



SOVEREIGN GOLD
COMPANY LIMITED

ACN 145 184 667

Level 2, 131 Macquarie Street Sydney NSW 2000

T +612 9251 7177 F +612 9251 7500

21 April 2011

Company Announcements
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sirs,

Re: Annual General Meeting

Please be advised that the Annual General Meeting of Sovereign Gold Company Limited will be held at the registered office of the Company, Level 2 Hudson House, 131 Macquarie Street, Sydney on Friday 27 May 2011 at 10.30 a.m.

A copy of the Notice of Annual General Meeting including Explanatory Statement and Proxy Form are attached.

The year 2010 Annual Report sent to shareholders comprises only the documents already given to ASX under Listing Rule 4.5.

Yours faithfully,

D L Hughes
Secretary



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COMPANY LIMITED

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**NOTICE OF THE FIRST
ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT**

*The First Annual General Meeting of
Sovereign Gold Company Limited
ACN 144 184 667
will be held at Hudson House, Level 2
131 Macquarie Street, Sydney NSW 2000
on Friday 27 May 2011 at 10.30am.*

NOTICE OF THE FIRST ANNUAL GENERAL MEETING

Sovereign Gold Company Limited ACN 145 184 667

Notice is hereby given that the First Annual General Meeting of members of Sovereign Gold Company Limited (**Company**) will be held at the registered office of the Company, Hudson House, Level 2, 131 Macquarie Street, Sydney NSW 2000 on Friday 27 May 2011 at 10.30am.

Ordinary Business

1. Financial Statements and Reports

To receive the Company's financial statements and the reports of the Directors and the Auditors thereon for the financial year ended 31 December 2010.

2. Adoption of Directors' Remuneration Report

Resolution 1: Ordinary Resolution to approve Remuneration Report

To consider and, if thought fit, pass with or without amendment the following resolution as an ordinary resolution.

"That for the purposes of Section 250R (2) of the Corporations Act 2001 and for all other purposes approval is given for the adoption of the Remuneration Report as contained in the company Annual financial Report for the financial year ended 31 December, 2010."

NOTE : The Remuneration Report is set out on pages 11 to 12 of the Directors' Report contained in the 2010 Annual Report in accordance with Section 250R(3) of the *Corporations Act 2001*.

3. Election of Directors

Resolution 2: Ordinary Resolution to re-elect Mr. Peter Meers as a Director

To consider and, if thought fit, pass with or without amendment the following resolution as an ordinary resolution.

"That Mr. Peter Meers, retiring by rotation in accordance with Article 49.1.3 of the Company's Constitution, be re-elected as a Director of the Company".

4. Issue of shares to Sophisticated and Professional Investors

Resolution 3: Ordinary resolution to issue of securities to Sophisticated and Professional Investors.

To consider and, if thought fit, pass with or without amendment the following resolution as an ordinary resolution.

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the directors are authorised to issue up to 20,000,000 shares in the Company, by way of placements, to sophisticated, eligible and professional investors (being persons to whom a disclosure document is not required to be provided by virtue of s708(8), s708(10) or s708(11) of the Act), at an issue price of not less than eighty percent (80%) of the average market price of the shares of the Company calculated over the last 5 days on which sales in the shares were recorded before the day on which the issue is to be made, and otherwise on the terms and conditions set out in the explanatory statement attached hereto."

Note: The shares will be issued no later than three (3) months from the date of the meeting.

Voting Exclusion

The Company will disregard any votes cast on Resolution 3 by the participants in the proposed share issue under this Resolution 3 and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if Resolution 3 is passed and an associate of any of those persons. However, the Company will not disregard the vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

5. Confirmation of appointment of Company Auditor

Resolution 4: Ordinary resolution to approve appointment of K.S. Black & Co as auditor of the Company.

To consider and if thought fit, pass with or without amendment the following resolution as an ordinary resolution.

"That the appointment of K.S. Black & Co as auditor of the company by directors in accordance with section 327A (i) of the Corporations Act, 2001 be confirmed by shareholders."

6. To approve an Employee Share Plan for the Company

Resolution 5: Ordinary resolution to approve Company Employee Share Plan.

To consider and if thought fit, pass with or without amendment the following resolution as an ordinary resolution.

"That the Sovereign Gold Employee Share Plan which provides for the giving of financial assistance to the employees of Sovereign Gold Company for the acquisition of shares in that Company, in the form of the document entitled "Sovereign Gold Company Limited Employee Share Plan Rules" submitted to the meeting and signed by the Chairman for the purposes of identification, be and is hereby approved."

7. Other Business

To transact any other business which, in accordance with the Company's Constitution and the Corporations Act, may be legally brought before an Annual General Meeting.

By Order of the Board of Directors



H Kinstlinger
Company Secretary

DATED: 21 April, 2011

This Notice of Meeting is accompanied by an Explanatory Statement to shareholders that explains the purpose of the Meeting and the resolutions to be considered at the Meeting.

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide shareholders of Sovereign Gold Company Limited ("Company") with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

If you have any queries regarding the matters set out in this Explanatory Statement or the preceding Notice please contact the Company or your professional advisor.

1. Financial Statements and Reports

The Corporations Act 2001 requires the Financial Report, Directors' Report and Auditor's Report for the past financial year to be tabled before the Annual General Meeting, and the Company's Constitution provides for such reports to be received and considered at that meeting. Neither the *Corporations Act 2001* nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such Reports. The Annual General Meeting provides a forum for shareholders to ask questions and make comments on the Company's reports and accounts and on the business and operations of the Company for the year ended 31 December 2010.

In addition, shareholders may, at the meeting, ask questions of the auditor in relation to the following matters:

The conduct of the audit, the content of the auditor's report, the accounting policies adopted by the Company for the preparation of the financial statements and the auditor's independence in relation to the above items.

2. Adoption of Directors' Remuneration Report

Resolution 1 – Adoption of Directors' Remuneration Report

The Remuneration Report of the Company for the financial year ended 31 December 2010 is set out in the Directors' Report contained in the 2010 Annual Report on pages 11 to 12.

Pursuant to Section 250R(2) of the *Corporations Act 2001* a resolution that the Remuneration Report be adopted must be put to vote at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors of the Company. However the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

A reasonable opportunity will be provided for discussion on the Remuneration Report at the Annual General Meeting.

3. Election of Director

Resolution 2 - Re-election of Mr. Peter Meers as a Director

Mr. Peter Meers retires by rotation in accordance with Clause 49.1.3 of the Company's Constitution which provides that one third of other directors (not counting the managing director) automatically retire at the end of each Annual General Meeting. The Directors to retire under Clause 49.1.3 are those directors who have been longest in office since their appointment on registration or their last election.

Being eligible, Mr. Peter Meers offers himself for re-election.

4. Issue of shares to Sophisticated or Professional Investors

Resolution 3 – Approve issue of shares to Sophisticated or Professional Investors

Resolution 3 seeks shareholders' approval, for the purposes of ASX Listing Rule 7.1 and for all other purposes, to authorise the directors to issue, by way of placements, up to 20,000,000 shares to sophisticated, eligible and/or professional investors (being persons to whom a disclosure document is not required to be provided by virtue of s708(8), s708(10) or s708(11) of the Act), at an issue price of not less than eighty percent (80%) of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue is to be made. For example, if the five day weighted average price of the Shares at the time at which the issue is to be made is 35 cents, the Shares would be issued at not less than 28 cents.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12-month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Further, equity securities issued with approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

As at the date of this explanatory statement, the issued share capital of the Company before and after the issue of the Shares the subject of this Resolution 3 will be as follows:

Current issued Share Capital	70,000,000
Issue of Shares to Sophisticated, Eligible and Professional Investors	20,000,000
Total new issued Share Capital	90,000,000

The Company therefore proposes to issue 20,000,000 Shares to sophisticated, eligible and professional investors, which represents 28.57% of its current issued capital (of 70,000,000 Shares). The Company therefore seeks shareholder approval to issue the Shares to sophisticated and professional investors pursuant to Listing Rule 7.1.

The following information is provided in accordance with Listing Rule 7.3:-

- 1) the (maximum) number of Shares the Company will issue to sophisticated, eligible and/or professional investors is 20,000,000 Shares;
- 2) the Shares will be issued within three months of the date of this annual general meeting;
- 3) the issue price(s) for the Shares will be not less than eighty percent (80%) of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue(s) are to be made;
- 4) the names of the allottees of the Shares are not known at this time: the Shares will be issued to sophisticated, eligible and/or professional investors (being persons to whom a disclosure document is not required to be provided by virtue of s708(8), s708(10) or s708(11) of the Act), none of whom will be related parties;
- 5) the Shares will be issued on the same terms as, and rank pari passu with, the existing issued Shares of the Company and will be quoted on the Australian Securities Exchange;
- 6) the purpose of the proposed Share issue is to raise funds that will be used for providing ongoing working capital for the further development of the projects of Sovereign Gold Company Limited and its subsidiaries;
- 7) the Company anticipates allotting the Shares progressively as and when investors desiring to invest in the Company are located (but in any event within three months of the date of this annual general meeting).

5. Confirmation of Appointment of Company Auditor

Resolution 4: Ordinary resolution to approve appointment of K.S. Black & Co as auditor of the Company.

K.S. Black & Co. were appointed auditor of the Company by directors following the company's registration in accordance with section 327 A (i) of the Corporations Act.

Section 327 A(2) provides that an auditor appointed under subsection (i) holds office until the company's first Annual General Meeting.

Directors are now seeking shareholder confirmation of that appointment.

6. To approve an Employee Share Plan for the Company

Resolution 5: Ordinary resolution to approve Company Employee Share Plan.

The Directors seek shareholder approval to an Employee Share Plan for the Company as an incentive to all eligible employees. The Company has established the Sovereign Gold Company Employee Share Plan (**ESP**). A Director is not an 'eligible person' and is not entitled to participate in the ESP.

The ESP will operate on an ongoing basis unless suspended or terminated by the Company. No person has yet received any shares under the ESP. A summary of the terms of the ESP is attached to this Notice of Meeting, a full copy of the terms will be sent to members on request.

Shares must be purchased through a broker and the purchase price must not be more than 5% above the market price.

Loans to assist in the acquisition of shares will be as detailed in the full copy of the terms.

Financial Assistance

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) giving assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B; or
- (c) the assistance is exempted under section 260C.

Section 260C of the Corporations Act provides for certain specific instances of exempted financial assistance, including an exemption for an employee share scheme that has been approved by a resolution passed at a general meeting of the company (section 260C(4)).

The Company will either provide or procure financial assistance to the employee for the acquisition of shares that are issued pursuant to the ESP for the benefit of relevant employees.

It is proposed that the employee share plan be approved by Members for the purposes of section 260C of the Corporations Act.

Voting:

The Company has determined that any person registered as a member at 10.30 a.m. Sydney time on 25 May 2011 is entitled to attend and vote at the Annual General Meeting.

ANNEXURE "A"

SOVEREIGN GOLD COMPANY LIMITED

ACN 144 184 667

SUMMARY OF PROPOSED EMPLOYEE SHARE PLAN RULES

The following summarises the key elements of the proposed Employee Share Plan to be adopted by the Company:

The Directors may offer a loan of money to an employee of the Company or to an employee of any of the Company's subsidiaries to purchase ordinary shares ('Shares') in the Company. The document containing the loan offer ('Offer') (which shall remain open for acceptance for ten business days) shall state the terms and conditions of the loan as determined by Directors.

Upon acceptance of a loan made pursuant to an Offer ('Loan'), the employee must buy Shares through a Broker. The purchase price of the Shares must not exceed the closing price of the Shares on the business day immediately prior to the day upon which the Shares are purchased by more than 5%. The Company will then forward the Loan amount to the broker in satisfaction, in whole or part, of the purchase price of the Shares.

Once purchased, the Shares are subject to the terms and conditions of the Employee Share Plan and remain so until all amounts outstanding under or in connection with the Loan are repaid. The Company must apply any dividends paid in respect of the Shares in satisfaction of any amounts outstanding under or in connection with the Loan. The Company shall have a lien over the Shares until all the amounts outstanding under or in connection with the Loan have been repaid. Until this time, the Company may take any action available to it to prevent the transfer of the Shares.

Notwithstanding the above, an employee may dispose of all or part of his or her Shares if authorised to do so by the Company or if a takeover bid is made for the Shares. In that event, the employee shall repay the Loan or that proportion of the Loan being the same proportion as the Shares disposed of to the total number of Shares held by the employee.

Loan shall be repayable in full on the first to occur of the following events:

- the employee ceases to be an employee of the Company, or of any of its subsidiaries, as the case may be;
- the employee fails to comply with a term or condition of the Loan or the Employee Share Plan;
- the employee becomes bankrupt;
- the tenth anniversary of the date of the Loan; or
- the Company demands repayment of the Loan.

A Loan may also be repaid at the option of the employee.

if the employee fails to comply with a term or condition of the Loan or the Employee Share Plan, or becomes bankrupt or fails to repay any amount outstanding under or in connection with the Loan when required to do so, the Company may purchase the Shares from the employee or direct that they be sold to a nominee of the Company at a price not less than the lesser of the purchase price of the Shares paid by the employee and the market price thereof at the date of such disposition. The Company shall apply the proceeds from the disposal of the shares towards satisfaction of any amounts outstanding under or in connection with the Loan. Any remaining amount of the Loan shall be forgiven by the Company.

**SOVEREIGN GOLD COMPANY LIMITED
(ACN 145 184 667)**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS
PROXY FORM**

Please complete, sign and return this document to:

To: The Secretary
Sovereign Gold Company Limited
Level 2, Hudson House
131 Macquarie Street
SYDNEY NSW 2000

email executed form to: lfisher@higl.com.au

I/Webeing a member of Sovereign Gold Company Limited appoint:

Name of proxy:

Address of proxy:

Or in his or her absence (or if left blank), the chairman of the meeting as my/our proxy to attend, vote and otherwise act on my/our behalf at the Annual General Meeting of the Company to be held on 27 May 2011 and at any adjournment of that meeting.

If you wish to appoint the proxy in respect of only a specified number of your shares you must insert that number in the appropriate space below. In the absence of any such specification, the proxy will be taken to have been appointed in respect of all of your shares.

My/our proxy is authorised to exercise the vote rights in respect of of my/our shares.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
Resolution 1 – Ordinary Resolution to approve Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ordinary Resolution to re-elect Mr. Peter Meers as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ordinary Resolution to issue of securities to Sophisticated and Professional Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ordinary Resolution to approve appointment of K.S. Black & Co as auditor of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ordinary Resolution to approve Company Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Proxy Instructions

If you wish to direct how your votes are to be cast, place mark (X) in the appropriate box above.

Unless otherwise directed, the proxy holder may vote as he/she thinks fit, or abstain from voting.

The Chairman intends to vote all undirected proxies that he receives in favour of each resolution to be brought before the meeting.

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box:

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chairman of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

SIGNATURE OF MEMBER (S)

Individual or Member 1	Member 2	Member 3
Sole Director/Company Secretary	Director	Director/Company Secretary

Date: _____

Contact Name: _____ Contact Phone (daytime): _____

Notes on Proxies

1. A Member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in his stead pursuant to the Constitution.
2. If a Member appoints one proxy only, that proxy shall be entitled to vote on a show of hands, but if a Member appoints two proxies neither shall be entitled to vote on a show of hands.
3. Where more than one proxy is appointed, each proxy must be appointed to represent a specified portion of the Member's voting rights.
4. A proxy need not be a Member.
5. A proxy form must be signed by the Member(s) or the Member's attorney or, if a corporation, be executed in accordance with Section 127 of *the Corporations Act 2001* or by its attorney.
6. The instrument appointing a proxy and the power of attorney (if any) under which it is signed, or a notarially certified copy of the power and a declaration by the attorney of its non-revocation, must be deposited at the registered office of the Company or sent by facsimile to (61 2) 9251 7500 not less than 48 hours before the person named in the instrument purports to vote pursuant to it.