

Projects

ASX SAU \$0.006

Bulong (WA) >

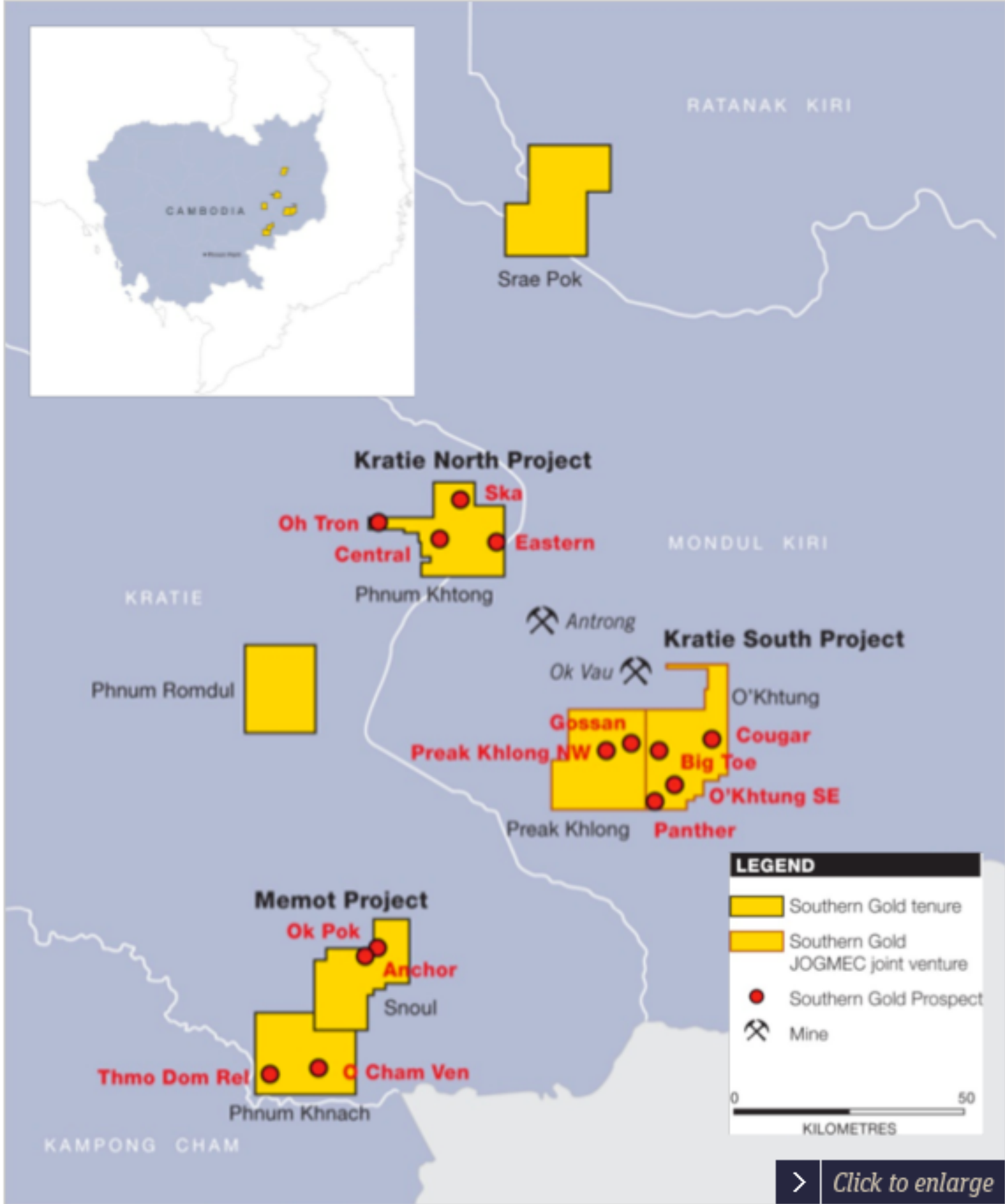
Cannon Gold Resource (WA) >

Cowarna (WA) >

Cambodia >

Cambodia

The work conducted and results achieved over the past few years by Southern Gold and other 'pioneer' Australian explorers in Cambodia has started to show the prospectivity of a country that has had limited 'modern-day' exploration or market attention. Southern Gold has seven granted Exploration Licences prospective for gold and base metals covering over 1,500 km² in northeast Cambodia.



Location Plan of Southern Gold's tenements in Cambodia.

Mekong Minerals Earn In and Shareholder Agreement July 2012

On the 5th July 2012, Southern Gold announced that it had finalised an earn-in and shareholders' agreement ('Agreement') with Mekong Minerals Limited ('Mekong') whereby, subject to the satisfaction or waiver of the conditions precedent, Mekong has the exclusive right to earn an interest in Southern Gold subsidiary, Southern Gold (Asia) Pty Ltd ('SG Asia') and to manage the activities of SG Asia and its wholly owned subsidiary, Southern Gold Cambodia Ltd ('SG Cambodia').

The Agreement regulates Southern Gold's and Mekong's obligations as shareholders of SG Asia. Under the Agreement, Mekong has the exclusive right to earn up to a 70% interest in SG Asia by sole funding US\$5.7 million on expenditure of SG Asia and SG Cambodia.

On earning a 70% interest in SG Asia, Mekong will have the option to purchase Southern Gold's remaining 30% interest in SG Asia ('Option'). The grant of the Option is conditional on compliance with ASX Listing Rule 11.4, including Southern Gold obtaining shareholder approval for the grant, if required.

Entering into this Agreement is consistent with Southern Gold's intention to focus on exploration, evaluation and development at the Bulong Gold Project, Western Australia. On finalisation of the Agreement, Southern Gold is able to release value by reducing operating costs, while maintaining exposure to future upside in Cambodia.