

South Korean Operations Update

- Diamond drilling continues at primary target Hand of Faith, Beopseongpo, with drill hole BPDD011 intersecting the main epithermal vein structure with assays pending.
- Drilling is progressing at a rate of approximately 20-25m per day with excellent recovery (>95%) and drill hole BPDD012 has already commenced.
- Second drill rig to commence several months ahead of schedule at the Spider Zone, Beopseongpo Project, in 2-3 weeks.
- New low sulphidation epithermal vein system discovered at 'Geum-Mar' ('Golden Horse') through recent project generation work with assays expected in 2-3 weeks.
- Notwithstanding some disruption to expatriate travel arrangements due to the COVID19 virus, operations in South Korea continue to move forward.

Southern Gold Limited (**ASX: SAU**) ("Southern Gold" or "the "Company") is pleased to provide an update on the continued drilling campaign at the Beopseongpo Project and the discovery of the Golden Horse Project in South Korea.

Diamond Drilling Update

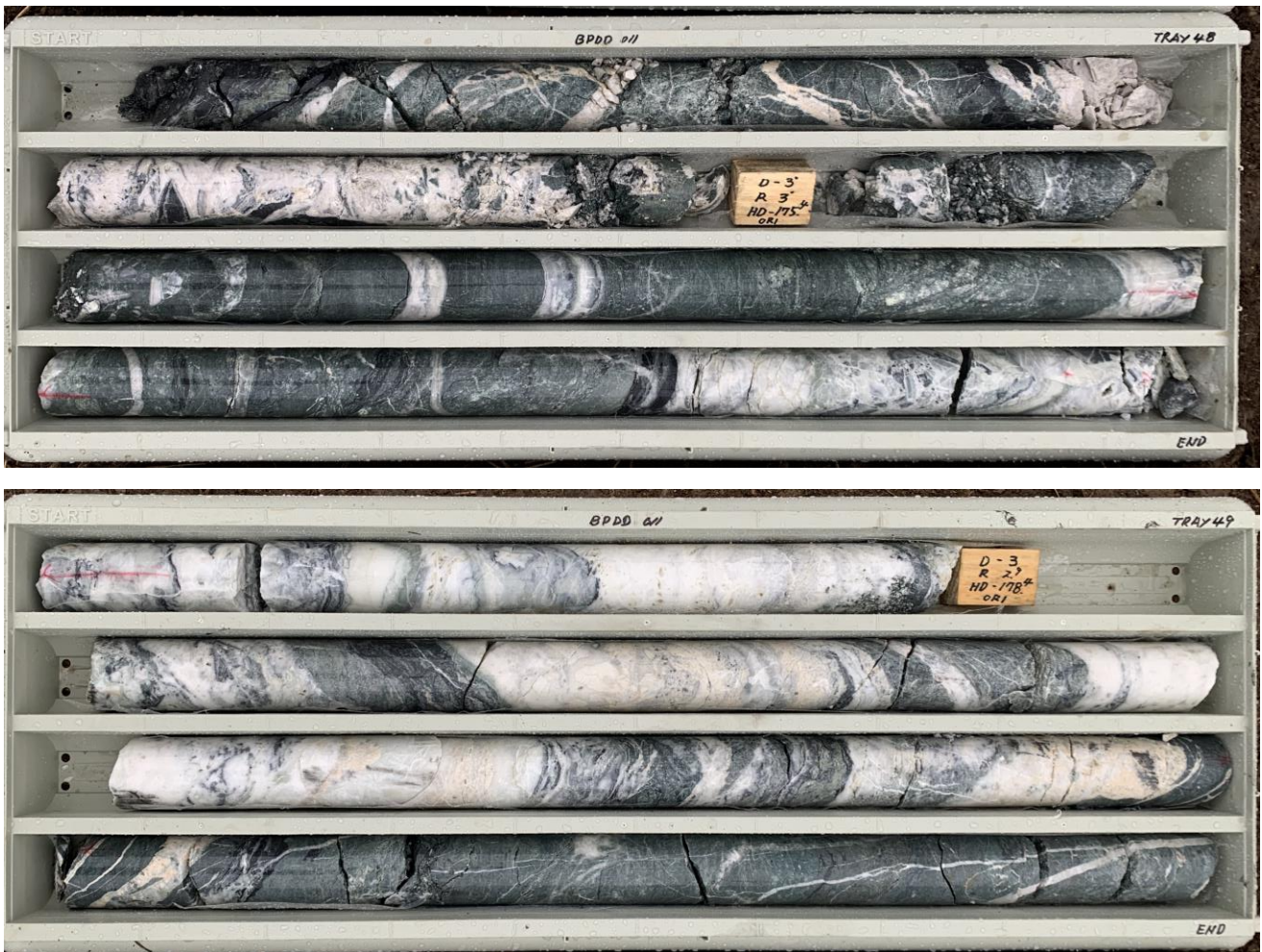
Drilling continues at the Beopseongpo project as planned, with the Hand of Faith target being the primary focus of drilling at this stage. Diamond drill hole BPDD011 has just been completed for 202.4m (**Photo 1**) and the rig has now moved to the next drill site with BPDD012 just commenced. Drilling is progressing at a rate of approximately 20-25m per day and with excellent recovery (>95%). The drill program is approximately 1200m will take up 4-6 weeks to complete.



Photo 1: BPDD011 Drill Site and drill hole nearing completion.

Hole BPDD011 intersected the target structure, including a deeper intersection of what has been tentatively identified as intermediate sulphidation epithermal veining (**Photos 2 and 3**). The drill hole is being logged and sampled and the assay results are expected in approximately 5 weeks or mid-April.

A second rig is also in the process of being mobilised to Beopseongpo and is expected on site targeting the Spider Zone with drilling to commence in 2-3 weeks. This comes several months earlier than originally scheduled and reflects excellent work on the part of the Korean team in terms of securing site access approvals and logistical arrangements with the drilling contractor.



Photos 2 and 3: Hand of Faith structure intersected at 167.8m-180.2m (assays pending)

Project Generation – New low-sulphidation epithermal vein system Geum-Mar ('Golden Horse')

First pass field reconnaissance has identified a new project area called Geum-Mar, which means 'Golden Horse' in Korean. The new project area is a historic road metal quarry that is now abandoned (**Photo 4**) however it has extensive limonite-kaolinite alteration, possibly associated with a rhyolite dyke intrusive, and extensive quartz veining. Quartz vein textures identified to date include colloform, cockade, botryoidal, chalcedonic banding and re-cemented vein-wall rock breccias and confirm this discovery as a low sulphidation epithermal vein system. Sulphide mineralisation has been identified in hand specimen.

The area has now been covered by Southern Gold tenement applications and assay results from surface sampling are expected in approximately 2-3 weeks. More details on this interesting area will be provided in a separate update upon receipt of assays.



Photo 4: Geum-Mar – abandoned quarry with excellent field access.

COVID19 - Impact on Operations Minimal

While South Korea has reported a significant number of COVID19 cases, these are largely contained within a small area of the country. Steps taken by the government have had some impact on activities in the major cities and travel in or out of the affected area, however Southern Gold's area of operations are currently not materially impacted. Travel and social protocols have been established by Southern Gold for South Korean based staff, particularly in terms of city-based activities. Field operations to this point have not been impacted.

Due to travel restrictions from South Korea being declared in some countries, including Australia, the COVID19 virus has had some impact on the logistics of our expatriate exploration team. Notwithstanding this issue, our South Korean based team has been well trained in the execution of drilling operations in the last few years and continue to manage day to day operations very effectively.

Southern Gold Managing Director, Mr Simon Mitchell:

"I am very proud of the progress made by the Southern Gold Korean team on several fronts. Notwithstanding the COVID19 virus issue, the team has been operating very effectively on the ground with good drilling progress at the Hand of Faith target at Beopseongpo, with a further drill rig to commence drilling the Spider Zone shortly and our project generation team uncovering a new and exciting area called Golden Horse, or 'Geum-Mar' in Korean.

This is just the start of what should be a very exciting 2020 as we ramp things up in country. We await with interest assay results from Geum-Mar in the coming weeks and from the drilling a little later. However, with 2 rigs going we expect regular market updates as results come in over the coming months."

Authorised by:
Simon Mitchell
Managing Director

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 (and pending appointment of Terry Grammer), 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 also holds a 50% equity interest in a Joint Venture company operated by JV partner, London-listed Bluebird Merchant Ventures (BMV) and that is looking to start gold production at the Kochang and Gubong projects in South Korea.

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.