SOVEREIGN GOLD
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ASX Release
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Major new gold deposit confirmed by assays at Hobbs Pipe 1, Mount Adrah

- **284m @ 1.2g/t Au from 292m – 576m**
  - **Including: 104m @ 1.6g/t Au from 292m – 396m**
  - **Including: 50m @ 1.9g/t Au from 300m -350m**
- **Initial Mt Adrah Hobbs Pipe 1 assays received within expected range, confirm company's concepts and targets**
- **These results provide a clear picture of the grade of mineralisation to 576 metres**
- **Assay results from the rest of the hole, 0m - 284m and 576m to 1,029.6 metres, are pending and will be reported as received, potentially extending the mineralised intercept to beyond 600m**

The Board of Sovereign Gold Company Limited are extremely pleased to announce a major extension to the depth potential of the Mount Adrah Hobbs Pipe 1, with assays extending known mineralisation to at least 576m depth.

Priority was given to assay core cut commencing at 284m as gold grades to 300m have already been reported, such as DGG1: vertical hole with 313m @ 1.42g/t Au from 2m - 315m. New core from GHD001 for this interval is being assayed to provide validation of the earlier results and if confirmed will increase the aggregate grade from surface accordingly.

Dr. Kris Butera, CEO of Gossan Hill Gold (SOC owns 87%), noted that "in conjunction with previous results and drilling, every meter, from surface to 576m (so far!), has contained gold, now confirmed by assays. This continuous mineralisation is significant and bodes well for the future of this deposit."

These results provide a clear picture of the grade of mineralisation to 576 metres. Assay results from the rest of the hole to 1,030 metres are pending and will be reported as received.

Hole	From (m)	To (m)	Interval	Au g/t
GHD001	0	292	***Assays Pending***	
GHD001	292	576	284	1.2
		including		
GHD001	292	396	104	1.6
GHD001	300	350	50	1.9
GHD001	576	1029.6	***Assays Pending***	

Methods: Half-core HQ 2m composite samples were analysed at ALS Brisbane (multi-element) and ALS Townsville (Au). 48 element Multi-element analysis (ALS Method: ME_MS61) was by four acid digest and ICP-AES and ICP-MS. Gold analysis was by 30g Fire Assay with AAS finish (ALS Method: Au AA25).

Managing Director of Sovereign Gold, Michael Leu, stated that, "these initial assay results are outstanding and have confirmed our concepts and targets. Pending the remaining assay results we believe that we have made a new and significant gold discovery. Three additional deep drill holes are planned to commence immediately. They are designed to test the width and strike extension of this pipe and provide additional input for a resource estimate. As Pipe 1 could be part of a much larger Intrusion-Related Gold System we are very excited about the future prospects for this area."

Grades are concordant with visual logging, confirming interpreted visual mineralisation throughout the hole and core.

Grades are underpinning the company's previously reported conceptual geological models and target grades for Mt Adrah Hobbs Pipe 1. The aggregate is within the target grades of 1.13 to 1.4 g/t.

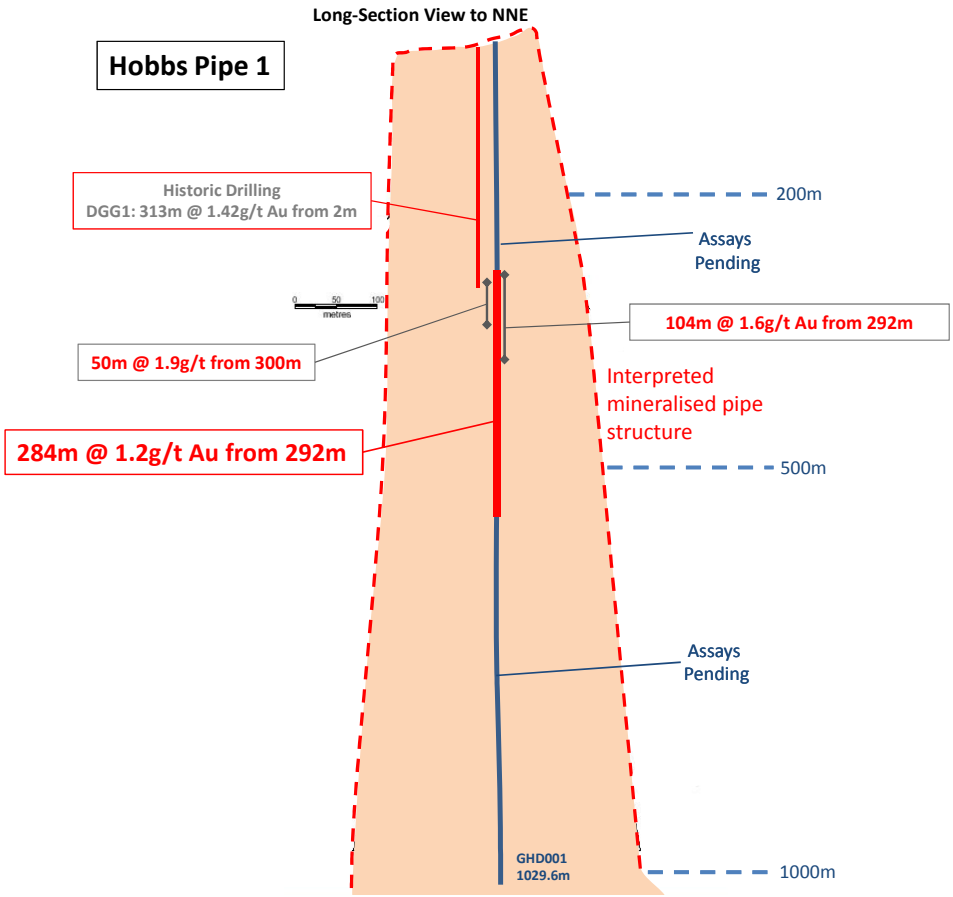
Metallurgical testing is being conducted to validate historic metallurgical work undertaken by Michelago Resources NL in 1996, which yielded gold recoveries of up to 94% of the gold, achieved via flotation into a sulphide concentrate[1]. Overall gold recovery was in the order of 90%.

Next Deep Diamond Drill Hole (GHD004)

Drilling will commence next week on a second deep hole to test the width of the mineralisation at the Hobbs Deposit, Pipe 1.

The planned diamond drill hole (GHD004) is a deep steeply inclined hole designed to test the width of the Hobbs Deposit Pipe 1 between 220m and 1,000m vertical depth.

This hole will primarily test the lateral extent of the deposit at depth and in a NNE direction, where the company believes the system may be spatially associated with the main intrusive source responsible for the Hobbs Deposit Pipe 1 beneath Mount Adrah.



Cross section showing significant gold intersections

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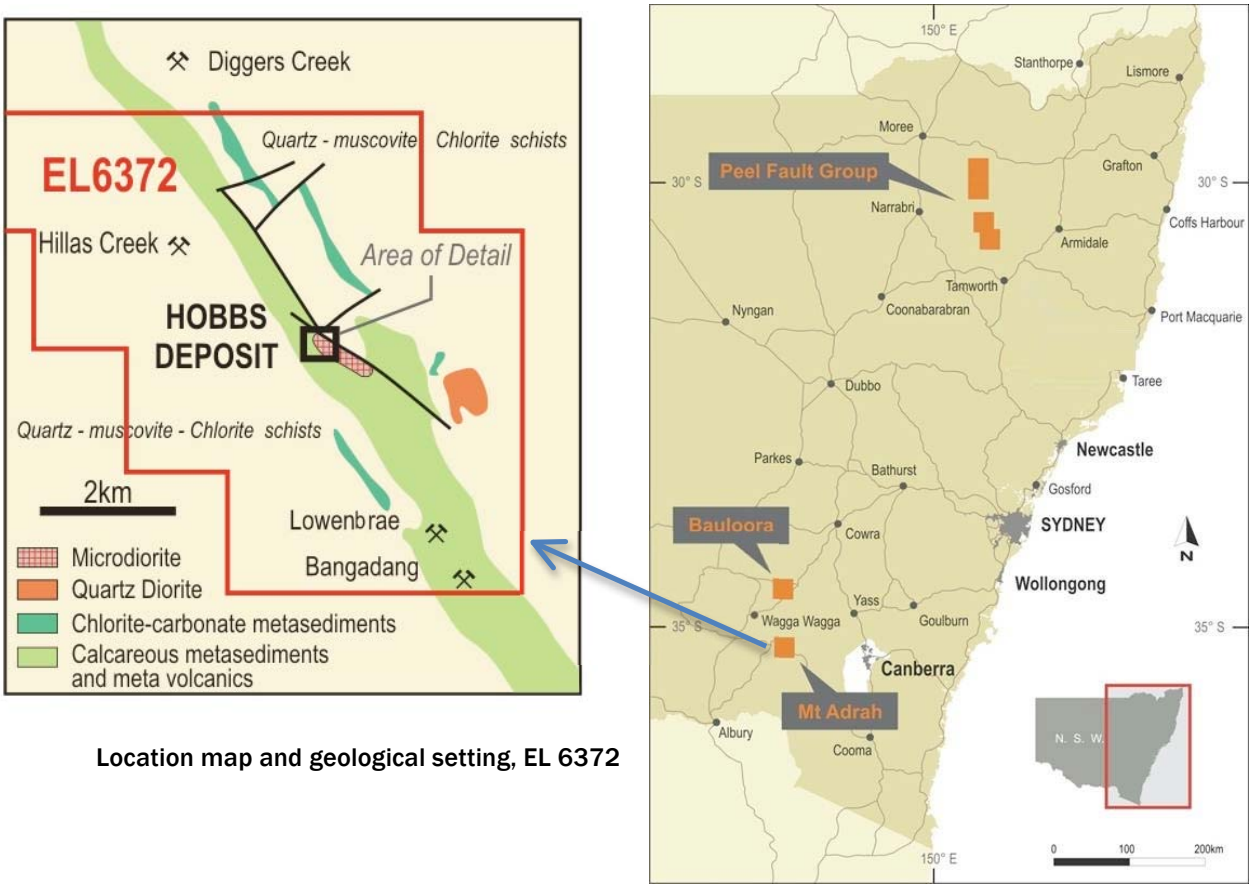
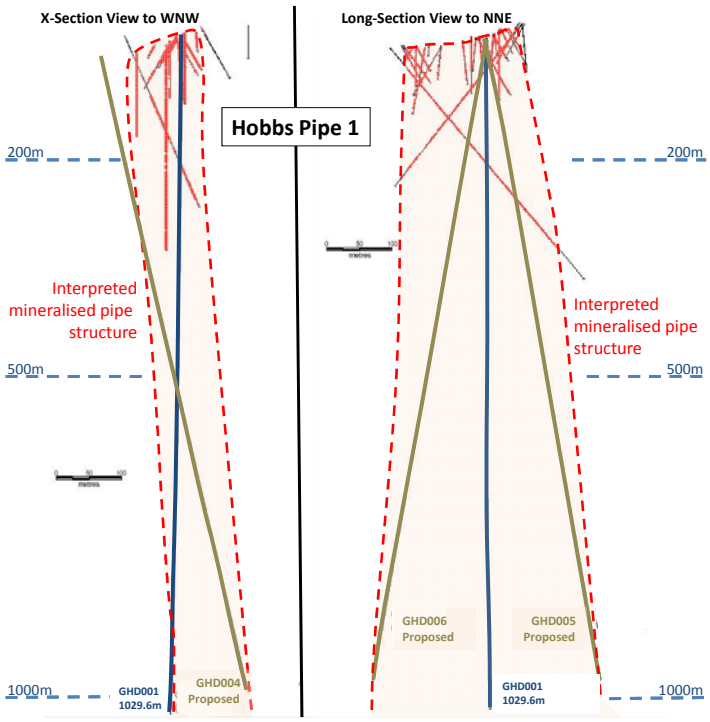
[1] *Independent Metallurgical Report Mount Adrah Project, NSW, 1996*. B. E. Enterprises.



Location map and geological setting, EL 6372



Conceptual geometry of Hobbs Deposit Pipe 1, showing completed and proposed drill holes

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.

The following table provides explanations required under JORC 2012, notwithstanding this report have been prepared under JORC 2004.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg 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.*	• ½ Core HQ
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Consistent cut distance relative to mark up or orientation line
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Fire Assay Gold. Au is predominantly held in sulphides within disseminated sericite-sulphide alteration. Gold is occaisionally visible in quartz veins
	• *In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	• ½ Core HQ was sent to ALS laboratories on a 2m composite basis and was pulverised to produce a 30g charge for fire assay (Au_AA25), and 4 acid digestion for 48 element ICP-AES and ICP-MS analysis (ME-MS61)
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).*	• Diamond, un-oriented HQ core (Vertical hole)

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Lithological and geotechnical logging, photography
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• HQ triple tube
	• *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.*	• HQ triple tube utilized – no relationship has been observed between core recovery and grade with the data currently 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.*	• Yes core has been logged both geologically and geotechnically to a level of detail to support appropriate Mineral Resource estimation
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Yes, logged and photographed
	• *The total length and percentage of the relevant intersections logged.*	• 100%
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• ½ Core cut with a core saw
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Not applicable at this stage of the program
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• High quality and appropriateness of sample preparation technique
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Consistent sampling at 2m composite level given known grade homogeneity and observed mineralisation

Criteria	JORC Code explanation	Commentary
	• *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.*	• Appropriate measures taken – half core remaining if further analysis warranted
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Yes, *sample sizes are appropriate to the grain size of the material being sampled*
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.*	• ALS, appropriate techniques of fire assay for gold and ICP-AES and ICP-MS for multielement analysis. Techniques considered total for the type of mineralization sampled.
	• *For geophysical tools, spectrometres, handheld XRF instruments, etc, the parametres used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Not relevant at this stage of the program
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Internal standards and blanks not used at this early stage
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Not relevant at this stage of the program
	• *The use of twinned holes.*	• The density of historic drilling does not require twin drilling to con firm grades
	• *Documentation of primary data, data entry procedures, data veri fication, data storage (physical and electronic) protocols.*	• Not relevant at the current stage of the project
	• *Discuss any adjustment to assay data.*	• There is no adjustment to assay data

Criteria	JORC Code explanation	Commentary
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.*	• Current drilling sited using hand held GPS. Digital survey tool used for down hole surveying.
	• *Specification of the grid system used.*	• MGA94 (Zone 55)
	• *Quality and adequacy of topographic control.*	• A digital topographic file is available in .dxf format
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Not relevant to current drilling.
	• *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.*	• Drill spacing of historic drilling suitable for mixed inferred/indicated resource.
	• *Whether sample compositing has been applied.*	• 2m composite samples have been employed due to the relative homogeneity of the down hole data
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.*	• Current drilling has had a vertical/steeply inclined hole not amenable orientation
	• *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.*	• Given the style and nature of the mineralization observed thus far, drill angle relative to structure or vein orientation is not considered a relevant at this stage with respect to sample bias
Sample security	• *The measures taken to ensure sample security.*	• Current core samples are securely stored at a private facility
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not undertaken at this stage

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.*	• EL6372 wholly owned by subsidiary Gossan Hill Gold Limited and held under Tasman Goldfields NSW Pty Ltd
	• *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.*	• Tenure is current and in good standing
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historic work undertaken by Getty Oil, Cyprus Australis, Michelago and Golden Cross Resources led to a JORC defined Mineral Resource estimate. Soils, airborne magnetics, RAB, Airtrack, RC, Diamond Drilling, Resource estimation. Work was undertaken to a high standard but there was a lack of conceptualization and testing of geological models.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Epizonal Intrusion Related Gold System located along the Gilmore Suture on the edge of a buried pluton
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	Hole GHD001 - Mount Adrah Hobbs Pipe 1 Hole ID: GHD001 Easting (m): 583496 Northing (m): 6104591 RL (m): 401 Grid: MGA94 Zone 55 Collar Azimuth: 0 Collar Dip: -90 Total Depth (m): 1029.6

Criteria	JORC Code explanation	Commentary
	• *`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.*	• 284m @ 1.2g/t Au from 292m, further assays pending
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.*	• Uncut
	• *`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.*	• Not relevant at this time
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• None used
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• True width not currently known
	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• The geometry is not currently known but will be tested by planned drilling
	• *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').*	• *down hole length reported, true width not known*
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.*	• Included in report

Criteria	JORC Code explanation	Commentary
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.*	• Aggregate reporting is appropriate as mineralisation is disseminated evenly through the magmatic / intrusive rock
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.*	• The company is currently undertaking metallurgical and Caveability studies. Results will be disclosed as they come to hand
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Test for lateral and depth extensions, resource delineation and for further mineralised monzodioritic pipes
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• All future exploration work is commercially sensitive and will not be released to the market until results are available