



SOVEREIGN GOLD COMPANY LIMITED

Sovereign Gold Company Limited
ACN 145 184 667

Level 2, 131 Macquarie Street
Sydney NSW 2000
Tel: +61 2 9251 7177
Fax: +61 2 9251 7500

email: corporate@sovereigngold.com.au

Latest News

www.sovereigngold.com.au

Directors / Officers

Simon Bird
Managing Director

Patrick Glovac
Non-Executive Director

Charles Thomas
Non-Executive Director

Rocco Tassone
Non-Executive Director

ASX Symbol: SOC

Mount Adrah Mineral Resource estimate:

770,000 oz of gold, at various cut-off grades:
Indicated: 440,000 oz
from 12.1 Mt at 1.1 g/t gold and Inferred:
330,000 oz from 8.4 Mt at
1.1 g/t gold*

** The 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 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.*

ASX Release
8 February 2016

Second Notice to Shareholders – Sale of unmarketable parcels

Attached are copies of the following documents despatched today to shareholders of Sovereign Gold Company Limited who were holders of unmarketable parcels as at close of business on 4 January 2016.

- Second Notice to holders of an unmarketable parcel of shares
- Unmarketable Parcel of Shares Sale Facility– share retention form

For further information please contact:

Henry Kinstlinger
Company Secretary
Sovereign Gold Company Limited,
Telephone: +61 2 9251 7177



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COMPANY LIMITED

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8 February 2016

«REG_ADDRESS_LINE_1»
«REG_ADDRESS_LINE_2»
«REG_ADDRESS_LINE_3»
«REG_ADDRESS_LINE_4»
«REG_ADDRESS_LINE_5»
«REG_ADDRESS_LINE_6»

Dear Shareholder,

Second Notice – Unmarketable Parcel of Share Sale Facility

The ASX Listing Rules and Sovereign Gold Company Limited's (**Sovereign**) Constitution authorises Sovereign to sell the security holdings of any member who holds an unmarketable parcel of shares. Sovereign would like to sell your unmarketable parcel of shares in the Company on your behalf.

Sovereign's Constitution states that prior to the sale of unmarketable parcels of shares the Company is required to provide all eligible shareholders with two notices of the Company's intention to sell all unmarketable parcels.

This notice serves as the Second Notice.

As at 4 January 2016 (**Record Date**) an unmarketable parcel was 166,667 shares (representing \$500 in value based upon \$0.003 per share). Your shareholding (which is set out on the Share Retention Form accompanying this notice) was an unmarketable parcel at the Record Date.

Sovereign has approximately 596 shareholders with an unmarketable parcel of shares. Sovereign would like to take this opportunity to encourage you to sell your existing holding through offering to pay brokerage costs that you would otherwise be required to pay when you sell your shares.

Sovereign believes that implementing this sale facility will reduce the expenses associated with maintaining small shareholdings (e.g. printing and mailing costs of distributing Annual Reports and Notices of Meeting together with share registry costs). Ultimately, it is your choice and you may elect to maintain your shareholding.

This notice is to inform you, and all other holders of unmarketable parcels of shares that the Company intends to sell your unmarketable parcel of shares at \$0.003 per share to a third party.

If you wish to sell your shares, you need take no action.

Enclosed with this letter is a Share Retention Form, which you **MUST** complete and return by no later than 5:00pm (AEDT) 21 March 2016 (the **Closing Date**) if you wish to retain your Sovereign shares.

If you wish to retain your shares you must complete and return the enclosed Share Retention Form.

Unless you return the Share Retention Form, as soon as is practical after the Closing Date Sovereign will sell your shares at \$0.003 per share to a third party. The proceeds from that sale will be remitted to you.

Please refer to the attached Terms and Conditions.

If you have any questions concerning the contents of this letter, please contact our office by telephone on +61 2 9251 7177 or facsimile +61 2 9251 7500.

Yours sincerely,

Henry Kinstlinger
Company Secretary

SOVEREIGN GOLD COMPANY LIMITED

ACN 145 184 667

Unmarketable Parcel Share Sale Facility - Terms and Conditions

What is the Sale Facility?

The unmarketable parcel share sale facility (**Sale Facility**) allows Sovereign Gold Company Limited (**Sovereign**) to sell fully paid ordinary shares in Sovereign on behalf of shareholders who hold less than a marketable parcel of shares (that is, shares valued at less than \$500) at a particular date (**Shares**).

Sovereign values all of its shareholders, however, Sovereign incurs significant administrative costs in maintaining many small shareholders, which can be disproportionately high when compared to the dollar value of the shareholding.

In addition, the Sale Facility offers eligible shareholders who may otherwise find it difficult or expensive the opportunity to dispose of their shareholding without incurring any brokerage or handling costs.

Is Sovereign authorised to sell Shares?

Sovereign is authorised under its constitution and ASX Listing Rule 15.13 to operate the Sale Facility. This document, in conjunction with the letter and Share Retention Form satisfies the notice requirements set out in the constitution and the Listing Rules.

What do I need to do to use the Sale Facility?

If you wish to **sell your** Shares under the Sale Facility you do not need to take any action or respond to this correspondence.

What if I want to retain my Shares?

If you wish to retain your Shares you must:

- Complete and return the enclosed Share Retention Form to:

Sovereign Gold Company Limited
Level 2
131 Macquarie Street
Sydney NSW 2000

by 5.00pm (AEDT) on 21 March 2016 (**Closing Date**);

OR

- make your own arrangements outside the Sale Facility to purchase additional shares so that by 5.00pm (AEDT) on the Closing Date your registered shareholding becomes a marketable parcel (that is more than 166,667 shares).

For your additional purchase of Shares to be an effective notice to Sovereign that you wish to retain your Shares, the additional shares purchased must be held in the same holding as your current Shares (in particular, under the same name and address as shown on the Share Retention Form); OR

- If you have more than one holding of Shares and you do not want to sell your Shares under the Sale Facility, you should consider consolidating them prior to the Closing Date.

This may result in your amalgamated holding no longer being an unmarketable parcel. For further advice in this regard, please contact Computershare Investor Services Pty Limited on 1300 855 080 (within Australia).

If you successfully take one of these steps, Sovereign will not be entitled to sell your Shares. If none of the above events occur Sovereign will be entitled sell your Shares.

Can I sell part of my shareholding?

No, you cannot sell part of your shareholding in the Sale Facility. If you wish to sell only some (and not all) of your Shares, you should call your broker and you will be subject to brokerage fees that will **not** be met by Sovereign.

What if my Shares are held in a CHESS Holding?

If your Shares remain in a CHESS holding at the Closing Date and you have not returned the enclosed Share Form, the Company may move those to an Issuer Sponsored Holding and they will be sold through the Sale Facility.

What will I receive for the Shares sold?

Sovereign has secured agreement with a third party to buy your Shares for \$0.003 per share.

Your directors consider this price to be fair considering the price and volume of Shares recently traded. Your directors are of the view that if all the unmarketable parcels of Shares were sold on the market you would achieve a lower return, considering the brokerage that would be generally payable.

All participants who have their Shares sold under the Sale Facility will receive the same sale price per Share.

When will the sale take place?

The sale of Shares is expected to take place as soon as practicable after the Closing Date.

When will I receive the proceeds from sale?

Payment is expected to be made within 10 business days of the Closing Date. Payment will be made in Australian dollars by cheque.

You will be notified by way of a transaction confirmation statement of the number of your shares that have been sold and total sale proceeds. The transaction confirmation statement and cheque will be sent by post to your address as shown in the share register.

What happens if there is a takeover bid?

In accordance with Sovereign's constitution, the Sale Facility will become unavailable following the announcement of a takeover bid for Sovereign, however it may be recommenced after the close of any takeover.

Where can I get further information?

If you have any questions concerning your shareholding please contact Computershare Investor Services Pty Limited on 1300 855 080 (within Australia). If you have any queries on how the Sale Facility will work, please contact the Company by telephone on +61 2 9251 7177.

What if I do not know what to do?

This information pack and accompanying letter does not constitute advice nor a recommendation to buy, sell or hold nor that the Sale Facility is the best way to sell Shares. If you are in doubt about what to do, you should consult your legal, financial or taxation adviser.

Important Note

Sovereign reserves the right to change any of the dates referred to in the accompanying letter by notice to the ASX. The directors may, before a sale is affected under the Sale Facility, suspend or terminate the Sale Facility, either generally or in specific cases.

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SHARE RETENTION FORM

«REG_ADDRESS_LINE_1»
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«REG_ADDRESS_LINE_5»
«REG_ADDRESS_LINE_6»

HIN/SRN: «HOLDER_IDENTIFIER»
Unmarketable Holding: «CLASS_GROUP_1_»

The Directors

I/we wish to retain my/our shareholding in the Company and hereby advise the Company that the provisions of Rule 13 of the Constitution are not to apply to my/our shares.

Signatures(s)

Individual/Security holder 1

Sole Director & Sole Company
Secretary

Security holder 2

Director/Company Secretary

Security holder 3

Director

Dated: / /

Daytime Telephone Number

PLEASE RETURN THIS NOTICE TO THE COMPANY

Delivery:

Level 2, 131 Macquarie Street

Post:

Level 2, 131 Macquarie Street
Sydney, NSW 2000

Facsimile: +61 2 9251 7500

Telephone: +61 2 9251 7177

Notes:

1. For full details, please read the Notice accompanying this notice.
2. If you wish to retain your shareholding in the Company, please sign this notice in the space provided and return it to the Company's share registry **by 5:00pm (AEDT) 21 March 2016.**
3. Notice in respect of a corporation must be executed in accordance with the constitution of that corporation.
4. Notices signed under power of attorney or by the executor of an estate must be accompanied by a copy of that power or letters of administration, as the case may be, unless previously lodged for noting.
5. In the case of holdings held by two or more persons, all holders must sign.
6. Please provide your daytime telephone number so we can contact you if there are any problems with your Share Retention Form.

**THIS SHARE RETENTION FORM BE RECEIVED BY THE COMPANY BY NO LATER THAN
5.00PM (AEDT) ON 21 MARCH 2016.**