SOVEREIGN GOLD
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ASX Release
28th October 2013

New Gold Discovery at Mount Adrah – 10m @ 17.7g/t Au at Castor Prospect

- **First gold mineralisation confirmed at Castor Prospect outside of the Hobbs Pipe 1 deposit**
- **Mineralisation is a high grade gold-bearing quartz vein zone in the Castor Prospect (drill hole GHD009) adjacent to the Hobbs Pipe 1 deposit, within a very large hydrothermal alteration system and spatially related to a strong 3DIP chargeability anomaly**
- **10m @ 17.7g/t Au from 506m in drill hole GDH009 in a zone where visible gold was logged (assays pending for remainder of drill hole).**
- **Increased confidence that the Mt Adrah district has potential to host further significant gold deposits**
- **Assays from hole GHD005 to GHD008 have been received**
- **Mineral Resource upgrade to be undertaken**
- **GHD010 commences, targeting IP anomalies similar in nature to Hobbs Pipe 1 immediately along strike to the SE (Hobbs Middle East)**

Sovereign Gold Company Limited (ASX: SOC), through subsidiary Gossan Hill Gold Limited, is pleased to announce the discovery of high grade gold mineralisation outside of the Hobbs 1 Pipe, providing further encouragement that the Mt Adrah district will potentially host gold mineralisation additional to the current resource.

Drill hole GHD009 included an intercept of **10m @ 17.7g/t Au from 506m** from a zone of narrow quartz veins, intense sulphide veining and alteration within skarn-altered rocks adjacent to the Hobbs Pipe 1 (true width not known).

This intercept included **2m @ 28.4g/t Au from 506m and 2m @ 59.4g/t Au from 514m**.

Drill hole GHD009 was completed at a depth of 1,312.6m. The drill hole exited Hobbs Pipe 1 near surface and entered a substantial alteration zone, progressing through garnet-pyroxene skarn (hosting the newly discovered mineralisation) and then into sericite-chlorite-quartz-sulphide (pyrite-arsenopyrite-pyrrhotite-chalcopyrite) altered metasediment until end of hole.

The intensity of alteration and quartz veining in the metasediments is interpreted to exhibit significant potential for proximal mineralised intrusive pipes or stockwork quartz vein gold zones. These will be targeted by follow-up drilling from drill pads closer to the targets once regulatory approvals are obtained (Figure 6).

Gossan Hill Gold CEO, Dr Kris Butera, said: **"This is the first confirmation of gold mineralisation outside of the Hobbs Pipe 1 deposit, both in holes GHD009 and GHD007. The presence of high-grade gold mineralisation adds a significant new perspective on how we view the mineralised systems."**

Assays are pending for the remainder of GHD009, both above and below the high-grade zone.

Drill hole GHD007, also drilled through skarn alteration, yielded broad low-grade zones of gold mineralisation including 2m @ 2.7g/t Au from 548m, 62m @ 0.3g/t Au from 214m, 16m @ 0.6g/t Au from 724m. The hole ended in 2.1m @ 0.49g/t Au from 922m. These results highlight strong potential for a proximal gold system outside of the Hobbs Pipe 1 that will be targeted by future drilling. Near the surface, the hole intersected 144m @ 1.3g/t Au related to the Hobbs Pipe.

Drill hole GHD008, drilled within the pipe, intersected 483m @ 1.2g/t Au from 6m, including higher grade near surface zones of 56m @ 1.7g/t Au from 6m and 128m @ 1.5g/t Au from 6m.

Drill Hole GHD010 has commenced with the intention of testing a near surface chargeability anomaly similar in nature to and along strike from Hobbs Pipe 1. **Hobbs Middle East Prospect** lies to the ESE of Hobbs Pipe 1, approximately half way to the **Hobbs SE Prospect**. The anomaly dips slightly to the north, similar to the Hobbs 1 pipe.

Figure 1: Some of the high-grade gold zone associated with the quartz vein at 516m.

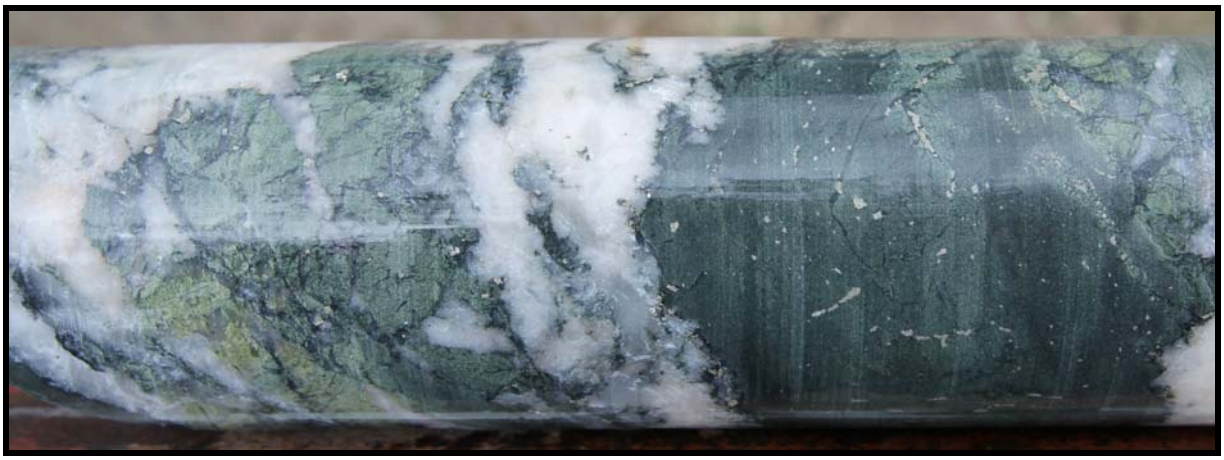


Figure 2: Example of highly altered (chloritised sericite-silica-sulphide) metasediment from ~1,280m in GHD009, showing significant disseminated pyrite and quartz veining.

Figure 3: Example of skarnified and altered metasediment at ~548-550m in GHD007. This zone yielded 2m @ 2.67g/t Au.

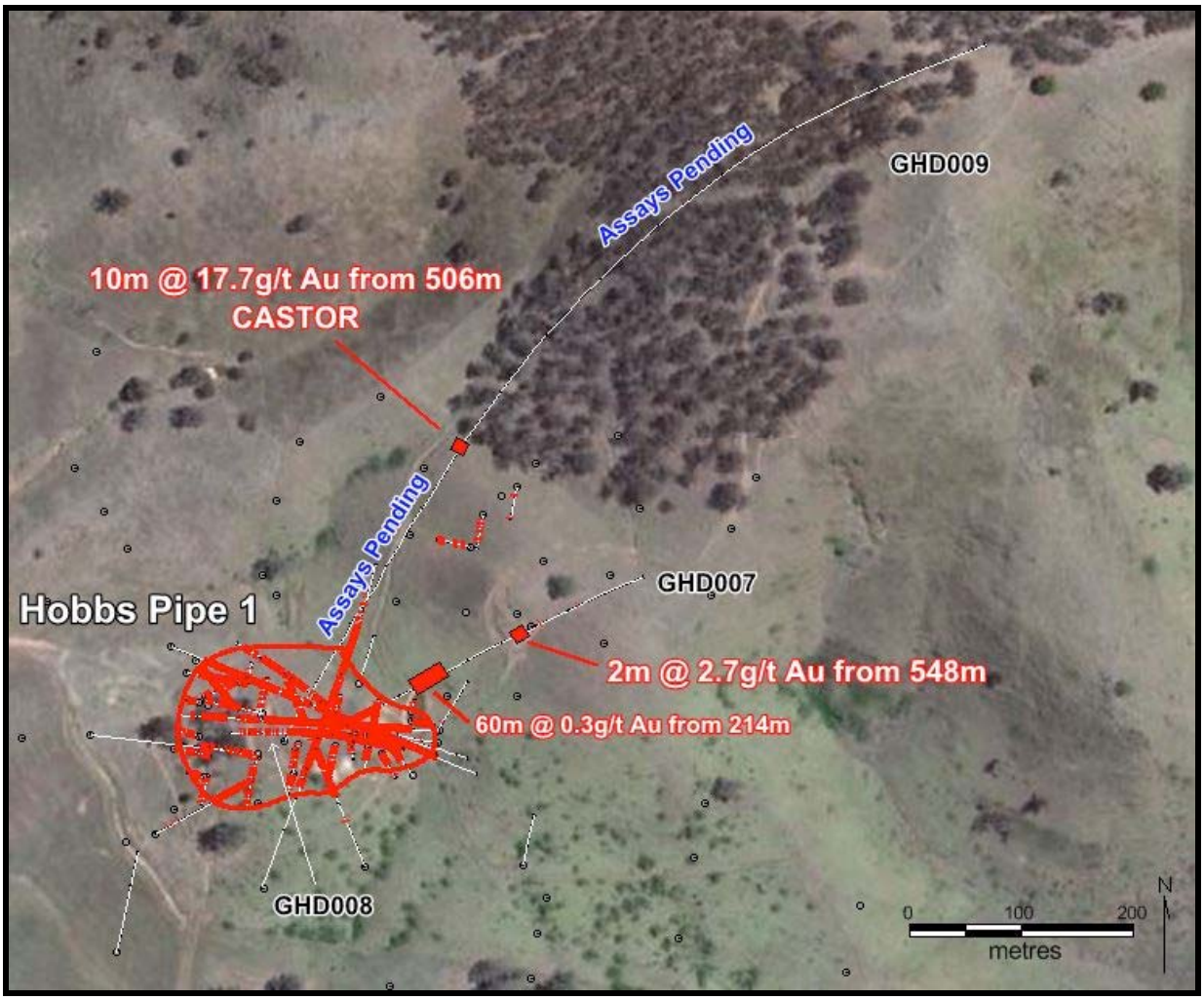


Figure 4: Drill plan showing the location of the newly discovered high grade zone at Castor relative to Hobbs Pipe 1. Red highlights on drill hole traces indicate >0.5g/t Au. Note that assays above and below the high-grade zone (506-516m) in GHD009 are pending.

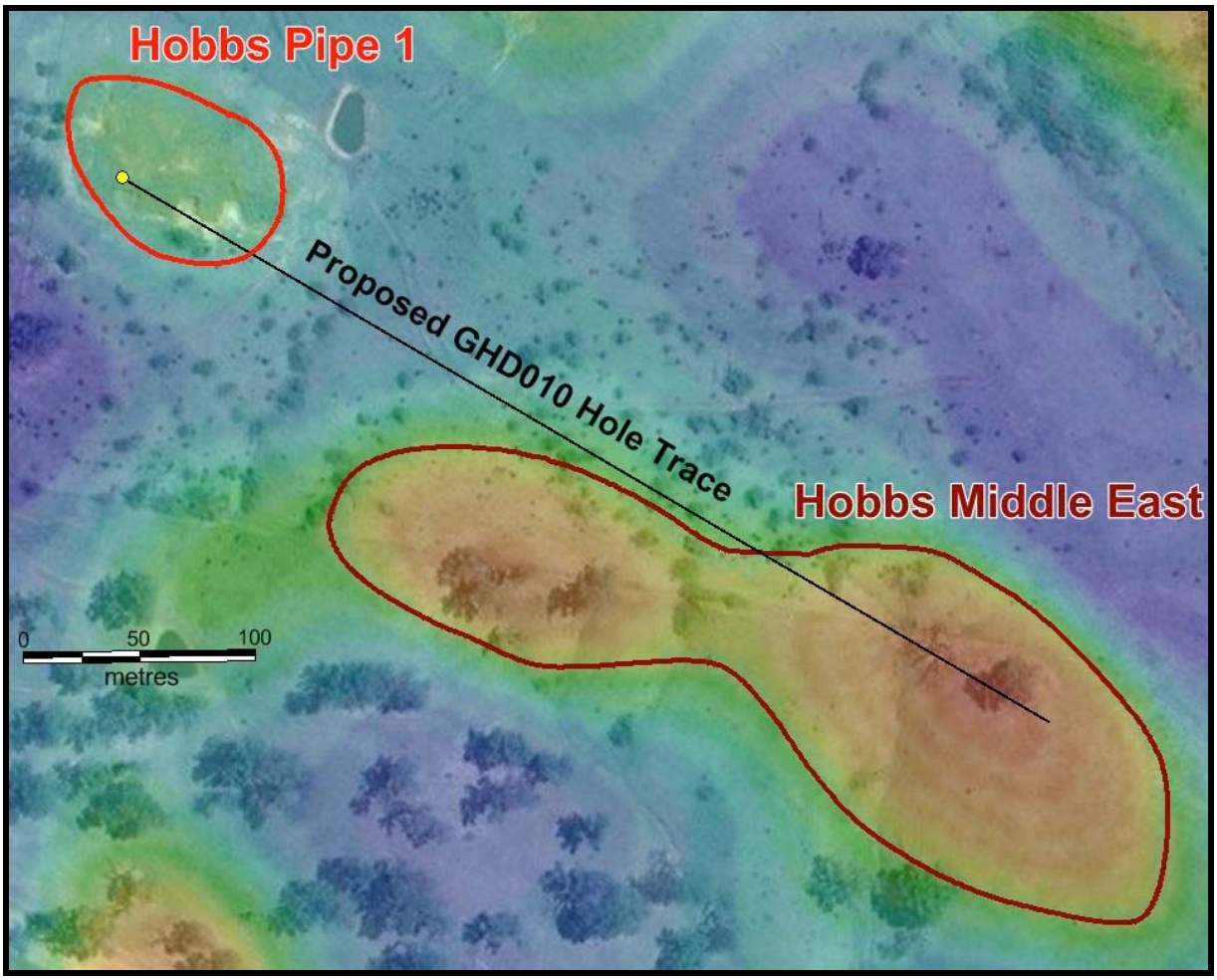


Figure 5: Proposed drill plan showing near surface 3DIP chargeability grid draped over satellite imagery. Reds and oranges are high chargeability; blues are low chargeability.

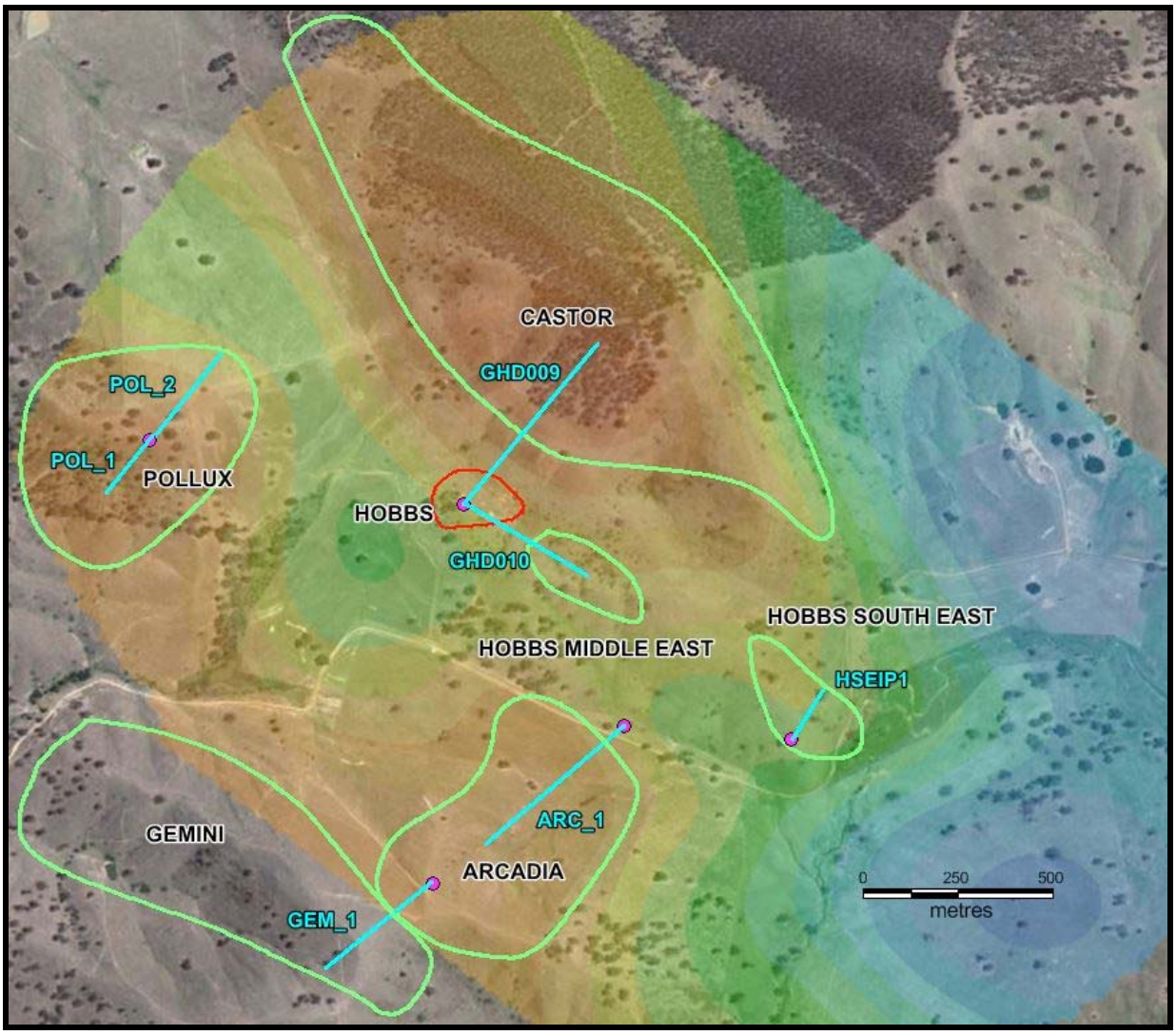


Figure 6: Near surface chargeability grid draped over satellite imagery. Reds and oranges are high chargeability; blues are low chargeability.

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.

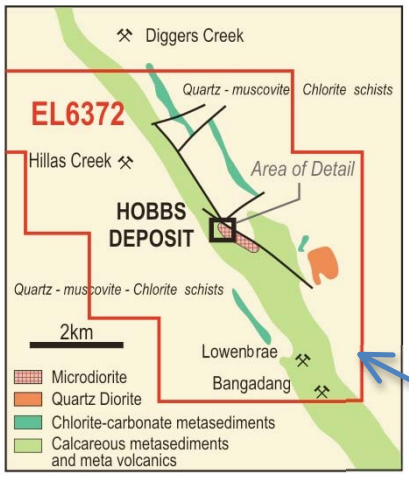
Mr Leu and Jacob Rebek are qualified geologists and are directors of Sovereign Gold Company Limited; Dr White is a director of Gossan Hill Gold Limited; and Dr Kris Butera is CEO and director Gossan Hill Gold Limited.

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.

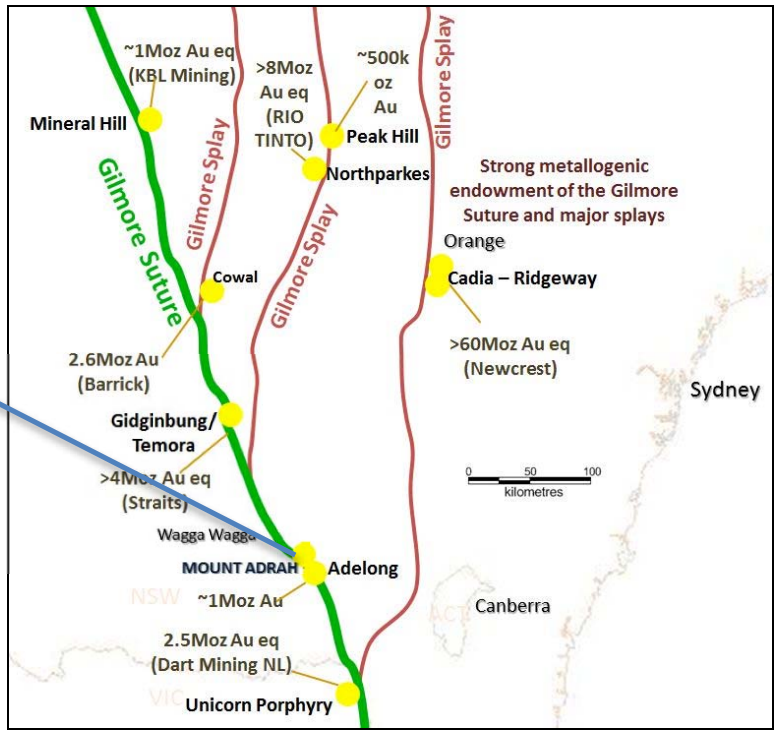
About Sovereign Gold Company Limited

Sovereign Gold Company Limited (**Sovereign Gold**), (ASX: SOC) is an ASX listed company exploring primarily for gold in NSW.

Sovereign Gold acquired an 87% interest in Gossan Hill Gold Limited (Gossan Hill) in early 2013. Subsequently, additional exploration and deep drilling at Mt. Adrah (Hobbs Pipe 1) has uncovered a potentially world-class Intrusion-Related Gold System (IRGS) discovery. Evaluation is continuing. The Mt. Adrah Project is located approximately 50 km southeast of the regional NSW Centre of Wagga Wagga and 23km northwest of the historic gold mining district of Adelong.



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

Sovereign Gold also holds 11 Exploration Licences over 3,240km^2 near Armidale in NSW including the historic Rocky River-Uralla Goldfields. Sovereign Gold's aggressive exploration program in several of these licence areas for 2013 is fully funded via a joint venture (at the tenement level) with Jiangsu Geology & Engineering Co Ltd (SUGEC), a major Chinese State-owned geology enterprise.

SUGEC funded drilling, near Martins Shaft in the Uralla area, has recently confirmed the presence of another potentially large IRGS discovery.

Sovereign Gold holds 80% of Precious Metal Resources Limited (PMR) (ASX: PMR), an ASX listed exploration company. PMR holds 20 ELs and ELAs over prospective base and precious metal ground, many in close proximity to Sovereign.

About Gossan Hill Gold Limited and the Hobbs Gold Project

Gossan Hill is an unlisted exploration company with numerous IRGS gold prospects in New South Wales.

The recent acquisition of a controlling interest (87%) in Gossan Hill by Sovereign Gold provides multiple benefits for Sovereign Gold, including an expanded exploration footprint in New South Wales with an additional three quality project areas within 8 Exploration Licenses.

Prior to the acquisition by Sovereign Gold, exploration indicated the potential for a significant gold resource presence at the Gossan Hill properties and in particular, the recently discovered Hobbs IRGS deposit which should enable Sovereign Gold to rapidly deliver resource growth and leverage off its experience exploring for IRGS in New South Wales.

The Hobbs IRGS deposit is close to good infrastructure (power, transport and water) and is held within EL 6372, EL7844, EL 8127 and ELA 4868.

The Mt Adrah Project is approximately 23km north west of the township and old gold mining centre of Adelong, in central western NSW.

Hobbs Pipe 1 in EL 6372 has a JORC compliant 650,000-ounce resource, consisting of 101,000 oz Measured; 303,000 oz Indicated; and 246,000 oz Inferred at a 0.75 g/t Au cutoff.

Table 1

The following table provides explanations required under JORC 2012

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 HQ3 • ¼ Core HQ3 for some Screen Fire Assays
	• *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 and Screen Fire Assay Gold. Au is predominantly held in sulphides within disseminated sericite-sulphide alteration. Gold is occasionally 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 HQ3 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) • Screen Fire Assay on visible gold intercepts, on either full2m composites or on individual quartz veins that are expected to carry high grade Au

Criteria	JORC Code explanation	Commentary
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 HQ3 core (Vertical hole) • Diamond, oriented HQ3 core • Diamond, un-oriented PQ3 Core - collars
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Lithological, structural and geotechnical logging, photography, specific gravity
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• HQ triple tube (HQ3)
	• *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 • ¼ Core for metallurgical assessment
	• *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

Criteria	JORC Code explanation	Commentary
	• *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, with the exception of the last composite in each hole that may not complete at an even meterage
	• *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 multi-element analysis. Techniques considered total for the type of mineralization sampled. • ALS, Screen Fire Assay for visible gold intercepts or where coarse gold is predicted to occur
	• *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.*	• 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, however will be utilised in upcoming formal resource drill out of Hobbs Pipe 1
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• High grade intersections checked by am number of alternate internal and independent personnel
	• *The use of twinned holes.*	• The density of historic drilling does not require twin drilling to confirm grades

Criteria	JORC Code explanation	Commentary
	• *Documentation of primary data, data entry procedures, data verification, 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
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 • DGPS Collar location and RL data will be undertaken in due course
	• *Specification of the grid system used.*	• MGA94 (Zone 55)
	• *Quality and adequacy of topographic control.*	• A digital topographic file is available in .dxf format • A detailed DTM model was undertaken over the area in 1997
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 drilling suitable for mixed measured/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 • This will be reassessed if and when narrower high grade intervals or structures become evident
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 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

Criteria	JORC Code explanation	Commentary
	• *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 relevant at this stage with respect to sample bias for the Hobbs Pipe 1 deposit • For the high grade gold zone at Castor, it is anticipated that drilling orientation optimisation will be critical for correct sample bias, however it is too early to estimate the correct orientation at this stage
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 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).
	• *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. There are no extraordinary impediments to obtaining a licence to operate in the area.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• Historic work undertaken by Getty Oil, Cyprus Australis, Michelago and Golden Cross Resources and their contractors led to a JORC compliant 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 for deeper targets and targets with a better understanding of modern day economic geology deposit models.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>• Mesozonal to Epizonal Intrusion-Related Gold System located along the Gilmore Suture on the edge of a buried pluton
• It is not yet fully understood whether the high grade gold at Castor is a part of an epizonal IRGS or a separate Orogenic Gold system (Mesothermal narrow vein).</td></tr>
<tr><td>Drill hole Information</td><td>• 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.</td><td>Mount Adrah Hobbs Pipe 1 – Completed Holes
<table><tr><th>Hole ID</th><th>Easting (m)</th><th>Northing (m)</th><th>RL (m)</th><th>Grid</th><th>Collar Azimuth</th><th>Collar Dip</th><th>Total Depth (m)</th></tr><tr><td>GHD007</td><td>583479</td><td>6104594</td><td>399</td><td>MGA94 Zone 55</td><td>50</td><td>-75</td><td>924.1</td></tr><tr><td>GHD008</td><td>583492</td><td>6104590</td><td>398</td><td>MGA94 Zone 55</td><td>266.9</td><td>-83.4</td><td>699.6</td></tr><tr><td>GHD009</td><td>583444</td><td>6104587</td><td>387</td><td>MGA94 Zone 55</td><td>17.5</td><td>-60</td><td>1312.6</td></tr><tr><td>GHD010</td><td>583448</td><td>6104593</td><td>387</td><td>MGA94 Zone 55</td><td>120</td><td>-55</td><td>Not Complete</td></tr></table></td></tr>
<tr><td></td><td>• 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.</td><td>• Information provided for holes GHD007 to GHD010 (see completed holes above); previous historic holes have been substantially reported in previous releases and repeating this data does not add to the understanding of this report</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
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.*	• The reported intersections remain uncut until such time as the nature of the gold, and proposed mining styles, are known
	• *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.*	• Approximate true width ~110 metres, approximate minimum depth 900 metres on Hobbs Pipe 1 • It is not yet known what the true width or potential depth extents for the Castor high grade gold zone are
	• *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 is being 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 lengths reported, approximate true width ~110 metres
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.*	• Updated drill plan included in report; plans and sections have been substantially reported in previous reports

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.*	• The reporting ofd results are considered balanced.
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.*	• Completion of 3D IP Survey
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 via geochemical orientation, geophysical survey and further drilling • Formal resource drill out on Hobbs Pipe 1 • Delineation and drill out of Castor high grade deposit • Further drill testing of Hobbs-proximal IP and geological targets
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Full disclosure of the planned work program would alert suppliers of services of the scope of the proposed work and would put the company at a financial disadvantage in negotiations.