



SOUTHERN GOLD LIMITED
NOTICE OF ANNUAL GENERAL MEETING
ACN 107 424 519

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Southern Gold Limited
will be held at Grant Thornton,
Level 3, 170 Frome Street, Adelaide, SA, 5000
on Thursday 10 October 2019 at 2pm (CST).

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Business

Financial Report

To receive and consider the Company's financial statements and independent audit report for the year ended 30 June 2019.

The 2019 Annual Report will be available to view online at www.southerngold.com.au and dispatched to those Shareholders who elected to receive the report by mail by 8th September 2019.

Resolution 1 - Adoption of the Remuneration Report for the year ended 30 June 2019

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That, for the purposes of Section 250R(2) of the Corporations Act, the Company adopt the Remuneration Report for the period ended 30 June 2019 as set out in the Directors' Report in the 2019 Annual Report.

Voting Exclusion Statement

The Company will disregard any votes cast (in any capacity) on Resolution 1 by any Key Management Personnel, the details of whose remuneration are included in the Remuneration Report, and any Closely Related Party of such Key Management Personnel.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the meeting is appointed as proxy and the proxy form expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 - Re-election of Mr David Turvey as a Director

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That Mr David Turvey, having retired by rotation in accordance with Listing Rule 14.4 and rule 117 of the Company's Constitution and being eligible and having offered himself for re-election, is re-elected as a Director of the Company with immediate effect.

Resolution 3 - Election of Mr Bee Jay Kim as a Director

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That Mr Bee Jay Kim, having been appointed as an addition to the board, in accordance with Listing Rule 14.4 and rule 110 of the Company's Constitution and being eligible and having offered himself for election, is elected as a Director of the Company with immediate effect.

Other Business

Resolution 4 - Ratification of previous issue of Shares

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 7.4 and for all other purposes, the issue and allotment by the Company of 66,133 to certain sophisticated investors on 15 February 2019 under Listing Rule 7.1 is approved.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 - Ratification of previous issue of Shares

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 7.4 and for all other purposes, the issue and allotment by the Company of 1,083,109 Shares on 22 February 2019 under Listing Rule 7.1 to certain sophisticated investors is approved.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 - Ratification of previous issue of Shares

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 7.4 and for all other purposes, the issue and allotment by the Company of 5,583,557 Shares on 22 February 2019 under Listing Rule 7.1A to certain sophisticated investors is approved.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7 - Ratification of previous issue of Options

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 7.4 and for all other purposes, the issue and allotment by the Company of 4,411,765 Unlisted Options on 22 February 2019 under Listing Rule 7.1 to certain sophisticated investors is approved.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8 - Ratification of previous issue of Options

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 7.4 and for all other purposes, the issue and allotment by the Company of 4,000,000 Unlisted Options on 25 July 2019 under Listing Rule 7.1 to certain sophisticated investors is approved.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 9 - Approval of the issue of Options to Mr Simon Mitchell or his nominee

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and for all other purposes, the grant by the Company of 1,500,000 unlisted Options to the Managing Director, Mr Simon Mitchell, or his nominee, on the terms and conditions set out in the Explanatory Memorandum, is approved.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 9 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their respective associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 10 - Approval of the issue of Options to Mr Greg Boulton or his nominee

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and for all other purposes, the grant by the Company of 600,000 unlisted Options to Director, Mr Greg Boulton, or his nominee, on the terms and conditions set out in the Explanatory Memorandum, is approved.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 10 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their respective associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to

vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 11 - Approval of the issue of Options to Mr David Turvey or his nominee

To consider, and if thought fit, pass the following resolution as an ordinary resolution, on the basis Resolution 2 is approved:

That for the purpose of Listing Rule 10.11 and for all other purposes, the grant by the Company of 400,000 unlisted Options to Director, Mr David Turvey, or his nominee, on the terms and conditions set out in the Explanatory Memorandum, is approved.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 11 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their respective associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 12 - Approval of the issue of Options to Mr Peter Bamford or his nominee

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.11 and for all other purposes, the grant by the Company of 400,000 unlisted Options to Director, Mr Peter Bamford, or his nominee, on the terms and conditions set out in the Explanatory Memorandum, is approved.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 12 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their respective associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 13 - Approval of the issue of Options to Mr Bee Jay Kim or his nominee

To consider, and if thought fit, pass the following resolution as an ordinary resolution, on the basis that Resolution 3 is approved :

That for the purpose of Listing Rule 10.11 and for all other purposes, the grant by the Company of 700,000 unlisted Options to Director, Mr Bee Jay Kim, or his nominee, on the terms and conditions set out in the Explanatory Memorandum, is approved.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 13 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their respective associates. However,

the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 14 – Approval of a proposed issue of Shares and Options to non-related parties

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of the ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the proposed allotment, issue and placement of up to 4,000,000 fully paid ordinary shares in the Company together with 2,000,000 attached Options to non-related parties and on the terms and conditions specified in the Explanatory Memorandum, is approved

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 14 by a person who may participate in the proposed issue and a person who might obtain a material benefit, except a material benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their respective associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 15 - Approval of 10% Placement Facility

To consider, and if thought fit, pass the following resolution as a special resolution:

That, for the purposes of Listing Rule 7.1A and all other purposes, Shareholders authorise the Company to have the additional capacity to issue Equity Securities comprising up to 10% of the issued capital of the Company under Listing Rule 7.1A calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their respective associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board



D Hill
Company Secretary
Dated this 2nd Day of September 2019

Voting Entitlements

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001, made pursuant to Section 1074E(2)(g) of the Corporations Act, the Directors have determined that the shareholding of each Shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the share register on Tuesday 8 October 2019 at 4pm (CST).

Proxies

A Shareholder entitled to attend and vote at the meeting has the right to appoint a proxy, who need not be a Shareholder of the Company. If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy Form must be posted to the Company at PO Box 255, Kent Town, SA 5071 or sent by facsimile to Southern Gold Ltd on +61 8 8363 0697, not later than 48 hours before the commencement of the Annual General Meeting.

Corporate Representative

A corporation that is a Shareholder or a proxy may elect to appoint a person to act as its corporate representative at the meeting, in which case the corporate Shareholder or proxy (as applicable) must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that Shareholder's or proxy's (as applicable) corporate representative. The authority must be sent to the Company and/or the Company's Share Registry (detailed above) in advance of the meeting or handed in at the meeting when registering as a corporate representative.

Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice. The Explanatory Memorandum contains a glossary that defines capitalised terms as used in both this Notice of Annual General Meeting and the Explanatory Memorandum.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist Shareholders in consideration of resolutions proposed for the Annual General Meeting of the Company to be held on Thursday, 10th October 2019 at the Southern Gold Ltd, Level 3, 170 Frome Street, Adelaide, South Australia, commencing at 2pm (Adelaide time).

It should be read in conjunction with the accompanying Notice of Annual General Meeting.

Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2019

In accordance with Section 250R(2) of the Corporations Act, Shareholders are required to vote on the Company's Remuneration Report for the year ended 30 June 2019.

The Remuneration Report is contained in the Directors' Report in the 2019 Annual Report, which will be available to view online at the Company's website www.southerngold.com.au and dispatched to those Shareholders who did not elect to receive Company reports electronically.

The Remuneration Report describes the underlying policies and structure of the remuneration arrangements of the Company and sets out the remuneration arrangements in place for Directors and senior executives for the year ended 30 June 2019.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote at the annual general meeting of the Company. Members should note that the vote on Resolution 1 is not binding on the Company or the Directors.

Since 1 July 2011, if more than 25% of the votes cast on a resolution to adopt the remuneration report are against the adoption of the remuneration report for two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution ("Spill Resolution") that another meeting be held within 90 days, at which all of the Company's Directors must go up for re-election.

At the 2018 AGM, the Company's remuneration report for the year ended 30 June 2018 did not receive a 'no' vote of 25% or more.

The Directors unanimously recommend Shareholders vote in favour of Resolution 1. The Chairman intends to vote undirected proxies in favour of Resolution 1.

Important information for Shareholders:

Please note, in accordance with sections 250R(4) and (5) of the Corporations Act, the Chair will not vote any undirected proxies in relation to Resolution 1 unless the Shareholder expressly authorises the Chair to exercise the proxy even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly so authorise the Chair.

Alternatively, if you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

As a further alternative, Shareholders can nominate as their proxy for the purposes of Resolution 1, a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the Listing Rules).

Resolution 2 – Re-election of Mr David Turvey as a Director

In accordance with Listing Rule 14.4 and rule 117 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. This rule does not apply to the Managing Director.

The Directors presently in office are Mr Greg Boulton AM, Mr Simon Mitchell, Mr Peter Bamford, Mr David Turvey and Mr Bee Jay Kim.

Mr Turvey has been longest in office since his last re-appointment and will retire by rotation at the Annual General Meeting. Mr Turvey is eligible for, and has offered himself for re-election.

The resume of Mr Turvey is as follows:-

Mr Turvey is a geologist with over 30 years experience in the Australian and Asian mining industries where he has driven business development and corporate M&A activities in precious metals, bulk commodities and industrial minerals.

His experiences include holding key management roles and consulting assignments in minerals exploration, technical marketing, project development and commercial evaluation of mining industry investments.

Mr Turvey is currently Interim Managing Director of ASX listed Company, Kogi Iron Limited (ASX:KFE).

Mr Turvey was formerly an Executive Director of ASX listed Company, Lawson Gold Limited and was previously Managing Director of FerrAus Limited.

An assessment of the performance of Mr Turvey has been conducted in the context of his skills, experience, knowledge and understanding of the Company's business. The Directors (other than Mr Turvey) recommend Shareholders vote in favour of Resolution 2. The Chairman intends to vote undirected proxies in favour of Resolution 2.

Resolution 3 – Election of Mr Bee Jay Kim as a Director

In accordance with Listing Rule 14.4 and rule 110 of the Constitution, a director that has been appointed as an addition to the board must not hold office, without election, past the next annual general meeting of the Company. This rule does not apply to the Managing Director.

The Directors presently in office are Mr Greg Boulton AM, Mr Simon Mitchell, Mr Peter Bamford, Mr David Turvey and Mr Bee Jay Kim.

Mr Kim was appointed on 1 September 2019. Mr Kim is eligible for, and has offered himself for election.

The resume of Mr Kim is as follows:-

Mr Kim has had a long career with Samsung C&T Corporation and Hyundai Engineering and Construction division spanning approximately 30 years. As a senior executive for Samsung C&T, Mr Kim led projects in several countries and regions including the Middle East, Australia and South East Asia. This includes more recent positions of Vice President and Regional Representative of Saudi Arabia LLC and Head of MENA Regional Office in the UAE for Samsung C&T. During his tenure at Samsung, Mr Kim spent 2 years in Australia where he set up Samsung C&T's Australian office and was heavily involved in several project tenders including the successful winning of a major iron ore infrastructure project in Western Australia.

An assessment of the performance of Mr Kim has been conducted in the context of his skills, experience, knowledge and understanding of the Company's business. The Directors (other than Mr Kim) recommend Shareholders vote in favour of Resolution 3. The Chairman intends to vote undirected proxies in favour of Resolution 3.

Resolution 4 - Ratification of previous issue of Shares

The Company seeks approval for the purposes of Listing Rule 7.4 to the issue and allotment on 15 February 2019 of 66,133 Shares to a sophisticated investor such that those securities will not be counted towards the 15% limit on the issue of securities without Shareholder approval pursuant to Listing Rule 7.1. If Resolution 4 is passed then those Securities will be deemed to have been issued with Shareholder approval and will, therefore, not be counted towards the aforementioned 10% limit.

On 15 February 2019 the Company completed a placement at \$0.158 per share to a sophisticated investor in payment for consultancy services provided for investor relations and introductions to potential investors. The placement was completed within the Company's placement capacity under Listing Rule 7.1. Resolution 4 relates to 66,133 Shares that were issued pursuant to Listing Rule 7.1 and the issue of which can therefore be ratified under Listing Rule 7.4.

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purposes of obtaining shareholder approval pursuant to Listing Rule 7.4:

- a) 66,133 Shares were issued;
- b) the Shares were issued \$0.158 per share;
- c) the sophisticated investor was Aetas Global Markets Limited;
- d) the issue of shares was completed in lieu of services provided by Aetas Global Markets Limited;
- e) a voting exclusion statement has been included in the Notice of Annual General Meeting.

The Directors unanimously recommend Shareholders vote in favour of Resolution 4. The Chairman intends to vote undirected proxies in favour of Resolution 4.

Resolution 5 - Ratification of previous issue of Shares

The Company seeks approval for the purposes of Listing Rule 7.4 to the issue and allotment on 22 February 2019 for 1,083,109 Shares to sophisticated investors such that those securities will not be counted towards the 15% limit on the issue of securities without Shareholder approval pursuant to Listing Rule 7.1. If Resolution 5 is passed then those Securities will be deemed to have been issued with Shareholder approval and will, therefore, not be counted towards the aforementioned 15% limit.

On 21 February 2019 the Company announced a placement at \$0.15 per share to sophisticated investors, for a total of 6,666,666 Shares. The placement was completed within the Company's placement capacity under Listing Rule 7.1 and Listing Rule 7.1A. Resolution 5 relates to 1,083,109 Shares that were issued pursuant to Listing Rule 7.1 and the issue of which can therefore be ratified under Listing Rule 7.4.

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purposes of obtaining shareholder approval pursuant to Listing Rule 7.4:

- a) 1,083,109 Shares were issued under Listing Rule 7.1;
- b) the Shares were issued \$0.15 per share;
- c) the sophisticated investors were Ilwella Pty Ltd, Valbonne II, Mr Robert Leon and PS Nominee Pty Ltd;
- d) the funds raised by the issue of the Shares will be used for exploration and working capital requirements in South Korea and Australia;
- e) a voting exclusion statement has been included in the Notice of Annual General Meeting.

The Directors unanimously recommend Shareholders vote in favour of Resolution 5. The Chairman intends to vote undirected proxies in favour of Resolution 5.

Resolution 6 - Ratification of previous issue of Shares under 7.1A

The Company seeks approval for the purposes of Listing Rule 7.4 to the issue and allotment on 22 February 2019 for 5,583,557 Shares to sophisticated investors such that those securities will not be counted towards the 10% limit on the issue of securities without Shareholder approval pursuant to Listing Rule 7.1A. If Resolution 6 is passed then those Securities will be deemed to have been issued with Shareholder approval and will, therefore, not be counted towards the aforementioned 10% limit.

On 21 February 2019 the Company announced a placement at \$0.15 per share to sophisticated investors, for a total of 6,666,666 Shares. The placement was completed within the Company's placement capacity under Listing Rule 7.1 and Listing Rule 7.1A. Resolution 5 relates to 5,583,557 Shares that were issued pursuant to Listing Rule 7.1A and the issue of which can therefore be ratified under Listing Rule 7.4.

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purposes of obtaining shareholder approval pursuant to Listing Rule 7.4:

- a) 5,583,557 Shares were issued under Listing Rule 7.1A;
- b) the Shares were issued \$0.15 per share;
- c) the sophisticated investors were Ilwella Pty Ltd, Valbonne II, Mr Robert Leon and PS Nominee Pty Ltd;
- d) the funds raised by the issue of the Shares will be used for exploration and working capital requirements in South Korea and Australia;
- e) a voting exclusion statement has been included in the Notice of Annual General Meeting.

The Directors unanimously recommend Shareholders vote in favour of Resolution 6. The Chairman intends to vote undirected proxies in favour of Resolution 6.

Resolution 7 - Ratification of previous issue of Options

The Company seeks approval for the purposes of Listing Rule 7.4 to the issue and allotment on 22 February 2019 for 4,411,765 unlisted Options to sophisticated investors such that those securities will not be counted towards the 15% limit on the issue of securities without Shareholder approval pursuant to Listing Rule 7.1. If Resolution 7 is passed then those Securities will be deemed to have been issued with Shareholder approval and will, therefore, not be counted towards the aforementioned 15% limit.

On 21 February 2019 the Company announced its receipt of a \$750,000 Loan from a sophisticated investor. As a part of the terms for the loan, a total of 4,411,765 unlisted Options were issued, exercisable at \$0.17 per share and expiring on 16 September 2020. The placement of options was completed within the Company's placement capacity under Listing Rule 7.1. Resolution 7 relates to 4,411,765 Options that were issued pursuant to Listing Rule 7.1 and the issue of which can therefore be ratified under Listing Rule 7.4.

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purposes of obtaining shareholder approval pursuant to Listing Rule 7.4:

- a) 4,411,765 unlisted Options exercisable at \$0.17 per share, expiring 16 September 2020, were issued under Listing Rule 7.1;
- b) the Options were issued for nil consideration, in conjunction with the terms of a loan
- c) the sophisticated investor was PS Nominee Pty Ltd;
- d) the funds raised by the issue of the loan, of which terms required the issuance of options for nil consideration, will be used for exploration and working capital requirements in South Korea and Australia;
- e) a voting exclusion statement has been included in the Notice of Annual General Meeting.

The Directors unanimously recommend Shareholders vote in favour of Resolution 7. The Chairman intends to vote undirected proxies in favour of Resolution 7.

Resolution 8 - Ratification of previous issue of Options

The Company seeks approval for the purposes of Listing Rule 7.4 to the issue and allotment on 25 July 2019 for 4,000,000 unlisted Options exercisable at \$0.15 per share on or before 31 December 2020 to sophisticated investors such that those securities will not be counted towards the 15% limit on the issue of securities without Shareholder approval pursuant to Listing Rule 7.1. If Resolution 8 is passed then those Securities will be deemed to have been issued with Shareholder approval and will, therefore, not be counted towards the aforementioned 15% limit.

On 17 June 2019 the Company announced a fully underwritten pro rata Rights Issue at \$0.11. As a part of the Underwriting agreement with certain sophisticated investors, 4,000,000 unlisted Options were issued to Underwriters on 25 July 2019. The placement of options was completed within the Company's placement capacity under Listing Rule 7.1. Resolution 8 relates to 4,000,000 options that were issued pursuant to Listing Rule 7.1 and the issue of which can therefore be ratified under Listing Rule 7.4.

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purposes of obtaining shareholder approval pursuant to Listing Rule 7.4:

- a) 4,000,000 Options exercisable at \$0.15 per Share, expiring 31 December 2020, were issued under Listing Rule 7.1;
- b) the Options were issued in payment for Underwriting services of a Rights Issue announced on 17 June 2019;
- c) the sophisticated investors were Ilwella Pty Ltd, Valbonne II, Mr Robert Leon and PS Nominee Pty Ltd;
- d) the funds raised by the issue of the Shares under the Rights Issue that the Underwriter Options relate, will be used to fund exploration and overhead costs in South Korea and JV funding contributions;
- e) a voting exclusion statement has been included in the Notice of Annual General Meeting.

The Directors unanimously recommend Shareholders vote in favour of Resolution 8. The Chairman intends to vote undirected proxies in favour of Resolution 8.

Resolution 9 – Approval of the issue of Options to Mr Simon Mitchell or his nominee

Listing Rule 10.11 prohibits the issue of Options by the Company to a Director without prior Shareholder approval.

It is proposed that 1,500,000 Options be granted by the Company to Mr Simon Mitchell or his nominee. The Options will have a four year term from 11 October 2019, being the proposed date of issue. They may be exercised at any time during the term at an exercise price equal to 24 cents. The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Board considers it reasonable to grant 1,500,000 Options on the terms set out in Annexure A to Mr Simon Mitchell or his nominee, as part of Mr Mitchell's remuneration, having regard to the circumstances of the Company and the responsibilities of his position as Managing Director and as a means of incentivising Mr Mitchell. Mr Mitchell's remuneration package comprises a base salary of \$276,000 per annum (exclusive of government mandated superannuation contributions).

The Options will not be quoted on the ASX, will lapse if Mr Mitchell ceases to be a Director, will be transferable only with the consent of the Board and will otherwise be issued on standard terms set out in Listing Rules insofar as treatment of the Options in the case of reconstructions, bonus and rights issues.

If approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1, and the Options issued pursuant to this Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) 1,500,000 Options will be granted to Mr Simon Mitchell or his nominee;
- (b) The Options will be issued no later than one month after the date of the Annual General Meeting;
- (c) The Options will be issued for no consideration;
- (d) The terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.
- (e) No funds will be raised by the grant of the Options. In the event of exercise of the Options, funds raised will be used to augment the working capital of the Company.
- (f) A voting exclusion statement is set out in the Notice of Annual General Meeting.

The Directors (other than Mr Mitchell) recommend Shareholders vote in favour of Resolution 9. The Chairman intends to vote undirected proxies in favour of Resolution 9.

Important information for Shareholders

The Chair will not vote any undirected proxies in relation to Resolution 9 unless the Shareholder expressly authorizes the Chair to exercise the proxy even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly so authorize the Chair.

Alternatively, if you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 9 by marking the appropriate box on the proxy form.

As a further alternative, Shareholders can nominate as their proxy for the purposes of Resolution 9, a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the Listing Rules).

Resolution 10 – Approval of the issue of Options to Mr Greg Boulton or his nominee

Listing Rule 10.11 prohibits the issue of Options by the Company to a Director without prior Shareholder approval.

It is proposed that 600,000 Options be granted by the Company to Mr Greg Boulton or his nominee. The Options will have a four year term from 11 October 2019, being the proposed date of issue. They may be exercised at any time during the term at an exercise price at 24 cents. The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Board considers it reasonable to grant 600,000 Options on the terms set out in Annexure A to Mr Greg Boulton or his nominee, as part of Mr Boulton's remuneration, having regard to the circumstances of the Company and the responsibilities of his position as Director and as a means of incentivising Mr Boulton.

The Options will not be quoted on the ASX, will lapse if Mr Boulton ceases to be a Director, will be transferable only with the consent of the Board and will otherwise be issued on standard terms set out in Listing Rules insofar as treatment of the Options in the case of reconstructions, bonus and rights issues.

If approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1, and the Options issued pursuant to this Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) 600,000 Options will be granted to Mr Greg Boulton or his nominee;
- (b) The Options will be issued no later than one month after the date of the Annual General Meeting;

- (c) The Options will be issued for no consideration;
- (d) The terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.
- (e) No funds will be raised by the grant of the Options. In the event of exercise of the Options, funds raised will be used to augment the working capital of the Company.
- (f) A voting exclusion statement is set out in the Notice of Annual General Meeting.

The Directors (other than Mr Boulton) recommend Shareholders vote in favour of Resolution 10. The Chairman intends to vote undirected proxies in favour of Resolution 10.

Important information for Shareholders

The Chair will not vote any undirected proxies in relation to Resolution 10 unless the Shareholder expressly authorises the Chair to exercise the proxy even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly so authorise the Chair.

Alternatively, if you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 10 by marking the appropriate box on the proxy form.

As a further alternative, Shareholders can nominate as their proxy for the purposes of Resolution 10, a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the Listing Rules).

Resolution 11 – Approval of the issue of Options to Mr David Turvey or his nominee

Listing Rule 10.11 prohibits the issue of Options by the Company to a Director without prior Shareholder approval.

It is proposed that 400,000 Options be granted by the Company to Mr David Turvey or his nominee. The Options will have a four year term from 11 October 2019, being the proposed date of issue. They may be exercised at any time during the term at an exercise price at 24 cents. The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Board considers it reasonable to grant 400,000 Options on the terms set out in Annexure A to Mr David Turvey or his nominee, as part of Mr Turvey's remuneration, having regard to the circumstances of the Company and the responsibilities of his position as Director and as a means of incentivising Mr Turvey.

The Options will not be quoted on the ASX, will lapse if Mr Turvey ceases to be a Director, will be transferable only with the consent of the Board and will otherwise be issued on standard terms set out in Listing Rules insofar as treatment of the Options in the case of reconstructions, bonus and rights issues.

If approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1, and the Options issued pursuant to this Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) 400,000 Options will be granted to Mr Turvey or his nominee;
- (b) The Options will be issued no later than thirty calendar days after the date of the Annual General Meeting;
- (c) The Options will be issued for no consideration;
- (d) The terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

- (e) No funds will be raised by the grant of the Options. In the event of exercise of the Options, funds raised will be used to augment the working capital of the Company.
- (f) A voting exclusion statement is set out in the Notice of Annual General Meeting.

The Directors (other than Mr Turvey) recommend Shareholders vote in favour of Resolution 11. The Chairman intends to vote undirected proxies in favour of Resolution 11.

Important information for Shareholders

The Chair will not vote any undirected proxies in relation to Resolution 11 unless the Shareholder expressly authorises the Chair to exercise the proxy even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly so authorise the Chair.

Alternatively, if you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 11 by marking the appropriate box on the proxy form.

As a further alternative, Shareholders can nominate as their proxy for the purposes of Resolution 11, a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the Listing Rules).

Resolution 12 – Approval of the issue of Options to Mr Peter Bamford or his nominee

Listing Rule 10.11 prohibits the issue of Options by the Company to a Director without prior Shareholder approval.

It is proposed that 400,000 Options be granted by the Company to Mr Peter Bamford or his nominee. The Options will have a four year term from 11 October 2019, being the proposed date of issue. They may be exercised at any time during the term at an exercise price at 24 cents. The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Board considers it reasonable to grant 400,000 Options on the terms set out in Annexure A to Mr Peter Bamford or his nominee, as part of Mr Bamford's remuneration, having regard to the circumstances of the Company and the responsibilities of his position as Director and as a means of incentivising Mr Bamford.

The Options will not be quoted on the ASX, will lapse if Mr Bamford ceases to be a Director, will be transferable only with the consent of the Board and will otherwise be issued on standard terms set out in Listing Rules insofar as treatment of the Options in the case of reconstructions, bonus and rights issues.

If approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1, and the Options issued pursuant to this Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) 400,000 Options will be granted to Mr Peter Bamford or his nominee;
- (b) The Options will be issued no later than thirty calendar days after the date of the Annual General Meeting;
- (c) The Options will be issued for no consideration;
- (d) The terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.
- (e) No funds will be raised by the grant of the Options. In the event of exercise of the Options, funds raised will be used to augment the working capital of the Company.
- (f) voting exclusion statement is set out in the Notice of Annual General Meeting.

The Directors (other than Mr Bamford) recommend Shareholders vote in favour of Resolution 12. The Chairman intends to vote undirected proxies in favour of Resolution 12.

Important information for Shareholders

The Chair will not vote any undirected proxies in relation to Resolution 12 unless the Shareholder expressly authorises the Chair to exercise the proxy even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly so authorise the Chair.

Alternatively, if you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 12 by marking the appropriate box on the proxy form.

As a further alternative, Shareholders can nominate as their proxy for the purposes of Resolution 12, a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the Listing Rules).

Resolution 13 – Approval of the issue of Options to Mr Bee Jay Kim or his nominee

Listing Rule 10.11 prohibits the issue of Options by the Company to a Director without prior Shareholder approval.

It is proposed that 700,000 Options be granted by the Company to Mr Bee Jay Kim or his nominee. The Options will have a four year term from 11 October 2019, being the proposed date of issue. They may be exercised at any time during the term at an exercise price at 24 cents. The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Board considers it reasonable to grant 700,000 Options on the terms set out in Annexure A to Mr Bee Jay Kim or his nominee, as part of Mr Kim's remuneration, having regard to the circumstances of the Company and the responsibilities of his position as an executive Director and as a means of incentivising Mr Kim.

The Options will not be quoted on the ASX, will lapse if Mr Kim ceases to be a Director, will be transferable only with the consent of the Board and will otherwise be issued on standard terms set out in Listing Rules insofar as treatment of the Options in the case of reconstructions, bonus and rights issues.

If approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1, and the Options issued pursuant to this Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) 700,000 Options will be granted to Mr Bee Jay Kim or his nominee;
- (b) The Options will be issued no later than thirty calendar days after the date of the Annual General Meeting;
- (c) The Options will be issued for no consideration;
- (d) The terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.
- (e) No funds will be raised by the grant of the Options. In the event of exercise of the Options, funds raised will be used to augment the working capital of the Company.
- (f) A voting exclusion statement is set out in the Notice of Annual General Meeting.

The Directors (other than Mr Kim) recommend Shareholders vote in favour of Resolution 13. The Chairman intends to vote undirected proxies in favour of Resolution 13.

Important information for Shareholders

The Chair will not vote any undirected proxies in relation to Resolution 13 unless the Shareholder expressly authorises the Chair to exercise the proxy even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly so authorise the Chair.

Alternatively, if you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 13 by marking the appropriate box on the proxy form.

As a further alternative, Shareholders can nominate as their proxy for the purposes of Resolution 13, a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the Listing Rules).

Resolution 14 - Approval of a proposed issue of Shares and Options to non-related parties

The Company seeks approval for the issue and allotment on for 4,000,000 Shares issued at \$0.11 per Share and along with a free attaching Option for every 2 Shares subscribed, exercisable at \$0.18 per share on or before 31 December 2021 to sophisticated investors such that those securities will not be counted towards the 15% limit on the issue of securities pursuant to Listing Rule 7.1.

On 30 July 2019 the Company announced a post rights issue placement to sophisticated investors. The terms of the placement are identical to the pro rate rights issue offered to shareholders on 17 June 2019.

Listing Rule 7.3 requires the following information to be provided to Shareholders for the purposes of obtaining shareholder approval:

- a) 4,000,000 Shares to be issued, along with an Option for every 2 Shares subscribed, exercisable at \$0.18 per Share, expiring 31 December 2021 (2,000,000 Options);
- b) the Shares and associated Options will be issued no later than thirty calendar days from the date of this Meeting;
- c) the Shares will be issued at \$0.11 per Share and a free Option will be granted for every two Shares subscribed;
- d) the sophisticated investors are Ilwella Pty Ltd, Valbonne II, Mr Robert Leon and PS Nominee Pty Ltd;
- e) the funds raised by the issue of the Shares will be used for working capital to support the drilling operations in South Korea;
- f) a voting exclusion statement has been included in the Notice of Annual General Meeting.

If Resolution 14 is not passed, the Company will issue the Shares and Options once placement capacity is available under Listing Rule 7.1.

The Directors unanimously recommend Shareholders vote in favour of Resolution 14. The Chairman intends to vote undirected proxies in favour of Resolution 14.

Resolution 15 – Approval of 10% Placement Facility

Background to Resolution 15

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company's market capitalisation as at 29 August 2019, being

the last practicable date prior to finalisation of the Notice of Meeting, was \$14.6 million (83,424,499 issued shares at \$0.175 closing price per share). Further, the Company is not included in the S&P/ASX 300 Index, and is therefore an eligible entity for the purposes of Listing Rule 7.1A.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. It is the Company's intention that funds received under the 10% Placement Facility will be used for the exploration of tenements in South Korea. Funds raised under the 10% Placement Facility may also be used to supplement the Company's working capital requirements and undertake further transactions to acquire new assets or investments should the Directors determine this to be in the best interests of the Company.

Description of Listing Rule 7.1A

a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue two classes of Equity Securities being Listed Shares and Unlisted Options.

c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- 1) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- 2) plus the number of partly paid shares that became fully paid in the 12 months;
- 3) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- 4) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 83,424,499 Shares and would have capacity to issue:

- 1) 12,513,675 Equity Securities under Listing Rule 7.1, subject to Shareholder approval being sought under Resolutions 4 - 8; and
- 2) 8,342,450 Securities under Listing Rule 7.1A, subject to Shareholder approval being sought under Resolutions 4 to 8.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing

Rule 7.1A.2.

Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must not be less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

The Company may also issue Equity Securities under the 10% Placement Facility as consideration for the acquisition of a new asset, in which case the Company will release to the market a valuation of those Equity Securities that demonstrates that the issue price of the securities complies with the rule above.

10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- 1) the date that is 12 months after the annual general meeting at which the approval is obtained; or
 - 2) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),
- or such longer period if allowed by ASX (**10% Placement Period**).

Listing Rule 7.1A

The effect of Resolution 15 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's placement capacity under Listing Rule 7.1.

Resolution 15 is a Special Resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.
- b) if Resolution 15 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders may be subject to both economic and voting power dilution. There is a risk that:
 - 1) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting;
 - 2) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date; and
 - 3) the Equity Securities are issued as part of consideration for the acquisition of a new asset, in which case, no funds will be raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- 1) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or script issued under a takeover) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- 2) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.088 50% decrease in issue price	\$0.175 Issue price	\$0.350 100% increase in issue price
Current Variable A 83,424,499 Shares	10% voting dilution	8,342,450 Shares	8,342,450 Shares	8,342,450 Shares
	Funds raised	\$729,964	\$1,459,929	\$2,919,857
50% increase in current Variable A 125,136,749 Shares	10% voting dilution	12,513,675 Shares	12,513,675 Shares	12,513,675 Shares
	Funds raised	\$1,094,947	\$2,189,893	\$4,379,786
100% increase in current Variable A 166,848,998 Shares	10% voting dilution	16,684,900 Shares	16,684,900 Shares	16,684,900 Shares
	Funds raised	\$1,459,929	\$2,919,857	\$5,839,715

The table has been prepared on the following assumptions:

- i. the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - ii. no Unlisted Options (including any Unlisted Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - iii. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
 - iv. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting;
 - v. the table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in Listing Rule 7.1 as well;
 - vi. the issue of Equity Securities under the 10% Placement Facility consists only of Shares;
 - vii. the issue price is \$0.175, being the closing price of the Shares on ASX on 29 August 2019, being the last practicable date prior to finalisation of the Notice of Meeting;
- c) the Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 15 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- d) the Company may seek to issue the Equity Securities for the following purposes:
- i. non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

- ii. cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisitions or investments), continued exploration and development expenditure on the Company's current assets (including South Korea) and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Equity Securities.

- e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - i. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - ii. the effect of the issue of the Equity Securities on the control of the Company;
 - iii. the financial situation and solvency of the Company; and
 - iv. advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company acquires new assets, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets.

If Resolution 15 is approved by Shareholders, the Company may issue Equity Securities under the 10% Placement Facility during the Placement Period as and when the circumstances of the Company require.

- f) The Company has previously obtained Shareholder approval under Listing Rule 7.1A on 30 November 2018. The following is detailed information required under Listing Rule 7.3A.6 regarding Equity Securities issued since 30 November 2018;
 - i) The total number of Equity Securities issued since 30 November 2018 is 27,588,926 Shares and 18,839,949 Options, representing 83.2% of the total number of Equity Securities on issue at 30 November 2018;
 - ii) The details comprising the issue of 27,588,926 Shares and 18,839,949 Options are as follows;
 - a. 66,133 Shares were issued on 15 February 2019 at a value of \$0.158 per share in payment for consultancy services provide by Aetas Global Markets Limited. The Shares were issued at a 12.9% premium to the closing market price on the date of issue. The issue was in settlement of amounts that would otherwise be owing for consultancy services.
 - b. 6,666,666 Shares were issued on 22 February 2019, from a placement at a price of \$0.15 per share, issued to various sophisticated investors. The Shares were issued at a 6.3% discount to the closing market price on the date of issue. The \$1,00,000 cash raised from the placement has be used for Korean based project development and exploration activities, along with general working capital. The proceeds as at the date of this Notice has been spent.
 - c. 4,411,765 unlisted Options were issued on 22 February 2019, exercisable at \$0.17 per Share on or before 16 September 2020 in conjunction as a part of the terms for a receipt of a loan for \$750,000 from PS Nominee Pty Ltd. No cash was received from the issue of the Options. The \$750,000 cash raised from the associated loan will be used further exploration and working capital requirements in South Korea and Australia. The proceeds of the loan as at the date of this Notice has been spent.
 - d. 20,856,127 Shares, with 10,428,184 free attaching Options were issued on 25 July 2019 2019, from a pro rata Rights Issue at a price of \$0.11 per share, as announced on 17 June 2019. For each 2 Shares subscribed, a free attaching Option was granted exercisable at \$0.18 on or before 31 December 2021. The Shares were issued at a 15.4% discount to the closing market price on the date of issue. The \$2,294,173 cash raised from the placement will be used for exploration and overhead costs in South Korea and JV funding contributions. None of the proceeds as at the date of this Notice have been spent.

- e. 4,000,000 unlisted Options were issued on 25 July 2019, exercisable at \$0.15 per share on or before 31 December 2020 per an Underwriting service provided by Ilwella Pty Ltd, Valbonne II, Mr Robert Leon and PS Nominee Pty Ltd. No cash was raised from the issue of Options.
- g) A voting exclusion statement is included in the Notice of Annual General Meeting. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

The Board considers that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required. At the date of the Notice of Annual General Meeting, the Company has no plans to use the 10% Placement Facility should it be approved. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 15. The Chairman intends to vote all undirected proxies in favour of Resolution 15.

No other material information

Other than as set out in this document, and previously disclosed to the Shareholders, there is no other information that is known to the Directors which may reasonably be expected to be material to the making of a decision by the Shareholders whether or not to vote in favour of any of the Resolutions.

ANNEXURE A - Terms of Options to be issued to Directors

1. Each Option is an option to subscribe for one ordinary fully paid share in the capital of the Company (subject to possible adjustment in accordance with these terms and conditions).
2. The exercise price of the Options will be equal to 24 cents to the number of options provided in each resolution.
3. Shares issued on exercise of the Options will rank pari passu with all existing ordinary shares in the Company from the date of issue.
4. The Options may be exercised wholly or in part by notice in writing to the Company received at any time on or before the expiry date (being the date 4 years after the date of grant of the Options), together with payment for the exercise price and the Option certificates (if any) for those Options for cancellation by the Company.
5. The Company will allot the number of shares the subject of any exercise notice, and apply, at its cost, for quotation of the shares so allotted.
6. The Option holder will be permitted to participate in new issues of securities of the Company only if the Options are exercised prior to the record date for the new issue of securities.
7. In the event of any reconstruction (including consolidation, reduction, or return) of the issued capital of the Company:
 - 7.1. the number of Options, the exercise price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holder of the Option which are not conferred on Shareholders; and
 - 7.2. subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
8. If there is to be a pro rata issue (except a bonus issue) to holders of ordinary shares in the capital of the Company, the exercise price of an Option may be reduced according to the following formulae:

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

Where

O^n = the new exercise price of the Option; O = the old exercise price of the Option;

E = the number of underlying securities into which one Option is exercisable;

P = the volume weighted average market price (within the meaning of the Listing Rules) per security of the underlying securities during the 5 day trading period ending on the day before the ex rights date or the ex entitlement date;

S = the subscription price for a security under the pro rata issue

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the number of securities with rights or entitlements which must be held to receive a right to one new security.

9. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised prior to the record date for the bonus issue.
10. The terms of the Options shall be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve such a change. However the terms of the Options shall not be changed to reduce the exercise price, increase the number of Shares over which the Options is exercisable, or increase the period for exercise of the Options.
11. In the event that any recipient Director ceases to be a Director of the Company, for any reason, any Options not exercised prior to that event will lapse.
12. The Options will only be transferable with the consent of the Board.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following unless the context otherwise requires:

"Annual General Meeting" means the annual general meeting of Shareholders convened by the Notice of Annual General Meeting.

"ASX" means ASX Limited ACN 008 624 691 or the securities exchange operated by ASX Limited (as the context requires);

"Board" means the Board of Directors from time to time.

"Closely Related Party" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealings with the Company; or
- (e) a company that the member controls.

"Company" means Southern Gold Limited (ACN 107 424 519).

"Constitution" means the constitution of the Company.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Directors" means the directors of the Company from time to time and **"Director"** means any one of them.

"Equity Securities" has the meaning given to that term in the Listing Rules.

"Explanatory Memorandum" means this explanatory memorandum.

"Key Management Personnel" means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director.

"Listing Rules" means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

"Notice of Annual General Meeting" means the Notice of Annual General Meeting to which the Explanatory Memorandum is attached.

"Option" means an unlisted option to subscribe for a Share.

"related party" has the meaning given to that term in Section 228 of the Corporations Act.

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a holder of Shares in the Company.

"Trading Day" means a day determined by ASX to be a trading day in accordance with the Listing Rules.

"VWAP" means Volume Weighted Average Price of the Company's ASX-listed Shares trading under the code SAU.

SOUTHERN GOLD LIMITED
ACN 107 424 519
ANNUAL GENERAL MEETING
10 October 2019 AT 2:00PM (CST)
PROXY FORM

Company Secretary
Southern Gold Limited
PO Box 255,
Kent Town SA 5071
FACSIMILE: +61 (0) 8 8363 0697

I/We

Being a member of Southern Gold Limited,

of (address)

hereby appoint

or failing him/her, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the annual general meeting of the Company to be held on 10 October 2019 at Grant Thornton, Level 3, 170 Frome Street, Adelaide, South Australia, and at any adjournment thereof. If no voting directions are given, the Chairman will vote in favour of each resolution.

Instructions on Voting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of the Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Mr David Turvey as a Director	☐	☐	☐
Resolution 3	Election of Mr Bee Jay Kim as a Director	☐	☐	☐
Resolution 4	Ratification of previous issue of Shares	☐	☐	☐
Resolution 5	Ratification of previous issue of Shares	☐	☐	☐
Resolution 6	Ratification of previous issue of Shares	☐	☐	☐
Resolution 7	Ratification of previous issue of Options	☐	☐	☐
Resolution 8	Ratification of previous issue of Options	☐	☐	☐
Resolution 9	Approval of the issue of Options to Mr Simon Mitchell	☐	☐	☐

Instructions on Voting**FOR AGAINST ABSTAIN**

Resolution 10	Approval of the issue of Options to Mr Greg Boulton	☐	☐	☐
Resolution 11	Approval of the issue of Options to Mr David Turvey	☐	☐	☐
Resolution 12	Approval of the issue of Options to Mr Peter Bamford	☐	☐	☐
Resolution 13	Approval of the issue of Options to Mr Bee Jay Kim	☐	☐	☐
Resolution 14	Approval of the issue of Shares and Options	☐	☐	☐
Resolution 15	Approval of 10% Placement Capacity	☐	☐	☐

Where I/we have appointed the Chairman as my our/proxy (or the Chairman becomes my/our proxy). I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 even though these Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Dated this _____ day of _____ 2019

Individuals and joint holders to sign:**Companies to sign (affix common seal if applicable):**_____
Signature_____
Director, or sole Director / Secretary_____
Signature_____
Director / Company Secretary