



Shares Issued: 49.8M  
Share Price: \$0.205  
Market Capitalisation: \$10.2m  
Cash (approx.): \$1.6m  
Debt: Nil  
**Enterprise Value: \$8.6m**

#### Directors

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

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## Placement to Bluebird Merchant Ventures

- Placement completed to entity controlled by Bluebird Merchant Ventures Ltd (Bluebird), under the Share Subscription, Farm In and Incorporated Joint Venture Agreement – Kochang Project
- Placement of \$250,000 at \$0.386 per Southern Gold share, a 35% premium at the time of original agreement execution with Bluebird in February 2018 or 88% premium to last closing price

### Placement Completed

Southern Gold Ltd ('Southern Gold') is very pleased to advise the completion of a placement to an entity controlled by 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 under the terms of the Share Subscription, Farm In and Incorporated Joint Venture Agreement - Kochang Project executed earlier this year (see ASX Release 13 February 2018). 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. It is an 88% premium to the closing price on Friday 18 August 2018.

Kochang is one of two historical gold mines in South Korea that Bluebird has agreed to farm into, the other being Gubong. The placement allows Bluebird to take Kochang to the next stage and to complete a Report on Feasibility which will assess a development scenario with capital costs of US\$10 million or less.

### Southern Gold Managing Director, Mr Simon Mitchell:

"It is very pleasing to see Bluebird move forward with the Kochang Project and taking it to the next stage. The placement is a vote of confidence in not only the Kochang Project itself but also Southern Gold as a company. Our recent success in the securing of additional tenure at Deokon, Beopseongpo, Hampyeong and Aphae, point to Southern Gold as a major emerging South Korean gold explorer and developer and I am sure Bluebird can see the longer-term value proposition this represents."

"We look forward to seeing Kochang progress down the development path and see huge potential for multiple production sites in South Korea into the medium term. This vision will be executed on a very rapid timeframe with our development partner, Bluebird, indicating a target of first gold pour from the first development by the end of 2019."

### 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 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 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.*