ASX Release
Thursday 12 July 2018

ASX Code: SAU

Gold mineralisation intersected over 750m in scout drilling at Hampyeong, South Korea

Diamond drilling intersects gold mineralised quartz veining - breccia over a strike length of 750m at the Hampyeong Gold Project.

Highlights

- Shallow gold mineralisation successfully intersected in maiden drill program. Gold mineralisation intersected in all 3 drillholes.
- Best intersections: 0.95m @ 5.33 g/t Au and 0.7m @ 2.47 g/t Au.
- Mineralisation remains open along strike and down-dip.

Hampyeong Gold Project (South Korea)

A maiden diamond drilling program has been completed at Southern Gold's 100% owned Hampyeong gold project in South Korea. Drilling is located on the Naju 136 graticule (tenure block) that was recently granted to Southern Gold (ASX Release 5th February 2018). This area hosts the A'Cha, Nabi and Saseun epithermal quartz vein zones (**Figure 1**). No prior drilling or systematic exploration has occurred on the area prior to Southern Gold's exploration efforts. Gold targets were outlined by rock chip sampling and geological mapping completed in mid-2017 with this round of drilling targeting the A'Cha and Nabi quartz veins hosted within Cretaceous volcanic rocks and a granitoid.

Drilling intersected gold mineralisation in all three holes with a peak result of 0.95m @ 5.33 g/t Au from 32.6m from the Nabi Vein Zone (**Table 1, Figure 1 and 5**).

Hole ID	Target		From (m)	To (m)	Interval (m)		Au (g/t)
HPDD001	A'Cha		29.70	31.70	**2.00**	**@**	**1.08**
		including	*31.30*	*31.70*	***0.40***	**@**	***2.96***
HPDD002	A'Cha		24.00	24.44	**0.44**	**@**	**0.98**
HPDD003	Nabi		32.60	33.55	**0.95**	**@**	**5.33**
	A'Cha		119.00	119.70	**0.70**	**@**	**2.47**

Table 1: Hampyeong diamond drilling significant intercepts (>0.8 g/t Au). All reported interval widths are downhole widths.

Southern Gold Managing Director, Mr Simon Mitchell: "Hampyeong has demonstrated our execution capability in South Korea where we have moved from granted tenure to scout drilling in just a few short months. The results are highly encouraging and demonstrate the potential size of the mineralised system and the potential for extension both along strike and down dip. The target is open in all directions with multiple potential vein hosts to gold mineralisation in this newly discovered system. In addition, Hampyeong is just the start of our broader regional assessment where we can see multiple targets that remain essentially unexplored."

Shares on Issue: 49.15m
Share Price: $0.25
Market Capitalisation: $12.5m

Asset Base – WA, Australia
Cannon Gold Mine (100%)
Glandore Gold Project (75%*)
Cowarna Gold Project (100%)
Transfind South (Option)
*currently earning 90%

Asset Base – South Korea
Gubong Project (100%*/BMV)
Taechang Project (100%*/BMV)
Kochang Project (100%*/BMV)
Weolyu Au-Ag Project (100%)
Hampyeong Au-Ag Proj. (100%)
*Currently under BMV farm-in

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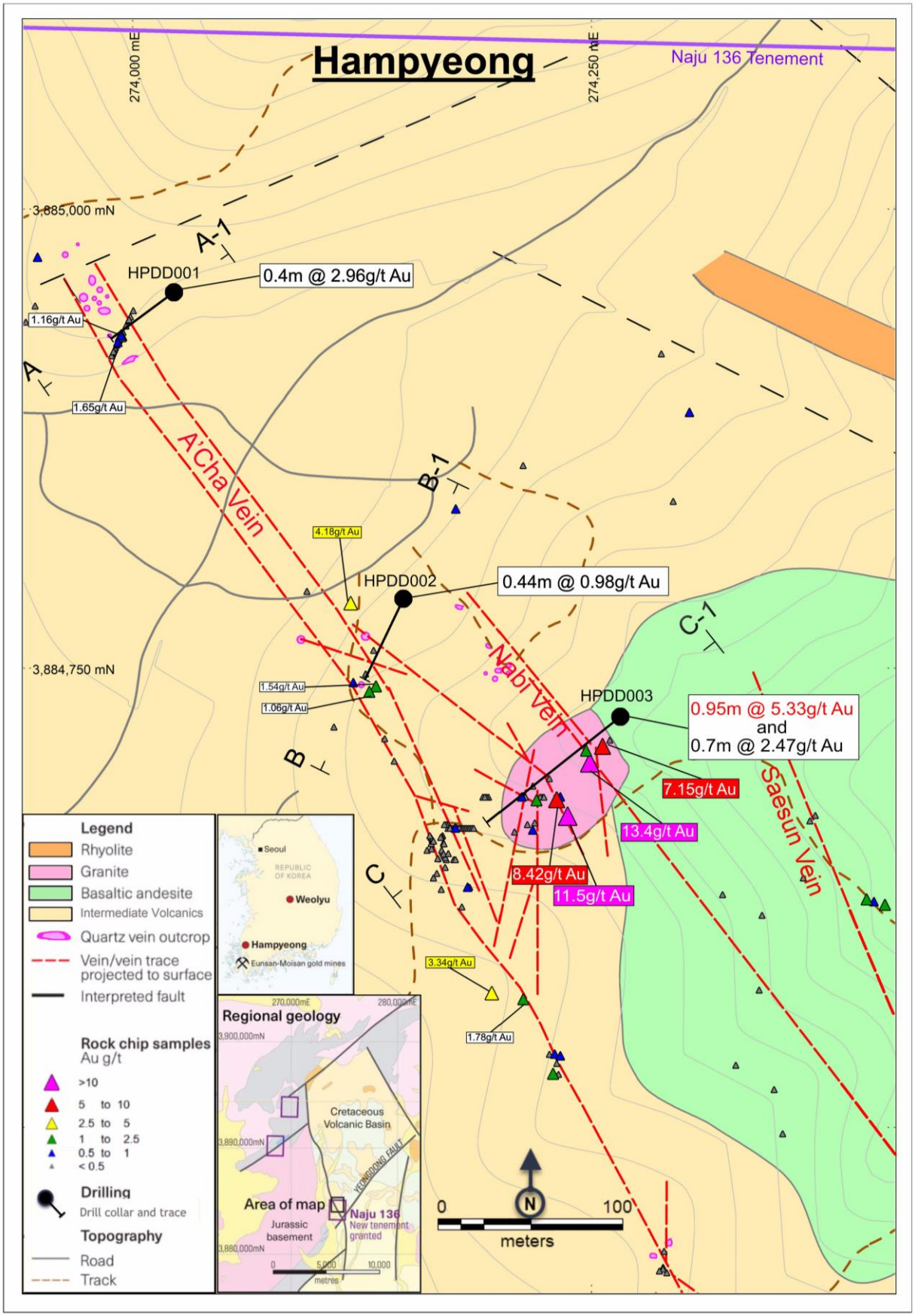

Figure 1: Plan of drilling and significant gold occurrences at the Hampyeong Project. Note the Saseun vein zone continues for over 400m to the south-southeast (see ASX 5 Feb 2018 Figure 1 map for further detail).

Current Results

A three-hole, 276m maiden scout diamond drilling program targeting the A'Cha and Nabi quartz vein zones is complete. Drilling has been conducted with environmental and social considerations, including consultation with the local village, noise reduction measures and monitoring, sediment traps and pre-approved documented rehabilitation plans submitted to local council (**Figure 2**). The approval for the program required a pre-drilling report with registered surveyors documenting land clearance and proposed rehabilitation programs and forms part of the permitting processes.

Broad intervals (>10m) of **A'Cha quartz vein breccia** and anomalous gold were intersected in all three drillholes (**Figures 3, 4 and 5**). The A'Cha vein is a deep-level, low-sulphidation epithermal quartz vein and vein breccia system hosted predominately by sericite-illite-pyrite ± silica altered felsic volcanics and volcanoclastics. Vein textures indicate multiple phases of vein development and hydraulic brecciation with minor pyrite and trace sphalerite and galena present in certain phases of veining. The peak gold result returned from drilling of the A'Cha vein zone was **0.70m @ 2.47 g/t Au** from 119m in HPDD003 with the vein open in all directions.

The secondary drill target was the **Nabi vein zone** that has peak surface rock chip results of up to 13.4 g/t Au. Drillhole HPDD003 successfully intersected the Nabi quartz vein down-dip of surface exposure, returning **0.95m @ 5.33 g/t Au** from 32.6m downhole. The Nabi vein is an epithermal quartz vein and vein breccia hosted system within a silica-sericite-clay altered granitoid. The Nabi vein remains open in all directions, and additional core samples are being taken to confirm the potential extents of mineralisation into the hangingwall and footwall to the veins.

Figure 2: Drilling of HPDD002 at the Hampyeong Project.

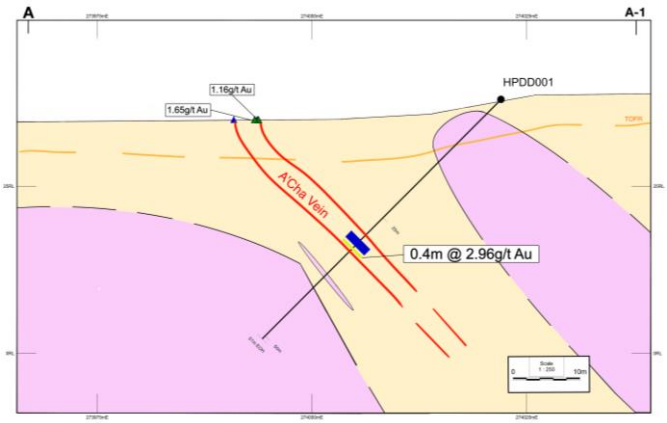

Figure 3: Cross-section of HPDD001, A – A-1.

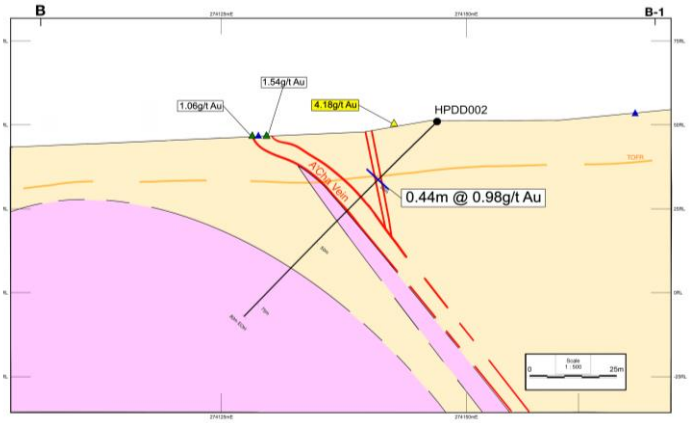

Figure 4: Cross-section of HPDD002, B – B-1.

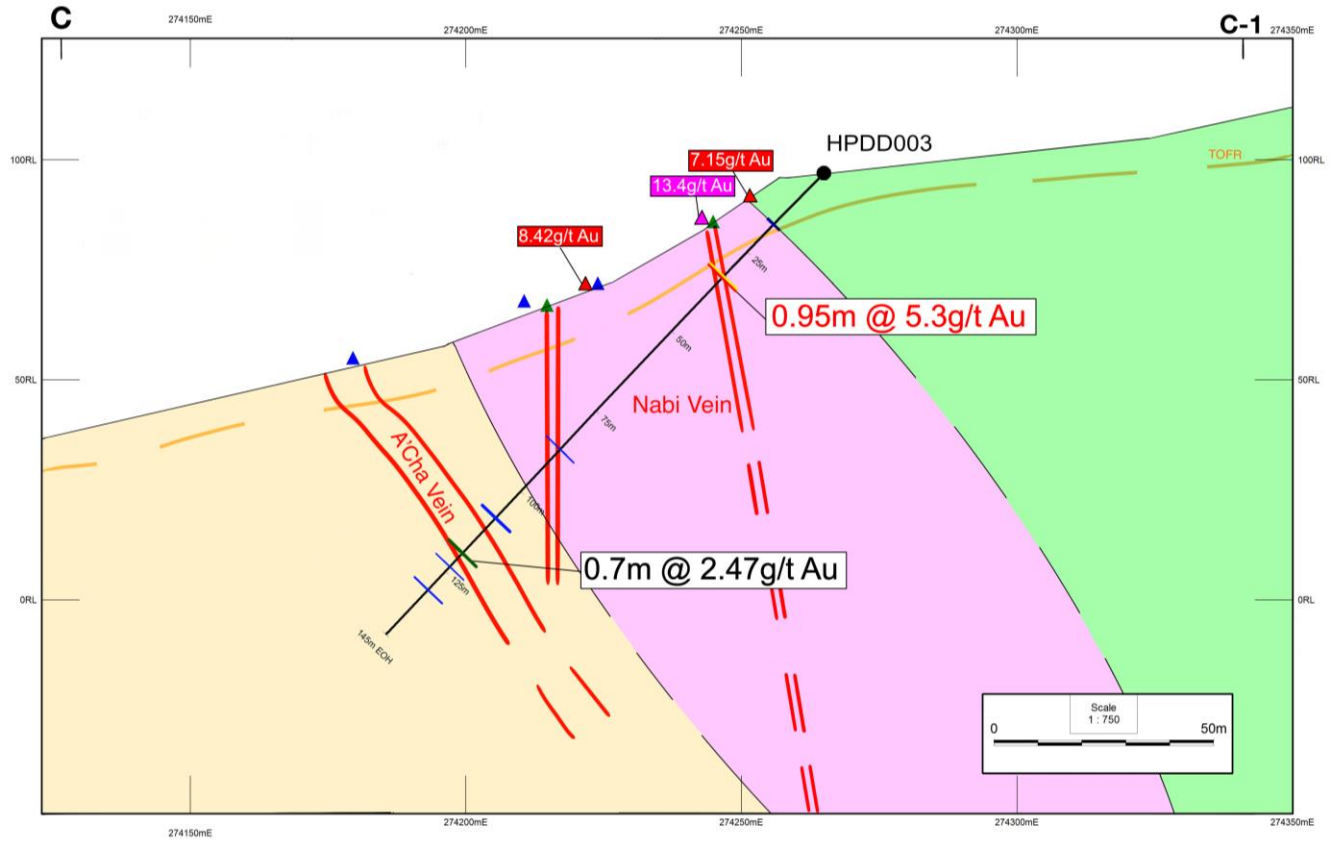

Figure 5: Cross-section of HPDD003, C – C-1. Geology in Figures 3, 4, and 5 are the same as Figure 1.

Future Work

The initial three-hole scout drill program has confirmed the continuity of quartz veining mapped and sampled at surface, and the overall significant strike extent as well as the down dip continuity. The majority of results returned from the A'Cha vein show wide intervals of sub 0.5 g/t Au, confirming the kilometre-scale structure is anomalously mineralised. All veining intercepted remains open along strike and down dip. Potential future work at the Hampyeong project will focus on further drill testing the Nabi and A'Cha veins along strike and down dip, and first-round drill testing of the Saseun vein that outcrops about 4m wide and reports surface rock chip results up to 6.8 g/t Au.

Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer and producer listed on the Australian Securities Exchange (under ASX ticker "SAU"). At the Cannon project near Kalgoorlie we are currently developing a small underground operation where Northern Star Resources Ltd holds a five year right-to-mine. Southern Gold is also looking to develop a much larger mine, Gubong, in South Korea within the next 12-18 months with development partner London-listed Bluebird Merchant Ventures.

We are also active explorers. Around Kalgoorlie Southern Gold is testing projects such as Glandore, Transfind Extended and Cowarna looking for additional small high grade open pit-able gold resources to maintain cash flow. In South Korea, Southern Gold also owns a portfolio of high grade gold projects that are a combination of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. Backed by a first-class technical team, including renowned geologist Douglas Kirwin, Southern Gold's aim is to find world-class epithermal gold deposits.

In essence, Southern Gold looks to monetise the small gold deposits while we search for the bigger ones.

Competent Person's Statements

The information in this report that relates to Exploration Results in South Korea has been compiled under the supervision of Dr Chris Bowden, FAusIMM(CP). Dr Bowden who is an employee of Southern Gold Limited and a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Dr Bowden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Forward-looking statements

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

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

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

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

APPENDIX 1: Drill hole data and significant results

Table 2: Hampyeong Drilling Results >0.1 g/t Au

Hole ID	Depth (m)	Grid	Easting	Northing	RL (m)	Dip	Azimuth	m from	m to	Interval (m)	Au (g/t)	Ag (g/t)
HPDD001	50.6	WGS84_52N	274022	3884954	38	-45	232.5	17.30	17.60	0.30	0.25	1.0
								29.00	29.70	0.70	0.30	1.7
								29.70	30.00	0.30	0.94	1.7
								30.00	31.00	1.00	0.55	1.6
								31.00	31.30	0.30	0.49	1.7
								31.30	31.70	0.40	2.96	5.8
								34.00	34.41	0.41	0.23	7.5
HPDD002	80.3	WGS84_52N	274147	3884787	51	-45	204.5	24.00	24.44	0.44	0.98	45.3
								24.44	25.00	0.56	0.11	1.6
								25.00	25.53	0.53	0.35	1.5
								31.00	32.00	1.00	0.15	1.2
								32.00	32.35	0.35	0.24	1.4
								33.00	34.00	1.00	0.13	0.8
								35.45	36.00	0.55	0.30	1.2
								41.00	41.67	0.67	0.35	1.5
								41.67	42.00	0.33	0.12	1.1
HPDD003	144.75	WGS84_52N	274265	3884273	97	-45	232.5	16.00	16.70	0.70	0.63	0.6
								32.60	33.00	0.40	4.37	3.3
								33.00	33.55	0.55	6.03	6.1
								33.55	34.00	0.45	0.47	1.8
								86.70	87.00	0.30	0.68	2.4
								94.00	94.50	0.50	0.16	1.4
								108.00	108.70	0.70	0.63	0.5
								109.00	109.65	0.65	0.12	3.8
								110.00	110.50	0.50	0.23	1.4
								112.00	112.50	0.50	0.13	0.8
								115.00	116.00	1.00	0.19	5.2
								116.00	117.00	1.00	0.35	0.7
								118.65	119.00	0.35	0.23	1.4
								119.00	119.70	0.70	2.47	5.0
								122.00	122.50	0.50	0.16	1.1
								123.35	123.70	0.35	0.87	2.0
								125.00	125.50	0.50	0.28	0.9
								125.50	126.00	0.50	0.15	1.5
								126.00	126.50	0.50	0.12	1.3
								128.50	129.00	0.50	0.13	1.2
								129.00	129.30	0.30	0.15	0.7
								129.30	130.00	0.70	0.17	1.6
								130.00	130.60	0.60	0.18	1.0
								130.60	131.00	0.40	0.59	1.2
								131.00	132.00	1.00	0.18	1.0

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	The nature of the samples and assay results in the body of this ASX Release relate to core samples from diamond drilling at the Hampyeong Project, South Korea, within tenements held by Southern Gold. Sampling was done on core drill holes. Samples were of NQ3 half core. Core was cut in half using a core saw. Sample intervals and sites were chosen selectively to reflect geological features relevant to the target style of mineralisation. Not all core has been sampled.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Measures taken to ensure sample representivity include controls on sample quality and sample location, including for drilling, collar position; downhole survey; and, downhole depths. These are validated by GPS, and compass; wireline downhole survey tools; and, regular counting of drill rods downhole to verify reported core block depths. Core quality is checked by the geologist to ensure removal from core tube to core tray is done correctly, that drill core has not been re-drilled, and other checks, including core recovery measurements, to ensure drill core is representative of in-situ material drilled. Sample intervals are reviewed and selectively cut lengthwise (downhole) to represent an equal half of visually identified mineralisation. Otherwise, the core is cut near and along the downhole orientation line, and systematically sample the right-hand side (looking downhole), preserving the downhole orientation line on the left-hand side of core. Coarse and pulp duplicate samples are taken, as well as blanks and CRM standards inserted into analysis batches, to test for accuracy and precision in sample representivity.
	Aspects of the determination of mineralisation that are Material to the Public Report.	Determination of mineralisation was achieved by geological logging of drillcore by experienced SAU geologists, with core orientation determined where possible to allow 3 dimensional study of the Hampyeong mineralisation. Core was geologically logged for lithology, alteration, veining, structure and mineralogy.
	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.	All samples discussed in this ASX Release are derived from 'industry standard': wireline diamond core drilling (NQ3 diameter drill core), sampling methods, laboratory preparation and element analysis, QAQC, and data review. Core samples were cut in half lengthwise (downhole) with a core saw. Sample downhole intervals lengths ranged from 0.3m to 1.0m. Individual sample weights were in the range of 2.2kg maximum, to 0.45kg minimum, and an average of 0.95kg. A suite of QAQC samples were used to test for accuracy, precision, and contamination. All samples were prepared by SGS and analysed by ALS laboratories for gold and a multi-

Criteria	JORC Code explanation	Commentary
		element suite (including silver and base metals). QAQC and laboratory processes are discussed in further detail below.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Drilling was done by local contractor DSI, utilising a track-mounted Hanjin D&B 10D wireline diamond core drill rig. Drill holes were drilled from surface as angle holes (-45 deg) using triple tube NQ3 diameter diamond core drill string. Drilling muds were used to maximise core-recovery, cutting penetration, and improve water circulation. Drill core was oriented by downhole wireline spear method every drill run (typically 3m), back-checked for consistency between orientation marks across multiple runs. The drilling contractor (DSI) conducted downhole wireline survey of the drill holes every 30m by a Camteq multi-shot downhole survey tool. The drilling program was supervised by experienced Southern Gold personnel, and in part by third-party drilling supervisor engaged by Southern Gold.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Drill core recovery was recorded in a digital format for direct input into a server hosted database. Recovery was calculated per run by measuring core length recovered against drill depth as reported on core blocks. Drilling depths were cross-checked by visually verifying the length and number of drill rods downhole, for example during bit changes and rods pulled out. Analysis of the measured core recovery data show recoveries for the drilling program averaged 89.7% and significantly improved with the use of third-party drilling supervisor and use of face discharge drill bits, achieving an average of 94.8% for HPDD003.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	A third-party drilling supervisor was engaged by Southern Gold to help supervise and guide the local drilling contractor (DSI) on methods to maximise sample recovery (such as attention to water circulation, drilling fluids use, short runs in broken ground, water pressure, drill bit/core lifter configuration, etc). This process measurably improved drilling recovery. In addition, to maximise core recovery drilling was done by triple tube, and during the latter part of the drill program, face discharge drill bits were used.
	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.	Visual analysis of the measured core recovery data plotted against grade shows no observable relationship and therefore no sample bias.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Drill core samples initially undergo measurement and mark-up of core boxes and RQD logging, structural logging, and core photography. Drill core samples have been geologically logged. Cross section interpretations as well as geological logs were done to a level suitable to inform the selective sampling of this early stage exploration drilling. No Mineral Resource estimation, mining studies or metallurgical studies have been conducted at this stage.

Criteria	JORC Code explanation	Commentary
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Geological logging was qualitative in nature. RQD and structural logging were quantitative in nature. Core tray photography has been done on all intervals of core, using a DSLR camera.
	The total length and percentage of the relevant intersections logged.	All drillholes have been logged, representing the total length for 100%.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Drill core samples from NQ3 core were cut lengthwise (downhole) using a core saw by trained personnel following cut line marked by the geologist.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Not applicable for this release.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All drill core samples were sent to SGS laboratory in South Korea for sample preparation. SGS is an ISO/IEC 17025:2005 certified laboratory. Samples were dried and crushed to 75% passing 2mm, split to 1,000g, then pulverised to 85% passing 150 microns. The nature of the laboratory preparation techniques are considered 'industry standard' and appropriate.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The crushing stage unit is a Rocklabs Smart Boyd-RSD Crusher capable of over 5kg primary sample in one load, with rotating sample divider (RSD) ensuring single pass crushing, producing representative coarse sample split sent to grinding, typically up to 1,000g. Coarse rejects are retained for each sample. The grinding stage unit is an Essa LM2 and utilises a large grinding bowl (1,600g) ensuring single pass grinding of the coarse split, enabling a parent pulp sample, a daughter pulp sample, and a reject pulp sample to be produced (typically each 300g) in one grind. Pulp rejects are retained for each sample. Analysis of the reject tails and size pass rates for both the crush and grind circuits indicates that the coarse and pulp split samples are considered representative of the primary sample.
	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.	Analysis of coarse duplicate results return a correlation coefficient of 0.86, this result is negatively influenced by a single outlier. If the outlier is removed, a correlation coefficient of 0.95 is achieved. Pulp duplicate samples returned a correlation coefficient of 0.99. The sub-sampling techniques and sample preparation are considered representative and appropriate.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample size is considered appropriate for the target style of mineralisation, the requirements for laboratory sample preparation and analyses, and consideration reporting is for early stage Exploration Results.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Pulp samples (typically 300g) prepared by SGS in South Korea are sent through registered airfreight (eg DHL) to ALS laboratory in Laos for Au analysis, with a 10g split sent to ALS Brisbane for multielement analysis. ALS is an ISO/IEC 17025:2005 and ISO9001:2015 certified laboratory. Gold was analysed on a 50g charge using fire assay fusion with an atomic absorption spectroscopy finish (ALS method Au-AA26). Detection limit range is 0.01ppm to 100ppm Au.

Criteria	JORC Code explanation	Commentary
		A 35 multi-element suite was analysed on a 0.5g pulp sample split using aqua regia digest with an inductively coupled plasma – atomic emission spectroscopy (ICP-AES) finish (ALS method ME-ICP41). Silver was analysed as part of the multi-element aqua-regia digest ICP-AES (method ME-ICP41), with an upper detection limit 100g/t Ag. The nature of the laboratory assay sampling techniques are considered 'industry standard' and appropriate.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable - no data from geophysical tools were used to determine analytical results in this ASX Release.
	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.	QA/QC procedures implemented include: one coarse duplicate, one laboratory prepared pulp duplicate, one Certified Reference Material (CRM) standard, and one blank sample for every 16 regular samples, making a batch of 20. Sample dispatches aggregated three lots of these 20 samples making up to 60 samples per dispatch. 60 samples are run in the same fire assay, thus 3 lots of each QAQC samples were exposed in every fire assay run of 60 samples. Analysis of the QA/QC results suggests suitable accuracy (CRM's within 2SD) and precision (coarse duplicate corrected* correlation coefficient of 0.95 and pulp duplicate correlation coefficient of 0.99) are being obtained with no contamination between samples (blanks below detection). **One coarse duplicate outlier result was removed from the correlation coefficient calculation. Including the outlier, the correlation coefficient is 0.86, after removing the outlier it is 0.95.*
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Assay data has been verified by the database manager responsible for importing laboratory results into the database. Logging data and core sample intervals have been compiled by the senior geologists directly involved in the drilling program, under guidance of the Exploration Manager (Competent Person). Significant intersections in this ASX Release have been verified by the Exploration Manager (Competent Person).
	The use of twinned holes.	No twinned holes have been completed as part of this ASX Release, as the program is at an early stage.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data is recorded preferentially into proprietary data capture software or otherwise into digital spreadsheets or hand-written documents. All original hardcopy logs and sample reference sheets are kept for reference. Digital data entry is validated through the application of database validation rules and is also visually verified by the responsible geologist through GIS and other software. Any failures are sent back to the responsible geologist for correction and re-submission. Data is stored in an SQL database managed through proprietary software. The database is backed up as part of the Company server backup protocol.

Criteria	JORC Code explanation	Commentary
	Discuss any adjustment to assay data.	Assay data is imported into the Company database from original lab files via automated queries, thus minimising error in tagging samples with results. No adjustments are made to the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Preliminary collar XYZ locations are determined with a hand held Garmin 62s GPS, using an averaging waypoint method (15 minutes) producing levels of accuracy +/- 3m. Post completion of the drilling campaign, and prior to site rehabilitation, collar XYZ locations will be picked up by local surveyors using either dGPS or theodolite methods to sub cm-scale accuracy. Both location datasets are preserved in the database. The drilling contractor (DSI) conducted downhole surveys every 30m (producing dip and azimuth data) using a Camteq multi-shot downhole survey tool.
	Specification of the grid system used.	The grid system used is Universal Transverse Mercator (WGS84), Zone 52 Northern Hemisphere.
	Quality and adequacy of topographic control.	A detailed topographic survey has been flown of the Hampyeong drilling area using a SAU owned and operated DJI Phantom drone. The survey has an X, Y, and Z accuracy of <5cm, processing is completed using DroneDeploy application and outputs a Digital Terrain Model (DTM). Where drone data is yet to have been established, there is government available 5m contour data that is suitable for topographic control on early stage drilling campaigns.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drill holes in this ASX Release have been completed from three drill pads up to 500m apart (see plan map in main body of this release). Drill core sample intervals within each drillhole range from 0.3m to 1.0m. Sampling intervals were based on geological boundary and veining where possible. On occasion multiple intervals within a singular vein have also been taken to identify internal variability.
	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.	No Mineral Resource or Ore Reserve have been estimated in this ASX Release.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Drilling was planned to intersect surface mapped key mineralised structures as close to perpendicular as possible. Structural measurements taken on oriented core confirm that drilling intersected target structures close to perpendicular. Individual sample intervals are cut lengthwise (downhole) to represent an equal half of visually identified mineralisation. These measures are considered to achieve unbiased sampling of key mineralised structures.

Criteria	JORC Code explanation	Commentary
	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.	The relationship between drilling orientation and orientation of key mineralised structures is not considered to have introduced any material sample bias, as discussed above.
Sample security	*The measures taken to ensure sample security.*	From the point of sample generation to laboratory, samples (and reject returns) are under the full security and Chain of Custody of the Company. This is done by the following procedures: Drill core produced at the rig is inspected regularly (multiple times daily) and collected by the Company at end of dayshift. Core and samples are securely locked overnight in an on-site secure facility. Post on-site logging and processing, core is transported to the Company's long-term core storage facility under the direct supervision of a Company representative. Core is securely locked at the long-term storage. Core is further processed for sampling by Company representatives under guidance of the Competent Person. Bagged samples are secured by tags and delivered by a Company representative to a courier service to deliver to the sample preparation laboratory. The preparation laboratory sends pulp samples directly to the assay laboratory for analysis via door-to-door courier service. All rejects are returned under courier service and stored in the Company's secure lock-up long-term core storage facility.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of sampling techniques and data have been undertaken at this time.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Hampyeong tenement Naju 136 is held by Southern Gold Korea, a fully owned subsidiary of Southern Gold (see Figure 2). Refer to previous ASX release on 8th of July 2016 for the original tenure holding as acquired by Southern Gold. Additional tenure has subsequently been added to the Southern Gold portfolio in South Korea, as documented in ASX Release on 05/02/2018 (HP) and in ASX Release on 27/03/2018 (AP). There are no native title interests in Korea. It is a generally accepted requirement that mineral title holders gain the consent of local land owners and residents before undertaking any major exploration activity, such as drilling. The A'Cha, Nabi and Saseun gold mineralised structures lie on privately held farm and forest land. The structure also passes under the A'Cha Village. There are no known material issues with third parties.

Criteria	JORC Code explanation	Commentary
	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.	On completion of a Mineral Deposit Report for a tenement application has been approved, an Exploration Right is granted. The holder then has 1 year to submit an Exploration Plan to the Ministry outlining planned work. An initial 3 year exploration period is given to complete the exploration work, which can be extended to 6 years upon a successful submission to the Ministry. After the exploration period and upon an Exploration Results Report being accepted, the Exploration Right is converted to an Extraction Right. The drilling at Hampyeong is on Naju 136, which is an Exploration Right granted on the 11/01/2018. Upon successful conversion to an Extraction Right, the holder has 3 years to submit and have an Extraction Plan authorised. An application can be made to extend this period by 1 year. The Extraction Plan is submitted to the Local Government and requires approvals from a number of stakeholders. The term of an Extraction Right is 20 years. This can be extended upon application, provided all statutory requirements have been met over the life of the mine. From the date the Extraction Plan is approved, the title holder has a 3 year period in which mine production must commence. During this 3 year period, the title holder must make a minimum level of investment on plant and mine infrastructure in the amount of KRW100 million (~AUD$120,000) and meet certain minimum annual production levels, which are dependent on the commodity being mined. There are no known impediments to obtaining a license to operate.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Known previous work at the Hampyeong project includesmall scale mapping expeditions by Ivanhoe Mines (2001), and Asiatic Gold (2014) previously mapped and sampled parts of the Hampyeong project including rock chip and rock grab sampling programs along the A'Cha vein outcrop.
Geology	*Deposit type, geological setting and style of mineralisation.*	Exploration is targeting low-sulphidation style epithermal precious metal (Au, Ag) mineralisation in Cretaceous volcanic rocks of the Korean Peninsula.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	A summary of exploration results and associated grades is shown in Appendix I, Table 2 of this release.
	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.	All material information as outlined above has been included.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Where reported in the main body of this ASX Release, weighted average sample assay intercepts have been calculated from individual sample interval downhole widths and related assay results. The weighted average intercepts are calculated by multiplying the assay of each drill sample by the length of each sample, adding those products and dividing the product sum by the entire downhole length of the mineralised interval. No minimum or maximum cut-off has been applied.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Individual sample interval downhole widths returning Au assay results >0.1 g/t are included in Table 2, Appendix I of this ASX Release.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been reported in this ASX Release.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Mineralisation widths are not reported in this report as the current level of information is not sufficient to make a determination.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Mineralisation is at an interpreted high angle to drilling as presented in Figures 1, 3, 4, and 5.
	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').	All drillhole depths and sample intervals are reported as downhole measurements, as also noted in the body of this ASX Release. More drilling and analysis of structural data is required to more accurately determine true widths of mineralisation from downhole widths.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate maps, sections, and tables have been included in this ASX Release.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Not all sample assay data has been included in this report as it is not considered material beyond the representatively reported high and low grade results presented in the main body of this ASX Release.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or*	To the best of our knowledge, no meaningful and material exploration data has been omitted from this ASX Release.

Criteria	JORC Code explanation	Commentary
	contaminating substances.	
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Southern Gold is reviewing the data to determine the best way to advance the projects and will notify such plans once confirmed.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to Figures 1, 3, 4 and 5 in the main body of this ASX Report that show where drilling (and other works) have been conducted, and highlight possible extensions and where future drilling campaigns may focus.