


Shares on Issue: 88.3m

Share Price: \$0.175

Market Capitalisation: \$15.4m

South Korea Exploration (100%)

Weolyu Au-Ag Project

Deokon Au-Ag Project

Beopseongpo Au Project

Aphae Au-Ag Project

Neungju 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

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*ETW – Estimated True Width

Diamond drilling results from maiden drilling programme at Deokon Project, South Korea

- Assays received from the maiden drilling at the 'Bonanza Zone', Deokon Project, targeting beneath the outcrop which returned high grade gold and silver in surface samples.
- Scout drilling of 6 holes returned a peak assay of 0.15m at 4.59g/t Au and 708g/t Ag from 42.35m in drill hole DKDD004.
- Mineralisation has now been confirmed at depth in this new zone and significant potential remains along strike, within the broader project area and regionally across the basin.

Deokon Drilling Results

Assays for the maiden diamond drilling program at Deokon involving six scout diamond drill holes for 455.52m at 'Bonanza Zone' have been received. This was a first pass drill program to test the high gold and silver grades seen in outcrop with close spaced drilling to determine the true width of the mineralised zone and gold and silver grade at depth. This scout programme has confirmed mineralisation at depth, albeit at lower grade tenor, with peak results from the drilling being:

- 0.15m (0.11m ETW*) at 4.59g/t Au, 708g/t Ag from 42.35m in DKDD004
- 0.23m (0.17m ETW*) at 1.13g/t Au, 211g/t Ag from 41.77m in DKDD004
- 0.34m (True width) at 1.4g/t Au, 8.1g/t Ag from 26.78m in DKDD002

The 'Bonanza Zone' is the southern section of the Golden Surprise Trend (**Figure 1**) representing a low sulphidation epithermal target within the broader Deokon project. Deokon is a gold-silver fertile epithermal mineralisation system, with multiple vein zone targets identified across several square kilometres of project area. This drilling program was designed to test underneath one of the targets, the Bonanza Zone discovery 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 July 17, 2019.

Southern Gold Managing Director, Mr. Simon Mitchell:

"We are pleased to have been able to drill the first program at the Golden Surprise Trend within such a short timeframe after reconnaissance exploration. This demonstrates our ability to quickly drill test newly generated targets. While these first pass results are lower in grade tenor than expected, plenty of potential remains at our 100% owned Deokon Project, both locally and regionally. Clearly the area has seen some rich mineralised fluids with bonanza grade gold and silver on surface and two historical mines, one of which, Shin Hill, has never been drilled at depth. Further work is required at Deokon to fulfil its potential, along with Southern Gold's numerous other exploration projects in South Korea, including several newly defined ones from our project generation initiative, which we will report on shortly."

Deokon Drilling Results

The maiden diamond drilling program at the Deokon Project commenced on the 30th October and was completed on the 26th of November. Six holes for 455.52m were drilled and hole collar co-ordinates and details are shown in Table 1.

Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
DKDD001	Bonanza Zone	332686	3949494	279	-45	251	100.44
DKDD002	Bonanza Zone	332686	3949494	279	-45	219	73.48
DKDD003	Bonanza Zone	332686	3949494	279	-45	285	70.40
DKDD004	Bonanza Zone	332686	3949494	279	-75	251	85.40
DKDD005	Bonanza Zone	332709	3949417	258	-45	254	49.40
DKDD006	Bonanza Zone	332711	3949417	258	-75	254	76.40

Table 1 – Drill hole collar details at Deokon

The initial program involved four diamond drill holes from Pad 1 for 329.72m, three of which were designed to intersect around 25 metres below the identified outcrop at around 30m apart along strike, with a fourth designed to intersect the structure at depth, approximately 50m below surface. A second pad to the south at lower elevation was also constructed with two holes for 125.8m completed.

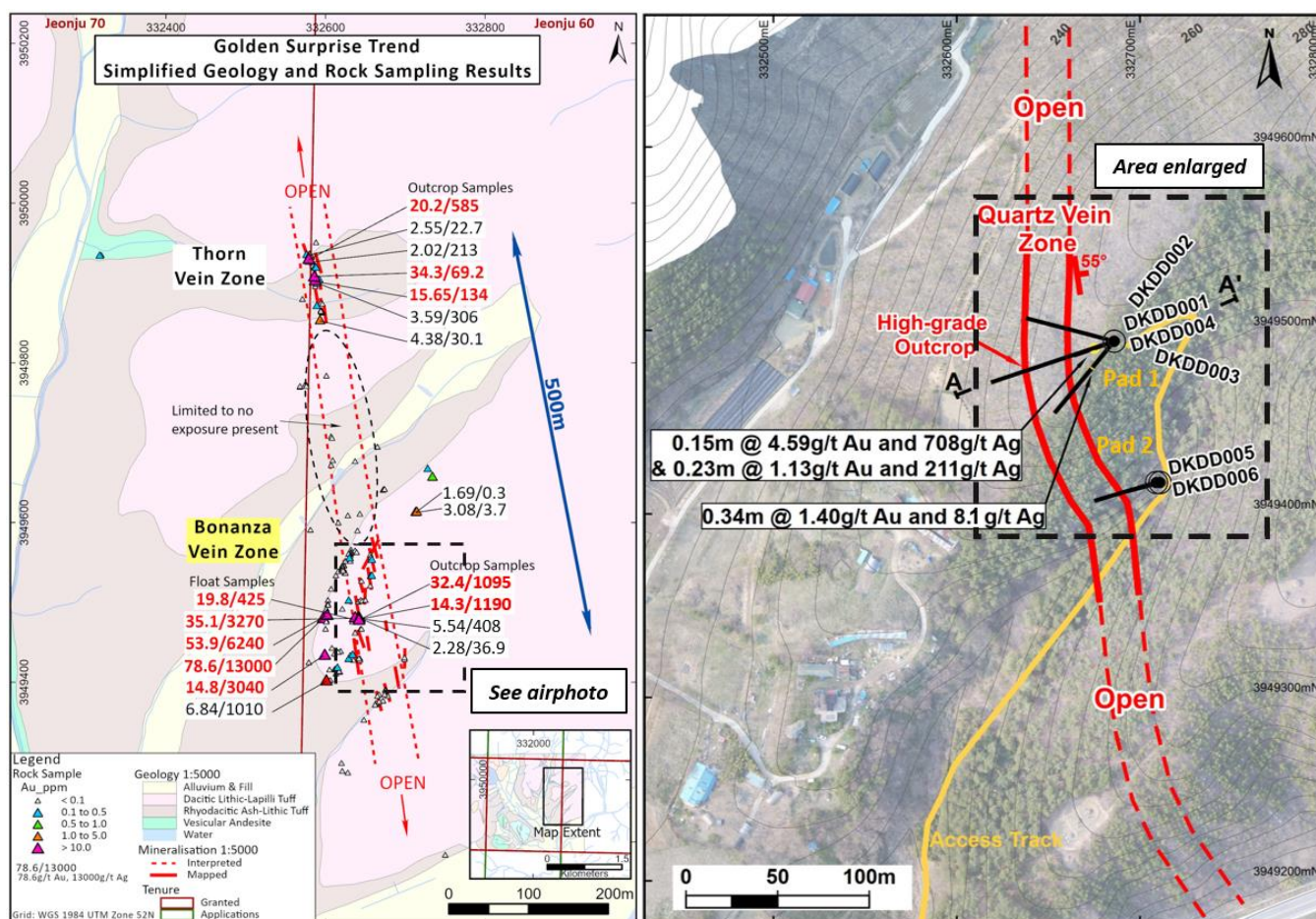


Figure 1: Deokon Project initial sampling results and drill traces completed at Bonanza.

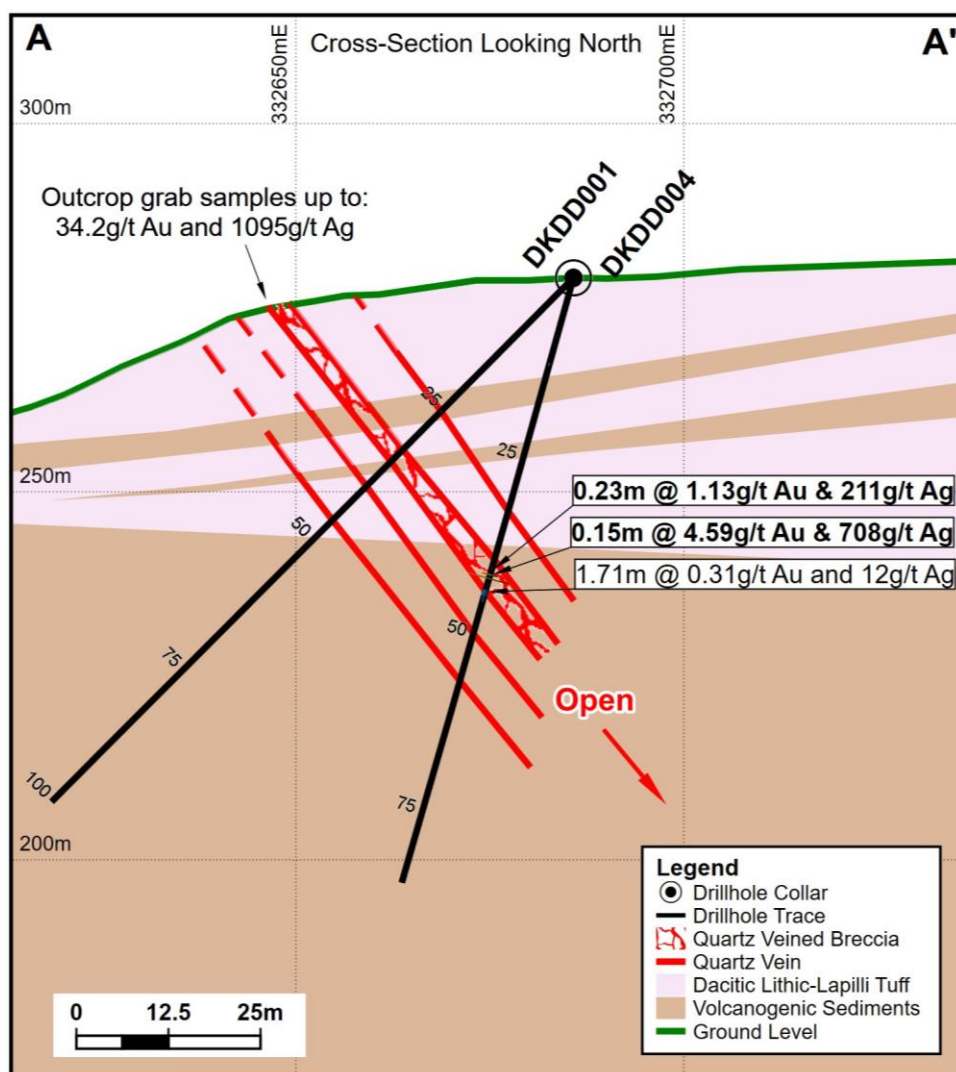


Figure 2: Deokon Project section A-A' from Figure 1 showing peak results, lithology and vein geometry



Photo 1: Bonanza Zone Drill Pad 1 (looking East)

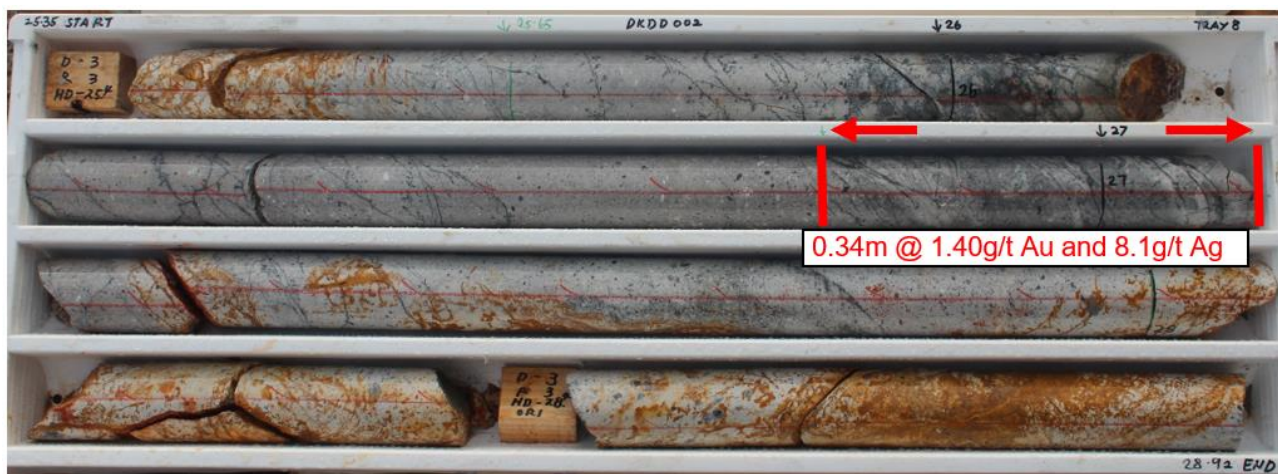


Photo 2 – Significant intersection in DKDD002, Tray 8, 26.78-27.12m 0.34m @ 1.4g/t Au and 8.1g/t Ag in pervasively silica altered subaqueous volcanogenic tuffaceous sandstone with bladed marcasite. Minor illite alteration and pyrite present, along with combed vein quartz stringers in the mineralized interval.

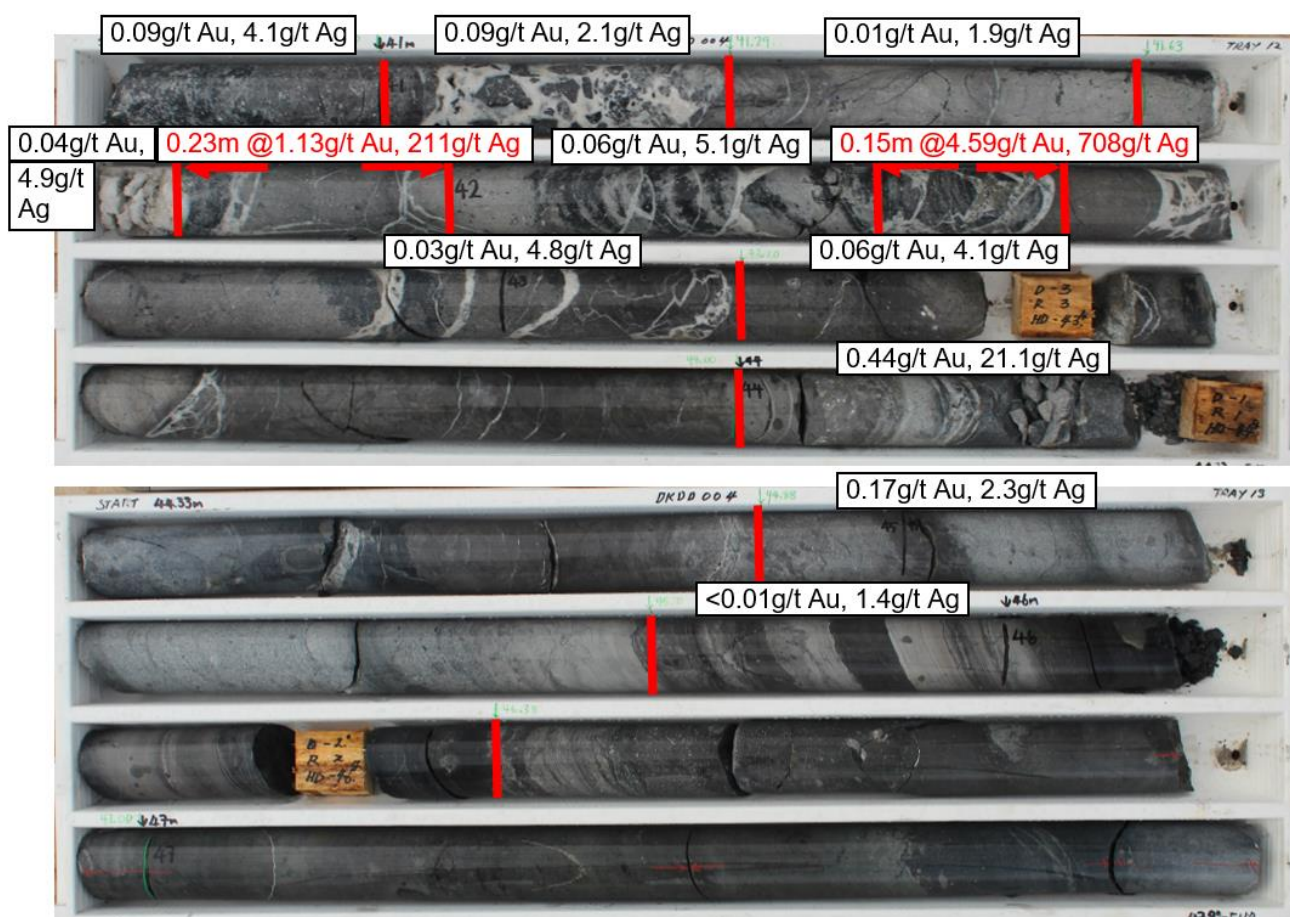


Photo 3 – Significant intersections in DKDD004, Tray 12, 41.77-42m. 0.23m @ 1.13g/t Au and 211 g/t Ag. Also 42.35-42.5m 0.15m @ 4.59g/t Au and 708g/t Ag. Intensely to weakly silica-illite-pyrite altered and hydraulically brecciated with quartz-sulphide ± silver sulphosalt veins within volcanogenic (dacitic) water reworked sandstone with a thin interval of volcanogenic siltstone from 45.72-46.38m. Acanthite observed from 41.77-42m and 42.35-42.50m where the significant silver assays were returned.

Hole ID	From (m)	To (m)	Interval (m)	Est. True Width (m)	Au (g/t)	Ag (g/t)	As (ppm)	Cu (ppm)	Mo (ppm)	Pb (ppm)	Zn (ppm)	Recovery (%)
DKDD001	25.4	25.6	0.2	0.2	0.13	19.9	128	47	1	108	211	100
DKDD002	26.78	27.12	0.34	0.34	1.4	8.1	165	5	0.5	20	45	100
and	40.86	41.01	0.15	0.15	0.13	2.2	44	7	2	124	179	100
DKDD003	37.64	38.13	0.49	0.49	0.15	6	56	14	1	42	41	100
DKDD004	12	12.44	0.44	0.44	0.17	2.2	65	6	1	30	76	100
and	41.77	42	0.23	0.17	1.13	211	45	32	2	66	155	100
and	42.35	42.5	0.15	0.11	4.59	708	123	48	3	1640	1660	100
and	44	45.71	1.71	1.28	0.31	12	149	43	2	319	485	96
DKDD005	3.45	4	0.55	0.55	0.18	4.8	100	20	34	24	51	99

Table 2 - Summary of Geochemistry results from Deokon (>0.1g/t Au cut-off).

Discussion of results

Highly anomalous silver-gold mineralisation was intersected in the step-back drill-hole DKDD004 compared to the first three flat holes. It is important to note that the intersection occurred in competent, fine-grained lacustrine sediments (poor primary permeability, but excellent secondary permeability and focus where cut by structures), rather than the overlying pyroclastic sequence (high primary permeability and therefore less focus). Bonanza could represent a localised jog in the structure within the overall major structural trend of Golden Surprise.

Potential exists for high-grade mineralisation in an underlying highly competent, brittle andesite unit, if the fertile structure continues to be dynamic, resulting in a dilated structure required for a significant focused vein. Also, the Golden Surprise trend remains open in both directions, requiring further investigation on Southern Gold's existing tenure applications.

In parallel, there is significant regional scale potential. **Figure 3** highlights the tiny footprint of the present Deokon Project tenure compared to the prospective cretaceous stratigraphy in the region. Further field reconnaissance aided by interpretation of available regional geophysical data is being undertaken to determine the most prospective places for economic mineralisation to occur.

Next steps for Deokon

Land access will be sought for drilling beneath the Shin Hill underground workings (location shown in **Figure 4**). Quartz veining within the Shin corridor can be traced in float and subcrop for over 400 metres. This target is an Intermediate Sulphidation vein breccia that has small historical workings and significant down-dip and along strike potential.

The Golden Surprise trend remains open in both directions, requiring further investigation on Southern Gold's existing tenure applications.

Update on winter drilling activities at Beopseongpo

An initial two hole drilling program was conducted in December at the '**Golden Palm**' target at the Beopseongpo Project, with assays pending. The drilling has been paused in January for the peak of winter and Lunar New Year holidays and will recommence at Golden Palm in February.

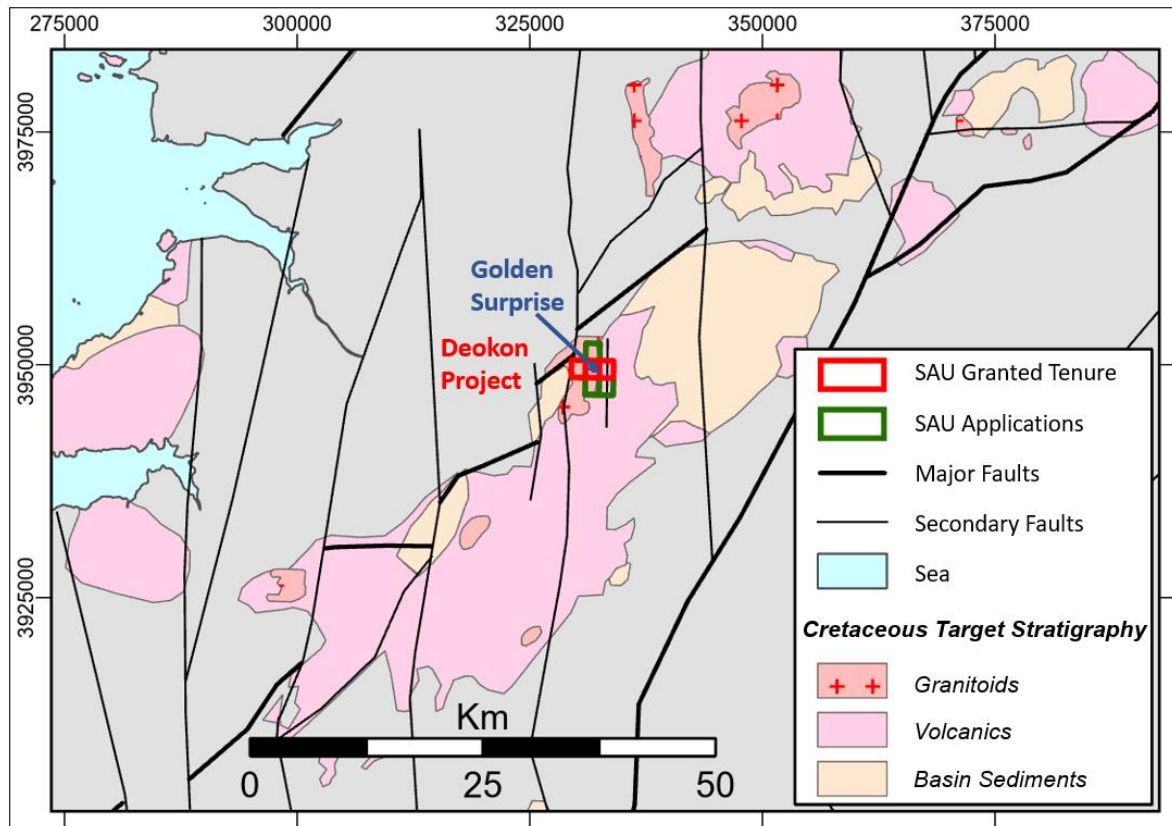


Figure 3 – Deokon Project location in context to the abundant prospective Cretaceous stratigraphy

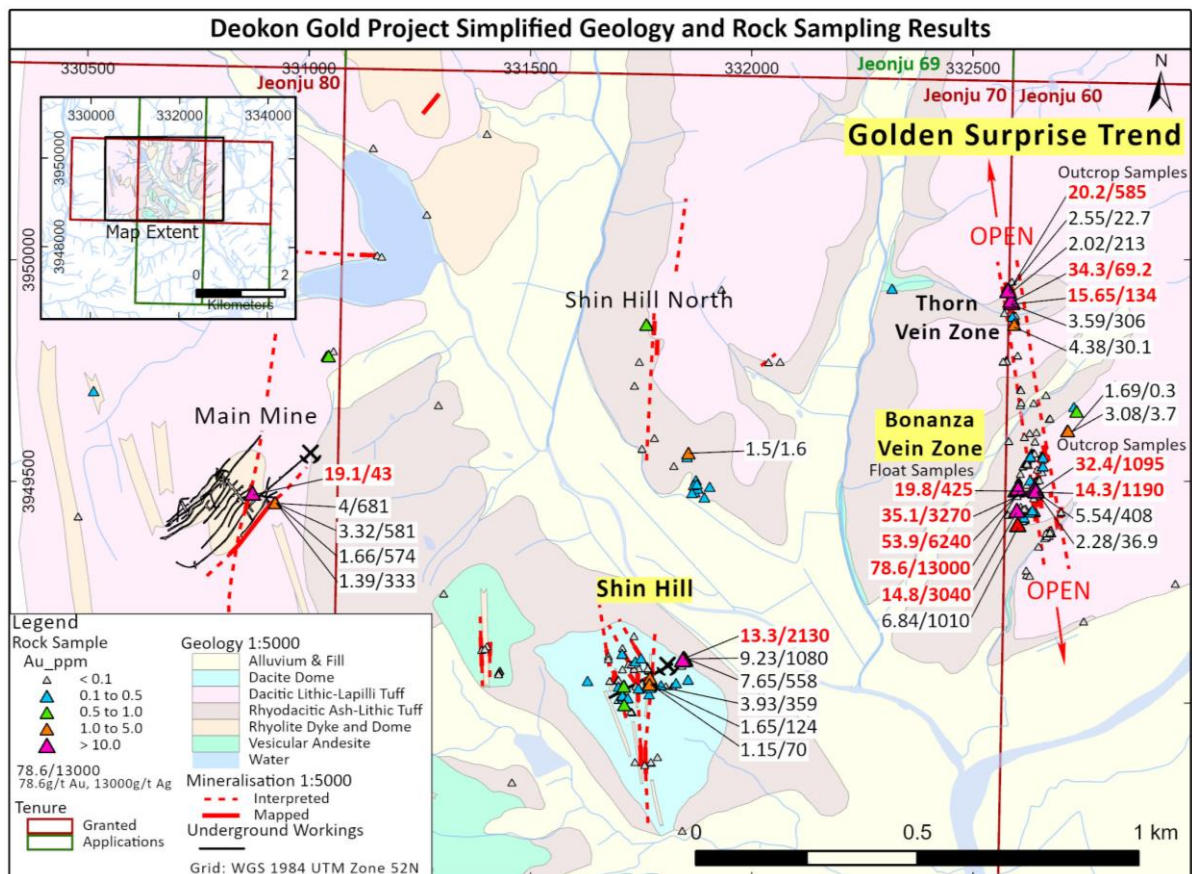


Figure 4 – Deokon Project showing location of the Shin Hill workings in relation to Golden Surprise

Related ASX Announcements

20180806 – ASX Tenements granted at Deokon, South Korea.

20181002 – ASX High grade gold confirmed at Shin Adit, Deokon Project, South Korea.

20190403 – ASX 2019 South Korea Field Work Commences.

20190717 – ASX ‘Golden Surprise’ High Grade Au-Ag Discovery.

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 and silver projects in South Korea that are largely greenfield epithermal vein 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 12-18 months with development partner London-listed Bluebird Merchant Ventures (BMV) at the Kochang and 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 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.

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	<i>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.</i>	The nature of the preliminary results in the body of this ASX Release relate to drilling at the Deokon Project, South Korea, within tenement Jeonju60, held by Southern Gold.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Samples were geologically logged for lithology, mineralisation, alteration, veining, structure and also geotechnically logged. Sample intervals were chosen in order to separate different geological domains or features at appropriate boundaries and provide sufficient sample representivity, ranging from 0.15m to 1.4m in length.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	Determination of intervals that may contain mineralization was achieved by geological logging of samples by an experienced SAU geologist or representative, with structural measurements taken where possible.
	<i>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.</i>	HQ3 size (61.1mm diameter) Diamond drill core was obtained for logging and sampling.
Drilling techniques	<i>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.).</i>	HQ3 triple tube Diamond drilling was completed to obtain drill core.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Core was measured and the recovery was calculated for each drill run
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Industry standard barrel configuration was utilized. No sample bias is expected where recoveries are good.
	<i>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.</i>	No sample bias is expected where recoveries are good. All samples reported have sufficient recovery unless otherwise stated.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource</i>	No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage but

Criteria	JORC Code explanation	Commentary
	<i>estimation, mining studies and metallurgical studies.</i>	samples have been logged with sufficient detail to use for this function.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Geological logging was quantitative in nature with respect to measurements of where various features exist. Core photography of all drill core was completed.
	<i>The total length and percentage of the relevant intersections logged.</i>	The entire drill core from all holes was logged.
<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Sampling was completed by cutting the core in half along a line 5mm clockwise from the orientation line viewed in the downhole direction and sampling only one half. Only zones likely to have a chance of mineralization based on geological observation were sampled.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	N/A
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	All 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. Pulp samples are then split using a micro-riffle splitter to produce 500g of pulp reject, 250g of pulp duplicate, and 250g of sample for shipment to ALS Laboratories in Laos. The nature of the laboratory preparation techniques is considered 'industry standard' and appropriate.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	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. The 1kg of pulp material is then split using a micro-riffle splitter to produce 500g of pulp reject, 250g of pulp duplicate, and 250g of sample for shipment to ALS Laboratories in Laos. Pulp rejects are retained for each sample. These procedures are considered appropriate to maximise representivity of samples, for first pass exploration.
	<i>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.</i>	No field duplicates were taken, just splits in the sample preparation phase. Sampling is considered representative of the in-situ material.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample size is considered appropriate for the target style of mineralisation, the requirements for laboratory sample preparation and analyses, for early stage Exploration Results.
	<i>Quality of assay data and</i>	
<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>		Pulp samples (typically 200 to 400g) prepared by SGS in South Korea are sent through registered airfreight (e.g. DHL) to ALS laboratory in Laos for Au analysis, with a 12.5g split sent to ALS Brisbane for multielement analysis. ALS is an ISO/IEC 17025:2005 and ISO9001:2015 certified laboratory.

Criteria	JORC Code explanation	Commentary
laboratory tests		Gold was analyzed on a 50g charge using fire assay fusion with an atomic absorption spectroscopy finish (ALS method Au-AA26). Detection limit range is 0.01ppm to 100ppm Au. A 35 multi-element suite was analyzed on a 0.5g pulp sample split using aqua regia digest with an inductively coupled plasma – atomic emission spectroscopy (ICP-AES) finish (ALS method ME-ICP41). Silver was analysed as part of the multi-element aqua-regia digest ICP-AES (method ME-ICP41), with an upper detection limit 100g/t Ag. Samples returning a result above 100g/t Ag were re-analysed to ore-grade using Aqua Regia Digestion and ICP_AES (method Ag-OG46) with an upper detection limit of 1500g/t Ag. Samples returning a result above 1500g/t Ag were re-analysed to ore-grade using Aqua Regia Digestion and ICP_AES – Extended Range (method Ag-OG46h) with an upper detection limit of 3000g/t Ag. Samples returning a result above 3000g/t Ag were re-analysed using Ag by Fire Assay and Gravimetric Finish, 30g nominal weight (method Ag-GRA21) with an upper detection limit of 10000g/t Ag. Samples returning a result above 10,000g/t Ag were re-analysed using Ag by Fire Assay and Gravimetric Finish, 30g nominal weight (method Ag-CON01), with an upper detection limit of 995,000g/t. The nature of the laboratory assay sampling techniques is considered ‘industry standard’ and appropriate. For any historical KORES, where mentioned, drill core and underground channel samples, the nature, quality and appropriateness of the sample assaying procedures are unknown.
	<i>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.</i>	No data from geophysical tools were used to determine analytical results in this ASX Release.
	<i>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.</i>	QAQC samples involved 1 blank and 1 certified ore-grade epithermal reference standard (OREAS 62f or 60d), as well as one pulp duplicate and one coarse split duplicate submitted per every 20 samples (i.e. 16 samples and 4 QAQC samples) selectively inserted in the sequence. These were reviewed to ensure testing was accurate. In addition, lab duplicates and lab standard analysis (laboratory checks) are investigated to check for potential errors. If a potential error is discovered, it is investigated and the samples are potentially re-run with another laboratory.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Assay data has been verified by the geologist in charge of the program and a second Southern Gold employee. Significant intersections/results in this ASX Release have been verified by the Competent Person. Where referenced, any historical KORES data cannot be independently verified.
	<i>The use of twinned holes.</i>	No twinned holes have been completed as part of this ASX Release, as the program is at an early stage.
	<i>Documentation of primary data, data entry procedures, data verification, data storage</i>	Primary SAU data is recorded into digital spreadsheets or hand-written documents. All original hardcopy logs and sample reference sheets are kept for reference. Digital data

Criteria	JORC Code explanation	Commentary
	<i>(physical and electronic) protocols.</i>	entry is validated through the application of database validation rules and is also visually verified by the responsible geologist through GIS and other software. Any failures are sent back to the responsible geologist for correction and re-submission. Data is stored in a SQL database managed through an external consultant with proprietary software. The extracted database is backed up as part of the Company server backup protocol. 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.
	<i>Discuss any adjustment to assay data.</i>	No adjustments are made to the assay data.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Drill collar XYZ locations are surveyed before hole closure with a DGPS producing levels of accuracy +/- 10mm. These holes have not been surveyed yet and the collars quoted are from a handheld Garmin GPS device with accuracy of +/- 3m.
	<i>Specification of the grid system used.</i>	The grid system used is Universal Transverse Mercator (WGS84), Zone 52 S (Northern Hemisphere).
	<i>Quality and adequacy of topographic control.</i>	South Korean Government 5m contour data is available and deemed suitable for topographic control on early stage exploration campaigns.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Holes were designed nominally at 30m spacing along strike and 25m down dip on section
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	No Mineral Resource or Ore Reserve have been estimated in this ASX Release.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Holes are generally designed to be as perpendicular as possible across targets. In cases where this was not possible, true widths have been stated.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No sample bias is expected
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	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 shed facilities under the direct supervision of a Company representative. Samples are further processed for dispatch by Company representatives under guidance of the Competent Person. Bagged samples are secured by ties and delivered by a

Criteria	JORC Code explanation	Commentary
		Company representative to the sample preparation laboratory. The preparation laboratory sends pulp samples directly to the assay laboratory for analysis via registered courier (DHL). The samples are picked up from the Laos airport by an ALS Laboratory representative. All rejects are returned under courier service and stored in the Company's secure lock-up long-term core storage facility.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No external or independent reviews have been undertaken. Southern Gold's sampling procedure conforms to industry standard practice and each assay program is reviewed internally for any discrepancies.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Deokon granted tenements Jeonju 70, Jeonju 80, and Jeonju 60 are held by Southern Gold Korea, a fully owned subsidiary of Southern Gold. The mineralised structures lie on privately held land and no known material issues exists with third parties at this time. There are no native title interests in Korea. It is a generally accepted requirement that mineral title holders gain the consent of local landowners and residents before undertaking any major exploration activity, such as drilling.
	<i>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.</i>	Upon successful conversion to an Exploration Right, the holder has 1 year to submit an Exploration Plan and a further 3 years to submit Exploration Results and have an Extraction Plan authorised. An application can be made to extend this period by 3 years (maximum 7 years in total). 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.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	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

Criteria	JORC Code explanation	Commentary
		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	<i>Deposit type, geological setting and style of mineralisation.</i>	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	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> • 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.	See Table 1 and 2 in the body of the report
	<i>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.</i>	No information has been excluded from this release to the best of Southern Gold's knowledge.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	The cut off grade for reporting was 0.1g/t Au
	<i>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.</i>	Aggregate intercepts include only sample assays >0.1g/t Au
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	The intercepts are interpreted to be basically true width in holes DKDD001 – 3 and DKDD005 (within 5%) and estimated true width of 75% of the down hole length in DKDD004.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Figure 2 shows the vein geometry which is the basis for the true width calculations.
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	True widths have been reported.

Criteria	JORC Code explanation	Commentary
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Appropriate maps, sections, and tables have been included in this ASX Release. See Figures 1 and 2, and Table 1-2 in the body of this release.
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All intercepts >0.1g/t Au have been reported. Assays range from <0.01 – 4.59g/t Au and from <0.2 – 708g/t Ag Previous information is also referenced in the company's ASX reports with details provided in this report.
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	To the best of our knowledge, no meaningful and material exploration data has been omitted from this ASX Release.
<i>Further work</i>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Southern Gold plan to continue reconnaissance field work for further extensions of the Golden Surprise Trend and also drill at the nearby Shin Hill workings and then collectively assess the next steps for the Project
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Refer to Figure 1 the main body of this ASX Report