



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 Statement

The information in this Report that relates to Exploration Information is based on information compiled by Michael Leu who is a member of 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.

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.

Downhole length

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

ASX Release
16th March 2012

Martins Shaft – 2011 Wrap-up

- **Significant Gold Mineralization**
- **Proof of IRGS Concept**
- **Potential for Depth Extensions and Repetitions**

Sovereign Gold Company Limited (**Sovereign Gold**) conducted an extensive drilling campaign at its Martins Shaft prospect in the Rocky River-Uralla Goldfields during 2011. Results are now to hand for this campaign and are presented below.

- 29 reverse circulation holes were drilled for a total of 2,534 metres and
- 11 diamond holes for a total of 678 metres

The gold mineralisation at Martins Shaft is significant as this style of mineralisation was predicted from the application of Sovereign Gold's Intrusion-Related Gold System (**IRGS**) Exploration Model.

Potential exists for multiple Martins Shaft-type deposits, of similar and larger size, within the large IRGS. Several high priority drill targets have been identified for the next drilling campaign commencing mid-April 2012.

Exploration has already resulted in:

- Discovery of significant gold mineralization at Martins Shaft that is broadening down plunge and has great depth potential
- Proof of Concept that validates the potential for a major gold discovery and confirmation of a large, newly discovered IRGS
- Some very long and high grade gold intersections in drill holes at Martins Shaft
- The discoveries at Martins Shaft have confirmed the exploration model with the potential of several satellite deposits with a global resource of between 500,000 to 1,000,000 ounces.
- Sovereign Gold is now a leader in exploration of IRGS in Australia and through application of its new understanding on the controls on gold mineralisation within these large systems it has identified several high priority targets for drilling planned to commence in April 2012
- Sovereign Gold will deep drill Martins Shaft from 300-500 metres as these systems can typically extend to such depths. 3-dimensional wireframe model (Figures 2 and 5) shows ore body widening with depth
- Senior Geoscientists from the NSW Geological Survey are collaborating with Sovereign Gold as the new understanding of these gold systems has the potential to invigorate gold exploration and lead to world class gold discoveries in the New England Fold Belt

Some of the wide and high gold grades drill intersections at Martins Shaft include:

- Diamond Drill Hole SGRDD002: 22metres @ 3.28 grams/tonne gold from 18-40 metres downhole Including 10 metres @ 6.06 grams/tonne gold from 27-37 metres downhole and 2 metres @ 18.85 grams/tonne gold from 35-37m metres downhole.
- Diamond Drill Hole SGRDD004: 18 metres @ 3.51 grams/tonne gold from 52-70 metres downhole, including 7 metres @ 7.47 grams/tonne gold from 57-64 metres downhole and 1 metre @ 19.60 grams/tonne gold from 58-59 metres downhole.



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The mineralisation comprises sheeted veins and disseminated gold mineralisation within a felsic dyke, which confirms the potential of a large IRGS hosting several primary hard rock gold deposits.

Gold has been located to a vertical depth of 130 metres (SGRDD010), limit of drilling. Mineralisation is widening down plunge (Figures 2 and 5). Strong phyllic alteration extends beyond the mineralised envelope. The felsic dyke has acted as a brittle host for magmatic fluids. It is clear from the presence of gold mineralisation and associated alteration that igneous textures are very conducive to the permeation/dissemination of gold-bearing fluids.

This IRGS has striking similarities to the multi-million ounce Donlin Creek IRGS deposit, with gold in dykes like Martins Shaft, of the Yukon-Alaska running Tintina Gold Province. This has been taken into account when formulating a target model of satellite mineralised zones with a global resource of between 500,000 to 1,000,000 ounces.

Sovereign Gold's 2012 drill programme will be conducted over a multitude of targets consisting of over 15 separate gold-bearing deposits and numerous geochemical anomalies, in a large 60 square kilometre mineralising system. These include several known and other recently discovered hard rock gold targets, as well as several targets on the largely unexplored 41 kilometres long magnetic linear that host several historic gold occurrences.

Sovereign Gold is able to swiftly identify multiple potential gold lodes for target defined drilling programmes.

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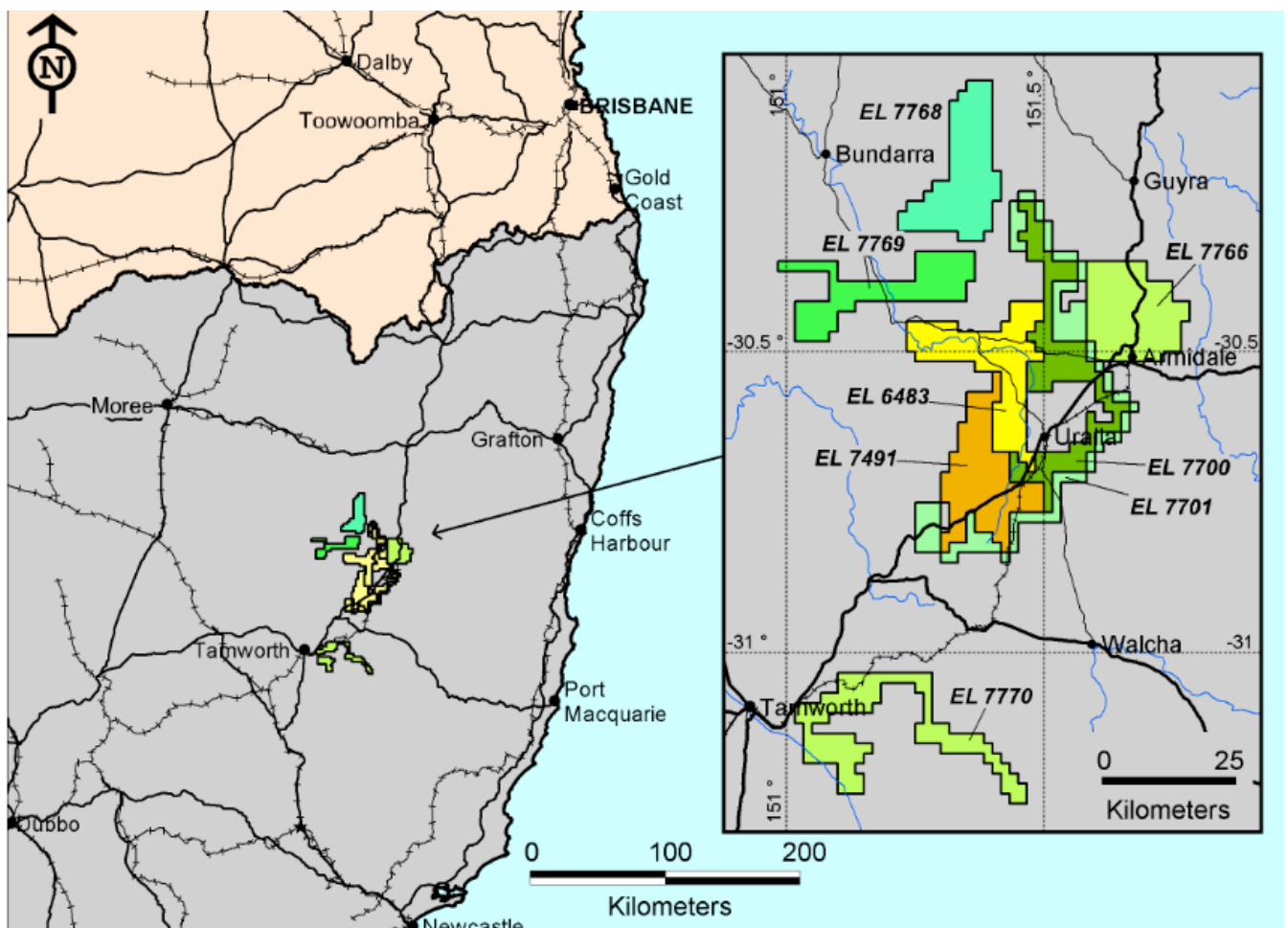


Figure 1: Location of Exploration Licences (EL 6483, 7491, EL 7700, EL 7701, EL 7766, EL 7768, EL 7769, EL 7770) held by 100% owned subsidiaries of Sovereign Gold Company Limited.

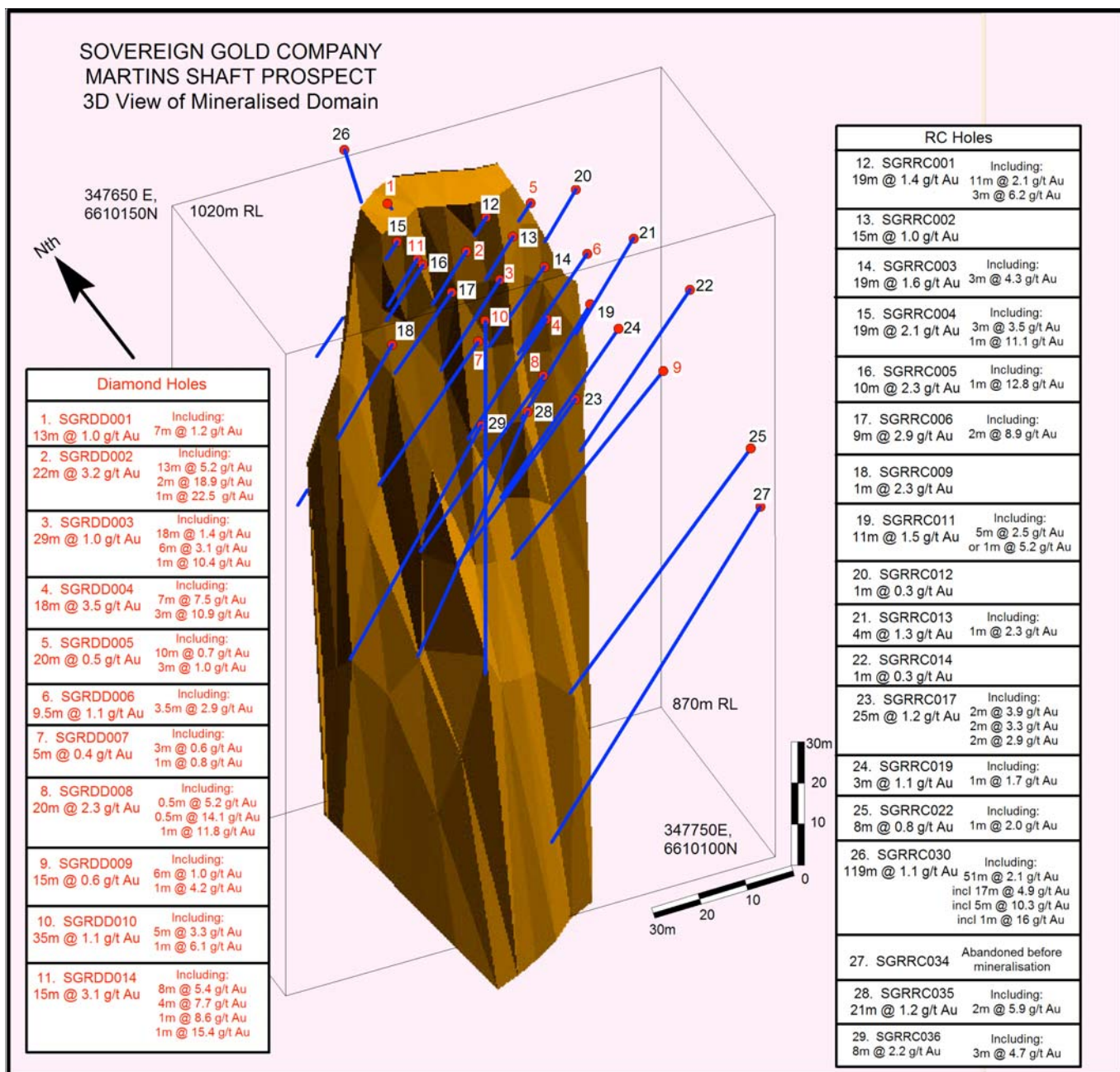


Figure 2: Diamond and Reverse Circulation drill intersections for gold (all holes) and 3-dimensional wireframe model of mineralised lode – widening with depth.

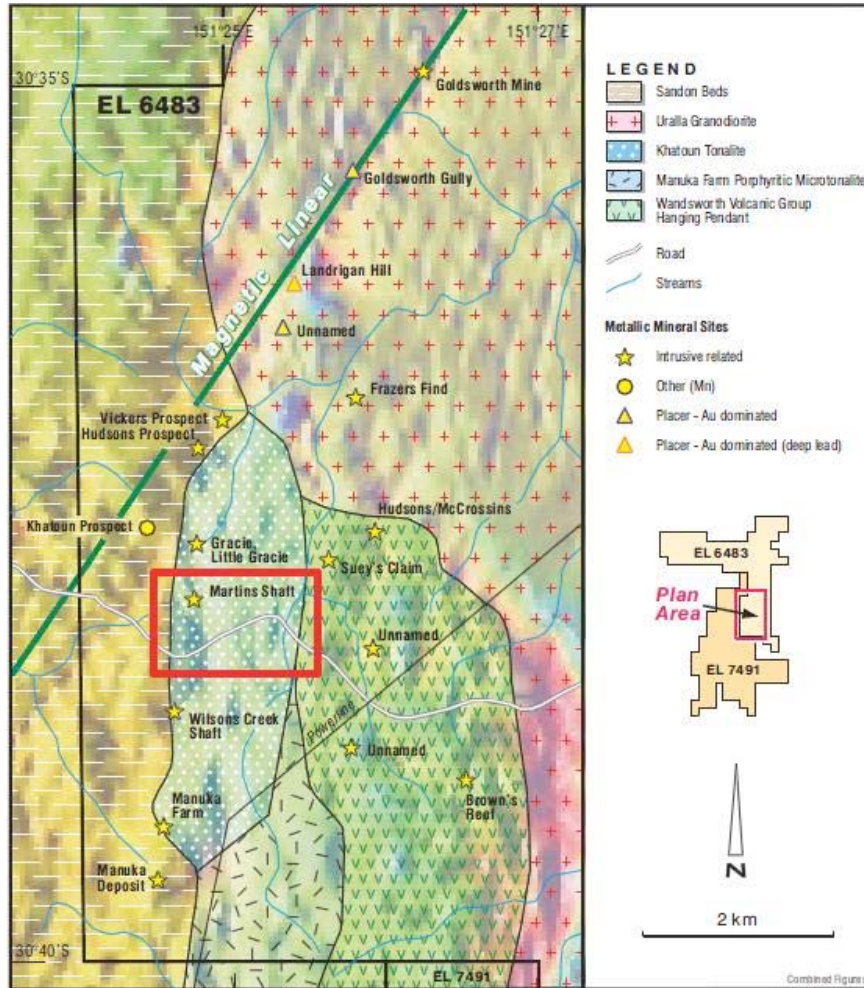


Figure 3: Locations of the principal auriferous hard rock mines discussed in this report. Magnetic image (from Brown R. E. 2003, Quarterly Notes No. 114, Geological Survey of New South Wales) overlaid on geology (geological boundaries defined by thin white lines). The striking structural and magmatic control to mineralisation indicates the possible existence of a large RIRGS. Many gold lodes plot on the north-east trending magnetic linear. Note also the NNE trending series of mines along contact of the small plutons (Khatoun Tonalite and Manuka Farm Porphyritic Microtonalite) and the Sandon Beds. Other mines are situated within the inlier of Wandsworth Volcanic Group.

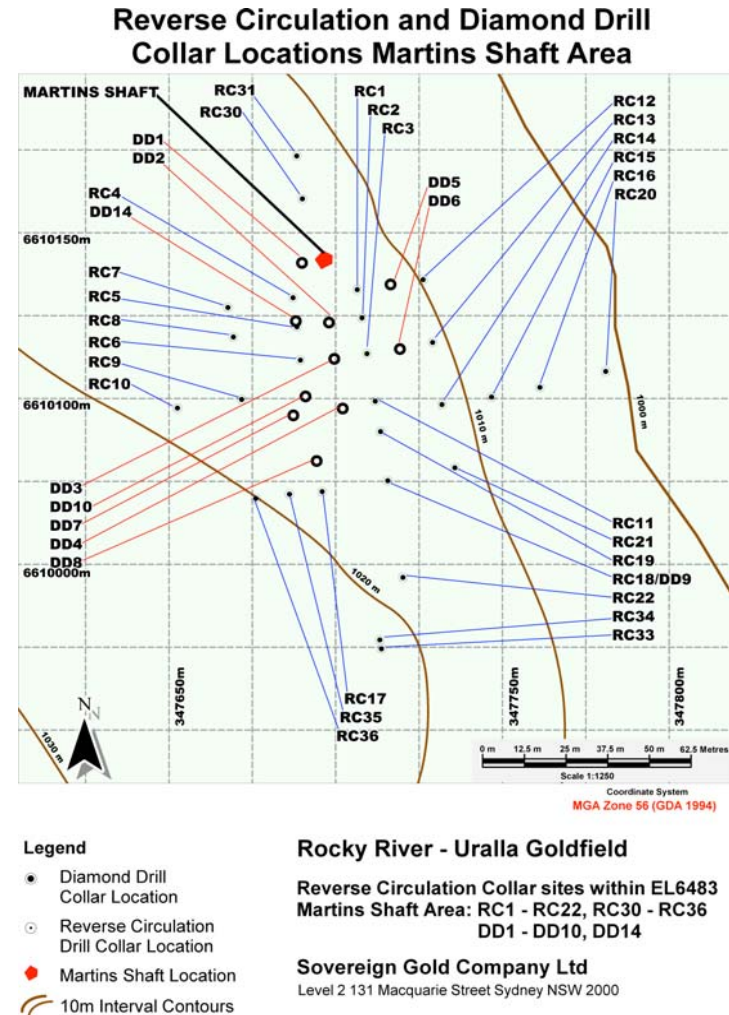


Figure 4: Diamond drill and reverse circulation drill collar locations.

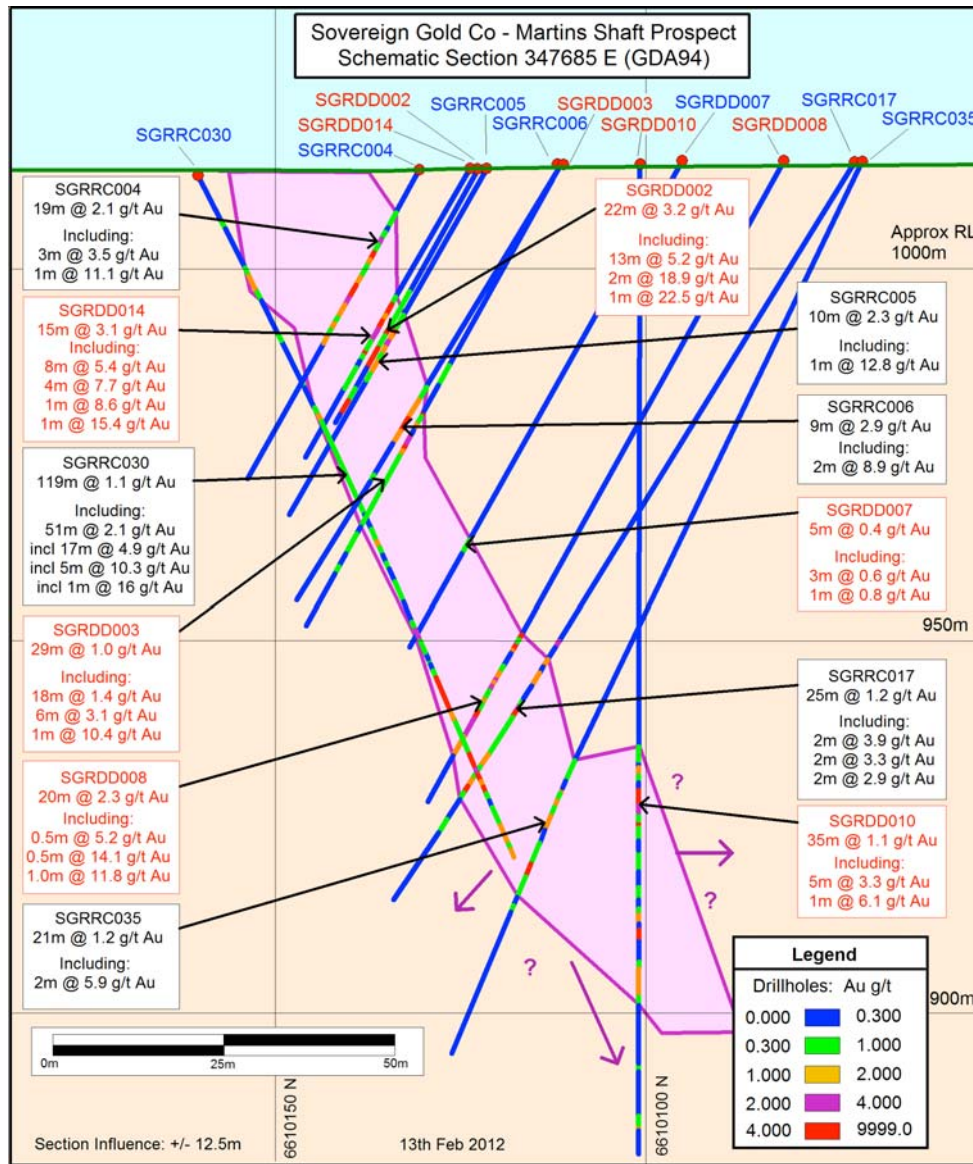


Figure 5: Diamond and reverse circulation drill intersections for gold, schematic section 347685E (GDA94).

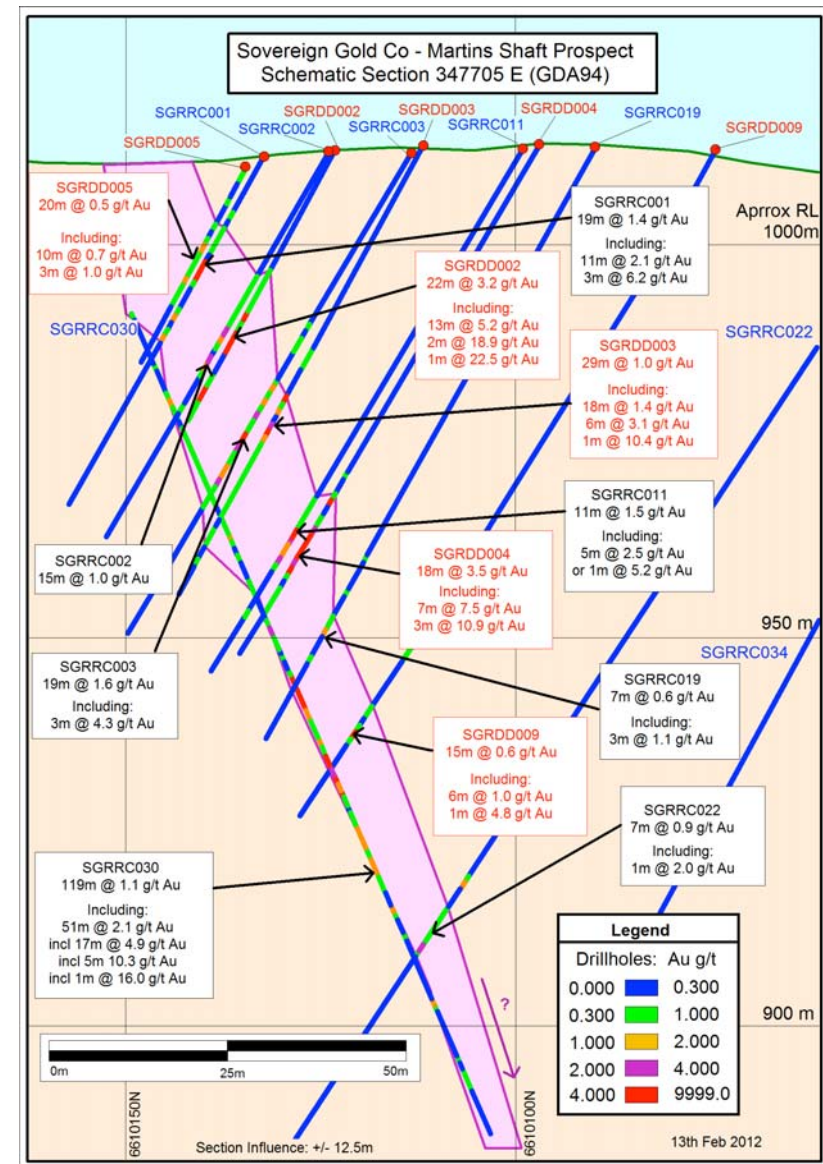


Figure 6: Diamond and reverse circulation drill intersections for gold, schematic section 347705E (GDA94).

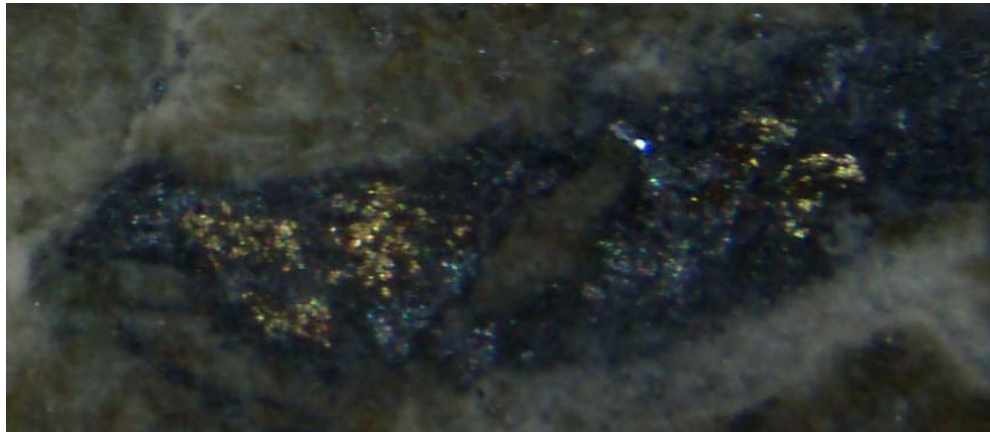


Figure 7: Visible gold in core SGRDD002 from 36-37m; 22.5 grams/tonne gold, 11.35 grams/tonne silver, 0.66% Antimony (Sb). Scale: clump of gold on left-hand-side 6mm x 3mm.



Figure 8: Visible gold in core SGRDD002. Visible gold (1 mm x 1mm, red lines right-hand-side) in sheeted, antimony-quartz-carbonate veins, (around 36.0m; 35-36m, 15.2 grams/tonne gold); (HQ core, diameter 63.5mm).



Figure 9: SGRDD002, close-spaced sheeted, carbonate-quartz-pyrite-arsenopyrite veins in phyllic altered felsic dyke (around 27m). 27-28m, 10.5 grams/tonne gold, 13.35 grams/tonne silver (HQ core, diameter 63.5mm).

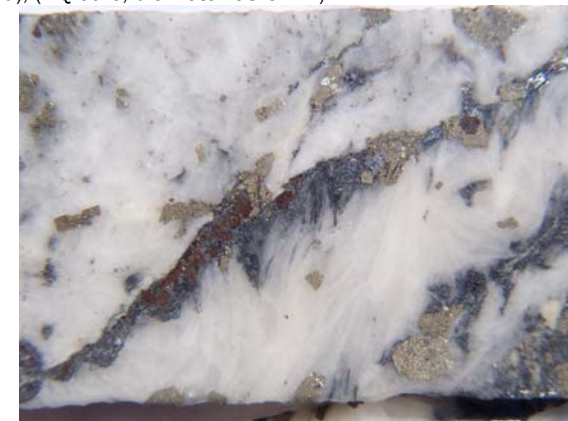


Figure 10: SGRDD004, 58.3 metres. 19.6 grams/tonne gold from 58-59 metres downhole including 2.18 ounces/tonne silver and 0.64%/tonne antimony (HQ core, diameter 63.5mm). Vein filling composed of abundant medium to coarse grained carbonate (calcite), plus crudely banded and disseminated medium to coarse grained sulphides, minor, but locally abundant fine-grained sericite and a little quartz. Pyrite is the most abundant sulphide mineral, and together with subordinate arsenopyrite, is paragenetically early. There was subsequent deposition of sphalerite, galena and stibnite, with local evidence of replacement of pyrite and arsenopyrite. Stibnite is commonly associated with galena, and has possibly replaced the latter. A trace of fine grained chalcopyrite occurs with sphalerite and also hosted in carbonate (field of view 50mm).



Figure 11: SGRDD004 from 58-59m, 19.6 grams/tonne gold, 67.8 grams/tonne silver, 0.64% antimony (Sb); (HQ core, diameter 63.5mm).



Figure 12: SGRDD004, antimony sulphide vein, 30mm wide, in phyllic altered felsic dyke (around 60m); (HQ core, diameter 63.5mm).



Figure 13: SGRR0011, euhedral pyrite, 1.53 grams/tonne gold, 60-61m.



Figure 14: SGRR0017, euhedral pyrite and arsenopyrite, 86-89m.