



SOVEREIGN GOLD COMPANY LIMITED

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Latest News

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Rocco Tassone (MD)
Patrick Glovac

ASX: 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 the Chief Geologist 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 2012 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.

ASX Release
14 September 2016

Crescent Lake - Lithium Oxide Grades up to 1.84%

- Three Lithium-bearing pegmatites located and sampled
- Grab samples with up to 1.84% Lithium Oxide
- Exploration Permit granted
- Trenching program underway prior to Diamond Drilling
- Mineralisation at surface, walk-up drill targets
- Fourth pegmatite (Chappais) update to be released shortly

Sovereign Gold Company Limited's (ASX: SOC) (Sovereign Gold or Company) in-country exploration team has located and sampled three lithium-bearing (Spodumene) pegmatites (L6100W- Dempster L61, L4000W-Dempster L40, L2800W-Dempster L28) on claim 3016645, currently under option to Sovereign Gold. Six grab samples were collected and assayed (Activation Laboratories Ltd. of Ontario, Canada) and reported up to 1.84% Lithium Oxide (Li_2O).

Sovereign Gold has secured an exclusive option to acquire 100% of 28 unpatented mining claims (317 Claim Units, 5,072 hectares, 50.72 km^2) (Sovereign Claims) within the Crescent Lake Lithium Prospects in Ontario, Canada. SOC's claims extend northeast 11.5 kms from its contact with the north-western boundary of Ardenid Ltd.'s (ASX: ADV) Seymour Lake Lithium Project to Argonaut Resources Ltd.'s (ASX: ARE) Zigzag claims (Crescent Lake area) that contain lithium-bearing pegmatites.

The north-east portion of Sovereign Gold's Claims host four lithium-bearing deposits that consist of Spodumene-bearing pegmatites named: Chappais Lake, Dempster L61, Dempster L40 and Dempster L28 (Figures 1 and 2).

Six grab samples have been collected and assayed by Activation Laboratory in Thunder Bay, Ontario, Canada (Figure 1, Table 1).

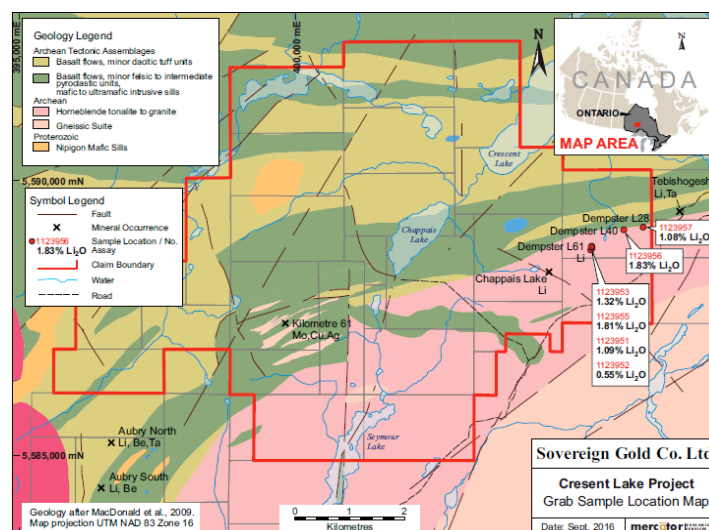


Figure 1: Lithium Oxide assay results from lithium-bearing pegmatites Dempster L61, Dempster L40 and Dempster L28.

Dempster L40 Deposit

Sample 1123956 assayed 1.84% lithium oxide.

Dempster L61 Deposit

Samples 1123951, 1123952, 1123953 and 1123955 assayed 1.09%, 0.55%, 1.32% and 1.81% lithium oxide respectively. The exploration team has located two pegmatite dykes at the Dempster L61 deposit area and were able to trace one surface exposure for 50 metres to the NW and a second trend for about 30 metres. Formal stripping and trenching to trace full near surface dimensions is underway. Visible Spodumene (main pegmatite lithium mineral, Li_2O , $\text{Al}_2\text{O}_3 \cdot 4\text{SiO}_2$, theoretical Li_2O content of 8.03%) has been identified and in some instances estimated to comprise 20% to 30% of the pegmatite volume. The Spodumene occurs as large rectangular elongated minerals (sometimes pale green and striated, refer to figures below). The Spodumene crystals range in length from a few cm's to up to 20cm long. The outcropping pegmatites provide superb walk-up drill targets that can be collared essentially in mineralisation.

Dempster L28 Deposit

Sample 1123957 assayed 1.08% lithium oxide. Sovereign's field team have located on the ground, using handheld Geological Position System (GPS) units, what they understand to be the L2800W lithium pegmatite showing and also the cut claim line and associated claim posts that mark the common boundary between Stockport Exploration Inc.'s claim 3016645, currently under option to Sovereign Gold, and claim 4244211 held by Canadian Orebodies Inc. This field work shows that the L2800W showing is situated within Claim 3016645, approximately 50m west of the cut line that marks the common boundary with Canadian Orebodies Inc. holdings. The L2800W showing is located approximately 150m west of the MNDM digital database claim line. Notably, field work completed in 2016 has shown that most mineral occurrence location coordinates for historic Li pegmatite showings on the Crescent Lake Property differ from those presented in associated mineral occurrence database records.

Chappais Lake Deposit

Subsequent to this initial sampling, the exploration crew has located the Chappais Lake Deposit and report good Spodumene development characterizes the exposure.

Managing Director Rocco Tassone comments "We are encouraged by the high lithium grades present within these initial samples and are looking forward to the assay results from trenching the full widths of these lithium-bearing pegmatites. The geological team is finalising a diamond drill program to test several walk-up drill targets."

Analyte Symbol		Li_2O
Unit Symbol		%
Detection Limit		0.01
Analysis Method		FUS-Na2O2
Sample Number	Lithium-Bearing Pegmatite Deposit	Lithium Oxide %
1123951	Dempster L61	1.09
1123952	Dempster L61	0.55
1123953	Dempster L61	1.32
1123955	Dempster L61	1.81
1123956	Dempster L40	1.84
1123957	Dempster L28	1.08
1123954	Blank, Quality Control Step	< 0.01

Table 1: Assays results for six grab samples from lithium-bearing pegmatites, Crescent Lake, Ontario; Actabs Report 9/9/2016, Certificate of Analysis Report A16-08214(i)

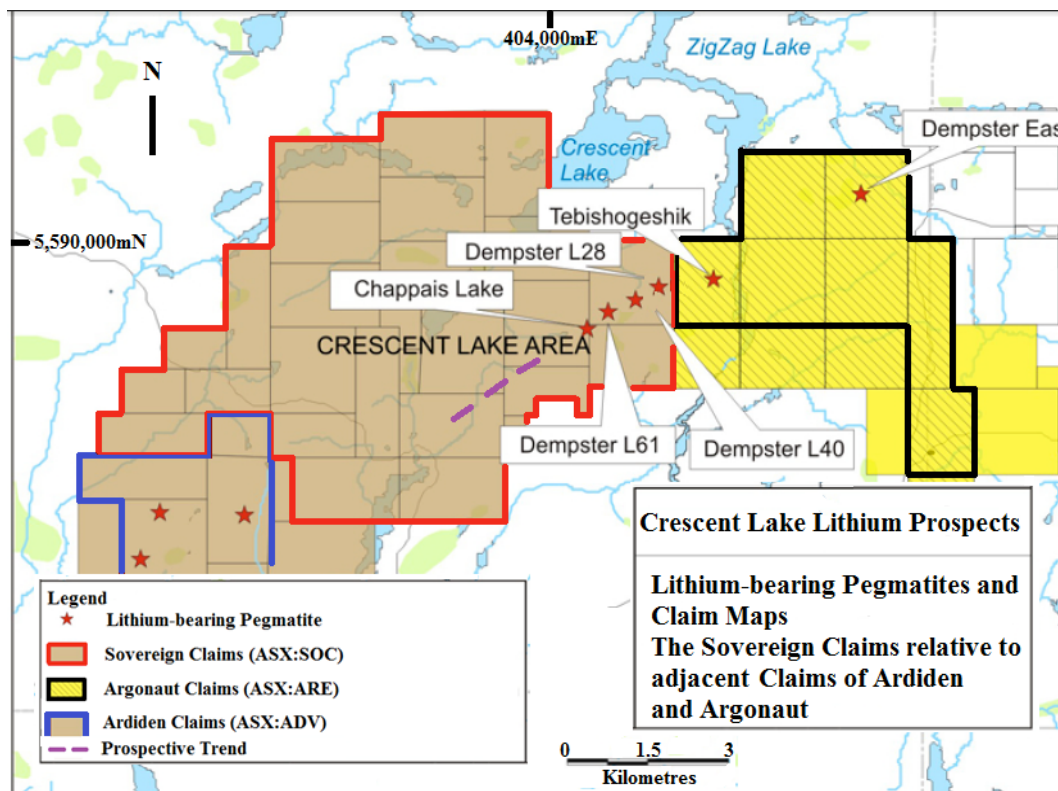


Figure 2: Lithium-bearing Pegmatites and claim map. The Sovereign Claims relative to the adjacent claims of Ardiden and Argonaut. Trenching underway and drilling program planned for Chappais Lake, Dempster L61, Dempster L40 and Dempster L28. The Sovereign Claims are underexplored and the geological team will also explore along a highly prospective north-east trend of volcano-sedimentary host rocks that parallels an adjacent intrusive contact. They will especially focus on the area trending north-east from Ardiden's Claims as this may result in discovery of new pegmatites.



Figure 3: Regional Location, Crescent Lake is situated in the northeast portion of the Sovereign Claims above the four lithium-bearing pegmatite deposits.



Dempster L28 (L2800W) deposit, surface exposures, walk-up drill target



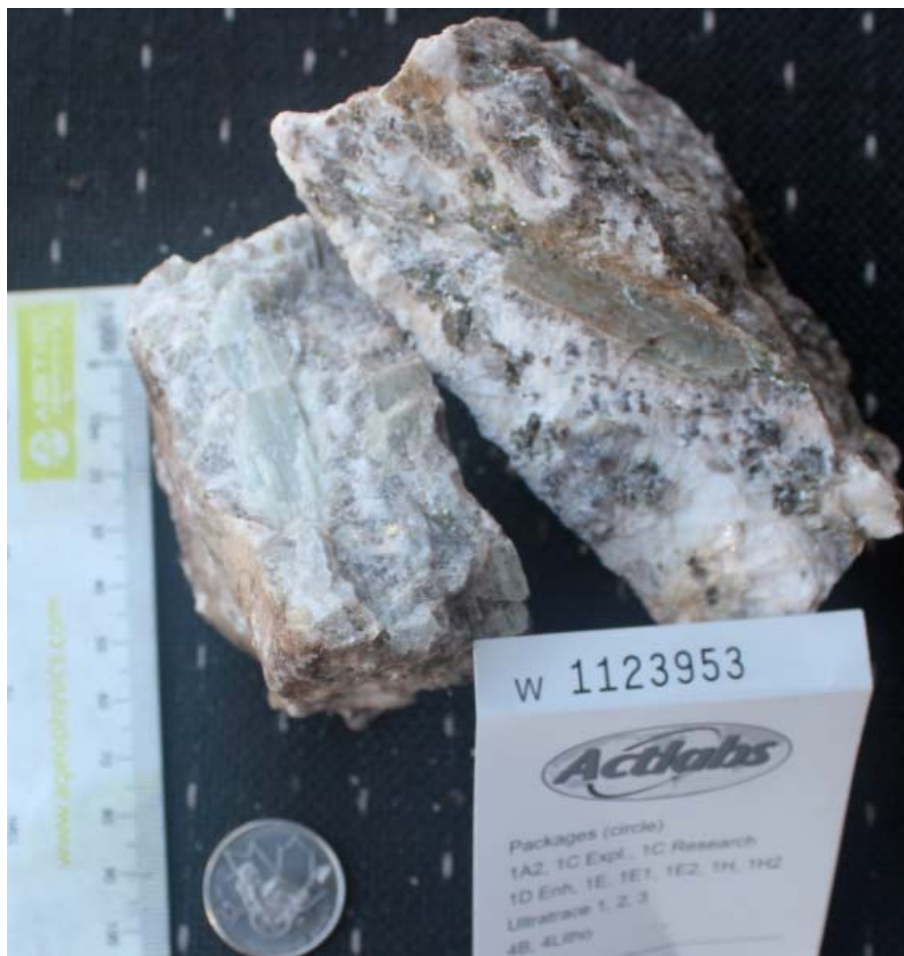
Dempster L61 (L6100W) deposit, surface exposures, walk-up drill target



Sample 1123956: 1.84% Li_2O , from the Dempster L40 (L4000W) pegmatite. The large rectangular elongated minerals are Lithium-bearing Spodumenes.



Sample 1123955: 1.81% Li_2O , from the Dempster L61 (L6100W) pegmatite. The large rectangular elongated minerals are Lithium-bearing Spodumenes.



Sample 1123953: 1.32% Li_2O , from the Dempster L61 (L6100W) pegmatite. The large rectangular elongated minerals are Lithium-bearing Spodumenes.



Sample 1123951: 1.09% Li_2O , from the Dempster L61 (L6100W) pegmatite. The large rectangular elongated minerals are Lithium-bearing Spodumenes.



Sample 1123952: 0.55% Li_2O , from the Dempster L61 (L6100W) pegmatite. The large rectangular elongated minerals are Lithium-bearing Spodumenes.



Sample 1123957, L2800W Sample 1123957: 1.08% Li_2O , from the Dempster L28 (L2800W) pegmatite. The large rectangular elongated minerals are Lithium-bearing Spodumenes.

For further information please contact:

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Table 1 for reporting in accordance with the JORC Code 2012 Edition

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Criteria	Commentary
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Six grab samples of mineralized material present at the sites indicated. Grab samples are point samples and do not reflect collection over a specified sampling length or width.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	- Grab samples selectively chosen from outcrop of surface float samples of rock. - Sample weights ranged from 0.5 – 2kg.
	- Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	All samples were of spodumene-bearing pegmatites.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Not applicable – drilling results not reported.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have	Not applicable – drilling results not reported.



Criteria	Criteria	Commentary
	occurred due to preferential loss/gain of fine/coarse material.	
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	All grab samples were geologically logged. Logging recorded lithology, textures and alteration.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- Sub-sampling techniques not applicable – drilling results not reported. - Six grab samples of mineralized material present at the sites indicated. Grab samples are point samples and do not reflect collection over a specified sampling length or width. - Sample sizes are appropriate to the grain size of the mineralisation being sampled.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias)	- The Activation Laboratories Ltd. (Actlabs) of Ancaster, Ontario, Canada analysed these samples and is an independent, fully accredited, commercial analytical services firm. It is accredited by the Standards Council of Canada (SCC) and has ISO/IEC 17025 certification. - All samples were prepared by Actlabs (Preparation Code Rx-1) and then analysed for Li₂O using Inductively Coupled Plasma- Optical Emission Spectroscopy (ICP-OES) methods after peroxide fusion (Actlabs Code 8 - Lithium Mineralisation). - Samples were also subjected to multi-element suite analysis by ICP –Mass Spectroscopy (ICP-MS) methods



Criteria	Criteria	Commentary
	<i>and precision have been established.</i>	(Actlabs Code Ultratrace 7). The laboratory employed standard quality assurance and quality control (QAQC) protocols that include insertion and results monitoring for certified reference samples, blank samples and duplicate split samples. An independent blank sample was also blindly inserted in the sample stream. All associated QAQC results are deemed acceptable.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	- Alternative company geologists have inspected the sample data. - Not applicable –drilling results not reported. - Field note books and photos were used to record primary data in the field. Primary data was then entered digitally and is stored in Excel format and imported to an industry standard database by the database geologist using data entry procedures and database import tools. Data is visually checked and validated prior to import and additional validation is carried out upon entry to the database.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	- Current sample locations sited using hand-held <i>using handheld Geological Position System (GPS) units.</i> - Grid co-ordinate system used is the North American Datum of 1983 (NAD83), UTM Zone 16. - Original hand-held GPS co-ordinates are maintained in the database. - This is considered appropriate at this early stage of exploration.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Data spacing for samples are varied as samples they were grab samples. This is considered sufficient for this early stage of exploration.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Not applicable.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
Orientation of data in relation to geological	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to</i>	Not applicable, non-directional grab samples collected only.



Criteria	Criteria	Commentary
structure	<i>which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<i>The measures taken to ensure sample security.</i>	Bagged samples were securely stored at a private facility prior to being freighted door to door to analytical laboratory Activation Laboratories Ltd. (Actlabs) of Ancaster, Ontario, Canada and then subjected to the Actlabs chain of custody procedures.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been undertaken.

Section 2 Reporting in accordance with the JORC Code 2012 Edition
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	- Exploration conducted in Crescent Lake area, Ontario Canada on Stockport Exploration Inc.'s claim 3016645, currently under option to Sovereign Gold. - An access agreement with the current landholders in place. - No impediments to operate are known.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Previous exploration has been conducted and is available in public file records extracted from Ministry of Northern Development and Mines, specifically Pye E. G. 1968, Geology of the Crescent Lake Area, District of Thunder Bay, Geological Report 55, Ontario Department of Mines.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	Spodumene-bearing pegmatites
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <i>o easting and northing of the drill hole collar</i> <i>o elevation or RL (Reduced Level –</i>	Not applicable – drilling results not reported.



	elevation above sea level in metres) of the drill hole collar - o dip and azimuth of the hole - o down hole length and interception depth - o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable – no weight averaging has been undertaken. • Not applicable – no metal equivalent has been reported.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Not applicable – no widths or intercepts reported.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Location plans and samples points of interest are contained within this report.



Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Six grab samples of mineralized material present at the sites indicated. Grab samples are point samples and do not reflect collection over a specified sampling length or width. <table><tr><th>Sample Number</th><th>Pegmatite Deposit</th><th>UTM East (m)</th><th>UTM North (m)</th></tr><tr><td>1123951</td><td>L6100W</td><td>405375</td><td>55883772</td></tr><tr><td>1123952</td><td>L6100W</td><td>405355</td><td>5588745</td></tr><tr><td>1123953</td><td>L6100W</td><td>405364</td><td>5588804</td></tr><tr><td>1123955</td><td>L6100W</td><td>405361</td><td>5588789</td></tr><tr><td>1123956</td><td>L4000W</td><td>405945</td><td>5589107</td></tr><tr><td>1123957</td><td>L2800W</td><td>406294</td><td>5589154</td></tr></table>	Sample Number	Pegmatite Deposit	UTM East (m)	UTM North (m)	1123951	L6100W	405375	55883772	1123952	L6100W	405355	5588745	1123953	L6100W	405364	5588804	1123955	L6100W	405361	5588789	1123956	L4000W	405945	5589107	1123957	L2800W	406294	5589154
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Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Geological results have been summarized in order to put context around sample results.																												
Further work	- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	- Future exploration programs under development including design of trenching and diamond drilling program. - Diagrams appropriate to samples data presented are included in this report.																												