



ASX Announcement – 31 January 2019

BOARD OF DIRECTORS

Executive Chairman
John Terpu

Non-Executive Director
Kathleen Bozanic

Non-Executive Director
Andrew Caruso

COMPANY SECRETARY
Mark Petricevic

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Quarterly Activities Report and Appendix 5B

For the quarter ended 31 December 2018

Great Southern Mining Limited, (“GSN” or “the Company”) is pleased to provide a summary on what has been another significant quarter for the Company. Highlights include:

- Release of a Maiden Mineral Resource estimate (MRE) on the Mon Ami Project;
- Commencement of exploration on newly acquired Mt Weld Tenements;
- Further exploration work undertaken at the Edinburgh Park Project in North Queensland with two key prospects delineated; and
- New tenure applications in Eastern Laverton and North Queensland.

Summary of exploration activities during the period:

Mon Ami Project

- On 7 November 2018 the Company announced the discovery of the Mon Ami Gold Project and the MRE of 1.1 Mt @ 1.7 g/t for 59,000 oz’s. This result was exceptional given the limited drilling undertaken by GSN since the Project was acquired in March 2018. Careful management of costs allowed GSN to achieve a discovery cost per resource ounce of less than \$15/oz.
- During the quarter the Company commissioned metallurgical test work to de-risk the exploration program by providing early sighter indicators of key parameters around conventional processes regarding gold recovery, grind size and reagent consumptions. The results were released to the ASX on 24 January 2019.
- The deposit has geographical compatibility with a number of operating gold processing plants and the Company is in the process of planning the next drilling program for the first half of 2019 and will be designed to rapidly expand the resource.

Edinburgh Park Gold/Silver/Copper Project

- Detailed geological mapping and geochemical sampling took place on EPM 25196 and EPM 26810.
- Focused on validation of historical results and confirmed mapping of prospects.
- Mapping and rock chip program undertaken on “Wydah Prospect” with Epithermal Gold-Silver targets identified for follow up programs in 2019.

Corporate

- As per the ASX announcement of 3rd September 2018 and 14th September 2018 the Company entered an agreement to acquire a package of exploration licences in the Laverton region of Western Australia. Final settlement occurred on the 1st November 2018. A total of \$99,240 was paid in cash and 1 million fully paid ordinary shares issued at a deemed price of \$0.045 per share. As announced on 2nd January 2019, in line with the agreement, 500,000 shares were released from voluntary escrow with the final 500,000 due to be released from voluntary escrow on 30 June 2019.
- 1,500,000 unlisted options issued under the Company's Long Term Incentive Plan were exercised at \$0.02 per share. At 31st December 2018 the Company had 13,600,000 unlisted options on issue.
- On 31st December 2018 the Company announced it had entered a loan agreement with an entity related to Executive Chairman, John Terpu. The unsecured, interest free loan of \$300,000 was made available to accelerate and finalise the metallurgical studies and assist with planning for the 2019 exploration program at the Mon Ami Project in Laverton and exploration activities in North Queensland. Mr Terpu also agreed to accept the conversion of the loan to fully paid ordinary shares in the Company, subject to Shareholder approval at a General Meeting of Members. The date of the meeting is being determined and will be announced in February 2019.
- Deferred consideration of \$250,000 was payable to an entity related to the Executive Chairman (the Vendor) given the transaction to acquire the Mon Ami Project, approved by shareholders in March 2018. During the period \$100,000 was paid to the Vendor with the balance of \$150,000 remaining outstanding at quarter end. On 31st December 2018 the Company announced it had entered an agreement with the Company's Executive Chairman to settle the outstanding balance by issuing shares in the Company. The transaction is subject to shareholder approval at a General Meeting of Members. The date of the meeting is being determined and will be announced in February 2019.
- The Company is considering its capital raising options and has both its LR7.1 and LR7.1A placement capacities available. The Company will notify shareholders of further developments in due course.
- Cash in the bank at quarter end was \$872,745.

Shareholder information

As at 31st December 2018 the Company had a total of 280,245,672 fully paid ordinary shares on issue including 15,000,000 shares subject to escrow until 5 April 2019.

The Company has 13,600,000 unlisted options on issue.

GSN Project Portfolio

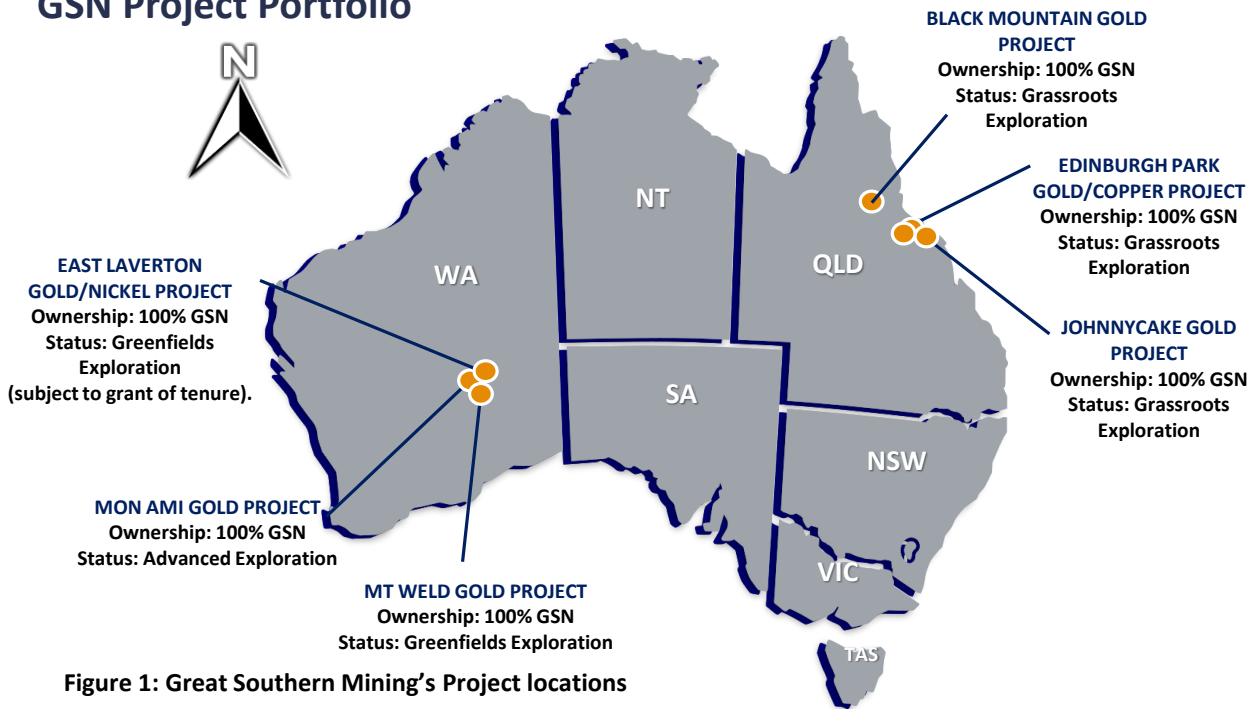


Figure 1: Great Southern Mining’s Project locations

Project	Tenement	Holder	Interest Held	Tenement Area km ²	Lease Status
Mon Ami	M38/1256	GSN Ltd	100%	2	Granted
	E38/2829	GSN Ltd	100%		Granted
Mt Weld	E38/2442	GSN Ltd	100%	51	Granted
	E38/2856	GSN Ltd	100%		Granted
	E38/2857	GSN Ltd	100%		Granted
East Laverton*	E38/3362	GSN Ltd	100%	405	Application
	E38/3363	GSN Ltd	100%		Application
	E38/3364	GSN Ltd	100%		Application
Edinburgh Park	EPM 26527	GSN Ltd	100%	777	Granted
	EPM 26810	GSN Ltd	100%		Granted
	EPM 25196	GSN Ltd	100%		Granted
	EPM 27130**	GSN Ltd	100%		Application
	EPM 27131**	GSN Ltd	100%		Application
Johnnycake	EPM 18986	GSN Ltd	100%	150	Granted
Black Mountain	EPM 25755	GSN Ltd	100%	120	Granted
Total				1,505km²	

Table 1: Great Southern Mining’s Project Summary

* During the quarter the Company lodged applications to acquire 3 additional tenements in Laverton. E38/3362, E38/3363 and E38/3364. The Directors are not aware of any reason that would result in the tenements not being granted to the Company.

** During the quarter the Company lodged applications to acquire 2 additional tenements in North Queensland. EPM 27130 and EPM 27131. The Directors are not aware of any reason that would result in the tenements not being granted to the Company.

Western Australia

Mon Ami Gold Project

Great Southern Mining (100%)

Background

In March 2018 GSN acquired the gold rights for the Mon Ami Project which comprises a small Mining Lease M38/1256 granted in 2012 for a term of 21 years. The tenement lies within the Mt Margaret Mineral Field of the north-eastern Goldfields of Western Australia (Laverton Greenstone Belt), approximately 13 km east of the Granny Smith Mill and 18 km southeast of Laverton (Figure 1; Figure 2).

Gold mineralisation at Mon Ami is hosted by quartz – sulphide veining within a sheared metasediment / carbonaceous contact zone within a regional north-south trending shear zone (Figure 3 and Figure 4). The contact is marked by a 40-50 m wide deformation zone with intense shearing and alteration with a number of steeply west dipping lodes.

Encouraging gold mineralisation was identified at Mon Ami in reverse circulation drilling undertaken by Valleybrook Investments in late 2017. In June-July 2018, GSN completed a maiden drilling program at Mon Ami comprising 5,821 drill meters from 40 RC drill holes (MLRC011 to 050) designed to test the continuity of that gold mineralisation. Significant intercepts from the drilling were reported in an ASX release dated 16 July 2018.

Maiden Mineral Resource Estimate

On 7th November 2018, the Company released the Maiden Mineral Resource Estimate using a cut-off grade of 1.0 g/t gold as follows:

Classification	Tonnes ('000)	Grade (g/t Au)	Ounces ('000)
Inferred	1,100	1.7	59

The maiden JORC 2012 Mineral Resource of 1.1 Mt @ 1.7 g/t for 59,000 oz is limited by the early stage nature of the resource drilling which has only been in progress this year since GSN acquired the Tenements in March, 2018. The results to date highlight the potential of the deposit to grow as further drilling is undertaken. Refer to the announcement of 7 November 2018 for JORC Code, 2012 - Table 1 reporting.

As the Mineral Resource is open at depth and along strike, infill and extensional drilling is expected to increase the quantum and progressively upgrade a significant component of the Mineral Resource to Indicated category.

The structural and geological understanding of the deposit has been significantly improved by the latest drilling results as geological assessment and modelling continue. The new drilling results have extended the known mineralised envelope along strike to the north and also at depth. The mineralisation now extends over a strike length of 400 meters to a depth of approximately 150 meters below surface.

The deposit has geographical compatibility with a number of operating gold processing plants and the Company is in the process of planning the next drilling program for the first half of 2019 and will be designed to rapidly expand the resource.

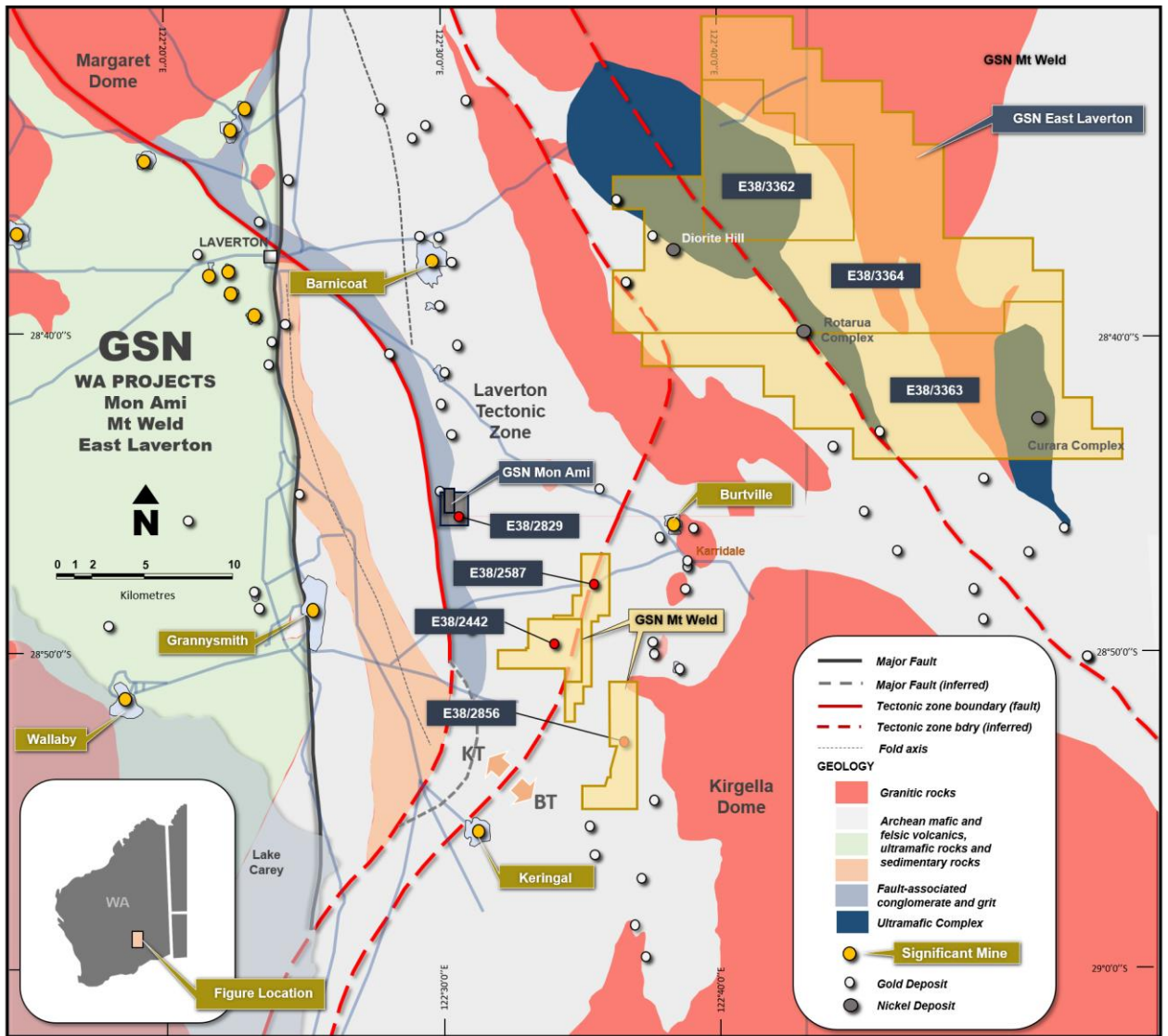


Figure 2: Location of GSN’s Mon Ami, Mt Weld and East Laverton Projects (Western Australia) with respect to existing infrastructure and regional geology

Note: E38/3362, E38/3364 and E38/3363 are still in application and subject to grant by the Department of Mines, Industry Regulation and Safety.

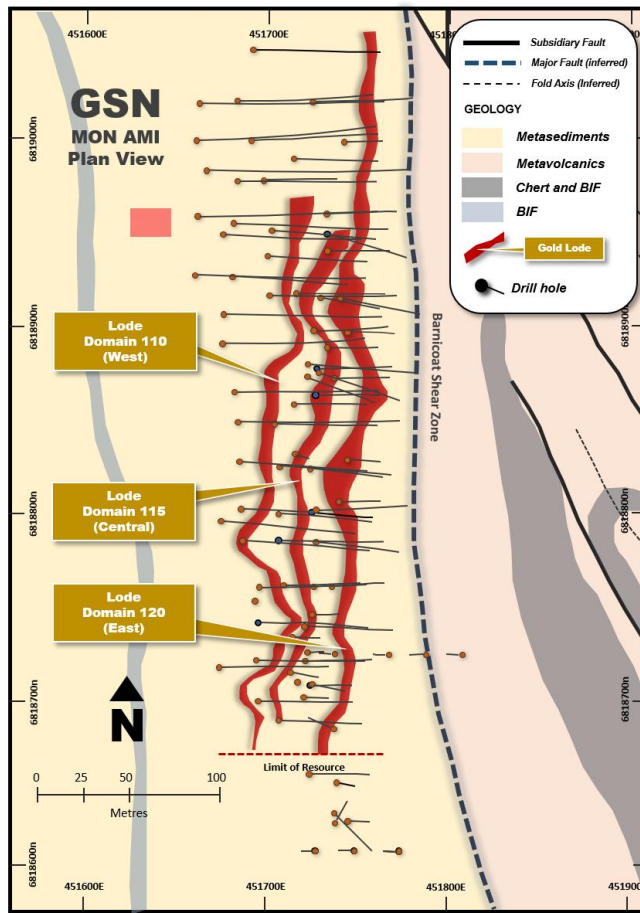


Figure 3: Deposit-scale geology and modelled gold lodes.

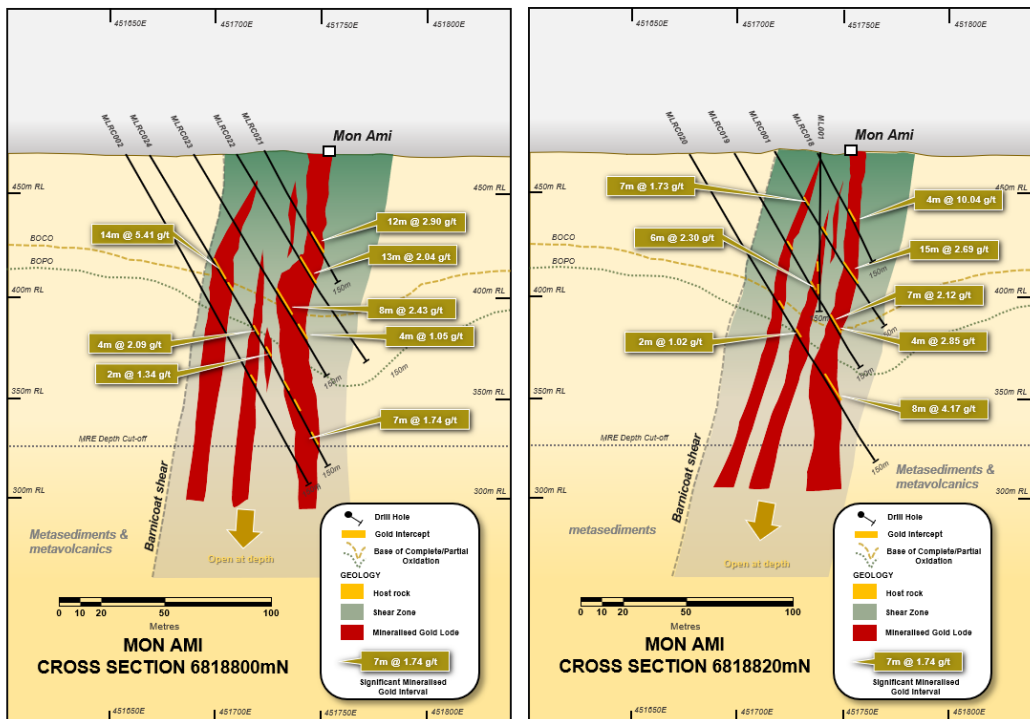


Figure 4: Geological cross-section through the Mon Ami deposit.

Mon Ami Gold Project *cont.*

Metallurgical Testwork

To support the resource studies, GSN commenced metallurgical testwork on the Mon Ami deposit in October 2018 utilising Reverse Circulation (RC) chips sourced from the Company's maiden drilling campaign on the project executed in the previous quarter. Metallurgical test samples were selected from the mineralised intervals of the drilling campaign representing typical fresh, transitional and oxidized domains drilled within the project area.

The preliminary metallurgical test programme was designed to de-risk the exploration program by providing early sighter indicators of key parameters around conventional processes regarding gold recovery, grind size and reagent consumptions and establishing credential as a gold development opportunity and for inclusion in future mining studies.

The results of the testwork were release to the market on ASX announcements of 24th and 25th of January 2019. The strong results returned for the Mon Ami mineralisation provide the Company with confidence that these ore types will be able to be predominantly free milling, with high gold recoveries using a conventional gold processing flowsheet and under standard processing conditions. These ores would be suited to treatment through a standalone CIL/CIP gold operation or toll treated through one of the existing regional mills.

Further testwork is required to develop the understanding of the metallurgical behaviours of these ores and to optimise the recoveries of the small semi-refractory component of the fresh ores. As part of this, the programme would be extended to include tests such as material handling, carbon activity, oxygen uptake, rheology and other such tests as considered appropriate for the Project's development path.

Exploration on E38/2829.

To help develop the exploration strategy at Mon Ami, GSN conducted a small reconnaissance mapping program during October 2018 on the south west corner of E38/2829 covered by an existing approved Program of Works (submitted by the previous tenement holders).

Following the mapping work, a limited 16 hole aircore drilling program for 852m was completed by GSN in mid-December. 426 composite samples were submitted for gold analysis. The air core program was purely reconnaissance in nature as a first pass exploration method to indicate the potential of identified NE structural trends in the area covered by the Program of Works to host gold mineralisation. Nine of the 16 holes returned narrow anomalous gold results in initial 2m composite assaying. The results are currently being interpreted and will be released in context to the market in the coming quarter. The program and results will be used to define future drilling programs with the acquisition of E38/2829 providing the Company with an opportunity to test strike extensions of the Mon Ami deposit along the main mineralised shear. This will be included as part of the 2019 drill program.

Mt Weld Gold Project

Great Southern Mining (100%)

As per the ASX announcements of 3rd September 2018 and 14th September 2018 the Company entered an agreement to acquire E38/2829, E38/2857, E38/2442 and E38/2856 (refer Figure 2).

During the quarter, final settlement on the transaction occurred triggering a \$50,000 payment and the issue of 1 million fully paid ordinary shares in GSN at a deemed price of \$0.045 per share, subject to a voluntary escrow period's. In line with previous announcements 500,000 shares have been released from voluntary escrow with the balance of 500,000 shares to be released on 30 June 2019.

The acquisition of the assets has increased GSN's tenure holding on the Laverton region, providing an additional 51 km² of exploration ground. As per ASX announcement of 14th November 2018, the Company has commenced desktop exploration activities and planning for the acquisition of geophysical and remotely sensed data across the project area.

East Laverton Gold/Nickel Project

Tenement Package Application

In early December the Company acquired a large landholding east of Laverton to supplement the current tenement holding. Three exploration tenements (E38/3362, E38/3363 and E38/3364) were applied for covering 135 graticular blocks equivalent to 405km². (Figure 2)

The area covered by the applications is prospective for orogenic gold and nickel associated with mafic/ultramafic intrusions (approximately 60km² of the tenure covers half of the Diorite hill mafic-ultramafic complex highly prospective for cobalt-nickel-copper sulfide mineralisation similar to Panoramic Resources Savannah Operations).

There is only minimal historical exploration, which predominately has focused on nickel or platinum group mineralisation.

The Company has lodged applications with the Department of Mines, Industry Regulation and Safety to acquire the exploration licences. At the date of this report the applications are still subject to grant and the Directors are not aware of any reason as to why the tenements would not be granted to the Company.

Desktop reviews have commenced over the tenure area, pending grant of the tenements.

Northern Queensland

Edinburgh Park Gold/Silver/Copper Project

Great Southern Mining (100%)

Background

The 'Edinburgh Park' project is a new acquisition for the Company in FY2018 and comprises two contiguous EPM's (26527 & 26810) located at the northern margin of the Bowen Basin. EPM 26527 was granted in September 2017 for a period of five (5) years. EPM 26810 was granted in July 2018 for a period of five (5) years (Figure 5).

The Project is a "grass roots stage" exploration project located in a region interpreted to represent a magmatic arc setting which is regarded as being prospective for porphyry copper-molybdenum deposits and epithermal gold-silver deposits. Desktop studies highlight strong similarities with the Mt Carlton district only 30 kilometres to the south.

A program of detailed geological mapping and geochemical sampling within granted EPM 25196 commenced during the last quarter and extended into EPM 26810 in the current quarter following grant of tenure.

The field based programs are focused on detailed geological and structural mapping, validation of historic exploration results and drill collars and confirmatory mapping and sampling of defined prospects to gain an understanding of the nature of gold (\pm copper and silver) mineralization.

A number of prospects have been delineated through reconnaissance mapping programs and are currently being sampled with breccia pipes being noted during the process. The Company is currently awaiting assay results and will release the results once received and interpreted. Mapping and rock chip sampling at the 'Whydah Prospect' was released to the market on the 26th of October 2018. (ASX Release: Edimburgh Park Exploration Update. 26th October 2018) focused on identified epithermal mineralization at the Whydah Prospect (refer Figure 5).

The program will extend into the next quarter.

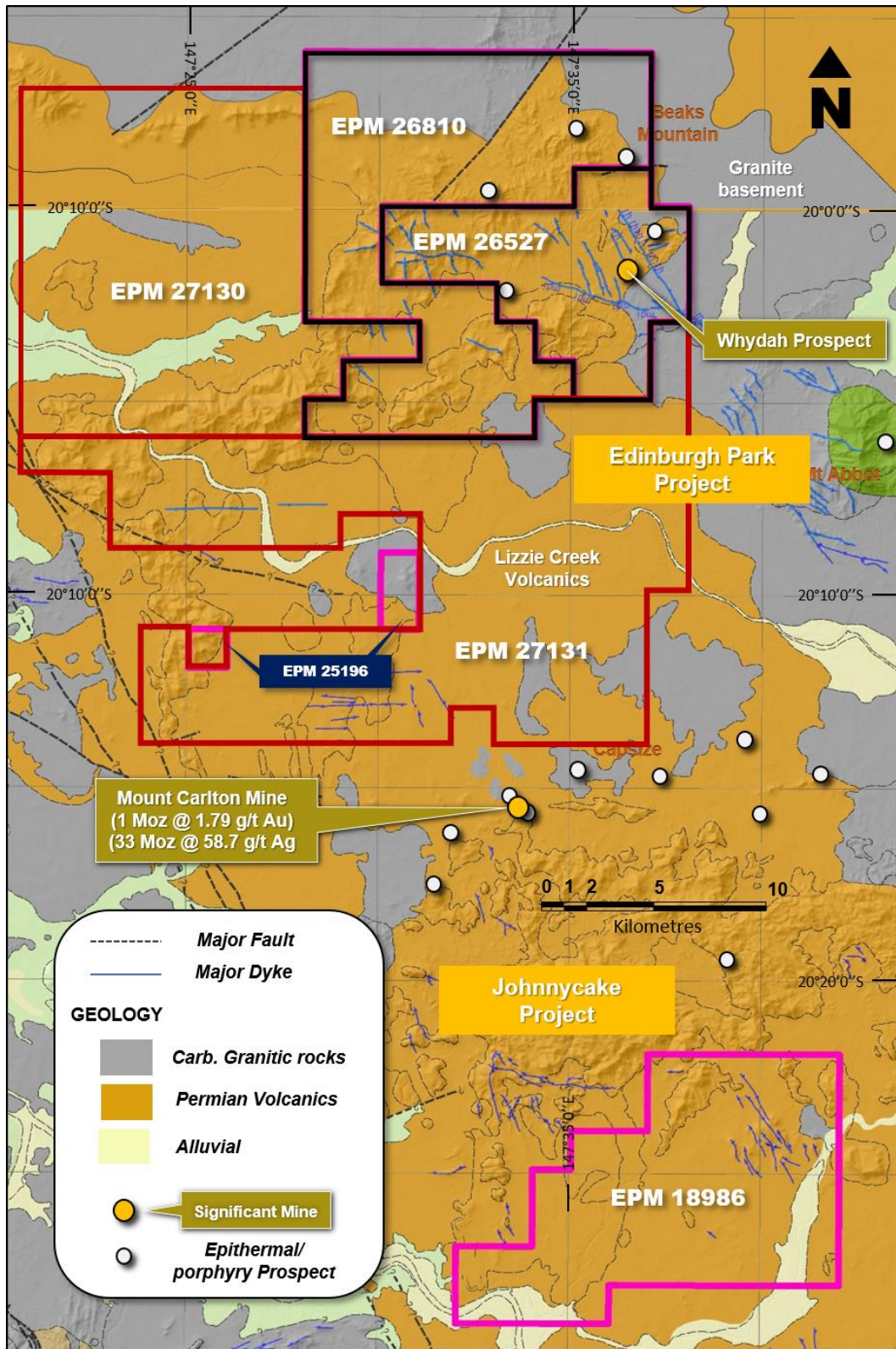


Figure 5: Location of Edinburgh Park and Johnnycake Projects, north Queensland.

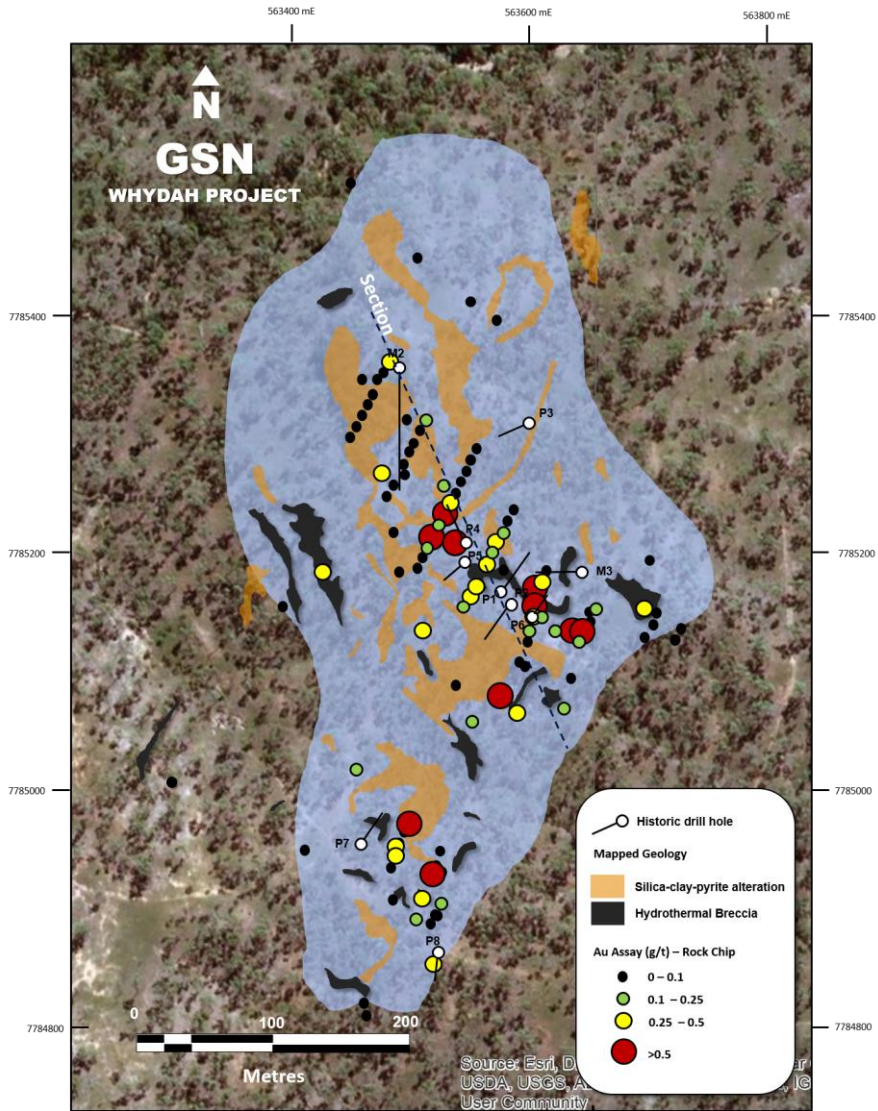


Figure 6: Rock chip sampling at the Whydah Prospect.

Northern Queensland

Edinburgh Park Gold/Silver/Copper Project cont.

Tenement Package Application

In early December 2018 the Company applied for two exploration tenements being EPM 27130 and EPM 27131, covering 510km (Figure 5). The applications were sought on the strength of the exploration findings to date at Edinburgh Park, and the availability of ground due to relinquishment.

The Company has lodged applications with the Department of Natural Resources, Mines and Energy to acquire the exploration tenements. At the date of this report the applications are still subject to grant and the Directors are not aware of any reason as to why the tenements would not be granted to the Company.

The tenement holding is a bolt-on acquisition to Edinburgh Park project picking up the exploration ground to the south of the current project to within approximately 5km's of the Mt Carlton Mine. The acquisition is in line with the Company's corporate objectives of acquiring large landholdings of highly prospective and under-explored exploration ground in and around Tier 1 assets.

Desktop reviews have commenced over the tenure area, pending grant of the tenements.

Johnnycake Gold/Silver Project

Great Southern Mining (100%)

Background

The 'Johnnycake' project comprises EPM 18986 and is located at the northern margin of the Bowen Basin. The Project is a "grass roots stage" exploration project located in a region interpreted to represent a magmatic arc setting which is regarded as being prospective epithermal gold-silver deposits.

In order to advance the geological understanding of the Szarbs and Sledgehammer prospects GSN undertook a small targeted stratigraphic drilling program at each prospect to better understand the geology at depth. In October, 2017, Four holes were completed for a total of 1,559m, including 718m of diamond core. The exploration results relating to this drilling program were reported in an ASX release dated 11 October 2017.

The extent and intensity of alteration observed in the holes confirmed the presence of a significant fossil hydrothermal system at both prospects and delineated a wide 15-20m zone of shear-hosted sulphide mineralization at the Szarbs prospect. The sulphide mineralization provides further evidence on the strong structural controls on hydrothermal fluid flow which overprint pervasive propylitic alteration halo's. The zone was not geochemically anomalous, however the shear zone provides a good target to define lateral zones of metal concentrations in sulphide mineralization.

No significant activity during the reporting period. The Company is planning for a return to the field in the first half of 2019.

Black Mountain Gold/Silver Project

Great Southern Mining (100%)

EPM 25755 is known as 'Black Mountain' was granted to GSN on the 8 April 2015 for a period of five year. The permit is located in north Queensland, approximately 100 kilometres northwest of Townsville, and some 50 km west of the city of Ingham. EPM 25755 is situated within the Camel Creek Sub-province which is composed of Ordovician to Early Devonian sedimentary rocks which have been deformed and have been intruded by granitoids of mid-Carboniferous to mid-Permian age.

The primary exploration target is intrusion related porphyry and mesothermal gold (\pm Cu) systems associated with the intrusive phases and/or older slate-belt-style lode gold mineralisation within the metasedimentary host rock.

No significant activity during the reporting period.

Additional disclosures:

Mining tenements acquired/disposed of during the quarter: *Acquired a number of tenements subject to grant –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*

About Great Southern Mining Limited

Great Southern Mining Limited is a gold explorer with exploration projects in the Laverton region of Western Australia and the Mt Carlton district of northern Queensland.

For further information please contact:

John Terpu

Executive Chairman

(08) 9240 4111

Competent Person's Statement

The information in this report that relates to exploration targets and exploration results on ML38/1256, E38/2829, EPM26810, EPM25196 and EPM26527 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 Australasian 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 that relates to the Mineral Resources estimation approach at the Project is based on information compiled by Dr Michael Cunningham, GradDip, (Geostatistics) BSc honours (Geoscience), PhD, MAusIMM, MAIG. Dr Cunningham is a Principal Consultant, full-time, of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment and of this style of mineralisation to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Dr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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.

Announcements during the quarter: *The Company has released all material information that relates to exploration results and Mineral Resources estimates on a continuous basis to the ASX and in compliance with JORC 2012. The Company confirms that it is not aware of any new information that materially affects the content of this ASX release. Material ASX releases referred to in this release are below:*

The following significant announcements were lodged with ASX during and since the September Quarter:

- *ASX Release: Edinburgh Park Exploration Update. 26 October 2018*
- *ASX Release: Mon Ami Gold Project – Maiden Mineral Resource Estimate. 7 November 2018.*
- *ASX Release: Exploration to commence at the Mt Weld Project. 14 November 2018.*
- *ASX Release: Corporate Update. 31 December 2018.*
- *ASX Release: Mon Ami Gold Project – Metallurgical Testing Results 24 January 2019 and 25 January 2019.*