



SOVEREIGN GOLD COMPANY LIMITED

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

Directors / Officers
John Dawkins AO
Michael Leu
Julian Malnic
Peter Meers
Jacob Rebek

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.

Downhole length

True width not known. All drill intersections are stated as downhole lengths, true width not yet determined.

Castor High-grade Drilling Program

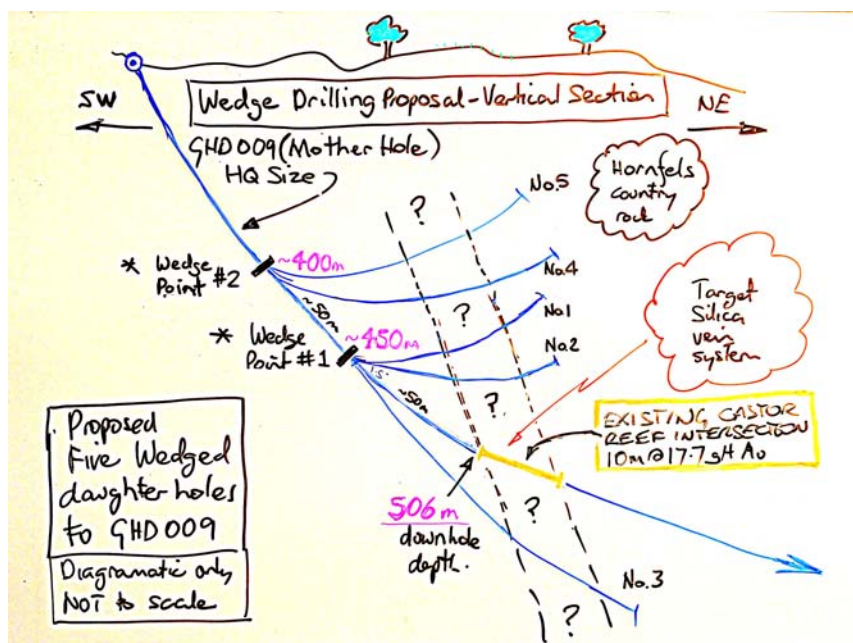
Mt. Adrah Gold Project – Wedge drilling program to commence using diamond hole GHD009 as the mother hole, aiming to more fully assess the high-grade Castor reef structure.

- The wedge hole program is designed to determine the shape, orientation, width and grade of the Castor gold mineralised structure (10m @ 17.7 g/t Au from 506m downhole) intersected during 2013 drilling and announced on 28th October 2013
- The discovery of high-grade reefs at depth on the northeastern side of the Hobbs Pipe may add a significant dimension to the potential project economics at the Mount Adrah Gold Project

Diamond drilling will recommence on Monday 19th May 2014.

An array of up to five wedge holes will be drilled from the HQ-size GHD009 from two wedge points approximately 50m and 100m back up-hole from where the Castor structure was first hit.

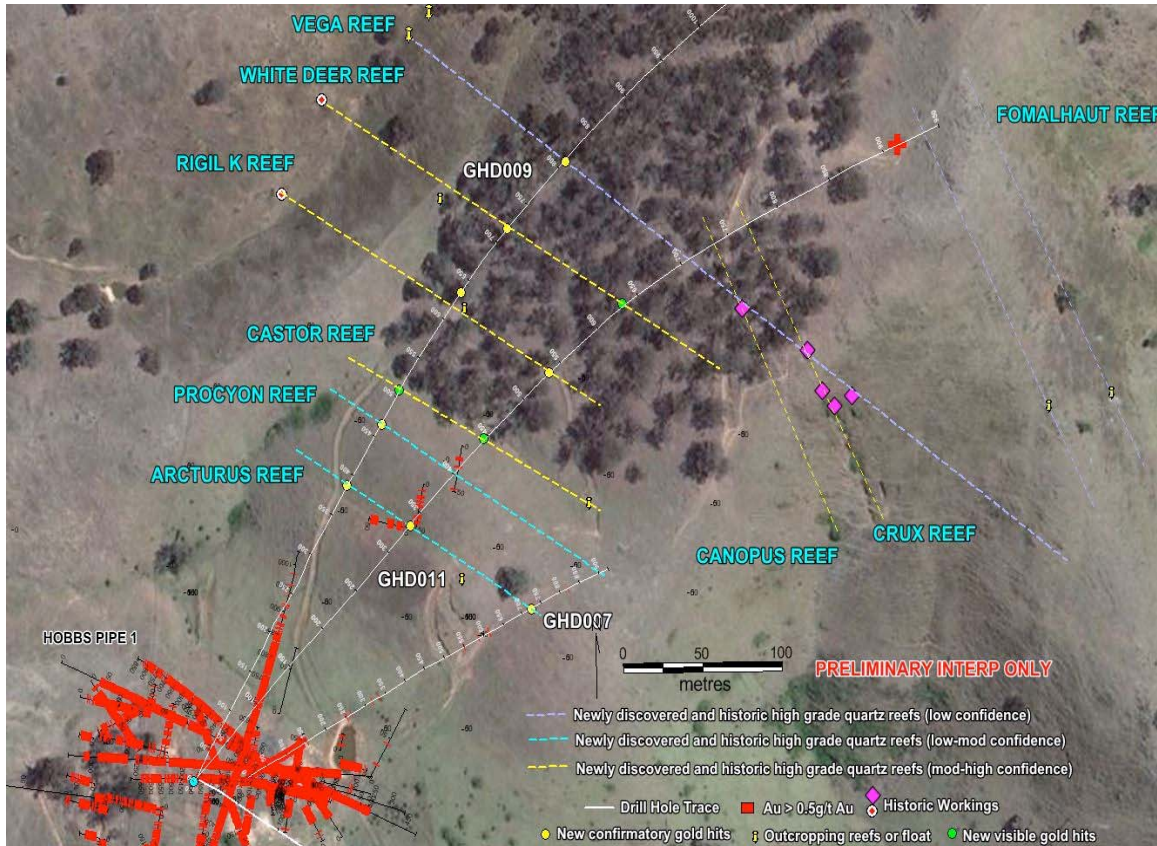
The daughter holes will be drilled in NQ-size and will be terminated soon after they penetrate the Castor structure. Their main purpose is to deliver a tight cluster of intersections around the initial intersect that can then be used to extrapolate its extent, to correlate it with similar structures in adjoining holes, and to position drill holes to test the extent of the Castor structure on increasingly wide spacings with more confidence: the mineralisation bodies need to be characterised before they can be effectively traced.



It is known that other high-grade and silica vein gold mineralisation occurs in adjoining hole (GHD011, 1.2m @ 58.6 g/t) and indicated in historic workings some 400-500m sub-vertically above the existing drill intersections.



Several additional reefs were identified in three deep holes GHD007, GHD009 and GHD011 in the 2013 drilling:



Gold is present in visible grains in some of these and therefore it is anticipated that the nugget effect will have a significant influence on assays and requiring more sample volume to be taken to get representative grade averages. The high density of holes in the proposed wedge drilling is also intended to establish control over sampling methodology.



High-grade intersection of 10m @ 17.7g/t Au from 506m including 2m @ 59.4g/t Au from 514m were returned in hole GHD009, at the Castor Reef

Managing Director, Julian Malnic said, “If the proposed drilling continues to achieve similar results to those in hand, the addition of high-grade reef style mineralisation to the resource picture at the Mount Adrah Gold Project could add a significant new dimension to the project economics.”

For further information please contact:

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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.*

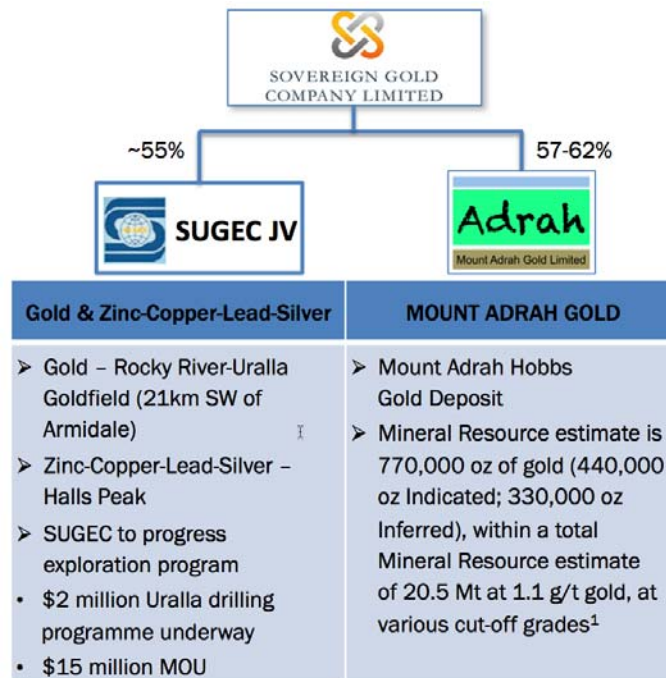
Applications

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.

Corporate Restructure

Sovereign Gold Company Limited (ASX: SOC) and Precious Metal Resources Limited (ASX: PMR) announced a proposed corporate restructuring to rationalise and simplify the structure and assets of each company (ASX 9 April 2014).

Post Restructure Interests



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.