

QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B

For the quarter ended 31 December 2019

ASX ANNOUNCEMENT 20 January 2020

BOARD OF DIRECTORS

Executive Chairman
John Terpu

Non-Executive Director
Kathleen Bozanic

Non-Executive Director
Andrew Caruso

COMPANY SECRETARY
Mark Petricevic

HIGHLIGHTS

- Maiden drill program at Cox's Find Project confirms presence of historic high-grade gold system with high-grade zones discovered.
- Drilling is now complete with all results received. Intersections over 20g/t gold include:
 - 19CFRC002 - **8m at 9.43 g/t** gold from 73m, including **1m at 44 g/t** from 140m
 - 19CFRC004 - **2m at 36 g/t** gold from 146m, Including **1m at 68 g/t** from 146m.
 - 19CFRC009 - **5m at 14.54 g/t** gold from 140m, including **2m at 28.85 g/t** from 140m
 - 19CFRC011 - **6m at 7.90 g/t** gold from 132m, including **1m at 35.9 g/t** from 134m.
 - 19CFRC013 - **5m at 31.23 g/t** gold from 134m. Including **1m at 143.0 g/t** gold from 135m
- Data interpretation and target identification is ongoing with a number of conceptual structural repeats of the orebody identified for future drilling.
- Hyperspectral survey, co-funded with Evolution Mining Ltd, flown over Edinburgh Park Project – results and interpretation pending.
- The Company raised \$1.485m through a placement to institutional and sophisticated investors with funds used to undertake the maiden Cox's Find drilling program.

WESTERN AUSTRALIAN PROJECTS

Cox's Find Gold Project - WA

On 26 August 2019 the Company executed the formal sale and purchase agreement for the acquisition of the Cox's Find Gold Mine (Project), and surrounding Mining tenure located ~70 km north of Laverton. The acquisition comprises of a 100% interest in three (3) granted Mining Leases; (M38/170, M38/578, M38/740) located along strike from, and in close proximity to, Regis Resources' multi-million-ounce Garden Well. The formal sale and purchase agreement replaced and superseded the agreement referred to in GSN's announcement to the market on 5 June 2019.

Additional key terms of the agreement are contained in the ASX announcement of 26 August 2019.

During the quarter the Company undertook its maiden drilling and exploration campaign on the Project. A total of 17 RC holes were drilled for a total of 2,658m.

The drill program was focused on targeting shallow high-grade gold mineralisation adjacent to the historic underground developments. Drill targets were identified from the integration and modelling of historic mining and exploration data from the past 80 years.

ASX: GSN

CONTACT DETAILS

Registered Office and Postal Address

Suite 4, 213 Balcatta Rd
BALCATTWA 6021

Phone: 61 8 9240 4111

Fax: 61 8 9240 4054

Website

www.gsml.com.au

Initial geological models developed by GSN geologists identified two un-mined panels which were tested for remnant mineralisation as well validating the continuance of the mineralised system from historical production records. It was this consistency of vein width and exceptionally high-grade gold interceptions that supported the historical production throughout the mine's life.

Drilling was highly successful and has proven remnant mineralisation is present in the unmined areas between and below the stoped panels.

Gold grades intersected in the current drilling program within the main lode show a range from <5 g/t up to 143 g/t over 1m downhole lengths. These spot intersections are broadly consistent with main lode that exclusively supported historic production at the mine averaging ~22 g/t gold and suggest potential for development of 1 or more high-grade shoots within the unmined panels.

With the drilling program complete, notable high-grade interceptions include:

- 19CFRC001 - **2m at 9 g/t** gold from 76m,
- 19CFRC002 - **8m at 9.43 g/t** gold from 73m, including
including **1m at 44 g/t** from 140m
- 19CFRC004 - **2m at 36 g/t** gold from 146m,
Including **1m at 68 g/t** from 146m.
- 19CFRC009 - **5m at 14.54 g/t** gold from 140m,
including **2m at 28.85 g/t** from 140m.
- 19CFRC011 - **6m at 7.90 g/t** gold from 132m,
including **1m at 35.9 g/t** from 134m.
- 19CFRC013 - **5m at 31.23 g/t** gold from 134m.
Including **1m at 143.0 g/t** gold from 135m.
- 19CFRC014 - **2m at 9.75 g/t** gold from 88m.
- 19CFRC017 – **2m at 4.9 g/t** gold from 149m including
1m at 8.1 g/t.

Note: For drill intercepts >1.0ppm and JORC 2012 disclosures refer to ASX announcements of 26 November and 19 December 2019.

In the majority of holes there is a distinct halo of gold values extending for several meters' marginal to the main lode. There is evidence of parallel lodes developed above and below the main lode. These subsidiary lodes are up to 3m thick and range from <2 g/t up to 9.75 g/t gold over 2m downhole lengths.

Cox's Find Gold Project – WA - continued

In conjunction with the drilling program, GSN conducted a high-resolution magnetic and radiometric survey and detailed structural and lithological mapping of the Cox's Find open-pit.

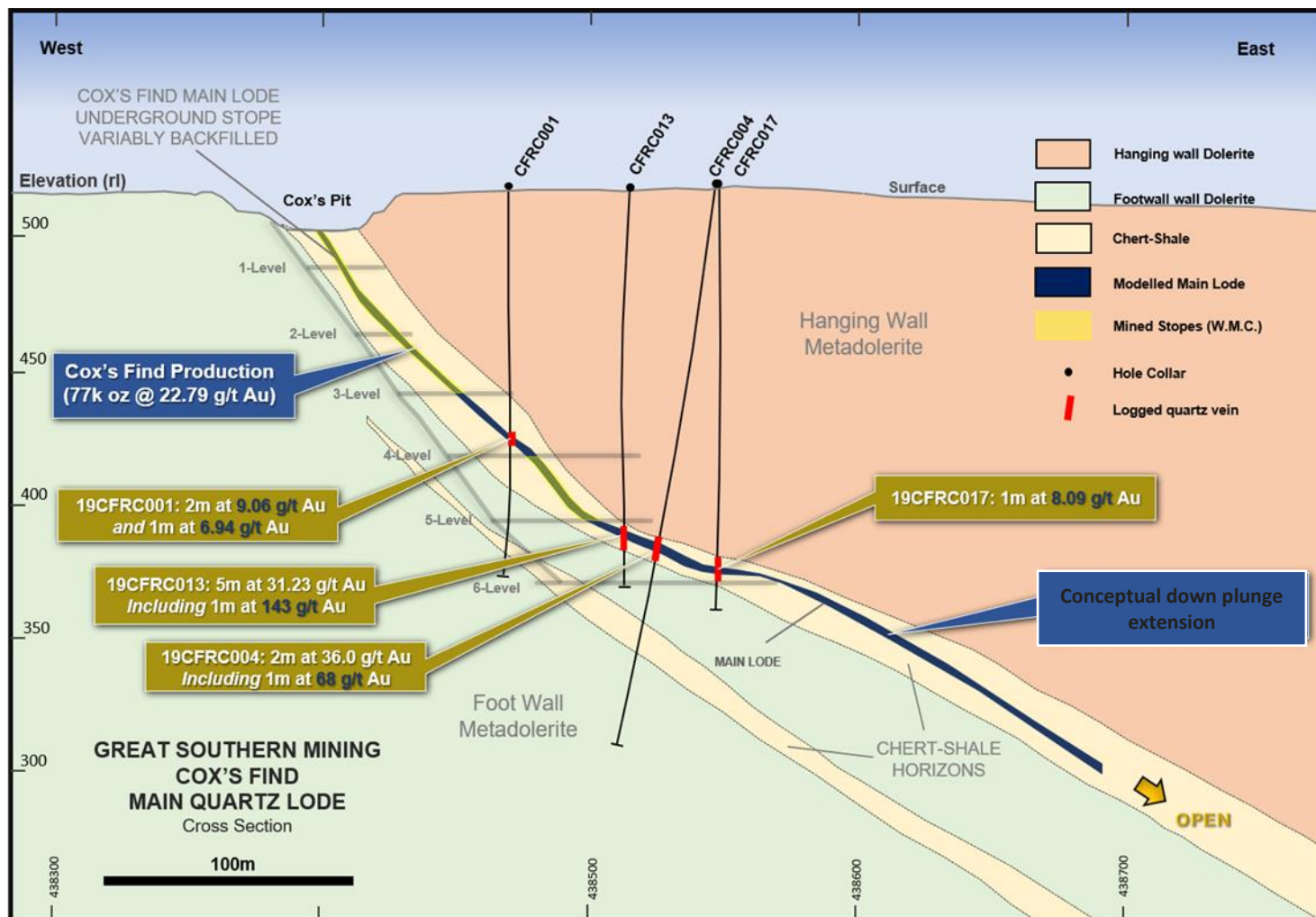


Figure 1: Cox's Find Project Geological Model cross section through the modelled high grade orebody. Refer to ASX Announcement 19 December 2019.

GSN has commenced planning to further test the down plunge extension with drilling (Figure 1), with the intention of gaining enough information in the next campaign to define an initial Resource and determine preferable options to exploit the remnant deposit.

The drilling results to date have the deposit open in all directions. Data interpretation and target identification is ongoing with a number of conceptual structural repeats of the Cox's Find orebody being identified for testing during the next phase of drilling, due to commence Q1 2020. Figures 2 and 3 demonstrate current modelling.

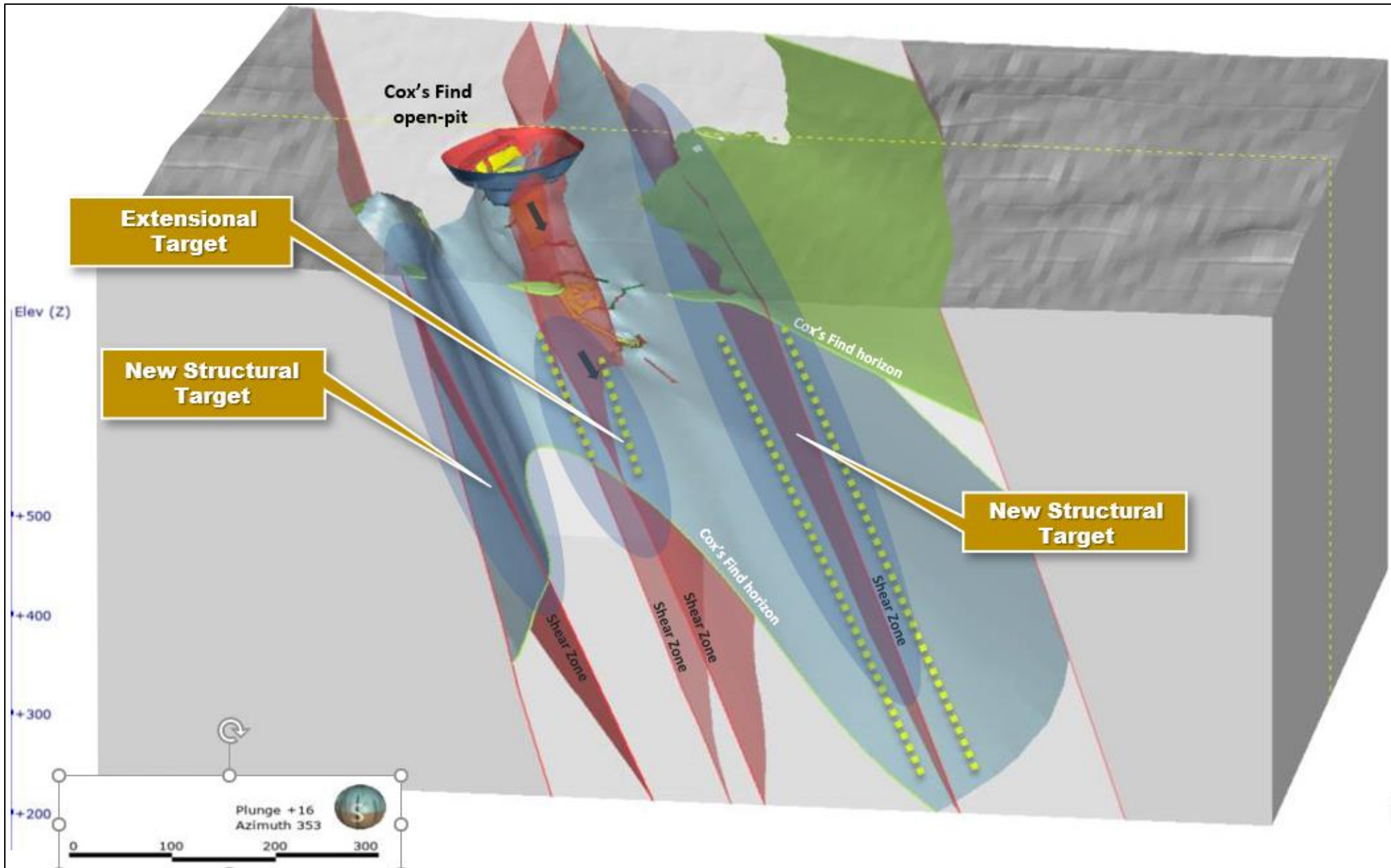
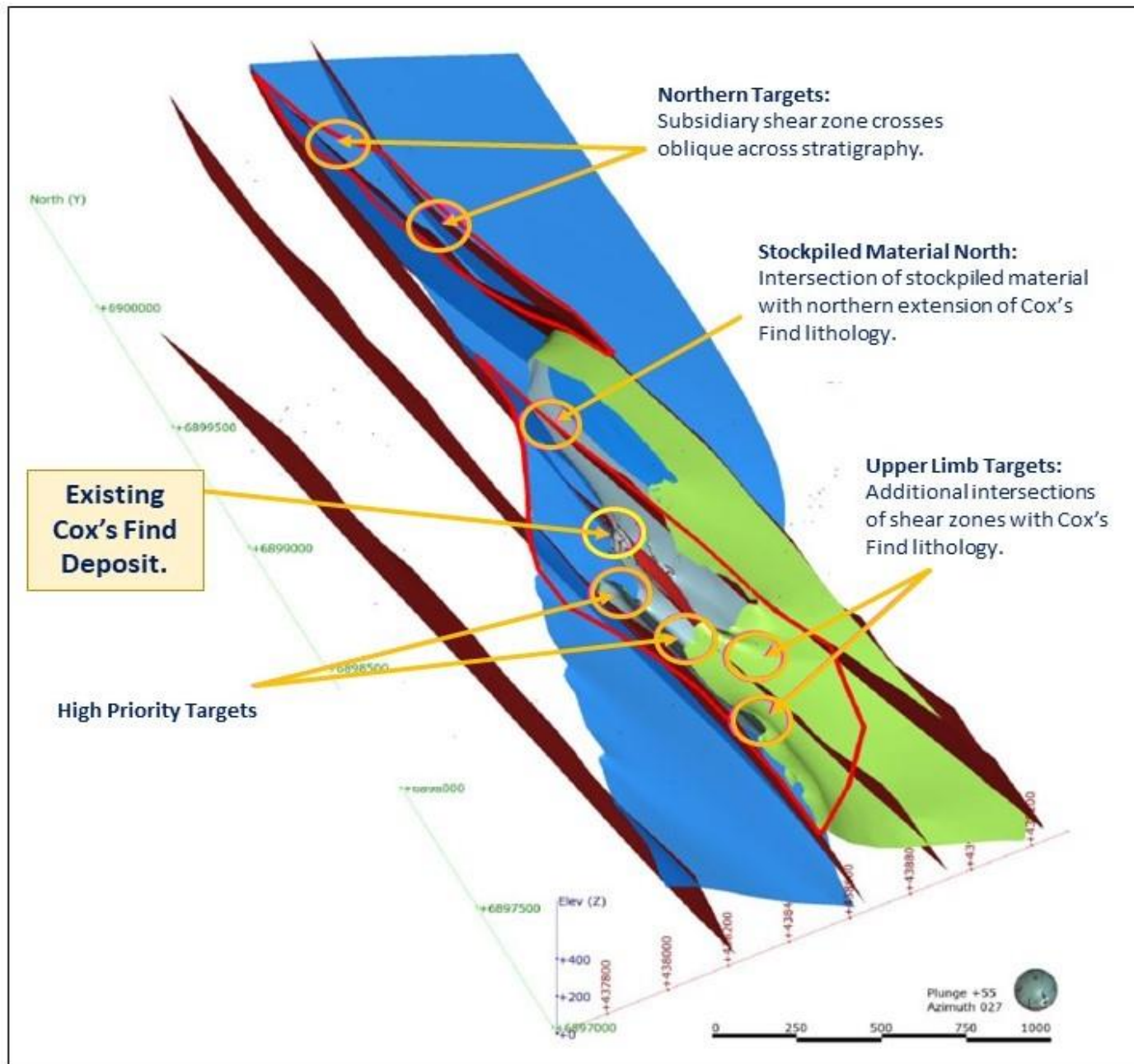


Figure 2: Conceptual extensional and new structural targets in and around Cox's Find orebody.



The next drilling program will test the following concepts:

- The presence of additional panels of thickened lode down dip, stepping out and away from shear zones in this area, testing additional lodes between the lower parts of the historical mine, and the projected shear zone interpreted to the east of the open-pit;
- Continuity of mineralisation along the SSE extension of the main shear zones running through Cox's Find along the intersection between shear zones and projected lode/host rock; and
- Potential mineralisation down-dip and down-plunge of the northern extension of the Cox's Find host/lode that can be seen on surface immediately NE of the pit.

Figure 3: Near mine extensional targets and conceptual new structural targets identified in and around Cox's Find orebody.

ADDITIONAL WESTERN AUSTRALIAN PROJECTS:

Mon Ami Gold Project - WA

No significant activities have occurred during the period.

Mt Weld Rare Earth Elements (REE) Project - WA

No significant activities have occurred during the period.

NORTH QUEENSLAND PROJECTS

Edinburgh Park

The Company announced in October 2019 that it had entered an agreement with Evolution Mining Limited (ASX: EVN) to co-fund a hyperspectral survey over the Company's 100% owned Edinburgh Park and Johnnycake Projects in North Queensland.

The survey is designed to gather substantial geophysical data to assist with target delineation and comes off the back of the reconnaissance drilling program undertaken earlier in 2019 (refer ASX announcement of 5 July 2019). Drilling intersected a significant zone of well-developed, high-sulphidation epithermal-style mineralisation below the surface of the main outcrop discovery.

The results of the hyperspectral survey are pending and will be announced once received and interpreted. In addition to this, GSN is planning an extensive geological mapping and geochemistry program, aided significantly by the detailed geophysics to delineate structures and define size potential. The steps will provide solid drilling targets for 2020.

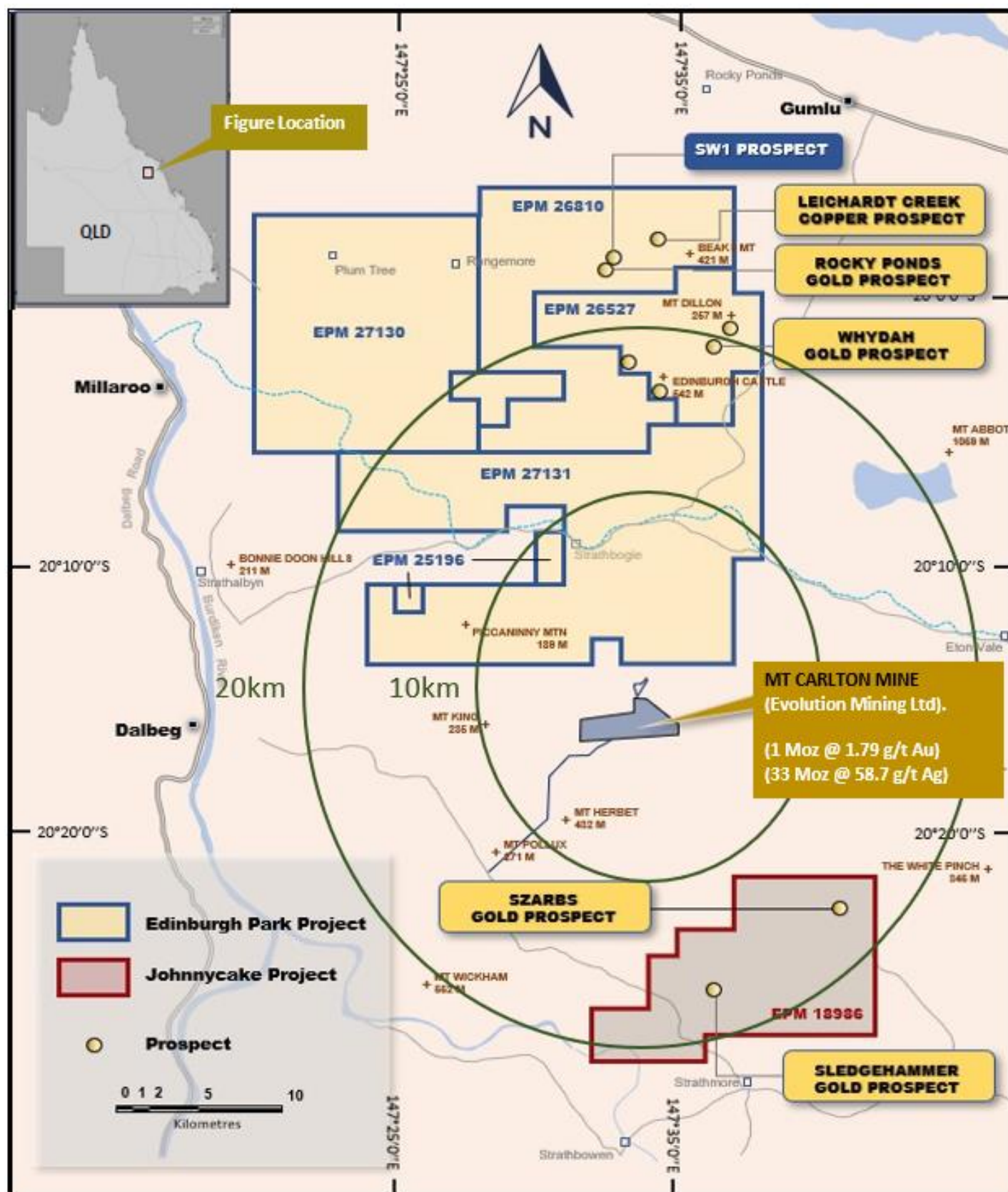


Figure 2: Location of Edinburgh Park and Johnnycake Projects.

PROJECT SUMMARY

Project	Tenement	Grant date	Expiry date	Tenement Area km ²
Western Australia				
Mon Ami	M38/1256	03-09-12	02-09-33	2
	E38/2829	23-12-13	22-12-23	
Cox’s Find	M38/170	10-10-88	09-10-30	3
	M38/578	04-08-04	03-08-25	
	M38/740	24-07-08	23-07-29	
Mt Weld	E38/2442	17-02-11	16-02-21	51
	E38/2856	23-02-15	22-02-20	
	E38/2587	15-10-14	14-10-19	
East Laverton	E38/3362*	Pending grant		405
	E38/3363	03-07-19	02-07-24	
	E38/3364*	Pending grant		
	E38/3386*	Pending grant		
Queensland				
Edinburgh Park	EPM 26527	23-08-17	22-08-22	777
	EPM 26810	17-07-18	16-07-23	
	EPM 25196	03-03-14	02-03-20	
	EPM 27130	24-09-19	23-09-24	
	EPM 27131	24-09-19	23-09-24	
Johnnycake	EPM 18986	13-12-12	12-12-22	150
Black Mountain	EPM 25755	08-04-15	07-04-20	120
Mt Bennett	EPM 27291*	Pending grant		294
Eagle Mountain	EPM 27305*	Pending grant		96

Table 1 – GSN Project and Tenement Portfolio.

* During the period to 31 December 2018 the Company lodged applications to acquire 3 additional tenements in Laverton. E38/3362 and E38/3364 are pending grant. In Queensland, 2 additional tenements, applied for in the quarter ended 30 September 2019, in the Palmer River region, EPM 27291 and 27305 are pending grant. The Directors are not aware of any reason that would result in the applications not being granted to the Company.

Corporate

- In October 2019 the Company completed placement to institutional and sophisticated investors of 27,000,000 Fully Paid Ordinary Shares at \$0.045 per share and 27,000,000 Listed Options exercisable at \$0.05 per Option on or before 4 September 2022. Total funds raised was \$1.485m (before costs).
- In October 2019 the Company completed the placement of 17,548,997 Shortfall Options from the Entitlements Issue which was completed in September 2019. Total raised was \$175,490 before costs.
- On 5 November 2019 the Company issued 1,450,000 Fully Paid Ordinary Shares and 2,000,000 Listed Options exercisable at \$0.05 per Option on or before 4 September 2022. The securities were issued to consultants under the Company's Long-Term Incentive Plan.
- Cash at the end of the quarter was \$1,122,565.

Shareholder information

- As at 31 December 2019 the Company has the following securities on issue:
 - 332,162,338 Fully Paid Ordinary shares
 - 130,137,446 Listed Options exercisable at \$0.05 each on or before 4 September 2022.
 - Nil Unlisted Options are on issue.

Additional disclosures pursuant to Listing Rule 5.3.3 for the quarter ended 31 December 2019:

Project Summary: *refer to Table 1 above.*

Mining tenements acquired/disposed of during the quarter: *refer to Table 1. Nil disposed during the quarter.*

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter: *Nil*

Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed during the quarter: *Nil*

This ASX release is authorised by the Board of Directors of Great Southern Mining Limited

For further information, please contact

John Terpu
Executive Chairman
(08) 9240 4111

Competent Persons Statement

The information in this report that relates to exploration targets and exploration results on ML38/1256, E38/2829, E38/2442, E38/2856, E38/2857, EPM26810, EPM26527, EPM 27291, EPM 27305, M38/578, M38/170 and M38/740 is based on, and fairly represents, information and supporting documentation compiled by Dr Bryce Healy. Dr Healy is an employee of Noventum Group Pty Ltd (ACN 624 875 323) and has been engaged by Great Southern Mining Limited as Head of Exploration. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. Dr Healy is a Member of the Australian Institute of Geoscientists and as such, is a Competent Person for the Reporting of Exploration Results, Mineral Resources and Ore Reserves under the JORC Code (2012). Dr Healy consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.

The information in this report has contained information that has been extracted from a number of ASX announcements released during the year and up to the date of this report. All announcements are available to view on the Company's website and the ASX. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statements:

Forward- looking statements are only predictions and are not guaranteed. They are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of the Company. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ from those referred to in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward- looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will occur as contemplate.

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

GREAT SOUTHERN MINING LIMITED

ABN

37 148 168 825

Quarter ended ("current quarter")

31 December 2019

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	(723)	(1,019)
(b) development		
(c) production		
(d) staff costs	(32)	(64)
(e) administration and corporate costs	(268)	(493)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	-
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,022)	(1,576)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10.a and 10.b)	-	(248)
(c) investments		
(d) other non-current assets		

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 (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	(248)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,660	2,495
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options	-	6
3.4	Transaction costs related to issues of shares, convertible notes or options	(98)	(98)
3.5	Proceeds from Director Loan (see item 8)	-	500
3.6	Repayment of amount owing to related party (see item 6)	(100)	(150)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Interest Paid on Director Loan	(15)	(15)
3.10	Net cash from / (used in) financing activities	1,447	2,738

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	697	208
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,022)	(1,576)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(248)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,447	2,738
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,122	1,122

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	1,122	697
5.2 Call deposits	-	-
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)	1,122	697

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	(167)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The amount included in 6.1 includes payments of directors' fees paid to directors' and associated companies.

Fees paid to related party for the lease of premises totalled \$0.018m.

In addition to the above, \$0.10m was paid to an entity related to Mr. John Terpu in relation to cash consideration payments outstanding on the transaction to acquire the Mon Ami Gold Project, approved by Shareholders in March 2018. At 31 December 2019 the balance outstanding is nil.

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	Nil
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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	Nil	Nil
8.2 Credit standby arrangements	Nil	Nil
8.3 Other (please specify)	500	500
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.		

On 30 July 2019 the Company entered a \$0.5m Director Loan facility with an entity related to Mr. John Terpu. The loan is on commercial terms bearing an interest rate of 9.9%pa. The loan is unsecured and on an arm's length basis.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	535
9.2 Development	-
9.3 Production	-
9.4 Staff costs	32
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)*	10
9.7 Total estimated cash outflows	777

* Details of the Director Loan is included in section 8.3 above. This amount represents interest payable on the outstanding balance.

The Company has the ability to place securities using its LR7.1/LR7.1A capacities to raise additional funds. Future exploration expenditure is generally discretionary in nature and as such, can be slowed or suspended as part of the Company's cash management strategy.

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	Nil	n/a	n/a	n/a
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil	n/a	n/a	n/a

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:
(Director/Company secretary)

Date: 20 January 2020

Print name: Mark Petricevic

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.