



## SOVEREIGN GOLD COMPANY LIMITED

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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  
24<sup>th</sup> January 2013

## Sovereign secures high grade Highland Mary Mine – average grade of 100g/t gold

Sovereign Gold Company Limited (**Sovereign Gold**) has received an offer of grant for a new Exploration Licence (ELA 4645) covering the **advanced drill target area defined Swamp Oak Goldfield comprising 30 mines and prospects including the Highland Mary Mine and Rainbow Reefs**. These mines and prospects have significantly bolstered the Company's growth pipeline and provide many targets for exploration and development.

ELA 4645 encompasses all of the historic licence EL6620 (**EL**) in addition to some 288 km<sup>2</sup> of additional ground.

- Historical reports record that the Highland Mary mine at Weabonga shut down in 1916 in ore grading 3 oz/t at a depth of 110m, having produced 171kg of gold from about 1700 tonnes of ore (**an average grade of 100g/t gold**).
- Sampling of mullock dumps at the Rainbow workings at Weabonga returned two bonanza grade gold results (**50g/t and 32g/t gold**).
- Significant past exploration expenditure has defined drill target areas.

The Swamp Oak Goldfield is situated around the village of Weabonga about 45 km east-south-east of Tamworth (Figure 1), and until recently, post 2006, received little exploration.

Gossan Hill Gold Limited lodged a prospectus with ASIC, dated 24<sup>th</sup> February 2012. The prospectus included commentary on the EL (included in ELA 4645), which follows:

*"The EL contains the Swamp Oak Goldfield comprising 30 mines and prospects that were worked between 1890 and 1900 [Figure 2]. Thirty-nine crushing plants were operating at Swamp Oak in 1897. Historical reports record that the Highland Mary mine at Weabonga shut down in 1916 in ore grading 3 oz/t at a depth of 110m, having produced 171kg of gold from about 1700 tonnes of ore (an average grade of 100g/t gold)."*

*"At the mine gold is hosted by quartz veins in sub-vertical fractures that cross-cut and post-date the cleavage in the host sediments. High grades occurred in steeply dipping shoots up to 10 metre long and 100m deep."*

*"Carbine Tungsten Limited's (CNQ) recent sampling of mullock dumps at the Rainbow workings at Weabonga returned two bonanza grade gold results (50g/t and 32g/t gold)."*

*"It has been observed that reverse-fault-associated quartz-pyrite-filled extension vein systems linked with gold concentration at the Wattle Gully Mine (12,900kg gold at 10.5g/t), Victoria, are very similar to reverse fault-associated pyrite-quartz filled extension veins in the Highland Mary Mine and Rainbow Prospect at Weabonga. Gold grades at Highland Mary Mine and Rainbow Prospect are likely to be comparable to those at the Wattle Gully Mine."*

*"A valuable, significant body of recent exploration work has been completed over the Goldfield that includes "an air-borne magnetic and radiometric survey, a 3D-IP survey, soil and rock chip sampling and detailed geological mapping. Surface geochemistry indicates strong arsenic and gold anomalies in soil and rock chips, coincident with 3D-IP chargeability anomalies."*

*"Imagery from the 3D-IP survey conducted in 2007 by CNQ is interpreted to indicate a system of mineralised faults in the goldfield, [Figures 3 and 4], and surface geochemistry indicates strong arsenic and gold soil anomalies, [Figure 4]. Structural mapping to follow up the geochemical and geophysical surveys will provide targets for drilling at the Highland Mary and Rainbow prospects."*

Sovereign Gold's exploration program will focus on drilling and structural mapping of the geophysical and geochemical targets identified by previous exploration work.



Figure 1: Swamp Oak Goldfield within ELA 4645 in relation to Sovereign Gold's portfolio of ELs and ELAs.

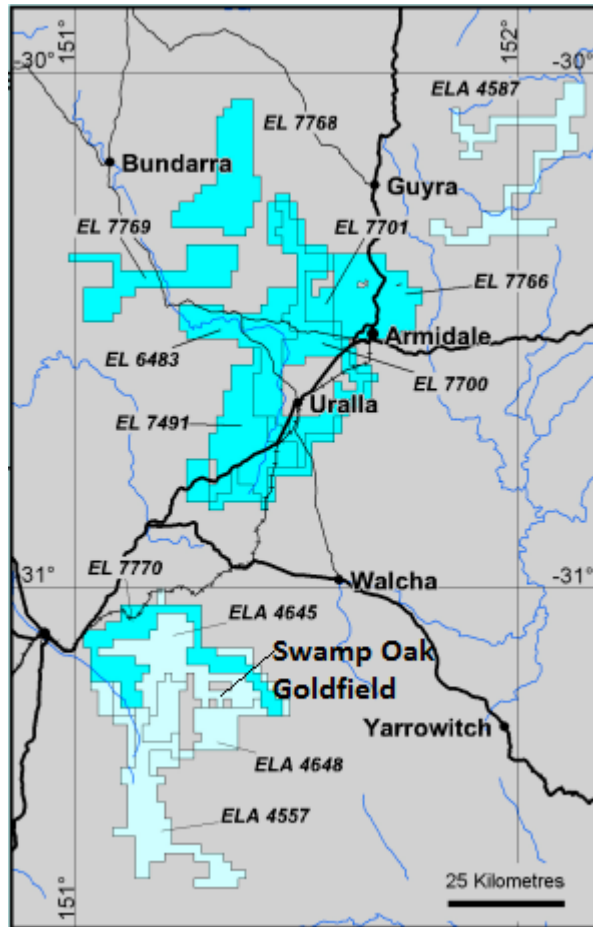
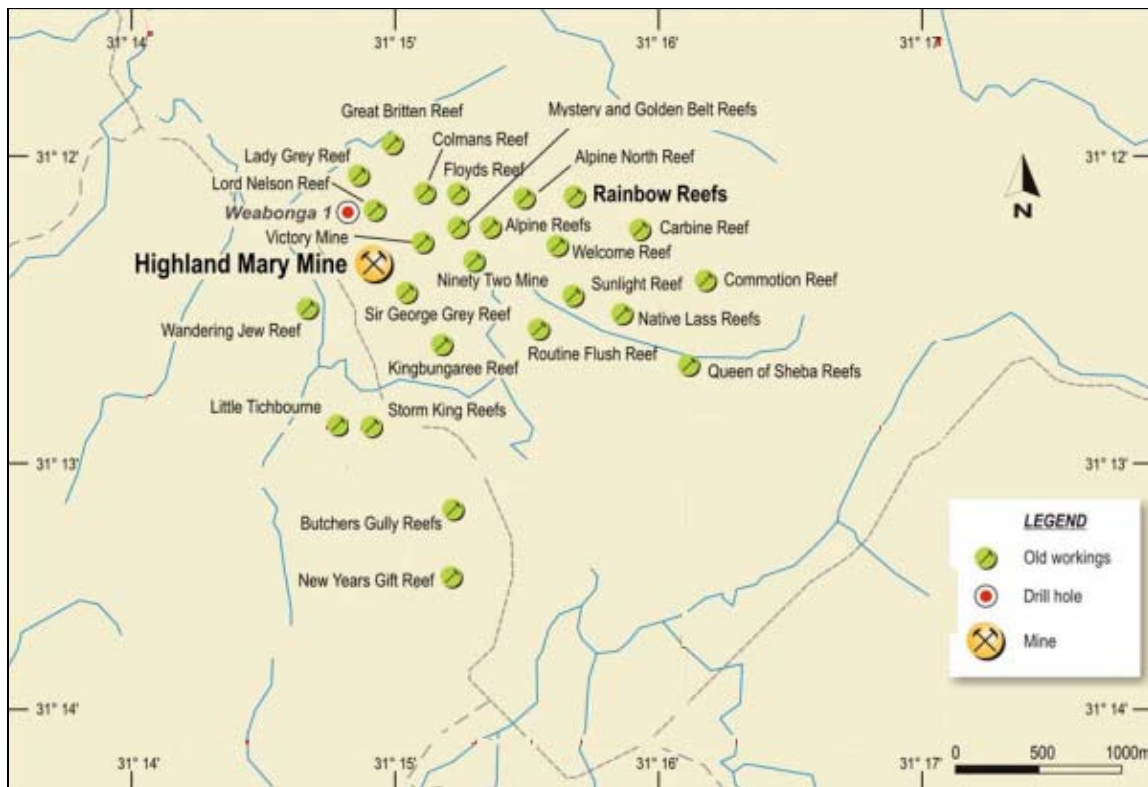


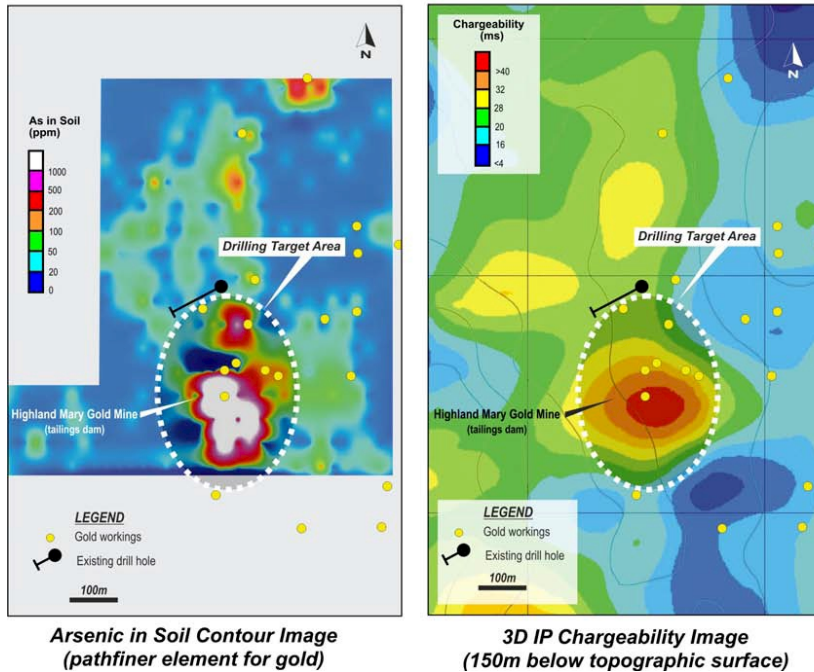
Figure 2: Weabonga area, Old Workings Locations in Swamp Oak Goldfield, including Highland Mary Mine and Rainbow Reefs (Source, Gossan Hill Gold Limited Prospectus, 24 February 2012).



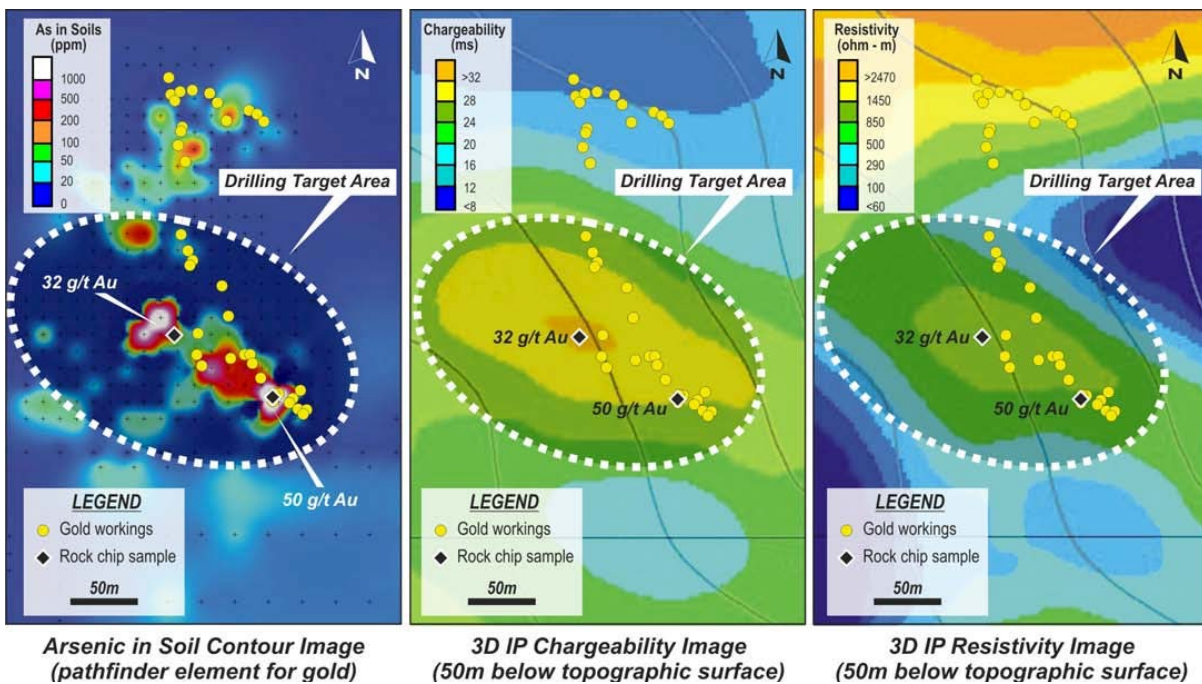


**Figure 3:** Highland Mary Au Prospect showing Contours of Arsenic in Soil (pathfinder element for gold) and 3D-IP Chargeability Image in ELA 4645 (Source, Gossan Hill Gold Limited Prospectus, 24 February 2012).

**Highland Mary Au Prospect**



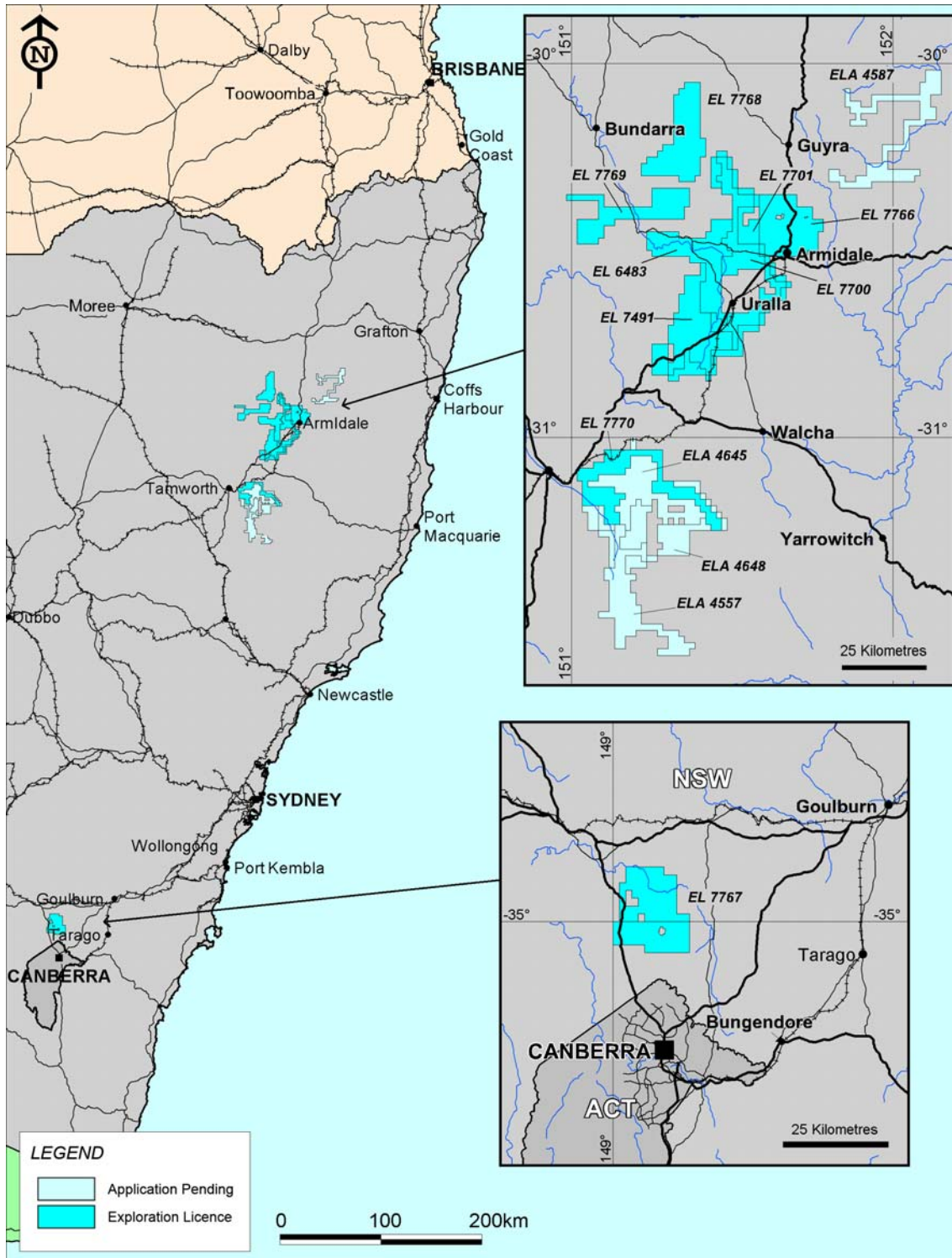
**Figure 4:** Rainbow Au Prospect showing Arsenic in Soil Contour Image (pathfinder element for gold), 3D-IP Chargeability Image (50m below topographic surface), 3D IP Resistivity Image (50m below topographic surface) in ELA 4645 (Source, Gossan Hill Gold Limited Prospectus, 24 February 2012).



For further information please contact:  
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Figure 5: Sovereign Gold Tenement Portfolio



#### 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.