



**Shares on Issue: 55.8m**  
**Shares cum Issue: 6.7m**  
**Total shares: 62.5m**  
Share Price: \$0.15  
Market Capitalisation: \$9.4m

**Asset Base – WA, Australia**

Cannon Au Mine (100%)  
Glandore Au Project (75%\*)  
Cowarna Au Project (100%)  
\*currently earning 90%

**Asset Base – South Korea**

Gubong Au Mine (50/50 BMV)  
Kochang Au Mine (50/50 BMV)  
Weolyu Au-Ag Project (100%)  
Deokon Au-Ag Project (100%)  
Beopseongpo Au Project (100%)  
Neungju Au Project (100%)  
Aphae Au Project (100%)  
Taechang Au Project (100%)  
Hampyeong Au Project (100%)  
Sonbul Au Project (100%)

**Directors**

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

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## \$1.75 million funding put in place

- \$1 million placement to several sophisticated investors
- \$0.75 million loan from one of the sophisticated investors
- Funding will bridge to value-release from the Cannon mine

Australian gold company Southern Gold Ltd (“Southern Gold”, ASX ticker SAU) is pleased to advise that it has executed a new funding round of \$1.75 million to several sophisticated investors.

### The Placement

The share placement has been made to several sophisticated investors with 6,666,666 shares being issued at the placement price of \$0.15 per share. This raised \$1 million and was not a brokered placement.

### The Loan

Because the company is expecting to monetise the Cannon mine over the next 12 to 15 months and in the interests of keeping the equity component of this funding round to a minimum, the Directors sought to put in place a loan component.

The terms of this loan are as follows:

- \$0.75 million for 18 months on an unsecured basis;
- 12% per annum, paid quarterly in arrears;
- The investor will be issued with 4,411,765 call options exercisable for 18 months at \$0.17/option.

If the call options were exercised, the cost of the subscription would cover the face value of the loan (\$0.75 million) however the expectation is that the loan will be repaid within 12-15 months.

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

*“This funding round sets up Southern Gold very well for 2019. With monetisation of the Cannon asset expected in the near term this funding will ensure the company can bridge to value-release from the mine and establish a strong fiscal position for the foreseeable future.*

*In addition, I continue to work on several other corporate initiatives that will help lift the profile and funding depth of the company and enable it to move into the next stage of its development. The company has some incredibly exciting drill targets in South Korea, literally walk-up targets where high grade gold and silver has been identified on surface and the mineral systems have in some cases never been drilled. It doesn’t get much better than that as an explorer and I think 2019 will be an incredibly exciting year.”*

### Southern Gold Limited: Company Profile

*Southern Gold Ltd is a successful gold explorer listed on the Australian Securities Exchange (under ASX ticker "SAU"). Southern Gold is looking to commission a small scale mine in South Korea within the next 12 months with development partner London-listed Bluebird Merchant Ventures (BMV) at either the Kochang or Gubong project.*

*Southern Gold also owns a substantial portfolio of high-grade gold projects in South Korea 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 a jurisdiction that has seen very little modern exploration.*

### Competent Person's Statements

*The information in this report that relates to Exploration Results 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.*