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Hobbs Pipe 1 update

Drill Hole GHD006 continuous mineralisation from surface

- GHD005 halted prematurely after drilling reveals historical drill collar data survey omissions
- A hole to test the strike extent in an ESE direction, with adjusted dip data, to follow completion of GHD006
- Drill hole GHD006 underway, optimised with corrected survey data
- GHD006 currently at ~277m, visible gold at 121.4m, visual mineralisation throughout

Drill hole GHD005 was completed earlier than expected, at 333m, as the geological sequence which was encountered prompted a review of the historic drill collar survey data. As a result of that review it was determined that the inherited historic database had some minor survey errors/omissions with respect to nearby historical drill holes (now rectified). Drilling was stopped immediately in order to design a more optimised hole to test the extent of the mineralisation at depth in the east-southeast strike direction.

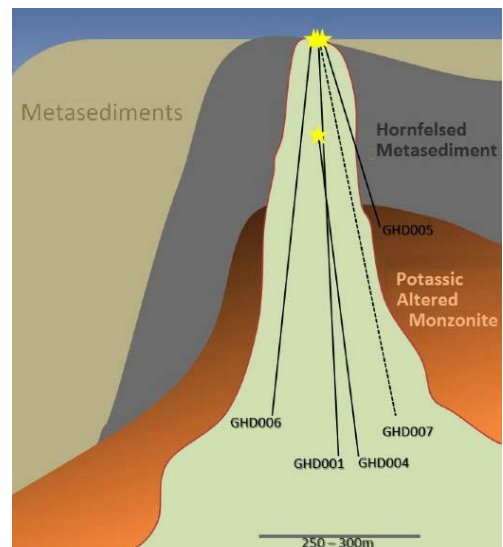
Additionally, and subsequently, drill hole GDH006 was also optimised, with the hole's inclination changed to -82° (from -78°). GHD006 commenced immediately in order to optimise the drilling plan.

Mineralisation began at the surface in GHD005 but exited the hole at ~100m, and entered through highly veined and strongly potassically and propylitically altered monzonite to the ESE of the pipe edge. This allowed the geological team a much better understanding of the alteration zonation pattern around the Pipe, which will help future exploration of the Pipe.

The observation of high temperature K-feldspar-quartz-carbonate-sulphide veins toward the end of the hole may signify that the hole may have been approaching another pipe, or causative intrusive.

As validation of the multi-pipe concept is planned to follow the 3DIP survey, scheduled to begin shortly, the exploration team determined to immediately commence GHD006, correct the data set and return to test the strike to the ESE. The strike extent to the ESE will be tested later with a substituted optimised hole(GHD007).

GHD006 is currently at ~277m with visual mineralisation in the core consistent with the mineralisation in GHD001 and GHD004. Visible gold was observed at 121.3m (see figure right).



Conceptual representation following GHD005 showing GHD006 (not to scale)



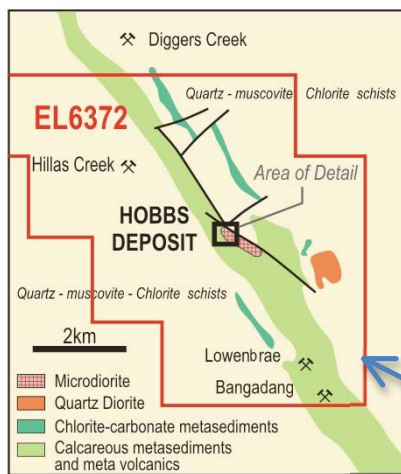
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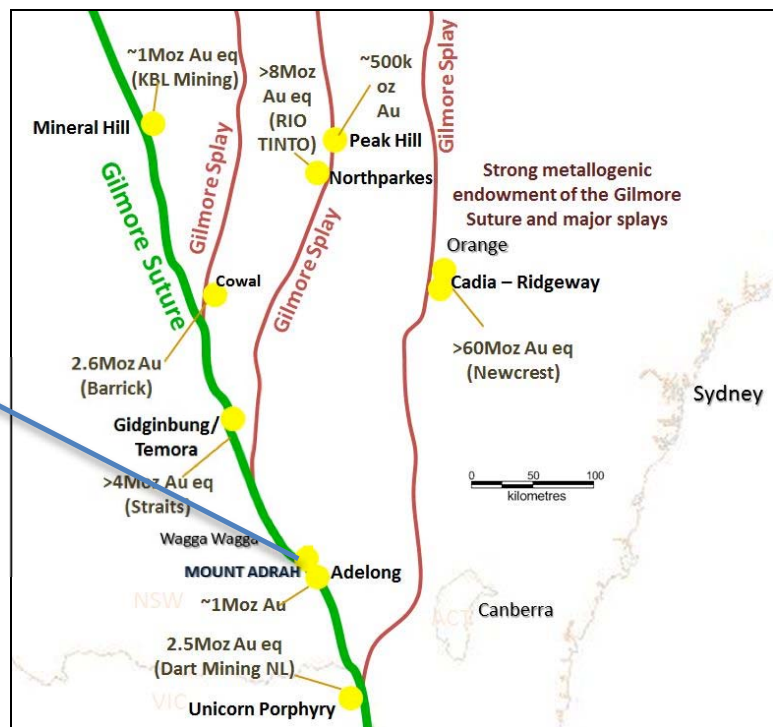
Left: Sericite altered monzodiorite near end of GHD005 and K-feldspar-quartz-carbonate vein at top right of photo

Right: Feldspar-quartz-carbonate-sulphide veins



Location map and geological setting,
EL 6372

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



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; and 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources. Mr Leu, Jacob Rebek, Dr White and Dr Butera consent to the inclusion in this report of the Exploration Information in the form and context in which it appears.