



SOVEREIGN GOLD COMPANY LIMITED

Sovereign Gold Company Limited
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Latest News

www.sovereigngold.com.au

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ASX Symbol: SOC

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 Reserves. Mr Leu consents to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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.

ASX Release
23rd September 2014

Sovereign Gold granted funding in NSW Government New Frontiers Cooperative Drilling Program

Sovereign Gold successfully applied for grant funds pursuant to the New Frontiers Cooperative Drilling program (**Program**) (a NSW Government program which provides grants to exploration entities to fast-track private exploration drilling programs).

Funding in the amount of \$65,000 has been granted to Sovereign Gold's wholly owned subsidiary Biacil Holdings Pty Ltd, the holder of EL 6483.

The Program is a co-funded initiative of the NSW Government which provides 50 per cent of direct drilling costs of approved projects following assessment by an expert advisory panel and includes drilling programs that test innovative, technically sound geological models and new concepts and ideas.

The funding grant is to test the potential for a Mt Adrah Hobbs-like pluton associated with the Frasers Find - Diggers Shaft mineralisation.

Previous drilling has confirmed the Frasers Finds mine was developed on a narrow, high grade gold vein that, more significantly, is part of large gold-bearing fracture zone that widens to the south-west towards a potential small circular, 'blind' (concealed) pluton indicated by Sovereign's airborne geophysical survey (Figures 1 & 2).

This is potentially the causative gold-bringing pluton and the several large fractures radiating from it have acted as conduits for gold-bearing fluids. The small pluton has intruded and fractured the larger Uralla Granodiorite as evidenced in drill holes by a widening of the mineralised zone (consisting of narrow auriferous alteration veins) towards the deeper, primary, source of the gold fluids.

Previous drilling at Frasers Find by Sovereign Gold (ASX Releases of 18/12/2012 and 21/12/2012) proved the existence of narrow vein high grade gold-bearing structures highlighted by some of the better intersections following: 25.1g/t Au and 5.6g/t Ag over 0.11m from 23.84-23.95m downhole (SGRDD033, 100% core recovery); 5.45g/t Au over 0.25m including 10.0g/t Au and 316g/t Au over 0.13m from 27.0-27.25m downhole (SGRDD029, 100% core recovery).

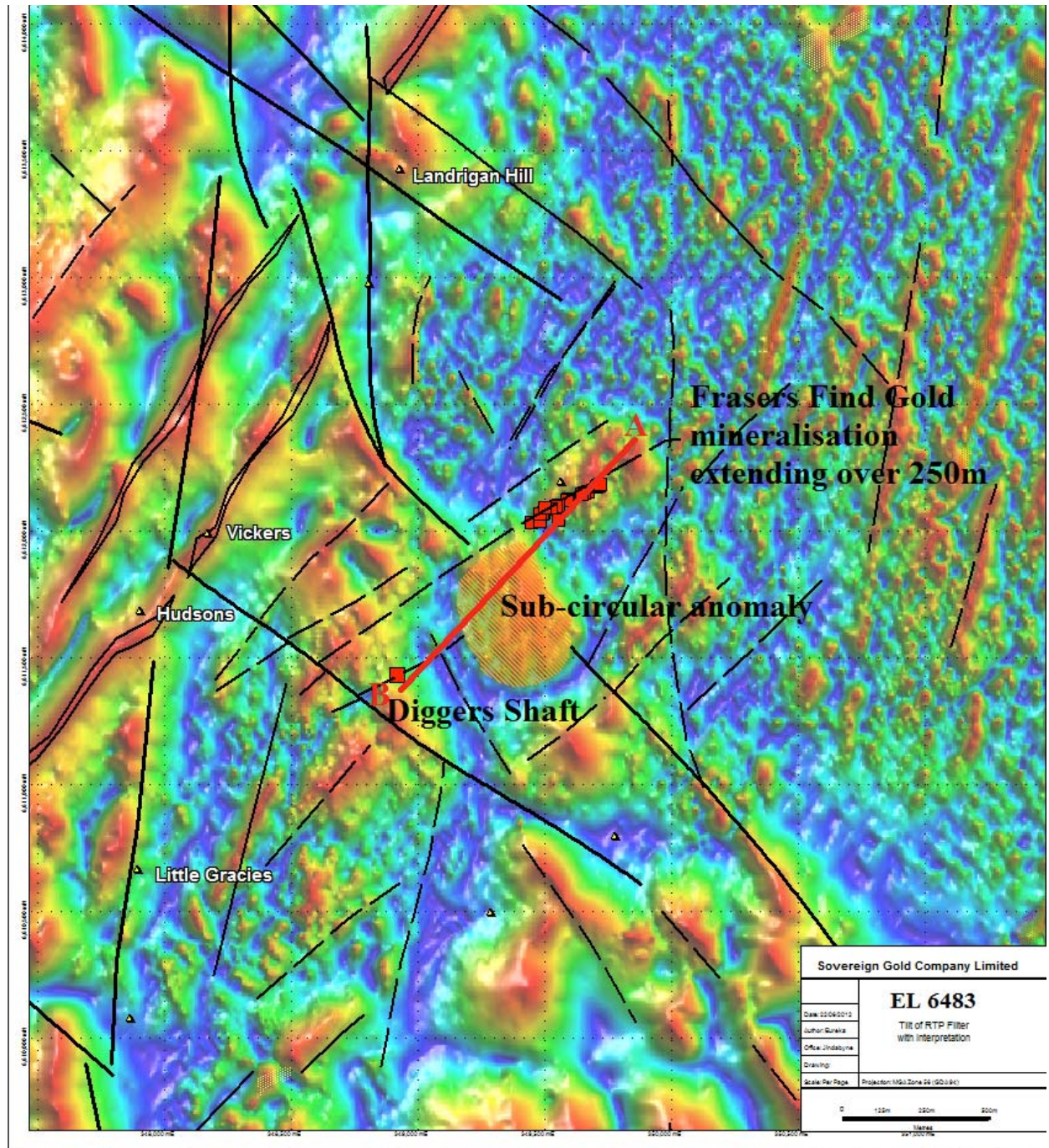


Figure 1: Sub-circular magnetic anomaly with radial structures hosting the gold mineralisation of Frasers Find and Diggers Shaft. (Tilt filter of RTP, reduction to the pole, magnetics with interpretation and anomalous sub-circular feature).

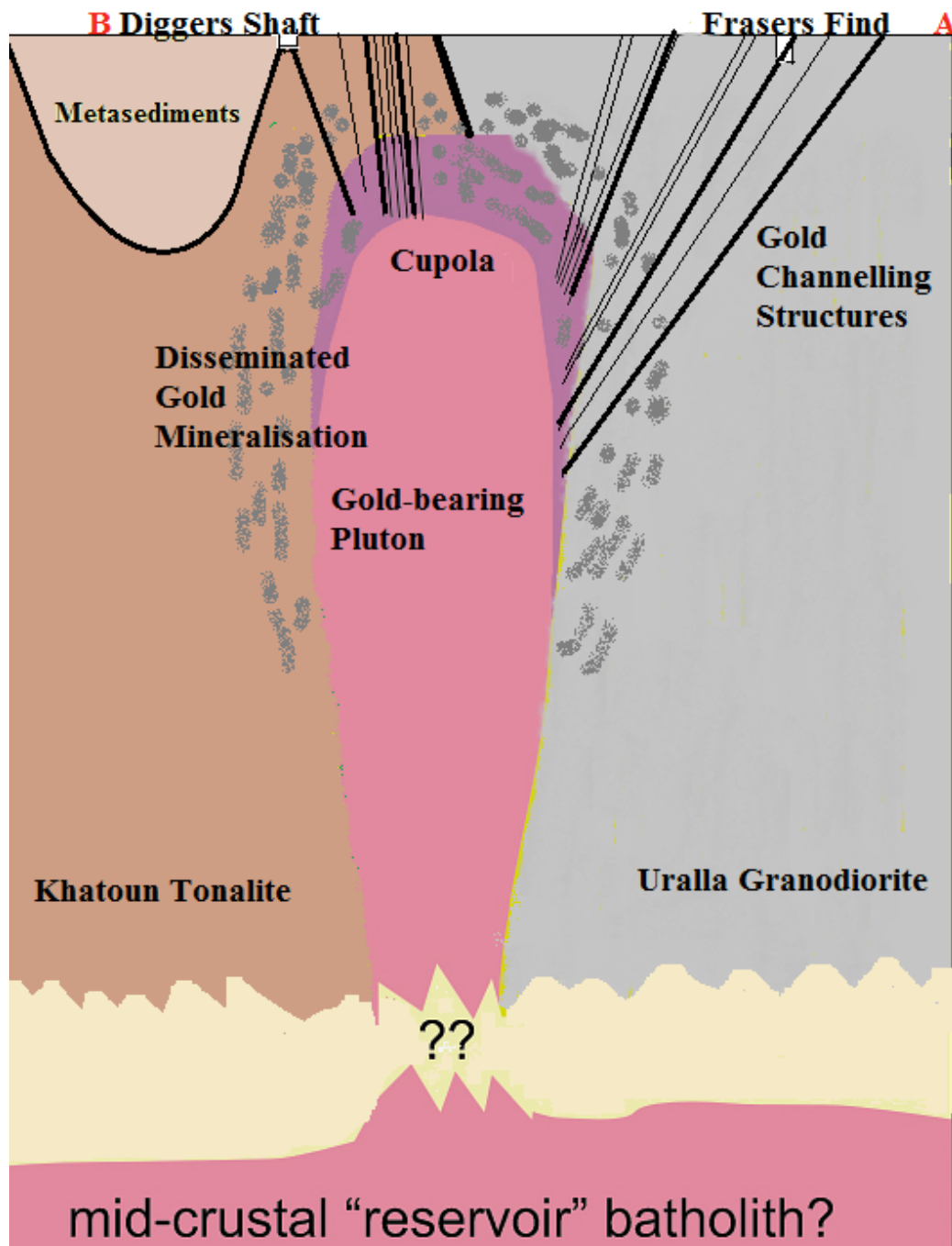
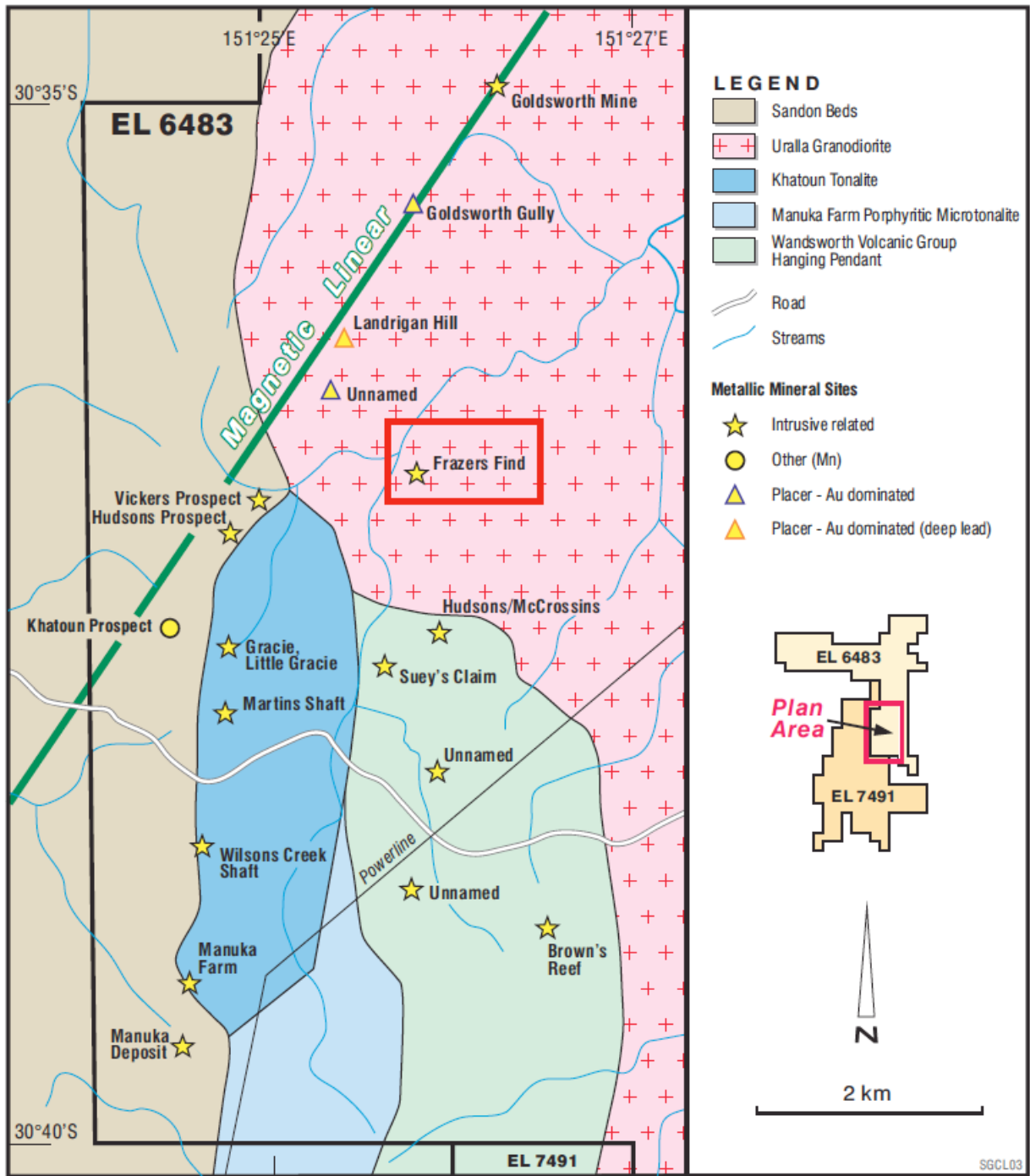


Figure 2: Interpretive cross-section A-B (Figure 1) showing the conceptual target of a small, blind pluton that has generated the geophysical anomaly and mineralisation in Frasers Find. Preferred sites of intrusion-hosted gold mineralization are above the cupola, where exsolved fluids will accumulate, and mineralized fractures developed in the pluton's apex and shoulders. (Adapted from Hart, Reduced Intrusion Related Gold Systems, Geological Survey of Canada).

The known mineralised structure at Frasers Find is over 300 metres long. Note the mapped gold mineralisation within this structure extends right to the sub-circular geophysical anomaly (Figure 1).

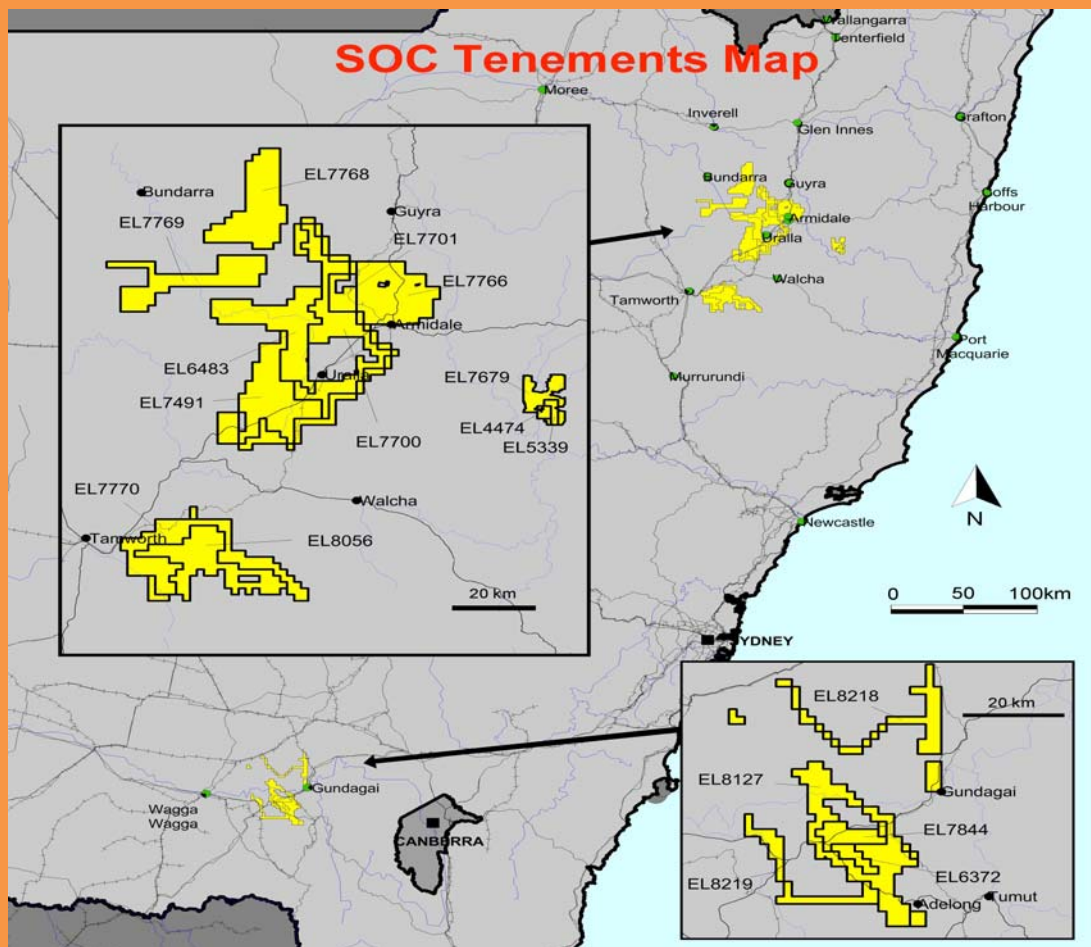
The sub-circular structure potentially represents the alteration halo above a small intrusive gold-bearing pluton (Figure 2) that has released gold-bearing fluids into the surrounding rocks via mineralised fractures and disseminations.



Location of Frasers Find and other gold occurrences within EL 6483



About Sovereign Gold Company Limited



Mount Adrah Gold Limited (SOVEREIGN GOLD - 99.5%)

- Current Mineral Resource estimate is 770,000 oz of gold at various cut-off grades:
 - Indicated – 440,000 oz, from 12.1 Mt at 1.1 g/t gold
 - Inferred – 330,000 oz from 8.4 Mt at 1.1 g/t*
- Immediate focus on a cost effective exploration and mine development program
- Multiple additional targets have already been identified at the Hobbs Gold Project for further evaluation

SUGEC/SOVEREIGN GOLD JV (SOVEREIGN GOLD - 55% interest post-expenditure funding)

- SUGEC: \$6.5 million balance currently under JV agreements; \$15 million under MoU in the Joint Venture (JV) areas. Advanced discussions are underway to convert all MoUs to JVs
- Results to date have uncovered extensive zones of mineralisation for additional follow-up

*The information regarding the Mineral Resource is extracted from the report entitled "Hobbs Pipe – Mineral Resource Update Additional Information" created 27th December 2013 and is available to view on www.sovereigngold.com.au/investors.htm. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.