

# Southern Gold Limited

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## Southern Gold \$10 million placement to boost South Korean exploration is backed by Metal Tiger

Southern Gold Limited (ASX:SAU) has received binding commitments for an institutional placement of more than 71.4 million shares at 14 cents per share to raise \$10 million, including an investment by Metal Tiger PLC (LON:MTR) valued at around \$3.3 million.

The placement, which is subject to shareholder approval, has resulted in binding commitments from sophisticated and institutional investors.

Of particular significance to the company is the participation by AIM-listed Metal Tiger, which invests in high potential mineral projects with a base, precious and strategic metals focus.

Southern Gold managing director Simon Mitchell said the directors of the Australian-based and South Korean focused gold explorer were pleased with the transaction.

He said: "This is a truly transformative transaction as it injects significant project advancement funding that can immediately lift the exploration work rate across our South Korea gold holdings."

The placement will fund an increase in the company's exploration efforts including a doubling of the field teams and diamond drilling rate.

"New cornerstone investor"

On Metal Tiger's investment, Mitchell said: "Metal Tiger, as a new cornerstone investor, is technically sophisticated and highly selective.

"Its investment is an important vote of confidence in Southern Gold's ability to leverage this unique position in South Korea into one of advanced discovery and value uplift."

The agreement provides the right for Metal Tiger to nominate one director to the company for so long as Metal Tiger holds an interest in the company of at least 10%.

Prominent geologist Terry Grammer has been nominated under this provision.

Board appointments

Also joining the Southern Gold board, effective immediately, is world-renowned economic geologist Douglas Kirwin.

Mitchell said: "[Our position] is reinforced by the appointment to the board of two industry-leading geologists, Douglas Kirwin and Terry Grammer, both with enviable discovery records, are top tier area-selection geologists and who appreciate what we are uncovering in South Korea."

Kirwin has been acting in a technical advisory capacity for Southern Gold but will now step into a much more prominent role as a non-executive director of the company.

**Price:** 0.12

**Market Cap:** \$10.6 m

### 1 Year Share Price Graph



### Share Information

**Code:** SAU

**Listing:** ASX

52 week	High	Low
	0.28	0.086

**Sector:** Gold & silver

**Website:** [www.southerngold.com.au](http://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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## Shareholder support

The share offering was also supported by the company's four largest shareholders and several of the directors.

This new share issue is subject to shareholder approval at a general meeting of shareholders to be held in mid-March, with a notice of meeting expected to be forwarded shortly.

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