

Replacement Prospectus: Non-Renounceable Rights Issue



Shares on Issue: 62.5m
Share Price: \$0.125
Market Capitalisation: \$7.8m

Asset Base – WA, Australia

Cannon Au Mine (100%)
Glandore Au Project (100%)
Cowarna Au Project (100%)

Asset Base – South Korea

Gubong Au Mine (50/50 BMV JV)
Kochang Au Mine (50/50 BMV JV)
Weolyu Au-Ag Project (100%)
Deokon Au-Ag Project (100%)
Beopseongpo Au Project (100%)
Neungju Au Project (100%)
Aphae Au Project (100%)
Taechang Au Project (100%)
Hampyeong Au Project (100%)
Sonbul Au Project (100%)

Directors

Greg Boulton AM (Chairman)
Simon Mitchell (MD)
Peter Bamford
David Turvey

Head Office

Southern Gold Ltd
10 George St
Stepney SA 5069
Telephone: (08) 8368 8888
Facsimile: (08) 8363 0697
info@southerngold.com.au
www.southerngold.com.au
ABN: 30 107 424 519

Postal Address

Southern Gold Ltd
PO Box 255, Kent Town SA 5071

Southern Gold Limited (ASX:SAU) has been requested to provide a Replacement Prospectus, intended to replace the prospectus lodged on 17 June 2019.

A copy of the Replacement Prospectus was lodged with ASIC on 27 June 2019. This Replacement Prospectus replaces the original prospectus lodged with ASIC on 17 June 2019 and is issued to amend the Chairman's Letter.

The timetable in the Replacement Prospectus has been changed to reflect the change in the dispatched date to Shareholders on Thursday 27 June, but otherwise remains unchanged.

The Replacement Prospectus is attached and Southern Gold confirms that the Replacement Prospectus and accompanying Application Forms were today dispatched to shareholders.



SOUTHERN GOLD LTD.

ACN 107 424 519

Entitlement Issue Replacement Prospectus

This Prospectus relates to a non-renounceable offer to Shareholders to subscribe for one (1) Share (**New Share**) for every three (3) existing Shares held. The New Shares are offered at a price of \$0.11 (11 cents) each to raise approximately \$2.3 million (before expenses) (**Offer**). The Offer includes one (1) free accompanying option for every two (2) New Shares subscribed for (**New Options**). The New Options will be exercisable at \$0.18 (18 cents) on or before 31 December 2021.

The Offer is fully underwritten by the Underwriters. Refer to sections 5.4 to 5.6 for details of the terms of the Underwriting Agreement.

This document is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. The document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your stockbroker or other professional adviser.

The New Securities offered by this Prospectus should be considered as speculative.

This is a replacement prospectus dated 27 June 2019. It replaces the prospectus dated 17 June 2019.

CORPORATE DIRECTORY

Directors

Greg Boulton AM

Simon Mitchell

David Turvey

Peter Bamford

Underwriters

Ilwella Pty Ltd

PS Super Nominee Pty Ltd

Robert Leon

Valbonne II

Company Secretary

Daniel Hill

Share Registry

Security Transfer Registrars

770 Canning Highway

Applecross WA 6953

Registered Office

10 George Street, Stepney SA 5069

Stock Exchange Listing

Australian Securities Exchange

ASX Code: **SAU**

Principal Place of Business

10 George Street, Stepney SA 5069

Phone: +61 (0)8 8368 8888

Fax: + 61 (0)8 8363 0697

Website

www.southerngold.com.au

CONTENTS

Summary of Key Dates	7
1. Investment Overview	7
2. How to Apply.....	17
3. Information about the Company	18
4. Risks	22
5. Additional Information	27
6. Glossary and Interpretation	33

Chairman's Letter

Dear Shareholder

On behalf of the directors of Southern Gold, I am pleased to offer you the opportunity to participate in a fully underwritten non-renounceable rights issue of up to approximately 20.86 million New Shares (based on the Company's undiluted share capital as at 14 June 2019, without taking into account the impact of rounding) to raise up to approximately A\$2.3 million (before expenses).

The Rights Issue is fully underwritten by major Shareholders Ilwella Pty Ltd, PS Super Nominee Pty Ltd, Robert Leon and Valbonne II.

In April your board announced to the ASX a strategic shift of focus for the Company with the intent to concentrate on the jurisdiction of South Korea where we are seeing truly world-class exploration opportunities targeting high grade gold and silver. As part of this shift in strategy, the Australian assets have been put into a formal sales process being managed by PCF Capital which will be concluded over the coming months.

This Rights Issue has been launched to ensure the Company is well prepared for the next stage of its development and to ensure that it can execute its Korean-focused strategy.

More specifically, the proceeds from this Rights Issue will be primarily directed to exploration drilling in South Korea where the Company has a high confidence in confirming several new precious metal deposit discoveries. In addition, the funding will cover our near-term contributions to the 50/50 Joint Venture with London-listed Bluebird Merchant Ventures Ltd (BMV). The Joint Venture is targeting gold production at the Kochang or Gubong projects over the coming year with development capital costs to be covered by the proceeds of the WA assets sale.

This Rights Issue is therefore part of an integrated funding strategy designed to take the Company forward with a very solid balance sheet and multiple options for ensuring value-add whether by way of near-term production from the Joint Venture or new deposit discovery from 100% owned Southern Gold prospects in South Korea.

The Rights Issue offers Eligible Shareholders the right to take up one (1) New Share for every three (3) Shares they hold as at 5.00pm AEST on 21 June 2019, at an issue price of A\$0.11 (11 cents) per New Share. The issue price of the New Shares represents a discount of:

- 15.4% to the closing market price of the Company's Shares on 12 June 2019 (being the last trading day prior to announcement of the Offer) of A\$0.13 per Share; and
- 12.0% to the volume weighted average market price of the Company's Shares for the 5 trading days up to and including the close of the trade on 12 June 2019 of A\$0.125 per Share.

In addition to this discount, the New Shares come with one (1) 18c call option for every two (2) New Shares subscribed for, exercisable at any time up until 31

December 2021. Shareholders also have the option to apply for additional New Shares in excess of their pro-rata entitlement.

All Board members have committed to take up their respective entitlements under the Rights Issue in full.

Your Directors believe Southern Gold is at a critical juncture where significant progress can be achieved by targeted exploration on its exciting portfolio of tenements in South Korea.

For an excellent example, refer to the recent ASX announcement on the Beopseongpo Project where we have defined a 5km² area with multiple wide vein targets where all the technical indicators that we are observing suggest the upper levels of a potentially significantly mineralised system. At another project, Deokon, we have uncovered ultra-high-grade gold and silver mineralisation (in one sample up to 1.3% silver) in an area that has not seen any significant modern exploration and where we have immediate 'walk-up' drill targets.

At the Weolyu high grade gold-silver project, follow up drilling has been designed to confirm the extension of mineralisation proximate to the historic mine and extend this further again at depth. The aim here is to define Southern Gold's maiden JORC resource in South Korea.

In addition, the Company is currently in the advanced stages of a formal sale process for its West Australian assets. The proceeds from this sale will contribute to the planned mine development at Gubong and Kochang, each through a separate 50/50 Joint Venture with BMV, where we are aiming for our first gold pour in South Korea within the next financial year. The current development scenario has a very low capital intensity and will demonstrate project execution capability in South Korea.

You are encouraged to read this Prospectus (including risk factors associated with the Offer) and the accompanying Entitlement and Acceptance Form fully. If you have any queries in relation to the Offer, you should consult your stockbroker or other professional adviser. I would also encourage you to read the Company's recently released corporate presentation posted both on the ASX platform and on our website.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support of Southern Gold.

Yours sincerely,



Mr Greg Boulton AM
Chairman

Important Notices

Key Risks

An investment in the Offer made under this Prospectus should be considered speculative. The attention of investors is drawn to the Risks section of this Prospectus. The principal risks relating to an investment in the Offer, which are identified in section 4.1 of the Prospectus entitled “Key risks”, are as follows:

- Risks associated with operating in South Korea;
- Exploration costs;
- Exploration success;
- Additional requirements for capital;
- Termination of underwriting agreement

Investors should note that detail relating to these risk factors has not been repeated in the Important Notices.

Lodgement

This Replacement Prospectus is dated 27 June 2019 (**Prospectus Date**). A copy of this Prospectus was lodged with ASIC on that date. This Replacement Prospectus replaces the original prospectus dated 17 June 2019 and is issued to amend the Chairman’s Letter.

For the purposes of this document, the Replacement Prospectus will be referred to as the “Prospectus”. ASIC takes no responsibility as to the contents of this Prospectus.

Expiry Date

No securities will be issued or allotted on the basis of this Prospectus later than 13 months after the Prospectus Date.

Advice

This is an important document. Before deciding to apply for New Securities you should consider whether they are a suitable investment for you. Persons wishing to subscribe for New Securities offered by this Prospectus should carefully read this Prospectus and consult their professional advisers for the purpose of making an informed assessment of the effect of

investing in the Company and the rights and liabilities attaching to, and the nature of, the New Securities offered by this Prospectus.

Jurisdiction

This Offer is not being extended to Ineligible Foreign Holders. The Company has determined that it would be unreasonable to make an offer under this Prospectus to Ineligible Foreign Holders having regard to the cost of complying with legal requirements in those foreign countries. Neither this Prospectus nor the Entitlement and Acceptance Form constitute an offer of, or an invitation by or on behalf of the Company to subscribe for or purchase any of the New Securities in any jurisdiction or to any person to whom it is unlawful to make such an offer or invitation.

Entitlement and Acceptance Forms

Applications for New Shares may only be made using an Entitlement and Acceptance Form attached to or accompanying the Prospectus.

The Corporations Act prohibits any person from passing on to another person an Entitlement and Acceptance Form unless it is attached to or accompanies a printed copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Representations

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Offer.

Summary of Key Dates

EVENT	DATE
Announcement of Rights Issue	Monday, 17 June 2019
Lodge Prospectus with ASIC and ASX Further ASX announcements (Appendix 3B)	Monday, 17 June 2019
Company sends notice of Rights Issue to Shareholders	Wednesday, 19 June 2019
"Ex" date	Thursday, 20 June 2019
Record Date to identify Shareholders entitled to participate in the Offer	Friday, 21 June 2019
Replacement Prospectus lodged with ASIC and ASX Replacement Prospectus and Entitlement and Acceptance Forms dispatched to Shareholders, Offer period opens	Thursday, 27 June 2019
Last date to extend the Offer closing date	Monday, 15 July 2019
Closing date for acceptances	Thursday, 18 July 2019
Shares quoted on a deferred settlement basis	Friday, 19 July 2019
Notification to ASX of under subscriptions	Tuesday, 23 July 2019
Issue date for New Shares and New Options issued under the Offer. Deferred settlement trading ends Updated Appendix 3B (if required)	Thursday, 25 July 2019
Normal trading of New Shares on ASX commences	Friday, 26 July 2019

This timetable is indicative only and subject to change. The Company reserves the right to vary the dates of the Offer subject to the Corporations Act, ASX Listing Rules and other applicable laws.

1. Investment Overview

1.1 The Offer

This is an offer of up to 20,856,124 New Shares to the Shareholders of the Company who are registered on the Record Date. The New Shares are being offered on the basis of one New Share for every three Shares held at a price of \$0.11 each to raise up to \$2,294,174 (before costs). The Offer includes one free option for every two New Shares subscribed for. The New Options are exercisable at \$0.18 on or before 31 December 2021.

1.2 Issue Price

The issue price is \$0.11 per New Share payable in full on application. The issue price is nil per New Option.

1.3 Fractional entitlements

Fractional entitlements will be rounded up to the nearest whole number of New Securities.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

1.4 Purpose of the Rights Issue

The purpose of the Offer is to raise up to \$2,294,174 for the New Shares. Based on current information and budgets, the Company intends to apply the money raised from the Offer under this Prospectus as outlined in Table 1.

Table 1 - Use of Funds	Amount
1. South Korea direct exploration costs (drilling, assays, and other in-field expenditure next 6 months) ¹	\$0.40m
2. South Korea Salaries & Office costs for the next 6 months to December 2019 (largely salaries for exploration staff together with other direct in-country support staff and administration expenses)	\$0.43m
3. Near term funding of the Company's 50% contributions to the Joint Venture operating costs	\$0.25m
4. Gross salaries including Director Fees (12 months)	\$0.57m
5. Accounting, legal, tax, insurance, registry and office costs (12months)	\$0.37m
6. Other Australian Corporate Costs (12 months)	\$0.10m
7. Expenses of the offer ²	\$0.18m
Total	\$2.30m

¹ In-field expenditure is planned for the following tenements: Weolyu, Beopseongpo, Deokon, Aphae and Neungju. Results of exploration will lead to an ongoing re-assessment of each target area and planned work programs may be modified accordingly.

² Further details regarding the expenses of the Offer are set out in section 5.7 of this Prospectus.

1.5 Effect of the Offer on Capital Structure

The effect of the Offer on the capital structure of the Company is set out in the following table:

	Pre-Offer	Post-Offer *
Ordinary shares	62,568,372	83,424,496
Options	8,936,767	19,364,829

* Assumes 20,856,124 New Shares and 10,428,062 New Options are issued under the Offer. It does not include a further 4,000,000 Underwriting Options that are to be issued to the Underwriters as part payment for the underwriting. These will be issued utilising available capacity under the Listing Rules.

Options

In respect of the 8,936,767 Options on issue (which are all unquoted), the expiry date, exercise price and number on issue in each class are as follows:

- 266,668 exercisable at \$0.375, expire 30/11/19;
- 333,334 exercisable at \$0.375, expire 18/11/20;
- 420,000 exercisable at \$0.375, expire 30/06/21;
- 1,500,000 exercisable at \$0.40, expire 25/10/20;
- 1,500,000 exercisable at \$0.50, expire 25/10/20;
- 30,000 exercisable at \$0.375, expire 31/07/22;
- 475,000 exercisable at \$0.375, expire 30/11/22;
- 4,411,765 exercisable at \$0.17, expire 16/09/20.

Included in the Options listed above are those issued to the Directors and their associates. The number and terms of the Options on issue to each Director and their associates is set out in section 5.2 of this Prospectus.

1.6 Underwriting

The Offer is fully underwritten by the Underwriters. Refer to section 5.4 to 5.6 of the Prospectus for details of the terms of the Underwriting Agreement.

The effect of the underwriting on voting power in the Company is explained in section 1.7.

1.7 Effect of the Offer on Control

Based on the Company's share register information, the substantial shareholders in the Company as at 14 June 2019 (**Substantial Shareholders**) and their entitlements under the Offer are set out below:

Name	Number of shares held	Percentage of issued shares	Entitlement to New Shares under the Offer	Entitlement to New Options under the Offer
Ilwella Pty Ltd	5,238,009	8.37%	1,746,003	873,002
Valbonne II	4,566,728	7.30%	1,522,243	761,122
Mr Robert Leon & associated entity	4,490,638	7.18%	1,496,880	748,440
PS Super Nominee Pty Ltd	3,311,391	5.29%	1,103,797	551,899

If the Substantial Shareholders take up their entitlement in full, the resultant number of securities and percentage of issued shares held by them on completion of the Offer is set out in the table below (based on the assumption that the Rights Issue is fully subscribed:¹

¹ All four of the Substantial Shareholders have also entered into an underwriting agreement with the Company. Further details regarding the underwriting by the Substantial Shareholders are set out below in section 1.7 of this Prospectus.

Name	Resultant number of shares held	Percentage of issued shares	Resultant number of options held
Ilwella Pty Ltd	6,984,012	8.37%	873,002
Valbonne II	6,088,971	7.30%	761,122
Mr Robert Leon & associated entity	5,987,518	7.18%	748,440
PS Super Nominee Pty Ltd	4,415,188	5.29%	4,493,664

The Underwriters have fully underwritten the Offer. All four of the Substantial Shareholders have entered into an underwriting agreement with the Company whereby they have agreed to underwrite the Offer in the following proportions:

Name	Underwriting commitment
PS Super Nominee Pty Ltd	50%
Ilwella Pty Ltd	25%
Mr Robert Leon & associated entity	12.5%
Valbonne II	12.5%

The Underwriters are unrelated to and not associated with each other or any Directors. The relevant interests of the Underwriters following completion of the Offer and changes under several scenarios are set out in the table below (without taking into account the issue and exercise of any New Options and Underwriting Options and exercise of any existing Options held by the Underwriters). The table below assumes that the Underwriters take up their full Rights entitlement, leaving a maximum of 14,987,201 Shares underwritten in the proportions described in the previous paragraph.

Date of Prospectus		Completion of Entitlement Offer				
		Fully Subscribed	75% Subscribed	50% Subscribed	25% Subscribed	0% Subscribed
Ilwella Pty Ltd						
Shares held	5,238,009	6,984,012	7,920,712	8,857,412	9,794,112	10,730,812
% Voting power	8.37%	8.37%	9.49%	10.62%	11.74%	12.86%
Valbonne II						
Shares held	4,566,728	6,088,971	6,557,321	7,025,671	7,494,021	7,962,371
% Voting power	7.30%	7.30%	7.86%	8.42%	8.98%	9.54%
Mr Robert Leon & Associated entity						
Shares held	4,490,638	5,987,518	6,455,868	6,924,218	7,392,568	7,860,918
% Voting power	7.18%	7.18%	7.74%	8.30%	8.86%	9.42%
PS Super Nominee Pty Ltd						
Shares held	3,311,391	4,415,188	6,288,588	8,161,989	10,035,389	11,908,789
% Voting power	5.29%	5.29%	7.54%	9.78%	12.03%	14.27%

In the above table, the number of New Shares and voting power held by the Underwriters show the potential effect of the underwriting of the Offer (without taking into account the issue and exercise of any New Options and Underwriting Options and exercise of any existing Options held by the Underwriters). It is considered unlikely that no Shareholders, other than the Underwriters, will take up their entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriters, will reduce by an amount corresponding to the extent to which the Offer is taken up by Shareholders, and the extent to which Shareholders apply for and are issued Shortfall Shares.

Notwithstanding the potential effect of the underwriting in connection with the Offer, as disclosed in the above table (without taking into account the issue and exercise of any New Options and Underwriting Options and exercise of any existing Options held by the Underwriters), no Underwriter will increase their relevant interest in the Company from 20% or below to more than 20% as a result of their participation in and underwriting of the Offer.

Further, the Underwriters have (under the terms of the Underwriting Agreement) agreed with the Company, that no existing Shareholder nor any other person will by their underwriting hold a voting power in the Company of 20% or more by the issue of New Securities.

The following control effect table takes into account the issue and eventual full exercise of any New Options and Underwriting Options and full exercise of any existing Options held by the Underwriters so as to present the control effect on a fully diluted basis.

Underwriter	Number of Shares held as at Prospectus date	Number of Options held as at Prospectus date	Entitlement to New Shares under the Offer	Entitlement to New Options under the Offer	Underwriting Options
PS Super Nominee Pty Ltd	3,311,391	4,411,765	1,103,797	517,890	2,000,000
Ilwella Pty Ltd	5,238,009	Nil	1,746,003	873,002	1,000,000
Mr Robert Leon	4,490,638	Nil	1,496,879	748,440	500,000
Valbonne II	4,566,728	Nil	1,522,243	761,122	500,000

Continued....

Underwriter	Shortfall allocation of New Shares pursuant to underwriting	Shortfall allocation of New Options pursuant to underwriting	Total Shares (on a fully diluted basis)	% of Shares (on a fully diluted basis)
PS Super Nominee Pty Ltd	7,527,610	3,763,804	22,636,257	21.20%
Ilwella Pty Ltd	3,763,805	1,881,903	14,502,722	13.58%
Mr Robert Leon	1,881,903	940,952	10,058,812	9.42%
Valbonne II	1,881,903	940,952	10,172,948	9.53%

Any exercise by an Underwriter of Options is subject to section 606 of the Corporations Act and accordingly, any Underwriter (or other option holder) wishing to exercise their Options who might otherwise breach section 606 of the Corporations Act will need to rely on one of the exemptions in section 611 of the Corporations Act (for example, shareholder approval under item 7 or 3% creep in 6 months under item 9). In the event shareholder approval under item 7 of section 611 was sought in respect of the exercise of Options and not obtained the holder of the Options will be required to rely on another exemption under section 611 of the Corporations Act (for example the 3% creep in 6 months under item 9 of section 611) for their exercise.

1.8 Shareholder Dilution

Shareholders that choose not to participate in the Offer will have their shareholding diluted due to New Shares issued under the Offer increasing the number of Shares on issue and their shareholding not increasing.

Examples of how the dilution may impact Shareholders is set out in table below:

Holder	Holding as at Record Date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	200,000	0.32%	66,667	200,000	0.24%
Shareholder 2	600,000	0.96%	200,000	600,000	0.72%
Shareholder 3	1,200,000	1.92%	400,000	1,200,000	1.44%

Notes:

- Assumes no further Shares are issued and no Options currently on issue are exercised.
- The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are taken by the Underwriters and/or other Eligible Shareholders or investors. If all New Shares are not issued under the Offer, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.9 Opening and Closing Dates

The Rights Issue will open for receipt of acceptances on the Opening Date and closes on the Closing Date. The Directors reserve the right to vary the dates of the Offer, including extending the Closing Date subject to the Corporations Act, ASX Listing Rules or other applicable laws. Investors are therefore urged to lodge their Entitlement and Acceptance Forms as soon as possible.

1.10 Rights Trading

The Rights to the New Securities are non-renounceable, which means that Rights will not be traded.

1.11 Acceptances

Shareholders may accept all or part of their Entitlement.

Instructions for completion are set out on the accompanying Entitlement and Acceptance Form. Acceptance must not exceed your Entitlement as shown on that form. (Eligible Shareholders who wish to subscribe for New Shares above their Entitlement are invited to apply for additional New Shares by completing the appropriate section on their Entitlement and Acceptance Form).

1.12 ASX Quotation

Application will be made within seven days after the date of the Prospectus for the New Shares offered under this Prospectus to be granted official quotation by the ASX. The granting by ASX for the official quotation of the New Shares is not guaranteed.

If application for admission of the New Shares to quotation is not made within seven days after the date of this Prospectus or the New Shares are not admitted to quotation on the ASX within 3 months after the date of this Prospectus, none of the New Shares offered under this Prospectus will be issued and allotted and all application monies will be refunded.

Quotation will not be requested for the New Options however they will be noted by ASX as unquoted options.

ASX takes no responsibility for the contents of this Prospectus.

1.13 Rights attaching to Shares

All New Shares issued under the Offer rank in all respects on equal terms with the existing Shares. Full details of the rights attaching to Shares are set out in the Company's constitution, a copy of which may be inspected at the Company's registered office. A summary of the rights follows.

Voting rights

At a general meeting every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and every shareholder present in person or by proxy, attorney or representative has one vote for each Share on a poll.

Dividends

Dividends are declared by the Directors at their discretion and subject to any special rights (at present there are none) are payable on all Shares in proportion to the amount of capital for the time being paid up but not credited as paid up on those Shares.

Transfer of Shares

Generally, Shares are freely transferable. Where the Listing Rules or the law require the Company to do so, the Directors must decline to register a transfer. If Shares are subject to a restriction agreement entered into by the Company and Shareholder, except as permitted by the Listing Rules, a Shareholder may not dispose of the Shares and the Directors and the Company will not register a dealing in the Shares.

Future increases in capital

The allotment or issue of any Shares of the Company is under the control of the Directors who may, subject to the Corporations Act and the Listing Rules, allot or otherwise dispose of them on such conditions as they see fit.

Variation of rights

The rights and privileges attaching to Shares can be altered with the consent in writing of Shareholders with at least 75% of the votes in that class or by special resolution of the Shareholders. A special resolution is a resolution passed by a majority of not less than 75% of those present and voting.

Rights on winding up

In the event of a winding up of the Company, the liquidator may, with the sanction of a special resolution, divide among all or any of the Shareholders in specie or in kind any part of the assets of the Company, and may vest any part of the assets of the Company in trustees upon trust for the benefit of all or any of the Shareholders as the liquidator thinks fit.

1.14 Rights attaching to the Options

The rights and liabilities attaching to the New Options and the Underwriting Options are as follows:

- 1.14.1 Each Option entitles the holder to subscribe for one Share.
- 1.14.2 Any Option which has not been exercised before the relevant expiry date lapses.
- 1.14.3 Each Option is exercisable at the relevant exercise price per Share at any time before the relevant expiry date.
- 1.14.4 Some or all of the Options may be exercised at any time or times prior to the relevant expiry date provided that if the number of Options held is less than 5,000 then all the Options must be exercised at one time and if more than 5,000 Options are held they must be exercised in parcels of at least 5,000.
- 1.14.5 Options will be fully transferable in accordance with the constitution of the Company and, for such time as the Company is listed, the Listing Rules.
- 1.14.6 No certificates will be issued for the Options, but holding statements will be issued to holders for Options issued.
- 1.14.7 Shares issued pursuant to the exercise of any Option will rank in all respects on equal terms with the existing Shares.
- 1.14.8 Shares issued pursuant to the exercise of Options will be issued on a date which will not be more than ten business days after the receipt of a properly executed notice of exercise of option and the application moneys in respect of the exercise of the Option.
- 1.14.9 The Company will not apply for quotation of the Options.
- 1.14.10 Application will be made by the Company to the ASX for permission for quotation to be granted in respect of Shares issued upon exercise of any of the Options in the manner required by the Listing Rules.
- 1.14.11 Holders can exercise Options by completing and submitting a notice of exercise of options (which is set out on the holding statement for the Options or, if none, such form as the Directors may accept) to the Company's share registry together with the required exercise price.
- 1.14.12 An Option will not entitle the holder to participate in any new issue of Shares by the Company, unless the Option has been duly exercised prior to the relevant record date.
- 1.14.13 If there is a reconstruction or reorganisation (including consolidation, sub-division, reduction or return) of the capital of the Company, the rights of the holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of the restructure or reorganisation. Any changes to the terms of the Options will not result in any benefit being conferred on the holder which is not conferred on the Shareholders of the Company.
- 1.14.14 If there is a pro-rata issue (except a bonus issue) to the holder of Shares, the exercise price of each Option will be reduced according to the following formula:

$$O' = \frac{O - \frac{E[P-(S+D)]}{N + 1}}$$

Where

O' =	The new exercise price of the Option
O =	The old exercise price of the Option
E =	The number of Shares into which one Option is exercisable
P =	The average market price per Share (weighted by volume) of Shares during the five trading days ending on the day before the ex-rights or ex-entitlements date
S =	The subscription price for a Share under the pro-rata issue
D =	The dividend due but not yet paid on Shares (except those to be issued under the pro-rata issue)
N =	The number of Shares with rights or entitlements that must be held to receive a right to one new Share

1.14.15 If there is a bonus issue to the holders of Shares, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

1.14.16 In the event of a winding up of the Company unexercised Options will have no right to a distribution of surplus assets of the Company.

1.14.17 The Listing Rules prevail to the extent of any inconsistency with these terms.

1.14.18 These terms are governed by the laws of South Australia and the holder submits to the non-exclusive jurisdiction of South Australian courts and courts of appeal from them.

1.15 Effect of the Rights Issue on Options

The Company currently has 8,936,767 Options on issue.

Option holders may participate in the Rights Issue by exercising any or all of these Options before the Record Date. The exercise of any Options prior to the Record Date will increase the issued capital of the Company and may increase the number of New Shares issued under the Rights Issue and the total amount raised under the Rights Issue.

Option holders cannot participate in the Rights Issue without exercising their Options.

1.16 Minimum Capital Raising

There is no minimum amount of capital to be raised under the Rights Issue.

1.17 Shortfall in subscription

A shortfall will arise at the Closing Date if valid applications received for New Shares under the Offer are less than the number of New Shares offered under this Prospectus.

Any Entitlement not taken up pursuant to the Offer will form part of the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus. Eligible Shareholders who wish to subscribe for New Shares above their Entitlement are invited to apply for additional New Shares by completing the appropriate section on their Entitlement and Acceptance Form.

The Shortfall Offer gives Eligible Shareholders and other investors the opportunity to apply for any New Shares not taken up under the Offer, before the Underwriters may subscribe for any Shortfall. There is however no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders as this will depend on the level of acceptance of Entitlements by Eligible Shareholders and will otherwise be determined by the Directors. While the Directors have discretion in respect of determining the allocation of Shortfall Shares, they have agreed on the following allocation policy:

- firstly, to existing Shareholders who are not related parties of the Company or the Underwriters, who apply for Shares in excess of their Entitlement;
- secondly, to investors who are not existing Shareholders and who are not related parties of the Company or the Underwriters; and
- lastly, to the Underwriters (in the proportions set out in section 1.7 of this Prospectus) in satisfaction of their commitment under the Underwriting Agreement.

No New Shares will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act.

1.18 Overseas Shareholders

This Offer is only being extended to Shareholders with registered addresses in Australia, New Zealand, European Economic Area (Liechtenstein and Luxembourg), France and Switzerland. All other Shareholders (**Ineligible Foreign Holders**) will not be offered Rights under this Prospectus. The Company has determined, in accordance with the Listing Rules, that it would be unreasonable to make an offer under this Prospectus to Ineligible Foreign Holders having regard to:

- the number of Shareholders in the places where the offer would be made;
- the number and value of the Rights that would be offered; and
- the cost of complying with the legal requirements in those places.

No Entitlement and Acceptance Forms are being sent to Ineligible Foreign Holders.

Neither this Prospectus nor the Entitlement and Acceptance Form constitute an offer of, or an invitation by or on behalf of the Company to subscribe for or purchase any of the New Securities in any jurisdiction or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and Entitlement and Acceptance Form, and the offering of New Securities, in certain jurisdictions may be restricted by law. Persons into whose possession such documents come should inform themselves about and comply with those restrictions.

Schedule 1 of this Prospectus provides further details in relation to the restrictions of accepting the Offer presented in this Prospectus in the overseas jurisdictions referred to in this section 1.18.

1.19 Taxation

Shareholders should be aware that there are taxation implications for subscribing for New Securities. These taxation implications will vary between different Shareholders and Shareholders should consult their own professional tax adviser in relation to the taxation implications.

1.20 Notice to nominees

Nominees and custodians may not distribute any part of this Prospectus, and may not permit any beneficial Shareholder to participate in the Offer, in any country outside Australia except with the consent of the Company to beneficial Shareholders resident in certain other jurisdictions where the Company may determine it is lawful and practical to make the Offer.

2. How to Apply

2.1 What you may do

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. You may:

- take up all of your Entitlement to New Shares;
- take up all of your Entitlement to New Shares and apply for any Entitlement not taken up by other Shareholders;
- take up part of your Entitlement and allow the balance to lapse; or
- not take up any of your Entitlement and allow it to lapse.

2.2 Complete and return the Entitlement and Acceptance Form

Refer to the Entitlement and Acceptance Form for instructions on its completion. Please send your completed Entitlement and Acceptance Form together with your cheque for the total amount payable to reach the Company's share registry by 5:00pm (AEST) on the Closing Date.

For payment by BPAY, please follow the instructions on the Entitlement and Acceptance Form. Please note that should you choose to pay by BPAY, you do not need to submit the Entitlement and Acceptance Form. Your BPAY payment must be received by 5:00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with respect to electronic payment and you should take this into account when making payment.

2.3 Other Investors

Applicants other than Shareholders that wish to take up any New Shares, offered on the basis of this Prospectus, not taken up by Shareholders must complete a Shortfall Application Form.

The number of New Shares available will depend on the level of acceptance of Entitlements by Eligible Shareholders, number of additional New Shares they wish to take up and whether the Directors decide to issue the Shortfall.

Shortfall Application Forms will be provided to investors on request. Refer to the Shortfall Application Form for instructions on its completion.

2.4 Entitlements not taken up

If you decide to take up only part of your Entitlement or not to accept any of your Entitlement, your Entitlement will lapse to that extent. The Directors will allocate the Shortfall Shares.

2.5 Underwriting

The Offer is underwritten by the Underwriters. Refer to sections 5.4 to 5.6 of this Prospectus for details of the terms of the Underwriting Agreement.

The Underwriters are unrelated to and not associated with each other or any Directors.

Refer section 1.7 for details of the potential impact of the underwriting arrangements on the voting control of the Company.

Further details of the underwriting arrangements are set out in section 5.4 to 5.6 of this Prospectus.

The Company is making the Shortfall Offer as a separate offer pursuant to this Prospectus. The Board believes that undertaking the Shortfall Offer is an appropriate dispersion strategy to deal with Shortfall which is intended to mitigate the potential control effects of the Offer. The Shortfall Offer gives Eligible Shareholders and other investors the opportunity to apply for any New Shares not taken up under the Offer, before the Underwriters may subscribe for any Shortfall. Further details of the Shortfall Offer are set out in section 1.17 of this Prospectus.

3. Information about the Company

3.1 Disclosing Entity

This Prospectus is issued pursuant to section 713 of the Corporations Act as a prospectus for the offer of continuously quoted securities.

The Company is a "disclosing entity" for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, the Company is subject to the Listing Rules of the ASX which require continuous disclosure to the market of any information the Company has which a reasonable person would expect to have a material effect on the price or value of the Company's Shares.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at the ASX during normal working hours or via the ASX website at www.asx.com.au. In addition, copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, any regional ASIC office.

3.2 Information Available to Shareholders and Prospective Investors

The Company will provide a copy of each of the following documents free of charge, to any Shareholder or prospective investor who so requests during the application period under this Prospectus:

- the 2018 Annual Report of the Company which contains the financial statements and consolidated financial statements for the 2018 financial year;
- the Financial Report for the half year ended 31 December 2018; and
- the following announcements lodged with the ASX since release of the 2018 Annual Report.

Date	Announcement
13/06/2019	Trading halt
29/05/2019	Major Epithermal Target Defined at Beopseongpo, South Korea
6/05/2019	Response to ASX Appendix 5B Query
6/05/2019	Cannon Mine Maiden JORC Reserve
30/04/2019	Quarterly Activities Report & 5B to 31 March 2019
3/04/2019	Post-winter field work commences in South Korea
1/04/2019	Strategic Focus on South Korea - WA Asset Sale Process
29/03/2019	Cancellation of Options
14/03/2019	Change of Director's Interest Notice - G Boulton
13/03/2019	Change of Director's Interest Notice - P Bamford
5/03/2019	Half Year Financial Report
27/02/2019	Change in substantial holding
26/02/2019	Becoming a substantial holder
26/02/2019	Change of Registered Office and Principal Place of Business
26/02/2019	Cancellation of Options
26/02/2019	Cleansing Notice
22/02/2019	Information under listing rule 3.10.5A
22/02/2019	Appendix 3B
21/02/2019	\$1.75m Funding in Place
19/02/2019	Corporate Presentation
15/02/2019	Appendix 3B
8/02/2019	Response to Query
7/02/2019	South Korean Joint Venture Update
31/01/2019	Quarterly Activities Report & 5B December 2018
29/01/2019	Weolyu High Grade Au-Ag Confirmed
10/12/2018	Strategic agreement executed over Cannon Gold Mine
6/12/2018	Met Testing Results at Kochang, South Korea

Date	Announcement
3/12/2018	Final Director's Interest Notice
3/12/2018	Resignation of Director
30/11/2018	Results of AGM Meeting 2018
30/11/2018	AGM 2018 Presentation
22/11/2018	Kochang Project Update
31/10/2018	Quarterly Activities Report & 5B to 30 September 2018
31/10/2018	Notice of Annual General Meeting/Proxy Form
26/10/2018	Corporate Governance Statement & Appendix 4G

3.3 Market Prices of the Company's Shares on ASX

The highest and lowest market sale price of the Company's shares on the ASX during the 3 months immediately preceding the date of this Prospectus, and the respective dates of those sales, and the last sale on the ASX trading day immediately preceding the date of this Prospectus were as follows:

	Price	Dates
Highest	\$0.26	7 June 2018
Lowest	\$0.12	28 May 2019
Latest	\$0.13	12 June 2019

3.4 Effect of the Rights Issue on the Company

The principal effects of the Rights Issue on the Company will be, if it is fully subscribed, to:

- increase cash reserves by \$2,294,174 (before expenses of the Rights Issue are taken into account) to enable the Company to pursue its objectives;
- result in the Company having on issue an additional 20,856,124 Shares and 10,428,062 Options, together with 4,000,000 Underwriting Options issued as part payment of the fees associated with the underwriting;
- increase cash reserves by \$2,477,051 on exercise of the New Options, including the 4,000,000 Underwriting Options issued as part payment of the fees associated with the underwriting (there is no guarantee that all or any of the New Options or Underwriting Options will be exercised);
- result in the Company having on issue an additional 14,428,062 Shares, on exercise of the New Options and the Underwriting Options (there is no guarantee that all or any of the New Options or Underwriting Options will be exercised).

These amounts do not take into account the effect of the exercise of any existing Options over unissued Shares that may occur prior to the Record Date.

3.5 Statement of Financial Position

Set out in this section of the Prospectus is a Pro Forma Consolidated Statement of Financial Position of the Company taking into account the Rights Issue and underwriting. It is based on consolidated financial statements for the half year ended 31 December 2018, adjusted to include the cash raised on 21 February 2019 through a private placement of \$1,000,000 and borrowings of \$750,000. The Pro Forma Consolidated Statement of Financial Position illustrates the effect of the Rights Issue as if the Rights Issue had occurred on 31 December 2018 and assuming full subscription under the Rights Issue.

	As at	Placement & Borrowing	Rights Issue	Pro Forma
	31-Dec-18	Feb-19	Jul-19	
	\$	\$	\$	\$
Current assets				
Cash and cash equivalents	815,688	1,750,000	2,118,088	4,683,776
Trade and other receivables	141,733			141,733
Other Assets	49,021			49,021
Total current assets	1,006,442			4,874,530
Non-current assets				
Exploration and evaluation expenditure	9,958,485			9,958,485
Investments accounted for using the equity method	806,056			806,056
Financial assets	183,831			183,831
Property, plant and equipment	180,244			180,244
Total non-current assets	11,128,616			11,128,616
Total assets	12,135,058			16,003,146
Current liabilities				
Trade and other payables	135,227			135,227
Provisions	96,126			96,126
Total current liabilities	231,353			231,353

Southern Gold Ltd.
Entitlement Issue Prospectus

	As at	Placement & Borrowing	Rights Issue	Pro Forma
	31-Dec-18	Feb-19	Jul-19	
	\$	\$	\$	\$
Non-current liabilities				
Provisions	18,463			18,463
Borrowings		750,000		750,000
Total non-current liabilities	768,463			768,463
Total liabilities	249,816			999,816
Net assets	11,885,242			15,003,330
Equity				
Issued capital	41,323,415	1,000,000	2,118,088	44,441,503
Reserves	1,296,039			1,296,039
Accumulated losses	-30,734,212			-30,734,212
Total equity attributable to equity holders	11,885,242			15,003,330

Notes

- At 31 December 2018 the Company had cash and cash equivalents of \$815,688. Since 31 December 2018, the Company has expended cash of \$1,930,947 on exploration, contributions to the Joint Ventures and for general working capital, and has also raised additional funds via private placements of \$1,000,000 and borrowings of \$750,000. As at 31 May 2019, the Company had cash and cash equivalents of \$634,741.
- The exploration & evaluation expenditure of \$9.96 million includes \$4.96 million related to the West Australian assets which are in a formal sale process. At this stage it is uncertain as to whether the sale of these assets will be less than or exceed the book value of \$4.96 million. Refer section 4.2.4.

4. Risks

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Key Risks

4.1.1 Risks associated with operating in the Republic of Korea (South Korea)

The Company conducts exploration activities in South Korea. The Company's properties in South Korea may be subject to the effects of political changes, war and civil conflict, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

These changes may impact the profitability and viability of the Company's tenements. The effect of instability on political, social or economic conditions in South Korea could result in the impairment of exploration, development and future mining operations and the Company's legal title to its mineral tenements. Any such changes are beyond the control of the Company and may adversely affect its business.

The Company's key assets are its contractual interests in tenements and Joint Ventures in South Korea. Changes in South Korea's laws and regulations may have a significant effect on the Company's exploration operations, especially changes to environmental, mining, grant or renewal of concessions, royalties and taxation.

The Company raises capital in Australian Dollars (AUD) and the majority of its expenditure is denominated in South Korean Won (KRW). Changes in the AUD:KRW currency exchange rate will impact AUD required to fund planned expenditure in South Korea.

4.1.2 Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

4.1.3 Exploration success

The Tenements are at various stages of exploration, and potential investors should understand that exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited to production.

4.1.4 Additional requirements for capital

Additional funding will be required in the future to effectively implement the Company's business and operational plans, take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any

unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

4.1.5 Termination of underwriting agreement

The Underwriting Agreement includes various termination events upon the occurrence of which an Underwriter may elect, in their discretion, to terminate any of its obligations under the underwriting arrangements. In the event that the Underwriting Agreement is terminated by an Underwriter or Underwriters, the Company may not receive the maximum level of subscriptions, and the Company will need to consider other funding options, which will include any proceeds from the sale of the Company's West Australian assets, and whether it can continue operating as a going concern. For further details of the Underwriting Agreement, refer to Sections 5.4, 5.5 and 5.6 of this Prospectus.

4.2 Risks specific to the Company

4.2.1 Exploration

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, and possible relinquishment of the Tenements.

4.2.2 Operations

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and exploitation, operational and technical difficulties encountered in exploitation, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated hydrogeological problems which may affect exploitation costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or exploitation of its Tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

4.2.3 Resource estimates

The Company has an interest in Tenements in Western Australia which include resource estimates. The resource estimates have been stated in accordance

with the JORC Code (2012 Edition). An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

The Company's assets in Western Australia are in the advanced stages of a sale process.

4.2.4 Proceeds of sale of WA assets

The Company has an interest in tenements in Western Australia. The Company is currently undertaking a formal sale process (ASX Announcement 1 April 2019). There is inherent risk in such a process in relation to the price achieved, and whether the transaction is completed or completed in a timely manner. This has the potential to impact the funding available to support the Company's 50% contributions towards the Joint Venture mine developments.

4.2.5 Joint Ventures

The Joint Venture operations are both progressing towards development of an operational underground mine. The estimated cost of development for each mine is approximately US\$5 million (the Company's share being US\$2.5 million for each mine).

There are a number of risks in relation to the mine development:

- A resource estimated in accordance with the JORC Code is not considered commercially necessary to proceed to development. However, there is a risk that obtaining project level finance may be more difficult without a resource estimated in accordance with the JORC Code. This would require a greater level of funding from the joint venture partners;
- The Company will not be able to raise sufficient funds to fully contribute to its 50% share of the development costs. The joint venture agreements contain provision for dilution of ownership interest in such an occurrence;
- Similarly, the Joint Venture partner, Bluebird Merchant Ventures Ltd, may not be able to raise sufficient funds to support their 50% share of the development costs;
- The mine developments may take longer to complete and/or cost more than expected for a number of reasons related to technical matters or stakeholder engagement.

4.3 Risks specific to the Offer

4.3.1 Dilution risks

Upon completion of the Rights Issue, assuming all Entitlements are accepted, the number of Shares in the Company will increase from 62,568,372 to 83,424,496 (on an undiluted basis). If you decide to take up only part of your Entitlement or not to accept any of your Entitlement, your Entitlement will lapse and your ownership of the Company will be diluted to that extent.

4.3.2 New Options

There is no guarantee that the market price of the underlying Shares will trade above the exercise price of the New Options. Accordingly, there is a risk that the New Options could expire out of the money.

4.4 General risks

4.4.1 Commodity price and exchange rate fluctuations

If the Company achieves success leading to production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and Australian dollar as determined in international markets.

4.4.2 General equity market risk

The value of the Company's Shares, including New Shares to be issued under the Offer may fluctuate. In recent times, the extent of the volatility in the price of the Company's Shares and the wider market has been significant.

Investments in equity markets are generally speculative in nature and potential investors should carefully consider this risk before making any investment in Shares.

There is no guarantee that the Shares will trade at or above the issue price for New Shares pursuant to the Offer. Potential investors should also note that past performance of the Shares on ASX provides no guidance as to the future performance of these Shares on ASX.

Many factors will affect the price of securities including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally. In addition, the commencement of, or escalation in, any war, armed conflict, hostilities between nations, civil unrest or terrorist activities may affect the price of securities.

4.4.3 Economic factors

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Australia or South Korea, the rate of growth of Australia's or South Korea's gross domestic product, interest rates, exchange rates and the rate of inflation.

4.4.4 Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

4.4.5 Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and exploitation and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in South Korea may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

4.4.6 Regulatory risks

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

4.4.7 Risk of international operations generally

International sales and operations are subject to a number of risks, including:

- (a) potential difficulties in enforcing agreements (including joint venture and exploration option agreements) and collecting receivables through foreign local systems;
- (b) potential difficulties in protecting intellectual property;
- (c) increases in costs for transportation and shipping; and
- (d) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

5. Additional Information

5.1 Directors' Interests

Other than as set out below or elsewhere in this Prospectus:

- a) no Director or proposed director has, or has had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
 - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
 - the Offer; and
- b) no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to:
- any Director or proposed director to induce him or her to become, or to qualify as, a director of the Company; or
 - any Director or proposed director for services which he or she has provided in connection with the formation or promotion of the Company or the Offer.

5.2 Interests in securities

The securities of the Company in which Directors and their associates have relevant interests as well as their respective Entitlements are:

Director	Shares	Options	Entitlement to New Shares under the Offer	Entitlement to New Options under the Offer
Greg Boulton	1,716,883	633,334	572,295	286,148
Simon Mitchell	510,000	2,333,334	170,000	85,000
David Turvey	501,208	633,334	167,070	83,535
Peter Bamford	200,000	-	66,667	33,334

The following table shows the total remuneration paid and proposed to be paid per financial year to Directors (inclusive of superannuation).

Directors	2017 Financial Year **	2018 Financial Year	2019 Financial Year (11 Months)
Managing Director			
Simon Mitchell	292,509	312,075	277,035
Non-executive Directors			
Greg Boulton (chair)	93,000	90,000	82,500
David Turvey	51,000	51,148	46,250
Peter Bamford*	-	17,143	44,250

Notes

In all of the above periods, the annual directors' fees are set at \$90,000 for the chair (Greg Boulton), and \$45,000 for non-executive directors. The chair and the non-executive directors provide services, over and above their duties as a chair or non-executive directors, on an as needs basis at a daily rate of \$1,000.

* Peter Bamford appointed 13 February 2018.

** All of the above figures are cash-based remuneration only. In the 2017 year, in addition to the cash remuneration the Directors received unlisted options of 2,000,000 granted to Simon Mitchell and 500,000 each to Greg Boulton and David Turvey. Further information is provided in the 2017 Annual Report.

5.3 Interests of persons involved in the Offer

Other than as set out below or elsewhere in this Prospectus:

5.3.1 no promoter of the Company or person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or has in the two years before the date of this Prospectus had, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer.

5.3.2 PS Super Nominee Pty Ltd, on 21 February 2019, provided a loan note to the Company amounting to \$750,000. The loan has an interest rate of 12% pa, with a maturity of 18 months from the commencement date. As part of the transaction, 4,411,765 Options were issued to PS Super Nominees Pty Ltd that may be converted into Shares by the option holder at an exercise price of \$0.17 at any time through the expiry date of 16 September 2020 (ASX announcement 21 February 2019).

5.3.3 no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any promoter of the Company, underwriter to the Offer or a financial services licensee involved in the Offer or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus or provided in connection with the formation or promotion of the Company, or the Offer.

5.4 Underwriting Agreement

The Underwriters have agreed to fully underwrite the Offer.

The Underwriting Agreement was negotiated on an arm's length basis. The Underwriters have agreed to conditionally underwrite the Offer for 20,856,124 Shares (Underwritten Shares) in the proportions set out in section 1.7 of this Prospectus;

Under the Underwriting Agreement, the Underwriters are obliged to subscribe for all of the Shortfall Securities up to the Underwritten Amount after receiving notice from the Company as to the number of Shortfall Securities.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriters (to conditionally underwrite the Offer)):

- A fee paid in cash amounting to \$137,650;
- 4,000,000 Options exercisable at \$0.15 per Option on or before the expiry date of 31 December 2020; and

in the proportions set out in section 1.7 of this Prospectus.

(Underwriting Fees)

The Underwriters will not be entitled to be paid the Underwriting Fees if the Underwriters terminate the Underwriting Agreement.

A right of an Underwriter under the Underwriting Agreement is held by that Underwriter severally and each Underwriter may exercise its rights, powers and benefits under the Underwriting Agreement severally.

5.5 Termination

The obligation of the Underwriters to underwrite the Offer is subject to certain events of termination. An Underwriter may terminate any of its obligations under the Underwriting Agreement in the event of any of the termination events set out below:

- 5.5.1 Prospectus: any of the following occurs in relation to the Prospectus:
 - (a) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act; or
 - (b) any person other than the Underwriter who consented to being named in the Prospectus withdraws that consent;
- 5.5.2 Supplementary Prospectus: the Underwriters reasonably form the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriters;
- 5.5.3 ASX listing: ASX does not give approval for the New Securities to be listed for official quotation, (other than the New Options in respect of which there will be no application for official quotation) or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- 5.5.4 Index change: the ASX All Ordinaries Index or the Dow Jones Industrial Average Index as determined at close of trading falls at least 10% below their respective levels at the close of trading on the date of the Underwriting Agreement for a total of three consecutive trading days during the period commencing from the date of the Underwriting Agreement and ending upon Completion;
- 5.5.5 indictable offence: a director of the Company or any related corporation is charged with an indictable offence;
- 5.5.6 return of capital or financial assistance: the Company or a related corporation takes any steps to undertake a proposal contemplated under section 257A or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriters;

- 5.5.7 banking facilities: the Company's bankers terminate or issue any demand or penalty notice or amend the terms of any existing facility or claim repayment or accelerated repayment of any facility or require additional security for any existing facility;
- 5.5.8 change in laws: any of the following changes of law occurs:
- (a) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - (b) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or
 - (c) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy,
- which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;
- 5.5.9 failure to comply: the Company or any related corporation fails to comply with any of the following:
- (a) a provision of its constitution;
 - (b) any statute;
 - (c) a requirement, order or request, made by or on behalf of the ASIC or any governmental agency; or
 - (d) any material agreement entered into by it,
- which is likely to prohibit or materially restrict the business of the Company or the Offer;
- 5.5.10 alteration of capital structure or constitution: the Company alters its capital structure or its constitution without the prior written consent of the Underwriters; unless placement shares are issued pursuant to agreement with the Underwriters.
- 5.5.11 extended Force Majeure: a Force Majeure, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- 5.5.12 default: the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;
- 5.5.13 adverse change: any adverse change occurs which materially impacts or is likely to materially impact the assets, operational or financial position of the Company or a related corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a related corporation);
- 5.5.14 investigation: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a related corporation;
- 5.5.15 Prescribed Occurrence: a Prescribed Occurrence occurs;
- 5.5.16 Suspension of debt payments: the Company suspends payment of its debts

generally;

- 5.5.17 Event of Insolvency: an Event of Insolvency occurs in respect of the Company or a related corporation;
- 5.5.18 Judgment against a related corporation: a judgment in an amount exceeding \$100,000 is obtained against the Company or a related corporation and is not set aside or satisfied within 7 days.

The exercise by an Underwriter of any of its rights under section 5.5 does not automatically terminate the obligations of the other Underwriters. If an Underwriter gives notice to the Company and the other Underwriters of its intention to terminate its obligations under the Underwriting Agreement upon the occurrence of an event specified in section 5.5 (Terminating Underwriter), then each Underwriter who has not terminated (Remaining Underwriters) may elect to either also terminate its obligations under the Underwriting Agreement or assume the obligations of the Terminating Underwriter such that all or a nominated proportion of the obligations of the Terminating Underwriter are assumed by the Remaining Underwriters in such proportions to be agreed between the Company and those Remaining Underwriters. If a Remaining Underwriter gives notice that it will assume all or a proportion of the obligations of the Terminating Underwriter then that Remaining Underwriter, in addition to the fees to which it is entitled under the Underwriting Agreement, will also be entitled to all or a proportion of the underwriting fee and Underwriter Options that would have been payable to the Terminating Underwriter had it not exercised its right of termination.

5.6 Material Adverse Effect

The events listed in section 5.5 do not entitle an Underwriter to exercise its rights under section 5.5 unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act.

5.7 Expenses of the Rights Issue

On the assumption that the Rights Issue is fully subscribed, the total expenses connected with the Rights Issue, consisting of share registry fees, legal fees, mailing, Prospectus printing, ASIC filing fees, ASX quotation fees and Underwriting Fees (excluding the issue of Options to the Underwriters, as set out in section 5.4) are estimated to be approximately \$176,085 details of which are set out below:

- ASX and ASIC fees \$13,435
- Legal and consulting fees \$15,000
- Registry fees \$10,000 (includes printing and postage)
- Cash underwriting fee \$137,650

5.8 Consents

Each of the Underwriters has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as Underwriter to the Offer, in the form and context in which it is named. The Underwriters were not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. The Underwriters do not make any statement in the Prospectus, nor is any statement in it based on any statement made by the Underwriters.

Security Transfer Registrars has consented to being named in this Prospectus as share registry for the Company in the form and context in which it is named and at the time of

lodgement of this Prospectus, has not withdrawn consent. Security Transfer Registrars takes no responsibility for any part of this Prospectus other than references to its name. Security Transfer Registrars does not make any statement in this Prospectus nor is any statement based upon a statement by Security Transfer Registrars.

Each Director has consented to the issue and lodgment of this Prospectus.

References in this Prospectus to PCF Capital and Bluebird Merchant ventures Ltd have been included for information purposes only. They have not been involved in the preparation of any part of this Prospectus or made any statement in this Prospectus and have not consented to being named in this Prospectus.

6. Glossary and Interpretation

In this Prospectus, unless the contrary intention appears:

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ABN 98 009 624 691 or the Australian Securities Exchange operated by it (as the context requires);

Closing Date means the closing date of the Rights Issue listed in the “Summary of Key Dates” section of this Prospectus;

Company means **Southern Gold Ltd** ACN 107 424 519;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors or **Board** means the Directors of the Company;

Eligible Shareholders means on the Record Date, Shareholders recorded on the register of members of the Company as holders of ordinary shares, that have registered addresses in Australia or one of the jurisdictions referred to in section 1.18 of this Prospectus;

Entitlement means the entitlement of an Eligible Shareholder to apply for a number of New Shares under the Offer;

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Prospectus;

Ilwella Pty Ltd means Ilwella Pty Ltd (ACN 003 220 371) of 3 Ginahgulla Road, Bellevue Hill, NSW 2023;

Ineligible Foreign Holders means shareholders of ordinary shares in the Company, as at the record date of the Offer who are not Eligible Shareholders;

Joint Venture(s) means the two joint ventures:

- Gubong Project being conducted through a joint venture company incorporated in Singapore, Gubong Project JV Co Pte. Ltd.(Gubong JV Company), which is 50% owned by Southern Gold and 50% owned by Merchant Ventures Ltd. Gubong Project JV Co Pte. Ltd in turn owns 100% of a company incorporated in South Korea, Gubong Project Chusik Hoesa; and
- Kochang Project being conducted through a joint venture company incorporated in Singapore, Kochang Project JV Co Pte. Ltd.(Kochang JV Company), which is 50% owned by Southern Gold and 50% owned by Merchant Ventures Ltd. Kochang Project JV Co Pte. Ltd in turn owns 100% of a company incorporated in South Korea, Kochang Project Chusik Hoesa.

JORC Code means The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition);

Listing Rules means the listing rules of ASX;

New Options means the Options included in the Offer on the basis of one (1) free accompanying option for every two (2) New Shares subscribed for. The New Options will be exercisable at \$0.18 on or before the expiry date of 31 December 2021.

New Securities means the New Shares and the New Options offered pursuant to this Prospectus;

New Shares means Shares offered pursuant to this Prospectus;

Offer means the offer of New Shares and New Options made on the basis of this Prospectus;

Opening Date means the opening date of the Rights Issue listed in the “Summary of Key Dates” section of this Prospectus;

Options means options able to be exercised by payment of an agreed sum for issue of an ordinary share;

PS Super Nominee Pty Ltd means PS Super Nominee Pty Ltd (ACN 119 779 752) of PO Box 278 Saint Marys, NSW 1790;

Prospectus means this document;

Record Date means the record date to determine the Shareholders entitled to participate in the Rights Issue determined in accordance with the ASX Listing Rules, listed in the “Summary of Key Dates” section of this Prospectus;

Rights means the rights to subscribe for New Securities under this Prospectus;

Rights Issue means the non-renounceable rights issue the subject of this Prospectus;

Robert Leon means Mr Robert Leon of 73 Boulevard Haussmann, Paris, France 75008;

Shareholders means a holder of Shares;

Shares means fully paid ordinary shares in the Company;

Shortfall Application Form means the shortfall form to be used by an applicant who is not a Shareholder to subscribe for New Shares pursuant to the Prospectus;

Shortfall means New Securities not applied for under the Offer before the Closing Date;

Shortfall Offer has the meaning in section 1.17;

Shortfall Securities means the New Securities constituting the Shortfall;

Tenements means those mining tenements in which, as of the date of this Prospectus, the Company has rights to or a contractual or other interest in;

Underwriters means PS Super Nominee Pty Ltd, Ilwella Pty Ltd, Mr Robert Leon and Valbonne II;

Underwriting Agreement means the underwriting agreements dated 14 June 2019 between the Company and the Underwriters, details of which are set out in Sections 5.4 to 5.6 of this Prospectus;

Underwriting Options means the Options granted to the Underwriter as part payment for the underwriting fee as follows:

- 4,000,000 Options exercisable at \$0.15 on or before the expiry date of 31 December 2020;

Underwritten Amount means \$2,294,174;

Valbonne II means Valbonne II of 15 Avenue J.F. Kennedy, L-1855, Luxembourg.

In this Prospectus, unless the contrary intention appears:

- words importing the singular include the plural and the plural includes the singular and any gender include the other genders;
- if a word or phrase is defined in the Corporations Act or the ASX Listing Rules, it bears the same meaning;
- if a word or phrase is defined other parts of speech or grammatical forms of that word have corresponding definitions;
- a reference in this Prospectus to a clause, paragraph or section is to a clause, paragraph or section of this Prospectus;
- a reference to an annexure is to an annexure to this Prospectus and this Prospectus includes any annexure;
- a reference to:
 - a person includes a natural person, partnership, firm, unincorporated association, corporation and a government or statutory body or authority or other entity;
 - a person includes the legal personal representatives, successors and assigns of that person;
 - a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- time is Adelaide, South Australia time unless stated otherwise;
- a right includes a benefit, remedy, direction or power; and
- A\$, \$A, \$, dollars (\$) and cents (c) are references to the lawful currency of Australia;
- Annexures to this Prospectus form part of this Prospectus;
- headings are for reference and do not affect interpretation.

ProGlossary of Capitalised terms referred to in sections 5.4, 5.5 and 5.6 of this Prospectus

Completion means when all of the Underwritten Securities have been issued by the Company in accordance with the Prospectus and the Underwriting Agreement.

Controller means any person described in Section 419(1) of the Corporations Act.

Event of Insolvency means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Force Majeure means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

Insolvency Provision means any law relating to insolvency, sequestration, liquidation or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences, and any law under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

Issue means the issue of the New Securities as offered pursuant to the Prospectus.

Material Adverse Effect means:

- (a) a material adverse effect on the Issue or on the subsequent market for the Underwritten Securities (including, without limitation, a material adverse effect on a decision of an investor to invest in Underwritten Securities); or

- (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries taken as a whole.

Prescribed Occurrence means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy-back agreement or;
 - (ii) resolving to approve the terms of a buy-back agreement under Section 257D or 257E of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option;
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company issuing, or agreeing to issue placement shares and options pursuant to an agreement with the Underwriter
- (g) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (h) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (i) a Relevant Company resolving that it be wound up;
- (j) the appointment of a liquidator or provisional liquidator of a Relevant Company;
- (k) the making of an order by a court for the winding up of a Relevant Company;
- (l) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act;
- (m) a Relevant Company executing a deed of company arrangement; or
- (n) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

Relevant Company means the Company and each Subsidiary.

Subsidiary means each company which is now, or before the issue of all the Underwritten Securities becomes, a subsidiary of the Company as that term is defined in the Corporations Act.

Supplementary Prospectus means any supplementary prospectus or replacement prospectus or both in relation to the Offer and the Prospectus lodged pursuant to Section 719 of the Corporations Act as the Underwriters in their absolute discretion may approve.

Underwritten Securities means 20,856,124 Shares and 10,428,062 accompanying options to be offered pursuant to the Prospectus and, where the context permits, means any one or more of them.

Schedule 1

International Offer Restrictions

This document does not constitute an offer of New Securities of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside Australia and New Zealand except to the extent permitted below.

European Economic Area - Liechtenstein and Luxembourg

The information in this document has been prepared on the basis that all offers of New Securities will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area, from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Securities has not been made, and may not be made, in Liechtenstein or Luxembourg except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Securities shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Securities have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation; (ii) a restricted number of non-qualified investors (cercle restreint d'investisseurs) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2°, D.411-4, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation and/or (iii) persons providing the investment service of portfolio management on behalf of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), as defined in and in accordance with Articles L.411-2-II-1 and D.321-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Securities cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Switzerland

The New Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.