



Mt Adrah Hobbs proves to be game-changer for Sovereign

- Initial drill results confirm substantial gold mineralisation
- Gold confirmed at every metre from surface to a depth of 576m
- Results underpin conceptual exploration target of up to 4Moz of gold
- Hobbs deposit potentially a company making asset

SYDNEY JULY 17, 2013: Sovereign Gold (ASX: SOC) has potentially made a significant gold discovery in New South Wales as initial drill results confirm substantial gold mineralisation at its Mt Adrah Hobbs deposit, located 60km south-east of Wagga Wagga.

In what is proving to be a game changer for the company, results of the first drill hole at Hobbs Pipe 1 of the deposit have confirmed gold mineralisation over a depth of at least 576 metres - extending known mineralisation from previous exploration - with the results verifying gold mineralisation at every metre from surface.

The initial drill results continue to underpin Sovereign's conceptual exploration target for Pipe 1 of 3-4 million ounces of gold, with drill results well within the target grades of 1.13 grams per tonne (g/t) gold and 1.4g/t.

Initial results from the first hole of Pipe 1 are:

- 284m at 1.2 grams per tonne (g/t) gold from 292m-576m
 - Including: 104m at 1.6g/t gold from 292m-396m
 - Including 50m at 1.9g/t gold from 300m-350m

Results are still pending for 746m of core from the hole (from surface to 292m and 576m-1030m). Historical drilling showed 313m at 1.42g/t gold from 2m, which is currently being verified with latest drill results. During drilling, continuous mineralisation was observed from surface to a depth of 886m.

"The Mt Adrah Hobbs deposit is potentially a company making asset for Sovereign Gold," Managing Director Michael Leu said.

"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.

"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."

Last month, Sovereign announced a conceptual exploration target for the overall Mt Adrah Hobbs deposit of between 25-40 million ounces of gold. The deposit sits on the same large-scale tectono

structural system as Newcrest Mining's Cadia Ridgeway gold mine (which hosts 60 million ounces of gold equivalent) and Rio Tinto's Northparkes gold mine (8 million ounces of gold equivalent).

Drilling of the second deep hole will start next week, and is designed to test the width of the mineralisation of Pipe 1 of the Hobbs gold deposit. Drilling is expected to take approximately two weeks to complete with assay results to follow.

ENDS

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