ASX Release
Wednesday 29 May 2019

ASX Code: SAU

Extensive mineral system at Beopseongpo defined as major epithermal gold target

- Recently completed field work includes geo-structural, mineralisation and alteration mapping over **5.7km² area**
- Five major veined zones identified with **width in excess of 20 metres and combined strike length in excess of 2,570 metres**
- Recently located **small-scale historical mining** below low-grade Au anomalism supports drill target at depth
- Multiple project characteristics have parallels with **many economic gold mines of this type observed globally**
- Drilling to commence at Beopseongpo in the near term with **drill rig deployment expected in the coming months**

'Boots on the ground' fieldwork

Australian gold company Southern Gold Ltd has received a detailed field report from a consultant expert in epithermal Au-Ag systems that outlines the results of a detailed 'boots-on-the-ground' field programme at the Beopseongpo Gold Project in South Korea (**Figures 1 and 2**). **The fundamental conclusion of this work is that the Beopseongpo Au Project is a very significant epithermal Au (+Ag) target with multiple well-defined and extensive vein systems that are ready for drill testing.**

The recent detailed field work programme has identified five major vein zones with a combined strike extent of 2,570m (although likely to be longer as extensions north and south are under cover) with the vein zones displaying widths in excess of 20 metres and individual veins commonly in excess of 1 metre true width.

The quality of the Beopseongpo Au Project is based on a comparison to others of its type observed globally which typically have the following key features:

- Well-developed and persistent fault structures that are active over long time periods and displaying evidence of dilation and multiple fluid flow events;
- A rock sequence that is amenable to the focusing of metal-bearing fluid flow into substantial veined zones over considerable strike lengths;
- The demonstrable presence of a precious metal bearing fluid source that shows evidence of boiling; and
- Limited erosion of the system which preserves the main zone of precious metal deposition below the present-day land surface.

Beopseongpo is a highly prospective low-sulphidation epithermal gold-silver vein and vein breccia target with significant scale and with the main zone of gold mineralisation likely preserved at around 100-500 metres below surface.

Shares on Issue: 62.5m
Share Price: $0.12
Market Capitalisation: $7.5m

Asset Base – WA, Australia*
Cannon Au Mine (100%)
Glandore Au Project (90%)
Cowarna Au Project (100%)
*currently under sale process with PCF Capital

Asset Base – South Korea
Weolyu Au-Ag Project (100%)
Beopseongpo Au Project (100%)
Deokon Au-Ag Project (100%)
Neungju Au Project (100%)
Aphae Au Project (100%)
Taechang Au Project (100%)
Hampyeong Au Project (100%)
Sonbul Au Project (100%)
Gubong Au Mine (50/50 BMV JV)
Kochang Au Mine (50/50 BMV JV)

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Southern Gold Managing Director, Mr. Simon Mitchell

"Southern Gold's technical team, which includes senior advisor Doug Kirwin, is very excited by the prospectivity of the Beopseongpo project. It ticks a lot of the key technical boxes and represents an opportunity to discover a gold system of significant scale. While the surface gold results are relatively low grade this is what we expected from a system at this high level of exposure. If our technical model is correct the main mineralised system is likely 100m below surface and, given the textural and alteration evidence we have uncovered so far, there is a very good chance we will find very high-grade gold mineralisation.

In terms of the company strategy, we are currently in the process of selling our Australian assets and focusing on our very high-quality opportunities in South Korea. An important component of this is the Joint Venture with Bluebird Merchant Ventures on the Kochang and Gubong projects where BMV are the operators. This leaves our Southern Gold technical team to focus on the evolving and very exciting exploration play in south-west South Korea where we have uncovered several projects with epithermal gold-silver mineralisation, in some cases with targets that have never been drilled. Beopseongpo, while a technically driven opportunity, represents one of the better targets in the Southern Gold portfolio."

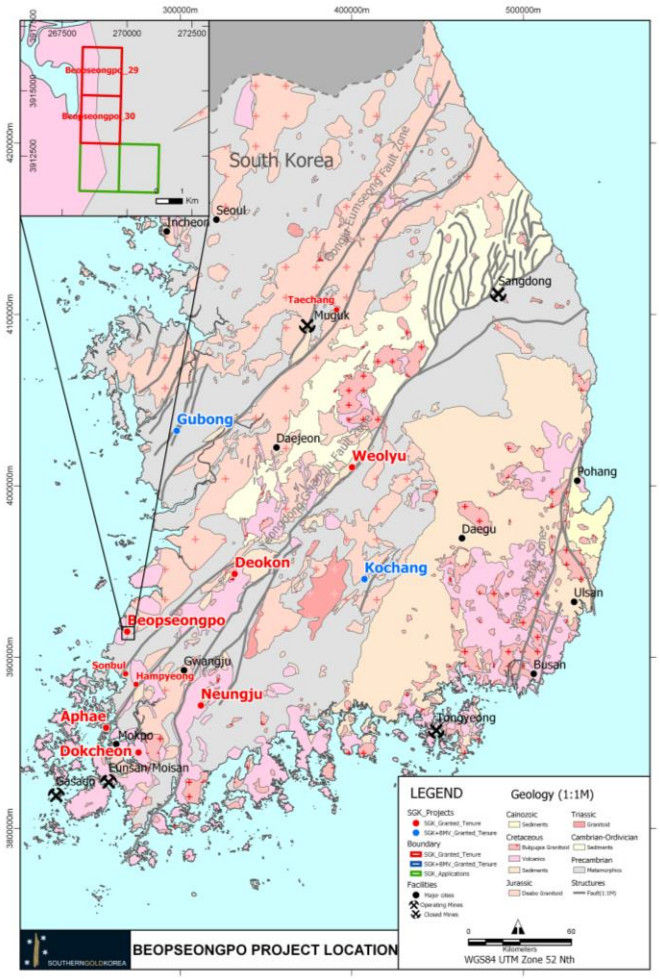

Figure 1: Location of the Beopseongpo Au Project, SK

The Besopeongpo Gold Project is located in the Jeolla Province in south-western Korea (**Figure 1**). Access to the area is by sealed roads with the general landscape dominated by low lying to steep vegetated hills and valley-fill areas with small scale farming activities.

The recent work programme consisted of geo-structural, mineralisation and alteration mapping over two granted graticules, Beopseongpo 29 and 30, covering an approximate 5.7km^2 area. The mapping was semi-detailed at 1:5000 scale and more than 200 samples were taken across the project area.

Five major vein zones have been identified although there is likely more that are hidden under cover rocks. Vein segments have been individually mapped up to 500 metres in strike extent and on a combined basis up to 2,570 metres. These vein zones are ~20 metres wide with individual vein widths commonly in excess of 1m true width.

All five vein zones have returned weak to moderate anomalous gold-silver values with peaks of 31.9g/t Au and 23.5g/t Ag – although these results come from clasts that have been ripped up and transported in the fault from deeper parts of the mineralised system.

Vein zones have been named (from north to south): Golden Palm, Lotus (including North, South and Extended sections), Hand of Faith, Phoenix and Enigma vein zones (**Figure 2**). Of these, Golden Palm, Lotus North and Hand of Faith represent immediate drill targets (**Photos 1 and 2**).

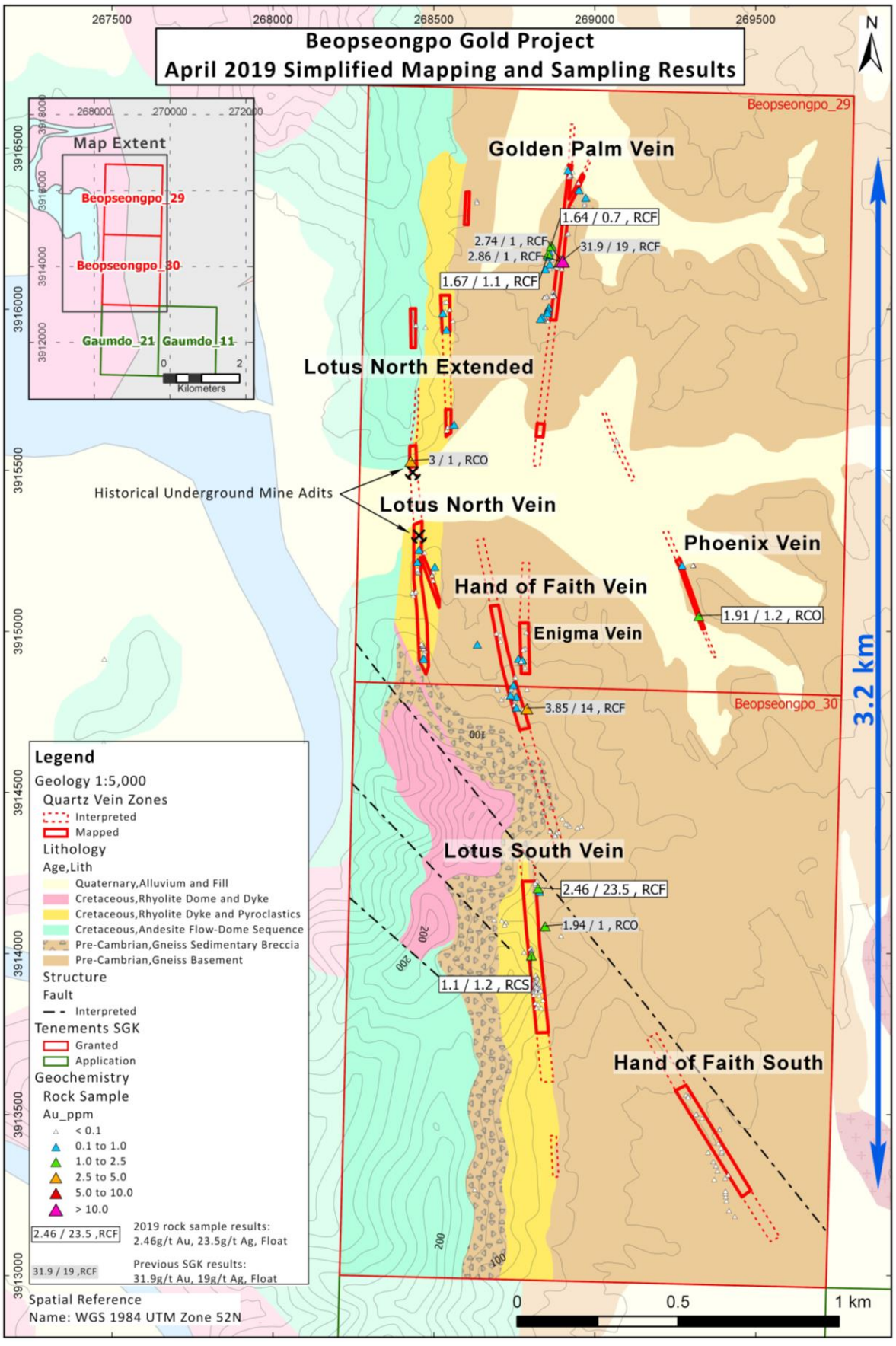

Figure 2: Beopseongpo Project with simplified geology and vein zone map, illustrating the extensive footprint of the mineralised zone and multiple drill targets such as Golden Palm, Lotus North and Lotus South.

Historical Small-Scale Mining

Recent field work has also uncovered two historical Japanese occupation-era adits as evidence of small-scale historical mining in the area. Anecdotal evidence suggests that at least one of the mines was worked on multiple levels along a strike length of approximately 150m although the mine was closed after the Korean war and is currently sealed with concrete.

The important observation to be made from the presence of the mine at Beopseongpo is that it reinforces the technical thesis that the surface expression of the mineralised zone is of an uneroded upper level of a low-sulphidation epithermal system with economic grades of gold potentially 100m to 500m below the present day land surface.

Recent Surface Sampling

Reinforcing this technical thesis is the tenor of gold and silver results that have been returned from sampling of the various vein and vein breccia systems. The most recent phase of sampling included 208 float, subcrop and outcrop samples of largely vein breccia with gold tenor around the 1g/t Au (see **Figure 2** above and **Table 2** below), considered highly anomalous for this level of exposure and very encouraging for targeting the subsurface higher grade target.

Sample No	Au ppm	Ag ppm	Sample Type	Vein Zone	Rock Type
KRS206081	2.46	23.5	Float	Lotus South	Vein Breccia
KRS206070	1.91	1.2	Outcrop	Phoenix	Vein Breccia
KRS206030	1.67	1.1	Float	Golden Palm	Vein Breccia
KRS206039	1.64	0.7	Float	Golden Palm	Vein Breccia
KRS206108	1.10	1.2	Subcrop	Lotus South Spider Zone	Vein Breccia
KRS206025	0.81	0.2	Float	Golden Palm	Vein Breccia
KRS206034	0.76	0.9	Float	Golden Palm	Vein Breccia
KRS206054	0.47	0.1	Float	Golden Palm	Vein Breccia
KRS206094	0.45	7.6	Float	Lotus North Extended	Vein Breccia
KRS206005	0.44	0.1	Float	Golden Palm	Vein
KRS206024	0.43	0.3	Float	Golden Palm	Vein Breccia

Table 1: Example surface sample results of high-level epithermal rocks from Beopseongpo Project

Photo 1: Looking east towards Golden Palm vein corridor, image taken from Lotus North Extended.
Note the significant strike extent.

Photo 2: Looking south towards Lotus North and Hand of Faith vein system, image taken from Lotus North Extended
Note the significance distance between vein segments.

Furthermore, detailed field observations indicate the presence of quartz vein textures that are polyphasal and include a complex sequence of colloform, crustiform, high level chalcedonic and coarse crystalline quartz deposition and abundant quartz re-healed hydraulic vein rip-up clast breccias (**Photo Exhibit** below). These multi-phase quartz vein textures, including zones of quartz-replacement of lattice-bladed calcite (**Photo Exhibit** below) is evidence of localised flash boiling of the mineralised fluids and highly encouraging for the potential for gold-silver deposition. Taken together, these features are observed at many economic gold mines of this deposit type seen globally and reinforce the target model at 100m to 500m below present land surface.

Photo 3: >1m true width hydraulic vein breccia play dipping NW, Lotus South.

Photo 4: colloform to crustiform banded mesocrystalline quartz vein in zone more than 20m wide at Lotus South.

Conclusion

Recent detailed field work at Beopseongpo, South Korea, has identified it as a highly prospective low-sulphidation epithermal gold-silver vein and vein breccia target. It has many characteristics of economic deposits of its class and has, even at this very early stage, **displayed significant scale in terms of width and strike extent of the mineralised structure and at individual quartz vein and vein breccia scale**.

The target is to be drilled as soon as practicable with results expected in the next quarter.

Photo Exhibit

Photo 5: Sample KRS206030, polyphasal hydraulic vein breccia comprised of limonitic to heamatitic ripped up wallrock fragments set in mesocrystalline to interlocking crystalline quartz-adularia and cut through by crystalline interlocking quartz. 1.67g/t Au, 1.1g/t Ag at Golden Palm vein corridor.

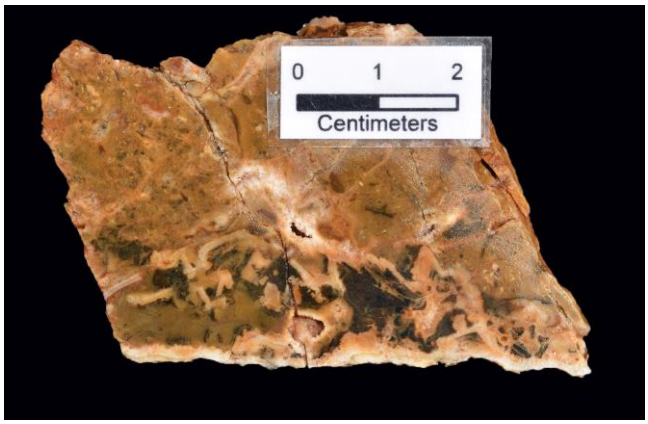

Photo 6: Sample KRS2060070, hydraulic vein breccia with commutated gnessic basement and sulphide vein rip-up fragments set in a mesocrystalline orange-brown silica flood matrix. Liminoite-haematite oxidation of sulfides. 1.91g/t Au, 1.2g/t Ag at Phoenix Vein Zone.

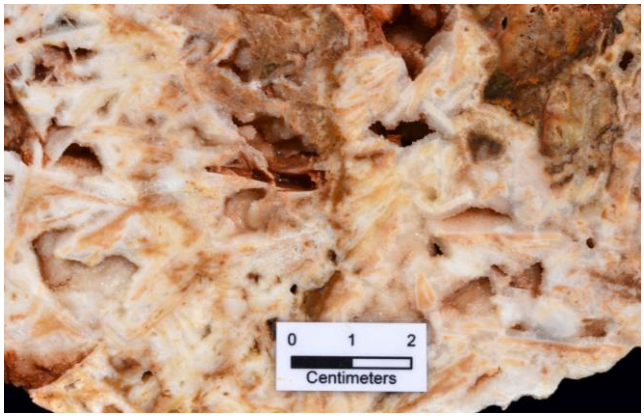

Photo 7: Sample KRS2060076, hydraulic vein breccia with intensely lomonite-haematite oxidized wallrock flooded by mesocrystalline quartz after coarse lattice bladed calcite indicating pronounced boiling. 0.28g/t Au at Phoenix Vein Zone.

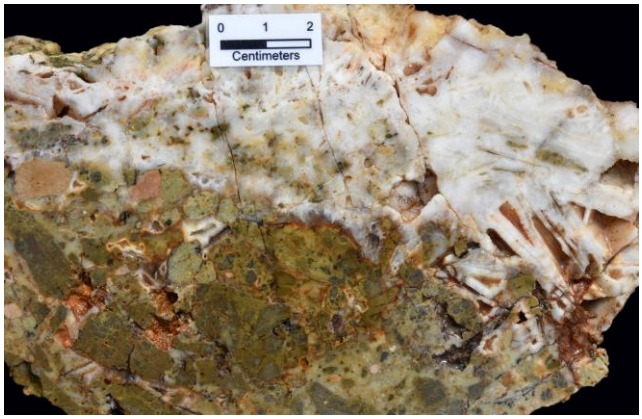

Photo 8: Sample KRS206208, hydraulic vein breccia comprised of angular to rounded and milled silica-illite-chlorite altered andesite fragments flooded by crystalline interlocking quartz with well-developed quartz pseudomorphs after bladed calcite. Precious metals below detection limit. Lotus North vein corridor.

Southern Gold Limited: Company Profile

Southern Gold Ltd is an Adelaide-based gold explorer and developer listed on the Australian Securities Exchange (under ASX ticker "SAU"). The company is focused on gold and silver projects in the fully developed jurisdiction of South Korea with active exploration conducted on a 100% equity basis and gold mine development in a 50/50 Joint Venture with London-listed Bluebird Merchant Ventures (BMV), a specialist mine development company. Southern Gold's Australian assets are currently being sold in a formal process being led by PCF Capital.

Southern Gold holds 100% equity in a substantial portfolio of greenfield epithermal gold-silver projects in South Korea where extremely high grades of gold and silver have been returned from 'boots-on-the-ground' exploration efforts. Backed by a first-class technical team, including renowned geologist Douglas Kirwin, Southern Gold's aim is to find significant epithermal gold-silver deposits in a country that has seen very little modern exploration and where the potential for making a valuable discovery is very high.

In conjunction with BMV, Southern Gold is in the process of rejuvenating several historic gold mines in South Korea, Kochang and Gubong, where first gold pour is expected within the next 12 months.

Competent Person's Statements

The information in this report that relates to Exploration Results has been compiled under the supervision of Mr. Paul Androvic (AusIMM). Mr Androvic who is an employee of Southern Gold Limited and a Member of the Australasian Institute of Mining and Metallurgy, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Mr Androvic consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Forward-looking statements

Some statements in this release regarding estimates or future events are forward looking statements. These may include, without limitation:

- *Estimates of future cash flows, the sensitivity of cash flows to metal prices and foreign exchange rate movements;*
- *Estimates of future metal production; and*
- *Estimates of the resource base and statements regarding future exploration results.*

Such forward looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. Such statements are expressed in good faith and believed to have a reasonable basis. However, the estimates are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from estimated results.

All reasonable efforts have been made to provide accurate information, but the Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.

APPENDIX 1 - **Table 2:** Table of results from 2019 Beopseongpo rock sampling of >0.1 g/t Au. (Grid ID is WGS84_52Nth)

Sample ID	Au (ppm)	Ag (ppm)	Geologist	Type	Easting (m)	Northing (m)	Elevation (m)	Date	Prospect	Sample Description
KRS206081	2.46	23.5	cpanther	Float	268824	3914204	84	20/04/2019	Lotus South	Vein breccia, comprised of an early phase of crystalline interlocking to prismatic quartz, cut through & cemented by mesocrystalline fine-grained quartz with grey sulfide & subhedral pyrite. Intensely limonite-haematite stained after sulfides.
KRS206070	1.91	1.2	cpanther	Outcrop	269323	3915049	7	20/04/2019	Phoenix	Hydraulic vein breccia, comprised of commutated gneissic basement & sulfidic vein rip-up fragments, set in a mesocrystalline orange-brown silica flood matrix. Limonite-haematite oxidation of sulfides.
KRS206030	1.67	1.1	cpanther	Float	268855	3916173	17	20/04/2019	Golden Palm	Polyphasal hydraulic vein breccia, comprised of limonitic to haematitic ripped-up wallrock fragments, set in mesocrystalline to interlocking crystalline quartz-adularia, cut through by crystalline interlocking quartz. Recrystallisation after microcrystalline chalcedonic quartz.
KRS206039	1.64	0.7	cpanther	Float	268865	3916198	17	20/04/2019	Golden Palm	Hydraulic vein breccia, comprised of commutated granitic wall-rock & early quartz vein fragments, set in a saccharoidal mesocrystalline quartz-trace sulfide matrix. Haematite-limonite stained.
KRS206108	1.1	1.2	cpanther	Subcrop	268803	3913995	104	20/04/2019	Lotus South Spider Zone	Hydraulic vein breccia, comprised of wallrock leucogranite gneiss fragments set in a crystalline interlocking quartz matrix.
KRS206025	0.81	0.2	cpanther	Float	268853	3916165	15	20/04/2019	Golden Palm	Hydraulic vein breccia comprsied of commutated vein & wallrock fragments, set in a mesocrystalline to interlocking crystalline quartz-limonite matrix. The breccia is cut through by a mesocrystalline quartz-flooded quartz vein breccia.
KRS206034	0.76	0.9	cpanther	Float	268859	3916179	18	20/04/2019	Golden Palm	Hydraulic vein breccia, comprised of ghosted earlier quartz vein fragments, flooded by crystalline interlocking to mesocrystalline saccharoidal quartz. Leached voids & bladed quartz pseudomorphs after calcite. Limonite-hematite ghosted wall-rock frags.
KRS206054	0.47	0.1	cpanther	Float	268944	3916303	33	20/04/2019	Golden Palm	Hydraulic vein breccia comprised of partially ghosted wallrock fragments, set in white mesocrystalline & interlocking crystalline quartz. Limonite staining on fractures.
KRS206094	0.45	7.6	cpanther	Float	268563	3915643	2	20/04/2019	Lotus North Extended	Hydraulic vein breccia comprised of commutated, limonitic rhyolitic host rock, flooded by mesocrystalline quartz with clots of limonite-haematite oxidised pyrite.
KRS206005	0.44	0.1	cpanther	Float	268853	3915989	34	20/04/2019	Golden Palm	Massive crystalline interlocking quartz vein fragment, limonite-haematite stained.
KRS206024	0.43	0.3	cpanther	Float	268846	3916126	20	20/04/2019	Golden Palm	Polyphasal vein breccia, comprised of banded quartz-adularia vein - & haematite-replaced wall-rock-fragments, set in a cream-white mesocrystalline quartz matrix. Limonite-haematite stained.
KRS206203	0.39	0.2	cpanther	Float	268503	3915202	28	20/04/2019	Lotus North	Hydraulically brecciated, intensely silica-illite/adularia altered & ghosted rhyolite fragments set in mesocrystalline to interlocking crystalline quartz. Limonite stained.
KRS206003	0.36	0.1	cpanther	Float	268853	3915997	36	20/04/2019	Golden Palm	Hydraulic vein breccia, comprised of ripped-up mesocrystalline to microcrystalline chalcedonic quartz fragments, set in a mesocrystalline, weakly saccharoidal quartz-adularia flood infill matrix. Limonitic oxidation of pyrite. Late cross-cutting haematite fracture fills.
KRS206098	0.29	0.1	cpanther	Float	268539	3915938	33	20/04/2019	Lotus North Extended	Hydrobrecciated leucocratic gneiss, flooded by crystalline interlocking to comb zoned prismatic quartz.
KRS206076	0.28	0.1	cpanther	Outcrop	269271	3915206	5	20/04/2019	Phoenix	Hydraulic vein breccia comprised of intensely limonite-haematite oxidised gneissic wallrock, flooded by mesocrystalline quartz after coarse lattice bladed calcite. Highly oxidised sulfidic bands present along vein margins. A phase of pronounced boiling.
KRS206019	0.21	0.1	cpanther	Float	268860	3916141	18	20/04/2019	Golden Palm	Hydraulic vein breccia, comprised of crudely banded vein & wallrock rip-up fragments, set in a mesocrystalline to crystalline interlocking quartz matrix (recrystallisation after chalcedonic quartz). Limonite-haematite staining of wallrock fragments.
KRS206080	0.21	1.6	cpanther	Float	268828	3914194	86	20/04/2019	Lotus South	Vein breccia comprised of early crystalline quartz vein & wallrock fragments, set in an interlocking to zoned prismatic quartz matrix. Intensely limonite stained.
KRS206002	0.19	0.4	cpanther	Float	268857	3916008	40	20/04/2019	Golden Palm	Hydraulic to tectonic vein breccia, comprised of commutated biotite gneiss wall-rock rip-up fragments, re-healed by mesocrystalline to interlocking crystalline quartz. Further post-mineral brecciation evident. Limonite-haematite stained.
KRS206009	0.19	0.1	cpanther	Float	268835	3915977	34	20/04/2019	Golden Palm	Massive saccharoidal quartz - adularia vein fragment, with late-stage drusy quartz lining voids. Limonite-stained.
KRS206163	0.18	0.4	cpanther	Subcrop	268468	3914917	77	20/04/2019	Lotus North	Hydraulic vein breccia, comprised of entrained argillised rhyolite rip-up fragments with a orange-yellow microcrystalline quartz fill, cut by a crystalline quartz veinlet.
KRS206010	0.15	0.1	cpanther	Float	268831	3915972	35	20/04/2019	Golden Palm	Hydraulically brecciated leucocratic granite or gneiss, flooded by mesocrystalline to crystalline interlocking quartz, cut by a later vein of recrystallised chalcedonic quartz. Limonite-stained.

Sample ID	Au (ppm)	Ag (ppm)	Geologist	Type	Easting (m)	Northing (m)	Elevation (m)	Date	Prospect	Sample Description
KRS206197	0.15	0.1	cpanther	Outcrop	268454	3915255	12	20/04/2019	Lotus North	Intensely limonitic, pervasively silicificed rhyolite with mesocrystalline quartz flooding.
KRS206004	0.14	0.2	cpanther	Float	268854	3915997	36	20/04/2019	Golden Palm	Massive crystalline interlocking quartz vein fragment, with a pervasively haematite oxidised gneiss rip-up fragment. Recrystallisation after amorphous silica-chalcedony.
KRS206057	0.14	0.1	cpanther	Float	268929	3916285	42	20/04/2019	Golden Palm	Hydraulic vein breccia, comprised of commutated granitic wall-rock & early quartz vein fragments, set in a saccharoidal mesocrystalline quartz-trace sulfide matrix. Haematite-limonite stained.
KRS206067	0.14	0.1	cpanther	Float	268528	3915989	36	20/04/2019	Lotus North	Hydraulic vein breccia, comprised of ghosted crystalline interlocking quartz vein fragments, rehealed by mesocrystalline quartz. Limonite-stained.
KRS206191	0.12	0.1	cpanther	Outcrop	268449	3915217	22	20/04/2019	Lotus North	Hydraulically brecciated, intensely silica-illite/adularia altered rhyolite fragments set in mesocrystalline to interlocking crystalline quartz. Limonite stained.
KRS206050	0.11	0.1	cpanther	Outcrop	268951	3916371	10	20/04/2019	Golden Palm	Rebrecciated mesocrystalline quartz vein, rehealed by meoscrystalline to chalcedonic silica. Limonite-haematite healed fractures. Trace green sericite.
KRS206062	0.11	0.2	cpanther	Float	268972	3916348	20	20/04/2019	Golden Palm	Hydraulic vein breccia with angular wallrock rip-up fragments, set in a white mesocrystalline quartz flood matrix.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	The nature of the samples and assay results in the body of this ASX Release relate to Surface rock samples taken from the Beopseongpo Project, South Korea, within tenements Beopseongpo 29 and Beopseongpo 30, held by Southern Gold. Surface reconnaissance rock chip sampling was taken based upon geological features relevant to the target style of mineralisation.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Surface reconnaissance rock chip samples are not considered representative and only used as an exploration tool to plan potential future representative sampling programs.
	Aspects of the determination of mineralisation that are Material to the Public Report.	Determination of mineralisation was achieved by geological logging of samples by an experienced expert consultant geologist, with structural measurements taken where possible. Samples were geologically logged for lithology, mineralisation, alteration, veining, and structure. SAU mapping and rock sampling results has been used to inform the determination of mineralisation at an early stage of exploration.
	In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	No drilling activities or channel sampling was completed or reported by SAU in this release Surface reconnaissance rock chip samples are not considered representative and only used as an exploration tool to plan potential future representative sampling programs. Sampling was of float, subcrop and outcrop material. Were possible large samples (>3kg) were taken and a slab cut and retained by SAU for record. The remainder of the sample was sent off for sample prep (coarse crushed, 1kg coarse split then pulverized, pulverised material then micro split to produce 50g for fire assay and 0.5g for multi-element assay).
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	No drilling results are reported in this release and no know historical drilling has occurred at the Beopseongpo Project.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling results are reported in this release. SAU did not conduct any drilling for this release.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling results are reported in this release. SAU did not conduct any drilling for this release.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain	No drilling results are reported in this release. SAU did not conduct any drilling for this release.

Criteria	JORC Code explanation	Commentary
	of fine/coarse material.	
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	All rock samples have been geologically logged to a sufficient level of detail. No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Geological logging was qualitative in nature. Structural logging was quantitative in nature. All samples have been slabbed and photographs taken.
	The total length and percentage of the relevant intersections logged.	No drilling or channel sampling was undertaken or reported and as such no intervals are reported in this release.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No drilling results are reported in this release. SAU did not conduct any drilling for this release and as such no core was processed.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Rock samples were grab sampled if float or by a hammer and chisel if in outcrop. Samples were taken dry. Rock chip and grab samples had representative slabs cut and all of the remaining offcuts of each sample were sent for assay.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All samples were sent to SGS laboratory in South Korea for sample preparation. SGS is an ISO/IEC 17025:2005 certified laboratory. Samples were dried and crushed to 75% passing 2mm, rotary split to 1,000g, then pulverised to 85% passing 150 microns. Sample is then split using a micro riffle splitter to 250g. the 250g sample is then sent via registered express mail to the analytical Lab. The nature of the laboratory preparation techniques is considered 'industry standard' and appropriate.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The crushing stage unit is a Rocklabs Smart Boyd-RSD Crusher capable of over 5kg primary sample in one load, with rotating sample divider (RSD) ensuring single pass crushing, producing representative coarse sample split sent to grinding, typically up to 1,000g. Coarse rejects are retained for each sample. The grinding stage unit is an Essa LM2 and utilises a large grinding bowl (1,600g) ensuring single pass grinding of the coarse split. The 1kg of pulp material is then spit using a micro-riffle splitter enabling a parent pulp sample, a daughter pulp sample, and two reject pulp samples to be produced (typically each 250g) in one grind. Pulp rejects are retained for each sample. These procedures are considered appropriate to maximise representivity of samples, for first pass exploration.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	Given the nature of the first pass rock and grab sampling, no field duplicate samples were considered appropriate for reporting of early stage Exploration Results.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample size is considered appropriate for the target style of mineralisation, the requirements for laboratory sample preparation and analyses, and consideration reporting is for early stage Exploration Results.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Pulp samples (typically 250g) prepared by SGS in South Korea are sent through registered airfreight (e.g. DHL) to ALS laboratory in Laos for Au analysis, with ALS sending a 12.5g split to ALS Brisbane for multielement analysis. ALS is an ISO/IEC 17025:2005 and ISO9001:2015 certified laboratory. Gold was analysed on a 50g charge using fire assay fusion with an atomic absorption spectroscopy finish (ALS method Au-AA26). Detection limit range is 0.01ppm to 100ppm Au. A 35 multi-element suite was analysed on a 0.5g pulp sample split using aqua regia digest with an inductively coupled plasma – atomic emission spectroscopy (ICP-AES) finish (ALS method ME-ICP41). Silver was analysed as part of the multi-element aqua-regia digest ICP-AES (method ME-ICP41), with an upper detection limit 100g/t Ag. Samples returning a result above detection were re-analysed to ore-grade (method ME-OG46) with an upper detection limit of 1500g/t Ag. The nature of the laboratory assay sampling techniques is considered 'industry standard' and appropriate.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No data from geophysical tools were used to determine analytical results in this ASX Release.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	For reconnaissance rock samples, lab duplicates analysis and standard analysis (laboratory checks) are investigated to check for potential errors. If a potential error is discovered the samples are re-run with another laboratory.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Assay data has been verified by an experienced SAU geologist and a consultant expert geologist for importing laboratory results into the database. Logging data and sample details have been compiled by the senior geologists directly involved in the program, under guidance of the General Manager (Competent Person).
	The use of twinned holes.	No twinned holes have been completed as part of this ASX Release, as the program is at an early stage with no drilling completed.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary SAU data is recorded preferentially into proprietary data capture software or otherwise into digital spreadsheets or hand-written documents. All original hardcopy logs and sample reference sheets are kept for reference. Digital data entry is validated through the application of database validation rules and is also visually verified by the responsible geologist through GIS and other software. Any failures are sent back to the responsible geologist for correction and re-submission. Data is stored in a SQL database managed through proprietary software. The database is backed up as part of the Company server backup protocol.
	Discuss any adjustment to assay data.	Assay data is imported into the Company database from original lab files via automated queries, thus minimising error in tagging samples with results.

Criteria	JORC Code explanation	Commentary
		No adjustments are made to the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	SAU surface reconnaissance rock sample XYZ locations are determined with a handheld Garmin 64s GPS producing levels of accuracy +/- 3m. These samples are not representative and therefore not used in any potential future Mineral Resource estimation.
	Specification of the grid system used.	The grid system used is Universal Transverse Mercator (WGS84), Zone 52S (Northern Hemisphere).
	Quality and adequacy of topographic control.	South Korean Government 5m contour data is available and deemed suitable for topographic control on early stage exploration campaigns.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	SAU surface rock chip and grab sampling intervals were based on geological boundary and veining where possible. On occasion multiple intervals within a single vein have also been taken to identify internal variability.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	No Mineral Resource or Ore Reserve have been estimated in this ASX Release.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Rock chip and grab sampling has been conducted in a selective manner targeting mineralised structures. Given the early stage of exploration, chip and representative grab samples across veins are considered appropriate and unbiased at this stage of the project.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No drilling or interval sampling has been conducted at this time and no interval sampling is reported in this release.
Sample security	*The measures taken to ensure sample security.*	From the point of sample generation to laboratory, samples (and reject returns) are under the full security and Chain of Custody of the Company. This is done by the following procedures: Post on-site logging and processing, samples are transported to the Company's shed facilities under the direct supervision of a Company representative. Samples are further processed for dispatch by Company representatives under guidance of the Competent Person. Bagged samples are secured by tags and delivered by a Company representative to the sample preparation laboratory or to a supervised courier service to deliver to the sample preparation laboratory. The preparation laboratory sends pulp samples directly to the assay laboratory for analysis via a door-to-door registered courier service. All rejects are returned under supervised courier service and stored in the Company's secure lock-up long-term core storage facility.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	As reported in previous ASX release 20190129 "Weolyu High Grade Au Ag confirmed", it was reported that in the normal course of conducting check assays for this batch of samples, at an independent second laboratory, it was noted that

Criteria	JORC Code explanation	Commentary
		many gold samples at a number of low-sulphidation epithermal Au-Ag projects (including Beopseongpo) were subsequently showing an increase in grade when comparing second lab results to the primary lab results. A detailed review determined a combination of factors has led the primary lab to under-report results from Beopseongpo, and other projects. High variance was noted in assay results across multiple projects from samples prepared and analysed through the Original Lab over a period from October 2017 to March 2018. This variance is predominantly thought to be attributed to either a. nugget affect, or b. lab induced error (or some combination of both). In order to confirm, an umpire test was proposed, selecting all samples with repeats that had gone through SGS prep lab with more than 1kg of coarse reject material remaining – the re-sample population chosen (n=32) was the largest possible and covered across multiple projects. The umpire lab testing is blind, with the original Lab not aware it was underway, and the umpire lab also not knowing the primary lab. Utilising essentially the same procedures as the prep and assay, the umpire results show a marked reduction in variance (i.e. increase in precision, 30% less variance, and unexpectedly, also show a marked positive shift in accuracy (13% upgrading average all samples, notably ca. 30% at Weolyu and other LS epithermal projects, and a number of samples over 100% to 200% upgraded with almost no samples reporting lower bias). These results proved that the initial variance observed is primarily not due to "nugget affect" as original claimed by the Original Lab, and have highlighted additional issues with Original prep and assay lab. A number of recommendations from this review have been put in place with further actions pending. A change of primary analysis Lab had been made in March 2018. A micro-riffle splitter has been inserted into the preparation procedure to reduce potential sampling bias in the preparatory facility. An internal SAU memo documents in detail the Umpire Review "*20181105 Umpire Lab Test: Final Outcomes*"

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Beopseongpo Tenements Beopseongpo 29, and Beopseongpo 30, are held by Southern Gold Korea, a fully owned subsidiary of Southern Gold (see Figure 1 & 2 of this release). The Beopseongpo mineralised structures lie on privately held land. There are no known material issues with third parties. There are no native title interests in Korea. It is a generally accepted requirement that mineral title holders gain the consent of local land owners and residents before undertaking any major exploration activity, such as drilling.

Criteria	JORC Code explanation	Commentary
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	Upon successful conversion to an Exploration Right, the holder has 3 years to submit Exploration Results and have an Extraction Plan authorised. An application can be made to extend this period by 1 year. The Extraction Plan is submitted to the Local Government and requires approvals from a number of stakeholders. The term of an Extraction Right is 20 years. This can be extended upon application, provided all statutory requirements have been met over the life of the mine. From the date the Extraction Plan is approved, the title holder has a 3-year period in which mine production must commence. During this 3-year period, the title holder must make a minimum level of investment on plant and mine infrastructure in the amount of KRW100 million (~AUD$120,000) and meet certain minimum annual production levels, which are dependent on the commodity being mined. There are no known impediments to obtaining a license to operate
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	In the 1990's, Ivanhoe Mines conducted brief field reconnaissance in the area. Historical underground mining activities targeting Au mineralisation are apparent. Anecdotal information suggest they were of a small scale (150m strike and multi-level) and operational prior to the Korean War, however, were not worked after this point. No other details of previous work in the vicinity is known to the best of our knowledge.
Geology	*Deposit type, geological setting and style of mineralisation.*	Exploration is targeting low- to high-sulphidation style epithermal precious metal (Au, Ag) mineralisation in Cretaceous volcanic rocks of the Korean Peninsula.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	A summary of detailed exploration results and associated grades is shown in Appendix I, Table 2 of this release and significant results are summarized in Table 1. Figures 1 and 2 are displaying plan sections showing project location, tenure, simplified geology, mineralisation trends, and the position of these significant results.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No information has been excluded from this release for Beopseongpo 29 and 30 to the best of our knowledge.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No minimum or maximum cut-off, weighting averaging, or cut-off grades have been applied.
	Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical	All assay values reported are raw assays and none of the reported data has been cut or adjusted.

Criteria	JORC Code explanation	Commentary
	examples of such aggregations should be shown in detail.	
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been reported in this ASX Release.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Sampling reported is reconnaissance surface rock sampling with no associated interval lengths. No drilling has been conducted for this release.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	No drilling has been conducted for, or reported in, this release.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	No drilling has been conducted for, or reported in, this release.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate maps, sections, and tables have been included in this ASX Release. See Figures 1 and 2, and Table 1 in the body of this release for reconnaissance rock sampling and geological mapping results. No drilling has been conducted for, or reported in, this release.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Not all sample assay data has been included in this report as it is not considered material beyond the representatively reported high and low grade results presented in the main body of this ASX Release. Previous information is also referenced in the company's 20180719 ASX report 'Tenements granted over large epithermal system, South Korea"
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	To the best of our knowledge, no meaningful and material exploration data has been omitted from this ASX Release.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Southern Gold is reviewing the data to determine the best way to advance the projects and will notify such plans once confirmed.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to Figure 2 in the main body of this ASX Report that show where sampling has been conducted.