Field Update: Drilling commences at Deokon Project

- **Deokon Project** (SAU 100%)**:** drilling has commenced at the Nettle zone to target the newly mapped structural intersection with coincident peak gold soil anomalies from a multi-prospect scale soil survey. New soil program results further defined the coincident Au-Ag-As soil anomaly at Nettle.
- The combination of a prospective structural trap, competent host rock in the area at depth (andesite), silica-illite-adularia-pyrite alteration and high-grade gold silver in outcrop and low-sulphidation geochemical signature, represents a compelling drill target at Nettle.
- **Daeam Project** (SAU 100%): soil sampling programme completed with assays pending with further reconnaissance rock sampling yielding multiple +3g/t gold results in rock float highlighting extensive strike length of mineralisation.
- **Geum Mar Project** (SAU 100%): soil sampling programme completed with assays received and subtle northerly trend defined with further ground traversing work required to confirm mineralised trends and project potential.
- **Project generation** (SAU 100%): reconnaissance sampling continued in the Yeongdong Basin near the Weolyu district.

Photo 1 – Drill site at Nettle Prospect, Deokon

Deokon (SAU 100%)

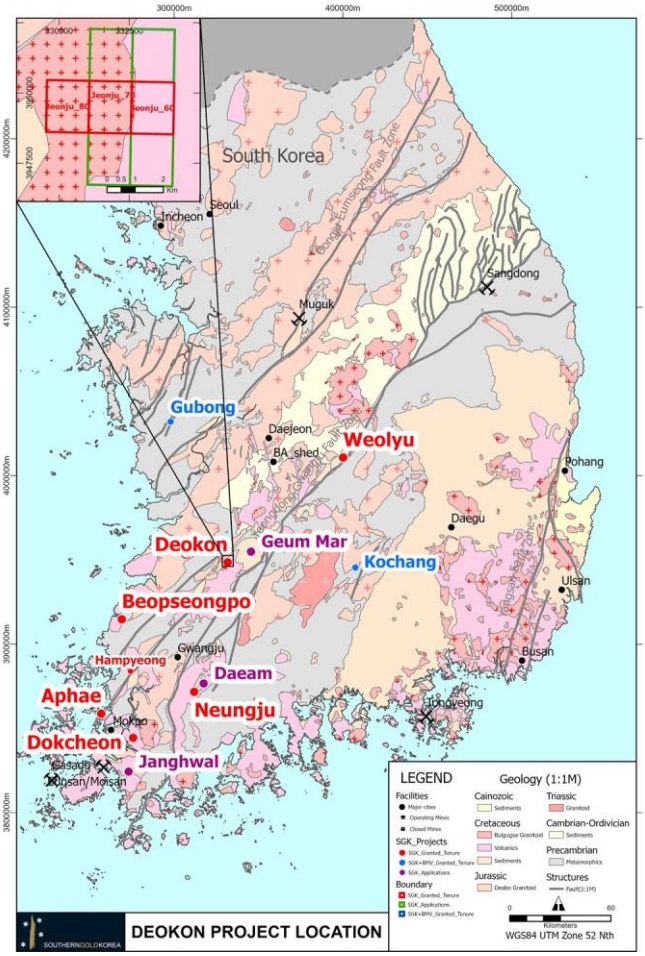

Figure 1: Deokon Project Location

A high level of recent field activity has advanced the Deokon Project along strike of known mineralised zones. This has resulted in the previously announced discovery of the Thistle and Nettle zones, which has extended the Golden Surprise Trend to a strike length of at least one kilometre.

An initial soil sampling grid over the trend revealed a strong Au-Ag-As anomaly at Nettle, and this was recently followed up with an extensional soil sampling program and detailed structural mapping, which confirmed that the location near the Nettle outcrop is the most prospective zone to drill test.

The outcrop at the Nettle Zone has returned a previously announced peak rock chip assay of 8.56g/t gold and 8,940g/t silver.

Drill testing has begun at Nettle, which is targeting an interpreted intersecting structural position of the NNW Golden Surprise trend with an NNE trend.

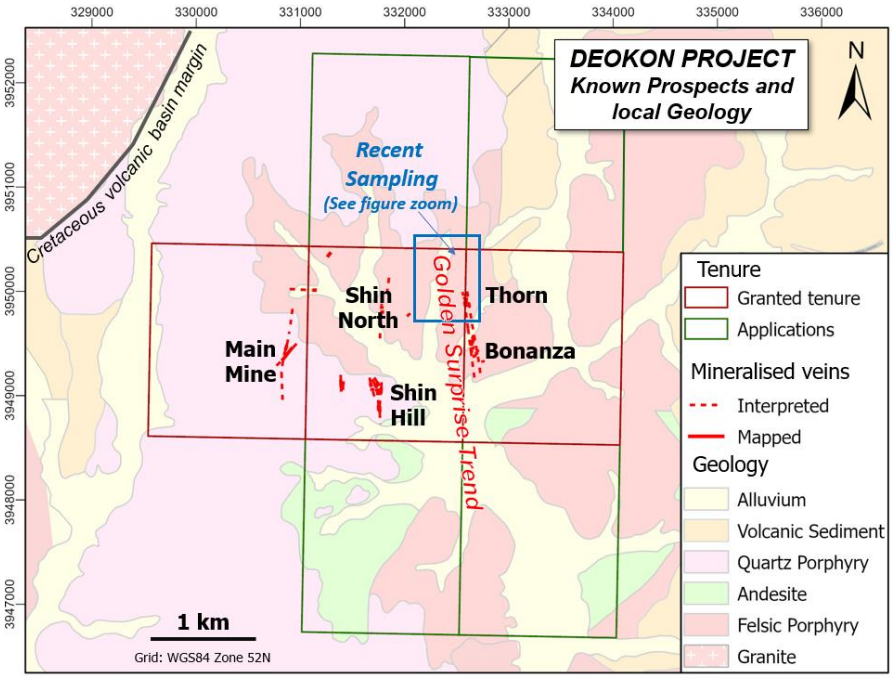

Figure 2 - Deokon established Prospect Locations

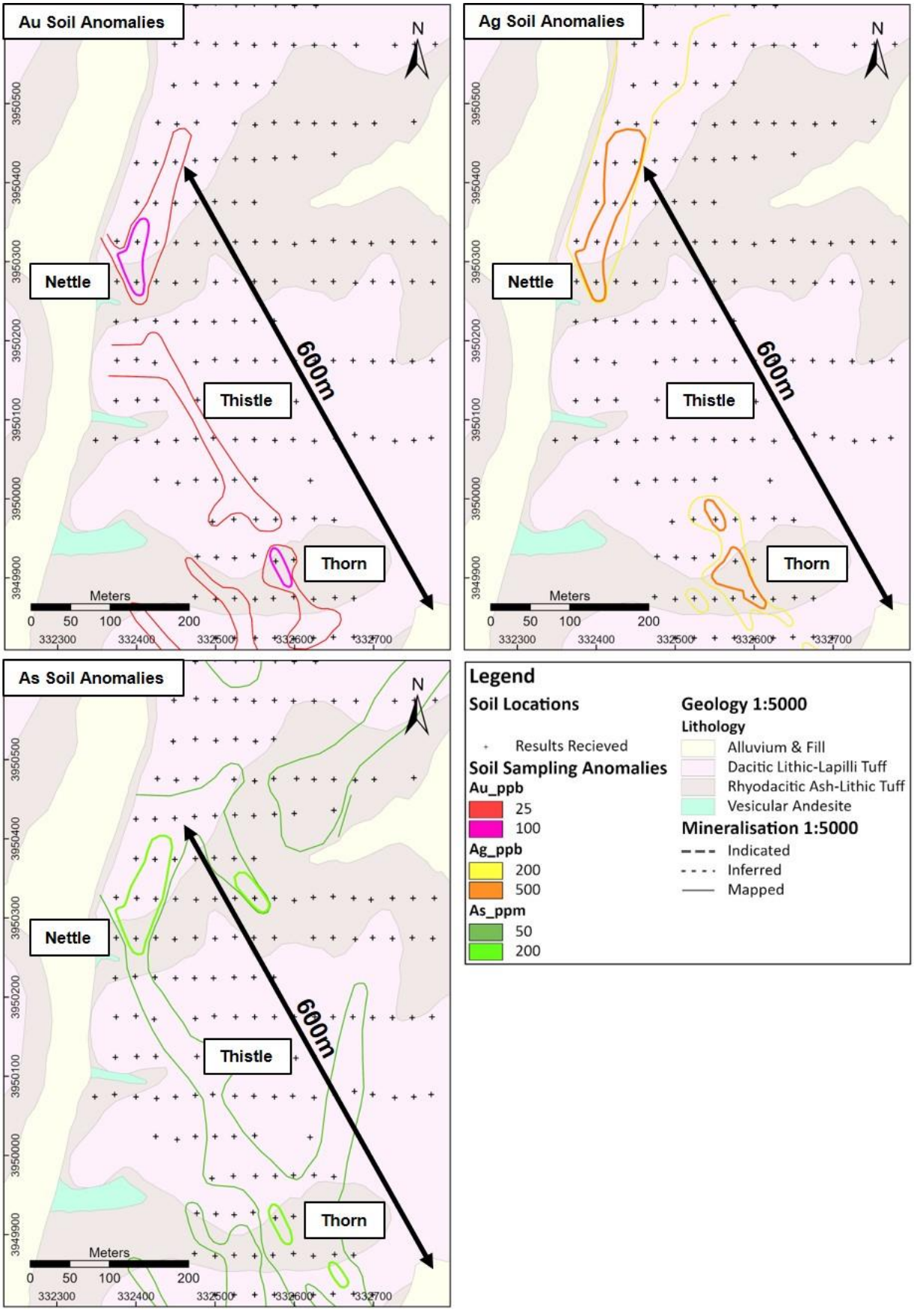

Figure 3 – Zoom from Figure 2 showing the coincident Au-Ag-As anomalies at Golden Surprise Trend

The latest soil sampling program was designed to define the full extent of the Au-Ag-As soil anomaly, identified from the Phase 1 soil program completed in the March Quarter, 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 in soil 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 4)**. This, combined with the soil anomaly location, represents a compelling structural position and drill target.

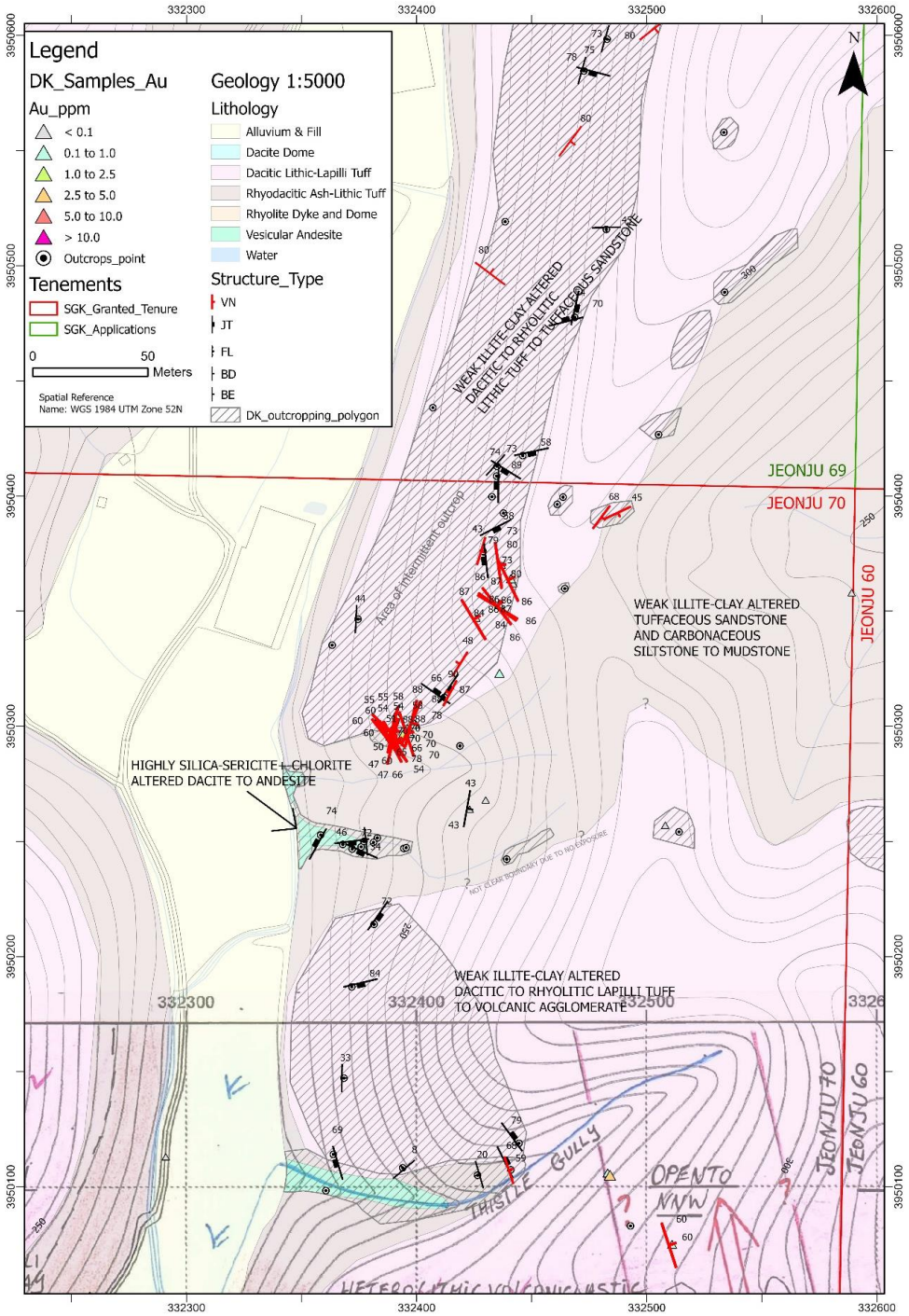

Figure 4: 2021 extensional mapping showing outcrop areas and structural measurements.

The drill program will involve at least two diamond drill holes (PDK_01 & 02 in **Figure 5**) for 250m and likely a third targeting the 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 in due course.

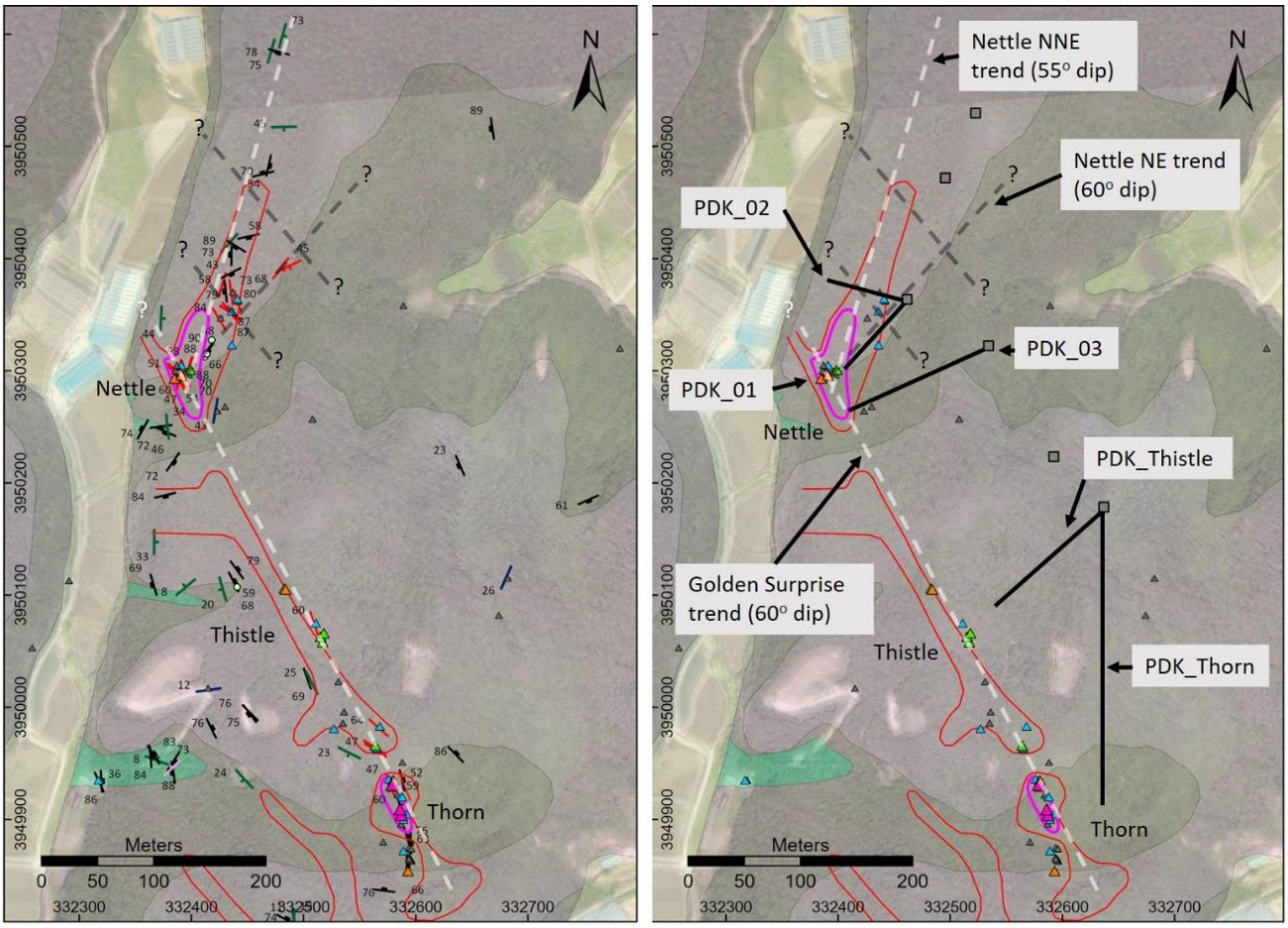

Figure 5: Left: Au in soil anomaly, structural measurements and interpretations. Right: Au soil anomaly, structural interpretations, possible drill pads (grey boxes) and proposed drillholes.

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 and ore metal zonation. Within the overall epithermal alteration and 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).

Daeam (SAU 100%)

A significant soil sampling program has been completed at Daeam, involving 419 samples over an area covering approximately 2km in strike length by 0.6km wide, trending NNE (assays pending). Samples were taken at 25m spacing on 50-100m spaced lines. Bulk samples were taken of the B-horizon and sieved in the laboratory to <6 mesh (~3mm). Due to the significant amount of float and subcrop in the area it is expected that the soils will be effective in highlighting the highest Au-As zones (also based on the initial orientation survey results).

In addition, 88 rock samples were taken during the program and thirteen returned assays greater than 0.5g/t gold (**Table 1**).

Sample ID	Easting	Northing	mASL	Sample type	Au (ppm)	Ag (ppm)	As (ppm)
KRS207708	318511	3878215	127	Float	3.56	0.2	43
KRS207747	318263	3877786	225	Float	3.23	1.8	4040
KRS207702	318135	3877252	126	Float	3.17	0.4	1770
KRS207729	318051	3877481	202	Float	3.11	0.9	7
KRS207928	318212	3878025	201	Float	2.17	0.4	1810
KRS207941	318528	3877836	146	Float	1.18	0.8	4290
KRS207705	318509	3878216	127	Float	1.15	1.5	1070
KRS207935	318529	3878093	142	Float	1.13	0.3	14
KRS207726	318016	3877381	161	Float	1.07	0.1	21
KRS207717	318346	3878012	162	Float	0.95	0.5	142
KRS207927	318306	3878006	161	Float	0.79	0.9	1110
KRS207915	318011	3877389	145	Outcrop	0.61	0.3	3980
KRS207706	318508	3878215	127	Float	0.55	0.1	22

Table 1 – Daeam reconnaissance sampling details >0.5g/t Au (WGS84 Z52N)

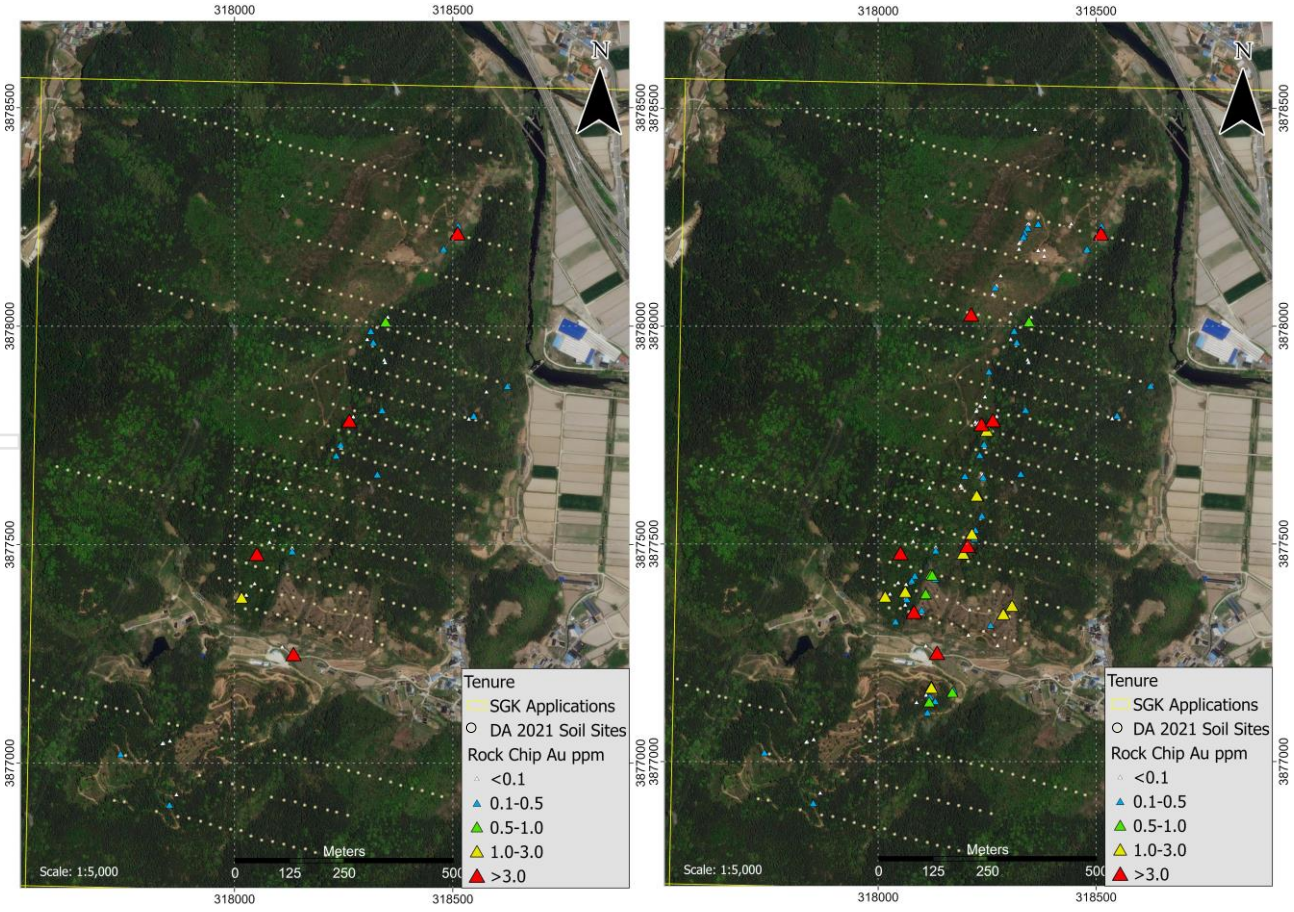

Figure 6 – Daeam 2021 rock chip sampling and soil sampling locations (left) and the total rock chip sampling to date and soil sampling locations (right), highlighting the extensive strike length at Daeam.

Figure 7: KRS207708: 3.56g/t Au and 0.2g/t Ag, hydraulic vein breccia, composed of milled granite fragments, set in an interlocking crystalline quartz matrix, with partially crudely cockade-comb banding (Float)

Figure 8: KRS207747: 3.23g/t Au, 1.8g/t Ag and 4040ppm As, intensely silica-illite ± pyrite altered sheared leucogranitic basement, cut by hydraulic brecciated and mesocrystalline quartz veinlets in an interlocking crystalline quartz vein matrix (Float)

Figure 9: KRS207702: 3.17g/t Au, 0.4g/t Ag, and 1770ppm As, intensely silica-illite/sericite ± pyrite altered hydraulic breccia and crystalline to mesocrystalline quartz vein re-healed granite/gneiss (Float)

Figure 10: KRS207729: 3.11g/t Au and 0.9g/t Ag, intensely silica-illite/sericite and haematite-limonite oxidised, hydraulic vein breccia composed of basement and ghosted interlocking crystalline quartz clasts, re-healed by silica (Float)

Geum Mar (SAU 100%)

Assays have been received for 75 rock samples collected during reconnaissance sampling in the surrounding area around the Golden Horse Quarry at Geum Mar, to find possible parallel or strike extensions from previously identified areas, as well as south of the historic mine at Banryong. In addition, a further 23 rock samples were taken during the soil sampling program. Results were low and the peak assay was 0.56g/t Au.

An extensive soil sampling program has also been 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 11** below (specifically Au and As) 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 previous peak samples of 24g/t, 4.98g/t and 3.88g/t gold.

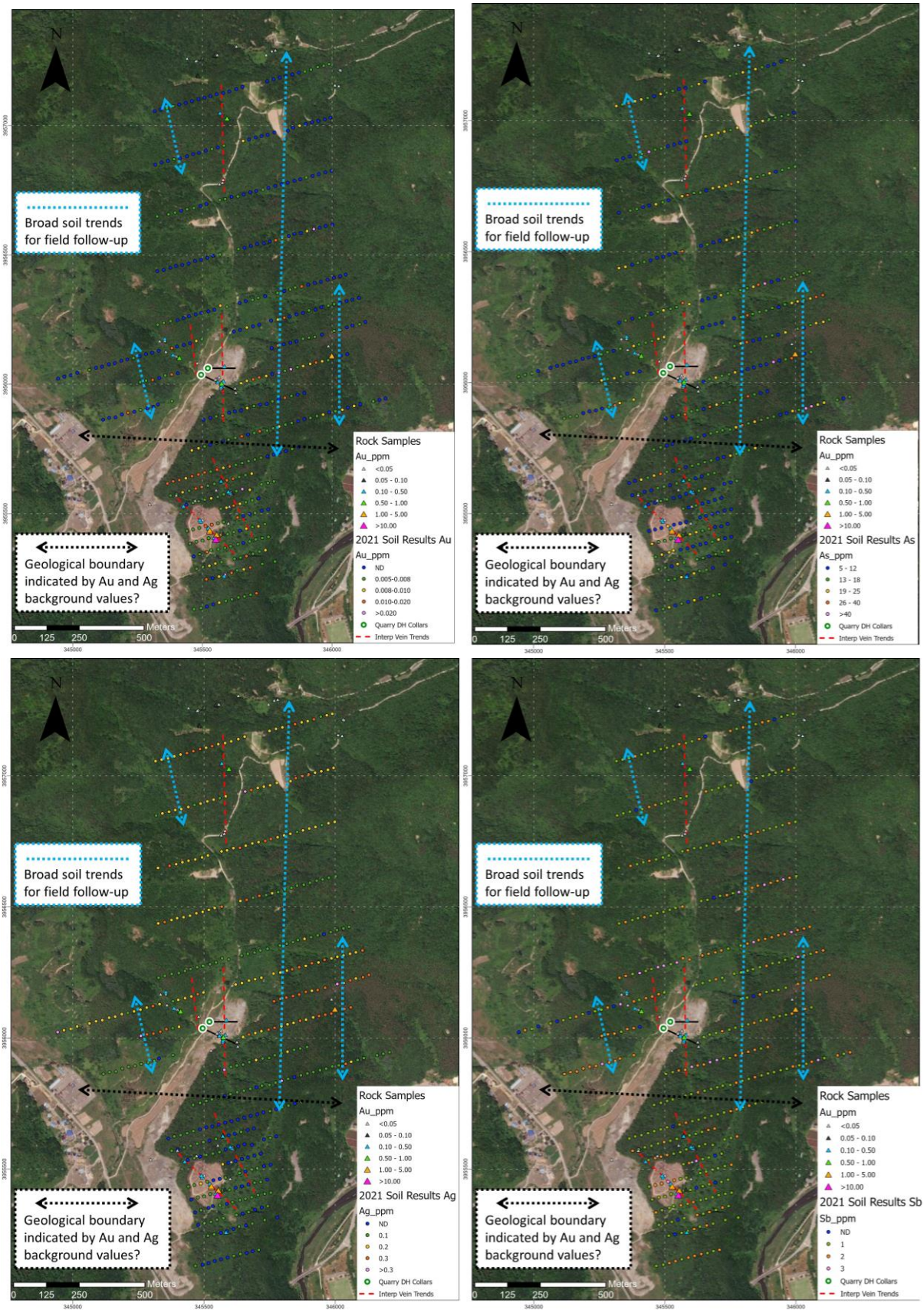

Figure 11 – Soil results for Au and As (top left and top right) and Ag and Sb (bottom left and bottom right)

Upcoming work

In addition to the current drill program at Deokon, project generation reconnaissance sampling has been completed and will continue in the Yeongdong Basin to the north-east of Southern Gold's former Weolyu Project. No further work was warranted in the tenure surrounding the historical Weolyu mine and the two tenements have been relinquished. Work in this district is now concentrated on the significant epithermal potential within the rest of the large Cretaceous Yeongdong pull-apart basin.

Related ASX Announcements

20180806 – ASX Tenements granted at Deokon, South Korea.
20181002 – ASX High grade gold confirmed at Shin Adit, Deokon Project, South Korea.
20190403 – ASX 2019 South Korea Field Work Commences.
20190717 – ASX Deokon 'Golden Surprise' High Grade Au-Ag Discovery
20191029 – ASX Bonanza Drilling Commences
20200128 – ASX Project Pipeline Extended from Project Generation Initiative
20200128 – ASX Deokon Scout Diamond Drilling Results
20200414 – ASX Two New Gold Mineralised Areas Confirmed: Geum-Mar and Daeam Valley
20201126 – ASX Operations Update - South Korean Exploration
20210419 – ASX Deokon Project - Golden Surprise Au-Ag Trend Extended

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Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer listed on the Australian Securities Exchange (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	*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 that relate to new surface rock samples not previously announced are within granted tenement Jeonju 70 at Deokon and within tenement applications Jeonju 69 at Deokon, Jinan 126 at Geum Mar and Dongbok 149 at Daeam. 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.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	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.
	Aspects of the determination of mineralisation that are Material to the Public Report.	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 and rock sampling results has been used to inform the determination of mineralisation at an early stage of exploration.
	In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	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	*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.).*	HQ3 triple tube Diamond drilling was completed to obtain drill core.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Core was measured and the recovery was calculated for each drill run

Criteria	JORC Code explanation	Commentary
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Industry standard barrel configuration was utilized at all drill sites. No sample bias is expected where recoveries are good.
	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.	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	*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.*	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.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	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.
	The total length and percentage of the relevant intersections logged.	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.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	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.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Samples were taken dry. Rock chip, channel and grab samples had representative slabs cut and all of the remaining offcuts of each sample were sent for assay.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	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.
	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. The 1kg of pulp material is then split using a micro-riffle splitter to produce 500g of pulp reject, 250g of pulp duplicate, and 250g of sample for shipment to Intertek Laboratories in Jakarta, Indonesia. Pulp rejects are retained for each sample.

Criteria	JORC Code explanation	Commentary
		Bulk soil samples were taken of the B-horizon and sieved in the laboratory to <6 mesh (~3mm) at Intertek Laboratories in Jakarta, Indonesia and then pulverized to 95% passing 200 mesh. These procedures are considered appropriate to maximise representivity of samples, for first pass exploration.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	Given the nature of the reconnaissance rock sampling, no QAQC samples were considered appropriate for the reporting of early stage Exploration Results. No field core duplicates were taken, just splits in the sample preparation phase. Sampling is considered representative of the in-situ material.
	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, 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.*	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. For any historical KORES, where mentioned, drill core and underground channel samples, the nature, quality and appropriateness of the sample assaying procedures are unknown.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument	Magnetic susceptibility measurements were completed on all drill core using a TERRA KT-10R V2 hand-held magnetic

Criteria	JORC Code explanation	Commentary
	make and model, reading times, calibrations factors applied and their derivation, etc.	susceptibility meter. Scanning mode and full core mode were used.
	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.	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	*The verification of significant intersections by either independent or alternative company personnel.*	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.
	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 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.
	Discuss any adjustment to assay data.	No adjustments are made to the assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	SAU 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.
	Specification of the grid system used.	The grid system used is Universal Transverse Mercator (WGS84), Zone 52 S (Northern Hemisphere).
	Quality and adequacy of topographic control.	South Korean Government 5m contour data is available and deemed suitable for topographic control on early-stage exploration campaigns.
	Data spacing for reporting of Exploration Results.	SAU rock chip and grab sampling intervals were based on geological boundary and veining where possible. On occasion multiple intervals within a single vein have also been taken to

Criteria	JORC Code explanation	Commentary
Data spacing and distribution		identify internal variability. Holes are normally designed nominally at 50m spacing along strike and 50-100m down dip on section.
	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.*	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.
	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 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.
Sample security	*The measures taken to ensure sample security.*	From the point of sample generation to laboratory, samples (and reject returns) are under the full security and Chain of Custody of the Company. This is done by the following procedures: Post on-site logging and processing, samples are transported to the Company's 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.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	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*	The granted tenements Jeonju 60, 70 and 80 at Deokon 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

Criteria	JORC Code explanation	Commentary
	park and environmental settings.	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* • *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 significant surface results above 0.5g/t Au are summarized in the tables in the body of the text.
	If the exclusion of this information is justified on the basis that the information is not Material and	No information has been excluded from this release to the best of Southern Gold's knowledge.

Criteria	JORC Code explanation	Commentary
	this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No 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.
	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.	All rock sample assay values reported are raw assays and none of the reported data has been cut or adjusted.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been reported in this ASX Release.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	No mineralisation widths or intercepts are reported in this report as the sampling reported is early stage reconnaissance exploration grab sampling.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	With regard to surface sampling it is not necessarily known what the relationship between mineralisation widths is as no drilling was undertaken.
	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').	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 channel sampling and drilling in the significant intercept tables in the body of the text.
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 for new results 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. 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.
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;*	To the best of our knowledge, no meaningful and material exploration data has been omitted from this ASX Release.

Criteria	JORC Code explanation	Commentary
	metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Further drilling may be completed at Deokon to test a greater portion of the Northern Golden Surprise trend if warranted.
	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 the Figures and tables in the main body of this ASX Report that show where new sampling has been conducted.