

Glandore Diamond Drilling Results Confirm Historical Results

- Recent diamond drilling program confirms grades intersected in historic drilling
- Highlight intercept of 18.2m @ 3.7g/t Au from 4.9m including 3m @ 6.8g/t Au from 20.1m in drill hole GLDD002 at Doughnut Jimmy in the higher grade core of the deposit
- Important technical information gained from diamond core to re-model deposit for resource assessment and future drilling

Glandore Drilling Confirms Historical Tenor

Southern Gold is pleased to provide the following update on drilling results at the Glandore Gold Project, 45km east of Kalgoorlie, WA. Southern Gold is farming into the project, currently held by Aruma Exploration Pty Ltd, and can earn up to 90% of the project after expenditure of \$1.2m (see ASX Release 4 April 2016). Southern Gold has completed expenditure of \$300,000 during the first year and earned the right to 50% of the project. Southern Gold is currently in the second expenditure period where another \$400,000 increases project ownership to 75%.

Nine diamond drill holes (GLDD001 – 009) for a total of 682.4m were drilled over the Doughnut Jimmy (previously called Supergene) and Lavaeolus (previously called Axial Planar) Prospects (**Figure 1**). Drilling took place during April 2017 and was conducted by WDA Drilling Services Pty Ltd, a company with the capability of on-lake drilling (**Photo 1**).

Significant assays are plotted in **Table 1** and graphically in **Figure 2**, using a 0.1g/t Au cut off. All drill holes confirmed the tenor of historical results and in some cases extended the underlying mineralised structures, particularly to the north.

GLDD002 was designed to test a gap in a high-grade pod between historical holes with high grade intercepts (**Figures 2 and 3**). GLDD002 successfully intersected this high-grade pod and returned **18.2m from 3.7g/t Au from 4.9m including 3m @ 6.84g/t Au from 20.1m** and in turn provides confidence in drill targeting this feature.

This high grade zone will now be modelled in detail and a resource estimate completed before committing to infill RC drilling in due course.

The objective at Glandore is to identify and define one or more small scale but relatively high grade resources that could be exploited by open pit mining. In parallel with this the Southern Gold exploration team will be exploring the Glandore tenements for a more substantial deposit in areas that were previously poorly explored such as Lake Consols (**Figure 1**).

Shares Issued: 46.4M

Share Price: \$0.315

Market Capitalisation: \$14.8m

Unaudited Cash Est.: \$4.5m

Debt: Nil

Enterprise Value: \$10.3m

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Glandore Overview

The initial drilling program at Glandore was designed with three main goals in mind:

- To test pre-existing drill intersections so that they could confidently be used in the development of a JORC compliant resource;
- To generate structural information on the host to mineralisation; and
- To test the margins of the Doughnut Jimmy prospect to see if extensions could be found.

The holes were planned to be cored from surface and oriented wherever possible to provide the maximum amount of structural information on the quartz veins hosting the mineralisation. This was particularly important for the Doughnut Jimmy prospect where no diamond drilling had previously been undertaken.

The drilling results (**Table 1**) have confirmed previous intersections at both Doughnut Jimmy and Lavaeolus prospects. The drilling around the margins of the Doughnut Jimmy deposit did not significantly extend the extent of the deposit. This is now believed to be because Doughnut Jimmy is a fault offset block of the Lavaeolus and Eastern Zone mineralisation.

The structural measurements have defined two dominant quartz veining sets. The strongest is aligned parallel with the dominant shear/vein systems running NNW and dipping steeply (80°) to the SW. The secondary set of veins strikes NNE but dips steeply (80°) to the NW. Both these vein systems appear to carry gold mineralisation and can be traced by the historic prospecting/mining in the region (**Figure 1**). Previous drilling has targeted the NNW set of veins preferentially, leaving any mineralisation associated with the NNE set poorly defined.

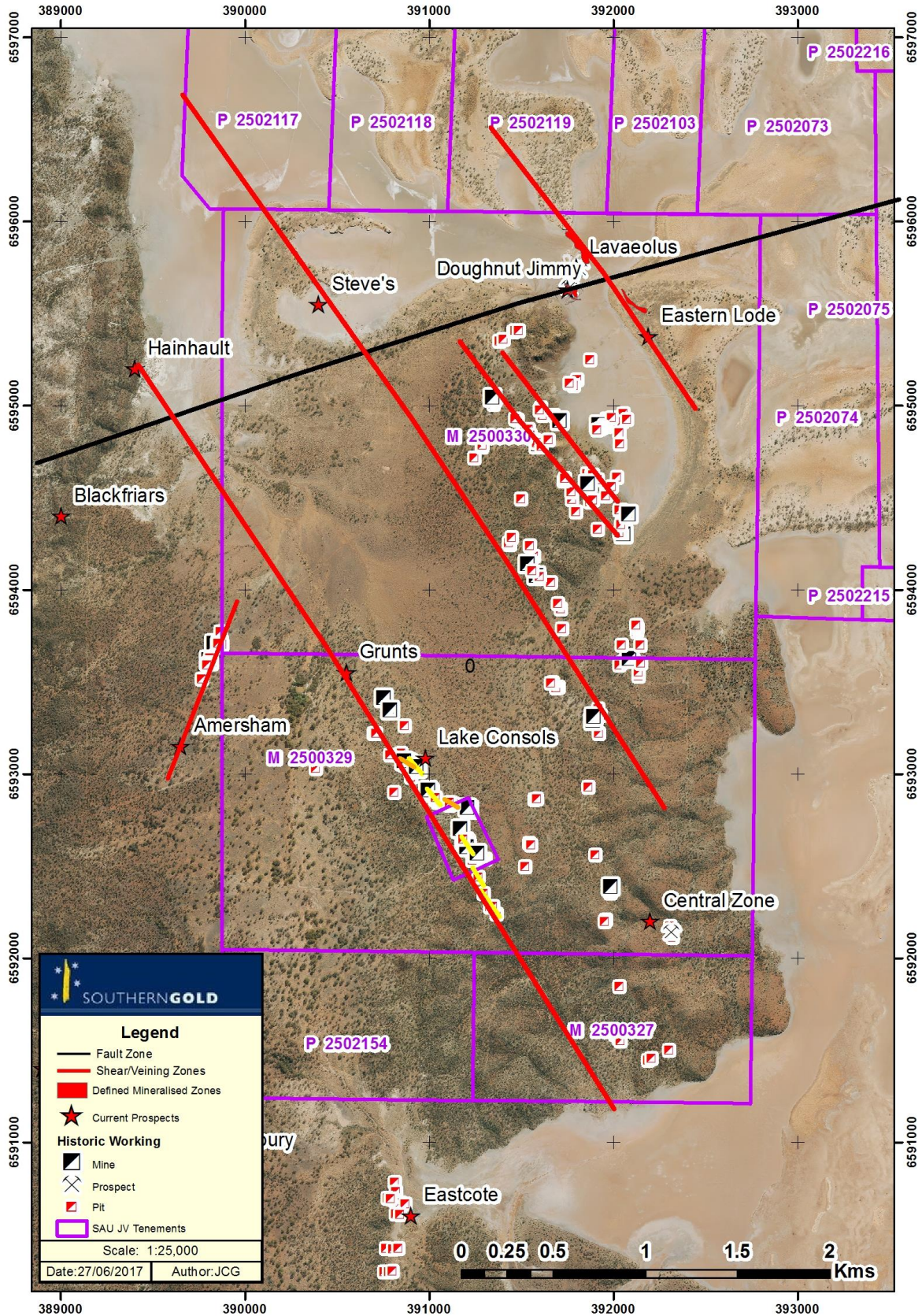
The revision of the geological models, together with prospect scale mapping and rock chips sampling, has identified several other areas within the Glandore Project which are being fast tracked to drill testing in the second half of the year.

Photo 1: Drilling GLD001 at Doughnut Jimmy



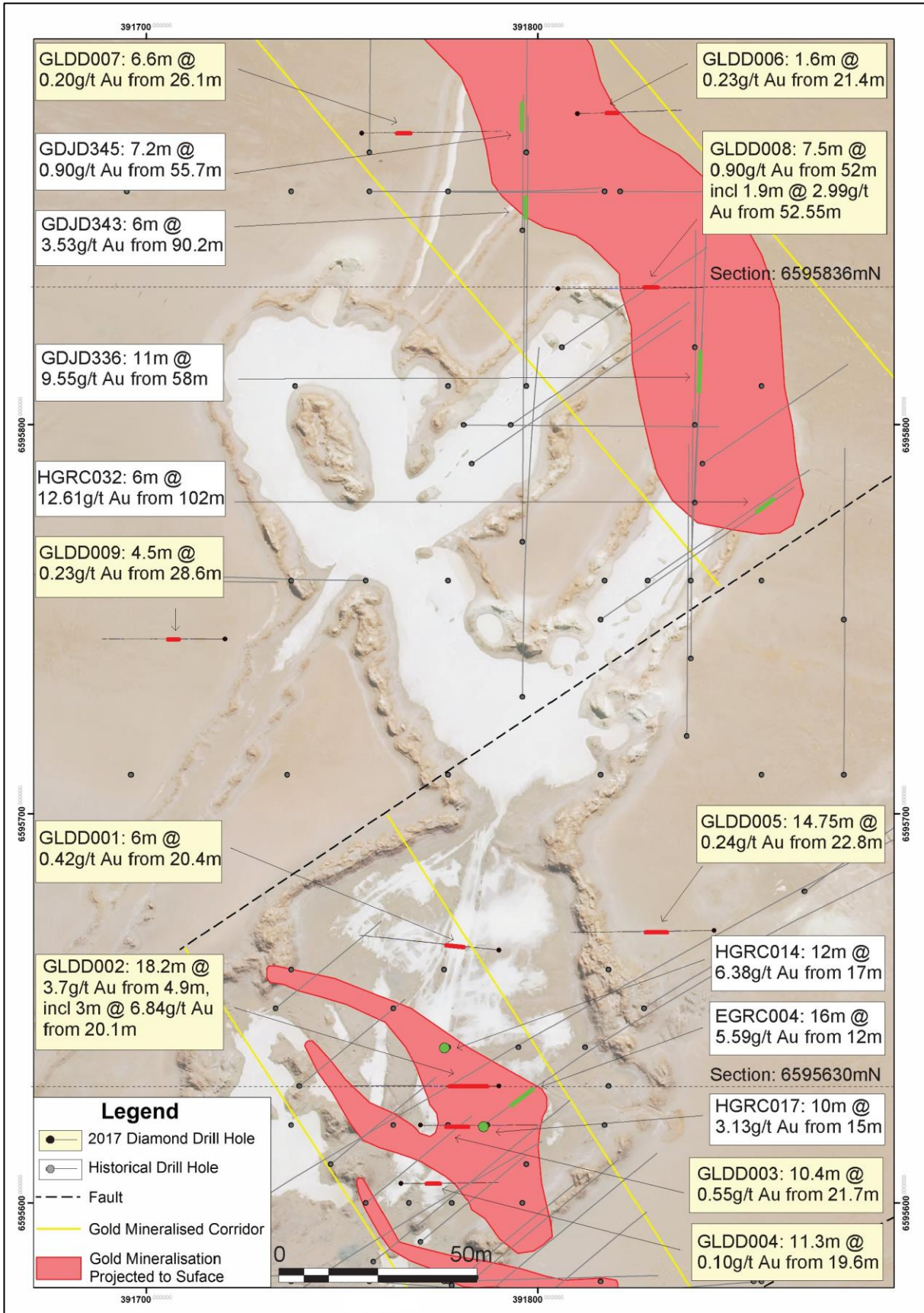
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Figure 1: Overview of the Glandore Area highlighting project areas Doughnut Jimmy and Lavaeolus in the north-east and the Lake Consols area to the central-south-west of the tenement group.



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Figure 2: Plan view showing the location and significant intercepts of GLDD001-009 and selected historic drill holes with respect to the Lavaeolus and Doughnut Jimmy Gold mineralised footprints.



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Figure 3: Cross section of GLDD002 which intersected 18.2m @ 3.7g/t Au from 4.9m.

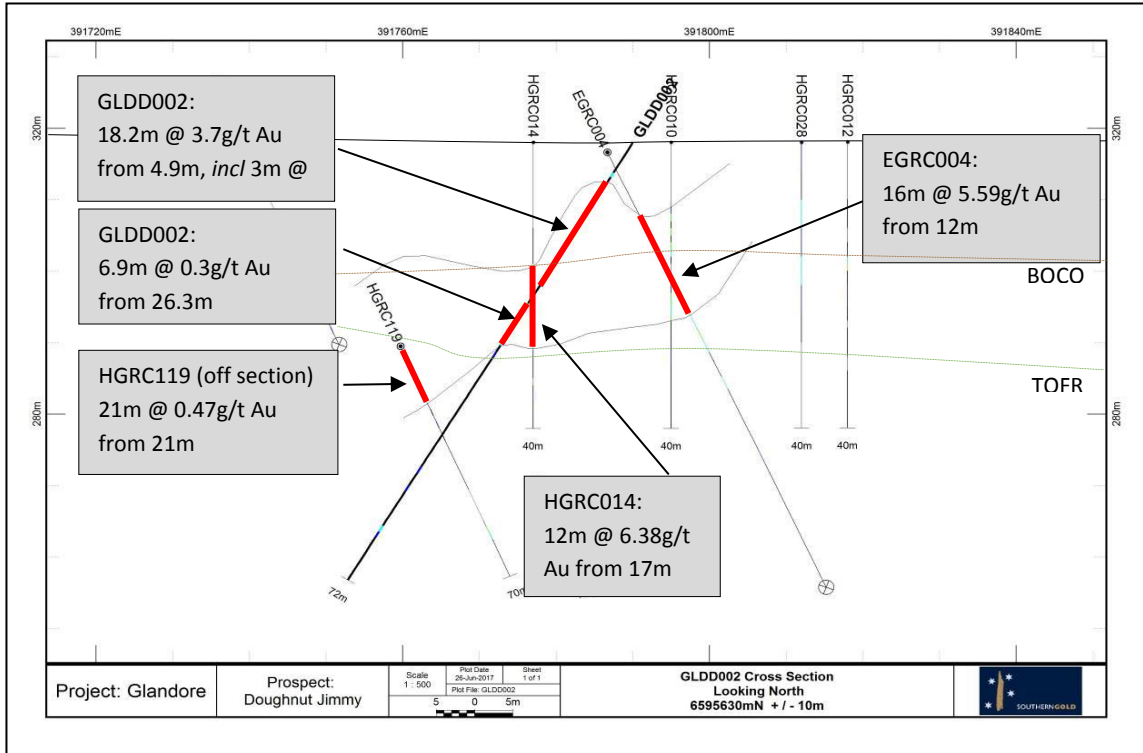
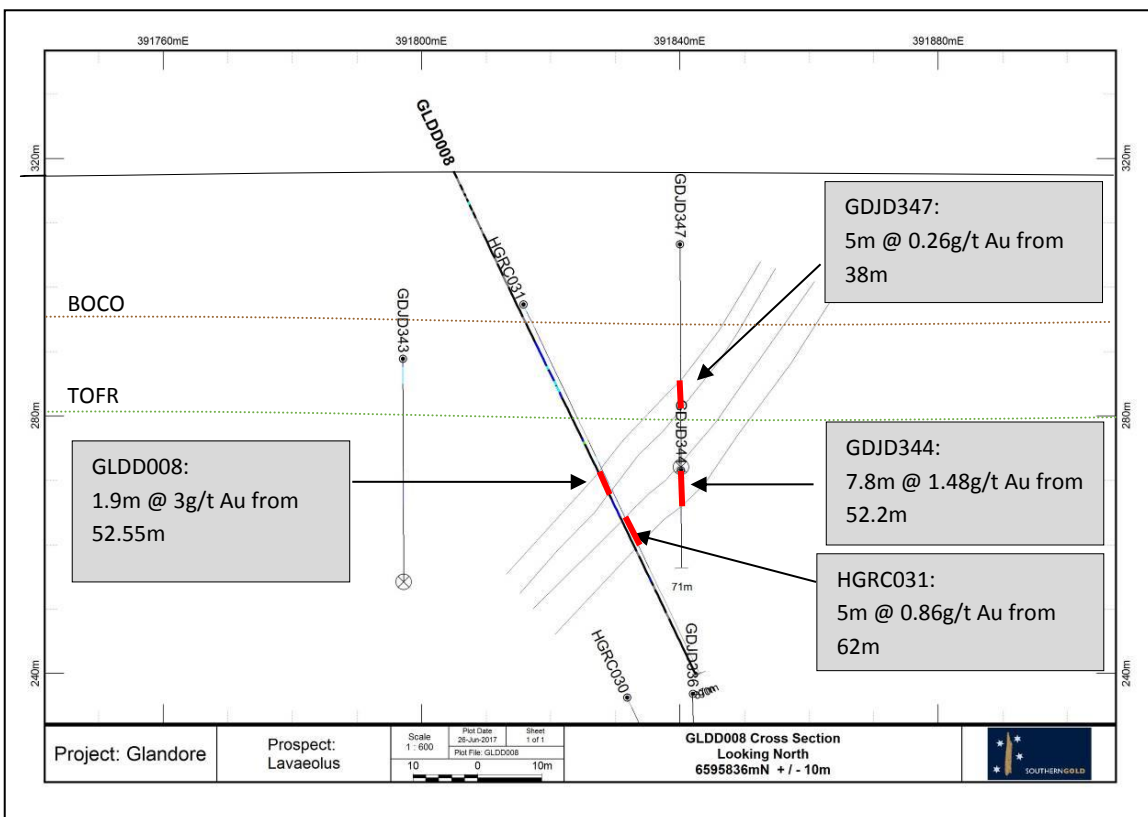


Figure 4: Cross section of GLDD008 which intersected 1.9m @ 3.0g/t Au from 52.55m.



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Doughnut Jimmy and Lavaeolus Drilling Summary

GLDD001 and GLDD005 were drilled north of Doughnut Jimmy in an area of little historic drill coverage. Both these holes intersected low level gold mineralisation (GLDD001: 6m @ 0.42g/t Au from 20.4m; GLDD005: 14.75m @ 0.24g/t Au from 22.8m) and confirm that the Doughnut Jimmy mineralised footprint lies south, as depicted in Figure 2.

GLDD002 was designed to test a gap in a high-grade pod between HGRC014: 12m @ 6.38 g/t Au from 17m and EGRC004: 16m @ 5.59g/t Au from 12m (**Figures 2 and 3**). GLDD002 successfully intersected this high-grade pod and returned 18.2m from 3.7g/t Au from 4.9m including 3m @ 6.84g/t Au from 20.1m and in turn provides confidence in drill targeting this feature going forward. This is also the shallowest intersection of mineralisation in the area to date.



Photo 2: GLD002 in the 20.4m to 25.3m interval. Weathered dolerite with narrow quartz veins.

GLDD003 was planned proximal to the southern boundary of the Doughnut Jimmy 'high grade pod' and was drilled between GDJC364: 12m @ 0.53g/t Au from 18m and HGRC017: 10m @ 3.13g/t Au from 15m (Figure 1). GLDD003 mirrored the mineralisation of GDJC364 returning 10.4m @ 0.55g/t Au from 21.7m, placing a low grade/ high grade mineralised boundary between GLDD003 and HGRC017.

GLDD004 is the southern-most drill hole and was targeting, narrow, higher grade lenses in HGRC118: 4m @ 1.25g/t Au from 38m and HGRC117: 5m @ 4.98g/t Au from 36m. Weakly mineralised dolerite was intersected in GLDD004: 11.3m @ 0.10g/t Au from 19.6m. This grade was intersected too far up hole to represent the aforementioned target horizon.

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GLDD006 and GLDD007 are holes testing the Lavaeolus target, drilled at the northern extent of the prospect, in an area of little drilling. GLDD006 intersected the targeted SW dipping wireframe at 21.4m and returned low level grades of 1.6m @ 0.23g/t Au, compared to the downdip grade intersected in the historic hole GDJD345: 7.2m @ 0.90g/t Au from 55.7m. It is unclear if GLDD007 intersected the targeted SW dipping wireframe but the 1m @ 0.10g/t Au from 81.1m may represent the target.

GLDD008 planned to test the down dip extension of the GDJD344 horizon: 7.8m @ 1.48g/t Au from 52.2m and intersected 7.5m @ 0.90g/t Au from 52m, including 1.9m @ 3g/t Au from 52.55m (**Figure 4**). GLDD008 mineralisation was intersected further up hole than anticipated and probably reflects the down dip continuation of the GDJD347 horizon: 5m @ 0.26g/t Au from 38m.

GLDD009 was a scout hole, testing a possible north western continuation of the Doughnut Jimmy Prospect and intersected low grade mineralisation only: 4.5m @ 0.23g/t Au from 28.6m.

Table 1: Significant Drill Intercepts

Hole ID	Downhole Interval (m)	Au Grade (g/t)	From (m)	To (m)	Comments
GLDD001	6	0.42	20.4	26.4	Testing possible continuity between Doughnut Jimmy and Lavaeolus.
GLDD002	18.2	3.70	4.9	23.1	Confirming Doughnut Jimmy core grade.
including	3	6.84	20.1	23.1	
GLDD002	6.9	0.30	26.3	33.2	
GLDD003	10.4	0.55	21.7	32.1	Confirming Doughnut Jimmy core grade.
GLDD004	11.3	0.10	19.6	30.9	Testing southern margin of Doughnut Jimmy zone.
GLDD005	14.75	0.24	22.8	37.55	Testing possible continuity between Doughnut Jimmy and Lavaeolus.
GLDD006	1.6	0.23	21.4	23	Testing extension of Lavaeolus to north.
GLDD006	3.2	0.18	29.1	32.3	
GLDD006	1	0.36	34.5	35.5	
GLDD006	0.45	0.90	61.85	62.3	
GLDD007	6.6	0.20	26.1	32.7	Testing extension of Lavaeolus to north.
GLDD008	9.7	0.19	29.3	39	Confirming Lavaeolus zone with infill.
GLDD008	7.5	0.90	52	59.5	
including	1.9	3.00	52.55	54.45	
GLDD009	4.5	0.23	28.6	33.1	
GLDD009	2.6	0.17	60.7	63.3	
GLDD009	0.6	0.742	67.4	68	Testing extension of Doughnut Jimmy to north.

Appendix 1: Diamond Drilling Details

Hole ID	MGA East	MGA North	AHD RL	Total Depth (m)	Azimuth MGA	Dip
GLDD001	391790.00	6595665.00	318.00	72.20	275.70	-60.72
GLDD002	391790.00	6595630.00	318.00	71.60	270.80	-58.97
GLDD003	391770.00	6595620.00	318.00	80.50	90.01	-68.99
GLDD004	391765.00	6595605.00	318.00	71.50	90.38	-70.33
GLDD005	391845.00	6595670.00	318.00	71.80	270.00	-60.02
GLDD006	391810.00	6595880.00	318.00	73.10	90.10	-69.51
GLDD007	391755.00	6595875.00	318.00	83.40	90.02	-64.86
GLDD008	391805.00	6595835.00	318.00	86.70	90.01	-64.95
GLDD009	391720.00	6595745.00	318.00	71.60	269.99	-64.47

Appendix 2: Diamond Drilling Technical Synopsis

Every drill hole other than GLDD001 was drilled PQ3 from surface to competent rock with a HQ3 tail, to increase core recovery in the saprolitic clay zone. Half core samples were taken over the entire length of each hole.

All drill holes were oriented where ever possible and the structural information obtained on the quartz veining has provided a new understanding of the mineralised systems which is being incorporated into a revised 3D model of the mineralisation.

Doughnut Jimmy: GLDD001 – 005, GLD009

Base of complete oxidation was typically between 15-20m defined by saprolitic clay and top of fresh rock between 30-38m. Dominant downhole lithology is a massive, equigranular dolerite with narrow, melanocratic gabbroic intervals. Several, narrow zones (<3m) of shearing (generally dipping ~70° towards 230°) and associated alteration were intersected (typically chlorite-carbonate-biotite-magnetite with pyrite/ pyrrhotite assemblages). Felsic dykes were intersected in holes GLDD004 and 005 (trending ~E-W and dipping back to the south) with localised sheared/ altered margins in the dolerite. The presence of abundant primary limonite/quartz veining above the top of fresh rock suggests that Doughnut Jimmy was originally a primary deposit which has undergone significant supergene dispersion. There are several other occurrences of very high grade localised intersections within the Glandore region.

Lavaeolus: GLDD006 - 008

Base of complete oxidation varied between 9-27m defined by saprolitic clay and top of fresh rock between 30-42m. Dominant downhole lithology is a massive, equigranular dolerite with narrow, melanocratic gabbroic intervals. Several, narrow zones (<3m) of shearing (multiple orientations: 79° towards 231°, 25° towards 266° and 46° towards 242°) and associated alteration were intersected (typically chlorite-carbonate-biotite-magnetite +/- silica with pyrite/ pyrrhotite assemblages – on occasion reaching semi-massive sulphide abundances). Felsic dykes were intersected in holes GLDD006 and 008 (orientated 65° towards 294°) again with localised sheared/ altered margins in the dolerite.

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Appendix 3: JORC TABLE 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Half core and where necessary 1/4 core was sampled from PQ3 and or HQ3 diamond core. Diamond core was sampled at intervals no greater than 1.15m and no less than 0.15m. Sampling did not cross lithological boundaries. The entire length of each hole was sampled except core loss intervals Samples were pulverised for multi-element analysis to produce a 50g charge for fire assay Au.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Diamond drilling using a mix of PQ3 and HQ3. All core was oriented using a REFLEX tool Holes were surveyed by Gyro tool
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Diamond core recovery was reconciled using a tape measure and driller's markings. Recovery was maximized using triple tube diamond core and slow drilling as required Recovery issues were encountered in the top 20-30m of saprolite otherwise core recovery was close to 100% in the fresh rock No relationship has been noted between sample recovery and grade. Overall, sample recoveries were very high and did not present a problem.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All drill holes have been geologically logged by Company geologists using a standard format over the whole length of each hole. Features for each sample or geological interval recorded, where observable, included weathering, lithology, alteration mineralogy, structural information, mineralisation mineralogy, veining, vein mineralogy and proportions of non-economic minerals. Geological logging recorded factual data (e.g. colour, grain size, percentage of

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>identifiable minerals present) and interpretative data (e.g. lithology).</p> <ul style="list-style-type: none"> Diamond core was sampled as half core with the remaining half stored at the company's facilities in Kalgoorlie.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Min Analytical prepared and analysed all samples. Gold was analysed using FA50AAS, consisting of a 50g charge fire assay followed by atomic absorption spectroscopy at a detection limit of 0.005ppm Au (gold) and is considered a total technique. Four acid digest was also undertaken for a multi-element suite with detection by mass spectrometer or optical emission spectral (MA4031) methods. No data from geophysical tools were used to determine grade control assay results. The QAQC company protocol used consisted of certified reference materials, blanks and duplicates each inserted at a rate of ~1:20. A review of the analytical performance of the external standards and blanks by Southern Gold staff indicated that the results were acceptable
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Significant intersections were visually inspected and verified by the company personnel Twinned holes have not been drilled. All sampling data is recorded on computer spreadsheets and entered into the Company database after validation. The assay database is stored securely on the Company's server which is backed up routinely both on and offsite. No adjustments are made to the assay data after review of QAQC measures as stated above.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	<ul style="list-style-type: none"> Drill hole positions have been surveyed using a handheld GPS.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • <i>Holes were surveyed by Gyro tool (Reflex EZ Gyro)</i> • <i>The grid system used for locating the collar positions of drill holes is the Geocentric Datum of Australia (GDA94), Zone 51 (MGA Projection). Elevations are recorded in Australian Height Datum (AHD).</i> • <i>Topographic control in the area is provided by a DEM model</i>
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • <i>Drill hole spacing varied across the nine reported drill holes.</i> • <i>No Mineral Resource has been calculated.</i> • <i>No compositing has been applied.</i>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • <i>Oriented core measurements show that drilling is oblique to lithological boundaries and structural trends and is not considered to have biased the sampling</i> • <i>Not applicable.</i>
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • <i>Core is cut and sampled in a secure facility and packaged in numbered calico bags</i> • <i>The geologist places the calicos bags containing the samples into polyweave bags and transports them to the sample preparation laboratory where a sample submission form is completed. The details entered onto the sample submission form are the means by which the samples are tracked through the laboratory.</i> • <i>The laboratory provides the Company with a reconciliation of samples submitted compared to samples received.</i>
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • <i>No audits or reviews have been undertaken.</i>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • <i>Glandore drilling covers M25/0330 located ca. 30km E of Kalgoorlie, WA.</i> • <i>The tenement is held by Aruma Exploration</i> • <i>There are no known impediments to obtaining a licence to operate.</i>

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Historical exploration over the project has been completed by numerous entities including but not limited to: Aruma, Melbourne Exploration, WMC and Harmony Gold.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Exploration is targeting orogenic narrow vein Archean lode systems
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> A summary of exploration results showing the range of downhole intercept widths and associated grades is shown in Table 1 of this release.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Weighted averages have been applied in core using a 0.1g/t Au cut off as per table 1 No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Structural measurements indicate drill direction is oblique to lithological contacts and structural trends and provides non-biased sampling. Quoted mineralized intervals are down hole lengths
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> No significant discovery has been reported.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Results from all holes have been reported.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> All relevant observations have been noted in the release.

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"). The Company's main focus is its Bulong Gold Project located 30 km east of the world renowned gold district of Kalgoorlie (WA) with the flagship Cannon Gold Mine projected to produce around 50koz gold by open pit methods. Mining at Cannon is being conducted by Westgold Resources Ltd, who financed and developed the deposit under a 50/50 profit share arrangement. Westgold is responsible for all mining, haulage and processing activities.

Southern Gold is also exploring at projects such as Glandore, Transfind Extended and Cowarna, looking for additional small high grade open pit-able gold resources and potential new discoveries.

In addition to its cornerstone position in Kalgoorlie, Southern Gold owns a portfolio of high grade gold projects in South Korea. These projects are a combination of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. Southern Gold's aim is to move one or more of the orogenic gold mines such as Gubong and Taechang into production in the short to medium term utilising the technical expertise of its joint venture partner and London Stock Exchange listed Bluebird Merchant Ventures as well as explore for world-class epithermal gold deposits.

Competent Person's Statements

The information in this report that relates to Exploration Results has been compiled under the supervision of Dr. Justin Gum (MAIG). Dr Gum who is an employee of Southern Gold Limited and a Member of the Australasian Institute of Geoscientists, 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. Dr Gum 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 release, except as may be required under applicable laws. Readers should make their own enquiries in relation to any investment decisions and obtain advice from a licensed investment advisor.