



Shares on Issue: 62.5m
83.3m pending completion
\$2.3m underwritten rights issue
Share Price: \$0.11
Market Capitalisation: \$6.9m

South Korea Exploration (100%)

Weolyu Au-Ag Project
Deokon Au-Ag Project
Beopseongpo Au Project
Aphae Au-Ag Project
Neungju Au-Ag Project
Hampyeong Au-Ag Project

**South Korea Development
BMV# JV (50%)**

Gubong Project JV Co Ltd
Kochang Project JV Co Ltd
Bluebird Merchant Ventures is LSE listed

Australia (100%)*

Cannon Au Mine
Glandore Au Project
Cowarna Au Project

*current sale process with PCF Capital

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‘Golden Surprise’ High-Grade Gold-Silver Discovery at Deokon Project, South Korea

- New bonanza grade outcrop and float assays from the April-June 2019 field program at Deokon Project, South Korea.
- New assays return a peak of **32.4g/t gold and 1,095g/t silver in outcrop and 53.9g/t gold and 6,240g/t silver in float.**
- Two veined zones, “Bonanza” and “Thorn”, 4m-20m wide 500m apart with interpreted continuity and open along strike.
- Visible native silver and electrum evident in hand specimens.
- Maiden diamond drilling to commence as soon as possible.

New Deokon ‘Golden Surprise’ High Grade Gold - Silver discovery

Field work completed in April to June at Southern Gold’s **100%-owned Deokon Project** in South Korea has located the outcrop representing the source of the bonanza grade gold-silver float sample previously reported (78.6g/t Au and 13,000g/t Ag) in ASX release 3rd April 2019. This newly identified outcrop has been named the ‘Bonanza Zone’ and has identical vein textures, alteration, and abundant visible silver sulfosalts, native silver and what is likely silver rich electrum.

In addition, another new area of extensive outcrop, the ‘Thorn Zone’, has been located 500m to the north of the Bonanza Zone. Combined, the two zones represent a mineralised vein corridor of more than 500m that remains open in both directions, and now collectively named the ‘Golden Surprise Trend’.

Table 1: High grade highlights from the sampling of these two areas

Sample ID	Au g/t	Ag g/t	Sample Type	Golden Surprise Prospect
KRS206270	53.9	6240	Float	Bonanza Vein Zone
KRS206272	35.1	3270	Float	Bonanza Vein Zone
KRS206303	34.3	69	Subcrop	Thorn Vein Zone
KRS206354	32.4	1095	Outcrop	Bonanza Vein Zone
KRS206311	20.2	585	Outcrop	Thorn Vein Zone
KRS206215	19.8	425	Float	Bonanza Vein Zone
KRS206301	15.6	134	Outcrop	Thorn Vein Zone
KRS206391	14.8	3040	Float	Bonanza Vein Zone
KRS206353	14.3	1190	Outcrop	Bonanza Vein Zone
KRS206389	6.84	1010	Float	Bonanza Vein Zone

See Table 2 for more details, including location data.

Southern Gold Managing Director, Mr. Simon Mitchell: “These very high-grade results vindicate the project generation work that has been undertaken to date in South Korea. Our 100% owned Deokon Project is shaping up incredibly well with bonanza grade gold and silver on surface in an area which, to our knowledge, has never been previously drilled. It’s not often you can walk up to outcrop and identify visible native silver in hand specimen! This adds a whole new meaning to the often-used term ‘walk-up drill target’. Deokon, as a high-quality project opportunity, underscores the enormous exploration potential of South Korea.”

New outcrop and float sample assay results

An intensive sampling program was completed at Deokon with over 112 new samples being taken and submitted for analysis. Eleven outcrop rock chip and five float samples returned high grade gold-silver results (**Figures 1 and 2 and Table 1 and 2**). The peak outcrop rock chip sample at 'Bonanza Vein Zone' was **32.4g/t Au and 1,095g/t Ag** with the peak outcrop sample at 'Thorn Vein Zone' returning **34.3g/t Au and 69.2g/t Ag**.

Work to date included systematic field traversing, extensive rock sampling and 1:5000 geological mapping (**Figures 1 and 2**). This process has succeeded in highlighting multiple untested vein systems in addition to historical mine workings. The Deokon project represents a high-quality Au-Ag fertile epithermal mineralisation system with multiple vein zone targets identified across several square kilometres of project area.

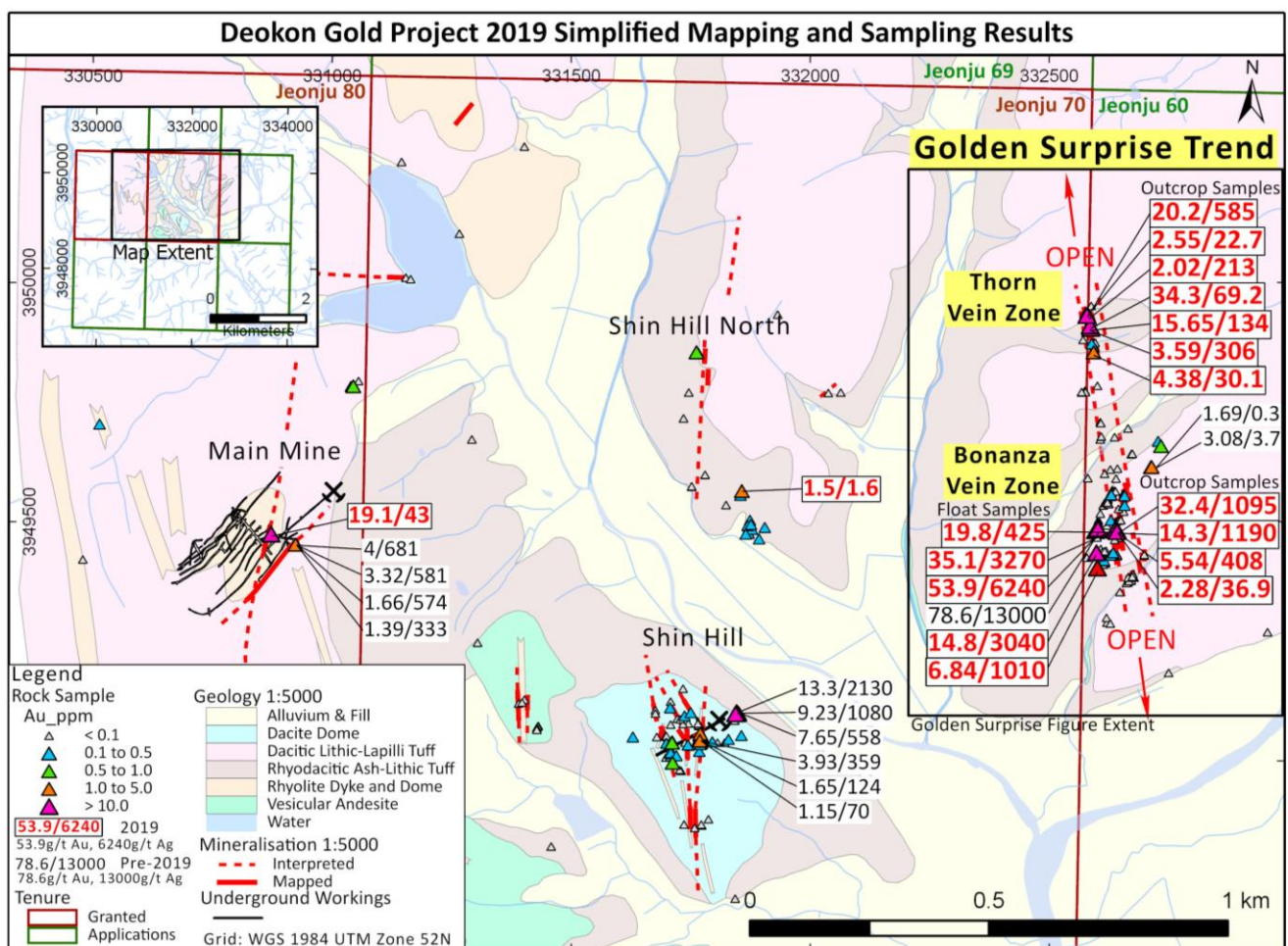


Figure 1: Deokon Project sampling results and geology in plan view.

The 2019 field program as announced to the ASX on 3rd April 2019, 'South Korean Field Work Commences', was a detailed field mapping and sampling exercise that focused on Southern Gold's Beopseongpo and Deokon project areas. On the 29th May, an ASX announcement 'Extensive mineral system at Beopseongpo defined as major epithermal gold target', outlined the success of this field program at the Beopseongpo project.

Deokon was the second phase of this initial field work and results were inadvertently delayed, due to the very high-grade silver values being returned that required three different analytical methods to finalise the results. The program at Deokon included the production of a 1:5,000 geology map through geo-structural, mineralisation and alteration mapping in order to further consolidate the geological understanding and structural setting.

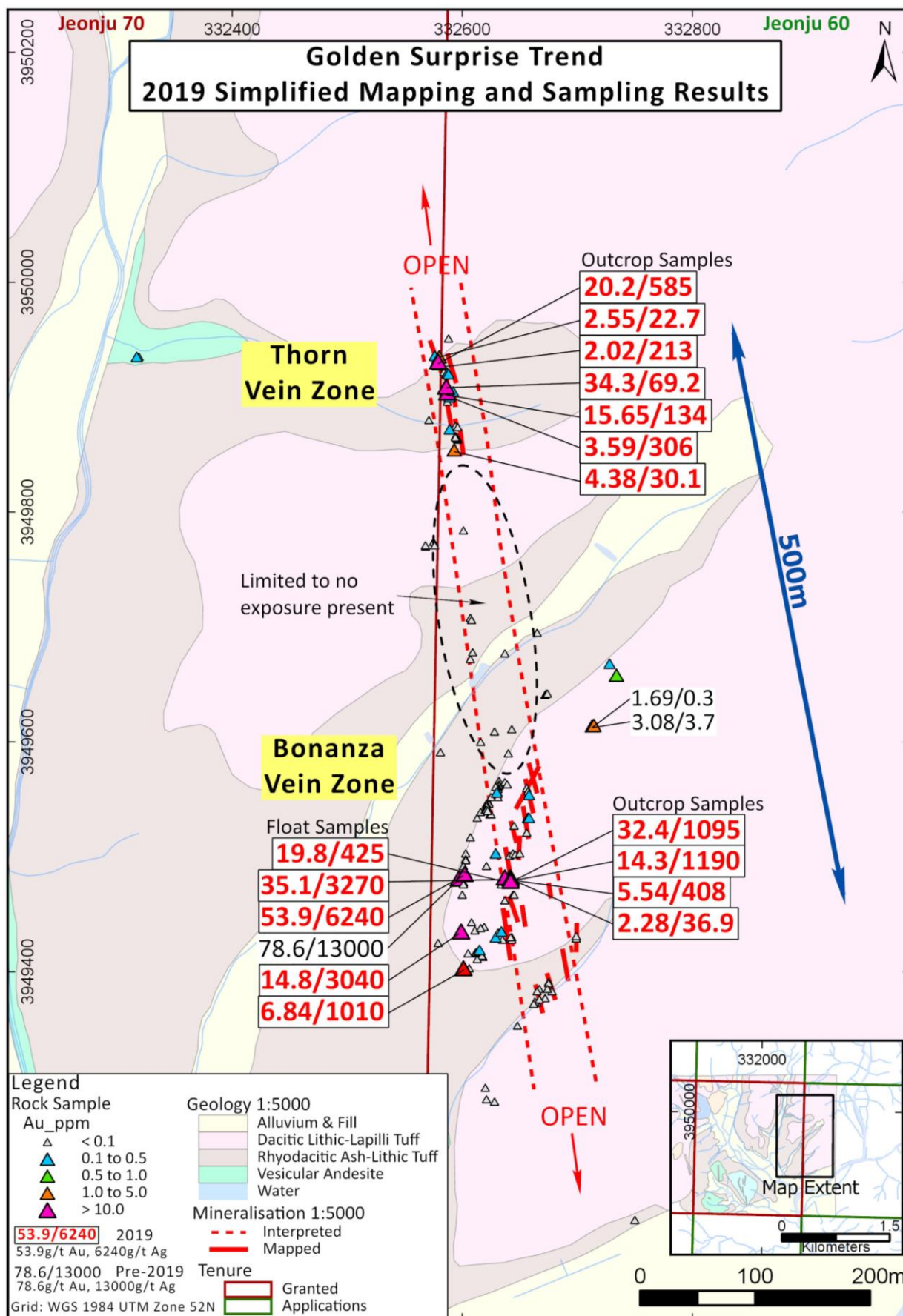


Figure 2: Deokon Project – Golden Surprise Trend sampling results and geology in plan view.

Background and Regional Geology

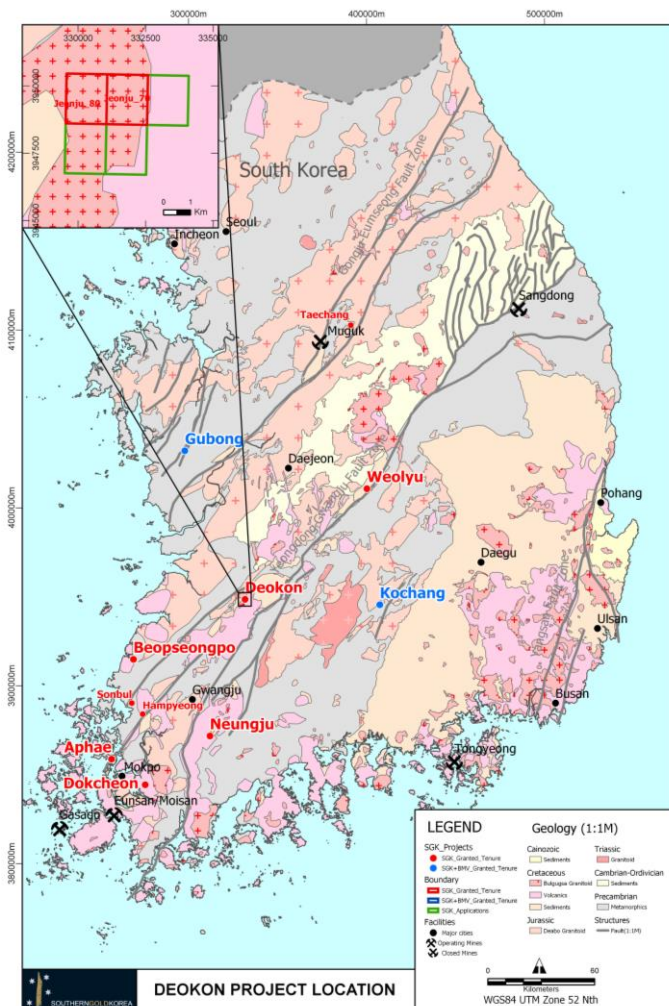


Figure 3: Deokon Project Location.

The Deokon Project (**Figure 3**) is located 200km south of Seoul in the Yeongdong Province and approximately 100km SSW of the major city of Daejeon, where Southern Gold operations are based.

The geology of the project area features a Cretaceous ‘pull-apart’ basin with northeast trending structures with the basin comprised of intermediate volcanic and volcanoclastic rocks intruded by late stage rhyolite dykes.

Low to intermediate sulphidation epithermal mineralisation has been mapped across a broad area and is focused predominately along north to northeast striking structures.

The Golden Surprise vein corridor was first identified in 2018 by the discovery of a bonanza float sample, but the outcrop had remained elusive. Dense vegetative cover prevents easy access during the summer months. Access and outcrop visibility are greatly improved post winter thaw.

Notwithstanding this, outcrop has been located at both the Bonanza and Thorn vein zones confirming high grade mineralisation across a large area (**Photos 1 and 2**).



Photo 1: Southern Gold Geologist at the Golden Surprise discovery outcrop at ‘Bonanza Zone’.



Photo 2: Golden Surprise, ‘Thorn Zone’ vein, 500m along strike of the ‘Bonanza Zone’ vein.

Deokon displays the typical geological and structural complexity seen in highly prospective back-arc extensional basin-hosted volcano-plutonic sequences. A complex package of andesitic through to rhyolitic resurgent dome, diatreme and pyroclastic flow emplacement, punctuated by periods of quiescence and moat formation characterises the area (a similar setting to the Company’s Hampyeong, Weolyu, Neungju and

Beopseongpo project areas in South Korea). Structural complexity is also evident, governed by a northeast-southwest and northwest-southeast fault and fracture mesh that is a product of sinistral reactivation of pre-existing strike-slip faulting during the late Cretaceous Period.

The Bonanza Zone tenure is currently covered by a Southern Gold application and the identification of this outcrop will ensure tenure grant over the coming months.

Deokon April-June Field Program Detail

Final significant assay results returned from the recent mapping program are presented in **Table 1**. Peak results of **53.9g/t gold and 6,240g/t silver (Photo 3)** and **35.1g/t gold and 3,270g/t silver (Photo 4)** were returned. These peak results are from the 'Bonanza Zone' within the Golden Surprise trend. Follow-up mapping and sampling work on the Golden Surprise trend, and Shin Hill North, was undertaken in June to continue building the understanding of the Deokon mineralised systems.

Sample ID	Au g/t	Ag g/t	Sample Type	Prospect	Grid ID	Easting	Northing	Elevation
KRS206270	53.9	6240	Float	Bonanza Vein Zone	WGS84_Z52Nth	332602	3949485	253
KRS206272	35.1	3270	Float	Bonanza Vein Zone	WGS84_Z52Nth	332637	3949482	273
KRS206303	34.3	69.2	Subcrop	Thorn Vein Zone	WGS84_Z52Nth	332586	3949909	277
KRS206354	32.4	1095	Outcrop	Bonanza Vein Zone	WGS84_Z52Nth	332642	3949479	276
KRS206311	20.2	585	Outcrop	Thorn Vein Zone	WGS84_Z52Nth	332579	3949931	292
KRS206215	19.8	425	Float	Bonanza Vein Zone	WGS84_Z52Nth	332637	3949482	269
KRS206291	19.1	43.9	UG Outcrop	Main Mine Geum #2 Adit	WGS84_Z52Nth	330872	3949474	354
KRS206301	15.65	134	Outcrop	Thorn Vein Zone	WGS84_Z52Nth	332587	3949904	277
KRS206391	14.8	3040	Float	Bonanza Vein Zone	WGS84_Z52Nth	332599	3949435	258
KRS206353	14.3	1190	Outcrop	Bonanza Vein Zone	WGS84_Z52Nth	332642	3949481	276
KRS206389	6.84	1010	Float	Bonanza Vein Zone	WGS84_Z52Nth	332601	3949403	259
KRS206352	5.54	408	Outcrop	Bonanza Vein Zone	WGS84_Z52Nth	332642	3949482	276
KRS206410	4.38	30.1	Outcrop	Thorn Vein Zone	WGS84_Z52Nth	332593	3949854	260
KRS206309	3.59	306	Outcrop	Thorn Vein Zone	WGS84_Z52Nth	332579	3949931	292
KRS206225	2.55	22.7	Outcrop	Thorn Vein Zone	WGS84_Z52Nth	332580	3949935	284
KRS206351	2.28	36.9	Outcrop	Bonanza Vein Zone	WGS84_Z52Nth	332641	3949483	276
KRS206310	2.02	213	Outcrop	Thorn Vein Zone	WGS84_Z52Nth	332580	3949929	293
KRS206234	1.5	1.6	Float	Shin Hill North	WGS84_Z52Nth	331857	3949564	243

Table 2: Significant reconnaissance surface mapping rock sample results from Deokon (>1.0g/t Au).



Photo 3: float sample KRS206270, **53.9g/t Au** and **6,240g/t Ag**. Golden Surprise, **Bonanza Zone**



Photo 4: float sample KRS206272, **35.1g/t Au** and **3270g/t Ag**. Golden Surprise, **Bonanza Zone**.

The Golden Surprise Trend is a mineralised vein corridor with an approximate width of 60m and a strike extent of at least 500m based upon geological mapping and is not closed off in either direction. Further thorough reconnaissance is planned post summer when vegetation die-off has occurred. The corridor strikes north-northwest – south-southeast with the average dip of the veins 66° to the ENE within the zone. The core zone within the corridor includes intense sheeted and network vein development over a width of 4m to 20m. These core zones host quartz \pm sulfide-sulfosalt veins and quartz \pm sulfide-sulfosalt vein breccias that vary between 1cm – 25cm in width and with sheeted vein densities observed up to 4-5 veins per metre.

The southern area of the Golden Surprise Trend contains the ‘Bonanza Zone’ with its high gold and very high silver values as indicated by the initial float samples, and was recently traced up slope to a large exposure of pervasive silica-illite-adularia-pyrite altered and intensely limonite-goethite \pm haematite stained dacitic lithic lapilli tuff. This exposure is cut by well-developed sheeted quartz \pm oxidised sulphide silver sulfosalt-electrum veining with a true width in excess of 10m. This exposure is identical in character to the highly gold-silver mineralised float samples that were located down slope.

The northern vein segment of the Golden Surprise Trend is referred to as the ‘Thorn Zone’ and is characterised by chalcedonic quartz sulphide veining and hydraulic brecciation with quartz-sulfide-silver sulfosalt matrix rehealing.

It is suggested from the observed quartz textures and associated sulfide assemblages that they are indicative of an epithermal system that has evolved from an early Intermediate-Sulfidation to a late stage overprinting low-sulfidation adularia-sericite type vein system in the north as evidenced by the Thorn vein segment. It is interpreted that a diatreme breccia pipe that cuts through a rhyolite dome 500m to the east of the Southern Bonanza vein segment is the likely source of mineralising fluids.

This discovery by surface prospecting, high quality geological field mapping and targeted sampling is straight forward first principles exploration. The Golden Surprise Trend is ready for scout diamond drilling to confirm the down dip continuity and should begin in the coming months.



Photo 5: New Outcrop Sample KRS206353, **14.3g/t Au and 1190g/t Ag**. Intensely silica-illite/adularia-pyrite altered and limonite-haematite-stained, hydraulically brecciated and interlocking crystalline quartz network rehealed dacitic to rhyolitic lithic-lapilli tuff. Limonite and haematite are after oxidised sulphides. **Bonanza Zone.**



Photo 6: New Outcrop Sample KRS206311, **20.2g/t Au and 585g/t Ag**. Intensely silica-illite-pyrite altered and limonite-stained, dacitic lithic tuff to tuffaceous sandstone. Cut by a 2 cm wide, limonite-stained mesocrystalline to interlocking crystalline quartz vein hosting segregations of bluish-grey silver sulfosalts and sulfides. **Thorn Zone.**

Additional Work at the Historic Mines

Additional work was also conducted around the historic Deokon Main Mine within the Eun and Geum adits. Final assay results were returned for April 2019 UG grab sampling at Deokon Main Mine 310 Level which was accessed from the Eun Adit. Significant results are also presented in **Table 3**.

The historical Main Mine, Eun and Geum Adit workings are a separate trend from the Golden Surprise vein corridor but are interpreted to be a part of the same mineralised system.

Sample ID	Au (ppm)	Ag (ppm)	Sample Type	Location	Rock Type
KRS205520	4.1	22.2	UG Outcrop	Main Mine	Quartz Veined Dacite
KRS205535	3.58	1500	UG Outcrop	Main Mine	Quartz-Sulphide Vein
KRS205521	2.25	233	UG Outcrop	Main Mine	Quartz-Sulphide Vein and Lode
KRS205514	1.92	3.3	UG Outcrop	Main Mine	Quartz Sulphide Lode
KRS205519	1.48	157	UG Outcrop	Main Mine	Quartz-Sulphide Vein and Lode
KRS205515	1.37	4.5	UG Outcrop	Main Mine	Quartz Sulphide Lode
KRS205536	1.32	94.7	UG Outcrop	Main Mine	Quartz Sulphide Lode
KRS205528	1.26	253	UG Outcrop	Main Mine	Quartz-Sulphide Vein and Lode
KRS205529	1.26	324	UG Outcrop	Main Mine	Quartz-Sulphide Vein and Lode
KRS205531	1.02	132	UG Float	Main Mine	Quartz-Sulphide Vein and Lode

Table 3: Significant underground grab sampling results from Deokon Main Mine 310 Level (>1.0 g/t Au). No co-ordinates are shown as they are grab samples.

Next Stage

The Southern Gold Korean team is currently in discussions with local landowners to enable drilling to commence as soon as practicable. Southern Gold expects to commence drilling at Beopseongpo very shortly (where full access to drill sites has been agreed) but will look to drill at the Deokon Golden Surprise Trend once local landowners and other stakeholders have been fully informed of developments.

The Company takes its Community and Social Responsibilities very seriously and will look to build relationships with local people for the long-term benefits of all stakeholders. Southern Gold hopes to commence drilling at this important target at some stage over the coming months.



Photo 7: Slab photos of samples KRS205352 **78.6g/t Au and 13,000g/t Ag (upper sample)** and KRS206389 **6.8g/t Au and 1010g/t Ag (lower sample)** both float samples from the Bonanza Zone with visible native silver and electrum in hand specimen.

Note to Southern Gold shareholders: the closing date to subscribe for shares in the fully underwritten \$2.3m rights issue is close of business Thursday 18 July.

Related ASX Announcements

20180806 – ASX Tenements granted at Deokon, South Korea.

20181002 – ASX High grade gold confirmed at Shin Adit, Deokon Project, South Korea.

20190403 – ASX 2019 South Korea Field Work Commences.

20190527 – ASX Beopseongpo, Major Epithermal Target Defined.

Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer listed on the Australian Securities Exchange (under ASX ticker “SAU”).

Southern Gold owns 100% of a substantial portfolio of high-grade gold projects in South Korea that are largely greenfield epithermal gold-silver targets in the south-west of the country. Backed by a first-class technical team, including renowned geologist Douglas Kirwin, Southern Gold’s aim is to find world-class epithermal gold-silver deposits in a jurisdiction that has seen very little modern exploration.

Southern Gold is also looking to commission a small scale mine in South Korea within the next 12 months with development partner London-listed Bluebird Merchant Ventures (BMV) at either the Kochang or Gubong project where the company retains a 50% equity interest.

Competent Person’s Statements

The information in this report that relates to Exploration Results has been compiled under the supervision of Mr. Paul Wittwer (AIG, AusIMM). Mr Wittwer who is an employee of Southern Gold Limited and a Member of the Australian Institute of Geoscientists and 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 Wittwer 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 or ASX release, 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.

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	<i>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.</i>	<p>The nature of the samples and assay results in the body of this ASX Release relate to underground rock chip grab samples, and surface rock chip and grab samples taken from the historical Main and Geum Mine, and adjacent areas at the Deokon Project, South Korea, within tenements and an application held by Southern Gold.</p> <p>Sampling was done on rock exposed underground on the backs, faces and walls of drives collected via a hammer and hand chisel. In addition, surface reconnaissance rock chip sampling was taken based upon geological features relevant to the target style of mineralisation.</p> <p>Sample sites were chosen selectively to reflect geological features relevant to the target style of mineralisation.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Surface and underground reconnaissance rock chip samples are not considered representative and only used as an exploration tool to plan potential future representative sampling programs.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	<p>Determination of mineralisation was achieved by geological logging of samples by an experienced SAU or consultant geologist or representative, with structural measurements taken where possible. Samples were geologically logged for lithology, mineralisation, alteration, veining, and structure.</p> <p>SAU mapping and rock sampling results has been used to inform the determination of mineralisation at an early stage of exploration.</p>
	<i>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.</i>	<p>No core drilling was completed by SAU in this release</p> <p>Surface and underground reconnaissance rock chip samples are not considered representative and only used as an exploration tool to plan potential future representative sampling programs.</p>
Drilling techniques	<i>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.).</i>	No drilling results are reported in this release. SAU did not conduct any new drilling for this release.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling results are reported in this release. SAU did not conduct any new drilling for this release.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No drilling results are reported in this release. SAU did not conduct any new drilling for this release.

Criteria	JORC Code explanation	Commentary
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No drilling results are reported in this release. SAU did not conduct any new drilling for this release. Where historical drilling may be reported in past reporting, it is not known if a relationship exists between sample recovery and grade, or if there is any bias present.
Logging	<i>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.</i>	No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Geological logging was qualitative in nature. Structural logging was quantitative in nature. Slab photography of all surface reconnaissance rock samples has been done.
	<i>The total length and percentage of the relevant intersections logged.</i>	No sampling reported in this release refers to sample intervals. Sampling conducted is reconnaissance in nature.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling results are reported in this release. SAU did not conduct any new drilling for this release and as such no core was processed.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Samples were taken dry. Rock chip and grab samples had representative slabs cut (example, see Photos 1-6 in the body of this release) and all of the remaining offcuts of each sample were sent for assay.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	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, split to 1,000g, then pulverised to 85% passing 150 microns. Pulp samples are then split using a micro-riffle splitter to produce 500g of pulp reject, 250g of pulp duplicate, and 250g of sample for shipment to ALS Laboratories in Laos. The nature of the laboratory preparation techniques is considered 'industry standard' and appropriate.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	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 split using a micro-riffle splitter to produce 500g of pulp reject, 250g of pulp duplicate, and 250g of sample for shipment to ALS Laboratories in Laos. Pulp rejects are retained for each sample. These procedures are considered appropriate to maximise representivity of samples, for first pass exploration.
	<i>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.</i>	Given the nature of the reconnaissance rock sampling, no QAQC samples were considered appropriate for the reporting of early stage Exploration Results.

Criteria	JORC Code explanation	Commentary
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample size is considered appropriate for the target style of mineralisation, the requirements for laboratory sample preparation and analyses, for early stage Exploration Results.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>Pulp samples (typically 200 to 400g) prepared by SGS in South Korea are sent through registered airfreight (e.g. DHL) to ALS laboratory in Laos for Au analysis, with a 12.5g split sent to ALS Brisbane for multielement analysis. ALS is an ISO/IEC 17025:2005 and ISO9001:2015 certified laboratory.</p> <p>Gold was analyzed 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.</p> <p>A 35 multi-element suite was analyzed 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).</p> <p>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 100g/t Ag were re-analysed to ore-grade using Aqua Regia Digestion and ICP_AES (method Ag-OG46) with an upper detection limit of 1500g/t Ag. Samples returning a result above 1500g/t Ag were re-analysed to ore-grade using Aqua Regia Digestion and ICP_AES – Extended Range (method Ag-OG46h) with an upper detection limit of 3000g/t Ag. Samples returning a result above 3000g/t Ag were re-analysed using Ag by Fire Assay and Gravimetric Finish, 30g nominal weight (method Ag-GRA21) with an upper detection limit of 10000g/t Ag. Samples returning a result above 10,000g/t Ag were re-analysed using Ag by Fire Assay and Gravimetric Finish, 30g nominal weight (method Ag-CON01), with an upper detection limit of 995,000g/t.</p> <p>The nature of the laboratory assay sampling techniques is considered ‘industry standard’ and appropriate.</p> <p>For any historical KORES, where mentioned, drill core and underground channel samples, the nature, quality and appropriateness of the sample assaying procedures are unknown.</p>
	<i>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.</i>	<p>No data from geophysical tools were used to determine analytical results in this ASX Release.</p> <p>The nature of historical KORES geophysical data, where mentioned, is not known nor locatable at time of this ASX Release.</p>
	<i>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.</i>	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, it is investigated and the samples are potentially re-run with another laboratory.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<p>Assay data has been verified by the geologist in charge of the program and a second Southern Gold employee.</p> <p>Significant intersections/results in this ASX Release have been verified by the Competent Person.</p> <p>Where referenced, any historical KORES data cannot be independently verified.</p>

Criteria	JORC Code explanation	Commentary
	<i>The use of twinned holes.</i>	No twinned holes have been completed as part of this ASX Release, as the program is at an early stage.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary SAU data is recorded 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 an external consultant with proprietary software. The extracted database is backed up as part of the Company server backup protocol. Historical data exists as digital copy format of original Korean logs and transcripts, but cannot be validated. It has been transcribed into SAU databases where applicable, and appropriately tagged as such.
	<i>Discuss any adjustment to assay data.</i>	No adjustments are made to the assay data.
<i>Location of data points</i>	<i>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.</i>	SAU surface reconnaissance rock sample XYZ locations are determined with a handheld Garmin 64s GPS producing levels of accuracy +/- 3m.
	<i>Specification of the grid system used.</i>	The grid system used is Universal Transverse Mercator (WGS84), Zone 52 S (Northern Hemisphere).
	<i>Quality and adequacy of topographic control.</i>	South Korean Government 5m contour data is available and deemed suitable for topographic control on early stage exploration campaigns.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	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.
	<i>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.</i>	No Mineral Resource or Ore Reserve have been estimated in this ASX Release.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	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.
	<i>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.</i>	The relationship between sampling orientation and the orientation of key mineralised structures is not considered to have introduced any material sample bias, as discussed above.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	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

Criteria	JORC Code explanation	Commentary
		<p>procedures:</p> <p>Post on-site logging and processing, samples are transported to the Company's shed facilities under the direct supervision of a Company representative.</p> <p>Samples are further processed for dispatch by Company representatives under guidance of the Competent Person. Bagged samples are secured by ties and delivered by a Company representative to the sample preparation laboratory. The preparation laboratory sends pulp samples directly to the assay laboratory for analysis via registered courier (DHL). The samples are picked up from the Laos airport by an ALS Laboratory representative. All rejects are returned under courier service and stored in the Company's secure lock-up long-term core storage facility.</p>
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No external or independent reviews have been undertaken. Southern Gold's sampling procedure conforms to industry standard practice and each assay program is reviewed internally for any discrepancies.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>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.</i>	<p>The Deokon granted tenements Jeonju 70 and Jeonju 80, and application Jeonju 60 are held by Southern Gold Korea, a fully owned subsidiary of Southern Gold (see Figure 1 in this release). The Deokon mineralised structures also lie on privately held land and no known material issues exists with third parties at this time. Jeonju 60 is currently under application by Southern Gold with the title expected to be granted in due course.</p> <p>There are no native title interests in Korea. It is a generally accepted requirement that mineral title holders gain the consent of local landowners and residents before undertaking any major exploration activity, such as drilling.</p>
	<i>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.</i>	<p>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.</p> <p>There are no known impediments to obtaining a license to operate.</p>

Criteria	JORC Code explanation	Commentary
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>The Deokon Project has historically had small scale mining and adits excavated by the Deokon Mining Company from 1958 to 1980. An unknown party held the license and sporadically operated the mine from 1997 to ~2010. Historical records are not extensive and considered unreliable.</p> <p>The Korean government agency KORES and its predecessor KMPC conducted diamond drilling at Deokon from 1977 to 1979 with a final round in 1982. 14 holes were drilled at the Main Adit and 2 holes at the Shin Adit.</p> <p>During 1981, the KMPC conducted a Self-Potential (SP) geophysical survey with original data no located. KMPC conducted an underground sampling program along the drives in 1983</p> <p>In the 1990's, Ivanhoe Mines conducted brief field reconnaissance in the area. No other details of previous work in the vicinity is known to the best of our knowledge.</p>
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	Exploration is targeting low- to high-sulphidation style epithermal precious metal (Au, Ag) mineralisation in Cretaceous volcanic rocks of the Korean Peninsula.
<i>Drill hole Information</i>	<i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> 	A summary of significant results above 1g/t Au are summarized in Tables 1 to 3.
	<i>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.</i>	No information has been excluded from this release for Jeonju 60, 70 and 80 to the best of Southern Gold's knowledge.
<i>Data aggregation methods</i>	<i>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.</i>	No weighting averaging techniques, maximum and/or minimum grade truncations, or cut-off grades were used within this release. The results reported are reconnaissance rock samples and the above techniques do not apply to these early stage exploration samples.
	<i>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 examples of such aggregations should be shown in detail.</i>	All assay values reported are raw assays and none of the reported data has been cut or adjusted.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been reported in this ASX Release.

Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	No mineralisation widths or intercepts are reported in this report as the sampling reported is early stage reconnaissance exploration grab sampling.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	With regard to surface sampling it is not necessarily known what the relationship between mineralisation widths is as no drilling was undertaken.
	<i>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').</i>	No downhole widths are reported in this release as the sampling reported is early stage reconnaissance exploration grab sampling.
<i>Diagrams</i>	<i>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.</i>	Appropriate maps, sections, and tables have been included in this ASX Release. See Figures 1 and 2, and Table 1 to 3 in the body of this release.
<i>Balanced reporting</i>	<i>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.</i>	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 ASX reports with details provided in this report.
<i>Other substantive exploration data</i>	<i>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.</i>	To the best of our knowledge, no meaningful and material exploration data has been omitted from this ASX Release.
<i>Further work</i>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Southern Gold is reviewing the data to determine the best way to advance the projects and will notify such plans once confirmed. Further detailed surface ground reconnaissance to obtain more detail geological and structural information is planned prior to developing an initial diamond drill program.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Refer to Figures 1 & 2 in the main body of this ASX Report that show where sampling has been conducted.