



SOVEREIGN GOLD COMPANY LIMITED

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Latest News

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ASX Symbol: SOC

Sovereign Gold Company is exploring for large Intrusion-Related Gold Systems in New South Wales.

Sovereign Gold's project area covers over 2,650 square kilometres.

The principal project is located around the township of Uralla, 21km southwest of Armidale, New South Wales, Australia, with superb infrastructure logistics. It is close to major roads, rail, airport, labour source, university, power, and engineering.

Available production records indicate that the Rocky River-Uralla Goldfield yielded 5,193 kg (approximately 167,000 ounces) of gold mostly from Tertiary deep leads during the period 1858-1967.

Sovereign Gold's exploration objective is to locate the hard rock ore sources.

2012 Drilling Target Snapshot No 2

Sueys Claim-Hudson/McCrossins Line of Workings

Drilling on several high priority drill target areas has been planned:

- **Large mineralised structure** (fault/shear zone) with multiple shaft and pits that extends north-east for over 600 metres
- **Mineralisation analogous to the 30 million ounce Donlin Creek Intrusion-Related Gold System (IRGS)**
- **Sheeted veins and disseminated mineralisation** in felsic dykes, metasediments and volcanics
- **Mineralised widths up to 65 metres** as indicated by shafts and costeans
- **Recent assays of mineralised dykes and sheeted veins up to 3.67 g/t gold**
- **Felsic dyke, up to 1 metre wide**, at Sueys Claim had patchy gold grades up to 2.1 oz/ton according to historical records (*Department of Mines New South Wales, Annual Report for 1895, 162-165*)
- **Conceptual target for the 600 metre long mineralised structure is bulk open-pittable, around 1 g/t**

Sovereign Gold's custom-built MAC200 diamond drill rig is in the final stage of commissioning and will shortly commence the 2012 drilling campaign at Frasers Find where assays of ore have returned up to 2.47 ounces/tonne gold and 1.11 kilograms/tonne silver.

The Hudsons McCrossins workings have been developed on a narrow (most <15mm wide) sheeted vein and disseminated mineralised system. The considerable strike length (fault/shear zone over 600m long) provides a large target. Hosted in an inlier of metasediments and volcanics that overlies the Uralla Granodiorite. Potential for this to be the carapace above a large mineralised stock. Late stage fluids from the granite have extensively invaded the inlier with gold-bearing sheeted veins and dykes.

Historical Note:

Jack Suey

"On the eastern side of [Wilson's] creek in the granite a surface patch was rich in gold. This was found by Jack Suey, an astute Chinese prospector. When, due to the intervention of my father and George Faulkner, he was spoken to by the police due to a very lonely life, and convinced that he could be welcomed to a home for people like him. When they asked for his pension card, he said, "Don't get the pension". To their shock, his bank book proved he had not been wasting his time. He could have bought half the town!"

Extract from "A Prospector's Review of the Rocky River Goldfield at Uralla, NSW", Maurice Melvaine DCM 1999

Hudson

The Hudsons settled at 'Balala' Station west of Uralla in the 1880. Some of the original station outbuildings date to the 1840's. Thunderbolt, the bushranger and his colleague Monckton changed mounts at 'Balala', taking two horses from the stables. The original 'Balala' station included the Sueys Claim, Hudson McCrossins mineralisation, now on 'Wilson's Creek'. After 131 years and 5 generations the Hudson family sold 'Balala' in 2011. Sue Hudson is a Wiradjuri woman and archaeologist specialising in environmental and Aboriginal sites.

McCrossin

Father Sam and son John McCrossin were early pioneering property and mining entrepreneurs in the Uralla area. John built the Post Office Store and McCrossins Mill, now a museum, in Uralla. John took part in an expedition (1859-60) led by Captain John Mackay to open up more grazing land in northern Queensland. The party formed up outside the Post Office Stores in Uralla and journeyed to the present site of Mackay. Legend has it that on the bank of the river, a coin was tossed to decide on the name of the new port. Had Mackay not won the toss, the city would now be called McCrossin.

McCrossin's Mill was built by Alexander Mitchell for John McCrossin in 1870. There is a fascinating irony in the fact that Mitchell carried out the undertaking duties for the funeral of the bushranger Thunderbolt, shot dead by Constable Walker near Uralla on May 25th, 1870. So Mitchell would have literally downed tools to lay Thunderbolt to rest. Two eras overlap here. The end of the wild, desperate days of the NSW bushranging period occurs during the blooming of a golden period of commercial enterprise resulting from the Gold Rush and, as well, riding on the sheep's back (Source Uralla Historical Society). William Gleghorn McCrossin was the Secretary Goldsworth Gold Mines Ltd. until 1914.



Sueys Claim consists of an up to 1 metre wide felsite dyke that contained grades up to 2.1 oz/ton gold. Also contained bunches of sulphide of antimony of high grade, 1.5 metres high x 0.38 metres wide x 3 metres long.

These workings are potentially part of a significant mineralised structure. Their considerable strike length provides a large target for the discovery of bulk open pittable sheeted vein gold deposits – the hall mark of IRGS.

Mineralisation within the Sueys Claim-Hudsons/McCrossins Structure has many of the diagnostic characteristics of the Donlin Creek IRGS (Figure 2) viz:

- Gold mineralisation in felsic dyke and sediments (Figures 3, 4, 6, 7 & 8)
- Narrow Au-As-Sb veins in dykes>sediments (Figures 3, 6 & 7).
- Gold ore within NNE extensional fracture zone (Figure 1)
- Epithermal/epizonal characteristics (Figure 8)

Sueys Claim “consists of a dyke of felsite with quartz up to 10 inches thickness developed on both walls, but mostly on the foot-wall; the walls are from 9 inches to 3ft. 3in. apart. At the 40-foot level a bunch of sulphide of antimony of high grade, with a maximum height of 5 feet, and a thickness of 15 inches, and dipping to the south, was struck and driven for 10 feet; at the bottom level there is also a thin vein of sulphide of antimony on the foot-wall. A crushing of 4 tons 2cwt. gave 8oz. 14dwt. 18gr., i.e. 2oz. 2dwt. 14gr. per ton, but cannot be taken as an average of the vein as the gold is patchy. There can be but little doubt that the vein will continue to a considerable depth.”

Stonier G. A., Report on the Uralla Goldfield. Department of Mines NSW, Annual Report – 1895, 162-165

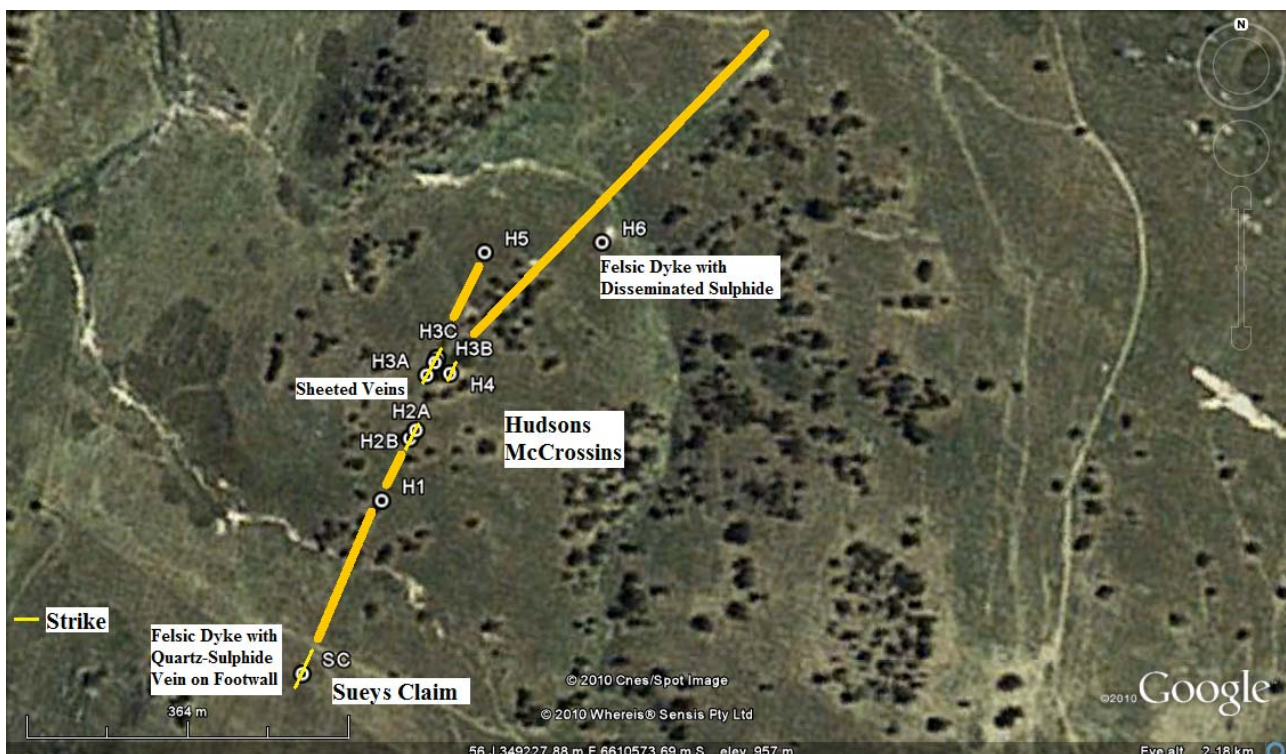


Figure 1: Strike of the Sueys Claim-Hudsons McCrossins line of lode. Workings developed on sheeted veins and disseminated mineralisation in felsic dykes, metasediments and volcanics.

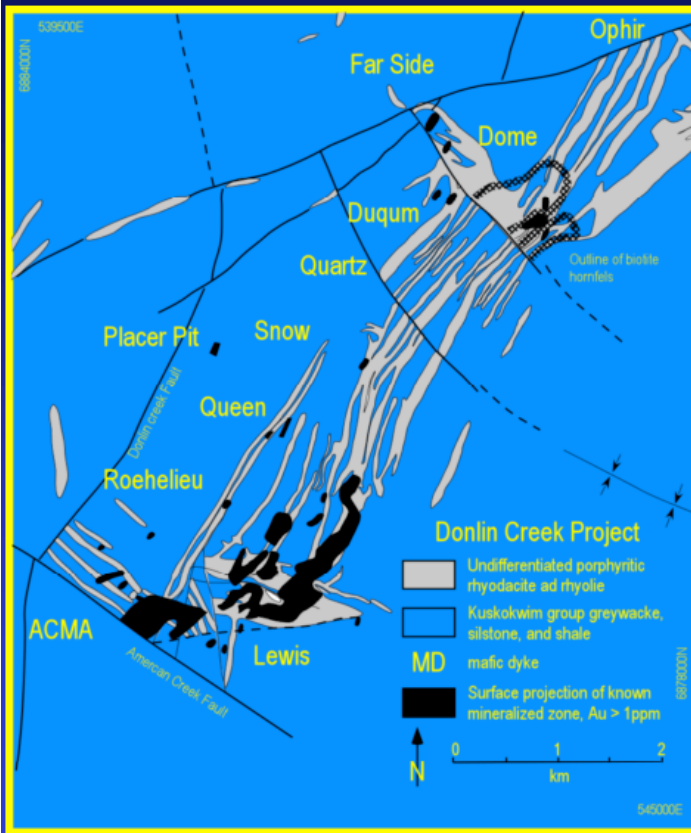
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DONLIN CREEK



• Geology & mineralization

- Rhyolite dykes hosted in reduced sediments
- Magmatism & mineralization 74 to 65 Ma
- Narrow Au-As-Sb-Hg veins in dykes > sediments
- Ore within NNE extensional fracture zone
- Epithermal/epizonal characteristics

(Ebert et al., 2000)

Figure 2: Geology and Mineralisation characteristics of the 30 million ounce Au Donlin Creek Deposit of Alaska (Baker, T. James Cook University).



Figure 3: Sueys Claim, upper portion of shaft sunk on a fine grained, microporphyritic micromonzogranite dyke exhibiting strong phyllic alteration and quartz-sulphide veins. The quartz-sulphide vein (0.81 g/t Au) locally hosts bladed pseudomorph textures ("lattice texture") after former carbonate and is indicative of high level epizonal mineralisation in dyke – the same style of mineralisation discovered at the Donlin Creek IRGS, Alaska (see Figure 2).



Figure 4: Hudsons McCrossins, late stage, porphyritic dyke with disseminated cubic pyrite and arsenopyrite. Phyllic alteration, assayed up to 1.87g/t Au.



Figure 5: Gold-bearing porphyritic dyke, Donlin Creek Gold Deposit.



Figure 6: Shaft H1 (see Figure 1) excavated in a porphyritic dyke exhibiting pronounced limonite staining after oxidised sheeted sulphide veins and disseminated mineralisation.



Figure 7: Hudsons McCrossins Sample S177B (0.46 g/t gold). Narrow, close-spaced, sheeted ferruginous quartz veins in metasediments.



Figure 8: Epithermal/epizonal lattice textures at Hudsons McCrossins indicative of high crustal level setting.

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 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 geographical names, and no inference should be made that Sovereign Gold is operating any mines at this stage of its development.

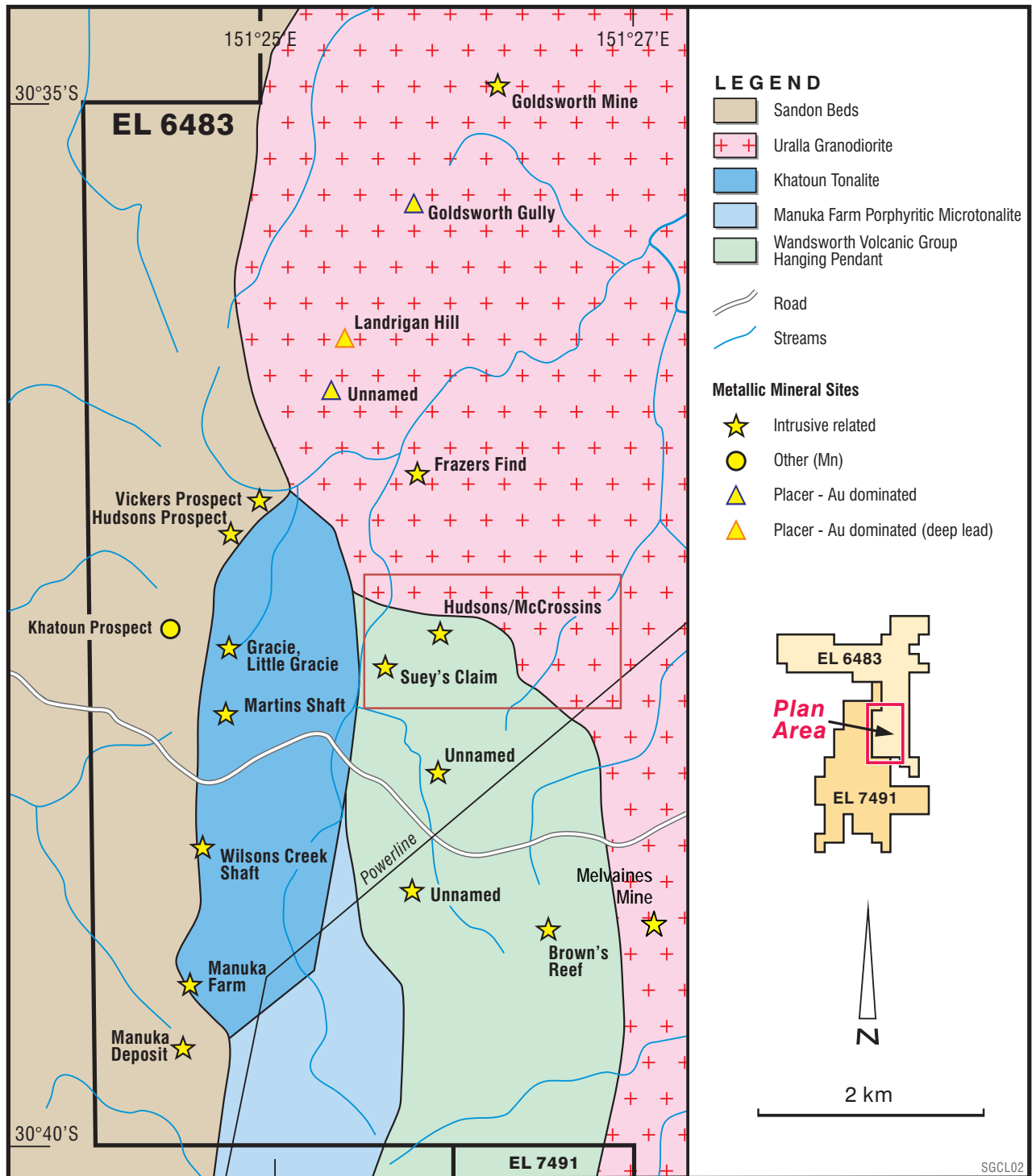


Figure 9: Location Suey's Claim-Hudsons/McCrossins

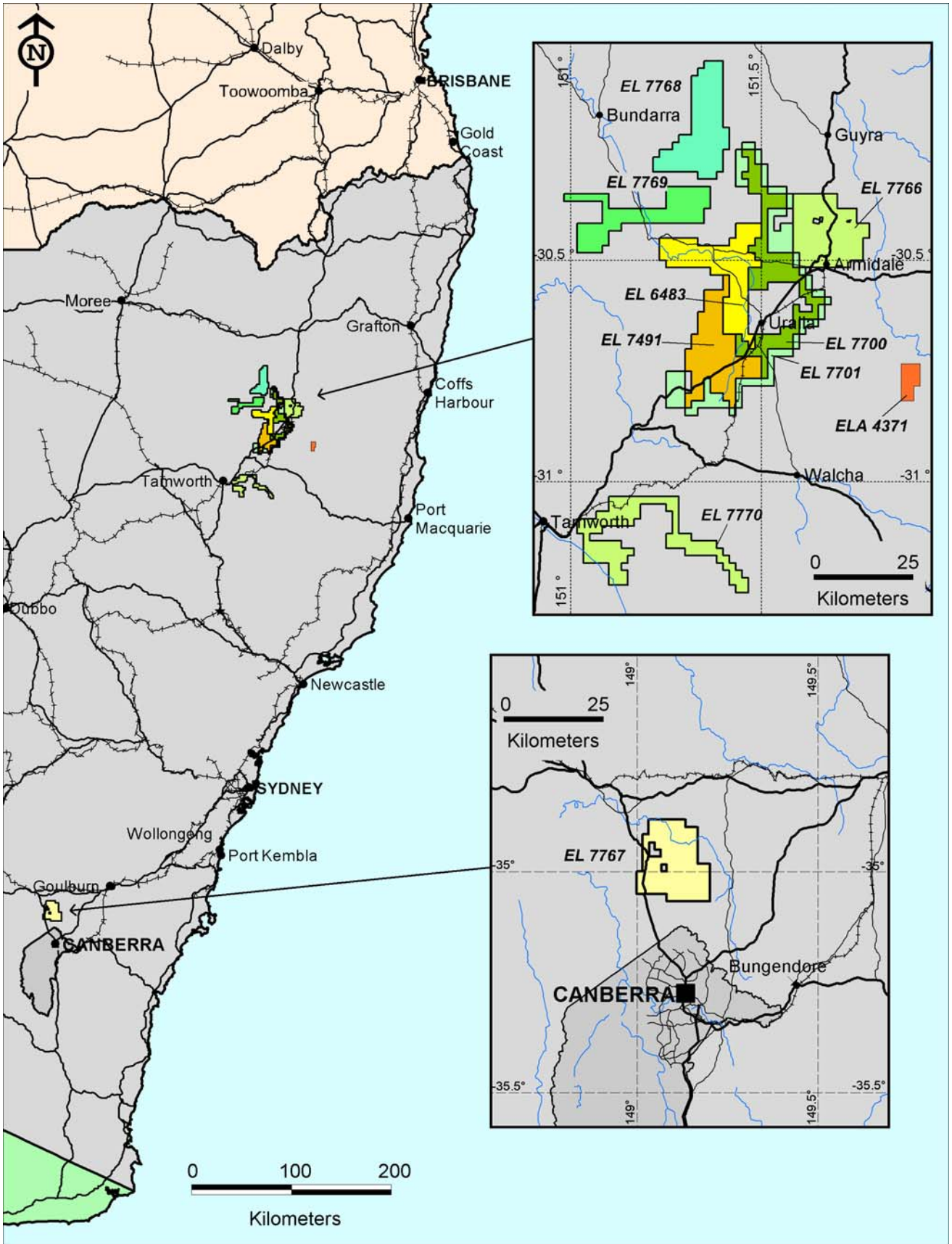


Figure 10: Sovereign Gold's Tenements