



SOVEREIGN GOLD
COMPANY LIMITED

ACN 145 184 667

Level 2, 131 Macquarie Street Sydney NSW 2000

T +612 9251 7177 F +612 9251 7500

Notice of General Meeting and Explanatory Memorandum

For the Meeting of Members to be held at
Level 2 Hudson House, 131 Macquarie Street Sydney NSW 2000
at 11am on Tuesday, 11 November 2014.

This Notice of General Meeting, including should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company.



This page intentionally left blank



Sovereign Gold Company Limited

ACN 145 184 667

Contents

AGENDA	4
Resolution 1: Ordinary resolution to ratify previous share issue	4
Resolution 2: Issue of shares to related party, Innisfree Australia Pty Ltd (ACN 063 813 016).....	4
Resolution 3: Issue of shares to related party, Meers Family Pty Ltd (ACN 153 713 136)	5
Resolution 4: Issue of shares to related party, Hudson Resources Limited (ACN 008 720 965)	5
Resolution 5: Ordinary resolution for the issue of securities to Eligible Investors.....	5
1. Introduction.....	6
2. Mount Adrah Gold Limited.....	6
3. Resolution 1: Ordinary resolution to ratify previous share issue.....	7
4. Resolutions 2 – 4 – Issue of Shares to Related Party.....	7
5. Resolution 5: Ordinary resolution for the issue of securities to Eligible Investors	9
6. Definitions	10
7. Declaration	10



Sovereign Gold Company Limited

ACN 145 184 667

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Sovereign Gold Company Limited (**Company**) will be held at Level 2, 131 Macquarie Street, Sydney, NSW 2000, on Tuesday, 11 November 2014 at 11am (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form are included in this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Monday, 10 November 2014 at 9am (AEST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

Resolution 1: Ordinary resolution to ratify previous share issue

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.1, and for all other purposes, the shareholders of the Company approve and ratify the allotment and issue of 19,300,000 fully paid ordinary shares, at an issue price equivalent to \$0.048 each, on the terms and conditions set out in the explanatory statement."

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person or their proxies who participated in the issue and a person who might obtain a benefit, and any associates of those persons, except a benefit solely in the capacity of a holder of ordinary securities.

The Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 2: Issue of shares to related party, Innisfree Australia Pty Ltd (ACN 063 813 016)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Shares to Innisfree Australia Pty Ltd (or their nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by *Innisfree Australia Pty Ltd* (and their nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.



Resolution 3: Issue of shares to related party, Meers Family Pty Ltd (ACN 153 713 136)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,200,000 Shares to Meers Family Pty Ltd (or their nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Meers Family Pty Ltd (and their nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4: Issue of shares to related party, Hudson Resources Limited (ACN 008 720 965)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 40,000,000 Shares to Hudson Resources Limited (or their nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Hudson Resources Limited (and their nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5: Ordinary resolution for the issue of securities to Eligible Investors

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the directors are authorised to issue up to 20,000,000 shares in the Company, by way of placements, to sophisticated, eligible and professional investors (being persons to whom a disclosure document is not required to be provided by virtue of s708(8), s708(10) or s708(11) of the Act), at an issue price of not less than eighty percent (80%) of the average market price of the shares of the Company calculated over the last 5 days on which sales in the shares were recorded before the day on which the issue is to be made, and otherwise on the terms and conditions set out in the explanatory statement attached hereto."

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who might obtain a benefit, except a person who may participate solely as a holder of securities in the Company. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

BY ORDER OF THE BOARD

Henry Kinstlinger - Company Secretary
8 October 2014



Sovereign Gold Company Limited

ACN 145 184 667

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting of Shareholders to be held on Tuesday, 11 November 2014 at 11am.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

Action to be taken by Shareholders

Shareholders should read the Notice, including the Explanatory Memorandum carefully before deciding how to vote on each resolution.

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a proxy) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and Proxy Form lodgment.

2. Mount Adrah Gold Limited

Mount Adrah Gold Limited (formerly Gossan Hill Gold Limited) (**Mount Adrah**) is a gold-focused entity, and was incorporated in November 2010 for the purpose of finding economic gold deposits.

In April 2013, Sovereign Gold acquired 93.91% interest in Mount Adrah and following a rights issue and subsequent issue of shares to promoters and investors, Sovereign Gold's interest was reduced to 72.11%.

Mount Adrah's goal is to develop its discoveries towards a producing mine.

In the medium term, Mount Adrah's strategy is to drill and explore gold prospects with strong indications of economic gold mineralisation.

Subject to the approval of resolutions 2-4 in this notice of meeting, Sovereign Gold will hold 99.5% interest in Mount Adrah.

Further information on Mount Adrah can be found in the Company's announcements to the ASX and the Company's website at www.sovereigngold.com.au.



3. Resolution 1: Ordinary resolution to ratify previous share issue

3.1. Background

The Company announced to market on 4 July 2014 that it made an offer to acquire all the securities in Mount Adrah. Consideration for the offer was four (4) Sovereign Gold fully paid ordinary shares for one (1) fully paid ordinary share in Mount Adrah, with attached options (**Offer**).

In this notice of meeting, resolution 1 ratifies the issue of securities to non-related parties of the Company, while resolutions 2-4 relate to approving the related parties' acceptance of the Offer for their Mount Adrah shares.

Shareholders holding 4,825,000 securities in Mount Adrah and who are not related parties of Sovereign Gold accepted the offer from Sovereign Gold and were issued 19,300,000 securities in the Company on 25 August 2014.

Subject to the approval of resolutions 2-4 in this notice of meeting, Sovereign Gold will hold 99.5% of the securities in Mount Adrah Gold Limited.

3.2. Listing Rule 7.1

Resolution 1 seeks shareholder ratification of the issue of 19,300,000 fully paid ordinary shares at an issue price of \$0.048 per share pursuant to the Company's bid of Mount Adrah Gold Limited.

Following the passing of resolutions 2 to 4, Sovereign Gold will hold 99.5% of Mount Adrah securities.

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 months period which amount to more than 15% of the Company's ordinary securities on issue at the commencement of that period without shareholder approval.

Provided the issue did not breach the 15% threshold in Listing Rule 7.1, ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval. If subsequent approval by shareholders of the share issue, this will "refresh" the Company's ability to issue shares up to the 15% limit without the need for shareholder approval.

The Company seeks shareholder ratification of the issue of shares under the personal offer so that the Company will have flexibility to issue further securities should the need or opportunity arise.

In accordance with the requirements of Listing Rule 7.5, the following information is provided to shareholders to allow them to assess Resolution 1:

- (a) A total number of 19,300,000 shares were allotted and issued.
- (b) The shares were issued at an issue price equivalent to \$0.048 per share.
- (c) The term of the issue was four (4) Sovereign Gold Securities for every one (1) Mount Adrah Security including any attaching options.
- (d) The shares were issued to holders of Mount Adrah securities that are not related parties of the Company.
- (e) All shares subject to the Offer will be fully paid ordinary shares and rank equally in all respects with the existing fully paid ordinary shares on issue.

4. Resolutions 2 – 4 – Issue of Shares to Related Party

4.1. General

The Company announced to market on 4 July 2014 that it made the Offer.

Innisferee Australia Pty Ltd, Meers Family Pty Ltd and Hudson Resources Limited (**Participating Shareholders**) have accepted the Offer (**Acceptance**).



Chapter 10.11 of the Listing Rules requires shareholders to approve the issue of shares to related parties. The Participating Shareholders are related parties.

Resolutions 2 to 4 seek Shareholder approval for the issue of 44,200,000 Shares to the Participating Shareholders (or their nominee(s)) arising from their Acceptance.

4.2. ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Acceptance involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

4.3. Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Acceptance:

- (a) the Shares will be issued to the Participating Shareholders (or their nominee(s));
- (b) the maximum number of Shares to be issued pursuant to Resolutions 2 to 4 is 44,200,000 as follows:
 - (i) 3,000,000 Shares to Innisfree Australia Pty Ltd (ACN 063 813 016);
 - (ii) 1,200,000 Shares to Meers Family Pty Ltd (ACN 153 713 136); and
 - (iii) 40,000,000 Shares to Hudson Resources Limited (ACN 008 720 965).
- (c) the Shares will be issued by 30 November 2014, being no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) The relationship between the Participating Shareholders and the Company is as follows:
 - (i) Innisfree Australia Pty Ltd is a company controlled by Mr. John Dawkins, a director of Sovereign Gold and therefore a related party;
 - (ii) Meers Family Pty Ltd is a company controlled by Mr. Peter Meers, a director of Sovereign Gold and therefore a related party; and
 - (iii) Hudson Resources Limited is a substantial holder of Sovereign Gold and therefore a related party;
- (e) The last traded price (03/10/2104) for Sovereign Gold shares was 2 cents per share. On this basis the consideration for 44,200,000 Shares is \$884,000;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (g) Consideration for the Participation will be the acquisition by the Company of the Mount Adrah Securities.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Participating Shareholders (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.



5. Resolution 5: Ordinary resolution for the issue of securities to Eligible Investors

5.1. Background

Resolution 5 seeks shareholders' approval, for the purposes of ASX Listing Rule 7.1 and for all other purposes, to authorise the directors to issue, by way of placements, up to 20,000,000 shares to sophisticated, eligible and/or professional investors (being persons to whom a disclosure document is not required to be provided by virtue of s708(8), s708(10) or s708(11) of the Act) (**Eligible Investors**), at an issue price of not less than eighty percent (80%) of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue is to be made.

For example, if the five day average market price of the Shares at the time at which the issue is to be made is 2 cents, the Shares would be issued at not less than 1.6 cents.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12-month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Further, equity securities issued with approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

5.2. Listing Rule 7.3

As at the date of this explanatory statement, the issued share capital of the Company before and after the issue of the Shares the subject to Resolutions 1-4, then the Share change subject to Resolution 5 will be as follows:

Current issued Share Capital	257,984,445
Issue of Shares to Eligible Investors	20,000,000
Total new issued Share Capital	277,984,445

The Company therefore proposes to issue 20,000,000 Shares to Eligible Investors, which represents 7.8% of the above issued capital (of 257,984,445 Shares). The Company therefore seeks shareholder approval to issue the Shares to Eligible Investors pursuant to Listing Rule 7.1.

The following information is provided in accordance with Listing Rule 7.3:-

- (a) the (maximum) number of Shares the Company will issue to Eligible Investors is 20,000,000 Shares;
- (b) the Shares will be issued within three months of the date of this general meeting;
- (c) the issue price(s) for the Shares will be not less than eighty percent (80%) of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue(s) are to be made;
- (d) the names of the allottees of the Shares are not known at this time:
 - a. the Shares will be issued to Eligible Investors (being persons to whom a disclosure document is not required to be provided by virtue of s708(8), s708(10) or s708(11) of the Act), none of whom will be related parties;



- b. the Shares will be issued on the same terms as, and rank pari passu with, the existing issued Shares of the Company, Application will be made for quotation of their shares on the Australian Securities Exchange;
- (e) the purpose of the proposed Share issue is to raise funds that will be used for providing ongoing working capital for the further development of the projects of Sovereign Gold Company Limited and its subsidiaries;
- (f) the Company anticipates issuing the Shares progressively as and when investors desiring to invest in the Company are identified (but in any event within three months of the date of this annual general meeting).

6. Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars

ASX means the ASX Limited (ABN 98 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice

Company means Sovereign Gold Company Limited (ACN 145 184 667) (ASX: SOC)

Constitution means the constitution of the Company as at the date of the Meeting

Corporations Act means the *Corporations Act 2001* (Cth)

Director means a director of the Company

Meeting means the general meeting called by virtue of this notice of meeting

Member means a shareholder of the Company

Mount Adrah means Mount Adrah Gold Limited (ACN 147 329 833)

Participating Shareholders means Innisfree Australia Pty Ltd (ACN 063 813 016) , Meers Family Pty Ltd (ACN 153 713 136) and Hudson Resources Limited (ACN 008 720 965)

Participation means taking part in the Sovereign Gold offer to acquire Mount Adrah securities as announced to market on the 4 July 2014

Proxy Form means the for marked "proxy form" at the rear of this Notice of Meeting

Sovereign Gold means Sovereign Gold Company Limited (ACN 145 184 667) (ASX: SOC)

7. Declaration

Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders in order to decide whether or not it is in the Company's shareholder's best interests to pass the resolutions herein.



Sovereign Gold Company Limited

ACN 145 184 667

Proxy Form

Please complete, sign and return this document to:

To: The Secretary
Sovereign Gold Company Limited
Level 2, Hudson House
131 Macquarie Street
SYDNEY NSW 2000

fax executed form to: 02 9251 7500
email executed form to: jrockett@higl.com.au

I/We

being a member of Sovereign Gold Company Limited appoint:

Name of proxy:

Address of proxy:

Or in his or her absence (or if left blank), the chairman of the meeting as my/our proxy to attend, vote and otherwise act on my/our behalf at the General Meeting of the Company to be held at **Tuesday 11am on 11 November 2014** and at any adjournment of that meeting. If you wish to appoint the proxy in respect of only a specified number of your shares you must insert that number in the appropriate space below. In the absence of any such specification, the proxy will be taken to have been appointed in respect of all of your shares.

My/our proxy is authorised to exercise the vote rights in respect of % of my/our shares.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
Ordinary Resolution 1: to ratify previous share issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 2: Issue of shares to related party, Innisfree Australia Pty Ltd (ACN 063 813 016).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 3: Issue of shares to related party, Meers Family Pty Ltd (ACN 153 713 136).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 4: Issue of shares to related party, Hudson Resources Limited (ACN 008 720 965).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 5: Ordinary resolution to approve the issue of securities to Eligible Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Proxy Instructions

If you wish to direct how your votes are to be cast, place mark (X) in the appropriate box above. Unless otherwise directed, the proxy holder may vote as he/she thinks fit, or abstain from voting.

The Chairman intends to vote all undirected proxies that he receives in favour of each resolution to be brought before the meeting, except where the Chairman is expressly forbidden to do so, under the Corporations Act 2001.



If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box: ☐

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chairman of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

SIGNATURE OF MEMBER (S)

Individual or Member 1

**Sole Director/
Company Secretary**

Member 2

Director

Member 3

Director/Company Secretary

Date: _____

Contact Name: _____ **Contact Phone (daytime):** _____

Notes on Proxies

1. A Member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in their stead pursuant to the Constitution.
2. If a Member appoints one proxy only, that proxy shall be entitled to vote on a show of hands, but if a Member appoints two proxies neither shall be entitled to vote on a show of hands.
3. Where more than one proxy is appointed, each proxy must be appointed to represent a specified portion of the Member's voting rights.
4. A proxy need not be a Member.
5. A proxy form must be signed by the Member(s) or the Member's attorney or, if a corporation, be executed in accordance with Section 127 of *the Corporations Act 2001* or by its attorney.
6. The instrument appointing a proxy and the power of attorney (if any) under which it is signed, or a notarial certified copy of the power and a declaration by the attorney of its non-revocation, must be deposited at the registered office of the Company or sent by facsimile to (+61 2) 9251 7500 not less than 48 hours before the person named in the instrument purports to vote pursuant to it.