



SOVEREIGN GOLD COMPANY LIMITED

Sovereign Gold Company Limited
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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.

ASX Release
7th September 2012

Regional Portfolio Expansion

Exploration Licences and Exploration Licence Applications

Sovereign Gold Company Limited (**Sovereign Gold**) (ASX: SOC) has identified underexplored mineral fields considered highly prospective, especially for gold and copper and lodged an Exploration Licence Application (**ELA**) over each of them.

Many of these mineral fields have received little or no exploration over the last 40 years. In many cases new understanding of the mineral forming systems combined with modern exploration techniques (such as airborne geophysics) will test mineral endowment. Sovereign Gold's objective is to discover an economic deposit in one or more of these areas.

ELA 4645 and ELA 4648 are adjacent to EL 7770 that is host to VMS polymetallic (especially copper) mineralisation.

VMS deposits of this type may vary in size from <1 million tonnes to over 100 million tonnes and represent an extremely worthwhile target. (Blayden, Geological and Management Services Pty. Ltd, 2007).

Very little modern exploration has been conducted within the application areas. The principal objective is to develop geological models to interpret the formation and scale of the hard rock gold, base metal and antimony mineralisation within the ELAs with the ultimate aim of drilling selected areas to JORC resource standards. Sovereign Gold has developed a specialist team for exploration of Intrusion-Related Gold Systems (**IRGS**) that can evaluate the presence of diagnostic IRGS characteristics and locate structural and magmatic controls on gold deposition.

Sovereign Gold's core activity is exploring the large IRGS of the Rocky River-Uralla Gold System. These new applications are a synergistic extension of that activity.

Summary mineral potential of new applications

Gold
ELA 4577

Multiple lode gold deposits (over 80 known gold deposits) occur in the Nundle Goldfield over a strike length of 15 kilometres. Individual gold veins systems varied in size up to 2 metres wide, 1,000 metres long, and greater than 200 metres deep. Most mines in the goldfield were worked to less than 30 metres vertically (GS1987/256 R0009087). The most productive gold lode deposits are hosted in diorite and include the Marquis of Lorne (~250kg gold), Foleys Reef (~235kg gold) and the Tamworth Reef (~170kg gold). Historic gold production is conservatively estimated at 9.4 tonnes, making the Nundle Goldfield the 5th largest producer of gold in the New England Orogen (GS1987/256 R0009087, GS1998/156 R00020188). Very little modern exploration has been undertaken on the hard rock source of this gold mineralisation.

The northern portion of the ELA is prospective for Volcanic-associated Massive Sulphide (**VMS**) deposits of the copper-rich Cyprus-type (ancient sea floor, volcanic exhalative). It contains the historic Mt. Pleasant Copper Mine that also contained visible gold in hand specimen (GS2009-0901 R00037944).

The eastern portion (Barry area) of the ELA contains a cluster of copper and/or copper/molybdenum prospects. Recognition of mineralisation in the Barry area is relatively recent with first records of work from 1970. Copper mineralisation has been traced by costeaning in a north-easterly direction for over 3km.



VMS

ELA 4645 | ELA 4648

ELA 4645 and ELA 4648 contain significant areas with the same geological setting as that containing the copper and gold deposits within EL 7770, i.e. they are prospective for VMS mineralisation and exhalative gold mineralisation, as well as epigenetic structurally controlled gold mineralisation related to regional deformation and granite intrusions.

ELA 4645 also contains the Swamp Oak Goldfield that comprised 30 gold mines with a recorded production of 217kg of gold. The mines include the Highland Mary Gold Mine and Rainbow Reefs. The Highland Mary Gold Mine averaged 100 grams/tonne gold and is a similar style of mineralisation (reverse fault associated pyrite-quartz filled extension veins) to the Wattle Gully Mine, Victoria (12,900kg gold at 10.5 grams/tonne). The Highland Mary Mine shut down in 1916, due to technical limitations of the period. Mineralisation grading was 3 ounces per tonne. Geophysical and geochemical anomalies have defined priority drill targets.

IRGS Gold

ELA 4587

The area was selected to further evaluate the potential of the known hard rock occurrences of gold, antimony and base metal mineralisation (especially copper).

The northern portion of ELA 4587 hosts several small historic gold mines including Bear Hill and Butchers Reef. At the Bear Hill Proprietary Mine, the first crushing (1891) of 766 tons of quartz yielded 756 ounces of gold. The Butchers Reef Mine, located 1.6km from the Bear Hill Mine, yielded 500 ounces of gold from 150 tons of mineralisation (Mine Record MR02223 R00045620). Many of these gold lodes are associated with granites, especially highly fractionated monzogranites and may have an IRGS origin.

ELA 4587 is also host to several small antimony and copper±silver mines that have not been evaluated by modern exploration techniques. Antimony in particular is currently in high demand worldwide. Whites Copper Mine contained up to 5% copper (GS1971/079 R00026479).

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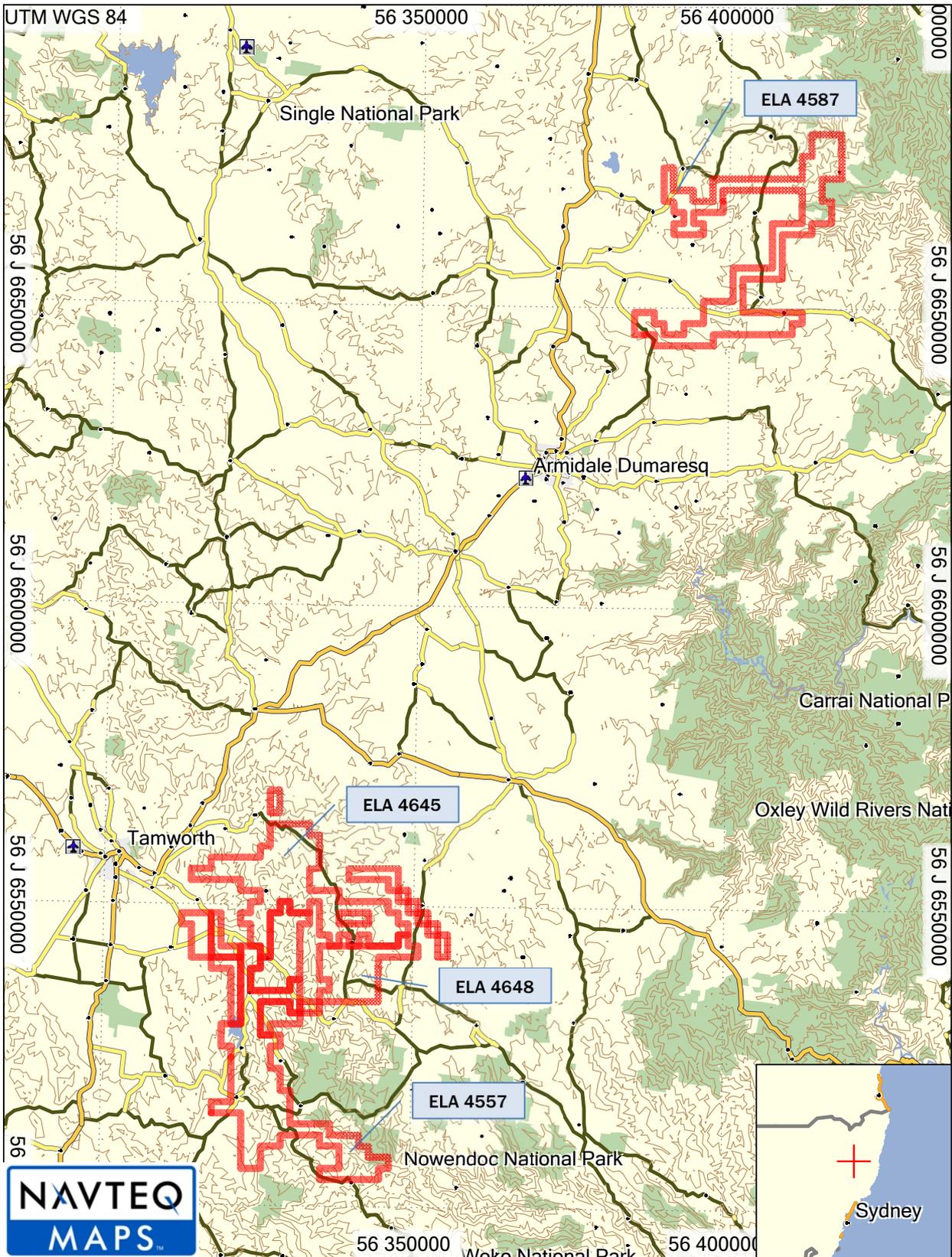
Qualifying Statements

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 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.



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Figure 1 - Location Map, 4 ELAs.

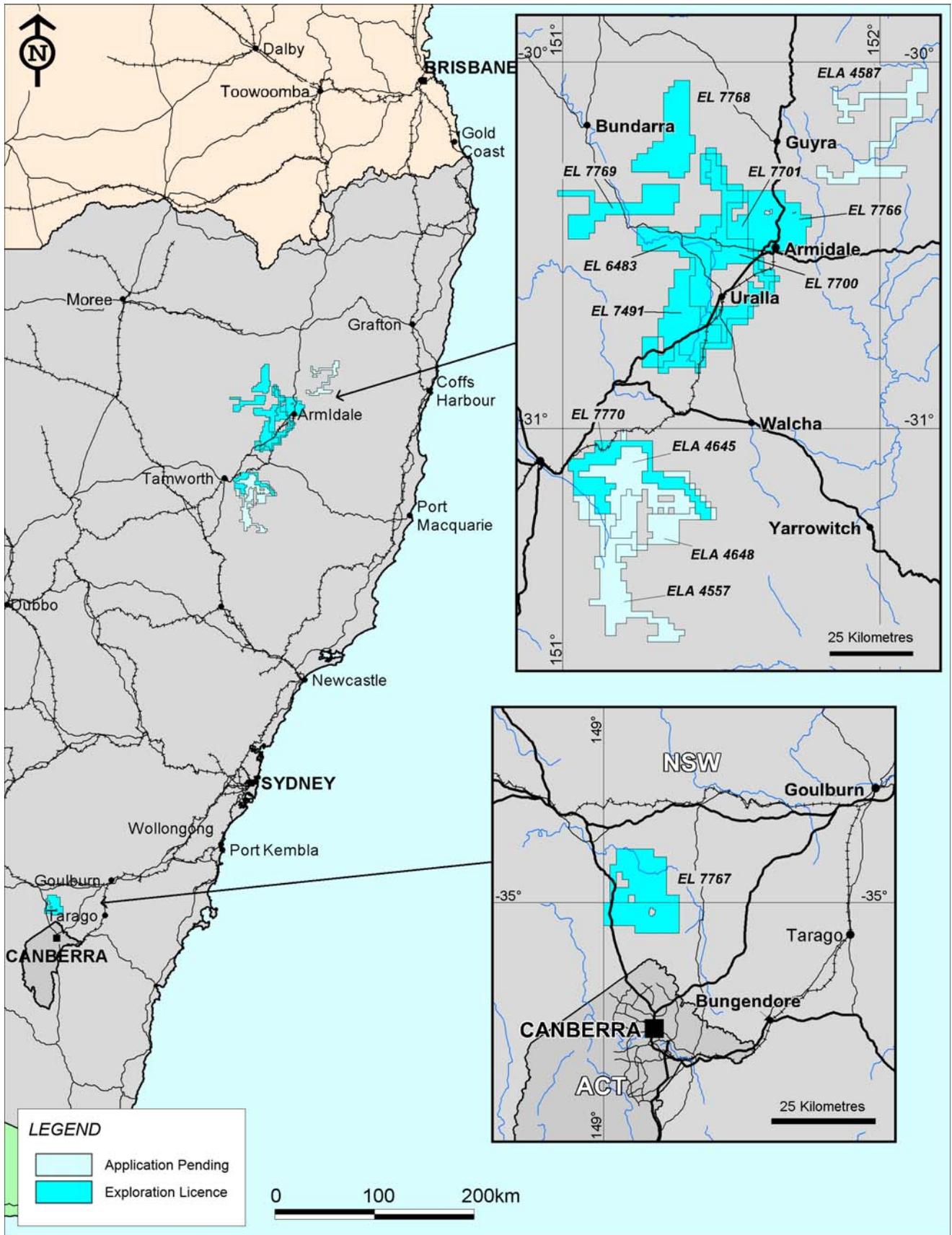


Figure 2 - Sovereign Gold Tenement Portfolio 31 August 2012