



Shares on Issue: 49.15m

Share Price: \$0.245

Market Capitalisation: \$12.0m

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%*/BMV)

Weolyu Au-Ag Project (100%)

Hampyeong Au-Ag Proj. (100%)

*Currently under BMV farm-in

Directors

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Definitive Farm In and Joint Venture Agreement over Gubong executed with Bluebird Merchant Ventures

- Agreement includes framework for management of the incorporated Joint Venture
- Bluebird Merchant Ventures has completed the US\$500,000 initial farm in expenditure requirement
- The Joint Venture is formed after submission of a report on feasibility to Southern Gold, expected in July 2018

Gubong Farm In and Joint Venture Agreement Executed

Southern Gold Ltd (“Southern Gold”) is very pleased to advise that it has executed the definitive Farm In and Joint Venture Agreement for the Gubong Gold Project with its development partner, London Stock Exchange (LSE) listed Bluebird Merchant Ventures Ltd (“Bluebird”). The document provides the final framework for the management of the 50/50 Gubong Project Joint Venture through an incorporated structure with Bluebird as operators.

The 50/50 Joint Venture commences after submission of a report on feasibility for the Gubong Gold Project expected in July 2018. The report is to define a development framework to advance the project with capital costs of less than US\$10 million that is satisfactory to Southern Gold Ltd.

Bluebird has completed its investment commitment by spending a total of US\$0.5 million in the advancement of the Gubong Gold Mine. Until the Joint Venture is formed Bluebird is responsible for all costs at Gubong, after which costs are shared 50/50.

Southern Gold Managing Director, Simon Mitchell: *“This is an important milestone for the advancement of the Gubong Project and speaks to the quality of the relationship between Southern Gold and Bluebird. Both companies are very excited by what we are seeing at Gubong and the scale of the opportunity suggests the potential for the project to be a true “company maker”.*

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 undertaken by development partner Westgold Resources Ltd.

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, Kochang 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.