SOUTHERNGOLD

78.6g/t gold and 13,000g/t silver (1.3% Ag)

KRS205352 Strongly hydraulically brecciated and silica-illite/adularia altered rhyolite.
Deokon Au-Ag Project, South Korea

PRECIOUS METALS EXPLORATION AND DEVELOPMENT IN SOUTH KOREA

ASX Ticker: SAU
Corporate Presentation, June 2019

Disclaimer

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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 me 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 Dr Chris Bowden (FAusIMM(CP)). Dr Bowden, who is a consultant 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.

Summary

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- Southern Gold is an ASX listed gold company with a **focus on South Korea**, a relatively unknown jurisdiction with a long history of gold mining that has seen very little modern exploration or recent mine development
- Potential for **near-term high grade gold-silver deposit discoveries** (target is Tier 1 gold-silver deposits i.e. NPV>US$1b such as Hishikari in Japan)
- Southern Gold has a **first class expatriate exploration team** with excellent discovery record and is well established in country with a small but professional Korean team
- **Compelling investment case:** tight capital structure, low valuation, quality asset base
- JV with LSE listed Bluebird Merchant Ventures (BMV) targeting **first gold pour in 2020** with development costs backed by **near term cash** from sale of Australian assets

Corporate Overview

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Board

Greg Boulton, Chairman
Businessman
Capital markets and investment expertise

Simon Mitchell, Managing Director
Geologist, Finance
Exploration and development geologist with applied finance

Peter Bamford, NED
Engineer
Narrow vein underground mining expertise

David Turvey, NED
Geologist
Geological and metallurgical expertise

Number of ordinary shares on issue	**62.5m**
Share price (12 June 2019)	AUD$0.13
Market capitalisation (undiluted)	**AUD$8.1m**
Cash (approx. 31 May 2019)	AUD$0.7m
Debt (matures September 2020)	AUD$0.75m
Enterprise value	**~AUD$8m**

Company Assets
100% Interest in South Korean Exploration Portfolio
50% Interest in Joint Venture with London-listed BMV
100% Interest in Australian Assets (incl. Cannon Mine)

Top 20 hold approximately 63%

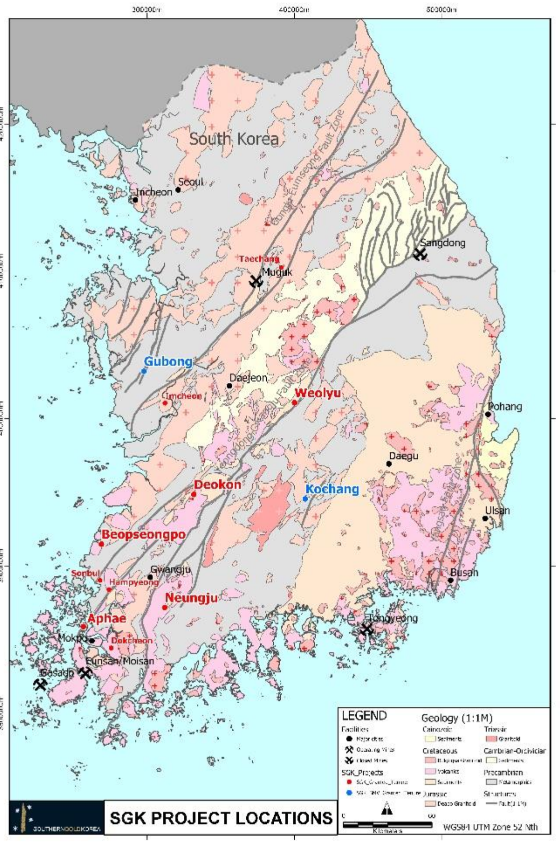
1 for 3 fully underwritten rights issue ($2.3m raising in process)
+WA Assets sale (in process)

= GBP4.4m

BMV has market cap ~GBP8m* on LSE

*369m shares as per 14/6/19 BMV prospectus @ 2.15p/share

South Korea (I)



- No government royalties
- Tax rate 24.2% (<KRW300b=US$300m); or 22.0% (<KRW20b=US$20m)
- Government encouraging development through funding (e.g. KORES)
- Established infrastructure: road, rail, electricity, internet
- Large manufacturing base driving leading economy (see next slide)
- Low corruption, significant finance sector, business friendly
- An exploration "time capsule" – very little modern exploration
- Highly prospective "ring of fire" Pacific rim geology

South Korea (II)

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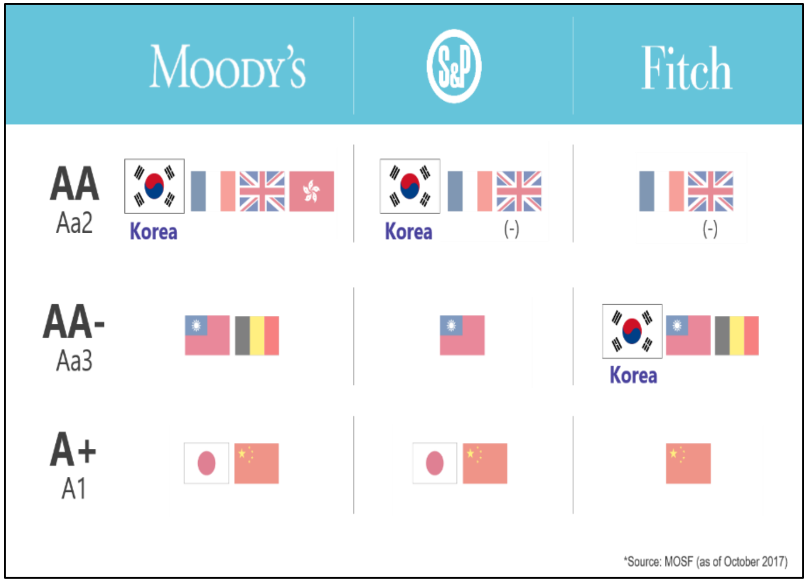
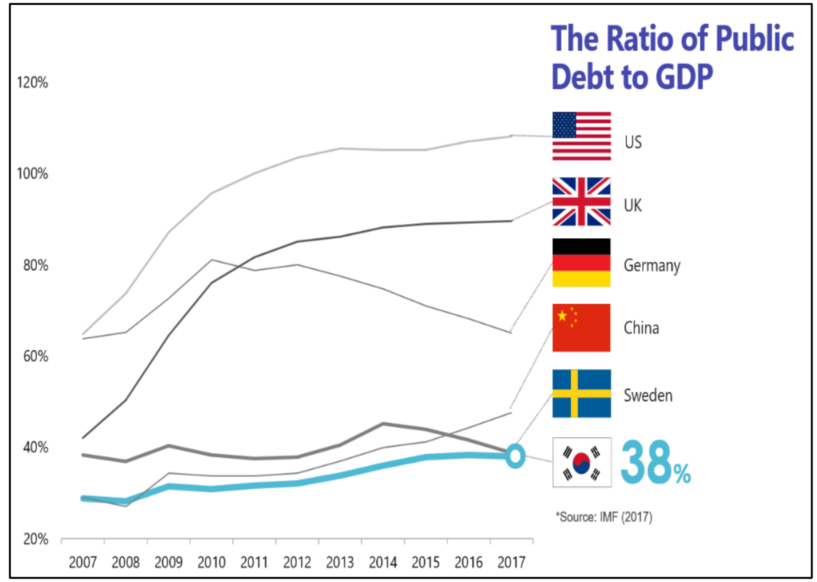
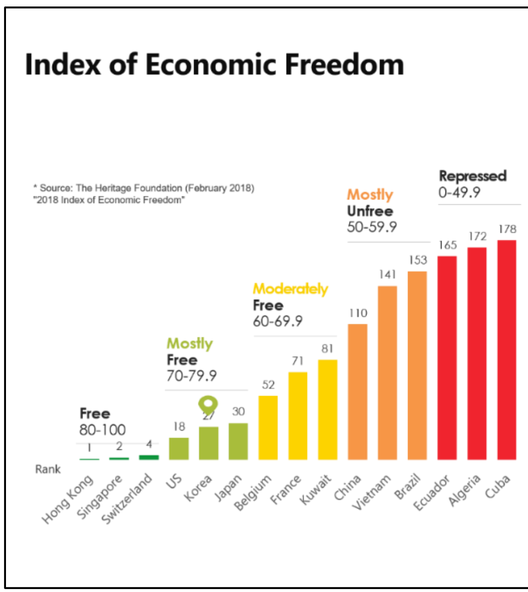
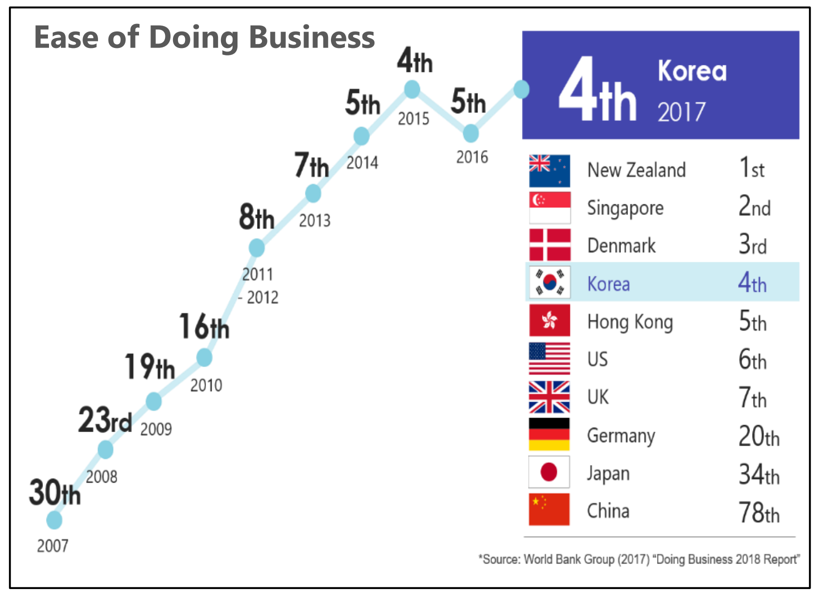






Business Freedom Ranking

Country	Rank	Score
Hong Kong	1	96.3
Denmark	3	92.5
Singapore	6	90.9
Korea	7	90.7
Germany	14	86.1
US	18	82.7
Japan	21	81.7
China	142	54.9



Project Footprint

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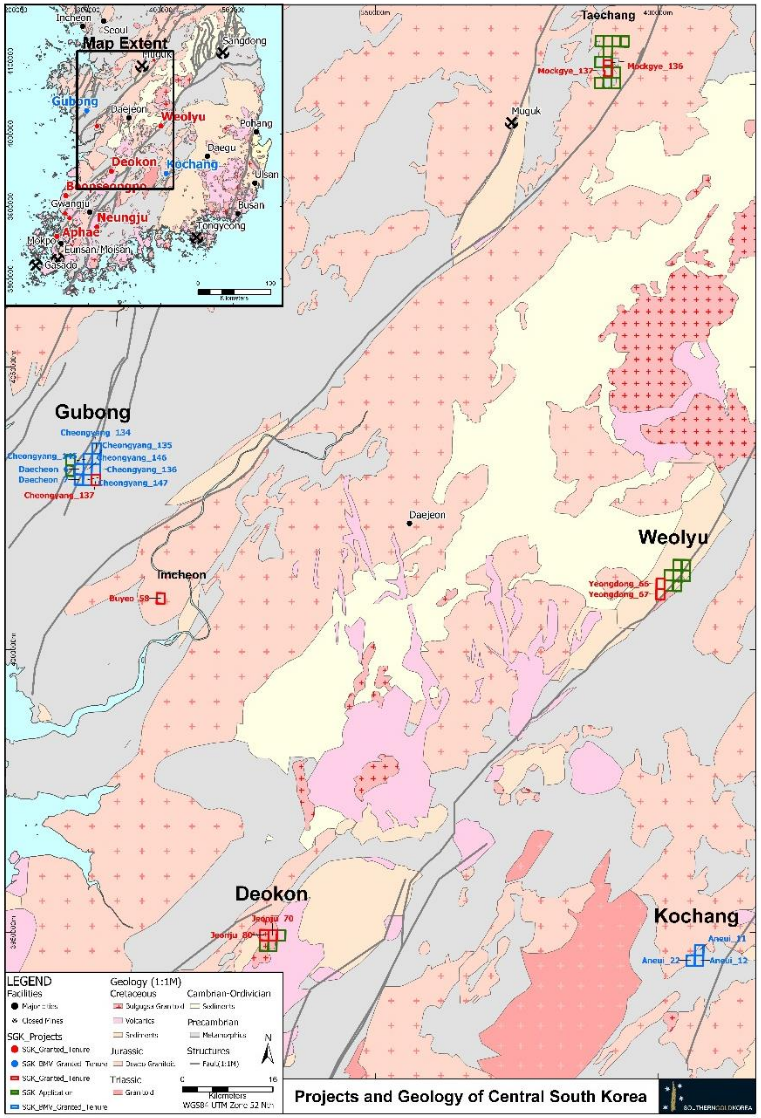
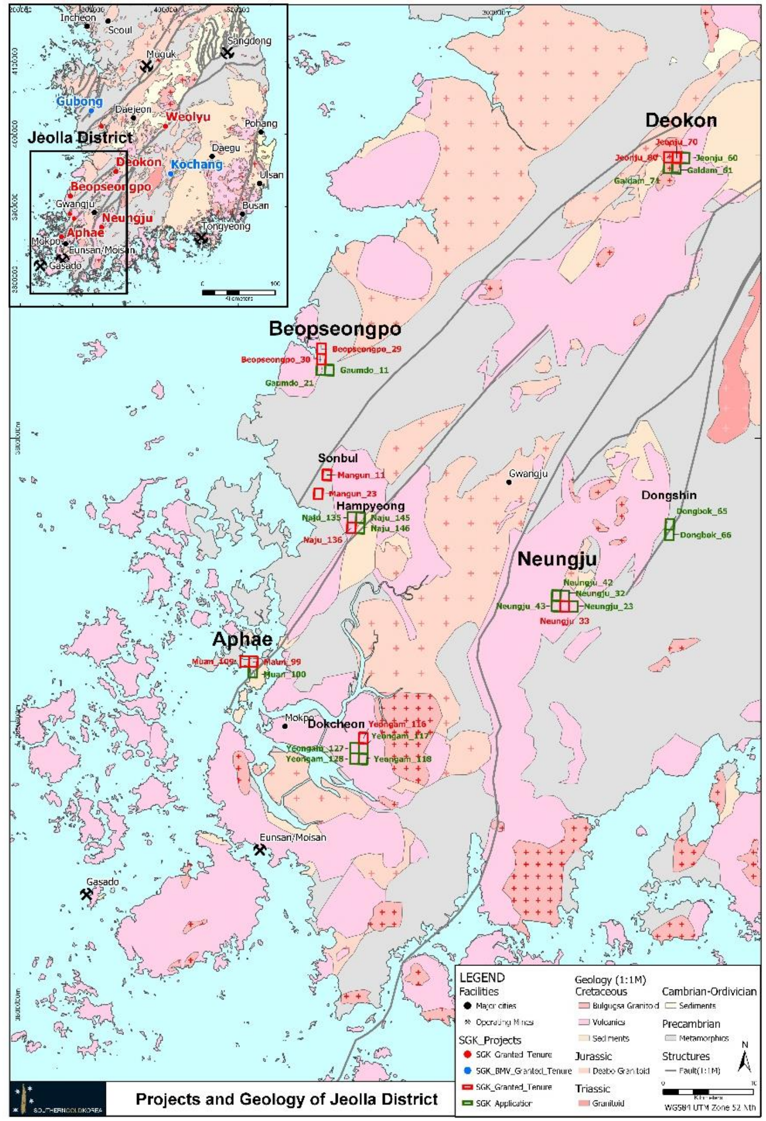
Orogenic Gold (except Weolyu)



Epithermal Gold



Exploration

SAU 100%

17 granted graticules

[48km²]

\+

30 applications

Mine Development

BMV JV/ SAU 50%

11 granted graticules

[31km²]

\+

2 applications

Project Pyramid

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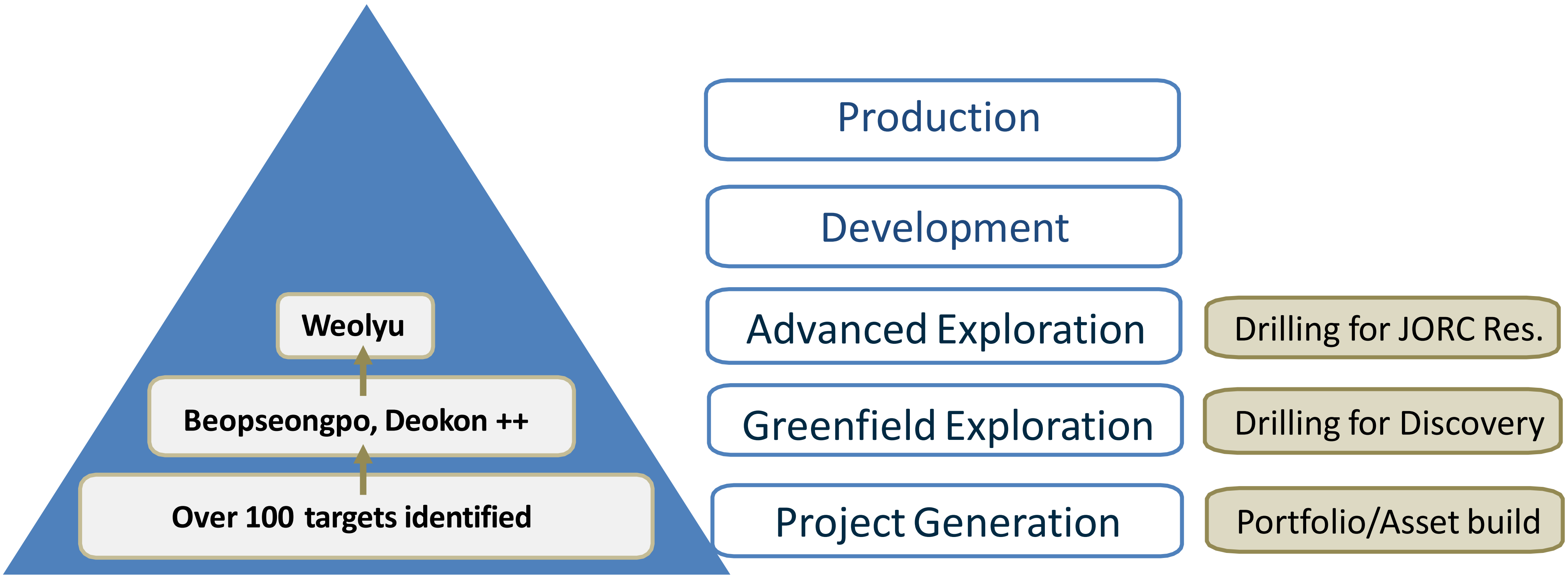
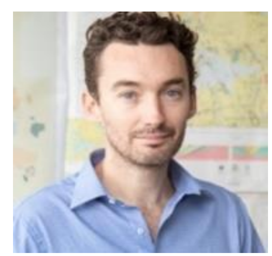


Doug Kirwin,
Technical Advisor

Multiple world-class deposit discoverer and leading economic geologist

Craig Panther,
Consultant, SK

Exploration geologist with extensive experience throughout Oceania



Dr Chris Bowden,
Consultant, SK

Phd completed on South Korean epithermal rocks and discoverer of Dish Mountain Au, Ethiopia

Exploration

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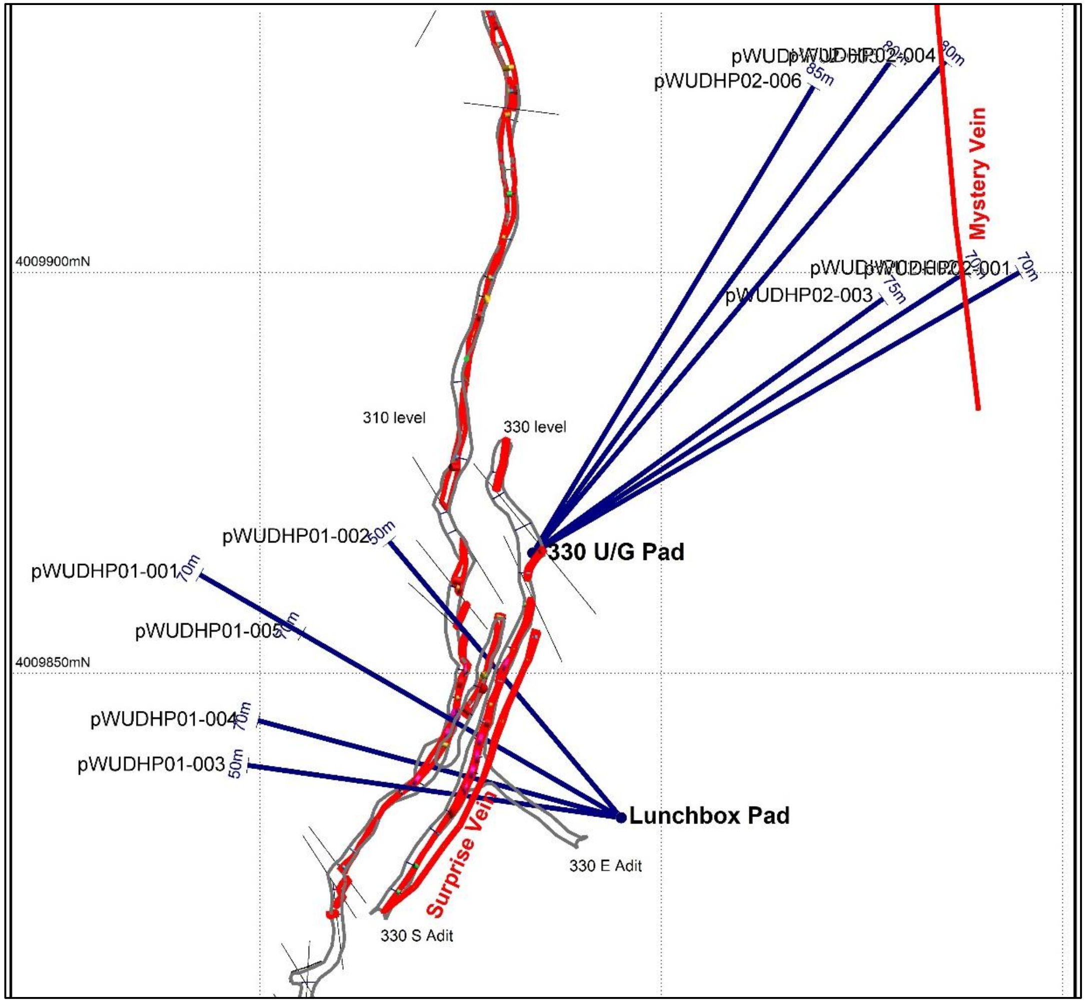
Near Term JORC Resource Potential



Weolyu South Drilling

Weolyu (I) : Location & Context

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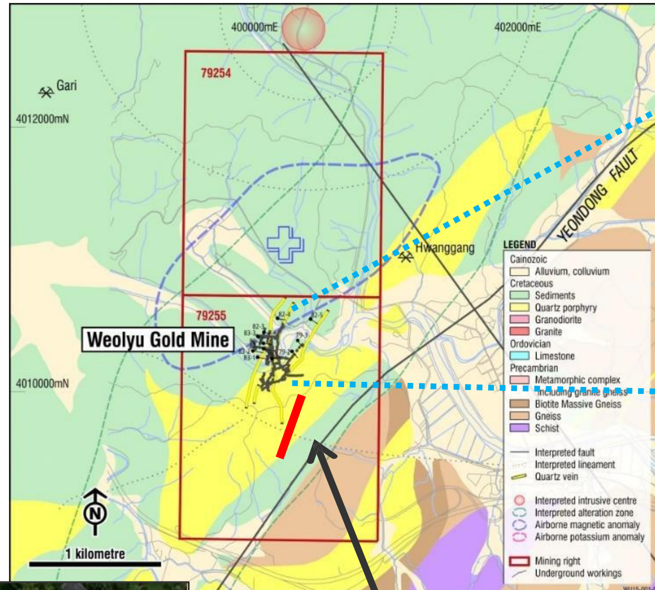
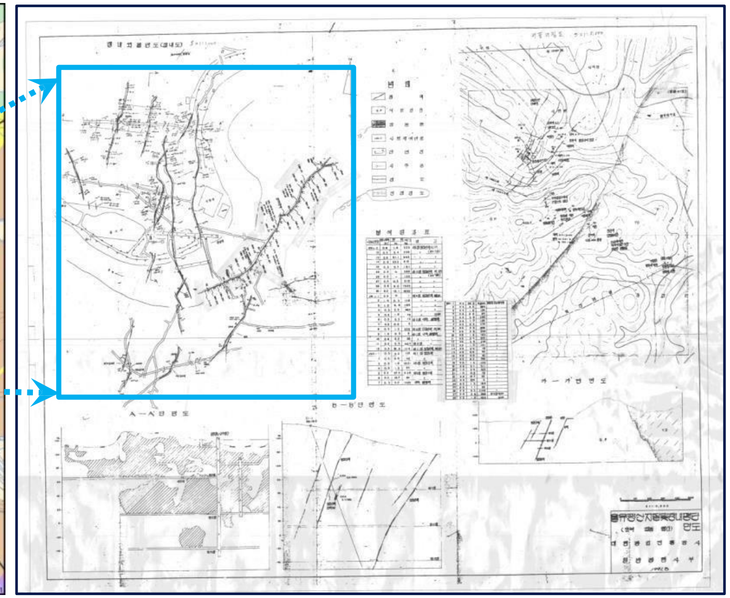
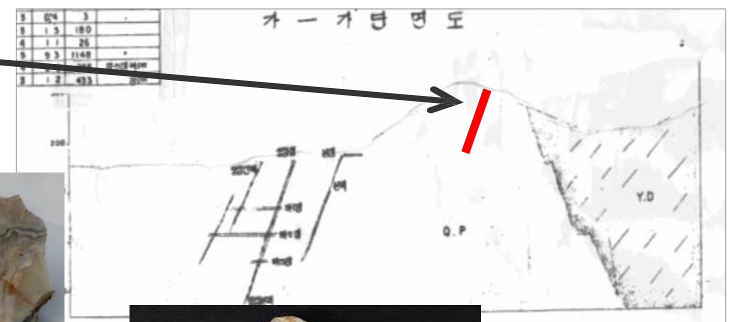
- ❑ Weolyu North is an historic small scale Ag-Au-Ge mine;
- ❑ Very high grade silver likely indicative of higher level of mineralised system;
- ❑ Newly discovered zone of Au-Ag epithermal veins at the top of steep ridge to the south;
- ❑ Mineralised system is open: what's inside the mountain?







NEW DISCOVERY

6.18g/t Au +1030g/t Ag
(KRS202116)

30.4g/t Au + 1,240g/t Ag
(KRS200052)

0.4m @ 32.8g/t Au and 764g/t Ag
(KRD500635)

Newly discovered classic high-level low-sulphidation epithermal quartz veining

Weolyu (II) : Drilling

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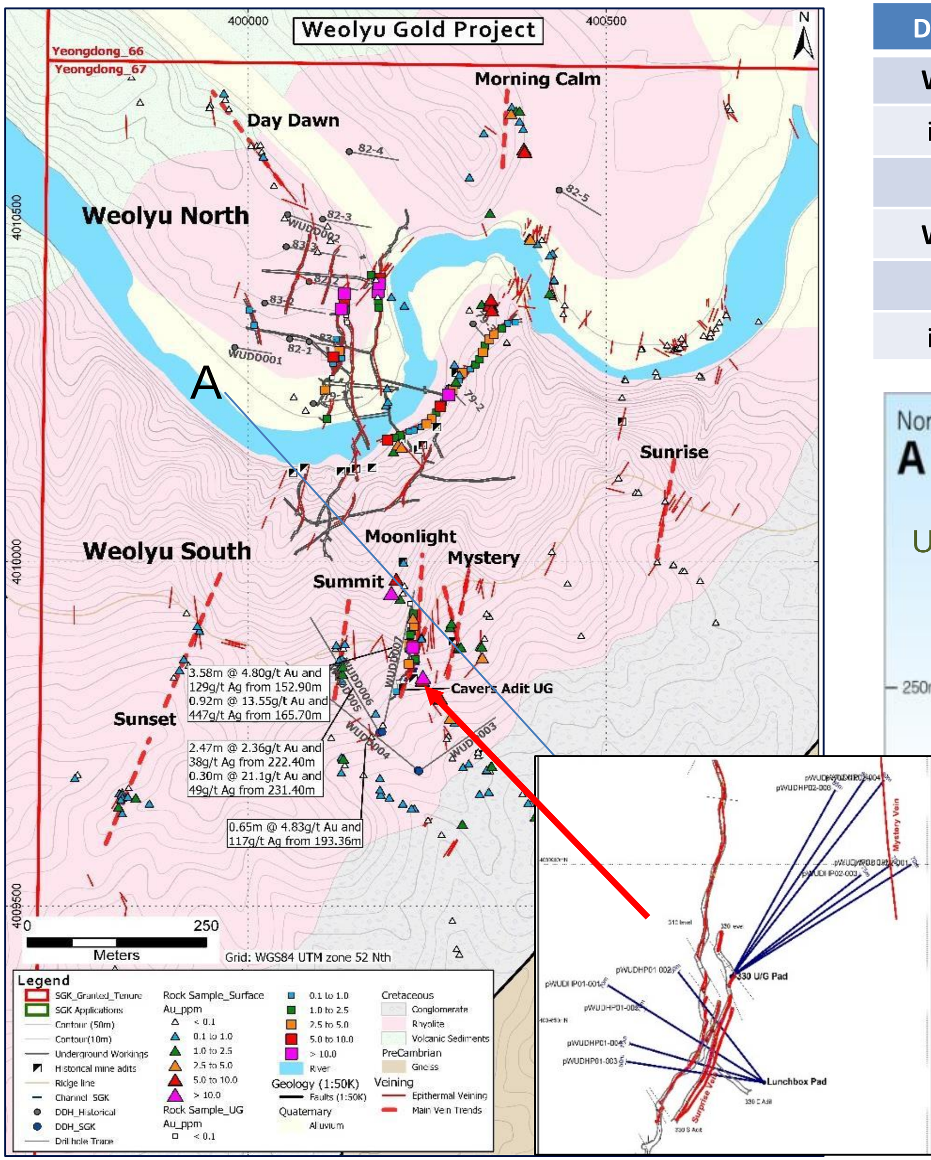
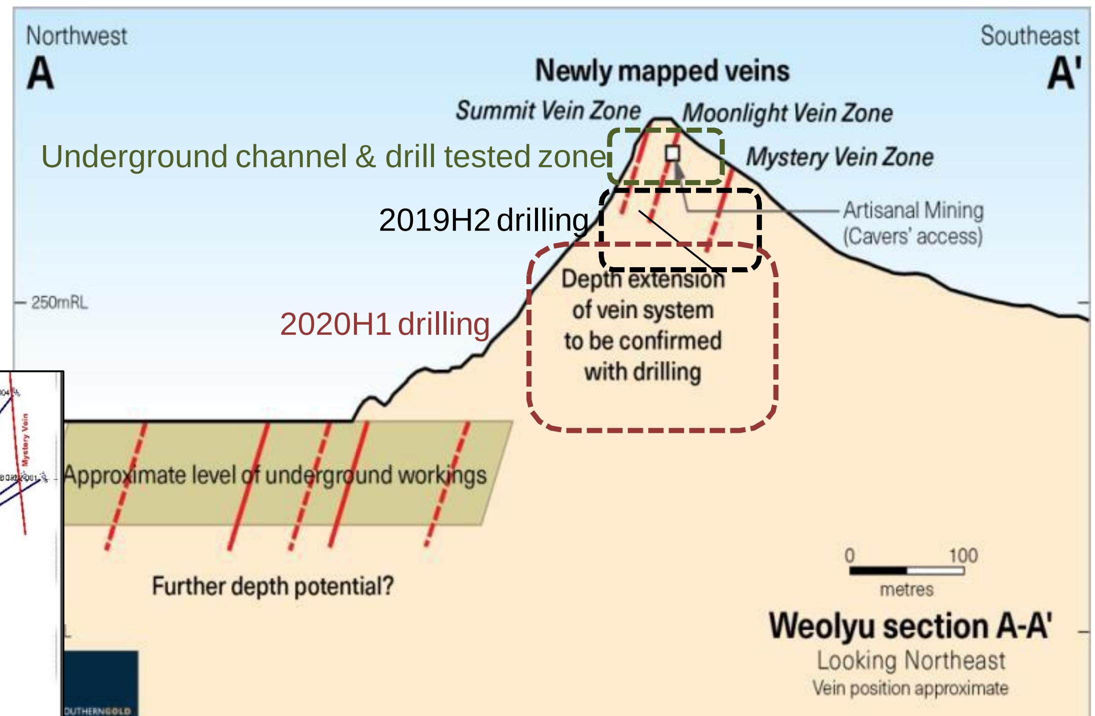
Drill Hole ID	From (m)	Int (m)	Au (g/t)	Ag (g/t)	Target
WUDD006	222.40	2.47	2.36	37	Summit Vein Zone
including:	222.40	0.70	3.19	64	Summit Vein Zone
	231.40	0.30	21.10	49	Summit Vein Zone
WUDD007	152.90	3.58	4.80	129	Moonlight Vein
	165.70	0.92	13.55	447	Moonlight Vein
including:	166.10	0.30	35.00	1,110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





How big is the system?

Weolyu (III): In Situ Vein Au-Ag

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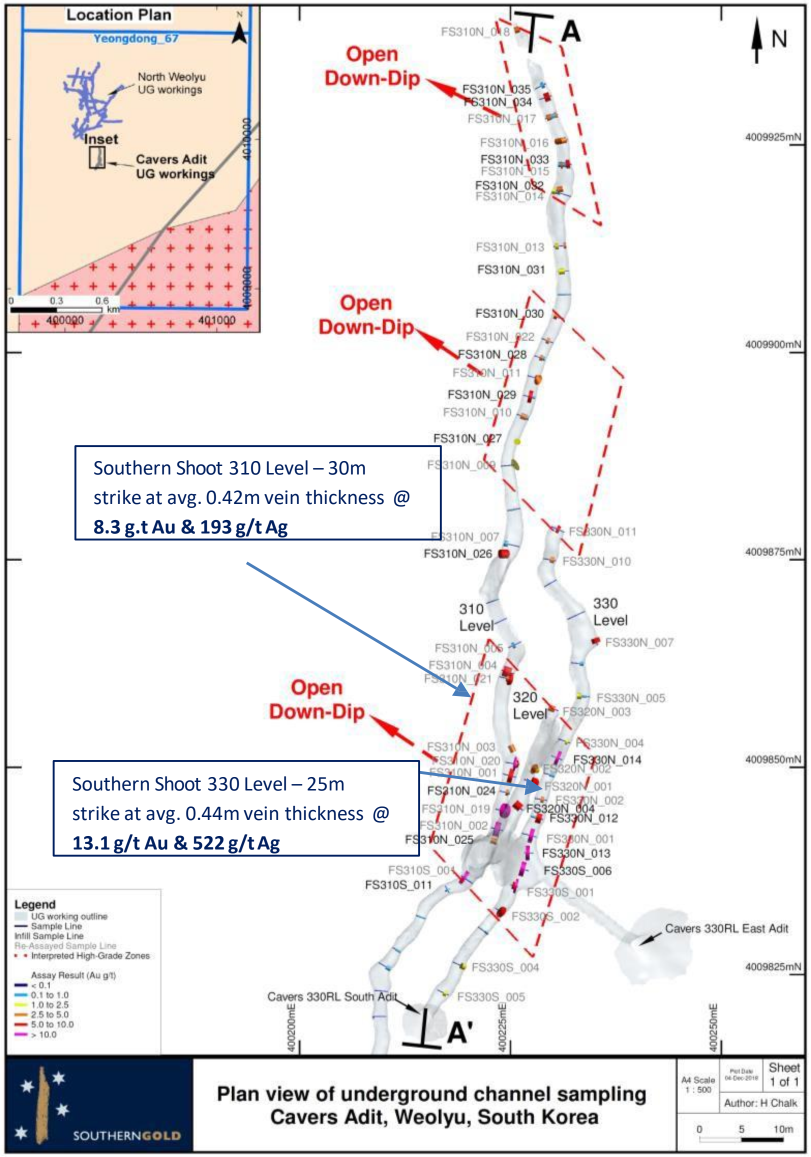

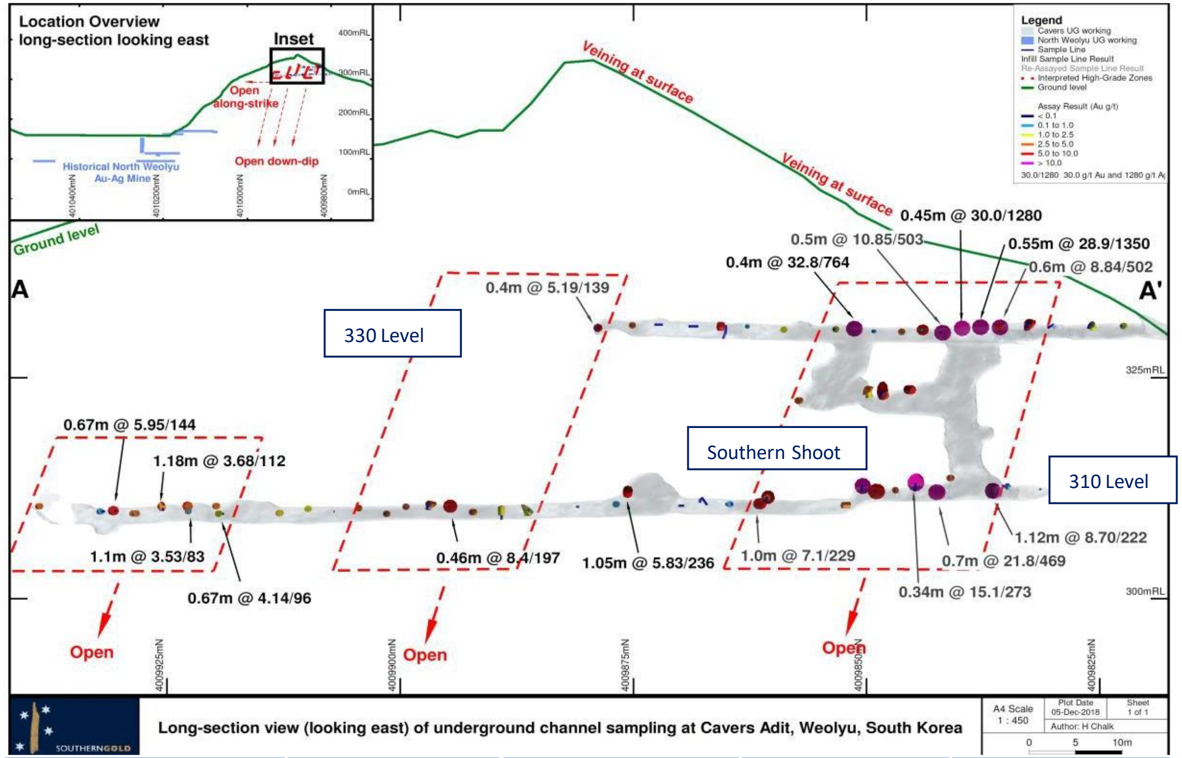

Line ID	Int (m)	Au (g/t)	Ag (g/t)	Au (gm)
FS330N_014	0.4	32.80	764.0	13.1
FS330N_013	0.45	30.00	1,280.0	13.5
FS330S_006	0.55	28.90	1,350.0	15.9
FS310N_002	0.7	21.80	469.0	15.3
FS310N_019	0.34	15.07	272.6	5.1
FS330N_001	0.5	10.85	503.0	5.4
FS310N_001	0.55	9.94	181.0	5.5
FS330S_001	0.6	8.84	501.5	5.3
FS310S_001	1.12	8.70	222.4	9.7

High grade shoot average: vein width ~0.43m and Au > 10g/t + Ag>350g/t

Deokon

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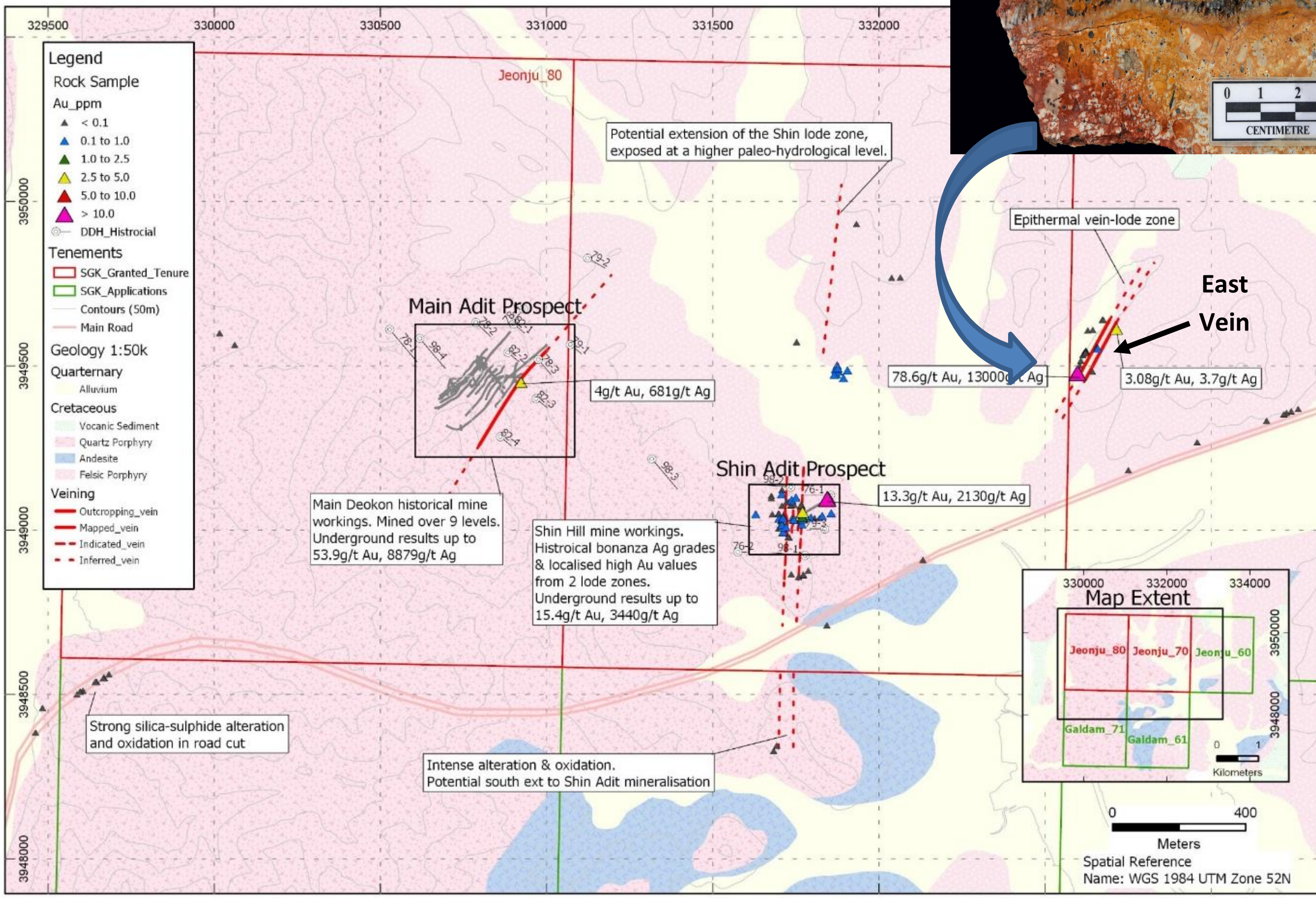
KRS205352 – **78.6 g/t Au, 1.3% Ag (418/0z/t)** Float sample of strongly hydraulically brecciated & silica-illite/adularia altered rhyolite, cut by a commutated wall-rock & crystalline quartz vein.

- Tenure granted in 2018
- Multiple vein systems over a ~8km^2 area;
- Very high grade silver likely indicative of higher level of mineralised system;
- Historically mined at very small scale.



Beopseongpo

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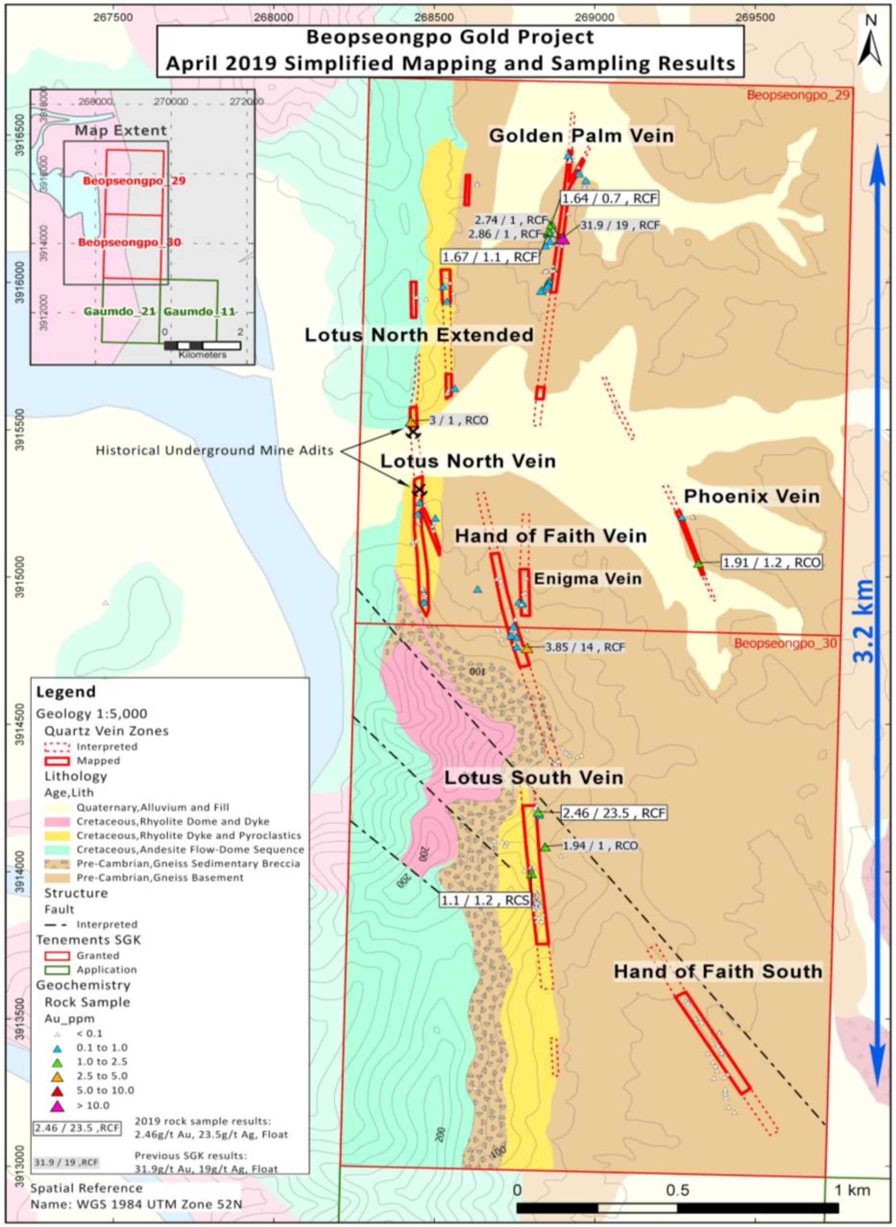
- Tenure granted in 2018
- 5 major veined zones identified with widths in excess of 20m and strike length 2,750m;
- Small scale historic mine present;
- High-level low-sulphidation style deposit with target @ 100m-500m depth;
- World-class low-sulfidation epithermal vein-breccia hosted target.



Mine Development

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50/50 JV with Bluebird (LSE: BMV)*

Aim of the JV is to:

- ❑ Reopen old high grade gold mines
- ❑ Extract using simple process e.g. gravity or vat leach
- ❑ Keep capital intensity low
- ❑ Achieve cash flow to organically fund South Korea

*BMV is a specialist development and mining company with expertise in narrow vein underground gold mining listed on the London Stock Exchange

JV: Kochang (50%)

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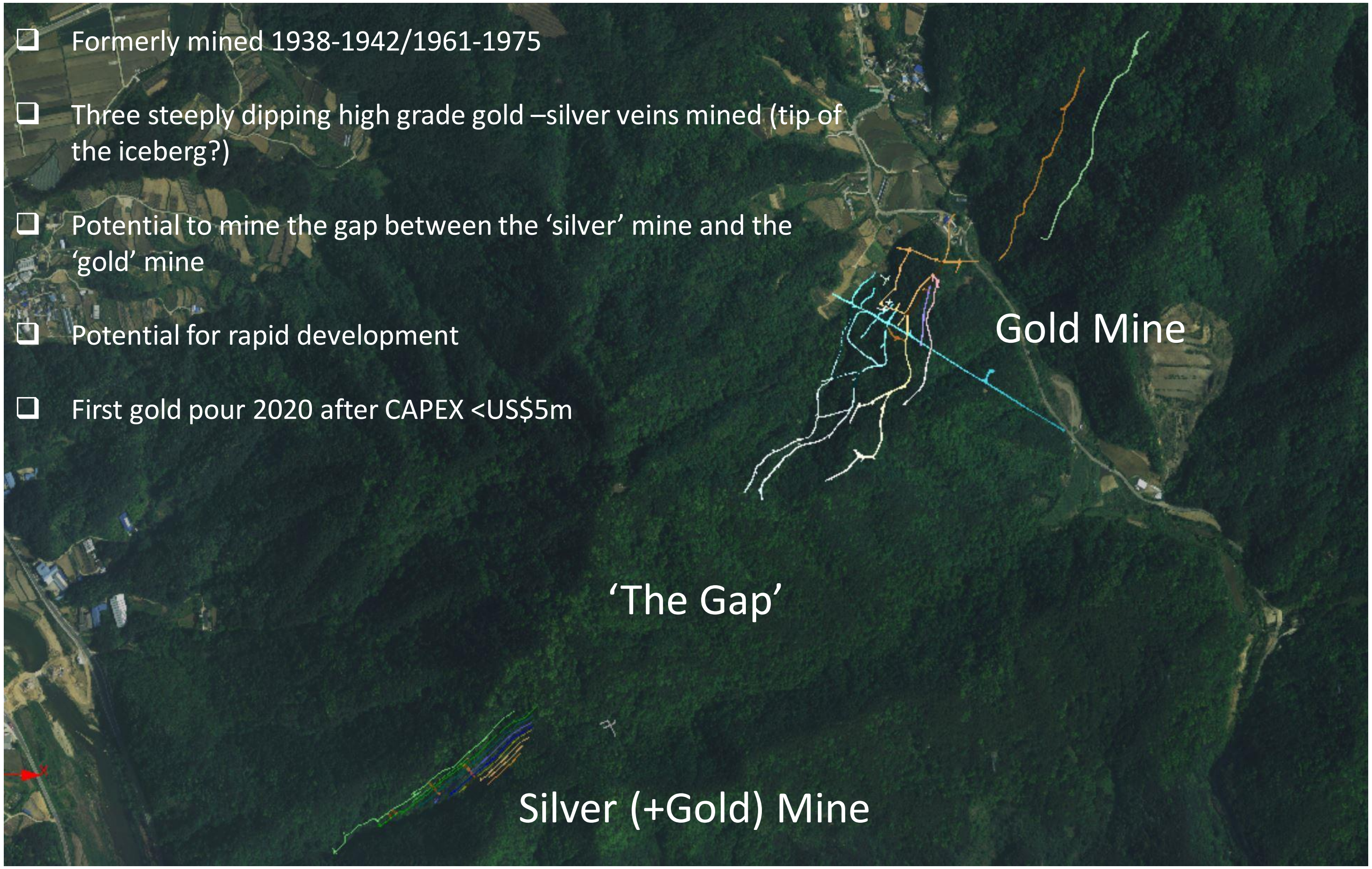
- Formerly mined 1938-1942/1961-1975
- Three steeply dipping high grade gold –silver veins mined (tip of the iceberg?)
- Potential to mine the gap between the 'silver' mine and the 'gold' mine
- Potential for rapid development
- First gold pour 2020 after CAPEX <US$5m



Exploration Target Range (ETR):

500,000 and 700,000 tonnes, with a grade range of 5.0 to 7.0 g/t gold and 27g/t and 35 g/t silver. (80-150koz Au)

This exploration target in not a mineral resource and is conceptual in nature. The estimate is based upon 3D modelling of the geological structures within the Kochang Gold and Silver mines using the recently obtained underground access to the Kochang 245mRL and 265mRL Levels and the geological mapping and channel sampling. See ASX Release 22 November 2018.

JV: Gubong (50%)

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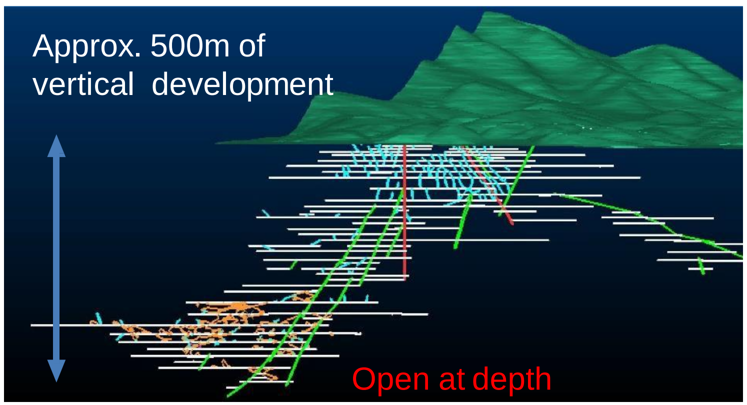
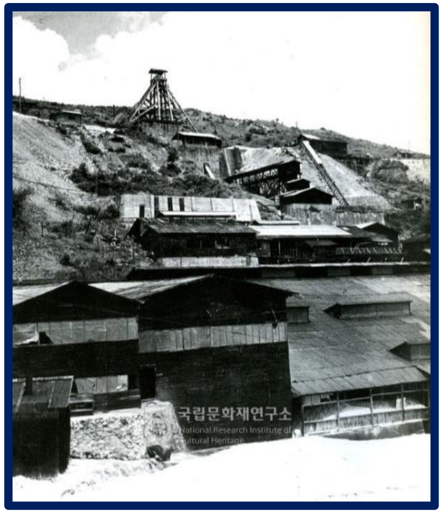
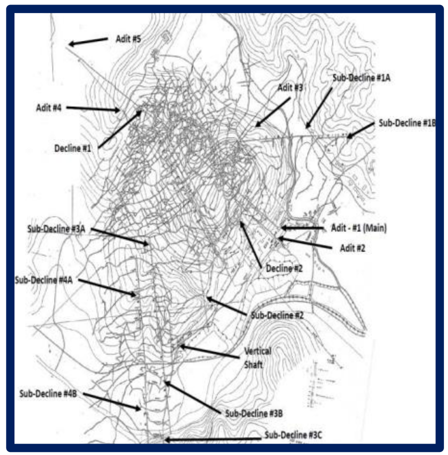
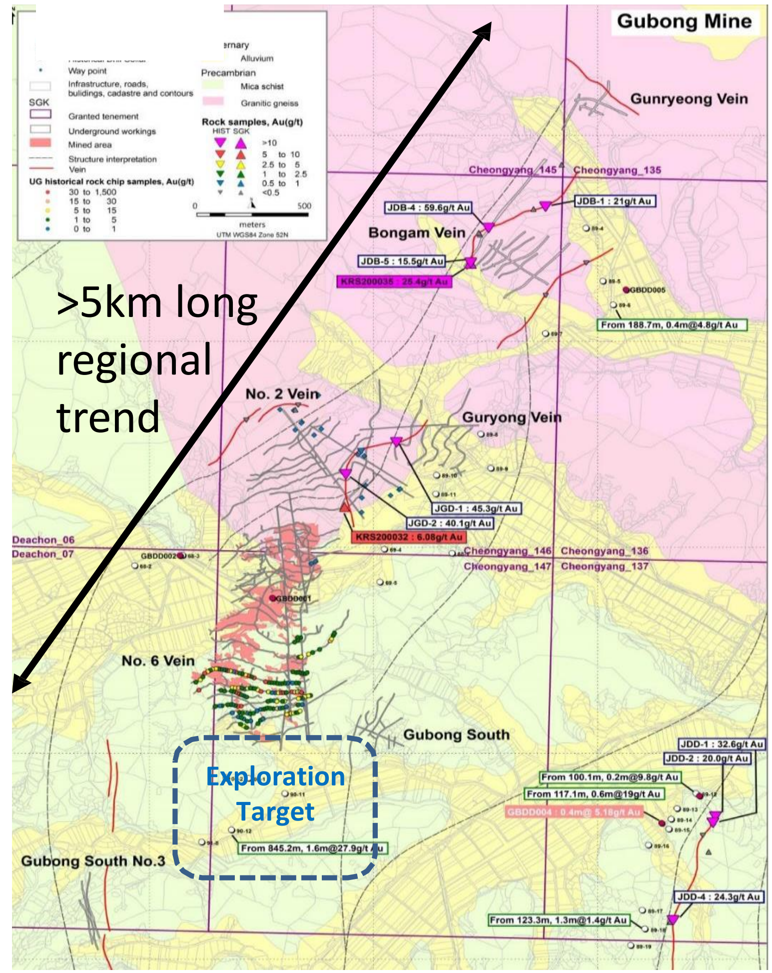
- South Korea's second largest historic gold production centre
- Very large orogenic gold system
- More than 5km of strike extent with up to 9 veins
- Mined to 500m vertical depth with potential for extension
- >120km of underground development









Exploration Target Range Vein 6 (ETR):

1,200,000 to 2,300,000 tonnes with a grade range of 6.0 – 8.0g/t Au (230-580koz Au)

This exploration target in not a mineral resource and is conceptual in nature. 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.

Near Term News Flow

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- Access & sampling of ultra high grade Au-Ag mid-2019 (Deokon, SAU 100%)
- Modern drill testing of high grade project 2019H2 (Deokon, SAU 100%)
- Sale of Australian assets mid-2019 (currently in sales process, SAU 100%)
- Drilling (2019H2) and Maiden JORC resource 2020H1 (Weolyu, SAU 100%)
- First ever drilling of new projects 2019H2 (Beopseongpo, Neungju, SAU 100%)
- Other projects drill tested 2020 (Aphae, Taechang, SAU 100%)
- Progress with the BMV JV Mine Developments (Kochang, Gubong, SAU 50%)

Why Invest In Southern Gold?

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- A South Korean focused precious metals explorer and developer
- South Korea has seen little modern exploration or development
- Potential for Tier 1 (>US$1b NPV) discovery e.g. Hishikari in Japan
- Significant tenure and exploration team with excellent discovery record
- Tight capital structure (62.5m shares) and low valuation (EV<US$5m)
- $2.3m Rights Issue and Asset Sale Process in progress
- Walk-up drill targets to be tested shortly
- **World-class exploration targets with very high discovery potential of ultra-high-grade gold-silver epithermal systems**

Contact

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