



SOVEREIGN GOLD
COMPANY LIMITED

Sovereign Gold Company Limited
ACN 145 184 667

Level 2, 131 Macquarie Street
Sydney NSW 2000
Tel: +61 2 9251 7177
Fax: +61 2 9251 7500

Contact

Simon Bird MD

email: corporate@sovereigngold.com.au

Latest News

www.sovereigngold.com.au

Directors / Officers

John Dawkins AO
Non-Executive Chairman

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.

Mt Adrah - \$2M Chinese Consortium JV Update

HIGHLIGHTS

- \$2M JV relates to flagship Gold Resource Mt Adrah which contains a Mineral Resource estimate* of 770,000 oz of gold (440,000 oz Indicated; 330,000 oz Inferred) within a total Mineral Resource estimate of 20.5 Mt at 1.1 g/t gold, at various cut-off grades
- Full participation in the JV will provide an effective \$10M valuation of Mt Adrah by the Consortium
- Chinese investment consortium has finalised on site Due Diligence and is processing results
- Exploration Planning Committee has already been formed and design of Drilling program being finalised
- Sample results from due diligence will be released to the market shortly
- SOC expects to update the market shortly regarding formalisation of the \$2M JV and the Mt Adrah Drill Program

Sovereign Gold Company Ltd. (**Sovereign Gold** or the **Company**) (**ASX Code: SOC**) is pleased to provide an update on its recently announced funding agreement with a significant Chinese Consortium (**Consortium**) to progress exploration on EL 6372 (ASX Release 13 May 2015). The Consortium can earn up to 50% through funding primarily contracted drilling programs. Upon meeting exploration expenditure of \$1.5 million the Consortium will earn a 45% interest in the Mount Adrah Gold Project; a further 5% can be earned upon expenditure of an additional \$0.5 million (effectively valuing the asset at \$10 million).

The Consortium has now finalised on-site Due Diligence and is currently compiling a report for its investment committee, although the Consortium has expedited the formation of an Exploration Planning Committee, which is in the final stages of designing an aggressive drill campaign.

Included in this drill campaign will be:

- Drilling the potential open cut portion of Hobbs Pipe 1
- Drilling potential repetitions of Hobbs Pipe at the Nacki Nacki Eluvial Field, Bangang Area
- Testing the grade, width, lateral and vertical extent of existing known high grade gold structures
- Several new areas within EL 6372 identified as potential drill targets. These targets were mapped and sampled, comprising several historical workings including Carters, Comedy King, Lady Clare, Breccia Lode (see Figure 1 & Figure 2)

Simon Bird, Sovereign Gold Company Limited Managing Director commented "We are buoyed by the swift formation of the Exploration Planning Committee and look forward to updating the market shortly on the aggressive drill campaign designed for Mt Adrah. We also expect to release to the market the results of samples taken by the Consortium and look forward to announcing the finalisation of the JV funding agreement which ascribes a valuation to Mt Adrah, currently undervalued by the market."

* The information regarding the Mineral Resource is extracted from the report entitled "Hobbs Pipe Mineral Resource Update Additional Information" created 27th December 2013 and is available to view on www.sovereigngold.com.au/investors.htm. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

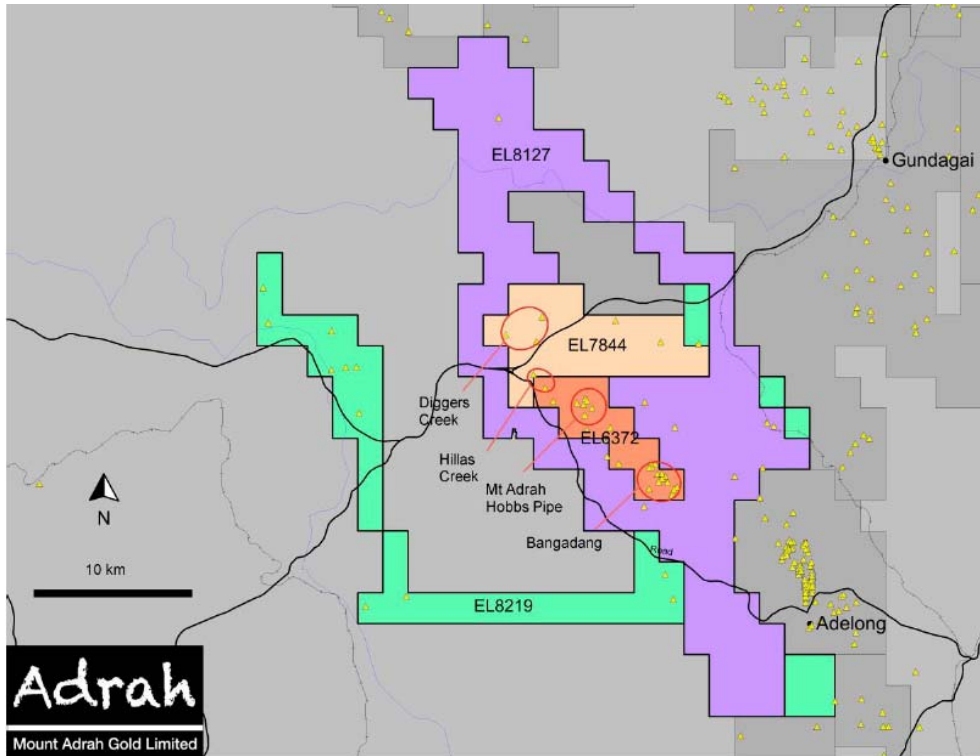


Figure 1 - Four Exploration Licences comprise the Mount Adrah Gold Project. Due Diligence undertaken by Chinese Consortium focused on the Mt Adrah Hobbs Pipe and Bangadang areas within EL 6372

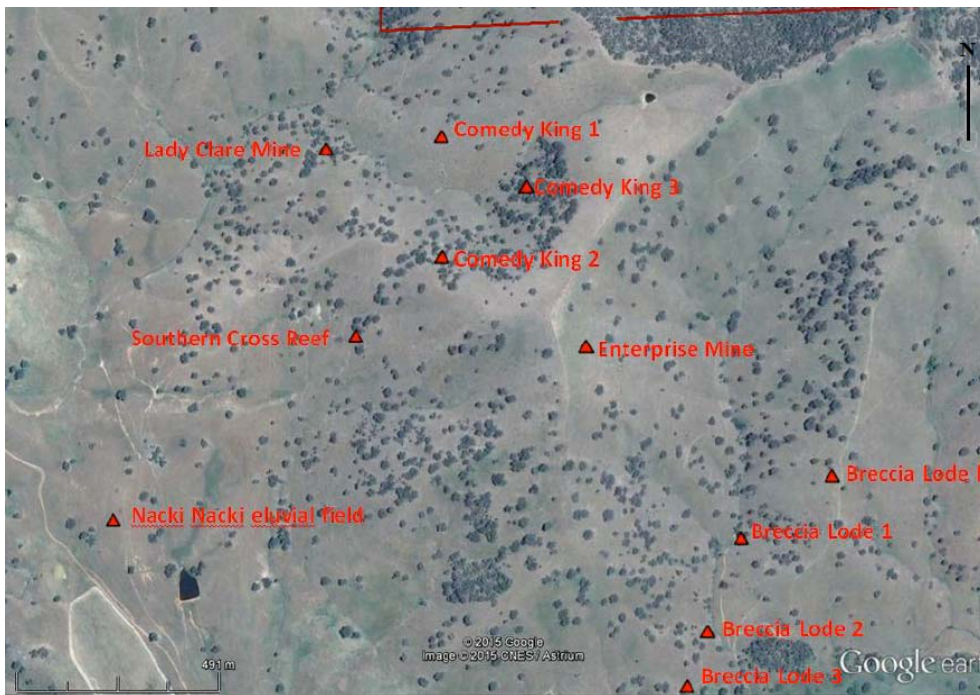


Figure 2 - Bangadang Area: Historical gold mines/workings mapped and sampled during Due Diligence undertaken Chinese consortium

For further information please contact:

Simon Bird, Managing Director or
Henry Kinstlinger, Investor Relations

Sovereign Gold Company Limited,
Telephone: +61 2 9251 7177

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