

\$4 Million Restructured Placement

- Due to changing market and business conditions the Company is withdrawing the placement offer made to institutional investors announced to ASX on 11 February 2020.
- An alternative offer has been made and commitments received for the subscription of 40,000,000 Southern Gold Ltd ordinary shares at 10c per share, to raise \$4 million (before costs).
- AIM listed investment specialist, Metal Tiger PLC, has strongly supported the equity raising and has subscribed for 22,000,000 shares for \$2.2 million.
- Metal Tiger nominee, Terry Grammer, will join the Southern Gold board as part of the transaction as originally outlined in the ASX release dated 11 February 2020.
- Post transaction cash balance will be ~\$5.5 million and support a minimum of 12 months field campaign, including the diamond drilling of multiple projects, targeting significant news flow in 2020-21.

Restructured Equity Raising

Since the Southern Gold Limited ('Southern Gold' or 'the Company') ASX announcement on 11 February 2020 "*\$10 Million Institutional Placement*" the fallout from the COVID19 pandemic and other economic developments have profoundly impacted the share market and broader business conditions, particularly in the past week. The company has withdrawn the previous placement offer and made a new offer to cornerstone investor AIM-listed **Metal Tiger PLC** ('Metal Tiger') and other institutional and sophisticated investors.

The Company has now received binding commitments from investors in respect of a placement of **40,000,000 ordinary shares in the Company at \$0.10 per share to raise \$4m million** ('Placement'). The Placement is at a 16% discount to the 15-day VWAP and will be completed in two tranches. The first tranche of \$2.168 million, to be completed immediately, is being done within the Company placement capacity under Listing Rule 7.1/7.1A with the balance of the Metal Tiger investment (approximately \$1.7m) and Directors subscriptions (\$0.13m) in the second tranche (approximately \$1.83m in total) being subject to shareholder approval.

Metal Tiger PLC Cornerstones the Raising

Southern Gold acknowledges the continued support of Metal Tiger with their subscription for 22m shares for \$2.2 million which is a significant cornerstone position in the Placement. The terms of the investment are managed under the original subscription agreement and subsequent letter of variation. Metal Tiger retains the right to nominate one Director to the Company for so long as Metal Tiger holds an interest in the Company of at least 10%. Prominent geologist, Mr Terry Grammer (see ASX Release 11 February for details) has been nominated under this provision and will join the board after approval of the second tranche.

Cash to Execute and Confirm New Discoveries

Southern Gold's cash balance after completion of the first tranche is estimated to be approximately \$4 million and subsequent the second tranche (in early May) \$5.5 million. This is expected to fund the Company's activities for a minimum of 12 months and enable the completion of critical activities in field season 2020.

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Multiple projects are planned to have diamond drilling programmes including some first pass scout programmes at new discovery areas such as Golden Horse and Daeam Valley.

Rescheduled General Meeting of Shareholders

The General Meeting of shareholders scheduled for Thursday 26 March 2020 is now cancelled and the associated Notice of Meeting resolutions are withdrawn. A new Notice of Meeting will be released shortly with the rescheduled General Meeting likely to be held in early May.

Ashanti Capital Pty Ltd acted as Lead Manager and Bookrunner to the raising.

Southern Gold Managing Director, Mr Simon Mitchell:

“We are in unprecedented markets – perhaps a 1 in 100-year event – and this has clearly had an impact on our ability to execute the original equity raising. However, it is times like these that good supportive major shareholders, a solid new cornerstone investor such as Metal Tiger PLC and the backing of an excellent broker in Ashanti Capital, have all contributed to pulling together \$4 million in the most difficult of markets. While we will be prudent with expenditure going forward, the raising enables Southern Gold to continue to maintain momentum in our field programmes and drilling, perhaps the most critical factor in a junior explorer’s ability to survive downturns.

We have a brilliant team in South Korea that has stepped up to the task and is executing the drilling at Beopseongpo where we are already seeing some excellent drill core come from the Hand of Faith target. We await the assays from this most recent work very eagerly!”

Authorised by:

Simon Mitchell

Managing Director

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 geologists Douglas Kirwin and Terry Grammar (to be appointed shortly), 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 also holds a 50% equity interest in a Joint Venture company operated by JV partner, London-listed Bluebird Merchant Ventures (BMV) and that is looking to start gold production at the Kochang and Gubong projects in South Korea.

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 ASX 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.