



**Shares on Issue: 55.8m**

Share Price: \$0.17

Market Capitalisation: \$9.5m

**Asset Base – WA, Australia**

Cannon Gold Mine (100%)

Glandore Gold Project (75%\*)

Cowarna Gold Project (100%)

Transfind South (Option)

\*currently earning 90%

**Asset Base – South Korea**

Gubong Project (50%/50% BMV)

**Kochang Project (100%\*/BMV)**

Taechang Project (100%)

Weolyu Au-Ag Project (100%)

Hampyeong Au-Ag Proj. (100%)

Aphae Au-Ag Project (100%)

Deokon Au-Ag Project (100%)

Beopseongpo Au-Ag Proj. (100%)

Neungju Au-Ag Project (100%)

Sonbul Au-Ag Project (100%)

\*Currently under BMV farm-in

**Directors**

Greg Boulton AM (Chairman)

Simon Mitchell (MD)

Peter Bamford

David Turvey

**Head Office**

Southern Gold Ltd

Level 1, 8 Beulah Rd

Norwood SA 5067

Telephone: (08) 8368 8888

Facsimile: (08) 8363 0697

info@southerngold.com.au

[www.southerngold.com.au](http://www.southerngold.com.au)

ABN: 30 107 424 519

**Postal Address**

Southern Gold Ltd

PO Box 255, Kent Town SA 5071

## Kochang Project: initial metallurgical test work indicates excellent recovery potential

### Highlights

- High gravity recoveries, up to 80% for gold and 60% for silver, considered excellent for this stage of study.
- Farm in and Joint Venture Agreement to be formalised with final metallurgical testing and report on feasibility.

### Overview

Australian gold company Southern Gold Ltd (“Southern Gold”) advises that its development partner in South Korea, London Stock Exchange listed Bluebird Merchant Ventures Ltd (“BMV”), has completed preliminary metallurgical test work as part of the requirements to deliver a final report on feasibility to conclude the farm-in stage of the Farm-in and Joint Venture Agreement for the Kochang Project.

BMV are finalising the report on the feasibility of reopening the historic Kochang Mine, due imminently, as part of its final requirement to the commencement of the Joint Venture. Once this final condition is met, costs will then be shared equally between Southern Gold and BMV. This initial metallurgical test work forms part of this reporting.

The metallurgical test work, while not concluded, is based upon bulk samples collected from the recent channel sampling at Kochang as was reported in the ASX Release on 24 May 2018 “*Kochang underground channel sampling by Bluebird Merchant Ventures Ltd returns significant assay results*”. The samples were obtained from within the old workings and across different modelled vein systems also previously reported in ASX release on 22 November 2018 “*Kochang Project Update*”.

The metallurgical test work was conducted by Bluebird at the Mines and Geoscience Bureau and Intertek in Manila, Philippines. The exercise was undertaken to evaluate the most appropriate method of recovery of gold and silver from the Kochang ore. The test work was conducted under the direction and supervision of Bluebirds Metallurgical Manager, Mr Peter Wallwin, who has over 40 years of project development experience. It should be noted that this preliminary work has not been reported to JORC 2012 standard with reference to Table 1, sections 3 and 4.

Southern Gold Managing Director, Mr. Simon Mitchell: “*This result continues to highlight the straightforward nature of the Kochang Project metallurgy and the potential for achieving high recoveries from a small, low capital-intensive mining operation. While these results from BMV are somewhat preliminary and yet to be definitively characterised in the context of a project development scenario, they are nevertheless very encouraging and strongly reinforce the belief that the lower capital cost development scenario can be delivered and delivered relatively quickly.*”



### 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 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-silver targets. Backed by a first-class technical team, including renowned geologist Douglas Kirwin, Southern Gold's aim is to find world-class epithermal gold-silver deposits.*

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

### Competent Person's Statements

*The information in this report that relates to Exploration Results from the Kochang underground sampling program and Exploration Target Range estimates has been compiled under the supervision of Mr. Paul Androvic (AusIMM). Mr Androvic who is an employee of Southern Gold Limited and a Member 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 Mineral Resources and Ore Reserves. Mr Androvic 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.*