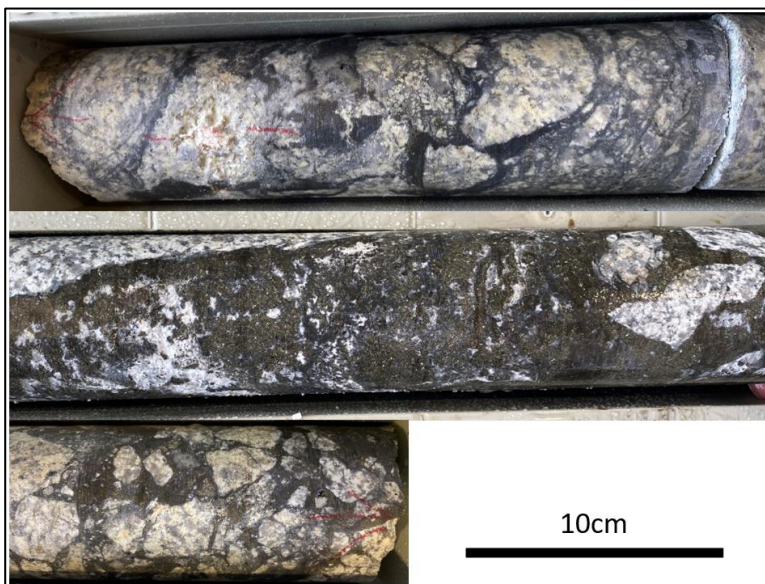


## South Korean Drilling Operations Update

- All three diamond drill holes completed at **Aphae** intersected significant sulphide ± silica flooded vein breccia and base metal sulphide veining. Assays pending.
- A wider than expected interval of sulphide-rich breccia zone in APDD003 at **Aphae** has resulted in a fourth diamond drill hole targeting down dip of this zone.
- Multiple zones of dynamic polyphasal low-sulphidation epithermal veining were intersected at '**Hand of Faith**', Beopseongpo, but only returned a peak of **0.24m @ 1.71g/t gold** from 139.97m in BPDD013.
- Assays expected from the drill program at '**Spider**', Beopseongpo in early July.
- Diamond drilling progressing to plan at '**Shin Hill**', Deokon Project.

### Overview

Southern Gold Limited (ASX: SAU) ("Southern Gold" or "the "Company") is pleased to report that drill operations continue at the Aphae and Deokon projects in South Korea. Importantly, mineralised breccia (Photos 1-3 below and photo 4 on page 3) has been intersected in all 3 planned holes at Aphae, including a wider than anticipated intercept in the third hole and prompting a fourth drill hole to test the down-dip depth extent of the breccia. Assays from the Aphae programme are pending.



**Photos 1 – 3** (left) – Close-up photography of selected zones within APDD003 from the broad breccia interval in Photo 4 (Page 3) showing sulphide-silica flooded mineralised breccia (HQ3 sized core – 61.1mm diameter).

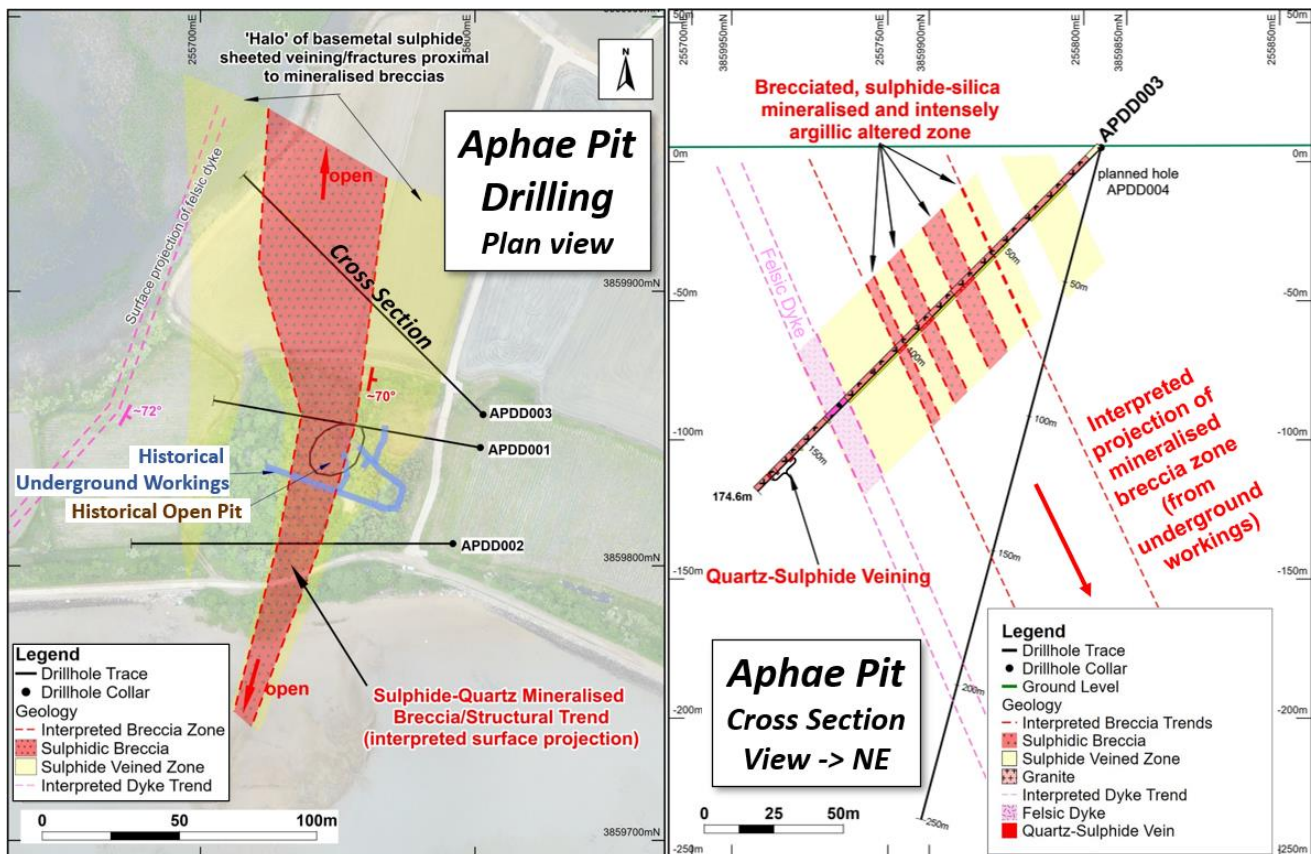
This update provides some details on the developments at Aphae, the drill results at Hand of Faith at Beopseongpo and an update on progress at Deokon where Southern Gold is drilling the Shin Adit target.

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

*"Testing new and multiple targets simultaneously, such as the current drilling at the Aphae and Deokon Projects, is geologically exciting and increases our chances of discovery. While the drill programme at Hand of Faith was successful in intersecting epithermal veining in drill core, the tenor of gold results was lower than expected. However, we have been pleasantly surprised by the extent of the mineralised breccia we have seen in drill core at Aphae, particularly in APDD003. That's the nature of mineral exploration: prepare to be surprised!"*

## Aphae Drilling

A total of 506.4m across three holes have been drilled, with a fourth now commenced. All drill holes were collared in reclaimed farmland (originally tidal mudflats). The initial hole APDD001 intersected the targeted sulphide-quartz breccia mineralisation at the expected depth below the historical open pit and underground mine. This was extended to the south with APDD002, but more importantly was also extended to the north in APDD003, where the width of the breccia zone and sulphide content increased (**Figure 1**).



**Figure 1** - Aphae drilling plan (left) and cross-section map (right) of recent drilling and vein breccia identified.

The host and dominant lithology intersected to date is an equi-granular, massive, quartz-feldspar-biotite granite. Minor thin (<10m) rhyolitic to rhyodacitic dykes are evident in the bottom of each hole.

Mineralisation is evident as moderate to intensely kaolinite-illite-chlorite altered hydraulically brecciated, clast supported and sulphide+silica flooded granite. In the footwall and hanging wall to the breccia is broad (+10m wide) zones of sulphidic sheeted veining/fracture mineralisation. Sulphides are dominated by pyrite (possible marcasite) with lesser amount of galena (lead sulphide mineral) and sphalerite (zinc sulphide mineral). Vein hosted base metal sulphide veining was also intercepted in APDD001 towards the bottom of hole in proximity to a rhyolite dyke.

Hole APDD002 also intercepted the targeted sulphide-silica flooded, clast supported breccia mineralisation, however the widths, sulphide abundance, alteration intensity and associated veining were all much less than that observed in APDD001. Hole APDD003 on the other hand intercepted the largest zone (>50m downhole) of polymetallic sulphide-silica flooded clast-supported breccia and veined zone (**Photos 1-4**) as well as quartz-sulphide veins at depth (**Photo 5**). Consequently, a fourth hole (p\_APDD004 in **Figure 1**) will be drilled down-dip of APDD003.





**Photo 4** - APDD003 Tray 16 to 19 displaying a broad zone (>10m) of polymetallic base metal-sulphide-quartz flooded clast-supported breccia through intensely illite-kaolinite-smectite+chlorite altered granite.





**Photo 5** – APDD003 Trays 41, 43 and 44 showing quartz-sulphide veins intersected in intensely illite-kaolinite-smectite-chlorite altered granite.

The style of mineralisation at Aphae is different to what is seen at many of Southern Gold’s projects which are largely low-sulphidation epithermal vein systems. Although it is at an early stage of exploration at Aphae, the currently postulated genetic model is that of a hydrothermally mineralised breccia pipe. This deposit type can have a relatively constrained surface footprint (just several hundreds of metres across) but significant depth extent, in some cases approaching one kilometre, and can therefore have significant precious metal endowment.

The mineralised intervals at Aphae are being logged and sampled as a matter of priority. Subject to logistical transport issues due to COVID19, the assays are expected back from this programme in approximately 6-8 weeks, or late July to early August.

### Beopseongpo – ‘Hand of Faith’ Drill Results

Four holes for 870.32m were drilled in the second phase deeper step-back drill program at ‘Hand of Faith’ (holes BPDD011-14) in March-April 2020. The aim of this program was to follow up the intersections in the Phase 1 holes BPDD005-07 drilled in 2019 and test whether the grades increased with depth according to typical epithermal models of vertical zonation of metals. Significant quantities of low sulphidation epithermal multi-phase veining was intersected in all holes with several elevated gold assays received (**Table 1**).

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 (%)
BPDD011	177.61	180.44	2.83	2.26	0.12	3.6	39	241	83	53	31	100
inc.	179.68	180.44	0.76	0.61	0.23	5.4	98	182	19	59	66	100
BPDD012	97.13	97.94	0.81	0.65	0.40	34.7	15	306	162	102	45	100
and	100.98	101.53	0.55	0.44	0.10	0.5	37	3	136	11	2	100
and	112.89	113.08	0.19	0.15	0.11	0.9	97	24	21	19	61	100
and	124.5	124.83	0.33	0.26	0.21	5.0	40	121	4	33	33	100
and	154.23	155.13	0.9	0.72	0.12	1.5	66	151	30	38	100	100
and	156.75	160.98	4.23	3.38	0.30	2.7	87	33	171	59	111	100
inc.	157.34	157.83	0.49	0.39	0.85	8.2	278	29	273	347	731	100
inc.	160.38	160.85	0.47	0.38	0.87	1.7	91	3	725	6	1	100
and	163.77	164.46	0.69	0.55	0.15	35.8	1	239	60	119	44	100
and	165.02	165.66	0.64	0.51	0.13	3.9	1	62	85	39	24	100
and	166.15	166.4	0.25	0.20	0.59	1.2	7	85	23	27	11	100
BPDD013	93.23	93.89	0.66	0.53	0.35	6.2	205	84	25	28	60	100
and	139.97	140.21	0.24	0.19	1.71	16.4	196	78	23	325	290	100
and	175.84	176.03	0.19	0.15	1.41	0.7	8	65	5	4	29	100
BPDD014	229.98	230.4	0.42	0.23	0.20	5.9	91	13	11	200	332	100
and	233.28	233.49	0.21	0.12	0.29	2.5	209	12	47	51	41	100

**Table 1** – All intersections > 0.1g/t at Hand of Faith Phase 2. Internal dilution cut-off is < 2 consecutive samples ≤ 0.05g/t

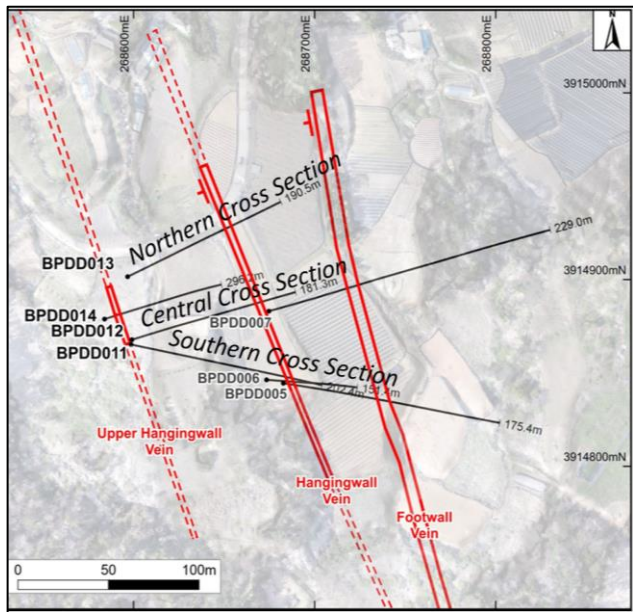
The location of the drilling is shown in **Figure 3** and cross sections in **Figures 4-6**.

The Phase 2 program at Hand of Faith was completed to test the theory that the gold grades would get higher with depth, according to the Buchanan model and the high-level textures observed in Phase 1 (as discussed in the 10<sup>th</sup> December 2019 ASX release). Despite the epithermal textures intersected in multiple holes at Hand of Faith, including multiple zones of dynamic polyphasal low-sulphidation epithermal veining, economic gold and silver grades were not received. The system was tested deep enough to verify or otherwise the potential for economic gold grades.

The vein textures, widths and extent are impressive, however the low geochemical results achieved at Hand of Faith (low to below detection Au, Ag, As and Sb within vein intervals) probably indicates an overall precious metal poor system. Southern Gold will evaluate the implications for the broader Beopseongpo Project upon receipt of the assays from the recent drilling at ‘Spider’, expected early July.

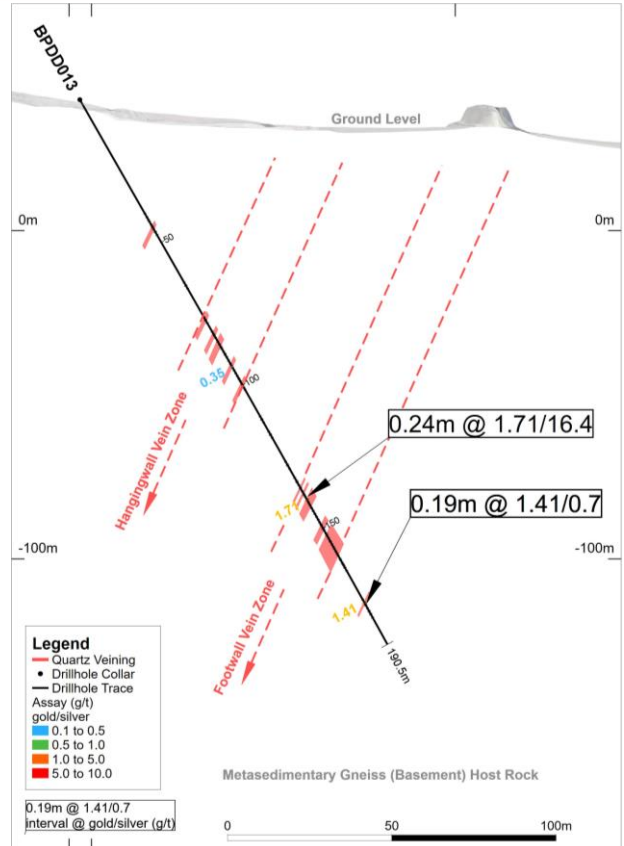
Core photos of example elevated gold results are presented in **Photos 6 – 8**. Red labels are values > 0.4g/t Au and black labels are 0.1 – 0.4g/t Au. Zones not labelled were sampled but returned values < 0.1g/t Au.



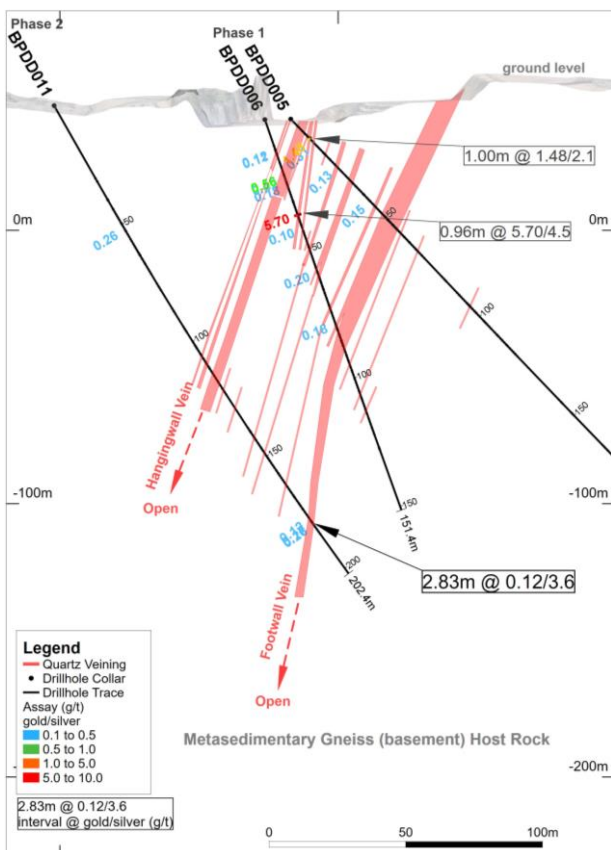


**Figure 3** – plan view of drill holes completed at Hand of Faith.

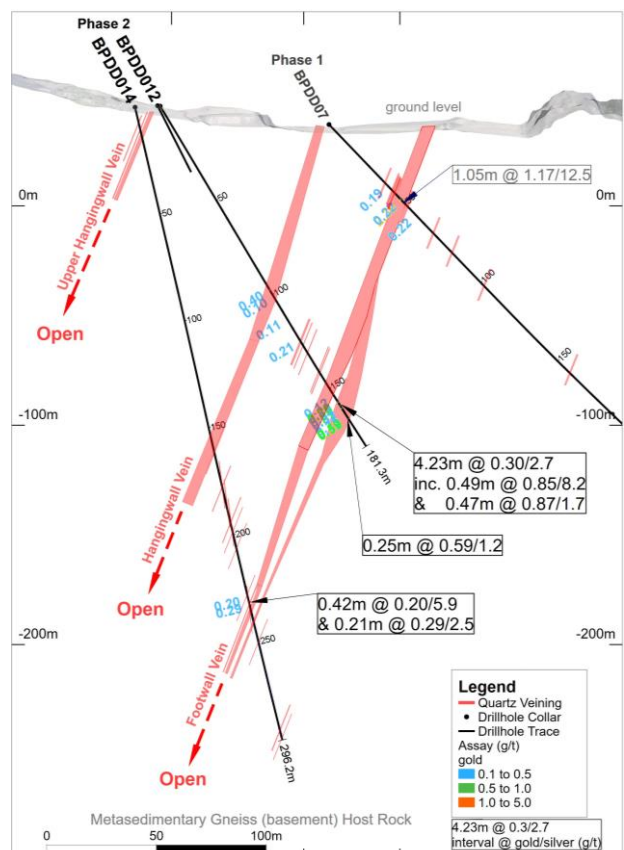
Phase 2 drilling BPDH0011-14.



**Figure 4** – Northern cross section (looking North)



**Figure 5** – Southern cross section (looking North)



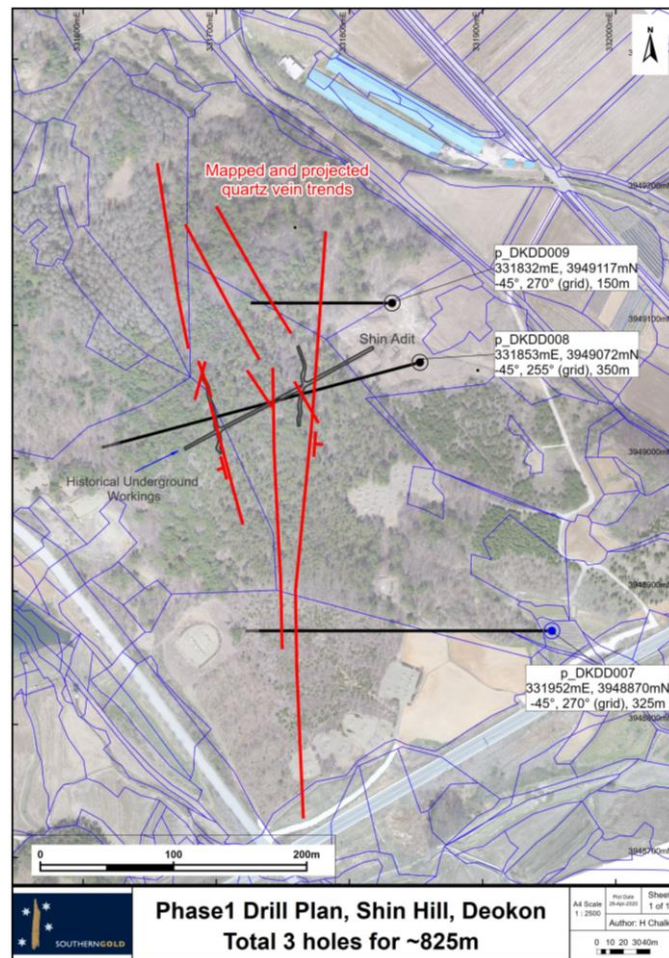
**Figure 6** – Central cross section (looking North)





## Deokon

Scout drilling is ongoing at Shin Hill, with DKDD007 complete and DKDD008 commenced (**Figure 7**). DKDD008 is planned to test down-dip of well-focused vein and lode mineralisation observed in the Shin Adit historical underground workings. A more detailed update will be provided on this programme on completion of the drilling and receipt of all assays, expected in late August.



**Figure 7** - Shin Hill planned drill program, Deokon.

## Next Stage of Drilling

Regulatory approvals for drilling at depth at Weolyu are well advanced and is the next planned drill site, subject to suitable drill rig access and the availability of suitable equipment. Following this it is intended to either drill the five-hole program at the Dokcheon Project (see March 2020 Quarterly Report for details) or conduct more drilling at Aphae (or Deokon) pending timing and significance of assay results expected over the next 2 months.

Authorised for release by Simon Mitchell, Managing Director of Southern Gold Limited.

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Investor and Media Relations

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Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
APDD001	Aphae Pit	255802	3859843	2	-55	280	172.1
APDD002	Aphae Pit	255792	3859808	2	-45	270	165.7
APDD003	Aphae Pit	255803	3859855	2	-45	315	174.6
APDD004	Aphae Pit	255803	3859855	2	-75	315	250 (planned)

**Table 2** – Maiden drill hole collar details at Aphae

Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
BPDD011	Hand of Faith	268600	3914861	47	-60	102	202.37
BPDD012	Hand of Faith	268600	3914863	44	-60	75	181.27
BPDD013	Hand of Faith	268600	3914901	38	-60	63	190.48
BPDD014	Hand of Faith	268580	3914878	44	-75	75	296.20

**Table 3** – Phase 2 drill hole collar details at Hand of Faith, Beopseongpo

### 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  
 20200414 – ASX Two New Gold Mineralised Areas Confirmed: Geum-Mar and Daeam Valley  
 20200525 – ASX Drilling Operations Update

### Southern Gold Limited: Company Profile

*Southern Gold Ltd is a successful gold explorer listed on the Australian Securities Exchange (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 also holds a 50% equity interest in a Joint Venture company operated by JV partner, London-listed Bluebird Merchant Ventures (BMV), 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	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	The nature of new results previously not released in the body of this ASX Release relate to drilling in South Korea at the Beopseongpo Project, within tenements Beopseongpo 29 and Beopseongpo 30; drilling at the Aphae Project, within tenements Muan 109 and 99; and drilling at the Deokon Project, within tenements Jeonju 60, 70 and 80, all held by Southern Gold.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Drill 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.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	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.
	<i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	HQ3 size (61.1mm diameter) Diamond drill core was obtained for logging and sampling.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	HQ3 triple tube Diamond drilling was completed to obtain drill core.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Core was measured and the recovery was calculated for each drill run
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Industry standard barrel configuration was utilized at all sites. No sample bias is expected where recoveries are good.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No sample bias is expected where recoveries are good. All samples reported have sufficient recovery unless otherwise stated. Where historical drilling may be reported in past reporting, it is not known if a relationship exists between sample recovery and grade, or if there is any bias present.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level</i>	No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage but

Criteria	JORC Code explanation	Commentary
	<i>of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	samples have been logged with sufficient detail to use for this function.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Geological logging was qualitative in nature. Structural logging was quantitative in nature. Slab photography of all surface reconnaissance rock samples was completed and core photography of all drill core was completed.
	<i>The total length and percentage of the relevant intersections logged.</i>	The entire drill core from all holes was logged.
<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	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.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	N\A
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	All samples were sent to SGS laboratory in South Korea for sample preparation. SGS is an ISO/IEC 17025:2005 certified laboratory.  Samples were dried and crushed to 75% passing 2mm, split to 1,000g, then pulverised to 85% passing 150 microns. Pulp samples are then split using a micro-riffle splitter to produce 500g of pulp reject, 250g of pulp duplicate, and 250g of sample for shipment to ALS Laboratories in Laos.  The nature of the laboratory preparation techniques is considered 'industry standard' and appropriate.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	The crushing stage unit is a Rocklabs Smart Boyd-RSD Crusher capable of over 5kg primary sample in one load, with rotating sample divider (RSD) ensuring single pass crushing, producing representative coarse sample split sent to grinding, typically up to 1,000g. Coarse rejects are retained for each sample.  The grinding stage unit is an Essa LM2 and utilises a large grinding bowl (1,600g) ensuring single pass grinding of the coarse split. The 1kg of pulp material is then split using a micro-riffle splitter to produce 500g of pulp reject, 250g of pulp duplicate, and 250g of sample for shipment to ALS Laboratories in Perth. Pulp rejects are retained for each sample.  These procedures are considered appropriate to maximise representivity of samples, for first pass exploration.
	<i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i>	No field core duplicates were taken, just splits in the sample preparation phase. Sampling is considered representative of the in-situ material.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample size is considered appropriate for the target style of mineralisation, the requirements for laboratory sample preparation and analyses, for early stage Exploration Results.
	<i>Quality of assay data and whether the technique is considered partial or total.</i>	Pulp samples (typically 200 to 400g) prepared by SGS in South Korea are sent through registered airfreight (e.g. DHL) to ALS laboratory in Perth for Au and multielement analysis. ALS is an ISO/IEC 17025:2005 and ISO9001:2015 certified laboratory.



Criteria	JORC Code explanation	Commentary
laboratory tests		<p>Gold was analyzed on a 50g charge using fire assay fusion with an atomic absorption spectroscopy finish (ALS method Au-AA26). Detection limit range is 0.01ppm to 100ppm Au.</p> <p>A 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).</p> <p>Silver was analysed as part of the multi-element aqua-regia digest ICP-AES (method ME-ICP41), with an upper detection limit 100g/t Ag. Samples returning a result above 100g/t Ag were re-analysed to ore-grade using Aqua Regia Digestion and ICP_AES (method Ag-OG46) with an upper detection limit of 1500g/t Ag. Samples returning a result above 1500g/t Ag were re-analysed to ore-grade using Aqua Regia Digestion and ICP_AES – Extended Range (method Ag-OG46h) with an upper detection limit of 3000g/t Ag. Samples returning a result above 3000g/t Ag were re-analysed using Ag by Fire Assay and Gravimetric Finish, 30g nominal weight (method Ag-GRA21) with an upper detection limit of 10000g/t Ag. Samples returning a result above 10,000g/t Ag were re-analysed using Ag by Fire Assay and Gravimetric Finish, 30g nominal weight (method Ag-CON01), with an upper detection limit of 995,000g/t.</p> <p>The nature of the laboratory assay sampling techniques is considered ‘industry standard’ and appropriate.</p> <p>For any historical KORES, where mentioned, drill core and underground channel samples, the nature, quality and appropriateness of the sample assaying procedures are unknown.</p>
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No data from geophysical tools were used to determine analytical results in this ASX Release.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Drilling QAQC samples involved 1 blank and 1 certified ore-grade epithermal reference standard, 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	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<p>Assay data has been verified by the geologist in charge of the program and a second Southern Gold employee.</p> <p>Significant intersections/results in this ASX Release have been verified by the Competent Person.</p> <p>Where referenced, any historical KORES data cannot be independently verified.</p>
	<i>The use of twinned holes.</i>	No twinned holes have been completed as part of this ASX Release, as the program is at an early stage.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary SAU data is recorded into digital spreadsheets or hand-written documents. All original hardcopy logs and sample reference sheets are kept for reference. Digital data entry is validated through the application of database

Criteria	JORC Code explanation	Commentary
		<p>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.</p> <p>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.</p>
	<i>Discuss any adjustment to assay data.</i>	No adjustments are made to the assay data.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	SAU drill collars are marked out using a handheld Garmin 64s GPS producing levels of accuracy +/- 3m. Final drill collar XYZ locations are surveyed before hole closure with a DGPS producing levels of accuracy +/- 10mm.
	<i>Specification of the grid system used.</i>	The grid system used is Universal Transverse Mercator (WGS84), Zone 52 S (Northern Hemisphere).
	<i>Quality and adequacy of topographic control.</i>	South Korean Government 5m contour data is available and deemed suitable for topographic control on early stage exploration campaigns.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Holes were designed nominally at 50m spacing along strike and 50-100m down dip on section
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	No Mineral Resource or Ore Reserve have been estimated in this ASX Release.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Drill holes are generally designed to be as perpendicular as possible across targets. In cases where this was not possible, true widths have been stated.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No sample bias is expected in the drilling.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	<p>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:</p> <p>Post on-site logging and processing, samples are transported to the Company's shed facilities under the direct supervision of a Company representative.</p> <p>Samples are further processed for dispatch by Company representatives under guidance of the Competent Person. Bagged samples are secured by ties and delivered by a Company representative to the sample preparation laboratory. The preparation laboratory sends pulp samples</p>



Criteria	JORC Code explanation	Commentary
		directly to the assay laboratory for analysis via registered courier (DHL). All rejects are returned under courier service and stored in the Company's secure lock-up long-term core storage facility.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No external or independent reviews have been undertaken. Southern Gold's sampling procedure conforms to industry standard practice and each assay program is reviewed internally for any discrepancies.

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The granted tenements Beopseongpo 29 and Beopseongpo 30 (Beopseongpo Project), Muan 109 and 99 (Aphae Project), and Jeonju 60, 70 and 80 (Deokon 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.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i>	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.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	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.  The Deokon Project has historically had small scale mining and adits excavated by the Deokon Mining Company from 1958 to 1980. An unknown party held the license and sporadically operated the mine from 1997 to ~2010. Historical records are not extensive and considered unreliable. The Korean government agency KORES and its predecessor KMPC conducted diamond drilling at Deokon from 1977 to 1979 with a final round in 1982. 14 holes were drilled at the Main Adit and 2 holes at the Shin Adit. During 1981, the KMPC conducted a Self-Potential (SP) geophysical survey with original data no located. KMPC conducted an underground sampling program along the drives in 1983

Criteria	JORC Code explanation	Commentary
		<p>At the Aphae Project, two historical drill holes were drilled by KIGAM during 1980, but their locations cannot be confidently identified. One of the holes was recorded to intersect 7 g/t Au and 104 g/t Ag over a 0.5m interval. This intersect is inferred to be vertically below the historical workings. The area was initially mined during the early 1930's through to 1945 in the Japanese occupation period. 110kg of gold was reportedly produced from Aphae (KIGAM resources of Korea). Additionally, surrounding alluvial resources have also been exploited but production figures are unknown. Investigations by KORES (KORES Reports, 1970 &amp; 1980) states that the hydrothermal breccia and vein hosted gold-silver mineralisation was found to outcrop for over 100m striking 010NE dipping at 80 degrees to the SE. It is reported that the width is around 30m and peak assays obtained are 8.9g/t Au and 155 g/t Ag from the base of the now flooded pit. Surrounding the Aphae mine is a global alluvial gold resource of 8,025 troy ounce of gold over 126,400 sq meters averaging 0.14gm/cubic meter. The Aphae gold mine is unlikely to be the sole source of this alluvial gold field.</p> <p>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.</p> <p>Historical records in general are not extensive and considered unreliable.</p> <p>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.</p>
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	Exploration is targeting low- to high-sulphidation style epithermal precious metal (Au, Ag) mineralisation in Cretaceous volcanic rocks of the Korean Peninsula.
<i>Drill hole Information</i>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul>	A summary of significant results above 0.1g/t Au at Beopseongpo are summarized in Table 1.



Criteria	JORC Code explanation	Commentary
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	No information has been excluded from this release to the best of Southern Gold's knowledge.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	No weighting averaging techniques, maximum and/or minimum grade truncations, or cut-off grades were used within this release for rock sampling. The results reported are reconnaissance rock samples and the above techniques do not apply to these early stage exploration samples.  The cut off grade for reporting of drill results was 0.1g/t Au
	<i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	All rock sample assay values reported are raw assays and none of the reported data has been cut or adjusted.  All aggregate drill intercepts are length weighted and the maximum internal dilution was <2 consecutive samples <=0.05g/t
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been reported in this ASX Release.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	Estimated true widths have been reported for the drilling.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	For the drilling, figures 3-6 show the vein geometry which is the basis for the true width calculations.
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	True widths have been reported for the drilling.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Appropriate maps, sections, and tables for new results have been included in this ASX Release.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Not all sample assay data has been included in this report as it is not considered material beyond the representatively reported high and low grade results presented in the main body of this ASX Release. Gold results reported range from <0.01g/t to 1.71g/t Au.  Previous information is also referenced in the company's ASX reports with details provided in this report.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density,</i>	To the best of our knowledge, no meaningful and material exploration data has been omitted from this ASX Release.

Criteria	JORC Code explanation	Commentary
	<i>groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Further drilling may be planned at Beopseongpo, depending on the evaluation of the results and investigations from further work at other Prospects, as well as overall priorities with other Projects.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Refer to Figures 1-7 in the main body of this ASX Report that show where drilling has been conducted.