ASX Release
Tuesday 10 December 2019

ASX Code: SAU

Maiden Diamond Drilling at Beopseongpo confirms major epithermal system

- Broad zones of low sulphidation epithermal multi-phase veining intersected within intensely altered basement rocks
- Polyphasal quartz vein textures indicative of incremental dilation, pulsed fluid flow and localised flash boiling, all critical indicators or requirements for precious metals deposition
- Peak intersection was **0.96m @ 5.7g/t gold from 36.45m** at 'Hand of Faith'
- Planning for a second program is underway to test deeper into the system where much higher grades are expected
- 'Golden Palm' target to be drill tested in coming weeks

Beopseongpo drilling program

Southern Gold is pleased to announce the results from the first pass scout program at Beopseongpo at the 'Lotus North' and 'Hand of Faith' Prospects. With all assay results from the maiden drilling program being received, significant intersections above 1g/t Au were from the 'Hand of Faith' target and include:

- **1.00m @ 1.48g/t Au from 9.40m in hole BPDD005 (True width)**
- **0.96m @ 5.70g/t Au from 36.45m in hole BPDD006 (Est. 0.67m True width)**
- **1.05m @ 1.17g/t Au from 46.68m in hole BPDD007 (True width)**

These drilling intercepts are highly encouraging from the very small strike section of veining (<100 m strike extent of one vein system) drilled to date. This equates to less than five percent of the total outcrop, subcrop and float train-inferred strike of vein systems mapped at Beopseongpo project area.

Most importantly, the quartz vein textures intersected are typical of the upper-most levels of Low Sulfidation vein systems, less than 50 metres below the palaeowater table. This means the main potential for high grade precious metal mineralization is preserved and interpreted to be between one hundred and five hundred metres below the paleo-water table, which has yet to be drilled (Brathwaite and Christie, 2000). Now that the veins have been intersected, they can easily be targeted down dip in the next program at Hand of Faith.

Southern Gold Managing Director, Mr. Simon Mitchell: "*We are pleased to have successfully executed the maiden drill program at Beopseongpo and confirm the large vein widths at Hand of Faith. The results and vein textures are typical of high level low-sulfidation systems and we intend to target these at depth where high grade mineralisation is much more likely in a second phase program next year. Beopseongpo has all the right technical characteristics of a large-scale epithermal system and will require several drill programs to fully test the multiple targets in the extensively veined area.*"

Shares on Issue: 87.87m
Share Price: $0.19
Market Capitalisation: $16.7m

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

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Diamond drilling details

The maiden diamond drilling program at Beopseongpo was completed on the 22nd October. This involved four holes for 653.63m at Lotus North and three holes at Hand of Faith for 555.84m, totalling 1,209.47m of drilling.

At 'Hand of Faith', observations from drill core show that the target was clearly intersected and contains abundant epithermal veining with individual, predominantly veined zones up to 7m in true width with high-level epithermal textures, within broader zones of up to 50 metres true width. Numerous low-sulphidation epithermal multi-phase quartz-adularia+-pyrite+/- fine sulphide dusting veins were intersected within intensely altered (propylitic distal and argillic vein proximal) basement host. Vein textures encountered include colloform banded, chalcedonic flood, bladed quartz pseudomorphs after calcite, comb, veined breccias, vein breccia, saccharoidal and mesocrystalline. The most dynamic veining intercepted was in BPDD007 from 45-49m.

It is important to recognize that the zone tested at Hand of Faith is very high in the epithermal system based on the textures and wall rock alteration in the core which means that the target is deeper, and most importantly, preserved **(Figure 1)**.

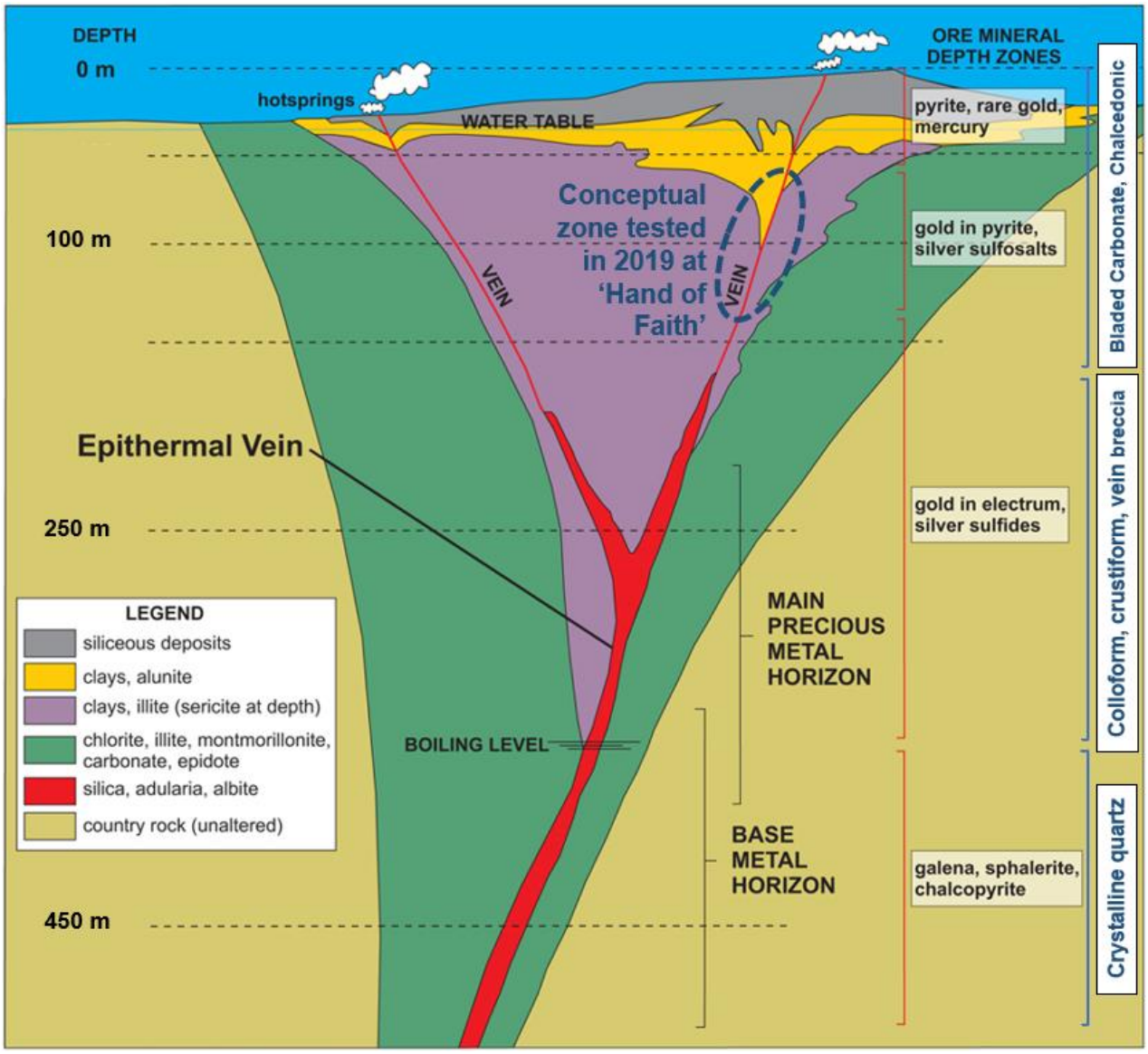

Figure 1 – Epithermal vein model (modified after Buchanan, 1981)

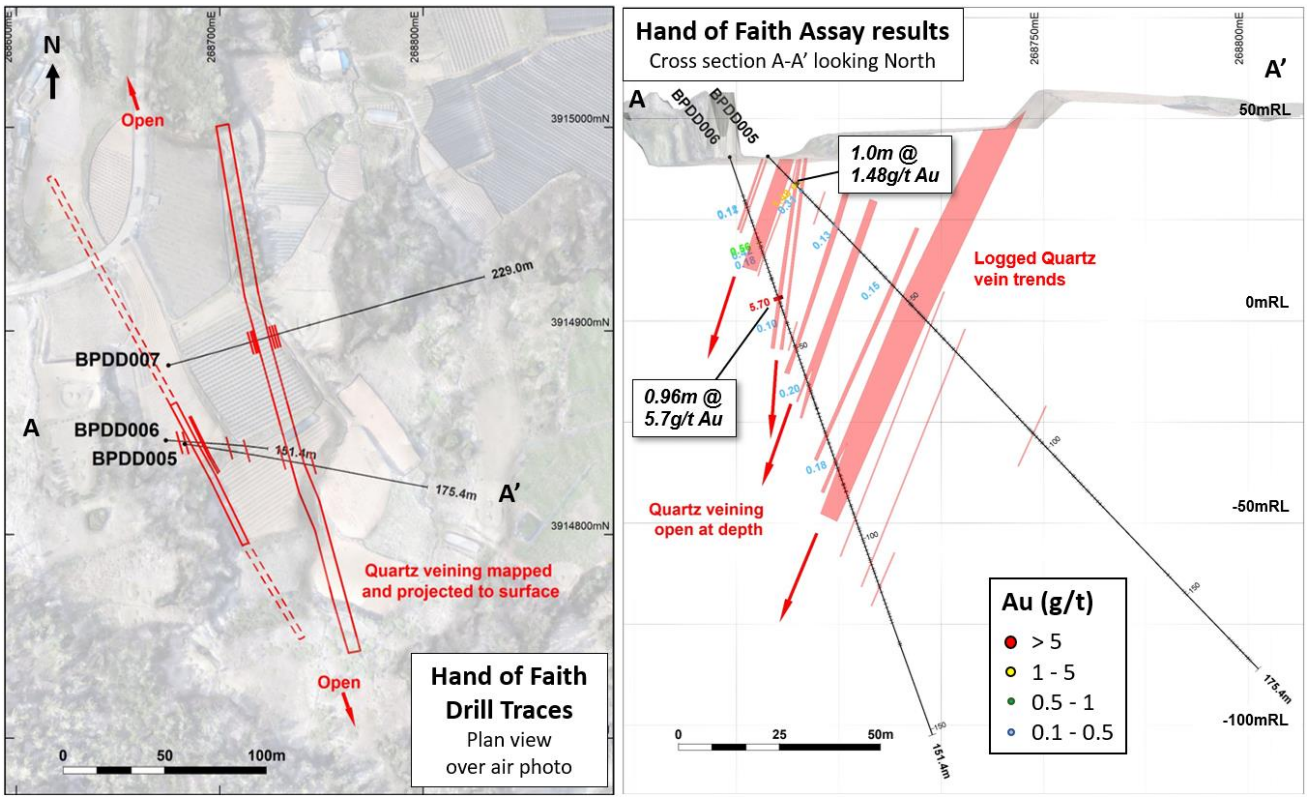

Figure 2. Plan view of drill traces completed at Hand of Faith Prospect (left) and Cross-section view of drill results (> 0.1g/t Au) for BPDD005 and BPDD006 (right) in relation to quartz veins encountered.

'Lotus North' was the first Prospect drilled and returned only minor epithermal veins encountered with no significant intersections over 0.5g/t Au. Current interpretation indicates the main target zone has the opposite dip to what was mapped although further geological investigation is required.

Southern Gold is very happy with the capability of the drill contractor and the quality of the core and core recoveries in general. This early stage drilling program also demonstrates the ability of Southern Gold to execute exploration drilling programs in South Korea successfully.

Photo 1. Drilling BPDD005 at Hand of Faith. Targeting underneath the cutting on the left side where high-level quartz vein textures were originally identified

Significant intersections are presented in **Table 1** and **Photos 2 – 6**.

Hole ID	From (m)	To (m)	Interval (m)	Est. True Width (m)	Au (g/t)	Ag (g/t)	As (ppm)	Cu (ppm)	Mo (ppm)	Pb (ppm)	Zn (ppm)	Recovery (%)
BPDD005	**9.4**	**10.4**	**1**	**1**	**1.48**	**2.1**	**44**	**75**	**3**	**22**	**31**	**57**
and	11.47	12.4	0.93	0.93	0.31	2	22	23	6	38	8	9
and	23.4	25	1.6	1.6	0.13	1.5	3	32	1	89	89	29
and	41.51	41.66	0.15	0.15	0.15	2.2	61	103	14	143	74	100
BPDD006	12.14	13.1	0.96	0.67	0.1	6.6	37	10	17	42	69	92
and	22.26	23.67	1.41	0.99	0.48	0.7	14	15	13	8	7	54
and	25.28	26.17	0.89	0.62	0.12	0.8	95	35	16	16	19	100
and	**36.45**	**37.41**	**0.96**	**0.67**	**5.7**	**4.5**	**21**	**23**	**3**	**16**	**21**	**100**
and	42	43.04	1.04	0.73	0.1	0.7	8	82	1	45	87	100
and	59.4	59.68	0.28	0.20	0.2	17.6	222	275	55	32	112	100
and	79.43	79.68	0.25	0.18	0.18	1.1	39	17	53	5	43	100
BPDD007	37.6	38.6	1	1	0.19	37.9	3	70	0.5	49	125	100
and	**46.68**	**47.73**	**1.05**	**1.05**	**1.17**	**12.45**	**12**	**114**	**25**	**281**	**189**	**100**
and	56.85	57	0.15	0.15	0.22	6.9	183	96	69	97	44	100

Table 1 – All intersections above 0.1g/t at Hand of Faith. Internal dilution cut-off is >=0.07g/t

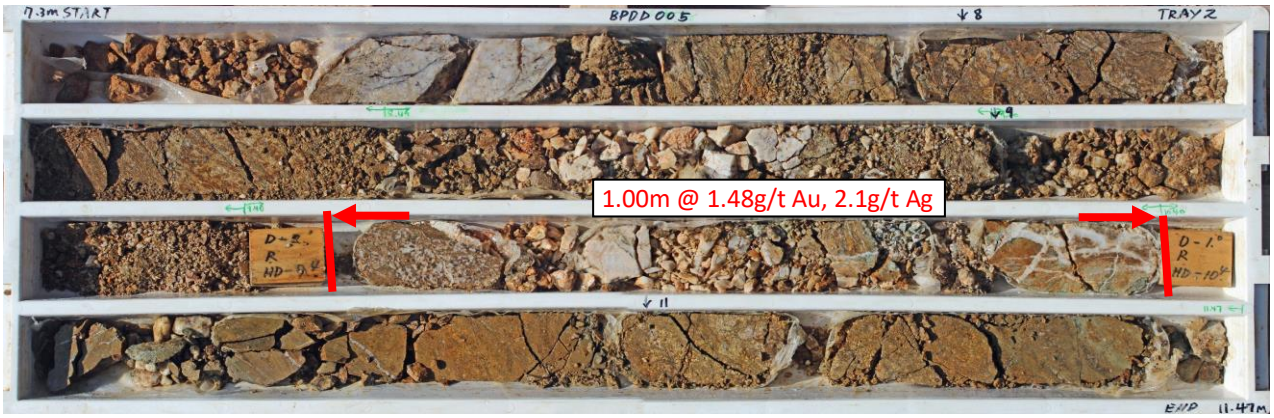

Photo 2. BPDD005, Tray 2, 7.30 to 11.47m. 9.40 to 10.40m, 1.00m @ 1.48g/t gold and 2.1g/t silver (57% recovery). Sample is of chalcedonic quartz, and earlier crystalline quartz-adularia veined silica-illite(sericite)-pyrite altered metasediments. Note 0.43m core-loss in the sampled interval.

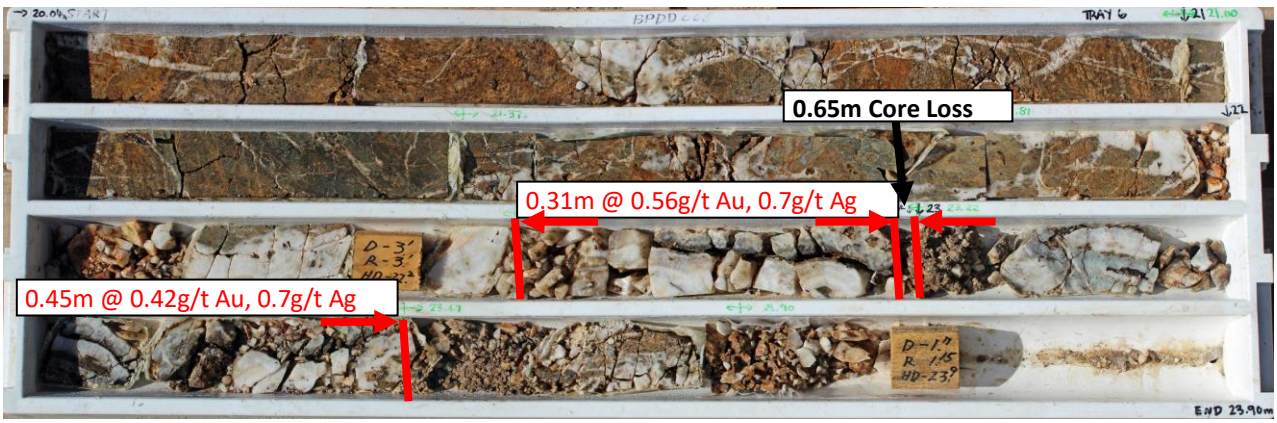

Photo 3. BPDD006, Tray 6, 20.04 to 23.90m. 22.26 to 23.67m, 1.41m @ 0.48g/t gold and 0.7g/t silver (54% recovery). Sample is of multi-phase colloform banded chalcedonic quartz-adularia+-sulphide veining with minor zones of bladed quartz pseudomorphs, saccharoidal, and crystalline quartz. Note 0.65m of core loss within the interval.

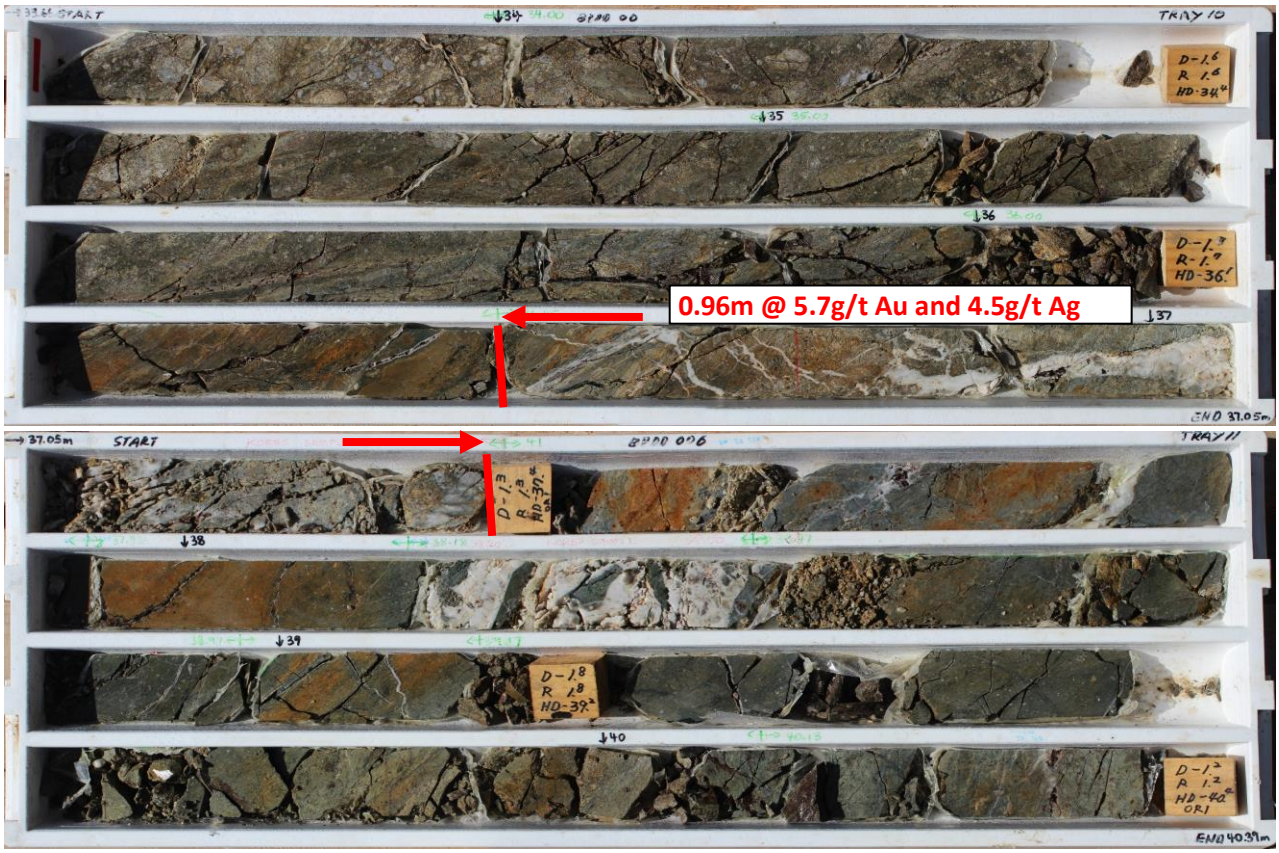

Photo 4. BPDD006, Tray 10&11, 40.39m. 36.45 to 37.41m, 0.96m @ 5.7g/t gold and 4.5g/t silver. Sample is of silica-illite(+-sericite)-pyrite altered, tectonically brecciated/milled metasediments with later chalcedonic weakly banded quartz+-adularia veining and monophasal crystalline quartz veining.

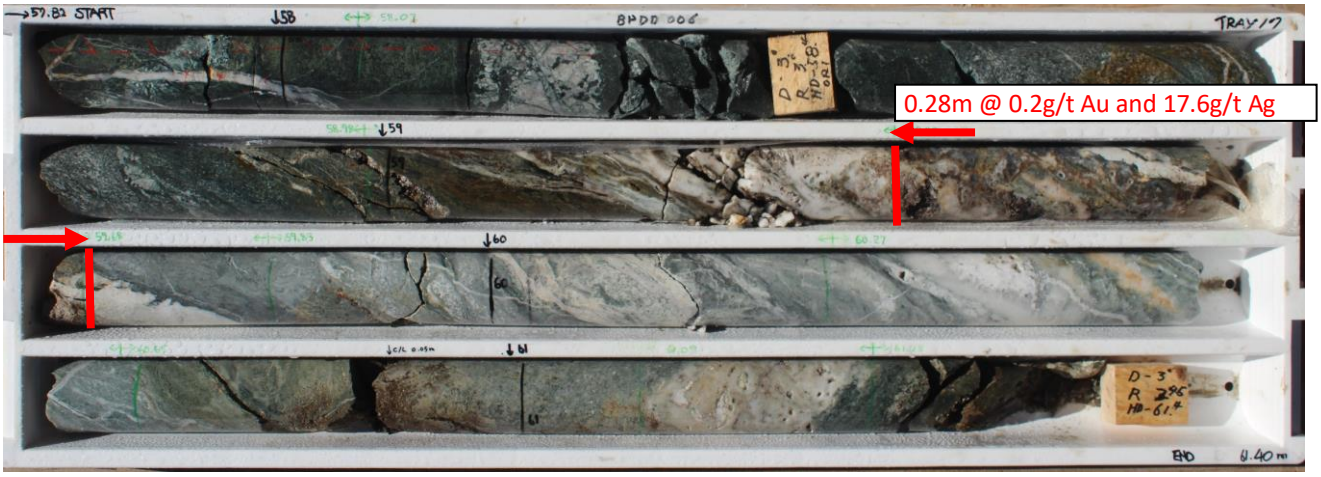

Photo 5. BPDD006, Tray 17, 57.82 to 61.40m. 59.40 to 59.68m, 0.28m @ 0.20g/t Au, 17.6g/t Ag and elevated As (222ppm), Cu (275ppm) and Mo (55ppm). Sample is of a chalcedonic quartz and fine sulphide vein breccia phase. Colloform banded and bladed quartz pseudomorph veining from 58.98-59.4m reported 0.42m @ 0.04g/t Au and 2.5g/t Ag.

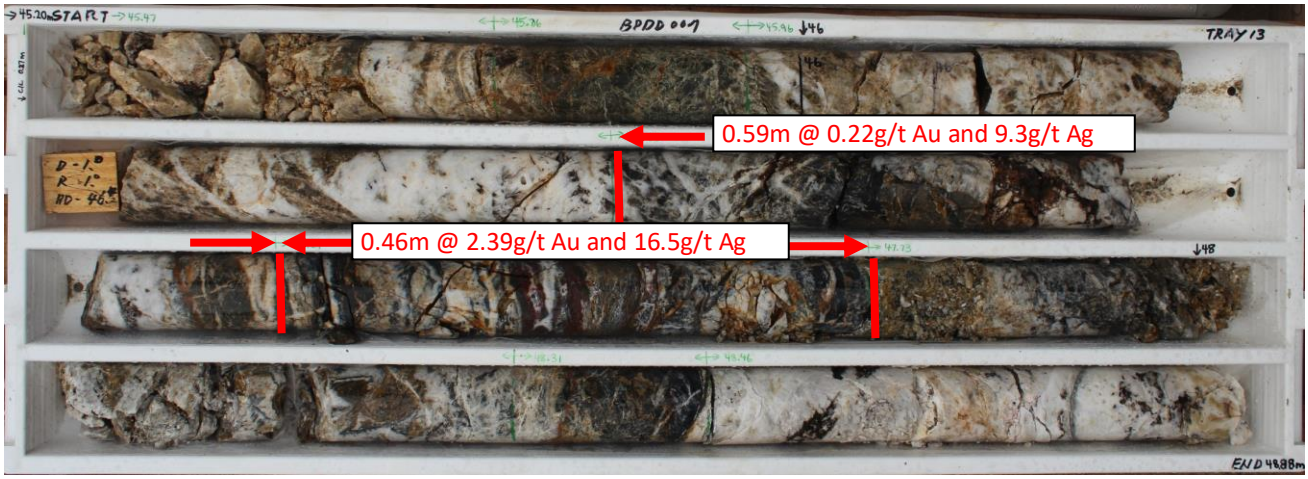

Photo 6. BPDD007, Tray 13, 45.20 to 48.88m. Dynamic multi-phase quartz-adularia-sulphide veining dominated by vein breccias, saccharoidal quartz, cockade banding, coarse bladed phases and crystalline quartz. Veining is also present on core trays before and after, however this is the most dynamic and sulphide rich section. Assays from 46.68 to 47.73m weighted at 1.05m @ 1.17g/t Au, 12.45g/t Ag.

Project Geology

Low-sulfidation epithermal quartz vein-hosted gold-silver mineralisation at Beopseongpo is localised along the eastern step fault-bounded margin of a pull-apart basin with wedge-like geometry, developed along a north-south striking, regional fault system that has undergone sinistral reactivation during the late Cretaceous Period.

Five corridors of sheeted and network vein development have been mapped within this 1.2 kilometre-wide, 3.5 kilometre-long, broadly north-south trending fault-fracture system associated with normal extensional step faulting along the eastern boundary of the basin. These corridors attain highly significant widths that commonly exceed twenty metres and have traceable exposed quartz vein outcrop and float train segments ranging between two-hundred and five-hundred metres in strike extent. The conservative combined strike of all vein sets equates to 2.57 kilometres and approaches three kilometres if projections are made northwards based on isolated along strike outcrop geology.

Many key characteristics of large economically mineralised Low-Sulfidation epithermal gold-silver systems are present, including (1), a well-developed, persistent, dynamic and long-lived fault-fracture mesh, characterised by continued incremental dilation and pulsed fluid flow, (2) clear fluid focusing in a rock sequence capable of hosting traceable through-going veins and vein networks, (3) a precious metal-bearing fluid source that has undergone protracted boiling, and (4) limited erosion, preserving the main upward-flaring precious metal depositional interval.

Evidence for these key factors include (1), dynamic polyphasal banded quartz vein and hydraulic vein breccia textures with abundant lattice textures after bladed calcite, (2) gold-anomalous, texturally and geochemically high-level vein zones commonly exceeding twenty metres in width, with traceable strike extents of in-tact individual segments of over two-hundred metres, and (3) well-developed sheeted and networked quartz veining over broad intervals between major veins.

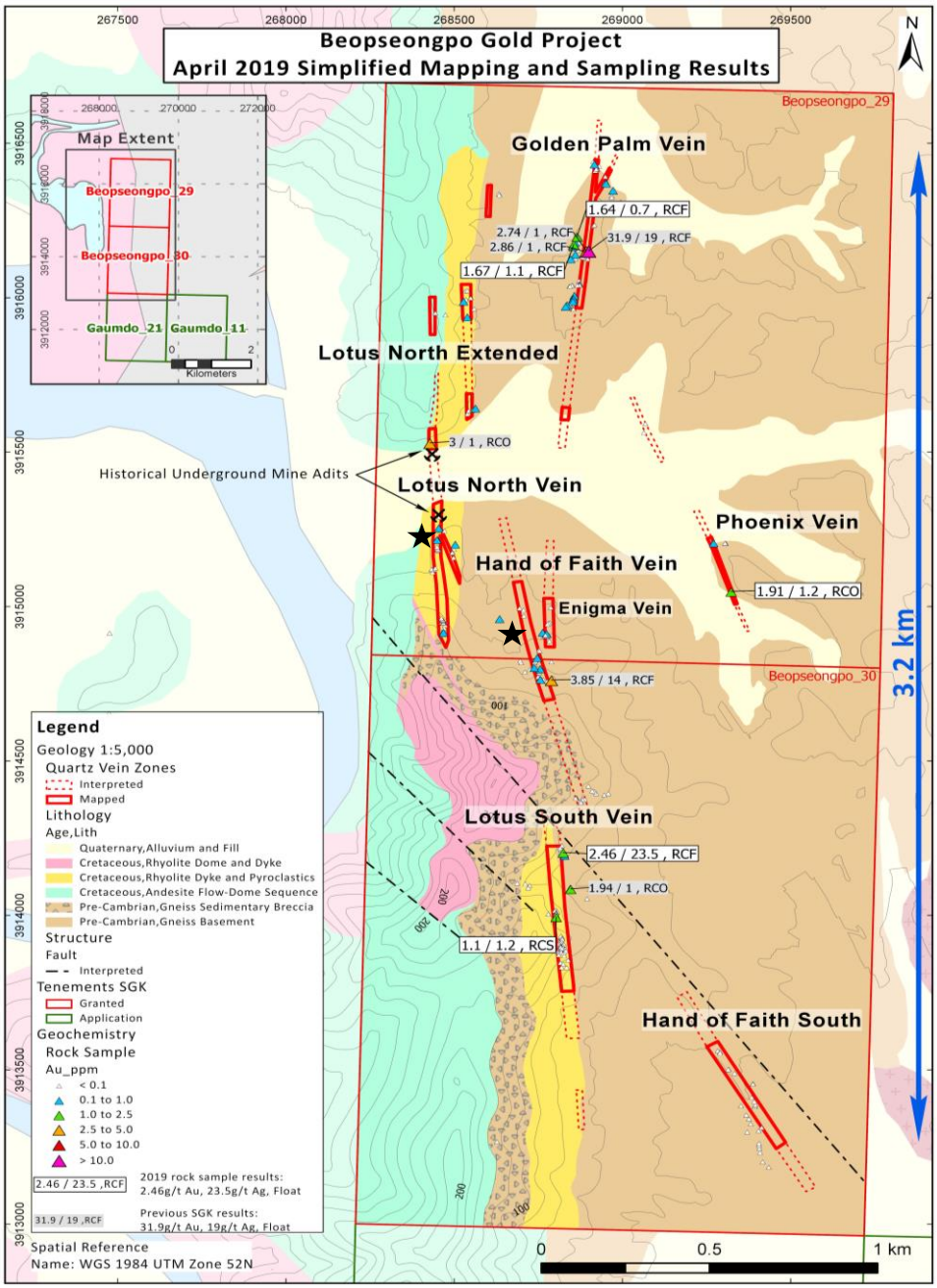

Figure 3: Beopseongpo Project showing the locations of the Lotus North and Hand of Faith Prospects where drilling has recently been completed (black stars).

Interpretation of drilling results at Hand of Faith

The section of Hand of Faith drilled to date is less than 5% of the mapped strike length of prospective veining at Beopseongpo. Individual sheeted and network vein zones commonly attain widths of in excess of twenty metres, and host individual veins commonly in excess of one metre in true width.

Quartz vein textures intersected are polyphasal and indicative of continued incremental dilation and pulsed fluid flow. They are typified by a complex sequence of colloform, crustiform, and cockade high-level chalcedonic, saccharoidal and coarse crystalline quartz deposition, with the pronounced presence quartz re-healed hydraulic vein rip-up clast breccias. The presence of locally banded chalcedonic quartz, chalcedonic

quartz recrystallisation textures (saccharoidal quartz and interlocking crystalline quartz) and abundant coarse lattice bladed quartz after bladed calcite, coupled with the dynamic polyphasal nature of veining, are indicative of localised intense flash boiling, which is highly conducive to precious metal deposition. Additionally, fine-grained chalcedony locally verging on agate, plus the presence of cherty yellow jasperoid along the southern contact are typical of epithermal quartz vein textures developed within fifty metres of the system paleo-water table or piezometric surface. Therefore, the system and potential main precious metal-mineralised interval is likely preserved between one hundred and five hundred metres below the paleo-water table (as per **Figure 1**).

Comparable Deposits

Comparable examples of productive epithermal gold-silver vein systems at this level of exposure include the upper sections of the Gladstone-Favona vein system, and textures present in the upper portions of the upper Martha Lode (above 1070 RL) within the Waihi Goldfield of New Zealand. In terms of structural fluid focus, low-tenor surface geochemistry and rhyolitic host rocks noted in several vein zones, the Wharekirauponga (WKP) epithermal project in New Zealand is a similar target model to Beopseongpo.

Next Stage

Step-wise drill testing at deeper levels at Hand of Faith (as per the zonation model in **Figure 1)**, is the primary goal of future diamond drill testing. Based on the high level of the system, the lack of significant widths of high grade gold and silver values is expected at this level of exposure and much higher values are expected at depth.

In addition, the Golden Palm vein segment at Beopseongpo is approximately thirty to fifty metres lower in elevation to the other mapped veins, and this zone has generated the highest gold-silver values to date, with the largest proportion of strongly anomalous precious metal float sample values (peak: 31.90 g/t gold and 19 g/t silver). Drilling is planned for this zone over the coming weeks.

Hole collar co-ordinates and details are shown in Table 2 below.

Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
BPDD001	Lotus North	268403.29	3915291.06	3.75	-50	87	149.95
BPDD002	Lotus North	268402.76	3915290.88	3.81	-75	88	105.10
BPDD003	Lotus North	268387.65	3915251.52	3.68	-45	91	181.40
BPDD004	Lotus North	268386.36	3915249.58	3.67	-45	118	217.18
BPDD005	Hand of Faith	268682.80	3914844.47	40.66	-45	98	175.44
BPDD006	Hand of Faith	268673.53	3914846.28	40.47	-70	94	151.42
BPDD007	Hand of Faith	268674.82	3914883.07	37.03	-45	75	228.98

Table 2 – Drill hole collar details at Beopseongpo

References

Brathwaite, R. L, and Christie, A. B., 2000. Deposit Types and Paleo-Depth Extents of Coromandel Epithermal Au-Ag Deposits. In Proceedings of the 33rd Annual Conference, New Zealand Branch of the Australasian Institute of Mining and Metallurgy, 2000. 11pp.

Buchanan, L. J., 1981. Precious Metal Deposits Associated with Volcanic Environments in the Southwest. Arizona Geological Society Digest, V.14, p.237-262.

Related ASX Announcements

20190403 – ASX 2019 South Korea Field Work Commences.
20190529 – ASX Beopseongpo, Major Epithermal Target Defined.
20191029 – ASX Deokon Bonanza Zone Drilling Commences

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	*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 preliminary results in the body of this ASX Release relate to drilling at the Beopseongpo Project, South Korea, within tenements Beopseongpo 29 and Beopseongpo 30, held by Southern Gold.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Samples were geologically logged for lithology, mineralisation, alteration, veining, structure and also geotechnically logged. Sample intervals were chosen in order to separate different geological domains or features at appropriate boundaries and provide sufficient sample representivity, ranging from 0.1m to 1.4m in length.
	Aspects of the determination of mineralisation that are Material to the Public Report.	Determination of intervals that may contain mineralization was achieved by geological logging of samples by an experienced SAU geologist or representative, with structural measurements taken where possible.
	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.	HQ3 size (61.1mm diameter) Diamond drill core was obtained for logging and sampling.
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.).*	HQ3 triple tube Diamond drilling was completed to obtain drill core.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Core was measured and the recovery was calculated for each drill run
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Industry standard barrel configuration was utilized at Hand of Faith from 50m down hole of BPDD005 and all of BPDD006 & 007. This was not available with the Lotus North holes. No sample bias is expected where recoveries are good.
	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.	No sample bias is expected where recoveries are good. All samples reported have sufficient recovery unless otherwise stated.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level*	No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage but

Criteria	JORC Code explanation	Commentary
	of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	samples have been logged with sufficient detail to use for this function.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Geological logging was quantitative in nature with respect to measurements of where various features exist. Core photography of all drill core was completed.
	The total length and percentage of the relevant intersections logged.	The entire drill core from all holes was logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Sampling was completed by cutting the core in half 1cm to the right of the orientation line when viewed in the downhole direction and sampling the half without the orientation line. Only zones likely to have a chance of mineralization based on geological observation were sampled.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	N/A
	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, 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.
	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 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.
	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.	No field duplicates were taken, just splits in the sample preparation phase. Sampling is considered representative of the in-situ material.
	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, for early stage Exploration Results.
Quality of assay data and	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	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.

Criteria	JORC Code explanation	Commentary
laboratory tests		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. A 37 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). 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. The nature of the laboratory assay sampling techniques is considered 'industry standard' and appropriate. For any historical KORES, where mentioned, drill core and underground channel samples, the nature, quality and appropriateness of the sample assaying procedures are unknown.
	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. The nature of historical KORES geophysical data, where mentioned, is not known nor locatable at time of 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.	QAQC samples involved 1 blank and 1 certified ore-grade epithermal reference standard (OREAS 62f or 60d), as well as one pulp duplicate and one coarse split duplicate submitted per every 20 samples (i.e. 16 samples and 4 QAQC samples) selectively inserted in the sequence. These were reviewed to ensure testing was accurate. In addition, lab duplicates and lab 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	*The verification of significant intersections by either independent or alternative company personnel.*	Assay data has been verified by the geologist in charge of the program and a second Southern Gold employee. Significant intersections/results in this ASX Release have been verified by the Competent Person. Where referenced, any historical KORES data cannot be independently verified.
	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.
	Documentation of primary data, data entry procedures, data verification, data storage	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

Criteria	JORC Code explanation	Commentary
	(physical and electronic) protocols.	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.
	Discuss any adjustment to assay data.	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.*	Drill collar XYZ locations are surveyed before hole closure with a DGPS producing levels of accuracy +/- 10mm.
	Specification of the grid system used.	The grid system used is Universal Transverse Mercator (WGS84), Zone 52 S (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.*	Holes were designed nominally at 50m spacing along strike and 50m down dip on section
	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.*	Holes are generally designed to be as perpendicular as possible across targets. In cases where this was not possible, true widths have been stated.
	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 sample bias is expected
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 ties and delivered by a

Criteria	JORC Code explanation	Commentary
		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.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	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
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 granted tenements Beopseongpo 29 and Beopseongpo 30 are held by Southern Gold Korea, a fully owned subsidiary of Southern Gold. The mineralised structures at both projects also lie on privately held land and no known material issues exists with third parties at this time. 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.
	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.*	At Beopseongpo, anecdotal information suggests some small scale (150m strike and multi-level) mines were 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. 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.
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.

Criteria	JORC Code explanation	Commentary
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.*	See Table 2 in the body of the report.
	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 to the best of Southern Gold's 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.*	The cut off grade for reporting was 0.1g/t Au with 0.07g/t Au internal dilution cut off.
	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.	0.07g/t Au is the internal dilution cut off for aggregate intercepts (no values <0.07g/t Au are included in any intercept). All aggregate intercepts are length weighted.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	The intercepts are interpreted to be basically true width in holes BPDD005 & 007 (within 5%) and estimated true width of 70% of the down hole length in BPDD006.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Section A-A' in Figure 3 shows the vein geometry which is the basis for the true width calculations.
	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').	True widths have been reported.
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 2-3 and Table 1-2 in the body of this release.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or*	All intercepts >0.1g\t Au have been reported from Hand of Faith. Results range from 0g/t to 5.70g/t Au. Previous information is also referenced in the company's ASX

Criteria	JORC Code explanation	Commentary
	widths should be practiced to avoid misleading reporting of Exploration Results.	reports with details provided in this report.
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 will review the results at Beopseongpo and plan to follow up with a deeper drilling program at Hand of Faith.
	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 1 in the main body of this ASX Report