



SOUTHERNGOLD: GOLD EXPLORATION, DEVELOPMENT & PRODUCTION



Diamond drilling at Hampyeong Gold Project, South Korea, May 2018

**AMEC Convention: “Building Confidence”
Corporate Presentation, June 2018
ASX Ticker: SAU**

Disclaimer

Forward-looking statements

The information in this presentation is published to inform you about Southern Gold Limited (“Southern Gold”) and its activities. Some statements in this presentation 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 and increasing the company’s resource base

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.

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Competent Person’s statements

The information in this report that relates to Exploration Results has been compiled under the supervision of Mr. Justin Gum (MAIG). Mr Gum who is an employee of Southern Gold Limited and a Member of the Australasian Institute of Geoscientist, 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 Gum consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

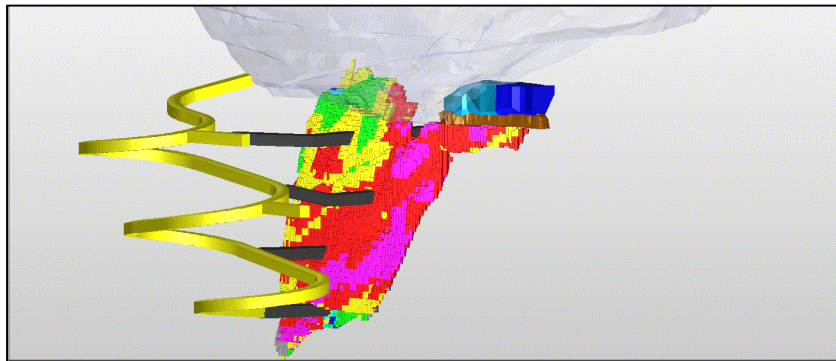
The information in this report that relates to Exploration Results has been compiled under the supervision of Dr Chris Bowden (FAusIMM(CP)). Dr Bowden, who is an employee of Southern Gold Limited and a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy, has sufficient 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 Exploration Results, Mineral Resources and Ore Reserves. Dr Bowden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Mineral Resources 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.

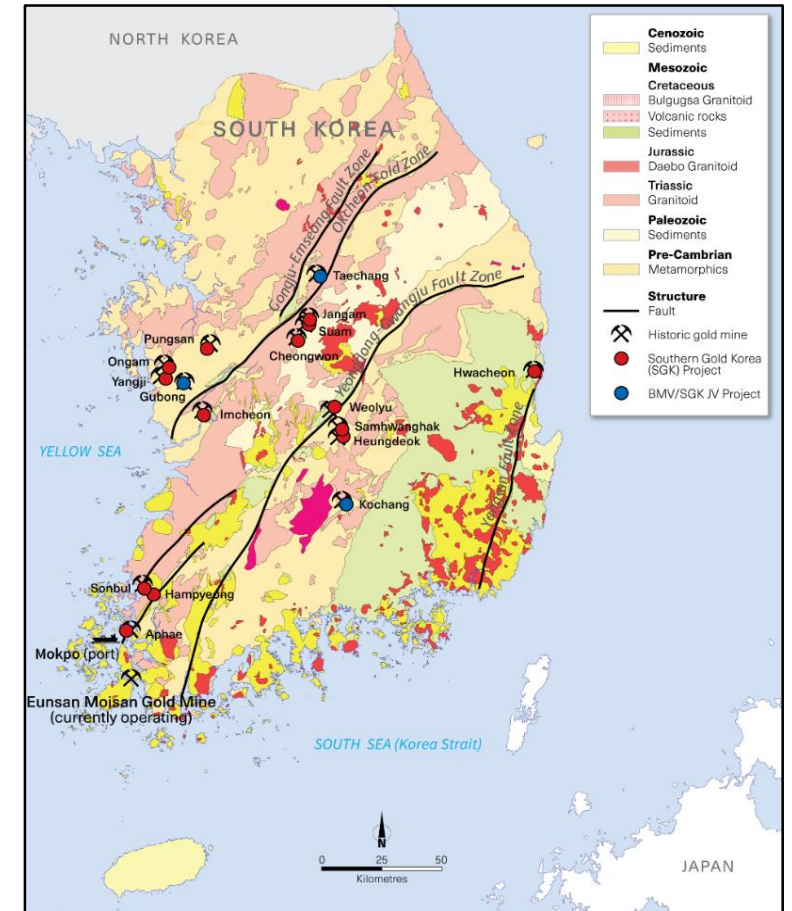


Southern Gold – What do we do and where?

Gold Production, Development & Exploration, Kalgoorlie, WA




Gold Exploration & Development South Korea



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Southern Gold – The Strategy



Projects			
	Mining	Development	Exploration
Australia, Kalgoorlie	Cannon Gold Mine Cash Flow		Cowarna Gold Project Transfind Extended Gold Project Bulong Gold Project Glandore Gold Project
South Korea		Gubong Gold Project Kochang Gold Project Taechang Gold Project Low Capex Development	Weolyu Gold and Silver Project Hampyeong Gold and Silver Project Korean Project Generation (Aphae) Heungdeok Gold Project Incredible Blue-sky

“Exploration, development and production from high grade gold deposits in Australia and South Korea.”



The Board, Funding and Capital Structure



Greg Boulton,
Chairman
Businessman



Simon Mitchell,
Managing Director
Geologist, Finance
Deep background in South Korea



David Turvey,
NED
Geologist



Mick Billing,
NED
Accounting



Peter Bamford,
NED
Engineer
Deep background in narrow vein underground mining

Number of ordinary shares on issue	49.15m
Staff (@ \$0.375) Director (@\$0.40/\$0.50) Options	~6.04m
Total Fully Diluted Shares	55.19m
Share price (4 June 2018)	AUD\$0.28
Market capitalisation (undiluted)	AUD\$13.8m
*Cash (unaudited)	~AUD\$2.4m
Enterprise value	AUD\$11.4m

Tight capital structure,
Board holds 6.5%, top
30 holds >50%.

Currently funded
Low valuation

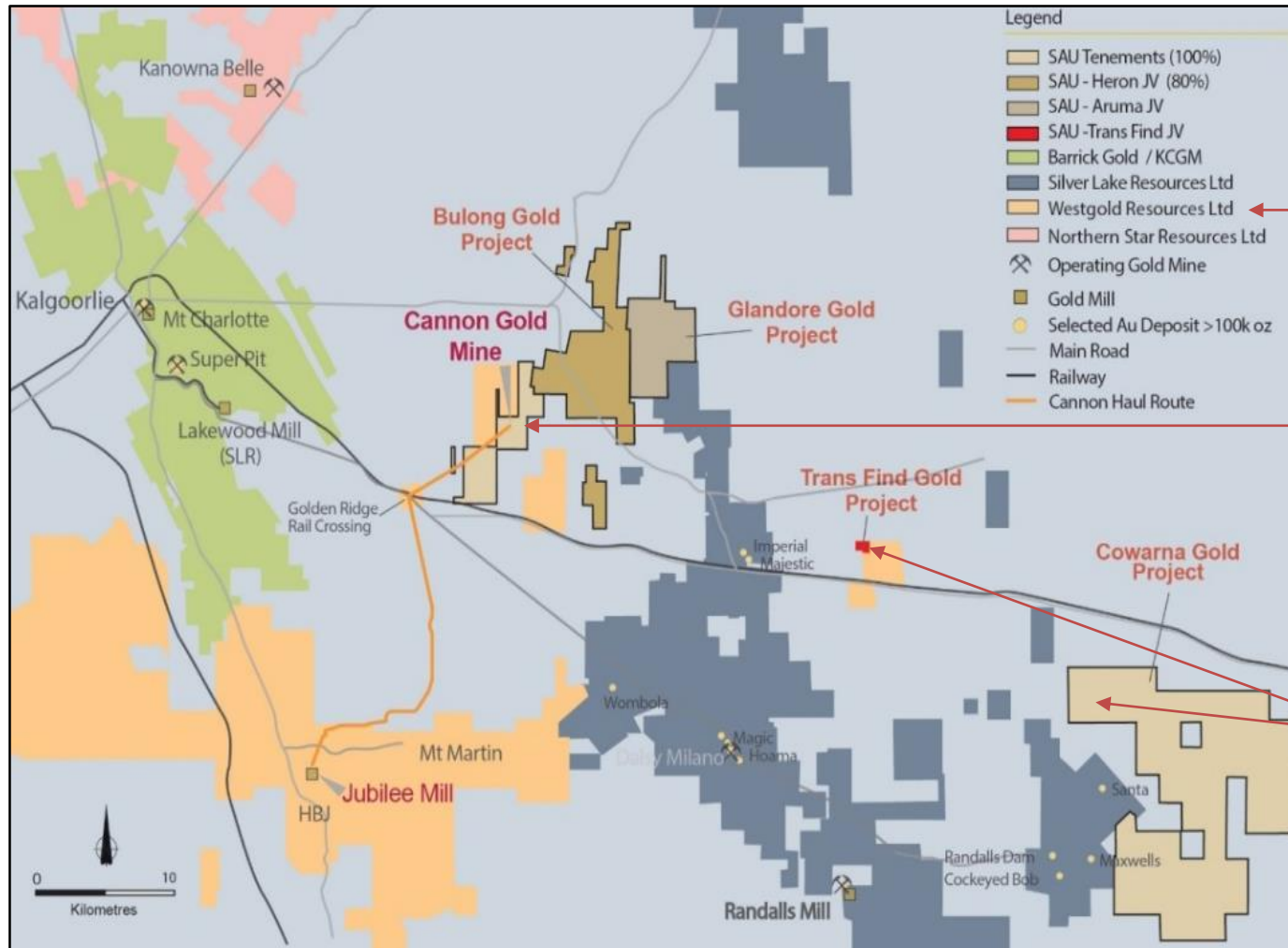


Share placement
pricing level = 38.6c

ASX Ticker: SAU



Kalgoorlie: 260km²



Westgold recently sold their Kalgoorlie assets (including Jubilee Mill) to Northern Star.



Cannon Gold Mine is cash generator.



Recent exploration drilling at Cowarna and Transfind

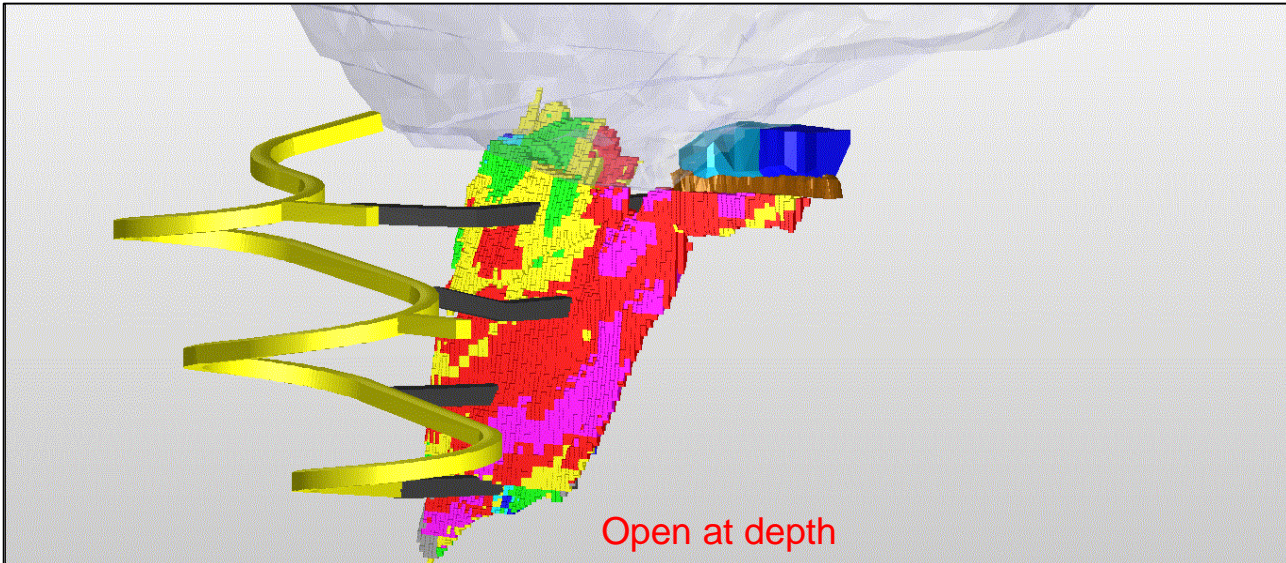


Cannon Gold Mine: Internal Funding Model Example



Open Pit (completed):

- ~52koz Au recovered
- ~A\$13.7m profit achieved
- ~A\$1.5m special dividend paid (3c/share)



Underground (under development):

Category	Level mRL	Tonnes	Grade g/t	Ounces
Total Indicated	170 -> 240	121,600	5.68	22,170
Total Inferred	145 -> 240	20,700	2.21	1,470
Total Resource	145 -> 240	142,200	5.18	23,640

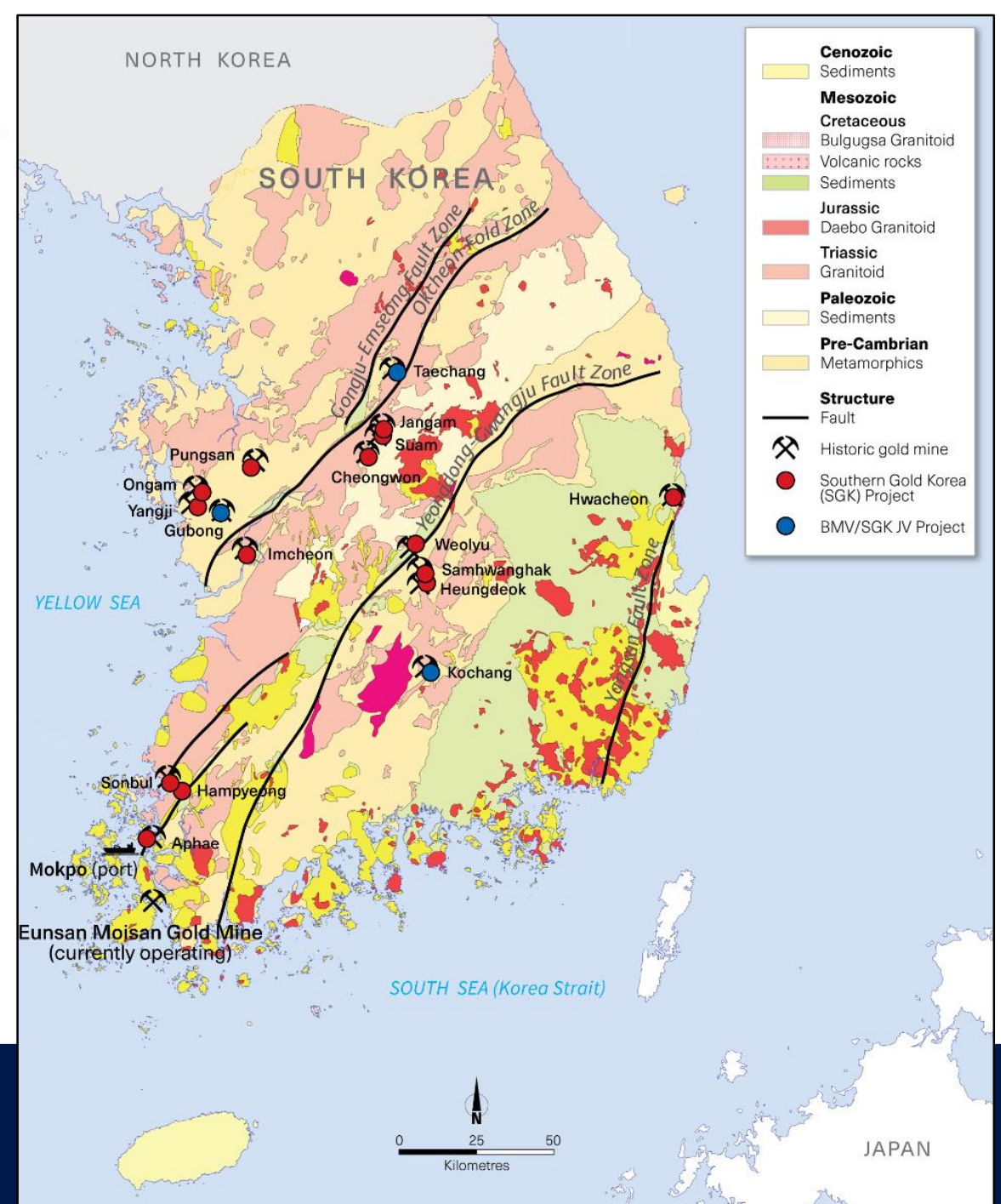
- Northern Star Ltd hold a 5 year right-to-mine
- Future payments based on production

Au Produced	Quarterly Au Price <A\$1800/oz	Quarterly Au Price >=A\$1800/oz
Production up to 15koz Au	\$160/oz	\$190/oz
Production over 15koz Au	\$180/oz	\$210/oz



South Korea

- ❑ North Asia, not SE Asia
- ❑ No royalties, no government free carry, tax rate 25%
- ❑ Government funding available (eg: KORES Drilling)
- ❑ Ubiquitous road, rail, electricity, high speed internet
- ❑ Low cost base and large manufacturing base
- ❑ Population of 50 million, in area 50% size of Victoria
- ❑ 11th on global GDP rankings
- ❑ Ranks 51 out of 180 on the Transparency International Perceptions of Corruption Index.



South Korea: Key People



Indochina Goldfields Team
1990's (Ivanhoe Mines)

Ex Ivanhoe, discovered multiple deposits, including Hugo Dummet (Oyu Tolgoi)



Doug Kirwin,
Technical Advisor

Ex Ivanhoe, PhD on epithermal rocks at Eunsan/Moisan in South Korea

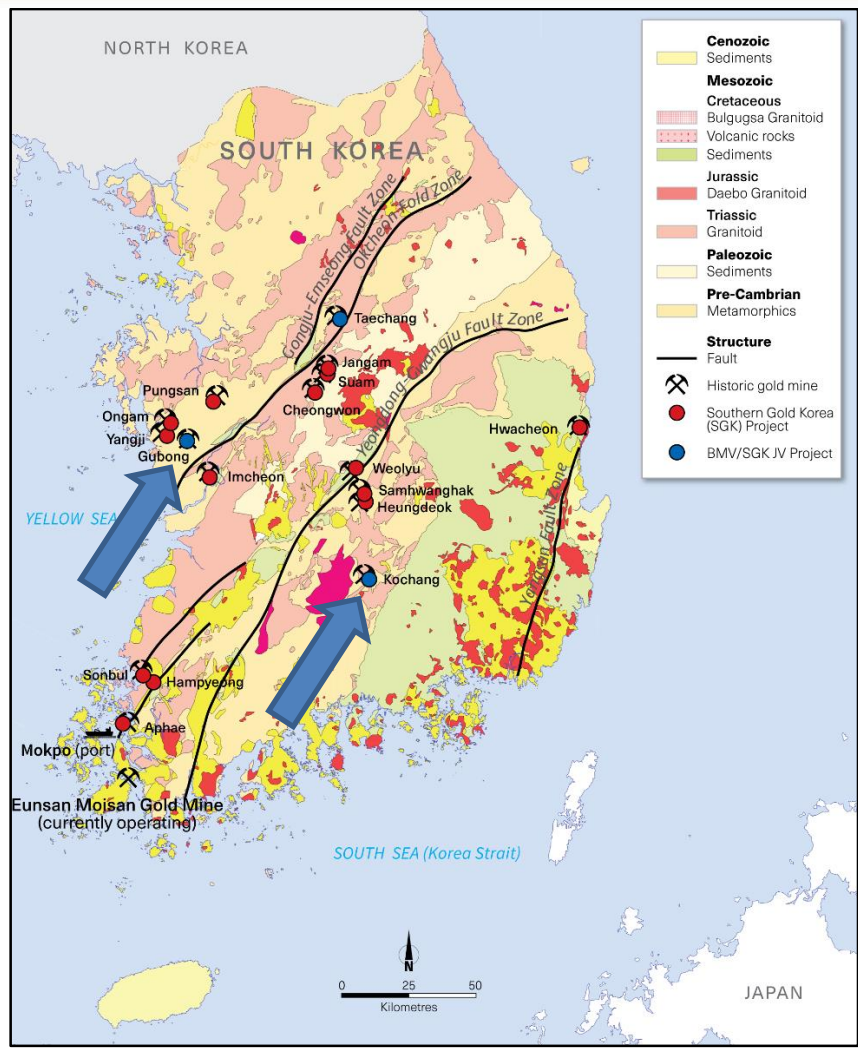


Dr Chris Bowden,
Exploration Manager, SK

Ex Ivanhoe, >20 year's project generation and exploration experience throughout Asia & Oceania



Craig Panther,
Consultant, SK



Bluebird Merchant Ventures (LSE: BMV)
→ Gubong & Kochang Projects



Colin Patterson,
CEO

Apex (Philippines),
Olympus Pacific (Vietnam), Emperor Mines/Vatukoula (Fiji)



Charles Barclay,
COO

Olympus Pacific (Vietnam), Highlands Pacific (PNG), Vatukoula (Fiji)



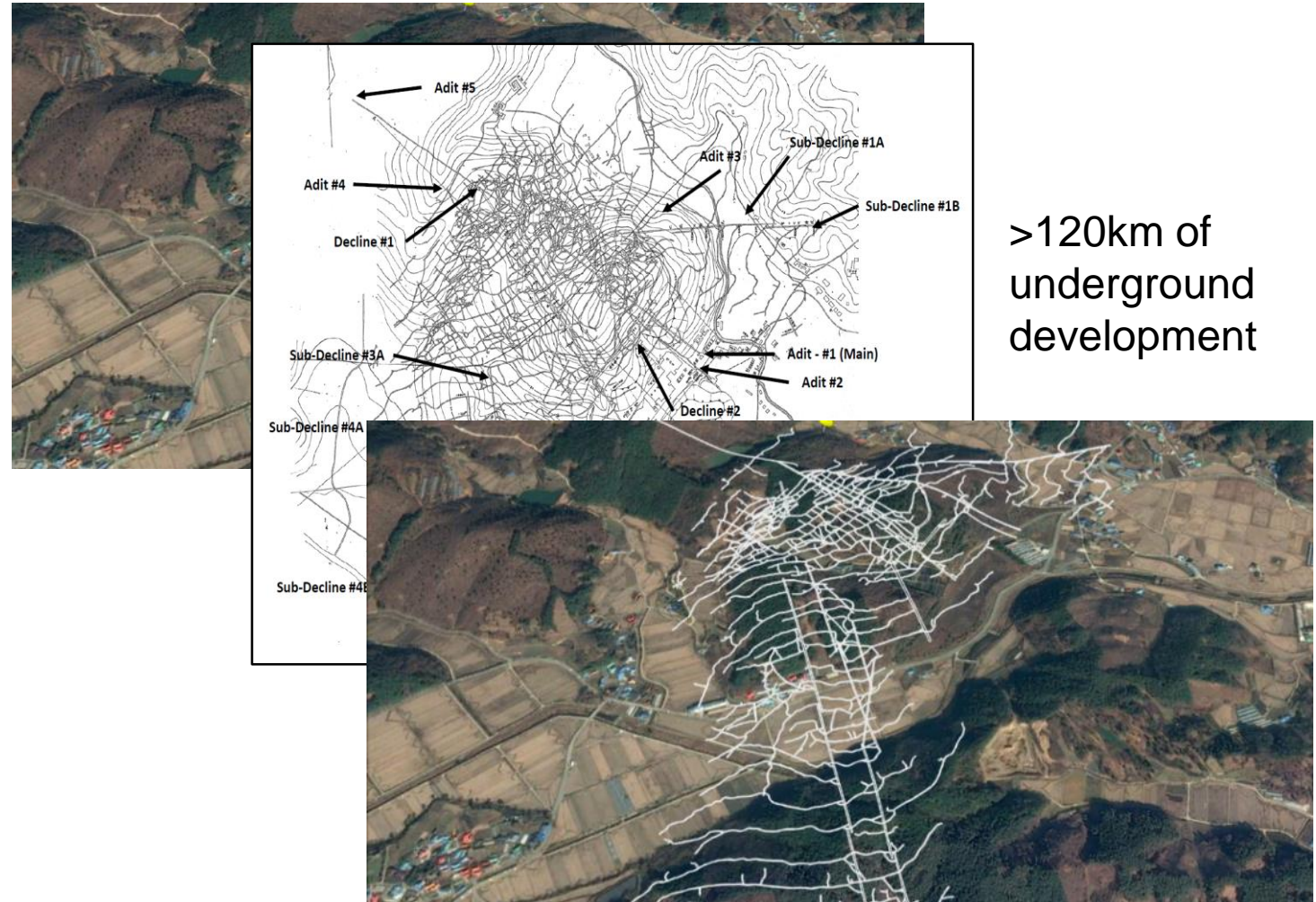
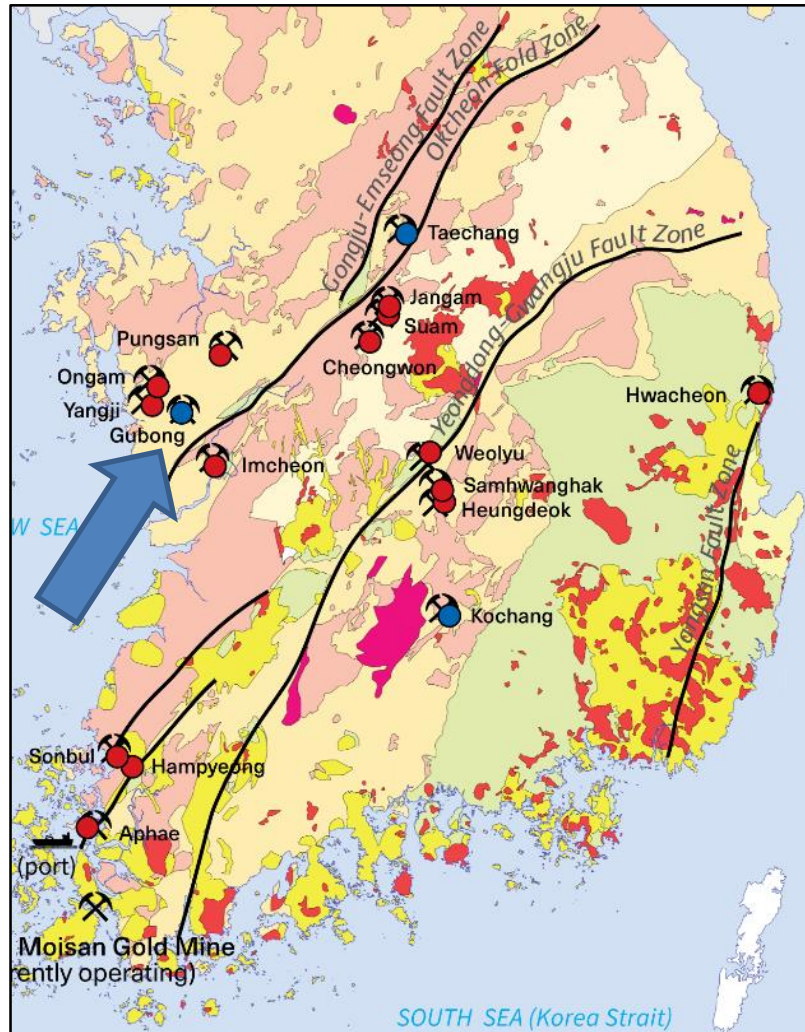
Peri Resabel,
Operations Manager

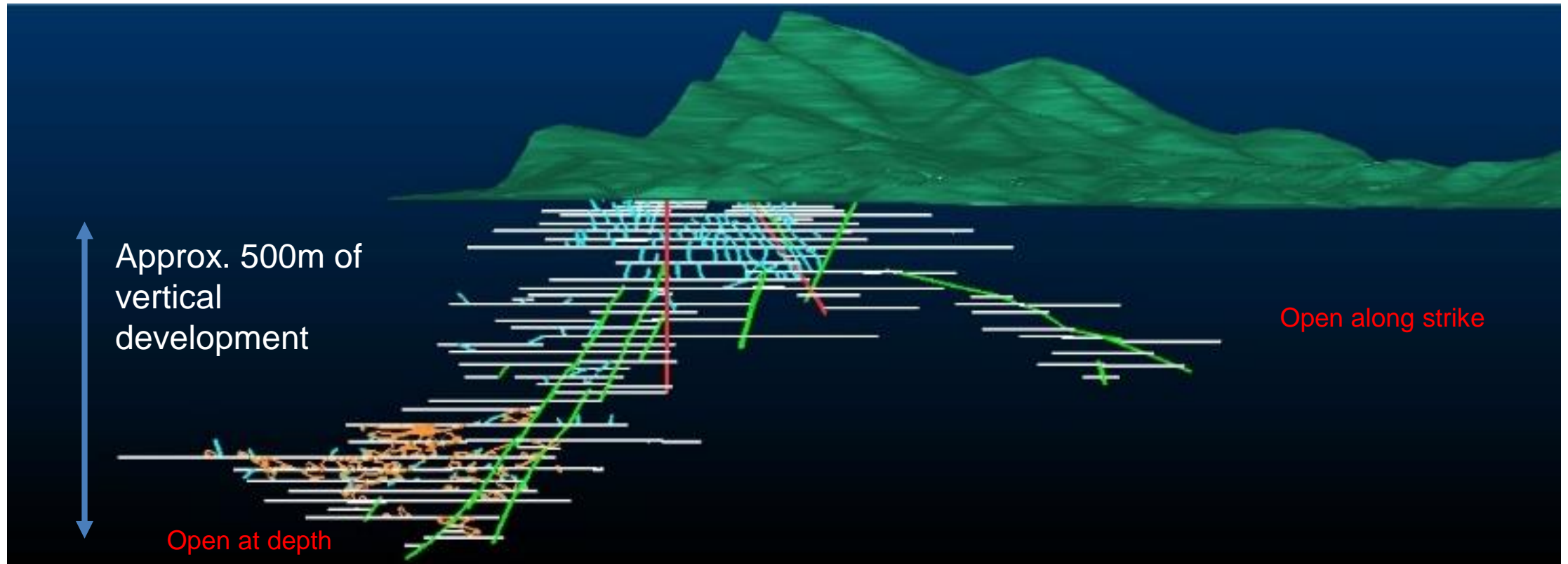
40+ years engineer,
Co-founder Paramina Earth Technologies,
COO Apex (Philippines)



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Gubong: Orogenic Gold





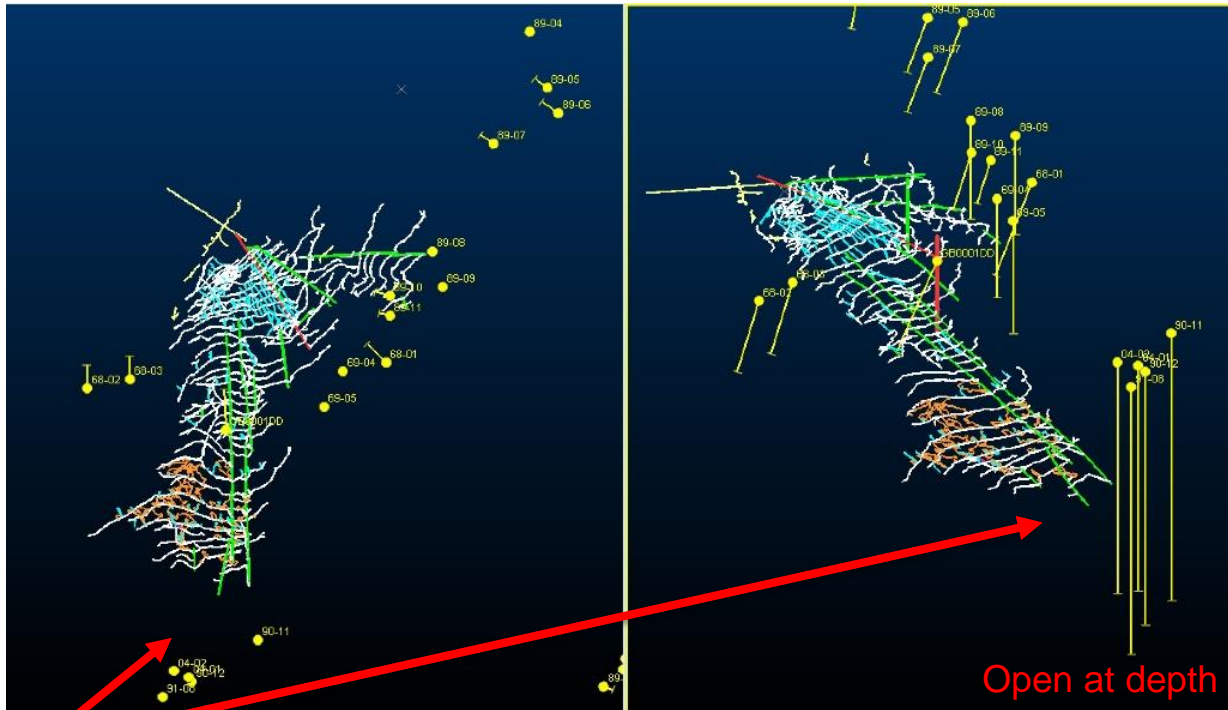
Development in place = major capital cost saving!

BMV Targeting 100% of project capex <US\$10m



Gubong: the potential

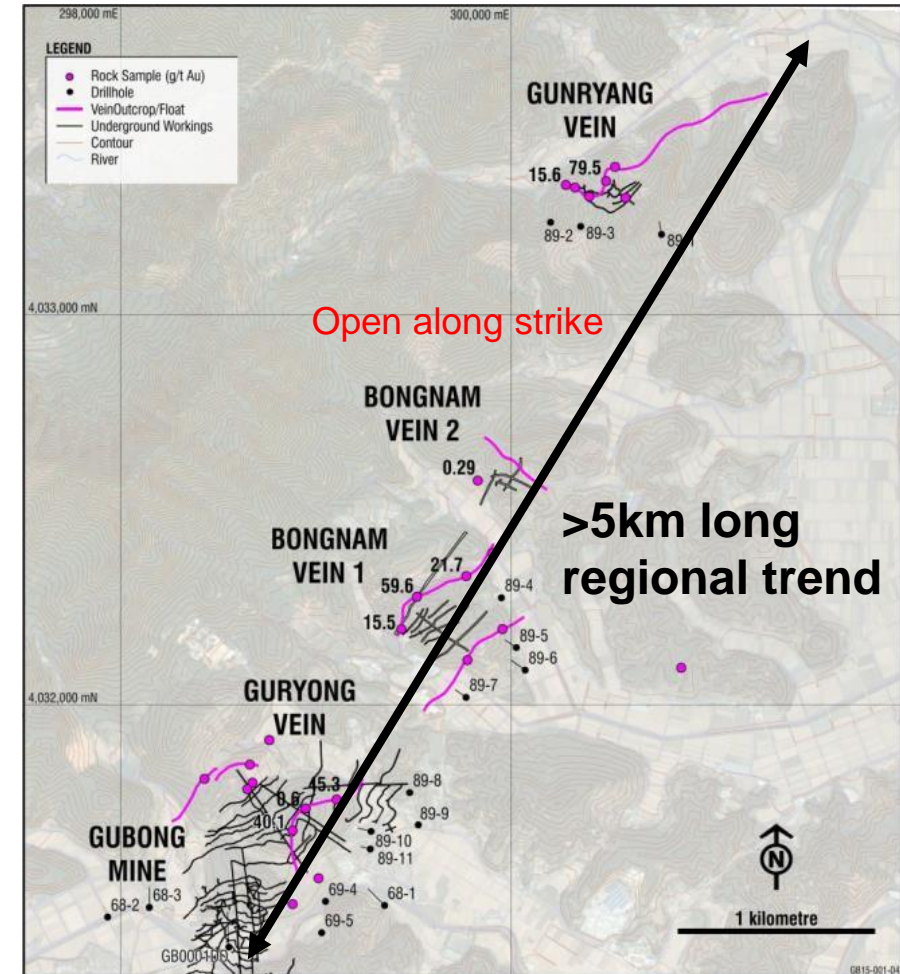
KORES Drilling 1980's-1990's

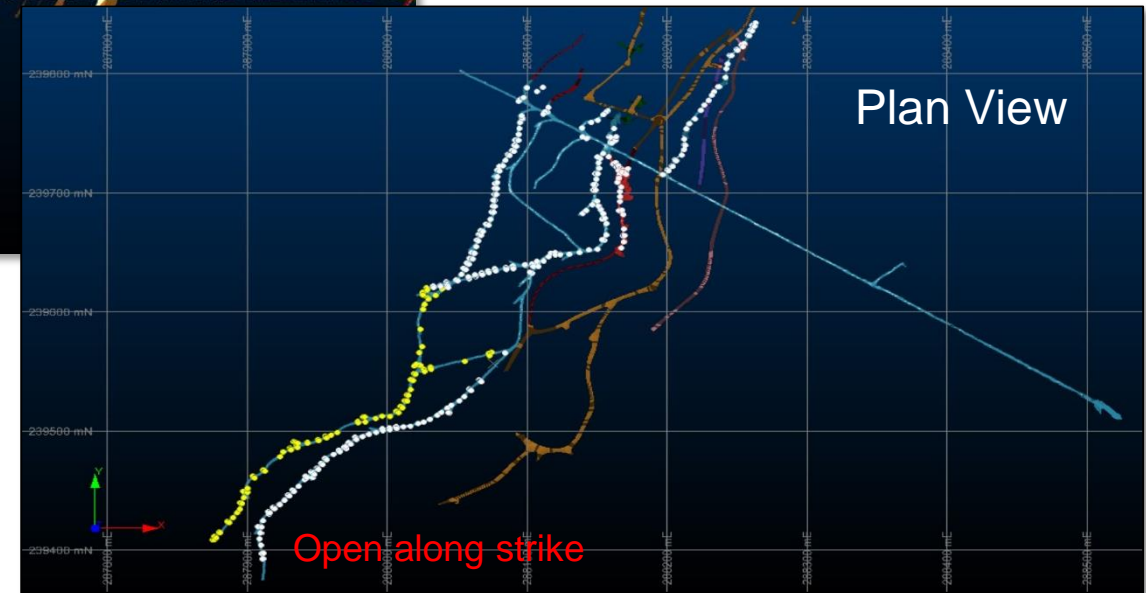
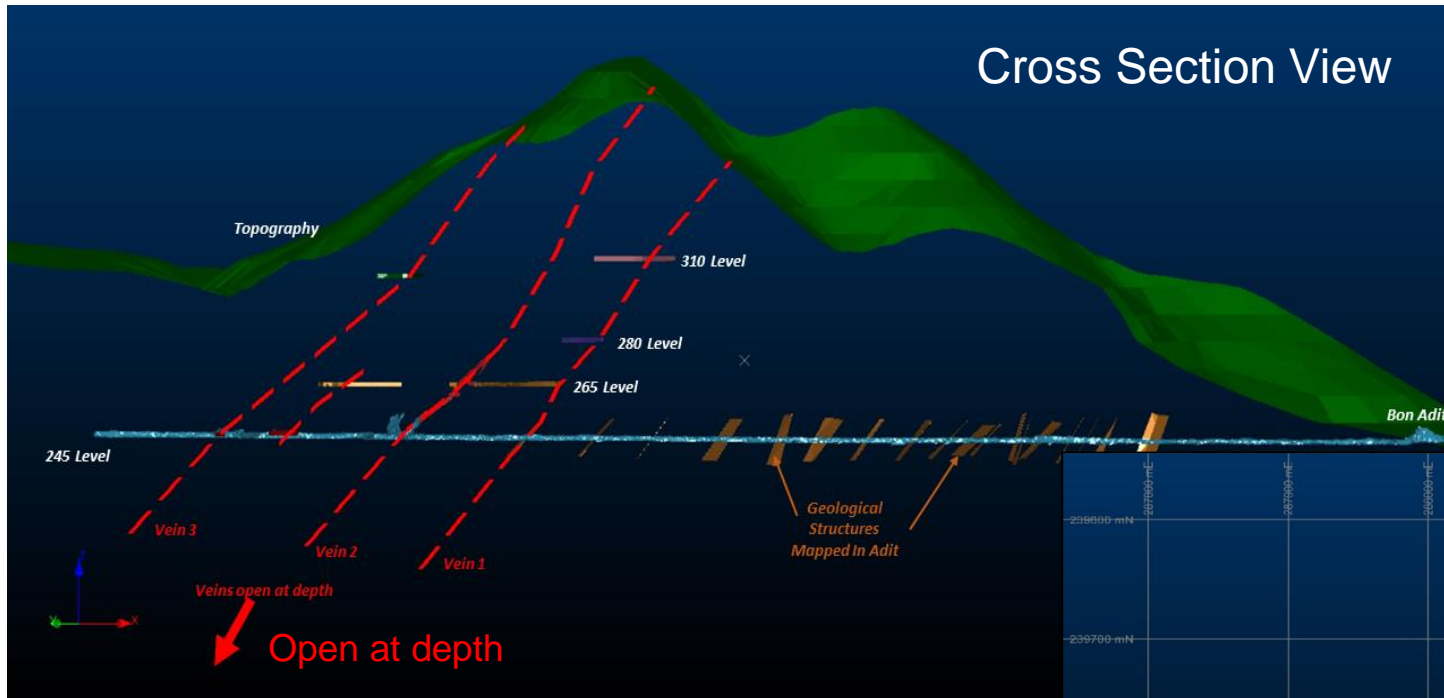


Gubong Vein No6: Exploration Target Range 1.2-2.3mt @ 6 – 8g/t Au (230-580koz Au)

Exploration carried out to date is insufficient to estimate a resource and it is uncertain whether further exploration will result in the estimation of a resource.
See ASX Release 8 July 2016 for details.

Multiple Untested Veins on Kilometre Scale



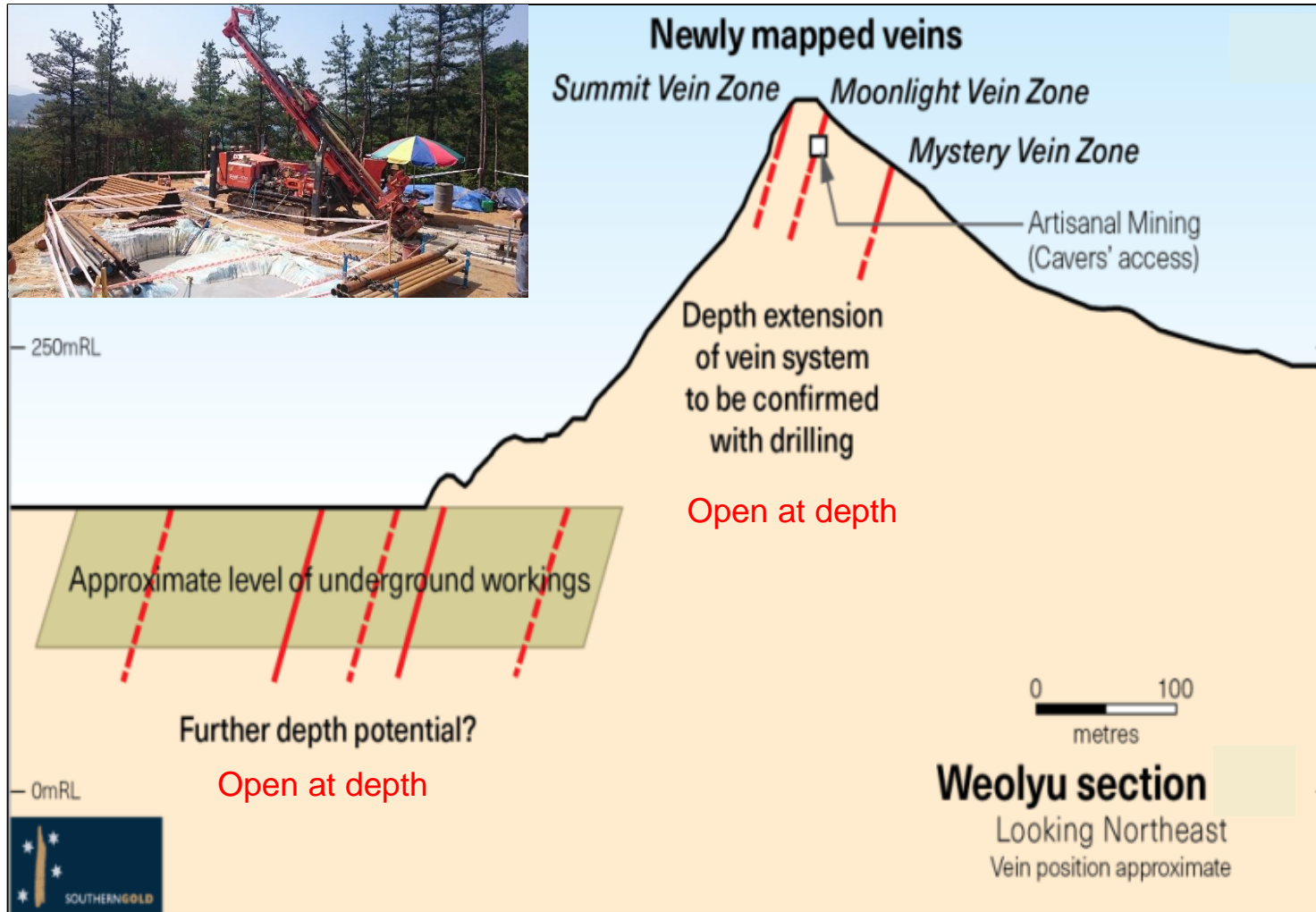


Best channel samples from the 245 Level:
0.24m @ 65.8g/t Au and 170 g/t Ag;
0.18m @ 69.2 g/t Au and 80 g/t Ag.

Ave. grade for 9 development drives:
5.9 g/t Au and 31 g/t Ag with ave. vein width ~0.42m



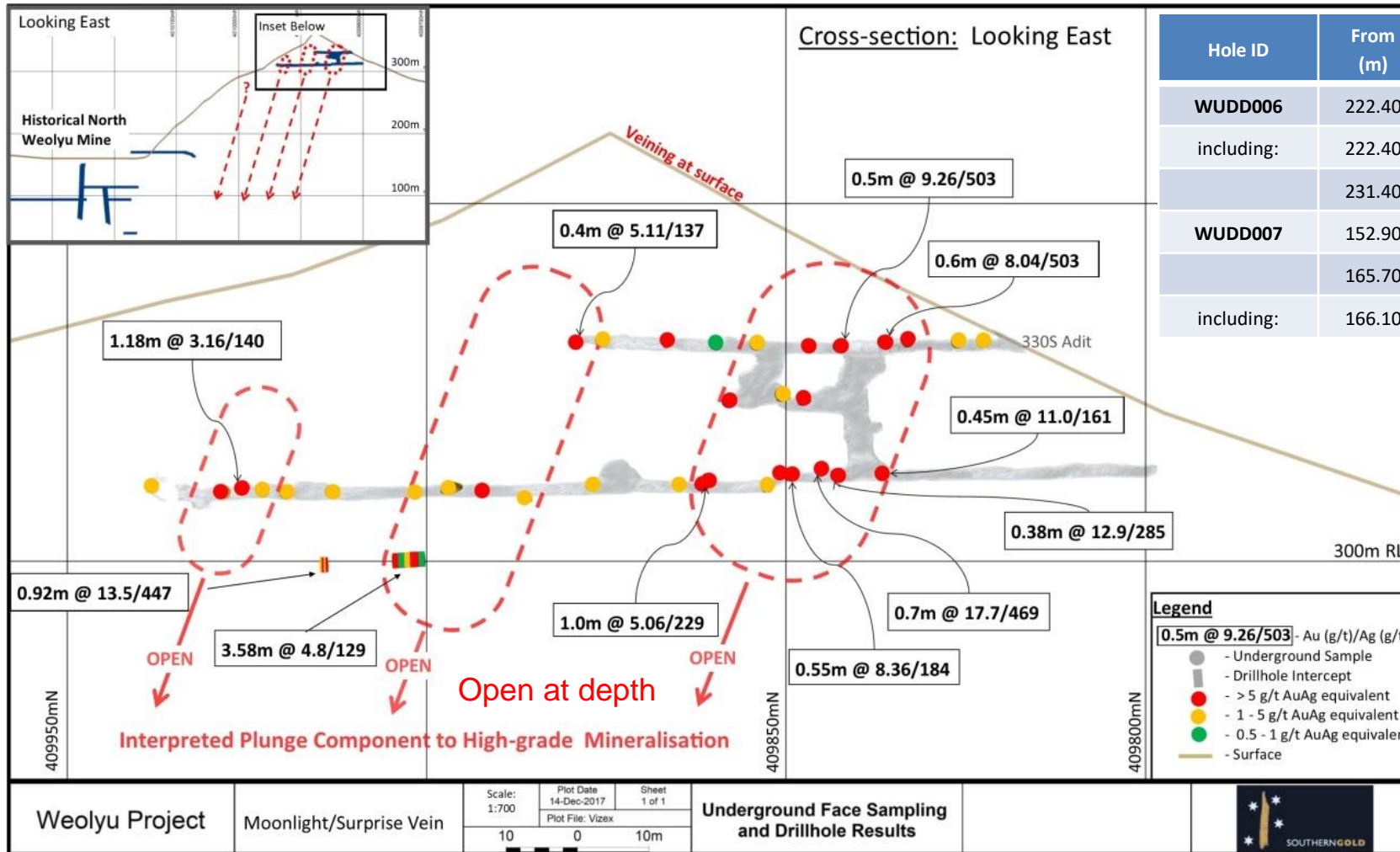
Epithermal Exploration: Weolyu Surface



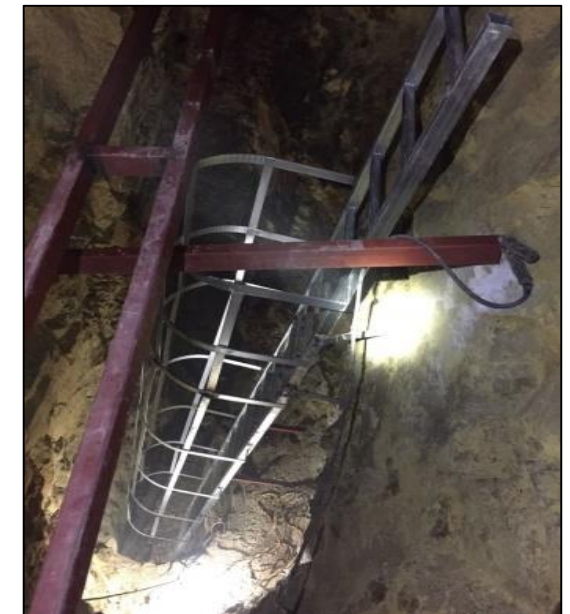
Surface or mullock samples



Epithermal Exploration: Weolyu Underground



Hole ID	From (m)	Interval (m)	Au (g/t)	Ag (g/t)	Target
WUDD006	222.40	2.47	2.36	37	Summit Vein Zone
including:	222.40	0.70	3.19	64	Summit Vein Zone
	231.40	0.30	21.10	49	Summit Vein Zone
WUDD007	152.90	3.58	4.80	129	Moonlight Vein
	165.70	0.92	13.55	447	Moonlight Vein
including:	166.10	0.30	35.00	1,110	Moonlight Vein



Weolyu Project

Moonlight/Surprise Vein

Scale: 1:700
Plot Date: 14-Dec-2017
Plot File: Vizex

Underground Face Sampling and Drillhole Results



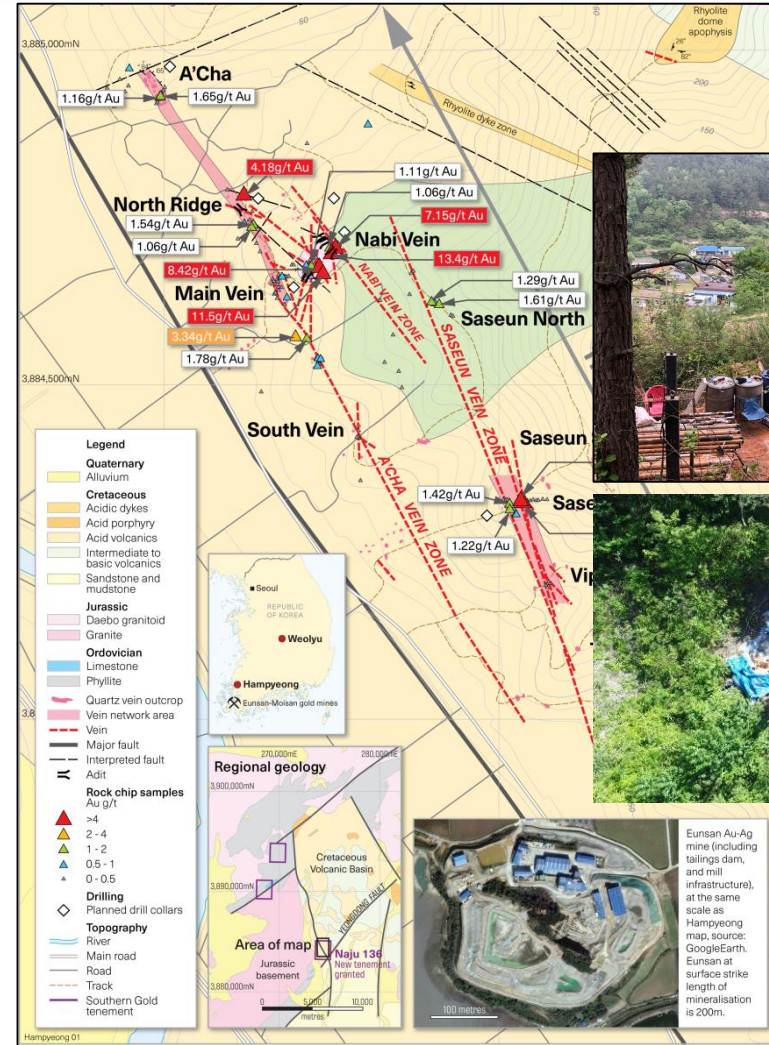
Epithermal Exploration: Hampyeong



A'Cha Vein outcrop, approximately 5m wide



Saseun Vein outcrop, approximately 4m wide



Currently drilling outcropping vein targets.



Eunsan Gold Mine aerial photo at same approximate scale as the map.



Epithermal Exploration: New Potential

Mineralised zone exposed in road cutting.



At least 3 veins, 1m to 3m wide.

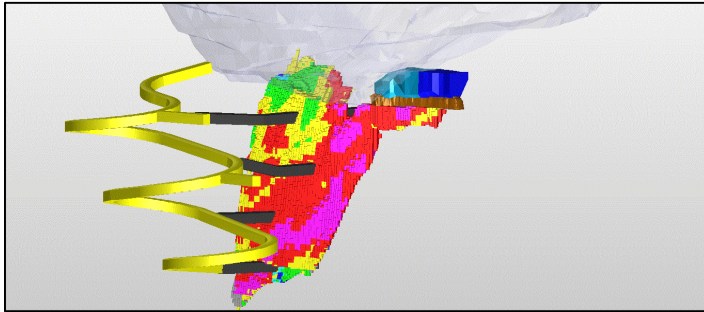
Bluish silver sulfosalts and sulphides. Anticipated high grade Au and Ag.



Assays pending....



In Summary



Cannon underground gold mine

Cash Flow



The Gubong and Kochang gold mines under development with **Bluebird**

Low Capex Development



Epithermal gold exploration portfolio rapidly developing.
Incredible Blue-sky



Targeting high grade Au and Ag.

Exploring the right rocks.



Deep industry experience.

Executed by the right people.



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