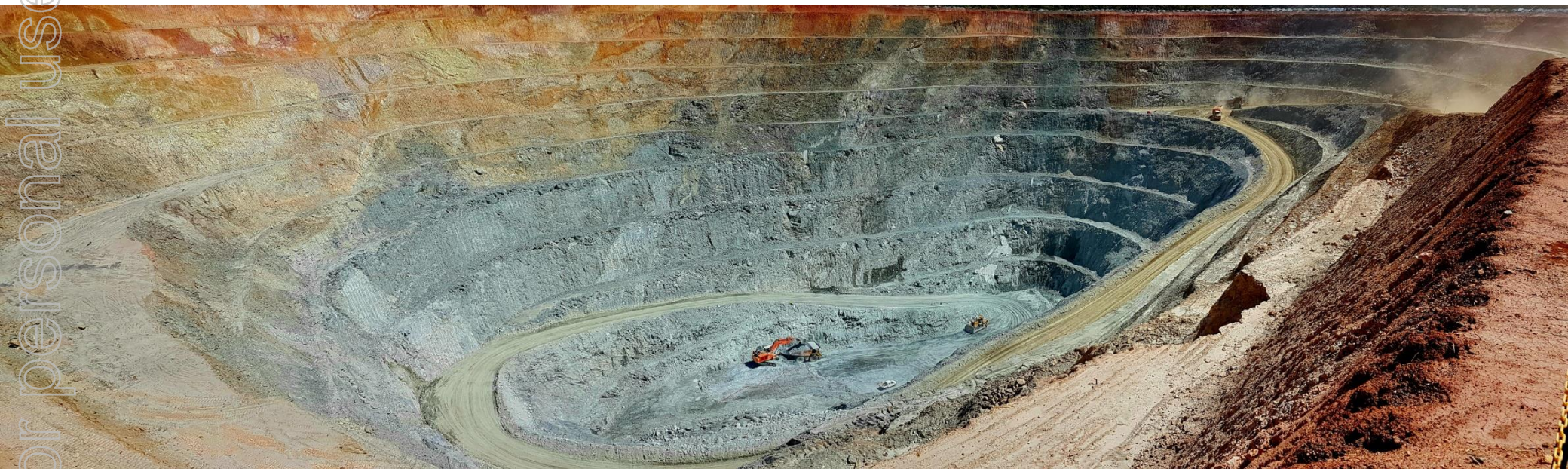




SOUTHERNGOLD

GOLD PRODUCTION DRIVING GOLD EXPLORATION



The Cannon Gold Mine, 2017

**Diggers and Dealers Corporate Presentation
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.

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.

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.

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Southern Gold

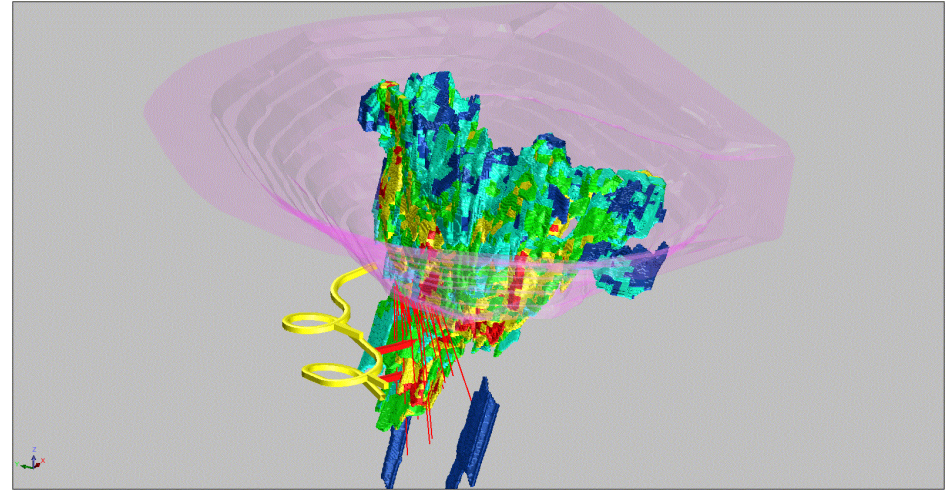
- ❑ Cashed up with no near term funding requirement;
- ❑ A management team that defends the value of your equity;
- ❑ A technical team that knows how to find ore deposits;
- ❑ A business model that balances cash return to shareholders; and
- ❑ Reinvestment into the company with drill intensive programmes.

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Kalgoorlie the Engine Room, Korean Blue Sky

Australia – Kalgoorlie

- ❑ Cannon Gold Mine – Underground?
- ❑ Strategic ground position
- ❑ Ex Normandy-NFM people
- ❑ Potential for further cash flows



Conceptual Underground with block model, Cannon Gold Mine, Kalgoorlie, WA

South Korea – Daejeon

- ❑ Gubong historic mine – Bluebird MV JV
- ❑ Poorly understood, incredible potential
- ❑ Ex Ivanhoe Mines people
- ❑ Potential for world class discovery



KRS200052: **17.6g/t Au, 820g/t Ag**
Weolyu South, SK

Corporate Strategy

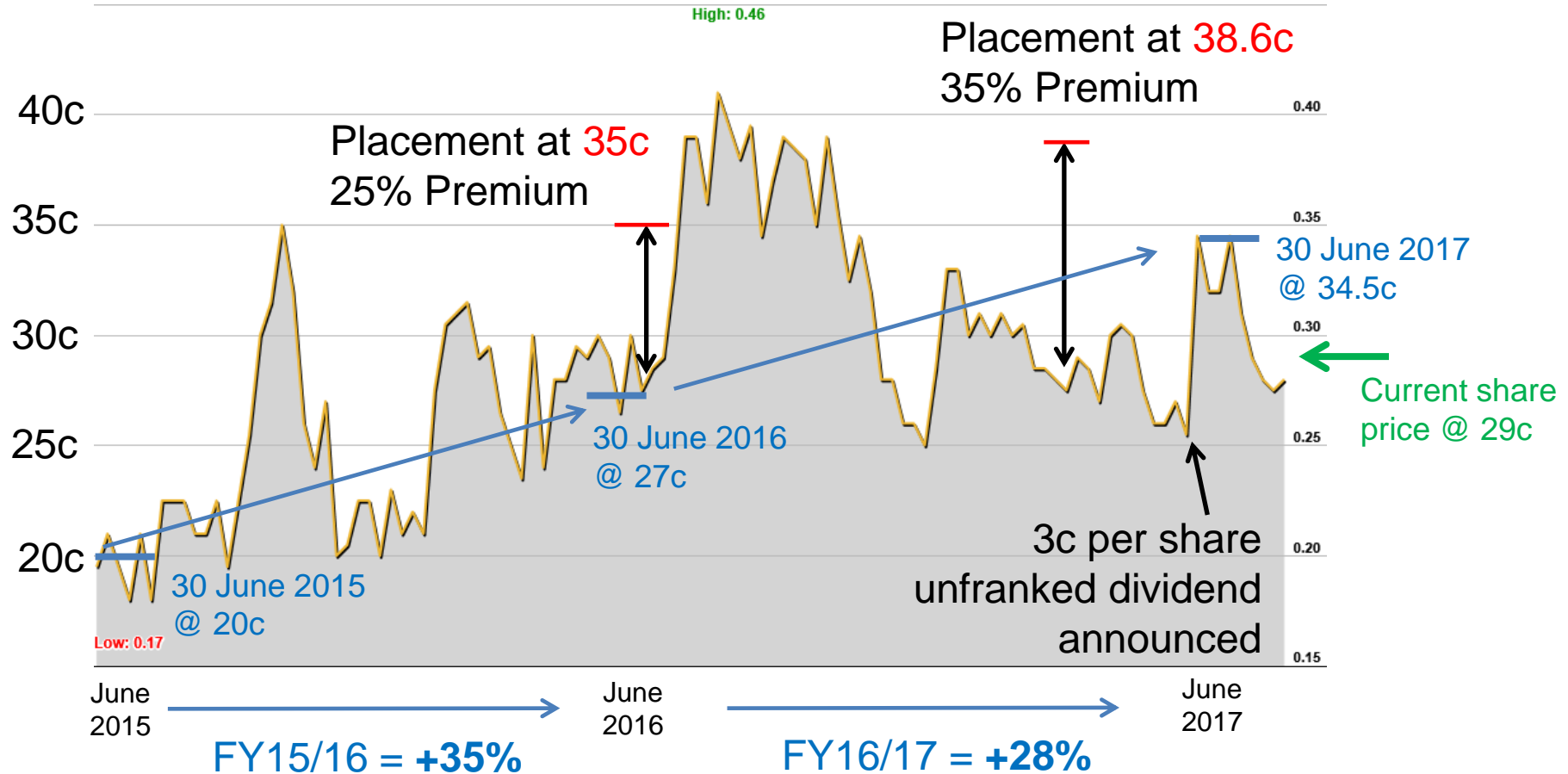
- ❑ Focus on cash generation, keeping a tight capital structure
- ❑ Drilling intensive exploration, add to JORC Resources
- ❑ Develop a second mine operation in JV with expertise (e.g. Bluebird MV)
- ❑ Culture of technical excellence and innovation in exploration
- ❑ Search for 'world class' gold deposits, organically funded

Total Shareholder Return Benchmark

Current 3c per share special dividend (cash and/or scrip).

'Total Shareholder Return': Recent Performance

2 Year Southern Gold Share Price Graph



If 3c per share is included in FY16/17 then Shareholder Return is = +39%. Over 2 Years to 30 June 2017 = +87%.*

* Past performance not a guarantee of future performance.

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Australia

- ❑ Stick with the states that support mining
- ❑ Stick with the geological provinces with “elephants”
- ❑ Stay close to infrastructure
- ❑ Don't ignore the small stuff if it's high grade
- ❑ Mine for margin, generate cash



Cannon Gold Mine

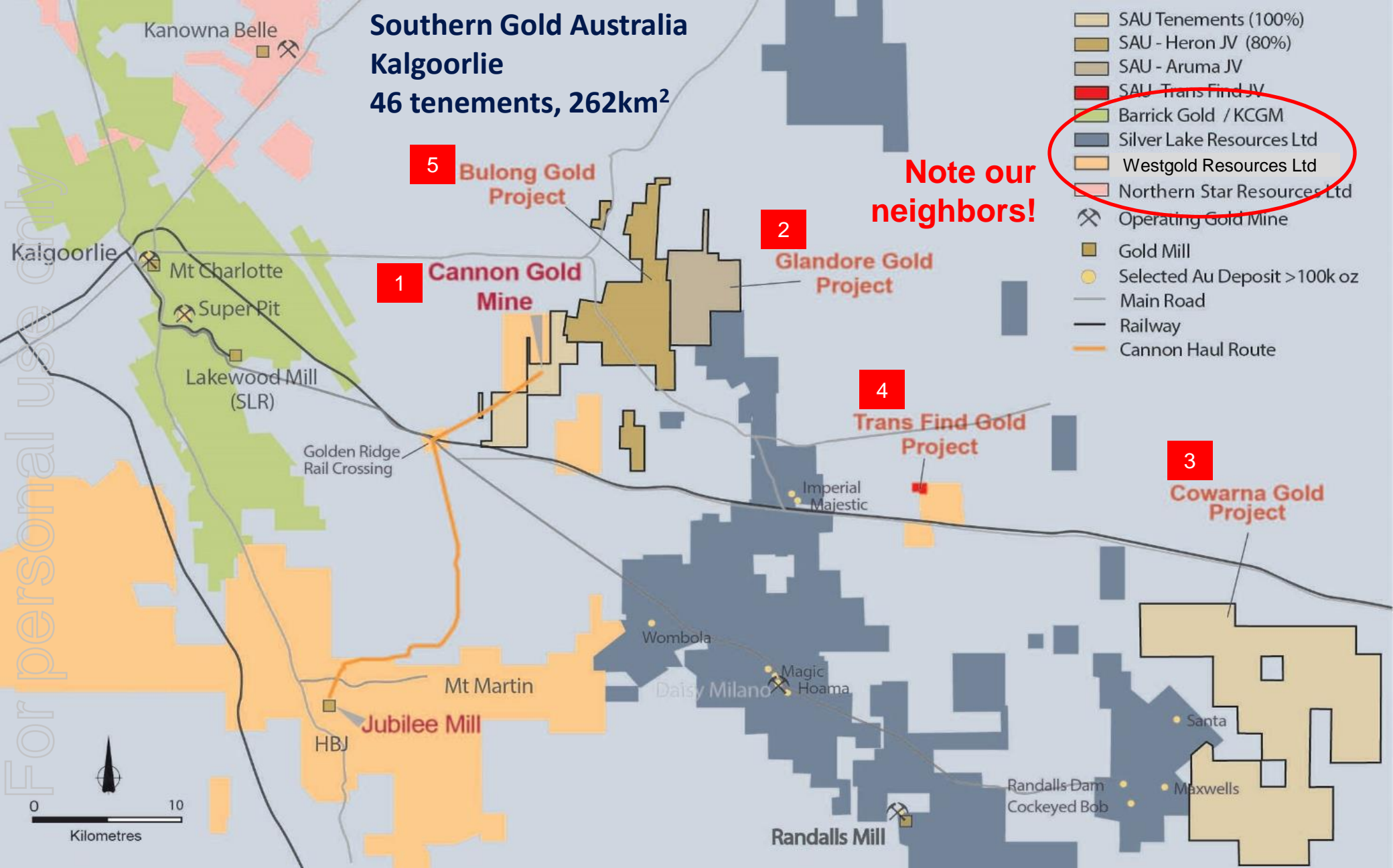
~100koz Au Resource =

~50koz Au Recovered =

~A\$28 million profit (~A\$560/oz)

**~A\$14 million net to Southern Gold
(projected)**

Southern Gold Australia Kalgoorlie 46 tenements, 262km²



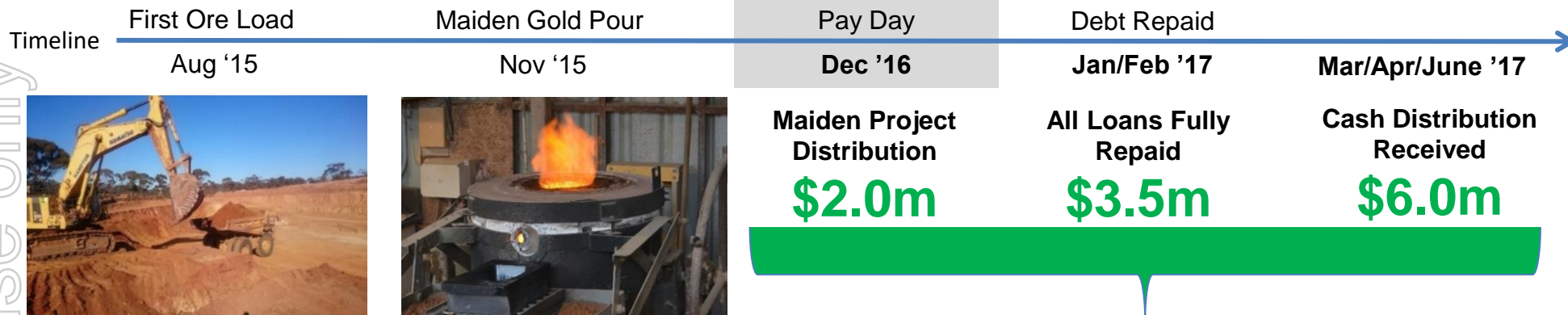
- SAU Tenements (100%)
- SAU - Heron JV (80%)
- SAU - Aruma JV
- SAU Trans Find JV
- Barrick Gold / KCGM
- Silver Lake Resources Ltd
- Westgold Resources Ltd
- Northern Star Resources Ltd
- Operating Gold Mine
- Gold Mill
- Selected Au Deposit >100k oz
- Main Road
- Railway
- Cannon Haul Route



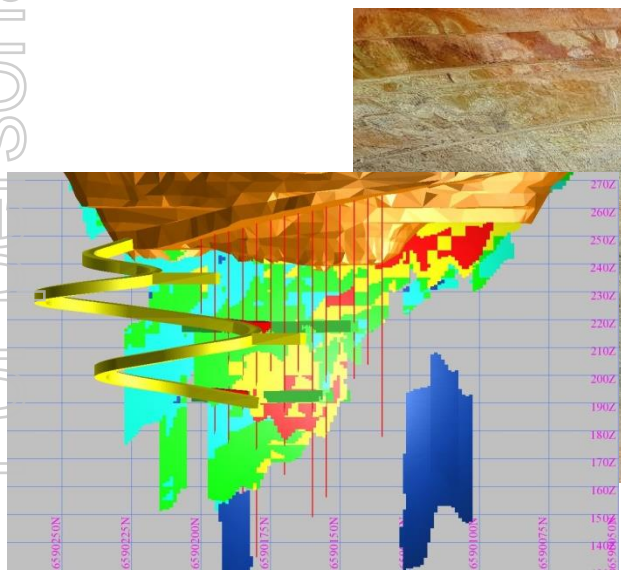
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1

Cannon Gold Mine: Cash Generation



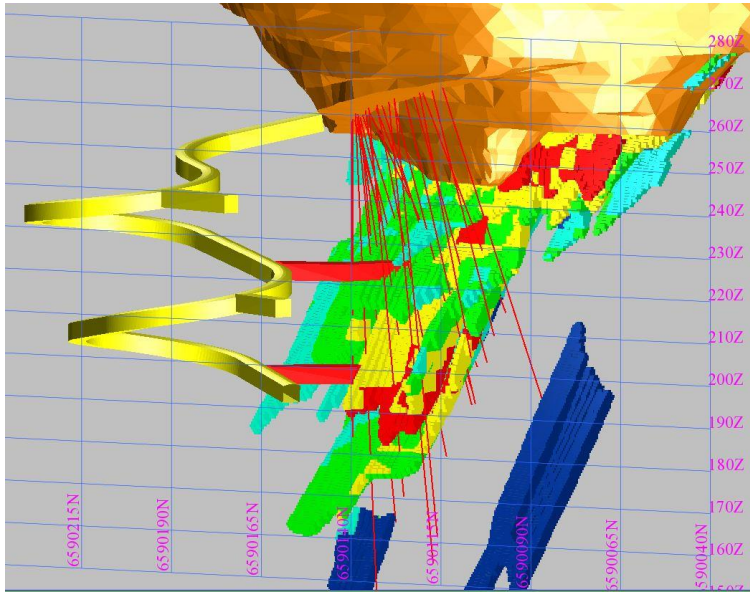
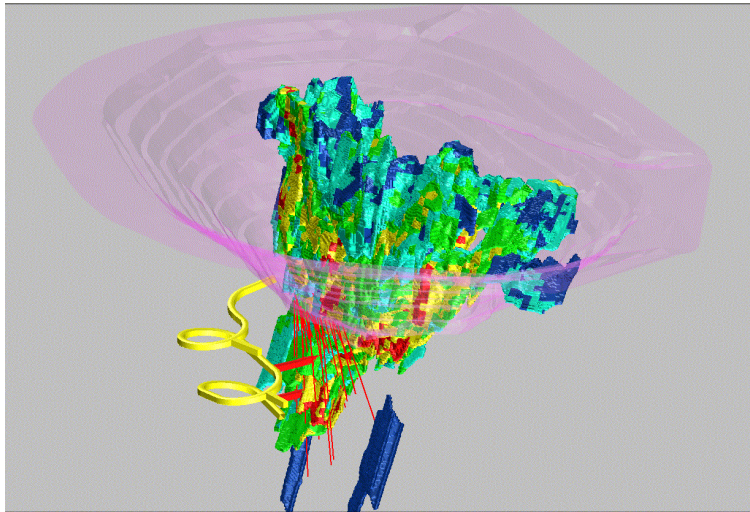
\$11.5m received to date
\$3.7m debt fully repaid, now debt free



Another ~A\$2.5m expected to be received up to 31 August 2017

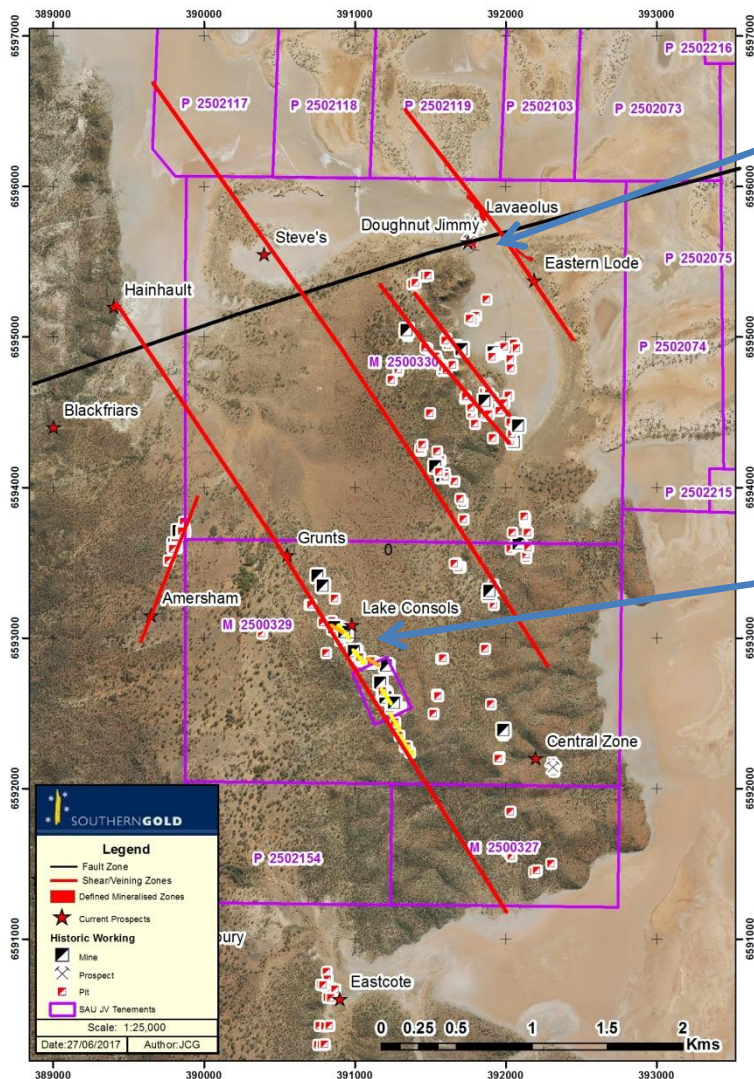
1 Cannon Underground?

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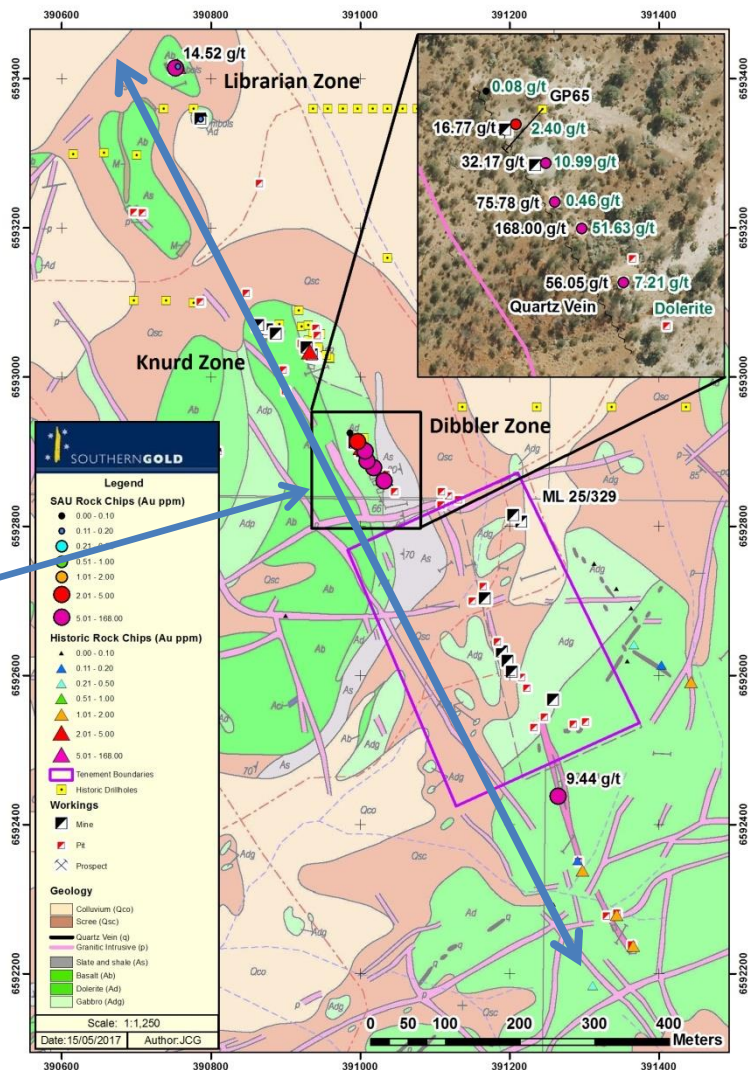
- ❑ RC Infill and Extension drilling completed
- ❑ **RC results due August 2017**
- ❑ Deposit open at depth
- ❑ Development scenarios currently under consideration
- ❑ Potential for small underground operation, initially over 3 levels
- ❑ JORC resource Sept Qtr
- ❑ Development & commercial plan Dec Qtr

Glandore Gold Project: "Cannon #2"?



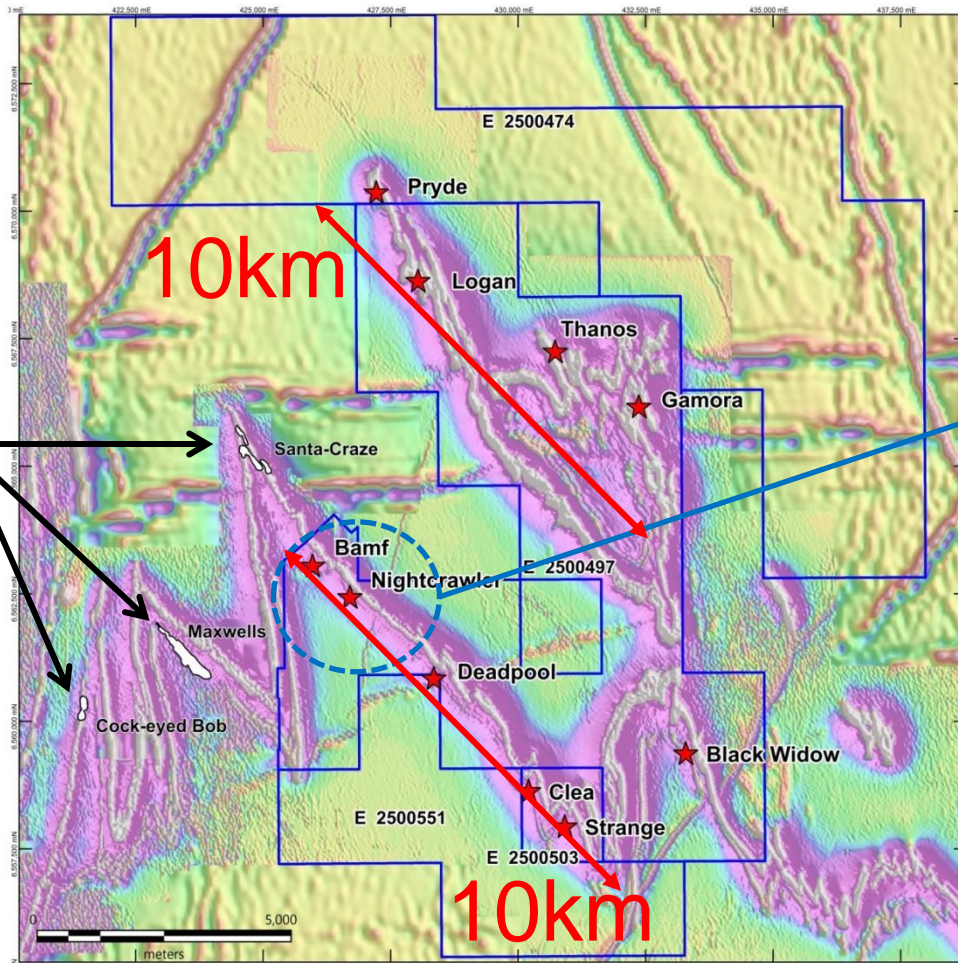
Potential for small high grade open pits at Doughnut Jimmy and Lavaeolus.

1.5km long system trend at Lake Consols. Very high grades at Dibbler, up to 168g/t Au.



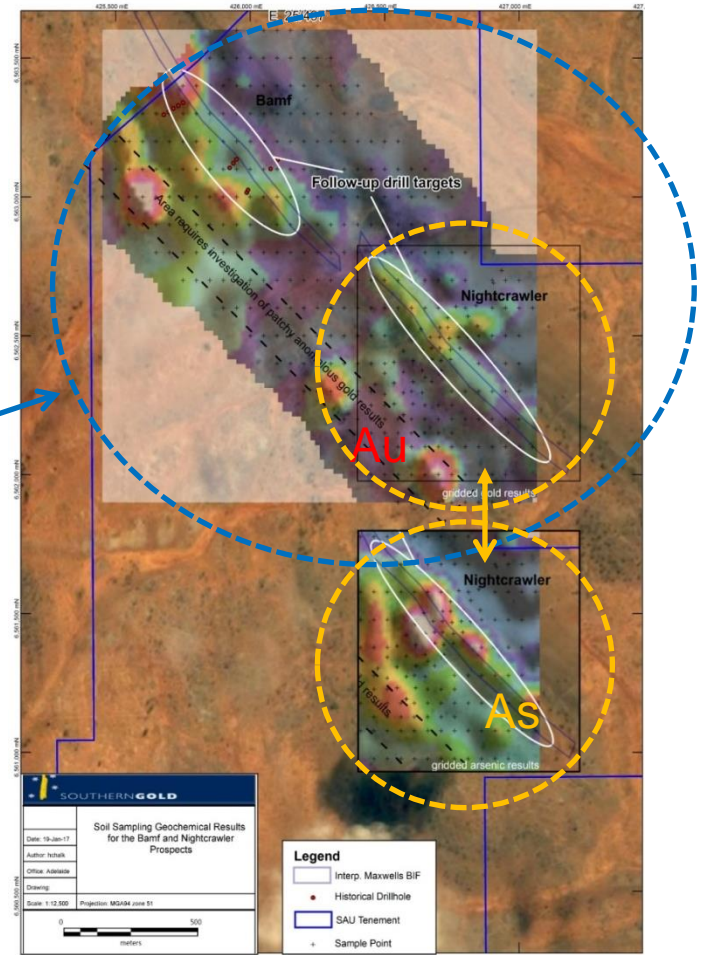
3 Cowarna Gold Project: >20km Prospective Strike

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Significant strike extent of BIF

Silverlake Resources Operations - Randalls Mill to west



Coincident Au+As anomaly
Drilling in FY17/18

South Korea



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- ❑ Fundamentally, it's about the geology (“Ring of Fire” geology)
- ❑ Ex-Ivanhoe people in the exploration group
- ❑ Cheap acquisition, huge “company making” potential
- ❑ Enormous embedded value in historical underground workings
- ❑ Poorly understood jurisdiction, with potential for near term production



Epithermal quartz vein, Weolyu, SK



Near horizontal drilling, Weolyu, SK

South Korea: think North Asia, not SE Asia



- ❑ No royalties, no government free carry, tax rate 24.2%
- ❑ Government funding available: KORES, MIRECO
- ❑ Ubiquitous road, rail, electricity, internet, 5G
- ❑ Low cost base and large manufacturing base
- ❑ Population of 50 million, in area 50% of Victoria



A blend of the old and the new...



They love their roads in SK...



You can drill in rice fields...

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South Korean Assets: 44 tenements, 120km²



❑ Historic gold/silver mining operations

❑ 3 Potential **Production** Centres:

1. Taechang

2. Gubong 1

3. Yeongdong

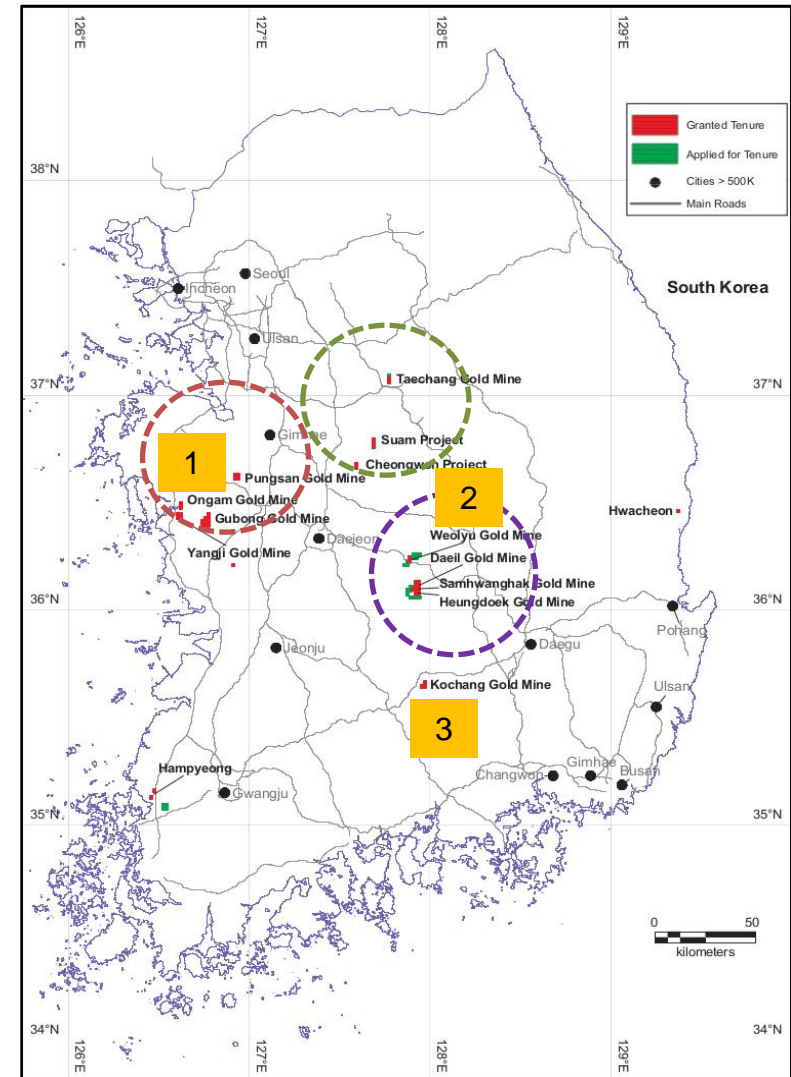
Weolyu 2 – epithermal Au-Ag **Exploration**

Heungdeok

Kochang 3

❑ Active **Project** Generation

Eg: Hampyeong – epithermal Au-Ag exploration



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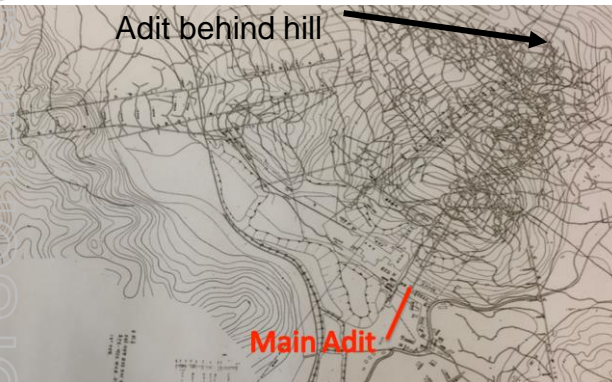
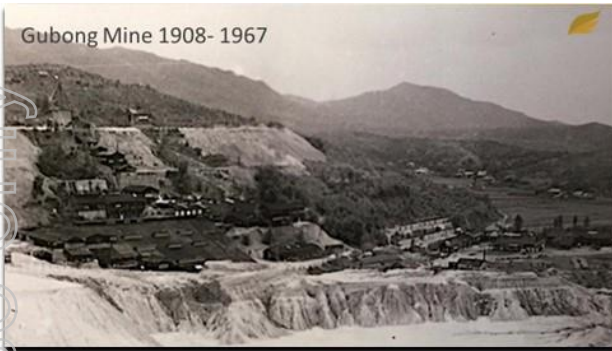
- Fast track mine restart with Asian mine specialists (SAU looks for new deposits)
- Bluebird Merchant Ventures: Colin Patterson, Charles Barclay and team

Colin Patterson: 40+ years, ex Apex (Philippines), Olympus Pacific (Vietnam), Emperor Mines (Fiji)

Charles Barclay: 25+ years, ex Olympus Pacific (Vietnam), Highlands Pacific (PNG), Vatukoula (Fiji)

- US\$1m farm in for 50/50 joint venture for Taechang and Gubong projects
- A\$0.5m 35% premium placement (\$0.386/share) into Southern Gold, second premium placement in 12 months. (\$0.25m for each project)
- Generate feasibility study to restart operations for capex <US\$10m

1 Bluebird MV JV: Gubong



Exploration target: 1.0 to 4.5 Mt with grades in the range of 6.0 – 12.0 g/t Au (or 500koz – 1,500koz Au).

This exploration target is not a mineral resource and is conceptual in nature. The estimate is based on the substantial body of information relating to the mineralisation documented for the targets referred to here which has been generated by government and semi-government agency's as documented Table 1 and Table 3 in Appendix 4 of the ASX release 8 July 2016.

1 Bluebird Team: Gubong Development



Outside the main adit entrance at Gubong in 1960's



Inside the main adit

Bluebird is a project developer

- ❑ Mine feasibility and design
- ❑ Mine development and construction
- ❑ Reopening old workings
- ❑ Operating management
- ❑ 8 professionals with “skin in the game”

Feasibility-style study due in 2018Q2.

Targeting low capital cost (<US\$10m or <US\$5m each) development options.



Weolyu South Rock Slabs from recent detailed mapping and sampling programme

KRS202008: 1.5g/t Au, 120g/t Ag



15 cm wide polyphased vein float, comprised of hydraulic rip-up breccias and crude mesocrystalline to chalcidonic quartz colloform band development.

KRS202022: 6.12g/t Au, 170g/t Ag



Polyphased hydraulic vein breccia & colloform-banded vein comprised of white mesocrystalline quartz with grey-black sulfidic inter-bands and wispy fills

KRS202024: 4.57g/t Au, 110g/t Ag



Polyphased, crudely banded mesocrystalline grey-white quartz vein with localised ghosted quartz pseudomorphs after bladed calcite & wisps of bluish-grey sulfides & sulfosalts

KRS202027: 8.41g/t Au, 200g/t Ag



Polyphased hydraulic vein breccia with rip-up vein fragments and a central black sulfidic band comprised of fine-grained pyrite & sulfosalts

KRS202043: 2.37g/t Au, 150g/t Ag



Hydraulic quartz vein and rhyolite host rock breccia, pervasively flooded by mesocrystalline quartz and fine-grained pyrite. Highly oxidised with ubiquitous limonite after pyrite

KRS202045: 3.22g/t Au, 140g/t Ag



Slip fragment from Mystery Vein Zone, comprised of colloform-banded, sulfide-bearing hydraulic vein breccia.



Evidence of epithermal boiling textures

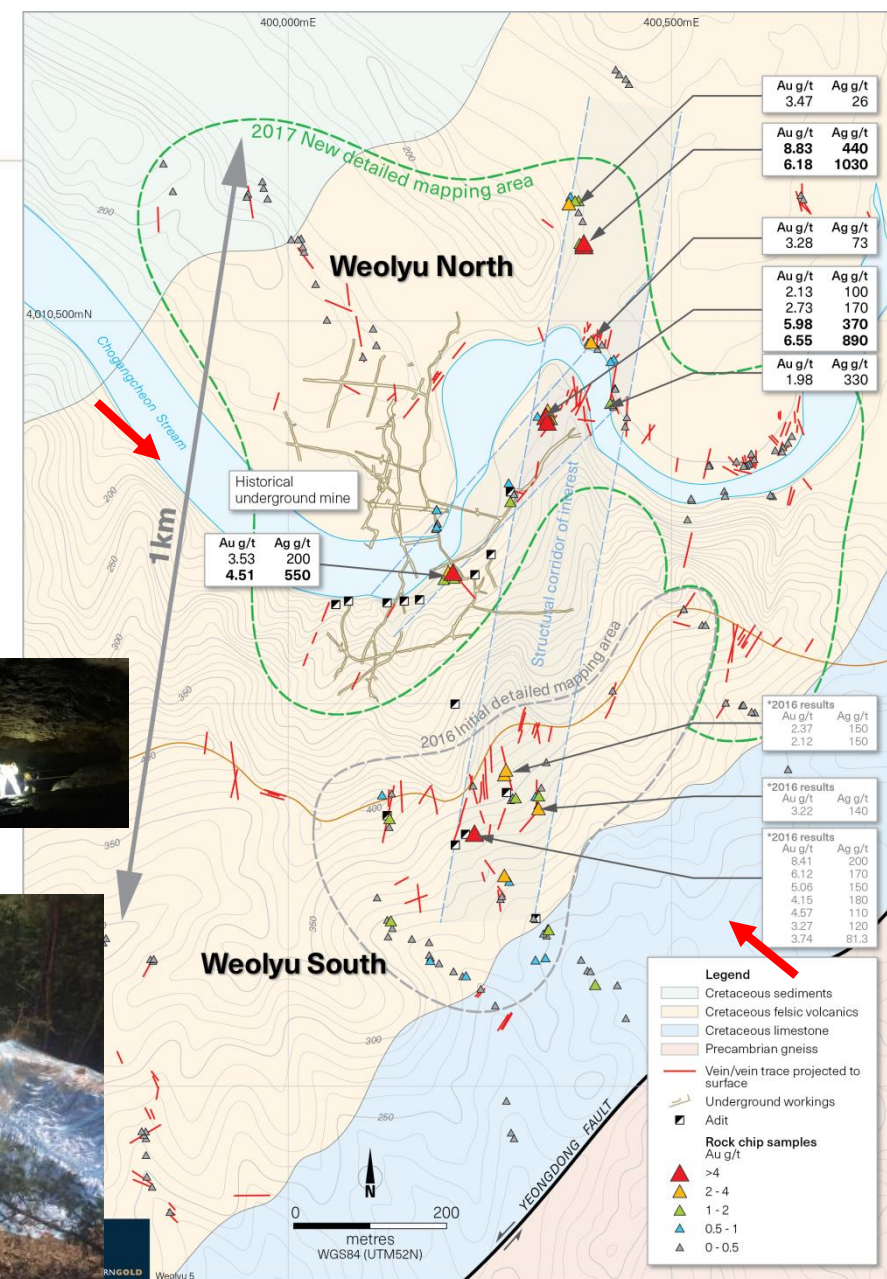
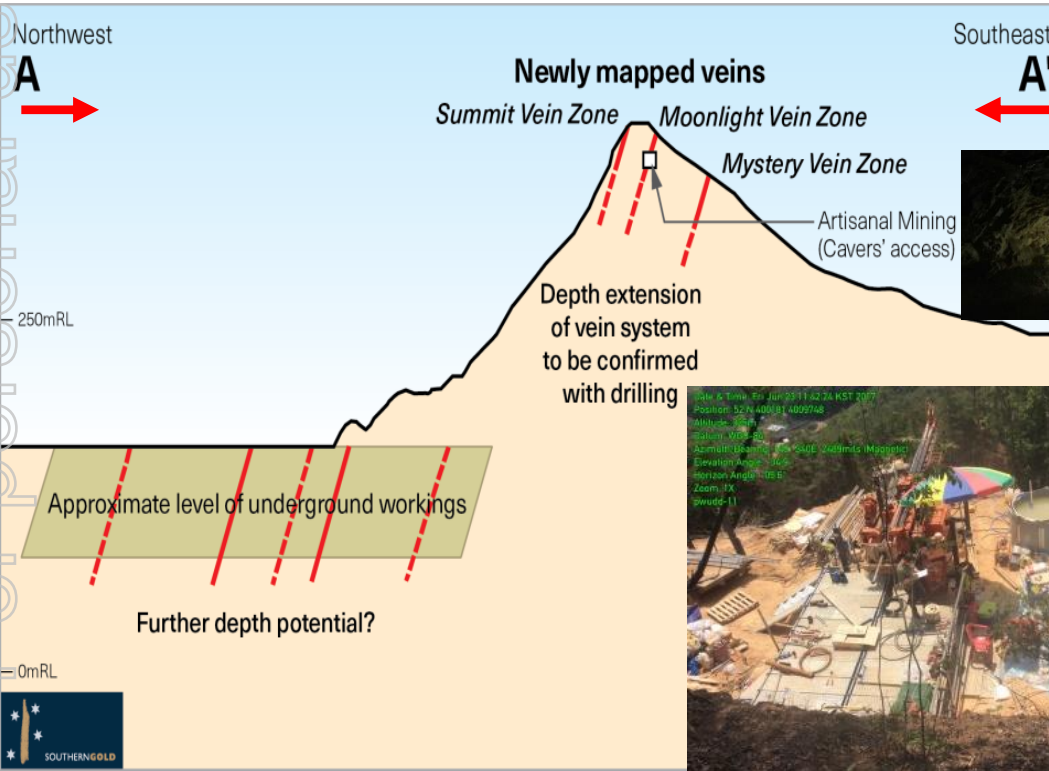


Vein width ~1.6m at surface @ high grade

See ASX Release 12/12/16 for details.

2 Weolyu South: Scale

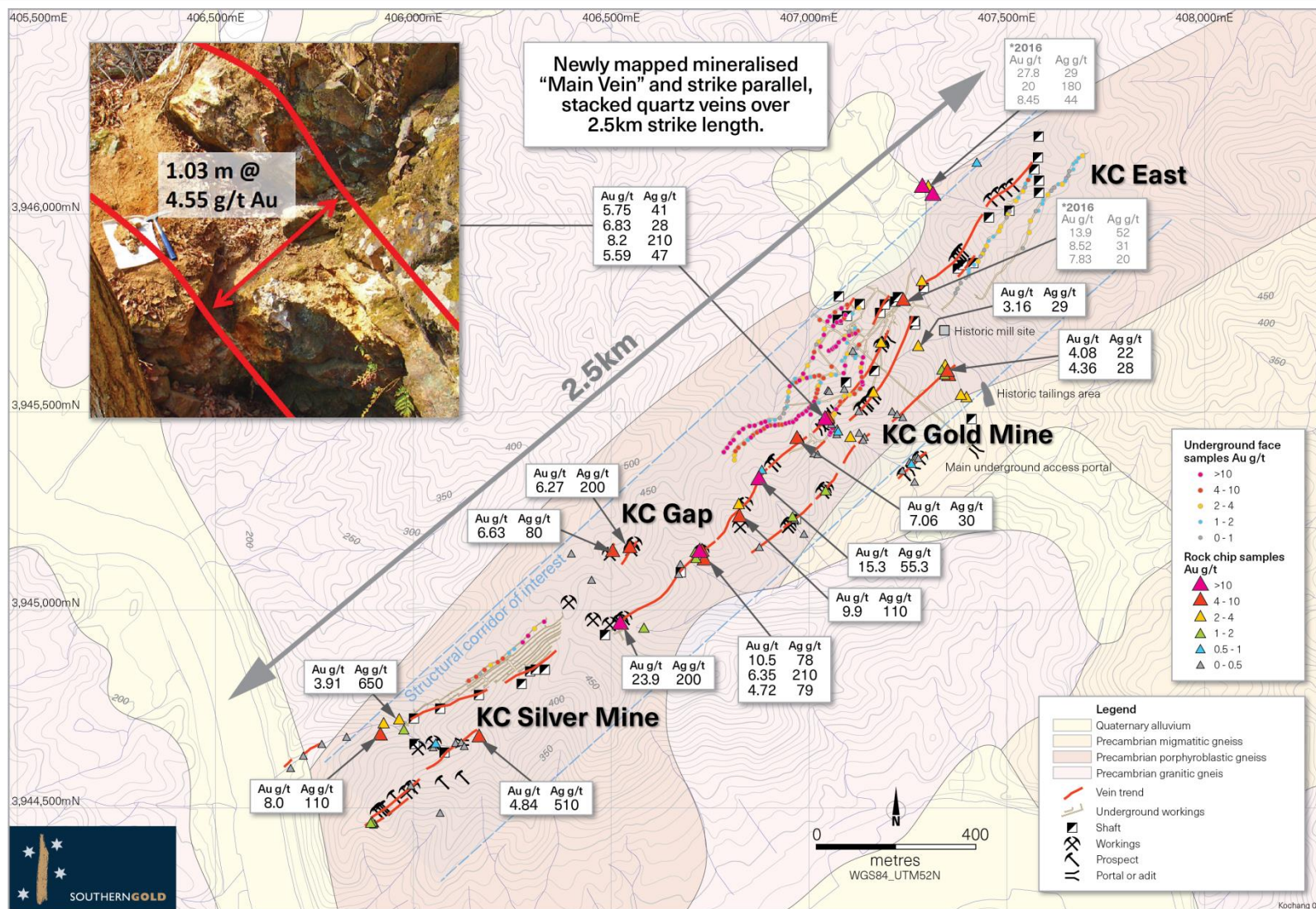
- System defined at kilometer scale
- Multiple veins & district scale alteration
- Up to ~1030g/t Ag (~0.1%) and to ~18g/t Au
- Currently drilling on site



Kochang: Multi-kilometre Scale System



- 2.5km structural corridor with continuous mineralisation along the entire length
- Multiple parallel mineralised quartz veins +/- breccia
- Recent surface rock samples to 23.9g/t Au and 650g/t Ag



Corporate Overview

12 month share price performance



Financial information

Number of shares	47.3 m
Staff Options (\$0.375, \$0.90, various 15/10/17 - 30/6/21)	~2.23m
Total Fully Diluted Shares	49.5m
Share price (3 August 2017)	A\$0.285
Market capitalisation (undiluted)	A\$13.5m
*Cash (30 June 2017)	A\$5.3m
Enterprise value	A\$8.2m

*** Additional Cash Expected in next month = ~A\$2.5m**

Special Dividend declared @ 3c/share cash or scrip under DRP

Assuming 50% take up of DRP, cash cost of dividend <\$0.7m

The Board

Greg Boulton AM	Chairman
Simon Mitchell	Managing Director
Mick Billing	Non Executive Director
David Turvey	Non Executive Director

Key People

Justin Gum	Principal Geologist
Chris Bowden	Exploration Manager - Korea
Joseph Lee	Country Manager - Korea
Doug Kirwin	Technical Advisor

Next 12 Months: \$5m over FY17/18, drill focus

Australia

- ❑ **Glandore Gold Project** – multiple rounds of drilling, JORC resource
- ❑ **Cowarna Gold Project** – “boots on the ground” exploration
- ❑ **Cannon Underground** – investigate below pit for underground
- ❑ **Transfind Prospect** – historical data compilation, first round drilling

Drilling Schedule

Sept 2017+

August/Sept 2017

RC completed July

2017H2

South Korea

- ❑ **Weolyu South** – incredible blue sky / new discovery potential
- ❑ **Gubong** –near term production investigated (Bluebird MV)
- ❑ **Kochang** – drilling high grade zone at Kochang Gold Mine ‘gap’
- ❑ **Hampyeong** – drilling epithermal veins mapped at surface

April 2017++

2017H2

September 2017++

2017H2

So, for a \$8m Enterprise Value you get:

- ❑ A potential underground gold mine at Cannon, Kalgoorlie WA
- ❑ A potential underground gold mine at Gubong, South Korea (BMV JV)
- ❑ Near term JORC resource additions and development at Glandore, WA
- ❑ A significant tenure position around Kalgoorlie (the engine room)
- ❑ A unique ground position in South Korea (the blue sky)
- ❑ An exploration “A” team
- ❑ A good return on your investment

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Research and Contacts

- ❑ ERA, Keith Goode, April 2017 (price target >\$0.40/share)

<http://www.southerngold.com.au/research-reports>

<http://www.eagleres.com.au/reports/item/apr-2017-southern-gold-ltd>

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