ASX Release
Tuesday 2 October 2018

ASX Code: SAU

High grade gold and silver confirmed at the Shin Adit, Deokon Project, South Korea

- Channel samples taken from within the small-scale historical Shin adit gold-silver mine.
- Significant intercepts include **0.35m @ 12.6 g/t gold and 509 g/t silver**, **0.25m @ 12.3 g/t gold and 1,290 g/t silver**, and **0.4m @ 9.26 g/t gold and 1,165 g/t silver**.
- With the tenor of historical results confirmed, Deokon is classified as a "walk-up" drill target to be tested shortly.

Underground systematic channel sampling completed

Southern Gold Limited has completed the first phase of systematic underground channel sampling at its Deokon Gold Project in the central-southwest of South Korea (**Inset Figure 1**) under its strategy to commence work quickly on newly acquired tenure.

Access discussions with the land-owner were approved and risk assessments conducted within three-weeks of tenement Jeonju 70 being granted (ASX Release 6 August 2018 *"Tenements granted at Deokon, South Korea"*). Underground sampling was undertaken between the 23rd and 27th August. A total of 79 channel samples were taken across 22 sample lines from two historical drives on the lower 224 Level of the historic Shin adit Au-Ag Mine (**Figure 1**).

The new results have replicated the historical high-grade gold and silver results:

Table 1. Deokon Significant Channel Sample Results (>1.0 g/t Au)

Line ID	Sample Type	Interval (m)		Au (g/t)	Ag (g/t)
FS224S1_08	Channel	**0.35**	**@**	**12.6**	**509**
FS224S1_07	Channel	**0.40**	**@**	**9.26**	**1,165**
FS224S1_06	Channel	**0.75**	**@**	**5.31**	**527**
	including	***0.25***	***@***	***12.3***	***1,290***

Southern Gold Managing Director, Mr Simon Mitchell: "*Deokon has the potential to advance quickly with Southern Gold having obtained site access, the commencement of field work and turning around results, all within 6 weeks. While much more work remains to be done, planning has commenced on drilling proposals with the focus on using suitable drilling equipment capable of drilling within the historical underground workings.*

"The Shin adit at Deokon is a very small part of a much larger mineralised system but these high-grade results have clearly replicated the tenor of historical results which bodes well for confirming additional high grade gold and silver across the project area."

Shares on Issue: 49.15m
Share Price: $0.17
Market Capitalisation: $8.5m

Asset Base – WA, Australia
Cannon Gold Mine (100%)
Glandore Gold Project (75%*)
Cowarna Gold Project (100%)
Transfind South (Option)
*currently earning 90%

Asset Base – South Korea
Gubong Project (50%/50% BMV)
Taechang Project (100%*/BMV)
Kochang Project (100%*/BMV)
Weolyu Au-Ag Project (100%)
Hampyeong Au-Ag Project (100%)
Heungdeok Au Project (100%)
Aphae Au-Ag Project (100%)
Deokon Au-Ag Project (100%)
Beopseongpo Au Project (100%)
Neungju Au-Ag Project (100%)
Sonbul Au-Ag Project (100%)
*Currently under BMV farm-in

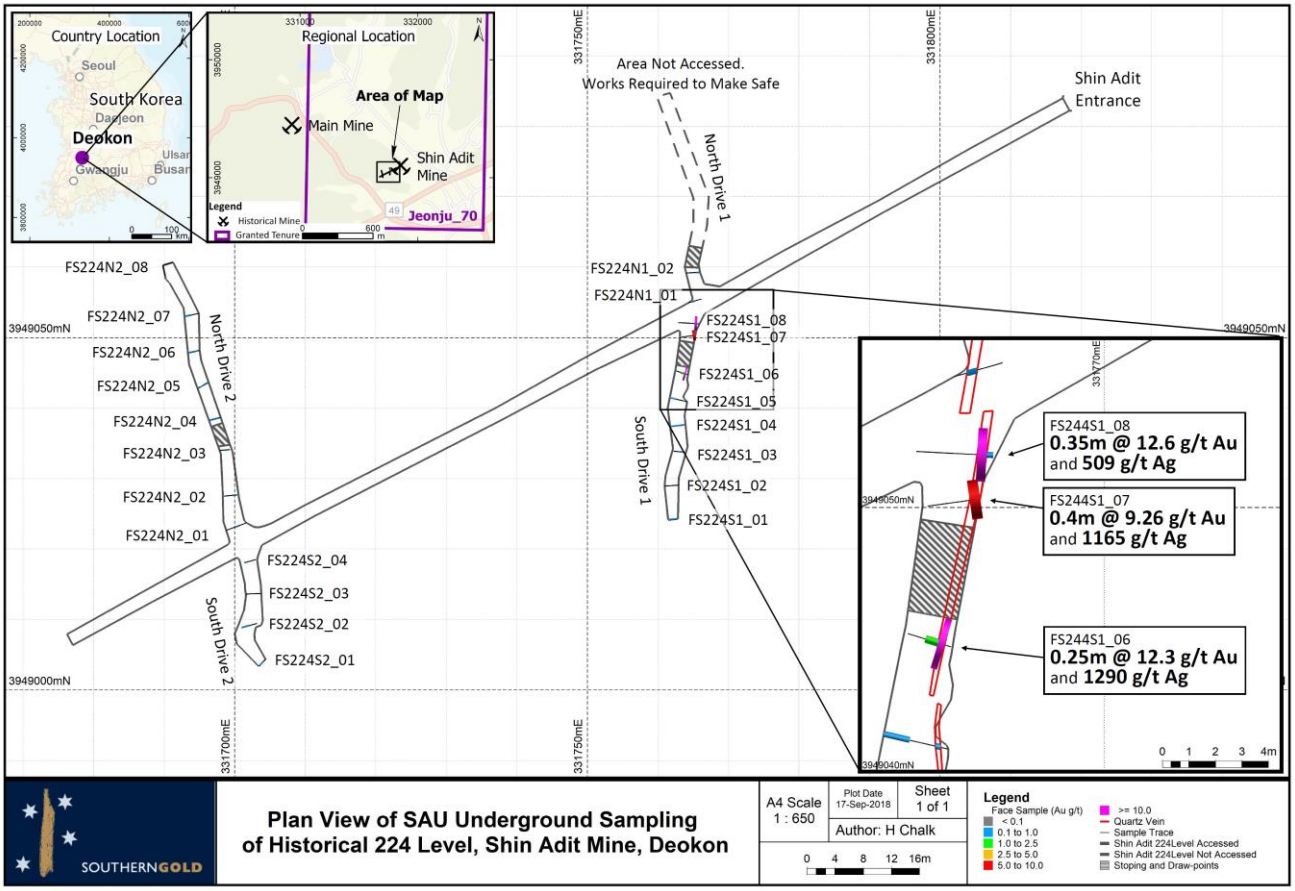
Head Office
Southern Gold Ltd
Level 1, 8 Beulah Rd
Norwood SA 5067
Telephone: (08) 8368 8888
Facsimile: (08) 8363 0697
info@southerngold.com.au
www.southerngold.com.au
ABN: 30 107 424 519

Postal Address
Southern Gold Ltd
PO Box 255, Kent Town SA 5071

Shin adit Historical Mine

The Shin adit Mine was historically worked starting sometime between 1958 and 1980, with the latest phase occurring between 1997 and 2010. Only the lower 224 level is currently accessible and comprises a 160-metre-long horizontal two by two metre drive with two cross-cuts following lode zones (**Figure 1**). The first cross-cut from the portal is 60 metres in length, and the second 59 metres in length. Internal raises and stopes are present extending to higher, yet to be assessed mine levels. No production figures are available for the historical mining which appears to have occurred on two vein/lode zones over 75 vertical metres and 60 horizontal metres. Mineralisation has not been tested at depth, and inadequately tested along strike.

Figure 1. Plan View of Underground Sampling Results from the historical Shin Adit Mine, Deokon Project.



The aim of the completed program was to safely and systematically test the historical Shin adit mine to verify historically reported high-grade gold-silver results, survey the workings to have location confidence and geologically map lithology and structural controls on mineralisation.

Before works commenced, a risk assessment was conducted, whereby the North 1 Drive was deemed not currently safe for access. Following this, the workings were surveyed by "tape and compass" method. The onsite geologist then determined the sample line locations and sampling intervals based off a nominal 5m sample line spacing and observed geological domains. The collection of representative channel samples was conducted using a mechanised chisel (**Photo 1**) with sample collected on clean tarpaulins under the supervision of the onsite geologist.

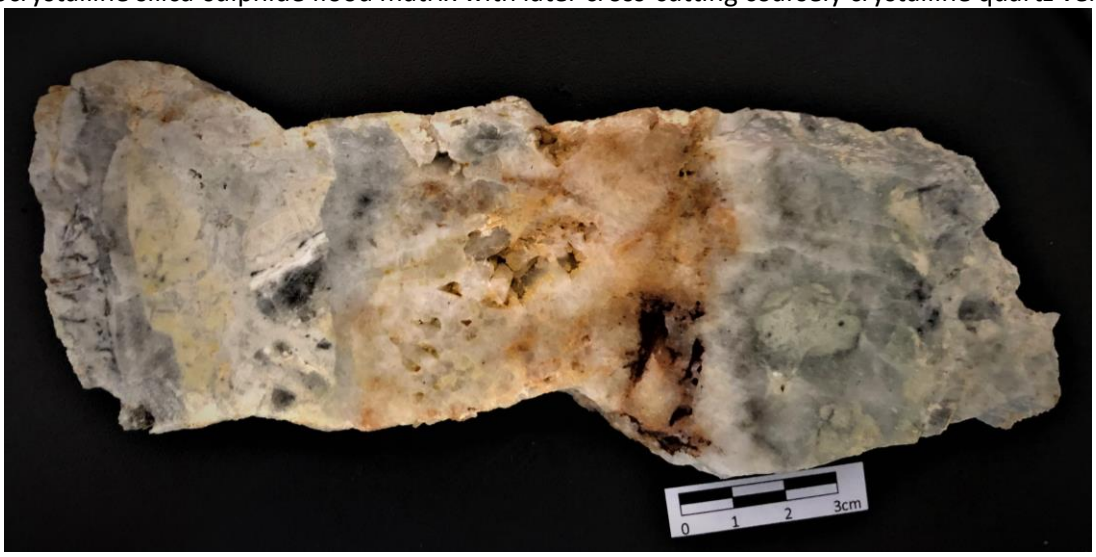
Three consecutive sample lines returned high-grade gold-silver mineralisation (**Photo 2**), with peak results of ***0.35m @ 12.6 g/t gold and 509 g/t Ag, 0.40m @ 9.26 g/t gold and 1,165 g/t silver, and 0.25m @ 12.3 g/t gold and 1,290 g/t silver*** (**Table 1**). Nineteen of the 22 sample lines returned an anomalous (>0.1 g/t) gold result.

The three sample lines represent a strike length of 15m with an average width of 0.33m and a weighted

average grade of 11.3g/t gold and 966g/t silver. While current sampling did not extend the strike length beyond that which was defined historically, it is currently interpreted that the high-grade mineralisation plunges steeply into the floor and back up into the roof of the drives. Short diamond drilling is planned to test this interpretation and follow-up sampling will assess areas previously inaccessible by the addition of support to make safe.

Photo 1. Sampling underground at the historical Shin adit mine.

Photo 2. Slab photo of KRD500525 (coarse duplicate of KRD500522), **16.45 g/t gold and 711 g/t silver**. Hydraulic vein breccia, comprised of angular silica-illite/adularia altered rhyolite fragments, set in a mesocrystalline silica-sulphide flood matrix with later cross-cutting coarsely crystalline quartz veining.



Geology

Gold-silver mineralisation present within the Shin adit mine is epithermal Intermediate-Sulphidation type. Hydraulic quartz-sulphide vein to lode breccia is within a strongly silica-illite/adularia-pyrite altered dacitic to rhyolitic volcanic host rock. Underground exposures of mineralised vein and lode dip at 72 degrees towards the east. Mineralisation remains untested at depth and inadequately tested along strike.

Planned Activities

The recently acquired sampling results coupled with detailed geological mapping will inform an underground diamond drilling program to test down-dip and along-strike extensions. Drilling from underground will allow drillholes of shallower depths to be drilled, resulting in better targeting and more cost-effective exploration.

Follow-up activities will involve:

- Making the North 1 Drive safely accessible to complete the remaining sampling of the 224 Level
- Follow-up detailed geological mapping of the 224 Level
- Preparing an underground diamond drill program targeting down-dip and along strike extensions to the high-grade gold-silver mineralisation
- Surface diamond drilling to assess broader along-strike and deeper depth extensions to mineralisation.

Related ASX Releases

20180904 ASX – Project Generation Building Portfolio Value.

20180806 ASX – Tenements granted at Deokon, South Korea.

20180719 ASX –Tenements granted over large epithermal system, South Korea.

Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer and producer listed on the Australian Securities Exchange (under ASX ticker "SAU"). At the Cannon project near Kalgoorlie we are currently developing a small underground operation where Northern Star Resources Ltd holds a five year right-to-mine. Southern Gold is also looking to develop a much larger mine, Gubong, in South Korea within the next 12-18 months with development partner London-listed Bluebird Merchant Ventures.

We are also active explorers. Around Kalgoorlie Southern Gold is testing projects such as Glandore, Transfind Extended and Cowarna looking for additional small high-grade open pit-able gold resources to maintain cash flow. In South Korea, Southern Gold also owns a portfolio of high-grade gold projects that are a combination of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. Backed by a first-class technical team, including renowned geologist Douglas Kirwin, Southern Gold's aim is to find world-class epithermal gold deposits.

In essence, Southern Gold looks to monetise the small gold deposits while we search for the bigger ones.

Competent Person's Statements

The information in this report that relates to Exploration Results in South Korea has been compiled under the supervision of Dr Chris Bowden, FAusIMM(CP). Dr Bowden who is an employee of Southern Gold Limited and a Fellow and Chartered Professional of 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. Dr Bowden 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, 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.

APPENDIX 1: SAU Channel Sample Data

Table 2: Channel sample collar data from SAU sampling of the 224 Level workings at the historic Shin Adit Mine.

Line ID	Easting (WGS84_Z52Nth)	Northing (WGS84_Z52Nth)	RL	Dip	Azimuth (grid)	Max Width (m)
FS224S1_01	331762.9	3949024.3	226.85	0	265	1.4
FS224S1_02	331763.0	3949029.0	227.35	0	266	2
FS224S1_03	331763.9	3949033.7	227.5	0	275	1.7
FS224S1_04	331763.8	3949037.6	227.3	0	263	2
FS224S1_05	331764.1	3949040.9	227.4	0	283	2.5
FS224S1_06	331764.2	3949044.8	227.3	0	287	1.7
FS224S1_07	331765.3	3949050.3	227.35	0	262	2
FS224S1_08	331765.8	3949052.0	227.3	0	273	2.9
FS224N1_01	331764.4	3949054.9	227.4	0	74	1.9
FS224N1_02	331764.0	3949059.1	227.5	0	87	1.9
FS224S2_01	331704.4	3949004.3	227.6	30	223	1.65
FS224S2_02	331703.2	3949009.4	228.85	0	255	2.25
FS224S2_03	331703.7	3949013.7	229	0	268	2.1
FS224S2_04	331703.0	3949018.5	229	0	254	1.7
FS224N2_01	331698.8	3949022.6	228.8	0	70	3
FS224N2_02	331698.5	3949027.5	228.9	0	84	1.9
FS224N2_03	331697.9	3949034.0	228.8	0	86	1.45
FS224N2_04	331696.4	3949038.2	228.85	0	76	1.7
FS224N2_05	331694.7	3949042.8	228.9	0	60	1.9
FS224N2_06	331693.4	3949047.9	228.7	0	79	1.6
FS224N2_07	331692.8	3949053.0	228.8	0	79	2.2
FS224N2_08	331690.1	3949058.8	228	0	348	3

Table 3: Channel sample assay data from SAU sampling of the 224 Level workings at the historic Shin Adit Mine. Interval widths refer to along channel widths, which were visually located perpendicular to veining, and thus at this stage also approximate true vein widths.

Line ID	Sample ID	From (m)	To (m)	Interval (m)	Sample Type	Au (g/t)	Ag (g/t)
FS224S1_001	KRD500501	0	1	1	Channel	0.23	48.70
FS224S1_001	KRD500502	1	1.4	0.4	Channel	0.29	43.10
FS224S1_002	KRD500503	0	1	1	Channel	0.03	3.30
FS224S1_002	KRD500504	1	2	1	Channel	0.03	3.30
FS224S1_003	KRD500506	0	0.45	0.45	Channel	0.53	9.80
FS224S1_003	KRD500507	0.45	0.85	0.4	Channel	0.13	30.80
FS224S1_003	KRD500508	0.85	1.7	0.85	Channel	0.09	3.10
FS224S1_004	KRD500509	0	0.25	0.25	Channel	0.25	1.80
FS224S1_004	KRD500510	0.25	0.55	0.3	Channel	0.21	2.10
FS224S1_004	KRD500512	0.55	1.35	0.8	Channel	0.21	3.70
FS224S1_004	KRD500513	1.35	2	0.65	Channel	0.19	2.60
FS224S1_005	KRD500514	0	0.3	0.3	Channel	0.05	2.30
FS224S1_005	KRD500515	0.3	0.5	0.2	Channel	0.17	17.50
FS224S1_005	KRD500517	0.5	1	0.5	Channel	0.05	8.90
FS224S1_005	KRD500518	1	1.5	0.5	Channel	0.05	13.00
FS224S1_005	KRD500519	1.5	2.5	1	Channel	0.13	30.90
FS224S1_006	KRD500521	0	0.25	0.25	Channel	0.05	2.40
FS224S1_006	KRD500522	0.25	0.5	0.25	Channel	12.30	1290.00
FS224S1_006	KRD500523	0.5	1	0.5	Channel	1.82	146.00
FS224S1_006	KRD500524	1	1.7	0.7	Channel	0.06	5.70
FS224S1_007	KRD500526	0	0.4	0.4	Channel	9.26	1165.00
FS224S1_007	KRD500527	0.4	1	0.6	Channel	0.08	9.50
FS224S1_007	KRD500528	1	2	1	Channel	0.04	4.20

FS224S1_008	KRD500529	0	0.25	0.25	Channel	0.33	5.50
FS224S1_008	KRD500530	0.25	0.6	0.35	Channel	12.60	509.00
FS224S1_008	KRD500532	0.6	1.6	1	Channel	0.05	2.80
FS224N1_001	KRD500533	0	0.5	0.5	Channel	0.08	3.50
FS224N1_001	KRD500534	0.5	0.9	0.4	Channel	0.15	17.20
FS224N1_001	KRD500535	0.9	1.25	0.35	Channel	0.03	1.50
FS224N1_001	KRD500536	1.25	1.9	0.65	Channel	0.02	1.20
FS224N1_002	KRD500538	0	0.9	0.9	Channel	0.04	2.40
FS224N1_002	KRD500539	0.9	1.45	0.55	Channel	0.07	3.40
FS224N1_002	KRD500541	1.45	1.9	0.45	Channel	0.19	8.30
FS224S2_001	KRD500543	0	0.25	0.25	Channel	0.01	0.50
FS224S2_001	KRD500544	0.25	0.55	0.3	Channel	0.02	1.00
FS224S2_001	KRD500545	0.55	0.85	0.3	Channel	0.40	6.70
FS224S2_001	KRD500546	0.85	1.1	0.25	Channel	0.12	0.40
FS224S2_001	KRD500547	1.1	1.4	0.3	Channel	0.25	0.30
FS224S2_001	KRD500549	1.4	1.65	0.25	Channel	0.05	1.50
FS224S2_002	KRD500550	0	1	1	Channel	0.02	0.90
FS224S2_002	KRD500551	1	1.25	0.25	Channel	0.15	1.70
FS224S2_002	KRD500552	1.25	2.25	1	Channel	0.17	3.10
FS224S2_003	KRD500553	0	0.6	0.6	Channel	0.01	1.40
FS224S2_003	KRD500554	0.6	1.6	1	Channel	0.04	0.70
FS224S2_003	KRD500555	1.6	2.1	0.5	Channel	0.06	0.90
FS224S2_004	KRD500557	0	0.35	0.35	Channel	0.03	1.50
FS224S2_004	KRD500558	0.35	1.35	1	Channel	0.02	13.00
FS224S2_004	KRD500559	1.35	1.7	0.35	Channel	0.16	23.60
FS224N2_001	KRD500561	0	0.7	0.7	Channel	0.09	1.50
FS224N2_001	KRD500562	0.7	1	0.3	Channel	0.05	1.40
FS224N2_001	KRD500563	1	1.25	0.25	Channel	0.07	1.70
FS224N2_001	KRD500565	1.25	2	0.75	Channel	0.14	6.90
FS224N2_001	KRD500566	2	3	1	Channel	0.02	1.20
FS224N2_002	KRD500567	0	0.45	0.45	Channel	0.04	2.20
FS224N2_002	KRD500568	0.45	0.65	0.2	Channel	0.04	5.10
FS224N2_002	KRD500570	0.65	1.2	0.55	Channel	0.07	2.80
FS224N2_002	KRD500571	1.2	1.9	0.7	Channel	0.36	3.80
FS224N2_003	KRD500572	0	0.5	0.5	Channel	0.04	1.40
FS224N2_003	KRD500573	0.5	0.75	0.25	Channel	0.05	2.90
FS224N2_003	KRD500574	0.75	1.1	0.35	Channel	0.13	16.40
FS224N2_003	KRD500575	1.1	1.45	0.35	Channel	0.09	4.10
FS224N2_004	KRD500577	0	0.1	0.1	Channel	0.19	3.80
FS224N2_004	KRD500578	0.1	1.1	1	Channel	0.25	5.20
FS224N2_004	KRD500579	1.1	1.55	0.45	Channel	0.14	4.40
FS224N2_004	KRD500581	1.55	1.7	0.15	Channel	0.09	2.40
FS224N2_005	KRD500582	0	0.5	0.5	Channel	0.17	0.40
FS224N2_005	KRD500583	0.5	0.9	0.4	Channel	0.05	2.10
FS224N2_005	KRD500584	0.9	1.9	1	Channel	0.15	3.80
FS224N2_006	KRD500585	0	0.65	0.65	Channel	0.17	0.70
FS224N2_006	KRD500586	0.65	1.15	0.5	Channel	0.14	2.60
FS224N2_006	KRD500587	1.15	1.6	0.45	Channel	0.07	5.50
FS224N2_007	KRD500589	0	0.55	0.55	Channel	0.12	3.50
FS224N2_007	KRD500591	0.55	1.2	0.65	Channel	0.10	1.50
FS224N2_007	KRD500592	1.2	2.2	1	Channel	0.04	0.70
FS224N2_008	KRD500593	0	1	1	Channel	0.03	1.30
FS224N2_008	KRD500594	1	1.5	0.5	Channel	0.04	1.70
FS224N2_008	KRD500595	1.5	1.9	0.4	Channel	0.07	2.50
FS224N2_008	KRD500596	1.9	2	0.1	Channel	0.08	3.20
FS224N2_008	KRD500597	2	3	1	Channel	0.05	1.60

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	The nature of the samples and assay results in the body of this ASX Release relate to underground rock chip channel samples taken from the historical Shin Adit Mine at the Deokon Project, South Korea, within tenements held by Southern Gold. Sampling was done on rock exposed underground on the backs, faces and walls of drives 224 North 1 (part), North 2, South 1 and South 2. Samples were of rock chips collected via a mechanised chisel. Sample intervals and sites were chosen selectively to reflect geological features relevant to the target style of mineralisation.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Measures taken to ensure sample representivity include controls on sample quality and sample location, including sample line collar position; sample line survey; and, sample depths. These are collected via tape and compass, and GPS tie in; a compass clinometer; and, tape measure. Sample quality is checked by the supervising geologist to ensure an even amount of sample is taken along the full sample interval, that no foreign material outside of the sample bounds is introduced, equipment is cleaned prior to taking a new sample and that rockchips are representative of in-situ material chiseled. Coarse and pulp duplicate samples are taken, as well as blanks and CRM standards inserted into analysis batches, to test for accuracy and precision in sample representivity.
	Aspects of the determination of mineralisation that are Material to the Public Report.	Determination of mineralisation was achieved by geological logging of sample lines by an experienced SAU geologist, with structural measurements taken where possible to allow a 3 dimensional study of the Shin Adit mineralisation. Sample intervals were geologically logged for lithology, alteration, veining, and structure.
	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.	All samples discussed in this ASX Release are derived from 'industry standard': underground rockchip channel sampling, laboratory preparation and element analysis, QAQC, and data review. Rockchip samples were collected from a continuous channel with care taken to ensure an even amount of sample from each section of the sample interval. Sample downhole intervals lengths ranged from 0.1m to 1.0m. Individual sample weights were in the range of 5.1kg maximum, to 1.2kg minimum, and an average of 3.1kg. A suite of QAQC samples were used to test for accuracy, precision, and contamination. All samples were prepared by SGS and analysed by ALS laboratories for gold and a multi-element suite (including silver and base metals). QAQC and laboratory processes are discussed in further detail below.
Drilling	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka,*	Not applicable for this release.

Criteria	JORC Code explanation	Commentary
techniques	*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.).*	
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Not applicable for this release.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Not applicable for this release.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable for this release.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Channel samples have been geologically logged. Geological logs were done to a level suitable to inform the selective sampling of this underground channel sampling program. No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Geological logging was qualitative in nature. Structural logging was quantitative in nature. Selective sample line photography has been done.
	The total length and percentage of the relevant intersections logged.	All sample lines have been logged, representing the total length for 100%.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable for this release.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Channels were sampled using a mechanised chisel undertaken by trained personnel following sample lines marked by the geologist. Samples were taken dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All channel 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. The nature of the laboratory preparation techniques are considered 'industry standard' and appropriate.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The crushing stage unit is a Rocklabs Smart Boyd-RSD Crusher capable of over 5kg primary sample in one load, with rotating sample divider (RSD) ensuring single pass crushing, producing representative coarse sample split sent to grinding, typically up to 1,000g. Coarse rejects are retained for each sample. The grinding stage unit is an Essa LM2 and utilises a large grinding bowl (1,600g) ensuring single pass grinding of the coarse split, enabling a parent pulp sample, a daughter pulp sample, and a reject pulp sample to be produced (typically each 300g) in one grind. Pulp rejects are retained for each sample. Analysis of the reject tails and size pass rates for both the crush and grind circuits indicates that the coarse and pulp split samples are considered representative of the primary

Criteria	JORC Code explanation	Commentary
		sample.
	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.	Analysis of coarse duplicate results return a correlation coefficient of 0.99 for gold and 0.99 for silver. Pulp duplicate samples returned a correlation coefficient of 0.98 for gold and 0.99 for silver. The sub-sampling techniques and sample preparation are considered representative and appropriate.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample size is considered appropriate for the target style of mineralisation, the requirements for laboratory sample preparation and analyses, and consideration reporting is for early stage Exploration Results.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Pulp samples (typically 300g) prepared by SGS in South Korea are sent through registered airfreight (eg DHL) to ALS laboratory in Laos for Au analysis, with a 10g split sent to ALS Brisbane for multielement analysis. ALS is an ISO/IEC 17025:2005 and ISO9001:2015 certified laboratory. Gold was analysed on a 50g charge using fire assay fusion with an atomic absorption spectroscopy finish (ALS method Au-AA26). Detection limit range is 0.01ppm to 100ppm Au. A 35 multi-element suite was analysed on a 0.5g pulp sample split using aqua regia digest with an inductively coupled plasma – atomic emission spectroscopy (ICP-AES) finish (ALS method ME-ICP41). Silver was analysed as part of the multi-element aqua-regia digest ICP-AES (method ME-ICP41), with an upper detection limit 100g/t Ag. Samples returning a result above detection were re-analysed to ore-grade (method ME-OG46) with and upper detection limit of 1500g/t Ag. The nature of the laboratory assay sampling techniques are considered 'industry standard' and appropriate.
	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.	Not applicable - no data from geophysical tools were used to determine analytical results in this ASX Release.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	QA/QC procedures implemented include: one coarse duplicate, one laboratory prepared pulp duplicate, one Certified Reference Material (CRM) standard, and one blank sample for every 16 regular samples, making a batch of 20. Sample dispatches aggregated three lots of these 20 samples making up to 60 samples per dispatch. 60 samples are run in the same fire assay, thus 3 lots of each QAQC samples were exposed in every fire assay run of 60 samples. Analysis of the QA/QC results suggests suitable accuracy (CRM's within 1SD) and precision (coarse duplicate correlation coefficients of 0.99 and pulp duplicate correlation coefficient of 0.98 and 0.99) are being obtained with no contamination between samples (blanks below detection).
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Assay data has been verified by the database manager responsible for importing laboratory results into the database. Logging data and core sample intervals have been compiled by the senior geologists directly involved in the drilling

Criteria	JORC Code explanation	Commentary
		program, under guidance of the Exploration Manager (Competent Person). Significant intersections in this ASX Release have been verified by the Exploration Manager (Competent Person).
	The use of twinned holes.	Not applicable for this release.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data is recorded preferentially into proprietary data capture software or otherwise 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 proprietary software. The database is backed up as part of the Company server backup protocol.
	Discuss any adjustment to assay data.	Assay data is imported into the Company database from original lab files via automated queries, thus minimising error in tagging samples with results. No adjustments are made to the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Preliminary collar XYZ locations were determined via tape and compass surveying from a point located outside the underground workings with a hand-held Garmin 62s GPS, using an averaging waypoint method (15 minutes) producing levels of accuracy +/- 3m. Post completion of the remainder of the sampling campaign, collar XYZ locations and survey points will be picked up by local surveyors using cm-scale accuracy survey methods. Both location datasets will be preserved in the database.
	Specification of the grid system used.	The grid system used is Universal Transverse Mercator (WGS84), Zone 52 Northern Hemisphere.
	Quality and adequacy of topographic control.	South Korean Government 5m contour data is available and deemed suitable for topographic control on early stage exploration campaigns.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Channel sample lines in this ASX Release have been completed along 22 sample lines approximately 5m apart (see plan map in main body of this release). Channel sample intervals within each line range from 0.1m to 1.0m. Sampling intervals were based on geological boundary and veining where possible.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	No Mineral Resource or Ore Reserve have been estimated in this ASX Release.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the*	Sampling was undertaken to intersect mineralised structures as close to perpendicular as possible. Structural

Criteria	JORC Code explanation	Commentary
relation to geological structure	*extent to which this is known, considering the deposit type.*	measurements taken on underground confirm that sampling intersected target structures close to perpendicular. These measures are considered to achieve unbiased sampling of key mineralised structures.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The relationship between sampling orientation and the orientation of key mineralised structures is not considered to have introduced any material sample bias, as discussed above.
Sample security	*The measures taken to ensure sample security.*	From the point of sample generation to laboratory, samples (and reject returns) are under the full security and Chain of Custody of the Company. This is done by the following procedures: Channel samples produced underground are transported to the Company's shed facilities under the direct supervision of a Company representative. Samples are further processed for dispatch by Company representatives under guidance of the Competent Person. Bagged samples are secured by tags and delivered by a Company representative to a courier service to deliver to the sample preparation laboratory. The preparation laboratory sends pulp samples directly to the assay laboratory for analysis via door-to-door courier service. All rejects are returned under courier service and stored in the Company's secure lock-up long-term core storage facility.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of sampling techniques and data have been undertaken at this time.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Deokon tenement Jeonju 70 is held by Southern Gold Korea, a fully owned subsidiary of Southern Gold (see Figure 1). There are no native title interests in Korea. It is a generally accepted requirement that mineral title holders gain the consent of local land owners and residents before undertaking any major exploration activity, such as drilling. The Deokon mineralised structures lie on privately held land. There are no known material issues with third parties.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	Upon successful conversion to an Extraction Right, the holder has 3 years to submit and have an Extraction Plan authorised. An application can be made to extend this period by 1 year.

Criteria	JORC Code explanation	Commentary
		The Extraction Plan is submitted to the Local Government and requires approvals from a number of stakeholders. The term of an Extraction Right is 20 years. This can be extended upon application, provided all statutory requirements have been met over the life of the mine. From the date the Extraction Plan is approved, the title holder has a 3 year period in which mine production must commence. During this 3 year period, the title holder must make a minimum level of investment on plant and mine infrastructure in the amount of KRW100 million (~AUD$120,000) and meet certain minimum annual production levels, which are dependent on the commodity being mined. There are no known impediments to obtaining a license to operate
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	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 In the 1990's, Ivanhoe Mines conducted brief field reconnaissance in the area. No other details of previous work in the vicinity is known to the best of our knowledge.
Geology	*Deposit type, geological setting and style of mineralisation.*	Exploration is targeting low- to high-sulphidation style epithermal precious metal (Au, Ag) mineralisation in Cretaceous volcanic rocks of the Korean Peninsula.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	A summary of exploration results and associated grades is shown in Appendix I, Table 2 and 3 of this release.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No information has been excluded from this release for Jeonju 70 to the best of our knowledge.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Where reported in the main body of this ASX Release, weighted average sample assay intercepts have been calculated from individual sample interval widths and related assay results. The weighted average intercepts are calculated by multiplying the assay of each channel sample by the length of each sample, adding those products and dividing the product sum by the entire sample length of the mineralised interval. No minimum or maximum cut-off has been applied.
	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.	Individual sample interval downhole widths returning Au assay results >0.1 g/t are included in Table 3, Appendix I of this ASX Release.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been reported in this ASX Release.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Mineralisation widths are the same as intercept widths as observed underground.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Mineralisation is at high angle to sampling, this relationship is reported in the main text of this report.
	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').	Interval widths refer to along channel widths, which were visually located perpendicular to veining, and thus at this stage also approximate true vein widths.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate maps, sections, and tables have been included in this ASX Release.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Not all sample assay data has been included in this report as it is not considered material beyond the representatively reported high and low grade results presented in the main body of this ASX Release.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	To the best of our knowledge, no meaningful and material exploration data has been omitted from this ASX Release.

Criteria	JORC Code explanation	Commentary
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Southern Gold is reviewing the data to determine the best way to advance the projects and will notify such plans once confirmed.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to Figures 1 in the main body of this ASX Report that show where sampling has been conducted.