



SOVEREIGN GOLD
COMPANY LIMITED

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Latest News

www.sovereigngold.com.au

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Simon Bird
Managing Director

Michael Leu
Executive Director

Charles Thomas
Non-Executive Director

Rocco Tassone
Non-Executive Director

ASX Symbol: SOC

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 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.

Drilling Underway on High Grade Structure at Frasers Find Rocky River Gold Project

- New high grade gold results define first Cooperative drill hole target to test structure underneath trenches at depth
- Mineralised structure at Frasers Find now proven to be continuous for 380 metres from NE-SW and open in both directions
- High grade grab samples from gold-bearing structure exposed in trenching at Frasers Find – grades up to 14.85 g/t Au and 218 g/t Ag
- First round of Rocky River drilling targeted Hudsons-McCrossins and intersected mineralised dykes
- Deeper drilling under this altered mineralised dyke is planned to test for the potential wider zones of Martins Shaft-style mineralisation
- Drilling at additional new target on 'Glenroy' has commenced

Sovereign Gold Company Ltd. (Sovereign Gold or the Company) (ASX Code: SOC) advises it has received assay results (Table 1) of grab samples collected from costeaning the main mineralised structure at Frasers Find.

This sampling was carried-out during planning of diamond drillhole locations for the NSW Government's New Frontiers Cooperative Drilling program that is contributing \$65,000 towards direct drilling costs.

Some of the Grab Sample Highlights include:

- 14.85 g/t Au and 53.9 g/t Ag (Picture 1)
- 13.50g/t Au and 44.5 g/t Ag (Picture 2)
- 8.98 g/t Au and 218 g/t Ag

The diamond drilling program has commenced and will target the gold mineralisation to depth under the structure sampled in the trench and then will continue along strike towards an interpreted potentially gold-bearing, concealed intrusive.

Previous drilling at Frasers Find has confirmed narrow high-grade structures several hundred metres long (ASX: 21 December 2012) with drill intersections that include:

- 19.1 g/t Au and 141 g/t Ag over 0.6 m downhole from 11.1-11.7 m
- 25.1 g/t Au and 5.6 g/t Ag over 0.11 m downhole from 23.84-23.95 m
- 10.0 g/t Au and 316 g/t Ag over 0.13 m downhole from 27.0-27.13 m



The mineralised structure (indicated by boundaries outlined in orange) is 0.5 metres wide and steeply dipping.



A second round of fully funded drilling by SOC's JV partner SUGEC is also ongoing.

The historic Hudsons-McCrossins-line of workings were developed within a roof pendant of Wandsworth Volcanics that sits above the Uralla Granodiorite. Roof pendants are ideal traps and hosts for gold mineralisation in the form of sheeted veins and altered dykes – both styles of mineralisation present.

Diamond drillhole HM-ZK0002 at Hudsons McCrossins intersected shallow low-grade gold mineralisation from 34.60-38.50 metres downhole with the highest grade being 0.46 g/t Au from 36.41-37.3m downhole.

Significantly, this gold mineralisation occurs in dyke material that has been cut by a late stage northeast trending alteration event associated with sericite-sulphide-carbonate development. This is identical to the style of mineralisation discovered at Martins Shaft where previous drilling has intersected 3.2 g/t Au over 22 metres downhole, including 10m @ 6.1 g/t Au and 2m @ 18.9 g/t Au (ASX: 16 March 2012). Deeper drilling under this altered mineralised dyke is planned to test for potential wider zones of Martins shaft-style mineralisation.

Due to the onset of Spring lambing, the drill rig had to vacate the paddock that contains the Hudsons-McCrossins workings and is now drilling a new target on 'Glenroy'. The drill rig will return in late October following the completion of lambing.

Simon Bird, Sovereign Gold Company Limited Managing Director commented, "We are buoyed by the mineralised intersection and are extremely excited to have the co-operative drilling commenced beneath the high grade trenching samples. With 2 separate rounds of drilling now taking place at the Rocky River project we will keep the market informed of its progress".

For further information please contact:

Simon Bird, Managing Director or
Henry Kinstlinger, Investor Relations

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Picture 1 - Sample FFNP2, 14.85 grams/tonne Gold and 53.90 grams/tonnes Silver. Costean, Frasers Find. Portion of extensively oxidised vein comprised of prismatic and brecciated quartz associated with limonite and scorodite after sulphides. Sample: 4.2x7cm.



Picture 2 - Sample FFNP6, 13.50 grams/tonne Gold and 44.50 grams/tonnes Silver. Costean, Frasers Find. Portion of extensively oxidised vein comprised of prismatic and brecciated quartz associated with limonite and scorodite after sulphides. Scribe point for scale.

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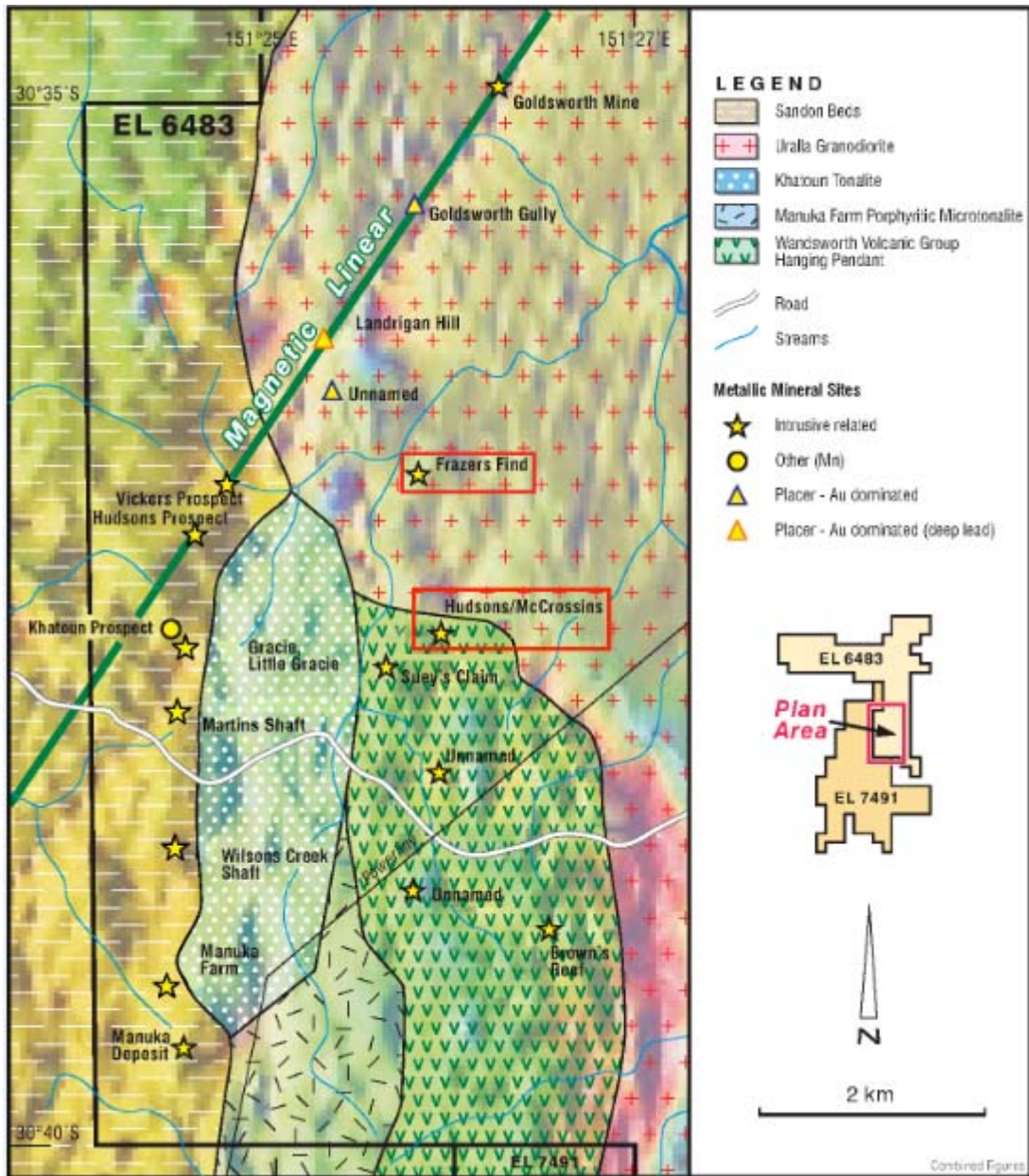


Figure 1: Location of historical mines within the Rocky River-Uralla Intrusion-Related Gold System. Frazers Find and Hudsons-McCrossins workings are outlined in red.

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Sample Name	mE GDA94 56J	mN GDA94 56J	Location	Weight (kg)	Sample Type	Au ppm	Ag ppm
FFNP1	349667	6612157	Costean Frasers Find	1.52	Grab Sample	1.8	8.91
FFNP2	349667	6612157	Costean Frasers Find	0.78	Grab Sample	14.85	53.9
FFNP3	349667	6612157	Costean Frasers Find	0.88	Grab Sample	6.37	28
FFNP4	349667	6612157	Costean Frasers Find	1.23	Grab Sample	8.98	218
FFNP5	349667	6612157	Costean Frasers Find	1.23	Grab Sample	9.34	31.4
FFNP6	349667	6612157	Costean Frasers Find	1.29	Grab Sample	13.5	44.5
HM- ZK0002-H3	349771	6610779	Hudsons McCrossins	2.64	Diamond Core 0.95m from 34.60-35.55m	0.13	0.23
HM- ZK0002-H4	349771	6610779	Hudsons McCrossins	1.52	Diamond Core 0.86m from 35.55-36.41m	0.36	1.37
HM- ZK0002-H5	349771	6610779	Hudsons McCrossins	2.07	Diamond Core 0.90m from 36.41-37.31m	0.46	1.49
HM- ZK0002-H6	349771	6610779	Hudsons McCrossins	2.62	Diamond Core 1.19m from 37.31-38.50m	0.16	0.34

Table 1: Parameters and assays of samples from costean at Frasers Finds (ALS Certificate of Analysis BR15121881) and diamond drill core from Hudsons McCrossins (ALS Certificate of Analysis BR15124411)

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Table 1 for reporting in accordance with the JORC Code

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Half NQ diamond drill core sampled over lengths ranging from 0.8-1.19 metres. Lengths determined by alteration and geology. NQ diamond drill core: Consistent cut distance relative to mark up or orientation line along core. Also 5 selectively chosen surface grab samples of rocks from a costean excavated within an historic working. Grab samples weight range 0.55-1.66kg. All samples were routinely assayed for gold using the 30g Fire Assay Digest technique and Atomic Absorption Spectroscopy (ALS code: Au-AA25). All samples were also subject to multi-element analysis using ICP-AES techniques –ALS Method ME-MS61.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Diamond, oriented NQ core.

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Criteria	Criteria	Commentary
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Lithological and geotechnical logging, photography. NQ core with overall recovery of >90% – no relationship has been observed between core recovery and grade with the data currently available.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Core has been logged both geologically and geotechnically to a level of detail to support appropriate Mineral Resource estimation when sufficient data is collected. NQ core logged and photographed. 100% of total length logged. All grab samples were geologically logged. Logging recorded lithology, textures and alteration.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Half NQ core cut with a core saw. Consistent cut distance relative to mark up or orientation line along NQ core. Consistent selection of one half, recorded by both drill logs and photographs. Appropriate measures taken – half core remaining if further analysis warranted. Sample preparation included crushing of entire sample to 70% -6mm (ALS Code CRU-21) before being riffle split and pulverized to 85% passing 75 microns (ALS Code PUL-21). The above techniques are considered to be of high quality, and appropriate for the nature of mineralisation anticipated. The sample size is appropriate for the rock being sampled.

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Criteria	Criteria	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none">The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	<ul style="list-style-type: none">The primary assay method used is designed to measure total gold in the sample. The laboratory procedures are appropriate for the testing of gold at this project given its mineralisation style. The technique involves using a 30g sample charge with a lead flux which is decomposed in a furnace with the prill being totally digested by 2 acids (HCl and HNO₃) before measurement of the gold content by an AA machine.Quartz flushes were used after every sample.No blanks, standards, course reject or pulp duplicates were submitted to the laboratory for testing.Internal ALS Chemex Laboratory QA/QC is routinely done.
Verification of sampling and assaying	<ul style="list-style-type: none">The verification of significant intersections by either independent or alternative company personnel.The use of twinned holes.Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.Discuss any adjustment to assay data.	<ul style="list-style-type: none">Alternative company geologists have inspected the sample data.No twinned holes at this stage of the project.NQ core measured, photographed and logged by geologists.Field notebooks and photos were used to record primary data in the field. Primary data was then entered digitally and is stored in Excel format and imported to an industry standard database by the database geologist using data entry procedures and database import tools. Data is visually checked and validated prior to import and additional validation is carried out upon entry to the database.There was no adjustment to assay data.

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Criteria	Criteria	Commentary
<i>Location of data points</i>	<ul style="list-style-type: none">• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.• Specification of the grid system used.• Quality and adequacy of topographic control.	<ul style="list-style-type: none">• Drill collars and other sample locations are ultimately recorded with CORS. GPS that has an accuracy 5cm for location. Digital survey tool will be used for down-hole surveying. Interim drill collar and sample locations are recorded with hand-held Garmin GPS with accuracy $\pm 5m$.• Grid co-ordinate system used is MGA94 (Zone 56J).• A digital topographic file is available in .dxf format. Drill collars recorded with CORS. GPS that has an elevation accuracy of 20cm.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none">• Data spacing for reporting of Exploration Results.• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.• Whether sample compositing has been applied.	<ul style="list-style-type: none">• Not applicable to current drilling and sampling.• No sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none">• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	<ul style="list-style-type: none">• Drill holes are designed to intersect mineralised structure normal to strike and are recorded as down-hole lengths. The drill hole azimuth and angle relative to the main mineralised structure is not considered to have introduced sampling bias.• Selected grab samples are not considered representative of average grade.
<i>Sample security</i>	<ul style="list-style-type: none">• The measures taken to ensure sample security.	<ul style="list-style-type: none">• Bagged samples were securely stored at a private facility prior to being freighted door to door to analytical laboratory (ALS) and then subjected to the ALS chain of custody procedures.
<i>Audits or reviews</i>	<ul style="list-style-type: none">• The results of any audits or reviews of sampling techniques and data.	<ul style="list-style-type: none">• No audits or reviews have been undertaken.

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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	<ul style="list-style-type: none">Exploration conducted in N.S.W. on EL 6483 under JV: Sovereign Gold Company Limited and SUGEC Mining Limited. SUGEC to earn 45%.An access agreement with the current landholders in place.No impediments to operate are known.Tenure is in good standing.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"><i>Acknowledgment and appraisal of exploration by other parties.</i>	<ul style="list-style-type: none">Previous exploration has been conducted by other companies but this previous data has no influence on the samples presented within this report.
<i>Geology</i>	<ul style="list-style-type: none"><i>Deposit type, geological setting and style of mineralisation.</i>	<ul style="list-style-type: none">Several deposits types. The main type being sub-linear, steeply dipping shear zones with quartz-sulphide veins. Styles of mineralisation varied from quartz veins with low sulphide content to quartz veins and quartz-flooding with disseminated arsenopyrite and pyrite. Another important style is phyllic alteration in dykes controlled by north-east trending structures.



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Criteria	JORC Code explanation	Commentary																
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Refer to Table 1 and body of Report above. <table border="1"> <thead> <tr> <th>Hole ID</th> <th>Easting (m)</th> <th>Northing (m)</th> <th>RL (m)</th> <th>Grid</th> <th>Collar Azimuth</th> <th>Collar Dip</th> <th>Total Depth (m)</th> </tr> </thead> <tbody> <tr> <td>HM-ZK0002</td> <td>349771.32</td> <td>6610779.09</td> <td>989.047</td> <td>MGA94 Zone 56J</td> <td>346</td> <td>75</td> <td>68.4</td> </tr> </tbody> </table>	Hole ID	Easting (m)	Northing (m)	RL (m)	Grid	Collar Azimuth	Collar Dip	Total Depth (m)	HM-ZK0002	349771.32	6610779.09	989.047	MGA94 Zone 56J	346	75	68.4
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HM-ZK0002	349771.32	6610779.09	989.047	MGA94 Zone 56J	346	75	68.4											
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Not applicable – no weight averaging has been undertaken. Not applicable – no metal equivalent has been reported. 																



Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Diamond drilling: all lengths are down-hole lengths and not true width. • True width reported for mineralised structure exposed in trench at Frasers Find.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Table 1 lists sample location coordinates along with significant (Au, Ag) assays results for all samples included within this report.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Representative reporting of all relevant grades is provided in Table 1.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Geological results have been summarized in order to put context around sample results. • Samples have been reported in the appropriate geological context.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Future exploration programs under development.

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