



Shares on Issue: 87.87m
Share Price: \$0.23
Market Capitalisation: \$20.2m

South Korea Exploration (100%)

Weolyu Au-Ag Project
Deokon Au-Ag Project
Beopseongpo Au Project
Aphae Au-Ag Project
Neungju Au-Ag Project
Dokcheon Au-Ag Project
Hampyeong Au-Ag Project

South Korea Development

BMV# JV (50%)

Gubong Project JV Co Ltd
Kochang Project JV Co Ltd
Bluebird Merchant Ventures is LSE listed

Directors

Greg Boulton AM (Chairman)
Simon Mitchell (MD)
Peter Bamford
David Turvey
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Quarterly Activities Report

30 September 2019

Highlights

South Korea

- Land access secured and regulatory approvals received at Deokon with diamond drilling to commence at the 'Bonanza Zone' in the December quarter, targeting beneath the outcrop which returned a peak of 32.4g/t gold and 1,095g/t silver in outcrop and 78.6g/t gold and 13,000g/t silver in float.
- 866.33m of Diamond drilling completed at **Beopseongpo**, with 653.53m at '**Lotus North**', followed by a further 212.8m at '**Hand of Faith**'. The latter was the most promising Prospect with observations from drill core showing that the target was clearly intersected, displaying abundant epithermal veining with individual, predominantly veined, zones up to 7m in true width with high-level epithermal textures, within broader zones of up to 50 metres true width. Final assays are expected during November at which point the program will be summarised in more detail.
- Assays returned from surface mapping and outcrop rock chip and float sampling at the **Neungju** and **Dokcheon** Projects, with peak result returning **31.8g/t gold** and **6.6g/t silver** at **Neungju**.
- "Permit to Develop" submission for the **Gubong** project, operated by JV company BMV, was approved by MOTIE, the first foreign approved mine since Indochina Goldfield's Eunsan Gold deposit in the late 1990's. The **Kochang** Project is still under assessment.

Corporate

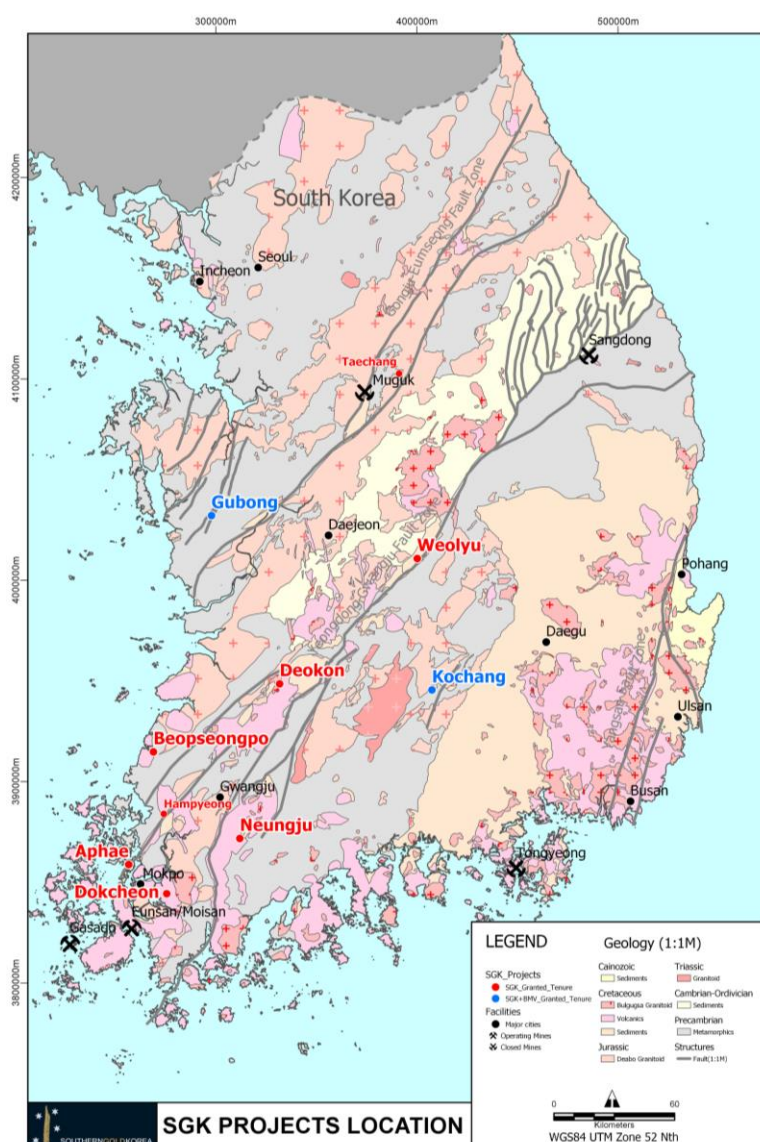
- A\$0.44 million was raised through 4 major shareholders with identical terms as the 1 for 3 Rights Issue offer with a placement at A\$0.11 per share and an attached 1-for-2 call option exercisable at 18c until 31 December 2021.
- Binding Sales and Purchase Agreement executed with Aurenne Group Holding Pty Ltd for A\$2.5million before costs. All Australian Exploration assets including the Cannon Gold Mine were included in the sale.

South Korea

Southern Gold continued a high level of activity on the ground in the September quarter, with the main focus being the maiden diamond drill program at Beopseongpo, land access for the Bonanza Zone drill site at Deokon and the final mapping and sampling results and interpretation at the Neungju Project with an experienced epithermal consultant. A number of significant grade Au-Ag rock chip results were received at Neungju and stand out targets were discovered ready for scout diamond drill testing next year.

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

The Joint Venture received the **Gubong Project (Figure 1)** Permit to Develop' approval by the Ministry of Trade, Industry and Energy (MOTIE) on the 10 September 2019, which is the first foreign approved mine since Indochina Goldfield's Eunsan Gold deposit in the late 1990's. The approval took less than one year from the original submission date. South Korea uses a streamlined process of application for mine plan approvals. There is a single application made that encompasses all government approvals required to carry out mining activities. The submission is made at the provincial government level which in turn obtain approvals from all relevant government authorities.



At the **Kochang Project (Figure 1)** the 'Permit to Develop' is still in process, pending review of supplementary documents required to be submitted during the quarter.

BMV continues to be the operator of the Joint Venture and activities at Kochang included project planning for refurbishment and location and survey of adits and successful entry. Planned works over the next quarter include establishing proper operable entrances to both mines, expand working areas and laydown sites and construct/source minimal infrastructure. The optimal process flows for the two ores will be finalised and the design of plant/s will be drawn up.

Figure 1: South Gold project Locations in South Korea including JV Projects (BMV).

Deokon (SAU 100%)

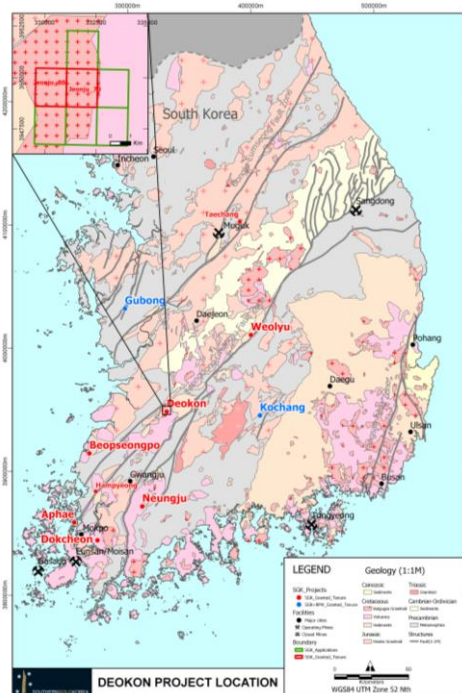


Figure 2: Deokon Project Location

The company secured land access and regulatory approvals and diamond drilling will commence at the 'Bonanza Zone' in the December quarter, targeting beneath the outcrop which returned a peak of 32.4g/t gold and 1,095g/t silver in outcrop and 78.6g/t gold and 13,000g/t silver in float announced on 17 July 2019.

The initial program will involve four diamond drill holes from Pad 1 for approximately 500m, three of which are designed to intersect around 25 metres below the identified outcrop at around 40m apart, with a fourth planned to intersect the structure at depth, approximately 50m below surface. A second pad along strike is also planned to follow with stage 2 holes.

The 'Bonanza Zone' is part of the Golden Surprise Trend (Figure 3) representing a low sulphidation epithermal target within the broader Deokon project hosting a high-quality Au-Ag fertile epithermal mineralisation system with multiple vein zone targets identified across several square kilometres of project area.

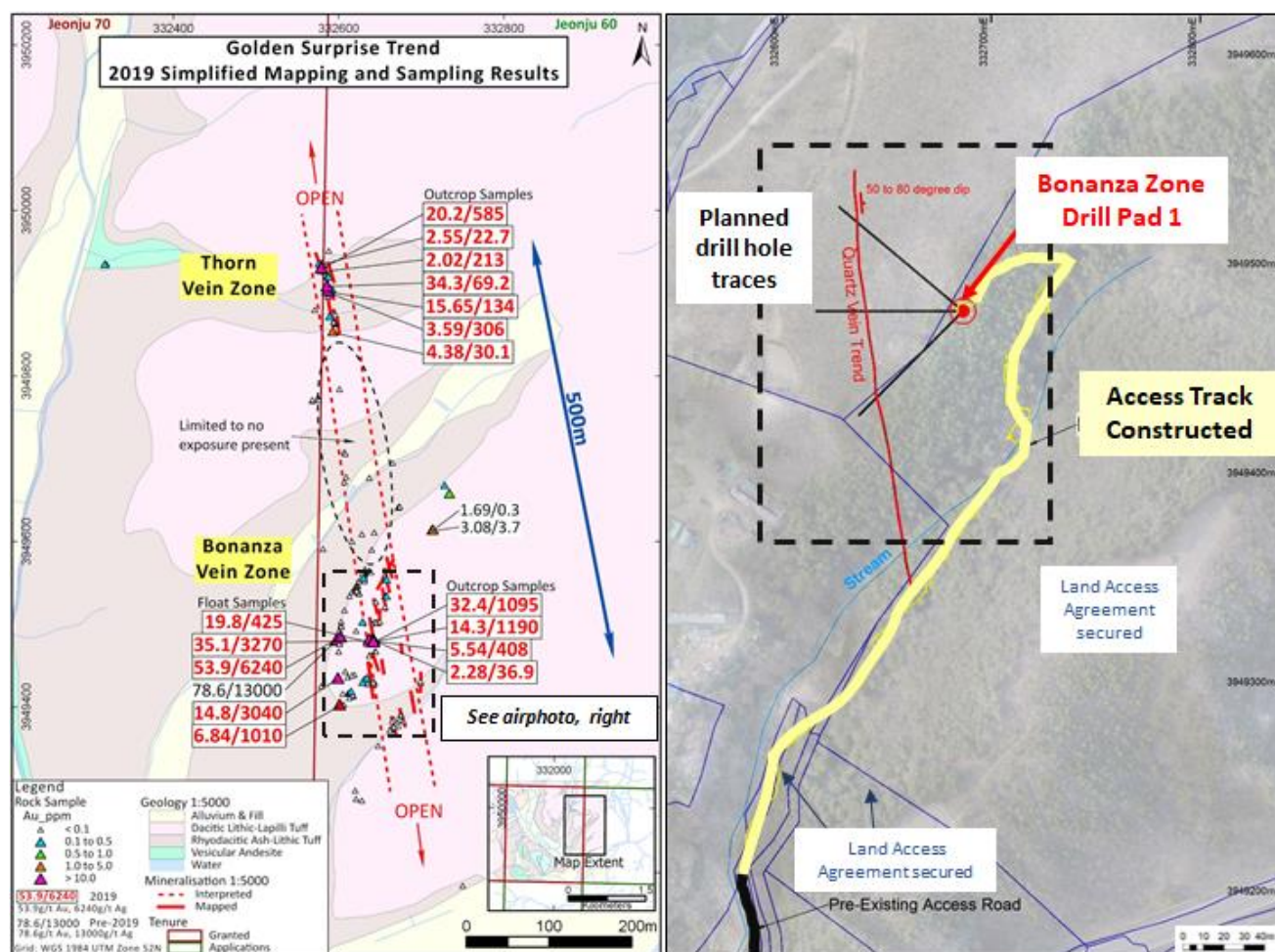


Figure 3: Deokon Project sampling results and planned drilling at Bonanza.

The Golden Surprise Trend is a mineralised vein corridor with an approximate width of 60m and a strike extent of at least 500m based upon geological mapping and is not closed off in either direction. Further thorough reconnaissance is planned post summer when vegetation die-off has occurred. The corridor strikes north-northwest – south-southeast with the average dip of the veins 66° to the ENE within the zone. The core zone within the corridor includes intense sheeted and network vein development over a width of 4m to 20m. These core zones host quartz $\pm$ sulfide-sulfosalt veins and quartz $\pm$ sulfide-sulfosalt vein breccias that vary between 1cm and 25cm in width and with sheeted vein densities observed up to 4 to 5 veins per metre.

Beopseongpo (Southern Gold 100%)

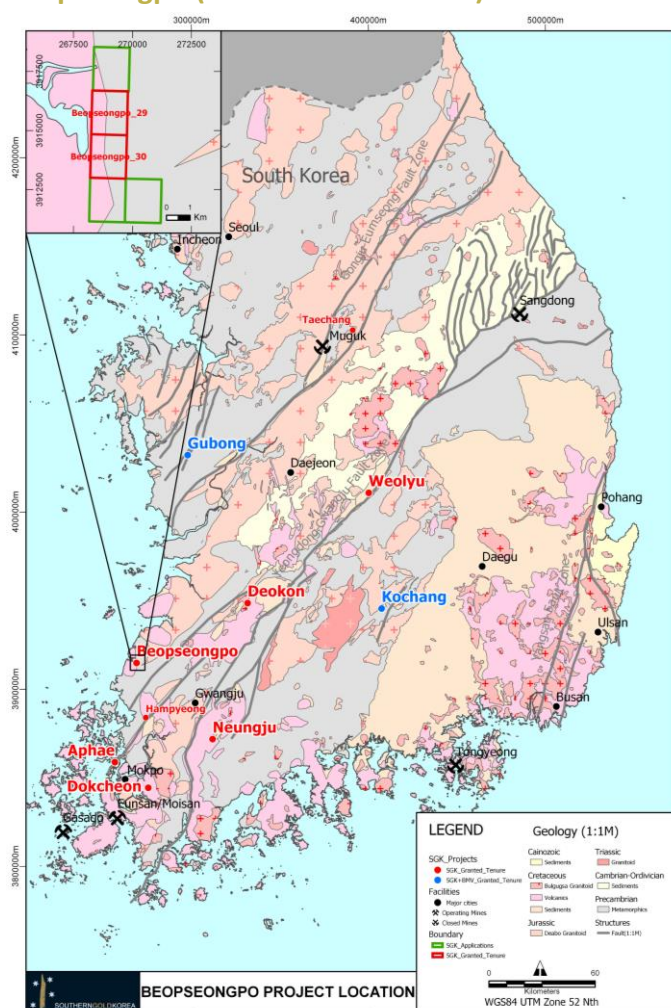


Figure 4: Beopseongpo Project Location.

During the September quarter a total of 866.33m were drilled, with 653.53m at **'Lotus North'**, followed by a further 212.8m at **'Hand of Faith'**. Final assays are expected during November at which point the program will be summarised in more detail.

A Korean Drilling Contractor was utilised under supervision of Australian company Ausino Drilling Services. Southern Gold is very happy with the capability of the drill contractor and the quality of the core and core recoveries in general. This early stage drilling program also demonstrates the ability of Southern Gold to execute exploration programs in South Korea successfully.

At **'Hand of Faith'**, observations from drill core show that the target was clearly intersected and contains abundant epithermal veining with individual, predominantly veined, zones up to 7m in true width with high-level epithermal textures, within broader zones of up to 50 metres true width. Numerous low-sulphidation

The Beopseongpo Project is a series of highly prospective low-sulphidation epithermal gold-silver vein and vein breccia targets with large scale system potential.

Five major zones were identified from the alteration and mineralisation mapping in the June Quarter and mapped up to 500 metres in strike length (combined length of up to 2,750m), with vein zone widths of ~20m and individual vein widths over 1m.

All five vein zones returned weak to moderate anomalous gold-silver values with peaks of 31.9g/t Au and 23.5g/t Ag – being from clasts ripped up and transported higher up in the fault from deeper parts of the mineralised system. This indicates the main zone of gold mineralisation is likely preserved at around 100-500 metres below surface.

Three of these veined zones - Golden Palm, Lotus North and Hand of Faith were considered immediate drill targets and the initial diamond drill program commenced at Lotus North due to timing of Land Access approvals.

epithermal multi-phase quartz-adularia+-pyrite +/- fine sulphide dusting veins were intersected within intensely altered (propylitic distal and argillic vein proximal) basement host. Vein textures encountered include: colloform banded, chalcedonic flood, bladed quartz pseudomorphs after calcite, comb, veined breccias, vein breccia, saccharoidal and mesocrystalline.

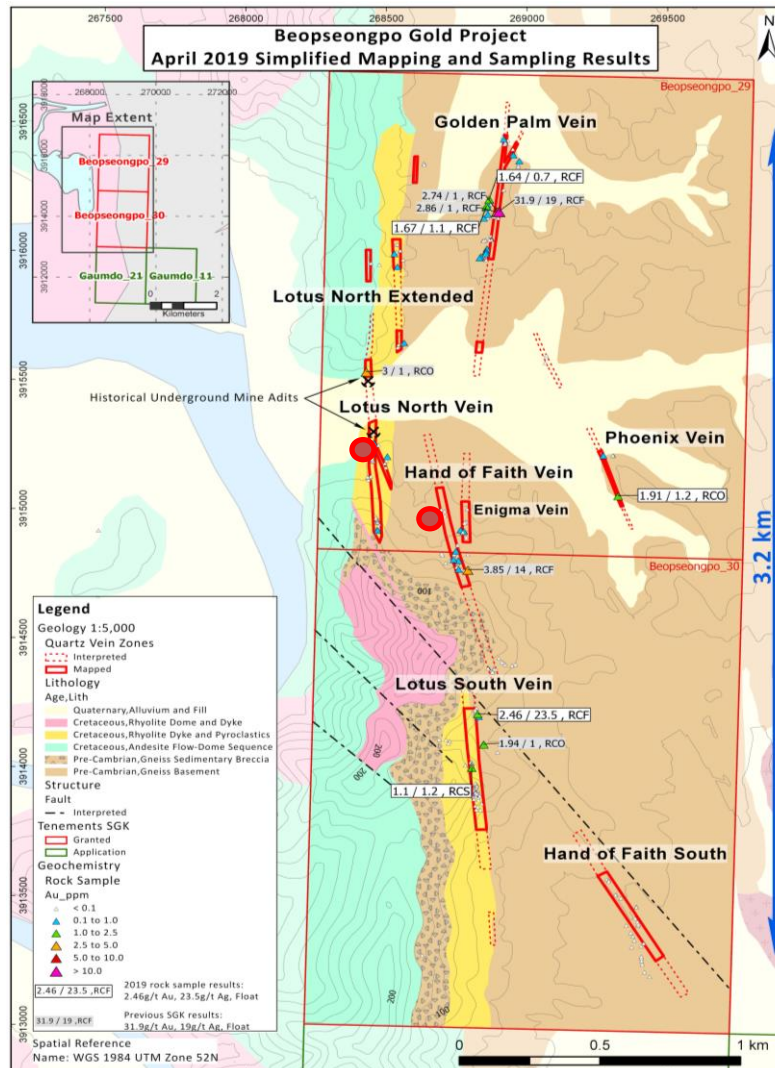


Figure 5: Beopseongpo Project showing the locations of the Lotus North and Hand of Faith Prospects where drilling has recently been completed

At 'Lotus North' only minor epithermal veins were encountered, and the current interpretation is that the main target is dipping to the east rather than the west. This was contrary to what was expected from the limited outcrop in the area and caused the designed holes to pass sub-parallel to the target. Further geological investigation is required.

Neungju (SAU 100%)

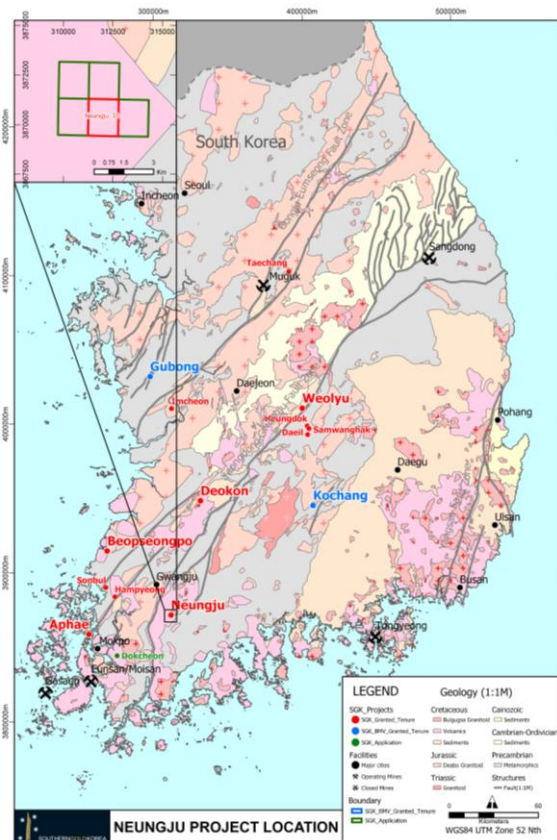


Figure 6: Neungju project Location

The Neungju Project is located to the south-east of Gwangju city in the southern Jeolla Province. An intensive sampling program was completed with over 130 new samples being taken and submitted for analysis. Two outcrop rock chip and three float samples returned high grade (>5g/t) gold results (**Figure 7 and Table 1**). The peak outcrop rock chip sample at Neungju was **31.8g/t Au and 6.6g/t Ag**.

In addition, 1:2000 and 1:1000 mapping was completed on the granted licence. Extensions to previously known veining and additional zones of more intense veining and silicification were successfully outlined.

Five corridors of sheeted and network vein development have been tentatively mapped within the area (the Naesin, Oesin, Yeppeuda, Lee Spur and Jidong vein corridors). They exhibit widths of 2 to in excess of 100 metres, and have traceable exposed outcrop, subcrop and float train segments ranging between 25 and 650 metres in strike extent (combined strike of 1,065m) and open in both strike directions.

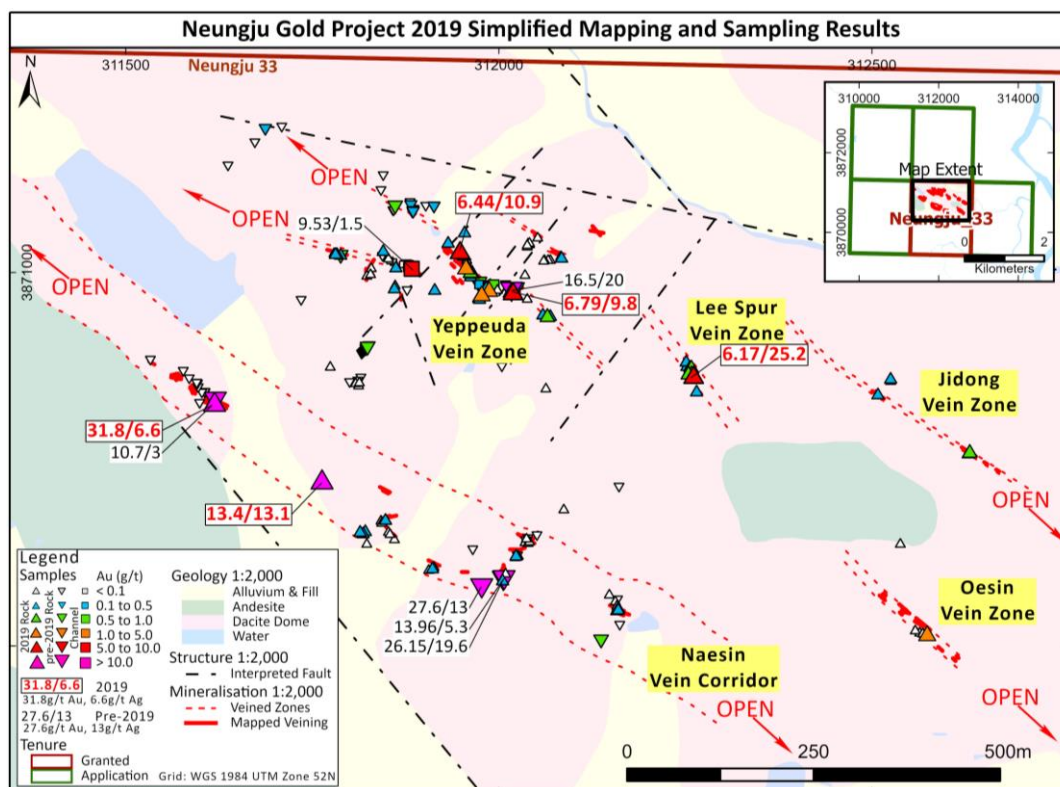


Figure 7: Neungju Project sampling results and geology.



Photo 1: Subcrop at 'Jindong Vein Zone', site of sample KRS206538 (1.15g/t Au, 5g/t Ag)



Photo 2: Subcrop at 'Naesin Vein Zone', site of recent sample KRS206458 (31.8g/t Au, 6.6g/t Ag). Photo was taken on an initial reconnaissance trip during October 2017 – highlighting the greater ease of access after vegetation die-off.

Neungju June Field Program Detail

Final significant assay results returned from the recent mapping program are presented in **Table 1**. Peak result returned was **31.8g/t gold and 6.6g/t silver (Photo 2)** from within the Naesin Vein Corridor.

The main Neungju target area resides along the eastern flank of a large caldera-like volcano-plutonic complex and consists of a complex series of dacitic to rhyodacitic flow domes and late andesitic lavas that have all undergone varying degrees of hydrothermal alteration. The results of completed, semi-detailed geological mapping and surface sampling to date indicates that Neungju has potential for the discovery of a large, potentially highly gold-silver mineralised Low-Sulfidation epithermal deposit.

Sample ID	Au g/t	Ag g/t	Sample Type	Prospect	Grid ID	Easting	Northing	Elevation
KRS206458	31.8	6.6	Subcrop	Naesin	WGS84_Z52Nth	311619	3870827	75
KRS206455	13.4	13.1	Float	Naesin	WGS84_Z52Nth	311763	3870723	81
KRS206478	6.79	9.8	Float	Yeppueda	WGS84_Z52Nth	312019	3870975	110
KRS206492	6.44	10.9	Float	Yeppueda	WGS84_Z52Nth	311948	3870030	94
KRS206529	6.17	25.2	Outcrop	Lee	WGS84_Z52Nth	312261	3870863	95
KRS206496	4.58	7.3	Float	Yeppueda	WGS84_Z52Nth	311977	3870972	97
KRS206486	3.95	1.9	Float	Yeppueda	WGS84_Z52Nth	311956	3871008	97
KRS206413	3.28	2.9	Float	Oesin	WGS84_Z52Nth	312574	3870517	111
KRS206481	2.58	15.2	Float	Yeppueda	WGS84_Z52Nth	311987	3870978	104
KRS206526	2.35	0.8	Outcrop	Lee	WGS84_Z52Nth	312258	3870866	94
KRS206527	2.17	1.9	Outcrop	Lee	WGS84_Z52Nth	312254	3870866	94
KRS206525	1.79	8.9	Outcrop	Lee	WGS84_Z52Nth	312258	3870874	95
KRS206484	1.44	1.1	Float	Yeppueda	WGS84_Z52Nth	311964	3871001	98
KRS206485	1.32	0.8	Float	Yeppueda	WGS84_Z52Nth	311962	3871002	98
KRS206538	1.15	5	Subcrop	Jidong	WGS84_Z52Nth	312631	3870761	128
KRS206477	1.08	1.6	Float	Yeppueda	WGS84_Z52Nth	312021	3870975	110
KRS206506	1.05	0.4	Subcrop	Yeppueda	WGS84_Z52Nth	312065	3870943	114

Table 1: Significant reconnaissance surface mapping rock sample results from Neungju (>1.0g/t Au).

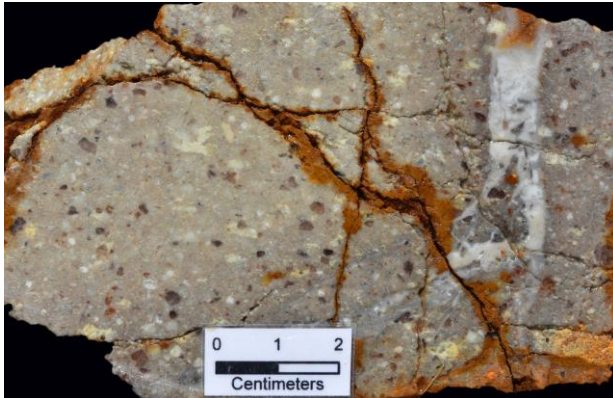


Photo 3: Subcrop sample KRS206458, 31.8g/t Au and 6.6g/t Ag. **Naesin Vein Zone** (Western end).

Quartz-feldspar phryic dacite, intensely silica-illite (adularia) altered, with minor limonite staining & quartz vein development.



Photo 4: Float sample KRS206492, 6.44g/t Au and 10.9g/t Ag. **Yeppeuda Vein Zone**.

Hydraulically brecciated, silica-illite-clay altered dacite, cut & flooded by mesocrystalline quartz. Well-developed limonite-haematite staining.

Dokcheon (SAU 100%)

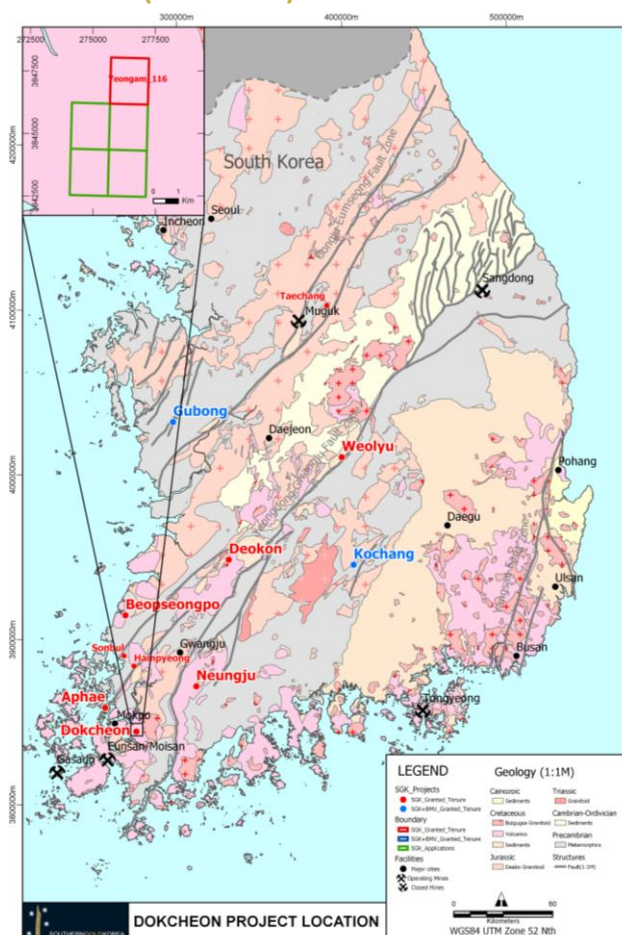


Figure 8: Dokcheon Project Location

The Dokcheon Project is located to the south-east of Gwangju city in the southern Jeolla Province. Field sampling and mapping was completed in June with assay results received in September.

There was a total of 49 rock samples taken and the program was successful in discovering outcrop and float quartz vein boulders along strike from quartz vein boulders sampled as part of the initial Jeolla Project Generation field trip in 2017 at the Dome Prospect. The gold grades received were generally quite low, however, so the focus for the Project will return to Dokcheon West.

Weolyu (SAU 100%)

No further activities other than community relations occurred at the Weolyu Project and the Weolyu drilling plan is ready to be enacted at an appropriate stage depending on the results of the drilling at the other projects and the evolution of each target ranking. While the main first-pass target is the Surprise and Moonlight vein system, which has historical underground development, secondary target for drilling will be the Mystery vein to the east. Further drilling may target the more distant (~120m) Summit vein from an underground location.

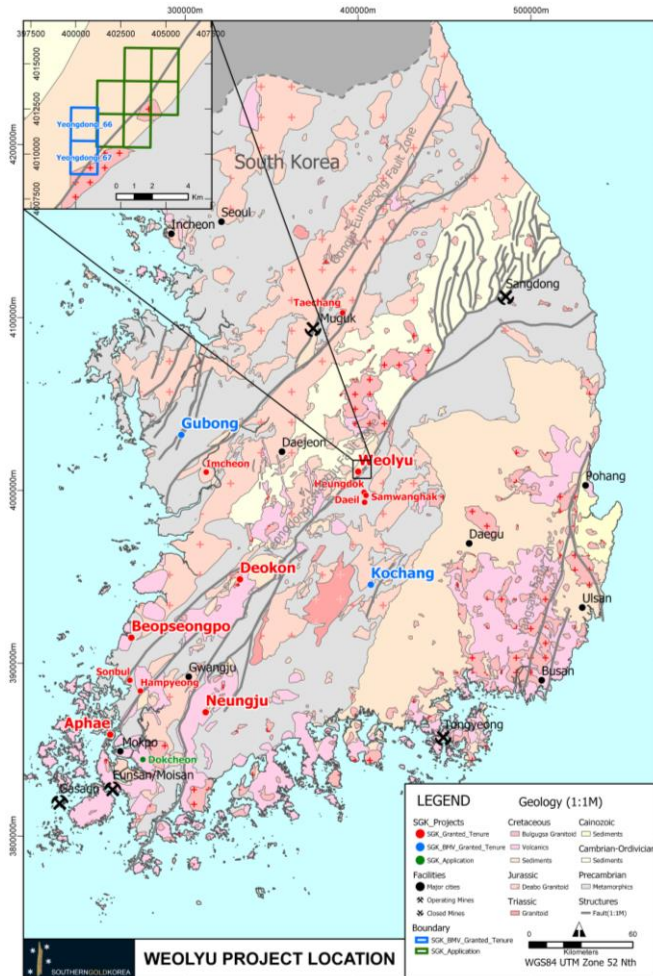


Figure 9 (left): Weolyu Project Location.

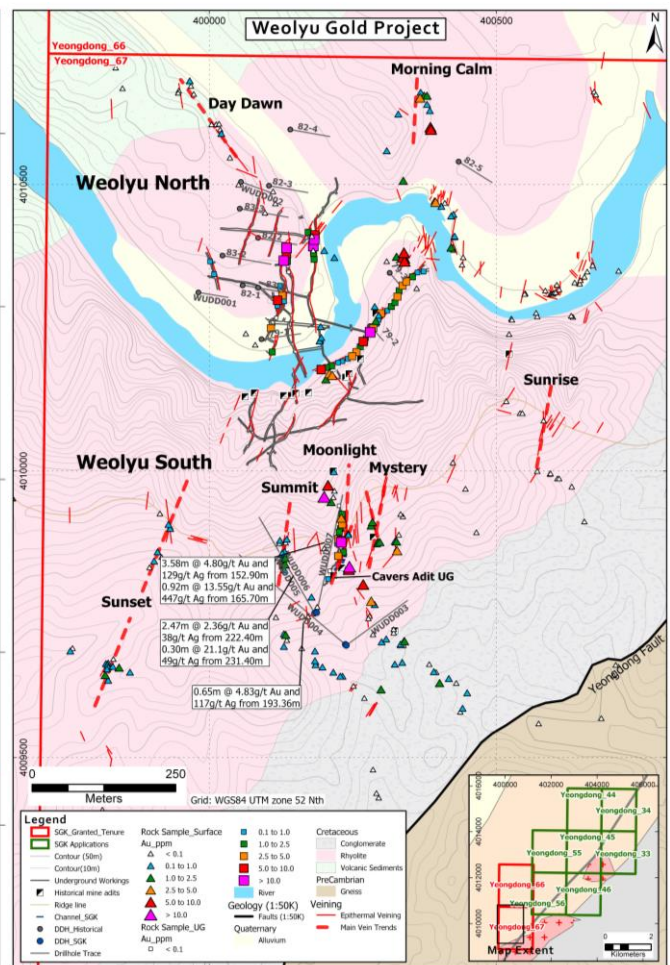


Figure 10 (right): Weolyu project geology

The aim of this initial program is to establish a proof of concept through drilling by firstly targeting the Weolyu Surprise vein from surface, adjacent to the 330 East Adit, then from within the old workings on the 330 Level development, targeting the mystery vein (**Figure 11**).

The Korean drilling partner/contractor will be provided with significant support and supervision by Australian company Ausino Drilling Services based in China, who has extensive experience in operating MetreEater and Kempe pneumatic diamond rigs.

Figure 12 shows the proposed drill program lay out, with hole collars designed at the entrance to the 330 East Adit, then moving not the 330 North drive to target the Mystery vein. Approximately 800m of drilling is planned in this first trial of the MeterEater drilling from up to 10 holes. All are relatively short 70 - 85m in length and should allow good intersection of the mineralised zones.

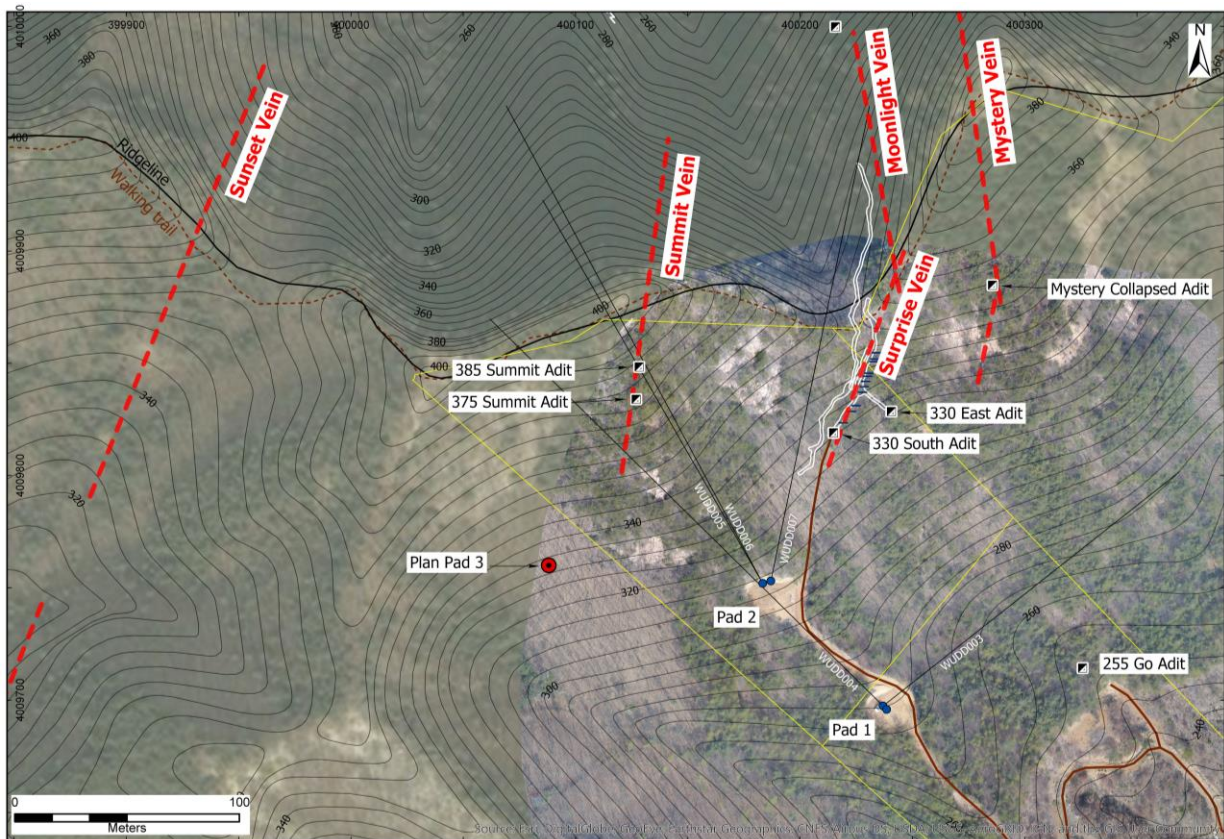


Figure 11: Weolyu Infrastructure preparations for Diamond drilling. Note historical 2017 Drilling from Pad 1 & 2.

Project Generation

Project Generation activities remained at a minimum during the quarter with the focus on the drilling at Beopseongpo but will substantially increase in the December quarter with two field teams being deployed into two separate areas.

No new exploration licences were granted, and no new applications were lodged in the quarter.

Community and Environment

Community engagement at Weolyu was reduced as focus was on the new areas at Beopseongpo and Deokon. Beopseongpo community engagement was more advanced than Deokon which is why drilling was completed there first. During the next quarter community engagement programs will continue at Beopseongpo, Deokon and commence at Neungju and seek to gain momentum as a wider range of stakeholders will be engaged to garner community support to operate, including local service providers and contractors. Community liaison officers will also cover the wider Jeolla province community to assist in communicating SGK activities and optimising best periods to drill when farming areas are vacant.

Environmental baseline studies continued at Weolyu and commenced at Beopseongpo before the drilling started and will precede any drilling campaigns to be conducted at any project. Baseline studies will look at water discharge, waste contamination and removal, community impacts from noise and drilling activities and the associated mitigation.

The Company takes its Community and Social Responsibilities very seriously and will look to build relationships with local people for the long-term benefits of all stakeholders.

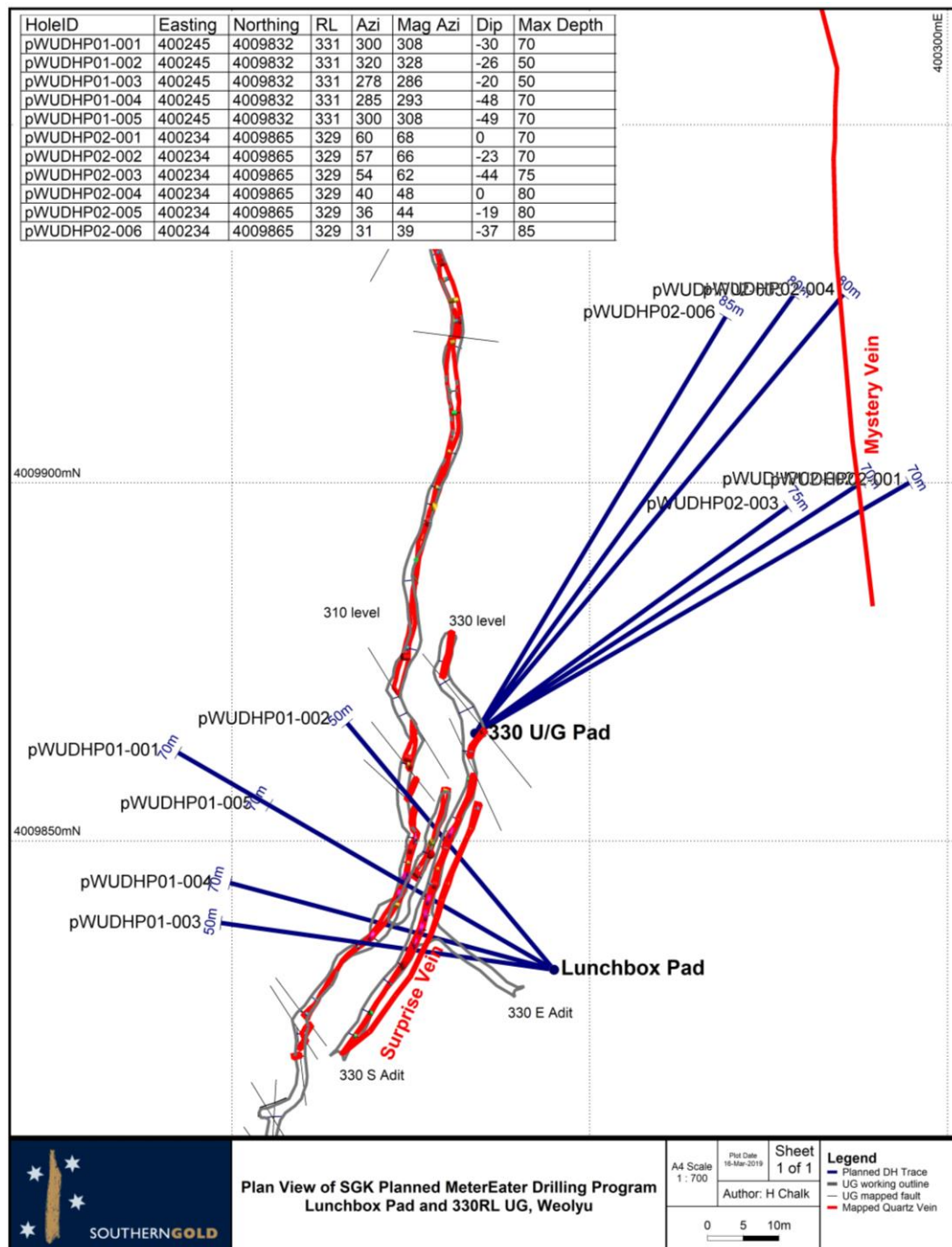


Figure 12: Proposed drilling program for the initial MetreEater program at Weolyu. The surface location at ‘Lunchbox’ was determined to allow drilling operations to be field tested for operating at other project locations

Corporate

All of Southern Gold’s Western Australian assets including the Cannon Gold Mine, Glandore, Bulong and Cowarna Projects were sold to Aurenne Group Holding Pty Ltd for A\$2.5million before costs. The sales process was managed by PCF Capital Group. This will allow the company to focus its attention and invest these funds into the highly prospective South Korean project portfolio.

A\$0.44million raised through 4 major shareholders with identical terms as the raising in the June quarter being a 1 for 3 Rights Issue offer at A\$0.11 per share with an attached 1-for-2 call option exercisable at 18c until 31 December 2021.

Related ASX Announcements

All results presented here have been previously reported. Please refer to the appropriate original ASX Releases that contain full JORC 2012 Table 1 commentary and explanation for reporting of Exploration Results, Exploration target ranges and Mineral Resources for these.

- 20180806 – ASX Tenements granted at Deokon, South Korea.
- 20180904 – ASX Project Generation strategy building valuable portfolio.
- 20180921 – ASX South Korean Joint Venture Update.
- 20181002 – ASX High grade gold confirmed at Shin Adit, Deokon, South Korea.
- 20181122 – ASX SAU JV Kochang Update.
- 20181206 – ASX Cannon NST Agreement.
- 20190129 – ASX High grade gold-silver zones confirmed at Weolyu South Project, South Korea.
- 20190207 – ASX South Korea JV Update.
- 20190221 – ASX \$1.75m funding in place.
- 20190401 – ASX WA Asset Sale Process.
- 20190403 – ASX 2019 South Korea Field Work Commences.
- 20190506 – ASX New Cannon Underground Reserve.
- 20190527 – ASX Beopseongpo, Major Epithermal Target Defined.
- 20190717 – ASX ‘Golden Surprise’ High-Grade Gold-Silver Discovery at Deokon Project, South Korea.
- 20190830 – ASX Asset Sale Agreement completed - \$2.5million received
- 20190905 – ASX High-Grade Gold results Neungju Project
- 20190911 – ASX Gubong Gold Project ‘Permit to Develop’ approved
- 20190829 – ASX Bonanza Drilling Commences

Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer listed on the Australian Securities Exchange (under ASX ticker “SAU”).

Southern Gold owns 100% of a substantial portfolio of high-grade gold projects in South Korea that are largely greenfield epithermal gold-silver targets in the south-west of the country. Backed by a first-class technical team, including renowned geologist Douglas Kirwin, Southern Gold’s aim is to find world-class epithermal gold-silver deposits in a jurisdiction that has seen very little modern exploration.

Southern Gold is also looking to commission a small scale mine in South Korea within the next 12 months with development partner London-listed Bluebird Merchant Ventures (BMV) at either the Kochang or Gubong project where the company retains a 50% equity interest.

Competent Person’s Statements

The information in this report that relates to Exploration Results has been compiled under the supervision of Mr. Paul Wittwer (AIG, AusIMM). Mr Wittwer who is an employee of Southern Gold Limited and a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wittwer consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Forward-looking statements

Some statements in this release regarding estimates or future events are forward looking statements. These may include, without limitation:

- *Estimates of future cash flows, the sensitivity of cash flows to metal prices and foreign exchange rate movements;*
- *Estimates of future metal production; and*
- *Estimates of the resource base and statements regarding future exploration results.*

Such forward looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. Such statements are expressed in good faith and believed to have a reasonable basis. However, the estimates are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from estimated results.

All reasonable efforts have been made to provide accurate information, but the Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this presentation or ASX release, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

SOUTHERN GOLD LIMITED

ABN

30 107 424 519

Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(548)	(548)
(b) underground exploration at Cannon	-	-
(c) production	-	-
(d) staff costs	(200)	(200)
(e) administration and corporate costs	(528)	(528)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(46)	(46)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,321)	(1,321)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(2)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	2,327	2,327
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (loans to 50% owned Joint Ventures)	-	-
2.6	Net cash from / (used in) investing activities	2,325	2,325

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,334	2,334
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(174)	(174)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,160	2,160

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	392	392
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,321)	(1,321)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,325	2,325
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,160	2,160
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,556	3,556

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	103	3
5.2 Call deposits	3,453	389
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,556	392

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

121

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The amount at 6.1 comprises Director fees paid to Directors, or related entities of the Directors, during the quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	750	750
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The \$750,000 unsecured loan has interest payable at 12% per annum paid quarterly in arrears. The debt is due to be repaid in full on 19 August 2020. Southern Gold may repay all or part of the debt at anytime during the loan period. As part of the loan facility, 4,411,765 call options were issued to the lender. The options are exercisable at \$0.17/option, in multiples of \$250,000, anytime through to the option expiry date of 16 September 2019.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(829)
9.2 Capital raise costs	-
9.3 Interest costs	(23)
9.4 Staff costs	(198)
9.5 Administration and corporate costs	(325)
9.6 Other (JV contributions)	-
9.7 Total estimated cash outflows	(1,375)

Subsequent to the end of the September quarter, the Company has raised \$440,000 through a placement to sophisticated investors, as approved at the Company's recent Annual General Meeting (refer ASX Announcement 21 October 2019).

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	<u>All interests in Western Aust were divested</u> M25/0330 M25/0329 M25/0327 P25/2154 P25/2390 E25/0349 L25/0043 L25/0050 L25/0051 M25/0182 M25/0333 P25/2365 P25/2449 E25/0564 M25/0357 L25/48 E25/0474 E25/0497 E25/0551 E25/0503 E25/566	Mining lease Mining lease Mining lease Exploration lease Exploration lease Exploration lease Misc licence Misc licence Misc licence Mining lease Mining lease Exploration lease Exploration lease Exploration lease Mining lease Misc licence Exploration lease Exploration lease Exploration lease Exploration lease Exploration lease	100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%	0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

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

Sign here:.....
(Company Secretary)

Date:31/10/2019.....

Print name:Dan Hill.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.