

Quarterly Activities Report to 30 June 2020

- Extensive drilling activity continued across three projects in South Korea with a company-high 2,723.97m of diamond drilling completed by Southern Gold.
- **Aphae Project** (SAU 100%): completed 720.46m of diamond drilling in 4 holes with mineralised breccia intersected in every hole. Assays pending.
- **Deokon Project** (SAU 100%): completed 773.02m of diamond drilling in three holes (and a fourth commenced) at the 'Shin Hill' prospect with quartz-sulphide-carbonate veining and flood breccia (lode) mineralisation intersected down-dip of the historical workings. Assays pending.
- **Beopseongpo Project** (SAU 100%): completed 1,230.49m of diamond drilling in 5 holes at 'Hand of Faith' and 'Spider' prospects. Peak assay received was 0.24m @ 1.71g/t gold at 'Hand of Faith' with the project ranking being downgraded.
- Regulatory approvals to drill at depth at **Weolyu Project** (SAU 100%) are now well advanced with drill program planning and logistics for Q1 FY21 completed, including a diamond drill programme at the **Dokcheon Project** (SAU 100%).
- New target area close to the operating Eunsan Gold Mine, **Jangwhal Project** (SAU 100%), now secured with tenement applications.
- The CEO of AIM listed resources investment specialist Metal Tiger PLC, Mr Michael McNeilly, was appointed to the Southern Gold board.



Photo 1 – Aphae drill site, hole APDD001, looking north

South Korea

During the June 2020 quarter, Southern Gold Limited (ASX: SAU) (“Southern Gold” or “the company”) expedited drilling activities on the ground in South Korea. The focus was on the diamond drill programs at Spider (Beopseongpo), Shin Hill (Deokon) and Aphae Pit (Aphae). A total of 2,723.97m of HQ3 diamond drilling was completed in the quarter, utilizing two drill rigs and operating at different project areas simultaneously. In addition, regulatory approvals continued for drilling at Weolyu as well as land access negotiations for future drilling sites in the Jeolla District in the south-west corner of South Korea.

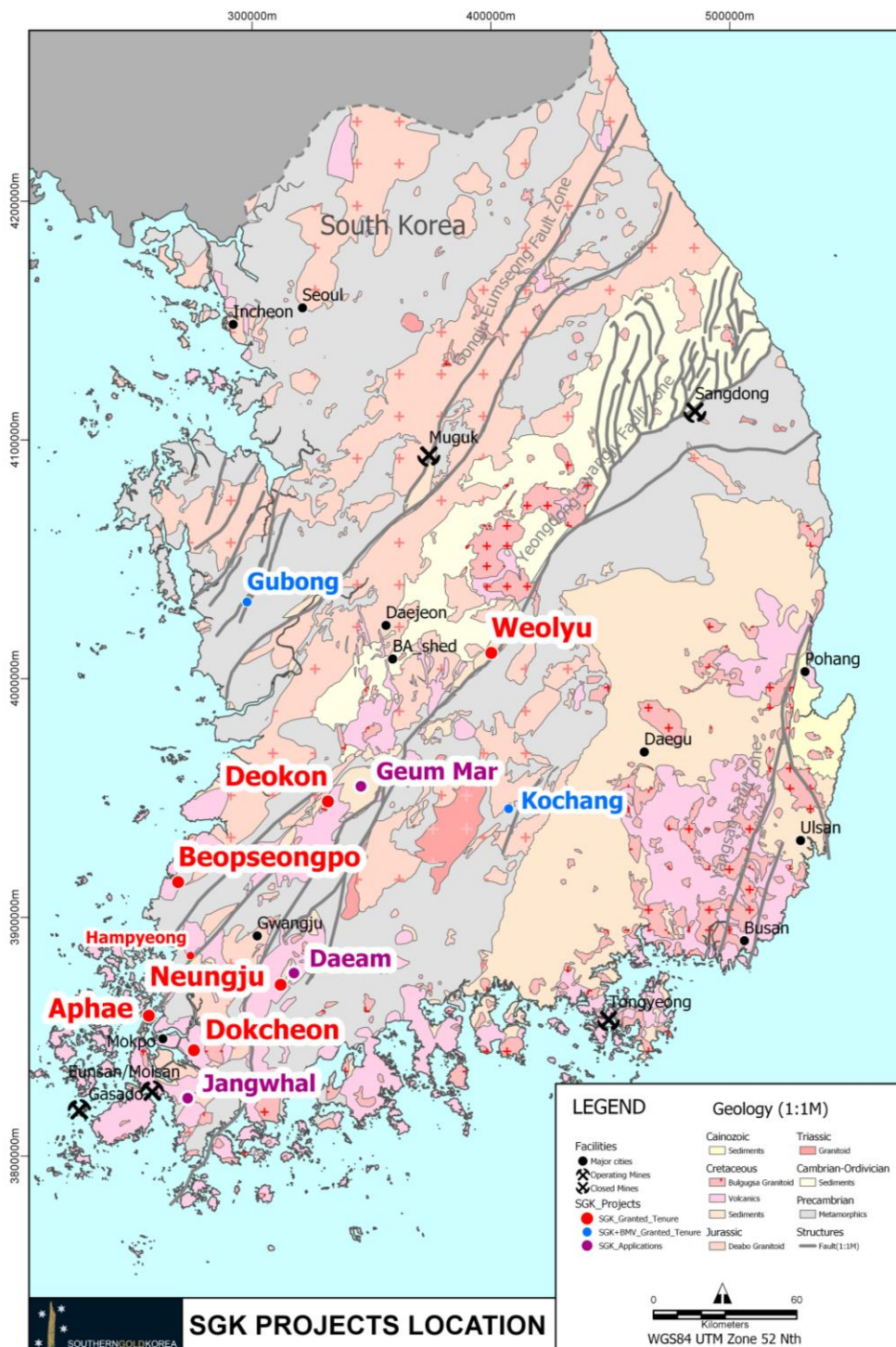


Figure 1: Southern Gold project Locations in South Korea including JV Projects (BMV). 100% owned projects in red, 50% owned BMV Joint Venture projects in blue. 100% owned projects under application in purple.

Drilling during the quarter took place at Aphae, Deokon and Beopseongpo.

A new target area called Jangwhal has also been identified and secured with applications.

Aphae (SAU 100%)

A total of 720.46m across 4 holes were drilled at Aphae. All drill holes were collared in reclaimed land (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.

More importantly, the breccia zone was also extended to the north in APDD003, where the width and sulphide content increased. A broad zone (~40m) of sulphide ±silica mineralised/matrix monolithic clast-supported (granite) breccia was intersected in APDD003, and a narrower zone (~10m) of weakly sulphidic milled matrix supported monolithic (granite) breccia was intersected in APDD004. Assays pending for all holes.

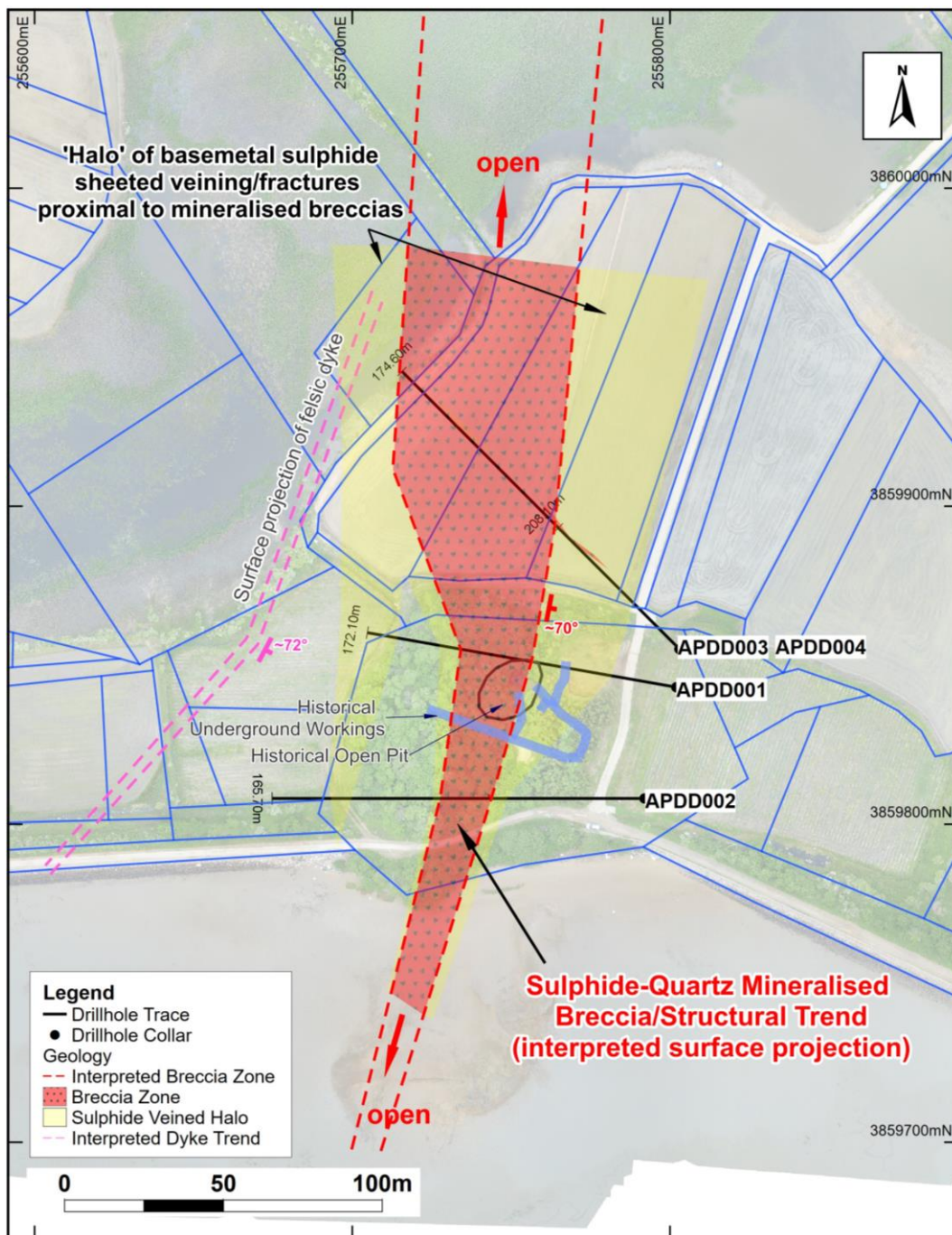


Figure 2 – Plan View of Aphae Pit maiden drill program completed

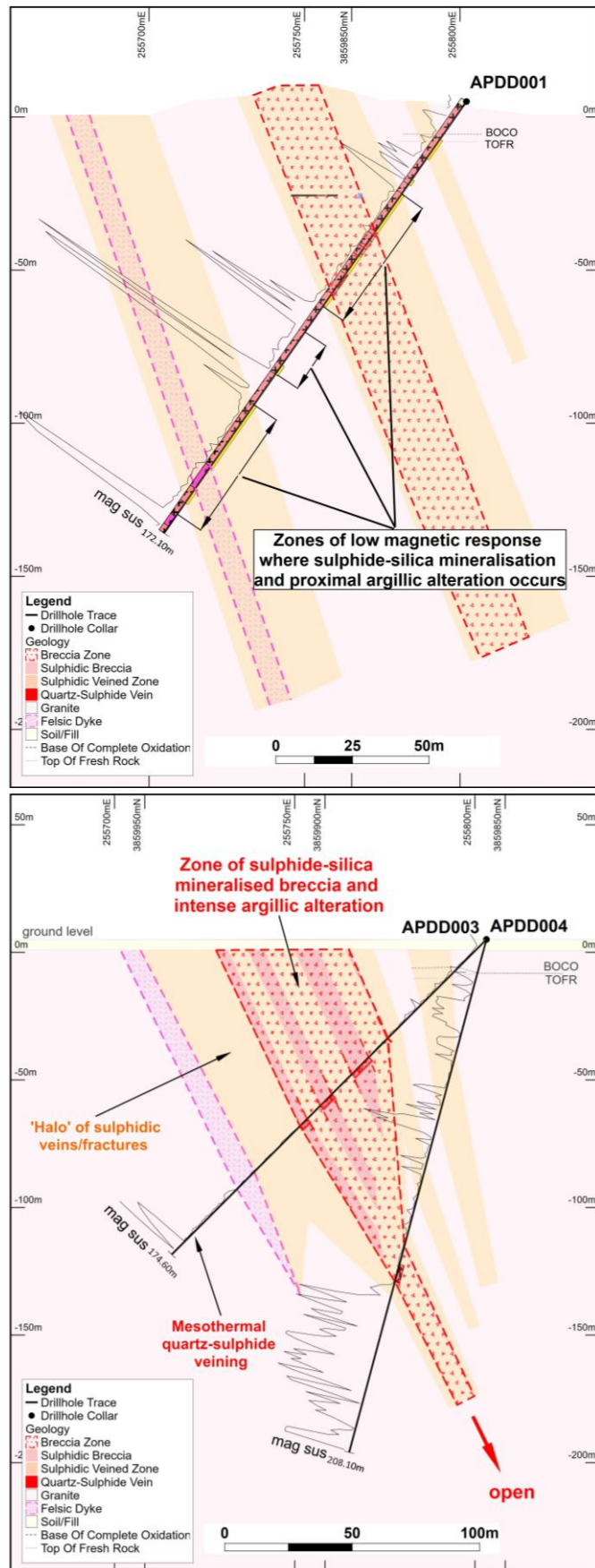


Figure 3 - Aphae Pit APDD001 & 003-4 cross sections showing simplified and interpreted geology with magnetic susceptibility results plotted, which clearly outline the zones of mineralisation and strong alteration as magnetic lows.

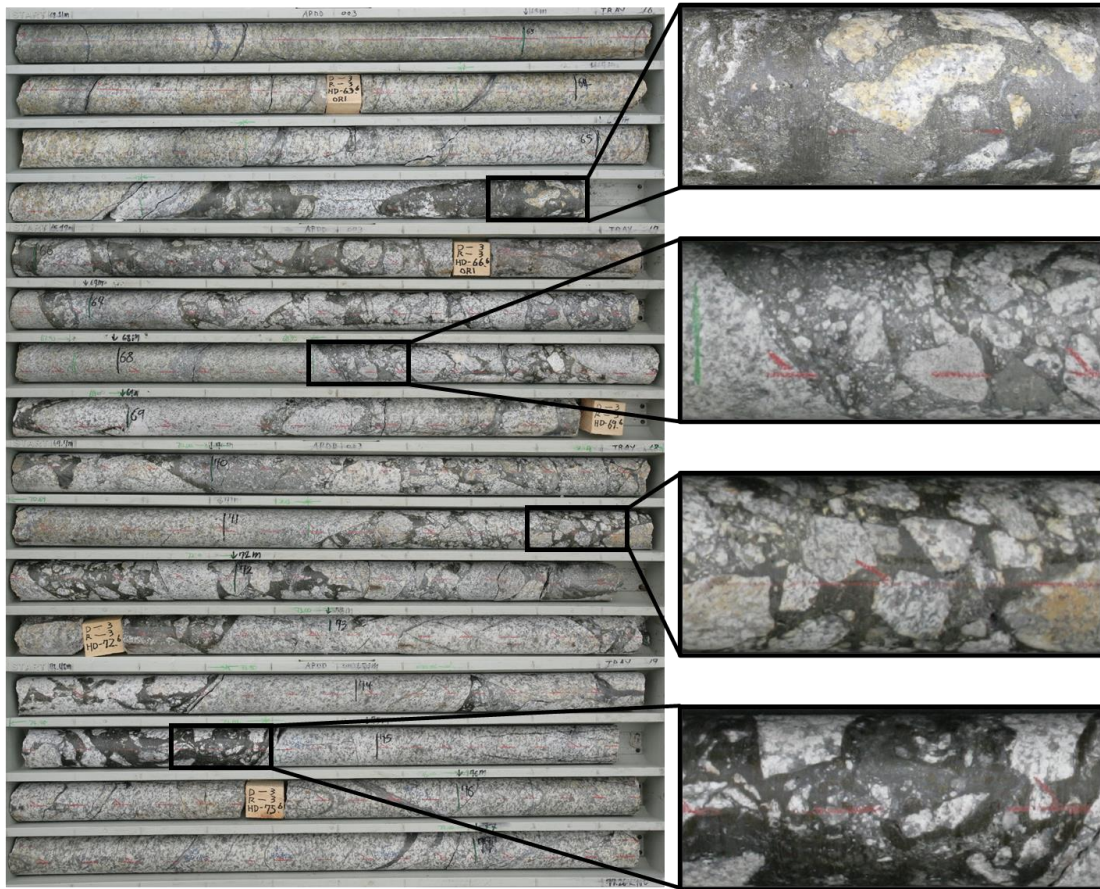


Photo 2 - Section of sulphide-silica matrix, clast-supported monolithic mineralised breccia drilled in APDD003 (65.3-74.84m – within a broader ~40m+ wide zone)

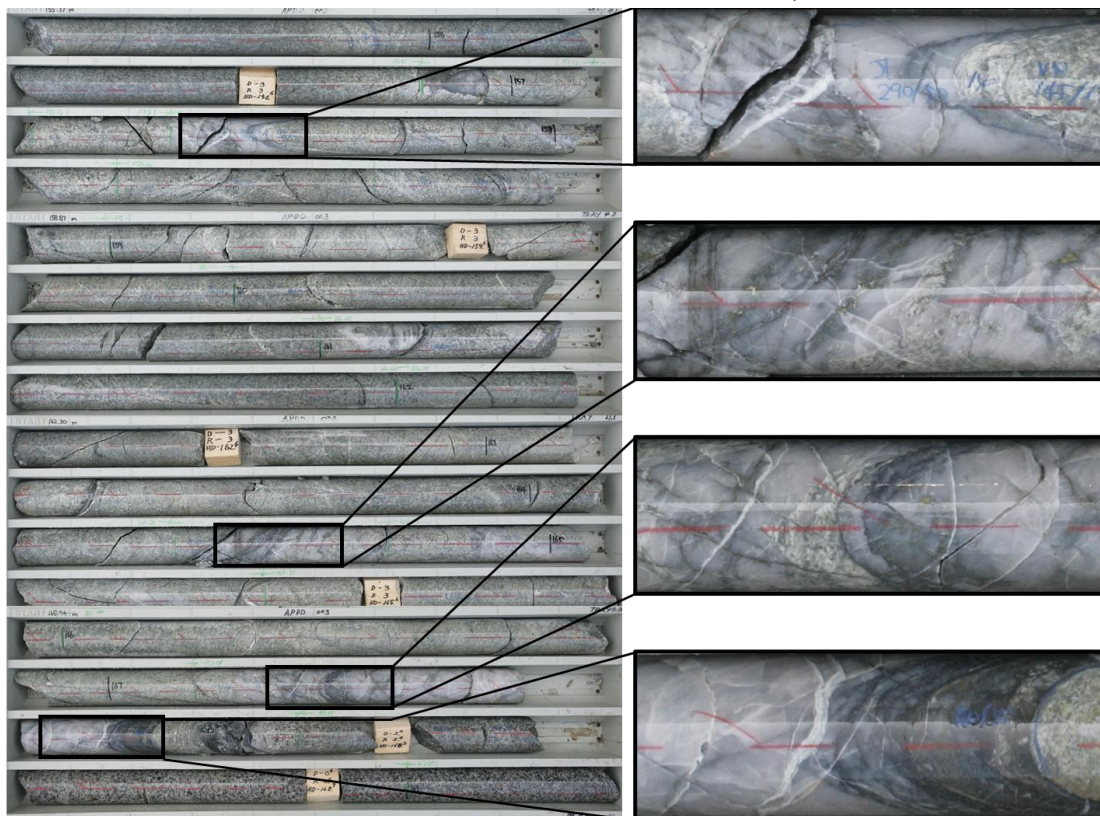


Photo 3 - Section of Mesothermal quartz-sulphide veining drilled in APDD003 (156.85-168.15m)

Deokon (SAU 100%)

A total of 773.02m from three holes (and a fourth commenced) was drilled at Shin Hill, Deokon. Drilling was designed to test beneath the Shin Hill underground workings (as shown in **Figures 4 - 5**).

Quartz-sulphide-carbonate veining and flood breccia (lode) mineralisation was intersected in hole DKDD008 and DKDD009 (redrill - due to core loss). The majority of silicification, quartz veining, and quartz-sulphide veining/lode mineralisation observed is present within the eastern section of the rhyolitic to dacitic felsic intrusive. This corresponds with the veining and intense alteration observed in the Shin Adit underground. The drilling has also identified additional zones of narrow (<40cm wide) veining and intense alteration in the hanging wall of the historically underground mined vein/lode. Assays are pending.

Quartz veining within the Shin corridor can be traced in float and subcrop for over 400 metres. This target is an intermediate sulphidation vein breccia that has small historical workings and significant down-dip and along strike potential. The structure has also been traced along strike at kilometer scale.



Photo 4 - DKDD008 ~64.9 to 65.3m ~40cm wide quartz-sulphide vein intercepted in the hanging wall of the projected underground exploited vein/lode.

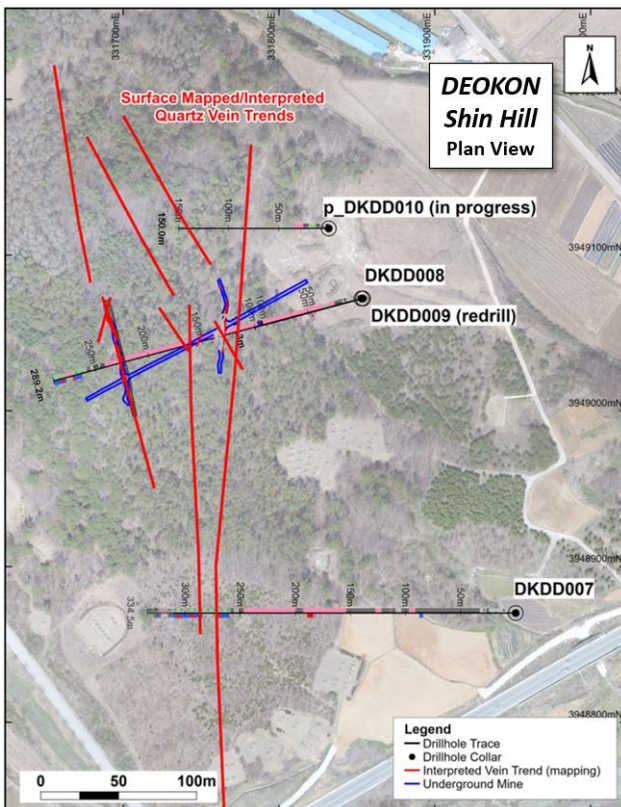


Figure 4 - Plan view of Shin Hill drill program

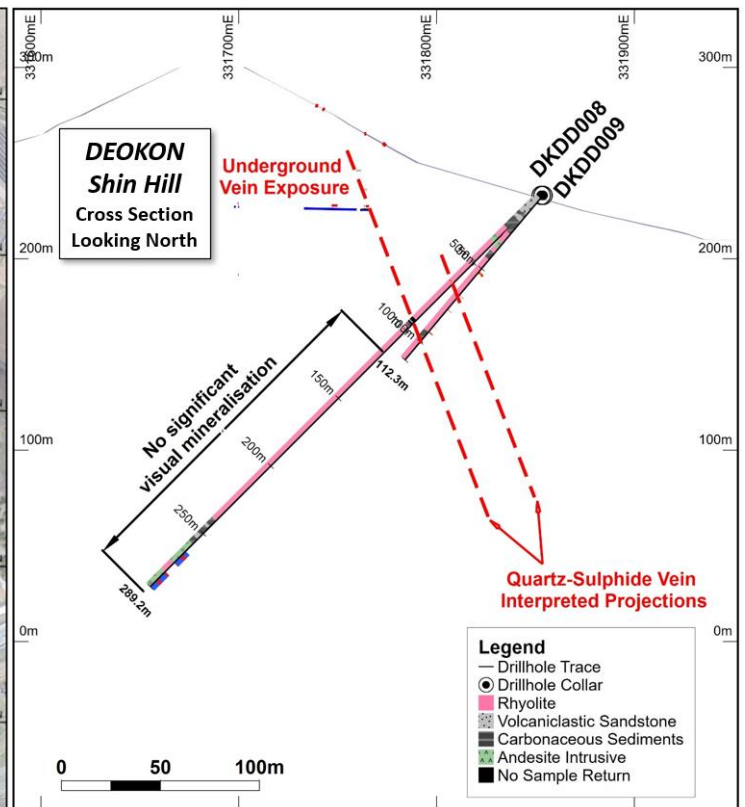


Figure 5 Cross-section of DKDD008 and DKDD009 (redrill).

Beopseongpo (SAU 100%)

A total of 1,230.49m of diamond drilling was completed at the Beopseongpo Project in the June Quarter. This included the completion of the fourth hole commenced in the March Quarter (BPDD014) for 287.2m in Phase 2 deeper step-back drilling at **'Hand of Faith'**. The second rig deployed late in the March Quarter at **'Spider'** continued and four holes were completed (BPDD015-018) for a total of 943.29m in the Quarter.

Low sulphidation epithermal multi-phase veining was intersected at **'Hand of Faith'** and multiple zones of dynamic polyphasal low-sulphidation epithermal veining was intersected at **'Spider'**.

Peak intersection of 0.24m @ 1.71g/t Au was returned from 139.97m in hole BPDD013 (0.19m estimated True Width) at **'Hand of Faith'**, while at **'Spider'** the peak result was 1.00m @ 0.16g/t gold from 135.8m in BPDD015 (True Width).

The aim of the Phase Two deeper step-back drill program at **'Hand of Faith'** (holes BPDD011-14) 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

At **'Spider'**, broad zones (10-15m) of quartz veining with individual veins up to 1.5m were intercepted at the expected depths in all holes. Veining is located within and at the footwall contact of strongly brecciated and in places milled basement gneiss which represents the basin margin fault zone. Veining comprises of chalcedonic to crystalline quartz vein breccias, bladed quartz pseudomorphs after calcite and minor cockade banding.

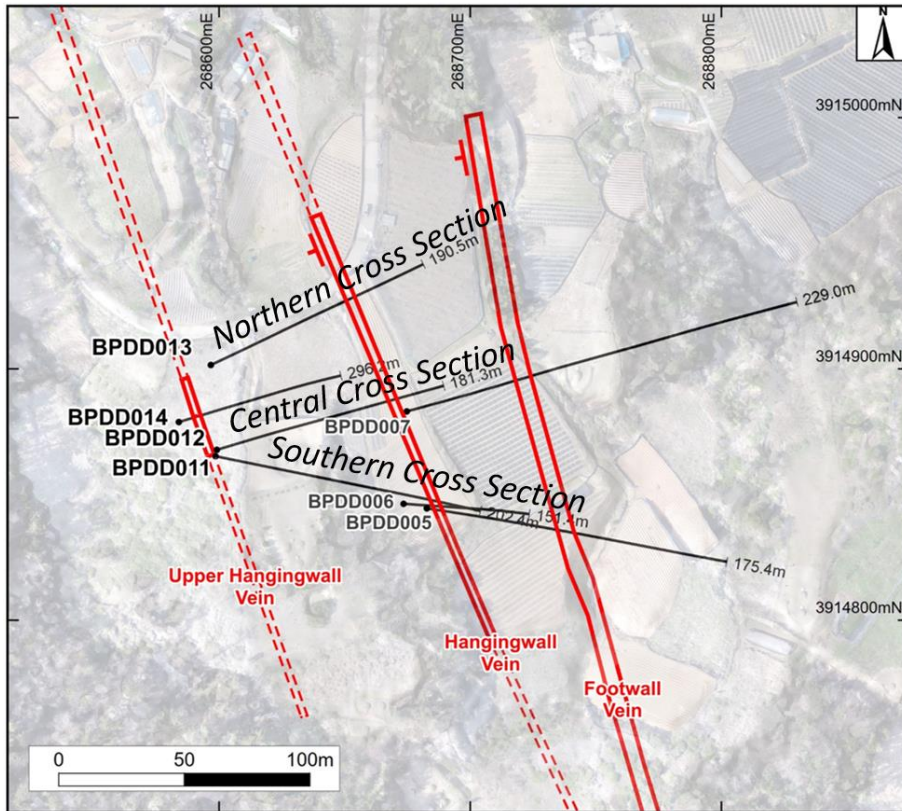


Figure 6 – plan view of drill holes completed at Hand of Faith. Phase 2 drilling BPDD011-014.

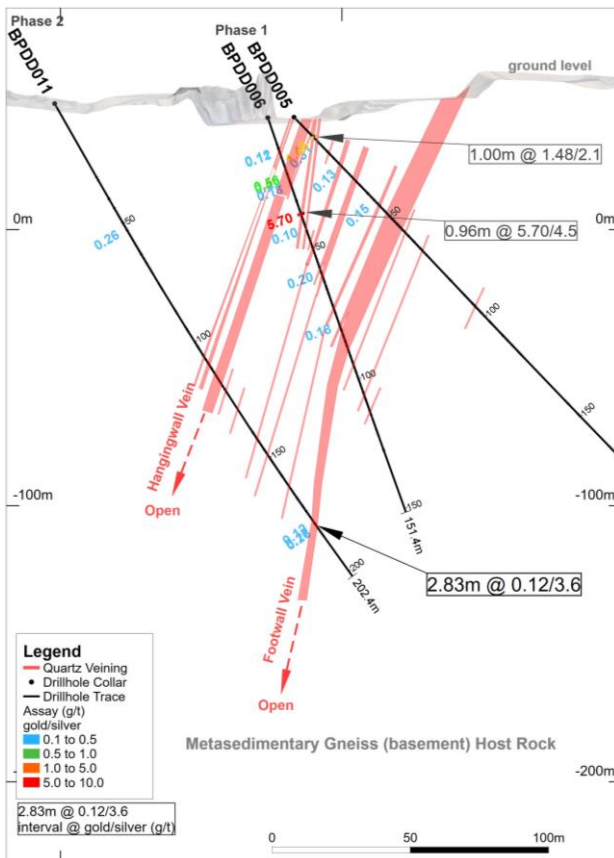


Figure 7 – Southern cross section (looking North)

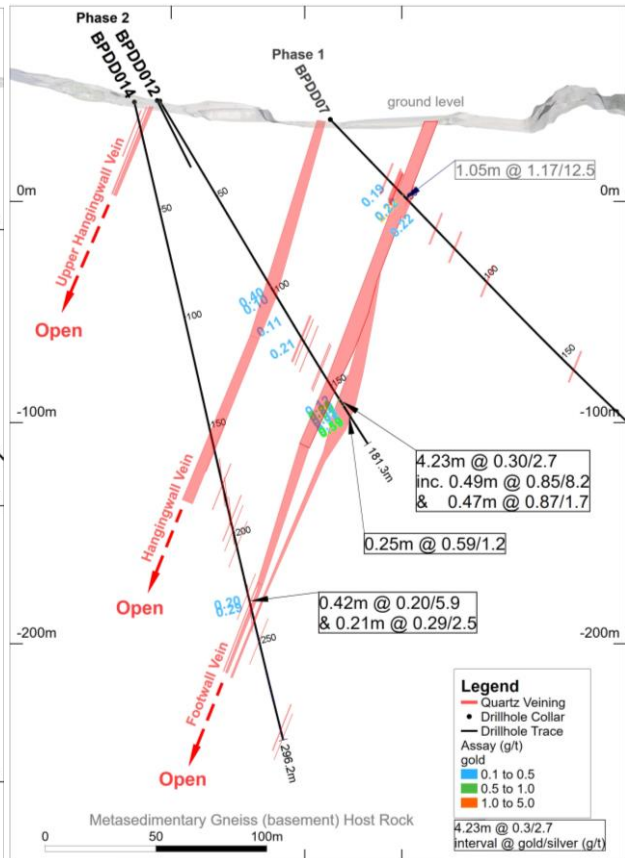


Figure 8 – Central cross section (looking North)

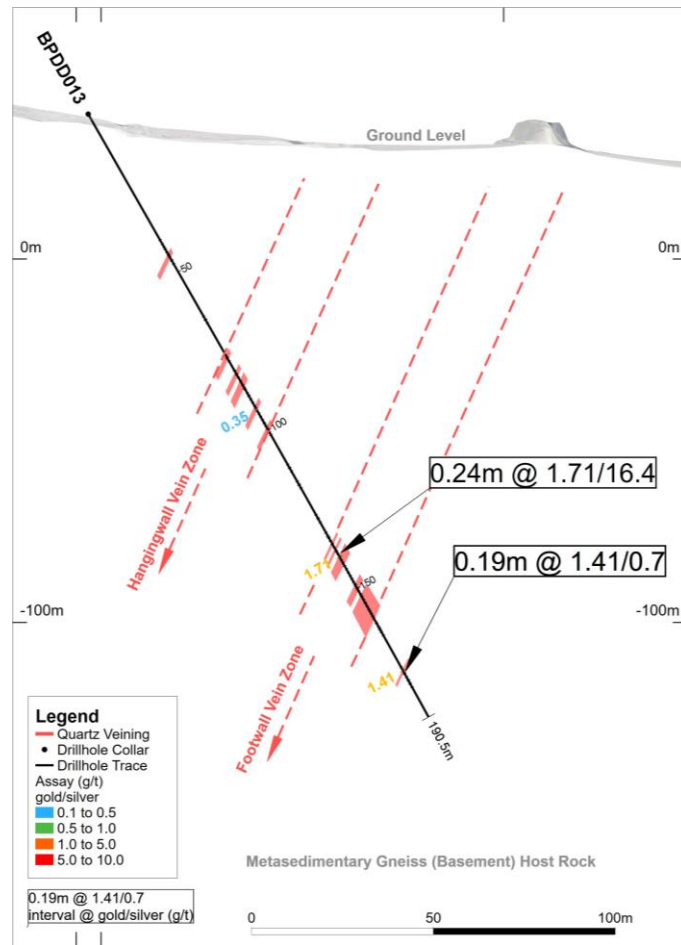


Figure 9 – Northern cross section (looking North), Hand of Faith prospect



Photo 5 - BPDD015 drill site at 'Spider' looking south-west

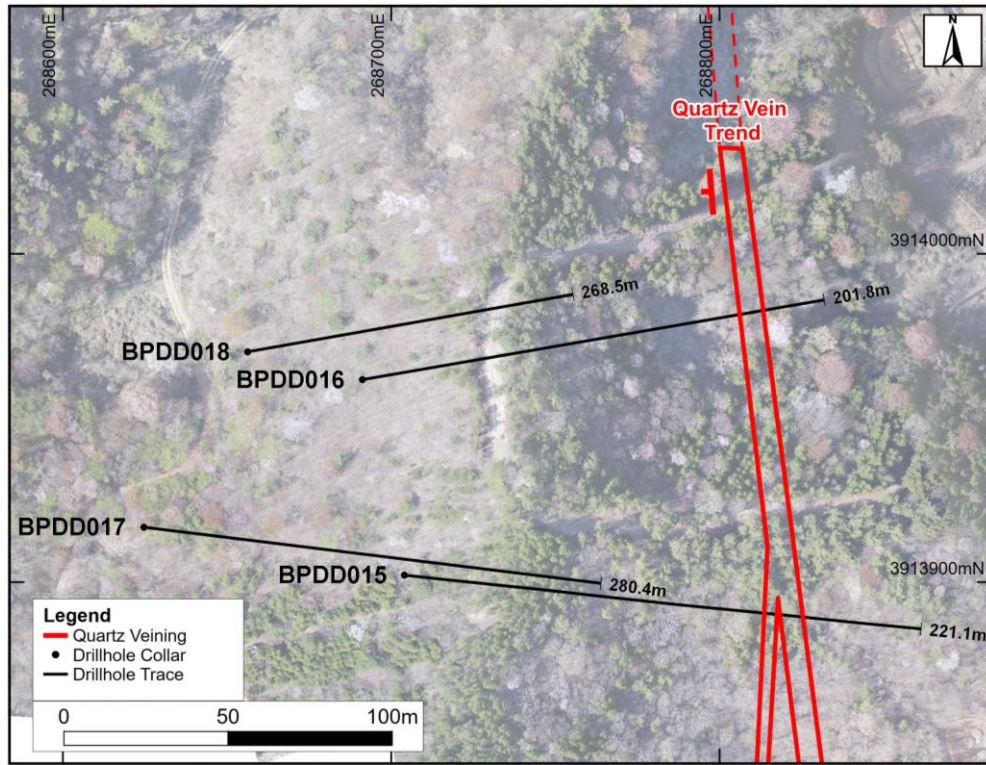


Figure 10 - Plan-view of all completed drilling to date at Lotus South (Spider Zone).

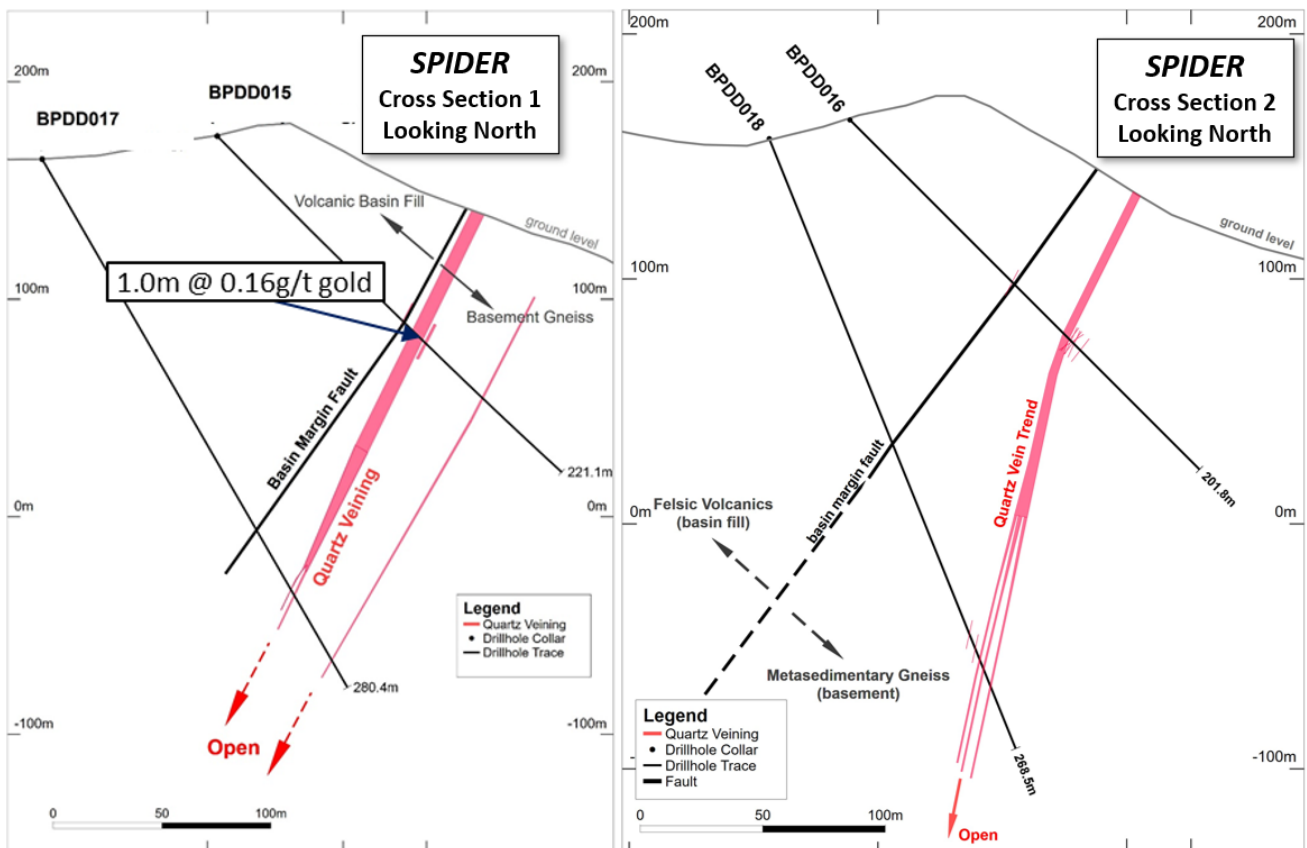


Figure 11 - Cross-sections of BPDD015 & 017, and BPDD016 & 018 at Spider Zone, Lotus South. The cross-sections display surface and subsurface vein intercepts and simplified geology.

Despite the epithermal textures intersected in multiple holes at Beopseongpo, including multiple zones of dynamic polyphasal low-sulphidation epithermal veining, economic gold and silver grades were not returned. The vein textures, widths and extent are impressive, particularly at **'Hand of Faith'**; however the low geochemical results achieved (low to below detection Au, Ag, As and Sb within vein intervals), particularly given the depth extent tested, probably indicates an overall precious metal poor system.

Drilling Schedule

The immediate drill plan is to complete the fourth hole at 'Shin Hill', Deokon Project, followed by a short drill rig maintenance break. It is then planned to commence drilling at the Dokcheon Project until the Weolyu Project drilling road access is approved and then commence diamond drilling there as soon as possible. Details of these drill programs were outlined in the March Quarterly Report.

Project Generation and Tenure

No field-based project generation work was completed in the quarter due to international travel restrictions and a focus on the drilling programs. It is planned to utilise Korean Geological staff to commence preliminary field work at various targets.

Eight applications were lodged at a new area called Jangwhal, approximately 15km east of the Eunsan-Moisan gold-silver deposits and operating gold mine (owned by private Korean company), as a result of a review of historical project generation work.

Community and Environment

Community engagement continued at Beopseongpo, Aphae, Deokon, Dokcheon and Weolyu. This has been a significant effort with some team members dedicated to it full time due to the extra activity level completed in new locations. Community liaison officers have been diligently listening to the local people and determining the various issues within the wider Jeolla province community and built very positive working relationships. Southern Gold has been optimising the best periods to drill when farming areas are vacant and working around various other local priorities.

Environmental baseline studies were completed at Aphae and Deokon before the drilling started and will precede any drilling campaigns to be conducted at any project. Baseline studies look at water discharge, waste contamination and removal, community impacts of noise from drilling activities and the associated mitigation steps. The Company takes its Community and Social Responsibilities very seriously and will continue to build its capability in this area in time.

Gubong and Kochang JV (Bluebird 50%\SAU 50%)

Bluebird Merchant Ventures (BMV) continues to be the operator of the Joint Venture and manages the projects. Most activity in the June quarter was directed towards community engagement.

The Joint Venture has the 'Permit to Develop' from the Provincial Government for both Gubong (approved September 2019) and Kochang (approved December 2019) projects. The approval is subject to several conditions largely in relation to physical development requirements regarding safety, community engagement and environmental management. Additional approvals will be through the County government level.

With COVID19 impacts to international travel, there will be some delay in the deployment of expatriate technical staff to advance the projects. Southern Gold joint venture expenditure requirements for the next Quarter will be minimal (<US\$70,000).

Corporate

The CEO of diversified resources investment specialist Metal Tiger PLC ('Metal Tiger'), Mr Michael McNeilly, was appointed to the Southern Gold board. Metal Tiger have the right to nominate a board appointment so long as they retain a minimum 10% equity position in the Company. Metal Tiger's current equity position is 17.1%. Metal Tiger is listed on the London Stock Exchange AIM Market ("AIM" with the trading code MTR) and invests in high potential mineral projects with a base, precious and strategic metals focus in significantly undervalued or high potential opportunities in the mineral exploration and development sector worldwide.

Mr McNeilly has extensive experience in listed companies and is currently a non-executive director of ASX-listed Cobre Limited. Mr McNeilly sits on several private company boards within the Metal Tiger group and has a deep understanding of the equity capital markets.

For the Quarter, the Company had:

- net cash outflows from Operating and Investing activities of \$1.43 million, which included \$0.96 million of exploration expenditure and \$0.14 million Southern Gold's 50% of funding its Joint Venture companies;
- net cash inflows from Financing activities of \$2.88 million, including proceeds from a capital raise of \$3.09 million before costs, being \$1.26 million for final receipts of the tranche 1 shares issued 2 April 2020 and \$1.83 million for the tranche 2 shares issued 14 May 2020 following shareholder approval;
- total net cash inflows for the Quarter of \$1.44 million; and
- a reported cash balance of \$3.74 million on 30 June 2020.

Cashflows for the Quarter include related party payments of \$0.21 million comprising Director fees paid to Directors, or related entities of the Directors, and remuneration paid to executive Directors (Managing Director Simon Mitchell and Executive Director Beejay Kim).

Authorised by:
Simon Mitchell
Managing Director

Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
APDD001	Pit	255795.724	3859842.505	1.701	-55	277	172.09
APDD002	Pit	255787.296	3859806.607	2.605	-45	272	165.70
APDD003	Pit	255800.729	3859849.318	1.474	-45	315	174.60
APDD004	Pit	255801.541	3859848.473	1.427	-75	315	208.07

Table 2 – Drill hole collar details at Aphae

Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
DKDD007	Shin Hill	331950.341	3948870.840	217.972	-46	268	334.62
DKDD008	Shin Hill	331847.285	3949074.305	230.750	-45	253	289.2
DKDD009	Shin Hill	331847.983	3949074.442	230.652	-51	253	112.3
DKDD010	Shin Hill	331830.134	3949111.629	229.237	-45	272	Drilling

Table 3 – Drill hole collar details at Deokon

Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
BPDD014	Hand Of Faith	268584.05	3914878.81	44.92	-75	75	296.20
BPDD015	Spider	268704.08	3913902.06	174.91	-45	95	221.09
BPDD016	Spider	268691.30	3913961.63	164.85	-45	80	201.80
BPDD017	Spider	268624.76	3913916.67	164.34	-60	97	280.50
BPDD018	Spider	268656.35	3913970.11	157.18	-70	83	268.80

Table 4 – Drill hole collar details at 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
- 20200617 – ASX Drilling Operations Update – Mineralised Breccia at Aphae

100% Owned Projects

Project Name	Tenement Info			Register Info		
	Korean	English	Block ID	No.	Type	Date of Granting
Weolyu	영동	Yeongdong	66	79254	Mining	14/02/2011
	영동	Yeongdong	67	79255	Mining	14/02/2011
Gubong	청양	Cheongyang	137	78092	Mining	1/09/2009
Hampyeong	나주	Naju	136	200970	Exploration	11/01/2018
Aphae	무안	Muan	109	200996	Exploration	6/03/2018
	무안	Muan	99	201136	Exploration	26/03/2019
Beopseongpo	법성포	Beopseongpo	29	201028	Exploration	11/07/2018
	법성포	Beopseongpo	30	201029	Exploration	11/07/2018
Deokon	전주	Jeonju	70	201041	Exploration	31/07/2018
	전주	Jeonju	80	201040	Exploration	31/07/2018
	전주	Jeonju	60	201218	Exploration	17/12/2019
Dokcheon	영암	Yeongam	116	201143	Exploration	12/04/2019
Neungju	영암	Neungju	33	201042	Exploration	31/07/2018

50% Owned JV Projects

Mine Name	Tenement Info			Register Info		
	Korean	English	Block ID	No.	Type	Date of Granting
Gubong	청양	Cheongyang	134	78089	Mining	1/09/2009
	청양	Cheongyang	135	78090	Mining	1/09/2009
	청양	Cheongyang	136	78091	Mining	1/09/2009
	청양	Cheongyang	146	78093	Mining	1/09/2009
	청양	Cheongyang	147	78094	Mining	1/09/2009
	청양	Cheongyang	145	78095	Mining	1/09/2009
	대천	Daecheon	6	78096	Mining	1/09/2009
	대천	Daecheon	7	78097	Mining	1/09/2009
Kochang	안의	Aneui	11	78086	Mining	1/09/2009
	안의	Aneui	12	78087	Mining	1/09/2009
	안의	Aneui	22	78088	Mining	1/09/2009

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	<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 diamond drill core from drilling completed in South Korea.
	<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 to maximize recovery, along with the use of appropriate drilling muds and fluids.
	<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.

Criteria	JORC Code explanation	Commentary
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage but 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. 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.
Sub-sampling techniques and sample preparation	<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, along with adjacent apparent barren zones.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Samples were taken dry.
	<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 Perth. 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.
Quality of assay data	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and</i>	Pulp samples (typically 250g) 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

Criteria	JORC Code explanation	Commentary
and laboratory tests	<i>whether the technique is considered partial or total.</i>	<p>an ISO/IEC 17025:2005 and ISO9001:2015 certified laboratory.</p> <p>Gold was analyzed on a 50g charge using fire assay fusion with an atomic absorption spectroscopy finish (ALS method Au-AA26). Detection limit range is 0.01ppm to 100ppm Au.</p> <p>A 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 1,500g/t Ag. Samples returning a result above 1,500g/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 3,000g/t Ag. Samples returning a result above 3,000g/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 10,000g/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 samples, where mentioned, including 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>	Magnetic susceptibility measurements were completed on all drill core using a TERRA KT-10R V2 hand held magnetic susceptibility meter. Scanning mode and full core mode were used.
	<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.

Criteria	JORC Code explanation	Commentary
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<p>Primary SAU data is recorded into digital spreadsheets or hand-written documents. All original hardcopy logs and sample reference sheets are kept for reference. Digital data entry is validated through the application of database validation rules and is also visually verified by the responsible geologist through GIS and other software. Any failures are sent back to the responsible geologist for correction and re-submission. Data is stored in a SQL database managed through an external consultant with proprietary software. The extracted database is backed up as part of the Company server backup protocol.</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>	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.</p>

Criteria	JORC Code explanation	Commentary
		Bagged samples are secured by ties and delivered by a Company representative to the sample preparation laboratory. The preparation laboratory sends pulp samples directly to the ALS laboratory for analysis via registered courier (DHL). The samples are received and signed 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.
<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 drilling was completed in granted tenements at the Beopseongpo Project, within tenements Beopseongpo 29 and Beopseongpo 30; Deokon Project, within tenement Jeonju 70; and Aphae Project, within tenement Muan 109, all 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

Criteria	JORC Code explanation	Commentary
		<p>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 not located. KMPC conducted an underground sampling program along the drives in 1983.</p> <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 & 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"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole</i> 	A summary of significant results above 0.1g/t Au are summarized in the Tables in the body of the report.

Criteria	JORC Code explanation	Commentary
	<p><i>collar</i></p> <ul style="list-style-type: none"> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> 	
	<p><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></p>	<p>No information has been excluded from this release to the best of Southern Gold's knowledge.</p>
<i>Data aggregation methods</i>	<p><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></p>	<p>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.</p> <p>The cut off grade for reporting of drill results was 0.1g/t Au</p>
	<p><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></p>	<p>All rock sample assay values reported are raw assays and none of the reported data has been cut or adjusted.</p> <p>All aggregate drill intercepts are length weighted and internal dilution was <2 samples =<0.05g/t Au.</p>
	<p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>No metal equivalent values have been reported in this ASX Release.</p>
<i>Relationship between mineralisation widths and intercept lengths</i>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p>	<p>Estimated true widths have been reported for the drilling.</p>
	<p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p>	<p>For the drilling, plan view and cross section figures are presented showing the vein geometry which is the basis for the true width calculations.</p>
	<p><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></p>	<p>True widths have been reported for the drilling.</p>
<i>Diagrams</i>	<p><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></p>	<p>Appropriate maps, sections, and tables for new results have been included in this ASX Release.</p>
<i>Balanced reporting</i>	<p><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></p>	<p>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.</p> <p>Previous information is also referenced in the company's ASX reports with details provided in this report.</p>
<i>Other substantive exploration data</i>	<p><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</i></p>	<p>To the best of our knowledge, no meaningful and material exploration data has been omitted from this ASX Release.</p>

Criteria	JORC Code explanation	Commentary
	<i>samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
<i>Further work</i>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Further deeper drilling and along strike drilling is planned at the Aphae Project, pending assay results. Deokon will be reviewed upon receipt of assays. Beopseongpo Project is being reviewed.
	<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 the Figures in the main body of this ASX Report that show where new drilling has been conducted.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SOUTHERN GOLD LIMITED

ABN

30 107 424 519

Quarter ended ("current quarter")

30 JUNE 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(66)	(335)
(b) development	-	-
(c) production	-	-
(d) staff costs	(158)	(652)
(e) administration and corporate costs	(194)	(1,247)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	(23)	(114)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	50	50
1.8 Other (short term lease payments)	(4)	(15)
1.9 Net cash from / (used in) operating activities	(394)	(2,306)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(21)
(d) exploration & evaluation (if capitalised)	(897)	(2,648)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	2,322
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (loans to 50% owned JVs)	(140)	(348)
2.6 Net cash from / (used in) investing activities	(1,037)	(695)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities).	3,089	6,839
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(195)	(416)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (repayment of lease liability)	(19)	(76)
3.10 Net cash from / (used in) financing activities	2,875	6,347

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,295	392
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(394)	(2,306)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,037)	(695)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,875	6,347

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	(1)
4.6	Cash and cash equivalents at end of period	3,737	3,737

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	365	141
5.2	Call deposits	3,372	2,154
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,737	2,295

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The amount at 6.1 comprises Director fees paid to Directors, or related entities of the Directors, and remuneration paid to executive Directors.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	750	750
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	750	750

7.5 Unused financing facilities available at quarter end

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The \$750,000 unsecured loan has interest payable at 12% per annum paid quarterly in arrears. The debt was due to be repaid in full on 19 August 2020, however the loan was repaid early, on 21 July 2020.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(394)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(897)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,291)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,737
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,737
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.9

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:30/07/2020.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.