



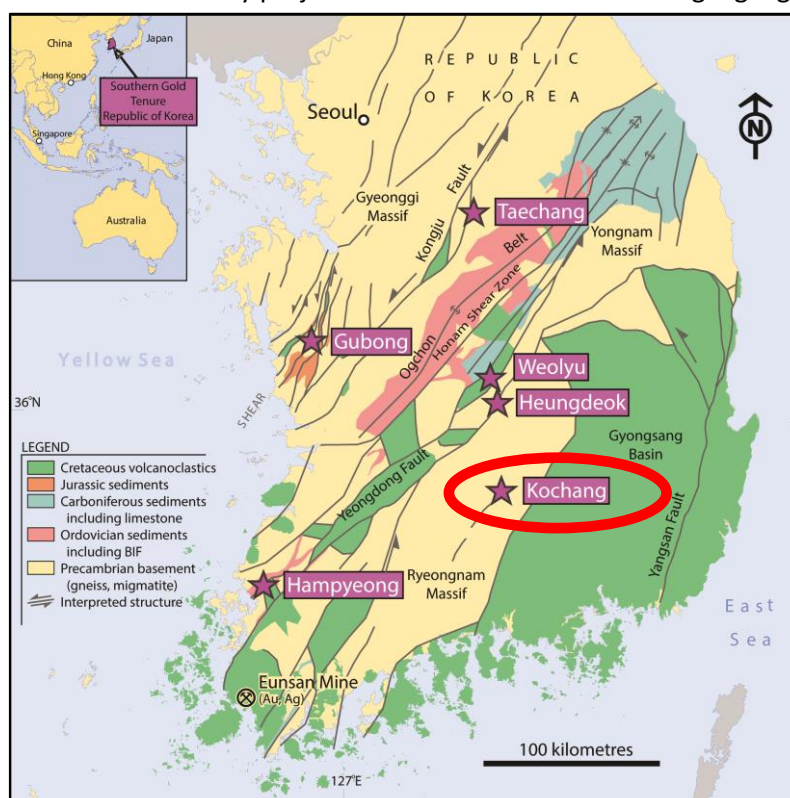
Korean core drilling and rock sampling deliver peak gold result of 27.8g/t Au

- Assay results have been returned from Government-backed Korean Resources Corporation (KORES) funded core drilling at Kochang East, part of the Kochang Project in South Korea.
- Drilling results confirm the main mineralised structure near surface and it remains open down dip and along strike. Peak result was 0.2m @ 5.97g/t Au and 16.4g/t Ag from 160m downhole in KCDD0002.
- Assay results for surface rock samples from Kochang have returned significant gold (Au), silver (Ag), lead (Pb) and zinc (Zn) mineralisation. Peak result was 27.8g/t Au and 29.4g/t Ag in KRS200092.

Assay results for first round core drilling and rock samples at Kochang

Australian gold producer, Southern Gold Ltd ("Southern Gold") is pleased to advise that it has received assay results from the first round of KORES co-funded drilling from Kochang East, part of the Company's newly acquired Kochang Project in South Korea, located about 250km southeast of the capital Seoul (**Figure 1**). Southern Gold considers the broader Kochang Project consists of multiple zones, being: Kochang Gold Mine (KCAu), Kochang Silver Mine (KCAg), Kochang East (KCE), Kochang NW (KCNW), and Kochang Gap (KCGap). Results are summarised in the Significant Intercepts table below (**Table 1**), and photos (**Plate 1**).

Figure 1: Location of key projects in South Korea with Kochang highlighted.



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Table 1: Significant Intercepts from Kochang East drilling. Photos of highlighted samples in **Plate 1**.

Core Drilling						
Hole ID	From (m)	Interval (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
KCDD0001	82.0	0.5	1.9	17.5	0.19	0.65
KCDD0002	63.4	0.35	1.96	11.13	0.38	0.26
<i>and</i>	160.0	0.2	5.97	16.4	0.71	0.31
KCDD0003	161.0	0.3	0.49	1.7	0.12	0.07
KCDD0004	33.0	0.2	1.23	2.9	0.18	0.24
<i>and</i>	54.73	0.57	2.18	12.68	0.32	1.38

See Appendix 1 for further collar and drillhole information.

Significant assay results of reconnaissance rock samples from Kochang (**Figure 2**) have also been received. These results represent old mullock piles in and around old mine workings (adits), and thus give an indication as to the potential grade of ore when the mine was operational. Results are summarised in the Significant Assays table below (**Table 2**), and photos (**Plate 2**).

Table 2: Significant Assays from Kochang rock samples. Photos of highlighted samples in **Plate 2**.

Rock Samples						
Rock ID	Prospect	Area (map ref.)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
KRS200085	Kochang	KCE	20.0	180	2.05	9.04
KRS200086	Kochang	KCE	3.43	49.6	0.42	0.03
KRS200087	Kochang	KCE	2.29	23.6	0.13	0.06
KRS200088	Kochang	KCE	9.63	55.8	0.24	0.02
KRS200090	Kochang	KCE	16.8	170	0.94	0.34
KRS200091	Kochang	KCE	20.0	27.8	0.29	0.03
KRS200092	Kochang	KCE	27.8	29.4	0.21	0.03
KRS200093	Kochang	KCE	5.45	11.3	0.06	0.95
KRS200094	Kochang	KCE	8.45	44.4	0.03	2.73
KRS200095	Kochang	KCE	0.76	25.3	0.05	1.4
KRS200096	Kochang	KCE	7.53	95.1	0.4	0.08
KRS200097	Kochang	KCE	1.34	11.8	0.07	2.03
KRS200098	Kochang	KCE	1.26	36.6	0.36	0.11
KRS200102	Kochang	KCE	3.68	36.8	0.2	0.04
KRS200104	Kochang	KCNW	0.37	40.6	0.05	0.09
KRS200109	Kochang	KCNW	0.07	36.8	0.09	0.11

First round drilling and rock sample results at Kochang

As part of receiving KORES drilling grants, drilling locations have to be approved by KORES. Southern Gold's initial focus has been on the former Kochang Gold Mine, showing the most significant historical workings, as well as highest gold assay results from historical face sampling (**Figure 2**). **Figure 2** further highlights where KORES has approved drilling at the Kochang Project, compared to areas that Southern Gold considers the most prospective areas, which do not have KORES funding support for drilling.

The assays shown in **Table 1** and initial review in 3D confirm all drill-holes have hit the projected mineralised structure near surface, and that down dip potential remains below old workings (i.e. not previously mined out). Grade variability along strike is expected (see **Figure 2**, underground face samples at Kochang East are lower than those at Kochang Gold Mine), whereas the waste dump rock samples are selective and may give an indication as to the grades of material likely sourced from within the main mineralised structure and mined in the past (**Table 2**).

The drilling conducted to date confirms the north-east extension of the mineralised structure and the rock chips confirm the tenor of grade possible in mineralised lode zones. Southern Gold is highly encouraged by these results and outcomes and looks forward to planning future work programs to further test the Kochang Project, including exploring outside of KORES approved drilling grant areas, and looking at opening up historical underground workings.

For example, a prime target of future work will be to test down dip/plunge from very high gold values encountered in the lowest level of the Kochang Gold Mine where a 150m length of drive was face sampled and returned results between 20g/t and 122g/t Au (**Figure 3**). These sorts of high grade zones will be a priority target for future drilling or underground sampling.

Update of second round drilling at Kochang

KORES granted a second round of drilling for 380m at Kochang NW (Sanpo Mine – see **Figure 2**), funding 70% of direct drilling costs (see ASX release 5th Sept. 2016). Drilling has been completed and is now subject to inspection by KORES prior to Southern Gold selecting samples for assay.

Results from this programme are expected in 4-6 weeks time.

Southern Gold Managing Directors, Mr. Simon Mitchell:

“While the gold grade tenor of mineralisation intersected in the drilling in the north east sector of Kochang has been lower than what we are seeing in surface rocks, the overall geological picture is starting to come together. In the past month we have started detailed mapping of the area and some of the surface rocks have returned some pretty spectacular assays, with significantly elevated gold, silver, lead and zinc results.

“There is a bigger picture at Kochang that we are only just starting to piece together and our initial impression is that mineralisation is more widespread across the district than previously thought, although we still have some way to go in understanding the detailed distribution of high grade material. Once we get underground access, this understanding should move forward significantly.”

Plate 1: Core photos of peak assay results from drilling at Kochang East

KCDD0002 from 63.4m top, 63.6m below: 0.35m @ 1.96g/t Au and 11.93g/t Ag



KCDD0002 from 160m: 0.2m @ 5.97g/t Au and 16.24g/t Ag



Plate 2: Rock sample photos of peak assay results from selective sampling at Kochang East

KTS200085: 20g/t Au, 180g/t Ag, 2.05% Pb, 9.04% Zn
Quartz vein with significant gold, silver and base metal mineralisation.



KTS200090: 16.8g/t Au, 170g/t Ag, 0.94% Pb, 0.34% Zn
Hydrothermal breccia with significant silica-sulphide matrix and vuggy silica development.



KTS200092: 27.8g/t Au, 29.4g/t Ag, 0.21% Pb, 0.03% Zn
Sheared quartz vein with significant hematite (with peak Au result).





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Figure 2: Kochang Project Area Map showing key 'zones', rock sample locations, historical workings, and drill collar locations with approximate drill traces projected to surface. (See JORC Table 1, 8 July 2016 for historic data)

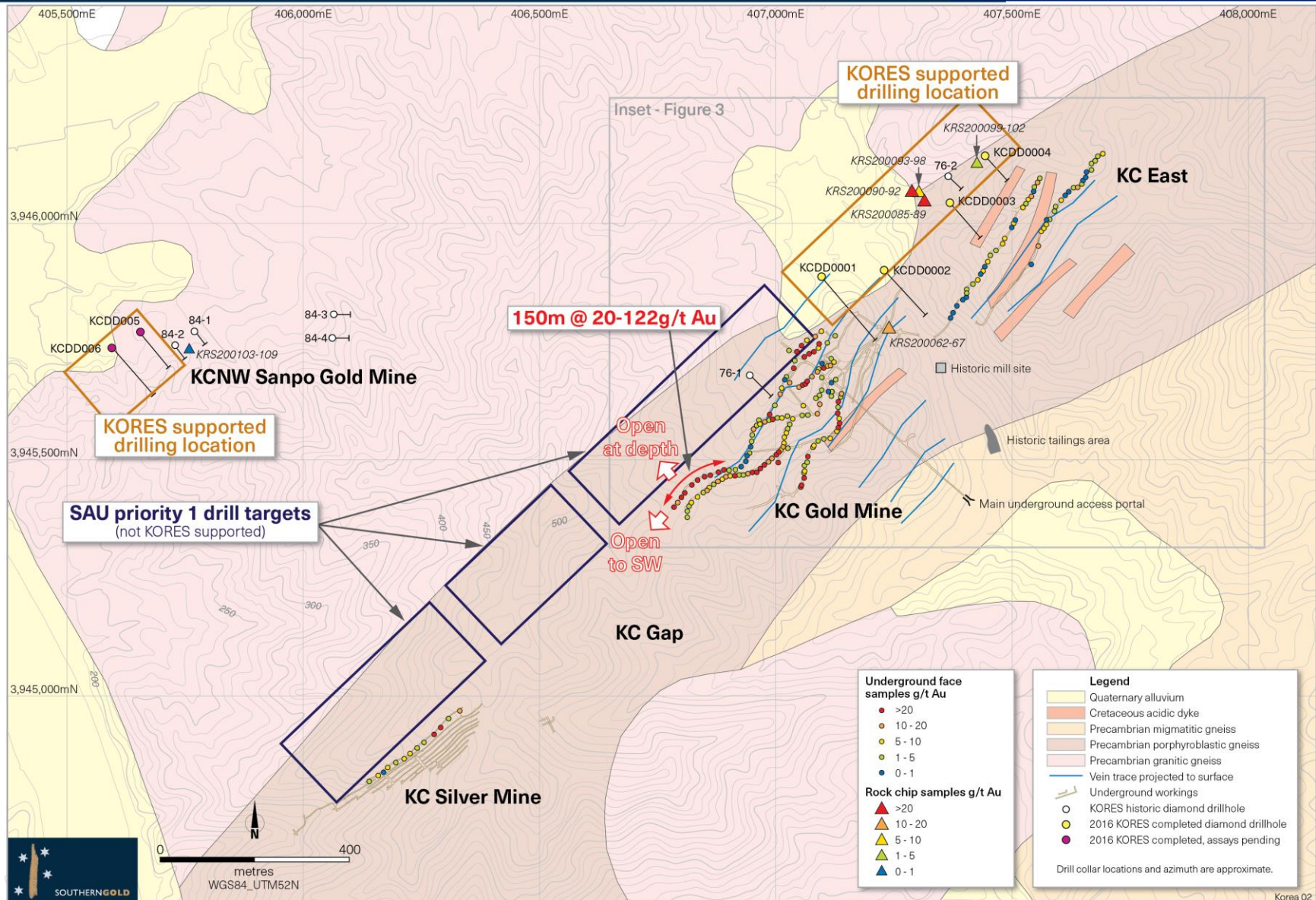
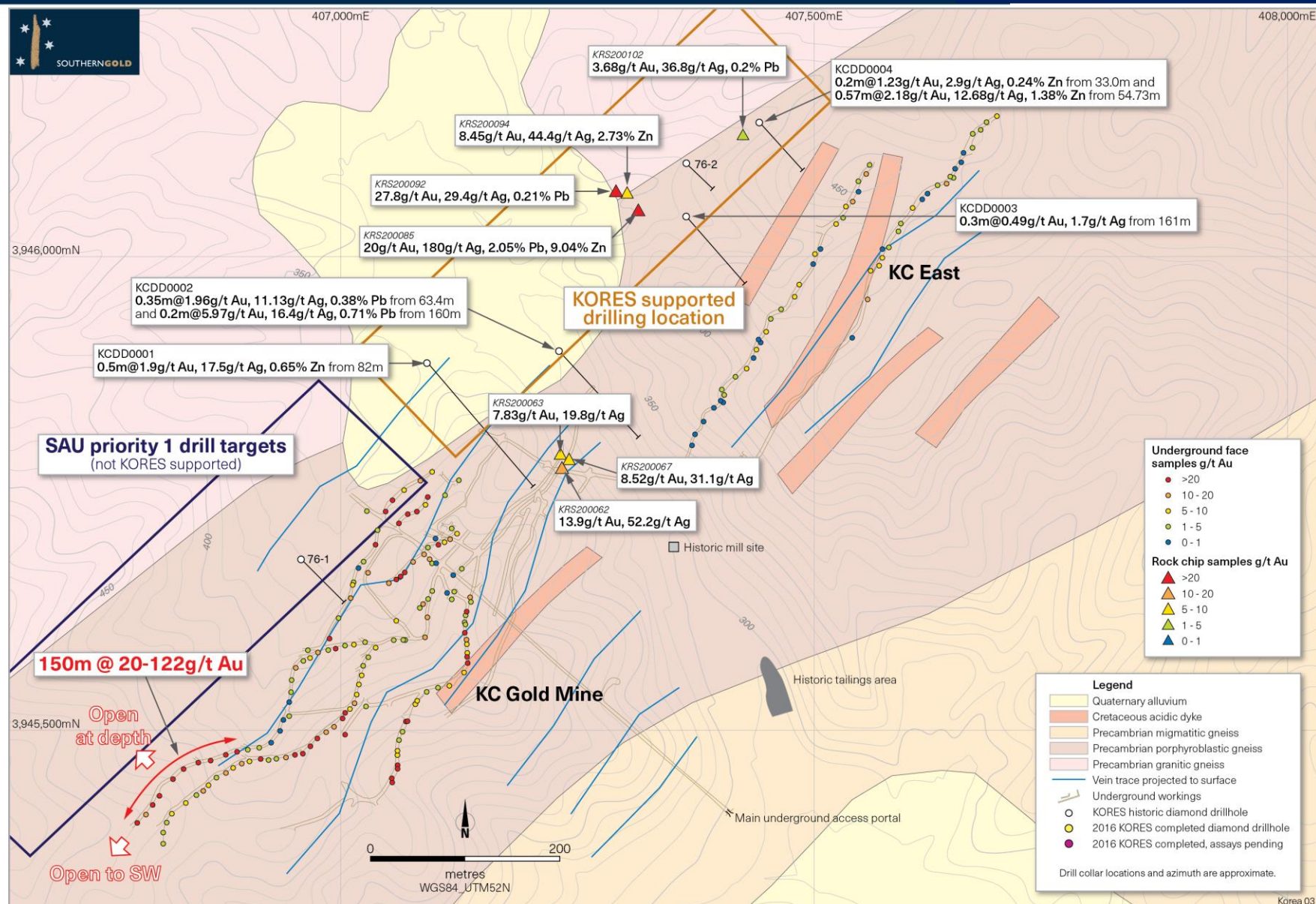


Figure 3: Kochang East Project Area Map showing assay results for drilling and rock samples
(See JORC Table 1, 8 July 2016 for historic data)



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"). The Company's main focus is its Bulong Gold Project located 30 km east of the world renowned gold district of Kalgoorlie (WA) with the flagship Cannon Gold Mine projected to produce around 50koz gold.

Mining at Cannon has commenced with Metals X Ltd financing and developing the deposit under a 50/50 profit share arrangement. Metals X is responsible for all mining, haulage and processing activities (ASX announcement 11/11/2014) with this mandate recently expanded to incorporate the commercial terms of a larger open pit development (ASX announcement 3/11/2015).

In addition to its cornerstone position in Kalgoorlie, Southern Gold has recently acquired a portfolio of high grade gold projects in South Korea. These projects are a mix of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. The aim is to move one or more of the orogenic gold mines into production in the medium term as well as test for world-class epithermal gold deposits.

Competent Person's Statements

The information in this report that relates to Exploration Results 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 Exploration Results, 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.

The information in this report that relates to Exploration Targets has been compiled under the supervision of Mr. Ian Blucher (MAusIMM). Mr Blucher, who is an employee of Southern Gold Limited and a Member of the Australian 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 Blucher 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: Historical and current drill data including “Significant Intercepts” from drilling at Kochang.

Hole ID	Company	Easting	Northing	RL (m)	Depth (m)	Azimuth (Grid)	Dip	Drill Type	From (m)	Interval (m) [#]	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
KCDD0001	SAU/SGK	407092	3945888	289	250	138	-45	DDH	82.0	0.5	1.9	17.5	0.19	0.65
<i>and</i>									111.85	0.15	0.9	8.7	0.07	0.1
KCDD0002	SAU/SGK	407230	3945902	270	200.8	138	-50	DDH	63.4	0.35	1.96	11.13	0.38	0.26
									63.4	0.2	3.05	10.7	0.21	0.34
									101.0	0.32	0.83	0.9	0.01	0.02
									160.0	0.2	5.97	16.4	0.71	0.31
									165.4	0.2	0.68	1.2	<0.1	<0.1
KCDD0003	SAU/SGK	407366	3946044	313	200.5	147.5	-60	DDH	161.0	0.3	0.49	1.7	0.12	0.07
KCDD0004	SAU/SGK	407442	3946142	336	201.5	136	-70	DDH	5.37	0.33	0.61	3.8	0.04	0.06
									25.4	0.2	0.64	1.7	0.06	0.11
									33.0	2.0	0.28	2.0	0.08	0.12
<i>including</i>									33.0	0.2	1.23	2.9	0.18	0.24
									34.75	0.25	0.98	6.9	0.34	0.47
									54.73	0.57	2.18	12.68	0.32	1.38
<i>including</i>									55.0	0.3	3.58	19.6	0.3	2.22
KCDD0005 [^]	SAU/SGK	405656	3945770	222	209.1	148	-60	DDH			p.	p.	p.	p.
KCDD0006 [^]	SAU/SGK	405595	3945744	213	183.5	148	-40	DDH			p.	p.	p.	p.
76-01	KORES	406959	3945681	321	200	138	-70	DDH	64.6	0.2	4.6	52	-	-
<i>and</i>									69	0.3	3.1	72	-	-
<i>and</i>									174.5	1.5	2.5	48	-	-
76-02	KORES	407363	3946099	313	148.8	138	-75	DDH	68.4	0.3	-	45	-	-
<i>and</i>									99.2	1.4	0.9	43	-	-
<i>and</i>									136	0.2	1	38	-	-
84-01	KORES	405771	3945772	240	100	143	-70	DDH	67.2	0.1	-	-	-	-
<i>and</i>									77.5	0.1	-	-	-	-
<i>and</i>									89.5	0.2	-	-	-	-
84-02	KORES	405723	3945722	231	100	143	-70	DDH	26.9	0.6	10.6	12	-	-
<i>and</i>									63	2.5	17.6	4	-	-
<i>and</i>									97.6	2.4	-	1763	-	-
84-03	KORES	406064	3945809	288	100	98	-70	DDH	21.95	0.55	-	-	-	-
<i>and</i>									98.6	0.05	-	-	-	-
<i>and</i>									99.7	0.2	-	-	-	-
84-04	KORES	406062	3945759	293	100	98	-70	DDH	26.5	1	-	-	-	-
<i>and</i>									93.7	2.8	-	-	-	-

Notes to Appendix 1 Table:

[^] : KCDD0005 and KCDD0006 were undertaken as part of KORES Second Round drilling grant, results pending.

[#] : Intervals are apparent widths.

‘-’ : assay not reported. For historical KORES holes, intervals with no assay show logged vein but not sampled for assay.

‘p’ : assay pending

Reference for historic drilling: KIGAM 2010 Goldmine in Korea. Korea Institute of Geoscience and Mineral Resources, 1022pp. Also see JORC Table 1, 8 July 2016 for historic data, including KORES historic drilling.

Appendix 2: 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. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - 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.	- Drill holes were sampled as half-core of NQ3 diameter drill core. - Sample intervals were chosen selectively to reflect geological boundaries and representative material. Not all core was sampled. - Half-core samples were double bagged (plastic inner with ticket book tag, calico outer), bags both labeled with sample number, and recorded in a hard-copy sample register and digital database. - Coarse/field duplicate samples were taken one in every 16 regular samples (as quarter core of the same interval) as a measure of sample representivity. - All on-site sampling was done under the supervision of the Competent Person. - All samples (drill core and rock chips) were sent to MAS laboratories in Thailand for further preparation and assay, an ISO/IEC 17025:2005 certified laboratory.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	- Drill holes were drilled from surface using triple tube diamond core drilling, at NQ3 diameter. - Drill core was oriented by spear method downhole between every drill run (3m), and checked for consistency between orientation marks. - Seungin Geo (the drilling contractor) surveyed drill holes by Borehole Image Processing System (BIPS) as post drilling downhole continuous reading survey and optical image.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - 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.	- Drill core recovery was calculated per run by measuring core length recovered against drilling depth as reported on core blocks. Measured core recovery was very high. Drilling depths were cross-checked by visual validation of drill rods downhole. - Core drilling was done triple tube to maximize sample recovery.

Criteria	JORC Code explanation	Commentary
		- No relationship or bias appears to exist between sample recovery and grade. - No recovery issues were identified with the drilling or sampling procedures.
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. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. - The total length and percentage of the relevant intersections logged.	- All logging of drillholes was qualitative in nature, covering 100% of the drilling, and done on-site proximal to and during the drilling operations. - Interpretive hard-copy cross sections as well as quantitative geological logs were done, to a level suitable to inform the selective sampling. - RQD logs and core photography were completed on site including mark-up of core boxes, prior to transportation to the long-term core storage facility. Post transportation visual inspection of core shows minimal disruption occurred. - Logs were recorded in hardcopy and later transposed into Company digital excel templates, and then imported into the Company's database.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - 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. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- Drill core was sawn in half lengthwise using a Clipper core saw. Core cutting was supervised. - Individual samples of half core were taken at minimum or greater lengths to meet or exceed laboratory requirements for sample preparation weights, and are considered appropriate for the style of mineralisation being targeted and grain size of the material being sampled. - Coarse/field duplicate samples were taken one in every 16 regular samples (as quarter core of the same interval) as a measure of sample representivity.
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. - 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. - Nature of quality control procedures adopted (e.g.	- All samples were sent to MAS laboratories in Thailand for further preparation and assay, an ISO/IEC 17025:2005 certified laboratory. - Samples were dried and pulverized to 90% passing 150 mesh. - Gold was analysed by fire assay

Criteria	JORC Code explanation	Commentary
	<i>standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	with atomic absorption spectroscopy finish using a 50g charge. Detection limit range is 0.01ppm to 100ppm Au. • A 23 multi-element suite was done via aqua regia leach and ICP-ES finish. • The nature of the laboratory preparation and assay sampling techniques are considered appropriate. • Rigorous QA/QC procedures were implemented, including one coarse duplicate, one laboratory pulp duplicate, one Certified Reference Material (CRM standard, randomised) and one blank for every 16 regular samples, making a batch of 20, sent as one dispatch for fire assay in the same run. • Preliminary analysis of the QA/QC results suggests suitable accuracy and precision is being obtained, with no contamination between samples. • No data from geophysical tools were used to determine analytical results.
<i>Verification of sampling and assaying</i>	• <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i>	• Significant intersections were visually inspected and verified by the Competent Person (Dr Chris Bowden), as well as alternative company personnel. • Twinned holes have not been drilled. • Geological and RQD logs are initially recorded in hardcopy and later transposed into Company digital excel templates, and then imported into the Company's database under validation and verification rules. Failures are sent back to the responsible geologist for correction and re-submission. • Sample weights are recorded in a hardcopy sample register, and imported into the Company database. • All original hardcopy logs and sample ticket-book stubs are kept for reference. • Assay data is imported into the Company database from original lab files via automated queries, thus minimizing error in tagging

Criteria	JORC Code explanation	Commentary
		samples with results. - The Company database is a custom MSAccess database managed by a data administrator. The database is hosted on an off-site server, and is mirrored daily providing on- and off-site backups. - 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> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	- Field location data is initially done by GPS. - Drill hole collar positions are subsequently surveyed by differential GPS (by third party contracting company Kyungshin) to an accuracy of +/- 1cm. - Seungin (the drilling contractor) surveyed drill holes by Borehole Image Processing System (BIPS) as post drilling downhole continuous reading survey and optical image. - The grid system used is Universal Transverse Mercator (WGS84), Zone 52 Northern Hemisphere.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i> <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> <i>Whether sample compositing has been applied.</i>	- Drilling done to date has been variably spaced, with drillhole collars varying from around 100m to 200m apart at surface. - No Mineral Resource has been estimated. - 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> <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>	Core orientation data and correlation with surface geology suggests the drilling is at a high enough angle to lithological boundaries and structural trends to indicate that sampling is unbiased by the direction of drilling.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	- From the point of sample generation to courier pickup and delivery to the laboratory, samples are under the full security and custody of the Company. This is done by the following procedures: - Drill core produced at the rig is inspected regularly (multiple times daily) and collected by the Company at end of dayshift. Core is securely locked overnight on-site in a secure facility. Post on-site logging and processing,

Criteria	JORC Code explanation	Commentary
		core is transported to the Company's long-term core storage facility under the direct supervision of a Company representative. Core is securely locked at the long term storage. Core is further processed for sampling by Company representatives under supervision of the Competent Person. Bagged samples are secured by tags and delivered by a Company representative to a courier service to deliver to the laboratory. The laboratory reports if any tampering is evident (none to date).
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been undertaken.

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>	- 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 security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	- Refer to Appendix 2 in ASX:SAU announcement on the 8th July 2016. No material change since then. - The portfolio of tenement ownership is held by Southern Gold Korea, a wholly owned subsidiary of Southern Gold Ltd. - There are no material issues with third parties. - There are no known impediments to obtaining a license to operate.
<i>Exploration done by other parties</i>	Acknowledgment and appraisal of exploration by other parties.	Historical drilling by KORES has been done at Kochang, and has intersected Au, Ag mineralisation in a number of holes. See Appendix 1 of this release.
<i>Geology</i>	Deposit type, geological setting and style of mineralisation.	Exploration is targeting mesothermal precious- and base-metal (Au, Ag, +/- Cu, Pb, Zn) mineralisation in Cretaceous volcanic rocks of the Korean peninsula.
<i>Drill hole Information</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: - 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. - 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.	A summary of exploration results showing the range of downhole intercept widths and associated grades is shown in Appendix 1 of this release.
<i>Data aggregation methods</i>	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - 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. - The assumptions used for any reporting of metal equivalent	- No data aggregation methods have been used. - No metal equivalent values have been reported.

Criteria	JORC Code explanation	Commentary
	<i>values should be clearly stated.</i>	
<i>Relationship between mineralisation widths and intercept lengths</i>	• <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <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>	• All drillhole depths and sample intervals are reported as downhole measurements.
<i>Diagrams</i>	• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	• Appropriate tables and diagrams have been included.
<i>Balanced reporting</i>	• <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>	• Some drill assay data has been omitted from this report as it is not considered material.
<i>Other substantive exploration data</i>	• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	• All relevant observations have been noted in the release.
<i>Further work</i>	• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <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>	• Southern Gold is reviewing the data to determine the best way to advance the projects, and will notify such plans once confirmed.