Sovereign Gold Company Limited (ASX:SOC) Mineral Resource Update

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Sydney, Australia (ABN Newswire) - Sovereign Gold Company Ltd. (Sovereign Gold) (ASX:SOC) commissioned AMC Consultants Pty Ltd (AMC) to carry out a block model estimation and Mineral Resource estimate report for the Mount Adrah Hobbs Pipe deposit.

The updated Mineral Resource estimate is 923,400 ounces gold, from 26.3 Mt at 1.1 g/t gold at a minimum cutoff grade of 0.4 g/t gold.

Classification	Material	COG Au(g/t)	Tonnage (kt)	Au (g/t)	Au (oz)
Indicated Above 200m RL	Oxide	0.4	250	1.1	9,000
Indicated Above 200m RL	Primary	0.5	3,187	1.2	121,400
Indicated Below 200m RL	Primary	0.5	6,688	1.3	278,500
Total Indicated			10,125	1.3	408,900
Inferred Above 200m RL	Oxide	0.5	270	0.7	6,100
Inferred Above 200m RL	Primary	0.9	2,392	0.9	67,400
Inferred Below 200m RL	Primary	0.9	13,448	1.0	441,000
Total Inferred			16,110	1.0	514,500
Total			26,235	1.1	923,400

Notes:
1 The Mineral Resource is reported in accordance with the JORC Code, 2012.
2 All Mineral Resources have been rounded to the nearest 1,000 tonnes.
3 Ounces have been rounded to the nearest 100 oz.
4 COG is defined as 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.
6 200 m RL is approximately 225 m below surface, COG increased for depth.

For the purpose of comparison with the last reported Mineral Resource estimate (ASX 22 August 2013) the following is provided from the current block model estimation at a 0.75 g/t COG:

Classification	Material	COG Au(g/t)	Tonnage (kt)	Au (g/t)	Au (oz)
Total Indicated		0.75	10,125	1.3	408,900
Total Inferred		0.75	12,630	1.1	444,900
Total			22,755	1.2	853,800

Notes:
1 The Mineral Resource is reported in accordance with the JORC Code, 2012.
2 All Mineral Resources have been rounded to the nearest 1,000 tonnes.
3 Ounces have been rounded to the nearest 100 oz.
4 COG is defined as cut-off grade.
5 Top cut / top cap of 5 g/t gold has been used to reduce 5 composited samples to 5 g/t gold.
6 200 m RL is approximately 225 m below surface, COG increased for depth.

The Mineral Resource has been reported with a lower cut-off grade from surface to a depth of 225 m below surface. The different cut-off grades take into account possible different mining methods. Further mining concept study work will better define possible mining methods.

It is noted that the average grade of the deeper portion of the system may be amenable to bulk underground mining at 1 to 1.3 g/t gold. The pipe is currently open at depth and further strategic drilling may increase the Mineral Resource.

Dr Kris Butera, CEO of Gossan Hill Gold Limited, said "The increase in the Mineral Resource from holes GHD005 to GHD009 was achieved by drilling 1,870m within the pipe for an all inclusive cost of less than $600,000. This maintains our cost-effective approach of adding value to the project."

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 mineralisation 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 3.

Mount Adrah Concept Study

A conceptual mining study for the Mount Adrah Gold Project is to be commenced to provide an indication of the viability and economic potential of the Mount Adrah Gold Project. This work will be constrained to the currently available data, and assist Gossan Hill Gold Limited in prioritising and planning for future exploration and development of the Mt Adrah Gold Project.

The study will investigate the optimal depth and configuration of a conceptual open-pit based on the existing Hobbs Pipe Mineral Resource. The depth of any potential open-pit will include consideration of potential underground mining.

The output of the conceptual mining study will be used as a basis from which to plan resource infill drilling and exploration step out drilling on Hobbs Pipe 1 system, while also continuing to assess the potential for the Hobbs Middle East and Hobbs SE prospects, to add to the overall mine plan.

To view diagrams and charts, please visit:
http://www.abnnewswire.net/companies/en/34476/Sovereign-Gold-Company-Limited

About Sovereign Gold Company Limited:

Sovereign Gold Company Ltd. (ASX:SOC) is an Australian-based gold exploration and development company that holds a highly prospective tenement package, for Intrusion-Related Gold Systems (IRGS), in New South Wales, Australia. Sovereign Gold holds 11 Exploration Licences covering over 3,240km2 near Armidale in NSW, including the historic Rocky River-Uralla Goldfields. Sovereign Gold's aggressive exploration program in several of these licence areas is funded via a joint venture (at the tenement level) with Jiangsu Geology & Engineering Co Ltd (SUGEC), a major Chinese State-owned geology enterprise. The other area of focus is the Mt. Adrah Project, approximately 50km southeast of the regional NSW centre of Wagga Wagga and 23km northwest of the historic mining district of Adelong, via an 87% interest in unlisted Gossan Hill Gold Limited. This area contains the recently discovered, world-class, Hobbs IRGS deposit which is currently under evaluation.

Source:

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