



SOVEREIGN GOLD  
COMPANY LIMITED

**Sovereign Gold Company Limited**  
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**Latest News**  
[www.sovereigngold.com.au](http://www.sovereigngold.com.au)

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John Dawkins AO  
Michael Leu  
Peter Meers  
Jacob Rebek

**ASX Symbol: SOC**

**ASX Release**  
14<sup>th</sup> March 2013

**Shareholder Letter**

In accordance with the requirements of Listing Rule 3.1 we submit the attached material sent to shareholders.

**For further information please contact:**

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14<sup>th</sup> March 2013

Dear Shareholder,

I am writing to provide an update on recent important developments at Sovereign Gold Company Limited (**Sovereign Gold**). This includes the recent acquisition of a JORC resource with excellent expansion potential.

**Gossan Hill – a strategic and value accretive acquisition with resource upside**

The recently announced strategic acquisition of Gossan Hill Limited (**Gossan Hill**) provides a unique development opportunity for Sovereign Gold to complement an exciting mix of projects across New South Wales, Australia. The addition of Gossan Hill enhances the Sovereign Gold's geographical footprint encompassing quality intrusion related gold system (**IRGS**) targets, provides substantial technical synergies and a JORC Resource with significant resource expansion potential.

Gossan Hill comprises a quality package of four project areas within nine exploration licenses – all in New South Wales and all prospective for IRGS. More than 20 quality prospects have been identified which are all centred on known gold occurrences and some with historic production.

Gossan Hill's flagship deposit is the Hobbs Deposit at Mt Adrah. This contains a JORC resource of 239,000 ounces at 1.13g/t Au to a depth of 120m at a cut-off of 0.5g/t Au. Notably, a 313m vertical drill hole at the deposit returned continuous gold at 1.43g/t Au. Importantly, metallurgical test work showed high gold recoveries of 92% - a strong indication of the deposit's commercial potential.

The acquisition of Gossan Hill allows Sovereign Gold to utilise its expertise in exploring for large IRGS projects in New South Wales, taking advantage of significant technical synergies for the early identification of key diagnostic features of these targets. Knowledge gained through exploration at the Sovereign Gold's Martins Shaft project will greatly assist in exploring and expanding the Gossan Hill projects.

**Maiden JORC Resource – favourable pricing terms - rapid resource expansion targeted**

Achieving a maiden JORC Resource is a key milestone for any minerals exploration company. For Sovereign Gold, Gossan Hill provides a JORC Resource on highly attractive pricing terms and with significant resource expansion potential. Coupled with existing projects, Sovereign Gold is now well positioned as a high growth gold exploration company with multi-million ounce resource potential over the medium term.

The acquisition price for Gossan Hill was \$700,000, comprising \$200,000 in cash and \$500,000 in scrip (2 million ordinary shares at \$0.25 per share).

**Strategic partner to fund \$21 million work program over two years**

Like many junior gold explorers listed on the Australian Stock Exchange, Sovereign Gold holds a portfolio of prospective projects with technical appeal and commercial potential. However, what differentiates Sovereign Gold from its peers is the strategic partnership with Chinese State Owned Enterprise, Jiangsu Geology and Engineering Company Ltd (**SUGEC**). Under this partnership – which is unique for a junior – SUGEC has committed to funding a significant work program with expenditure totalling \$21 million over the next two years.

For shareholders in Sovereign Gold, the benefits of this partnership and the associated funding are compelling – significant near-term exploration activity which is expected to lead to rapid resource expansion and an accelerated pathway towards project development and production.



### **Building a multi-million ounce gold developer**

Sovereign Gold is fully funded by its strategic partner SUGEC to continue an aggressive drilling program at its flagship Martins Shaft project, where there is a substantial 0.5-2 million ounce exploration target. The significant investment by SUGEC at Martins Shaft will likely come to fruition in the near term and the Company is targeting a JORC resource in the fourth quarter of the current calendar year. Further, the recent acquisition of the Mt Adrah project, which also has a 0.5-2 million ounce exploration target, reinforces the Sovereign Gold's commitment to building its gold inventory and becoming a multi-million ounce mid-tier gold developer in the medium term. A resource upgrade at Mt Adrah is targeted for the third quarter of the current calendar year.

### **Significant investment potential**

Sovereign Gold's investment potential is being increasingly appreciated by stockbrokers and sophisticated investors alike. As a testament to this, we were encouraged to see Patersons Stockbrokers commence independent research coverage on the Company in late 2012. Notably, Paterson's last published valuation on Sovereign Gold was \$0.41 – 86% above the current share price of \$0.22.

I would like to take this opportunity to thank Shareholders for their ongoing support for the Company. Moving forward, I believe Sovereign Gold is uniquely positioned for success, with the projects, people, plan and funding to deliver significant shareholder value creation.

Yours Sincerely,

Michael Leu  
Chief Executive Officer

### **Qualifying Statements**

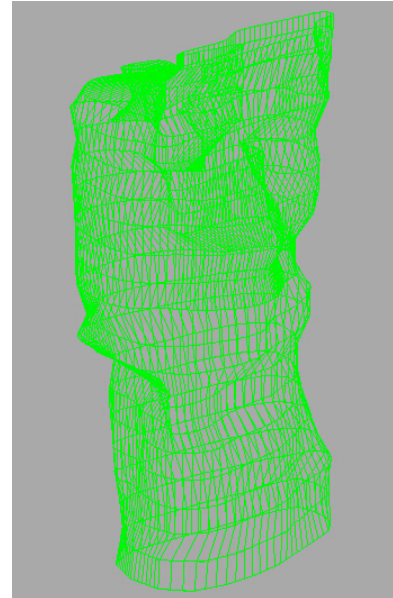
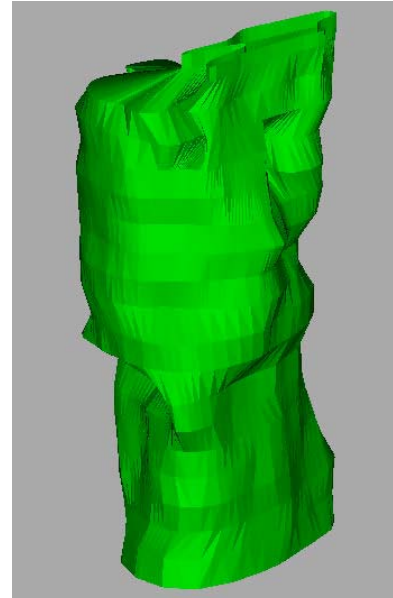
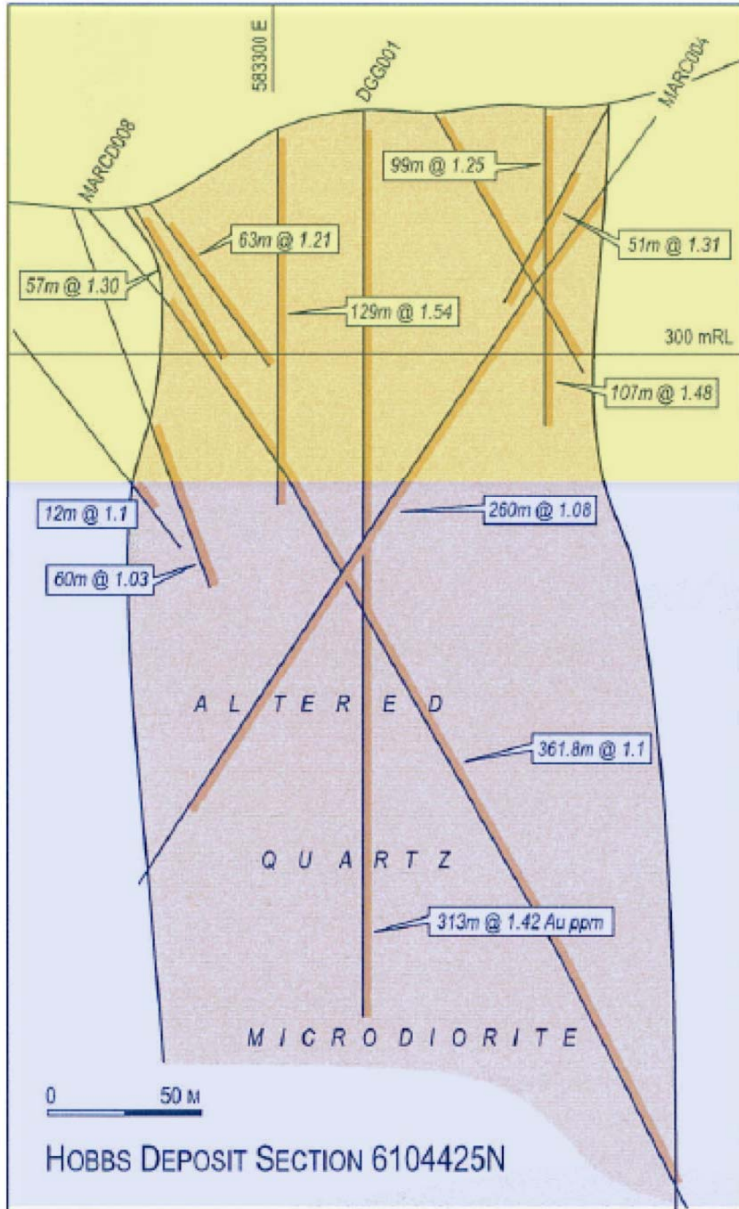
The information in this Report that relates to Exploration Information is based on information compiled by Michael Leu who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

Mr Leu is a qualified geologist and is a director of Sovereign Gold Company Limited.

Mr Leu has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources. Mr Leu consents to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.



### Gossan Hill Acquisition Provides Maiden 239k oz Gold JORC Resource



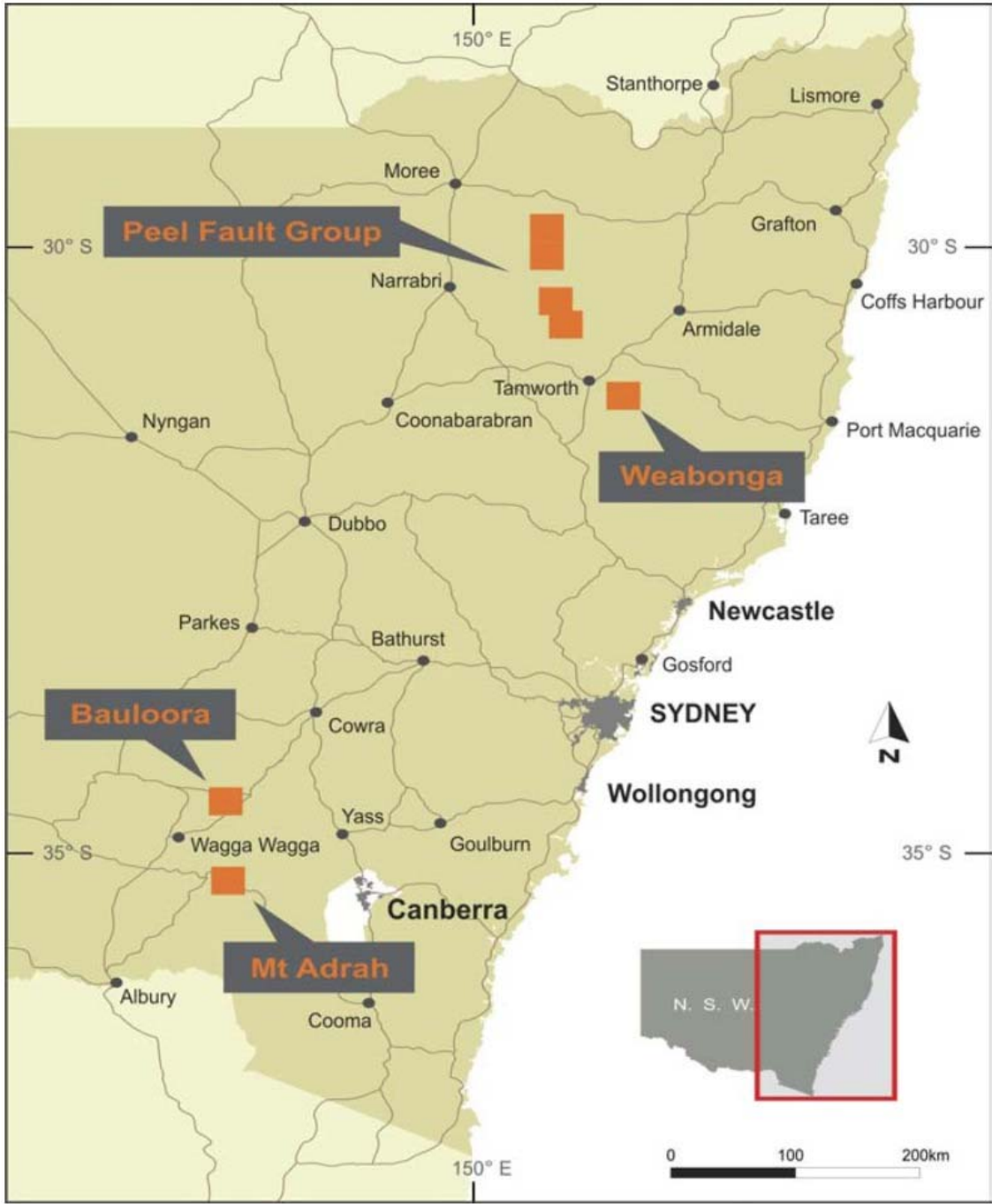
Cross-section through the Hobbs Deposit (Mt. Adrah) showing some continuous drill intersections such as 313 metres @ 1.42au ppm<sup>1</sup>. Mineralisation could potentially extend vertically to 900m.

3D block model of mineralised zone shows a roughly circular vertical intrusive stock with gold mineralisation open vertically and along a NE/SW trend.

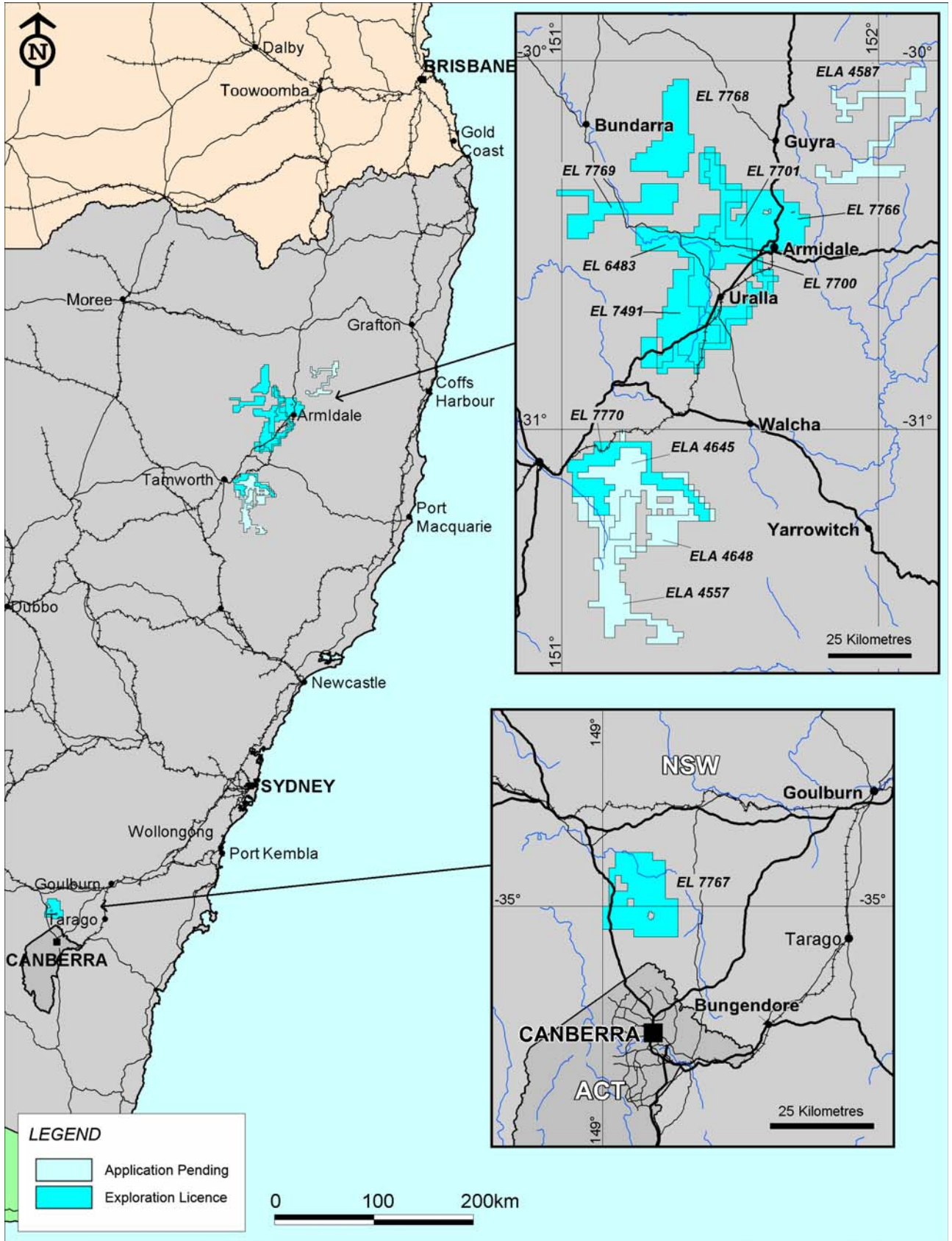
**Yellow:** Extent of 239k Au JORC resource (120 m)

**Blue:** Below 120m all drill holes encountered gold mineralisation to 360m (limit of drilling), however hole density was insufficient to establish a JORC resource. Sovereign Gold will expedite infill drilling that should significantly increase the JORC resources.

<sup>1</sup> Hobbs deposit, Golden Cross Resources Ltd.



Gossan Hill Project Areas (includes Weabonga, under application by Sovereign Gold)



Sovereign Gold Tenement Portfolio