



SOVEREIGN GOLD COMPANY LIMITED

Sovereign Gold Company Limited
ACN 145 184 667

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Contact
Simon Bird MD

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Latest News
www.sovereigngold.com.au

Directors / Officers
John Dawkins AO
Simon Bird
Michael Leu
Bruce Dennis
Jacob Rebek

ASX Symbol: SOC

ASX Release
2 March 2015

Cleansing Statement issued in accordance with ASIC Class Order CO 09/425

On 24 February 2015, Sovereign Gold Company Limited (**Sovereign or Company**) (ASX: SOC) announced its intention to make a Share Purchase Plan (**SPP or Plan**) offering eligible holders of fully paid ordinary shares recorded on its share register at 7.00 pm (AEST) on 23 February 2015 the opportunity to purchase new fully paid ordinary shares (**New Shares**) in the Company.

The Company gives notice that within 24 hours it will make offers to issue New Shares under the SPP without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (**Act**).

This notice is being given under ASIC Class Order 09/425 - Share and interest purchase plans.

At the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company and section 674 of the Act.

There is no information that is excluded information as at the date of this notice (in accordance with the requirements of subsections 708A(7) and (8) of the Act as if this notice were a notice under paragraph 708A(5)(e) of the Act).

A copy of the documents in connection with the SPP that are to be sent to shareholders of the Company within 24 hours is attached.

For further information please contact:

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



SOVEREIGN GOLD
COMPANY LIMITED

ACN 145 184 667
Level 2, 131 Macquarie Street Sydney NSW 2000
T +612 9251 7177 F +612 9251 7500

2 March 2015

[Address 1]
[Address 2]
[Address 3]
[Address 4]
[Address 5]

Dear Shareholder,

I am Simon Bird and I recently joined the Board of Sovereign Gold as Managing Director. I have been tasked with the job of developing the Company's exploration assets and addressing the spiralling share price.

I have extensive experience in corporate finance. In a professional career spanning over 30 years, I have held various executive roles including CEO of King Island Scheelite (ASX: KIS); CFO at Stockland Retail (ASX: SGP); CFO of Graincorp (ASX: GNC); and CFO of Wizard Mortgage Corp. I am currently a non-executive director of Mount Gibson Iron (ASX: MGX); Rawson Resources (ASX: RAW); and Pacific American Coal (ASX: PAK).

I accepted the role of Managing Director because I believe Sovereign Gold has highly prospective gold and base metal assets and is able to realise their value. This should then be reflected in recognition of the value of the Company's prospects and bring improved value to shareholders.

There is significant overhang in the number of shares on issue (or may be issued) and, together with the Board and management, I am investigating a number of options to relieve this overhang.

I recently presented at an investors and explorers forum hosted by NSW Trade & Investment, Division of Resources & Energy and was encouraged by the reception. It is my hope that the response will translate to tangible benefits for the Company and shareholders.

Our key exploration prospects are:

- Mount Adrah;
- Rocky River; and
- Halls Peak, all in NSW.

I recommend you view the presentation at www.sovereigngold.com.au/Investors.htm and the December 2014 quarterly report, which can be viewed at www.sovereigngold.com.au/Reports.htm, where our recent activities have been summarised.

We propose to offer professional and sophisticated investors shares at the SPP offer price; in my discussions with shareholders I believe they too would like the opportunity of acquiring additional shares at the same discounted price. Accordingly we have instituted a further Share Purchase Plan, which is enclosed.

I thank you for your continued support of Sovereign Gold, and look forward to the future.

Yours sincerely,

Simon Bird
Managing Director



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COMPANY LIMITED

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SOVEREIGN GOLD COMPANY LIMITED
ACN 145 184 667
SHARE PURCHASE PLAN
2 March 2015

This is an important document.

The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision on whether or not to accept the Offer, you should consult your financial or other professional adviser.

If you have any questions in relation to the Offer or how to complete the Application Form, please call the Henry Kinstlinger – Company Secretary on +61 2 9251 7177 or email corporate@sovereigngold.com.au.

This document is not a prospectus or other disclosure document under the Corporations Act.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

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LETTER FROM THE CHAIRMAN



SOVEREIGN GOLD
COMPANY LIMITED

ACN 145 184 667

Level 2, 131 Macquarie Street Sydney NSW 2000

T +612 9251 7177 F +612 9251 7500

2 March 2015

Dear Fellow Shareholder,

SOVEREIGN GOLD COMPANY LIMITED SHARE PURCHASE PLAN OFFER

On behalf of the Board, I am pleased to offer you the opportunity to apply for up to \$15,000 New Shares in Sovereign Gold under the Share Purchase Plan without brokerage or other related charges.

The Offer will open on 2 March 2015 and will remain open until 5.00 pm (Sydney Time) on 1 April 2015.

The Offer price will be a 20% discount to the volume-weighted average price of Sovereign Gold shares traded on the Australian Securities Exchange (ASX) over the 5 trading days up to and including the day on which the Offer is scheduled to close (1 April 2015), rounded down to the nearest one hundredth of one cent. Sovereign Gold will announce the final issue price for the Offer after the offer closes.

Participation in the Offer is optional and is open to Eligible Shareholders who are holders of Shares in Sovereign Gold at 7.00 pm (Sydney Time) on 23 February 2015 and whose registered address is in Australia or New Zealand.

The funds raised from the Share Purchase Plan will be applied to progress the Company's exploration activities and to provide working capital.

Full details of the Offer and how to participate are contained in the terms and conditions of this document, which I encourage you to read and consider carefully.

If you have any questions in relation to the Offer or how to complete the Application Form, please call Henry Kinstlinger – Company Secretary on +61 2 9251 7177 or email corporate@sovereigngold.com.au, or consult your financial or other professional adviser.

Thank you for your continued support of Sovereign Gold.

Yours sincerely

John Dawkins AO
Chairman

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SUMMARY OF IMPORTANT DATES

| | |
|---|------------------|
| Record Date | 23 February 2015 |
| Announcement of the Share Purchase Plan | 24 February 2015 |
| Documents mailed to Eligible Shareholders | 2 March 2015 |
| Opening date for acceptances | 2 March 2015 |
| Closing date for acceptances | 1 April 2015 |
| Allotment and issue of New Shares | 8 April 2015 |
| Quotation of New Shares on ASX | 8 April 2015 |
| Dispatch of shareholder statements | 8 April 2015 |

This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the ASX Listing Rules and the Corporations Act.

IMPORTANT NOTICES

The Offer contained in this document is not a recommendation to purchase Sovereign Gold shares. If you are in any doubt about the Offer, you should consult your financial or other professional adviser.

If you apply to participate in the Offer by making a BPAY payment or completing and returning the Application Form with a cheque or bank draft, you are accepting the risk that the market price of Shares may change between the date of the Offer and the allotment date. This means it is possible that, up to or after the allotment date, you may be able to buy Shares at a lower price than the Offer Price.

Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

Sovereign Gold recommends that you monitor its announcements and the Share price, which can be found on its website at sovereigngold.com.au and on the ASX website at www.asx.com.au (ASX: SOC). The Share price can also be found in the financial pages of major Australian metropolitan newspapers.

KEY STEPS

| Step 1: | <p>Read the terms and conditions of the Share Purchase Plan in full.</p> <ul style="list-style-type: none"> • There is no requirement to participate in the Share Purchase Plan. • Participation in the Share Purchase Plan is entirely voluntary. | | | | | | | | | | | | | | | | |
|----------------|--|--------|----------------------------|---|-------|---|---------|---|---------|---|---------|---|---------|---|----------|---|----------|
| Step 2: | <p>Are you an Eligible Shareholder? (see section 3) You are eligible to apply for the New Shares if:</p> <p>(a) your registered address in the Company's register of members is in Australia or New Zealand; and</p> <p>(b) you were registered as a holder of Shares in the Company as at 7:00pm Sydney Time on 23 February 2015 (Record Date).</p> <p>The Offer is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand.</p> <p>Neither these terms and conditions nor the Application Form constitutes an offer in the United States (or to, or for the account or benefit of, US Persons).</p> | | | | | | | | | | | | | | | | |
| Step 3: | <p>If you choose to participate in the Share Purchase Plan you must choose to purchase a parcel of New Shares for one of the following amounts (see section 8):</p> <table border="1"> <thead> <tr> <th>Option</th><th>Dollar value of New Shares</th></tr> </thead> <tbody> <tr> <td>1</td><td>\$500</td></tr> <tr> <td>2</td><td>\$1,000</td></tr> <tr> <td>3</td><td>\$2,500</td></tr> <tr> <td>4</td><td>\$5,000</td></tr> <tr> <td>5</td><td>\$7,500</td></tr> <tr> <td>6</td><td>\$10,000</td></tr> <tr> <td>7</td><td>\$15,000</td></tr> </tbody> </table> <p>You may not subscribe for more than \$15,000 of New Shares even if you have several Share holdings in any 12-month period.</p> | Option | Dollar value of New Shares | 1 | \$500 | 2 | \$1,000 | 3 | \$2,500 | 4 | \$5,000 | 5 | \$7,500 | 6 | \$10,000 | 7 | \$15,000 |
| Option | Dollar value of New Shares | | | | | | | | | | | | | | | | |
| 1 | \$500 | | | | | | | | | | | | | | | | |
| 2 | \$1,000 | | | | | | | | | | | | | | | | |
| 3 | \$2,500 | | | | | | | | | | | | | | | | |
| 4 | \$5,000 | | | | | | | | | | | | | | | | |
| 5 | \$7,500 | | | | | | | | | | | | | | | | |
| 6 | \$10,000 | | | | | | | | | | | | | | | | |
| 7 | \$15,000 | | | | | | | | | | | | | | | | |
| Step 4: | <p>To apply for New Shares under the Share Purchase Plan, Eligible Shareholders must (see section 12):</p> <ul style="list-style-type: none"> • complete the Share Purchase Plan Application Form attached to these terms and conditions; or • make a BPAY payment by using the personalised reference number shown on your Application Form, which is required to identify your holding. | | | | | | | | | | | | | | | | |

QUESTIONS

If you have any questions in relation to the Offer or how to complete the Application Form, please call Henry Kinstlinger – Company Secretary on +61 2 9251 7177 or email corporate@sovereigngold.com.au, or consult your financial or other professional adviser.

Sovereign Gold Company Limited – ACN 145 184 667

SHARE PURCHASE PLAN – TERMS AND CONDITIONS

These are the terms and conditions of the Sovereign Gold Company Limited (**Sovereign Gold** or the **Company**) Share Purchase Plan, and are binding on any Shareholder completing a Share Purchase Plan Application Form attached to these terms and conditions.

1. THE OFFER

1.1. The Offer

Under the Offer, Eligible Shareholders have the opportunity to participate in the SPP by subscribing for up to \$15,000 of New Shares without incurring brokerage and subject to the following Terms and Conditions.

You may choose not to accept the Offer.

The Offer to each Eligible Shareholder is made on the same terms and conditions. The Offer is non-renounceable (i.e. you may not transfer your right to acquire a New Share to anyone else).

The Offer price will be a 20% discount to the volume-weighted average price of Sovereign Gold shares traded on the Australian Securities Exchange (ASX) over the 5 trading days up to and including the day on which the Offer is scheduled to close 1 April 2015 rounded down to the nearest one hundredth of one cent (see section 8).

1.2. Offer not taken up

If you are an Eligible Shareholder and do not wish to subscribe for New Shares, you are not obliged to do anything. You will not receive any benefits or New Shares.

The number of existing Shares you hold as at the Record Date and the rights attached to those existing Shares will not be affected if you choose not to accept any of your entitlement under this Share Purchase Plan.

2. OPENING AND CLOSING DATES

The Opening Date of the Offer will be 2 March 2015 and the Closing Date will be 1 April 2015. The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

3. ELIGIBILITY

3.1. Eligibility

You are eligible to apply for the New Shares if:

- (a) your registered address in the Company's register of members is in Australia or New Zealand; and
- (b) you were registered as a holder of Shares in the Company as at 7:00pm Sydney Time on 23 February 2015 (**Record Date**).

3.2. Individual Shareholders

If you are the only registered Shareholder of a holding of Shares, but you receive more than one Offer under the Share Purchase Plan (for example, because you hold Shares in more than one capacity), you may only apply for one parcel of New Shares with a value of up to \$15,000.

The Company reserves the right to reject any Application where it believes there has not been compliance with this rule.

3.3. Joint Shareholders

If you are recorded with one or more other persons as the joint Shareholder of a holding of Shares, that joint Shareholding is considered to be a single registered Shareholding for the purpose of the Share Purchase Plan, and the joint Shareholders are entitled to participate in the Share Purchase Plan in respect of that single holding only. If the same joint Shareholders receive more than one offer under the Share Purchase Plan due to multiple registered holdings, the joint Shareholders may only apply for one parcel of New Shares with a value of up to \$15,000.

3.4. Trustee or nominee and Custodians

If you are expressly noted on the Company's share register as a trustee or nominee for a named beneficiary, you may only apply for one maximum parcel of Shares for each named beneficiary. If the Company's share registry does not record a named beneficiary in respect of your trustee or nominee holding, the rules for multiple single holdings apply.

If you are a custodian within the definition of "custodian" in ASIC Class Order [CO 09/425] (as varied) and hold the Company's Shares on behalf of one or more persons (each **Participating Beneficiary**), or on behalf of another custodian of the Company's Shares, you may apply for up to a maximum of \$15,000 worth of Shares for each Participating Beneficiary, subject to providing the Company's share register a 'custodian certificate' in addition to the Application Slip, which certifies matters required by Condition 9 of ASIC Class order 09/425.

If you require a copy of the above mentioned 'custodian certificate' please contact Computershare Investor Services at custodians@computershare.com.au.

3.5. Directors and employees

Directors and employees of Sovereign Gold who hold Shares may be Eligible Shareholders.

3.6. Treatment of overseas Shareholders

The Offer is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand.

No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction outside Australia and New Zealand.

Recipients may not send or otherwise distribute this disclosure document or the Application Form to any person outside Australia (other than to Eligible Shareholders).

(a) New Zealand

The Offer to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand). Members of the public in New Zealand who were not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

(b) United States

Neither these terms and conditions nor the Application Form constitutes an offer in the United States (or to, or for the account or benefit of, US Persons).

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account of benefit of, US Persons. The securities referred to in this document have not been and will not be registered under the *US Securities Act* and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of New Shares is being made in the United States.

(c) Representation by Applicants

Returning a completed Application Form or paying the Offer Price for New Shares by BPAY, will be taken to constitute a representation, warranty and agreement by the Applicant that:

- i. they are an Eligible Shareholder, have read and understood these terms and conditions and subscribe for New Shares in accordance with these terms and conditions;
- ii. they authorize Sovereign Gold to correct minor errors in the Application Form if required, and to complete the Application Form by inserting any minor missing details;
- iii. they acknowledge that the market price of Shares may rise or fall between the date of this Offer and the allotment date of the New Shares and that the Offer Price paid for the New Shares may exceed the market price of the shares on the allotment date;
- iv. the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the US, or in any other jurisdiction outside Australia or New Zealand, and may not be offered, sold, transferred or otherwise disposed of except in accordance with an available exemption form, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- v. they are eligible under all applicable securities laws to receive an offer under the Share Purchase Plan;
- vi. they are not in the United States, are not US Persons and are not acting for the account or benefit of US Persons;
- vii. they have not and will not send this disclosure document or the Application Form to any person in the United States or that is, or is acting for the account or benefit of, a US Person; and
- viii. if in the future they decide to sell or otherwise transfer their New Shares, they will only do so in regular way transactions on ASX where neither they nor any person acting on their behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is in the United States or is a US Person.

4. OFFER PRICE

The issue price for New Shares will be a 20% discount to the volume-weighted average price of Sovereign Gold Shares traded on the ASX over the 5 trading days up to and including the Closing Date (i.e. 27 March 2015 to 1 April 2015 inclusive), rounded down to the nearest one hundredth of one cent.

Sovereign Gold will announce the final issue price for the Offer after the offer closes.

You should note that Sovereign Gold's share price may rise or fall between the date of this offer and the date when New Shares are allotted and issued to you under the Offer. This means that the price you pay per New Share pursuant to this offer may be either higher or lower than the Sovereign Gold share price at the time of the offer or at the time the New Shares are issued and allotted to you under the Offer. Please refer to section 5

about how to monitor current trading prices of Sovereign Gold Shares.

The number of New Shares issued to an applicant will be determined by dividing the value of the New Shares applied for by the issue price. If this calculation produces a fractional number, the number of New Shares issued will be rounded up to the nearest whole New Share.

5. PARTICIPATION IS OPTIONAL

Participation in the Offer is entirely optional (subject to the eligibility criteria set out in these Terms and Conditions). The offer to acquire New Shares is not a recommendation. If you are in any doubt about the Offer, whether you should participate in the Offer or how participation will affect you, you should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept this offer. Sovereign Gold also recommends that you monitor the Sovereign Gold share price, which can be found on Sovereign Gold's website at www.sovereigngold.com.au, in the financial pages of major Australian metropolitan newspapers, or on the Australian Securities Exchange (ASX) website at www.asx.com.au (ASX code: SOC). Sovereign Gold also recommends that you monitor via the abovementioned websites any Sovereign Gold announcements made to the ASX.

6. ISSUE OF SHARES

The Directors reserve the right to issue to Eligible Shareholders such number of Shares under the Share Purchase Plan as is permitted under Listing Rule 7.2 (Exception 15) without shareholder approval.

7. RIGHTS

The rights and obligations of the New Shares are contained in the constitution of the Company, which is available for inspection at the registered office of the Company. The New Shares will be issued on the same terms as all existing Shares and the Company will apply for the New Shares to be quoted on ASX.

If the New Shares are not quoted on ASX, the New Shares will not be issued and all funds received will be refunded.

8. NUMBER OF NEW SHARES

You must choose to purchase a parcel of New Shares for one of the following amounts:

| Option | Dollar value of New Shares |
|--------|----------------------------|
| 1 | \$500 |
| 2 | \$1,000 |
| 3 | \$2,500 |
| 4 | \$5,000 |
| 5 | \$7,500 |
| 6 | \$10,000 |
| 7 | \$15,000 |

You may not subscribe for more than \$15,000 of New Shares even if you have several Share holdings.

The total cost of New Shares purchased by each Eligible Shareholder (including through joint holdings, multiple share accounts or any holding which they have a beneficial interest) must not exceed \$15,000. The Directors reserve the right to issue to an Eligible Shareholder less New Shares than the number specified in the Application Form for whatever reason including the possible subscription of over \$15,000 worth of New Shares by a Shareholder through multiple Applications or joint holdings.

No fractions of New Shares will be issued.

Any fraction of a New Share will be rounded up to the nearest whole number of New Shares.

9. SCALE BACK

The Company reserves an absolute discretion regarding the amount raised under the Plan, including the right to scale back applications.

If there is a scale back, you may not receive the full parcel of Shares for which you have applied. If a scale back produces a fractional number when applied to your parcel, the number of Shares you will be allotted will be rounded up to the nearest whole number of Shares.

In the event of a scale back, the difference between the value of the Shares allotted, calculated at the offer price (see section 4) and the application money received will be refunded to you by the Company, without interest, following allotment.

Where the number of New Shares allotted to an Applicant is less than the number applied for, surplus moneys will be refunded by cheque as soon as practicable after the Closing Date.

10. PARTICIPATION COSTS

You must pay the Offer Price and any fees or charges incurred by you in completing the Application Form (for example, bank fees or fees of professional advisors). The Company will pay any brokerage or stamp duty.

11. APPLICATION MONEY AND ALLOTMENT OF NEW SHARES

11.1. Application Money

All Application monies received before the New Shares are issued will be held in a special purpose account. After any Application monies are refunded (if required) and New Shares are issued to Applicants, the balance of funds in the account plus accrued interest will be received by the Company.

11.2. Allotment of New Shares

Subject to ASX granting the New Shares official quotation, it is expected that the New Shares will be quoted on the ASX by 8 April 2015. If you trade any New Shares before you receive your Share statement, then you do so at your own risk.

12. PAYMENT FOR THE SHARES

12.1. Application options

If you would like to apply for New Shares under the Share Purchase Plan, you have two payment options, which are set out below. Cash payments will not be accepted. Receipts for payment will not be issued.

If you apply for:

- (a) less than \$500 of New Shares, the Company will not allot any New Shares to you and will refund your Application monies to you;
- (b) between \$1,000 and \$15,000 of New Shares that is not one of the designated amounts set out in section 8, the Company will (subject to any scale back) allot to you the number of New Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of cheque or BPAY payment, and will refund the excess Application monies to you; and
- (c) more than \$15,000 of New Shares, the Company will (subject to any scale back) allocate to you a parcel of \$15,000 of New Shares and your excess Application monies will be refunded to you.

12.2. To pay by cheque or bank draft

Complete the accompanying Application Form in accordance with the instructions set out in that form and return it together with your cheque or bank draft made payable to “Sovereign Gold Company Limited” and crossed “Not Negotiable” for the appropriate Application money in Australian dollars.

The completed Application Form and your cheque or bank draft must be received by the Company’s Share Registry at the following address by no later than 5:00pm (Sydney Time) on the Closing Date. The Company will present the cheque or bank draft on or around the day of receipt of the Application Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Application Form.

| Share Registry |
|--|
| Sovereign Gold Company Limited c/- Computershare Investor Services Pty Limited GPO Box 505, Melbourne VIC 3001 |

You will be required to certify to the Company that the total value of the New Shares the subject of the Application does not exceed \$15,000.

12.3. To pay by BPAY

You may make a BPAY payment by using the personalised reference number shown on your Application Form, which is required to identify your holding.

Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment. It is the responsibility of each Applicant to ensure that the Application money is submitted through BPAY with sufficient time for it to be processed by their financial institution so that it is received by the close of the offer.

If you make your payment using BPAY, you do not need to return your Application Form. However, you will be taken to have represented to the Company that the total Application price for the New Shares the subject of the Application does not exceed \$15,000.

You cannot withdraw or revoke your application once you have sent in an Application Form or paid via BPAY.

13. OFFERS UNDER THE SHARE PURCHASE PLAN

The Company may make more than one invitation to acquire Shares under the Share Purchase Plan in any 12-month period. Shareholders will not be able to acquire Shares to a value exceeding \$15,000 pursuant to the Share Purchase Plan in any 12 month period.

The Company may amend the terms and conditions of the Share Purchase Plan to provide for different terms to apply to different invitations. The Company may terminate the Share Purchase Plan at any time. Notice of invitations, the terms of invitations and any termination of the Share Purchase Plan will be provided to ASX.

14. APPLICATION OF THE SHARE PURCHASE PLAN

The Company may act or omit to act in relation to the Share Purchase Plan (including applying the terms of the Share Purchase Plan) in its absolute discretion. The Company may settle any question of fact or interpretation in relation to the Share Purchase Plan in any matter it thinks fit, whether generally or in relation to any participant, Application or New Share. The Company's decision will be conclusive and binding. The Company reserves the right to waive strict compliance with the terms of the Share Purchase Plan. The Directors of the Company or any authorised delegate may exercise the powers of the Company under the terms of the Share Purchase Plan.

15. RISK CONSIDERATIONS

A subscription under the Share Purchase Plan is a speculative investment. The market price may change between the dates you apply for the New Shares and the issue of the New Shares to you. Accordingly, the value of the New Shares applied for may rise or fall.

This Offer is not a prospectus and does not require the types of disclosures required under the Corporations Act. You must rely on your own knowledge of the Company, previous disclosures made by the Company to ASX and, if necessary, consult your professional adviser when deciding whether or not to accept the Offer and participate in the Share Purchase Plan.

16. PRIVACY

By completing the Application Form, you will be providing personal information to Sovereign Gold. The *Privacy Act 1988* (Cth) governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information. The Company collects information about each Applicant provided on an Application Form for the purposes of evaluating and processing the Application and, if the Application is successful, to administer the Applicant's security holding in Sovereign Gold. If Sovereign Gold is obliged to do so by law, investors' personal information will be passed on to other parties strictly in accordance with legal requirements. Once personal information is no longer needed for Sovereign Gold's records, Sovereign Gold will destroy or redact it.

By submitting an Application Form, each Applicant agrees that Sovereign Gold may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry (Computershare Investor Services Pty Limited), Sovereign Gold's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, Sovereign Gold may not be able to process your Application.

An Applicant has a right to gain access to the information that Sovereign Gold holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Sovereign Gold's registered office.

17. GLOSSARY

Applicant means an Eligible Shareholder who lodges an Application.

Application Form means the Application form attached to or accompanying these terms and conditions.

Application means an application for New Shares pursuant to the Application Form.

ASIC means the Australian Securities and Investment Commission.

ASX Listing Rules or **Listing Rules** means the Listing Rules of the ASX.

ASX means ASX Limited (ABN 98 008 624 691).

BPAY means BPAY, registered to BPAY Pty Limited ABN 69 079 137 518.

Closing Date means 1 April 2015 or such other date as may be determined by the Directors.

Company or **Sovereign Gold** means Sovereign Gold Company Limited (ACN 145 184 667).

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

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of the Company.

Eligible Shareholder means a Shareholder as at the Record Date other than a Non-Qualifying Foreign Shareholder.

New Share means a Share to be issued under the Share Purchase Plan.

Non-Qualifying Foreign Shareholder means a Shareholder whose registered address is not situated in Australia or New Zealand.

Offer means the offer of New Shares pursuant to the Share Purchase Plan.

Offer Price means the amount per New Share pursuant to section 4.

Opening Date means 2 March 2015.

Record Date means 23 February 2015.

Share means a fully paid ordinary share in the capital of the Company.

Share Purchase Plan means the issue of up to 91,579,730 New Shares to Eligible Shareholders, each of which is entitled to apply for a parcel of New Shares valued at up to \$15,000 in accordance with these terms and conditions.

Shareholder means the holder of a Share.

Sydney Time means Australian Eastern Daylight Time or Australian Eastern Standard Time in effect at the relevant time

US Person has the meaning given to that term in Regulation S under the US Securities Act.

US Securities Act means the *United States Securities Act of 1933* as amended.

Valid Application means an Application:

- (a) that is made in conjunction with an Application Form accompanying the Offer, and that is properly completed in accordance with the instructions in the Application Form and in the Offer;
- (b) that is accompanied by any supporting documents required by the Offer to accompany the Application Form;

- (c) that is received by the Company on or before 5:00pm on the Closing Date at the address set out in section 13.2, or is otherwise duly received in accordance with the provisions of the Offer for electronic lodgement of Applications as set out in section 13.3;
- (d) that is not withdrawn before it ceases to be capable of being withdrawn; and
- (e) in respect of which payment of the Offer Price for the relevant number of New Shares is received and is cleared (either before or after the Closing Date) when presented (either before or after the Closing Date) for payment by the relevant financial institution on which the payment is drawn.