



SOVEREIGN GOLD COMPANY LIMITED

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ASX: SOC

ASX Release
5 September 2016

Crescent Lake Lithium – Exploration Permit Granted

Sovereign Gold Company Limited (ASX: SOC) (Sovereign Gold or Company) is pleased advise that the Company has now received the Exploration Permit for the Crescent Lake Project and have scheduled mobilization of equipment and personnel to the field area for September 6th to start the planned trenching program.

Assays are pending from grab samples taken from Dempster L61 lithium-bearing pegmatite deposit. One trend at Dempster L61 contains surface exposure of 50 meters and a second trend for about 30 meters.

The company also expects to release an update on Dempster L28 shortly and additional focus will also centre on the area trending north-east from Ardiden's Claims (Figure 1) which the company is targeting the discovery of additional new pegmatites.

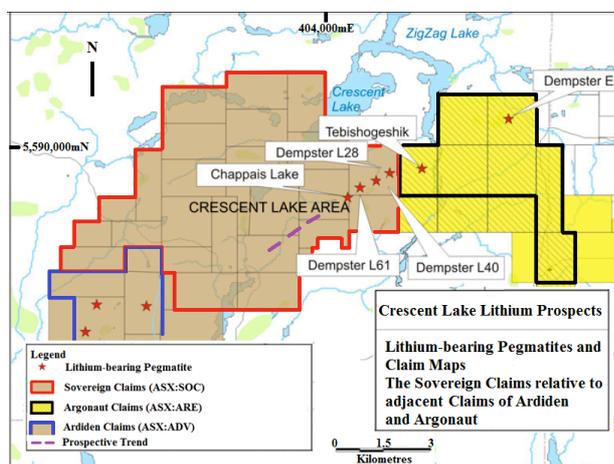


Figure 1: Lithium-bearing Pegmatites and claim map. The Sovereign Claims relative to the adjacent claims of Ardiden and Argonaut. The Sovereign Claims are underexplored and the geological team will also explore along a highly prospective north-east trend of volcano-sedimentary host rocks that parallels an adjacent intrusive contact.

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.

Summary of public file records extracted from Ministry of Northern Development and Mines (Canada)¹

Deposit Name: Dempster L61

Primary Commodities: LITHIUM

Secondary Commodities: CESIUM, TANTALUM

Comments:

Two lithium pegmatite dikes, cutting granite gneiss, make up this deposit. The L61 West dike is exposed in outcrops and in trenches for a length of about 250 feet. This dike is a broadly curving body up to 10 feet wide. In its southern part it strikes N25 -30 W and in its northern part N10° W. The L61 East deposit is exposed about 30 feet east of the centre of the first dike; from this point it has been traced S25 E for about 200 feet. It ranges from 10 to 20 feet in width.

¹ <http://www.geologyontario.mndmf.gov.on.ca/gosportal/gos?command=mndmsearchdetails:mdi&uuiid=MDI52108NW00018>



In the L61 West dike, the spodumene crystals range from less than 1 inch to about 3 inches in length. Some of the spodumene is altered as a result of partial replacement by muscovite and sericite, but the altered spodumene is not abundant and is confined to marginal portions of the dike. The average spodumene content of the dike is approximately 20%. In the L61 East dike is coarser in texture than the west deposit. It consists of coarse- to very coarse-grained potash feldspar and spodumene in a matrix of fine-grained quartz, albite and muscovite. The spodumene content is about 20% and altered material is not abundant. The L61 West dike is "similar to the Tebishogeshik pegmatite lenses, its principal difference being a smaller granularity with prismatic spodumene crystals ranging from less than 1 inch up to about 3 inches in length.

For further information please contact:

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