



SOVEREIGN GOLD
COMPANY LIMITED

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Latest News

www.sovereigngold.com.au

Directors / Officers

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Patrick Glovac

ASX: 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.

Four Project Drill Program Exploration Update October 2016

- Company expects to complete 4 different drill programs across Lithium (2), Gold and Zinc/Silver projects by years end
Crescent Lake Lithium – Canada (Ontario)
- Drill program was extended to 800m as additional pegmatites were discovered and encouraged by visual strong presence of Lithium
- Maiden Canadian Lithium drilling Program has now been completed with assays pending and will be released shortly
Clayton Valley Lithium – USA (Nevada)
- Experienced Lithium Consulting Geologist Mr Jerry Aiken will visit the Clayton Valley Lithium Project in Nevada this week to formalise the drill program to test for eastward lateral extensions of aquifers discovered by Pure Energy Minerals in their adjacent Claims
- SOC's Nevada claims are within 10 kilometres of North Americas only producing lithium mine, Silver Peak Mine, Clayton Valley owned by Albemarle Corp (NYSE: ALB) Market Cap US\$8.55bn
- Drilling program expected to commence in December 2016
Mt Adrah Gold – Australia (NSW)
- Mt Adrah Gold Project approval granted to conduct over 1,200 metre Diamond drilling program intended to derive an Inferred Resource with a focus of moving towards early cashflow via shallow/high-grade operations
- Drilling will also focus on high priority Hobbs Pipe look-a-like targets. First deep drill hole into Hobbs Pipe produced an intersection of 886 metres @ 1.2 g/t Au (including 400 meters @ 1.4 g/t Au from from surface)
- Drilling to commence as soon as weather permits, expected to be during November 2016.
Halls Peak Zinc Projects – Australia (NSW)
- Approval request accepted to conduct over 1,000m Diamond drilling has been finalised and will target potential Direct Shipping Ore (DSO) High Grade Zinc and Silver
- Diamond drill rigs should be mobilised soon and drilling expected to commence in November 2016

Sovereign Gold Company Limited (ASX: SOC) (Sovereign or the Company) is pleased to provide an exploration update on activities across four (4) projects. One drill program has been completed with assays pending and the company expects to commence an additional three (3) drill programs during November and December 2016.

Crescent Lake Lithium – Canada (Ontario)

Lithium-bearing pegmatites have been traced northeast for over 2km of strike length. Diamond drilling targeted lithium-bearing pegmatites in the north-east portion of SOC claims, Chappais Lake, Dempster L61, L40 and L28 (Figure 1).

The recently extended drilling has now been completed to a total of 800 metres and assay results are expected to be released in October.

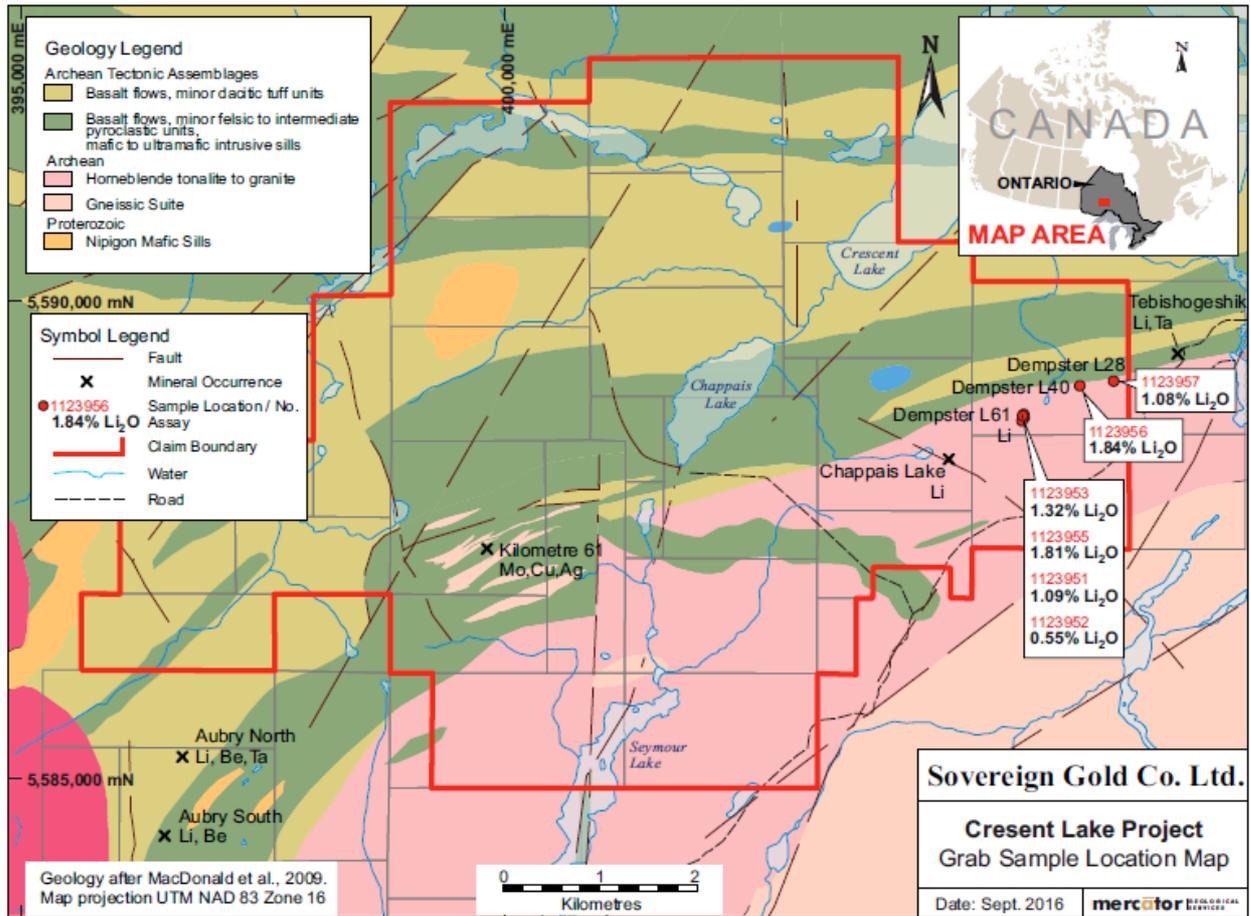


Figure 1: Lithium Oxide assay results from pegmatites Dempster: L61, L40 and L28.

Clayton Valley Lithium – USA (Nevada)

In-country Lithium specialist, Consulting Geologist Jerry Aiken, will this week commence designing a drill program to test for eastward lateral extensions of aquifers discovered by Pure Energy in their adjacent Claims and also to the north where Matica’s (McGee) Claims represent a very promising first order target for lithium brine.

Potential exists for the lithium-bearing aquifers beneath the 111 Claims and based on Pure Energy’s drilling results to date, it is apparent the 111 Claims are favourably situated for the potential existence of ash unit hosted lithium brines.

The drill program design is expected to be completed during November with expectations of drilling to commence during December.

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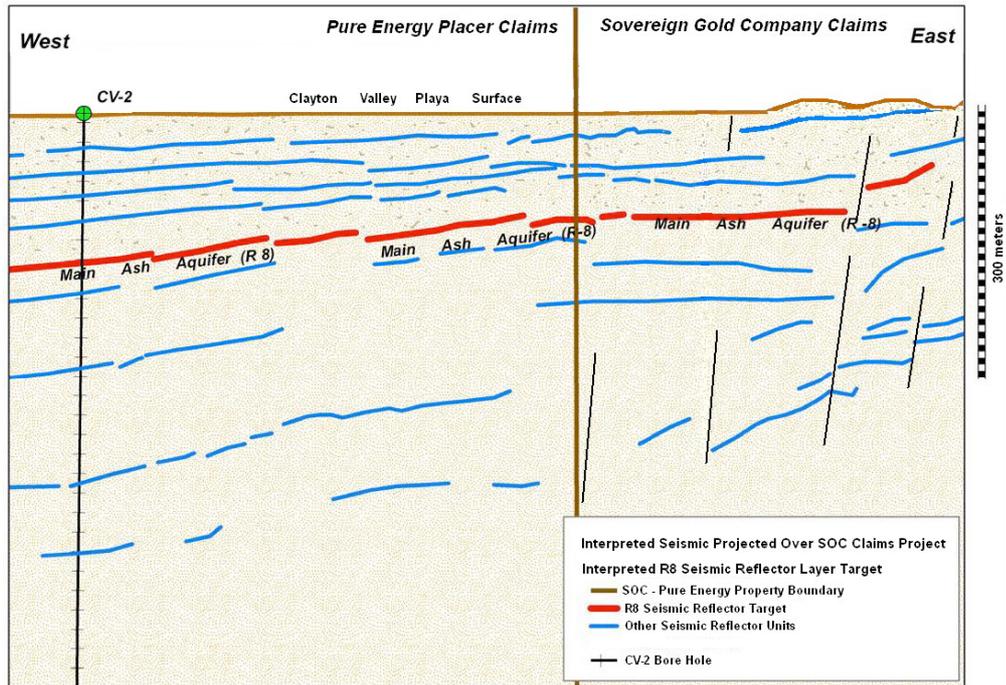


Figure 2: Seismic interpretation projected to western portion of SOC Claims project (after Cypress Dev. Corp., 2016). Pure Energy Minerals report 816,000 tonnes of lithium carbonate equivalent, Inferred Resource NI43-101 July 2015, next to North Americas only producing lithium mine, Albermarle's Silver Peak Mine, Clayton Valley

Mt Adrah Gold – Australia (NSW)

The NSW Government Division of Resources and Energy (DRE) has granted approval for the company to commence drilling at Mt Adrah Hobbs Pipe – White Deer Project.

This initial drill program is for 1,280 metres of diamond core and naturally if results are positive the program will be expanded to test structures along strike and down dip with the aim to build a JORC resource inventory with a focus of moving towards early cash flow. The drilling will also focus on recently announced Hobbs Pipe Look-a-like targets.

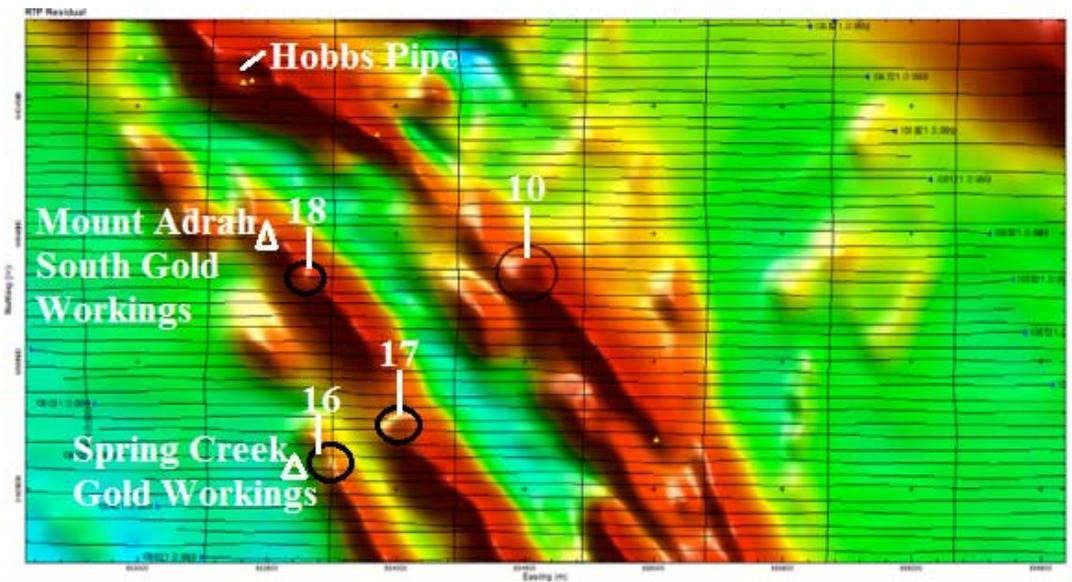


Figure 3: Priority Magnetic Geophysical Targets relative to Hobbs Pipe, the Gilmore Fault Zone and historic gold workings. Ground magnetic surveys will be used to located magnetic lows similar to that of the Hobbs Pipe along the north-west trending magnetic high (red) structures.

Drilling is expected to commence during November 2016.

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Halls Peak Zinc Projects – Australia (NSW)

The Company has sought approval from the NSW Government Division of Resources and Energy (DRE) to commence drilling at Halls Peak – Gibson Project. The DRE has accepted the request and approval should be received shortly.

Weather permitting, drilling should be mobilised in the coming few weeks.

Sovereign Gold’s initial drill program is planned for more than 1,000 metres of diamond core and if results are positive the program will be expanded.

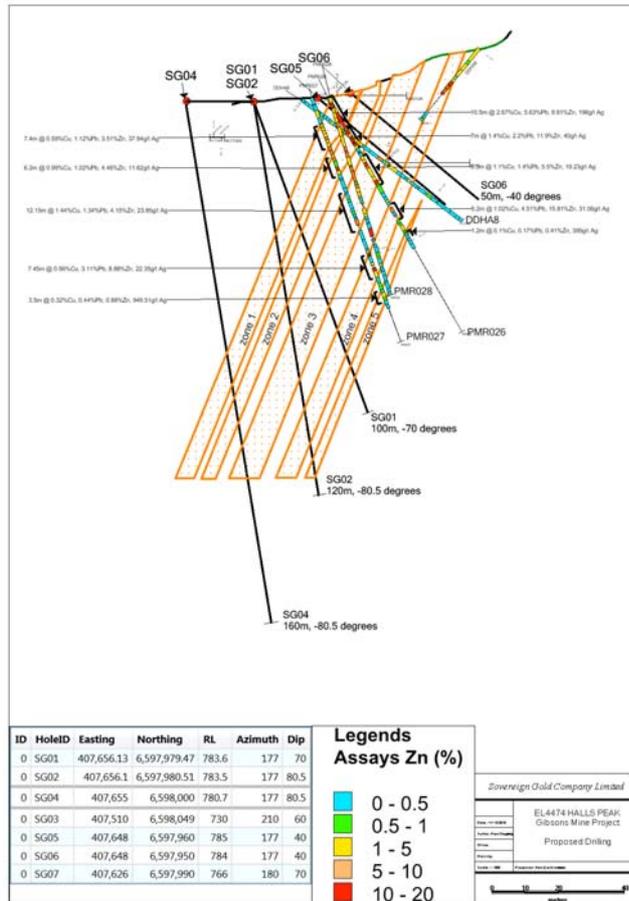


Figure 4: Previous drilling has delivered significant results

For further information please contact:

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Qualifying Statements

The information in this Report that relates to Exploration Information is based on information compiled by Paul Degeling who is a fellow of The Australasian Institute of Mining and Metallurgy.

Mr Degeling is a qualified geologist and is a contractor to Sovereign Gold Company Limited.

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

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