



## SOVEREIGN GOLD COMPANY LIMITED

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**ASX Symbol: SOC**

### Martins Shaft Historical Background

The Martin's Shaft gold-bearing ore body was discovered in the 1930s and explored but never mined.

Grades ranged from 3 g/t to 10 g/t.

*"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."*

*The Department of Mines New South Wales, Annual Report for 1937, p64*

The lode has been drilled to 130 metres vertically and is still open.

<sup>ET</sup> **Exploration Targets:** The potential quantity and grade of exploration targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

**ASX Release**  
30<sup>th</sup> January 2013

### Drilling Confirms Large Martins Shaft-style Gold Lode

- Four shallow holes in a 0.73 kilometre (730 metre) long gold-bearing structure confirm discovery of large-scale Martins Shaft-style gold mineralisation
- The holes have proved the existence of both high grade - up to 12.35 g/t Au (gold) - and wide (12 metres downhole) gold mineralisation at shallow depths ideal for open-cut
- 2.72 g/t Au over 5m from 7-12m downhole including 7.8 g/t Au over 1m and 12.35 g/t Au over 0.5m
- 1.07 g/t Au over 5m from 3-15m downhole including 4.93 g/t over 0.6m
- 129.6 g/t Ag (silver) over 0.72m from 13.60-14.32 metres downhole including 453 g/t Ag (14.6 ounces) over 0.2m.
- Newly discovered, nearby mineralised long structures clearly have a similar potential for large-scale gold discoveries
- SUGEC has proposed providing a deep drilling diamond rig to establish a JORC resource through 2013

### Drill Results

**SGRDD036:** Total depth 18.65 metres: 2.72 g/t Au over 5m from 7-12 metres downhole including 7.8 g/t Au over 1m and 12.35 g/t Au over 0.5m.

**SGRDD037:** Total depth 16.42 metres: Anomalous gold mineralisation. Multi-element analyses showed that this hole penetrated the outer alteration halo of the main gold mineralisation. It indicates that the bulk of the gold mineralised system is still potentially persevered.

**SGRDD038:** Total depth 45.30m: 1.16 g/t over 3.0 metres from 39-42m downhole including 1.93 g/t over 1.0m. SGRDD038 was drilled under SGRDD037, established gold mineralisation widening at depth.

**SGRDD039:** Total depth 18.10 metres: 1.07 g/t over 12 metres from 3-15m downhole including 4.93 g/t over 0.6m. Also 129.6 g/t Ag (silver) over 0.72m from 13.60-14.32 metres downhole including 453 g/t Ag (14.6 ounces) and 0.14% Sb (antimony) over 0.2m.

The gold mineralisation occurs within the same large felsic dyke system hosting Martins Shaft. It is situated 2.7km north-west of Martins Shaft and supports Sovereign Gold's target model of several satellite mineralised zones of 50,000 to 100,000<sup>ET</sup> ounces Au along the mineralised structures in the field, with a global target of hosting 0.5 – 2 Moz<sup>ET</sup> Au.

These shallow diamond drill holes confirmed gold mineralisation at grass roots.

Clearly excited by the discovery, Michael Leu CEO of Sovereign Gold, stated, "I believe we have a tiger by the tail.

"Most companies have to drill tens and typically 100 plus metres to test potential gold targets. Gold mineralisation in the three quarters of a kilometre long structure starts under our boots. It is exciting to know that given a modern understanding of diagnostic IRGS characteristics that discoveries of this scale can be made in northern New South Wales.

"Our joint-venture partner SUGEC has ordered a large tracked diamond rig, capable of drilling to depths of 600 metres, to aid in establishing a JORC resource through 2013. As predicted, based on analogies with Donlin Creek, the large felsic dyke hosting Martins Shaft contains larger, repetitions of this style of gold mineralisation."



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

This recent drilling further confirms the closest analogue to this mineralisation is the massive 32Moz Donlin Creek Gold Deposit in Alaska.

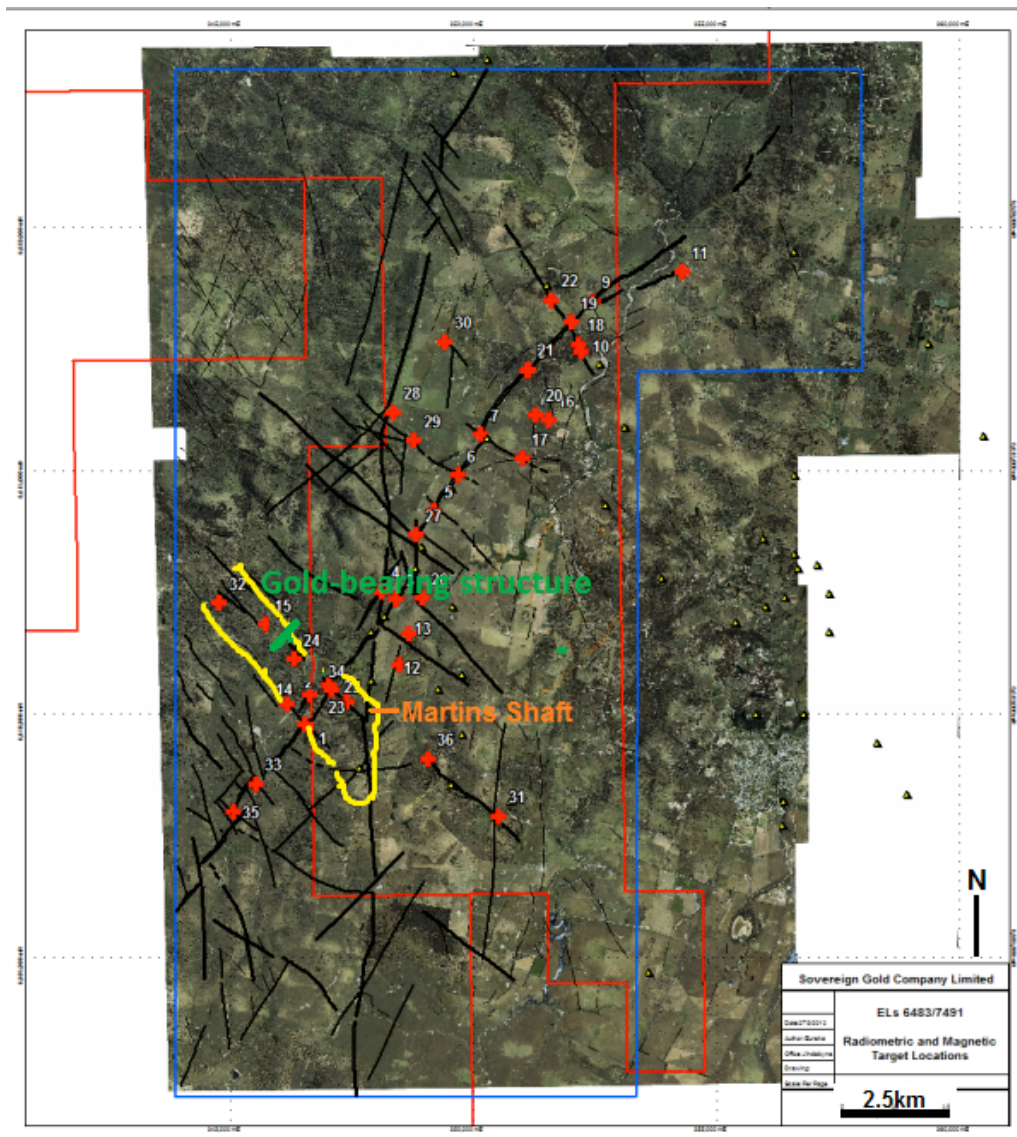
At Donlin Creek, mineralization is structurally controlled along NNE-trending extensional fault/fracture zones and best developed where those zones intersect favourable host lithologies such as competent felsic intrusive dykes and greywacke. This is precisely the setting for the recently discovered gold mineralisation. Both styles of gold mineralisation share remarkably similar, multiple diagnostic characteristics.

A report detailing the plethora of common diagnostic characteristics is being prepared and will be released when completed. This new area of gold mineralisation was found by identifying multiple coinciding diagnostic IRGS/Donlin Creek style characteristics. Other areas with a similar suite of characteristics to the recently drilled gold mineralisation have been located in this large felsic dyke swarm that extends around 3.7km along strike and in places is over 1km wide. Future discoveries like that reported herein are expected.

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

The green line show location of the 730 metre long gold-bearing structure currently being drilled. Also shown are the locations of all 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 ( ▲ ).



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**Figure 2:** Diamond drill core from SGRDD036 and SGRDD038 (BQ core diameter 37mm)



**SGRDD036**, Core of Sample D3609A, 12.35 g/t Au. Intensely altered (silica-sulphide) and brecciated metasediments.



**SGRDD036**, Core of Sample D3609B, 3.28 g/t Au. Intensely altered (silica-sulphide) and brecciated metasediments.



**SGRDD038**, Core of Sample D3841, 1.93 g/t Au. Extensively altered felsic dyke exhibiting brecciation, phyllic alteration and disseminated and fracture hosted sulphides.



**Figure 3:** Diamond drill core from SGRDD039. Altered felsic dyke exhibiting alteration identical to that discovered in the Martins Shaft Lode. SGRDD039, total depth 18.10 metres: 1.07 g/t over 12 metres from 3-15m downhole including 4.93 g/t over 0.6m. Also 129.6 g/t Ag over 0.72 metres from 13.60-14.32m downhole including 453 g/t Ag (14.6 ounces) and 0.14% Sb (antimony) over 0.2m. Relatively wide gold mineralisation at shallow depths, high potential for increasing mineralised width at depth (BQ core diameter 37mm).



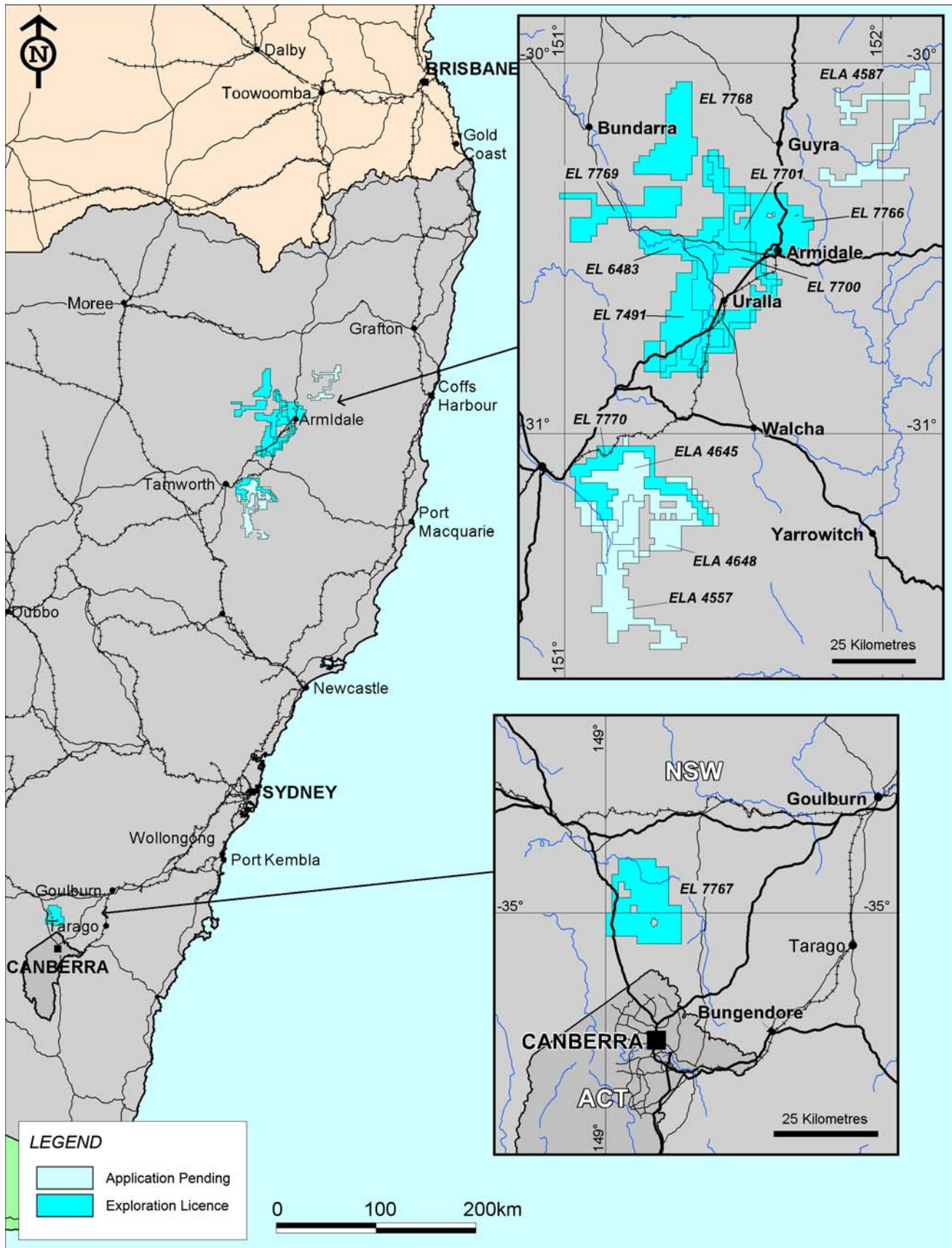
**SGRDD039**, Core of Sample D3911B, 4.93 g/t Au (middle row of core tray) and D3912B, 1.90 g/t Au (bottom row of core tray). Intensely altered felsic dyke exhibiting phyllic alteration, fracturing/brecciation and disseminated and fracture hosted sulphides.



**SGRDD039**, Core of Samples D3913, 2.05 g/t Au (top row of core tray) and D3914B 1.31 g/t Au, 453 g/t Ag and 0.14% Sb (stibnite, antimony oxide) bottom row of core tray. Extensively altered felsic dyke exhibiting phyllic alteration, some brecciation and disseminated and fracture hosted sulphides.



Figure 4: Sovereign Gold Tenement Portfolio





**Assay Tables SGRDD 036 37 38 39**

<b>SGRDD036, 18.65m E.O.H.</b>				Au-AA25
Sample No.	From (metres)	To (metres)	Interval	Au ppm
D3602	1.45	1.75	0.3	0.28
D3604A-D3606	3.25	5.9	2.65	<0.01-0.05
D3608	7	8	1	1.21
D3609A	8	8.5	0.5	12.35
D3609B	8.5	9	0.5	3.28
D3610	9	10	1.0	0.31
D3611A	10	10.5	0.5	1.52
D3611B	10.5	10.6	0.1	2.1
D3611C	10.6	10.8	0.2	1.45
D3611D	10.8	11	0.2	7.7
D3612A	11-11.43	11.56-12	0.87	1.09
D3612B	11.43	11.56	0.13	4.01
D3613A-D3619	12	18.65	6.65	<0.01-0.04

**Table 1:** SGRDD036, total depth 18.65 metres: 2.72 g/t Au over 5 metres from 7-12m downhole including 7.8 g/t Au over 1m and 12.35 g/t Au over 0.5m (ALS Certificate of Analysis BR13005004).

<b>SGRDD037, 16.42m E.O.H.</b>				Au-AA25
Sample No.	From (metres)	To (metres)	Interval	Au ppm
D3704	3.5	3.64	0.14	0.02
D3707-D3708	6.9	8	1.1	0.01
D3709	8	9	1.0	0.15
D3710-D3712	9	12	3.0	<0.01-0.05
D3716	15.76	16	0.24	0.02

**Table 2:** SGRDD037, total depth 16.42 metres: Anomalous gold mineralisation. Multi-element analyses showed that this hole penetrated the outer alteration halo of the main gold mineralisation. It indicates that the bulk of the gold mineralised system is still potentially persevered. SGRDD038 was drilled under SGRDD037 and established gold mineralisation widening at depth (ALS Certificate of Analysis BR13005004).

<b>SGRDD038, 45.30m E.O.H.</b>				Au - AA25
Sample No.	From (metres)	To (metres)	Interval	Au ppm
D3805-D3839	4.4	39	34.6	<0.01-0.03
D3840	39	40	1.0	0.94
D3841	40	41	1.0	1.93
D3842A	41	41.5	0.5	0.75
D3842B	41.7	42	0.3	0.36
D3843-D3846	42	45.3	3.3	<0.01-0.07

**Table 3:** SGRDD038, total depth 45.30m: 1.16 g/t over 3.0 metres from 39-42m downhole including 1.93 g/t over 1.0m (ALS Certificate of Analysis BR13005004).



SGRDD039, 18.10m E.O.H.				Au-AA25 Au ppm	ME-MS61 Ag-OG62 Ag ppm
Sample No.	From (metres)	To (metres)	Interval		
D3901	0	1	1	0.12	
D3902	1	2	1	0.01	
D3903A	2	2.8	0.8	0.08	
D3903B	2.8	3	0.2	0.15	
D3904	3	4	1	0.28	
D3905	4	5	1	0.85	
D3906A	5	6	1	0.48	
D3907	6	7	1	0.88	
D3908	7	7.7	0.7	0.56	
D3908B	7.7	8.2	0.5	1.93	
D3909A	8.2	8.6	0.4	0.81	
D3909B	8.6	8.8	0.2	0.53	
D3909C	8.8	9	0.2	0.10	
D3910	9	10.1	1.1	0.06	
D3911A	10.1	10.7	0.6	0.27	
D3911B	10.7	11.3	0.6	4.93	
D3912	11.3	12.3	1	1.90	
D3913	12.3	13.6	1.3	2.05	
D3914A	13.6	13.65	0.05	1.97	191
D3914B	13.65	13.85	0.2	1.31	453
D3914C	13.85	14.32	0.47	0.44	62.6
D3915	14.32	15	0.68	0.29	
D3916A	15	15.25	0.25	0.11	
D3916B	15.25	16	0.75	0.01	

**Table 4:** SGRDD039, total depth 18.10 metres: 1.07 g/t over 12 metres from 3-15m downhole including 4.93 g/t over 0.6m. Also 129.6 g/t Ag over 0.72 metres from 13.60-14.32m downhole including 453 g/t Ag (14.6 ounces) and 0.14% Sb (antimony) over 0.2m (ALS Certificate of Analysis BR13005004).

#### 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.

#### True Widths

Downhole length, true width not known. All drill intersections are stated as downhole lengths, true width not yet determined.

#### ET Exploration Targets

The potential quantity and grade of exploration targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.



Criteria	Explanation
Sampling Techniques	BQ diamond core (37mm diameter); Core was cut in half along the long access with a diamond saw and one half of the core dispatched for analysis.
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><b>Gold – Method Au-AA25</b></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><b>Multielement Analysis – Method ME-MS61</b></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.