

Purchase price for Southern Gold's Gubong and Kochang Joint Venture interests is US\$9,945,000

Southern Gold Ltd ("Southern Gold" or "the Company") is in an incorporated joint venture with London Stock Exchange (LSE) listed Bluebird Merchant Ventures PLC ("BMV") at the Gubong and Kochang (Geochang) projects in the Republic of Korea. Each party holds an equity interest of 50% in each joint venture (JVs).

As advised in the 14 September 2020 ASX release, Southern Gold is deemed to have offered for sale both of its joint venture interests to BMV and BMV has elected to acquire them. In accordance with the Joint Venture Agreements the price payable by BMV is **US\$9,945,000**.

BMV now has 60 days from 27 November 2020 to pay **US\$9,945,000** (approximately AUD\$13,475,000 at the current exchange rate of USD\$0.738) to Southern Gold in exchange for the JV interests. The completion date is 26 January 2021.

The implied value per Southern Gold share of this sale is USD4.7c per share (undiluted) or approximately **AUD6.4c per Southern Gold share** at the current USD:AUD exchange rate of US\$0.738.

The Southern Gold closing share price on Friday 27 November 2020 was AUD10.5c per share and is holding cash of approximately AUD\$11 million which is the equivalent of **AUD5.1c per Southern Gold share**.

BMV may offer a combination of cash, equity and/or royalty (or another financial instrument) to satisfy the 60-day cash settlement. Southern Gold could consider a combination of payment options if BMV offers acceptable terms. Southern Gold believes that, unless a contrary agreement is reached between Southern Gold and BMV, the price must be paid in cash by the completion date of 26 January 2021.

Southern Gold Managing Director, Mr Simon Mitchell, said:

"It is good to get the price for the sale of our Joint Venture interests at Gubong and Kochang finalised. With an underlying value per share of 6.4c, it really reinforces the value investors receive from a position in Southern Gold and the relatively low implied value for the greenfield exploration play in South Korea. We look forward to completing the sale and concentrating on building our business as we ramp up our drilling and broader exploration efforts as well as business development activities in-country. While 2020 will go down as a difficult year, the team at Southern Gold really looks forward to maintaining the discovery momentum in 2021."

Authorised for release by the Board of Southern Gold Limited.

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Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer listed on the Australian Securities Exchange (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, Southern Gold's aim is to find tier one epithermal gold-silver deposits in a jurisdiction that has seen very little modern exploration.