



SOVEREIGN GOLD COMPANY LIMITED

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Latest News

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ASX Symbol: SOC

Sovereign Gold Company is exploring for large Intrusion-Related Gold Systems in New South Wales.

Sovereign Gold's project area covers over 2,650 square kilometres.

The principal 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 sources.

Precious Metal Resources Ltd (ASX: PMR)

Sovereign Gold holds an 81.26% interest in PMR.

PMR is conducting exploration at Halls Peak, NSW, which is the inferred volcanic centre for extensive small but high grade Volcanic Massive Sulphide (VMS) deposits rich in copper, lead, zinc and silver, with variable but largely untested gold values. high grade, near-surface sulphides.

ASX Release
21st January 2013

Diamond drilling underway – testing potential large Martins Shaft-style gold lode

- Diamond drilling has proven mineralisation and alteration extends for 5-10 metres downhole in shallow diamond drill holes (deepest 45.3m). Core dispatched for assay
- Further detailed rock sampling confirms presence of gold-mineralisation within a large structure at least 730 m long
- New, near associated mineralised structures discovered
- Gold in altered dyke hosting Martins Shaft. Potential for repetitions of large Martins Shaft-style gold lodes
- Dedicated deep diamond drill rig

Sovereign Gold has commenced drilling a large gold-bearing structure 2.7km northwest of Martins Shaft. The initial drilling has confirmed this structure has the potential to host repetitions of large Martins Shaft-style gold lodes. The gold mineralisation at Martins Shaft is very significant as this style of mineralisation was predicted from the application of Sovereign Gold's Intrusion-Related Gold System Model (**IRGS**). Martins Shaft has some significant drill intersections including diamond drill hole SGRDD002 that had 22m @ 3.2g/t Au downhole including 13m @ 5.2g/t Au, 2m @ 18.9g/t Au and 1m @ 22.5g/t Au¹.

This discovery was made by locating within the dyke, hosting Martins Shaft, several diagnostic characteristics (magnetic and radiometric geophysical characteristics, alteration, structure) which coincide with the closest analogue – the 32 million ounce Donlin Creek IRGS gold deposit in Alaska.

The predictive success further supports proof of concept of the large IRGS.

Mineralisation and alteration in the newly discovered structure has been traced at surface for 730 metres. 12 surface samples averaged 1.1g/t gold (range 0.3 – 2.32g/t gold) over 445 metres. Samples contained up to 308 g/t Silver². New, near associated mineralised structures, also recently discovered.

Diamond drilling in the current programme has shown mineralisation and alteration extends for 5-10 metres downhole in shallow diamond drill holes (deepest 45.3m). This large-scale structure, at least 730 metres long, is potentially very deep tapping. In similar IRGS settings it can extend to over 400 metres vertically. This discovery potentially hosts a very large gold deposit. Assays of core are expected within 2 weeks.

This discovery is in EL 7491 currently being developed with Jiangsu Geology and Engineering (**SUGEC**) who are spending \$2 million on this tenement to March 2014, as part of a total exploration budget of \$21 million.

SUGEC has proposed providing a deep diamond drill rig, able to drill to 500 metres, to comprehensively drill this gold mineralisation along the 730-metre strike and to depth with the aim of reporting JORC resources throughout 2013.

¹ ASX, 28 June 2011

² ASX, 6 December 2012



Figure 1: Location of Martins Shaft Gold lode within the large NW trending dyke (yellow outline).

The green line shows location of the 730 metre long gold-bearing structure currently being drilled. Also shown are the locations of 36 geophysical targets (+) over satellite image in EL 6483 and EL 7491.

Major interpreted structures (potential gold-bearing fluid conduits) are indicated by black lines; historical gold mines/prospects are designated by yellow triangles (▲).

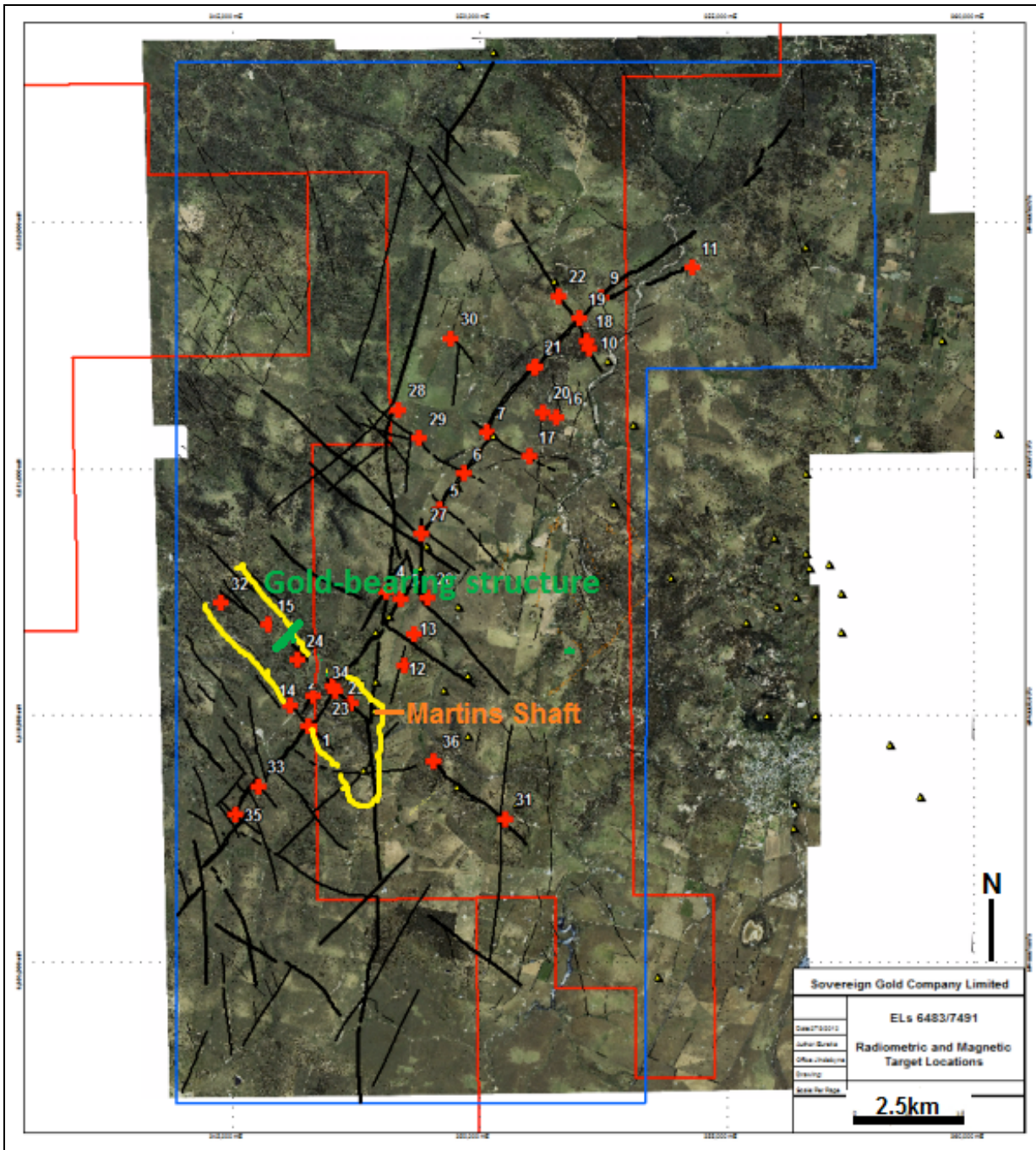
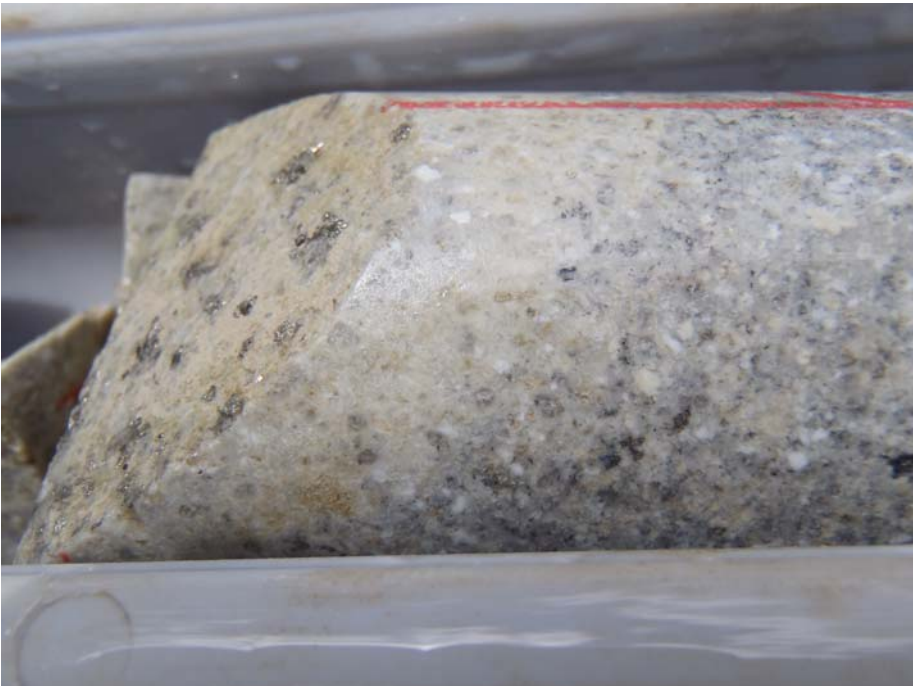




Figure 2: Diamond drill core from newly discovered 730 metre long mineralised structure.



SGRDD038, 41.7m, Martins Shaft-style alteration. Extensively altered felsic dyke exhibiting brecciation, phyllic alteration and disseminated and fracture hosted sulphides.



SGRDD038, 33.1m, Martins Shaft-style alteration. Part of a sheeted vein complex in felsic dyke. The veins exhibit sulphides and alteration selvages.

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Criteria	Explanation
Sampling Techniques	Rock chip samples from outcrop. Individual sample weights ranged from 1.43 – 6.56kg.
Quality of Assay Data & Laboratory Test	<p>All samples were analysed by ALS Minerals.</p> <p>ALS Minerals understand the value of quality analytical data to the integrity of exploration and mining companies. The ALS Minerals quality program consists of a series of checks and balances with monitoring at top management levels. ALS Minerals laboratories are accredited to ISO/IEC 17025-2005 standards to provide complete assurance regarding quality performance.</p>
Analytical Methods	<p>Rock Samples were analysed by one of two suites of analytical methods:</p> <p>Au by AU-AA25 and full suite ME-MS61 and Hg by ME-MS42 involves more expensive methods but with lower detection limits. Multi-element analyses: Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, Mg, Mn, Mo, Ni, P, Pb, S, Sn, Sb, Sr, Te, Ti, V, W, Zn, Hg</p> <p>Gold – Method Au-AA25</p> <p>Up to a 30g sample is fused at approximately 1100°C with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead that acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900°C. The lead oxidises to lead oxide and is absorbed by the cupel leaving a bead (prill) of gold, silver (added as a collector) and other precious metals. The prill is dissolved in aqua regia and the gold concentration determined by flame AAS. A reduced charge may be used to yield full recovery of gold for samples that are difficult to fuse.</p> <p>Multielement Analysis – Method ME-MS61</p> <p>A 0.25g sample is pre-digested for 10-15 minutes in a mixture of nitric and perchloric acids, then hydrofluoric acid is added and the mixture is evaporated to dense fumes of perchloric (incipient dryness). The residue is leached in a mixture of nitric and hydrochloric acids, the solution is then cooled and diluted to a final volume of 25mls. Elemental concentrations are measured using ICP Atomic Emission Spectrometry and ICP Mass Spectrometry.</p>
Location of Data Points	Samples sites were recorded with hand-held Garmin GPS with accuracy of ±5 metres.

Qualifying Statements

The information in this Report that relates to Exploration Information is based on information compiled by Michael Leu who is a member of The Australasian Institute of Mining and Metallurgy and 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 consents to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

References to Mines refer to historical mines and geographical names, no inference should be made that Sovereign Gold is operating any mines at this stage of its development.



Figure 3: Sovereign Gold Tenement Portfolio

