

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

SOVEREIGN GOLD COMPANY LIMITED

ABN

12 145 184 667

We (the entity) give ASX the following information.

### Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Ordinary fully paid shares ( <b>Ordinary Shares</b> )<br>Unlisted options over Ordinary Shares ( <b>Options</b> )<br>Convertible Security ( <b>Convertible Security</b> )                        |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,416,134 Ordinary Shares<br>1,800,000 Options exercisable at A\$0.2491 per Option into Ordinary Shares on or before 16 December 2016.<br>Convertible Security with a face value of A\$1,100,000 |

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3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Ordinary Shares

Ordinary Shares will rank pari passu with existing Ordinary Shares.

Options

The Options will be exercisable at A\$0.2491 per Option into Ordinary Shares on or before 16 December 2016.

The Options will not be quoted. On exercise of the Options, the Ordinary Shares issued will rank pari passu with existing Ordinary Shares.

Convertible Security

- The face value of the Convertible Security is A\$1,100,000 (the *Principal Amount*).
- The Convertible Security does not bear interest and is unsecured.
- The Convertible Security shall be convertible into new Ordinary Shares of the Company determined by dividing the Principal Amount to be converted by the lesser of: 90% of the average of the three daily VWAPs per share during a specified period prior to the conversion date of the Convertible Security; and 130% of the average of the daily VWAPs per share during the 5 trading days prior to 13 December 2013.
- The Ordinary Shares issued upon conversion of the Convertible Security will rank pari passu with existing Ordinary Shares.
- The Convertible Security does not carry any voting rights at meetings of shareholders of the Company, and has no rights of participation in any rights issues undertaken by the Company prior to the conversion of the Convertible Security.

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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>The Ordinary Shares will rank pari passu with existing Ordinary Shares.</p> <p>The Options will not be quoted. On exercise of the Options, the Ordinary Shares issued will rank pari passu with existing Ordinary Shares.</p> <p>On conversion of the Convertible Security, the Ordinary Shares will rank pari passu with existing Ordinary Shares.</p>
<p>5 Issue price or consideration</p>	<p>666,134 Ordinary Shares - A\$100,000</p> <p>750,000 Shares are issued for nil consideration</p> <p>Options are issued for nil consideration.</p> <p>A\$1,000,000 for the Convertible Security.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Ordinary Shares and Options were issued to secure the Convertible Securities Agreement, details of which were announced to the market on 16 December 2013.</p> <p>The purpose of the issue of the Convertible Security is to raise capital for general corporate and working capital purposes and is issued pursuant to the above Convertible Securities Agreement.</p>

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<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>28 May 2013</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>1,416,134 Ordinary Shares</p> <p>1,800,000 Options exercisable at A\$0.2491 per Option into Ordinary Shares on or before 16 December 2016.</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil.</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Nil.</p>
<p>6f Number of securities issued under an exception in rule 7.2</p>	<p>Nil.</p>
<p>6g If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.</p>	<p>Not applicable.</p>
<p>6h If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>Not applicable.</p>

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6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

24,517,608  (LR 7.1A not applicable to this placement)
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7 Dates of entering +securities into uncertificated holdings or despatch of certificates

16 December 2013
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	Number	+Class
8 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in section 2 if applicable)	153,109,851	Fully paid ordinary shares

	Number	+Class
9 Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in section 2 if applicable)	1,800,000	Options exercisable at A\$0.2491 per Option into Ordinary Shares on or before 16 December 2016.
	1	Convertible Security with a face value of A\$1,100,000

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Not applicable
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## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

Not applicable
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12 Is the issue renounceable or non-renounceable?

Not applicable
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13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.</small>	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable

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26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	Not applicable

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(*tick one*)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid,

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employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought

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40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	Not applicable
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41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Not applicable
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		Number	+Class
42	<p>Number and +class of all +securities quoted on ASX (including the securities in clause 38)</p>	Not applicable	

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.

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- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .....

(Company secretary)

Date: 16 December 2013

Print name: HENRY KINSTLINGER.

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## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<i>Insert</i> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	139,163,842
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	4,378,125
<b>Subtract</b> the number of fully paid ordinary securities cancelled during that 12 month period	
<b>“A”</b>	143,541,967

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<b>Step 2: Calculate 15% of "A"</b>	
<b>"B"</b>	0.15  [Note: this value cannot be changed]
<b>Multiply "A" by 0.15</b>	21,531,295
<b>Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period not counting those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p>Note:</p> <ul style="list-style-type: none"> <li>• This applies to equity securities, unless specifically excluded – not just ordinary securities</li> <li>• Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	11,367,884
<b>"C"</b>	11,367,884
<b>Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1</b>	
<b>"A" x 0.15</b>	21,531,295
Note: number must be same as shown in Step 2	
<b>Subtract "C"</b>	11,367,884
Note: number must be same as shown in Step 3	
<b>Total ["A" x 0.15] – "C"</b>	10,163,411 [Note: this is the remaining placement capacity under rule 7.1]

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## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	<p>143,541,967</p>
<b>Step 2: Calculate 10% of “A”</b>	
<p>“D”</p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
<p><b>Multiply “A” by 0.10</b></p>	<p>14,354,197</p>
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<p><i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p>Notes:</p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<p>“E”</p>	<p>Nil.</p>

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<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
<b>"A" x 0.10</b>  <i>Note: number must be same as shown in Step 2</i>	14,354,197
<b>Subtract "E"</b>  <i>Note: number must be same as shown in Step 3</i>	Nil.
<b>Total</b> ["A" x 0.10] - "E"	14,354,197  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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