SOVEREIGN GOLD COMPANY LIMITED

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Latest News
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ASX Symbol: SOC

- Sovereign Gold has determined analogy to 32Moz Donlin Creek, Alaska IRGS system
- Unique strategic partnership with Chinese SOE
- Sovereign Gold holds an 81.26% interest in Precious Metal Resources Ltd (ASX: 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
- PMR has identified a potential large SEDEX deposit under the Halls Peak project area

[1] Includes $10 million funding into Precious Metal Resources Limited (PMR). Sovereign Gold owns 81.2% of PMR.

ASX Release
7th February 2013

Diamond drilling program to commence

- **Targeting proven sheeted vein and disseminated gold mineralisation in dyke (repetition of Martins Shaft-style Gold lode)**
- **Gold grades of up to 13.75g/t identified, several near surface, walk up drill targets to be tested**
- **Diamond drill rig mobilised to site, drilling program commencing next week**
- **Chinese JV Partner Jiangsu spending $21m over 24 months to accelerate exploration in NSW**

Sovereign Gold Company Limited (ASX: SOC) is pleased to announce that diamond drilling is to commence next week at Melvaines Mine. Sovereign Gold plans to test new gold targets and to further prove the existence of multiple Martins Shaft-Style gold lodes in the large Intrusion-Related Gold System (**IRGS**) in New South Wales.

The gold mineralisation recently discovered at Martins Shaft is significant as this style of mineralisation was predicted from the application of Sovereign Gold's IRGS Model. The mineralisation at both Melvaines Mine and Martins Shaft comprise sheeted veins and disseminated gold mineralisation within a felsic dyke and confirms the potential of the large IRGS to host several primary hard rock gold deposits.

Sovereign Gold's Managing Director Mr Michael Leu, said: **"We are very excited by the potential of this drilling program to prove the scale and grade of gold mineralisation, further confirming the success of our IRGS Model with the ultimate aim of delineating JORC resources."**

Sovereign Gold will continue to provide regular market updates throughout the course of the program.

Sovereign's IRGS is analogous to the massive Donlin Creek IRGS Deposit (32Moz of gold) in Alaska which is principally hosted by sheeted veins in dykes.

Melvaines Mine is located 4.3km southeast of Martins Shaft, further confirming the large scale of the Rocky River-Uralla Goldfield IRGS.

This gold mine shaft is not in the records of Geological Survey of New South Wales, and is located on the south side of Kentucky Creek, headwaters of the Rocky River. The gold-bearing dyke hosting Melvaines Mine shed gold into Kentucky Creek.

The alluvial gold in Kentucky Creek was so rich that in 1863 a party of Chinese and German miners drilled and blasted the granite in the basement of the creek to recover gold from the crevices in the granite.

Blasted blocks of granite up to five tonnes were hauled by two man winch teams to form a gigantic stone wall many metres long and several metres high. This effort indicates considerable gold was being shed from the hard rock sources and clearly this prompted the Melvaine to sink his shaft to seek the source.

Mineralisation excavated by Melvaine was located around the collar of the shaft and samples collected and assayed (Table 1). It is clear the narrow sheeted vein style of the gold mineralisation defeated the old timer.

The narrow veins assay up to 13.75 grams per tonne gold but were not wide enough to mine individually. Such deposits are now readily mineable with modern technology and current high gold prices on the right scale. This drilling program aims to establish the scale.

SAMPLE Type	Location	Au-AA25 Au ppm
Rock, Shaft	S413	0.47
Rock, Shaft	S414	13.75
Rock, Shaft	S415	1.3
Rock, Shaft	MM1	2.12
Rock, Shaft	MM2	0.64

Table 1: Assays of mineralisation collected from waste piles at Melvaines Mine (samples MM1 and MM2 - ALS Certificate of Analysis BR11031277; Samples S413, S414 and S415 - ALS Certificate of Analysis BR11018995)

Regional Exploration Continues

Sovereign Gold's JV partner Jiangsu Geology and Engineering (**SUGEC**) is supplying a deep (600 metres) drilling diamond rig to continue on from the successful shallow scouting drilling program on the newly discovered 730 metre long gold-bearing structure on EL 7491 that confirmed discovery of large-scale Martins Shaft-style gold mineralisation.

These holes have proved the existence of both high grade (up to 12.35g/t Au) and wide (12 metres downhole) gold mineralisation at shallow depths ideal for open-cut.

Sovereign drilling will systematically focus on multiple mineralisation 'plays' including 15 identified prospective gold lodes, 36 geophysical anomalies and several geochemical anomalies.

Drilling is the most effective way to add value to Sovereign's large IRGS asset. Sovereign owns a drill rig and is able to conduct rapid, low cost drilling around 30% of the contracted rate. Through being self-sufficient, Sovereign Gold substantially reduces costs of drilling whilst expediting rapid mobilization between target sites.

Stone wall with individual blasted blocks up to five tonnes that were hauled in 1863 by two man winch team from the basement of Kentucky Creek. A very rare feature in a 19th century alluvial goldfield; the effort and resources expended is a testimony to richness of the gold along this portion of Kentucky Creek.

Melvaines Mine, Sample S414, 13.75 grams/tonne Gold, 2cm wide sheeted quartz-sulphide vein in quartz-sericite altered dyke.

Melvaines Mine, Sample MM1, 2.12 grams/tonne Gold. Narrow sheeted quartz-sulphide veins (light coloured linear structures) in altered dyke like those drilled at Martins Shaft.

Melvaines Mine, Sample S415, 1.3 grams/tonne Gold. Disseminated quartz-sulphide alteration associated with closed-spaced narrow sheeted veins.

Melvaines Mine, Sample MM2, 0.64 grams/tonne Gold, 2cm wide sheeted quartz-sulphide vein in quartz-sericite altered dyke. Limonite staining after sulphides in vugs associated with prismatic quartz. This open texture of this sample exhibits a high level epizonal (epithermal equivalent) IRGS setting that indicate the bulk of the system is preserved at depth.

Melvaines Mines, miarolitic textures with tourmaline (black mineral), a classic diagnostic IRGS characteristic. Indicative of the late stage volatile portion of the magma becoming trapped within the body of the dyke. The last magmatic stages are frequently associated with gold deposition in IRGS. This is clearly the case at Melvaines Mine.

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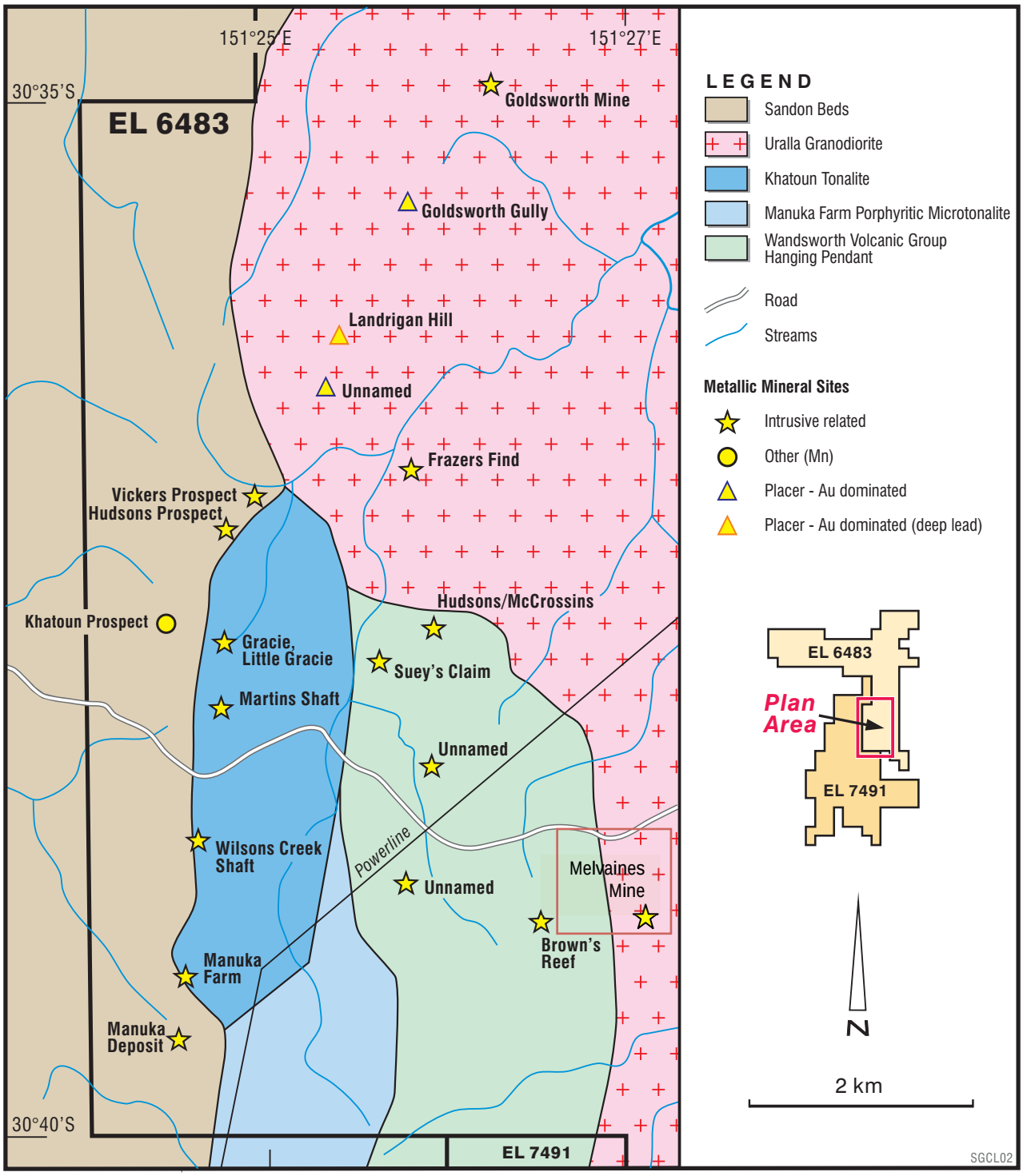
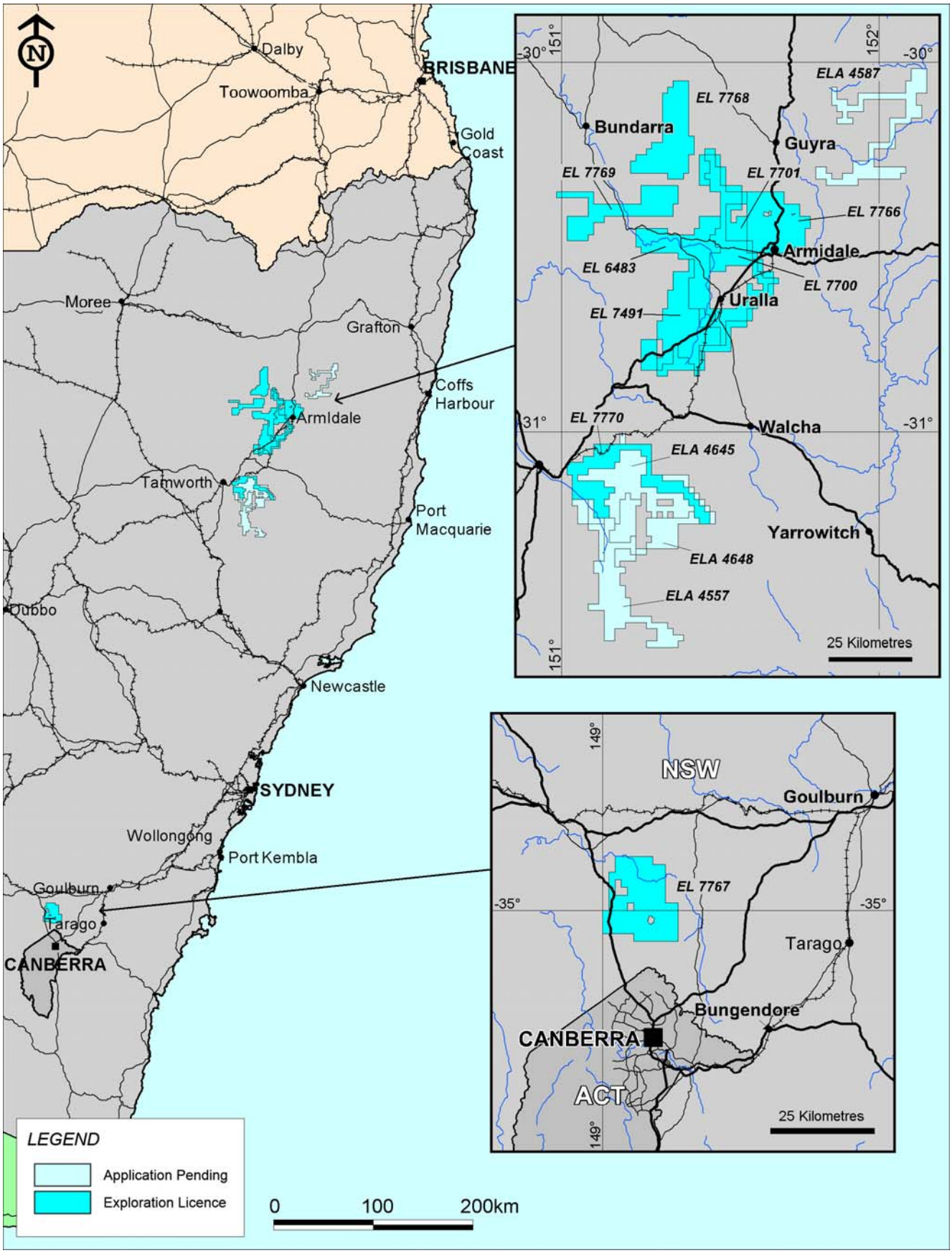


Melvaines Mine Location



Sovereign Gold Tenement Portfolio

Criteria	Explanation
Sampling Techniques	Rock chip samples from outcrop. Individual sample weights ranged from 1.43 – 6.56kg.
Quality of Assay Data &Laboratory Test	All samples were analysed by ALS Minerals. 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.
Analytical Methods	Rock Samples were analysed by one of two suites of analytical methods: 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 **Gold – Method Au-AA25** Up to a 30g sample is fused at approximately 1100^{o}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^{o}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. **Multielement Analysis – Method ME-MS61** 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.
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.

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.