



**SOVEREIGN GOLD
COMPANY LIMITED**

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Latest News

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ASX Symbol: SOC

Sovereign Gold Company is exploring a large Intrusion-Related Gold System at the Rock River-Uralla Goldfield in New South Wales.

Sovereign Gold's project covers 2,500 square kilometres.

The 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.

ASX ANNOUNCEMENT

15 April 2011

Presentation to Aus IMM at Armidale

In accordance with the requirements of Listing Rule 3.1 we submit the attached material presented to the Hunter Branch of Aus IMM and the NSW Geological Survey by Michael Leu, Chief Geologist at Armidale on 14 April, 2011.

For further information please contact:

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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 has consented in writing to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

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NEWLY DISCOVERED REDUCED INTRUSION-RELATED GOLD SYSTEM (RIRGS) ROCKY RIVER – URALLA GOLD FIELD

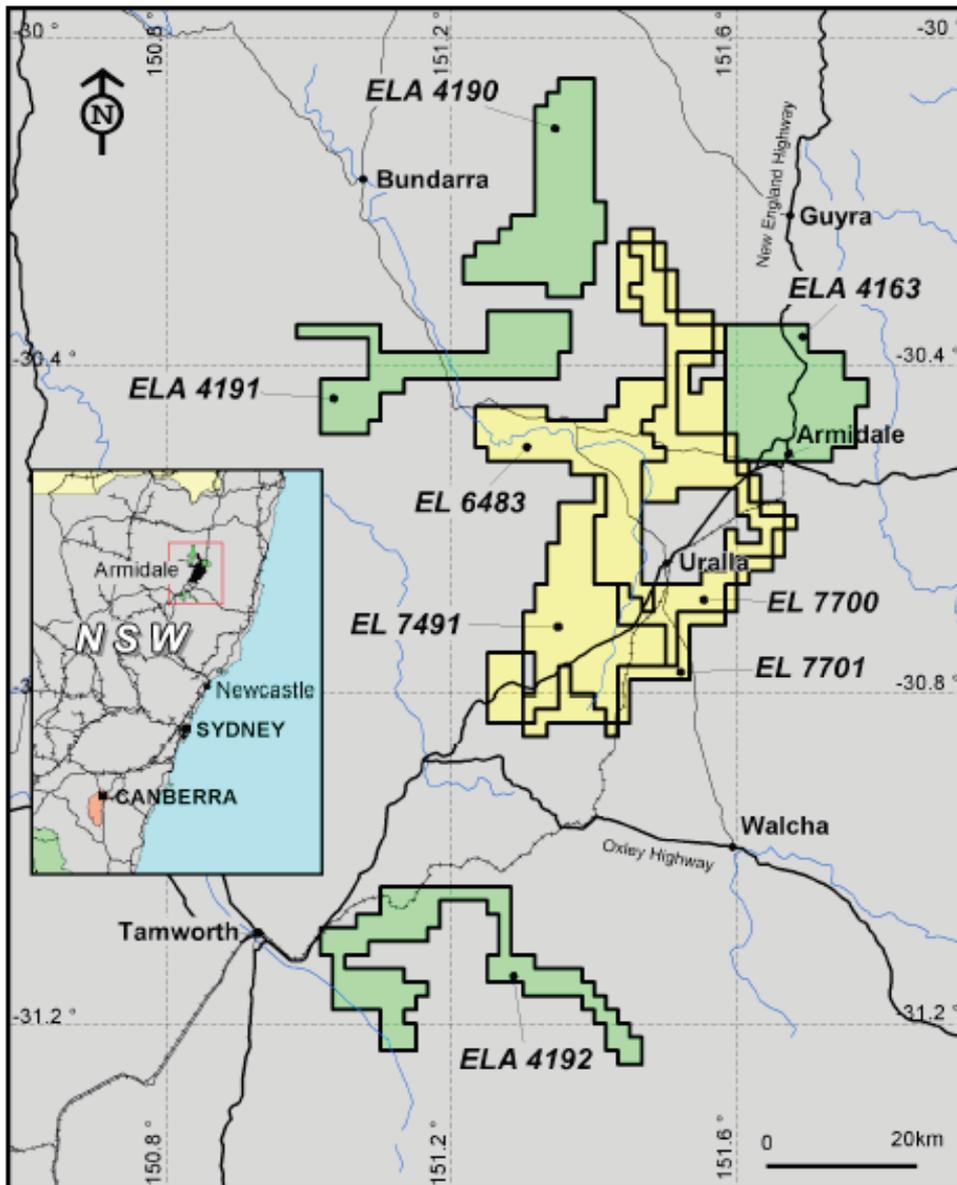
Project Summary

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Newly discovered, Large Intrusion-Related Gold System (IRGS)

Four Exploration Licences (EL 6483, EL 749, EL7700, EL7701) and Four Exploration Licence Applications (ELA 4063, ELA 4190, ELA 4291, ELA 4192) **covering 2,400 square kilometres.**

Excellent Logistics: Located 21km south-west of Armidale, N.S.W. Superb infrastructure logistics (close to major roads, rail, airport, labour source, University, power, engineering, etc). Positive landowner relations. Low impact, continuous rehabilitation exploration methods.



The Target for Reduced Intrusion-Related Gold Systems

Intrusion Related Gold Deposits
Phillip Blevin Geoscience Australia

- **1-2 g/t Au in disseminated systems**
- **Many systems overseas typically contain greater than 3 Moz Au.**

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- The Potential Target for Sovereign Gold is up to 1MOz Gold Based on Similar RIRGS Worldwide
 - **Target grade: 1-2 grams per tonne Au in sheeted vein deposits** with potential of 100,000 to 1M ounces Gold. Potential also exists for deeper hypogene gold.
 - **Target model is several satellite mineralised zones within the field, comprising bulk open cuttable, closed-spaced, multiple vein systems.**
 - **Sovereign has identified more than 15 separate gold lodes and numerous geochemical anomalies over an area of 12km north to south and at least 5km east to west. Indicating a large mineralising system.**

Reduced Intrusion-Related Gold Systems were only Recognised since 1999

- **A major clue is a rich alluvial goldfield associated with extensive granitic magmatism and small-scale, enigmatic hard gold mining rock activity.**
- **The sheeted vein systems could not be worked by the ‘old timers’.**

Significant Past Placer Gold Production

- **Recorded: 5,192.71kg of placer gold (167,000 ounces) during the period 1858-1967. Actual production figures may be twice that recorded** and possibly several tonnes of gold remain in current alluvial system. The RIRGS deposits has potentially liberated to river deposits around **10-15 tonnes of Gold.**

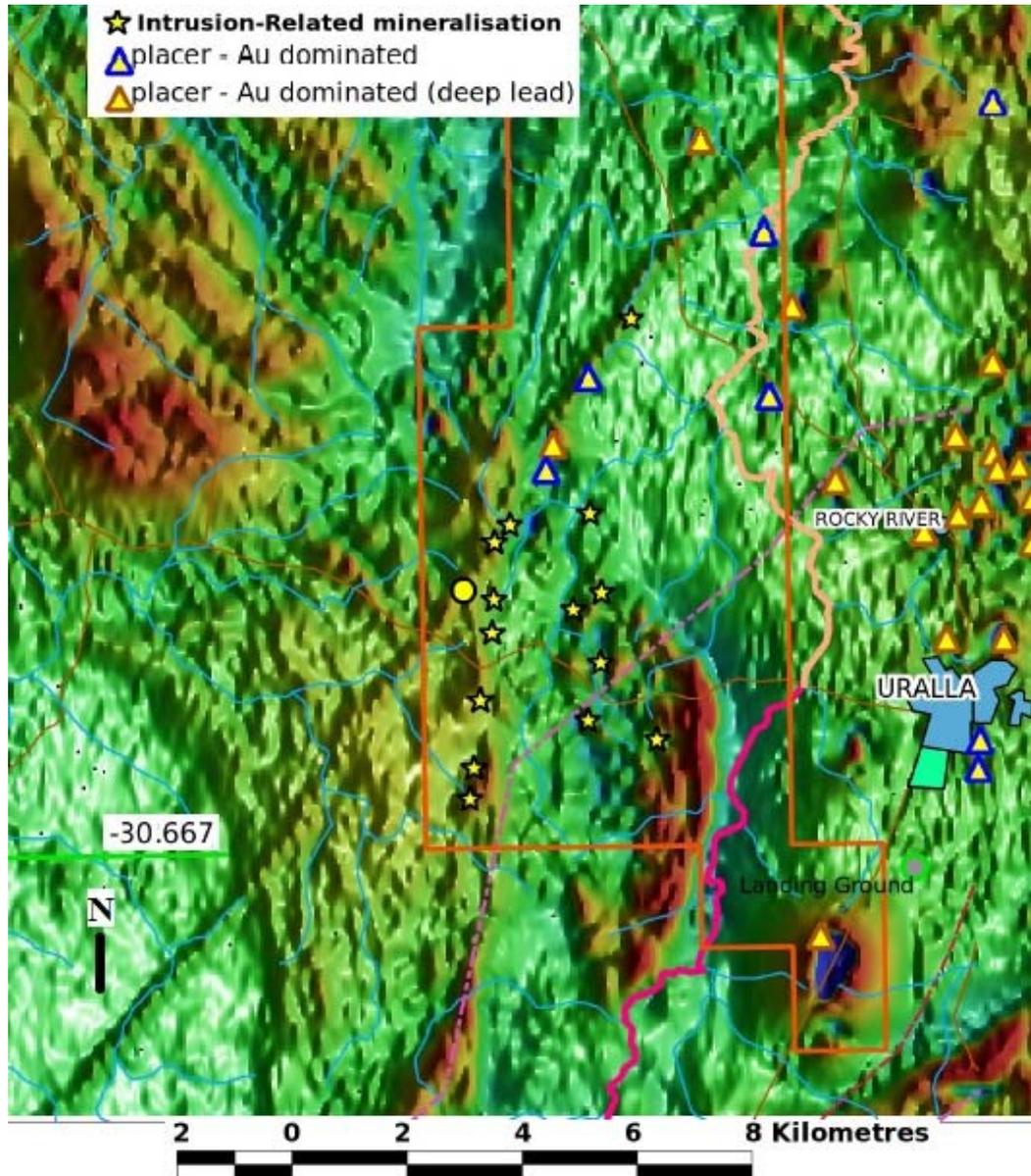
Diagnostic Characteristics of RIRGS

- include the presence of weakly reduced to moderately oxidised, intermediate to felsic fractionated I-S type magmatism.
- Intrusive may appear as magnetic lows
- a tectonic setting well inboard of a convergent plate boundary
- extensional environment within a thickened-post collisional portion of a convergent plate margin setting
- a location in a magmatic province best known for tungsten and/or tin deposits
- alteration styles (phyllic and tourmalinisation)
- metallogenic signature: polymetallic character (Au, As, Sb and importantly Bi)
- controls on mineralisation include late stage, exsolved felsic-aplitic dykes and areas of potential bulk mineable, sheeted veins.

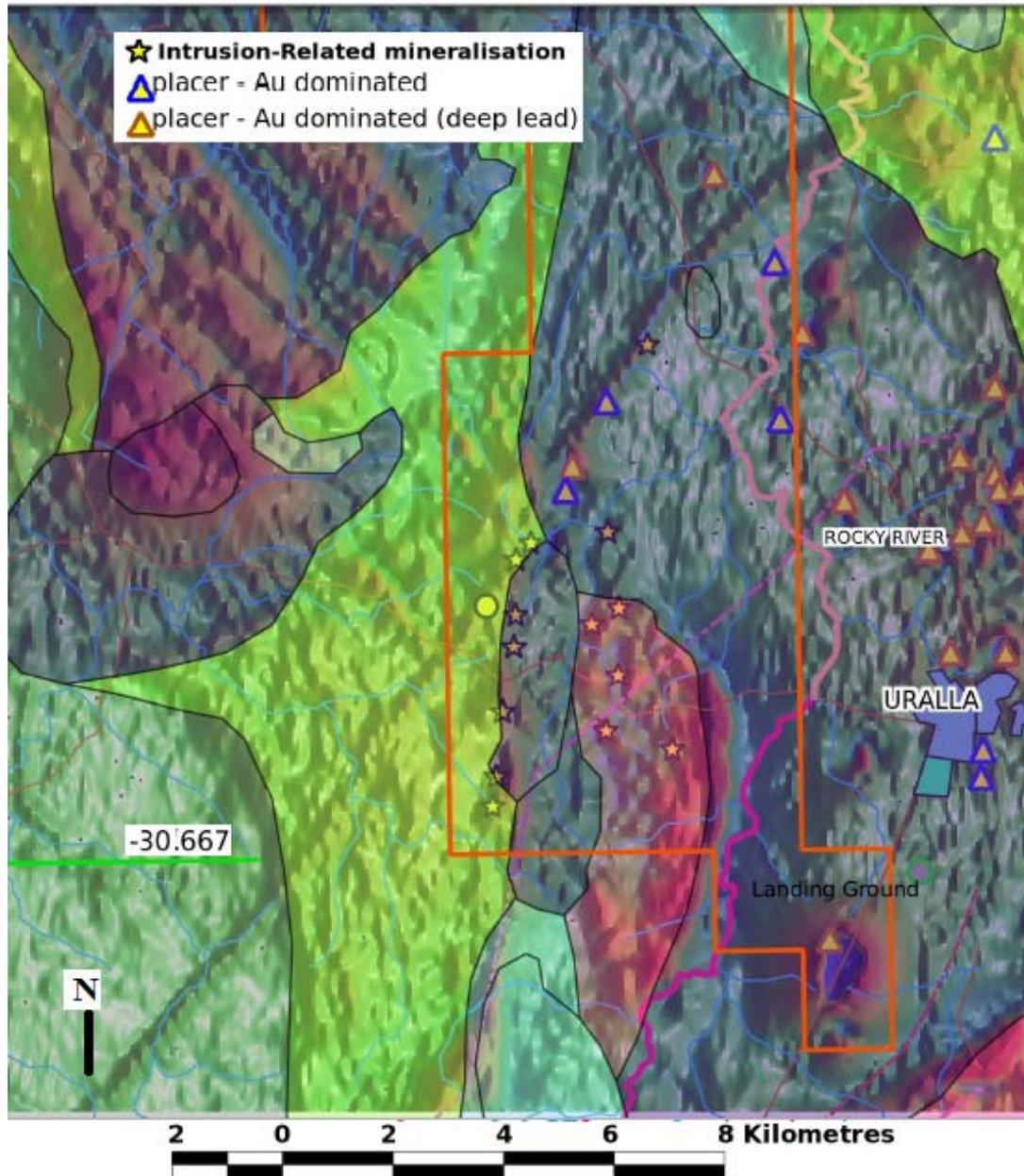
Research established the Rocky River-Uralla Goldfield has a plethora of diagnostic RIRGS characteristics

- **A substantial body of research** has been conducted on the geology of the Rocky River-Uralla Goldfield region (especially in relation to batholiths and associated plutons) due its proximity to the both University of New England and the Armidale Division of the Geological Survey of New South Wales (especially QN114 Peel South Geophysics). Numerous publications, Ph.Ds, M.Sc.s, Honour theses etc. have provided data far in excess of that typically generated by commercial exploration.

Aeromagnetic Data (QN114) - Historic Mines linked Structural Control Indicating a Large Mineralising System



Geology Overlaid on Magnetics

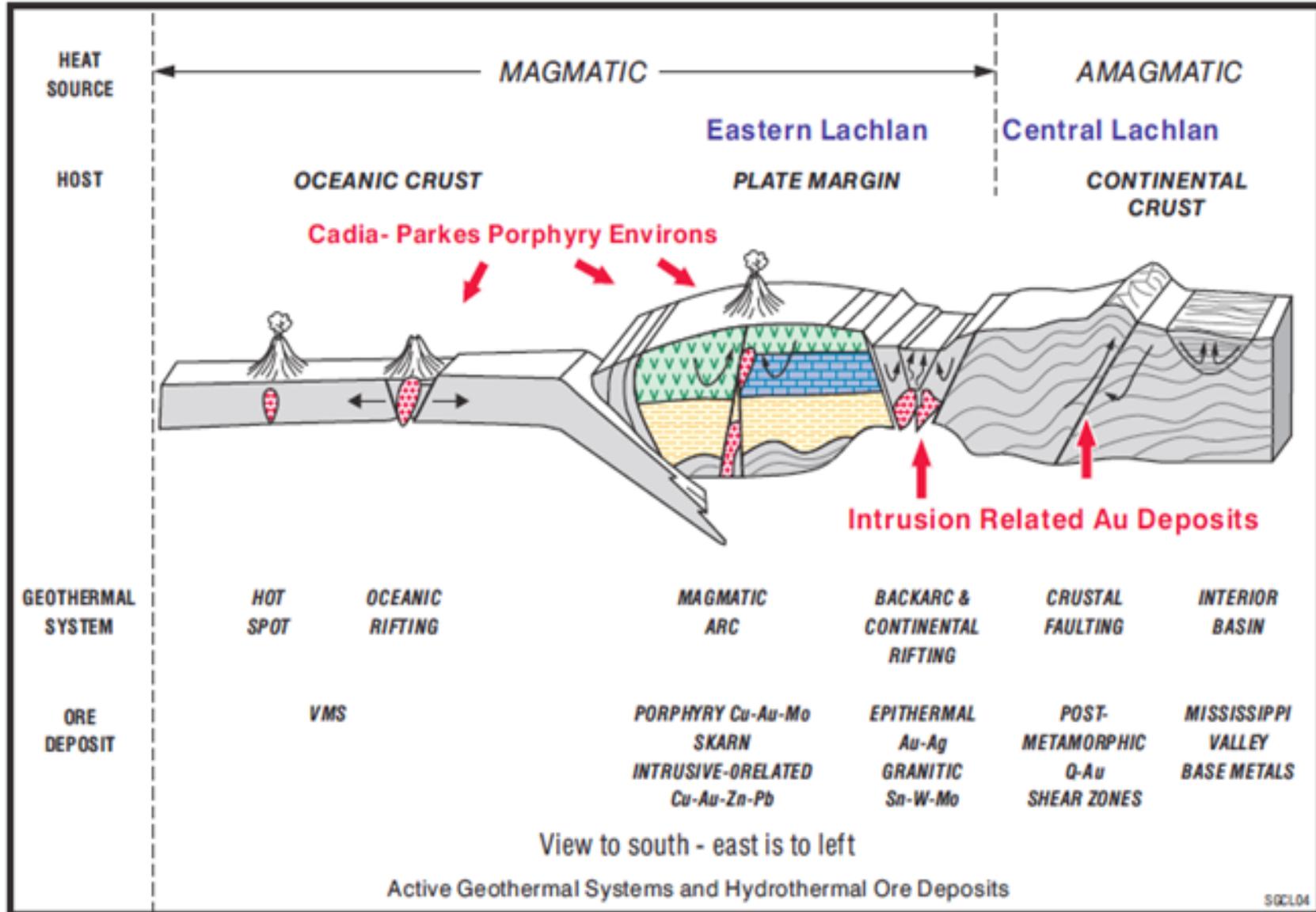


YES the Area Exhibits a Plethora of Diagnostic RIRGS

All Characteristics discussed above are present

- presence of weakly reduced to moderately oxidised, intermediate to felsic fractionated I-S type magmatism. Intrusive may appear as magnetic lows
- a tectonic setting well inboard of inferred or recognized convergent plate boundaries
- extensional environment within a thickened-post collisional portion of a convergent plate margin setting
- a location in magmatic provinces best or formerly known for tungsten and/or tin deposits
- alteration styles (phyllic and tourmalinisation)
- metallogenic signature: polymetallic character (Au, Sb, As and importantly Bi)
- controls on and styles of mineralisation including late stage, exsolved felsic-aplitic dykes and areas of potential bulk mineable, sheeted veins.

IRGS Tectonic Setting: Thickened-post collisional portion, well inboard of a convergent plate margin setting



IRGS type area, Tintina Gold Province, Alaska – Yukon

Extensive research has defined numerous diagnostic IRGS characteristics

2,000 km long Gold Province, comparable to Eastern Australia



Examples (mainly intrusion-hosted sheeted veins, similar to target at Rocky River):

- DONLIN CREEK 323 Mt @ 2.7g/t **28Moz**
- FORT KNOX 1000m x 600m intrusion 0.9g/t **7Moz**
- BREWERY CREEK 10 orebodies in 12km 'corridor'
- DUBLIN GULCH Eagle **2.3Moz**, 3 other ore bodies

Grades and Tonnages of some IRGS, Tintina Gold Province. Typically 0.7-3 grams per tonne Au

Table 1. Resource data and placer gold production for Tintina Gold Province occurrences and districts.

DISTRICT, Deposit	PRE-MINING RESOURCE			PRODUCTION		Note/Reference
	Mt	gpt	total Moz	Placer Moz	Lode Moz	
FAIRBANKS						
Fort Knox*	169.0	0.93	5.4		1.8	Bakke 2000, this paper
True North*	14.6	1.69	0.79			This paper
Ryan Lode*	3.6	3.04	0.347		0.03	This paper
Dolphin	27.7	0.7	0.67			
Gil*	9.2	1.37	0.43			This paper
Cleary Summit	1.4	34	1.59		0.301	
Placer				8.1		Bundtzen 1996, refined ounces
District total			9.25	8.1	2.1	
GOODPASTER						
Pogo, reserve	9.0	18.86	5.8			This paper, Smith et al., 2000
Richardson placers				0.10		Bundtzen and Reger, 1977
KUSKOKWIM						
Donlin Creek,	122.1	2.91	12.3			M,I&I, 1.5gpt cutoff; Ebert et al., 2000, minable reserve of 57 Mt
Shotgun	32.8	0.93	1.1			Inferred, 0.55 gpt cutoff, Rombach

Eastern Australia has Potential for Discovery of Further IRGS within the New England Orogen/Tasman Fold Belt

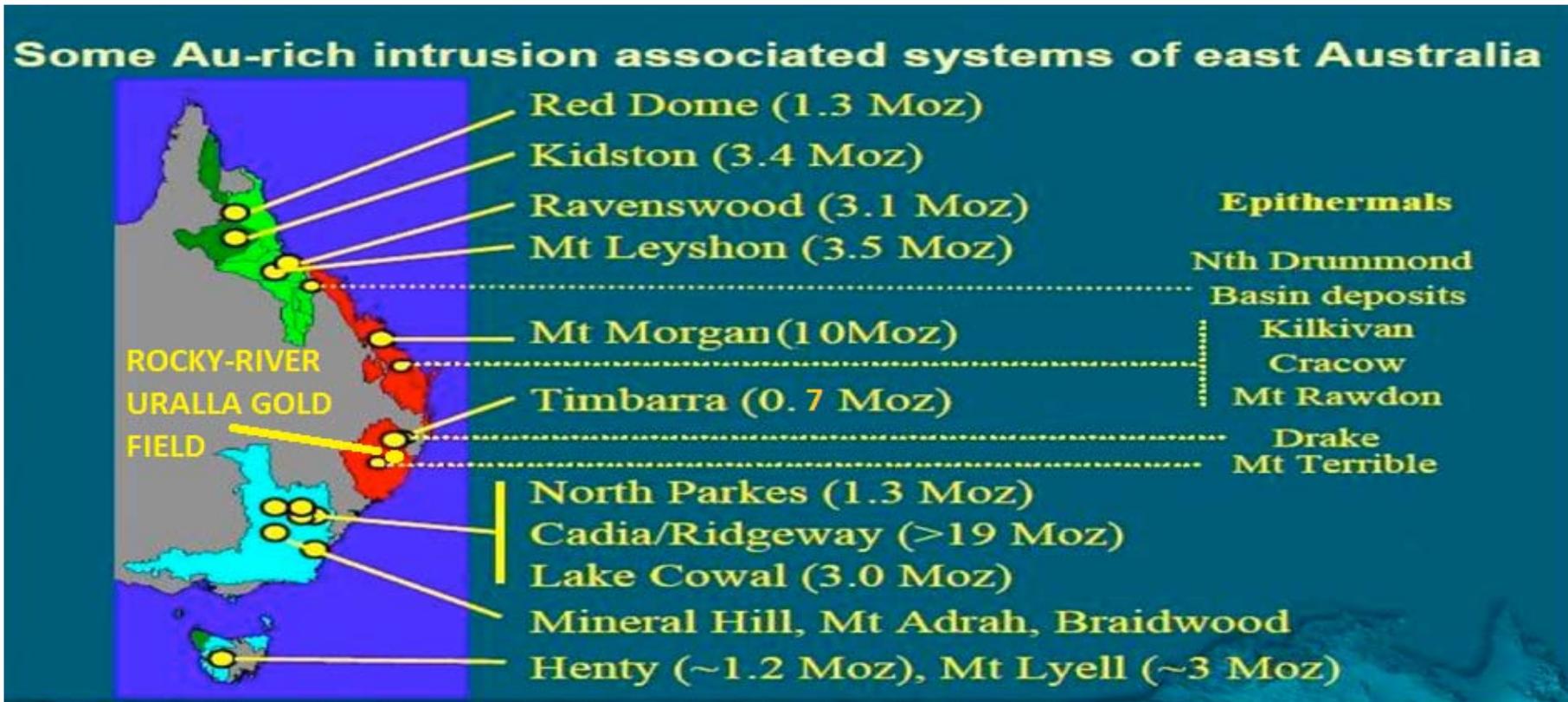
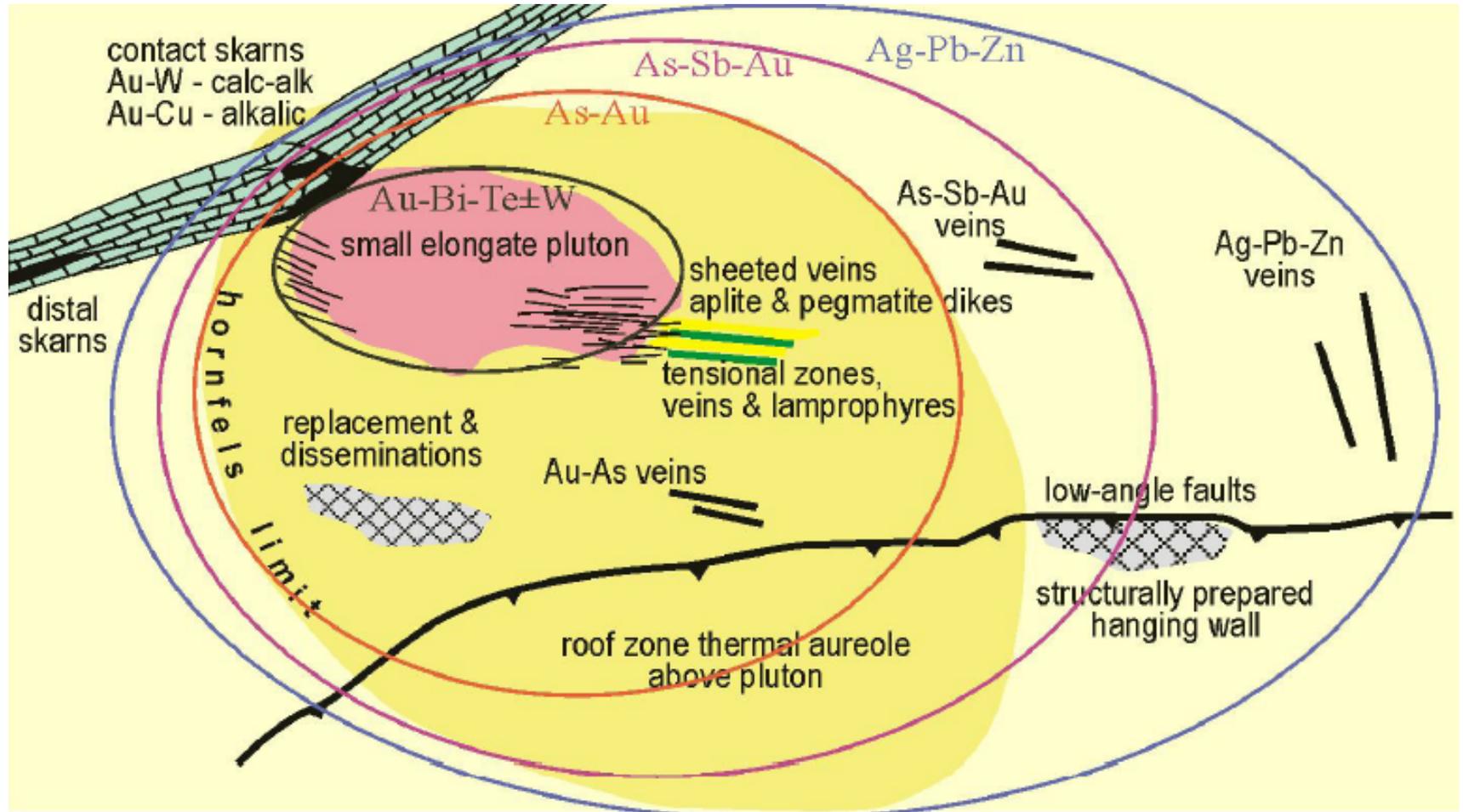
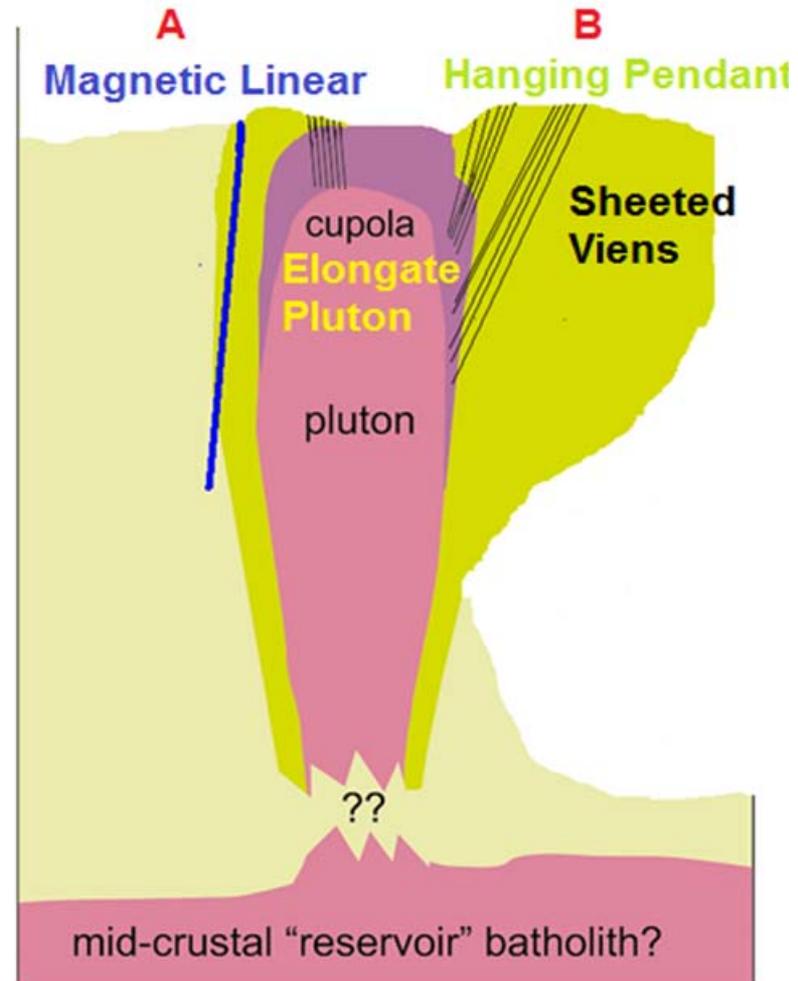
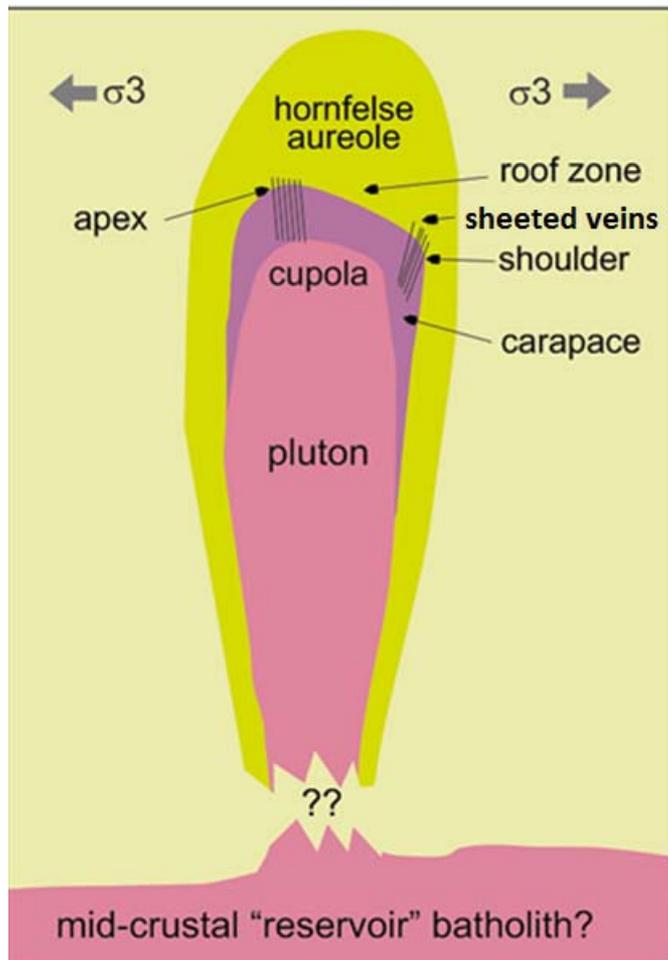


Figure: Australian Government, Geoscience Australia, Champion & Blevin 2005

Hart, General Plan model of Intrusion-Related Gold Systems from the Tintina Province – The Rocky River System has many of the defining significant and diagnostic characteristics



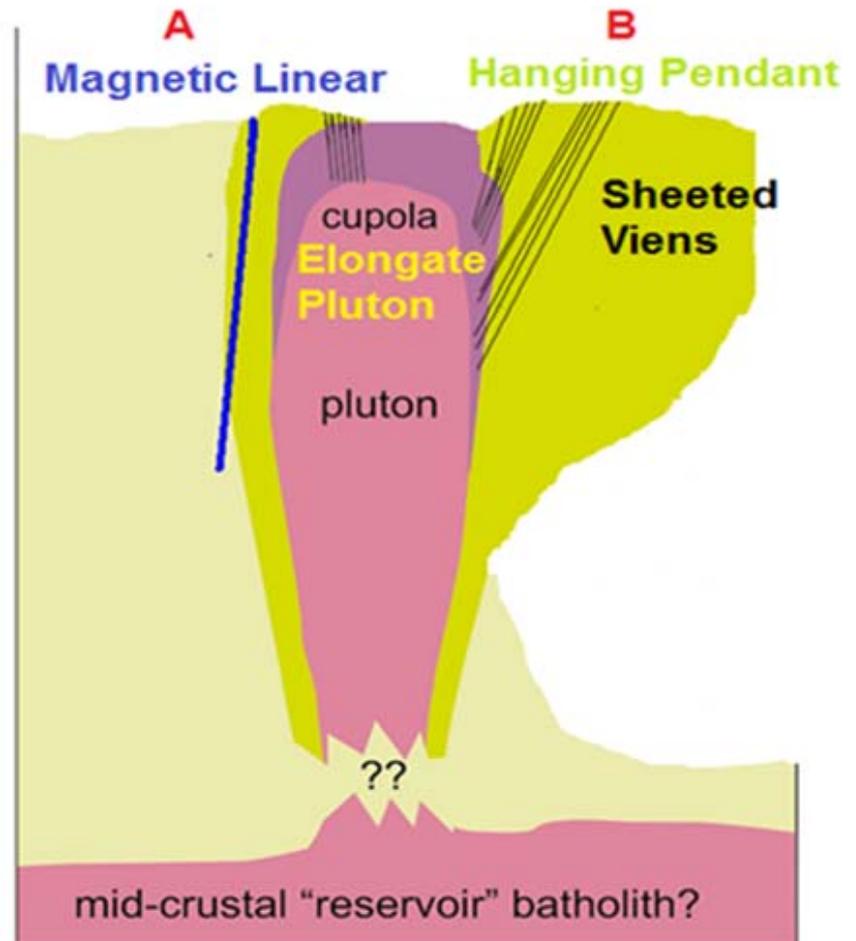
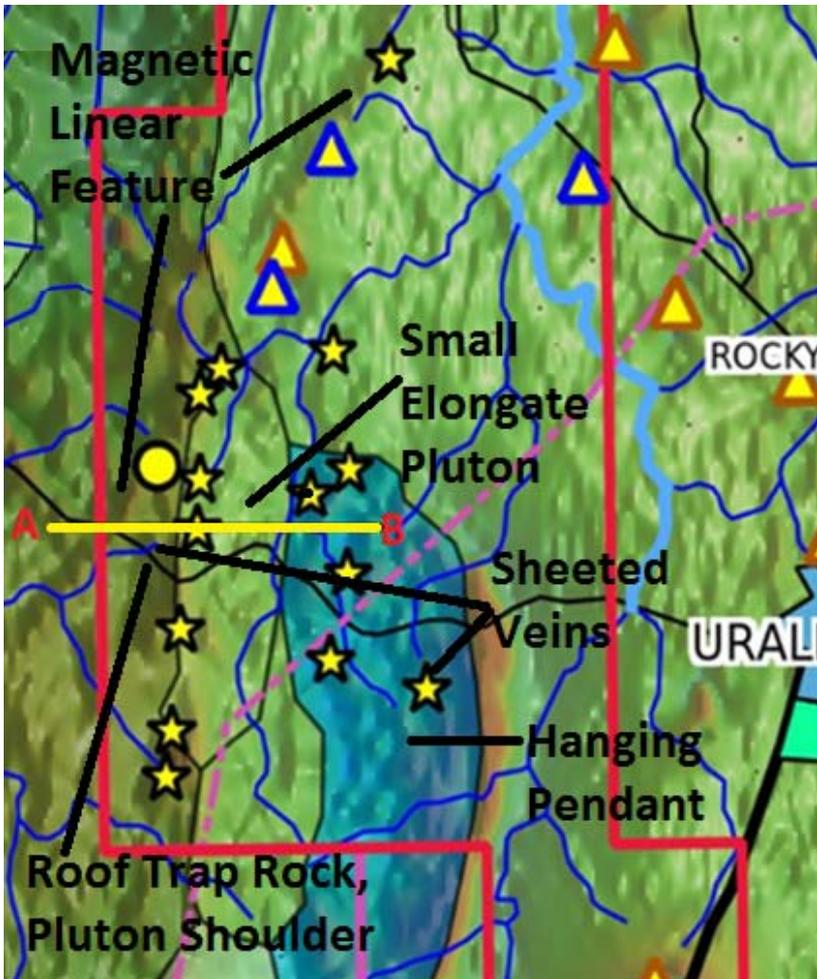
Hart Hypothetical cross-section of a small (100m to 5km across) pluton and Conceptual cross-section of present erosional level of Rocky River Reduced Intrusion-Related Gold System, Preferred sites of intrusion-hosted Au mineralization are above the cupola, where exsolved fluids accumulate, Mineralized fractures develop in the pluton's apex and shoulders. Epizonal styles of mineralization are associated with dyke and sill complexes that would be hosted near the top of the hornfelsed aureole.



Epizonal lattice textures at Hudsons McCrossins High crustal level



Conceptual location of **cross-section A-B** of **present erosional level** of Rocky River Intrusion-Related Gold System. Preferred sites of intrusion-hosted Au mineralization are above the cupola, where exsolved fluids will accumulate, and mineralized fractures developed in the pluton's apex and shoulders.



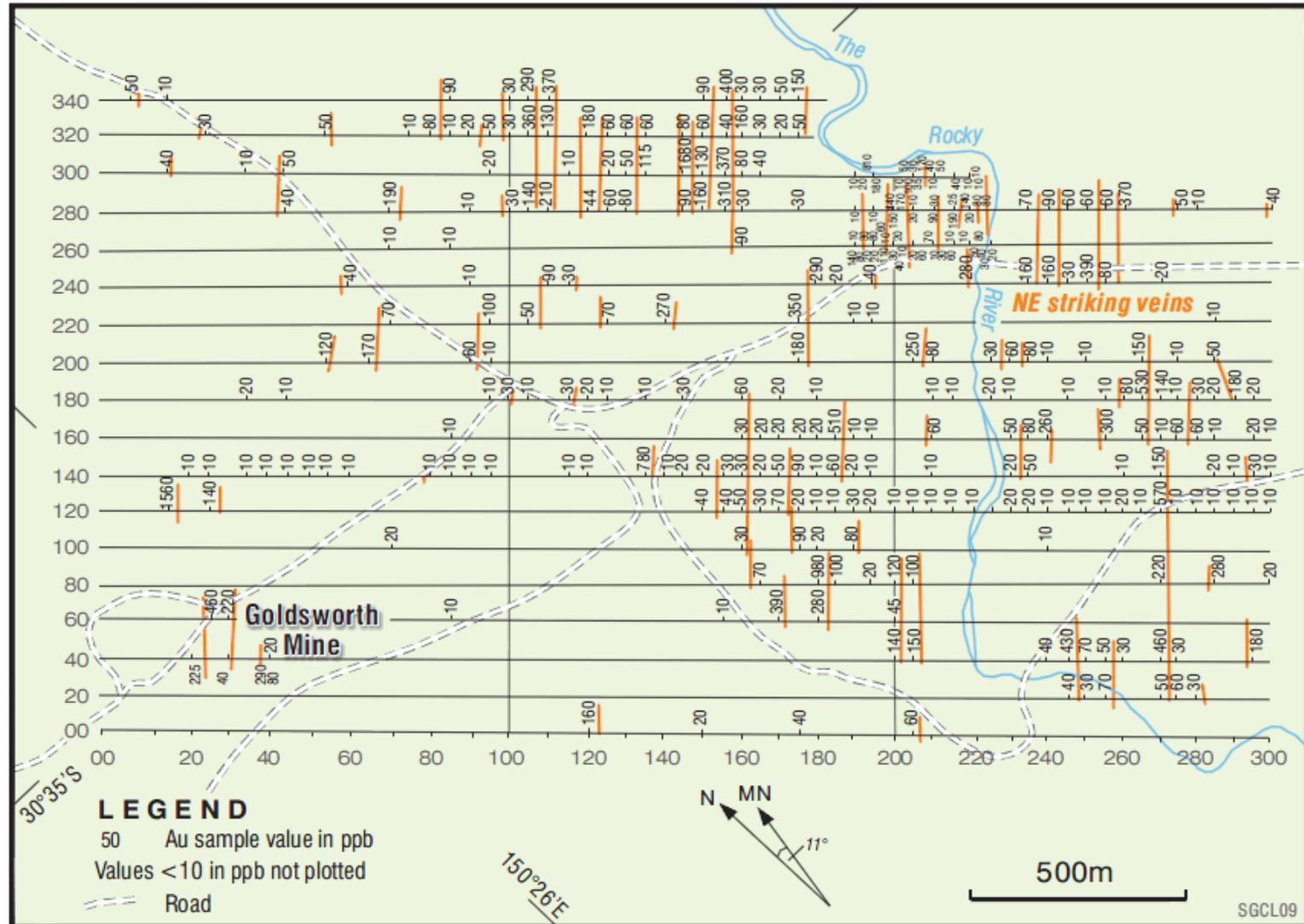
Effective Exploration Methods

- Malachite Resources states **most powerful tool** for identifying new hard rock gold occurrences at Tooloom (IRGS) has been **stream sediment geochemistry**. Values above **5 ppb Au are anomalous** and **most key prospect areas expressed by anomalies of the order of 50-80 ppb Au**.
- **Low order but significant geochemical response.**
- Interestingly, Malachite Resources notes some gold occurrences give rise to much more weakly anomalous stream sediments. Back Creek prospect at Tooloom, for example, has a **BLEG anomaly of only 8 ppb Au, even though coarse grained, visible gold occurs in outcrop just upstream.**
- **Within the Rocky River-Uralla Gold field numerous stream and soil anomalies of the order of 5-10 ppb Au and >50ppb are yet to be followed up. Many strike NE and extend for tens of metres and can be associated with alteration, parallel sheeted veins.**

Effective Exploration Techniques, Donlin Creek, Tintina Gold Province, Hart Ph.D. 2004

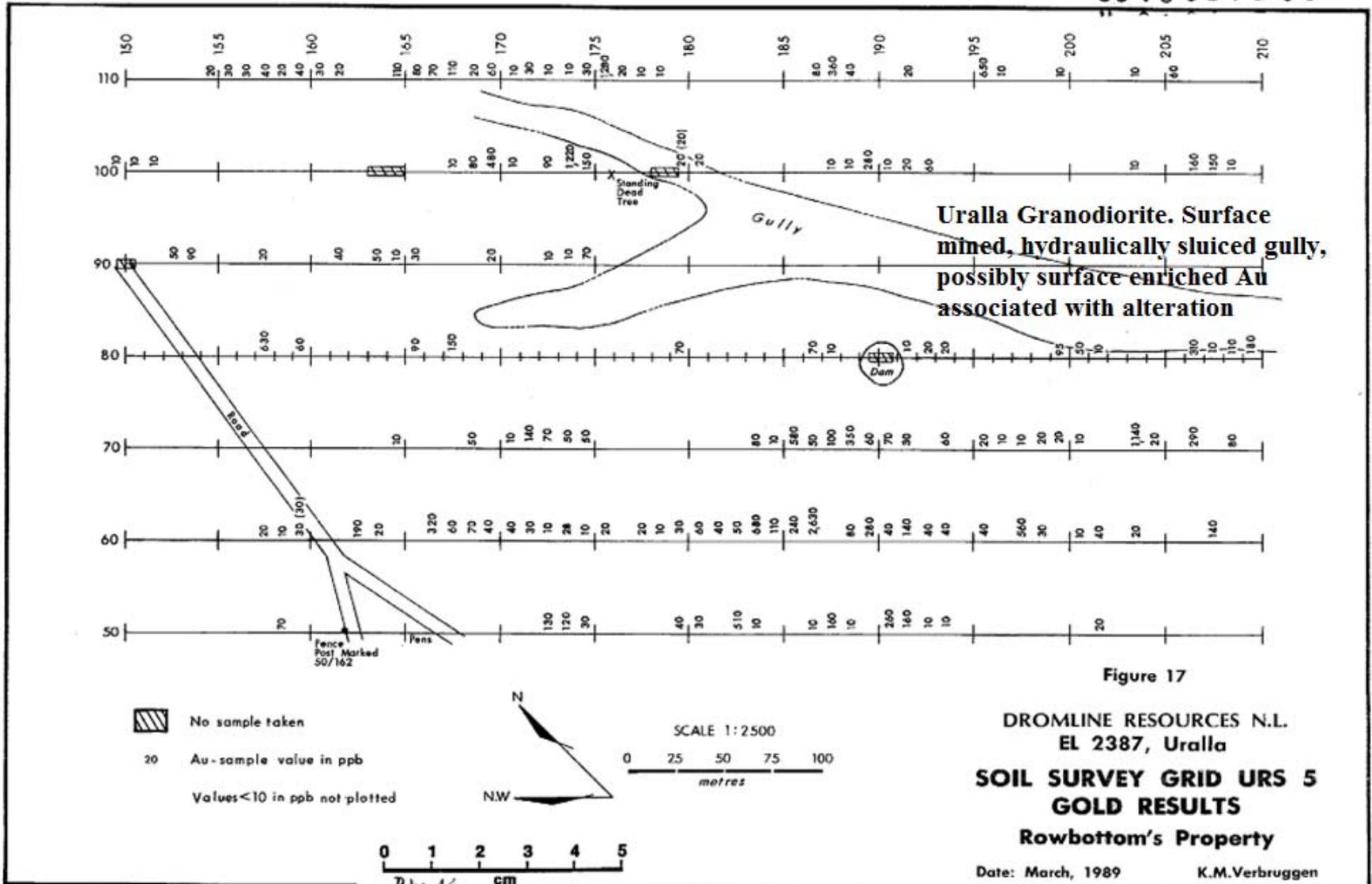
- Total placer Gold production 1909-1996 30,800 ounces.
- **Deep auger sampling. Stream sediments with >40ppm As and >10ppb Au..... best target favourable regions ..for Donlin Creek-like mineralisation.**
- **Mapping to identify altered intrusives and mineralisation.**
- **Aeromagnetic data** shows subtle magnetic depressions that **defines dykes and associated alteration**, that host the ores.
- Recognition of stratigraphic and structural controls
- **Coincident magnetic lows and gold-in-soil anomalies are the best near surface targets.**
- **Aggressive drilling >150,000 metres core and RC.**

Soil surveys show widespread Gold Anomalies co-incident with sheeted vein systems. Some anomalies extend for several hundred metres and recorded up to 2,630 ppb gold. GS1985/239 Preksome Pty. Ltd.



Soil Au Anomalies 'Glenroy'

GS 1985 / 239



Outcrop of Gold-bearing sheeted veins.

A: Sheeted vein array Clear Creek, Yukon

B: Sheeted veins at the Fort Knox Gold Deposit, Alaska

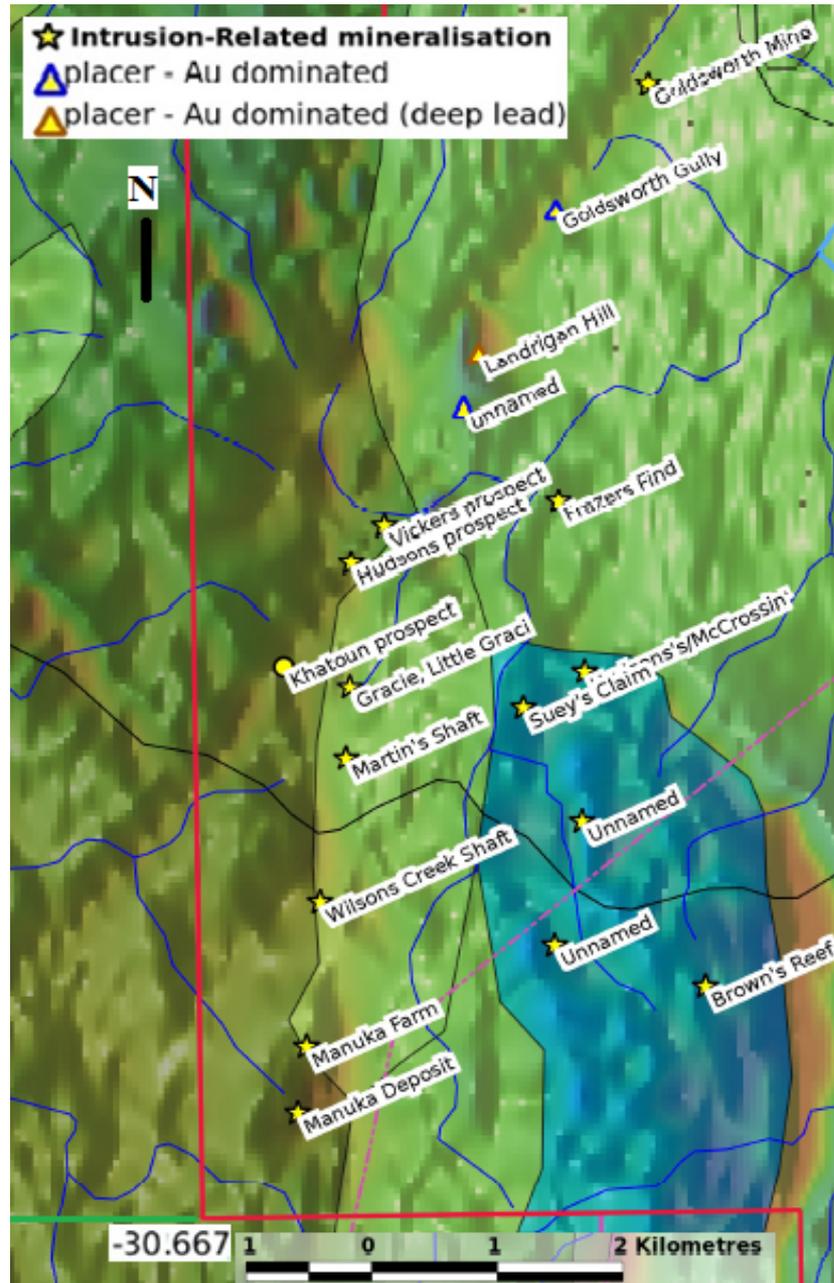
FORT KNOX: 1000m x 600m intrusion at 0.9g/t gold (7Moz)



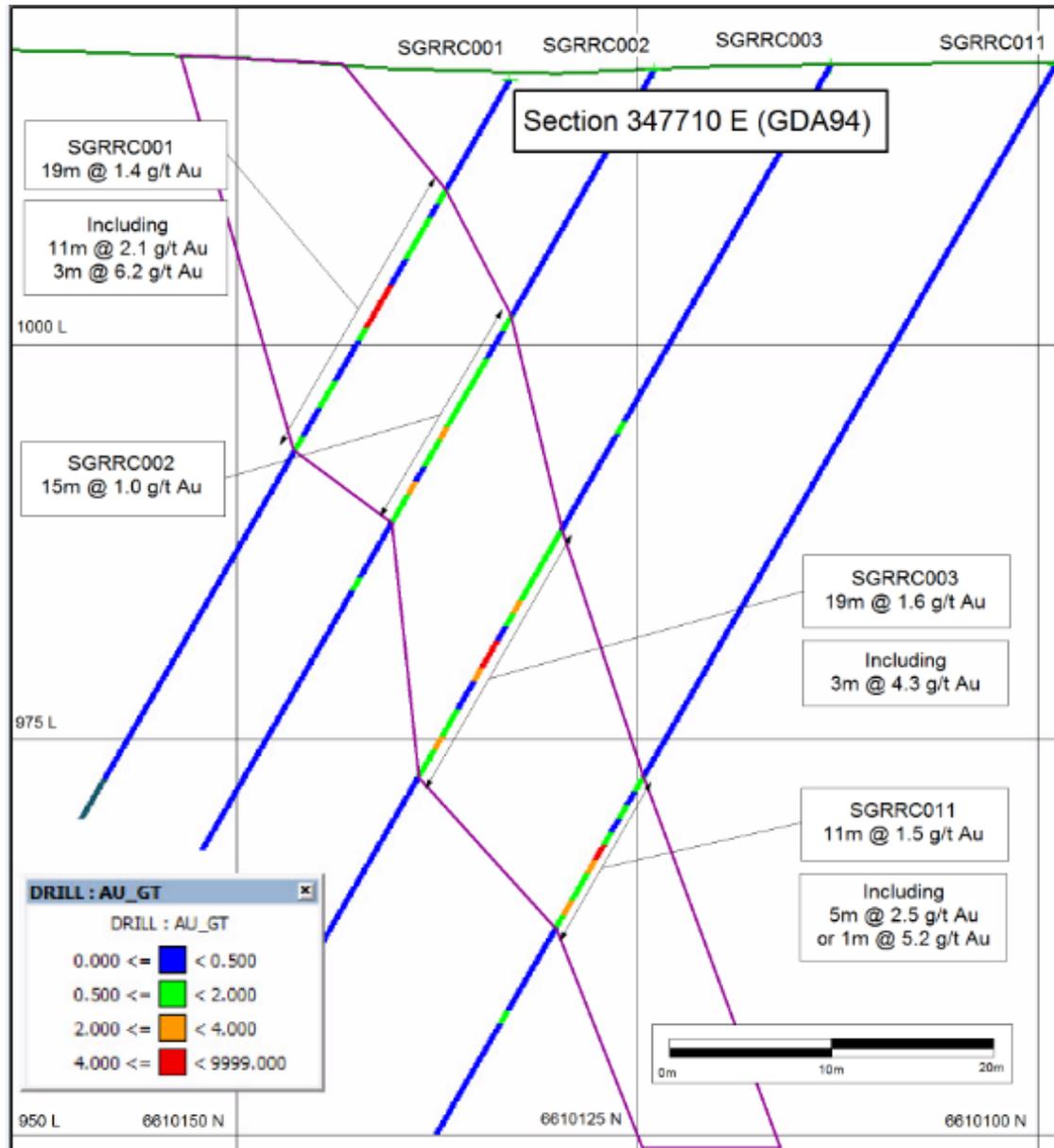
Comparison of Sheeted Veins in Rocky River/Uralla Gold Field with those of Clear Creek Gold Deposit Yukon (A) and the Fort Knox Gold Deposit in Alaska (B). The veins discovered recently in the Rocky River Gold Field are text-book examples of IRGS sheeted veins.



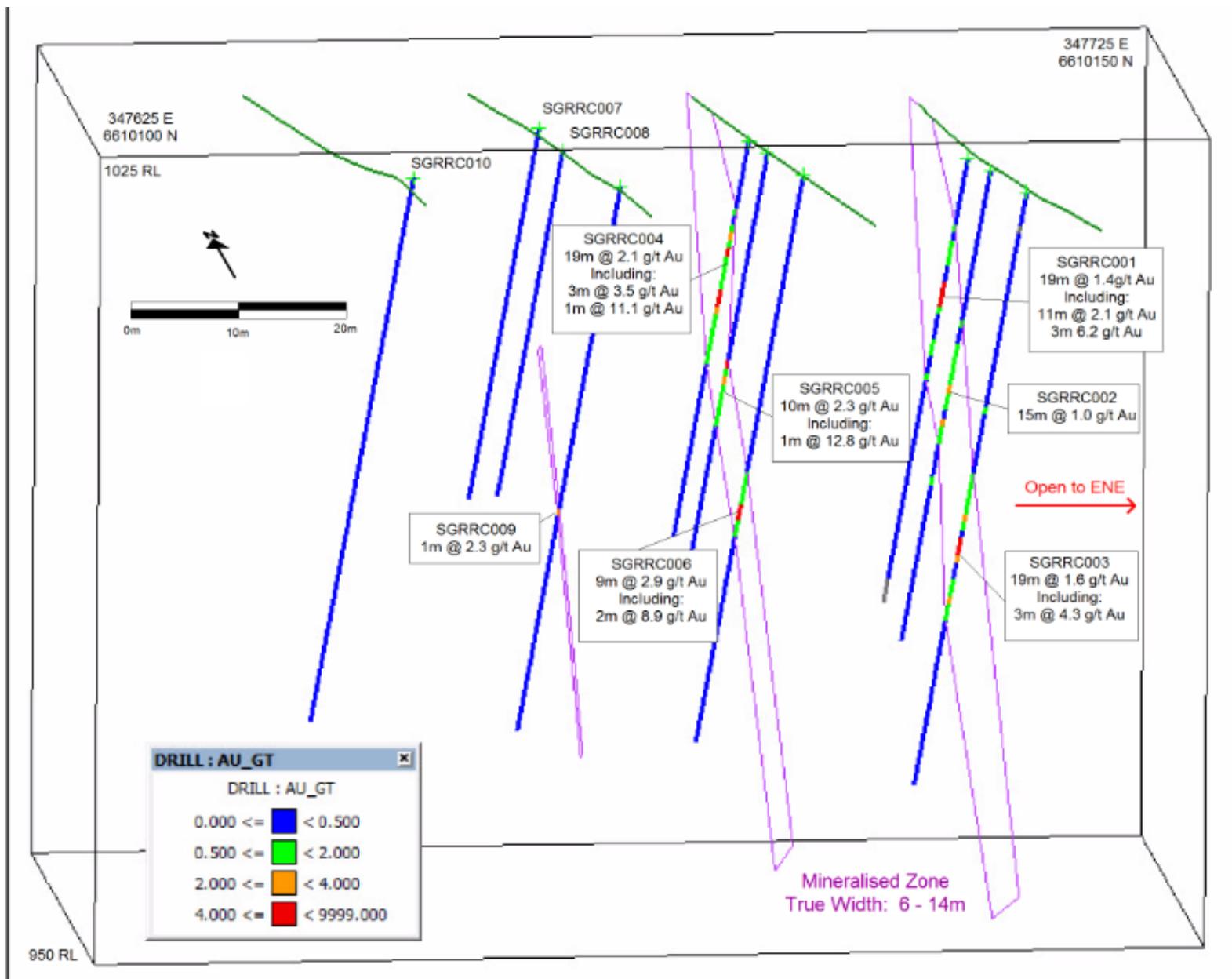
Current Drilling Program



Martin's Shaft



Martin's Shaft



Mineralisation within the Rocky River-Uralla Goldfield

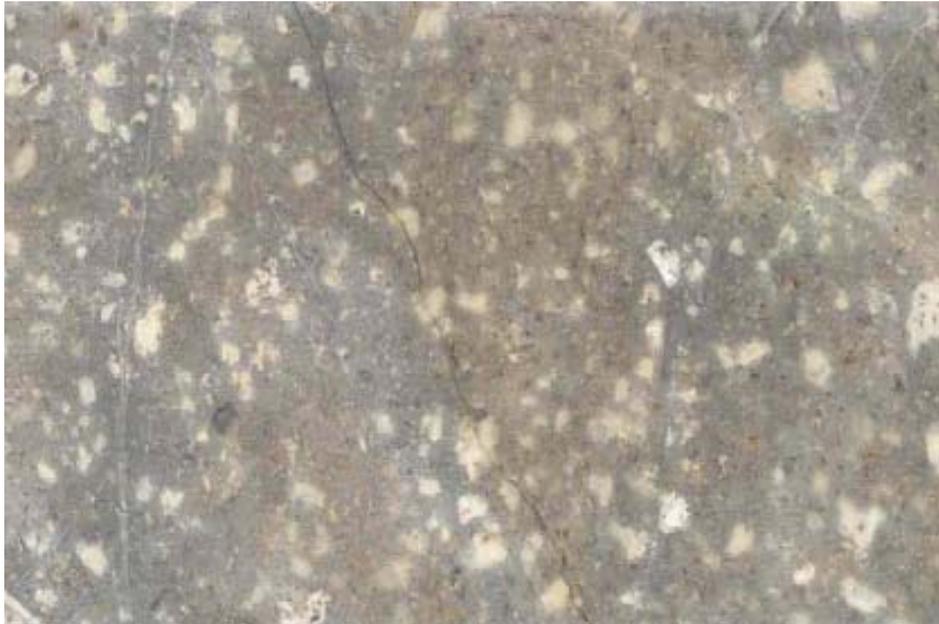
- Narrow Sheeted veins and associated pervasive alteration hosted by Felsic Dykes and to a lesser extent, metasediments.
- Goldsworth Mine, within the large magnetic linear, magmatic alteration of Uralla Granodiorite associated with dyking.
- Mineralisation frequently controlled by north-east trending structures
- Phyllic alteration, sericite-quartz-sulphide
- Metallogenic signature: polymetallic character (Au, As, Sb and importantly Bi)

Similar Styles of Mineralisation

- **The nearest known similar style of mineralisation is the sheeted vein alteration in dykes hosted by the massive Donlin Creek Deposits** (A reserve/resource update in March 2010, which incorporated additional drilling and an increase in gold price assumptions, estimated 33.6 million ounces of proven and probable gold reserves averaging 2.2 grams per tonne gold) within the Tintina Gold Province of NE Alaska.
- **At Donlin mineralization is structurally controlled along NNE-trending extensional fault/fracture zones and best developed where those zones intersect favourable host lithologies such as the competent felsic intrusive dykes.**
- However, swarms of many anastomosing vein zones form larger mineralized corridors. Zones of veining, and associated sulphide mineralization, occur throughout the resource area. **Vein zones can range from 2m to 35m in width.**
- **At Donlin Creek mineralisation in dykes have been traced for over 400m vertically and 8 kilometres along a north-east corridor.**

Main Mineralisation, Sheeted Veins in Felsic Dykes

Donlin Creek porphyritic felsic dyke,
0.5mm wide vein



Martin's Shaft: Porphyritic felsic
dyke with narrow 0.5mm quartz
veining– Sample S100 1.03ppm Au,
1.34ppm Bi.



Martins Shaft, Gold-bearing Ore, euhedral pyrite and arsenopyrite in sericite-quartz (phyllic) altered felsic dyke.



Hudsons McCrossins (HM7), late stage, porphyritic dyke with disseminated cubic pyrite and arsenopyrite. Phyllic alteration, assayed up to 1.87g/t Au.



Mineralisation Goldsworth Mine



Sheeted veins, Gracie Mine



SGRRC0003, Sheeted vein with arsenopyrite and pyrite with white sericitic alteration selvage, vein 0.5-2mm wide, 53-54m down hole depth.



Martins Shaft. SGRRC0003, Sheeted vein alteration, 27m-28m, sulphide layer (2mm wide) and pale green quartz-sericite selvage.



Martins Shaft. SGRRC0003, Surface of sheeted vein alteration, studded with 0.5mm wide arsenopyrite, 30m-31m.



SGRRC011, Reduced IRGS phyllic alteration (green sericite, quartz and sulphides); pyrite cubes centre, rhombic arsenopyrite cubes to left of centre, 54-55m.



Martins Shaft. SGRR0011, euhedral pyrite and arsenopyrite in quartz, 60m-61m, 1.53 grams per tonne Au.



Martins Shaft. SGRRC0011, euhedral pyrite, 60m-61m. 1.53 grams per tonne Au.



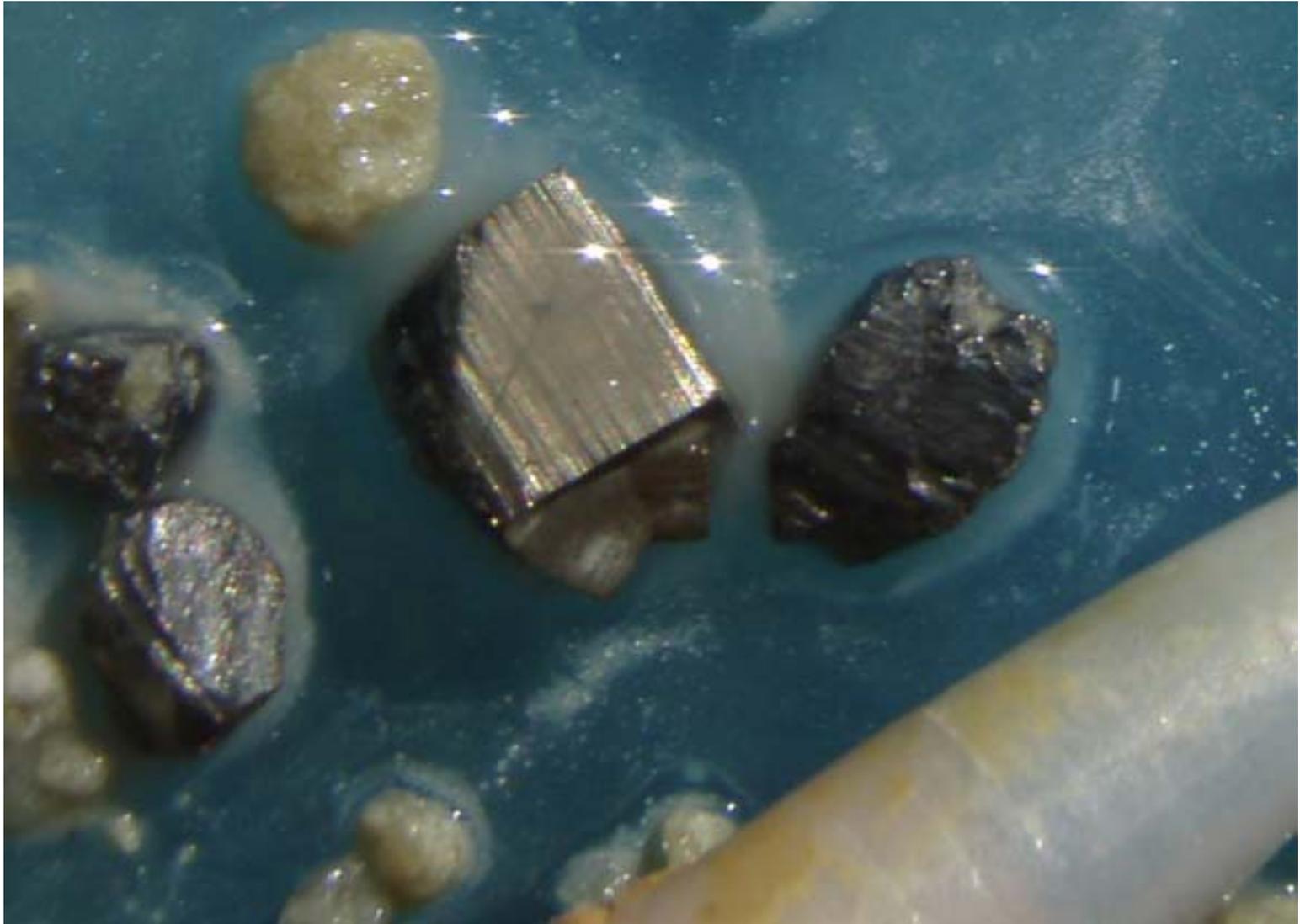
Martins Shaft, SGRRC017 euhedral pyrite and arsenopyrite, 86-87m,
3 grams per tonne Au.



Martins Shaft, SGRRC017 euhedral pyrite and arsenopyrite, 86-89m.

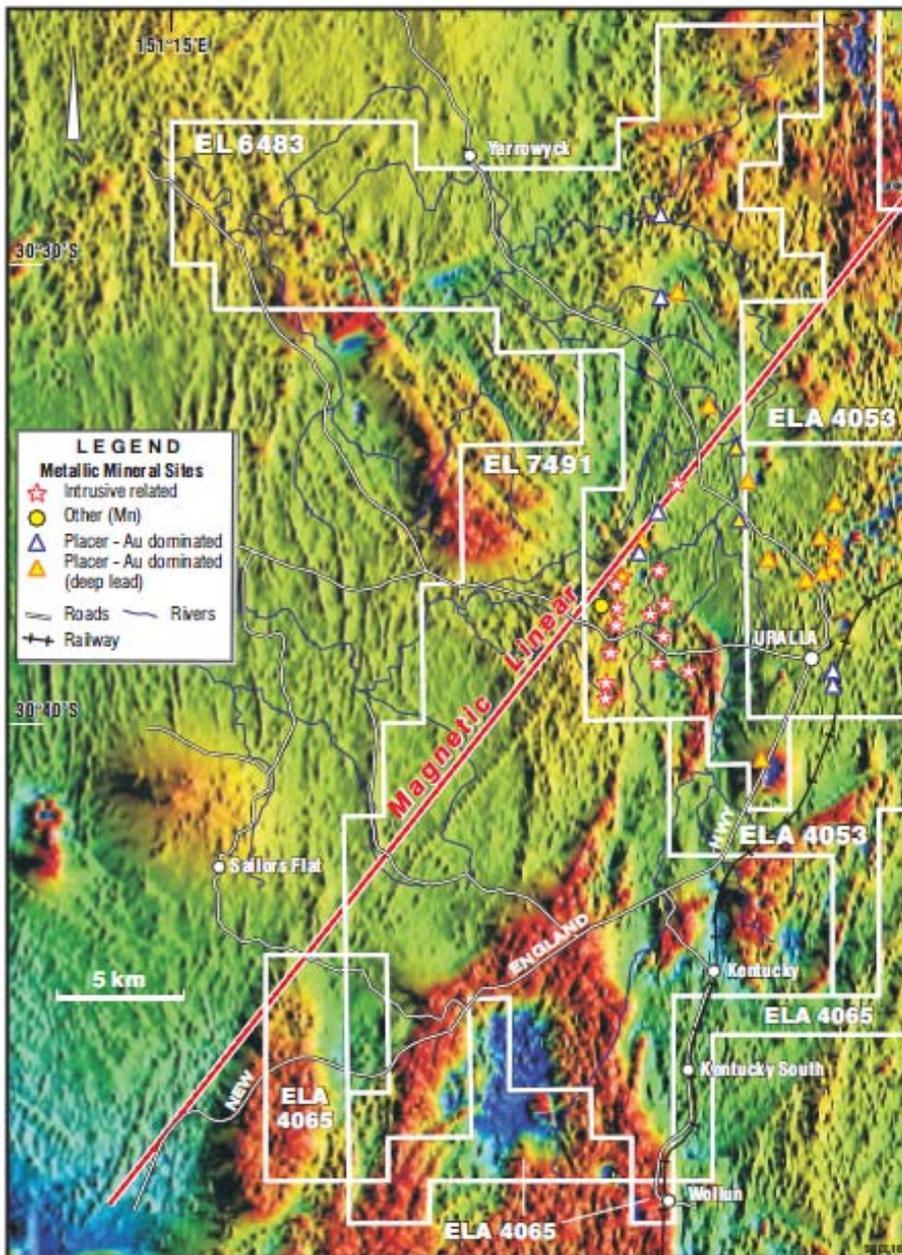


Martins Shaft: SGRRC0003, cubic arsenopyrite, 42-43m, 4.21g/t Au.



Martins Shaft: SGRRC0004, alteration sericite-quartz-minor carbonate with arsenopyrite, stibnite and pyrite cubes 1mm long; 26-27m down hole.





Significant
 Unexplored
 potential
 within the Rocky
 River-Uralla
 Goldfield

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