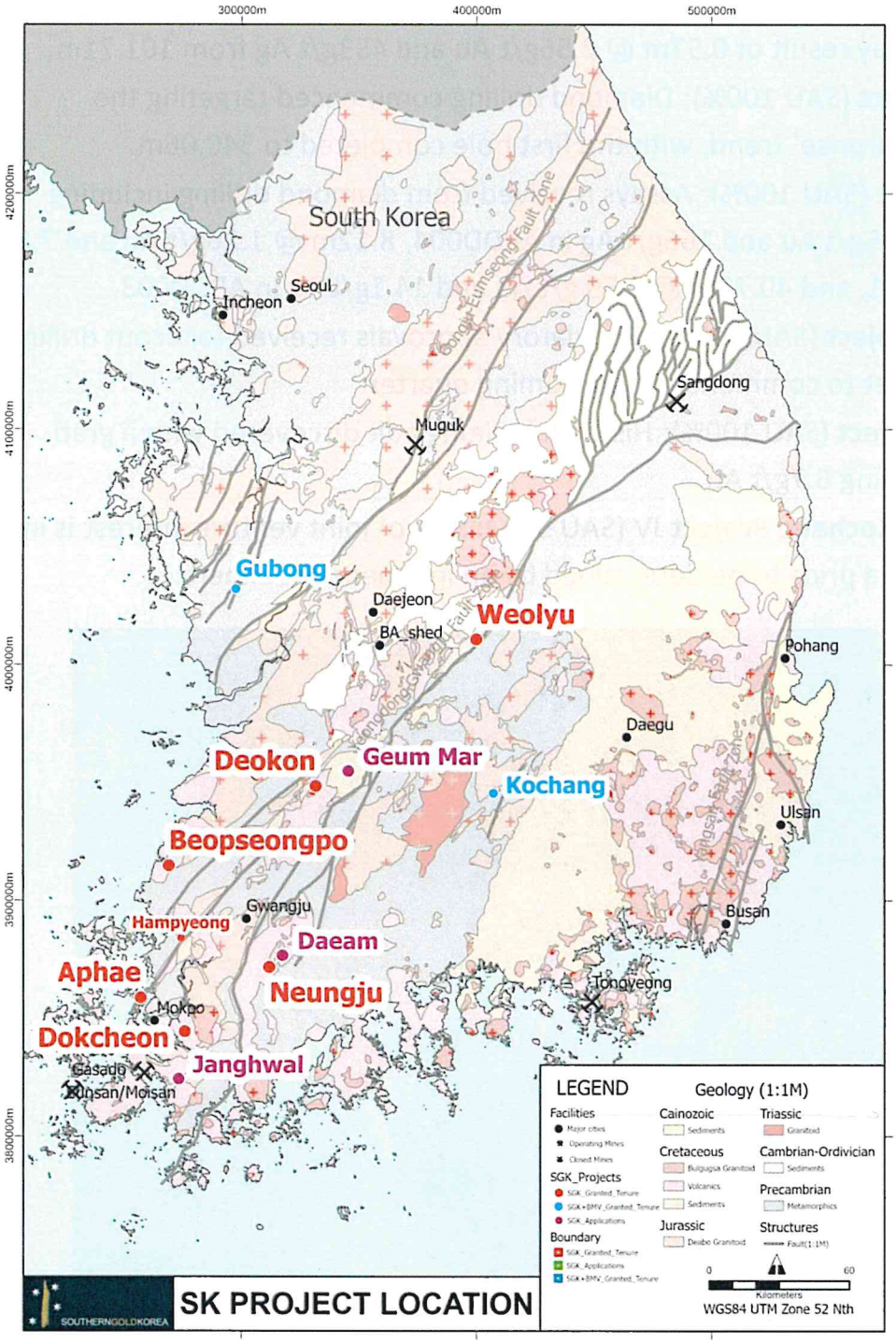
Quarterly Activities Report to 30 September 2020

- Well oversubscribed $10.2 million equity raising completed with new strategic North American cornerstone investor Crescat Capital LLC joining the register.
- Agreement executed with Ausino Drilling Services to support the provision of drilling services into South Korea to the value of US$4.4 million (A$6.2 million).
- **Deokon Project** (SAU 100%): 105.29m of diamond drilling completed at 'Shin Hill', with peak assay result of 0.57m @ 2.56g/t Au and 453g/t Ag from 101.71m.
- **Weolyu Project** (SAU 100%): Diamond drilling commenced targeting the 'Moonlight-Surprise' trend, with the first hole completed to 340.06m.
- **Aphae Project** (SAU 100%): Assays received from diamond drilling including 0.21m @ 107.5g/t Au and 166g/t Ag in APDD004, 8.12m @ 1.26g/t Au and 7.8g/t Ag in APDD001, and 40.72m @ 0.59 g/t Au and 14.1g/t Ag in APDD003.
- **Dokcheon Project** (SAU 100%): Regulatory approvals received for scout drilling programme set to commence in the coming quarter.
- **Janghwal Project** (SAU 100%): Historical mining adit discovered with a grab sample returning 6.7g/t Au.
- **Gubong and Kochang Project** JV (SAU 50%): Sale of joint venture interest is in progress with a price to be determined by an independent expert.

Photo 1 – Weolyu drill site, hole WUDD008, looking south west

South Korea

During the September 2020 quarter, Southern Gold Limited (ASX: SAU) ("Southern Gold" or "the company") continued activities on the ground in South Korea. The focus was on the completion of the diamond drill program at Shin Hill (Deokon) and the commencement of the Moonlight-Surprise (Weolyu) program after gaining regulatory approval. A total of 445.4m of HQ3 diamond drilling was completed in the quarter, utilizing one drill rig. In addition, regulatory approval was gained for drilling at Dokcheon as well as land access negotiations for future drilling sites at the Aphae Project.

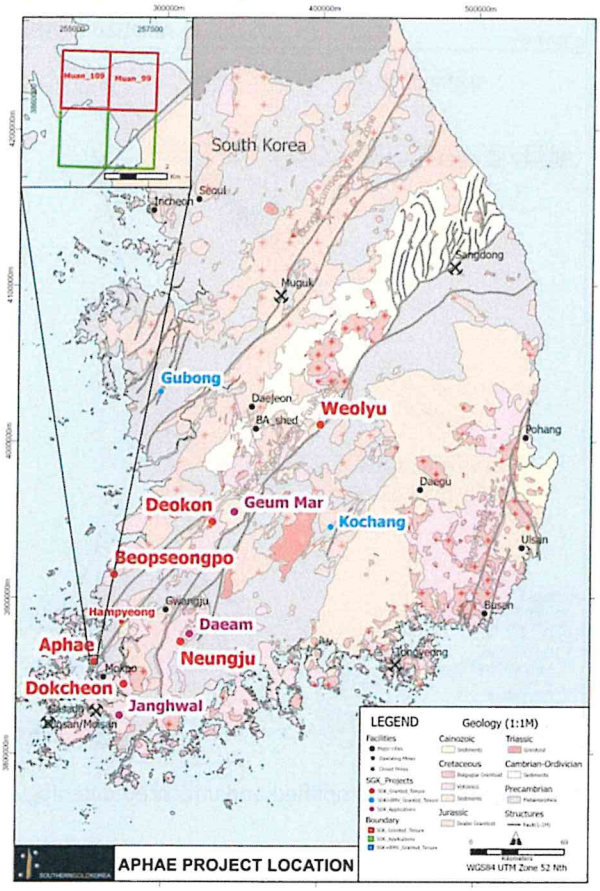


Drilling during the quarter took place at Deokon and Weolyu and surface sampling was conducted at Janghwal.

There was some disruption to operations due to several typhoons moving across Korea during the quarter. The typhoon season in South Korea has been considered more active than usual in 2020.

Figure 1: Southern Gold project Locations in South Korea including 100% owned projects in red, 50% owned BMV Joint Venture projects in blue, and 100% owned projects under application in purple.

Aphae (SAU 100%)



All assays were returned from the four diamond drill holes completed at Aphae.

Highlights include:

- 0.21m @ 107.5g/t Au and 166g/t Ag from 53.01m from a sulphidic vein breccia in APDD004;
- 8.12m @ 1.26g/t Au and 7.8g/t Ag from 51.88m (including 1m @ 5.07g/t Au and 13.8g/t Ag from 55m) in APDD001;
- 40.72m @ 0.59g/t Au and 14.1g/t Ag from 65.28m (including 0.18m @ 5.92g/t Au and 99g/t Ag from 85.77m) in APDD003; and
- 0.94m @ 5.07g/t Au and 26g/t Ag from 129.16m in APDD002.

Details of these intercepts and all other significant intercepts (>1g/t Au) are listed in **Table 1**.

Petrology has been completed on selected drill core samples which confirmed Aphae is a low-sulphidation epithermal target and a drone magnetic survey is being planned to map hydrothermal alteration and assist with Phase 2 drill hole targeting.

Figure 2 - Aphae Project Location.

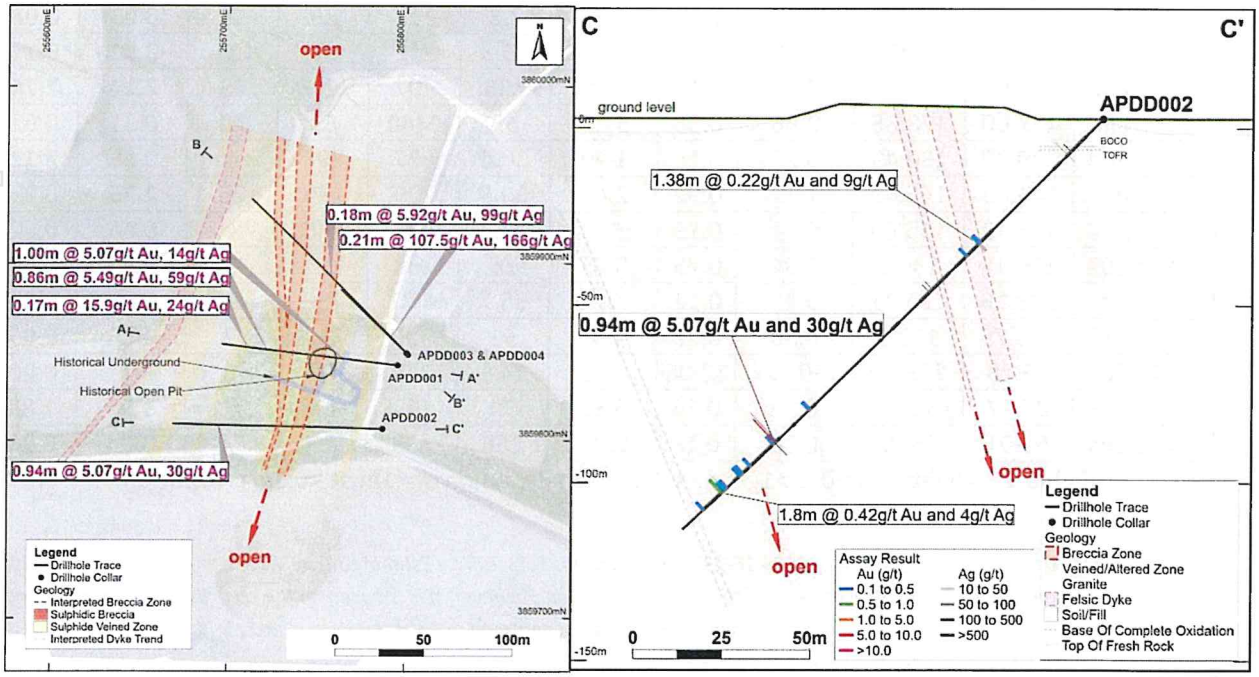


Figure 3 – Aphae Pit plan view of all the Maiden program results (left) & APDD002 cross section (right) showing assays and simplified and interpreted geology.

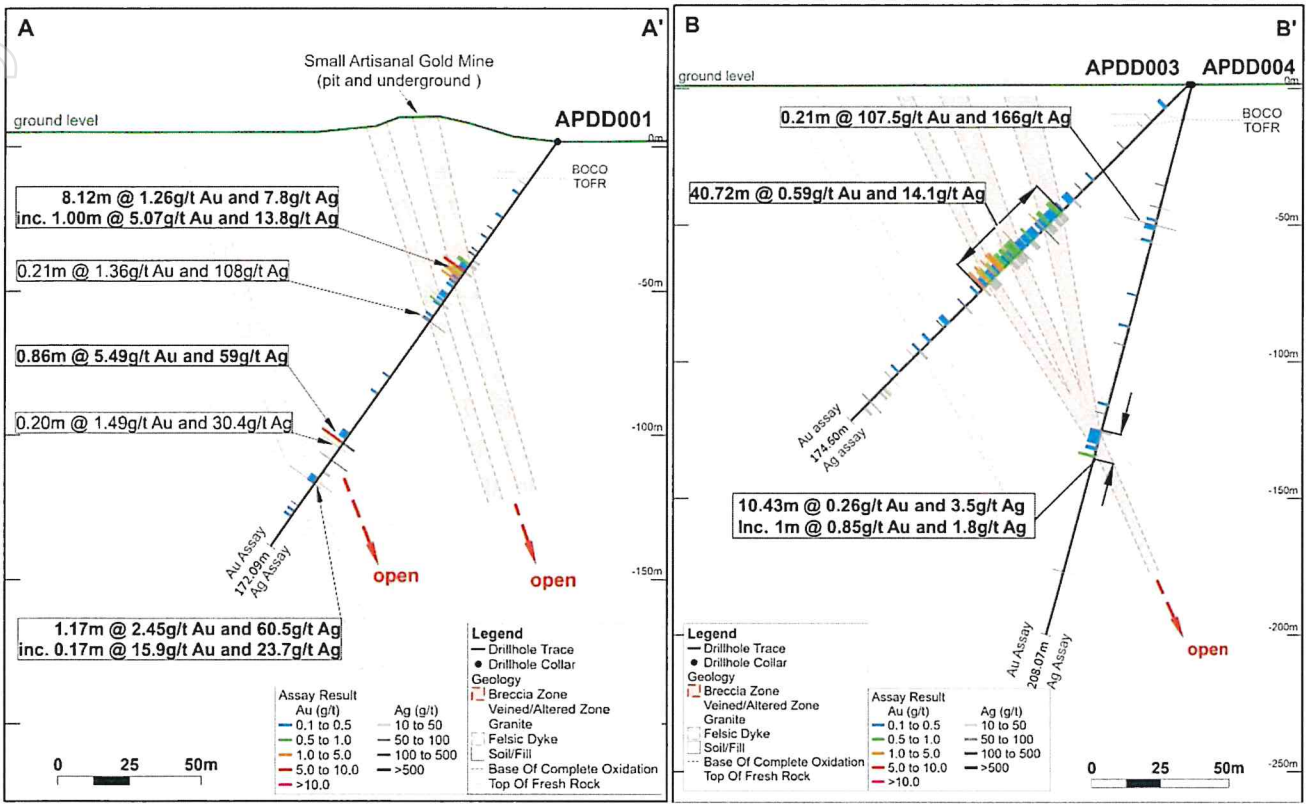


Figure 4 - Aphae Pit APDD001, 003 and 004 cross sections showing assays and simplified and interpreted geology.

Hole ID	From (m)	To (m)	Interval (m)	ETW (m)	Au (g/t)	Ag (g/t)	As ppm	Cu ppm	Sb ppm	Pb %	Zn %
APDD001	51.88	60.00	8.12	6.39	1.26	7.8	217	36	2	0.03	0.08
incl.	55.00	56.00	1.00	0.79	**5.07**	13.8	242	37	1	0.04	0.11
and	76.41	76.62	0.21	0.17	1.36	**108**	407	**1210**	29	**2.14**	**2.74**
and	128.00	128.86	0.86	0.68	**5.49**	59	**4440**	52	20	0.31	0.62
and	130.29	130.49	0.20	0.16	1.49	30.4	527	294	4	0.85	**2.12**
and	144.43	145.60	1.17	0.92	2.45	60.5	229	293	25	**2.75**	0.99
incl.	145.43	145.60	0.17	0.13	**15.90**	23.7	601	340	4	0.46	0.62
APDD002	129.16	130.1	0.94	0.75	**5.07**	26	258	125	5	0.32	0.60
incl.	129.16	129.31	0.15	0.12	**10.35**	35.7	470	258	6	0.38	**1.41**
incl.	129.75	130.1	0.35	0.28	**8.92**	51	305	211	7	0.64	0.95
APDD003	65.28	106.00	40.72	32.06	0.59	14.1	279	97	6	0.11	0.20
incl.	85.77	85.95	0.18	0.14	**5.92**	99	143	406	20	**3.58**	**1.83**
APDD004	53.01	53.22	0.21	0.18	**107.5**	**166**	639	19	22	0.04	0.20

Table 1 – All intersections >1g/t Au with internal dilution of <1m at <0.1g/t Au cut off.

Core Recovery of 100% for all samples except 129.16-130.1m which was 95%. ETW = Estimated True Width. In the breccia and altered zone intervals the ETW assumes a dip as depicted in the cross-sections. However, this is based on the records of the underground workings and is unconfirmed.

Deokon (SAU 100%)

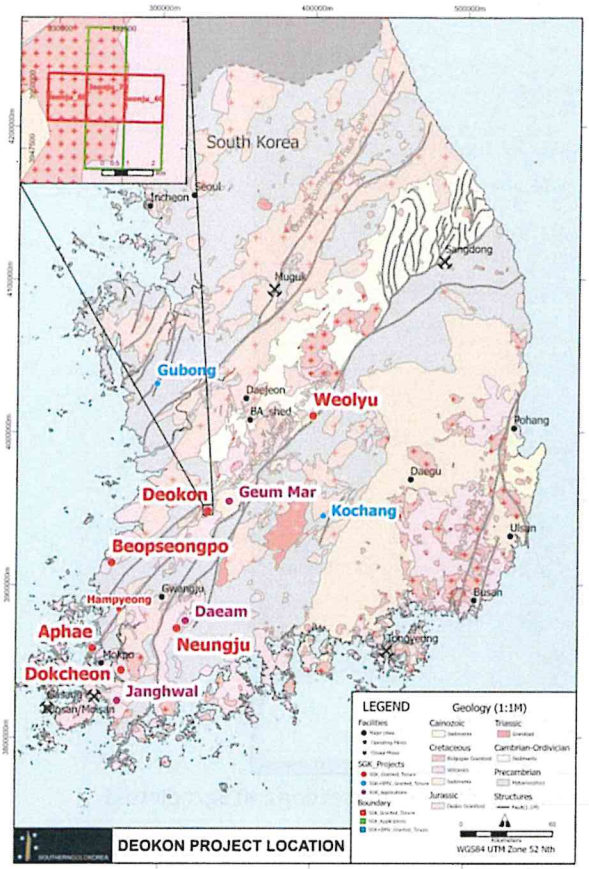


Figure 5: Deokon Project Location.

A total of 105.29m was drilled to complete the fourth and final hole in the program at Shin Hill, Deokon. Drilling was designed to test beneath and along strike of the historical underground workings, which contained intermediate sulphidation vein breccia (as shown in **Figure 6**).

Quartz-sulphide-carbonate veining and flood breccia (lode) mineralisation was intersected in hole DKDD008 and DKDD009 (redrill - due to core loss). All assays have been received, and the peak assay was 0.57m @ 2.56g/t Au and 453g/t Ag from 101.71m in DKDD008 which targeted directly beneath the Shin Adit historical underground mine workings. This corresponds with the veining and intense alteration underground.

Results were overall low grade, thin width and had limited persistence of veining. Further work at Shin Hill is not warranted, however work is planned at the broader Deokon Project. This includes follow up reconnaissance sampling of outcrop recently observed along strike of Thorn to the north and strike extensions or repeats of the Main Mine, and to the east of Golden Surprise; targeted soil sampling; and first pass drilling at Shin North or Thorn (**Figure 7**).

Hole ID	From (m)	To (m)	Interval (m)	ETW (m)	Au (g/t)	Ag (g/t)	As ppm	Cu ppm	Sb ppm	Pb ppm	Zn ppm
DKDD008	101.71	102.28	0.57	0.57	2.56	453	55	35	2	31	45
DKDD009	27.28	27.50	0.22	0.22	0.57	7	59	74	1	452	334
DKDD010	46.98	47.21	0.23	0.23	0.55	65	322	640	4	5870	5550

Table 2 – All intersections >0.5g/t Au. Recovery was 100% for all intersections.

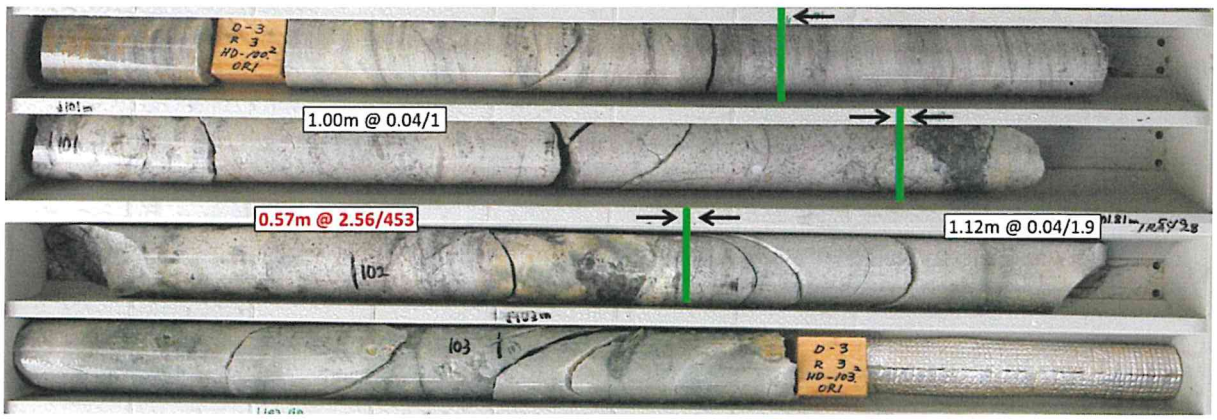


Photo 2 - DKDD008. Core photos with annotations such as 2.56/453 representing (g/t Au) / (g/t Ag).

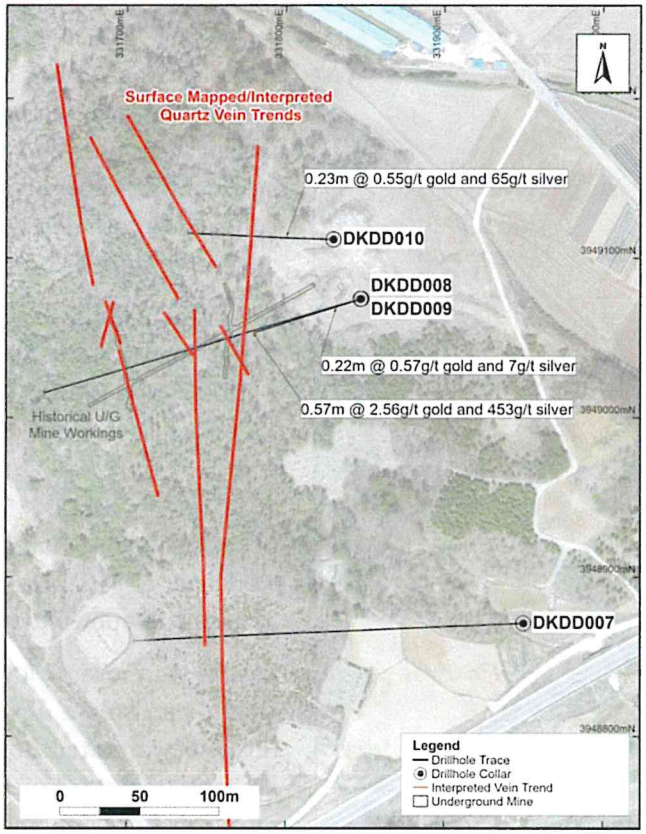


Figure 6 - Plan view of Shin Hill drill program with significant intersections >0.5g/t plotted

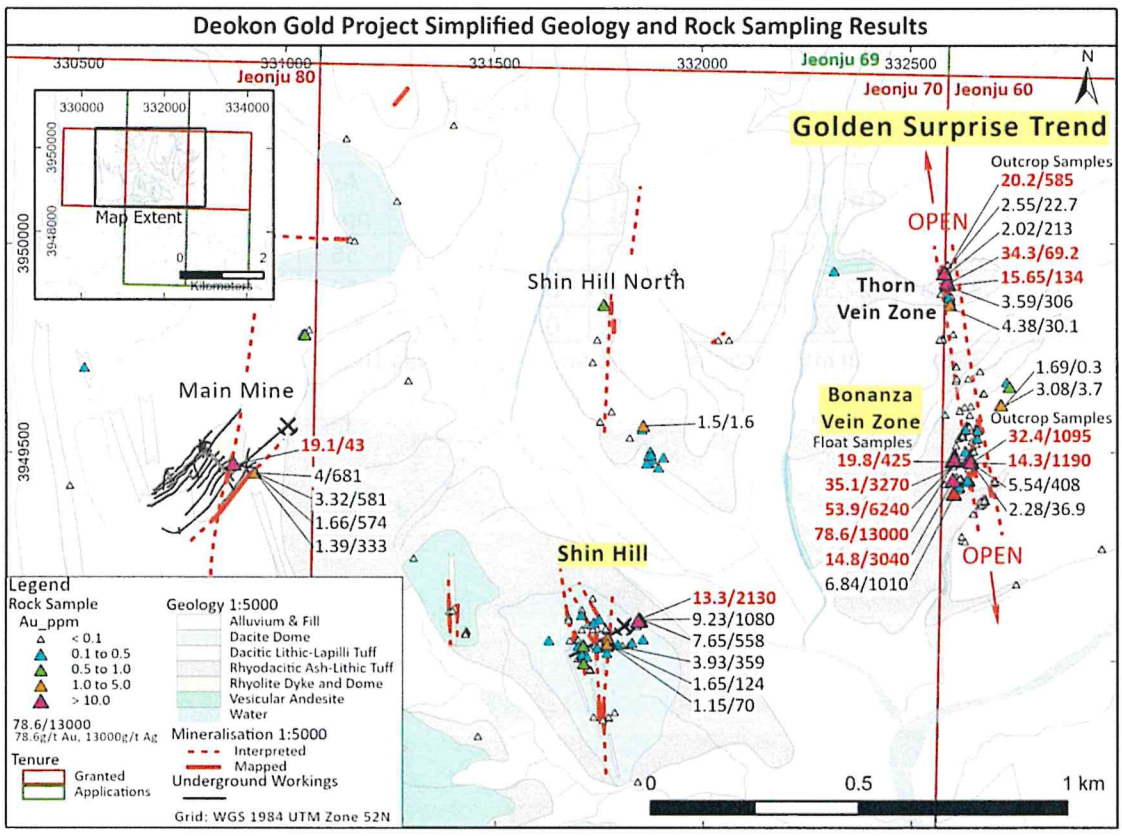


Figure 7. Deokon Prospect Locations (drilled prospects are highlighted).

Weolyu (SAU 100%)

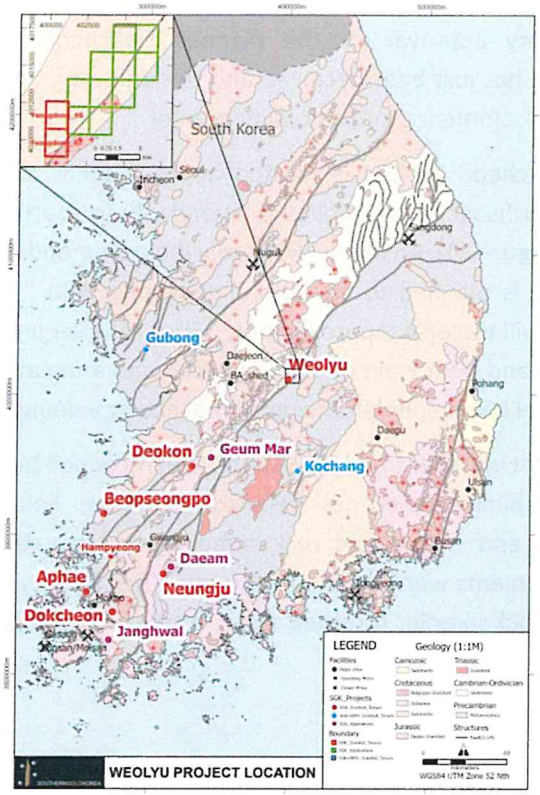


Figure 8: Weolyu Project Location.

Regulatory approvals were received for the drill program at Weolyu and construction of a suitable access track for a small track rig was then completed and drilling commenced. The first hole WUDD008 was completed to 340.06m during the quarter with assays pending.

The drill plan involves 5 holes for a designed 1,655m program to test a 150m strike section (50m hole spacing) of the Surprise/Moonlight Vein trend and the projected Mystery Vein in its footwall. Four holes are targeting around the 200mRL level, approximately 110m vertically below the lowest level of sampled and accessible historical workings on the Surprise/Moonlight vein trend. One additional hole is targeting a further 100m lower in elevation (100mRL) below the projected high-grade shoot observed in the historical UG workings (**Figure 10**).

Note that the current drilling round is targeting the Moonlight and Mystery veins at depth, with other veins such as Summit, Sunset and Sunrise not being tested.

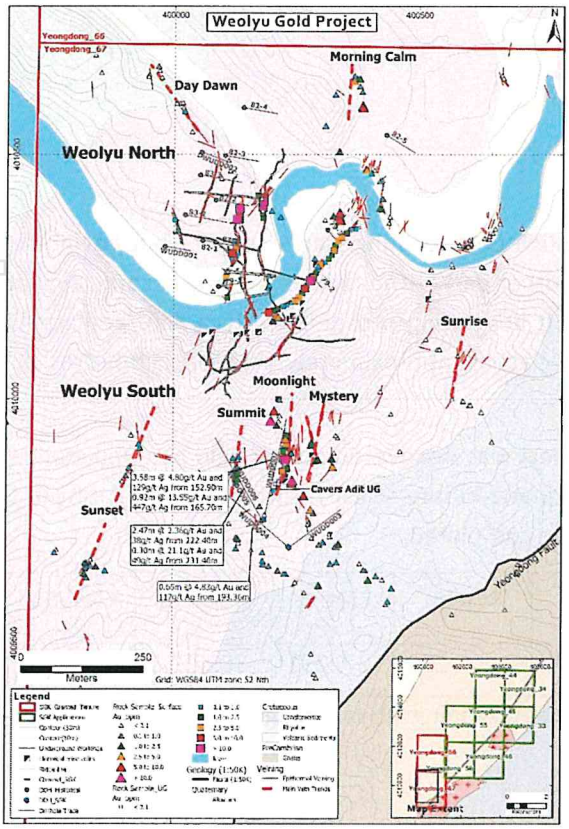


Figure 9: Weolyu Project Geology.

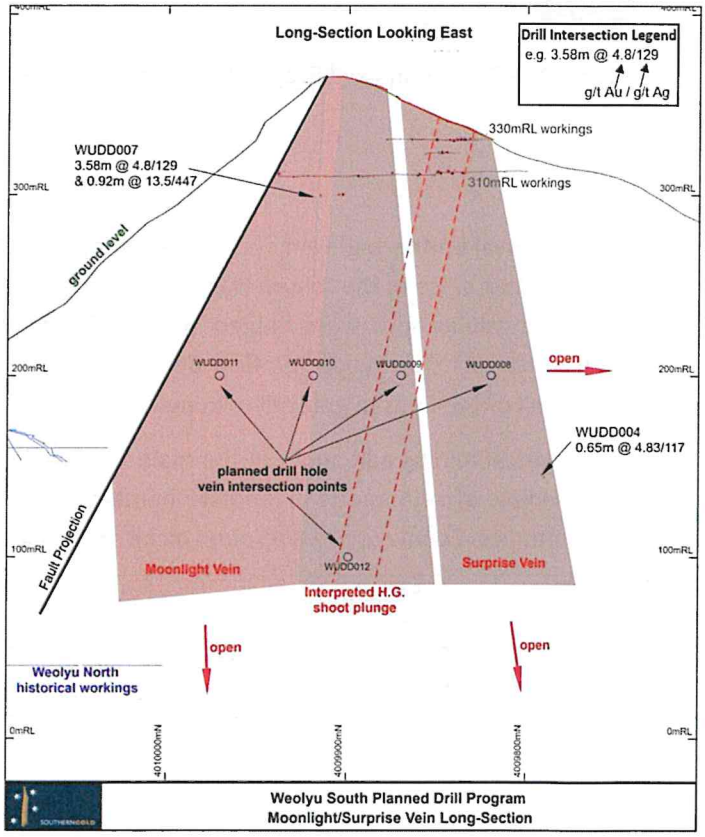
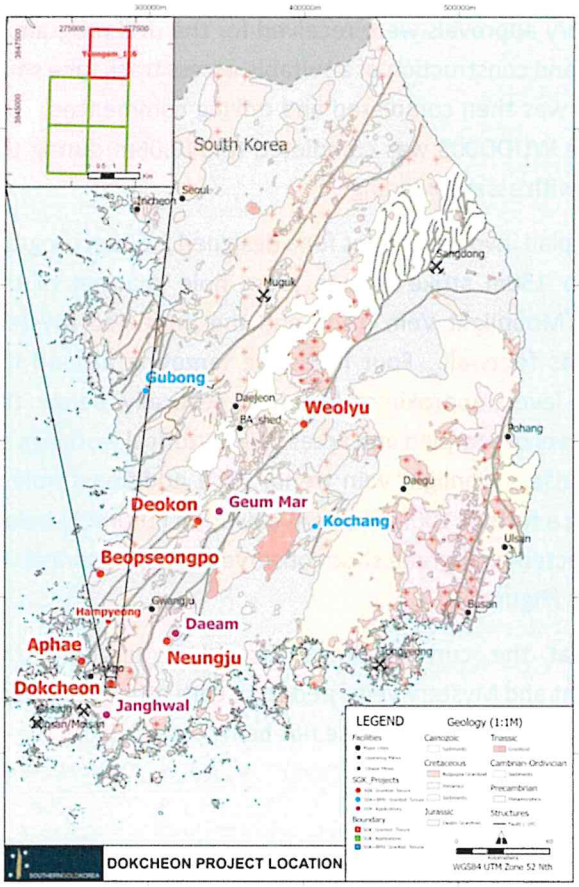


Figure 10 - Long-section view of Weolyu Drill Plan

Dokcheon (SAU 100%)



Regulatory approval for the planned Dokcheon drill program has just been received and the drill program is ready to commence in the coming quarter.

The Dokcheon project is located approximately 15km east- southeast of the Mokpo port and city in southern Jeolla (**Figure 11**). An initial 760m, four-hole diamond drill program is planned to test the Cheongyong Vein. The drilling will traverse approximately 130m of strike under outcrop and float train gold mineralised and anomalous high-level low-sulphidation epithermal quartz veining.

The target was identified in 2018 through reconnaissance rock sampling and first-pass geological mapping. Follow-up infill and extensional rock sampling and structural measurements were taken in February 2020. Epithermal veined rock samples returned assay results up to 6.89 g/t Au.

Figure 11 - Dokcheon Gold Project Location, South Korea.

Janghwal (SAU 100%)

The Janghwal epithermal vein system was discovered through field reconnaissance in 2017 but has not had the attention since as the tenure was previously held by another party. The tenure recently became available and eight applications were lodged in June (**Figure 12**). It lies within prospective silica-illite/adularia-clay altered rhyolitic to rhyodacitic flow-dome lavas and pyroclastics, approximately thirteen kilometres east-southeast of the Eunsan gold-silver mine.

An historical mining adit south of the main Janghwal prospect was discovered during field reconnaissance. A grab sample of vein quartz in limonite-hematite oxidized quartz-biotite schist returned 6.70g/t Au from the adit entrance. Follow up underground niche sampling will be completed.

Sample No	Sample Type	Au g/t	Ag g/t	As ppm	Bi ppm	Easting	Northing	Elevation
KRS206648	Float	6.70	1.6	13	260	272291	3822751	2

Table 3 - Significant result from Janghwal adit grab sampling.

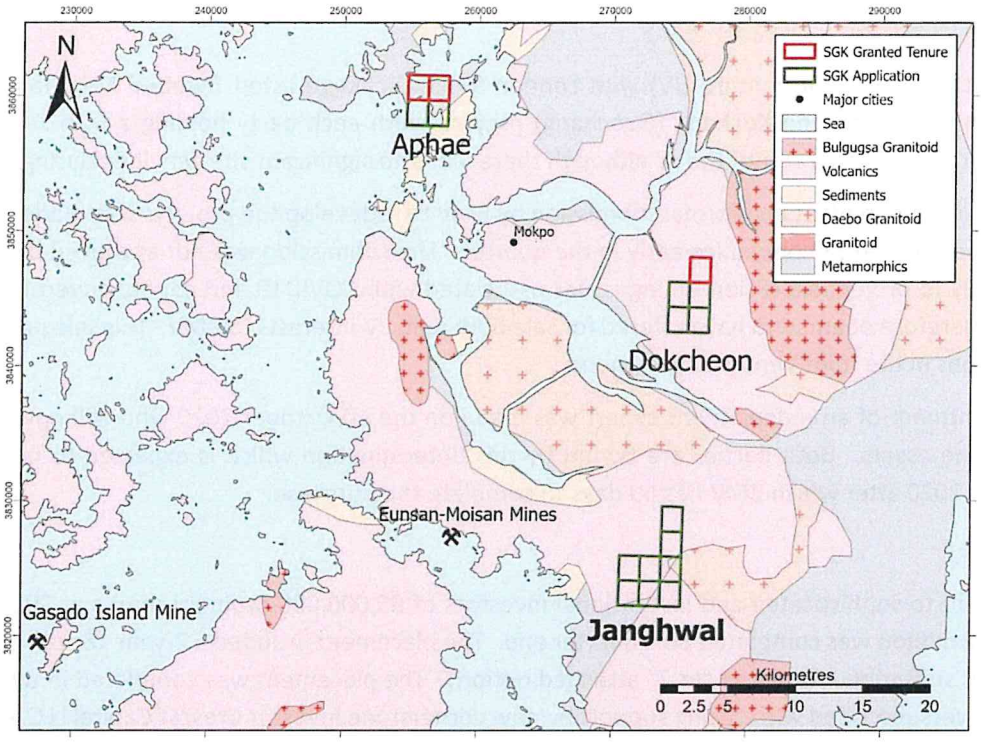


Figure 12 – Location of Janghwal in relation to nearby gold mines and Southern Gold Projects. First pass drilling has been completed at Aphae, drilling is planned for Dokcheon, and Janghwal represents a new project with parallels to the Au occurrences at Eunsan-Moisan.

Project Generation

No Project Generation was completed in the quarter due to international travel restrictions and a focus on the drilling programs. Late October to early December is ideal for Project Generation activities due to reduced vegetation in autumn and a strong focus is planned in this period to develop new drill targets. Systematic subcrop and outcrop identification traversing and sampling beyond known zones is planned utilising Korean geological staff.

Tenure

Cheongyang 137 (Gubong) was relinquished, eight tenement applications were submitted at Janghwal and tenement applications were resubmitted for Daeam, Deokon, Geum Mar, Neungju and Weolyu. Previous tenement applications at Beopseongpo, Seongju and Bongjeongsan (east of Daeam) were not reapplied for.

Other project opportunities, typically held by Korean mine prospectors, are also being actively assessed by the Southern Gold technical team.

Community and Environment

Community engagement continued at Aphae, Deokon, Dokcheon and Weolyu and will continue during the next quarter. Community liaison officers have been diligently listening to various stakeholders and determining the key issues within the wider community and built very positive working relationships. Southern Gold has been optimising best periods to drill when farming areas are vacant and working around various other local priorities.

Environmental rehabilitation of drill sites was completed at Aphae and Deokon.

Gubong and Kochang JV (SAU 50%)

Southern Gold is in joint venture (JV) with London Stock Exchange listed Bluebird Merchant Ventures PLC (BMV) at the Gubong and Kochang (Geochang) projects with each party holding a 50% JV interest. BMV continues to be the operator of the JV although there were no significant site activities during the quarter.

A programme and budget and formal submission by BMV to redevelop the projects was made to the Board of the Singapore based JV companies early in the quarter. The submission was not approved by Southern Gold (due largely to project execution timing issues associated with COVID19 and county government approvals) and was therefore deemed to have offered for sale both of its JV interests to BMV. This sale process is covered by provisions in the Joint Venture Agreements.

The appointment of an independent expert was made on the 20 October 2020 who will now determine the price for the assets. Both parties are bound by this determination which is expected to be made in early December 2020 after which BMV has 60 days to complete the purchase.

Corporate

A placement to sophisticated and institutional investors of 85,000,000 ordinary shares at $0.12 per share to raise **$10.2 million** was completed post quarter end. The placement included a 2-year 18c call option for every two shares subscribed for (or "1 for 2" attached option). The placement was completed in two tranches and was well oversubscribed with strong support by new cornerstone investor Crescat Capital LLC, a Denver based asset management firm, as well as existing major shareholders Metal Tiger PLC (an LSE listed resources investment group) and Illwella Pty Ltd (Flannery family office).

The placement ensures Southern Gold can continue its strategy to be the preeminent gold-silver explorer in South Korea and will fund extensive drilling and fieldwork programmes over the next two years.

Southern Gold also signed a binding legal agreement with Ausino Drilling Services Pty Ltd (ADS) to enable the launch of ADS into South Korea and support Southern Gold drilling activity on a more significant basis. The arrangement is essentially a "drilling for equity" deal with Southern Gold granting 10,000,000 performance rights to ADS (subject to shareholder approval at the 2020 AGM) which will vest on the delivery of services. ADS will submit invoices in US dollars, and they will be paid on a 75% cash, 25% vesting performance rights basis with each performance right having a deemed value of US$0.11/share (approx. A$0.155/share). The maximum value of the performance rights is US$1.1 million (**A$1.55 million** at current exchange rates) of a total of US$4.4 million (A$6.2 million) of delivered services over a term of 4 years although it is anticipated that these rights will vest in a much shorter time frame.

This arrangement enables each company to remove significant uncertainties in corporate arrangements in South Korea and will provide momentum to the provision of high-quality drilling services over the coming years. The deal also effectively augments Southern Gold's cash resources as the cash cost of drilling will be reduced as ADS services are delivered into South Korea and the performance rights vest.

For the quarter, the Company had:

- Net cash outflows from Operating and Investing activities of $1.23 million, which included $0.79 million of exploration expenditure;
- Net cash inflows from Financing activities of $2.83 million, comprising $3.60 million proceeds from a capital raise net of costs, less $0.75 million for the repayment of a convertible loan;
- Providing total net cash inflows of $1.60 million, and an ending cash balance of $5.34 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)
APDD001	Pit	255795.724	3859842.505	1.701	-55	277	172.09
APDD002	Pit	255787.296	3859806.607	2.605	-45	272	165.70
APDD003	Pit	255800.729	3859849.318	1.474	-45	315	174.60
APDD004	Pit	255801.541	3859848.473	1.427	-75	315	208.07

Table 4 – Drill hole collar details at Aphae

Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
DKDD007	Shin Hill	331950.341	3948870.840	217.972	-46	268	334.62
DKDD008	Shin Hill	331847.285	3949074.305	230.750	-45	253	289.19
DKDD009	Shin Hill	331847.983	3949074.442	230.652	-51	253	112.33
DKDD010	Shin Hill	331830.134	3949111.629	229.237	-50	272	142.17

Table 5 – Drill hole collar details at Deokon

Hole ID	Prospect	Easting	Northing	mASL	Dip	Grid Azi	Length (m)
WUDD008	Moonlight-Surprise	400099	4009740	319	-44	29	340.06

Table 6 – Drill hole collar details at Weolyu

Authorised by:
Simon Mitchell
Managing Director

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

100% Owned Projects

Project Name	Tenement Info			Register Info		
	Korean	English	Block ID	No.	Type	Date of Granting
Weolyu	영동	Yeongdong	66	79254	Mining	14/02/2011
	영동	Yeongdong	67	79255	Mining	14/02/2011
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

50% Owned JV Projects

Mine Name	Tenement Info			Register Info		
	Korean	English	Block ID	No.	Type	Date of Granting
Gubong	청양	Cheongyang	134	78089	Mining	1/09/2009
	청양	Cheongyang	135	78090	Mining	1/09/2009
	청양	Cheongyang	136	78091	Mining	1/09/2009
	청양	Cheongyang	146	78093	Mining	1/09/2009
	청양	Cheongyang	147	78094	Mining	1/09/2009
	청양	Cheongyang	145	78095	Mining	1/09/2009
	대천	Daecheon	6	78096	Mining	1/09/2009
	대천	Daecheon	7	78097	Mining	1/09/2009
Kochang	안의	Aneui	11	78086	Mining	1/09/2009
	안의	Aneui	12	78087	Mining	1/09/2009
	안의	Aneui	22	78088	Mining	1/09/2009

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, including renowned geologist Douglas Kirwin, Southern Gold's aim is to find world-class epithermal gold-silver deposits in a jurisdiction that has seen very little modern exploration. Southern Gold also holds a 50% equity interest in a Joint Venture company operated by JV partner, London-listed Bluebird Merchant Ventures (BMV), that is looking to start gold production at the Kochang and Gubong projects. This JV interest is currently in a sale process.

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 float samples not previously announced are within tenements Haenam 126-129, 138, 139, 148 and 149 at Janghwal under application by Southern Gold. 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 at the Deokon Project within granted tenement Jeonju 70 held by Southern Gold.
	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*	HQ3 triple tube Diamond drilling was completed to obtain drill core.

Criteria	JORC Code explanation	Commentary
	oriented and if so, by what method, etc.).	
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
	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 sampling reported in this release refers to sample intervals. Sampling conducted is reconnaissance in nature. The entire drill core from all holes was 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 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

Criteria	JORC Code explanation	Commentary
		pulp duplicate, and 250g of sample for shipment to Intertek Laboratories in Jakarta, Indonesia. Pulp rejects are retained for each sample. 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 (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. 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 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

Criteria	JORC Code explanation	Commentary
Data spacing and distribution		taken to identify internal variability. Holes were 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 and grab 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 Yeongdong 66 and 67 at the Weolyu Project, Yeongam 116 at the Dokcheon Project, the Deokon granted tenements Jeonju 60, 70 and 80 and Aphae granted tenements Aphae 99 and 109 are held by Southern Gold Korea, a fully owned subsidiary of Southern Gold. No known

Criteria	JORC Code explanation	Commentary
	park and environmental settings.	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 At the Aphae Project, two historical drill holes were drilled by KIGAM during 1980, but their locations cannot be confidently identified. One of the holes was recorded to intersect 7 g/t Au and 104 g/t Ag over a 0.5m interval. This intersect is inferred to be vertically below the historical workings. area to be initially mined during the early 1930's through to 1945 by the Japanese occupation period. 110kg of gold was reportedly produced from Aphae (KIGAM resources of Korea). Additionally, surrounding alluvial resources have also been exploited but production figures are unknown. Investigations by KORES (KORES Reports, 1970 & 1980) states that the hydrothermal breccia and vein hosted gold-silver mineralisation was found to outcrop for over 100m striking 010NE dipping at 80 degrees to the SE. It is reported that the width is around 30m and peak assays obtained are 8.9g/t Au and 155 g/t Ag from the base of the now flooded pit. Surrounding the Aphae mine is a global alluvial gold resource of 8,025 troy ounce of gold over 126,400 sq meters averaging 0.14gm/cubic meter. The Aphae gold mine is unlikely to be the sole source of this alluvial gold field.

Criteria	JORC Code explanation	Commentary
		The Weolyu Project has historically had mining and adits excavated at the North Weolyu Mine, located in SAU's southern granted license (Yeongdong 67) and operated up to mid-1990's. Apart from small scale adits excavated by unknown parties and historical drilling by KORES and Asiatic Gold Ltd at Weolyu South, no other details of previous work in the vicinity is known to the best of our knowledge. A number of other small-scale historical workings were located in the Yeongdong District but production records have not been able to be located. 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 results above 1g/t Au at Aphae and above 0.5g/t at Deokon are summarized in the tables in the body of the text. A summary of significant results above 5g/t Au at Janghwal 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 this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No information has been excluded from this release to the best of Southern Gold's knowledge.
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. The cut-off grade for reporting of drill results was 0.5g/t Au at Deokon and 1g/t Au at Aphae
	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	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 the

Criteria	JORC Code explanation	Commentary
	in detail.	maximum internal dilution was <1m at <0.1g/t Au
	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. Estimated true widths have been reported for the drilling.
	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. For the drilling, the cross-section figures show the vein geometry which is the basis for the true width calculations.
	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 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 107.5g/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; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	To the best of our knowledge, no meaningful and material exploration data has been omitted from this ASX Release.
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, surface sampling and a drone magnetic survey is being planned at Aphae and further surface sampling at Deokon and Janghwal.
	Diagrams clearly highlighting the areas of	Refer to the Figures and tables in the main body of this ASX

Criteria	JORC Code explanation	Commentary
	possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	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	Quarter ended ("current quarter")
30 107 424 519	30 SEPTEMBER 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(23)	(23)
	(b) development		
	(c) production		
	(d) staff costs	(264)	(264)
	(e) administration and corporate costs	(171)	(171)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(5)	(5)
1.6	Income taxes paid		
1.7	Government grants and tax incentives	86	86
1.8	Other (short term lease payments)	(4)	(4)
1.9	**Net cash from / (used in) operating activities**	**(380)**	**(380)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(6)	(6)
	(d) exploration & evaluation	(762)	(762)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	1	1
	(d) investments		
	(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)	(83)
2.6	**Net cash from / (used in) investing activities**	**(850)**	**(850)**

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,800	3,800
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	(201)	(201)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(750)	(750)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (repayment of lease liability)	(19)	(19)
3.10	**Net cash from / (used in) financing activities**	**2,830**	**2,830**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,737	3,737
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(380)	(380)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(850)	(850)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,830	2,830

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**5,337**	**5,337**

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	154	365
5.2	Call deposits	5,183	3,372
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)**	**5,337**	**3,737**

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	194
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

The amount at item 6.1 comprises payments for Directors fees, and remuneration paid to executive Directors.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**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)	(380)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(762)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,142)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,337
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5337
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	4.67

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.

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:

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 October 2020.....

Authorised by: .....the Board.....
(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.