised gold resource and conceptual underground mine design are finalised and these economic outcomes are confirmed by the latest round of RC drilling, Southern Gold will aim to move forward with the commercial arrangements of underground mining over the course of the next few months. The Company has commenced discussions with various potential development partners to assist in this regard.

Southern Gold Managing Director, Mr Simon Mitchell: *"Our cash position is building while at the same time we are active on multiple fronts in Australia and South Korea with both exploration and development drilling. We either have been or are drilling at Cannon, Glandore and Weolyu, with results from these programmes expected over the coming months. We are actively building additional value in the portfolio and effectively organically funding our exploration efforts."*

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.