

ASX ANNOUCEMENT 26 August 2019

BOARD OF DIRECTORS

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ASX: GSN

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ACQUISITION OF THE HISTORIC COX'S FIND GOLD MINE

HIGHLIGHTS:

- Great Southern Mining (ASX:GSN) has concluded due diligence to acquire a 100% interest in 3 granted Mining Leases hosting the historical high-grade Cox's Find Gold Mine.
- Formal sale and purchase agreement now executed and transaction completed.
- Project is located in the world class gold district, 65km north of Laverton and in close proximity to multiple gold operations and infrastructure (refer Figure 1).
- Historical production of approximately 77,000 ounces of gold at a grade >21 g/t¹.
- Exploration activities being initiated involving drilling adjacent to the open pit and underground workings - will commence once relevant approvals received.
- Multiple untested near mine geochemical anomalies require follow up drilling.
- Ore stockpiles on site to be surveyed, mapped and sampled for resourcing.

Great Southern Mining Limited (ASX Code: GSN) is pleased to announce the execution and completion of a formal sale and purchase agreement for the acquisition of the Cox's Find Gold Mine and surrounding Mining tenure (Cox's Find) 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 discovery first drilled in 2008. The formal sale and purchase agreement replaced and superseded the agreement referred to in GSN's announcement to the market on 5 June 2019.

As part of the agreed consideration on the acquisition, GSN has made a cash payment of \$150,000 (in addition to the cash payment made in June 2019 and announced to the market on 5 June 2019) to the Vendor.

GSN's Executive Chairman, John Terpu, commented:

"The Management Team has completed the due diligence process and we are very encouraged by the prospectivity and exploration potential of this project. The process enabled us to collate over 80 years of historical production, exploration and technical data which has shed new light on the potential for this project.

The Company views the Cox's Find as an exceptional opportunity for exploration and resource growth of an old high-grade gold mine with potential near-term production scenarios given its close proximity to several significant processing facilities and infrastructure.

In addition to the Mon Ami Gold Project in Laverton, Cox's Find adds another low risk brownfields exploration project to the Company's project portfolio with the immediate focus on drilling programs targeting resource growth through extensions of the high grade reefs as well as a focus on promising new near-mine targets."

1 – Production figures obtained from production records of Western Mining Corporation 1936-1942.





Figure 1: Location of the Cox's Find Gold Project



BACKGROUND TO THE PROJECT

The Cox's Find Gold Project (Cox's Find) is a shear hosted Archaean orogenic gold deposit located in the Duketon Greenstone Belt, located along strike from, and within 12kms of, Regis multi-million-ounce Garden Well which was first drilled in 2008.

The historical Cox's Find gold mine and surrounding tenements which form part of the Cox's Find have been largely unexplored for over 30 years. The mine, being Western Mining Corporation's (WMC) first venture into gold production in Australia, produced ~77,000 ounces of gold in a short period of time between 1935 and 1942 with an impressive average grade of 21.94 g/t (reference on page 1).

Mineralisation at Cox's Find occurs as quartz saddle reefs within drag folds varying in thickness up to 8m and projecting off north-northeast shear zones. The high-grade mineralisation is associated with bluish grey to black vughy quartz-sulphide lodes with visible gold within altered schists that also host marginal stockworks.

The mine was worked to a depth of 158m, however mining activities ceased in 1942 when the gold price was approximately USD \$33.85. Whilst the mine operated at very high grade, the economic conditions at the time of mining under WMC meant that even ore grading up to 12 g/t was left in-situ, being deemed unpayable or uneconomic to mine.

The last exploration drilling over the high grade areas of the project was conducted by Erlistoun Gold in the mid 1990's, who targeted the lower grade gold bearing halo in the stockworked margins to the high grade reefs around the current pit. The asset has sat dormant since this time under private ownership, thus missing out on major advances in exploration techniques and the resurgence in the gold price.

The current site hosts the abandoned shallow (<20m) open pit, underground mining stopes, untreated stockpiles of ore on the surface and remnant tailings from the underground operation. Currently the Company does not have sufficient information to estimate a resource on the stockpiles.

The previous exploratory surface drilling to define the reef structure is limited to ~60m vertical depth beyond which the ore shoots are broadly defined by the areas of stoping to the base of the existing workings at ~150m depth. The workings indicate that the gold mineralisation is open at depth and down plunge providing immediate drill targets.

Following the significant exercise in collating the 80 years worth of historical data and through GSN's initial interpretation (during the due diligence period) using modern techniques, it is GSN's view that the exploration model adopted historically was inappropriate for the primary structural controls in targeting the extensions of discrete high-grade shoots.

This provides GSN with considerable exploration potential and affords GSN the opportunity to apply modern exploration techniques to a high-grade gold mine that is poorly understood and significantly under explored.

Supergene enrichment

A review of the underground workings in the 1938 Annual Report of the Department of Mines and Petroleum (now the Department of Mines, Industry Regulation and Safety) documents that secondary enrichment has played some part in the formation of the orebody which is suggested by the occurrence of gold in cross fractures above ground water level (at ~29m). The graphitic schists, and their contact with quartz reefs and/or greenstone country rock are considered much more pervious to water. Evidence of secondary enrichment is provided by the occurrence of gold in cross fractures above the water table and by bonanza type values obtained in No 1 drive between shafts No 1 and No 2 (e.g., 1.22m at 564.6 g/t Au).

The base of the current pit is ~15m, close to a potential supergene zone at ~30m. If established, this would have a material positive impact on the resourcing of the project. - This has not been tested by the drilling to date and will be a focus of planned exploration activities going forward.





Figure 2: GSN interpretation of longitudinal section through the Cox's Find development showing historical drilling results. Refer to page 8 for further information regarding the historical results.



Figure 3: Cox's Find open-pit development.





Figure 4: GSN conceptual model of Cox's Find Gold Mine underground plan.



PLANNED EXPLORATION ACTIVITIES:

GSN intends to commence exploration immediately following receipt of all appropriate regulatory approvals.

A systematic program will target the definition of the high-grade underground and open-pit gold resources in the near term.

GSN's first pass exploration program will primarily focus on delineating the current orebody close to the surface and chase the down dip extension with a view to gaining an understanding of the primary structural controls on the mineralisation, validating the structural model and identifying additional exploration targets for follow up drilling.

Exploration potential includes:

- Potential to extend the mineralized envelope and high-grade shoots throughout the existing underground workings.
- Significant known mineralization has not been mined to date given the lack of activity since conclusion of mining in 1942.
- High grade gold interceptions noted from drilling undertaken in the 1990's. Additional drilling at close spaced intervals is warranted.
- Previous soil samples and exploratory drilling has identified a number of other prospect areas on the tenements which will be targeted during the coming drill program.

The area is well serviced by infrastructure and numerous opportunities exist to potentially treat the ore in the district. Re-sampling and resourcing of the surface stockpiled ore, with a view to treatment of the ore, will also be a priority for GSN.

KEY TERMS OF THE AGREEMENT						
Parties	Great Southern Mining Limited and Mr Raymon Kowal.					
Assets	M38/170, M38/578 and M38/740, related mining information and stockpiled ore.					
Deposit and Completion Payment	\$50,000 in cash paid following the four (4) week due diligence period. \$150,000 in cash paid at completion. These amounts have been paid.					
Deferred Payment 1	\$800,000 cash payment to be made within twelve (12) months of completion of the formal sale and purchase agreement. Further to GSN's announcement on 5 June 2019, Mr Kowal has agreed to receive this payment in cash and no longer has an option to receive all or part of the Deferred Payment in shares.					
Deferred Payment 2	\$1,000,000 cash payment if the Company declares a JORC 2012 Mineral Resource of at least 500,000 ounces of gold. The exploration work required to be undertaken to trigger Deferred Payment 2 is entirely at GSN's discretion. The timing of the payment is not yet known. The market will be informed as and when this milestone has been met. Deferred Payments 1 and 2 will be secured against the Project via a registered mortgage.					
Royalty	1.5% Net Smelter Return (NSR) on gold.					



Competent Person's Statement

The information in this report that relates to Exploration Results on M38/578, M38/170 and M38/740 is based on information compiled by Dr Bryce Healy, a Competent Person who is a Member of the Australian Institute of Geoscientists. Dr Healy is employed by Noventum Group Pty Ltd (ACN 624 875 323) and has been engaged by Great Southern Mining Limited as Head of Exploration. Dr Healy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Healy consents to the inclusion in the 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 contemplated.



Figure 5: Historical plant being erected at the Project (note: no longer on site). Source: http://www.outbackfamilyhistory.com.au/records

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary			
Sampling techniques	 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 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. 	 The deposit was sampled by historic RC drilling between 1989 and 1995. In 1989 Fortuna Gold Exploration NL completed a 14 hole (558m) RC program (CFR series) testing the old workings. Between 1994 and 1995 Erlistoun Gold NL completed a 13 hole (920m) RC program (CRC and ERC series) RC drilling was sampled on 1 and 2 m intervals over the mineralized zones 457 samples were submitted for analysis The historic sampling practice was appropriate to the geology and mineralization of the deposit and complies with industry best practice. 			
Drilling techniques	 Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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). 	 RC drilling was undertaken by different contractors using different equipment in common. 			
Drill sample recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 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. 	Details of the drill sample recoveries used for historic RC drilling are generally not available			
Logging	 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. Whether logging is qualitative or 	• All RC chips from historic drilling were geologically logged and provided in exploration reports. Lithology, veining (quartz content), oxidation, alteration and weathering were recorded in the exploration reports.			

Criteria	JORC Code explanation	Commentary				
	quantitative in nature. Core (or costean, channel, etc) photography.The total length and percentage of the relevant intersections logged.					
Sub- sampling techniques and sample preparation	 If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 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. Whether sample sizes are appropriate to the grain size of the material being sampled. 	 Details of the splitter types used for historic RC drilling are generally not available 				
Quality of assay data and laboratory tests	 The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 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. Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	 Historic samples were analysed at Genalysis Laboratories in Maddington WA. Sample preparation methods for the historic drilling is unknown. A 50g sub-sample (from ~2kg of sample) was assayed for gold by fire assay (method FA/AAS)(0.01 ppm detection limit). It is not documented whether CRM's, blanks and duplicates were introduced into the sample sequence. 				
Verification of sampling and assaying	 The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	 Verification procedures for sampling and assaying are not documented with the historic drilling results 				
Location of data points	 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. Specification of the grid system used. Quality and adequacy of topographic control. 	 Drill hole collars were initially located and converted to MGA94 – Zone 51 grid coordinates from local grids accuracy. Many of the collar locations have since been accurately located on site using DGPS to an accuracy of ± 3m. The WMC mine workings were mapped by in detail by Erlistoun and are considered a reasonable guide for this stage of exploration 				

Criteria	JORC Code explanation	Commentary			
Data spacing and distribution	 Data spacing for reporting of Exploration Results. 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. Whether sample compositing has been applied. 	 The ERC series of holes were planned to test the backfilled material grades within the high- grade stopes and therefore whilst they are adequately placed, they provide no representation of the remnant high-grade reef material. Given the detailed understanding of the target reef from underground development the historical drill spacing is considered to be at a spacing inadequate as a first pass to define the continuity of mineralization. Diamond drilling is required to understand the thickness and grade of the high grade reef. No sampling compositing has been applied within key mineralised intervals. 			
Orientation of data in relation to geological structure	 Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 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. 	 The historical drilling is drilled orthogonal to the interpreted strike of the target mineralization zone. No drilling orientation and/or sampling bias has been recognized at this time. 			
Sample security	The measures taken to ensure sample security.	 No information is available on the sample security protocols for the historical drilling 			
Audits or reviews	 The results of any audits or reviews of sampling techniques and data. 	• The data reported is all historical data. The data has been subject to external audits as part of the due diligence process.			

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 land tenure status</i>	 Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	 The Cox's Find Mine is surrounded by three (3) Mining Leases covering 290 ha, namely M38/170, M38/578 and M38/740. Under the executed agreements the Vendor will register a Mortgage over deferred payment 1 and 2. A Net Smelter Royalty of 1.5% is payable to the vendor on any production. 				
Exploration done by other parties	 Acknowledgment and appraisal of exploration by other parties. 	 Relevant exploration done by other parties are outlined in the body of this report 				
Geology	 Deposit type, geological setting and style of mineralisation. 	 Gold mineralisation is 'orogenic-style' and found within vitreous bluish grey to black vughy quartz which occurs as strata bound reef in interflow sediments between two mafic volcanic units. This dark quartz is cut by a network of white quartz veinlets which also 				

Criteria	JORC Code explanation	Commentary			
		 contain gold. The oreshoots have developed with a morphology similar to the drag folds. A gold mineralisation halo extends away from the oreshoot either vertically, laterally or in both directions. There are also some areas in which there is a sharp contact between the oreshoots and barren quartz where no mineralised halo has developed. Secondary gold enrichment has occurred in cross fractures above the water table A second form of gold mineralisation is associated with shear zones. The Laverton lineament is a major deformation zone consisting of many individual shear zones which are discontinuous both vertically and laterally and display an interlacing morphology. 			
Drill hole Information	 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: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 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 	 All the drill holes reported in this report are summarized in Table A-1. Easting and northing are given in MGA94 – Zone 51 coordinates. RL is AHD Dip is the inclination of the hole from the horizontal. Azimuth is reported in magnetic degrees as the direction the hole is drilled. MGA94 and magnetic degrees vary by <10 in the project area. Down hole length is the distance measured along the drill hole trace. Intersection length is the thickness of an anomalous gold intersection measured along the drill hole trace. Hole length is the distance from the surface to the end of the hole measured along the drill hole trace. 			
Data aggregation methods	 In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. 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. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	 No maximum or minimum grades cut-offs have been applied to the historical results. Longer lengths of low grade (>0.1 - <0.3 g/t Au) are not reported. 			
Relationship between mineralisatio n widths and	 These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known. 	 Historic drilling at Cox's Find was appropriately on an azimuth of 270° and angled to the west designed to test a steeply to moderately east dipping quartz reef. As such, the reported 			

Criteria	JORC Code explanation	Commentary			
intercept lengths	 its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	intercepts approximate true widths			
Diagrams	 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. 	 Relevant Diagrams are included in the body of this report. 			
Balanced reporting	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.	 The results reported diagrammatically are considered a balanced reporting of the understanding of the Exploration results and potential 			
Other substantive exploration data	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.	 No other exploration data that has been collected is considered meaningful and material to this report. 			
Further work	 The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	 Future exploration includes step-out drilling around and below the reported intersections at Cox's Find focusing on the higher grade reef intersections to better define the extent of the mineralization at depth. 			

Table A-1: Drill hole summary information

HoleID	Company	Year	Туре	MGA94 East	MGA94 North	RL Nominal	Local Easting	Local Northing	Local Grid Azimuth	Dip	EOH
FCFR2	Fortuna Gold	1989	RC	438451	6898230	500	1000.5	1115	270	-60	60
FCFR3	Fortuna Gold	1989	RC	438443	6898261	497	980	1140	270	-60	60
FCFR4	Fortuna Gold	1989	RC	438473	6898269	500	1002	1160	270	-60	60
FCFR5	Fortuna Gold	1989	RC	438451	6898279	496	980	1160	270	-60	38
FCFR6	Fortuna Gold	1989	RC	438462	6898253	496	1000	1140	270	-60	10
FCFR7	Fortuna Gold	1989	RC	438467	6898250	497	1005	1140	270	-60	60
FCFR8	Fortuna Gold	1989	RC	438397	6898218	498	960	1081	270	-60	10
FCFR9	Fortuna Gold	1989	RC	438416	6898209	498	980	1081	270	-60	10
FCFR10	Fortuna Gold	1989	RC	438425	6898227	498	980	1101	270	-60	39
FCFR11	Fortuna Gold	1989	RC	438444	6898218	498	1000	1101	270	-60	60
FCFR12	Fortuna Gold	1989	RC	438441	6898306	495	960	1181	270	-60	34
FCFR13	Fortuna Gold	1989	RC	438461	6898298	495	980	1181	270	-60	46
FCFR14	Fortuna Gold	1989	RC	438450	6898322	495	960	1,199	270	-60	40
FCFR15	Fortuna Gold	1989	RC	438469	6898313	495	980	1199	270	-60	52
FCFR16	Fortuna Gold	1989	RC	438440	6898208	500	1000	1090	270	-60	10
ERC1	Erlistoun GM	1995	RC	438415	6898144	500	1007	1020	270	-60	50
ERC2	Erlistoun GM	1995	RC	438447	6898129	500	1040	1020	270	-60	90
ERC3	Erlistoun GM	1995	RC	438445	6898173	500	1020	1060	270	-60	70
ERC4	Erlistoun GM	1995	RC	438465	6898164	500	1040	1060	270	-60	90
ERC5	Erlistoun GM	1995	RC	438483	6898200	500	1040	1100	270	-60	90
ERC6	Erlistoun GM	1995	RC	438501	6898235	500	1040	1140	270	-60	100
ERC7	Erlistoun GM	1995	RC	438499	6898279	495	1020	1180	270	-60	80
ERC8	Erlistoun GM	1995	RC	438519	6898270	495	1040	1180	270	-60	100
ERC9	Erlistoun GM	1995	RC	438498	6898323	500	1000	1220	270	-60	50
ERC10	Erlistoun GM	1995	RC	438517	6898314	500	1020	1220	0	-90	100