

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Sovereign Gold Company Limited

ABN

12 145 184 667

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(146)	(182)
(b) development	-	-
(c) production	-	-
(d) administration ¹	(188)	(238)
¹ the increase in administration expenditure is in part due to the increase in legal expenditure incurred		
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	81
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (research & development concession)	26	1,830
Net Operating Cash Flows	(301)	1,491
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(36)	(36)
(c) other fixed assets	(215)	(215)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans from other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Loans to other entities)	-	-
Net investing cash flows	(251)	(251)
1.13 Total operating and investing cash flows (carried forward)	(552)	1,240

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(552)	1,240
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,181	1,274
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(100)	(100)
1.18	Dividends paid	-	-
1.19	Other (Share Issuing Cost)	(24)	(26)
	Other (Convertible note redemption)	-	-
	Share buy back		
	Net financing cash flows	1,057	1,148
	Net increase (decrease) in cash held	505	2,388
1.20	Cash at beginning of quarter/year to date	1,943	60
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,448	2,448

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	91
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Represents payments to Michael Leu, Simon Bird, Rocco Tassone and Charles Thomas, Directors of the Company during the period.

These payments are allocated across Exploration and Administration in item 1.2 where appropriate.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation ⁺⁺	250
4.2 Development	-
4.3 Production	-
4.4 Administration	225
Total	475

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank*	111	31
5.2 Deposits at call	2,337	1,912
5.3 Bank overdraft	-	-
5.4 Other (security deposit)	-	-
Total: Cash at end of quarter (item 1.22)	2,448	1,943

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL 7768	Exploration Licence	~70%	0%
6.2 Interests in mining tenements acquired or increased				

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Issued and quoted securities at end of current quarter

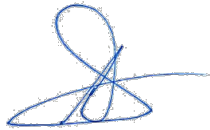
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	1,398,060,992	1,398,060,992	-	-
7.4 Changes during quarter				
(a) Increases through issues	405,947,247	405,947,247	\$0.005	\$0.005
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	1,800,000	-	\$0.2491	16 December 2016
	120,000,000	-	\$0.004	30 June 2019
7.8 Issued during quarter	120,000,000	-	\$0.004	30 June 2019
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-	-	-
7.12 Unsecured notes <i>(totals only)</i>	-	-	-	-

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 29 July 2016
(Company Secretary)

Print name: Henry Kinstlinger

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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