

QUARTERLY ACTIVITIES AND CASH FLOWS REPORT

For the quarter ended 30 June 2019

HIGHLIGHTS

- Great Southern Mining Limited (ASX:GSN) executed an agreement to acquire 100% interest in the historical high-grade Cox's Find Gold Project;
- Received notification that the Company was successful in its application to receive up to 50% refund (maximum of \$150,000) of drilling costs at its Mt Weld Rare Earths and Scandium project in Laverton;
- Completed share placement of \$100,000 in April 2019 to fund RC drilling program at the Rocky Ponds Breccia Pipe. Results of the reconnaissance drilling program were announced 5 July 2019.

Cox's Find Gold Project - WA

The Project consists of 3 granted Mining Leases hosting the historical high-grade Cox's Find Gold Mine. Some highlights include:

- The Project is located in the world class gold district, 65km north of Laverton and in close proximity to multiple gold operations and infrastructure.
- Noted historical production of approximately 77,000 ounces of gold at a grade >21 g/t.
- The last significant exploration conducted in the 1990's and held under private ownership for 30 years.
- Through the acquisition, GSN will be the first company to apply modern exploration and development techniques to advance a high-grade gold project with significant potential. Having reviewed the exploration potential of the project, GSN believe the Project will provide a significant opportunity to add Resource growth to a very high-grade gold deposit that is currently poorly understood and ultimately underexplored.

Due diligence is ongoing and due to be completed on or around 23 August 2019 at which time a cash payment of \$150,000 will be made should the transaction proceed.

Further details of the transaction and the Project can be found in the market announcement of 5 June 2019.

Mon Ami Gold Project - WA

- The Mon Ami Gold Project is located is within 25kms of a number of operating gold processing plants and significant infrastructure.
- During the quarter the Company continued to review the second phase drilling program to identify priority targets for immediate drilling following capital raising initiatives in July 2019.

ASX ANNOUNCEMENT 31 July 2019

BOARD OF DIRECTORS

Executive Chairman
John Terpu

Non-Executive Director
Kathleen Bozanic

Non-Executive Director
Andrew Caruso

COMPANY SECRETARY

Mark Petricevic

ASX: GSN

CONTACT DETAILS

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Address*

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BALCATTWA WA 6021

Phone: 61 8 9240 4111

Fax: 61 8 9240 4054

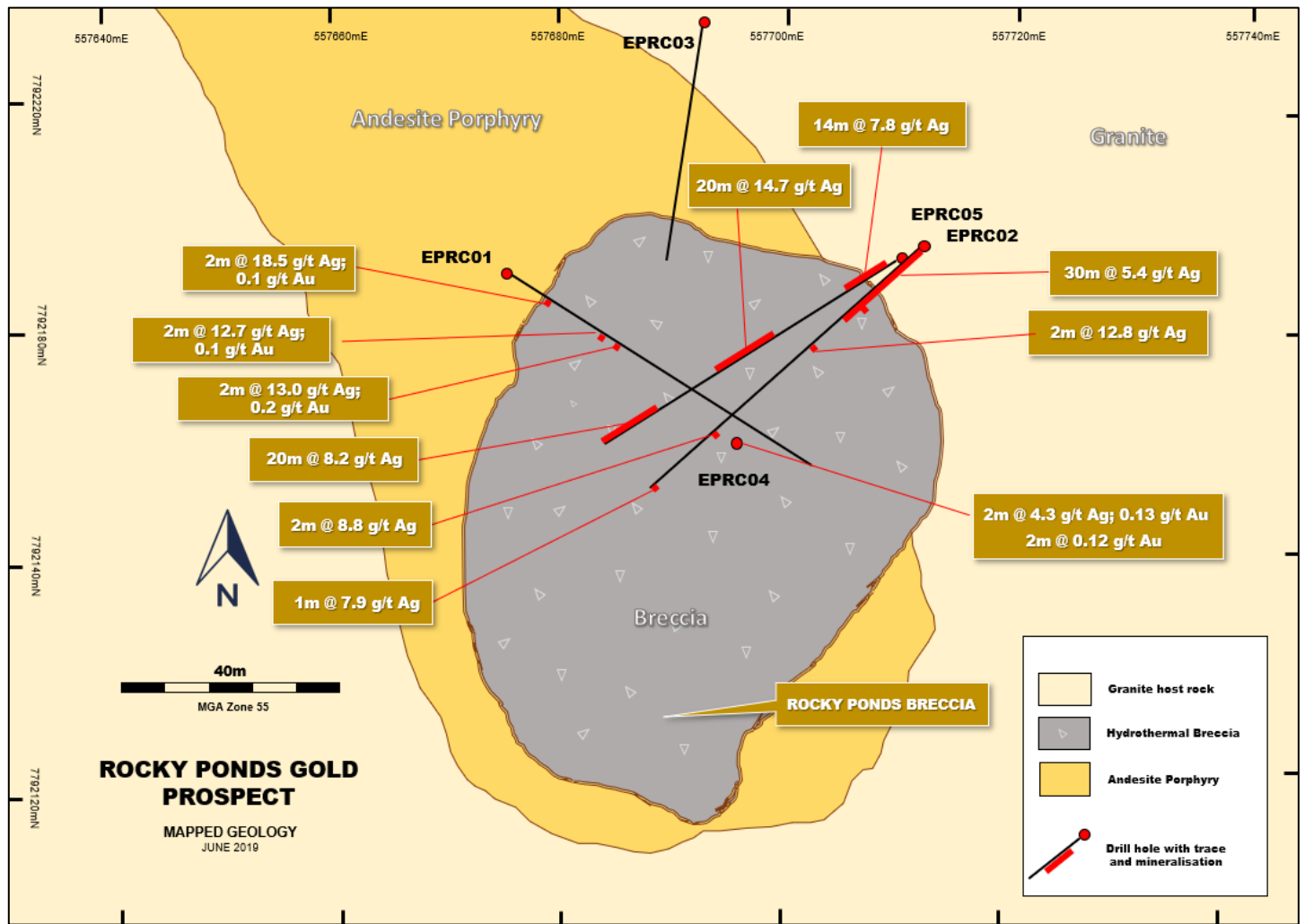
Website

www.gsml.com.au

Edinburgh Park Project – North Queensland

Following a placement of 3,333,333 in April 2019 raising \$100,000 the Company decided to fast track a reconnaissance RC drill program to test potential mineralization and understand more of the geology and hydrothermal system to progress exploration methods.

The sighter holes intersected a significant and well developed sulphuric hydrothermal system. Intersections in excess of 30m were noted containing up to 30% sulphide mineralization with high silver content being 1 g/t - 50 g/t with elevated base metals of zinc and copper (0.1% to 0.8%). This shallow part of the system also carried gold mineralization of 0.22 – 0.64 g/t which is encouraging for deeper drill programs currently being planned.



The next steps will be to extract more information from the drilling data collected to understand the controls on the mineralisation in terms of alteration mineralogy, multi-element zoning and vectors to ore. This will involve some petrology and Hylogger spectral scanner.

The Company is also planning an extensive geophysics campaign and continued geological mapping and geochemistry programs to run in tandem to delineate structures and define size potential - particularly ground magnetics and electrical methods. The steps will provide solid drilling targets aimed at targeting the potentially Au-rich core.

For further information refer to ASX announcement of 5 July 2019.

Mt Weld Project – Rare Earths and Scandium

- As announced to the market on 30 May 2019, GSN was successful in its application to receive up to \$150,000 refund on its direct drilling costs as part of the exploration incentive scheme.
- The co-funded drilling program is being planned for late 2019.

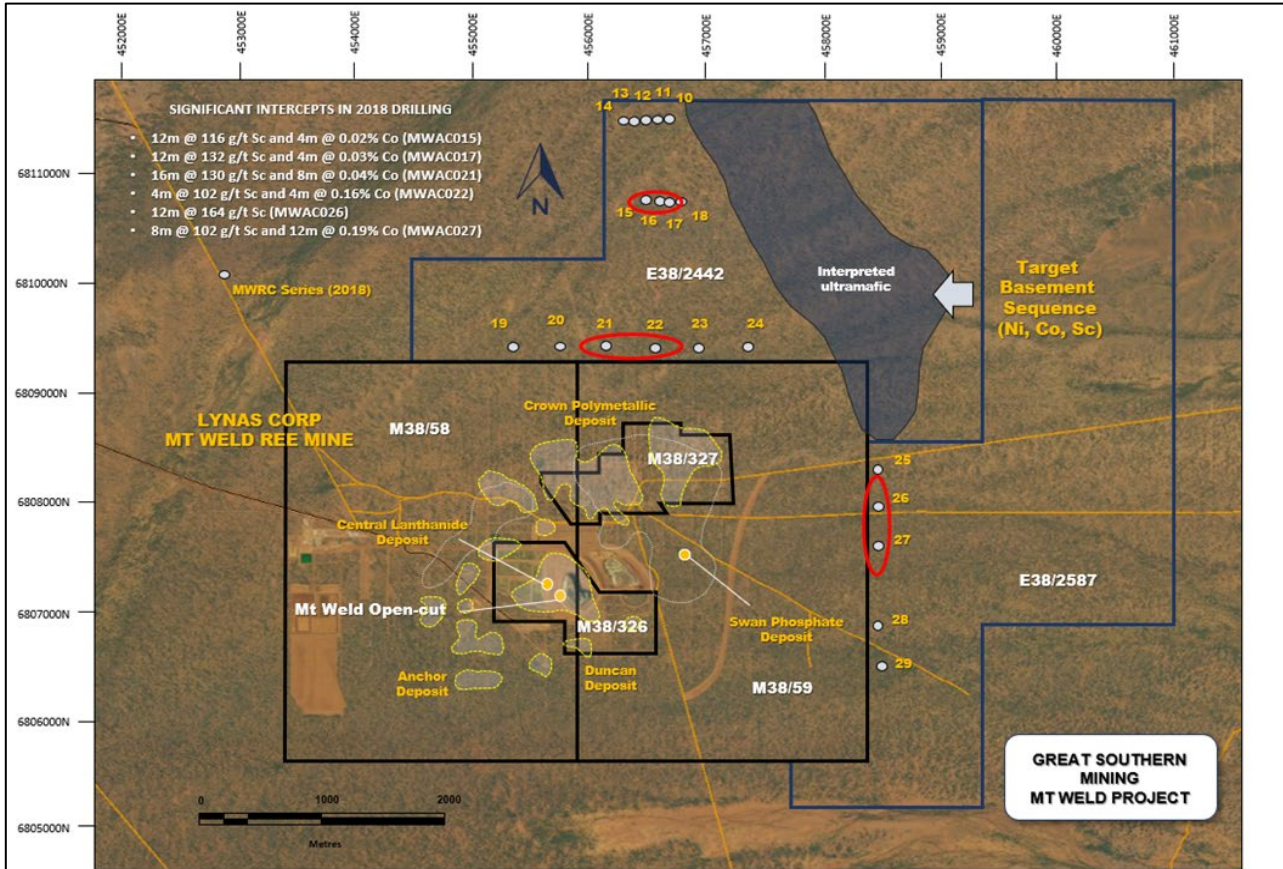


Figure 2: Location of the Mt Weld Project, 2018 drill hole locations and basement targets

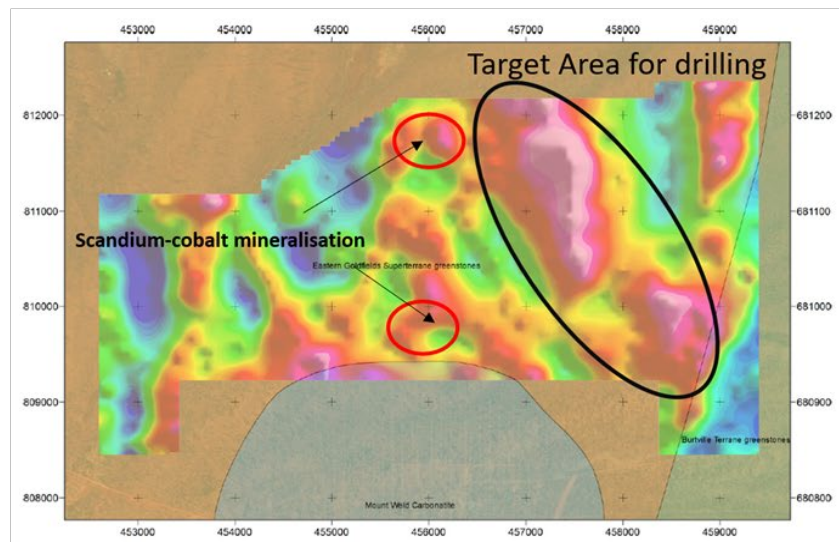


Figure 3: Residual gravity image over the Mt Weld area showing dense (magenta) anomalies though E38/2442

Corporate

- As noted above, in April 2019 the Company raised \$100,000 (before costs) via placement of 3,333,333 shares to a sophisticated investors.
- 15,000,000 fully paid ordinary shares, issued to a director related entity as part of the acquisition of the Mon Ami Gold Project which occurred in April 2018, were released from escrow on 5 April 2019.
- 500,000 shares held in voluntary escrow, issued to Central Australia Rare Earths Pty Ltd as part of the acquisition of the Mt Weld Project, were released from escrow on 30 June 2019.

Shareholder information

- As at 30 June 2019 the Company has a total of 303,412,338 fully paid ordinary shares on issue.
- The Company has 12,100,000 unlisted options on issue.

Project Summary

Project	Tenement	Grant date	Expiry date	Tenement Area km ²
Mon Ami	M38/1256	03-09-12	02-09-33	2
	E38/2829	23-12-13	22-12-23	
Mt Weld	E38/2442	17-02-11	16-02-21	51
	E38/2856	23-02-15	22-02-20	
	E38/2857	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		
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**	Pending grant		
	EPM 27131**	Pending grant		
Johnnycake	EPM 18986	13-12-12	12-12-22	150
Black Mountain	EPM 25755	08-04-15	07-04-20	120

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, 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. E38/3363 was granted post 30 June 2019.

** During the year 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 applications not being granted to the Company.

Note: Post 30 June 2019 Recognising the prospective nature of the Palmer River and with the view to acquiring additional exploration tenure at low cost the Company lodged 2 applications for Mt Bennett and Eagle Mountain Projects. The Project areas were not previously pegged and the area has been subject to little historical exploration. Refer announcement of 18 July 2019. The Directors are not aware of any reason that would result in the applications not being granted to the Company.

Additional disclosures pursuant to Listing Rule 5.3.3 for the quarter ended 30 June 2019:

Project Summary – refer to Table 1 above.

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*

Capital Raising Initiatives:

- The Company is considering its capital raising options over the coming months to fund its exploration programs and working capital.
- On 30 July 2019 an entity related to Mr John Terpu, Valleyrose Pty Ltd, provided the Company a short-term interest bearing loan of \$500,000, secured loan (arms length terms – refer to ASX announcement for further detail). The loan has been made available to fund working capital and the \$150,000 due under the Cox’s Find Project acquisition terms, should due diligence be successful.
- In addition, as part of a larger capital raising initiative the Company is in the process of finalising an Offer Document for a pro-rata non-renounceable Rights Issue to existing Shareholders. The non-renounceable pro rata entitlement issue to Shareholders of one (1) New Option for every three (3) Shares held by eligible Shareholders. The issue price has been set at \$0.010 per New Option with the Company raising up to \$1,011,374 before costs. The New Options will be listed securities and will be exercisable at \$0.05 per New Option on or before three (3) years from issue date. The Offer document is being finalised and will be released in the coming days.
- The Company also has the ability to place shares using its LR7.1/LR7.1A capacities.

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, 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	Quarter ended ("current quarter")
37 148 168 825	30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(86)	(1,192)
(b) development		
(c) production		
(d) staff costs	(45)	(175)
(e) administration and corporate costs	(182)	(906)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	3
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	(313)	(2,270)

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)	(50)	(249)
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments	-	154
	(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	(50)	(95)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	100	1,544
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options	-	60
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(79)
3.5	Proceeds from borrowings (see item 8)	-	300
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	100	1,825

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	471	748
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(313)	(2,270)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50)	(95)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	1,825
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	208	208

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	208	471
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)	208	471

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	43
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.

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	12
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	

Fees paid to related party for the lease of premises.

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)	Nil	Nil
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.		

Nil

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	220
9.2 Development	-
9.3 Production	-
9.4 Staff costs	45
9.5 Administration and corporate costs	164
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	429

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- The Company also has the ability to place shares using its LR7.1/LR7.1A capacities.

Future exploration expenditure is generally discretionary in nature. Subject to the success of any future capital raisings, such expenditure 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	WA E38/3362, E38/3363 E38/3364 E38/3386 QLD EPM 27130 EPM 27131	Tenements in application. (Refer 10.a) Tenements in application. (Refer 10.b)	100%	100%

Mining exploration entity and oil and gas exploration entity quarterly report

- a) During the previous quarters 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. Tenement E38/3363 was granted to the Company in July 2019.

- b) During the previous quarters 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.

Post balance date: Recognising the prospective nature of the Palmer River and with the view to acquiring additional exploration tenure at low cost the Company lodged 2 applications for Mt Bennett and Eagle Mountain Projects. Refer announcement of 18 July 2019. The Project areas were not previously pegged and the area has been subject to little historical exploration. The Directors are not aware of any reason that would result in the applications not being granted to the Company.

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: 31 July 2019

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.