

Quarterly Activities Report

31 December 2018

Highlights

South Korea

- **Weolyu South Au-Ag Project** follow up underground channel sampling was completed in November returning significant intercepts including **0.4m @ 32.8 g/t gold and 764 g/t silver, 0.45m @ 30.0 g/t gold and 1,280 g/t silver, and 0.55m @ 28.9 g/t gold and 1,350 g/t silver.**
- **Deokon Au-Ag Project** underground channel sampling conducted at the Shin adit returned significant intercepts including **0.35m @ 12.6 g/t gold and 509 g/t silver, 0.25m @ 12.3 g/t gold and 1,290 g/t silver, and 0.4m @ 9.26 g/t gold and 1,165 g/t silver.**
- Southern Gold project generation and development activities to focus on Weolyu and Jeolla Districts targeting epithermal-style Au-Ag mineralisation. There is significant potential to discover very valuable precious metal deposits in these regions.

Western Australia

- Southern Gold acquires the Georges Reward Mining Lease (M25/357) from Northern Star in a new strategic agreement announced in December.
- Southern Gold preparing a new gold resource to include the Georges Reward zone and prepared in accordance with the JORC Code.
- Discussions have commenced with interested parties with the capability to release value from the Cannon gold mine. The asset represents a very good potential cash flow source for 2019.
- Southern Gold withdrew from the Heron Joint Venture with tenements to be transferred to Ardea Resources.

Corporate

- Southern Gold established the operating companies in South Korea to enable management of the 50/50 Joint Venture (JV) with Bluebird Merchant Ventures. This included ~A\$280,000 Foreign Direct Investment seed funding (required under South Korean foreign investment rules) and represents Southern Gold's contribution to the JV until at least April 2019.
- Program of expenditure minimisation implemented to position the business with lower corporate overheads going forward.



Issued Shares: 55.8M

Share Price: \$0.16

Market Capitalisation: \$8.9m

Total cash (31 Dec 2018): \$0.8m

Debt: Nil

Enterprise Value: \$8.1m

Directors

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Western Australia

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An ASX announcement was released on 10th December, “*New Strategic agreement over the Cannon Gold Mine executed with Northern Star*” which detailed the transfer of Northern Star’s mining lease M25/357 (Georges Reward) to Southern Gold, in exchange for assuming the environmental rehabilitation liabilities associated with the open pit (which had already been partly rehabilitated).

Northern Star acquired HBJ and control of the South Kalgoorlie Operations from Westgold Resources Limited in March 2018, which included a 5 year right-to-mine agreement between HBJ and Southern Gold, to progress the Cannon project into the underground phase. For operational and strategic reasons, HBJ has not exercised the right-to-mine and instead has agreed to restructure the arrangement with Southern Gold.

Under the new agreement, there would be a mutual termination of the original right-to-mine agreement signed on 22nd January 2018, transfer of the Georges Reward mining lease M25/357 and associated miscellaneous license to Southern Gold, who would assume rehabilitation costs arising from the open pit mining that remained (**Figures 1 and 2**).

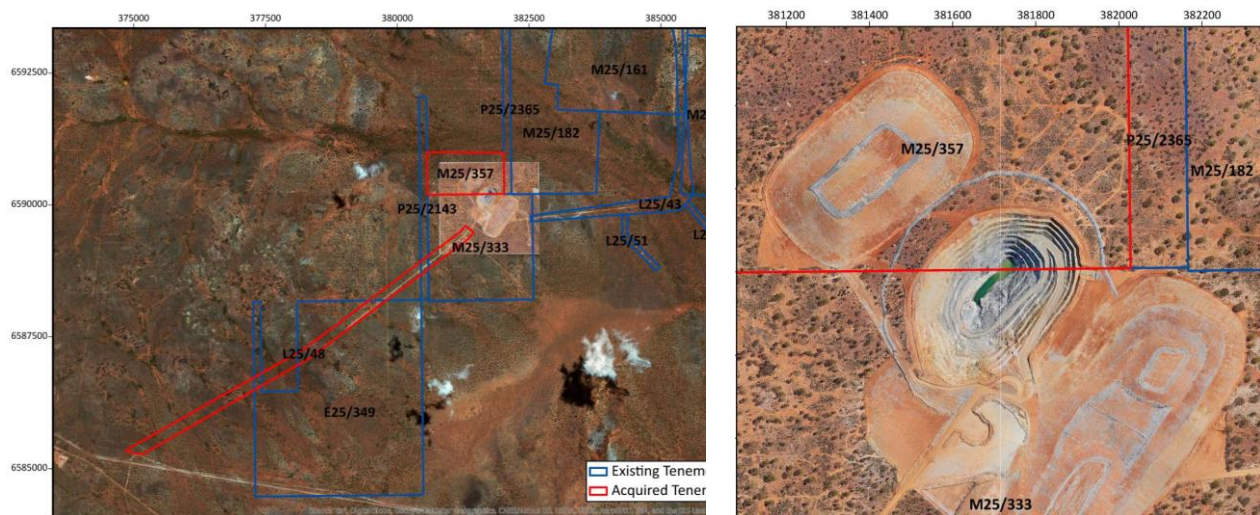


Figure 1 and 2: Map highlighting the location of acquired tenements M25/357 and L25/48.

Southern Gold intends to explore a new development scenario which includes updating the Cannon Resource, released in September 2017 with an updated estimate to include the Georges Reward zone. With the consolidation of the two mining tenements under Southern Gold’s ownership, the optimisation of the previous resource and inhouse mine design and economic model will be possible. The acquisition of the M25/357 tenement will also allow for further exploration of the down plunge extension of Cannon and to conduct peripheral drilling on extension of known prospects adjacent to the open pit but previously unavailable to test by Southern Gold.

Figure 3 below, highlights the poor drilling coverage below the base of the pit and testing the down plunge extension of Cannon. As part of this process the Company will look to release an updated mineral resource and possible ore reserve, prepared in accordance with the JORC Code.

The Annual Environmental Report was submitted on the 30th of November 2018 for Cannon and Georges Reward mining tenements which included a revised Mine Closure Plan.

Discussions have commenced with interested parties with the capability to release value from the Cannon gold mine. The asset represents a very good potential cash flow source for Southern Gold during the course of 2019 and beyond.

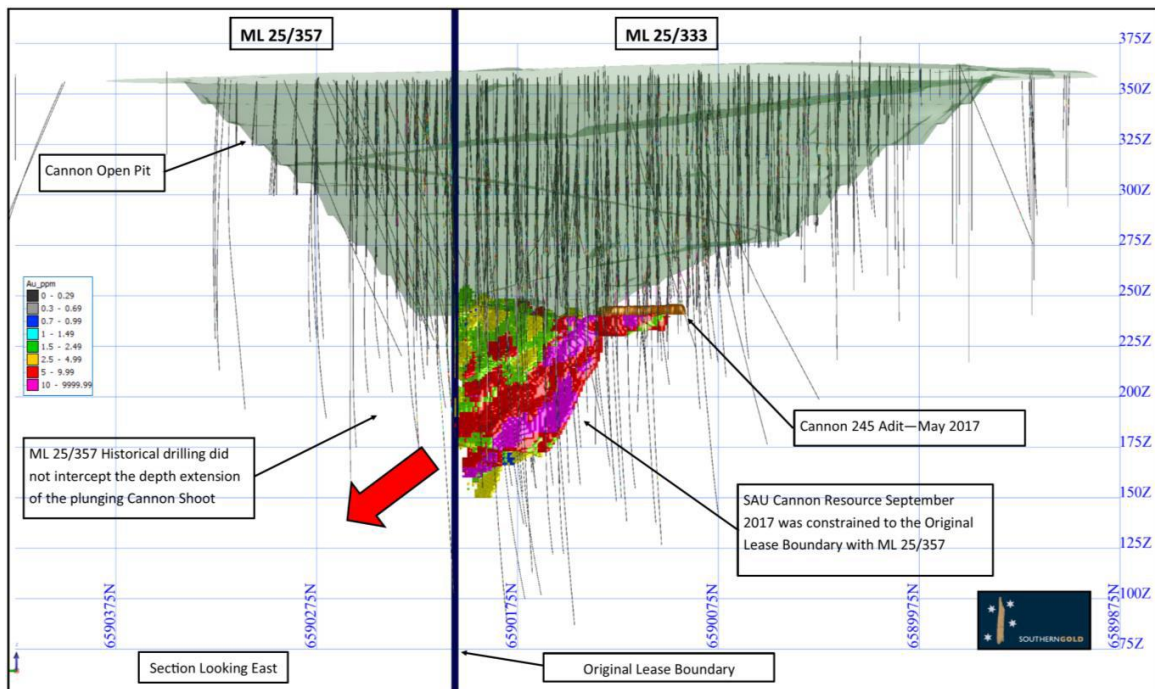


Figure 3: Long Section View of the Cannon deposit with respect to the lease boundary of M25/357.

Bulong

In December, Southern Gold formally withdrew from the Heron/Ardea Joint Venture after notifying Heron in November. Heron have assigned their control of tenements to Ardea Resources with the formal transfer of tenements to occur in January. Southern Gold intends to consolidate and focus on the near Cannon Mine tenements where the most value can be leveraged. Southern Gold also intends to drop two other tenements within the Group that are currently subject to mining objections by third parties.

Transfind South

Minor work was conducted at Transfind to confirm the mineralisation model and ore continuity opportunistically in the Transfind open pit and historic shafts. Rehabilitation of drill holes has been completed. As part of a strategic decision, the Transfind agreement will not be pursued and Southern Gold has withdrawn from the project.

Cowarna

There was no significant work undertaken within the Cowarna group tenements during the quarter apart from rehabilitation of drill holes and completion reporting requirements.

Voluntary surrender of part of E25/474 has taken place. The prospective strike extension of the banded iron formation units remains under Southern Gold tenure.

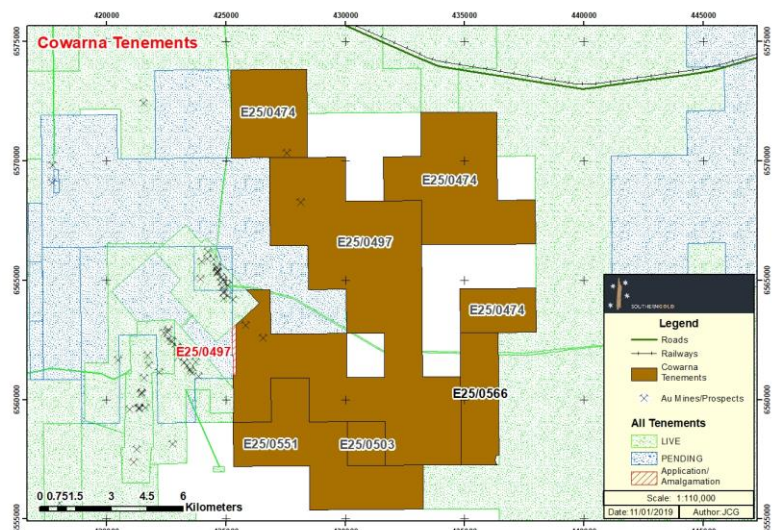


Figure 4: Southern Gold Cowarna Tenements

Glandore

No further fieldwork was conducted at Glandore during the quarter apart from rehabilitation of drillholes at Lankin, Doughnut Jimmy and Lakes Consul.

The current joint venture agreement with Aruma has been extended to 30 June 2019 for Southern Gold to earn 90% of the project. However this milestone is expected to be reached in early 2019.

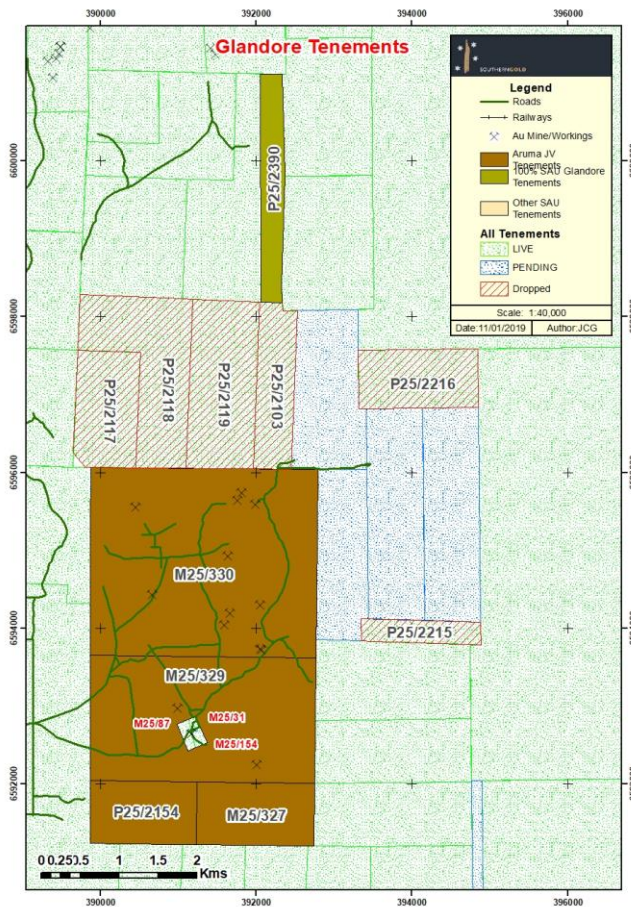


Figure 5: Southern Gold Glandore Tenements.

South Korea Exploration

Southern Gold continues to consolidate its ground holdings in South Korea with the process now including a review of assets with the establishment and transfer of tenements to the newly created joint venture (JV) operating entity at Gubong and soon at Kochang.

A review of core project assets combined with Southern Gold’s strategic focus on the Jeolla province with its demonstrable epithermal mineralisation potential, has resulted in the relinquishment of some tenements that are not seen as core to the company and are no longer primary targets.

The priority focus remains completing the Kochang JV so that **both the Gubong and Kochang projects can be advanced in parallel by Bluebird** and allowing Southern Gold to focus on moving the Weolyu project forward along with developing a pipeline of projects within the Jeolla Province.

Bluebird Joint Venture Projects

The Korean JV projects progressed slowly while awaiting development permits and approvals through the local county departments. However, the formation of the JV operating entity was finalised at the end of December with the new JV company to effectively start managing operations after the winter break.

BMV has not yet met the preconditions for the formation of the Kochang Joint Venture due to delays in finalising the Kochang Metallurgical test work. This Metallurgical test work is currently underway on samples

obtained from within the workings and a Kochang report on feasibility of restarting the mine will now be submitted early in the first calendar quarter.

Gubong JV

Development permitting for mining at Gubong is well advanced and Bluebird have indicated that the 'permit to mine' is anticipated to have completed assessment and approval early in 2019.

Southern Gold has initiated and prepared the transfer of the eight Gubong tenements into the new operating entity in early January.

The Gubong mine was at one time the second largest producing mine in South Korea when it closed in 1971 at the time of a historic low gold price. The mine consists of 9 shallow dipping stacked set of veins with historical production coming from only one of these veins.

Once all permits are in place at Gubong, the focus will initially commence on dewatering and re-establishing access to the main shafts and inclined access declines while sampling and evaluating the upper level workings for immediate easily accessed remnant ore.

Kochang JV

Bluebird continues to finalise the report on the feasibility for reopening the historic Kochang Mine, as part of its final requirement to the commencement of the Joint Venture. Once this final condition is met, expected in the first quarter 2019, costs will be shared equally between Southern Gold and Bluebird.

Bluebird has completed 3D modelling that has highlighted multiple vein systems with continuity of over 900m along strike indicating a significant geological potential and Exploration Target range. The geological modelling has also highlighted that the ore mineralisation is open at depth and along strike. The depth of mineralisation projected to date is approx. 150 metres below the recently mapped and sampled workings, which has been intercepted at these depths by limited historic drilling.

The exploration target range has been estimated at between 500,000 and 700,000 tonnes, with a grade range of 5.0 to 7.0 g/t gold and 27g/t and 35 g/t silver. Further details were made available in the ASX announcement 20th November 2018 'Kochang Project Near Mine Mineralisation Potential Estimated'. The

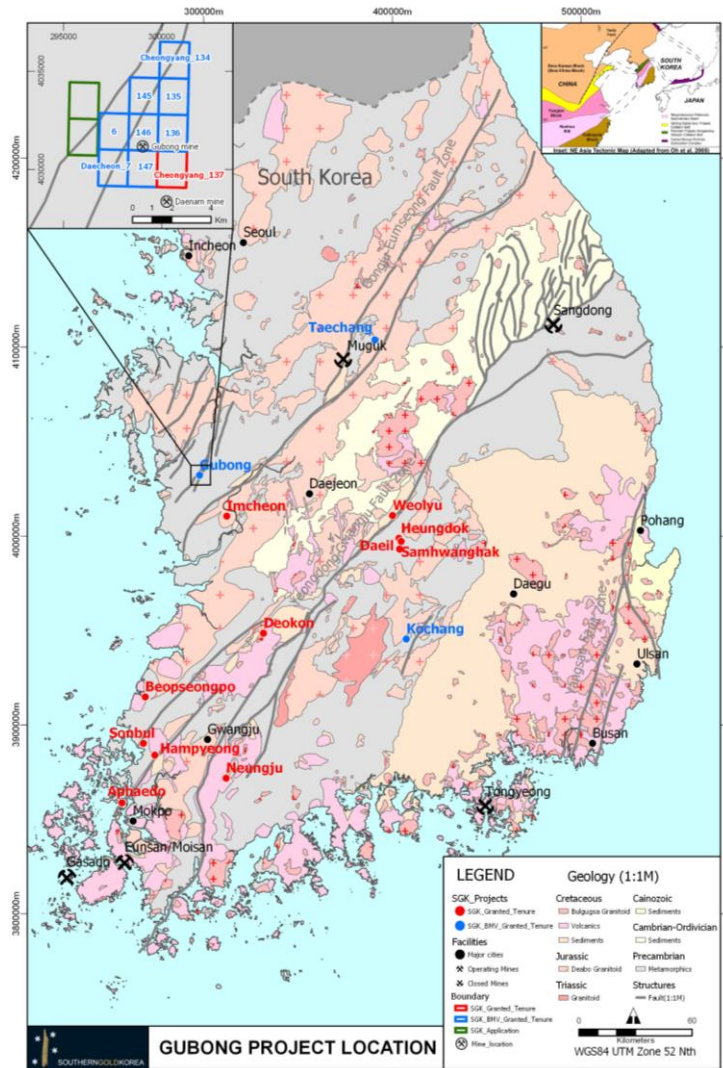


Figure 6: Gubong Project and tenements.

exploration target range tonnage, using a density of 2.6kg/m³ was conservatively reduced by over 50% to allow for historical mining depletion and geological uncertainties.

This exploration target is not a mineral resource and is conceptual in nature. The estimate is based upon 3D modelling of the geological structures within the Kochang Gold and Silver mines using the recently obtained underground access to the Kochang 245mRL and 265mRL Levels and the geological mapping and channel sampling program carried out this year to augment and validate the historical data.

The recent modelling also highlighted many obvious underground and surface drill targets in close proximity to the 3 main veins exposed in the lower 245 level old workings. The extended and open-ended continuity of the main vein systems and peripheral lodes presents a target rich environment that remains open and untested at depth.

The Joint Venture intends to commence an underground and surface drilling program, along with further mapping and channel sampling in other historic workings in early to mid-2019.

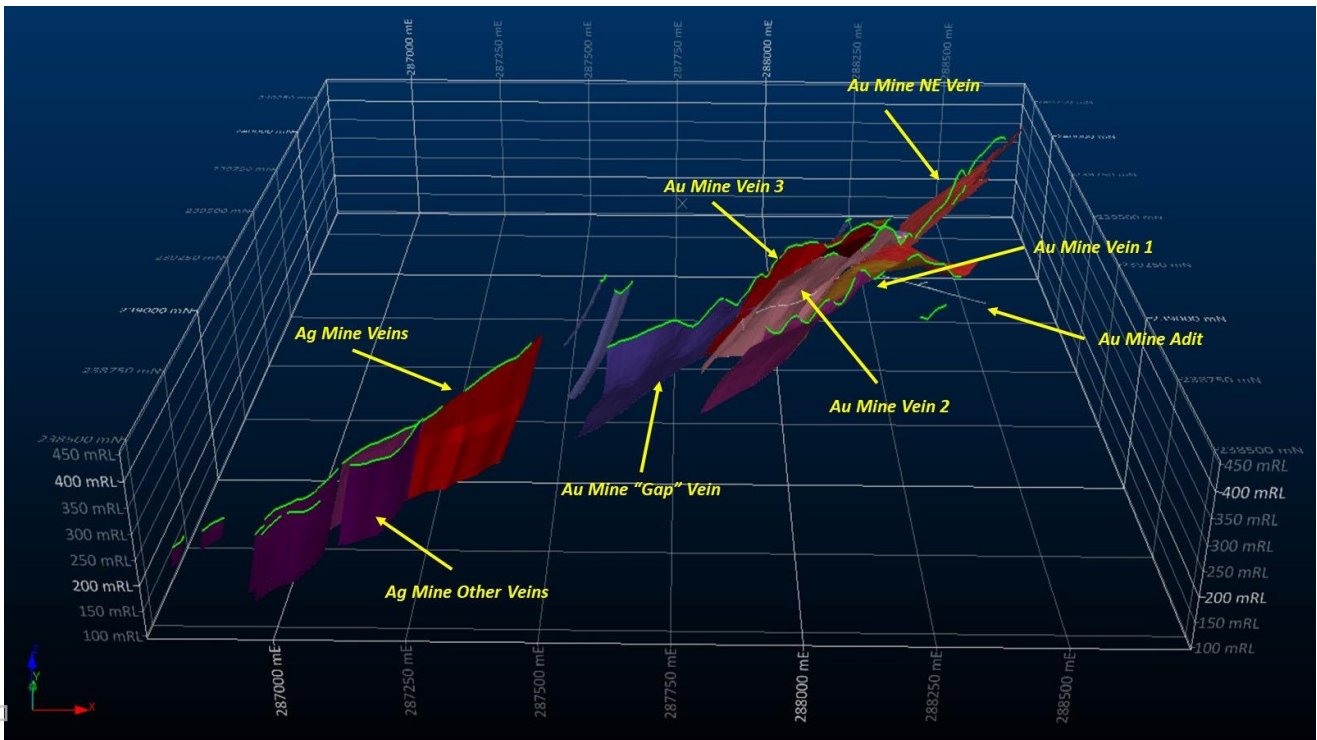


Figure 7: Isometric view of the 3D modelling of the interpreted Kochang ore system

Deokon

Underground sampling was undertaken at Deokon during the quarter with results announced in ASX release 2nd October 2018 "High grade gold and silver confirmed at the Shin Adit, Deokon Project, South Korea".

A total of 79 channel samples were taken from within the historic Shin Adit mine, across 22 sample lines from two drives on the lower 224 Level Mine (**Figure 8**). Significant intercepts include **0.35m @ 12.6 g/t gold and 509 g/t silver**, **0.25m @ 12.3 g/t gold and 1,290 g/t silver**, and **0.4m @ 9.26 g/t gold and 1,165 g/t silver**. Nineteen of the twenty-two sample lines returned an anomalous (>0.1 g/t) gold result.

The three sample lines represent a strike length of 15m with an average width of 0.33m and a weighted average grade of 11.3g/t gold and 966g/t silver. While current sampling did not extend the strike length beyond that which was defined historically, it is currently interpreted that the high-grade mineralisation

plunges steeply into the floor and back up into the roof of the drives. Short diamond drilling is planned to test this interpretation down plunge.

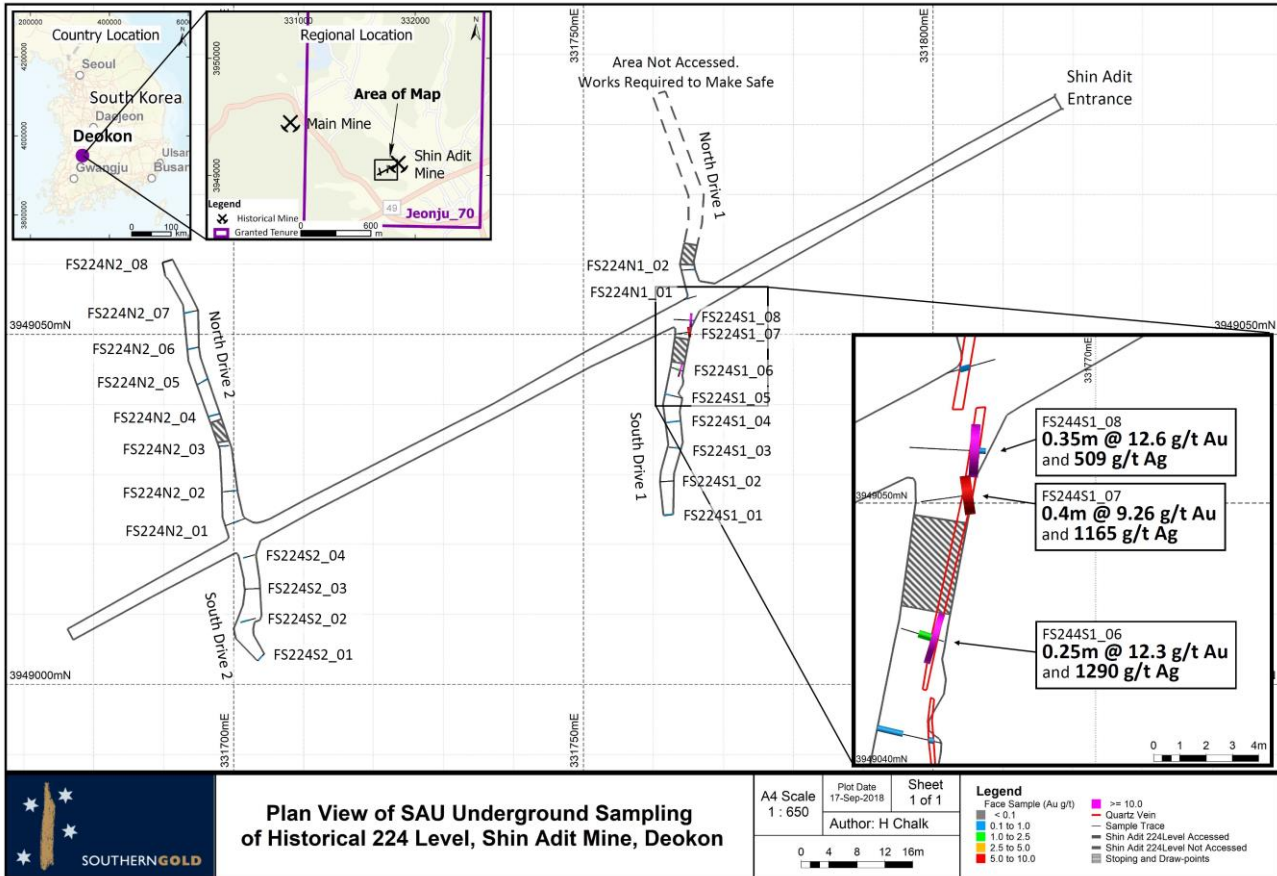


Figure 8: Plan View of Underground Sampling Results from the historical Shin Adit Mine, Deokon Project.

Photo 1: Slab photo of KRD500525 (coarse duplicate of KRD500522), **16.45 g/t gold and 711 g/t silver**. Hydraulic vein breccia, comprised of angular silica-illite/adularia altered rhyolite fragments, set in a mesocrystalline silica-sulphide flood matrix with later cross-cutting coarsely crystalline quartz veining.



In late November, access was obtained to an upper sub-level, 6m above the 224Level and follow up sampling accessed areas previously inaccessible. Sampling was conducted within the 230 Sublevel and within an inclined rise to the 236 Level. A further 10 sample lines were collected however no significant samples were returned from this program. The presence of a cross-cutting fault is interpreted to truncate the shoot in the upper levels which is perhaps why the historic miners cease chasing the mineralisation up plunge and commenced a winze from the lower 224 level. A short diamond drilling program is being designed from within the drives using a fit for purpose Kempe diamond drill to delineate the extent of the plunging ore beneath the level.

Weolyu

During the quarter, additional sampling was undertaken at Weolyu within the historic Weolyu South gold-silver mine. The sampling was conducted to extended previous sample lines but also as part of a QAQC program checking assaying protocols. The initial underground sampling results are presented in ASX Report on 20th December 2017 “High grade gold and silver results from new work on historic South Korean mine”. The full details of this new round of sampling and associated Table 1 are contained in the ASX announcement on 29th January 2019, ‘Weolyu High Grade Au-Ag Confirmed’.

The infill and extensional sampling consisted of 18 new lines focused around the defined high grade mineralisation of the Southern Shoot by seeking to extend the strike extension and assess grade continuity. The sampling resulted in some excellent significant intercepts, **Table 1** below, notably from the upper 330m Level with **0.4m @ 32.8g/t Au & 764 g/t Ag**, **0.45m @ 30.0g/t Au & 1,280 g/t Ag** and **0.55m @ 28.9 g/t Au & 1,350 g/t Ag**. The best intercept on the 310 level was **0.7m @ 21.8 g/t Au & 469 g/t Ag**.

Line ID	Max Width (m)	Interval (m)	Au (g/t)	Ag (g/t)	Au (gm)
FS330N_014	1.35	0.4	32.80	764.0	13.1
FS330N_013	1.1	0.45	30.00	1,280.0	13.5
FS330S_006	1.05	0.55	28.90	1,350.0	15.9
FS310N_002	1.5	0.7	21.80	469.0	15.3
FS310N_019	1.62	0.34	15.07	272.6	5.1
FS330N_001	1.8	0.5	10.85	503.0	5.4
FS310N_001	1.6	0.55	9.94	181.0	5.5
FS330S_001	0.9	0.6	8.84	501.5	5.3
FS310S_001	1.6	1.12	8.70	222.4	9.7
FS310N_029	1.45	0.46	8.40	197.0	3.9

Table 1: Weolyu top ten significant channel sample results.



Photo 2: Sample KRD500635. From sample Line FS330N_014 - **0.4m @ 32.8 g/t Au and 764 g/t Ag**.

The strike of the original Weolyu veining was not extended significantly, however the infill sample results confirmed the high-grade continuity of the shoots. The Southern shoot has been identified along three horizons and can be reasonably defined within the drives. The average length weighted grade of the Southern Shoot, over 30m strike on the 310mRL horizon returns an average vein width of **0.42m at 8.3 g/t Au and 193 g/t Ag**. On the 330mRL level, the same ore shoot with a 25m strike length, has an average width of **0.44m for 13.1 g/t Au and 522 g/t Ag**. Using a simplistic length weighted calculation, the average grade of the Southern Pod is estimated at **10.6 g/t Au and 348 g/t Ag**, between the two levels. This will need to be more thoroughly tested and evaluated with infill diamond drilling and does not include any statistical evaluations or top cut values.

In the normal course of conducting check assays at an independent second laboratory, it was noted that many gold samples at Weolyu were subsequently showing an increase in grade when comparing second lab results to the primary lab results. A detailed review determined a combination of factors has led the primary lab to under-report results from Weolyu. The re-sampling program, along with additional and infill channel sampling lines have been conducted and the results from this work has resulted in a material upgrading of these earlier sample intervals. These results supersede those as announced ASX release 20 Dec 2017 and are presented in detail in the recent ASX release dated 29th January 2019.

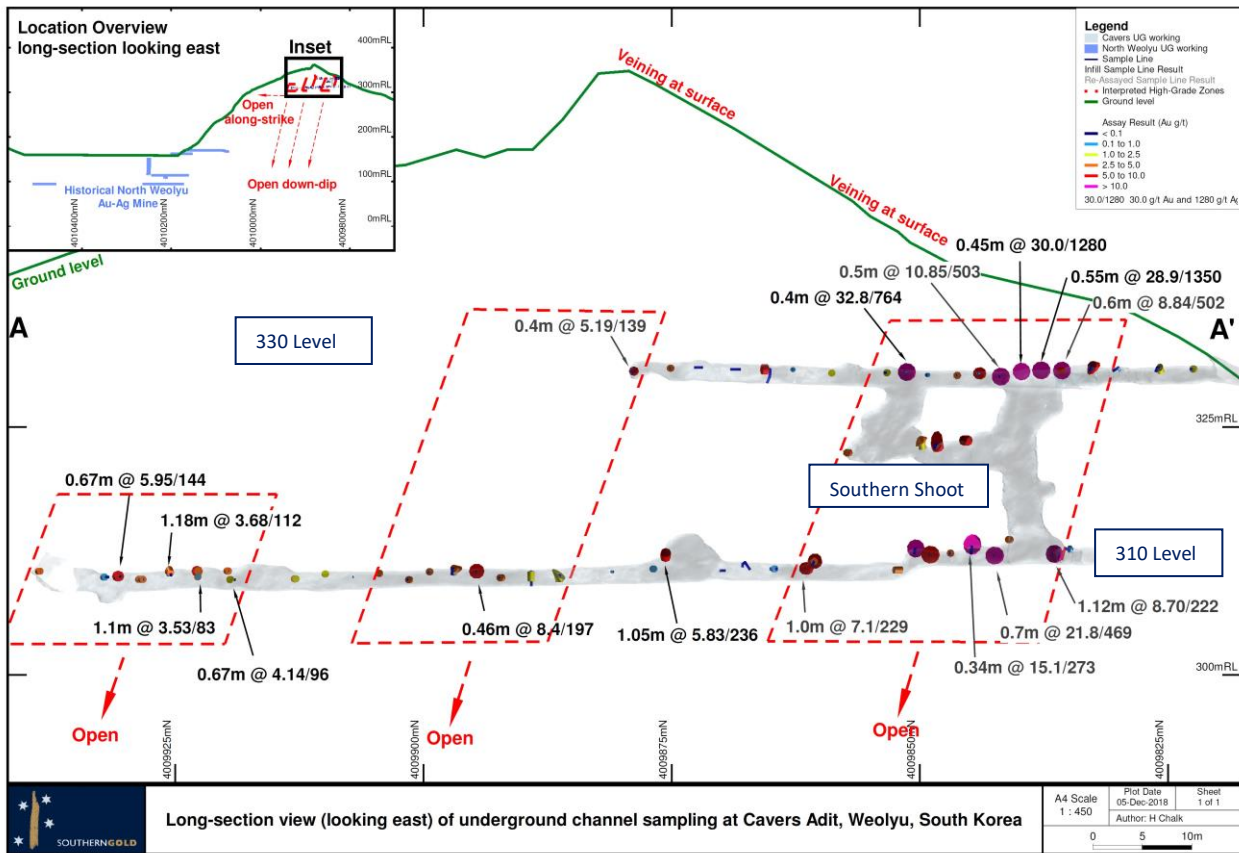


Figure 9: Conceptual drilling at Weolyu using the proposed MetreEater Diamond drill.

Whilst the increase in grade is a positive for the Weolyu project, there has been a thorough lab review and changes have been made to limit any potential under-reporting of results in the future.

The umpire lab results used essentially the same procedures as the original prep and assay, testing for gold only. These results show a marked reduction in variance (i.e. increase in precision, 30% less variance a marked positive shift in accuracy) and an upgrading average of assay results of ~30% at Weolyu Underground, with almost no samples reporting lower bias. It should be noted that silver correspondingly returned a much smaller 8% lower variance, which is yet to be fully investigated.

The increase in precision and accuracy from comparison of the primary lab and umpire lab, seems to be a result of a combination of factors, namely poor sample pulp splitting and poor fire assay fusion. The umpire results show that the initial variance observed is not primarily due to “nugget affect” but due to the size of the sample split for analysis. As part of the remedy, Southern Gold now utilises a large 1kg sample for pulverizing and include a micro-riffle splitting stage to ensure a more homogenous representative sample. Checks to date have identified this issue is restricted to a small period through early 2017.

Planned activities at Weolyu in 2019 will include an initial 500m drill program targeting the main southern high-grade shoot. Currently 2 short holes are planned to target between the 330 level and 310 and 3 holes targeting below the 310 Level looking to intercept the down plunge projection of the Southern Shoot. A MetreEater underground diamond drill rig has been sourced to conduct short drill holes up to 70m in the Weolyu South old workings.

Additionally, plans and quotes are being prepared to consider a small ‘wet’ percussion drilling program from underground utilising a Bar & Arm machine to test for parallel veins adjacent to the drive.

Aphae

No significant work was undertaken at the historic Aphae gold mine at Aphae apart from submission for additional tenements. An exploration plan will be submitted in the next quarter to maintain Muan 109 tenement Exploration Rights for a further three years.

Neungju

The Neungju project is located approximately 25km south-east of Gwangju city in the southern Jeolla Province, in the southwest of the country and is only 70km north west of the currently operating Eunsan-Moisan gold-silver mine.

A small surface channel sampling program was conducted across the Neungju vein with 16 samples collected over 11 lines. The program was designed to quickly provide additional information on the Neungju vein to allow for planning after the winter break. Results are pending early in the new quarter.

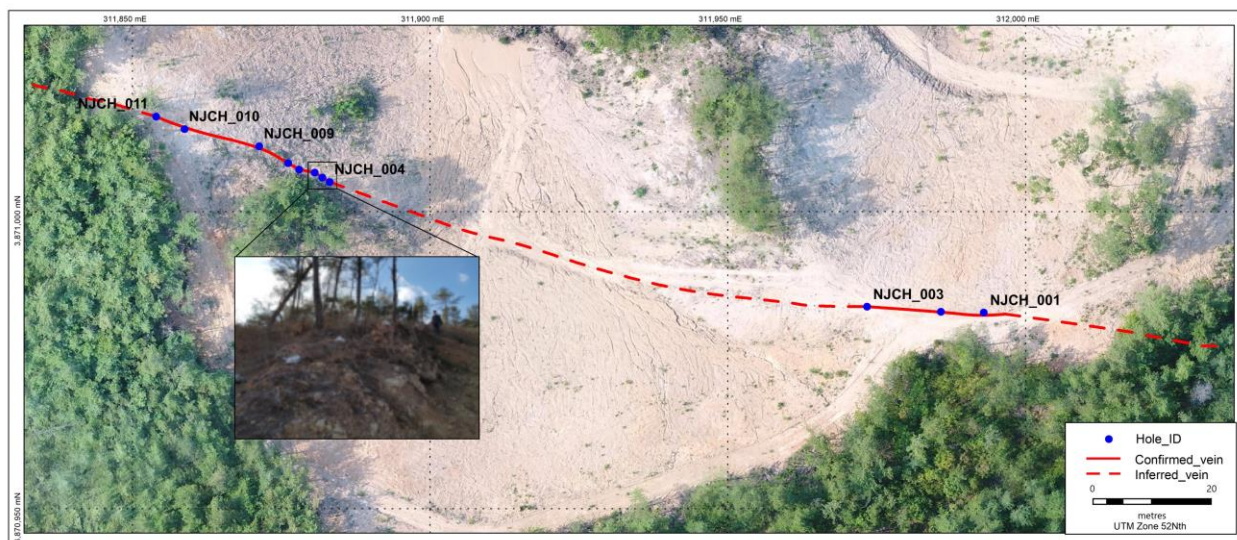


Figure 10: Aerial view of Neungju vein system with sample locations.

Hampyeong

No exploration field activities occurred at Hampyeong following the completion of environmental rehabilitation obligations in the previous quarter. A formal exploration plan was submitted to the MRO (Korean mining regulatory body) in October as part of the Exploration Rights tenure process. The submission was accepted in November securing tenure over the Hampyeong tenement for a further 3 years.

Sonbul

No work was conducted at the historic Sonbul Gold Mine.

Beopseongpo

No significant activities were conducted at the Beopseongpo Project during the quarter apart from some minor reconnaissance and preliminary discussions with land holders regarding suitable drilling positions.

Taechang

No work was conducted at the historic Taechang Gold Mine. The newly acquired MetreEater drill rig will be well suited to drilling underground at this project in due course.

Project Generation

Project Generation activities were at a minimum however review of potential projects is continually being assessed. A number of legacy projects that have now been assessed as having lower potential have been relinquished as have a number of peripheral tenements surrounding the Gubong JV that are now also assessed as not having the same potential as recently acquired projects in the Jeolla District.

Sixteen tenements will be relinquished at the start of the new quarter which will allow Southern Gold to concentrate on projects that will add more value and have larger potential.

Community and Environment

During the quarter, ongoing discussion were held with stakeholders to maintain positive relationships and communicate activities planned after the winter break. At Weolyu, the local access road was improved, and key drainage was installed to prevent ongoing deterioration and installation of mine gates over disused adits was also discussed.

At Weolyu additional work was conducted on cleaning up and rehabilitating old drill sites of waste and contaminated soils with material removed to an appropriate remediation site. At both Aphae and Hampyeong, the county provided final documents for fulfilment of rehabilitation obligations associated with the previous drilling campaign.

Corporate

The company completed a private placement to sophisticated investors raising just over \$1 million at 17c per share.

Southern Gold established the operating companies in South Korea to enable management of the 50/50 Joint Venture with Bluebird Merchant Ventures on the Gubong and Kochang projects. This included approximately A\$280,000 Foreign Direct Investment seed funding and represents Southern Gold's contribution to the JV until at least end of April 2019.

Management has also instigated a program of expenditure minimisation to position the business with lower corporate overheads going forward.

Related ASX releases

No new results have been reported in this report. Please refer to the appropriate original ASX Releases that contain full JORC 2012 Table 1 commentary and explanation for reporting of Exploration Results.

- 20180404 – ASX 'Definitive Farm In & JV Agreement over Gubong signed executed with BMV'.
- 20180622 – ASX 'Excellent recovery results from preliminary metallurgical test work results from Gubong Gold Project South Korea'.
- 20180801 – ASX 'BMV Gubong Report on Feasibility'
- 20180806 – Tenements granted at Deokon, South Korea.
- 20180830 – Exploration update Neungju and Sonbul, South Korea.
- 20180904 – Project Generation strategy building valuable portfolio.
- 20180921 – ASX 'South Korean Joint Venture Update'.
- 20181002 – ASX 'High grade gold confirmed at Shin Adit, Deokon, South Korea'.
- 20181122 – ASX 'SAU JV Kochang Update'.
- 20181206 – ASX 'Strategic agreement executed over the Cannon Gold Mine'.
- 20190129 – ASX 'Weolyu High Grade Au-Ag Confirmed'

Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer and producer listed on the Australian Securities Exchange (under ASX ticker "SAU"). At the Cannon project near Kalgoorlie we are currently looking to develop a small underground operation on the basis of a high grade JORC resource with mineralisation currently open at depth. Southern Gold is also looking to develop a second mine in South Korea within the next 12-18 months with development partner London-listed Bluebird Merchant Ventures.

In South Korea Southern Gold also owns a portfolio of high-grade gold projects that are a combination of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold-silver targets. 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.

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

Competent Person's Statements

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

Forward-looking statements

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

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

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

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

SOUTHERN GOLD LIMITED

ABN

30 107 424 519

Quarter ended ("current quarter")

31 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(407)	(887)
(b) underground exploration at Cannon	-	-
(c) production	-	-
(d) staff costs	(384)	(773)
(e) administration and corporate costs	(405)	(815)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	174	174
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,021)	(2,298)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(36)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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 Joint Ventures)	(186)	(186)
2.6	Net cash from / (used in) investing activities	(191)	(222)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,026	1,276
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(25)	(25)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,001	1,251

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,025	2,080
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,021)	(2,298)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(191)	(222)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,001	1,251
4.5	Effect of movement in exchange rates on cash held	2	5
4.6	Cash and cash equivalents at end of period	816	816

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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	251	179
5.2 Call deposits	565	846
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)	816	1,025

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	118
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The amount at 6.1 comprises Director fees paid to Directors, or related entities of the Directors, during the quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(217)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(210)
9.5 Administration and corporate costs	(278)
9.6 Other (JV contributions)	(61)
9.7 Total estimated cash outflows	(766)


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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	<p>GLANDORE (WA) P25/2215 P25/2216</p> <p>HERON BULONG EAST JV: M25/0161 M25/0059 M25/0171 M25/0134 M25/0209 M25/0145</p> <p>SOUTH KOREA Hwangryong (Yangji) (79249, 79250, 79251, 79174) Ongam (79231, 79232) Pungsan (79227, 79228, 79229, 79230) Cheongwon (77037, 77028) Jangam (77066, 77067) Suam (77065) Hwacheon (79234) Transfer to 50% owned JV: Cheongyang (78089, 78090, 78091, 78093, 78094, 78095) Daecheon (78096, 78097)</p>	<p>Exploration lease Exploration lease</p> <p>Mining Lease Mining Lease Mining Lease Mining Lease Mining Lease Mining Lease</p> <p>Mining leases Mining leases Mining leases Mining leases Mining leases Mining leases Mining leases Mining Leases Mining Leases</p>	<p>75% 75%</p> <p>80% 80% 80% 80% 80% 80%</p> <p>100% 100% 100% 100% 100% 100% 100% 100% 100%</p>	<p>- -</p> <p>- - - - - - -</p> <p>- - - - - - - 50% 50%</p>
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Cowarna (WA) E25/0566	Exploration lease	-	100%

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.

Sign here:  Date:31/01/2019.....
(Company Secretary)

Print name:Dan Hill.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.