



**Shares on Issue: 49.15m**

Share Price: \$0.24

Market Capitalisation: \$11.8m

#### **Asset Base – WA, Australia**

Cannon Gold Mine (100%)

Glandore Gold Project (75%\*)

Cowarna Gold Project (100%)

Transfind Extended (Option)

\*currently earning 90%

#### **Asset Base – South Korea**

Gubong Project (100%\*/BMV)

Taechang Project (100%\*/BMV)

Kochang Project (100%)

Weolyu Au-Ag Project (100%)

\*Currently under BMV farm-in

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## Corporate Update

- Results from Cannon Underground Mine technical study and commercial arrangements expected shortly.
- Assay results from multiple projects in both Australia (Glandore) and South Korea (Weolyu) expected over the coming weeks.
- Very significant epithermal quartz vein textures from Project Generation programme in South Korea with assays expected in 4-6 weeks.

### Update on Timing of Results

Australian gold producer, Southern Gold Ltd, has been progressing multiple projects on a number of fronts. While there have been some operational delays, the coming few weeks will see a series of results from these programmes. A summary of the situation is as follows:

- **Cannon Underground Study:** An engineering and costing study has been completed with very positive results and is currently under external review. An independent contractor has been engaged to critically examine and optimise the proposed development scenario and to refine the operational detail suitable for Board approval for development. On completion of this review the results of the study will be released.
- **Cannon Underground Commercial Arrangements:** discussions are advanced with multiple parties as to the financing and commercial arrangements for the development of the Cannon Underground Mine. These will be concluded in the coming weeks and align with the finalisation of the underground study.
- **Glandore Drilling:** while some delays were experienced with access to the lake area at Glandore which required the replacement of drilling equipment deployed to site, this drilling has been completed and as of last week all assays have now been received. Collation and QA/QC of these results is nearing completion with results to be announced this week.
- **Weolyu Drilling and Underground Sampling:** gold results have been received for this programme but silver results in excess of detection limits require further assaying for high grade silver in 30% of samples. The repeat silver assay results are expected in approximately 10 days and the results of this programme will be released in full shortly after.
- **Gubong Status:** Southern Gold's development partner, Bluebird Merchant Ventures (BMV) has been making important inroads into the Gubong mine and now has physical access at several points. Underground sampling has commenced and initial results from this programme will be reported by BMV over the next few weeks.
- **Project Generation, South Korea:** significant progress has been made under this initiative with assay results expected in 4-6 weeks. See below for further details.

### Project Generation Activity in South Korea

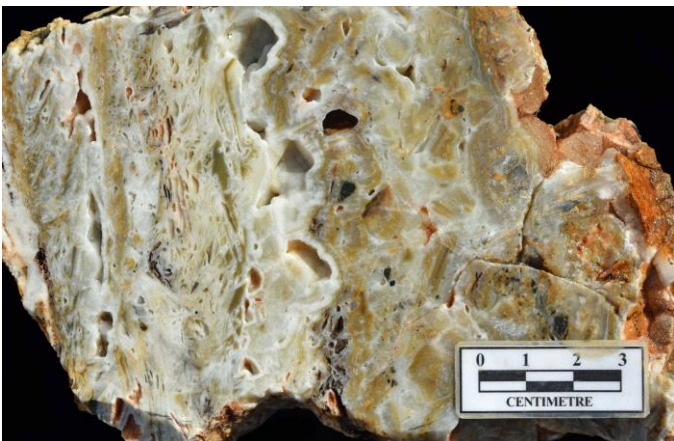
As highlighted in previous corporate presentations, a major Project Generation exercise in South Korea has been launched involving the detailed study of historical databases and the work of very experienced technical advisors to generate a short list of highly prospective high and low sulphidation epithermal gold-silver projects in the south of the country. The most prospective of these targets have been checked on the ground and several new tenement applications have been put in place.

Importantly, 455 samples have been taken in this field programme (**Photo 1 and 2**) and visually significant epithermal vein textures (**Photos 3 and 4**) are indicative of potentially mineralised epithermal systems. Whether or not these systems have the potential for high gold or silver grades will be confirmed by assays expected in around 4-6 weeks. Several projects may return low tenor results but still represent excellent targets at shallow depth.

**Photos 1 and 2:** Exploration samples in South Korea (left). Project Generation rocks lined up for slab cutting (right).



**Photos 3 and 4:** Type examples of slabs cut from recent Project Generation field samples.



### Exploration Incentive Scheme

Southern Gold has also been successful in securing 2 grants of \$80,000 each (total \$160,000) under the Western Australian Governments Exploration Incentive Scheme (EIS). These funds will be utilised to drill test two targets:

- Pryde, which is part of the Cowarna Gold Project; and
- Steve's, which is part of the Glandore Gold Project.

More details will follow in a subsequent announcement.

### **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 flagship Cannon Gold Mine which is currently being assessed for an underground mining phase. 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 or 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.*

### **Competent Person's Statements**

*The information in this report that relates to Exploration Results in South Korea has been compiled under the supervision of Dr Chris Bowden (FAusIMM(CP)). Dr Bowden, who is an employee of Southern Gold Limited and a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Bowden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

### **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.*