



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

Mount Adrah Mineral Resource estimate:

770,000 oz of gold, at various cut-off grades:
Indicated: 440,000 oz
from 12.1 Mt at 1.1 g/t gold and Inferred:
330,000 oz from 8.4 Mt at
1.1 g/t gold*

* 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 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.

Extensive Fully Funded 2015 Diamond Drill Program

HIGHLIGHTS

- Fully funded Diamond drill program commenced and will continue across multiple targets
- Total of 10,600m planned drilling during campaign
- 3 separate drilling programs in 2H15 planned:
 - Mt Adrah Hobbs Gold Pipe Project (October 2015)
 - Rocky River IRGS Project (Commenced July 2015)
 - Halls Peak Base Metals Project (September 2015)
- Currently in advanced negotiations with potential JV partner for Halls Peak Base Metals Project
- Sovereign expects to update the market shortly regarding formalisation of the \$2M JV and the Mt Adrah Drill Program. Full participation in the JV will provide an effective \$10M valuation of Mt Adrah
- Sovereign's first drill hole (GHD001) into the Hobbs Pipe (Mt Adrah) produced an outstanding intersection of 886 metres @ 1.2g/t Au. This intersection included 400 metres @ 1.4g/t Au from surface; 720 metres @ 1.3g/t Au from surface (ASX Release 30th July 2013)

Key Assets

Mount Adrah Intrusion-Related Gold System	Rocky River Intrusion-Related Gold System	Halls Peak Base Metal deposits
<ul style="list-style-type: none"> ➢ Mount Adrah Hobbs Gold Deposit ➢ 770,000 oz of gold, at various cut-off grades: Indicated: 440,000 oz from 12.1 Mt at 1.1 g/t gold and Inferred: 330,000 oz from 8.4 Mt at 1.1 g/t gold ➢ High Grade Gold Reefs 	<ul style="list-style-type: none"> ➢ Discovered Large Gold System at Rocky River-Uralla Goldfield ➢ Fully Funded by JV Partner ➢ SOC 55% post-expenditure ➢ \$65,000 NSW Gov. Drilling Grant 	<ul style="list-style-type: none"> ➢ High Grade ➢ Direct Ship Ore ➢ Zinc, Lead, Silver, Copper ➢ \$90,500 NSW Gov. Drilling Grant

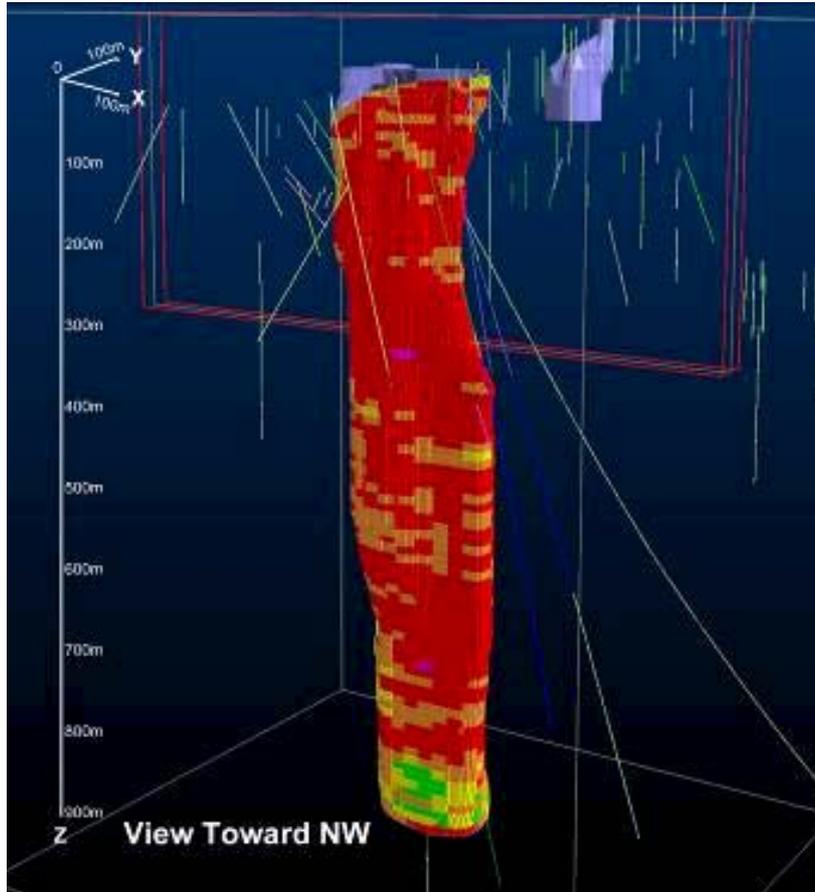
Sovereign Gold Company Ltd. (Sovereign Gold or the Company) (ASX Code: SOC) is pleased to announce its detailed extensive drill campaign for the second half of 2015 (2H15). Drilling has already commenced at the Rocky River IRGS project as previously disclosed to the market.

With the recent rights issue, placement, government grants and existing JV, Sovereign is delighted to announce to its shareholders that the entire 2015 drill program is fully funded.

Sovereign is currently in advanced negotiations with a potential JV partner regarding Halls Peak and the company anticipates to be in a position to update the market shortly.



Mount Adrah Gold Project (7,500m of Planned Drilling to Commence October 2015)



Mount Adrah Hobbs Pipe 1 3D model (ASX: 27 December 2014)

Hobbs Pipe 1

- 770,000 oz of gold, at various cut-off grades:
Indicated: 440,000 oz from 12.1 Mt at 1.1 g/t gold and Inferred: 330,000 oz from 8.4 Mt at 1.1 g/t gold*

High Grade, Narrow Vein Reefs

- **Near Hobbs Pipe 1**
 - Castor Reef 10m @ 17.7 g/t Au**
 - White Deer 1.2m @ 58.6 g/t Au***
 - Several historical surface mines
- **Other Areas**
 - Southern Cross Reef Mine 3m @ 7.22 g/t****

**ASX: 28 October 2013
 ***ASX: 21 November 2013
 ****ASX: 22 July 2014

Hobbs Pipe Look-a-Likes

- **Near Hobbs Pipe 1**
 - IP Anomalies
 - Hobbs SE
- **Other Potential Areas**
 - Nacki Nacki Elluvial
 - Geochemical and geophysical anomalies

Sovereign Gold secured a funding agreement with a Chinese investment consortium to progress exploration (ASX: 13 May 2015). They can earn up to can earn up to 50% of EL 6372 through funding up to \$2 million on primarily contracted drilling programs, potentially 7-8,000 metres of diamond drilling.

As a direct result of the Chinese Consortium's Due Diligence sampling several new areas (ASX: 29 July 2015) within EL 6372 have been identified as potential drill targets within the Bangadang area especially the historic mine Breccia Lode 3 where a grab sample assayed 51.3gms/tonne Gold and 20.8gms/tonne Silver and historic mine Comedy King 2 where a grab sample assayed 36.8gms/tonne Gold. Shallow drilling is initially planned to follow gold-bearing structures along strike and down dip. Further drill targets have been identified that may potentially host repetitions of Hobbs-like pipes.

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The JV's Exploration Planning Committee is well advanced in selection of select drill targets that include:

**Drilling the of Hobbs Pipe 1
(1,000 metres diamond drilling)**

- The Hobbs Pipe 1 Mineral Resource estimate¹ is 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*

Drilling potential repetitions of Hobbs Pipe at the Nacki Nacki Eluvial Field, Bangadang Area

A target has been identified at Nacki Nacki based on anomalous gold and base metal mineralisation from surface sampling and geophysical interpretation. Early indications suggest a geological setting similar to that found at the Hobbs deposit (ASX: 3 July 2014).

- 220 x 290m zone of shallow eluvial (in situ) gold workings
- Quartz rocks contain sulphide
- One of four rock grab samples returned a gold assay of 77g/t Au (BANG001) (ASX Release 3 July 2014); taken from scree at surface, likely sourced from underlying geology
- Recent (ASX: 29 July 2015) grab samples collected by Chinese Consortium assayed 24.9 g/t Au
- Mapping has revealed a concentric zonation to workings and gold occurrences
- The prospect is interpreted as a weathered cap and alteration halo sitting above a Hobbs-style intrusive pipe
- A drilling program is proposed to test for blind, pipe-hosted mineralization similar to Hobbs pipe

Testing the grade, width, lateral and vertical extent of known high grade gold structures including:

- Arcadia Reef: 2014 drilling - 1m @ 14.7g/t Au from 6-7m downhole from hole MAGD002 GHD009 (ASX: 27 June 2013)
- Castor Reef: 2013 drilling - 10m @ 17.7g/t Au from 506m downhole including 2m @ 59.4g/t Au from 514m were returned in hole GHD009 (ASX: 28 October 2013)
- White Deer Reef: Hole GHD011 intersected a high-grade gold reef – the White Deer Reef that assayed 1.2m @ 58.6g/t Au from 624m downhole (ASX: 21 November 2013)
- Southern Cross Reef: Initial results have confirmed the high-grade reef potential within the historical workings. A 3.0m composite channel sample at SW end of the historic crosscut returned 3.0m at 7.22 g/t, including 2.0m at 9.81 g/t (ASX: 22 July 2014)

**Rocky River-Uralla Gold Project
(1,900m of Planned Diamond Drilling Already Commenced)**

Sovereign Gold's Rocky River JV partner SUGEC commenced Diamond drilling at the Rocky River Intrusion-Related Gold System (IRGS) (ASX: 20 July 2015). The first drill holes are testing the historical Hudsons-McCrossins workings (Figure 1) that have not been previously been drilled. The Hudsons-McCrossins workings consist of a series of pits and shallow shafts that extend for 360m on a north-east trend. They have been developed on a sheeted vein system in altered country rock and are associated with altered sulphide-bearing felsic dykes similar to the mineralised gold-bearing dyke drilled at Martins Shaft.

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This drill program is in addition to the Rocky River IRGS Cooperative Drilling Program funding of \$65,000 granted by the NSW Government with the balance to be funded by our Chinese partners, SUGEC. The Cooperative Drilling funding grant is to test a potential gold-bearing concealed circular pluton and associated structures indicated by Sovereign Gold's airborne geophysical survey.

EL 6483 hosts several gold targets and previous drilling has intersected some positive gold mineralisation at targets such as:

Martins Shaft (ASX: 16 March 2012).

- 3.2 g/t Au over 22 metres downhole from 18-40 metres, including 10m @ 6.1 g/t Au and 2m @ 18.9 g/t Au
- 3.5g/t Au over 18 metres downhole from 52-70 metres including 7m @ 7.5g/t Au and 1m @ 19.6g/t Au

Frasers Find (ASX: 21 December 2012) - Drill intersections include- narrow high grade structures several hundred metres long:

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

SUGEC has identified multiple drill targets following an extensive 4,800 soil sampling program over 8.2 square kilometres. The geochemical soil survey and geological mapping encompassed most historical gold workings including Sueys Claim, Hudson McCrossins, Diggers Shaft, Frasers Find, Martins Shaft, the Gracie and Little Gracie Mines, Vickers Shaft, the Old Bonanza Dyke (NE trending magnetic linear hosting several historic gold mines) and the Goldsworth Mine.

Halls Peak Zinc-Base Metals Project (1,200m of Planned Drilling to Commence September 2015)



DDH HP 027, portion of core from 1.9 metres (53.80 – 55.70m downhole) at 27.1% zinc, 8.7% lead, 1.5% Copper, 59.0g/t silver (ASX: 5 May 2014)

An initial 1,200 metres of diamond drilling is planned for Halls Peak. The Halls Peak base and precious metal project has been awarded grant funds of \$90,500 (ASX Release 14 October 2014) pursuant to the New Frontiers Cooperative Drilling program (Program) (a NSW Government program which provides grants to exploration entities to fast-track private exploration drilling programs).

The Program is a co-funded initiative of the NSW Government which provides 50 per cent of direct drilling costs of approved projects following assessment by an expert advisory panel and includes drilling programs that test innovative, technically sound geological models and new concepts and ideas.

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The funding grant is to test the potential for base and precious metal deposits associated with VTEM conductors.

A helicopter VTEM and aeromagnetic survey of 1,222 line kilometres was flown over EL 4474, EL 5339 and EL 7679 and completed in January 2013 (ASX: 29 January 2013 (ASX: PMR)). The survey distinguished two electrically conductive horizons that extend over an area of at least 14km². These conductors could potentially be interpreted as horizons containing base metals.

The first drill hole will test the nature and metal content of the deep, lower conductor detected by the VTEM survey. A second drill hole will determine mineralisation nature, facies and geochemistry variations of the upper electrically conductive horizon

Drilling will also include up to 5 diamond drill holes at the Gibsons Mine area to test the down dip extensions of the previous high grade mineralisation reported in 2014 and to test the volcanic pile for new mineralisation.

Previous drilling at Gibsons Mine

Diamond Drill Hole DDH HP 026 (ASX Release 2 January 2014)

- 37.2 metres at an average grade of 8.7% zinc, 3.0% lead, 1.4% copper and 85 g/t (2.8 oz/t) silver, over 4 bands,
 - Including 10.5 metres at an average grade of 9.81% zinc, 5.63% lead, 2.67% copper and 196 g/t (6.3 oz/t) silver
 - Including 1.48 metres (from 1.62 to 3.1m) at an average grade of 19.2% zinc, 10.7% lead, 5.66% copper and 509 g/t (6.3 oz/t) silver

Four beds of mineralisation totalling 37.2 metres at an average grade of 8.7% zinc, 3.0% lead, 1.4% copper and 85 g/t (2.8 oz/t) silver were intersected in the first hole drilled by PMR at Gibsons Mine, Halls Peak. Only small bands of unmineralised rock separate these beds.

Diamond Drill Hole DDH HP 028 (ASX: 5 June 2014)

DDH HP 028 intersected the four base metal zones identified in HP026 and HP027.

- 9.4 metres (from 0.00 – 9.40m downhole) at 5.0% zinc, 2.2% lead, 2.4% Copper, 73.4g/t Silver

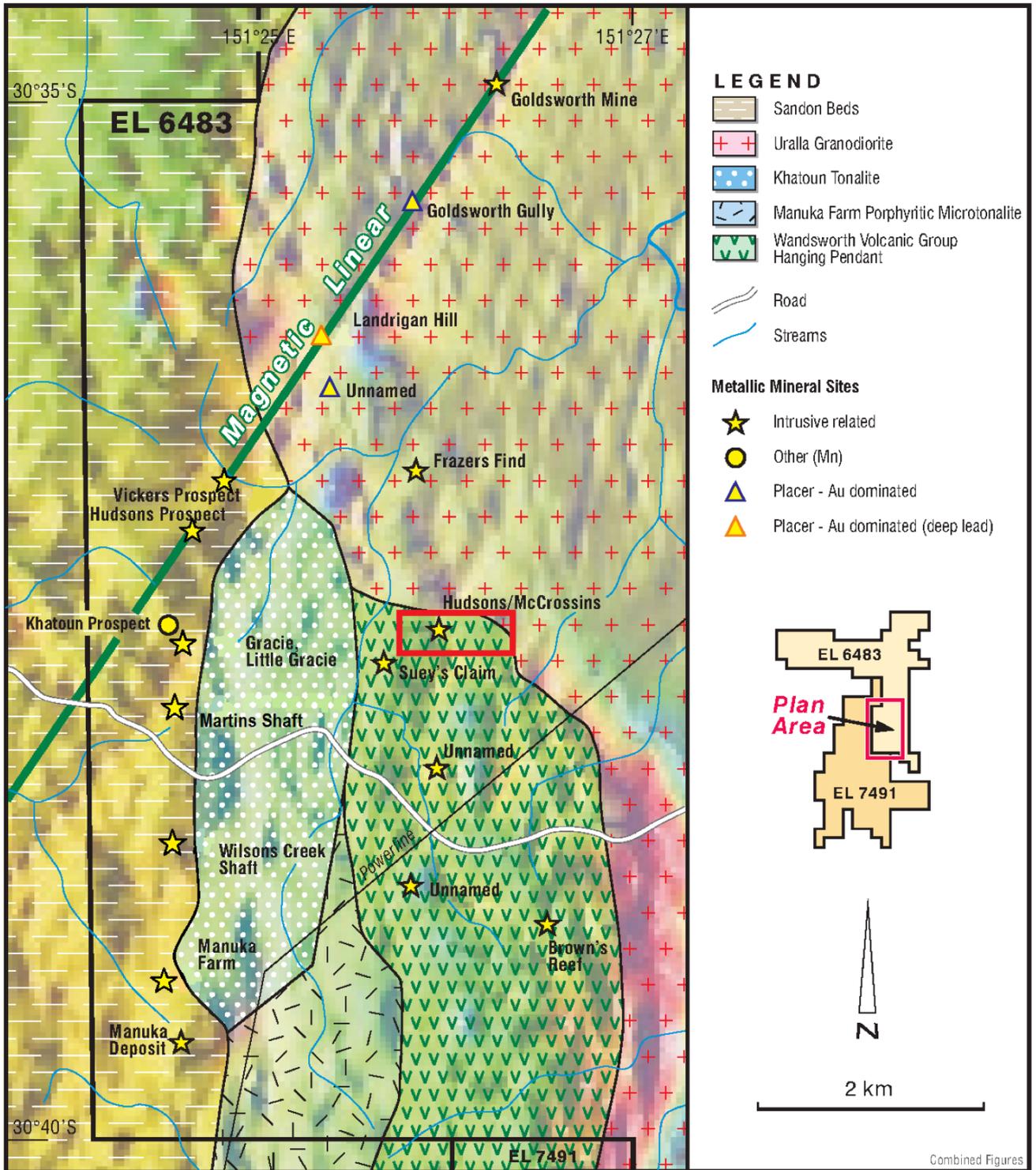
Including 1.8 metres (from 1.60 – 3.40m downhole) at 12.76% zinc, 7.06% lead, 7.13% copper, 224.3g/t Silver, 0.9 g/t Gold

- 3.3 metres (from 15.7 – 19.0m downhole) at 7.6% zinc, 3.0% lead, 0.8% copper, 29.5g/t silver
- 1.5 metres (from 33.9 – 35.4m downhole) at 28% zinc, 9.6% lead, 2.6% copper, 62.9g/t silver
- 3.2 metres (from 42.0 – 45.2 m downhole) at 19.7% zinc, 6.7% lead, 1.57% copper, 40.4g/t silver

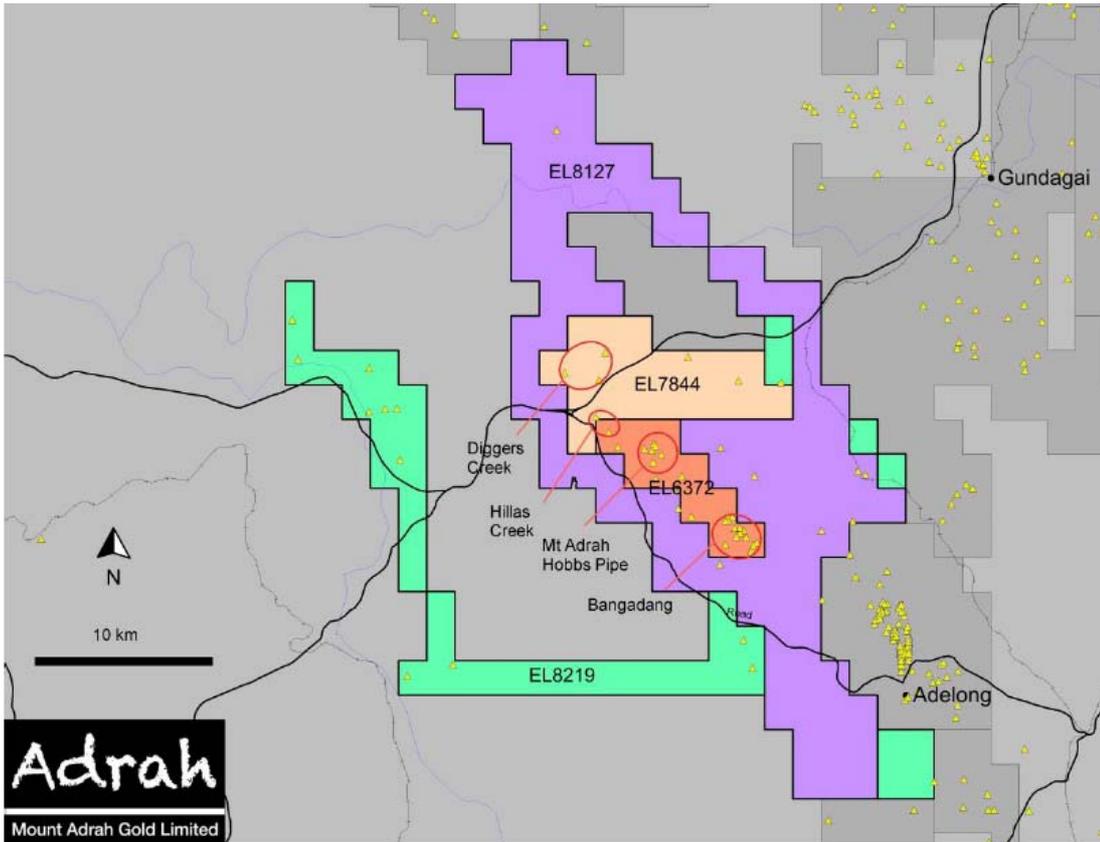
Re-assaying of historic core (ASX Release 9 September 2012) held at the NSW Government Londonderry Core Library revealed some bonanza grades from the historic Faints Mines:

342.4 ounces/tonne Silver (10,650g/t), 36.0% zinc, 18.25% lead, 2.83% silver over 0.18 metres from 83.49-83.67 metres downhole. This mineralisation was part of a larger an previously unassayed silver-zinc-lead-copper intersection of 2.7 metres downhole (83.49-84.66 metres) with a weighted average of 50.6 ounces/tonne Silver (1,575g/t), 12.53% zinc, 5.96% lead, 0.53% copper.

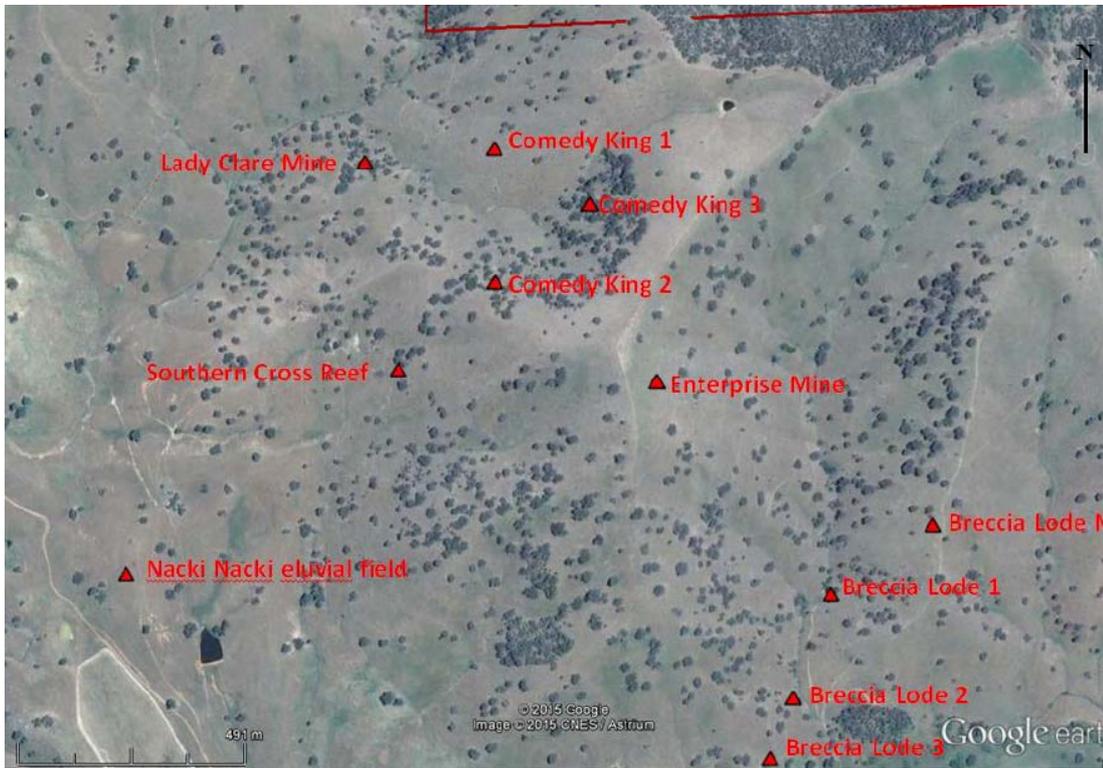
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Four Exploration Licences comprise the Mount Adrah Gold Project. Due Diligence undertaken Chinese consortium focused on the Mt Adrah Hobbs Pipe and Bangadang areas within EL 6372.



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

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Qualifying Statements

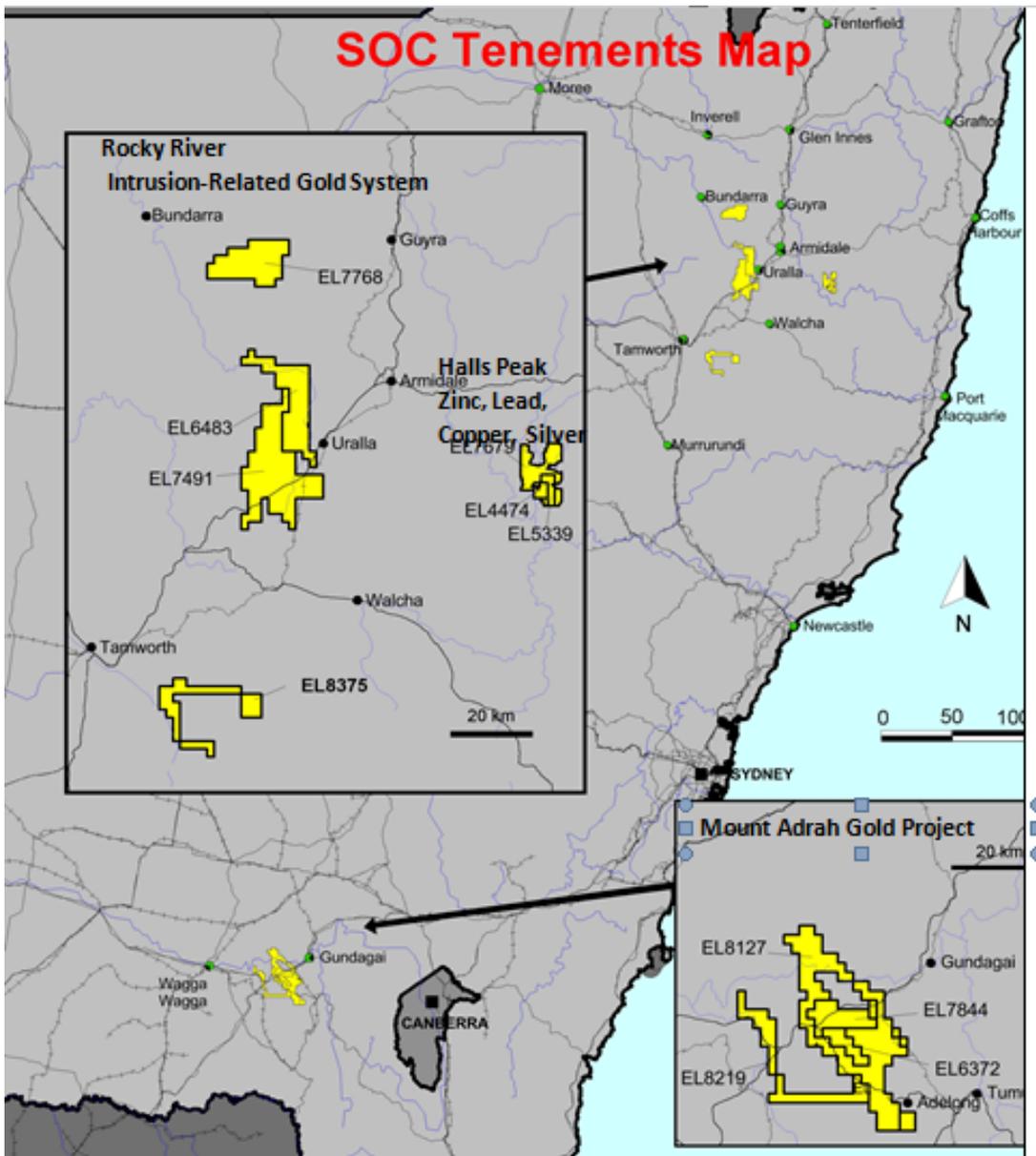
The information in the release that relates to Exploration Information is based on information compiled by Michael Leu who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

Mr Leu is a qualified geologist and is a director of Sovereign Gold Company Limited.

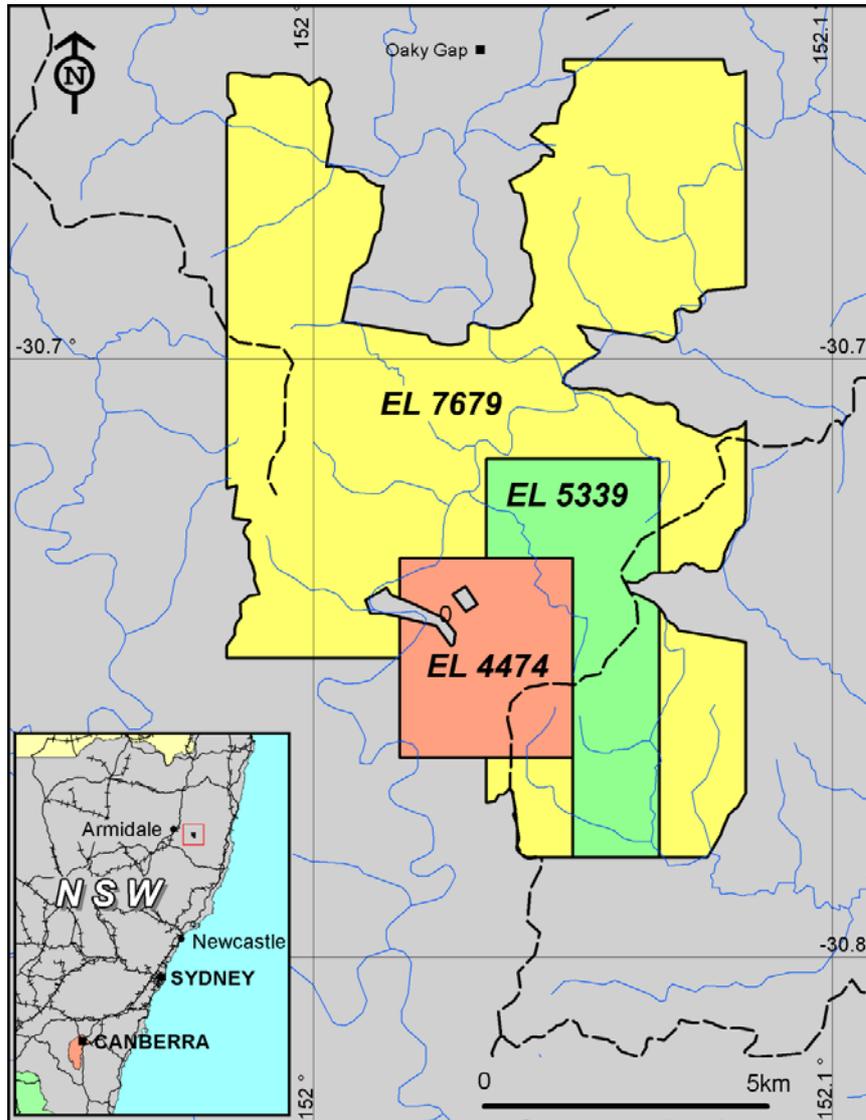
The information relating to Exploration Information released prior to 2014 as prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information relating to Exploration Information released in 2014 and 2015 was prepared under the JORC Code 2012.

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 and 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.



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Halls Peak Zinc, Exploration Licences

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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