



**SOVEREIGN GOLD
COMPANY LIMITED**

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ASX Symbol: SOC

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.

Exploration Targets: The potential quantity and grade of exploration targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource (other than the 239k Inferred JORC resource previously declared, ASX: 13 March 2013) and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Mt Adrah assessment indicates multi-million oz gold potential

- Hobbs Gold Deposit – Initial exploration target of 1.5–2.5 million ounces gold (Au)
- Potential to identify several deep tapping pipe-like intrusives
- Geologically similar to Goonumbla Porphyry Copper Deposits that are being mined by Rio Tinto at Northparkes Mine

On 12 March 2013 Sovereign Gold Company Limited (**Sovereign Gold**) announced an offer to acquire all the issued capital of Gossan Hill Gold Limited (**Gossan Hill**). To date 92% acceptances have been received representing 29,450,000 Gossan Shares.

Sovereign Gold principal geologists, Michael Leu and Jacob Rebek have conducted an extensive review of the Mt Adrah Hobbs Gold Deposit (EL 6372) and have developed an **initial exploration target of 1.5–2.5 million ounces**, whilst the anomalies (geophysical, geochemical) and structures identified in close proximity (<4km) to the Hobbs Gold Deposit indicate potential for several million more ounces to be discovered.

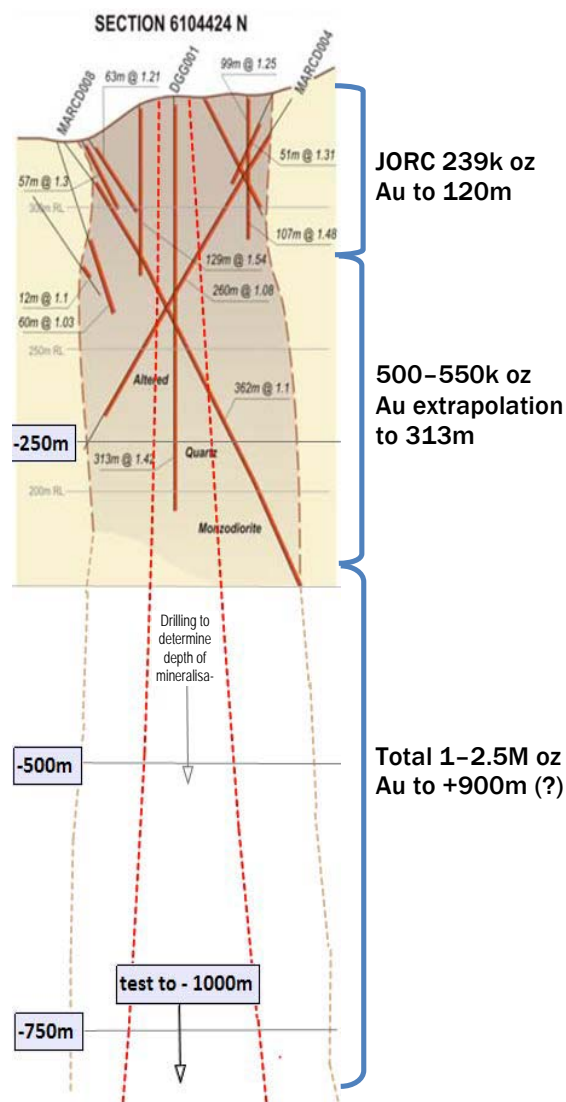
The Hobbs Gold Deposit is located at a major dilational site along the Gilmore Suture. Several world scale porphyry gold mines are associated with splay structures off the Gilmore Suture such as the multi-million ounce North Parkes, Cadia and Ridgeway gold mines.

Sovereign Gold’s Managing Director, Michael Leu commented:

“Our assessment of the Mt Adrah Hobbs Gold Deposit has highlighted significant potential to delineate material gold resources. Exploration in close proximity to the Hobbs Gold Deposit, combined with ongoing drilling at our Martins Shaft gold project, Sovereign Gold is well positioned in New South Wales to become a multi-million ounce gold developer in the medium term.”

Sovereign Gold has a unique strategic partnership with Jiangsu Geology and Engineering Co. Ltd. (SUGEC), a Chinese State Owned Enterprise which is spending \$21m on exploration over 24 months.

The stage is set for Sovereign Gold to achieve rapid resource expansion with an accelerated pathway towards project development and production.





Hobbs Gold Deposit Resource and Exploration Target Estimate

JORC compliant inferred resources of 239,000oz Au was made to a depth of 120m at a 0.50g/t gold cut-off.

Blocks for JORC resource estimation were only assigned to drill holes to a depth of 120m. However, holes such as DGG001 intercepted continuous gold to 313m vertically and ended in gold mineralisation.

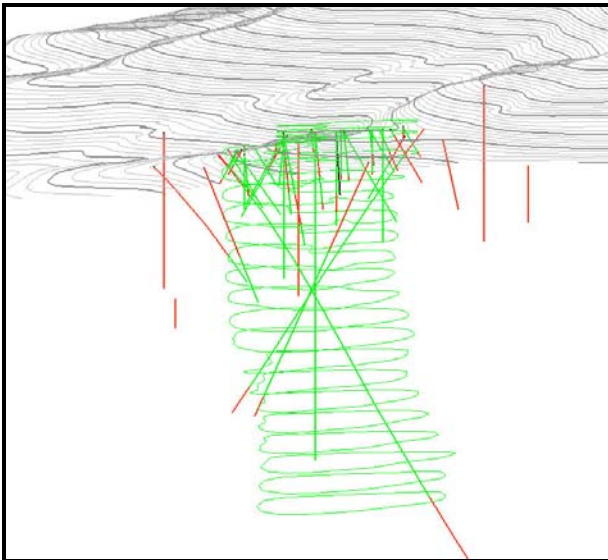
Conceptual extrapolation based on the JORC resource to 315m provides an estimate in the order of 500,000 to 550,000 oz at 1.32g/t gold.

Exploration opportunity set as a priority to enlarge the potential for 1–2.5 million ounces of gold on this stock alone.

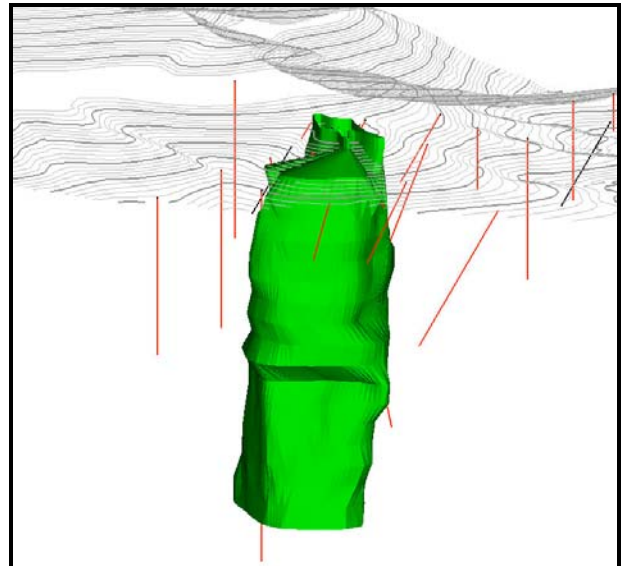
This will require a steeply inclined drill hole to ~900m, to determine potential depth extent of the Hobbs deposit before undertaking drilling to enlarge the gold resource estimation.

The cross section above has an interpreted depth extent of 1,000m because **Hobbs Gold Deposit is geologically similar to Goonumbla Porphyry Copper Deposits that are being mined by Rio Tinto at Northparkes Mine.** At the Northparkes Mine the 'block-cave' stope covers a vertical span of 500m and in the original deposit already the second 'block-cave' stope is being mined, covering depth span of 500 to 1,000m.

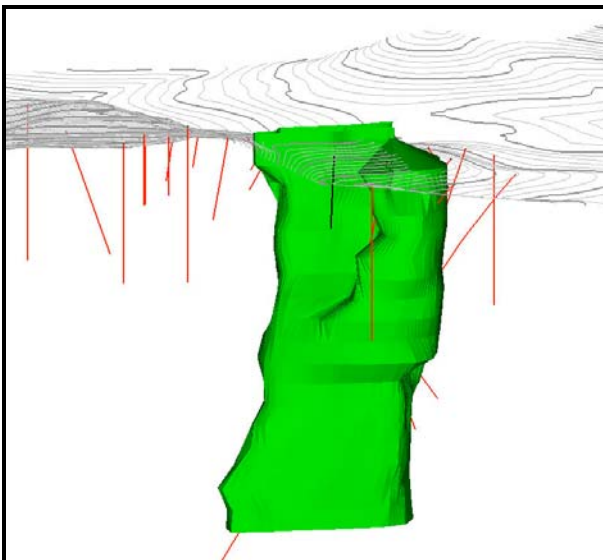
Table 1: The following figures show the gold mineralised sub-cylindrical stock in 3D looking downwards in various directions. The known gold mineralisation extends ~350 m vertically, and is open to depth.



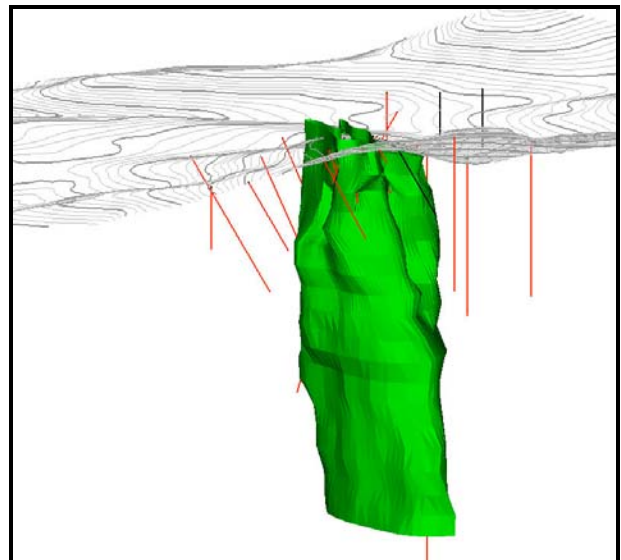
Looking North



Looking East



Looking South



Looking West



Potential to host several deep tapping pipe-like intrusives

The footprint of the Hobbs Gold Deposit itself is approximately 2.2 ha, and the footprint of the anomaly now identified is approximately 32.5 ha. Simple extrapolation of known mineralisation at the Hobbs Gold Deposit to the entire anomaly footprint indicates potential for mineralisation of at least several million more ounces (Figure 1), with overall Au grades comparable or greater to those found at Cadia-Ridgeway (Newcrest Mining Corporation).

The Mt Adrah area has clear potential to host several deep tapping pipe-like intrusives like the Hobbs Gold Deposit.

The Mt Adrah East quartz monzonite stock with 3% sulphides located 800m east of the Hobbs Gold Deposit is very likely to be a repetition of another Hobbs-type deposit – not previously drilled.

There are further circular magnetic and geochemical anomalies that indicate the presence of targets to test for additional cylindrical stocks.

There is a magnetic low with a magnetic rim similar to that at Hobbs about 1km north east of the Hobbs Gold Deposit, which will be further investigated.

The Hobbs Gold Deposit has greatest affinity with the giant Donlin Creek Intrusion Related gold deposit, Alaska (USA). At Donlin Creek, it has been noted that there is a strong correlation between gold mineralisation and the degree of local structural complexity (Szumigala et al, 1999). Similarly, the Hobbs Gold Deposit occurs at a local and regional scale zone of structural complication along the Gilmore Suture, where the main fault trend forms a number of dilation zones (jogs) in the immediate vicinity of the deposit, and the fault breaks up in to a large zone of disturbance immediately south of the deposit. This is a prime exploration target for further mineralised IRG deposits.

There is potential for several million more ounces of gold in close proximity (a few hundred metres to a few kilometres) to the Hobbs Gold Deposit

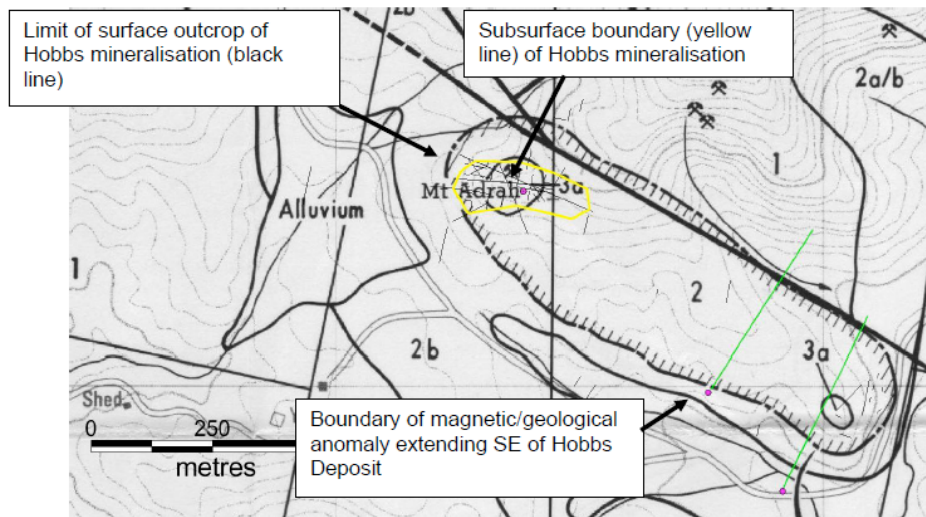


Figure 1: Interpretation of Hobbs Gold Deposit and possible subsurface extent based on integration of magnetics, geology and geochemical data.



Figure 2 – Gossan Hill Project Areas (includes Weabonga, under application by Sovereign Gold)

JORC Code Compliant Public Reports

The Company advises that this announcement contains summaries of Exploration Results and Mineral Resources as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (“JORC Code”).

The summaries are made in, or based on, statements made in previous geological reports, which are publicly available (with or without payment of a fee) from a government department, authority or agency of an Australian State or Territory of the Commonwealth; or the ASX.

A bibliography of the Code-compliant Public Reports or Public Reporting on which the summaries are based will be provided free of charge, to any person who requests it.