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Substantial kilometre scale mineralised systems identified at Weolyu & Kochang, South Korea

- Surface samples returning gold (Au) and silver (Ag) up to **8.8g/t Au and 1030g/t Ag (0.1% Ag)** after surface mapping at Weolyu has doubled the mineralised corridor to 1 kilometre
- Surface samples returning up to **23.9g/t Au and 650g/t Ag** as surface mapping at Kochang identifies multiple quartz veins in 2.5km kilometre mineralised corridor
- System scale prospectivity confirmed with multiple new drill targets identified at each project

Technical Experts Complete Mapping at Weolyu and Kochang

Southern Gold is pleased to provide the following update on the recent surface mapping and sampling conducted at the Weolyu and Kochang projects in South Korea. Field mapping teams were deployed at each project and completed detailed field mapping and sampling during March and April 2017 to build on programmes completed at the end of last year.

Weolyu

Detailed mapping at Weolyu by an expert in volcanic rocks and epithermal systems has been completed. Results continue to show epithermal-style gold-silver mineralisation peripheral to the historic mine (**Figure 1, Table 1, Plate 1**). The strike extents of multiple vein systems, as well as the apparent continuity over significant vertical elevation, all provide continued confidence that the Weolyu Project has the potential to host significant gold-silver mineralisation.

Kochang

New detailed mapping and sampling at Kochang confirms the continuity at surface of parallel veins along a 2.5km structural corridor of interest, from Kochang East and Kochang Gold Mine, through the Kochang Gap (KCGap) to the Kochang Silver Mine in the South West (**Figure 2, Table 2, Plate 2**). A number of significant vein-breccia outcrops were identified with recognition of repeat veining in each of the creek line traverses through the KCGap area enabling excellent correlation of significant along-strike continuity of individual vein or vein-breccia trends.

Southern Gold Managing Director, Simon Mitchell: "there has been some good fundamental 'geology 101' being done on our projects in South Korea. Nothing beats boots-on-the-ground mapping and sampling to put a framework around a mineralised system. At both Weolyu and Kochang the mineralised systems are substantial, now growing to kilometre scale, and grades returned are also excellent. We can't wait to get drilling in these new areas."

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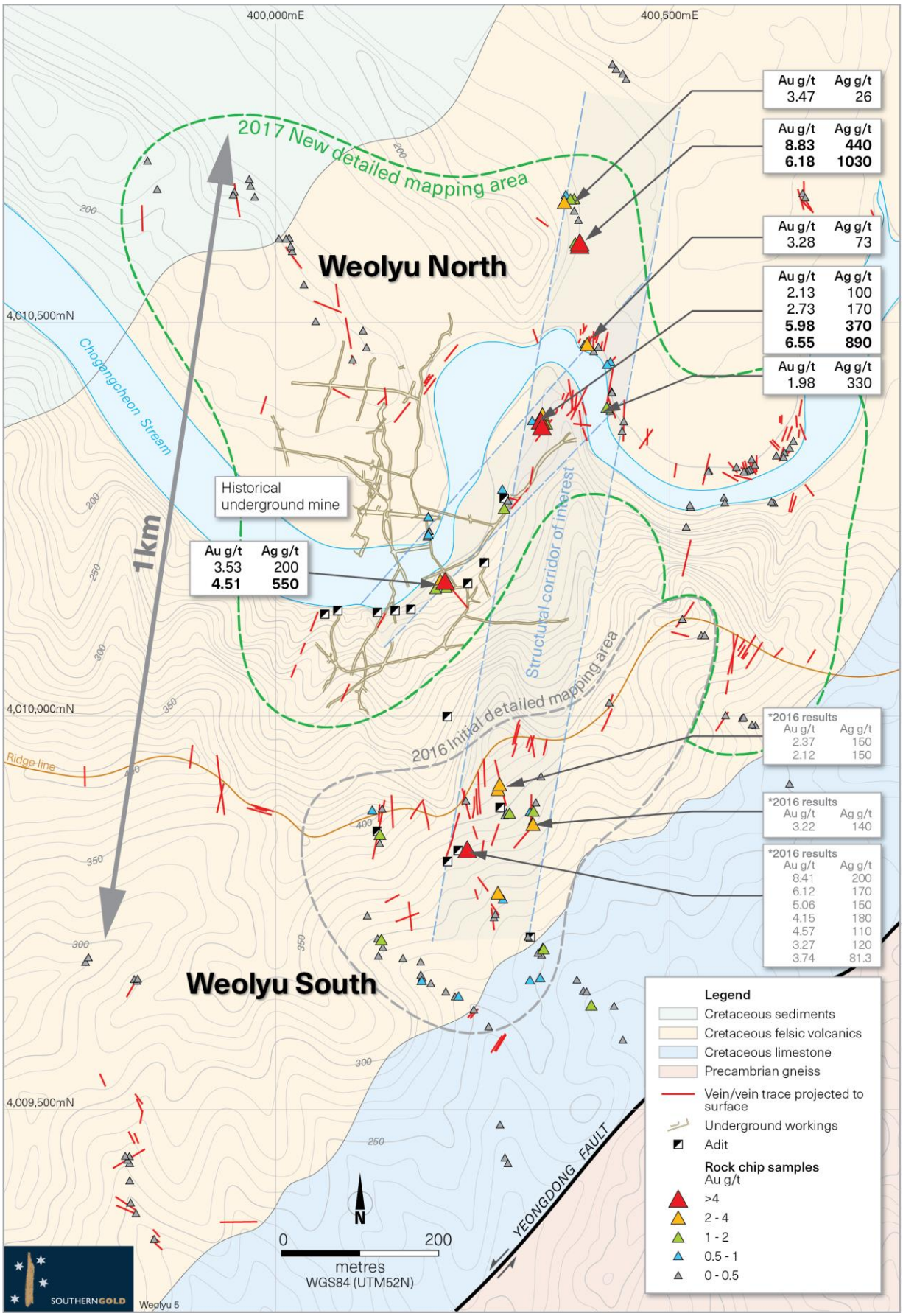
KRS202116 with 6.18 g/t Au, 1030 g/t Ag, Weolyu Project

Figure 1: Weolyu Map with recent rock chip results illustrating 1km long structural corridor.



Weolyu mineralised system extended to the north-east

Field mapping during March and April this year has extended the detailed surface coverage at Weolyu to cover the Weolyu North area. This has resulted in an extension to the mineralised system about 500m to the north-east and it remains open in this direction. Significant grades have been encountered at surface with silver grades in excess of 1000g/t Ag and gold grades approaching 9g/t Au (**Table 1**). Importantly, several high grade sample results have been returned from the northern end of the structural corridor where there has been limited or no mining activity and certainly no historical drilling.

The mineralised system at Weolyu has now been extended laterally to kilometre scale, and due to the evidence of historical underground mining at Weolyu North in the western sector there is an implied vertical extent of mineralisation approaching 300m.

The Weolyu Project continues to be a focus for ongoing exploration works, including surface drilling, which is in process, and underground works (subject to approvals) where it is hoped that access to the underground drives will provide valuable technical information on the high grade mineralisation.

Table 1: Weolyu Surface Reconnaissance Sampling Significant Rock Chip Results

Sample ID	Easting (m)	Northing (m)	Sample Type	Au g/t	Ag g/t
KRS202078	400209	4010170	Mullock	3.53	200
KRS202079	**400214**	**4010167**	**Mullock**	**4.51**	**550**
KRS202081	400214	4010167	Mullock	1.3	220
KRS202085	400326	4010374	Mullock	1.89	360
KRS202088	**400337**	**4010373**	**Float**	**5.98**	**370**
KRS202089	400342	4010369	Float	1.89	280
KRS202091	400340	4010366	Float	6.43	260
KRS202093	400339	4010381	Float	2.13	100
KRS202094	**400339**	**4010381**	**Float**	**6.55**	**890**
KRS202095	400339	4010381	Float	2.73	170
KRS202108	400374	4010655	Float	1.62	190
KRS202110	400379	4010655	Float	1.53	190
KRS202111	400367	4010651	Float	3.74	26.7
KRS202116	**400385**	**4010600**	**Float**	**6.18**	**1030**
KRS202117	400385	4010600	Float	1.32	210
KRS202118	**400386**	**4010596**	**Float**	**8.83**	**440**
KRS202124	400394	4010469	Outcrop	3.28	73
KRS202135	400421	4010390	Outcrop	1.98	330

Diamond drilling at Weolyu South is currently in process. The first drill hole was completed to 240m depth and this is currently being logged and sampled. Zones of quartz veining and breccia have been intersected but assays remain pending. A second drill hole has also started and is likely to take another week until completion based on current slow penetration rates. Results from this programme are expected next month.

Kochang prospectivity significantly lifted with recent results

Multiple quartz vein and vein-breccia outcrops have been mapped and sampled in the field and enabled the identification of repeat veining across a structural corridor 2.5km long and about 0.5km wide. The results add further evidence that the area referred to as Kochang Gap is a prime drilling target, especially in the context of mineralisation grades encountered at depth in historical underground drives.

A significant vein exposure has been identified in an open stope located at the southern end of the KCAu mine, and has been extensively mined to depth in underground workings (120m depth based on historic level plans). See inset Figure 2 for an example where 1.05m @ 4.5g/t Au was returned. It is interpreted that this broader 1.4m wide zone of shearing and wider mineralised veining in this location represents the surface expression of an interpreted higher grade southwest plunging dilational shoot that was mined at depth. The location of this stope at surface correlates with highest grade historic face sampling from the underground development at depth.

Taken together, these results provide a higher level of confidence to continue testing the 2.5km long system of strike parallel gold-silver mineralised veins at the Kochang Project. Future work will likely include a combination of surface drilling along strike and underground works (subject to approvals) including mapping and sampling the area of historical high-grade results.

Table 2: Kochang Surface Reconnaissance Sampling Significant Rock Chip Results

Sample ID	Easting (m)	Northing (m)	Sample Type	Area	Au g/t	Ag g/t
KRS201075	405918	3944682	Float	KC Ag	8	110
KRS201076	405925	3944711	Float	KC Ag	3.54	160
KRS201077	**405965**	**3944722**	**Float**	**KC Ag**	**3.91**	**650**
KRS201087	**406166**	**3944678**	**Outcrop**	**KC Ag**	**4.84**	**510**
KRS201098	**406523**	**3944966**	**Outcrop**	**KC Gap**	**23.9**	**200**
KRS201101	406734	3945124	Outcrop	KC Gap	4.72	79.4
KRS201106	**406724**	**3945147**	**Outcrop**	**KC Gap**	**10.5**	**77.6**
KRS201110	406548	3945156	Outcrop	KC Gap	6.27	200
KRS201111	406504	3945146	Outcrop	KC Gap	6.63	79.3
KRS201113	**406825**	**3945234**	**Float**	**KC Gap**	**9.9**	**110**
KRS201114	406823	3945265	Outcrop	KC Gap	3.61	160
KRS201115	**406873**	**3945330**	**Float**	**KC Gap**	**15.3**	**55.3**
KRS201134	407047	3945483	Outcrop	KC Au	5.75	40.6
KRS201136	407048	3945483	Outcrop	KC Au	6.83	28.2
KRS201138	**407046**	**3945483**	**Outcrop**	**KC Au**	**8.2**	**210**
KRS201139	407047	3945484	Outcrop	KC Au	5.59	46.6
KRS201142	406971	3945432	Float	KC Au	7.06	30.8
KRS201153	407353	3945592	Outcrop	KC Au	4.36	28.3
KRS201155	407350	3945601	Outcrop	KC Au	4.08	21.7
KRS201165	406727	3945147	Outcrop	KC Gap	6.35	210

Figure 2: Kochang Map with recent rock chip results highlighted illustrating 2.5km long structural corridor with continuous mineralisation.

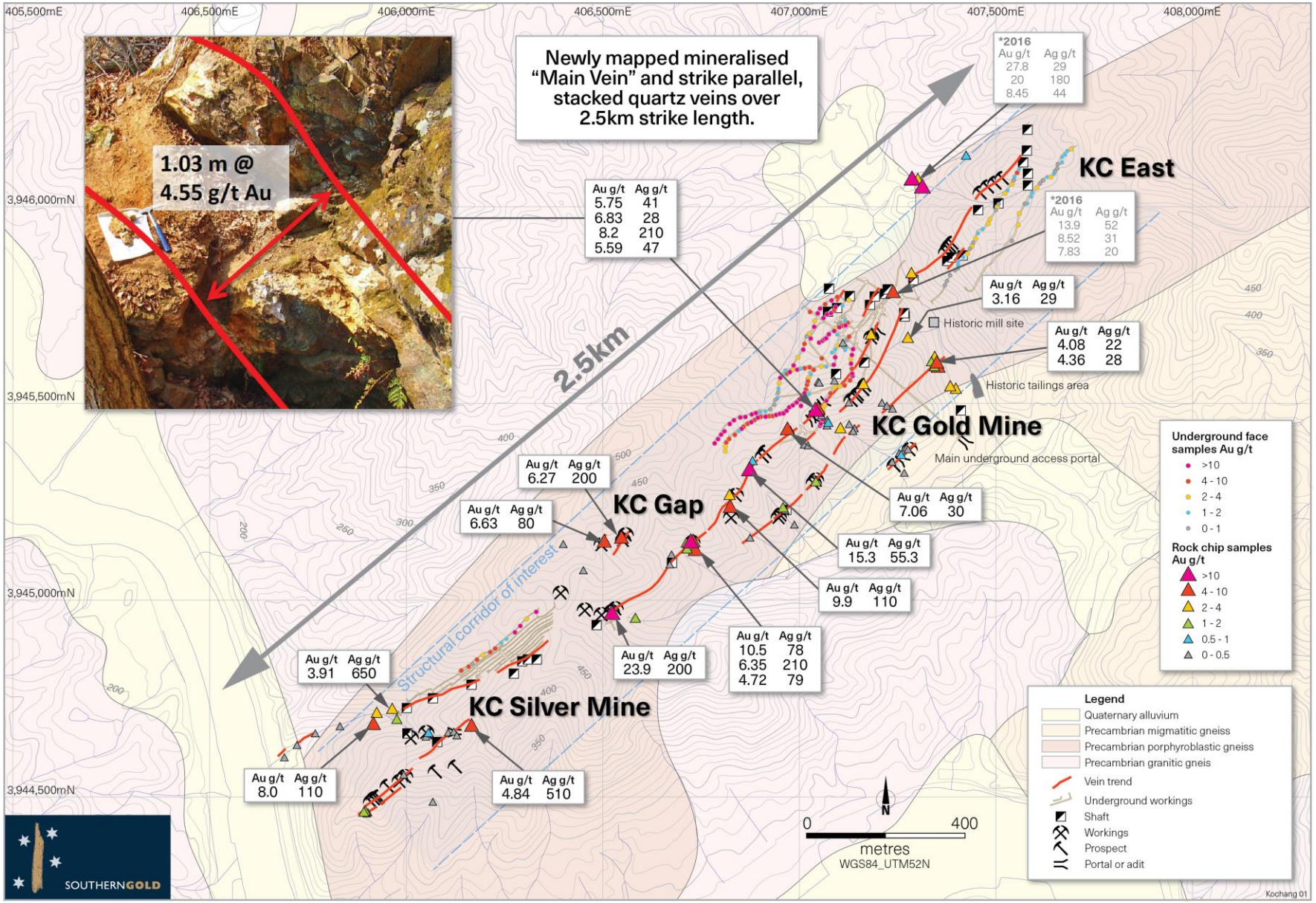


Plate 1: Select examples of Weolyu rock slabs illustrating mineralisation textures and grades.

KRS202079 4.51 g/t Au, 550 g/t Ag

Hydraulic vein breccia, comprised of pervasively silica-carbonate altered quartz-phyric rhyolite fragments, flooded by submassive calcite ± siderite-silica, with a later stage of cream-white calcite & trace purple fluorite infill. Abundant fine-grained highly reflective silver sulfosalts & possible silver-rich electrum. Late manganese oxide staining.

KRS202088 5.98 g/t Au, 370 g/t Ag

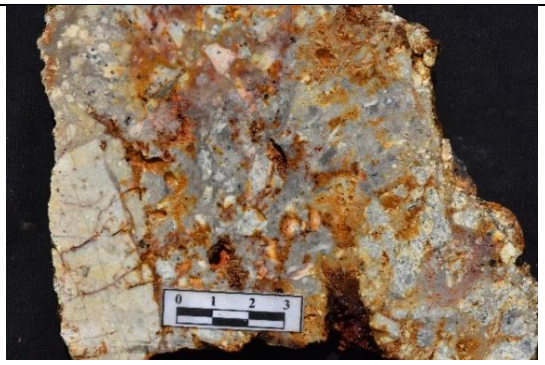
Quartz pseudomorphs after bladed calcite replaced by mesocrystalline to crystalline quartz. Patches of pale purple amethystine quartz present. Late orange limonite & black locally dendritic manganese oxides (hausmannite). Trace fine-grained sulfides & sulfosalts.

KRS202094 6.55 g/t Au, 890 g/t Ag

Hydraulic vein breccia comprised of cream-white to grey mesocrystalline quartz, flooding commutated, commonly ghosted rhyolitic rock fragments. Patches of fine-grained sulfides, dominated by pyrite.

KRS202116 6.18 g/t Au, 1030 g/t Ag

Pervasively silicified & silica-illite/sericite altered rhyolitic breccia, with abundant black manganese oxide (hausmannite) after manganoan calcite or rhodochrosite.



KRS202118 8.83 g/t Au, 440 g/t Ag

Hydraulically brecciated, intensely silica-illite/sericite altered rhyolite, flooded by mesocrystalline quartz with voids lined by limonite-haematite after sulfides.

KRS202124 3.28 g/t Au, 73 g/t Ag

Hydraulic vein or lode breccia, compised of intensely silica-sericite altered rhyolite & sub-massive manganese stained quartz after calcite. Note intense haematite-limonite staining after sulfide.

Plate 2: Select examples of Kochang rock slabs illustrating mineralisation textures and grades.

KRS201106 10.5 g/t Au, 77.6 g/t Ag

10 - 15 cm wide vein, planar sheared quartz, Fe stained, boxworked, ex pyrite and sulphide rich.

KRS201115 15.3 g/t Au, 55.3 g/t Ag

Highly oxidised, limonite ex sulph breccia. Angular breccia fragments, sulphide pitted. Very good looking shear breccia

KRS201075 8 g/t Au, 110 g/t Ag

Stockwork veining through more massive Amphibolite texture rock. Stockwork with pyrite /sulphides.

KRS201153 4.36 g/t Au, 28.3 g/t Ag

Narrow quartz-sulphide vein up to 7cm wide. Very strong oxidised limonite-goethite stained ex pyrite, sheared Fe stained, vein pinches to 4cm updip. Strong oxidation, ex py.

Appendix A – Weolyu Sampling Results

Sample ID	Easting (m)	Northing (m)	Sample Type	**Au (g/t)**	**Ag_g/t**	As ppm	Cu ppm	Mn ppm	Mo ppm	Zn ppm
KRS202075	399849	4010668	RCF	**0.01**	**<0.3**	2	<1	56	1.2	4
KRS202076	399837	4010704	RCF	**0.02**	**<0.3**	<2	1	21	1.2	5
KRS202077	400203	4010160	MD	**1.64**	**130**	4	9	2190	5.1	22
KRS202078	400209	4010170	Mullock	**3.53**	**200**	19	15	274	294	25
KRS202079	400214	4010167	Mullock	**4.51**	**550**	12	118	6446	12.1	110
KRS202080	400214	4010167	Mullock	**0.3**	**27.2**	4	124	2662	2.4	36
KRS202081	400214	4010167	Mullock	**1.3**	**220**	29	14	2404	99.8	93
KRS202082	400290	4010262	Mullock	**1.11**	**110**	4	22	1397	9.8	21
KRS202083	400295	4010272	Mullock	**0.37**	**47**	4	5	40	6.1	5
KRS202084	400288	4010287	Mullock	**0.76**	**62.2**	9	4	57	13	4
KRS202085	400326	4010374	Mullock	**1.89**	**360**	6	12	930	24	13
KRS202086	400326	4010374	MD	**0.72**	**180**	11	11	455	19.3	14
KRS202087	400338	4010370	RCF	**0.9**	**83.2**	<2	8	481	10.7	6
KRS202088	400337	4010373	Float	**5.98**	**370**	5	9	200	19.2	14
KRS202089	400342	4010369	Float	**1.89**	**280**	18	9	131	23.7	7
KRS202090	400340	4010366	Float	**0.52**	**50.2**	<2	5	407	6.7	3
KRS202091	400340	4010366	Float	**6.43**	**260**	3	9	241	14.4	8
KRS202092	400340	4010366	Float	**1**	**100**	<2	8	637	16.8	7
KRS202093	400339	4010381	Float	**2.13**	**100**	7	17	762	54.4	15
KRS202094	400339	4010381	Float	**6.55**	**890**	12	54	424	39.7	99
KRS202095	400339	4010381	Float	**2.73**	**170**	6	7	796	56.5	6
KRS202096	400670	4010662	Float	**<0.01**	**0.9**	17	2	20	5.2	1
KRS202097	400673	4010657	Float	**<0.01**	**<0.3**	17	1	23	5.5	1
KRS202098	400193	4010229	Float	**0.95**	**150**	51	8	122	31.4	17
KRS202099	400192	4010227	Float	**0.2**	**53**	35	15	240	11.8	26
KRS202100	400195	4010233	Float	**0.26**	**82.7**	25	14	2189	11.1	37
KRS202101	400194	4010252	Float	**0.53**	**200**	18	52	>10000	9.8	152
KRS202102	399600	4009618	Float	**0.02**	**2.7**	34	2	38	22.9	16
KRS202103	399758	4009686	Float	**0.34**	**21.3**	4	3	59	10.1	3
KRS202104	399762	4009691	Float	**0.08**	**4.9**	<2	1	34	11	1
KRS202105	399820	4009664	Float	**0.45**	**42.8**	4	2	36	16.1	3
KRS202106	399824	4009665	Float	**0.14**	**10.8**	5	1	46	27.7	3
KRS202107	399823	4009662	Float	**0.27**	**16.1**	5	1	42	10.4	5
KRS202108	400374	4010655	Float	**1.62**	**190**	42	9	63	14	13
KRS202109	400379	4010655	Float	**0.09**	**11.8**	22	3	29	2.6	5
KRS202110	400379	4010655	Float	**1.53**	**190**	58	5	38	16.5	9
KRS202111	400367	4010651	Float	**3.74**	**26.7**	70	4	39	2.4	16
KRS202112	400368	4010661	Float	**0.83**	**46.3**	26	3	34	5.1	5
KRS202113	400368	4010661	Float	**0.52**	**29.5**	13	2	47	3.3	3
KRS202114	400379	4010640	Float	**0.23**	**40.2**	124	6	59	1.8	3
KRS202115	400384	4010629	Float	**0.19**	**10.4**	166	3	37	1.2	2
KRS202116	400385	4010600	Float	**6.18**	**1030**	9	71	>10000	9.1	60

KRS202117	400385	4010600	Float	**1.32**	**210**	24	10	379	4.7	7
KRS202118	400386	4010596	Float	**8.83**	**440**	163	6	71	13.4	81
KRS202119	400445	4010808	RCO	**0.07**	**1.4**	111	2	17	2.9	5
KRS202120	400432	4010820	RCO	**0.03**	**1.1**	22	1	289	2.1	31
KRS202121	400440	4010815	RCO	**0.31**	**1.6**	143	2	35	3.9	16
KRS202122	400428	4010827	RCF	**0.01**	**<0.3**	14	1	40	2.2	20
KRS202123	400392	4010471	RCO	**0.32**	**28.9**	18	15	140	1.7	17
KRS202124	400394	4010469	Outcrop	**3.28**	**73**	14	9	113	4.9	6
KRS202125	400394	4010469	Outcrop	**0.46**	**13**	8	7	252	0.7	14
KRS202126	400404	4010462	Outcrop	**0.26**	**67.1**	34	17	223	3.1	44
KRS202127	400410	4010468	Outcrop	**0.02**	**1.2**	8	19	82	<0.5	12
KRS202128	400425	4010448	Outcrop	**0.13**	**3.8**	21	4	40	2.6	1
KRS202129	400425	4010448	Outcrop	**0.83**	**2.8**	19	4	53	2.9	4
KRS202130	400421	4010445	Outcrop	**0.53**	**4.5**	24	4	47	4.1	1
KRS202131	400427	4010409	Outcrop	**0.2**	**14.8**	32	3	55	6.1	3
KRS202132	400427	4010410	Outcrop	**0.17**	**19.1**	29	3	43	5.5	4
KRS202133	400425	4010386	Outcrop	**0.03**	**1.4**	31	2	27	6.1	5
KRS202134	400424	4010391	Outcrop	**0.07**	**3**	23	2	34	6	3
KRS202135	400421	4010390	Outcrop	**1.98**	**330**	28	8	74	7.9	98
KRS202136	400442	4010373	RCO	**<0.01**	**0.5**	3	1	43	4	3
KRS202137	400440	4010360	RCO	**0.01**	**0.3**	7	1	60	3	4
KRS202138	400550	4010310	RCO	**0.01**	**<0.3**	5	1	60	3.2	6
KRS202139	400549	4010309	RCO	**<0.01**	**<0.3**	9	2	118	3.3	5
KRS202140	400585	4010315	RCO	**<0.01**	**<0.3**	10	4	895	1.2	31
KRS202141	400594	4010309	RCO	**<0.01**	**2.3**	80	4	448	64.8	56
KRS202142	400596	4010309	RCO	**<0.01**	**<0.3**	8	2	62	2	9
KRS202143	400598	4010309	RCO	**<0.01**	**1**	29	3	401	51.8	20
KRS202144	400600	4010311	RCO	**0.02**	**1.8**	165	4	72	26.6	31
KRS202145	400603	4010312	RCO	**<0.01**	**0.6**	71	2	98	11.4	34
KRS202146	400609	4010317	RCO	**<0.01**	**2.2**	240	2	40	17.2	20
KRS202147	400605	4010325	RCO	**0.03**	**0.7**	57	3	190	28.9	43
KRS202148	400636	4010329	RCO	**<0.01**	**1**	145	2	94	24.2	47
KRS202149	400645	4010327	RCO	**0.01**	**1.9**	239	3	74	35.3	35
KRS202150	400646	4010333	RCO	**0.02**	**1.1**	159	3	39	36.3	79
KRS202151	400653	4010339	RCO	**0.02**	**1.2**	117	2	22	32.3	13
KRS202152	400658	4010348	RCO	**<0.01**	**0.5**	66	2	80	25.7	17
KRS202153	400633	4010269	RCF	**<0.01**	**<0.3**	33	2	22	1.4	5
KRS202154	400630	4010271	RCF	**<0.01**	**0.6**	39	2	24	3	20
KRS202155	400571	4010270	RCO	**<0.01**	**0.6**	43	1	36	15.1	7
KRS202156	400569	4010276	RCO	**0.01**	**1.9**	124	8	29	9	12

KRS202157	399973	4010658	RCF	**0.1**	**1.1**	77	3	70	23.4	21
KRS202158	399968	4010672	RCF	**0.05**	**<0.3**	40	3	62	40.6	5
KRS202159	399947	4010664	RCO	**<0.01**	**3.1**	33	2	27	3.5	4
KRS202160	399946	4010660	RCO	**0.01**	**0.5**	37	1	31	3.1	3
KRS202161	399966	4010681	RCF	**0.18**	**1.9**	59	3	119	42.4	10
KRS202162	400012	4010605	RCF	**0.09**	**5**	90	4	223	36.3	27
KRS202163	400012	4010605	RCF	**0.02**	**1.8**	63	4	45	6	9
KRS202164	400004	4010605	RCO	**0.06**	**1.8**	117	3	36	25.3	5
KRS202165	400017	4010606	RCF	**0.06**	**2.4**	47	3	47	29.2	19
KRS202166	400019	4010596	RCF	**0.07**	**0.9**	43	2	52	3.5	6
KRS202167	400021	4010589	RCF	**0.12**	**2.4**	47	2	36	42.3	8
KRS202168	400036	4010547	RCF	**0.02**	**0.3**	47	2	25	0.9	6
KRS202169	400051	4010500	RCF	**<0.01**	**1.5**	43	2	271	6	5
KRS202170	400097	4010451	SC	**0.02**	**5.3**	47	2	26	3.5	4
KRS202171	400111	4010488	RCO	**0.05**	**3**	104	3	22	1.4	16
KRS202172	400115	4010467	RCF	**0.07**	**7.1**	99	2	35	2.2	3
KRS202173	399845	4009334	RCF	**<0.01**	**<0.3**	17	1	17	0.6	20
KRS202174	399822	4009367	RCO	**<0.01**	**<0.3**	10	1	53	3.4	24
KRS202175	399815	4009380	RCO	**<0.01**	**<0.3**	8	2	324	<0.5	62
KRS202176	399812	4009435	RCO	**0.01**	**0.8**	59	2	27	52.2	8
KRS202177	399814	4009439	RCO	**<0.01**	**<0.3**	49	2	26	31.3	26
KRS202178	399809	4009440	SC	**<0.01**	**0.7**	35	1	16	2.9	57
KRS202179	399814	4009430	RCF	**<0.01**	**0.6**	22	1	22	1.6	2
KRS202180	399814	4009409	SC	**<0.01**	**<0.3**	4	1	35	3.2	6
KRS202181	400593	4009995	RCF	**<0.01**	**0.4**	107	2	29	0.8	5
KRS202182	400594	4009996	RCF	**<0.01**	**0.4**	143	2	21	1.1	7
KRS202183	400606	4009987	RCF	**<0.01**	**<0.3**	9	1	37	0.5	3
KRS202184	400609	4009987	RCF	**0.02**	**0.9**	118	3	52	1	29
KRS202185	400631	4009973	RCF	**<0.01**	**<0.3**	87	2	464	0.9	6
KRS202186	400653	4009912	RCF	**<0.01**	**<0.3**	25	2	23	3	7
KRS202187	400571	4010000	RCF	**<0.01**	**1.3**	304	3	53	4.6	32
KRS202188	400526	4010266	RCF	**<0.01**	**1**	85	4	30	42.6	95
KRS202189	400527	4010264	RCF	**0.08**	**80.9**	5	2436	38	0.5	12
KRS202190	400522	4010239	RCF	**<0.01**	**0.3**	24	2	23	4.1	6

Appendix B – Kochang Sampling Results

Sample ID	Easting (m)	Northing (m)	Sample Type	**Au (g/t)**	**Ag (g/t)**	Pb (ppm)	Zn (ppm)	As (ppm)
KRS201071	405689	3944598	Outcrop	**-0.01**	**-0.3**	4	23	8
KRS201072	405723	3944630	Outcrop	**0.29**	**5.8**	29	1130	43
KRS201073	405769	3944659	Outcrop	**0.02**	**1**	28	158	61
KRS201074	405832	3944676	Float	**0.14**	**10.6**	82	342	89
KRS201075	405918	3944682	Float	**8**	**110**	246	525	1136
KRS201076	405925	3944711	Float	**3.54**	**160**	754	2239	532
KRS201077	405965	3944722	Float	**3.91**	**650**	2419	10001	253
KRS201078	405976	3944696	Float	**1.45**	**120**	1947	2396	828
KRS201079	406050	3944650	Float	**0.08**	**93.7**	48	125	49
KRS201080	406050	3944650	Float	**0.38**	**20.5**	65	267	140
KRS201081	406057	3944661	Outcrop	**0.04**	**6.9**	89	104	35
KRS201082	406057	3944661	Outcrop	**0.56**	**34.3**	540	518	122
KRS201083	406121	3944662	Outcrop	**0.02**	**18.3**	84	495	143
KRS201084	406107	3944661	Outcrop	**-0.01**	**11.8**	143	373	63
KRS201085	406166	3944678	Outcrop	**0.77**	**230**	345	653	82
KRS201086	406166	3944678	Outcrop	**0.4**	**110**	415	817	130
KRS201087	406166	3944678	Outcrop	**4.84**	**510**	1325	1313	372
KRS201088	406129	3944654	Outcrop	**0.01**	**4.8**	57	132	107
KRS201089	406068	3944485	Outcrop	**0.03**	**90.2**	743	758	34
KRS201090	405902.34	3944460.54	Outcrop	**0.41**	**210**	431	169	316
KRS201091	405898.97	3944458.63	Outcrop	**0.24**	**7**	48	162	159
KRS201092	405895.87	3944456.94	Outcrop	**1.11**	**57.8**	376	961	923
KRS201093	405896.97	3944460	Outcrop	**1.09**	**55.1**	1851	1748	877
KRS201094	405899.23	3944455.98	Outcrop	**0.05**	**0.9**	20	106	90
KRS201095	405900.54	3944459.47	Outcrop	**0.35**	**1.9**	52	51	153
KRS201096	405994	3944554	Float	**0.11**	**82.8**	133	194	59
KRS201097	406451	3945073	Float	**-0.01**	**-0.3**	-3	3	-2
KRS201098	406523	3944966	Outcrop	**23.9**	**200**	3486	1521	389
KRS201099	406583	3944953	Float	**1.31**	**140**	1002	4812	183
KRS201100	406714	3945128	Float	**1.58**	**50.6**	614	764	267
KRS201101	406734	3945124	Outcrop	**4.72**	**79.4**	1079	1352	253
KRS201102	406717.34	3945141.06	Float	**1.08**	**160**	2140	189	326
KRS201103	406721.17	3945144.35	Float	**0.01**	**4.1**	114	258	39
KRS201104	406726.5	3945146.35	Outcrop	**0.71**	**55.4**	3203	570	232
KRS201105	406724.59	3945145.47	Outcrop	**0.27**	**11**	566	207	101
KRS201106	406724.12	3945146.65	Outcrop	**10.5**	**77.6**	1190	165	1023
KRS201107	406670	3945088	Subcrop	**0.08**	**49.5**	881	1664	57
KRS201108	406675	3945114	Outcrop	**0.48**	**23**	282	352	136
KRS201109	406548	3945156	Outcrop	**2.19**	**100**	1179	654	137

KRS201110	406548	3945156	Outcrop	**6.27**	**200**	2529	2285	244
KRS201111	406504	3945146	Outcrop	**6.63**	**79.3**	822	838	188
KRS201112	406875	3945157	Outcrop	**-0.01**	**0.6**	20	6	5
KRS201113	406825	3945234	Float	**9.9**	**110**	7885	872	902
KRS201114	406823	3945265	Outcrop	**3.61**	**160**	5568	2351	377
KRS201115	406873	3945330	Float	**15.3**	**55.3**	2328	586	628
KRS201116	406882	3945353	Outcrop	**0.89**	**2.7**	458	279	241
KRS201117	406988	3945190	Outcrop	**0.01**	**-0.3**	19	43	18
KRS201118	406960	3945230	Outcrop	**0.42**	**5.5**	452	891	240
KRS201119	406962	3945228	Outcrop	**0.01**	**0.5**	45	190	21
KRS201120	406959	3945232	Outcrop	**1.33**	**19.9**	515	949	243
KRS201121	407013	3945393	Outcrop	**0.13**	**4**	166	150	83
KRS201122	407022	3945390	Outcrop	**0.28**	**7.5**	260	211	167
KRS201123	407042	3945300	Outcrop	**1.67**	**4.9**	149	259	662
KRS201124	407237	3945349	Outcrop	**0.03**	**0.9**	240	94	24
KRS201125	407257	3945369	Float	**0.72**	**19.9**	3631	434	322
KRS201126	407255	3945370	Outcrop	**-0.01**	**0.5**	34	28	4
KRS201127	407276	3945381	Outcrop	**0.04**	**9.7**	136	10	4
KRS201128	407274	3945384	Outcrop	**-0.01**	**3.2**	35	1	-2
KRS201129	407127	3945445	Outcrop	**0.47**	**7**	90	389	170
KRS201130	407136	3945427	Float	**0.05**	**2.9**	42	35	91
KRS201131	407140	3945434	Outcrop	**0.12**	**1.4**	47	70	105
KRS201132	407056	3945467	Float	**0.05**	**12.6**	1268	200	65
KRS201133	407046.86	3945483.39	Outcrop	**1.09**	**8.7**	2703	336	278
KRS201134	407047.22	3945483.14	Outcrop	**5.75**	**40.6**	9366	644	333
KRS201135	407047.49	3945482.89	Outcrop	**0.25**	**4.4**	1592	57	123
KRS201136	407047.79	3945482.6	Outcrop	**6.83**	**28.2**	5165	1110	630
KRS201137	407048.07	3945482.34	Outcrop	**0.02**	**1.8**	968	269	35
KRS201138	407046.45	3945482.93	Outcrop	**8.2**	**210**	5970	326	755
KRS201139	407047.08	3945483.95	Outcrop	**5.59**	**46.6**	6491	465	502
KRS201140	407050	3945552	Outcrop	**0.03**	**-0.3**	83	99	47
KRS201141	407052	3945550	Outcrop	**0.02**	**-0.3**	100	139	39
KRS201142	406971	3945432	Float	**7.06**	**30.8**	4947	708	699
KRS201143	406977	3945432	Subcrop	**0.33**	**3.4**	446	213	99
KRS201144	407089	3945556	Outcrop	**0.06**	**1.3**	684	425	49
KRS201145	407163	3945547	Float	**2.09**	**50.4**	7758	358	1128
KRS201146	407126	3945500	Subcrop	**0.04**	**0.9**	433	464	32
KRS201147	407276	3945665	Float	**3.16**	**29.4**	1773	783	549
KRS201148	407111	3945652	Subcrop	**0.06**	**0.9**	55	158	39
KRS201149	407186	3945677	Outcrop	**0.24**	**3.3**	1351	720	121
KRS201150	407185	3945675	Outcrop	**2.02**	**11.4**	2982	193	211
KRS201151	407398	3945535	Subcrop	**3.18**	**12.7**	1566	442	105

KRS201152	407384	3945540	Outcrop	**2.03**	**3.5**	359	58	26
KRS201153	407353.07	3945592.29	Outcrop	**4.36**	**28.3**	1224	6250	305
KRS201154	407351.54	3945596.81	Outcrop	**1.25**	**22.2**	2108	568	61
KRS201155	407349.93	3945601.48	Outcrop	**4.08**	**21.7**	832	532	238
KRS201156	407347.95	3945607.07	Outcrop	**1.09**	**5.4**	480	439	137
KRS201157	407345.41	3945614.58	Outcrop	**3.18**	**32.2**	2984	146	92
KRS201158	407268	3945321	Outcrop	**0.01**	**0.3**	49	10	4
KRS201159	407237	3945484	Outcrop	**0.24**	**1.9**	90	117	175
KRS201160	407222	3945491	Outcrop	**0.07**	**1**	37	111	117
KRS201161	407211	3945500	Subcrop	**0.08**	**0.5**	36	127	124
KRS201162	407286	3945826	Subcrop	**2.78**	**21.7**	9406	2248	135
KRS201163	405737	3945670	Outcrop	**0.07**	**8.7**	41	26	48
KRS201164	406400	3945141	Subcrop	**-0.01**	**-0.3**	6	5	-2
KRS201165	406727.18	3945147.46	Outcrop	**6.35**	**210**	1847	94	750
KRS201166	407105	3945435	Float	**3.62**	**24.7**	2871	4410	1056
KRS201167	407074	3945449	Mine Mullock	**0.99**	**18.8**	1468	219	246
KRS201168	407070	3945442	Mine Mullock	**0.32**	**16.3**	1082	846	238
KRS201169	407072	3945455	Mine Mullock	**0.24**	**9.6**	2802	862	260

JORC Code, 2012 Edition – Table 1 :Weolyu Project

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.*	• Sample sites were chosen selectively to reflect geological features relevant to the style of mineralisation. • All samples were double bagged (plastic inner with ticket book tag, calico outer), bags both labelled with sample number, and recorded in a hard-copy sample register and digital database. • All samples were sent to MAS laboratories in Thailand for further preparation and assay. MAS is 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.).*	• No drilling.
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.*	• No drilling.
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 samples were geologically described. • Interpretive hard-copy mapping was undertaken using tape and compass and GPS, to a level suitable to produce maps at a scale of 1: 2,000. • Sample descriptions were recorded in hardcopy and later transposed into Company digital excel

Criteria	JORC Code explanation	Commentary
		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.*	• Sawn slabs of selected samples were prepared for later reference. • Sample size is considered appropriate for the style of mineralisation sought. • Internal laboratory standards used.
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. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All samples were sent to MAS laboratories in Thailand for further preparation and assay. MAS is an ISO/IEC 17025:2005 certified laboratory. • Samples were dried and pulverized to 90% passing 150 mesh. • Gold was analysed by fire assay using a 50g charge with atomic absorption spectroscopy finish. Detection limit range is 0.01ppm to 100ppm Au. • A 23 multi-element suite was undertaken via aqua regia leach and ICP-ES finish. • Silver was analysed as part of the multi-element aqua-regia digest ICP-MS method up to 100ppm Ag. • All silver assays reporting greater than initial upper limit of detection were re-assayed by a four-acid digest and AAS finish with a detection range of 100 ppm to 20,000 ppm (2%) Ag. • The nature of the laboratory preparation and assay sampling techniques are considered appropriate.

Criteria	JORC Code explanation	Commentary
		• Given the nature of the rock sampling, internal lab standards were considered appropriate for reconnaissance rock samples. • No data from geophysical tools were used to determine analytical results.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Samples returning significant gold and silver values were visually inspected and verified by the Competent Person (Dr. Chris Bowden), as well as alternative company personnel. • No drilling was undertaken as part of this program. • Geological descriptions of samples are initially recorded in hardcopy and later transposed into Company Microsoft 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 minimising error in tagging samples with results. • The Company database is a custom MS Access 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.

Criteria	JORC Code explanation	Commentary
		• 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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample field location data is initially obtained by tape and compass or GPS. • The grid system used is Universal Transverse Mercator (WGS84), Zone 52 Northern Hemisphere.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• No Mineral Resource has been estimated. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Sampling was undertaken to prepare a map of lithological boundaries and structural trends. The sampling undertaken targeted all rock types present in outcrop or in mullock dumps.
Sample security	• *The measures taken to ensure sample security.*	• 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: • Samples are securely locked overnight on-site in a secure facility. Post on-site logging and processing, samples are transported to the Company's long-term storage facility under the direct supervision of a Company representative. Samples are securely locked at the long term storage. Samples requiring further processing, e.g. slabbing for photography is under the 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).

Criteria	JORC Code explanation	Commentary
Audits/reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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
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 security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The portfolio of tenements is held by Southern Gold Korea, a fully owned subsidiary of Southern Gold (see Figure 4). And can be seen in previous ASX release on 8th of July 2016. • There are no material issues with third parties. • There are no known impediments to obtaining a license to operate.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Weolyu mine, located 0.5 km to 1 km to the north operated up to mid-1990's. Apart from small scale adits excavated by unknown parties, 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 epithermal precious metal (Au, Ag) 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.*
	• *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 and associated grades is shown in Table 1 of this release.

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 aggregate intercepts incorporate short lengths of*	• No data aggregation methods have been used.

Criteria	JORC Code explanation	Commentary
	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 values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• No drilling.
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 tables and diagrams have been included.
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.
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.*	• All relevant observations have been noted in the release.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Southern Gold is reviewing the data to determine the best way to advance the projects, and will notify such plans once confirmed. • Southern Gold intends to complete underground mapping and sampling (where access can be made safe) and substantial drilling both from surface and in some cases underground.

JORC Code, 2012 Edition – Table 1 : Kochang Project

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.*	• Sample sites were chosen selectively to reflect geological features relevant to the style of mineralisation. • All samples were double bagged (plastic inner with ticket book tag, calico outer), bags both labelled with sample number, and recorded in a hard-copy sample register and digital database. • All samples were sent to MAS laboratories in Thailand for further preparation and assay. MAS is 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.).*	• No drilling.
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.*	• No drilling.
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 samples were geologically described. • Interpretive hard-copy mapping was undertaken using GPS, to a level suitable to produce maps at a scale of 1: 2,500. • Sample descriptions were recorded in hardcopy and later transposed into Company digital excel templates, and then imported into the Company's database.

Criteria	JORC Code explanation	Commentary
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.*	• Sawn slabs of selected samples were prepared for later reference. • Sample size is considered appropriate for the style of mineralisation sought. • Internal laboratory standards used.
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. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All samples were sent to MAS laboratories in Thailand for further preparation and assay. MAS is an ISO/IEC 17025:2005 certified laboratory. • Samples were dried and pulverized to 90% passing 150 mesh. • Gold was analysed by fire assay using a 50g charge with atomic absorption spectroscopy finish. Detection limit range is 0.01ppm to 100ppm Au. • A 23 multi-element suite was undertaken via aqua regia leach and ICP-ES finish. • Silver was analysed as part of the multi-element aqua-regia digest ICP-MS method up to 100ppm Ag. • All silver assays reporting greater than initial upper limit of detection were re-assayed by a four-acid digest and AAS finish with a detection range of 100 ppm to 20,000 ppm (2%) Ag. • The nature of the laboratory preparation and assay sampling techniques are considered appropriate. • Given the nature of the rock sampling, internal lab

Criteria	JORC Code explanation	Commentary
		standards were considered appropriate for reconnaissance rock samples. • No data from geophysical tools were used to determine analytical results.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Samples returning significant gold and silver values were visually inspected and verified by the Competent Person (Dr. Chris Bowden), as well as alternative company personnel. • No drilling was undertaken as part of this program. • Geological descriptions of samples are initially recorded in hardcopy and later transposed into Company Microsoft 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 minimising error in tagging samples with results. • The Company database is a custom MS Access 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.

Criteria	JORC Code explanation	Commentary
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample field location data is initially obtained by tape and compass or GPS. • The grid system used is Universal Transverse Mercator (WGS84), Zone 52 Northern Hemisphere.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• No Mineral Resource has been estimated. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Sampling was undertaken to prepare a map of lithological boundaries and structural trends. The sampling undertaken targeted all rock types present in outcrop or in mullock dumps.
Sample security	• *The measures taken to ensure sample security.*	• 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: • Samples are securely locked overnight on-site in a secure facility. Post on-site logging and processing, samples are transported to the Company's long-term storage facility under the direct supervision of a Company representative. Samples are securely locked at the long term storage. Samples requiring further processing, e.g. slabbing for photography is under the 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).
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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
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 security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The portfolio of tenements is held by Southern Gold Korea, a fully owned subsidiary of Southern Gold (see Figure 4). And can be seen in previous ASX release on 8th of July 2016. • There are no material issues with third parties. • 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 Kochang Gold and Silver mines, within the mapping area, were historically worked. Apart from historical KORES drilling, small scale trenching and adits excavated by unknown parties, 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 mesothermal precious metal (Au, Ag, +/- Cu, Pb, Zn) 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.*
	• *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 and associated grades is shown in Table 2 of this release.

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 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*	• No data aggregation methods have been used.

Criteria	JORC Code explanation	Commentary
	and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• No drilling.
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 tables and diagrams have been included.
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.
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.*	• All relevant observations have been noted in the release.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Southern Gold is reviewing the data to determine the best way to advance the projects, and will notify such plans once confirmed. • Southern Gold intends to complete underground mapping and sampling (where access can be made safe) and substantial drilling both from surface and in some cases underground.

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 by open pit methods. Mining at Cannon is being conducted by Westgold Resources Ltd, who financed and developed the deposit under a 50/50 profit share arrangement. Westgold is responsible for all mining, haulage and processing activities.

Southern Gold is also exploring at projects such as Glandore, Transfind Extended and Cowarna, looking for additional small high grade open pit-able gold resources and potential new discoveries.

In addition to its cornerstone position in Kalgoorlie, Southern Gold owns a portfolio of high grade gold projects in South Korea. These projects are a combination of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. Southern Gold's aim is to move one or more of the orogenic gold mines such as Gubong and Taechang into production in the short to medium term utilising the technical expertise of its joint venture partner and London Stock Exchange listed Bluebird Merchant Ventures as well as explore 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.

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 me be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.