



SOVEREIGN GOLD
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ASX Release

11th July 2013

Visible mineralisation throughout 1 kilometre drill hole

Mt Adrah Hobbs gold bearing deposit – Initial hole completed at 1,030 metres

- **Visible mineralisation observed throughout entire hole depth of 1,030m (beyond initial 1,000m target)**
- **Continuous intercept from surface to 886m**
- **Geologists confident mineralisation continues at depth**
- **First assays due next week**
- **Drill rig remains on site ready for next evaluation hole**

This Announcement should be read together with previous releases by Sovereign Gold regarding the Mt Adrah exploration targets and results, specifically the announcements of 18th March, 20th March, 11th April, 21 June, 24 June, 26 June and 3 July 2013.

The initial drill hole (GHD001) was completed at 1029.6 metres with mineralisation observed both in altered monzodiorite and quartz veined metasediments throughout. There is a continuous intercept with visible mineralisation from surface to 886m, with zones of mineralised monzodiorite extending to bottom of hole.

Geologists have interpreted the system to extend much deeper than the currently observed mineralisation, enhancing the company's conceptual geological models and targets.

GHD001 geology

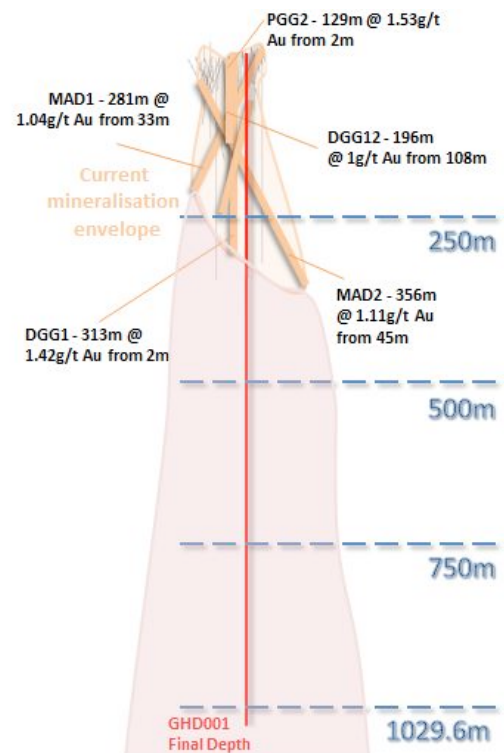
- 0 – 886m: Strongly sericite altered monzodiorite from surface with disseminated sulphide mineralisation
- 886-911m: Mafic intrusive with some sulphide bearing quartz veins near the contact with the monzodiorite
- 911-1030m: Silicified metasediments with sulphide bearing quartz veins and zones of sericite altered monzodiorite up to 4m wide with disseminated sulphide mineralisation

420m of core have been received by testing laboratory ALS and assay results are pending. The remaining core has been split and logged and will be sent to ALS for assay.

GHD001 was designed to test the deeper extension of previously identified gold mineralisation. Visual logging has confirmed interpreted visual mineralisation throughout the hole and core is being assayed to confirm grade.

The Mt Adrah Hobbs Gold Deposit also sits on the same large scale tectono-structural system as Newcrest Mining's Cadia Ridgeway gold mines (which hosts 60 million ounces gold equivalent) and Rio Tinto's Northparkes gold mine (8 million ounces gold equivalent) (see figure on page 3).

The Hobbs deposit is at a major dilational site along the Gilmore Suture, and the zone of structural complexity immediately to the south of the deposit – representing a major exploration target – is analogous to the giant Donlin Creek system and geologically similar to Goonumbla – Northparkes Porphyry Copper-Gold Deposits.



**Earlier drill holes – Mount Adrah Hobbs Deposit
Pipe 1 target; Final depth GHD001 (1,029.6m)**



It is geologically similar to Northparkes in so much as focus of magmatic-hydrothermal system concentrates in a field of 'pipe' shaped ore bodies. And in actual fact, the difference between Northparkes and Mount Adrah is the oxidation state of the magma responsible for the generation of the hydrothermal system. Northparkes is classic oxidised porphyry copper system whereas Mount Adrah is a classic reduced intrusion-related gold system (IRGS).

Basically all differences between the two are nothing more than the oxidation state of the magma.

It has the greatest geological affinity to Donlin Creek in terms of intrusive nature, metallogeny and regional local structural control.

A detailed comparison of the shared diagnostic characteristics of Donlin Creek and Mt Adrah Hobbs Gold Deposit can be found on the attached table on page 4.

Economic mining rationale

The deposit as drilled so far (to a depth of 1029.6m) has a continuous intercept with visible mineralisation from surface to 886m.

Amenability studies from recent core to assess rock mechanics are underway. A number of bulk underground mining methods are now routinely used in hard rock mining around the world, and there are two examples of successful bulk underground hard rock mining in NSW (Cadia Ridgeway, Newcrest and Northparkes, Rio Tinto).

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Qualifying Statements

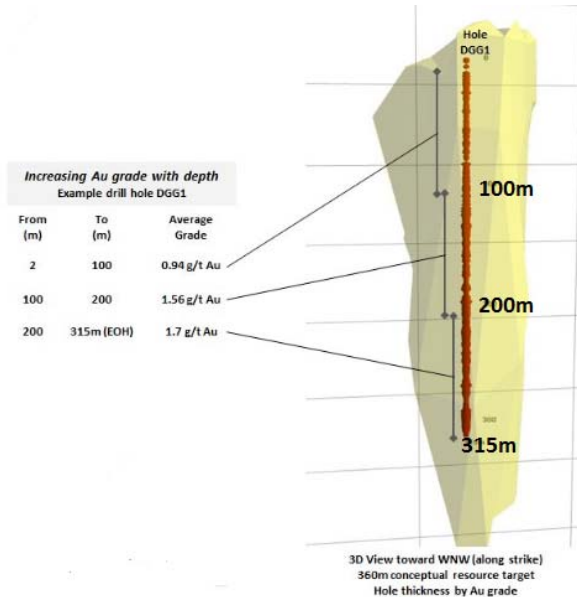
The information in this report that relates to Exploration Information is based on information compiled by Michael Leu a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists together with Dr Andrew White, a Fellow of the Australian Institute of Geoscientists and Jacob Rebek and Dr Kris Butera, Members of the Australian Institute of Geoscientists

Mr Leu and Jacob Rebek are qualified geologists and are directors of Sovereign Gold Company Limited.

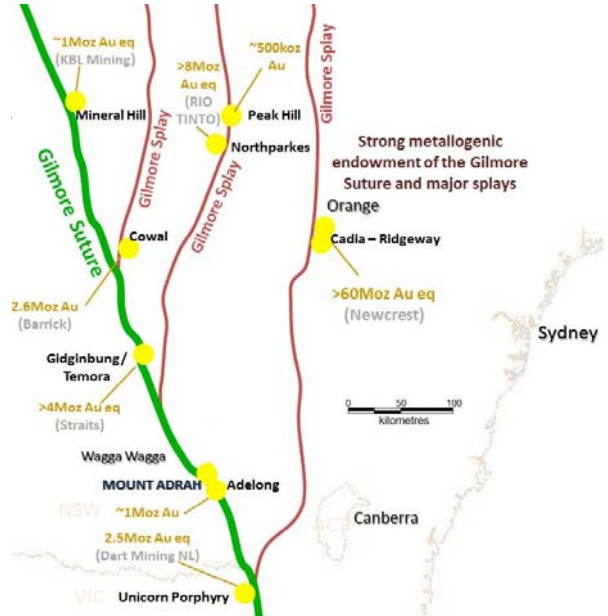
Dr White is a director of Gossan Hill Gold Limited.

Dr Kris Butera is CEO and director Gossan Hill Gold Limited.

Mr Leu, Jacob Rebek, Dr White and Dr Butera have sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as Competent Persons 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 report of the Exploration Information in the form and context in which it appears.



Previous drill hole DGG1 shows gold grades increasing with depth



Location of Mount Adrah relative to several world-class gold deposits situated on the Gilmore Suture and associated splays



GHD001 around 820m, sulphide-sericite altered monzodiorite exhibiting sheeted veins (HQ core diameter – 63.5mm)



GHD001, 825m – Multi-stage quartz-sulphide veins in sericite-sulphide altered monzodiorite (HQ core diameter – 63.5mm)



Narrow quartz vein carrying visible gold (bright yellow fleck) and silver coloured sulphides (arsenopyrite and molybdenite) from ~168m (HQ core diameter – 63.5mm)



Characteristic	Shared Diagnostic Characteristics: Donlin Creek and Mt Adrah Hobbs Gold Deposit
Mineralization, Lithological Control	Mineralization is best developed in the competent felsic intrusive. Disseminated gold-bearing sulphides occur in the felsic dykes and, to a lesser extent, in adjacent sediments.
Multiple Gold Deposits	Gold mineralization in numerous deposits that are part of an Gold-Arsenic-Antimony-Mercury hydrothermal system
Regional Structure	The region contains abundant NE to ENE and NW to WNW-trending lineaments that likely represent steeply dipping strike slip faults.
Tectonic Setting, Regional Geological Criteria	A post accretionary basin-fill flysch sequence that has been intruded and locally overlain by intrusions, dykes, sills and subaerial volcanic rocks.
Plutonic rocks	Plutonic rocks comprise monzonite, quartz monzonite, syenite, granodiorite and granite, and both intrude and are overlain by coeval volcanic rocks.
Gold mineralization	Gold mineralization is associated with quartz±carbonate and sulphide (pyrite, arsenopyrite and stibnite) vein and veinlet networks (dominant) as well as disseminated in favourable host rocks typically adjacent to veins (subdominant).
Gold hosts	Disseminated gold-bearing sulphides
Major Sulphide Minerals Associated with Gold	Sulphide: pyrite, arsenopyrite and stibnite. Gold is mainly carried arsenopyrite.
Geochemical Signature	The deposit(s) is characterized by a gold-arsenic-antimony-mercury geochemical signature, sheeted quartz ± carbonate and sulphide veins, and disseminated sulphides.
Vein Characteristics	Broad selvages of disseminated gold-bearing arsenopyrite and pyrite are found adjacent to veins and vein zones. Quartz-carbonate-sulphide (pyrite, stibnite, and arsenopyrite) veins are the primary mineralized features, but gold also occurs in thin, discontinuous vein and fracture fillings.
Mineralisation	Disseminated mineralization is also locally present with highest concentrations typically adjacent to veins and vein zones.
Gold to Silver Ratio	Silver levels have varied from negligible to about the same as gold
Magnetic Signature	Mineralization occurs within a pronounced trending aeromagnetic low that is related to a low magnetic signature in the intrusive rocks, magnetite destructive alteration and thermal metamorphism of the surrounding sedimentary rocks.
Gold Dyke Host	Felsic intrusive
Alteration	Within the corridors, intrusive rock phenocrysts are typically altered to ammonia illite (sericite) with intense and more structured or crystalline illites associated with higher grade zones of mineralization.
History	Region with alluvial gold production but minimal hard rock mining.
Vertical continuity of gold mineralisation	Donlin: The mineralized zones in ACMA exhibit the strongest vertical continuity within the resource area with mineralization occurring over a vertical extent of +400 m (depth of current drilling); Mt Adrah: Vertical extent of 1,030 m (depth of current drilling).