



SOVEREIGN GOLD  
COMPANY LIMITED

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**ASX Symbol: SOC**

**Sovereign Gold Company** is exploring a large Intrusion-Related Gold System at the Rocky River-Uralla Goldfield in New South Wales.

Sovereign Gold's project covers 1,200 square kilometres.

The project is located around the township of Uralla, 21km southwest of Armidale, New South Wales, Australia, with superb infrastructure logistics. It is close to major roads, rail, airport, labour source, university, power, and engineering.

Available production records indicate that the Rocky River-Uralla Goldfield yielded 5,193 kg (approximately 167,000 ounces) of gold mostly from Tertiary deep leads during the period 1858-1967.

Sovereign Gold's exploration objective is to locate the hard rock ore sources.

**ASX Release**  
15th February 2011

## **Sovereign Gold confirms IRGS at Rocky River-Uralla Goldfield**

**Drill Hole SGRR003 – gold intercepted 19m at an average grade of 1.58 g/t including 4.3 g/t over 3m at 43m**

**Drill Hole SGRR004 – gold intercepted 16m at an average grade of 2.38 g/t including 11.05 g/t over 1m at 14m**

#### Highlights

- Early drilling success confirms Intrusion Related Gold System (IRGS).
- Ten RC holes have been completed at Martins Shaft. All holes passed through alteration and mineralisation.
- Assays confirm broad zones of Gold mineralisation in the first two RC drill holes assayed. Assays for Gold and multi elements are expected shortly for a further 8 holes that encountered similar alteration associated with sulphides.
- The existence of a large intrusion-driven hydrothermal system has been confirmed.
- Two Exploration Permits have been granted at Uralla, EL 7700 and EL 7701. Sovereign Gold's granted licences now stand at 1,200 square kilometres.

#### Details

Analytical Results (ALS Certificate of Analysis BR11017321) have been received for two Reverse Circulation (RC) Drill Holes (Holes SGRR003 and SGRR004) from Martin's Shaft. Measured from costeans the body of mineralisation marked by intense alteration plunges around 25 degrees to the southeast; intense alteration remains open along its plunge to the southeast. Drill holes are inclined at 60 degrees to the northwest and the reported intersections are expected to be close to true width.

Of the first ten holes completed, SGRR003 is the deepest; drilled to 72 metres down-hole or to a vertical depth of 62 metres. Starting close to surface at 35 metres down-hole depth, drilling intercepted 19 metres at an average grade of 1.58 g/t gold including a 3-metre intercept which averaged 4.3 g/t gold.

Hole SGRR004 was drilled 28 metres from SGRR003 and starting at a down-hole depth of around 12 metres intercepted 16 metres at an average grade of 2.38 g/t gold.

Assay values for the metre intervals for the mineralised zones for each hole are shown in Appendix A.



## Comment

These early results have confirmed the geological model proposed by Sovereign's Chief Geologist, Mr Michael Leu. The assays for the other eight drill holes will be received shortly.

Ten RC holes have been completed at Martins Shaft. All holes passed through alteration and mineralisation that occurs within conduits in a very wide dyke, which has acted as a brittle host. Gold mineralisation is definitely derived from (IRGS) magmatic fluids and is not related to an orogenic event; this is confirmed from the petrology of a suite of rock samples collected from Martin's Shaft and other prospects.

The gold mineralisation is associated with a sheeted vein alteration structure within a large felsic dyke. There are no other deposits in Australia from which to make a direct comparison. However, there are gold deposits in North America that can be compared to Rocky River.

The mineralisation of the Rocky River-Uralla Goldfield is similar in style to that encountered at the Donlin Creek Gold Deposit in Alaska. The style of alteration and the association of gold with sheeted vein systems in dykes and sills are similarities shared between the two deposits.

Donlin Creek is a very large deposit with nearly 30 million ounces of gold in resources. Mineralisation associated with dykes can be traced along a strike length of 8 kilometres and to a depth of 400 metres.

The mineralised system at Rocky River extends at least 4 kilometres west to east from the Manuka Deposit to Melvaines Mine; and stretches 9.2 kilometres along strike in a north-northeast direction from the Manuka Deposit to Goldsworth Mine. The strike length of the magnetic linear which many of the workings are associated is over 40 kilometres long.

From the literature, these gold mineralisation systems can be very large. Recent exploration costeaning and mapping, has discovered unmapped workings characterised by sheeted veins in altered dykes, similar to Martins Shaft, The Gracie and Little Gracie Mines, Suey's Claim, Hudsons-McCrossins and Melvaines Shaft.

A lot more drilling will have to be completed at Rocky River before there will be an indication of the potential size of the body of mineralisation.

At the Suey's Claim-Hudsons/McCrossins line of workings the mineralised dykes have been traced for over 570 metres. This is a large north-east striking fault/shear zone hosting auriferous sheeted veins and dykes. A sample of phyllic altered dyke collected from pit at the NE end of the Hudson's McCrossins working assayed 1.87 gold grams/tonne Au and 17.2 grams silver per tonne.

Intrusion-Related Gold Systems were first recognised as a deposit classification only in 1999 and were modelled on the vast Tintina Gold Province of Alaska and Yukon. Hence they have been missed by most of the major gold explorers.

Intrusion-Related Gold Systems in North America are characterised by narrow, sheeted vein alteration systems, now confirmed to be present at Rocky River-Uralla Goldfield.

## Summary

The exploration effort has got off to an excellent start with the drill definition of wide zones of mineralisation.

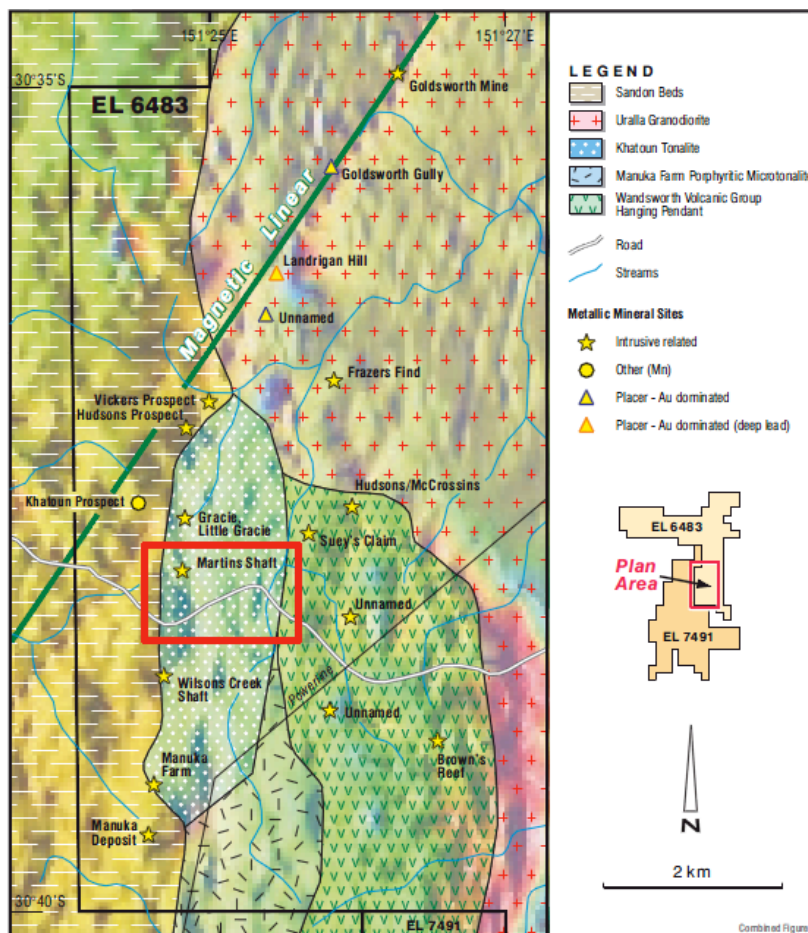
The southeast plunging gold-bearing alteration zone has been proven to 45.5 metres vertically (limit of current drilling), intersected for 20 metres down plunge, and extends to 38 metres projected up plunge to surface. The mineralised zone is 19 metres in thickness in both holes. The body of mineralisation is open down-plunge and along strike.

The 41km long magnetic low, the major linear within Sovereign Gold's Exploration Licences hosts the Goldsworth Mines and the Vickers and Hudsons Prospects. Costeaning at the Goldsworth Mine and mapping by the NSW Geological Survey Report (NSWGS) re the Vickers Prospect, indicates the magnetic low linear is reflecting a late stage felsic dyke, named the Old Bonanza Dyke by the NSWGS. This feature has the same diagnostic low magnetic signature that is Characteristic of Donlin Creek.

Sovereign Gold has a large area to explore that has increased by 600 square kilometres after the grant of EL 7700 and EL 7701.

EL 7700 hosts a large gold anomaly in soils at Rebbe Creek. A geochemical soil-sampling program is underway that started at Wilsons Creek and will gradually extend to Rebbe Creek.

Shareholders should expect steady news flow from drill hole assays, assays of samples from taken from costeans and from the soil sampling survey. The soil sample survey will extend over a strike length of around 15 kilometres.



**Martin's Shaft.** This gold-bearing ore body was discovered in the 1930s and explored but never mined. Grades ranged from 3 g/t to 10 g/t. The *Department of Mines New South Wales, Annual Report for 1937, p64* "At S. C. Martin's gold mine, Wilson's Creek, Balala-rd., prospecting is being carried out in an auriferous dyke formation at the 50 feet level (15.2 metres) by driving and crosscutting. The formation is 18 feet (5.5 metres but up to 7.6 metres wide) in width and averages 4 to 7 dwts. (6.2-10.8 grams per tonne Au) of gold per ton, with occasional richer shoots of ore." Traced at least 30 metres along strike and down dip, still open and never mined, visible gold in places.

**For further information please contact:**

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**Qualifying Statement**

The information in this Report that relates to Exploration Information is based on information compiled by Michael Leu who is a member of the Australian Institute of Geoscientists.

Mr Leu is a qualified geologist and is a director of Sovereign Gold Company Limited.

Mr Leu has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Resources. Mr Leu has consented in writing to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.



**Appendix A**

**TABLES OF MINERALISED SECTIONS - One Metre Samples \***

**SGRRC003:**

SAMPLE	Au ppm	Ag ppm	Sb ppm	As ppm	Bi ppm
607335	0.90	2.15	1325	560	0.65
607336	1.50	2.29	242	4320	0.78
607337	0.73	1.04	283	3430	0.50
607338	1.47	0.73	1385	3240	0.24
607339	0.68	0.62	2610	2730	0.20
607340	3.31	0.94	7220	1740	0.35
607341	0.78	0.52	552	815	0.33
607342	0.43	0.67	172.5	1725	1.15
607343	4.21	1.46	250	2900	0.25
607344	4.77	2.34	209	10900	1.31
607345	3.91	1.45	618	9200	0.97
607346	0.40	0.35	123	1865	0.14
607347	0.39	0.51	263	2040	1.74
607348	1.33	1.64	303	1880	1.64
607349	1.00	2.17	2600	960	0.80
607350	2.72	1.30	1380	868	0.59
607351	0.63	1.52	1590	667	1.25
607352	0.51	1.50	1295	503	1.94
607353	0.41	1.54	581	616	1.45

1.58 grams per tonne gold over 19 metres (0.12% Antimony) including 3 metres at an average of 4.3 g/t gold

**SGRRC004:**

SAMPLE	Au ppm	Ag ppm	Sb ppm	As ppm	Bi ppm
607412	3.63	2.88	2880	436	2.73
607413	0.66	0.75	1040	1100	2.05
607414	11.05	2.9	1475	1365	1.43
607415	1.72	0.84	1610	3010	0.37
607416	0.60	0.34	772	2710	0.4
607417	0.84	0.39	1520	4130	0.63
607418	1.71	0.43	1115	5000	0.41
607419	4.30	1	3810	3630	0.61
607420	4.09	0.85	1335	4930	0.55
607421	2.15	1.3	1620	7760	0.66
607422	1.81	1.6	5050	6420	0.56
607423	1.69	2.09	4580	1660	0.47
607424	0.82	0.83	1050	2230	0.77
607425	1.18	3.41	1365	1375	1.47
607426	0.82	0.98	316	1280	2.41
607427	1.01	3.81	662	2800	4.32

Gold over 16 metres at 2.38 g/t gold including 1 metre of 11.05 g/t and 2 metres at an average of 4.19 g/t.

\*Last 2 digits of sample number represent start depth