

Southern Gold Limited

12:57 11 Sep 2019

Southern Gold and JV partner receive 'Permit to Develop' approval for Gubong Gold Mine

Southern Gold Ltd's (ASX:SAU) joint venture (JV) partner Bluebird Merchant Ventures Ltd has advised that the Permit to Develop for the Gubong Gold Mine has been approved by South Korea's Ministry of Trade, Industry and Energy (MOTIE).

Formal documentation relating to the approval will be received from MOTIE over the next few weeks.

This is the first permit to develop issued to a foreign operator since Indochina Goldfields, which changed its name to Ivanhoe Mines in 1999, received approval for the Eunsan gold deposit in the late 1990s.

Investors responded positively to the news with shares up as much as 15% to an intra-day high of 23 cents, a new 12-month high.

"Important milestone for joint venture"

Managing director Simon Mitchell said: "This is a very important milestone for the joint venture, and I congratulate Bluebird as operators in securing the permit to develop for Gubong, the first in many years for a foreign operator, at least as far as we are aware.

"This approval paves the way for the joint venture to take the Gubong project forward and target first gold pour in 2020, another very important milestone that is now closer to the being achieved."

Southern Gold and Bluebird each hold a 50% equity interest in Singaporean company Gubong Project JV Co Ltd which in turn holds 100% of South Korean company Gubong Project Co Ltd.

A similar corporate JV arrangement is in place for the Kochang project, which is still in the approval process for its permit to develop.

An update on the status of this project will be provided as soon as notification is received from regulators, which is expected over the coming months.

Rapid approval process

Mitchell added: "Compared to other regulatory systems this is an extremely rapid approval process, taking less than one year since its initial submission.

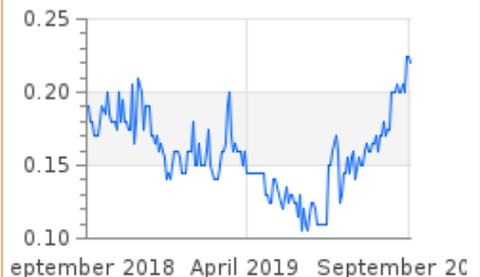
"The South Korean centralised regulatory approach has resulted in an efficient turnaround while retaining a comprehensive review system.

"This bodes well to other future potential developments that will be in Southern Gold's pipeline down the track."

Price: \$0.25

Market Cap: \$20.44 m

1 Year Share Price Graph



Share Information

Code: SAU

Listing: ASX

52 week	High	Low
	0.245	0.105

Sector: Mining

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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