



SOVEREIGN GOLD COMPANY LIMITED

Sovereign Gold Company Limited
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Latest News

www.sovereigngold.com.au

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ASX Symbol: SOC

¹The 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.

Sovereign Gold Update Mount Adrah IPO Opens | Corporate Restructure \$2 million Uralla drilling programme underway

Sovereign Gold Company Limited (ASX: SOC) (**Sovereign Gold**) has embarked on a substantial asset rationalisation and Corporate Restructure.

Upon the successful completion of the Corporate Restructure currently being undertaken by Sovereign Gold, through an effective rationalisation and simplification of the asset portfolio, the intrinsic value of the Company will be highlighted and significantly more transparent. The rationalisation will deliver a simpler and more efficient corporate structure. Shareholders will consider the Corporate Restructure at a general meeting to be convened.

Highlights

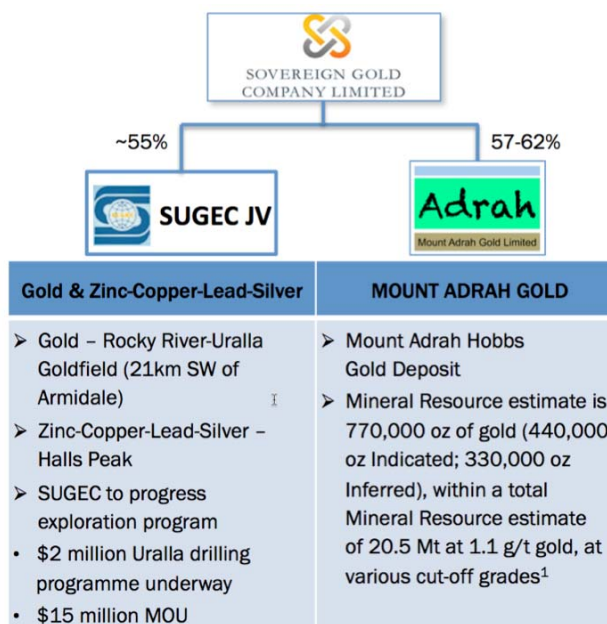
Mt Adrah Gold Limited (SOC 57-62%)

- IPO Offer Open; - Priority Offer to Sovereign Gold Shareholders
- Current Mineral Resource estimate at Hobbs Pipe 1 is 770,000oz of gold (440,000oz Indicated; 330,000oz Inferred), within a total Mineral Resource estimate of 20.5 Mt at 1.1 g/t gold, at various cut-off grades¹.
- Immediate focus on a cost effective exploration and mine development program.
- Multiple additional targets have already been identified at the Hobbs Gold Project for further evaluation.

Sugec JV (SOC ~55%)

- Sugec spending a balance of \$17 million on exploration to earn 30% in the Joint Venture (JV) areas. \$2 million balance currently under JV agreements, \$15 million under MoU
- Advanced discussions are underway to convert MoUs to JVs.

Post Restructure Interests





Mount Adrah Gold IPO

The Mount Adrah Gold Limited (MTL) IPO Offer opened on 23 April 2014.

MTL is offering for subscription 10,000,000 shares at an issue price of \$0.20 per share to raise \$2 million. MTL may accept over-subscriptions for up to 5,000,000 shares to raise up to a further \$1,000,000 (a total of \$3,000,000).

Priority Offer

Sovereign Gold shareholders holding at least a Marketable Parcel of Sovereign Gold shares at the Record Date (10 April 2014) are eligible to apply for shares in a Priority Offer, whereby they will be guaranteed an allotment of 10,000 shares in MTL (upon payment of \$2,000) (any further allocation will be at the discretion of the Directors).

The target date for listing on the ASX is 6 June 2014.

The Offer is scheduled to close on 21 May 2014; however the directors of MTL may at their own discretion and subject to their statutory obligations alter this date at any time by extending the period of the Offer or bringing forward the close of the Offer. *Applications received after the close of the Offer will not be considered.*

Applications

All applications for Securities must be made on the Application Form attached to or accompanying the Prospectus, lodged with ASIC on 4 April 2014 (a supplementary Prospectus was lodged by Mount Adrah on 15 April 2014). The Application Form contains detailed instructions on how it is to be completed.

Sugec Joint Venture

Upon completion of the proposed Corporate Restructure, Sovereign Gold will continue to be partnered with Jiangsu Geology and Engineering Co. Ltd. (SUGEC), a major Chinese State-owned enterprise, focussing on exploring for large Intrusion-Related Gold Systems (IRGS) over the Sugec Project Tenements, covering 2,463 km² in the Rocky River-Uralla Goldfields and Halls Peak area (located near Armidale, NSW).

Sovereign Gold has reached agreement with SUGEC to vend into the joint venture a new tenement (EL 6483) which hosts Martins Shaft where gold mineralisation is significant as the style of mineralisation was predicted from the application of Sovereign Gold's Intrusion-Related Gold System (IRGS) Exploration Model. The SUGEC J/V and MoU consists of 11 tenements (including 3 tenements being acquired from PMR)

The Joint Venture is currently focussing on Martins Shaft and proximate targets where a \$2 million exploration budget has been approved, with drilling underway. Planned drilling extends to multiple targets (historic mines, geochemical and geophysical anomalies) within EL 6483,

Sovereign Gold conducted an extensive drilling campaign at the Martins Shaft prospect in the Rocky River-Uralla Goldfields comprising 29 reverse circulation holes drilled for a total of 2,534 metres and 11 diamond holes for a total of 678 meters (ASX, 16 March 2012).

Some of the wide and high gold grades drill intersections at Martins Shaft include:

- Diamond Drill Hole SGRDD002: 22 metres @ 3.28 grams/tonne gold from 18-40 metres downhole including 10 metres @ 6.06 grams/tonne gold from 27-37 metres downhole and 2 metres @ 18.85 grams/tonne gold from 35-37m metres downhole.
- Diamond Drill Hole SGRDD004: 18 metres @ 3.51 grams/tonne gold from 52-70 metres downhole, including 7 metres @ 7.47 grams/tonne gold from 57-64 metres downhole and 1 metre @ 19.60 grams/tonne gold from 58-59 metres downhole.

The mineralisation comprises sheeted veins and disseminated gold mineralisation within a felsic dyke, which confirms the potential of a large IRGS hosting several primary hard rock gold deposits.

This IRGS has striking similarities to the multi-million ounce Donlin Creek IRGS deposit, with gold in dykes like Martins Shaft, of the Yukon-Alaska running Tintina Gold Province.

Upon completion of the Sugec spend (\$17 million), Sovereign Gold would retain ~55% interest in the Sugec Project Tenements.

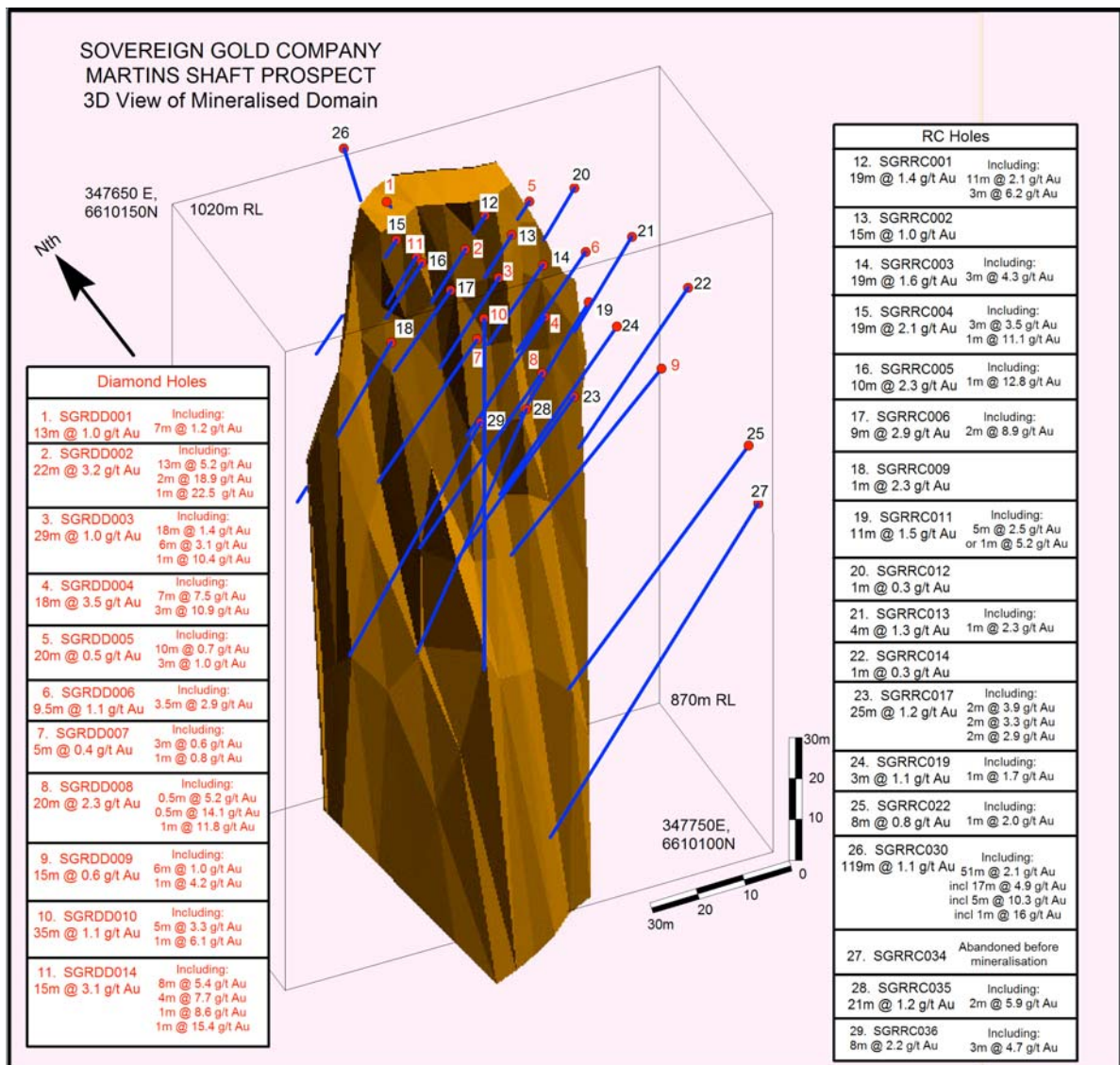


Other Assets

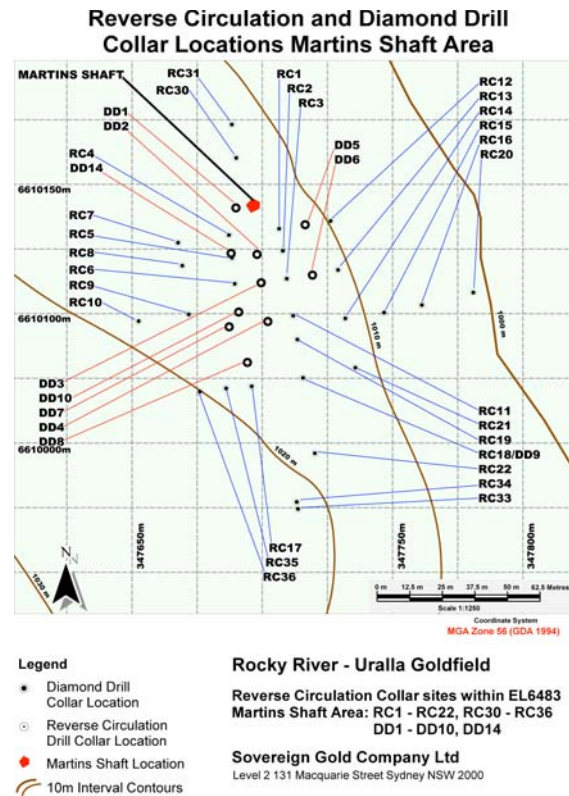
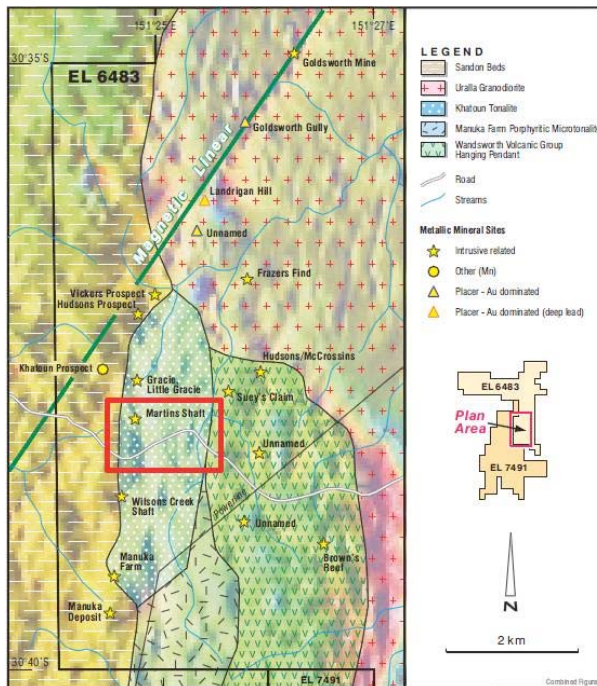
Post Restructure, Sovereign Gold will retain ~3.6 million shares in Precious Metal Resources.

For further information please contact:

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Martins Shaft: Diamond and Reverse Circulation drill intersections for gold (all holes) and 3-dimensional wireframe model of mineralised lode.



EL 6483: Locations of the principal auriferous hard rock mines. Magnetic image (from Brown R. E. 2003, Quarterly Notes No. 114, Geological Survey of New South Wales) overlaid on geology (geological boundaries defined by thin black lines). The striking structural and magmatic control to mineralisation indicates the existence of a large IRGS. Many gold lodes plot on the north-east trending magnetic linear. Note also the NNE trending series of mines along contact of the small plutons (Khatoun Tonalite and Manuka Farm Porphyritic Microtonalite) and the Sandon Beds. Other mines are situated within the inlier of Wandsworth Volcanic Group.

Martins Shaft; Diamond drill and reverse circulation drill collar locations.

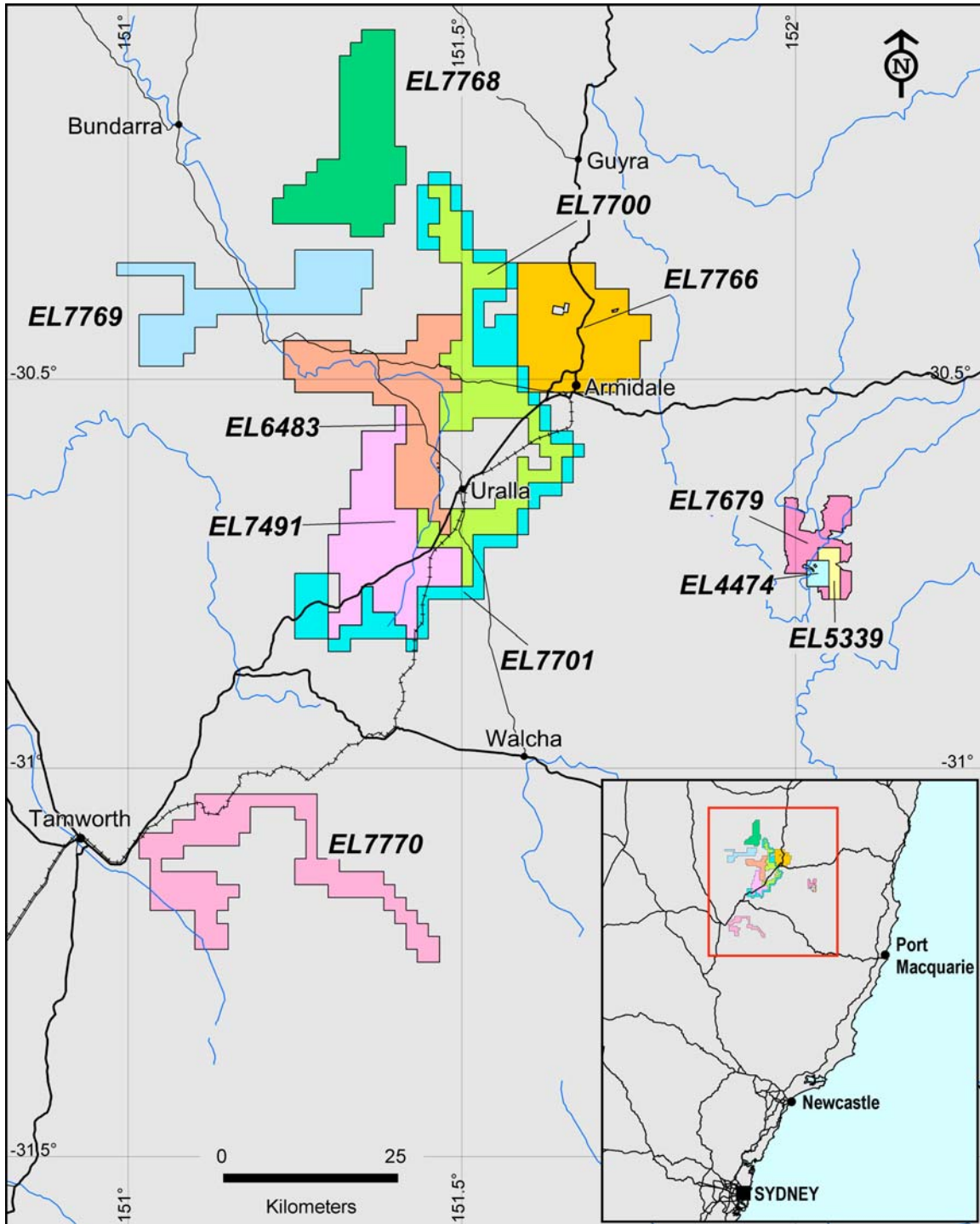
Qualifying Statements

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 2004 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.

The information was 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.



Sugec Project Tenements