

Southern Gold Limited

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Southern Gold Ltd develops a taste for South Korean gold

Southern Gold Ltd (ASX:SAU) has executed a binding agreement to acquire a Singaporean registered company that owns 44 granted tenements across 17 project areas in South Korea.

The Kalgoorlie Cannon Gold mine producer, will pay \$116,000 cash, assume \$70,000 in liabilities and 6.3 million shares in Southern worth about \$2.1 million.

While there is a portfolio of 17 project areas in South Korea, 6 projects stand out.

One of the projects, Weolyu, is in a district yet to see a single drill hole, but where rock float sampling at surface returned 17.6 g/t gold and 820 g/t silver. Clearly, this is a priority drill target.

Even better, the quest has the support of government-backed Korean Resources Corporation (KORES) for drilling.

At least four of six highest priority targets will be drilled within 18 months with first drilling within two months.

The Gubong project is situated in an area which hosts the 2nd largest gold mine in Korea with more than 400,000 ounces of gold produced.

Southern's portfolio of projects in Korea has an indicative exploration target range of up to 1.5 million ounces of gold at grades possibly between 6 g/t and 12 g/t gold.

So there are prospective greenfield epithermal gold targets on offer in an under-explored area.

The company is planning to undertake a \$1.2 million cornerstone placement to three shareholders of the vendor Asiatic Gold Ltd at \$0.35 per share, an 18% premium to its 20-day volume weighted average price.

Southern Gold has produced 12,074 ounces of gold to date at the Cannon Gold Mine.

Mining partner Metals X (ASX:MLX) was contracted to carry out all mining, haulage, and processing activities at the site. The ore is processed at Metals X's Jubilee mill facility, located 35 kilometres southwest.

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Price: 0.12

Market Cap: \$19.2 m

1 Year Share Price Graph



Share Information

Code: SAU

Listing: ASX

52 week High Low
0.25 0.086

Sector: Gold & silver

Website: www.southerngold.com.au

Company Synopsis:

High grade, high margin gold production driving organically funded industry-leading exploration in the search for 'world class' gold deposits.

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