



SOVEREIGN GOLD COMPANY LIMITED

Sovereign Gold Company Limited
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Latest News

www.sovereigngold.com.au

Directors

Simon Bird
Managing Director

Patrick Glovac
Non-Executive Director

Charles Thomas
Non-Executive Director

Rocco Tassone
Non-Executive Director

ASX Symbol: SOC

Mount Adrah Mineral Resource estimate is:

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 gold¹

¹ 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.

Quarterly Activities Report – December 2015

This quarterly operations report for Sovereign Gold Company Limited (**Sovereign Gold or the Company**) (ASX Code **SOC**) is dated 28 January 2016 and is for the three months ending 31 December 2015.

Corporate

On 13 October 2015 the Company released a research paper presented to the *Australian Institute of Geoscientists* on the development of new and modified techniques to generate significant advances in new knowledge on the understanding, recognition and definition of diagnostic characteristics of Intrusion-Related Gold Systems (IRGS) in Eastern Australia.

The Research Paper and Presentation are available at <http://www.sovereigngold.com.au/presentations.htm>.

On 3 November 2015 a general meeting of members was called. This meeting was cancelled on 27 November 2015.

On 19 November 2015 the Company advised, "the Company has eliminated all debt."

On 27 November 2015 the Company advised that the R&D refund had been confirmed and Research and Development Certificates had been issued by Innovation Australia.

The R&D refund is for the period January–December 2012 and is expected to be in excess of \$500,000. The Company has also registered for the R&D Tax Incentive Offset Refund for each of 2013 and 2014 (2015 in preparation) and anticipates similar outcomes as this R&D project is continuously advancing.

Advice of the R&D refund, obviated the need for shareholders to consider fundraising initiatives that were to be put to members at the general meeting called on 3 November 2015.

On 14 December 2015 the Company advised the appointment of Mr Patrick Michael Glovac to its Board of Directors. Mr Glovac is the current Managing Director of ASX listed Applabs Technologies Limited and Non-Executive director of GB Energy Limited and Cirrus Networks Limited.

The Company further advised the retirement of John Dawkins (effective 15 December 2015) and Michael Leu (effective 10 December 2015) as directors of the Company.

Michael Leu continues as Chief Geologist of the Company.

Operations

ASX: 17 November: Frasers Find – Continuous 384m Long Gold-Bearing Structure

HIGHLIGHTS: Frasers Find

- Second gold-bearing structure discovered in Cooperative drill hole
- Main narrow gold-bearing structure at least 384 metres long and extends 80 metres vertically, open in all directions
- Narrow lode mineralisation up to 5.17g/t Gold and 122 g/t Silver
- Significant evidence for gold mineralisation derived from deeper level intrusive source

Hudson McCrossins

- Gold-bearing Martins Shaft-style mineralised dyke discovered
- Deep drilling program currently being planned

Sovereign Gold Company Ltd (**Sovereign Gold or the Company**) (ASX Code: **SOC**) is pleased to advise a total of 7 diamond drill holes have been

completed at Frasers Find and 2 diamond drill holes at Hudson-McCrossins. The drilling program has been fully funded by SOC's JV partner SUGEC and in part through the NSW Government Cooperative drilling program.

Frasers Find Mine

Drilling at Frasers Find was designed to test the depth and strike extensions of known high grade narrow gold-bearing structures, locate new structures and confirm the existence of feeder structures from a potential concealed causative pluton at depth. All drill holes intersected narrow gold-bearing mineralisation up to 5.17g/t Gold and 122 g/t Silver. Cooperative drill hole FF-ZK0007 intersected a second mineralised structure (0.9 metres wide downhole) that trends north-west and is oriented orientated obliquely to the main north-east trending structure hosting the historic Frasers Find Mine. Intersecting structures can generate dilational zones of wider intervals of mineralisation.

The previously drilled narrow, high grade gold-bearing structure and associated sub-parallel structures have been interpreted as a being part of larger mineralised fracture system developed above a potential 'blind' (concealed) pluton.

The current drilling at Frasers Find established the main gold-bearing structure extends continuously for at least 384 metres along strike and extends at least 80 metres vertically, open in all directions. The best intersections are listed below (drill results, Tables 1-7).

- 5.17g/t gold (Au) over 0.32m from 51.25-51.57m downhole (Diamond drill hole FF-ZK0001, 100% core recovery)
- 2.58g/t gold (Au) and 122g/t silver (Ag) over 0.60m from 31.35-31.95m downhole (Diamond drill hole FF-ZK0003, 100% core recovery)
- 2.17g/t gold (Au) and 14.70g/t silver (Ag) over 0.60m from 57.95-58.55m downhole (Diamond drill hole FF-ZK0203, 100% core recovery)

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 Reserves. Mr Leu consents to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

Tenements

Tenement information required under LR 5.3.3

| Tenement No. | Location |
|------------------------|------------|
| New South Wales | |
| EL 6483** | Armidale |
| EL 6372* | Adelong |
| EL 7844* | Gundagai |
| EL 8127* | Adelong |
| EL 7491** | Armidale |
| EL 7768** | Armidale |
| EL 5339 | Halls Peak |
| EL 4474 | Halls Peak |
| EL 7679** | Halls Peak |

Notes:

During the quarter, the Company relinquished EL 8219 and EL 8375.



During the quarter; there has been no change in beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.

* Sovereign holds a 99.5% interest in Mount Adrah Gold Limited, the holder of the licences

** Subject to Farm-in

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