



Shares on Issue: 49.15m

Share Price: \$0.245

Market Capitalisation: \$12m

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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Bluebird RNS: Kochang Underground Sampling Results Reported

Bluebird Merchant Ventures release to London Stock Exchange;

Kochang Gold Project

- Potential early production source identified
- Initial programme demonstrates impact of sorting
- Estimates of operating costs and hence potential operating profit

Bluebird Merchant Ventures Ltd Public Release

Southern Gold Ltd ("Southern Gold") advises that its development partner, London Stock Exchange (LSE) listed Bluebird Merchant Ventures Ltd ("Bluebird"), has released some information through the LSE information distribution platform, RNS.

The information in this latest RNS is regarding Southern Gold's Kochang Gold Projects in South Korea where Bluebird is currently earning a 50% equity interest.

The RNS can be accessed via the London Stock Exchange website at:

<https://bluebirdmv.com/2018/05/15/kochang-underground-grab-sample-results/>

Neither the sampling results or statements in this RNS have been independently validated or verified by the Southern Gold board and therefore Southern Gold is not to be regarded as reporting, adopting or endorsing the information in the RNS. The sampling results announced by Bluebird are not reported in accordance with the JORC Code 2012.

Bluebird is currently investing a total of US\$1 million in the advancement of the historic Gubong and Kochang Gold Mines principally by defining a development framework to advance the projects on a capital cost of less than US\$10 million. The report and development framework are due to be submitted to Southern Gold in mid-2018. Refer to Southern Gold ASX release dated 27 March 2017 for further details.

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"). At the Cannon project near Kalgoorlie we are currently developing a small underground operation where Northern Star Resources Ltd holds a five year right-to-mine. Southern Gold is also looking to develop a much larger mine, Gubong, in South Korea within the next 12-18 months with development partner London-listed Bluebird Merchant Ventures.

We are also active explorers. Around Kalgoorlie Southern Gold is testing projects such as Glandore, Transfind Extended and Cowarna looking for additional small high grade open pit-able gold resources to maintain cash flow. In South Korea, Southern Gold also owns a portfolio of high grade gold projects that are a combination of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. Backed by a first-class technical team, including renowned geologist Douglas Kirwin, Southern Gold's aim is to find world-class epithermal gold deposits.

In essence, Southern Gold looks to monetise the small gold deposits while we search for the bigger ones.

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.