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ASX Release
27 December 2013

Hobbs Pipe – Mineral Resource Update Additional Information

Sovereign Gold Company Limited (**Sovereign Gold**) (ASX: SOC) is providing additional information at the request of the Competent Person related to the Mineral Resource which was previously reported on the 12 December 2013, “Hobbs Pipe – Mineral Resource Update”.

An error has been identified by the Competent Person in the tabulation of the Mineral Resource. The base of the Mineral Resource reported on the 12 December 2013 was to a depth of 900 m below surface. This revised Mineral Resource estimate is reported to a depth of 700 m below surface. The original inclusion of the additional 200 m vertical metres is part of the tabulation error. Mineralization is known to be continuous from 700 m to 900 m below surface, and open beyond 900 m below surface. However at present there is insufficient data available to demonstrate with confidence that mineralization below 700 m depth has reasonable prospects for eventual economic extraction and hence be reported as part of the Mineral Resource.

No information relevant to the estimation process, which is outlined in the attached Table 1 for reporting in accordance with the JORC Code, or input data, has been modified from that previously reported on 12 December 2013.

The updated Mineral Resource estimate is **770,000 ounces gold, from a total Mineral Resource estimate of 20.5 Mt at 1.1 g/t gold, at various cut-off grades.**

Classification	Material	COG Au (g/t)	Tonnage (Mt)	Au (g/t)	Au (oz)
Indicated (Surface to 150 m depth)	Oxide	0.4	0.6	0.9	18,000
Indicated (Surface to 150 m depth)	Primary	0.9	3.0	1.0	96,000
Indicated (150 m to 700 m below surface)	Primary	0.9	8.5	1.2	320,000
Total Indicated			12.1	1.1	440,000
Inferred (Surface to 150 m depth)	Primary	0.5	0.2	0.6	39,000
Inferred (150 m to 700 m below surface)	Primary	0.9	8.2	1.1	290,000
Total Inferred			8.4	1.1	330,000
Total			20.5	1.1	770,000

Notes:

- 1 The Mineral Resource is reported in accordance with the JORC Code, 2012.
- 2 All Mineral Resource tonnes have been rounded to the nearest 100,000 tonnes.
- 3 Ounces have been rounded to two significant figures.
- 4 COG is an abbreviation for cut-off grade.
- 5 Top cut / top cap of 5 g/t gold has been used to reduce 8 composited samples to 5 g/t gold.
- 6 The Mineral Resource has been reported with a 0.4 g/t gold cut-off grade for oxide material and 0.5 g/t gold cut-off grade for primary material, from surface to a depth of 150 m below surface. From 150 m below surface to 700 m below surface a higher cut-off grade of 0.9 g/t gold has been used. The different cut-off grades used take into account potential for use of different mining methods and oxidation states of the mineralization. A mining concept study has commenced to better define possible mining methods.

Geology

The Mount Adrah Gold Project is a Mesozonal to Epizonal Intrusion-Related Gold System (IRGS) in a dilational zone located along the Gilmore Suture on the edge of a buried pluton, see Figure 1. The deposit is a structurally controlled micro-breccia within a diorite body that intrudes to the current topographic surface. The mineralization in Hobbs Pipe is predominantly monzodiorite-hosted disseminated gold in arsenopyrite and pyrite, and also native gold in stockwork quartz veins. A cross section is shown in Figure 2 and an isometric view in Figure 3. Figure 4 is an oblique cross section and drillhole location plan.

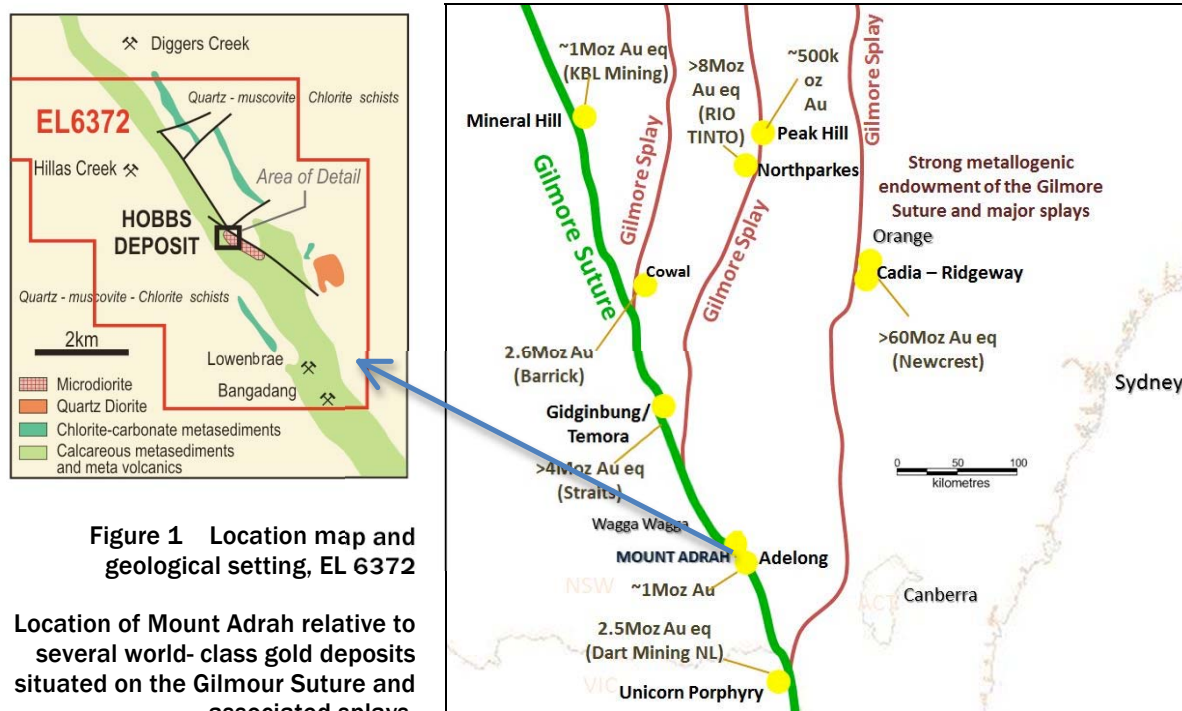


Figure 1 Location map and geological setting, EL 6372

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

Interpretation

All data available has been used to complete the interpretation which has been undertaken in plan view on 20 m spaced plans. Digital strings representing the mineralized Hobbs Pipe sharp lithological contacts were made and snapped to the drillholes. The mineralized Hobbs Pipe is roughly circular in outcrop and becomes elliptical at a depth of 500 m below surface, where the dimensions are interpreted to be approximately 180 m by 160 m in diameter.

A three-dimensional base of oxidation surface has been created from the geological logging information.

Drilling technique, sub-sampling and analysis

Drilling data used in the interpretation and estimation consists of historic and recent drillholes. Drill data varies in spacing from 20 m x 20 m to 200 m x 200 m in plan view. The drill core from recent drilling has been sampled in 2 m intervals downhole honouring the lithological contacts. Historic data has been sampled in 1 m intervals downhole. Drilling methods include diamond, reverse circulation and percussion. The recent diamond drilling is un-oriented PQ3 size drillhole near the collar with HQ3 triple tube oriented diamond core for the remainder of the drillhole. Diamond drilling has a sample recovery of 99%. Half diamond core has been submitted for analysis to an accredited laboratory. Analytical methods used include fire assay and screen fire assay for gold, and ICP-AES and ICP-MS for multi-element analysis. The historic reverse circulation and percussion drillhole data represent only approximately a quarter of the drill database. Full details of the historic sampling programmes are not available.

Estimation method

A three-dimensional solid was made by wire framing the 20 m spaced plan digital strings. This was filled with parent cells of 20 m x 20 m x 10 m with a minimum sub-cell size of 4 m x 4 m x 2 m. The block model was coded using the base of oxidation surface, oxide domain (above the oxidation surface) or primary domain (below the oxidation surface). Variograms were generated which showed continuity in all directions within the Hobbs Pipe. Investigation into the possible vertical grade layering identified in the variograms is ongoing. A two-structured spherical variogram was generated and used in an ordinary kriged estimation. Estimation was into parent cells with a discretisation of 4 x 4 x 2. An octant search was used requiring four octants to be filled. The search used a minimum of 4 samples and a maximum of 18 samples from a minimum of three drillholes. The first search pass was 80 m x 100 m x 50 m, the same ratio as the variogram ranges, with a rotation of -25, 0, -85, Z, Y and X directions. The second search pass was double the first and the third search pass was triple the original search.

Classification criteria, cut-off grade and modifying factors

The Mineral Resource classification criteria used drill hole spacing as a proxy for confidence in the geological and grade continuity.

Cut-off grades used are based on:

- Proximity of mineralization to surface.
- Potential mining methods.
- Assumed processing and recovery values based on preliminary test work.

Surface to 150 m depth

Surface is variable between 395 mRL and 420 mRL. 270 mRL is approximately 150 m below surface. Below this, it may no longer be possible based on the amount of waste which would be required to be moved to access the mineralization by open pit mining.

Where the drilling is more densely spaced, from surface to a depth of 150 m, the Mineral Resource has been classified as an Indicated Mineral Resource for the:

- Oxide domain, where the grade is greater 0.4 g/t gold.
- Primary domain, where the grade is greater than 0.9 g/t gold.

Both of these areas are geologically continuous zones of material which do include some material below the cut-off grade.

In the primary domain where the drilling is more densely spaced, a shell has been generated to confine a zone of lower grade material at a 0.5 g/t gold cut-off. This has been classified as an Inferred Mineral Resource, due to the lower confidence in the continuity of the lower grade material.

The cut-off grades and depths selected for the classification to 150 m depth are based on:

- Potential open pit mining.
- Mineralization out cropping.
- Gold price of A\$1,300 per ounce.
- Processing of refractory mineralization using multiple processing methods.

150 m to 700 m below surface

From 150 m depth to 700 m below surface (270 mRL to a depth of -280 mRL) a classification wireframe shell has been generated around the close spaced drilling. Inside the shell is an Indicated Mineral Resource at a 0.9 g/t gold cut-off grade. Outside this shell is an Inferred Mineral Resource at a 0.9 g/t gold cut-off grade. Both of these are geologically continuous zones which contain some grade below the 0.9 g/t gold cut-off. This cut-off grade and the classification selected is based on:

- Potential underground mining using a smaller scale bulk mining method.
- There is reasonable grade continuity up to 1.2 g/t gold.
- Grade continuity deteriorates rapidly at around 1.5 g/t gold.

Below 700 m from surface

All material below 700 m depth has not been included in the Mineral Resource as there is insufficient data available to demonstrate with confidence that mineralization below 700 m depth has reasonable prospects for eventual economic extraction.

A conceptual mining method study has commenced and further drilling is planned both for Hobbs Pipe and for nearby targets of interest. This additional work will aid in establishing values with which to update the classification criteria going forward.

Qualifying Statements

The information in this report that relates to the Mineral Resources is based on information compiled by Ms T Burrows, a Competent Person who is a Member and Registered Professional Geologist of The Australian Institute of Geoscientists. Ms Burrows is employed by AMC Consultants Pty Ltd. Ms Burrows has been engaged as an external independent consultant by Gossan Hill Gold Limited. Ms Burrows has sufficient experience that is relevant to the style of mineralization 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'. Ms T Burrows consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

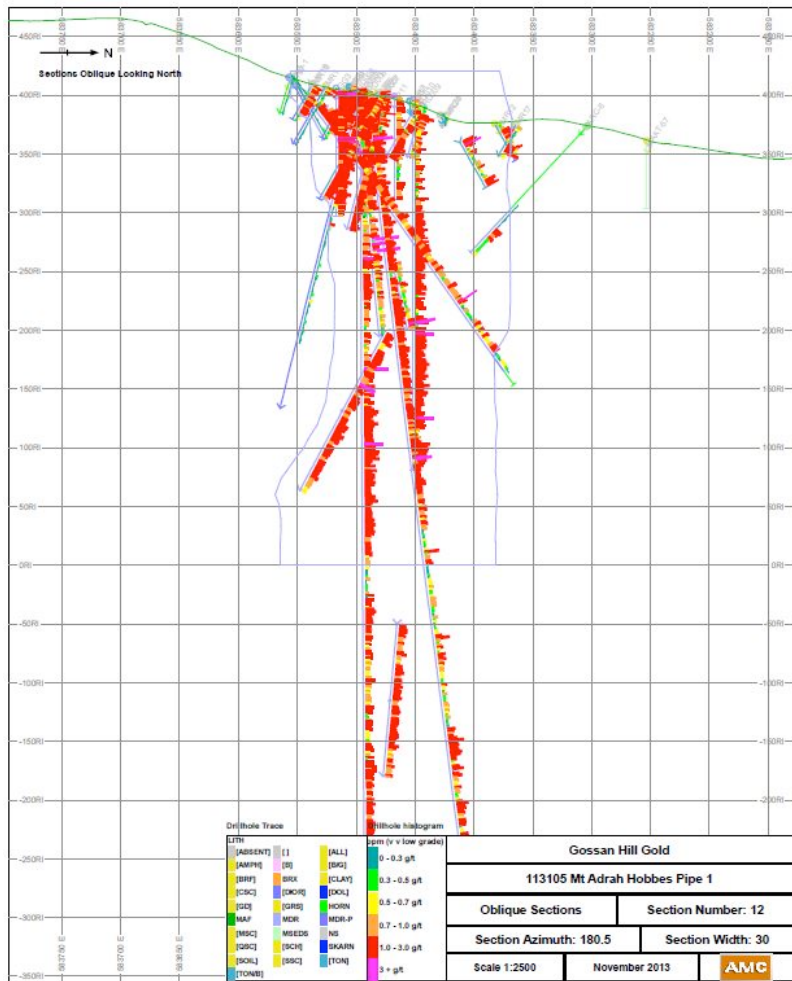


Figure 2 Oblique section looking north, Section No. 12

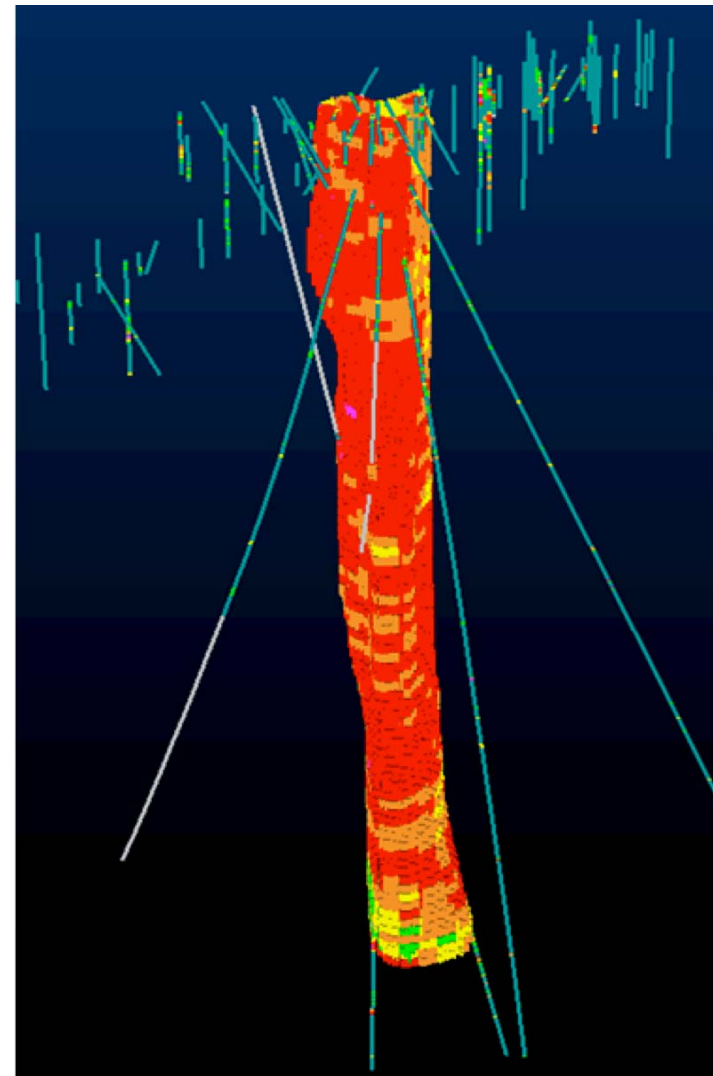


Figure 3 3D View of the Hobbes Pipe 1 block model and drill holes looking toward the south-west

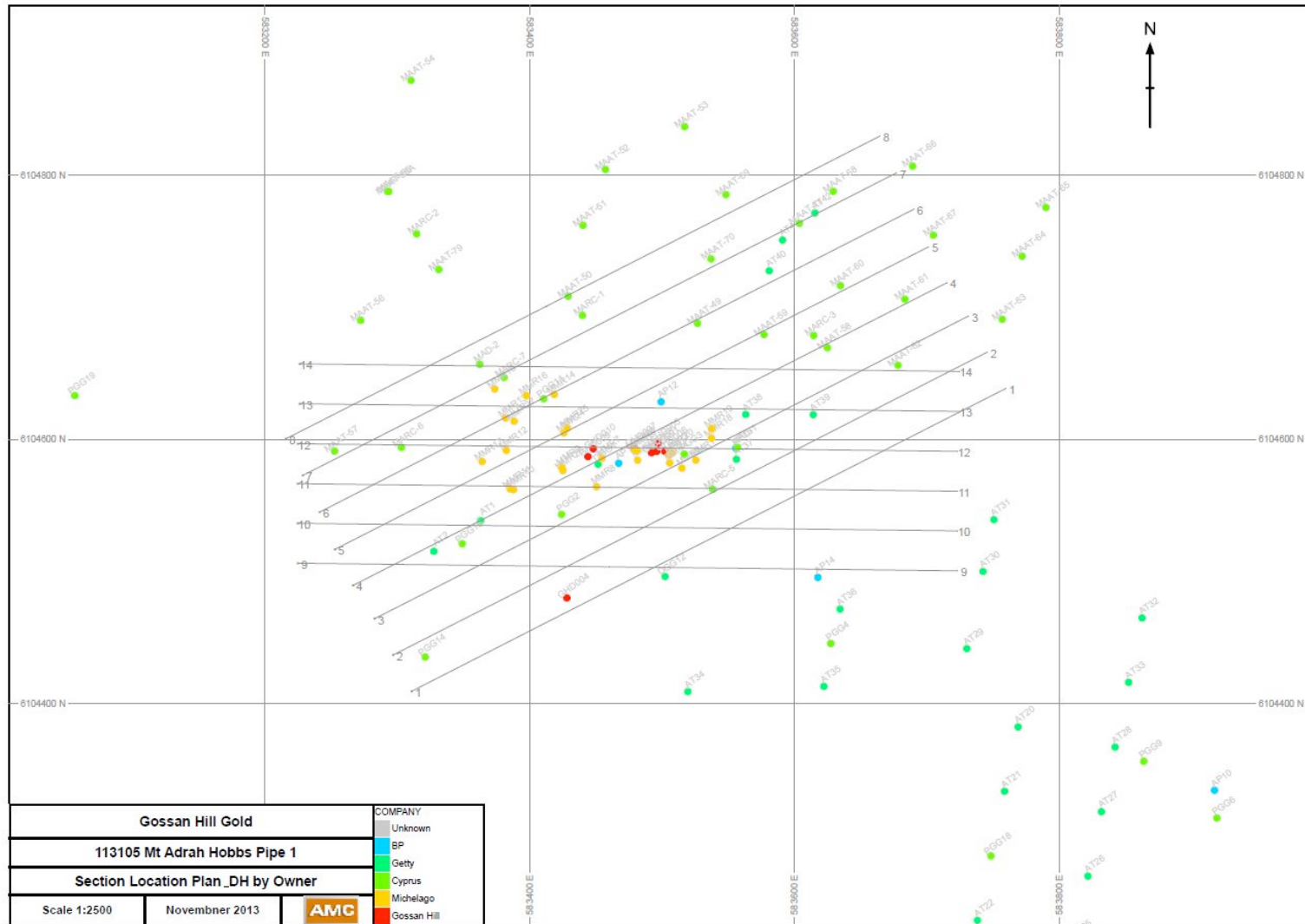


Figure 4 Section and drillhole location plan

Table 1 for reporting in accordance with the JORC Code

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 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 (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. 	<ul style="list-style-type: none"> Diamond core HQ3 with ½ core samples. Diamond core HQ3 with ¼ core samples for some Screen Fire Assays. Consistent cut distance 1 cm to the right of the orientation or mark up line to reduce potential of bias, and to leave the orientation line in the tray Fire Assay and Screen Fire Assay Gold. Gold is predominantly held in sulphides within disseminated sericite - sulphide alteration. Gold is occasionally visible in quartz veins. ½ core HQ3 was sent to ALS laboratories on a 2m sample length 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) Screen Fire Assay on visible gold intercepts, on either full 2m sample lengths or on individual quartz veins that are expected to carry high grade gold. Historic reverse circulation (RC) air track (percussion) drilling was undertaken. There are no records of sampling methods in the available reports. Assay was by fire assay and Aqua Regia.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Diamond core, un-oriented HQ3 (Vertical hole) Diamond core, oriented HQ3 Diamond core, un-oriented PQ3 for hole collars Historic drilling includes RC, diamond and air track (RAB equivalent).
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative 	<ul style="list-style-type: none"> Core is drilled by HQ triple tube (HQ3) to maximise recovery. Recovery is approximately 99% based on 2,290 measured intervals. There is no relationship between recovery and grade in diamond

Criteria	Criteria	Commentary
Logging	<p><i>nature of the samples.</i></p> <ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<p>drill holes, correlation coefficient is -0.03.</p> <ul style="list-style-type: none"> There is no record of sample recovery for the historic drillholes. Core has been logged for lithology and structural data, including recovery and RQD measurements. Core trays photographed and samples collected for specific gravity measurement. All core is logged, all core logged to the same standard. Historic holes have been logged for lithology and weathering / oxidation.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> ½ Core cut with a core saw. ¼ Core cut with a core saw for submission for metallurgical assessment. Sample preparation by accredited laboratory. High quality and appropriate preparation technique for assay methods in use. Consistent sampling of core at 2m intervals, this is appropriate given known grade homogeneity and observed mineralisation. At this time no field duplicates have been submitted, half or quarter core in storage if required for future analysis. Sample sizes are appropriate to the grain size of the material being sampled. Details of the historic RC sampling programme are not available.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> 	<ul style="list-style-type: none"> For diamond core fire assay for gold and ICP-AES and ICP-MS for multi-element analysis. Techniques considered total for the type of mineralization sampled. For diamond core Screen Fire Assay for visible gold intercepts or where coarse gold is predicted to occur. At this time no blanks, standards, field, coarse reject or pulp duplicates have been submitted to the laboratory for testing. A QA/QC programme is planned for submission of the above at a

Criteria	Criteria	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>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.</i> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<p>rate of 1:20 for all new holes. A blind repeat programme will be established for existing assayed intervals.</p> <ul style="list-style-type: none"> • Historic holes were assayed by a combination of Aqua Regia, Fire Assay and unspecified AAS. • There is very little QA/QC available for the historic samples. • No twinned holes have been drilled. Historic RC drill data supports the grade ranges from new diamond drill holes. • Review of the grade distribution between the diamond and the historic RC holes indicates that it is possible the RC holes are bias low compared to the diamond drill holes. This is in the process of being reviewed. • There are no samples of the historic drill holes of sufficient size for re assay submission. Some sample remnants are in some chip trays at the Londonderry Core library. • At this time there are no processes or procedures guiding data collection, collation, verification and storage. Implementation and development of procedures and documentation are currently being planned. • There are no adjustments to the assay data.
Location of data points	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Current drilling sited using hand held Garmin GPSMAP® 62sc. • Digital survey tool used for down hole surveying • DGPS Collar location and RL data will be undertaken going forward. • All recently drilled holes will where possible be re surveyed using DGPS at the completion of the next drilling programme. • All current data is in MGA94 (Zone 55). • Historic data has been converted to in MGA94 (Zone 55). • Historic data collar co-ordinates have been confirmed as being /in the correct position/ within 1m/ in MGA94 (Zone 55) by or is this yet to be done. • Digital topographic data is available from a detailed DTM survey undertaken in 1997. The accuracy of the data at a project scale is yet to be assessed but is assumed to be reasonable.

Criteria	Criteria	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • There is sufficient data and it is sufficiently closely spaced to establish a reasonable geological interpretation in the area of interest. The data available also provided continuity of mineralization and a local scale. • Current drill spacing of 200m x 200m down to 20m x 20m allows for the reporting of a Mineral Resource. • Samples have not been composited but 2m half core sample lengths have been submitted for assay on the basis of the gold mineralization being homogenous.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Current drilling has employed core orientation device for all holes with the exception of GHD001 which was a vertical hole. • Significant orientated structural data on geological and structure features have been collected. • The geological area of interest is vertical at approximately 180m x 160m in diameter. Diamond holes have been from numerous directions, vertical holes have also been drilled. • Given the style and nature of the mineralization observed, drill angle relative to structure or vein orientation is not considered relevant at this stage with respect to sample bias.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Current core samples are securely stored at a private facility.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • As part of the block model estimation and Mineral Resource report a high level review of data collection, collation, storage and procedures has been undertaken. The data has been found to be in good condition. The lack of documented procedures and QA/QC is has been commented upon and plans are being generated to rectify outstanding issues going forward. Where practicable previous drilling and historic data will be validated as well.



Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> EL6372 held 100% by Tasman Goldfields NSW Pty Ltd, a wholly owned subsidiary of Gossan Hill Gold Limited, itself a majority owned subsidiary of Sovereign Gold Company Ltd (ASX: SOC). Tenure is current and in good standing. There are no extraordinary impediments to obtaining a licence to operate in the area.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Historic work undertaken by Getty Oil, Cyprus Australis, Michelago and Golden Cross Resources have contributed to the current project development. Soils, airborne magnetics, rotary air blast (RAB), Airtrack, RC, diamond drilling, and some resource estimation work has been completed previously. Work was undertaken to a high standard, there was a lack of conceptualization and testing of geological models for deeper targets and targets with a better understanding of modern day economic geology deposit models.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Mesozonal to Epizonal Intrusion-Related Gold System (IRGS) located along the Gilmore Suture on the edge of a buried pluton.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 infor- 	<ul style="list-style-type: none"> No exploration results are being reported at this time.



Criteria	JORC Code explanation	Commentary
	<p><i>mation 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.</i></p>	
Data aggregation methods	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> No exploration results are being reported at this time.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<ul style="list-style-type: none"> Approximate true width from 110 m to 180 m, approximate minimum depth 900 m.
Diagrams	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> See attached report.
Balanced reporting	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> No exploration results are being reported at this time.
Other substantive exploration data	<ul style="list-style-type: none"> <i>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 contaminat-</i> 	<ul style="list-style-type: none"> No exploration results are being reported at this time.



Criteria	JORC Code explanation	Commentary
Further work	<p><i>ing substances.</i></p> <ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Test for lateral and depth extensions, resource definition and for further mineralised monzodioritic pipes via geochemical orientation, geophysical survey and further drilling. • Resource definition drilling proposed aim would be to drillholes capable of providing adequate geotechnical, and metallurgical samples to aid in project development. • Further drill testing of Hobbs-proximal IP and geological targets.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> • <i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i> • <i>Data validation procedures used.</i> 	<ul style="list-style-type: none"> • Drill data was loaded into CAE Datamine Studio and Visor and reviewed for <ul style="list-style-type: none"> — The same number of records contained in the Excel file was in the Datamine files, after the data was imported. — All collar co-ordinates were within the permit area. — Duplicate drillholes. — Overlapping FROM and TO intervals values in the geology, oxidation state, assay, density, core size, and recovery tables. — Downhole survey dip and bearing angles appear reasonable. — Duplicate records. — Any anomalous assay, density, of sample recovery values. • To review alpha data field's lists of unique values were made for: <ul style="list-style-type: none"> – Lithology.



Criteria	JORC Code explanation	Commentary
Site visits	<ul style="list-style-type: none"> • <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> • <i>If no site visits have been undertaken indicate why this is the case.</i> 	<ul style="list-style-type: none"> - Oxidation state. - Core size. - Drillhole type. • A review vertical collar positions against topography identified some issues with the GPS surveyed heights (Z position) of the drillholes. This issue will be dealt with by using a DGPS or surveyor where required at the end of the next drill programme. At this time the collars were married to the topographic surface provided. Due to the nature and style of the mineralization the tonnage and grade estimation will not be effected but the vertical movement of the drillholes. • The competent person has not visited the site. All relevant data was available digitally, no data collection activities have been undertaken since the competent person joined the project. The competent person has met with the exploration manager on numerous occasions to discuss geology, data collection and collation. Site visits are proposed as part of project development.
Geological interpretation	<ul style="list-style-type: none"> • <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i> • <i>Nature of the data used and of any assumptions made.</i> • <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> • <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> • <i>The factors affecting continuity both of grade and geology.</i> 	<ul style="list-style-type: none"> • All data available has been used to generate a geological integration. • It is understood the gold mineralization is confined to a quartz-monzonite intrusion. • Gold mineralisation occurs is associated with disseminated pyrite and arsenopyrite within pyrite-sericite-albite alteration of the host. • The mineralised stock is roughly circular in outcrop, 160m in diameter with near-vertical walls and reasonably sharp lithological contacts. At depth the stock becomes more elliptical and at a depth of 500 m below surface is interpreted to be approximately 180 m by 160 m in diameter. • The interpretation has been undertaken in plan on 20m spaced sections and where the digital strings have been snapped to the drillholes. • The sectional plan interpretation was wireframed to make a



Criteria	JORC Code explanation	Commentary
		<p>three-dimensional (3D) solid.</p> <ul style="list-style-type: none"> Care was taken to not expand the intrusion beyond the know data and thus increase without support the total tonnage. There is no other geological interpretation. Additional detail or domaining of grade distribution within the intrusion may be able to be undertaken with the addition of more drill data. Data coverage though sparse at depth is reasonable and it is anticipated that additional drilling will support the current interpretation.
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> The mineralised stock is roughly circular in outcrop, 160m in diameter. At depth the stock becomes more elliptical and at a depth of 500 m below surface is interpreted to be approximately 180 m by 160 m in diameter. Current depth of mineralization is approximately 900 m.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the 	<ul style="list-style-type: none"> Gold was the only element estimated. Samples were composited to 1m the mean sampling length (historic samples average 1m assay intervals) Top-cap was applied to the composted samples, at 5 g/t, the 99.9th percentile, this removed 8 intervals from 3,498 composite samples. The 3D intrusion wireframe solid has been filled with cells. An oxidation model has been made between an oxidation surface generated from drillhole logging and the topographic surface. The block model is cut to the topographic surface. Drill spacing is from 20m x 20m to 200m x 200m. The block model parent cells are 20m x 20m x 10m in X x Y x Z. Sub celling to 4m x 4m x 2m. Semi –variograms where generated which showed anisotropy, with the variance not reaching the sill in the X and Y directions. In Z the variance crosses the sill indicating possible layering in grade. Low grade bands are visible in the



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	<p><i>resource estimates.</i></p> <ul style="list-style-type: none"> • <i>Discussion of basis for using or not using grade cutting or capping.</i> • <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i> 	<p>drillholes in three locations within the intrusion, these low grade bands are not visible in core and will be further investigated.</p> <ul style="list-style-type: none"> • A two-structure spherical model was fitted to the variogram. • The search first search pass is 80m x 100m by 50m to encompass the drilling, this is the same ratio as the variogram ranges, with a rotation of -25,0,-85 in Z, Y and X directions. • The second search pass is double and third search pass triple the original search. • An octant search was used where 4 octants were required to be filled. • The minimum samples 4 and maximum 18 with a minimum of 3 drillholes needing to be sourced for grade. • Ordinary kriging was used with parent cell estimation. • Discretisation of 4 x4 x 2 points. • An inverse distance squared estimation was also undertaken, the global grades are within less then +/-3 of the ordinary kriged estimation. • The volume of the intrusion solid was calculated and the volume of the block model was calculated, there is a difference of 1%. • Swath plots (moving average plots) have been calculated in the vertical direction. These show reasonable correlation between the block model grades and the composite samples.
Moisture	<ul style="list-style-type: none"> • <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i> 	<ul style="list-style-type: none"> • The rock is tight no allowance has been made for moisture.
Cut-off parameters	<ul style="list-style-type: none"> • <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i> 	<ul style="list-style-type: none"> • A hard geological boundary has been used for the grade estimation.
Mining factors or assumptions	<ul style="list-style-type: none"> • <i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining</i> 	<ul style="list-style-type: none"> • It has been assumed that the deposit is able to be mined by open pit methods to a point at which a strip ratio exceeds 1:8. Without any supporting mine planning or geotechnical study it has been estimated that this will place the floor of an



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	<p><i>methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i></p>	<p>open pit at around 500m below surface. At this point it is assumed that any further mining will be done from underground using a bulk mining method at this time there are no supporting studies for mining potential. The competent person has reviewed other deposits of similar size formed the opinion that a bulk underground mining method may be applicable.</p> <ul style="list-style-type: none"> • A conceptual mining study is planned for the short to medium term.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> • <i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i> 	<ul style="list-style-type: none"> • There is some historic and more recent test work that indicates that processing will be via a flotation and a BIOX route. Further mineralogical and processing test work is required to take place.
Environmental factors or assumptions	<ul style="list-style-type: none"> • <i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i> 	<ul style="list-style-type: none"> • Mt Adrah is at the south-eastern end of a mining belt with historic mining nearby. • To the competent persons knowledge at this time there is no reason to anticipate any more than the normal difficulties associated with the development of a new project.
Bulk density	<ul style="list-style-type: none"> • <i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i> • <i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i> • <i>Discuss assumptions for bulk density estimates used in the evaluation</i> 	<ul style="list-style-type: none"> • 97 bulk density measurements, using Archimedes method, have been made from recently drilled core. At this time it appears that only 3 samples lie within the 20m deep oxide domain at surface. These three samples indicate the oxide domain has the same bulk density as the fresh rock 2.7 t/m³ • In the competent persons opinion it is reasonable to assume that the partially oxidised and oxidised material at surface may have a lower bulk density. Further bulk density samples in the partially oxidised and oxidised material will be



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<p><i>Classification</i></p>	<p><i>process of the different materials.</i></p> <ul style="list-style-type: none"> <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> <i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> 	<p>collected as part of the next drilling programme.</p> <ul style="list-style-type: none"> A bulk density of 2.7 t/m³ has been used for fresh rock and 2.4 t/m³ has been used for the partially oxidised and oxidised material within 20m of surface. The rock is tight and few voids are intersected in the drilling, no allowance has been made for voids or vugs. <p>The Mineral Resource classification criteria used drill hole spacing as a proxy for confidence in the geological and grade continuity.</p> <p>Cut-off grades used are based on:</p> <ul style="list-style-type: none"> Proximity of mineralization to surface. Potential mining methods. Assumed processing and recovery values based on preliminary test work. <p>Surface is variable between 395 mRL and 420 mRL. 270 mRL is approximately 150 m below surface. Below this, it may no longer be possible based on the amount of waste which would be required to be moved to access the mineralization by open pit mining.</p> <p>Where the drilling is more densely spaced, from surface to a depth of 150 m, the Mineral Resource has been classified as an Indicated Mineral Resource for the:</p> <ul style="list-style-type: none"> Oxide domain, where the grade is greater 0.4 g/t gold. Primary domain, where the grade is greater than 0.9 g/t gold. <p>Both of these areas are geologically continuous zones of material which do include some material below the cut-off grade.</p> <p>In the primary domain where the drilling is more densely spaced, a shell has been generated to confine a zone of lower grade material at a 0.5 g/t gold cut-off. This has been classified as an Inferred Mineral Resource, due to the lower confidence in the continuity of the lower grade material.</p> <p>The cut-off grades and depths selected for the classification to 150</p>



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		<p>m depth are based on:</p> <ul style="list-style-type: none"> • Potential open pit mining. • Mineralization out cropping. • Gold price of A\$1,300 per ounce. • Processing of refractory mineralization using multiple processing methods. <p>From 150 m depth to 700 m below surface (270 mRL to a depth of -280 mRL) a classification wireframe shell has been generated around the close spaced drilling. Inside the shell is an Indicated Mineral Resource at a 0.9 g/t gold cut-off grade. Outside this shell is an Inferred Mineral Resource at a 0.9 g/t gold cut-off grade. Both of these are geologically continuous zones which contain some grade below the 0.9 g/t gold cut-off. This cut-off grade and the classification selected is based on:</p> <ul style="list-style-type: none"> • Potential underground mining using a smaller scale bulk mining method. • There is reasonable grade continuity up to 1.2 g/t gold. • Grade continuity deteriorates rapidly at around 1.5 g/t gold. <p>All material below 700 m depth has not been included in the Mineral Resource as there is insufficient data available to demonstrate with confidence that mineralization below 700 m depth has reasonable prospects for eventual economic extraction.</p>
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Mineral Resource estimates.</i> 	<ul style="list-style-type: none"> • No audits have been completed at this time.
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> 	<ul style="list-style-type: none"> • There are no historic production records. • The tonnage and grade estimation is a global estimate to be used for: <ul style="list-style-type: none"> — Assessing whether there is a potential mining project and the project economics. — Assessing a potential mining method.



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	<ul style="list-style-type: none"><li data-bbox="421 300 1249 416">• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i><li data-bbox="421 440 1249 496">• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	<p data-bbox="1384 300 2018 355">— Targeting additional project development and resource infill drilling.</p> <p data-bbox="1384 371 2018 459">— The output of any potential mining assessment will be used as a basis to collect relevant technical information going forward.</p> <p data-bbox="1384 475 2040 587">The competent person anticipates that there is likely to be few difficulties in collecting data and additional understanding for the geological context which is relatively straight forward.</p> <p data-bbox="1384 603 2018 746">Further work is required to understand the grade distribution within the intrusion. With increased data it may be possible to domain areas of high and low grade. Grade distribution at a local scale will increase in importance if selective mining methods are proposed.</p> <p data-bbox="1384 762 2018 874">Further detailed work is required in the proposed processing method. Current testing indicates that processing with a reasonable recovery using known techniques is possible.</p> <p data-bbox="1384 890 1995 946">Work needs to commence on the collection of geotechnical information.</p>