

Southern Gold Develops New Lithium Exploration Portfolio in South Korea

Highlights

- Exploration licence applications lodged over five project areas covering a total area of 454 km² with lithium (Li) anomalies from historical country-wide stream-sediment sample survey by Korea Institute of Geoscience and Mineral Resources (KIGAM).
- Projects are at greenfields stage, with limited prior exploration and no drilling; prospective geology across the projects includes pegmatites and granites mapped by KIGAM.
- The Samguen Project is 2 km northwest of historical Boam Mine which produced Li from 1945–1963; there are currently no producing Li mines in South Korea despite South Korea being a major global player in Li battery manufacturing.
- Fieldwork is underway and includes follow up stream-sediment and rock-chip sampling, and geological mapping to define areas for detailed exploration and drill-target development.
- The team are in the field all week with a third party who is assessing their interest in the lithium potential of Southern Gold's applications. Management is greatly encouraged by the interest of this third party in the Lithium potential of South Korea and believes it provides early validation of the Board's decision to expand its scope beyond primarily looking for potential gold deposits.
- A recently released strategy by Ministry of Trade, Industry and Energy to secure critical minerals includes Li among top ten strategic minerals and recommends new incentives to encourage exploration and mining by private companies.
- South Korea is a major global player in Li battery manufacturing, with new plants under construction. The country is heavily reliant on mineral imports; management believes that any new domestic Li discovery made by SAU would benefit from strong government and industry support given its proximity to battery plants and comprehensive national infrastructure.

Southern Gold Limited ('Southern Gold' or the 'Company'; ASX: SAU) is pleased to provide an update on its exploration activities in South Korea, including its licence applications over five areas prospective for Li mineralisation.

Background

In 2022, Southern Gold commissioned RSC to undertake a desktop prospectivity study for REE and Li deposits in South Korea to complement its precious metals exploration portfolio. From this study, SAU lodged exploration applications over two REE projects last month.¹ Several regional Li targets were also identified by RSC from anomalies defined in an historical country-wide stream-sediment sample survey conducted by the KIGAM. After further targeting work of high-priority Li areas, together with preliminary reconnaissance fieldwork conducted by SAU and RSC during Q2-Q3 FY22, SAU has submitted new exploration licence applications over five prospective project areas.

¹ 20230803 – ASX Southern Gold applies for exploration licences adjacent to REE deposits in South Korea; Competent Person: Dr Michael Gazley, MAusIMM, MAIG.

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Samguen Li Project

The Samguen Li Project includes five exploration licence applications covering 13.7 km², in the northern region of Gyeongsangbuk-do (Figure 1a). Geology comprises Precambrian metasediment and gneiss intruded by pegmatites, aplites and felsic dykes. This project area contains anomalous Li from the KIGAM stream-sediment sampling survey² with the highest value between 121 and 361 ppm Li (Figure 1b).

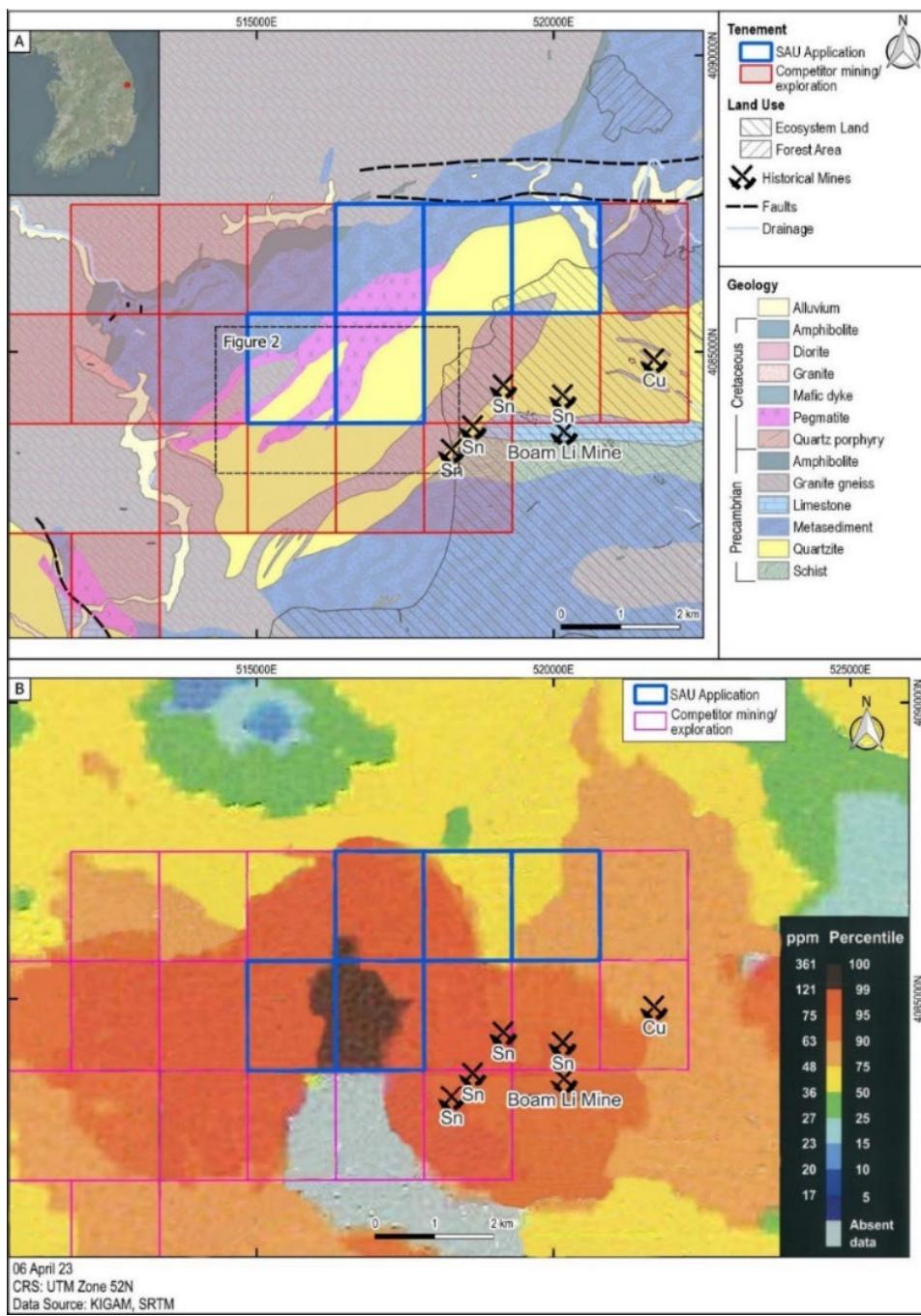


Figure 1: Samguen Li Project; (a) geology and tenement map and (b) Li anomalies from KIGAM stream-sediment samples.

² Lee P.K., Youm S.J., Shin S.C., Park S.W., Kang M.J., and Moon S. W., 2007. Geological Atlas of Korea: Series 9. Korea Institute of Geoscience and Mineral Resources (KIGAM), p. 68.

The project lies ~2 km northwest of the historical Boam mine, where Li was mined from 1945–1963. The Uljin pegmatites consists of breccia-type and vein-type Li and tin (Sn) mineralisation, hosted within the Yulri Formation and Janggun Limestone (Figure 1a)^{3, 4, 5}. The Uljin pegmatites contain spodumene and lepidolite as the major Li minerals and cassiterite as the primary Sn mineral.

Ridge-and-spur soil sampling was conducted by Peninsula Mines Limited⁶ in 2017 over ground that now includes the southern part of the Samguen project application area. This soil program was conducted following the return of anomalous stream-sediment sampling in the area by Peninsula⁷. Values in soil samples up to 410 ppm Li were returned within the SAU application licence area (Figure 2).

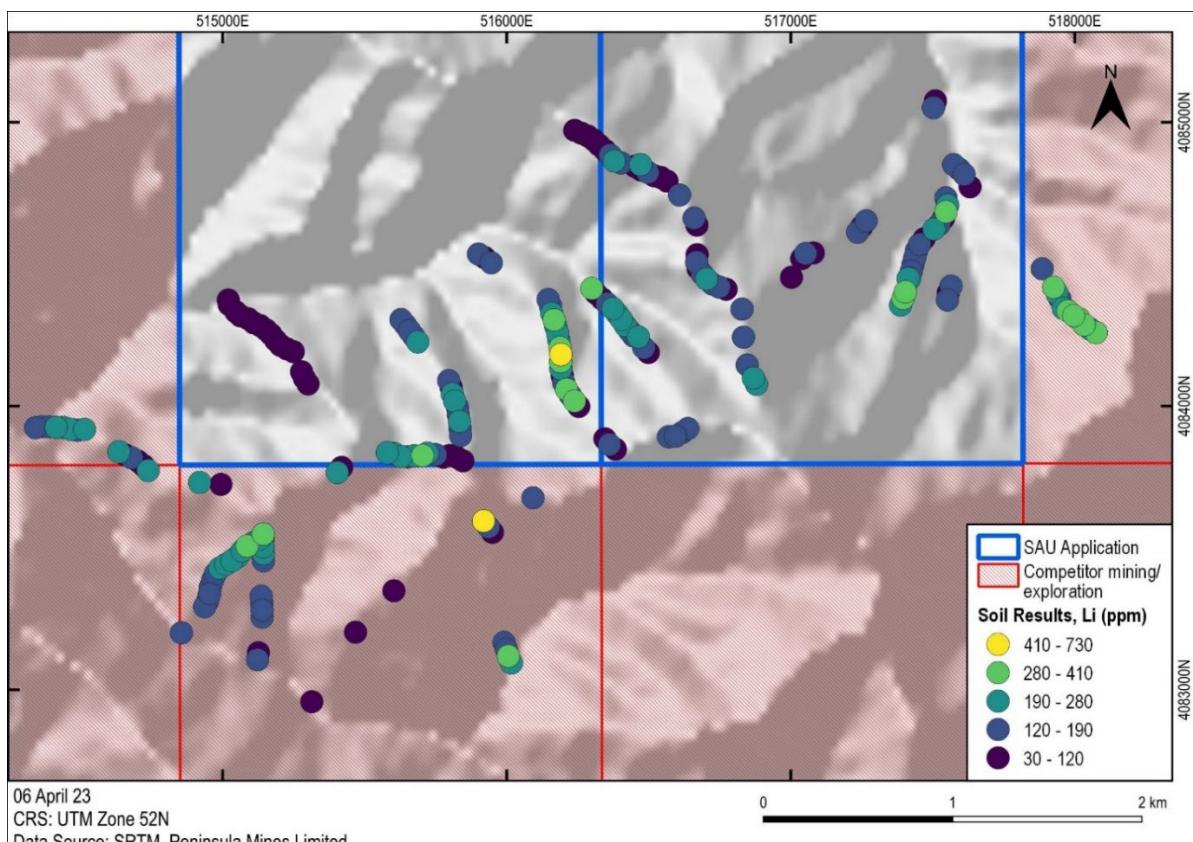


Figure 2: Li soil anomalies within Samguen Project from ridge and spur soil sampling conducted by Peninsula Mines Limited⁶ in 2017. Location of map highlighted in Figure 1A.

³ Moon S. H., Park H-I, Ripley E. M., and Lee A. I., 1996. Mineralogic and Stable Isotope Studies of Cassiterite Greissen Mineralisation in the Uljin Area, Korea.

⁴ Choi Y-H, Park Y-R and Noh J. H., 2014. Genesis of Boam Lithium Deposits in Wangpiri, Uljin. Geological Journal, 50 (4), pp.489–500 (in Korean).

⁵ Oh I-H, Yang S-J, Heo C-H, Lee J-H, Kim E-J and Cho S-H, 2022. Study on the Controlling Factors of Li-Bearing Pegmatite Intrusions for Mineral Exploration, Uljin, South Korea. Minerals, 12(5), p.589.

⁶ Ridge and spur soil sampling results were reported in Peninsula Mines Limited ASX announcement from 22 December 2017 entitled “Tonggo Project Generates Highly Anomalous Lithium Soil Geochemistry Results” available to the public at <https://www.asx.com.au/asxpdf/20171222/pdf/43qdbgpbjm01wf.pdf>. Competent Person: Daniel Noonan.

⁷ Stream sediment sampling results were reported in Peninsula Mines Limited ASX announcement from 31 August 2016 entitled “Strongly anomalous lithium results from stream sediment survey on South Korean projects” available to the public at <https://www.asx.com.au/asxpdf/20160831/pdf/439vc72pqb8vff.pdf>. Competent person: Daniel Noonan.

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Seobyek Li Project

The Seobyek Li Project comprises of 36 exploration licence applications covering 98.8 km², in northern Gyeongsangbuk-do (Figure 3a). The application area comprises Precambrian schists, gneiss, and limestone, with pegmatites mapped by KIGAM located throughout the SAU exploration licence applications. Stream-sediment sampling from the historical KIGAM survey returned high values between 163 and 409 ppm Li (Figure 3b). The project is ~10 km northeast of mapped Jurassic granite, which could be a potential source granite for the Li pegmatites.

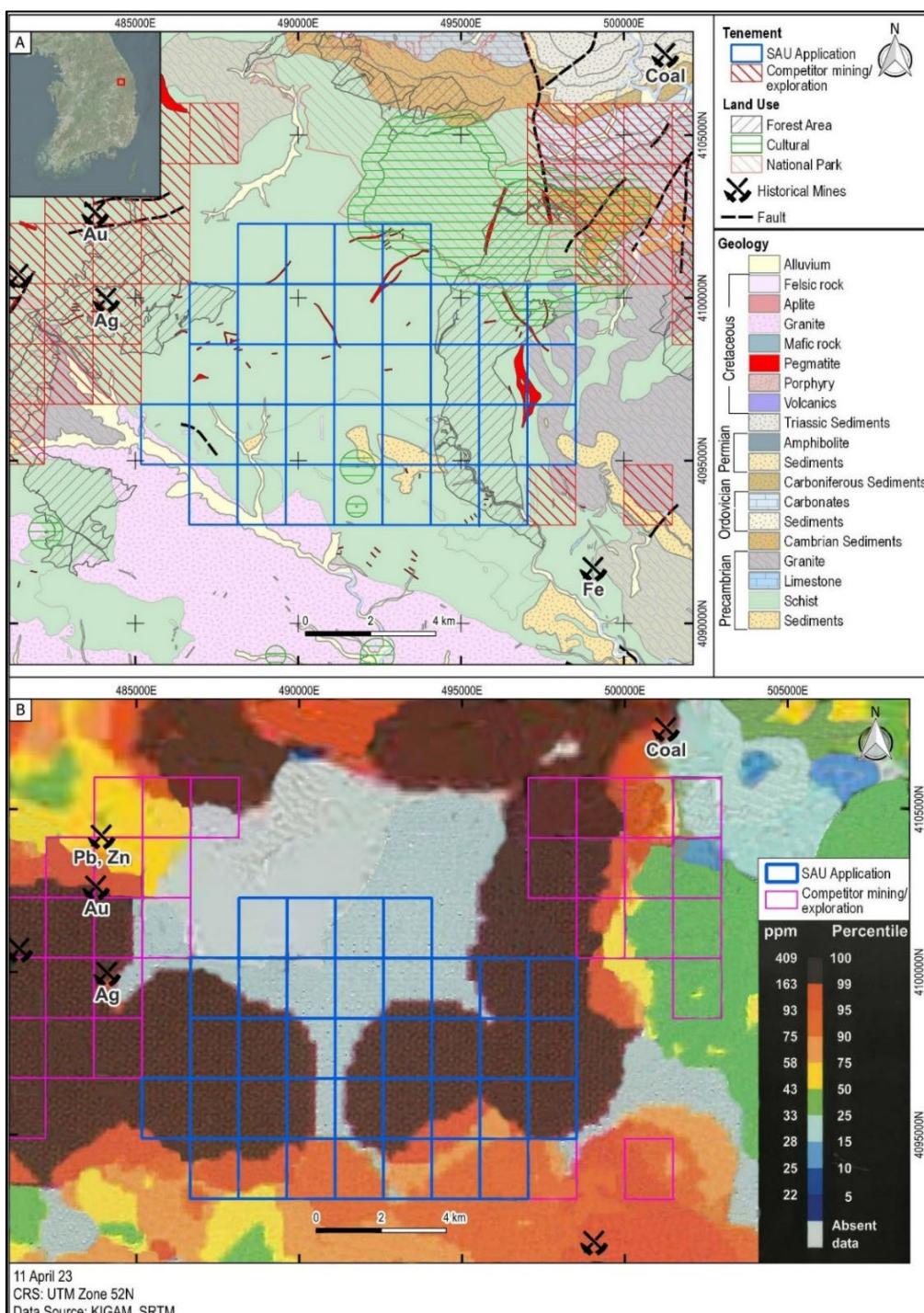


Figure 3: Seobyek Li Project; (a) geology and tenement map; and (b) Li in KIGAM stream-sediment samples.

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Cheongsong Li Project

The Cheongsong Li Project comprises 34 exploration licence applications that cover 94.4 km², in the southern region of Gyeongsangbuk-do (Figure 4a). The application area comprises Cretaceous and Jurassic granite and Cretaceous volcanics and sedimentary rocks. Stream-sediment sampling from the historical KIGAM survey returned values between 121 and 361 ppm Li (Figure 4b). This project area lies about 7–9 km south to southwest of mapped Jurassic granite, which may be the potential source for Li pegmatites.

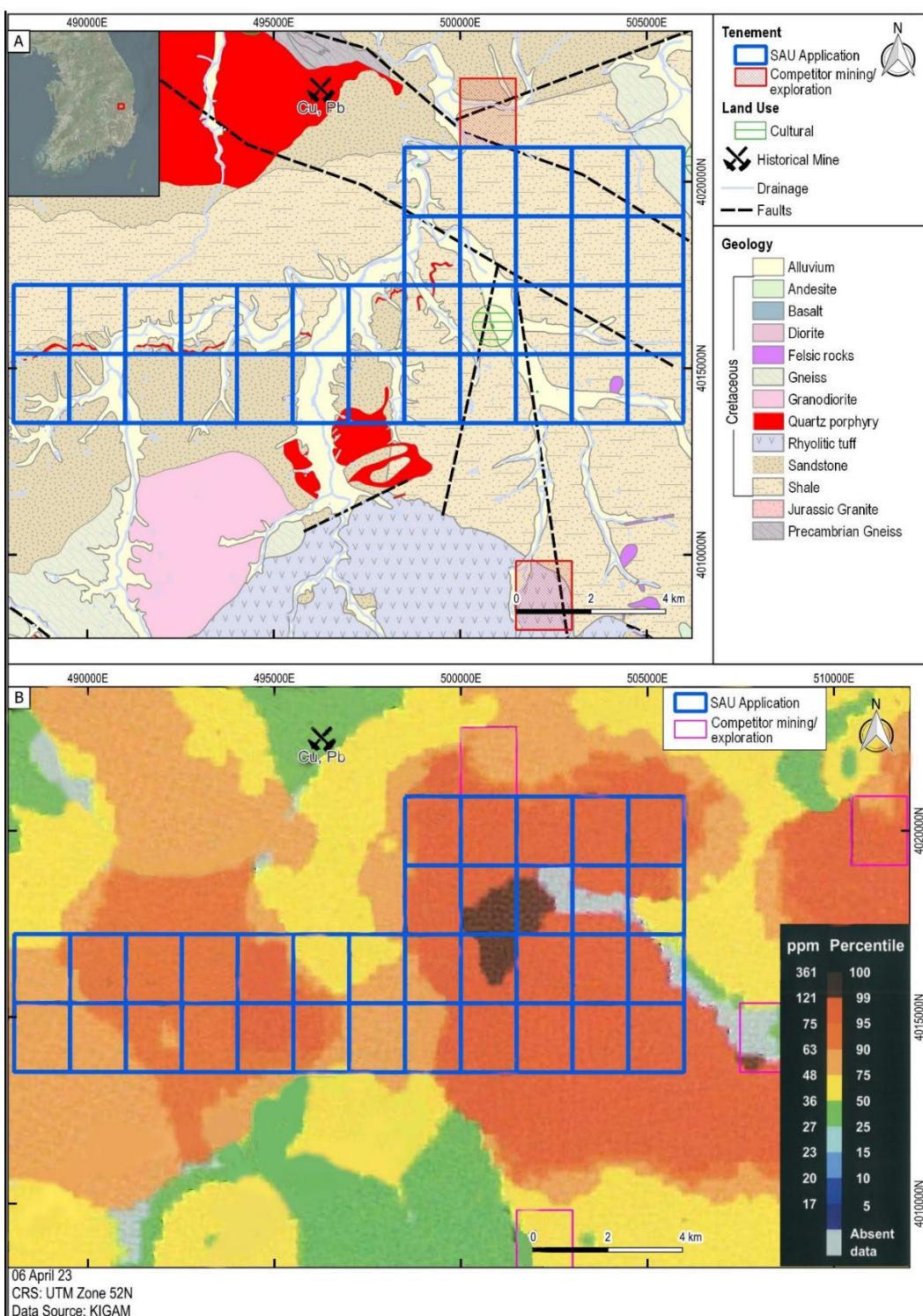


Figure 4: Cheongsong Li Project; (a) geology and tenement map; and (b) Li in KIGAM stream-sediment samples.

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Yeongdong Li Project

The Yeongdong Li Project comprises 26 exploration licence applications that cover 72.2 km², in the southern region of Chungcheongbuk-do (Figure 5a). The application area is situated on the crustal-scale, NNE-trending, Gwangju strike-slip fault. The NW region of the Gwangju Fault is dominated by Cretaceous and Jurassic granite while the SW region is dominated by Precambrian gneiss. The NW region of the project area returned highest Li value between 178 and 574 ppm from historical stream-sediment sampling by KIGAM (Figure 5b).

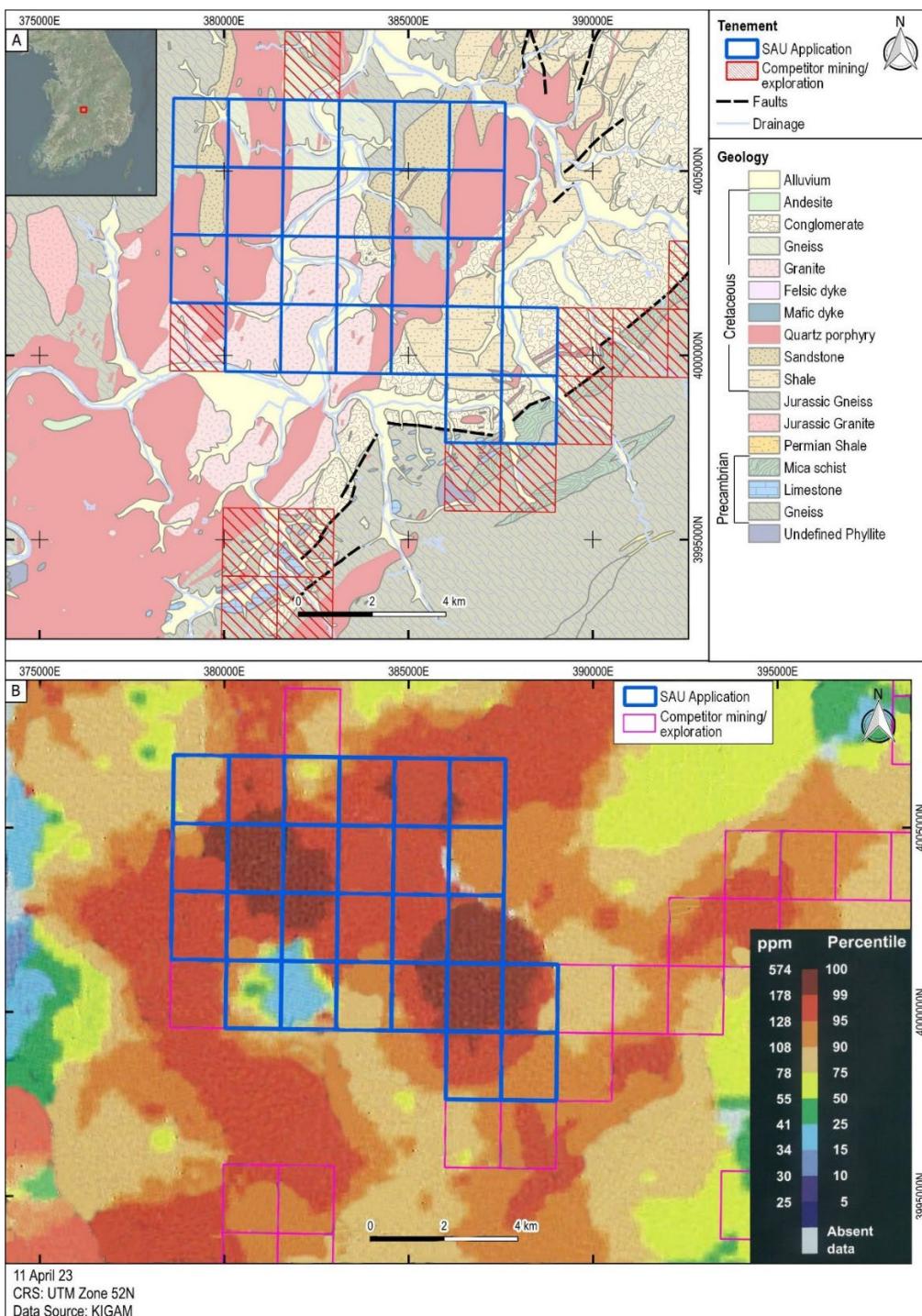


Figure 5: Yeongdong Project; (a) geology and tenement map; and (b) Li in KIGAM stream-sediment samples.

Buyeo Li Project

The Buyeo Li Project comprises 63 exploration licence applications cover 174.8 km², in the southern region of Chungcheongnam-do. The geology of the application area is dominated by Jurassic Daebo granite and Precambrian gneiss and schist (Figure 6a). Large-scale ENE-trending faults separate two plutons of Daebo granite, creating a potential structural pathway for the migration of melts and/or hydrothermal fluids. Elevated Li concentrations in the KIGAM stream-sediment survey occur in the western part of the application area (Figure 6b).

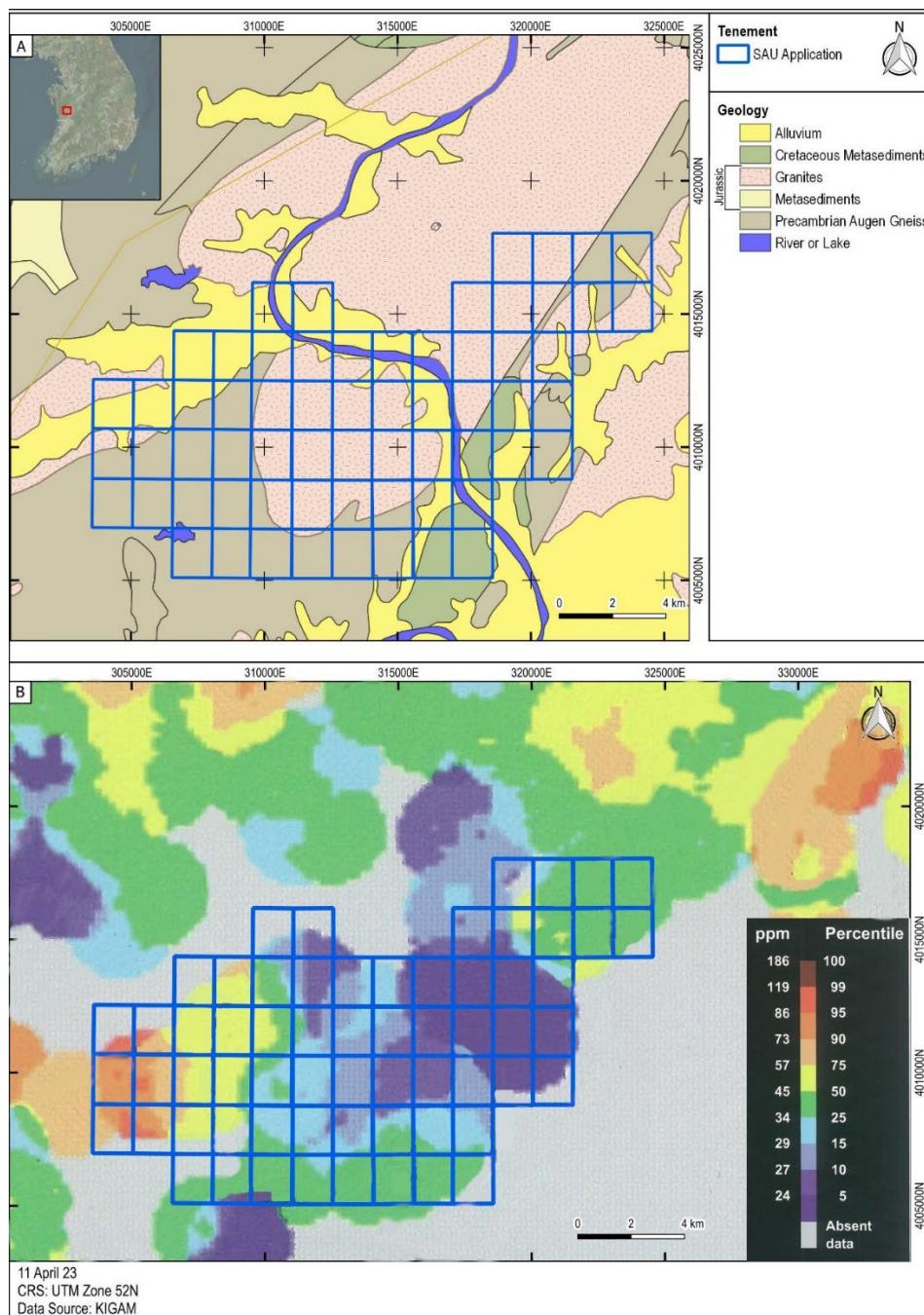


Figure 6: Buyeo Li Project; (a) geological and tenement map; and (b) Li in KIGAM stream-sediment samples.

Increasing Li Demand in South Korea

In February this year, the Ministry of Trade, Industry and Energy released a new strategy to secure a stable supply of critical minerals, listing Li among the top 10 given that South Korea is heavily reliant on mineral imports to support its battery, electric vehicle and clean technology sectors. The strategy outlines new incentives to encourage participation by private companies in exploration and mining, including in research and development projects⁸.

The South Korean government and its top battery companies plan to jointly invest USD15.1 billion through 2023 to develop advanced battery technologies, including solid state batteries⁹, including Posco Holdings who are investing USD353 million in a new Li-hydroxide plant in the southern industrial city of Gwangyang.¹⁰ Accordingly, any Li discovery made by SAU could have the positive benefit of close proximity to Li processing and battery manufacturing plants and highly developed national transport infrastructure (Figure 7).

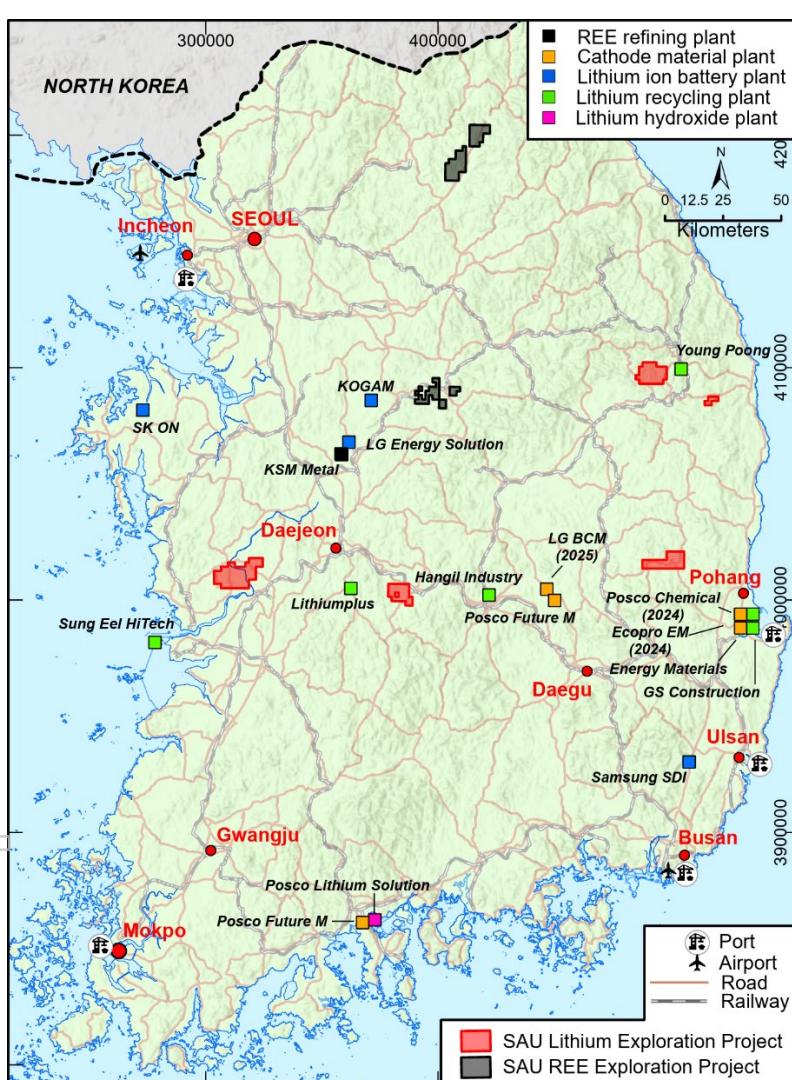


Figure 7: Current and planned South Korean Li processing and battery manufacturing plants.

⁸ Strategies to secure core minerals to become a global powerhouse in high-tech industries: South Korean Ministry of Trade, Industry and Energy Strategy Document, February 2022.

⁹ <https://www.reuters.com/world/asia-pacific/south-korea-announces-15-bln-investment-advanced-battery-technologies-2023-04-20/>

¹⁰ <https://koreajoongangdaily.joins.com/2022/10/11/business/industry/korea-posco-lithium/20221011180356673.html>

Next Steps

Fieldwork is now underway and will comprise regional stream-sediment sampling, rock-chip sampling, and geological mapping to focus for subsequent detailed exploration and target development. First geochemical results from this regional exploration program are planned to be returned in Q4 FY23 – Q1 FY24, depending on progress and lab turn-around times. Further review and translation of key KIGAM and KETEP reports on the Boam Li deposit will also continue to assist to guide the wider exploration program.

The team are in the field this week with a third party who is assessing their interest in the lithium potential of Southern Gold's applications. Management is greatly encouraged by the interest of this third party in the Lithium potential of South Korea and believes it provides early validation of the Board's decision to expand its scope beyond primarily looking for potential gold deposits.

SAU will also continue to investigate the potential for other styles of Li deposits in South Korea as part of wider on-going generative studies, including HARSH (hydrothermally altered rhyolitic sediment-hosted) Li deposits.

Authorised for release by the Board of Southern Gold Limited.

Further Information

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Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer listed on the Australian Securities Exchange (under ASX ticker "SAU"). Southern Gold owns 100% of a substantial portfolio of high-grade gold-silver projects in South Korea that are largely greenfield epithermal gold-silver targets in the south of the country. Backed by a first-class technical team, Southern Gold's aim is to find world-class precious metals deposits in a jurisdiction that has seen very little modern exploration.

Competent Person's Statements

The information in this report that relates to Exploration Results is based on information compiled under the supervision of Dr Michael Gazley, a Competent Person who is a Member of The AusIMM and a Member of the AIG. Dr Gazley is employed by RSC as General Manager Geoscience. Dr Gazley discloses that his employer, RSC, is currently engaged to provide exploration services to Southern Gold across multiple projects. Dr Gazley confirms that the pre-existing relationship between RSC and Southern Gold has not biased the results of the work presented in this Report. The full nature of the relationship between Dr Gazley and Southern Gold has been declared, including any issue that could be perceived by investors as a conflict of interest. Dr Gazley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Dr Gazley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Reference to Previous ASX Releases

Ridge-and-spur soil sampling results for the Tonggo prospect referred to in this announcement have been previously announced to the ASX in accordance with Chapter 5 of the Listing Rules and the JORC Code (2012), as specified in footnote 6. The Company is not aware of any new information or data that materially affect

the referenced information included here. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

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 maybe required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.

Appendix 1: 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
<i>Sampling techniques</i>	<p><i>Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></p>	<p>The nature of the samples reported in this ASX Release relate to a historical country-wide stream-sediment sampling survey conducted by the Korea Institute of Geoscience and Mineral Resources (KIGAM) during 1996–2003.</p> <p>KIGAM provided the stream-sediment maps as processed images, while the raw data is not available for sale. SAU appointed RSC to digitise the stream-sediment data.</p> <p>A ridge-and-spur soil-sample programme was conducted by Peninsula Mines Limited at the Tonggo Prospect in 2016 and 2017. A total of 568 samples were collected and 214 samples were analysed by Nagrom, Perth, in 2017. Samples were collected at a nominal 25 m spacing along the crest of the spurs and ridges in the target area. RSC sourced the Li soil sample concentrations from the ASX announcement by Peninsula Mines Limited dated 22 December 2017 (see reference in text).</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p>	<p>The Competent Person is not aware of any measures taken by KIGAM to ensure sample representivity of the primary sample.</p>
	<p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p>	<p>The historical country-wide stream-sediment sampling survey by KIGAM has been used to inform the determination of mineralisation discussed in this announcement.</p>
	<p><i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>KIGAM collected stream-sediment samples from 5–20 points over a 50 m stream interval at each sample location. The samples were sieved on site to passing 100 mesh and composited to produce a 70–100 g sample from each site. Samples were sent to a KIGAM laboratory for analyses of ~36 elements.</p>
<i>Drilling techniques</i>	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p>	<p>SAU did not conduct any drilling and no historical drilling has been reported for this ASX release.</p>
<i>Drill sample recovery</i>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p>	<p>No drilling has been reported for this ASX release.</p>
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p>	<p>No drilling has been reported for this ASX release.</p>
	<p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>No drilling has been reported for this ASX release.</p>

Criteria	JORC Code explanation	Commentary
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	This ASX release relates to early-stage prospectivity targeting. The historical data in this release are not intended to support mineral resource estimation, mining studies and metallurgical studies.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	KIGAM recorded the lithology adjacent to the stream-sediment sample locations, whether the stream was dry/wet and the presence of cultural contamination or suspended sediments in the stream water.
	<i>The total length and percentage of the relevant intersections logged.</i>	No drilling has been reported for this ASX release.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling has been reported for this ASX release.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	No drilling has been reported for this ASX release.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	KIGAM geologists sieved the stream-sediment samples at the samples sites to provide 70–100 g samples; however, no records are available on sub-sampling techniques for the KIGAM samples. The Competent Person notes that this is acceptable for the broad purpose of determining exploration potential and target interpretation.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	The Competent Person is not aware of any quality control procedures adopted during sub-sampling.
	<i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i>	The Competent Person is not aware of any measures taken by KIGAM to ensure that the sampling is representative of the in-situ material collected or of any duplicate sampling conducted by KIGAM.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes with respect to grain size are unknown for the historical KIGAM samples.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The KIGAM stream-sediment samples were analysed using XRF, NAA and ICP-AES to analyse a broad range of elements. Lithium was analysed using the ICP-AES method with a Jovin Yvon JY 38 Plus Spectrometer. The Competent Person considers ICP-AES to be an appropriate technique for Li analysis.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No geophysical or handheld XRF data has been reported in this ASX Release.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	KIGAM included 1 blank and 1 standard reference material (SRM) with each batch of 100 samples analysed. The SRMs were stream sediment samples prepared and certified by the Japanese Geological Survey, Ibaraki. No records are available on quality assurance or quality control procedures being undertaken by the lab for the KIGAM samples. Therefore, the Competent Person cannot comment on whether acceptable levels of accuracy and precision have been established. This is considered low-risk for this early-stage prospectivity review.

Criteria	JORC Code explanation	Commentary
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No records are available on the verification of the historical KIGAM data.
	<i>The use of twinned holes.</i>	No drilling has been reported for this ASX release.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Historical stream-sediment data exists only as processed images. The raw stream-sediment survey data is not available for sale from KIGAM. Historical KIGAM reports have been translated and transcribed into SAU databases where applicable.
	<i>Discuss any adjustment to assay data.</i>	The raw stream-sediment data were processed by KIGAM using an Inverse Distance Weighted (IDW) interpolation by using class boundaries based on percentiles generated from statistical evaluation of the original raw dataset. The raw stream-sediment survey data is not available from KIGAM.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	The accuracy and quality of historical surveys were not reported by KIGAM, and cannot be verified by the Competent Person. This is considered low-risk for this early-stage prospectivity review. The historical data in this release are not intended to support mineral resource estimation.
	<i>Specification of the grid system used.</i>	For this ASX release, all sample locations were converted to the Universal Transverse Mercator (WGS84), Zone 52 Northern Hemisphere grid system.
	<i>Quality and adequacy of topographic control.</i>	South Korean Government 5 m contour data are available and deemed suitable for topographic control on early-stage exploration campaigns.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	KIGAM collected about 1 sample/3.5 km ² across the country.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The historical data reported in this release are not intended to support mineral resource estimation.
	<i>Whether sample compositing has been applied.</i>	The KIGAM stream-sediment samples were collected from 5–20 sample sites over a 50 m stream interval, which were then composited to provide a 70–100 g sample.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	No drilling has been reported for this ASX release.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No drilling has been reported for this ASX release.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	No information is available on historical sample security measures by KIGAM.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	The Competent Person is not aware of any audits or reviews of sampling techniques and data being undertaken.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures,</i>	All tenements referred to in this report are exploration licence applications, submitted by SAU.

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Criteria	JORC Code explanation	Commentary
<i>land tenure status</i>	<p><i>partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p>	<p>For the Samguen Li Project, SAU applied for 5 exploration licence blocks.</p> <p>For the Seobyeok Li Project, SAU applied for 36 exploration licence blocks.</p> <p>For the Cheongsong Li Project, SAU applied for 34 exploration licence blocks.</p> <p>For the Yeongdong Li Project, SAU applied for 26 exploration licence blocks.</p> <p>For the Buyeo Li Project, SAU applied for 63 exploration licence blocks.</p> <p>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. However, no consent is required for geophysical surveys, soil/rock chip sampling and mapping.</p>
	<p><i>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.</i></p>	<p>Following the submission of a Mineral Deposit Report for a licence application, it is reviewed by the Mine Registration Office (MRO) who determines if the application meets specified criteria for approval and if so, grant an Exploration Right. The holder has one year to submit an Exploration Plan to MOTIE outlining planned work. An initial three-year exploration period is given to complete exploration work, which can be subsequently extended for a further 3 years upon successful submission to MOTIE.</p> <p>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.</p> <p>There are no known impediments to obtaining a license to operate.</p>
<i>Exploration done by other parties</i>	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<p>KIGAM has undertaken high-level reconnaissance surveys including airborne geophysics, country-wide regional stream sediment surveys and regional geological mapping.</p> <p>SAU geologists are in the process of interpreting extensive reports by KIGAM and KETEP detailing historical drilling and rock-chip sampling at the Boam deposit, adjacent to SAU's application area.</p>

Criteria	JORC Code explanation	Commentary
		Peninsula Mines Limited conducted a stream-sediment sampling survey at its Dongsugok (Tonggo prospect, within SAU Samguen Li) and Daehyeon Li projects for a total of 339 samples in 2016. Locations of the stream sediments were not publicly reported, only summary maps were presented. In 2017, Peninsula collected 568 ridge and spur soil samples at Tonggo; the locations of which were publicly reported.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Boam deposit comprises Li and Sn mineralised pegmatites emplaced in the Janggun Limestone and Yulri Formation, in the Uljin area. The pegmatites intruded in a northeast to southwest direction, parallel to the direction of the foliation. The primary Li mineral in these pegmatites is lepidolite, while the primary Sn mineral is cassiterite. Dating of the lepidolite suggests that hydrothermal fluvial inputs occurred in the Early to Late Jurassic, with Li mineralisation occurring in the Middle to Late Jurassic. Therefore, a Jurassic leucocratic granite has been identified as the source rock for the Li pegmatites.
Drill hole Information	<p><i>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:</i></p> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>No drilling has been reported for this ASX release.</p> <p>KIGAM provided country-wide stream-sediment maps for multiple elements; however, the exact coordinates of the stream-sediment samples are unknown.</p> <p>The exact coordinates of these stream-sediment samples are not considered material since the purpose of the report is to demonstrate the potential prospectivity of the project area.</p> <p>Ridge and spur soil sample locations at the Tonggo prospect are included in the Peninsula Mines Limited ASX announcement appendices (see reference in text).</p> <p>The Competent Person is not aware of any Material information being excluded from this ASX release.</p>
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	It is unknown what weighting, averaging techniques or grade truncations were used for the reported KIGAM data. SAU did not apply any cut-offs for this ASX release.
	<i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	No drilling has been reported for this ASX release.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been reported in this ASX Release.
Relationship between mineralisation widths and	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should</i></p>	<p>No drilling has been reported for this ASX release.</p> <p>No drilling has been reported for this ASX release.</p>

Criteria	JORC Code explanation	Commentary
<i>intercept lengths</i>	<p><i>be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></p>	No drilling has been reported for this ASX release.
<i>Diagrams</i>	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p>	<p>Appropriate maps and tables have been included in this ASX Release with respect to historical KIGAM stream-sediment samples.</p> <p>Structural and geological lines on the original KIGAM maps were manually removed by interpolating the Li range adjacent to the line to in-fill it (Figure 1B, 3B–6B).</p> <p>No drilling has been reported for this ASX release.</p>
<i>Balanced reporting</i>	<p><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	<p>Historical results that are considered relevant to assessing the Li exploration potential of the SAU applications have been presented here in a balanced manner to avoid misleading reporting.</p>
<i>Other substantive exploration data</i>	<p><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	<p>All relevant data available to SAU has been documented in this report.</p> <p>Peninsula Mines Limited conducted a stream-sediment sampling survey at its Dongsugok (Tonggo prospect, within SAU Samguen Li) in 2016. Locations of the stream sediments were not publicly reported in the 31 August 2016 ASX announcement, only summary maps were presented (see reference in text).</p> <p>Ridge and spur soil sample results at the Tonggo prospect were extracted from the 22 December 2017 Peninsula Mines Limited ASX announcement (see reference in text).</p>
<i>Further work</i>	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p>Planned work programme involves stream-sediment sampling, rock chip sampling, filed mapping at Samguen, Seobyek, Cheongsong, Yeongdong, and Buyeo to obtain more information on Li mineralization, inform ongoing exploration strategy, and identify potential Li-bearing pegmatite.</p> <p>Translation from Korean and assessment of the KIGAM and KETEP reports for the Boam deposit is ongoing.</p> <p>A future drill programme has not been planned for these areas yet due to the early nature of this programme.</p>