# Two gold mineralised discovery areas confirmed: Geum-Mar and Daeam Valley

- Outcrop and float sample assays from the February-March 2020 reconnaissance field programs in South Korea confirm two new discovery areas.
- A peak of 3.05g/t gold from a group of nine highly anomalous samples from the Jinan Basin confirming the **Geum-Mar** discovery area; and
- A peak of 3.49g/t gold from a group of 20 highly anomalous samples from the Neungju Basin confirming the **Daeam Valley** discovery area.
- Consistent mineralisation identified at **Daeam Valley** with thirteen samples returning values >1g/t gold over a strike- length of >1km, open in both directions.

## Project Generation expands Gold Project Portfolio

Field work completed during February and March in the Jinan and Neungju Basins (**Figure 1**) has confirmed new gold mineralised areas that warrant follow up work. The intensive reconnaissance sampling program involved 238 new samples being taken and submitted for analysis. Several rock chip and float samples returned anomalous grade gold results **(Tables 1 – 3, Figures 2 – 5)**.

**Table 1:** Highlights from the reconnaissance sampling

| Sample ID | Au g/t | Ag g/t | Sample Type | Location |
|---|---|---|---|---|
| KRS207544 | 3.05 | 0.9 | Outcrop | Jwasan Target |
| KRS207614 | 1.93 | 2.2 | Float | Geum-Mar |
| KRS207611 | 0.92 | 11.4 | Float | Geum-Mar |
| KRS207518 | 0.74 | 45.8 | Float | Recon Jinan |
| KRS207430 | 3.49 | 1 | Float | Daeam Valley |
| KRS207491 | 3.29 | 3.8 | Float | Daeam Valley |
| KRS207444 | 1.76 | 0.3 | Outcrop | Daeam Valley |
| KRS207427 | 1.27 | 1 | Outcrop | Daeam Valley |

See Tables 2-4 for more details, including location data.

Work included field traversing and extensive rock sampling. This process has succeeded in finding multiple untested vein systems in addition to very small-scale historical mine workings.

The two regions investigated were the Neungju Basin surrounding Southern Gold's Neungju Project, including follow up sampling at Daeam Valley (identified in November 2019), and the Jinan Basin surrounding Southern Gold's Deokon Project (**Figure 1**).

**Southern Gold Managing Director, Mr Simon Mitchell:**

*"These latest gold results continue to validate our project generation methodology in South Korea and highlight the incredible situation where we are finding new areas of gold mineralisation approximately every 4-6 weeks of field work. This first pass reconnaissance sampling is fundamentally increasing our drill target pipeline by organically converting technical concepts to project status and typically in areas that have never been drilled before. With our drill operations currently continuing in South Korea, notwithstanding the COVID19 disruption, we expect a solid stream of news flow during the next few months and indeed for the balance of 2020, a unique position for a gold junior to be in."*

## Technical Overview

Both the Neungju Basin and Jinan Basins (**Figure 1**) are Cretaceous 'pull-apart' basins proximal and bound by sinistral northeast trending structures. Basin geology is comprised of volcanic, sub-volcanic and volcaniclastic rocks. Low to intermediate sulfidation epithermal mineralisation was targeted on structures proximal to major peninsular-scale structures.

The reported field work was completed as soon as possible after the winter thaw. Access and outcrop visibility are very good in late-winter to early-spring due to limited vegetation remaining after winter.

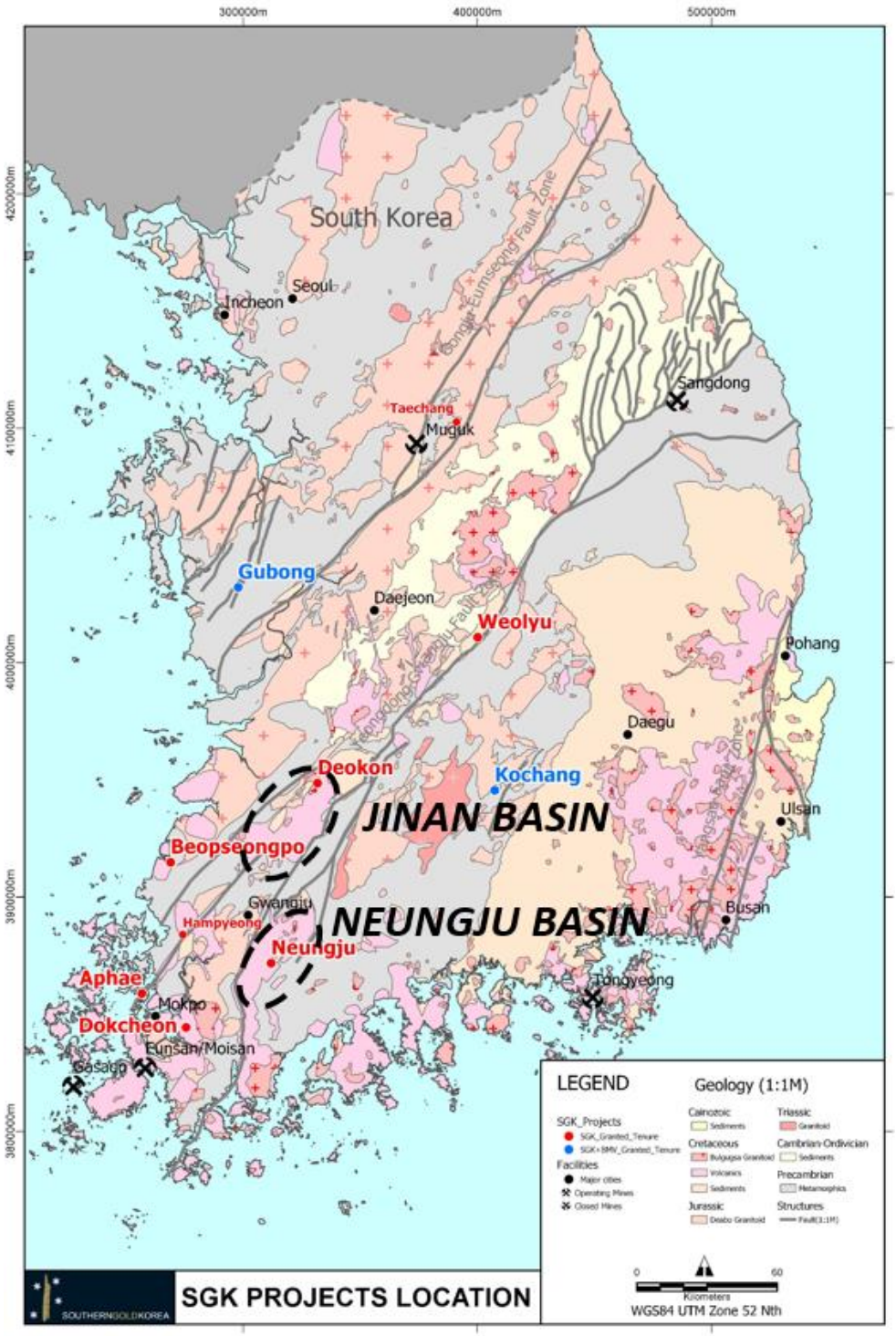


**Figure 1** – Locations of 2020 reconnaissance sampling in relation to Southern Gold 100% owned projects (red) and the 50% owned Joint Venture projects (blue).

## Jinan Basin – Geum Mar Discovery

The **Geum-Mar (Golden Horse)** epithermal vein system was discovered by systematic traversing of volcano-plutonic complexes within the Jinan pull-apart basin. The target was originally identified by the presence of limonitic to jarositic oxidation observed in an abandoned road metal quarry face. Quartz vein development appears to be hosted within and along the margins of rhyolite dyke systems, which are strongly silica-illite-adularia altered and oxidised. Host rocks are competent and consist of terrestrially derived, well-bedded compact basin lacustrine carbonaceous siltstones, sandstones and arkosic sandstones derived from eroded basement polymetamorphic rocks.

It is postulated that at least two geochemically and texturally distinct generations of veining are present. These consist of (1) an early phase sub-massive to weakly banded crystalline interlocking to mesocrystalline quartz base metal-rich veining, typically seen at deeper levels on low-sulfidation epithermal gold-silver deposits, and (2) a telescoped later chalcedonic quartz-adularia vein event characterised by colloform- and cockade banding with sulfidic rip-up clasts, and quartz pseudomorphs after bladed calcite, typically seen in the upper-most levels of low-sulfidation epithermal vein systems.

A total of 105 samples were taken and sent for geochemical analysis. Final significant assay results returned from the reconnaissance program are presented in **Table 2 and Figure 2**. Peak results of **3.05g/t gold** and **1.93g/t gold (Photo 1)** were returned. Several very high-grade Pb and Zn values were also received, for example, KRS207563 with 5.2% Pb and 2.8% Zn (**Photo 2**).

The presence of (1) intense silica-illite/adularia-pyrite alteration, extensive silicification and well-developed limonitic to jarositic oxidation, coupled with (2) anomalous gold, silver, base metal, arsenic and antimony values, (3) an apparent significant vein zone strike extent (> 1,000 m) and width (10-25 m), and (4) the presence of a competent host rock, makes a compelling case for significant mineralisation potential.

Eleven applications were lodged over the area and follow up sampling is required.

| Sample No | Au g/t | Ag g/t | Pb ppm | Zn ppm | Sample Type | Location | Easting | Northing | Elev-ation |
|---|---|---|---|---|---|---|---|---|---|
| KRS207544 | 3.05 | 0.9 | 12 | 9 | Outcrop | Jwasan Target | 346767 | 3950600 | 239 |
| KRS207614 | 1.93 | 2.2 | 100 | 32 | Float | Geum-Mar | 345555 | 3955419 | 299 |
| KRS207611 | 0.92 | 11.4 | **17100** | 273 | Float | Geum-Mar | 345595 | 3957027 | 370 |
| KRS207518 | 0.74 | 45.8 | **34100** | 1080 | Float | Recon Jinan | 348573 | 3951040 | 290 |
| KRS207545 | 0.71 | 0.2 | 8 | 7 | Outcrop | Jwasan Target | 346767 | 3950602 | 242 |
| KRS207563 | 0.56 | 14.6 | **52000** | **27900** | Float | Geum-Mar | 345574 | 3956003 | 292 |
| KRS207584 | 0.28 | <0.2 | 26 | 15 | Float | Geumjeong | 338111 | 3948611 | 250 |
| KRS207566 | 0.25 | 12.7 | **39700** | **15200** | Float | Geum-Mar | 345576 | 3955997 | 292 |
| KRS207617 | 0.25 | 0.8 | 58 | 41 | Float | Geum-Mar | 345545 | 3955407 | 297 |

**Table 2:** Significant reconnaissance surface rock sample results from Jinan Basin (>=0.25g/t Au), along with anomalous Pb and Zn values in **bold**. All location data is WGS84_Z52N Grid.

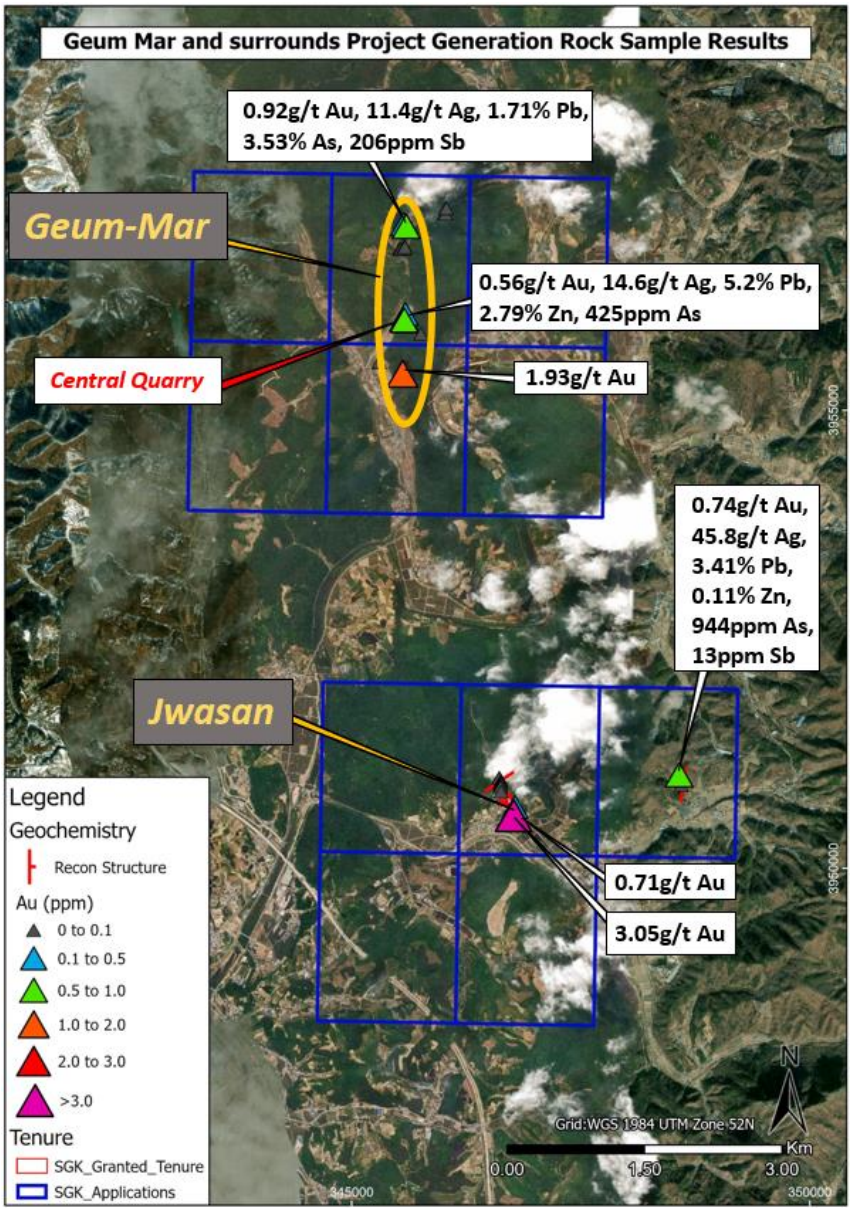


**Figure 2** – Geum-Mar Project Generation and surrounding areas rock sampling results


**Photo 1:** Float sample KRS207614, 1.93g/t Au. Hydraulic vein breccia, comprised of back carbonaceous siltstone, flooded by white chalcedonic to mesocrystalline quartz. Geum-Mar, Jinan Basin.


**Photo 2:** Float sample KRS207563 (from Central Quarry), 0.56g/t Au, 5.2% Pb, 2.79% Zn. Hydraulically brecciated, silica-illite-adularia altered rhyolite, with fine pyrite clasts, cut and flooded by chalcedonic quartz. Geum-Mar, Jinan Basin.

## Neungju Basin – Daeam Valley Discovery

Reconnaissance sampling in the Neungju Basin was mainly concentrated on follow up sampling of the November 2019 mesothermal- to low-sulfidation epithermal gold discovery at **Daeam Valley**.

The target falls along the margin of a volcano-plutonic intrusive-extrusive complex, comprised of Cretaceous dacitic through to rhyolitic intrusives, dykes and associated eruptive products. It has intruded and locally overlain older carbonaceous siltstone, shale, biotite-rich gneiss and possibly leucogranite, though the latter may be a later phase of intrusion.

At least two genetically distinct generations of veining are present, ranging from early vitreous higher-temperature, deeper-level mesothermal quartz-sulfide veining to later moderate to high-level low-sulfidation, monophasal to multi-phase, mesocrystalline, chalcedonic and interlocking crystalline epithermal quartz vein and vein breccia development. This suggests a polyphasal regime of continued dilation within the structural corridor over a significant timeframe, and multiple fluid sources. This may also be the reason that the Daeam structural corridor is highly fertile in precious metals.

The target area can be geographically divided into three zones (Southern, Central and Northern Zones) within a parallel sheeted, north-northeast – south-southwest striking vein corridor approximately four hundred metres in width, with a core zone of higher density veining of at least 250 metres width. The currently inferred strike extent of this sheeted vein system is at least 1.25 kilometres but remains open in both directions.

A total of 119 new samples were taken at Daeam Valley and a further 14 reconnaissance samples in the Neungju Basin and sent for geochemical analysis. Final significant assay results returned from the sampling program are shown in **Table 3**. Peak results of ***3.49g/t gold*** in float and **1.76*g/t gold*** in outcrop (**Photo 4)** were returned. Importantly, 13 of these returned over values **>1g/t**, and distributed along a strike length of 1 kilometre, which highlights the consistency of this new target.

| Sample ID | Au g/t | Ag g/t | As (ppm) | Sample Type | Location | Easting | Northing | Elevation |
|---|---|---|---|---|---|---|---|---|
| KRS207430 | 3.49 | 1 | 151 | Float | Daeam Valley | 318205 | 3877498 | 172 |
| KRS207491 | 3.29 | 3.8 | 85 | Float | Daeam Valley | 318237 | 3877777 | 201 |
| KRS207466 | 3.16 | 0.4 | 2930 | Float | Daeam Valley | 318213 | 3878029 | 200 |
| KRS207510 | 2.33 | 0.3 | 302 | Float | Daeam Valley | 318287 | 3877341 | 148 |
| KRS207404 | 2.07 | 1.2 | 8000 | Float | Daeam Valley | 318062 | 3877392 | 147 |
| KRS207512 | 1.86 | 2.4 | 186 | Float | Daeam Valley | 318307 | 3877360 | 157 |
| KRS207444 | 1.76 | 0.3 | 645 | Outcrop | Daeam Valley | 318228 | 3877613 | 213 |
| KRS207503 | 1.29 | 0.3 | 1645 | Subcrop | Daeam Valley | 318122 | 3877172 | 131 |
| KRS207427 | 1.27 | 1 | 3940 | Outcrop | Daeam Valley | 318195 | 3877480 | 170 |
| KRS207436 | 1.16 | 1.3 | 7070 | Float | Daeam Valley | 318215 | 3877525 | 183 |
| KRS207445 | 1.13 | 0.6 | 62 | Outcrop | Daeam Valley | 318226 | 3877613 | 213 |
| KRS207428 | 1.07 | 0.5 | 1150 | Outcrop | Daeam Valley | 318195 | 3877480 | 170 |
| KRS207495 | 1.05 | 0.9 | 202 | Subcrop | Daeam Valley | 318249 | 3877762 | 208 |
| KRS207429 | 0.97 | 0.3 | 346 | Float | Daeam Valley | 318197 | 3877480 | 171 |
| KRS207493 | 0.93 | <0.2 | 110 | Float | Daeam Valley | 318251 | 3877766 | 207 |
| KRS207506 | 0.87 | 0.2 | 1675 | Outcrop | Daeam Valley | 318170 | 3877161 | 118 |
| KRS207435 | 0.8 | <0.2 | 3350 | Float | Daeam Valley | 318215 | 3877526 | 183 |
| KRS207417 | 0.77 | 0.4 | 2690 | Outcrop | Daeam Valley | 318117 | 3877139 | 143 |
| KRS207511 | 0.72 | 0.2 | 215 | Float | Daeam Valley | 318288 | 3877342 | 149 |
| KRS207498 | 0.56 | 0.2 | 2550 | Outcrop | Daeam Valley | 318122 | 3877176 | 130 |

**Table 3:** Significant reconnaissance surface rock sample results from Daeam Valley (>0.5g/t Au). All location data is WGS84_Z52N Grid.

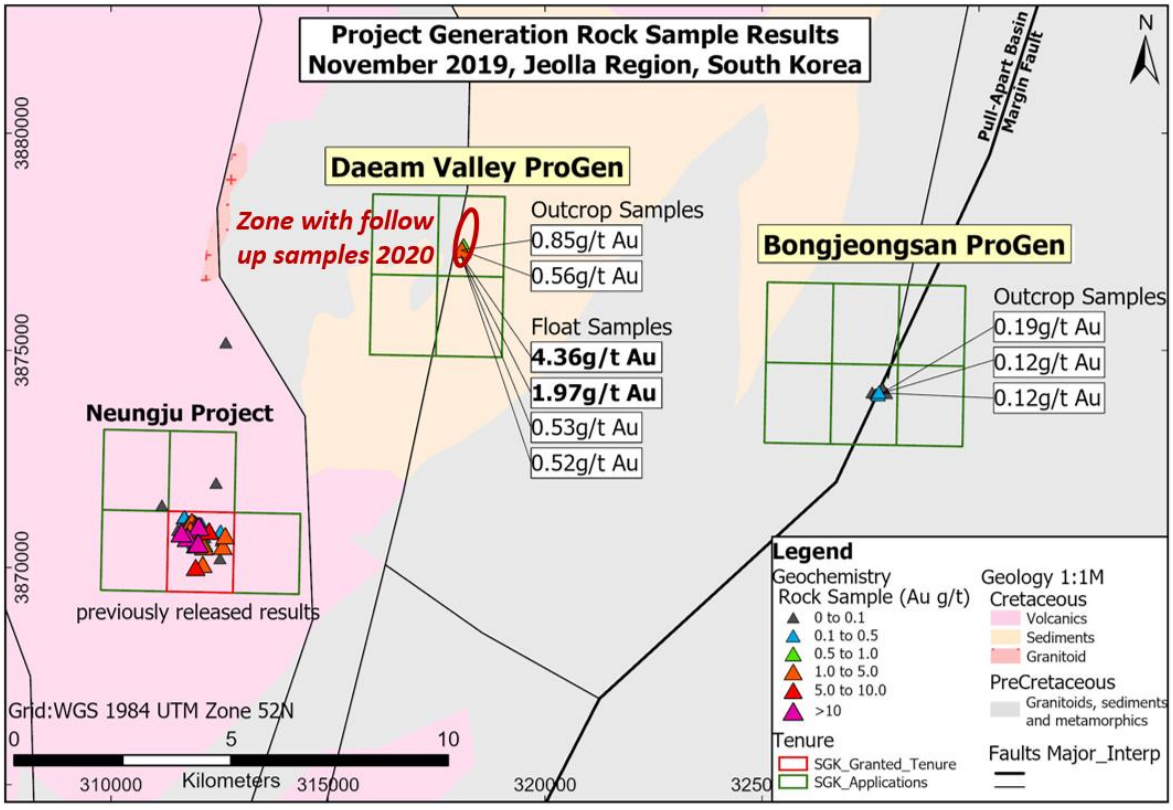


**Figure 3** – Location of Daeam Valley follow up samples in relation to the original 2019 reconnaissance sampling

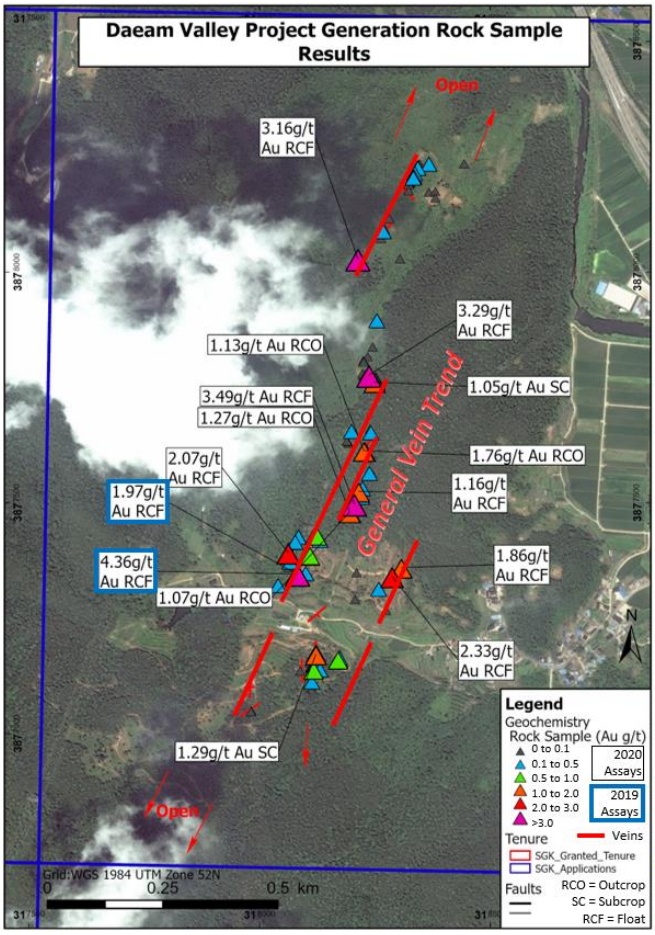


**Figure 4** – New gold (Au) rock geochemistry assays

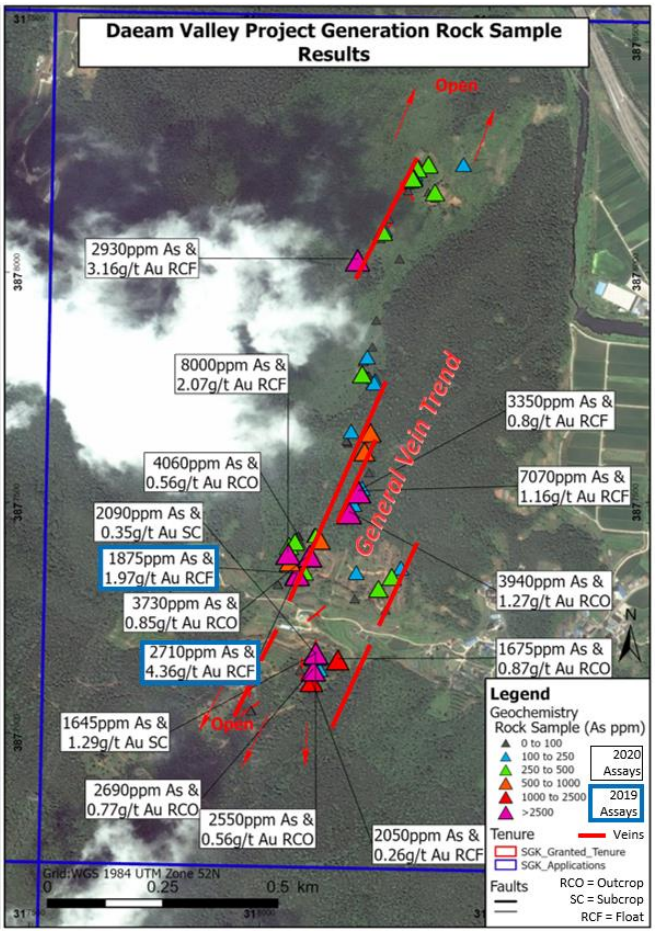


**Figure 5** – New arsenic (As) rock geochemistry assays


**Photo 3:** Float sample KRS207466, 3.16g/t Au, 2930ppm As. Hydraulic vein breccia, with limonite-haematite oxidised leucogranite clasts, set in a crystalline interlocking to mesocrystalline flood quartz matrix. Daeam Valley, Neungju Basin.


**Photo 4:** Outcrop sample KRS207444, 1.76g/t Au. Limonitic wallrock flooded by crystalline interlocking quartz, with a surface of crystalline prismatic quartz. Daeam Valley, Neungju Basin.

## Next Stage

A strong commitment to reconnaissance sampling and project generation was planned to be active through to June 2020 when the vegetation becomes too restrictive for field traversing. However, with international travel restrictions in place the focus of Southern Gold has turned to diamond drilling the existing pipeline of targets. The company has a deep pipeline of projects which will be progressively drill tested during this year and will keep the rigs busy through the balance of this field season.

Follow-up on the ground field exploration (once possible) is planned to focus on (1) systematic subcrop and outcrop identification traversing and sampling beyond known zones, (2) associated recording and synthesis of structural measurements from all vein networks identified, (3) selected thin and polished section petrology, to clarify alteration assemblages, conditions of mineral deposition, and therefore the genesis of veining, and (4) semi-detailed 1 : 5,000 scale geological-structural mapping.

**Authorised by:**
**Simon Mitchell**
**Managing Director**

## Related ASX Announcements

20180806 – ASX Tenements granted at Deokon, South Korea.
20181002 – ASX High grade gold confirmed at Shin Adit, Deokon Project, South Korea.
20190129 – ASX High grade gold-silver zones confirmed at Weolyu South Project, South Korea.
20190403 – ASX 2019 South Korea Field Work Commences.
20190527 – ASX Beopseongpo, Major Epithermal Target Defined.
20190717 – ASX Deokon 'Golden Surprise' High Grade Au-Ag Discovery
20190905 – ASX High-Grade Gold results Neungju Project
20191029 – ASX Bonanza Drilling Commences
20191210 – ASX Beopseongpo Drilling – Major Epithermal System Confirmed
20200128 – ASX Deokon Scout Diamond Drilling Results
20200128 – ASX Project Pipeline Extended from Project Generation Initiative
20200316 – ASX Operations Update

## 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 geologists Douglas Kirwin and Terry Grammar (to be appointed shortly), 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.*

# JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

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

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Logging* | *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* | Geological logging was qualitative in nature. Structural logging was quantitative in nature. Slab photography of all surface reconnaissance rock samples was completed. |
| | *The total length and percentage of the relevant intersections logged.* | No sampling reported in this release refers to sample intervals. Sampling conducted is reconnaissance in nature. |
| *Sub-sampling techniques and sample preparation* | *If core, whether cut or sawn and whether quarter, half or all core taken.* | No drilling results are reported in this release. SAU did not conduct any new drilling for this release and as such no core was processed. |
| | *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* | Samples were taken dry. Rock chip and grab samples had representative slabs cut (example, see Photos 1-4 in the body of this release) and all of the remaining offcuts of each sample were sent for assay. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | All samples were sent to SGS laboratory in South Korea for sample preparation. SGS is an ISO/IEC 17025:2005 certified laboratory.<br><br>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.<br><br>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.<br><br>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.<br><br>These procedures are considered appropriate to maximise representivity of samples, for first pass exploration. |
| | *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* | Given the nature of the reconnaissance rock sampling, no QAQC samples were considered appropriate for the reporting of early stage Exploration Results. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | Sample size is considered appropriate for the target style of mineralisation, the requirements for laboratory sample preparation and analyses, 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* | 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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *laboratory tests* | *total.* | ALS Brisbane for multielement analysis. ALS is an ISO/IEC 17025:2005 and ISO9001:2015 certified laboratory.<br><br>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.<br><br>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).<br><br>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.<br><br>The nature of the laboratory assay sampling techniques is considered 'industry standard' and appropriate.<br><br>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. |
| | *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | For reconnaissance rock samples, lab duplicates analysis and standard analysis (laboratory checks) are investigated to check for potential errors. If a potential error is discovered, 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.<br><br>Significant intersections/results in this ASX Release have been verified by the Competent Person.<br><br>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 (physical and electronic) protocols.* | 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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | 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.<br><br>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.* | SAU surface reconnaissance rock sample XYZ locations are determined with a handheld Garmin 64s GPS producing levels of accuracy +/- 3m. |
| | *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.* | SAU surface rock chip and grab sampling intervals were based on geological boundary and veining where possible. On occasion multiple intervals within a single vein have also been taken to identify internal variability. |
| | *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | No Mineral Resource or Ore Reserve have been estimated in this ASX Release. |
| | *Whether sample compositing has been applied.* | No sample compositing has been applied. |
| *Orientation of data in relation to geological structure* | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | Rock chip and grab sampling has been conducted in a selective manner targeting mineralised structures. Given the early stage of exploration, chip and representative grab samples across veins are considered appropriate and unbiased at this stage of the project. |
| | *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | 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. |
| *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:<br><br>Post on-site logging and processing, samples are transported to the Company's shed facilities under the direct supervision of a Company representative.<br><br>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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | 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 tenement applications Jinan 109, 116, 117, 119, 120, 126, 127, 129, 130, 136, 137 (Geum-Mar) and Dongbok 149 & 150 and Gwangju 9 & 10 (Daeam Project) are held by Southern Gold Korea, a fully owned subsidiary of Southern Gold. 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.<br>There are no known impediments to obtaining a license to operate. |
| *Exploration done by other parties* | *Acknowledgment and appraisal of exploration by other parties.* | The Weolyu Project has historically had mining and adits excavated at the North Weolyu Mine, located in SAU's southern granted license (Yeongdong 67) and operated up to mid-1990's. Apart from small scale adits excavated by unknown parties and historical drilling by KORES and Asiatic Gold Ltd at Weolyu South, no other details of previous work in the vicinity is known to the best of our knowledge. A number of other small-scale historical workings were located in the Yeongdong District but production records have not been able to be located.<br><br>Historical records in general are not extensive and considered unreliable.<br><br>In the 1990's, Ivanhoe Mines conducted brief field reconnaissance in each area. No other details of previous work in the vicinity is known to the best of our knowledge. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Geology* | *Deposit type, geological setting and style of mineralisation.* | Exploration is targeting low- to high-sulphidation style epithermal precious metal (Au, Ag) mineralisation in Cretaceous volcanic rocks of the Korean Peninsula. |
| *Drill hole Information* | *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>• *easting and northing of the drill hole collar*<br>• *elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar*<br>• *dip and azimuth of the hole*<br>• *down hole length and interception depth*<br>• *hole length.* | A summary of significant results above 0.25g/t Au are summarized in Table 2 and above 0.5g/t Au in Table 3 |
| | *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.* | 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. |
| | *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.* | All assay values reported are raw assays and none of the reported data has been cut or adjusted. |
| | *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | No metal equivalent values have been reported in this ASX Release. |
| *Relationship between mineralisation widths and intercept lengths* | *These relationships are particularly important in the reporting of Exploration Results.* | No mineralisation widths or intercepts are reported in this report as the sampling reported is early stage reconnaissance exploration grab sampling. |
| | *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | With regard to surface sampling it is not necessarily known what the relationship between mineralisation widths is as no drilling was undertaken. |
| | *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').* | No downhole widths are reported in this release as the sampling reported is early stage reconnaissance exploration grab sampling. |
| *Diagrams* | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | Appropriate maps, sections, and tables have been included in this ASX Release. See Figures 1 - 5, and Tables 1 - 3 in the body of this release. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Balanced reporting* | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | Not all sample assay data has been included in this report as it is not considered material beyond the representatively reported high and low grade results presented in the main body of this ASX Release. Gold results reported range from <0.01g/t to 3.49g/t Au.<br><br>Previous information is also referenced in the company's ASX 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 is reviewing the data to determine the best way to follow up these results and generate new Projects.<br><br>Further detailed surface ground reconnaissance to obtain more detailed geological, geochemical and structural information is planned. |
| | *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 Figures 2 - 5 in the main body of this ASX Report that show where sampling has been conducted. |