

Australian Assets Sold for \$2.5 Million Cash



Shares on Issue: 83.3m

Share Price: \$0.155

Market Capitalisation: \$12.9m

South Korea Exploration (100%)

Weolyu Au-Ag Project

Deokon Au-Ag Project

Beopseongpo Au Project

Neungju Au-Ag Project

Aphae Au-Ag Project

Hampyeong Au-Ag Project

Taechang Project

South Korea Development (50%)

BMV# JV

Gubong Project JV Co Ltd

Kochang Project JV Co Ltd

Bluebird Merchant Ventures is LSE listed

Directors

Greg Boulton AM (Chairman)

Simon Mitchell (MD)

Peter Bamford

David Turvey

Head Office

Southern Gold Ltd

10 George St

Stepney SA 5069

Telephone: (08) 8368 8888

Facsimile: (08) 8363 0697

info@southerngold.com.au

www.southerngold.com.au

ABN: 30 107 424 519

Postal Address

Southern Gold Ltd

PO Box 255, Kent Town SA 5071

- Binding Sale and Purchase Agreement Executed with Aurenne Group Holdings Pty Ltd
- All Australian exploration assets are included in the sale
- \$2.5 million cash to be received on completion

Sale Process Concludes

Southern Gold Ltd (**Southern Gold**) advises that the previously announced sale process (see ASX Release on 1 April 2019) has concluded. This process was managed by PCF Capital Group and involved several stages of bidder selection, due diligence and commercial negotiation.

Sydney based private gold mining company, Aurenne Group Holdings Pty Ltd via its subsidiary Aurenne Cannon Pty Ltd ACN 634 889 982 ("Aurenne") was selected as the preferred bidder and has executed a binding agreement in regard to the sale and purchase of all of Southern Gold's Australian exploration assets including the Bulong South, Glandore, and Cowarna gold projects. Bulong South includes the Cannon gold mine which is currently on care and maintenance.

Aurenne is a fully funded gold mining group who purchased 50% of the Kalpini Gold Project ("Kalpini") in 2018. Kalpini is located approximately 65km north-east of Kalgoorlie in the Eastern Goldfields of Western Australia and mining at this project was successfully completed by Aurenne in May 2019.

Terms of the Agreement

Aurenne has agreed to pay \$2.5 million in cash on completion for the assets. A 10% deposit has been paid, refundable if the conditions precedent are not satisfied or waived.

Conditions precedent for the transaction are Southern Gold shareholder approval (if required) and Ministerial consent for the transfer of the tenements. The tenements relevant to the transaction are appended.

Southern Gold was advised on the transaction by PCF Capital Group with legal advice provided by HopgoodGanim.

Southern Gold Managing Director, Mr. Simon Mitchell

*"Southern Gold has successfully concluded a transaction to turn the Australian assets into cash. **The \$2.5 million is the equivalent of approximately 3c per Southern Gold share and takes our pro-forma cash balance after the recent \$2.3m rights issue to over \$5m post-completion.** This frees up the company to concentrate on the South Korean story and our epithermal high-grade gold-silver discoveries that have been made over the last 12 months. We are uncovering some exceptional targets, including the recently announced ultra-high grade Bonanza and Thorn Zones at the Deokon Project, and with this repositioning and cash injection we are now able to get the drill rigs turning."*

Tenements Sold

No	Tenements	Registered Holder
1.	M25/0182	Inferus Resources Pty Ltd (subsidiary of Southern Gold Ltd)
2.	E25/0349	Southern Gold Ltd
3.	M25/0333	Southern Gold Ltd
4.	M25/0327	Aruma Exploration Pty Ltd (transfer to SAU in process)
5.	M25/0329	Aruma Exploration Pty Ltd (transfer to SAU in process)
6.	M25/0330	Aruma Exploration Pty Ltd (transfer to SAU in process)
7.	L25/0050	Southern Gold Ltd
8.	L25/0051	Southern Gold Ltd
9.	P25/2449	Southern Gold Ltd
10.	E25/0503	Southern Gold Ltd
11.	P25/2365	Southern Gold Ltd
12.	E25/0474	Southern Gold Ltd
13.	E25/0497	Southern Gold Ltd
14.	E25/0551	Southern Gold Ltd
15.	P25/2390	Southern Gold Ltd
16.	E25/0564	Southern Gold Ltd
17.	E25/0566	Southern Gold Ltd
18.	L25/0043	Southern Gold Ltd
19.	M25/0357	Southern Gold Ltd
20.	L25/0048	Southern Gold Ltd

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 owns 100% of a substantial portfolio of high-grade gold projects in South Korea that are largely greenfield epithermal gold-silver targets in the south-west of the country. 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.

Southern Gold is also 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 where the company retains a 50% equity interest.

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 or release, 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.