

Quarterly Activities Report to 30 June 2021

- Deal completion of the sale of the Gubong and Kochang Joint Venture interests for US\$10 million with the issuance of 200m BMV shares, or equivalent in cash at US\$0.5 per BMV share, with a current 'mark-to-market' value of A\$13.7 million (see page 14 for details). The company also has approximately A\$8 million cash.
- Strong focus on field work in South Korea to build up future drill targets with exploration activities across 5 different project areas:
 - **Deokon Project:** Gold-in-soil anomalies associated with multiple mapped structures with coincident high-grade Au and Ag in outcrop was identified. Drill testing commenced to test this initially at the Nettle zone, with two holes for 251.2m completed and a third planned. Assays pending.
 - **Geum Mar Project:** Assays received for the initial scout diamond hole targeting beneath the Golden Horse quarry. Peak result was 0.12m @ 58.1g/t Ag. Extensive soil sampling program completed as well as reconnaissance rock sampling.
 - **Daeam Project:** Extensive soil sampling program completed as well as reconnaissance rock sampling with a peak assay of 3.56g/t Au.
 - **Dokcheon Project:** Reconnaissance rock sampling completed with a peak assay of 42.7g/t Ag.
 - **Yeongdong District:** Extensive reconnaissance rock sampling completed with a peak assay of 2.36g/t Au and 8.9g/t Ag with work ongoing.



Photo 1 – Drilling at Nettle, Deokon Project

South Korea

During the June 2021 quarter, Southern Gold Limited (ASX: SAU) ("Southern Gold" or "the company") continued activities on the ground in South Korea. The focus was on field reconnaissance sampling, soil sampling and the commencement of the diamond drill program targeting the northern section of the Golden Surprise trend at the Deokon Project. A total of two HQ3 diamond drill holes for 251.2m was completed in the quarter, utilizing one drill rig.

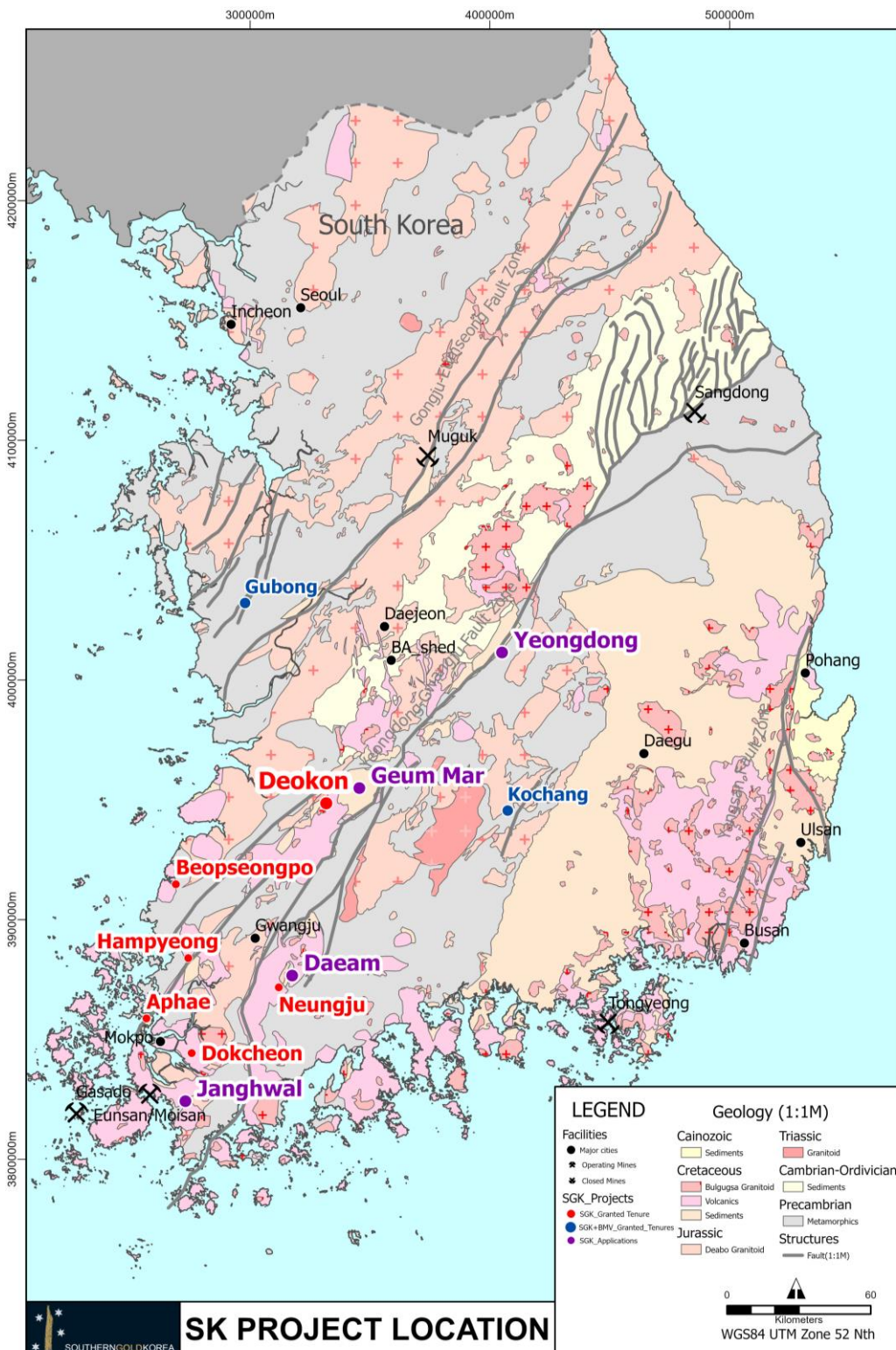


Figure 1: Southern Gold project Locations in South Korea including former JV Projects sold to BMV. 100% owned projects in red, BMV former Joint Venture projects in blue. 100% owned projects under application in purple.

Drilling during the quarter took place at Deokon, surface sampling was conducted at Daeam, Deokon, Geum Mar and Yeongdong and soil sampling was completed at Daeam Project, Deokon Project, and Geum Mar Project.

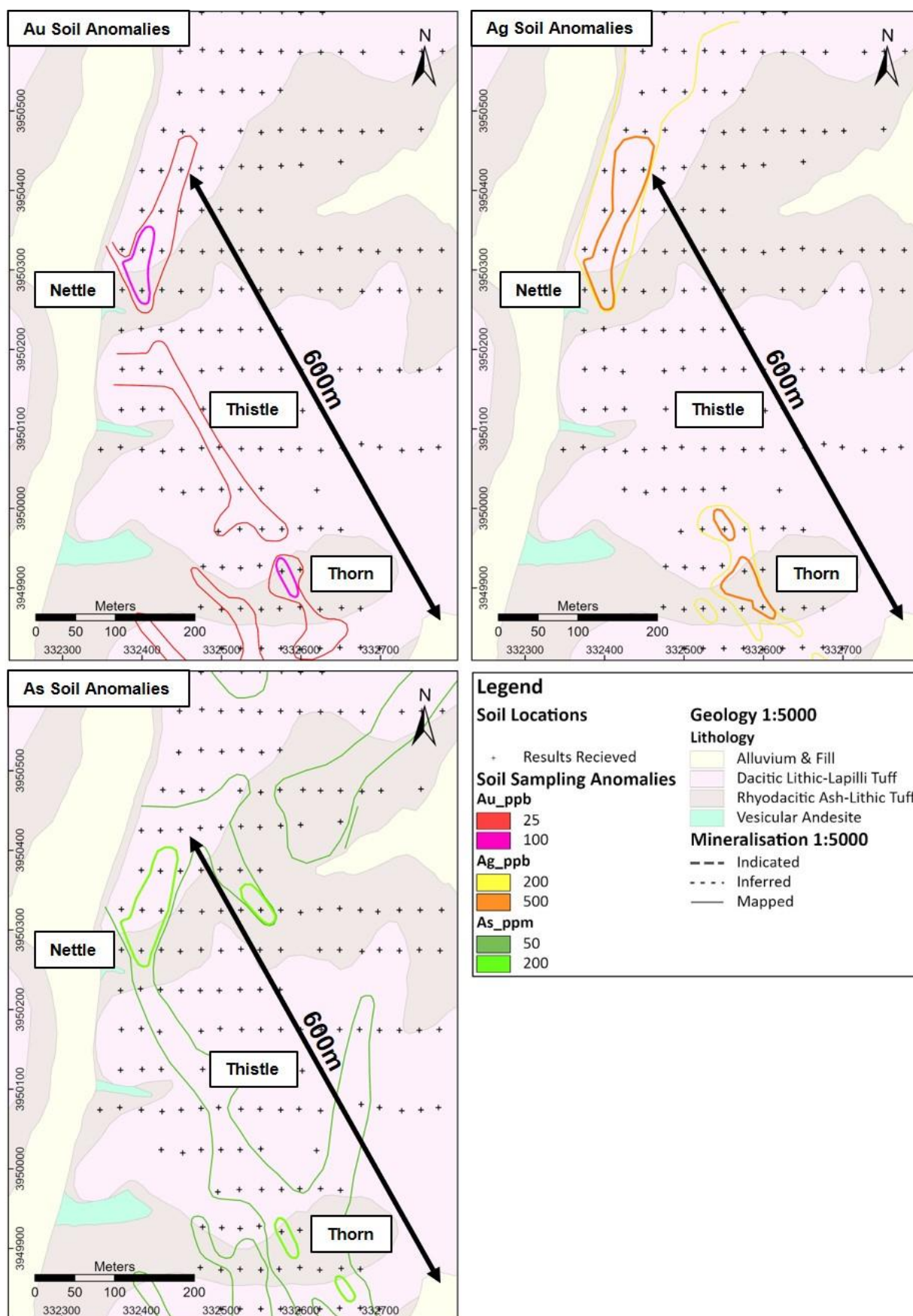


Figure 4 – Zoom from Figure 3 showing the coincident Au-Ag-As anomalies at Golden Surprise Trend

The latest soil sampling program was designed to define the extent of the Au-Ag-As soil anomaly, identified from the Phase 1 soil program completed in the March Quarter and which was open to the north. A total of 88 samples were collected to the north of Nettle, completed at 25m spacing on 50m spaced lines. Bulk samples were taken of the B-horizon and sieved in the laboratory to <6 mesh (~3mm). The program successfully closed off the coincident Au-Ag-As anomaly at Nettle.

Detailed field mapping was also completed which confirmed the presence of multiple intersecting structures at Nettle, along with the overall intersection of the NNW Golden Surprise trend with a NNE trend (**Figure 5**). This, combined with the soil anomaly location, represents a compelling structural position and drill target.

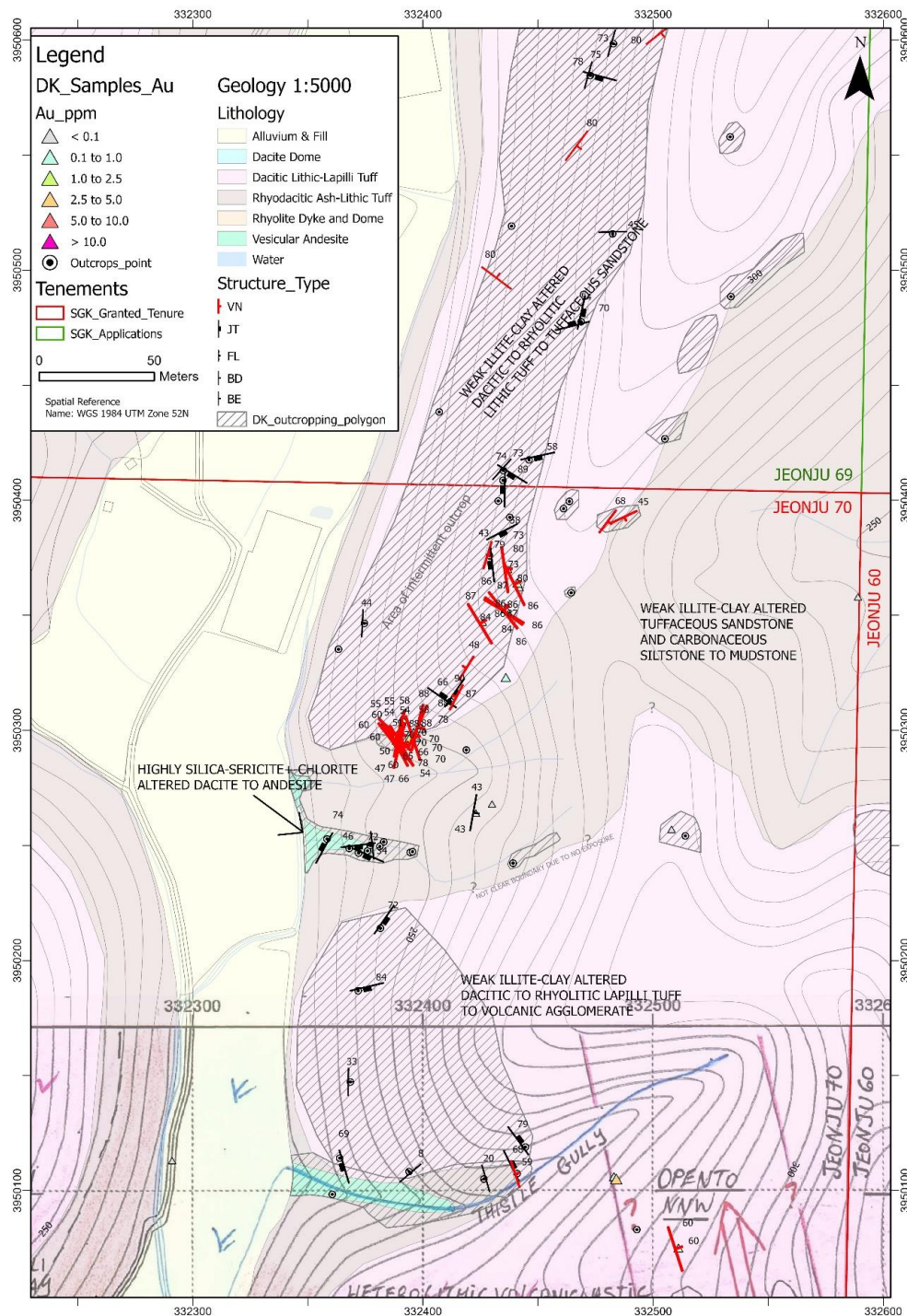


Figure 5: 2021 extensional mapping showing outcrop areas and structural measurements.

Two diamond drill holes (DKDD011 & 12 in **Figure 6**) have been completed and a third is planned to target the interpreted intersection point of the Nettle NNE trend and the Golden Surprise Trend. Additional holes may be planned along strike depending on initial results. This may include holes at Thistle and Thorn at a later date.

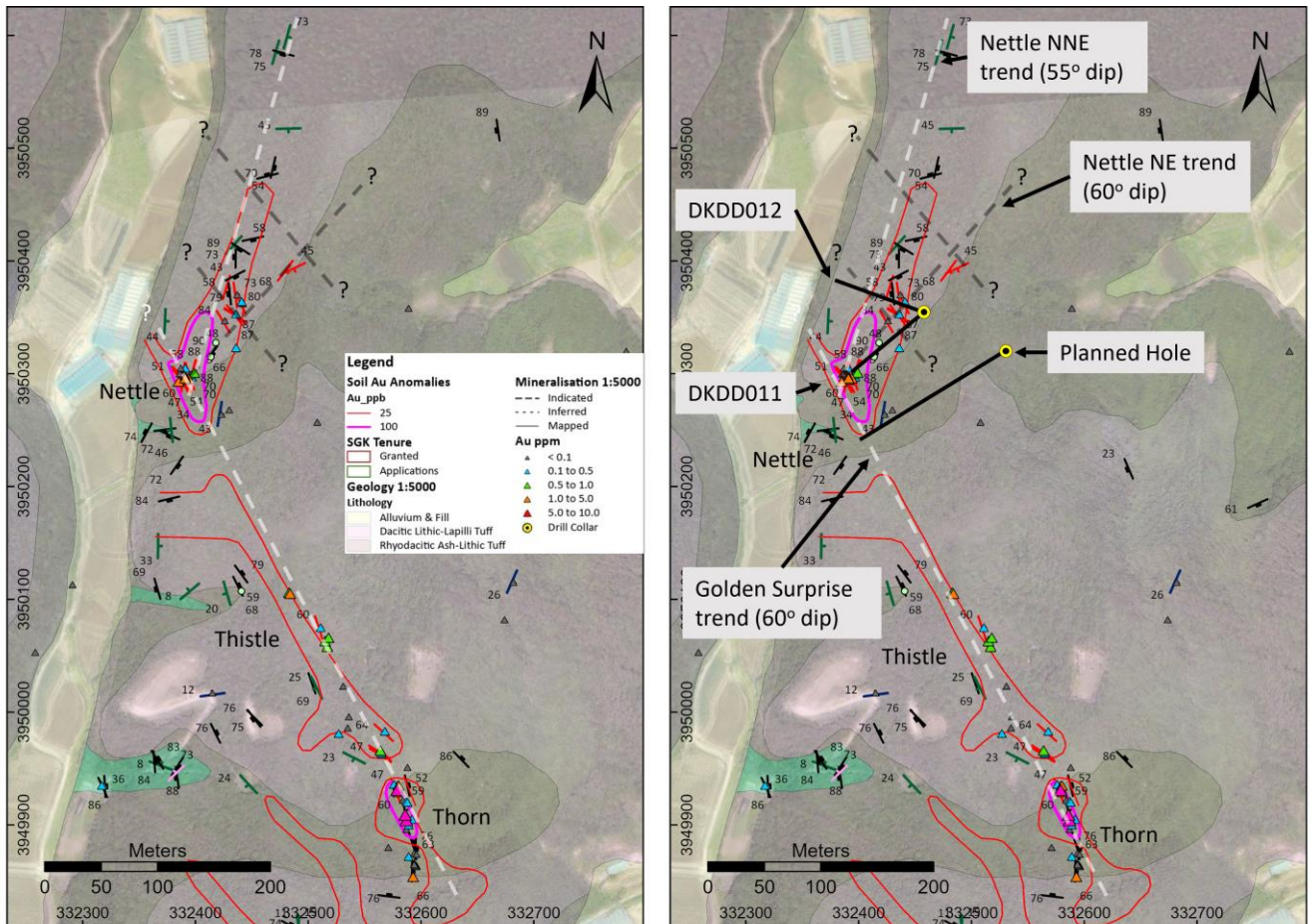


Figure 6: Left: Au in soil anomaly, structural measurements and interpretations. Right: Au soil anomaly, structural interpretations, completed and planned drillholes.

The silica vein textural features and geochemical signatures of the Golden Surprise vein corridor are interpreted to be indicative of an overall epithermal system, characterised by a component of lithologic controlled lateral fluid flow and resultant alteration/ore metal zonation. Within the overall epithermal alteration/mineralisation trend, an intermediate-sulfidation signature is interpreted for the south (Bonanza Zone) and a low-sulfidation signature to the north (Thorn-Thistle-Nettle Zone).

Geum Mar (SAU 100%)

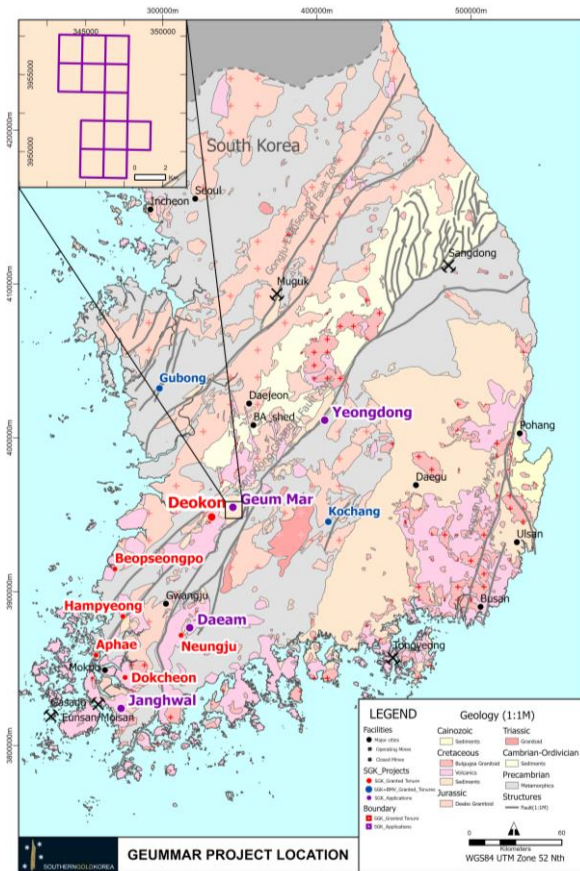


Figure 7: Geum Mar Project location

Assays were received from the one-hole maiden scout drilling program for 204.9m completed at the Golden Horse Quarry, designed to intersect beneath sub-vertical structures observed in the quarry, as well as the extension of a NW-SE orientated rhyolite dyke that passes through the quarry, and to gain lithological information.

No significant gold results were received. Some elevated Ag, Bi, Cu, Pb and Zn assays were received, with a peak result of 0.12m @ 58.1g/t Ag, 117ppm Bi, 0.28% Cu, 0.35% Pb, 0.46% Zn from 126.78m (**Table 1**), in a narrow (5cm wide) pyrite and base metal sulphide vein.

Other elevated Ag and base metal results were also received in the vicinity of this in narrow (<1cm) sheeted sulphide quartz veins with pyrite (~5 veins per metre), within weakly illite-altered volcanogenic sandstone.

Follow-up reconnaissance sampling and mapping is planned to assess the broader potential of the project.

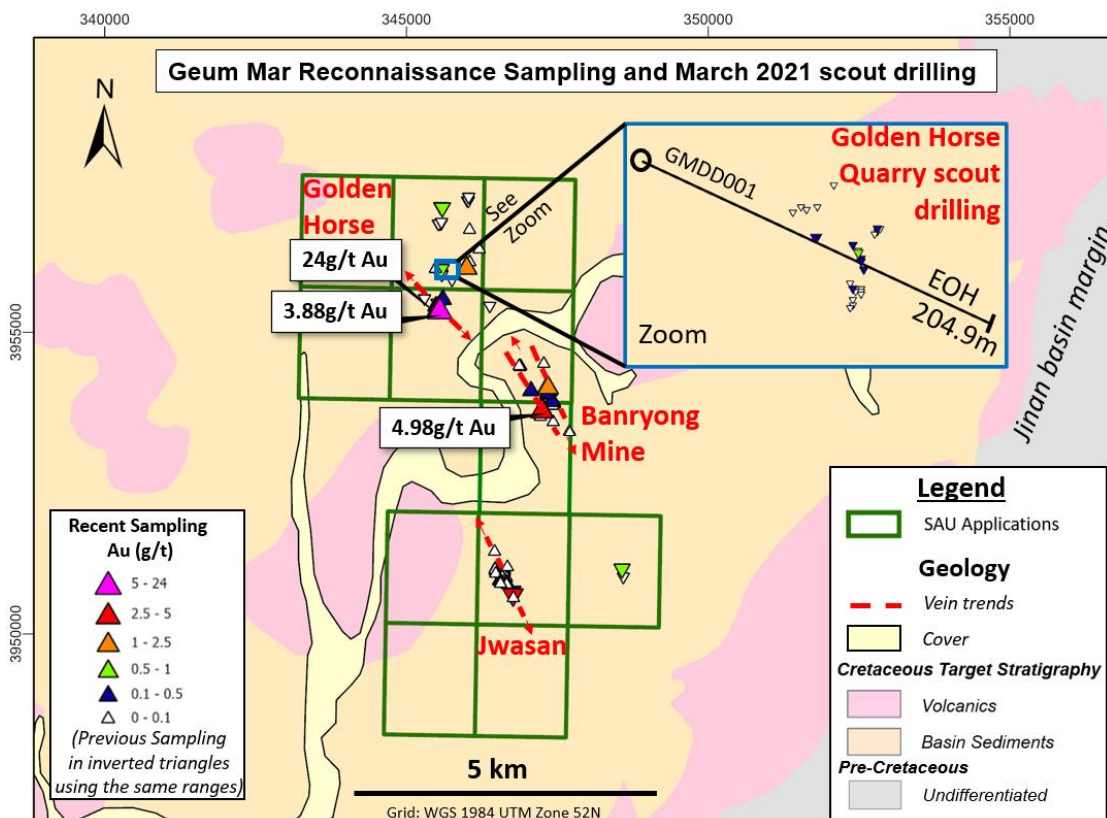


Figure 8 – Recent drilling location in relation to the reconnaissance sampling completed at Geum Mar

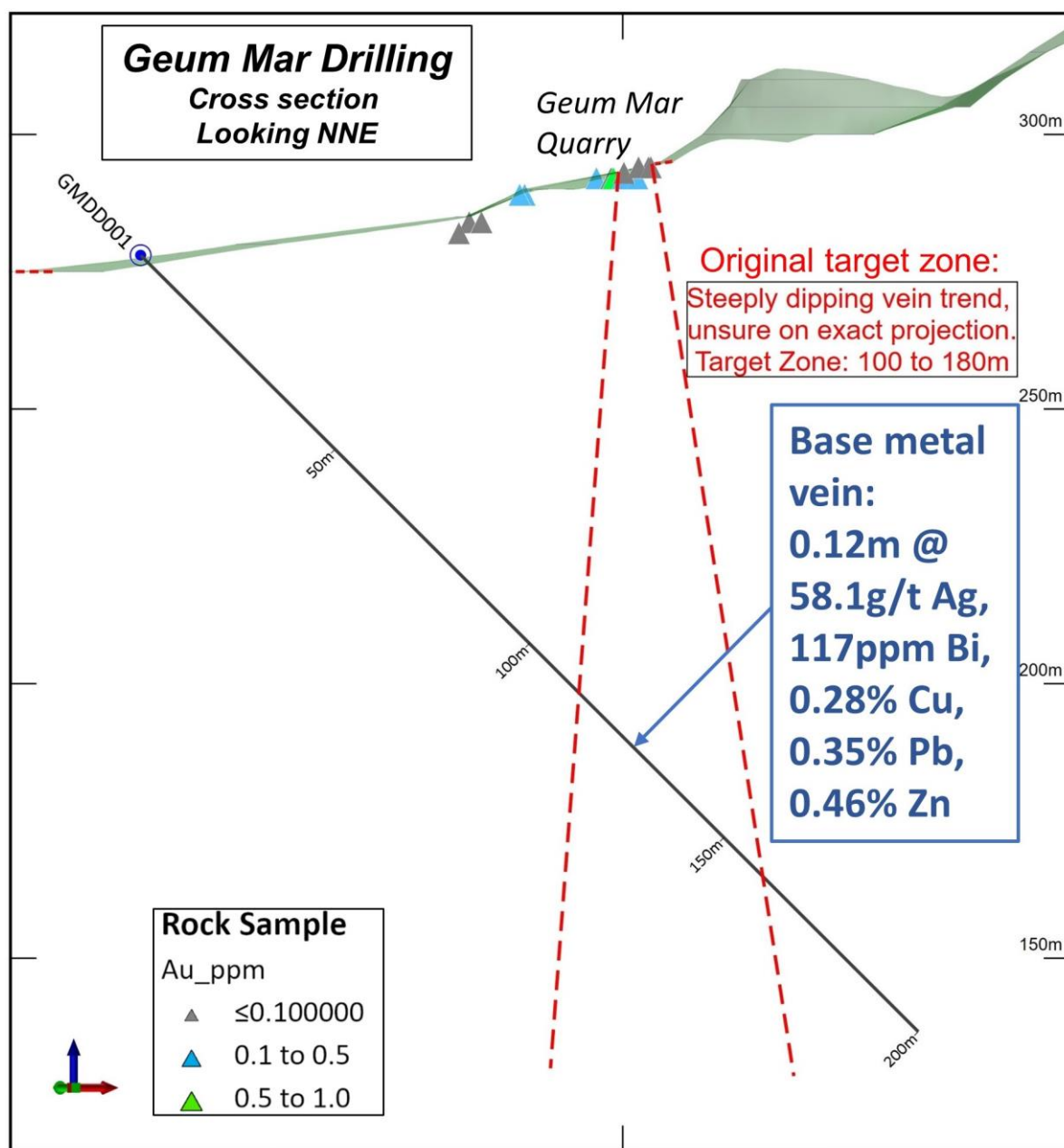


Figure 9 – Cross section showing location of peak Ag and base metal assays relative to the reconnaissance sampling completed at Geum Mar quarry

Hole ID	mFrom	mTo	Length	ETW	Au g/t	Ag g/t	Bi ppm	Cu ppm	Pb ppm	Zn ppm
GMDD001	118	119	1	0.8	0.005	11.7	22	152	864	1500
GMDD001	121	122	1	0.8	0.005	12.9	24	237	741	283
GMDD001	126.78	126.9	0.12	0.1	0.020	58.1	117	2830	3530	4550

Table 1 – Geum Mar elevated silver and base metal results. ETW = Estimated true width

Assays were also received for 104 reconnaissance float and outcrop samples collected during the March-June quarters, with five returning assays above 0.3g/t Au (**Table 2**).

Sample No	Sample Type	Au g/t	Ag g/t	As ppm	Pb ppm	Easting	Northing	mASL
KRS207633	Float	0.56	0.4	107	45	345411	3956102	303
KRS207666	Float	0.56	0.4	3	284	347426	3952628	409
KRS207634	Float	0.48	7.4	109	116	345408	3956102	304
KRS207629	Float	0.44	0.3	57	41	345427	3955529	318
KRS207638	Float	0.32	7.8	62	396	345386	3956114	310

Table 2 – Geum Mar elevated float samples (WGS84 Z52N)

An extensive soil sampling program was completed at Geum Mar with 434 samples taken at 25m spacing on 50-250m spaced lines. Bulk samples were taken of the B-horizon and sieved in the laboratory to <6 mesh (~3mm). The results were quite low, and the soil sampling appears less effective in this area in mapping discrete mineralised trends compared to Deokon. However, there does appear to be a northerly to NNW trend in the subtle anomalies in **Figure 10** below and some systematic traversing across these peaks is warranted to see if any more high-grade gold rock chips in outcrop can be found to complement the previously reported peak samples of 24g/t, 4.98g/t and 3.88g/t gold.

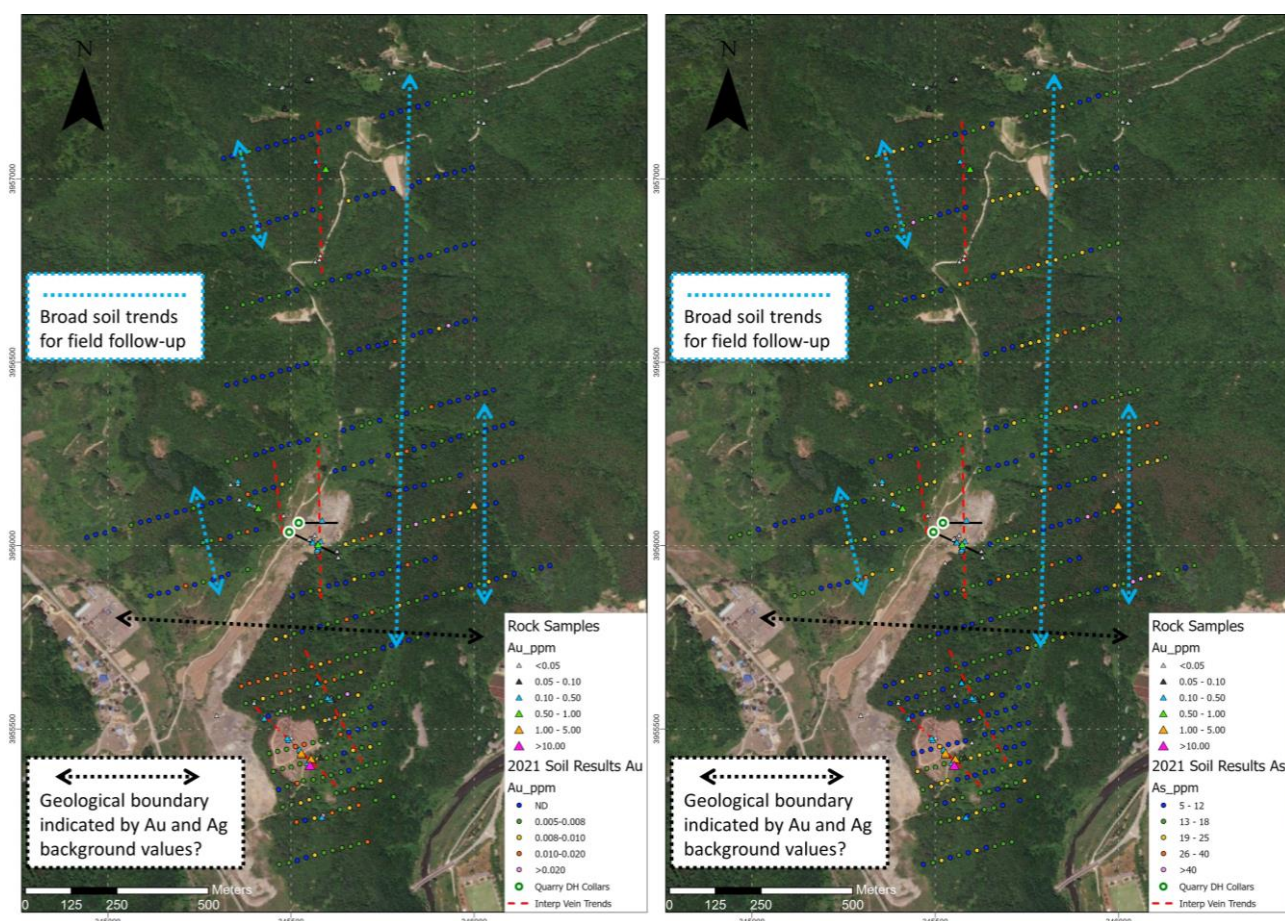
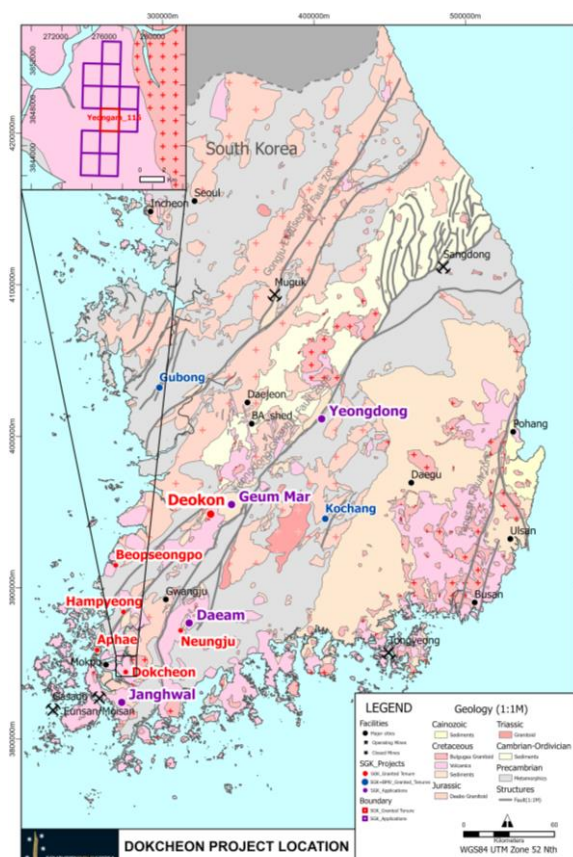


Figure 10 – Soil results for Au (left) and As (right)

Sample ID	Sample type	Au g/t	Ag g/t	As ppm	Easting	Northing	mASL
KRS207708	Float	3.56	0.2	43	318511	3878215	127
KRS207747	Float	3.23	1.8	4040	318263	3877786	225
KRS207702	Float	3.17	0.4	1770	318135	3877252	126
KRS207729	Float	3.11	0.9	7	318051	3877481	202
KRS207928	Float	2.17	0.4	1810	318212	3878025	201

Table 3 – Daeam reconnaissance sampling details >2g/t Au (WGS84 Z52N)

Dokcheon (SAU 100%)



Traversing and reconnaissance sampling between the Dokcheon project and the Eunjeok/Sangeun historical silver mines to the NNW was completed with 32 samples collected. The area is more known for its silver prospectivity than gold and the peak assay was 42.7g/t Ag in float (**Table 4**).

Follow up work is required and is planned once vegetation recedes.

Figure 13 – Dokcheon project location

Sample ID	Sample Type	Au g/t	Ag g/t	Bi ppm	Pb ppm	Easting	Northing	mASL
KRS207905	Float	0.005	42.7	81	374	276770	3849773	N\R
KRS207906	Float	0.005	35.4	68	599	276770	3849773	N\R
KRS207904	Float	0.02	30.8	51	917	276777	3849766	N\R
KRS207908	Float	0.005	20.8	28	450	276657	3849901	N\R

Table 4 – Dokcheon reconnaissance sampling details >20g/t Ag (WGS84 Z52N). N\R = not recorded.

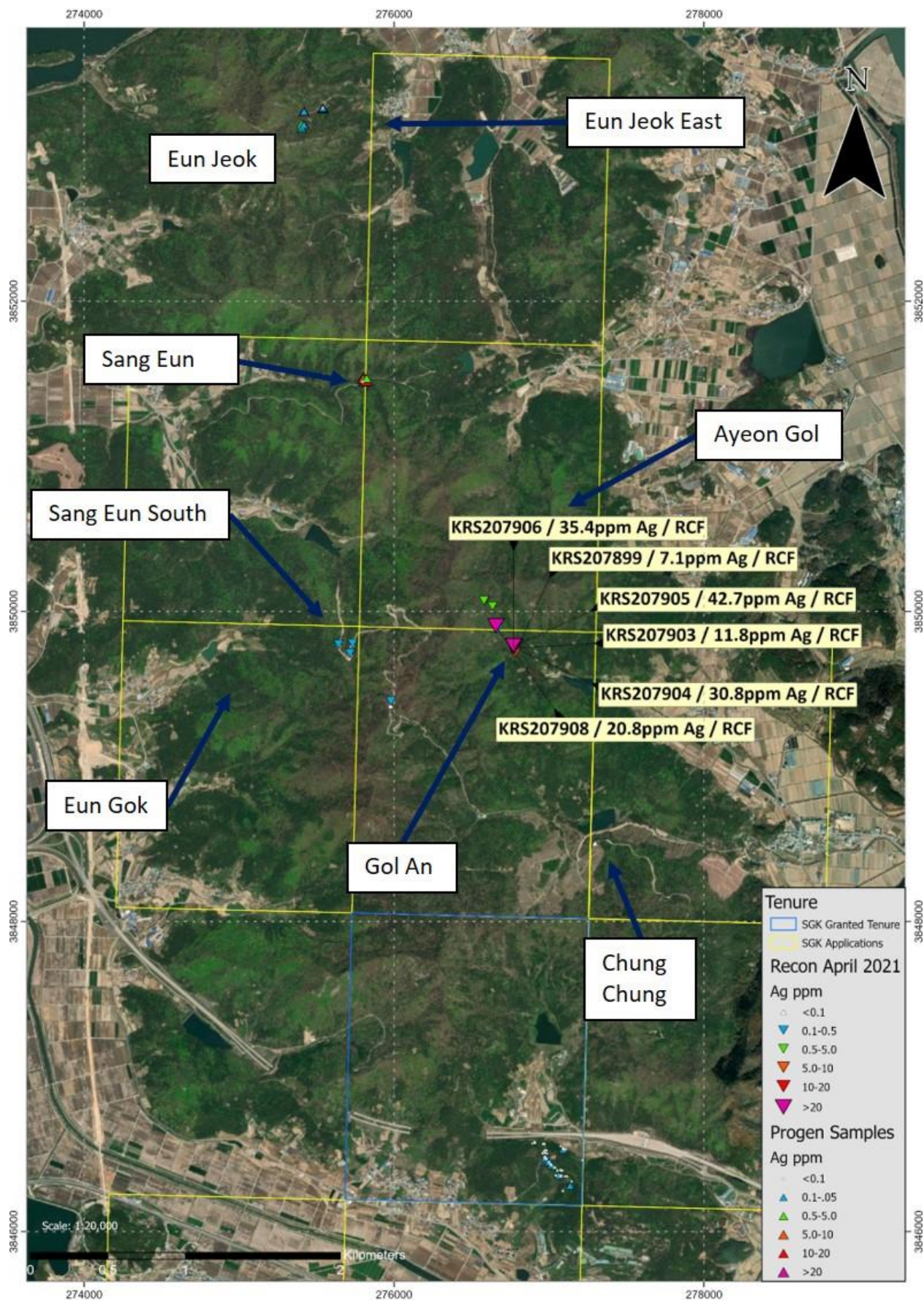


Figure 14 – Rock chip sample locations NNW of Dokcheon and historical mines

Project Generation

At the start of the quarter the focus was on project scale field activities to generate new drill targets. Reconnaissance sampling was completed at Geum Mar, Deokon and Dokcheon as well as the completion of larger scale soil surveys at Geum Mar and Daeam. Project generation reconnaissance sampling was then completed in the Yeongdong Basin and surrounds to the north-east of Southern Gold's former Weolyu Project, with 325 rock samples taken. Assays have been received for 211 samples with four samples returning >0.5g/t gold with a peak assay of 2.36g/t gold (**Table 5**). Further work is ongoing in this area.

Sample ID	Sample Type	Au g/t	Ag g/t	Bi ppm	Pb ppm	Easting	Northing	mASL
KRS208348	Float	2.36	8.9	25	155	406571	4068622	305
KRS208296	Float	1.01	0.2	1	158	404286	4009420	263
KRS208297	Outcrop	0.82	0.3	1	140	404286	4009420	263
KRS207837	Outcrop	0.50	0.05	4	9	404049	4012518	366

Table 5 – Yeongdong Project Generation reconnaissance sampling details >0.5g/t Au (WGS84 Z52N).

Systematic subcrop and outcrop identification traversing and sampling and sampling beyond known mineralised zones is planned utilising Korean Geological staff next quarter. There will be a dual focus of targeting near-project areas and new zones not previously traversed by Southern Gold in prospective basins.

Community and Environment

Community engagement continued at Deokon, Dokcheon, Geum Mar, Janghwal and Yeongdong and will continue during the next quarter. Community liaison officers continue to diligently listen to the locals and determining the various issues within the wider province community and have built very positive relationships.



Photo 3 – Community liaison at Deokon as part of the process of land access to drilling sites

Southern Gold has been optimising best periods to drill when farming areas are vacant and working around various other local priorities. In addition, all regulatory compliance work is being completed on time and to the required standard amongst all the other exploration activities. Recent work was the rehabilitation of the drill site track at the Dokcheon Project.

Drilling Schedule

The immediate drill plan is to complete the third hole of the Nettle drill program at the Deokon Project and then assess the results and make plans over the summer wet season break.

Tenure

No further work was warranted in the tenure surrounding the historical Weolyu mine and the two tenements were relinquished. Seven new tenement applications were submitted at Dokcheon and fourteen at Yeongdong based on the reconnaissance work completed there. Tenement applications were resubmitted for Daeam, Deokon, Geum Mar, Janghwal and Yeongdong. In addition, the government mandated granting process advanced for one tenement at Janghwal.

Bluebird Merchant Ventures - Gubong and Kochang Project Development

Commercial negotiations to conclude the sale process of Southern Gold's 50% joint venture interest in the Gubong and Kochang projects to Bluebird Merchant Ventures Ltd ("BMV") continued throughout the course of the quarter and commercial terms were agreed and legal documentation completed on the 29 June 2021.

The outcome was the issuance of 200 million shares in BMV to a wholly owned subsidiary of Southern Gold, at a deemed issue price of US\$0.05/share with a nominal deal value of US\$10 million (A\$13.7 million). The first 50m shares have been received post quarter end and the balance of 150m shares will be received on approval of a prospectus to be completed by BMV over the next 4 to 5 months. BMV also has the option to substitute shares for cash on a US\$0.05/share cash payment basis.

Post-quarter end BMV reported to the London Stock Exchange that it had:

- Commenced the prospectus preparation process for the issuance of the balance of the shares; and
- Construction work at the Kochang Gold Project was to commence shortly with their funding partners remaining committed to funding of the projects.

Corporate

Southern Gold is in a strong cash position (A\$8 million) and has a "drill for equity" arrangement with Ausino Drilling Services to the value of US\$1.1 million (A\$1.5 million).

The company also holds an investment in London stock exchange listed Bluebird Merchant Ventures and has received the first 50m shares of a total 200m shares due under the agreement. The mark-to-market value of the total 200m shares is currently A\$13.7 million (BMV share price of 3.65p and GBP:AUD FX rate of 1.87).

For the quarter, the Company had:

- Net cash outflows from Operating and Investing activities of \$1.01 million, which included \$0.5 million of exploration expenditure;
- Net cash outflows from Financing activities of \$0.01 million, comprising leasing costs;
- Providing total cash outflow of \$1.03 million, and an ending cash balance of \$8.00 million.

Cash flows for the quarter include related party payments of \$0.19 million comprising Directors fees and remuneration paid to the Managing Director Simon Mitchell and Executive Director Beejay Kim.

Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
DKDD011	Nettle	332471	3950361	297	-45	234	150.4
DKDD012	Nettle	332471	3950361	297	-45	287	100.8

Table 2 – Deokon drill hole collar details (WGS84 Z52N)

Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
GMDD001	Quarry	345495	3956037	278	-45	115	204.9

Table 3 – Geum Mar drill hole collar details (WGS84 Z52N)

Related ASX Announcements

20180806 – ASX Tenements granted at Deokon, South Korea.
 20181002 – ASX High grade gold confirmed at Shin Adit, Deokon Project, South Korea.
 20190129 – ASX High grade gold-silver zones confirmed at Weolyu South Project, South Korea.
 20190403 – ASX 2019 South Korea Field Work Commences.
 20190527 – ASX Beopseongpo, Major Epithermal Target Defined.
 20190717 – ASX Deokon ‘Golden Surprise’ High Grade Au-Ag Discovery
 20190905 – ASX High-Grade Gold results Neungju Project
 20191029 – ASX Bonanza Drilling Commences
 20191210 – ASX Beopseongpo Drilling – Major Epithermal System Confirmed
 20200128 – ASX Deokon Scout Diamond Drilling Results
 20200128 – ASX Project Pipeline Extended from Project Generation Initiative
 20200316 – ASX Operations Update
 20200414 – ASX Two New Gold Mineralised Areas Confirmed: Geum-Mar and Daeam Valley
 20200525 – ASX Drilling Operations Update
 20200617 – ASX Drilling Operations Update – Mineralised Breccia at Aphae
 20200812 – ASX High Grade Gold and Silver confirmed at Aphae
 20200914 – ASX South Korean Drilling Operations Update
 20201126 – ASX Operations Update - South Korean Exploration
 20201130 – ASX Sale price US\$9.945m for BMV JV Interest
 20210419 – ASX Deokon Project – Golden Surprise Au-Ag Trend Extended
 20210618 – ASX Drilling at Nettle Zone Commences and field update

Authorised by:
Simon Mitchell
Managing Director

100% Owned Projects

Project Name	Tenement Info			Register Info		
	Korean	English	Block ID	No.	Type	Date of Granting
Hampyeong	나주	Naju	136	200970	Exploration	11/01/2018
Aphae	무안	Muan	109	200996	Exploration	6/03/2018
	무안	Muan	99	201136	Exploration	26/03/2019
Beopseongpo	법성포	Beopseongpo	29	201028	Exploration	11/07/2018
	법성포	Beopseongpo	30	201029	Exploration	11/07/2018
Deokon	전주	Jeonju	70	201041	Exploration	31/07/2018
	전주	Jeonju	80	201040	Exploration	31/07/2018
	전주	Jeonju	60	201218	Exploration	17/12/2019
Dokcheon	영암	Yeongam	116	201143	Exploration	12/04/2019
Neungju	능주	Neungju	33	201042	Exploration	31/07/2018

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, Southern Gold’s aim is to find tier one epithermal gold-silver deposits in a jurisdiction that has seen very little modern exploration.

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 samples and assay results in the body of this ASX Release that relate to new surface rock samples not previously announced are within tenement applications Yeongam 105, 115, 124 and 125 at Dokcheon and within tenement applications Yeongdong 27, 37 and 45 in the Yeongdong Basin. Surface reconnaissance rock chip sampling was taken based upon geological features relevant to the target style of mineralisation. Sample sites were chosen selectively to reflect geological features relevant to the target style of mineralisation. The nature of the samples and assay results in the body of this ASX Release that relate to new drill samples not previously announced are within tenement application Jinan 126 at the Geum Mar project 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>	Surface and underground reconnaissance rock chip samples are not considered representative and only used as an exploration tool to plan potential future representative sampling programs. Drill 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 0.1m to 1.4m in length.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	Determination of mineralisation was achieved by geological logging of samples by an experienced SAU or consultant geologist or representative, with structural measurements taken where possible. Samples were geologically logged for lithology, mineralisation, alteration, veining, and structure. SAU mapping, channel saw sampling and rock sampling results has been used to inform the determination of mineralisation at an early stage of exploration.
	<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>	Surface and underground reconnaissance rock chip samples are not considered representative and only used as an exploration tool to plan potential future representative sampling programs. 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</i>	HQ3 triple tube Diamond drilling was completed to obtain drill core.

Criteria	JORC Code explanation	Commentary
	<i>oriented and if so, by what method, etc.).</i>	
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 at all drill sites. 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. Where historical drilling may be reported in past reporting, it is not known if a relationship exists between sample recovery and grade, or if there is any bias present.
Logging	<i>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.</i>	No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage but 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 qualitative in nature. Structural logging was quantitative in nature. Slab photography of all surface reconnaissance rock samples was completed and core photography of all drill core was completed.
	<i>The total length and percentage of the relevant intersections logged.</i>	No surface rock sampling reported in this release refers to sample intervals. Sampling conducted is reconnaissance in nature. The entire drill core from all holes were logged, as well as the channel samples.
Sub-sampling techniques and sample preparation	<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 1cm to the right of the orientation line when viewed in the downhole direction and sampling the half without the orientation line. 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>	Samples were taken dry. Rock chip and grab samples had representative slabs cut and all of the remaining offcuts of each sample were sent for assay.
	<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 Intertek Laboratories in Jakarta, Indonesia. 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

Criteria	JORC Code explanation	Commentary
		micro-riffle splitter to produce 500g of pulp reject, 250g of pulp duplicate, and 250g of sample for shipment to Intertek Laboratories in Jakarta, Indonesia. Pulp rejects are retained for each sample. The soil samples were sieved in the field to <6 mesh (~3mm) Bulk samples were sent to Intertek Laboratories in Jakarta, Indonesia for sieving to <80mesh and >80mesh (SV101) and both fractions were pulverized to 95% passing 200 mesh. 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>	Given the nature of the reconnaissance rock sampling, no QAQC samples were considered appropriate for the reporting of early-stage Exploration Results. The same QAQC methodology for the drilling was applied to the surface channel samples. No field core 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 laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Pulps from drill core samples and rock samples (typically 200 to 400g) prepared by SGS in South Korea are sent through registered airfreight (e.g. DHL) to Intertek Laboratories in Jakarta, Indonesia, for Au and multielement analysis. Intertek is an ISO/IEC 17025:2005 certified laboratory. Gold was analyzed on a 50g charge using fire assay fusion with an atomic absorption spectroscopy finish (Intertek method FA51/AA). Detection limit range is 0.01g/t to 50g/t Au. Samples returning a result above 50g/t Au were re-analysed to ore-grade using a 50g charge using fire assay fusion with a gravimetric finish (Intertek method FA50/GR200) with lower detection limit of 3g/t Au. A 35 multi-element suite was analyzed on a 0.5g pulp sample split using aqua regia digest with an inductively coupled plasma – optical emission spectroscopy (ICP-OES) finish (Intertek method AR005/OE01). Silver was analysed as part of the multi-element aqua-regia digest ICP-OES (method AR005/OE01), with an upper detection limit 200g/t Ag. Samples returning a result above 200g/t Ag were re-analysed to ore-grade using Four Acid Digestion and AAS (method 4AH2/AA) with a lower detection limit of 5g/t Ag. Copper, lead and zinc were analysed as part of the multi-element aqua-regia digest ICP-AES (method AR005/OE01), with an upper detection limit of 1%. Samples returning a result above 1% were re-analysed to ore-grade with Four Acid Digestion and OES (method 4AH2/OE201) with a lower detection limit of 2ppm. Soil samples were analysed using the same methods as the drilling. The nature of the laboratory assay sampling techniques is considered 'industry standard' and appropriate.

Criteria	JORC Code explanation	Commentary
		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>	Magnetic susceptibility measurements were completed on all drill core using a TERRA KT-10R V2 hand-held magnetic susceptibility meter. Scanning mode and full core mode were used.
	<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>	For reconnaissance rock samples, lab duplicates analysis and 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. Drilling QAQC samples involved 1 blank and 1 certified ore-grade epithermal reference standard, 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 (physical and electronic) protocols.</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 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.
Location of data points	<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>	SAU surface reconnaissance rock sample XYZ locations are determined with a handheld Garmin 64s GPS producing levels of accuracy +/- 3m. Drill collar XYZ locations are surveyed before hole closure with a DGPS producing levels of accuracy +/- 10mm.
	<i>Specification of the grid system used.</i>	The grid system used is Universal Transverse Mercator (WGS84), Zone 52 S (Northern Hemisphere).

Criteria	JORC Code explanation	Commentary
	<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>	SAU surface 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. Holes are normally designed nominally at 50m spacing along strike and 50-100m down dip on section. In this case, the drilling was more scout in nature.
	<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>	Rock chip, grab and soil 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. Drill 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>	The relationship between sampling orientation and the orientation of key mineralised structures in rock sampling is not considered to have introduced any material sample bias, as discussed above. No sample bias is expected in the drilling.
<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 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 received at the assay laboratory by a 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
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 granted tenements Yeongam 116 at the Dokcheon Project and granted tenements Jeonju 60, 70 and 80 at the Deokon Project are held by Southern Gold Korea, a fully owned subsidiary of Southern Gold. No known material issues exist 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.
	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.	Upon successful conversion to an Exploration Right, the holder has 3 years to submit Exploration Results 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 Historical records in general are not extensive and considered unreliable. In the 1990's, Ivanhoe Mines conducted brief field reconnaissance in each 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	A summary of significant drill results are summarized in the tables in the body of the text. A summary of significant surface results are summarized in the tables in the body of the text.

Criteria	JORC Code explanation	Commentary
	- 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.	
	<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>	No weighting averaging techniques, maximum and/or minimum grade truncations, or cut-off grades were used within this release for rock sampling. The results reported are reconnaissance rock samples and the above techniques do not apply to these early-stage exploration samples. The cut-off grade for reporting of drill results was 10g/t Ag
	<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>	All rock sample assay values reported are raw assays and none of the reported data has been cut or adjusted. All aggregate drill intercepts are length weighted and no internal dilution was included.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been reported in this ASX Release.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	No mineralisation widths or intercepts are reported in this report as the sampling reported is early-stage reconnaissance exploration grab sampling. Estimated true widths have been reported for the drilling.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	With regard to surface sampling it is not necessarily known what the relationship between mineralisation widths is as no drilling was undertaken. For the drilling, it was designed to be perpendicular across the target and intercepts are interpreted to be true width.
	<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>	No downhole widths for surface sampling have been reported in this release as the sampling reported is early-stage reconnaissance exploration grab sampling. Estimated True widths have been reported for the drilling in the significant intercept tables in the body of the text.
Diagrams	<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</i>	Appropriate maps, sections, and tables for new results have been included in this ASX Release.

Criteria	JORC Code explanation	Commentary
	<i>drill hole collar locations and appropriate sectional views.</i>	
<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>	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. Gold results reported range from <0.01g/t to 3.56g/t Au. 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>	Further drilling is being planned at Deokon. Further surface sampling, soil sampling and/or trenching is being planned at Dokcheon NW, Geum Mar, Janghwal and Yeongdong District.
	<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 the Figures and tables in the main body of this ASX Report that show where new drilling and sampling has been conducted.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SOUTHERN GOLD LIMITED

ABN

30 107 424 519

Quarter ended ("current quarter")

30 JUNE 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(208)	(469)
	(b) development		
	(c) production		
	(d) staff costs	(334)	(1,098)
	(e) administration and corporate costs	(128)	(798)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	3
1.5	Interest and other costs of finance paid	(1)	(7)
1.6	Income taxes paid		
1.7	Government grants and tax incentives	1	119
1.8	Other (short term lease payments)	-	(11)
1.9	Net cash from / (used in) operating activities	(670)	(2,261)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(3)	(17)
	(d) exploration & evaluation	(288)	(2,077)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments – legal fees re JV disposal	(49)	(156)
	(e) 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 JV's)	-	(83)
2.6	Net cash from / (used in) investing activities	(340)	(2,333)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	10,200
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(526)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	-	(750)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (repayment of lease liability)	(17)	(67)
3.10	Net cash from / (used in) financing activities	(17)	8,857

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,025	3,737
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(670)	(2,261)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(340)	(2,333)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	8,857

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	1	(1)
4.6	Cash and cash equivalents at end of period	7,999	7,999

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	204	185
5.2	Call deposits	7,795	8,840
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)	7,999	9,025

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	189
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(670)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(288)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(958)
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,999
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,999
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 29 July 2021.....

Authorised by: The Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.