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Applications lodged for five-fold increase in size of Southern Gold's Torrens Geothermal Project in SA

HIGHLIGHTS

- **Applications lodged for an additional 18 new Geothermal Exploration Licences (GEL) as part of Southern Gold's 100%-owned Torrens Geothermal Project in SA**
- **Torrens Geothermal Project covers one of Australia's largest geothermal hotspots**
- **Five-fold increase in Project footprint - 4 existing GELs (1,990 km²) and 18 GEL Applications (GELAs) cover a total area of 10,000km²**
- **High heat flows measured in 1,000m deep drillholes**
- **GELAs are in close proximity to Olympic Dam and high voltage power infrastructure**

Southern Gold Limited, through its wholly-owned geothermal subsidiary, Inerus Resources Pty Ltd., has lodged applications for 18 GELAs in South Australia. The tenement area which is the subject of the new applications covers more than 8,100km² of highly prospective ground to the west of Lake Torrens, situated between Olympic Dam and Port Augusta.

The GELAs are located within the South Australian Heat Flow Anomaly (SAHFA) which is considered highly prospective for the discovery of new and potentially economically viable geothermal energy systems. Temperatures in excess of 200°C have been modelled within the SAHFA with insulation provided by the thick sequence of younger Adelaidean cover rocks that traps heat sourced from older basement rocks and granite at depth.

The GELAs (GELAs 462/463, 465-480) adjoin the recently granted GELs that comprise Southern Gold's Torrens Geothermal Project. If the applications are successful, the expanded project area of over 10,000km² will provide Southern Gold with one of the largest strategic geothermal land holdings in an area that hosts growing energy markets including the world-class Olympic Dam and Prominent Hill mines. The proposed Olympic Dam expansion is forecast to consume close to half of the State's power supply.

The new GELAs also straddle the 275Kv and 132kv power lines that connect Olympic Dam and Prominent Hill mines to the national power grid at Port Augusta.

High heat flows averaging 94mW/m² are already established for the Torrens Geothermal project. Southern Gold has measured the temperatures and thermal conductivities for two of Southern Gold's mineral exploration holes drilled 1000m depth south of Lake Torrens in GEL 302. Independent experts and industry consultants (Hot Dry Rocks Pty Ltd) confirm that these heat flows are in the range required for commercial development of an Engineered Geothermal System (EGS).

The potential economics of the project are built around the proximity of commercially viable insulated hot rocks to high voltage power distribution infrastructure and nearby market demand. The excellent infrastructure combined with reliable energy supplies contributes to the continued and sustained project development and production economics of the region. This will only serve to benefit Southern Gold's goal of establishing a commercially viable EGS in the area.

The new GELAs contain more than 30 historic drillholes with depths greater than 500m. Temperature probe and drill core conductivity measurements from these deep holes would be highly valuable in providing a rapid assessment of the surrounding heat flow regime. This work will delineate additional target hotspots of geothermal anomalism and will expedite the project towards the Company's target of a commercialised EGS.

"The Torrens Geothermal Project provides Southern Gold with an easily managed non-mineral diversification that will expose the Company to new and emerging commercial opportunities. The extensive geothermal tenement package is located in the Olympic Dam province that has seen the development of several major projects, significant improvements in infrastructure and increasing energy demands. The project's location ensures that Southern Gold is well positioned to capitalise on the region's future energy needs," Managing Director, Mr Stephen Biggins, said.

"We are currently considering opportunities for partnership with an energy focused business to advance the development of the Torrens Geothermal Project, with a view to sourcing third party financing to further develop this opportunity."

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