



SOVEREIGN GOLD COMPANY LIMITED

Sovereign Gold Company Limited
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Latest News
www.sovereigngold.com.au

Directors / Officers
John Dawkins AO
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ASX Symbol: SOC

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

ASX Release
9 April 2014

Corporate Restructure Sovereign Gold – Precious Metal Resources

Sovereign Gold Company Limited (ASX: SOC) (**Sovereign Gold**) and Precious Metal Resources Limited (ASX: PMR) (**PMR**) have reached agreement on a proposed corporate restructuring to rationalise and simplify the structure and assets of each company (**Corporate Restructure**).

Background for the Proposed Corporate Restructure

Sovereign Gold and PMR currently hold exploration tenements in the New England district of New South Wales targeting gold, silver and base metals.

Both Sovereign Gold and PMR have separately entered into Joint venture agreements and memoranda of understanding with Jiangsu Geology and Engineering Co. Ltd. (**Sugec**) of Nanjing, China, whereby Sugec is to provide up to \$21.5 million funding across the Sugec Project Tenements.

	Joint Venture	MoU
Sovereign Gold	\$4.5 million	\$7 million
PMR	\$2 million	\$8 million
	\$6.5 million	\$15 million

The directors of both Sovereign Gold and PMR are of the view that the proposed Corporate Restructure will provide a simpler, more efficient structure that eliminates unnecessary corporate overhead in managing the Sugec relationship, which is currently being borne by both companies.

Proposed Corporate Restructure

The following steps are proposed in order to rationalise the structure and facilitate effective management time and focus on the various exploration project areas held by Sovereign Gold and PMR:

1. Sovereign Gold to acquire EL4474, EL5339 and EL7679 (**PMR Sugec Tenements**);
2. Sovereign to relinquish control of PMR;
3. PMR would conduct a selective reduction of capital, whereby 64,000,000 shares in PMR, held by Sovereign Gold, would be cancelled;
4. Sovereign Gold would then acquire the PMR Sugec Tenements for consideration of 1 million Sovereign Gold Shares (in satisfaction of LR 10.7).

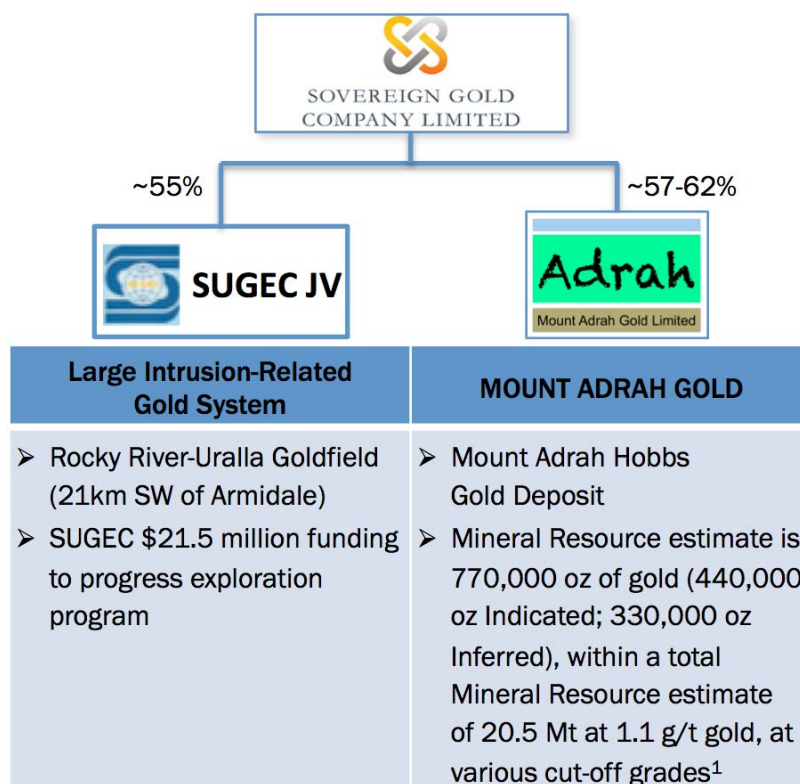
At the conclusion of the transactions, Sovereign Gold would reduce its holding in PMR from 67,570,938 shares (78.00%) to 3,570,938 shares (15.53%) allowing PMR to develop independently of Sovereign Gold.

The transactions are conditional to obtaining the approval of both Sovereign Gold and PMR shareholders and any other statutory or regulatory approvals or exemptions that may be necessary.

Full details, including independent assessment of the fairness and reasonableness of the transactions, will be provided in the respective Notices of Meeting.

Sovereign Gold Post Restructure

Following completion of the transaction (and assuming completion of the recently announced spin-out of Mount Adrah Gold Limited), Sovereign Gold's key focus would be the development of the **Sugec Project Tenements** (EL4474, EL5339, EL7491, EL7679, EL7700, EL7701, EL7766, EL7768, EL7769, EL7770 and recently vended in EL6483).



Sugec Joint Venture

Upon completion of the proposed Corporate Restructure, Sovereign Gold will be partnered with Sugec, a major Chinese State-owned enterprise, focussing on exploring for large Intrusion-Related Gold System (IRGS) structures over the Sugec Project Tenements, covering 2,463 km² in the Rocky River-Uralla Goldfields (located near Armidale, NSW).

Sugec funded drilling, near Martins Shaft, in the Uralla area has recently confirmed the presence of another potentially large IRGS discovery.

Upon completion of the Sugec spend (\$21.5 million), Sovereign Gold would retain ~55% interest in the Sugec Project Tenements.

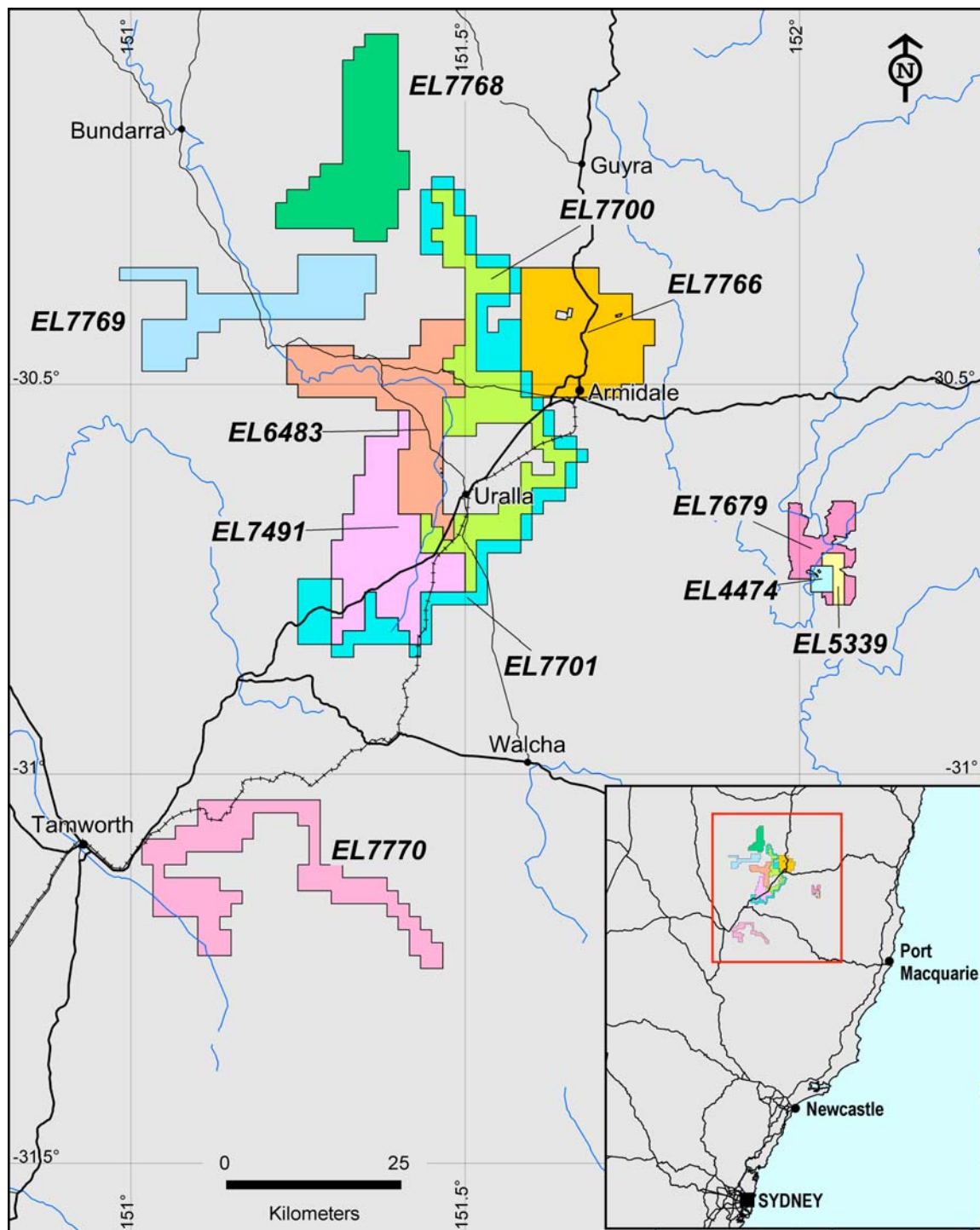
Precious Metals Resources Post Restructure

Upon completion of the proposed Corporate Restructure, PMR's focus will be on the rapid development of the Peel Fault Gold Project, host of several areas with historical gold workings, which are planned to be drill tested by PMR.

The Peel Fault Gold Project is located north of Tamworth in north-eastern NSW, east of the towns of Manilla, Barraba and Bingara. PMR holds 12 ELs and ELAs over prospective base and precious metal ground.

For further information please contact:

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Sugec Project Tenements

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.