ASX Release
Monday 6 August 2018

ASX Code: SAU

Bonanza grade gold-silver in tenements granted to Southern Gold in South Korea

HIGHLIGHTS

- Bonanza grade gold-silver in two new tenements granted 100% to Southern Gold at the historic Deokon Gold Mine, central-southwest South Korea.
- Grades up to: **13.3 g/t Au & 2,130 g/t Ag** (mullock)**; 9.23 g/t Au & 1,080 g/t Ag** (mullock)**; and, 4.0 g/t Au & 681 g/t Ag** (outcrop) returned from recent rock chip and grab sampling of in-situ vein and mullock.
- Historical underground channel sampling peak results include: **0.5m @ 59.3 g/t Au & 8,879 g/t Ag; 0.6m @ 29.3 g/t Au & 3,820 g/t Ag; and, 0.6m @ 28.5 g/t Au & 7,485 g/t Ag.**
- Historical drilling is sparse and poorly targeted. Mineralisation remains open along strike and down-dip of historically mined high to bonanza grade gold and silver.
- First pass field mapping and sampling by Southern Gold has, in addition to confirming mineralised zones, identified large zones of intense alteration that remain untested.
- "Walk-up" drill target to be tested in the next few months.

Tenure granted over historic Deokon Gold Mine

Southern Gold Limited is pleased to announce the granting of Exploration Rights for the Deokon Project hosting two historical gold-silver mines in central-southwest of South Korea (**Figure 1**). Detailed ground work early in 2018 by Southern Gold identified Deokon as one of several very prospective epithermal gold-silver targets where there is the potential for a mineralised system much greater in size than what was historically recognised.

Sampling by Southern Gold of mullock (waste from previous mining) adjacent to and on exposed veining within adits at the Deokon Main Mine and Shin Adit prospects returned nine (9) samples over 1g/t Au and a peak of 13.3 g/t gold and 2,130 g/t silver (**Table 1 and Photos A to D**). Two historically exploited vein trends have been defined that constitute early drill targets.

Southern Gold Managing Director, Mr Simon Mitchell: "*Deokon represents a Tier 1 exploration target for Southern Gold with large footprint, spectacular gold-silver grades and easy drill and development access. It is also part of the early stages of our Project Generation work and, if the broader Deokon system is as good as we anticipate, we are confident that we will add more similar high potential projects to our portfolio. With some of these samples going 6 gold ounces equivalent to the tonne, it doesn't take a lot of tonnes to achieve a very profitable deposit. Deokon is therefore a very important and valuable addition to our asset base.*"

Shares on Issue: 49.15m
Share Price: $0.195
Market Capitalisation: $9.6m

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 (100%*/BMV)
Kochang Project (100%*/BMV)
Taechang Project (100%*/BMV)
Weolyu Au-Ag Project (100%)
Hampyeong Au-Ag Proj. (100%)
Aphae Au-Ag Project (100%)
Beopseongpo Au-Ag Proj. (100%)
Deokon 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

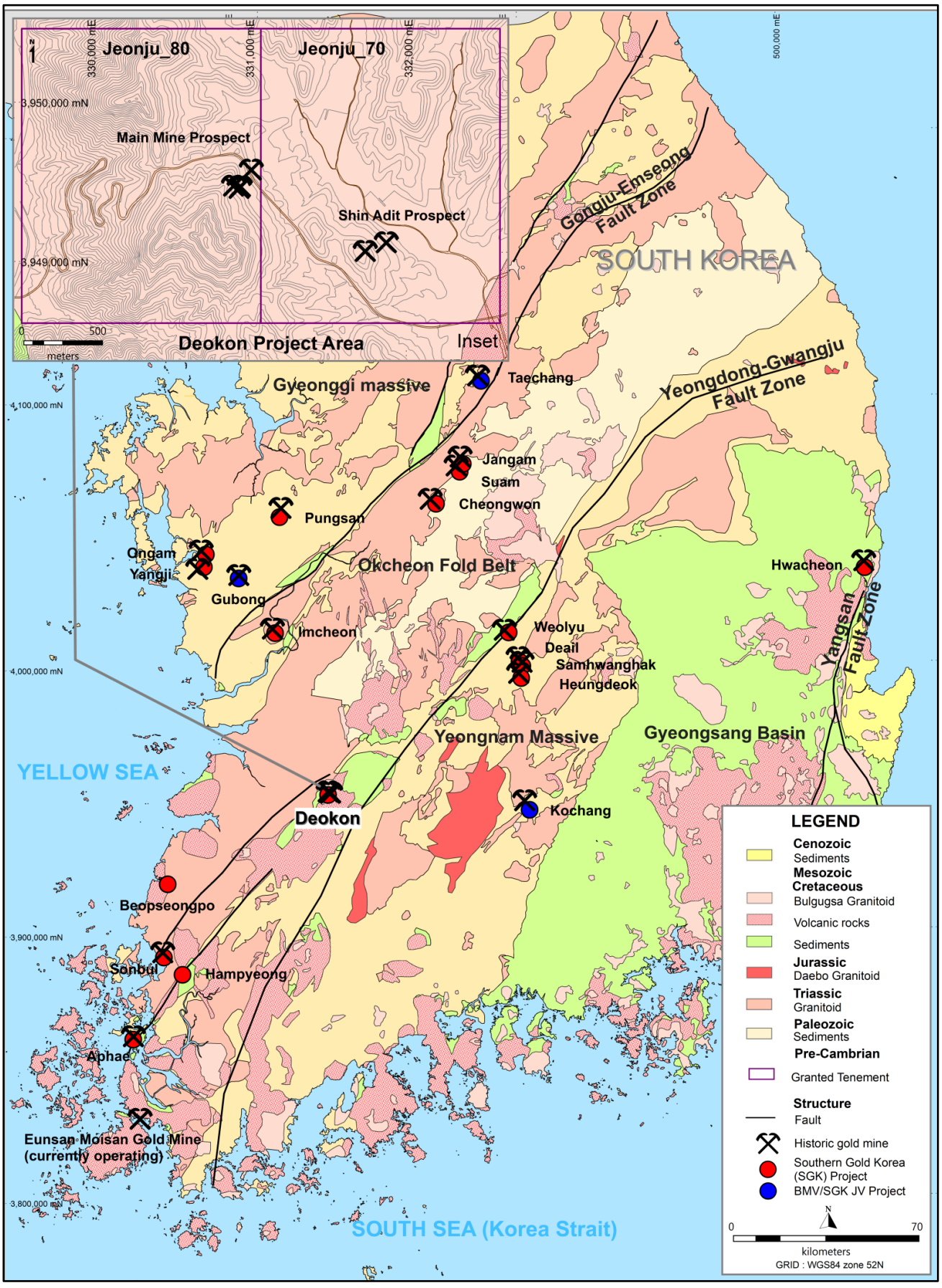


Figure 1: Location of the Deokon Gold Project, South Korea.

The Project Generation exercise, mentioned in previous ASX releases and in which this Deokon Project is one example, is ongoing with several other high-quality targets under review and application. The Southern Gold technical team, including world-recognised epithermal exploration consultant geologists, is confident of identifying several highly prospective, drill-ready projects throughout a district of known gold-silver production, with the potential for economic discovery of Tier 1 projects.

Table 1. Significant rock chip and grab sample results (>1.0 g/t Au) from recent Southern Gold surface and underground sampling at Deokon, South Korea.

Sample ID	Sample Type	Au g/t	Ag g/t
KRS205254	Mullock	**13.30**	**2,130**
KRS205231	Mullock	**9.23**	**1,080**
KRS205229	Mullock	**7.65**	**558**
KRS205409	Outcrop	**4.00**	**681**
KRS205288	Mullock	**3.93**	**359**
KRS205413	Outcrop	**3.32**	**581**
KRS205410	Outcrop	**1.66**	**574**
KRS205287	Mullock	**1.65**	**124**
KRS205412	Outcrop	**1.39**	**333**
KRS205302	Mullock	**1.15**	**70**
KRS205240	Mullock	**1.05**	**191**
KRS205253	Mullock	**1.01**	**133**

Deokon – Historic Gold-Silver Mines

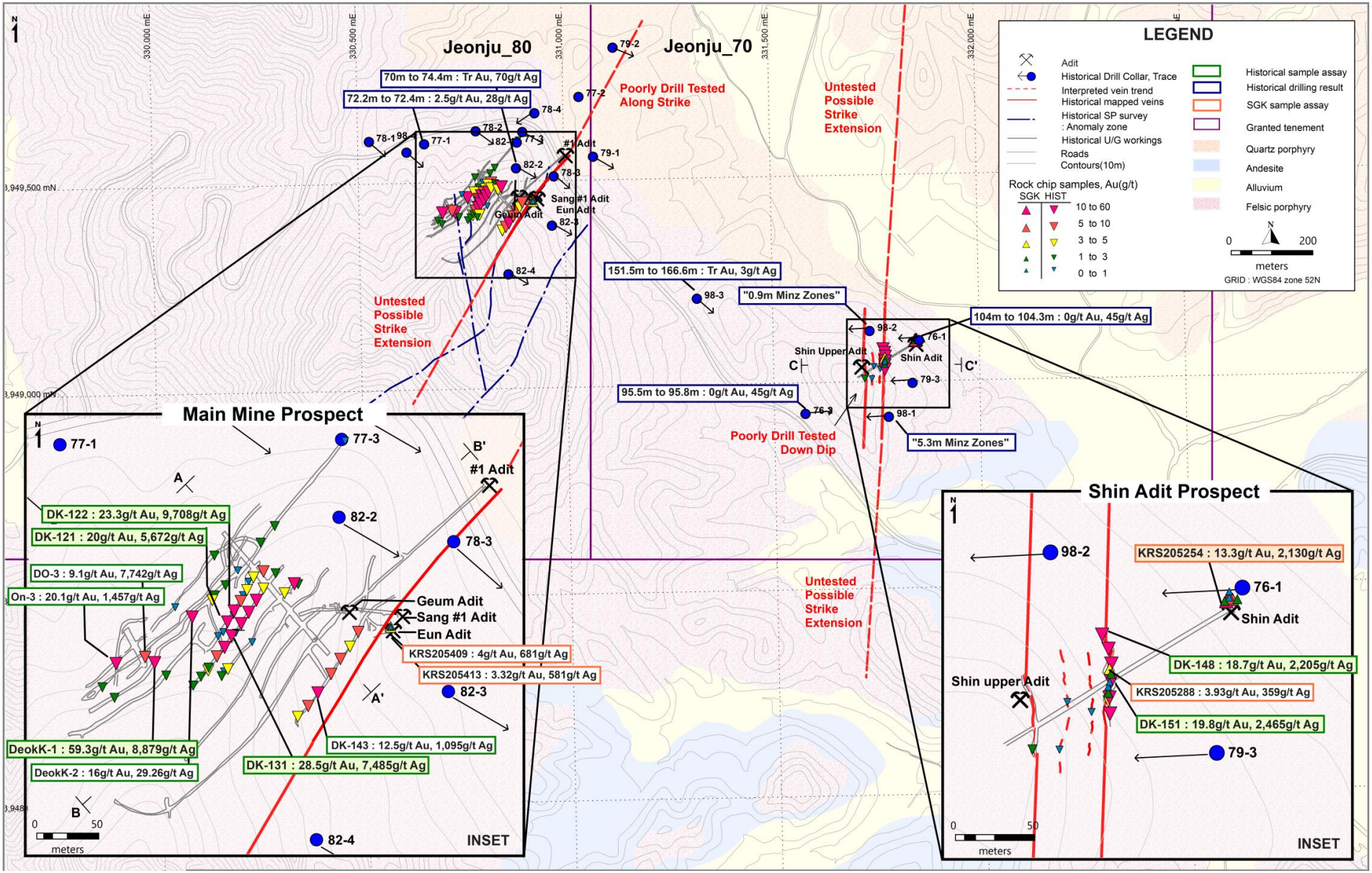
The historic Deokon Au-Ag mines are located in the central-southwestern part of South Korea, in the Jeolla-buk Province (**Figure 1**). Post-war Mines Department records show production resumed between 1958 and 1980, when a Korean national company, registered as The Deokon Mining Company Ltd., re-developed the multilevel underground mining operations at both the Main Mine and the Shin Adit prospects (**Figure 2**), on a series of through-going highly silver-gold mineralised, dacite-hosted lode and vein zones.

Main Mine

The Main Mine is reportedly comprised of at least six sub-parallel quartz-sulphide veins, mined over a strike length of approximately 350 metres, on nine production levels between 320 mRL and 60 mRL (260 vertical metres). Mining apparently utilised shrinkage stoping, with all levels connected by an internal shaft and access decline (see **Figure 3**). Vein widths ranged between 0.3 and 1.0 metre based on historic channel sample data.

Mines Department records between 1958 and 1980 indicated minimum production totals of 37,706 oz of gold and 2,358,045 oz of silver. However, gold production figures between 1978 and 1980 were not declared by the operators. The Korean Mining Promotion Company (KMPC, a precursor of KORES), conducted several diamond drilling programmes and underground resource determination works from the late 1970s through to 1981. Three diamond holes were drilled in 1977 (DDH 77-1 to 77-3), four holes in 1978 (DDH 78-1 to 78-4) and a further three holes in 1979 (DDH 79-1 to 79-3). These drilling programmes intersected silver-gold mineralisation, yet only a few selected intervals were sampled and assayed, with the remaining unsampled drill core discarded in dumps on site. An extension to existing underground workings was recommended, yet not undertaken. During 1981, the KMPC conducted a Self-Potential (SP) geophysical survey to test for along strike extensions to mined veining to the southwest of the mine. The results of this survey are unknown. However, four further drill holes were completed in 1982 (DDH 82-1 to 82-4).

Figure 2: Detailed Plan view of the Deokon Project, highlighting numerous bonanza gold-silver grades.



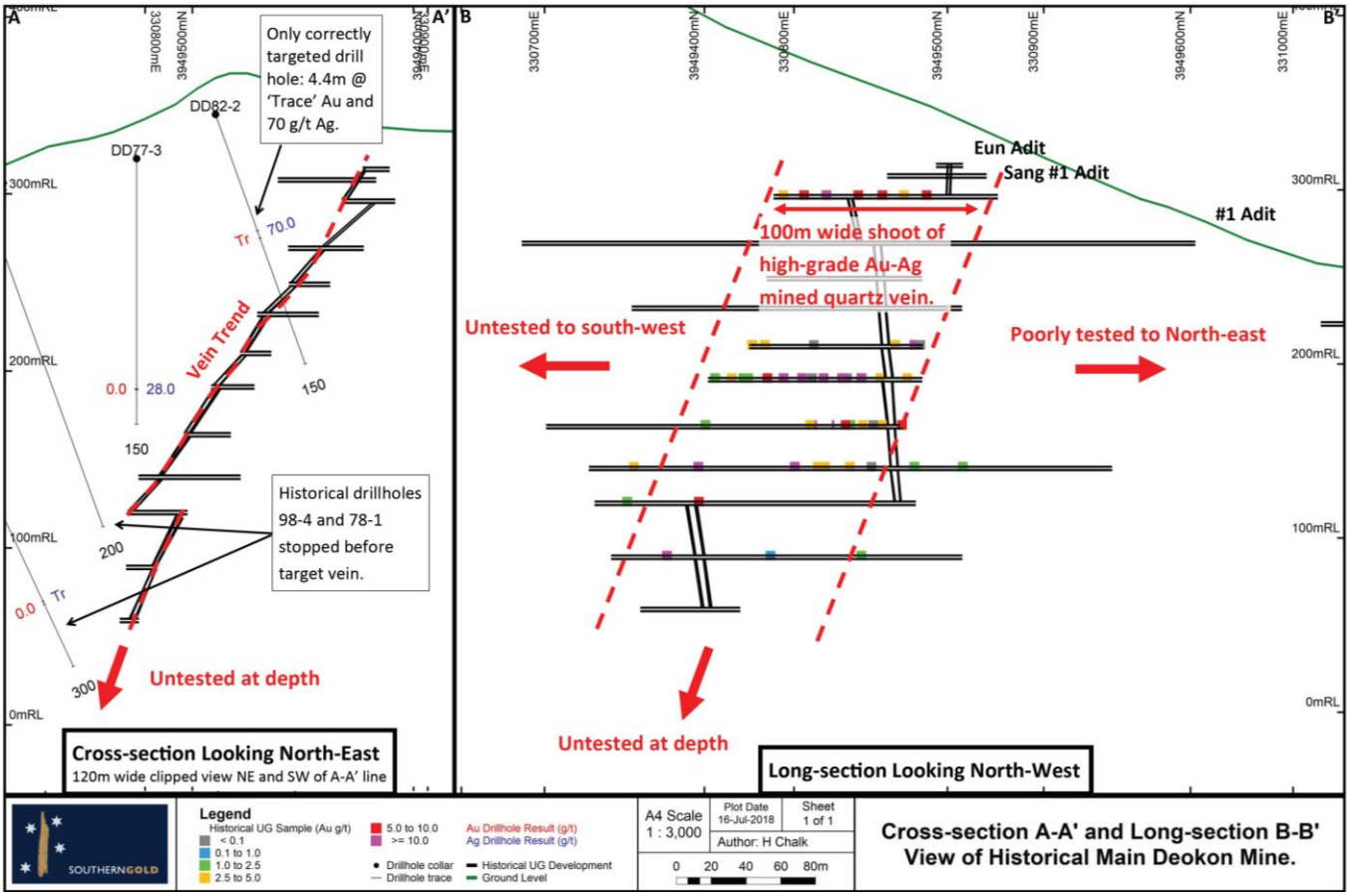


Figure 3: Cross-section and long-section views of the Main Mine, highlighting the poorly tested nature of the high-grade mineralisation.

The historical drilling has not effectively tested the down-dip or along strike potential of the Main Mine mineralisation. When modelled in 3D, it is evident that most of the drilling did not intersect the vein trend, as illustrated in Figure 3. The forward exploration potential is highly encouraging for along-strike and down-dip extensions to high-grade gold and silver mineralisation.

Historical underground sampling programs conducted by KORES illustrate the exceptionally high gold-silver grades that were historically mined. Mine records were poorly kept by the historical miners, resulting in areas of little to no data. Significant historical underground sampling results are presented in **Table 2** and include peak results of: **0.5m @ 59.3 g/t Au & 8,879 g/t Ag; 0.6m @ 29.3 g/t Au & 3,820 g/t Ag;** and, **0.6m @ 28.5 g/t Au & 7,485 g/t Ag.**

Table 2: Top 10 KORES historical underground channel sample results at Main Mine, Deokon, South Korea.

Sample ID	Location	Width (m)	Au (g/t)	Ag (g/t)
Deok K-1	Main Mine	**0.5**	**59.3**	**8,879**
DK-132	Main Mine	**0.6**	**29.3**	**3,820**
DK-131	Main Mine	**0.6**	**28.5**	**7,485**
DK-122	Main Mine	**0.6**	**23.3**	**9,708**
On-3	Main Mine	**2.5**	**20.1**	**1,457**
DK-121	Main Mine	**0.5**	**20.0**	**5,672**
DK-130	Main Mine	**0.3**	**16.5**	**4,227**
Deok K-2	Main Mine	**0.5**	**16.0**	**29**
DK-133	Main Mine	**0.4**	**15.5**	**4,109**
DK-134	Main Mine	**0.4**	**15.5**	**3,424**

Shin Adit Mine

Historical production at the Shin Adit Mine was conducted by the Deokon Mining Company Ltd. between 1958 and 1980. Limited historical production or discovery information is available on the Shin Adit Mine. Exploration by Southern Gold has identified the accessible lower Shin Adit workings as comprised of a 160-metre-long horizontal drive with two cross-cuts following lode zones. Internal raises and stopes are present extending to higher, yet to be assessed mine levels. Open and collapsed adits were noted on the hill-side (276 mRL, 277 mRL, & 286 mRL) of clearly varying age. No production figures are available for the historical mining which appears to have occurred on two vein zones over 75m vertical metres and 60 horizontal metres.

In 1983, KMPC (KORES) completed an underground channel sampling exercise through the first cross-cut lode zone at Shin Adit, returning weighted average results of **16.21 g/t gold and 1,772 g/t (57 oz/t) silver** over an average width of 0.4 metres (strike length sampled: ~61 metres). Significant results are presented in **Table 3.** Peak results include: **0.3m @ 19.8 g/t Au & 2,463 g/t Ag; 0.4m @ 18.7 g/t Au & 2,205 g/t Ag;** and, **0.3m @ 16.3 g/t Au & 1,772 g/t Ag**. Two diamond drill-holes completed in the 1970s, intersected numerous sheeted and network vein zones (DDH 79-1 & 79-3) along strike from the historically mined vein segment. Historical mapping states that the Shin Adit lode system can be definitively traced for more than 500 metres strike length, based on first-pass field mapping.

Historical drilling completed to date has not effectively tested the down-dip or along strike potential of the Shin Adit mineralisation. When modelled in 3D, it is evident that the majority of the drilling did not intersect the vein trend below the best results observed in the underground mine. The forward exploration potential is considered to be extremely encouraging for along strike and down dip extension to high-grade gold and silver mineralisation.

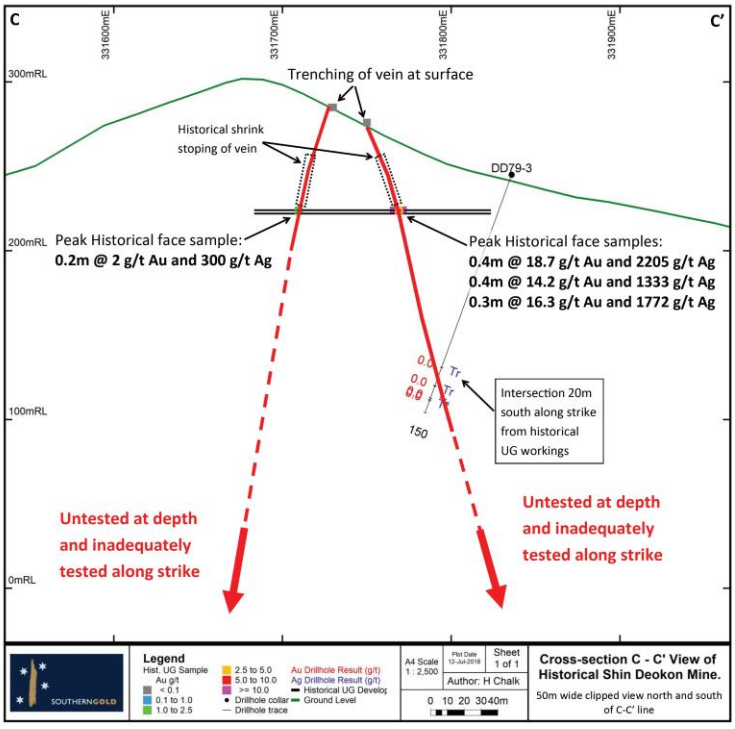


Figure 4. Cross-section of the Shin Adit Mine.

Later, between 1997 and 2010, a group that held a license over the Shin Adit workings apparently re-opened the collapsed Shin Adit mine drive, and re-initiated production. It is inferred that an angled raise was mined up however no production record is available.

Table 3. Top 10 KORES historical underground channel results at Main Mine.

Sample ID	Location	Width (m)	Au (g/t)	Ag (g/t)
DK-151	Shin Adit	**0.3**	**19.8**	**2,463**
DK-148	Shin Adit	**0.4**	**18.7**	**2,205**
DK-153	Shin Adit	**0.3**	**16.26**	**1,772**
DK-152	Shin Adit	**0.3**	**14.5**	**1,356**
DK-149	Shin Adit	**0.4**	**14.2**	**1,333**
DK-150	Shin Adit	**0.1**	**10.3**	**983**
Deok-7	Shin Adit	**0.5**	**3.5**	**52**
Deok-6	Shin Adit	**0.2**	**3.3**	**548**
DK-12	Shin Adit	**0.4**	**3**	**500**
DK-11	Shin Adit	**0.2**	**2**	**300**

It is acknowledged by Southern Gold that all historical sampling cannot be validated or sampling protocols and methodology confirmed nor what QAQC processes were utilised. However, the recent Southern Gold sampling

has provided similar very high-grade results that are in the same order of magnitude, albeit from 'mullock dump' grab samples. Outcrop samples show highly anomalous silver assay results on the surface traces of the same underground veins.

Southern Gold Reconnaissance

First-pass assessment of the Deokon Project was undertaken by Southern Gold Korea in April 2018. Work conducted included systematic traversing, extensive rock chip and grab sampling of the Shin Adit lode and vein system at surface and an initial sampling exercise throughout an accessible lower access drive. Reconnaissance and sampling along strike to the north of the Shin workings in excess of one kilometre was conducted with sampling of vein exposures in the entrance of a single open adit in the Main Vein Workings to the west. A total of 146 rock samples were collected from Tenements Jeonju 70 and 80. Sampling was thorough to allow textural, alteration, lithology and veining characterisation. Significant gold and silver results achieved from SAU sampling are presented above in **Table 1**. Four significant rock sample slabs are presented in **Photos A to D**.

Photos A to D: Selection of gold-silver mineralised rock grab samples from SAU reconnaissance sampling.

Photo A: Sample KRS205254. Hydraulic vein breccia, with angular rhyolite clasts, set in a flood mesocrystalline silica-sulfide matrix (pyrite, chalcopyrite, silver sulfosalts). **13.3 g/t Au and 2,130 g/t Ag.**

Photo B: Sample KRS205231. Hydraulic vein breccia, comprised of white silica-illite/adularia altered rhyolite fragments engulfed by mesocrystalline to crystalline quartz with coarse-grained sulfides (pyrite, tetrahedrite & silver sulfosalts). **9.23 g/t Au and 1,080 g/t Ag**

Photo C: Sample KRS205229. Hydraulic vein breccia, comprised of white silica-illite/adularia altered rhyolite fragments engulfed by mesocrystalline to crystalline quartz with coarse-grained sulfides (pyrite, tetrahedrite & silver sulfosalts). **7.65 g/t Au and 558 g/t Ag.**

Photo D: Sample KRS205409. Hydraulic vein breccia. Brecciated dacite, pervasively silica-illite/adularia altered, with a flood crystalline interlocking to mesocrystalline quartz-sulfides event. **4 g/t Au and 681 g/t Ag.**

Geology

The Deokon target falls within an extensional northeast-southwest trending pull-apart basin, filled by Cretaceous felsic to intermediate composition volcanic rocks and volcaniclastic sediments, punctuated by

dacitic and rhyolitic flow-domes, and a late-stage andesitic domal-eruptive event. Epithermal hydrothermal alteration and associated oxidation is extensive, covering in excess or fifteen square kilometres, especially along north-south trending through-going structures.

Late-stage rhyolitic dyke phases appear to have driven a well-developed and extensive paleo-hydrothermal system, with associated epithermal alteration and lode to vein hosted bonanza gold - silver mineralisation. The impressive traceable and inferred strike extent of mineralised veining bodes well for an extension to the current defined target area.

Lode and vein textures are indicative of an intermediate to low sulfidation epithermal vein system, with both end-members of this continuum exposed at surface due to block faulting. Intense green sericitic alteration and historical petrographic studies of Main Mine veining indicates intermediate-sulfidation characteristics, whist quartz vein textures and possible sinter or vent hydrothermal breccias coupled with highly anomalous arsenic with low base-metal values attained from north of the Shin Adit prospect, represent the high-level low-sulfidation end member. **Potential therefore exists for several hundred down-dip metres of gold-silver mineralisation within these vein and lode systems.**

Planned Activities

A detailed review of all available historical data will be completed prior to follow-up field studies. The Deokon Project is easily accessible by road and a program will be planned to initially conduct localised project-scale mapping to consolidate detailed alteration, lithology and geo-structural mapping. Additional rock chip and representative grab sampling of the broader license area will also be undertaken in parallel. A 3D model will then be generated to assist in designing a targeted multiple hole diamond core drilling programme to test and develop the geological model and develop a better understanding of the mineralisation distribution, aiming towards a possible 2012 JORC Compliant Mineral Resource estimate.

Drilling will initially be focused on testing potential down-dip and along-strike extensions to historically exploited mineralisation at the Main Mine and Shin Adit prospects. This initial programme will be completed over the coming months pending land access and permitting.

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 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: Southern Gold Rock Sample results

Table 4: Rock Sample Assays (>0.1 g/t Au) from rock samples at Deokon mine.

SampleID	NAT_Grid_ID	NAT_North	NAT_East	NAT_RL	Sample_Type	Au_ppm	Ag_ppm
KRS205254	WGS84_52N	3949098	331844	224	Rock Mullock	13.3	2,130
KRS205231	WGS84_52N	3949099	331848	224	Rock Mullock	9.23	1,080
KRS205229	WGS84_52N	3949100	331846	224	Rock Mullock	7.65	558
KRS205409	WGS84_52N	3949452	330923	319	Rock Outcrop	4.00	681
KRS205288	WGS84_52N	3949057	331770	224	Rock Mullock	3.93	359
KRS205413	WGS84_52N	3949452	330923	319	Rock Outcrop	3.32	581
KRS205410	WGS84_52N	3949452	330923	319	Rock Outcrop	1.66	574
KRS205287	WGS84_52N	3949054	331771	224	Rock Mullock	1.65	124
KRS205412	WGS84_52N	3949452	330923	319	Rock Outcrop	1.39	333
KRS205302	WGS84_52N	3949042	331769	224	Rock Mullock	1.15	70
KRS205240	WGS84_52N	3949099	331851	224	Rock Mullock	1.05	191
KRS205253	WGS84_52N	3949098	331843	224	Rock Mullock	1.01	133
KRS205411	WGS84_52N	3949452	330923	319	Rock Outcrop	0.96	197
KRS205305	WGS84_52N	3949046	331769	224	Rock Outcrop	0.96	90
KRS205251	WGS84_52N	3949104	331846	224	Rock Mullock	0.87	86.3
KRS205306	WGS84_52N	3949049	331770	224	Rock Outcrop	0.82	138
KRS205227	WGS84_52N	3949100	331846	224	Rock Mullock	0.80	105
KRS205408	WGS84_52N	3949452	330923	319	Rock Outcrop	0.78	35.1
KRS205285	WGS84_52N	3948996	331712	224	Rock Outcrop	0.67	2.1
KRS205388	WGS84_52N	3949038	331711	302	Rock Mullock	0.57	59.6
KRS205391	WGS84_52N	3949039	331711	302	Rock Mullock	0.46	5
KRS205291	WGS84_52N	3949057	331770	224	Rock Mullock	0.44	27.3
KRS205232	WGS84_52N	3949099	331847	224	Rock Mullock	0.39	49.5
KRS205385	WGS84_52N	3949034	331770	224	Rock Outcrop	0.38	46.4
KRS205255	WGS84_52N	3949097	331842	224	Rock Mullock	0.37	28.1
KRS205289	WGS84_52N	3949057	331770	224	Rock Mullock	0.32	47.9
KRS205395	WGS84_52N	3949038	331712	302	Rock Mullock	0.31	0.7
KRS205389	WGS84_52N	3949039	331712	302	Rock Mullock	0.30	6.6
KRS205340	WGS84_52N	3949503	331874	215	Rock Float	0.29	1.4
KRS205386	WGS84_52N	3949037	331699	294	Rock Outcrop	0.27	1.7
KRS205290	WGS84_52N	3949057	331770	224	Rock Mullock	0.27	36.3
KRS205348	WGS84_52N	3949492	331869	219	Rock Float	0.27	4.4
KRS205311	WGS84_52N	3949111	331707	269	Rock Outcrop	0.25	1.8
KRS205350	WGS84_52N	3949474	331865	227	Rock Float	0.25	1.1
KRS205268	WGS84_52N	3949015	331708	224	Rock Outcrop	0.24	10.8
KRS205320	WGS84_52N	3949101	331750	292	Rock Float	0.24	76
KRS205384	WGS84_52N	3949035	331770	224	Rock Outcrop	0.24	16.9
KRS205292	WGS84_52N	3949058	331771	224	Rock Outcrop	0.24	21.1
KRS205257	WGS84_52N	3949053	331856	221	Rock Float	0.23	1
KRS205346	WGS84_52N	3949464	331893	220	Rock Float	0.23	3.2
KRS205283	WGS84_52N	3948995	331711	224	Rock Outcrop	0.20	2.7
KRS205383	WGS84_52N	3949020	331768	224	Rock Outcrop	0.20	27.9
KRS205327	WGS84_52N	3949011	331720	291	Rock Float	0.19	17.3
KRS205239	WGS84_52N	3949101	331847	224	Rock Mullock	0.19	14.8
KRS205345	WGS84_52N	3949484	331878	218	Rock Float	0.19	0.8
KRS205272	WGS84_52N	3949015	331709	224	Rock Outcrop	0.16	14.4
KRS205275	WGS84_52N	3949017	331708	224	Rock Mullock	0.15	4.2
KRS205269	WGS84_52N	3949010	331709	224	Rock Outcrop	0.15	8.3
KRS205393	WGS84_52N	3949042	331711	302	Rock Mullock	0.14	32.9
KRS205286	WGS84_52N	3949054	331771	224	Rock Mullock	0.14	11.5
KRS205318	WGS84_52N	3949094	331737	297	Rock Float	0.13	3.7
KRS205344	WGS84_52N	3949476	331871	218	Rock Float	0.13	1
KRS205349	WGS84_52N	3949494	331876	218	Rock Float	0.13	2.3
KRS205264	WGS84_52N	3949040	331795	251	Rock Mullock	0.12	0.4
KRS205314	WGS84_52N	3949050	331629	290	Rock Subcrop	0.11	0.2
KRS205324	WGS84_52N	3949033	331744	272	Rock Outcrop	0.11	10.7
KRS205301	WGS84_52N	3949042	331770	224	Rock Mullock	0.11	8.5
KRS205258	WGS84_52N	3949045	331829	230	Rock Float	0.11	0.6
KRS205347	WGS84_52N	3949488	331905	222	Rock Float	0.11	0.4
KRS205394	WGS84_52N	3949038	331710	302	Rock Mullock	0.10	5.8
KRS205247	WGS84_52N	3949099	331849	224	Rock Mullock	0.10	10

APPENDIX 2: Historical Rock Sample results

Table 5: Historical KORES Underground Rock Samples at Deokon.

Sample_ID	Grid_ID	Easting	Northing	RL	Mine	Width	Au g/t	Ag g/t
Deok K-1	WGS84_52N	330732.218	3949426.14	141	Main	0.5	59.3	8,879
DK-132	WGS84_52N	330803.71	3949456.89	192	Main	0.6	29.3	3,820
DK-131	WGS84_52N	330795.824	3949447.39	192	Main	0.6	28.5	7,485
DK-122	WGS84_52N	330798.263	3949467.03	165	Main	0.6	23.3	9,708
On-3	WGS84_52N	330703.482	3949429.02	90	Main	2.5	20.1	1,457
DK-121	WGS84_52N	330792.774	3949458.41	165	Main	0.5	20.0	5,672
DK-151	WGS84_52N	331770.862	3949049.13	224	Shin	0.3	19.8	2,463
DK-148	WGS84_52N	331765.824	3949078.49	224	Shin	0.4	18.7	2,205
DK-130	WGS84_52N	330789.999	3949438.25	192	Main	0.3	16.5	4,227
DK-153	WGS84_52N	331769.867	3949029.11	224	Shin	0.3	16.26	1,772
Deok K-2	WGS84_52N	330768.456	3949468.25	141	Main	0.5	16.0	29.26
DK-133	WGS84_52N	330809.958	3949465.8	192	Main	0.4	15.5	4,109
DK-134	WGS84_52N	330816.141	3949475.3	192	Main	0.4	15.5	3,424
DK-152	WGS84_52N	331769.669	3949039.05	224	Shin	0.3	14.5	1,356
DK-149	WGS84_52N	331769.602	3949069.54	224	Shin	0.4	14.2	1,333
DK-143	WGS84_52N	330863.92	3949400.53	297	Main	0.3	12.5	1,095
DK-138	WGS84_52N	330846.843	3949487.82	211	Main	0.4	11.5	3,807
DK-150	WGS84_52N	331771.259	3949060.26	224	Shin	0.1	10.3	983
DO-3	WGS84_52N	330723.704	3949434.83	121	Main	1	9.1	7,742
DK-123	WGS84_52N	330803.64	3949474.76	165	Main	0.7	9.0	2,689
DK-145	WGS84_52N	330882.543	3949427.27	297	Main	0.4	8.5	849
DK-142	WGS84_52N	330856.078	3949390.31	297	Main	0.4	8.3	995
DO-1	WGS84_52N	330818.459	3949505.5	165	Main	0.15	7.1	3,438
DK-144	WGS84_52N	330874.841	3949415.51	297	Main	0.4	6.3	1,145
DK-129	WGS84_52N	330783.816	3949431.17	192	Main	1	6.2	843
DK-147	WGS84_52N	330897.105	3949448.56	297	Main	0.5	5.7	613
DK-146	WGS84_52N	330890.244	3949437.08	297	Main	0.3	4.8	742
DK-124	WGS84_52N	330808.793	3949483.5	165	Main	0.7	4.8	1,964
DK-135	WGS84_52N	330822.056	3949484.62	192	Main	0.3	4.2	2,058
DK-139	WGS84_52N	330792.377	3949420.96	211	Main	0.3	4.0	2,063
DK-125	WGS84_52N	330814.17	3949493.58	165	Main	0.6	3.8	336
DK-137	WGS84_52N	330838.814	3949480.36	211	Main	0.4	3.7	328
Deok-7	WGS84_52N	NR	NR	NR	Shin	0.5	3.5	52
DK-141	WGS84_52N	330847.537	3949382.05	297	Main	0.5	3.3	646
Deok-6	WGS84_52N	NR	NR	NR	Shin	0.2	3.3	548
D-2	WGS84_52N	330779.024	3949476.39	141	Main	0.3	3.0	1,448
DK-10	WGS84_52N	330792.096	3949457.65	165	Main	0.4	3.0	800
DK-12	WGS84_52N	331768.992	3949024.9	224	Shin	0.4	3.0	500
DK-127	WGS84_52N	330770.732	3949415.3	192	Main	0.2	2.8	1,373
DK-136	WGS84_52N	330832.003	3949496.5	192	Main	0.3	2.8	669
On-5	WGS84_52N	330703.942	3949402.18	141	Main	0.3	2.8	397
D-1	WGS84_52N	330781.713	3949479.53	141	Main	0.25	2.8	1,342
DK-140	WGS84_52N	330787.33	3949415.51	211	Main	0.2	2.7	2,532
D-3	WGS84_52N	330791.682	3949489.72	141	Main	0.6	2.5	1,752
DK-128	WGS84_52N	330777.005	3949422.47	192	Main	0.2	2.3	611
DK-126	WGS84_52N	330764.369	3949408.31	192	Main	0.2	2.0	714
Deok-5	WGS84_52N	330804.84	3949477.37	165	Main	0.3	2.0	716
D-5	WGS84_52N	330818.231	3949515.6	141	Main	0.3	2.0	1,152
DK-11	WGS84_52N	331709.856	3948998.59	224	Shin	0.2	2.0	300
DO-2	WGS84_52N	330834.246	3949538.87	141	Main	0.2	1.7	121
DO-4	WGS84_52N	330690.815	3949409.38	121	Main	0.3	1.6	2,944
On-1	WGS84_52N	330780.133	3949510.17	90	Main	0.3	1.0	5
Deok K-3	WGS84_52N	330743.921	3949420.52	165	Main	0.3	1.0	76
DK-09	WGS84_52N	330775.429	3949420.27	192	Main	0.4	1.0	400
On-2	WGS84_52N	330748.119	3949468.59	90	Main	0.3	0.3	20
Deok-1	WGS84_52N	330811.253	3949489.45	165	Main	0.4	0	2,653
Deok-8	WGS84_52N	NR	NR	NR	Shin	0.25	0	1,035
Deok-9	WGS84_52N	NR	NR	NR	Main	NR	0	2,352
D-4	WGS84_52N	330801.988	3949497.11	141	Main	0.3	0	1,246
DK-01	WGS84_52N	330787.325	3949415.76	211	Main	0.7	0	1,150
DK-02	WGS84_52N	330810.991	3949442.05	211	Main	0.4	0	1,924
DK-03	WGS84_52N	330799.461	3949451.76	192	Main	1	0	2,724
DK-04	WGS84_52N	330811.598	3949467.94	192	Main	0.6	0	4,136
DK-05	WGS84_52N	330849.221	3949490.19	211	Main	0.3	0	8,914
DK-06	WGS84_52N	331729.362	3949000.58	285	Shin	0.5	0	3,218
DK-07	WGS84_52N	331730.009	3949027.93	285	Shin	0.6	0	3,150
DK-08	WGS84_52N	331750.237	3949020	276	Shin	0.4	0	4,027
On-4	WGS84_52N	330886.229	3949598.54	141	Main	0.3	Trace	17
Deok-2	WGS84_52N	330797.363	3949466.04	165	Main	0.1	NR	2,128
Deok-3	WGS84_52N	330785.937	3949449.13	165	Main	0.6	NR	2,126
Deok-4	WGS84_52N	330761.449	3949439.31	165	Main	0.4	NR	1,024

APPENDIX 3: Historical drillhole location data and results

Table 6: Historical KORES drill collar location and survey data from Deokon.

Year	Hole_ID	Grid_ID	Easting	Northing	Collar RL (m)	Azimuth (Mag)	Dip	Hole Depth (m)
1976	DD76-1	WGS84_52N	331,854	3,949,106	280	270	-60	200
1976	DD76-2	WGS84_52N	331,575	3,948,933	240	90	-70	100
1977	DD77-1	WGS84_52N	330,661	3,949,602	300	NA	-90	100
1977	DD77-2	WGS84_52N	331,038	3,949,710	280	NA	-90	100
1977	DD77-3	WGS84_52N	330,886	3,949,602	340	NA	-90	150
1978	DD78-1	WGS84_52N	330,527	3,949,610	285	140	-70	400
1978	DD78-2	WGS84_52N	330,787	3,949,631	300	134	-70	200
1978	DD78-3	WGS84_52N	330,974	3,949,519	285	140	-70	200
1978	DD78-4	WGS84_52N	330,930	3,949,672	275	220	-70	200
1979	DD79-1	WGS84_52N	331,071	3,949,564	320	130	-70	150
1979	DD79-2	WGS84_52N	331,123	3,949,827	250	120	-70	200
1979	DD79-3	WGS84_52N	331,836	3,949,003	240	270	-70	150
1982	DD82-1	WGS84_52N	330,900	3,949,628	305	130	-70	150
1982	DD82-2	WGS84_52N	330,883	3,949,540	330	130	-70	150
1982	DD82-3	WGS84_52N	330,968	3,949,400	315	130	-70	150
1982	DD82-4	WGS84_52N	330,860	3,949,284	365	130	-70	150
1998	DD98-1	WGS84_52N	331,777	3,948,923	310	275	-65	250
1998	DD98-2	WGS84_52N	331,734	3,949,130	290	275	-65	250
1998	DD98-3	WGS84_52N	331,316	3,949,216	270	140	-65	300
1998	DD98-4	WGS84_52N	330,618	3,949,583	305	140	-65	300

Table 7: Historical KORES drillhole sample assays from Deokon.

Year	Hole_ID	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
1976	DD76-1	104	104.3	0.3	0.0	54
1976	DD76-1	108.3	108.5	0.2	0.0	48
1976	DD76-1	121	121.2	0.2	0.0	51
1976	DD76-1	168.5	168.8	0.3	0.0	46
1976	DD76-2	29	29.3	0.3	0.0	38
1976	DD76-2	95.5	95.8	0.3	0.0	45
1977	DD77-1	72.2	72.4	0.2	2.5	28
1977	DD77-2	31	31.3	0.3	0.0	18
1977	DD77-3	130	130.5	0.5	0.0	28
1978	DD78-1	356.1	359.5	3.4	ND	Trace
1978	DD78-2	-	-	-	-	-
1978	DD78-3	174	174.8	0.8	ND	Trace
1978	DD78-4	177.2	179.4	2.2	ND	Trace
1979	DD79-1	12	12.2	0.2	ND	Trace
1979	DD79-2	182.1	182.5	0.4	ND	Trace
1979	DD79-3	121.4	121.5	0.1	ND	Trace
1979	DD79-3	133	133.2	0.2	ND	Trace
1979	DD79-3	140.7	140.8	0.1	ND	Trace
1979	DD79-3	141.7	142.4	0.7	ND	Trace
1982	DD82-1	123	123.3	0.3	ND	Trace
1982	DD82-2	70	74.4	4.4	Trace	70
1982	DD82-3	78.6	79	0.4	-	-
1982	DD82-3	142	142.5	0.5	-	-
1982	DD82-4	-	-	-	-	-
1998	DD98-1	59	60.2	1.2	ND	Trace
1998	DD98-1	244.7	250	5.3	'Mineralised zones'	
1998	DD98-2	67	67.9	0.9	'Mineralised zones'	
1998	DD98-2	218.4	218.8	0.4	'Anomaly zones'	
1998	DD98-3	151.5	166.6	15.1	ND~ Trace	Trace ~3
1998	DD98-4	25	29.7	4.7	ND	Trace
1998	DD98-4	99.5	99.8	0.3	ND	Trace
1998	DD98-4	147	148.5	1.5	ND	Trace
1998	DD98-4	259.3	261.2	1.9	ND	Trace

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 rock chip, grab, and channel samples, and historical core drilling at the Deokon Project, South Korea, within tenements held by Southern Gold. SAU 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 for SAU sampling include controls on sample quality and sample location. Core quality for historical diamond drilling was not able to be checked and verified as it was not retained at time of drilling by KORES. Sample intervals for the core are as historically reported.
	Aspects of the determination of mineralisation that are Material to the Public Report.	A significant compilation of historical data including historical underground face sampling and historical drilling results as well as recent SAU mapping and rock sampling results has been used to inform the determination of mineralisation at an early stage of exploration.
	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.	No core drilling was completed by SAU in this release. Given the nature of the first pass rock sampling, internal lab standards were considered appropriate for reporting of early stage Exploration Results. Where historical sampling and core is referred to in this report, it cannot be confirmed that industry standard practices were undertaken.
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.).*	Drilling referred to in this work is historical diamond drilling conducted by the Korean Government agency KMPC (KORES) over 14 diamond holes drilled between 1977 and 1982. The drill rig type is unknown. Drill holes were drilled from surface as angle and vertical holes with specific attitudes of hole angles not known. It is not known if the drill holes were oriented by downhole wireline spear method or what surveying method was used. SAU did not conduct any drilling for this release.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Drill core recovery was not calculated and cannot be validated in any records. SAU did not conduct any drilling for this release.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	As the drilling related to KORES is historical in nature it is unknown what measures were taken to maximise sample recovery.

Criteria	JORC Code explanation	Commentary
	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.	As the drilling reporting in the release is historical in nature it is not known if a relationship exists between sample recovery and grade, or if there is any bias present.
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.*	It is unknown if the historical KORES drill core samples have been geologically and/or geotechnically logged to a sufficient level of detail. No documentation or original data has been located. SAU conducted in-situ rock chip and grab sampling; all samples were geologically described, recorded and representative rock slab samples taken. 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.
	The total length and percentage of the relevant intersections logged.	The historical KORES drillholes are not known to have been logged or any logging documentation was not located in searches.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Historical KORES drill core was assumed to be whole core sample and not sampled sections discarded.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Rock chip and grab samples had representative slabs cut (example, see Photos A-D in the body of this release) and all of the remaining offcuts of each sample were sent for assay. Historical drilling and underground samples have been taken from KORES reports and the nature of sampling technique and quality controls are not known.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	For historical KORES drill core and underground channel samples, the nature, quality, and appropriateness of the sample preparation techniques are unknown. All SAU rock chip and grab 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 and quality of the laboratory preparation techniques for SAU samples 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. These procedures are considered appropriate to maximise representivity of samples, for first pass exploration.

Criteria	JORC Code explanation	Commentary
	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.	Given the nature of the first pass rock sampling, no field duplicate samples were considered appropriate for reporting of early stage Exploration Results. The samples collected weighted between 0.35kg to 4.5kg with and average of 2.0kg. A total of 187 samples were collected as art of the Deokon dataset. Historical KORES drill core and underground sampling is known to be selective, and may not have sampled all mineralised material. It is unknown if any duplicate sampling was conducted.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	For SAU rock chip and grab samples, the 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. Historical KORES drill core and underground sample sizes are unknown.
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. The nature of the laboratory assay sampling techniques are considered 'industry standard' and appropriate. 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. All initial silver assays reporting greater than 100g/t Ag were re-assayed by an aqua-regia digest and AAS or ICP-AES finish with a detection range of 100g/t to 1,500g/t Ag (ALS method Ag-OG46). Silver assays reporting greater than 1,500g/t Ag were completed using ALS method ME-CON02. The nature and quality of the laboratory assay sampling techniques for SAU samples are considered 'industry standard' and appropriate. For historical KORES drill core and underground channel samples, the nature, quality and appropriateness of the sample assaying procedures are unknown.
	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. The nature of historical KORES geophysical data is not known nor locatable at time of this ASX Release.

Criteria	JORC Code explanation	Commentary
	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.	Given the nature of the first pass rock sampling, internal lab standards were considered appropriate for reporting of early stage Exploration Results.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Historical KORES data cannot be independently verified. SAU assay data has been verified by the database manager responsible for importing laboratory results into the database. SAU logging data have been compiled by the senior geologists directly involved in the program, under guidance of the Exploration Manager (Competent Person).
	The use of twinned holes.	Not Applicable. No twinned holes have been completed as part of this ASX Release, as the program is at an early stage.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Historical data exists as digital copy format of original Korean logs and transcripts, but cannot be validated. It has been transcribed into SAU databases where applicable, and appropriately tagged as such. Primary SAU 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 an 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.*	SAU rock sample XYZ locations are determined with a hand held Garmin 62s GPS, using an averaging waypoint method (15 minutes) producing levels of accuracy +/- 3m.
	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.	There is 5m contour data available from the government that is suitable for topographic control on early stage exploration programs.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Historical KORES drilling were collared 'randomly' with no specific systematic grid spacing. SAU rock chip and grab sampling intervals were based on geological boundary and veining where possible. On occasion multiple intervals within a single vein have also been taken to identify internal variability.
	Whether the data spacing and distribution is sufficient to establish the degree of geological	No Mineral Resource or Ore Reserve have been estimated in this ASX Release.

Criteria	JORC Code explanation	Commentary
	and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	
	Whether sample compositing has been applied.	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.*	Rock chip and grab sampling has been conducted in a selective manner targeting mineralised structures. Given the early stage of exploration, chip and representative grab samples across veins are considered appropriate and unbiased at this stage of the project.
	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.	SAU did not conduct any of its own drilling for this release.
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: 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 are further processed 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 new tenements, Jeonju 70 and Jeonju 80 are 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.	Following the submission of a Mineral Deposit Report for a tenement application, it is reviewed by the Mine Registration Office (MRO) who determine if the application meets specified criteria for approval and if so, grant an Exploration Right. The holder then has 1 year to submit an Exploration Plan to the Ministry outlining planned work. An initial 3 year exploration period is given to complete the exploration work,

Criteria	JORC Code explanation	Commentary
		which can be extended to 6 years upon a successful submission to the Ministry. After the exploration period and upon an Exploration Results Report being accepted by the MRO/MOTIE, the Exploration Right is converted to an Extraction Right. Results are from Jeonju 70 and Jeonju 80, which is an Exploration Right granted on the 31/07/2018. 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. 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*	A summary of exploration results and cross sections and associated grades is shown in Figures 2, 3 & 4 and Tables 1 & 2 in the main body of this release and full results presented in Appendix 1, 2 & 3 at the end of this release.

Criteria	JORC Code explanation	Commentary
	• *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.	No information has been excluded from this release for Jeonju 70 and Jeonju 80 to the best of our knowledge .
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.*	No data aggregation methods have been used. 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.	No data aggregation methods have been used.
	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.*	No SAU drilling has been conducted for this release. Historical drilling intercepts and the relationship between mineralisation widths and intercept lengths cannot be verified.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	The geometry of mineralisation with respect to historical drilling is shown in plan, cross-section and long-section in Figures 2, 3, & 4.
	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').	Historical drilling intercepts and the relationship between mineralisation widths and intercept lengths cannot be verified. Without clarification, it is assumed the historically reported intercepts are downhole lengths and not true 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. All material sample data is represented in Tables 1 & 2 in the body of the release and Appendix 1, 2 & 3 at the end.
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 have 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 project and will notify such plans once confirmed. Further detailed surface ground reconnaissance and accessing the historical workings to obtain more detail geological and structural information is planned prior to developing an initial diamond drill program.
	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, 2, 3 & 4 in the main body of this ASX Release that show where drilling (and other works) have been conducted and highlight possible extensions and where future drilling campaigns may focus.