



SOVEREIGN GOLD COMPANY LIMITED

Sovereign Gold Company Limited
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Latest News

www.sovereigngold.com.au

Directors / Officers

John Dawkins AO
Simon Bird (MD)
Michael Leu
Jacob Rebek
Bruce Dennis

ASX Symbol: SOC

Mineral Resource estimate is:

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 gold¹

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.

Quarterly Activities Report – March 2015

This quarterly operations report for Sovereign Gold Company Limited (**the Company**) is dated 30 April 2015 and is for the three months ending 31 March 2015.

Corporate

On 23 February 2015 the Company announced the appointment of Simon Bird as Managing Director.

Share Purchase Plan announced on 24 February 2015 allowing eligible shareholders to purchase shares at the lower of \$0.0016 or 20% discount to the volume weighted average price of shares traded on the ASX over the 5 trading days up to and including the closing date. This offer closed oversubscribed on 15 April 2015 and will be scaled back to ensure the number of securities to be issued do not exceed 30% of the securities already on issue.

The Company together with subsidiary Mount Adrah Gold Limited sold 5.5 million shareholding in Frontier Capital Group Ltd (ASX: FCG) following FCG's (formerly Precious Metal Resources) reinstatement to official quotation on the ASX. The \$1.1 million consideration is to be paid over 4 tranches of \$275,000 over the next year.

The Company issued 47.281 million fully paid ordinary shares on 5 February 2015 to Bergen Global Opportunity Fund II LLC (**Bergen**) under the convertible securities agreement entered into in late 2013.

On 16 April 2015 The Company agreed a repayment schedule with Bergen for the \$500,000 balance of the convertible securities during the course of 2015. Bergen has agreed not to convert any of the balance outstanding before 1 August 2015.

Operations

Mount Adrah Gold Project

The scoping study is ongoing on the project economics of developing an open cut gold mine to depth of 150 metres within Hobbs Pipe 1 at Mount Adrah. A design of a conceptual open pit, stripping ratios, environmental base line studies and metallurgical studies are being reviewed to determine the feasibility of transitioning to a cash generating producer that can organically fund exploration for further Hobbs Pipes.

Drill programs have been designed to test the grade, width, lateral and vertical extent of known narrow vein high grade gold structures (e.g Castor Reef, White Deer Reef, Southern Cross Reef) to confirm the potential for high grade narrow vein mining operations. Further drill targets have been identified that may potentially host repetitions of Hobbs-like pipes.

The Company continues efforts to secure a partner to progress this project.

Rocky River-Uralla Gold Project

Soil samples have been assayed prior to drilling campaign (ASX 5 March 2015). 8.2km² of a 1:10,000 geochemical soil survey was completed. A total of 3,832 soil samples (including 121 duplicates) were collected every 20 metres along 100 metre line spacings. These were delivered to Australian Laboratory Services for gold and multi-elements assays including silver, lead, zinc, antimony, bismuth and copper. In addition, a 1:10,000 geological mapping and rock sampling program has been completed (12km²). This activity forms part of Sovereign Gold's ongoing core R&D activity of the development, enhancement and modifications to IRGS (Intrusion-Related Gold Systems) methodology.

¹ 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 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.

The geochemical soil survey and geological mapping were undertaken in EL 6483 and encompassed most historical gold workings including Sueys Claim, Hudson McCrossins, Diggers Shaft, Frasers Find, Martins Shaft, the Gracie and Little Gracie Mines, Vickers Shaft, the Old Bonanza Dyke (NE trending magnetic linear hosting several historic gold mines) and the Goldsworth Mine. The principal objective is to discover potential large-scale gold mineralisation deeply concealed in this area.

The processed data will identify key targets and form the basis of designing a drilling program in addition to the holes approved for the Cooperative Drilling Program funding of \$65,000 granted by the NSW Government with the balance to be funded by SUGEC. The Cooperative Drilling funding grant is to test a potential gold bearing concealed circular pluton and associated structures indicated by Sovereign's airborne geophysical survey.

Halls Peak, Base and Precious Metals Project

Three Exploration Licences in north-eastern NSW covering all identified areas of polymetallic (Zn, Pb, Cu and Ag) mineralisation.

Recent exploration and data interpretation has identified potential larger tonnage targets in two types of inferred mineralised settings.

- steeply dipping, deep tapping structurally controlled Cobar-style
- VTEM anomalies (1,221 line kilometres heliborne survey flown) with potential sulphide responses including large flat lying conductors in relatively undisturbed sedimentary basins, Target – potential large lead/zinc deposits - eg. HYC (MacArthur River)

A drilling program has been designed to test the down plunge extent of high grade mineralisation intersected in the 2013 drilling program at the Gibsons Mine.

The project has been awarded \$90,500 grant funds pursuant to the NSW Government New Frontiers Cooperative Drilling program to fast track exploration drilling programs.

Key Assets

Mount Adrah Intrusion-Related Gold System	Rocky River Intrusion-Related Gold System	Halls Peak Base Metal deposits
<ul style="list-style-type: none"> ➤ Mount Adrah Hobbs Gold Deposit ➤ Mineral Resource estimate is 770,000 oz* ➤ Scoping study, open cut mine to 150m ➤ High Grade Gold Reefs 	<ul style="list-style-type: none"> ➤ Discovered Large Gold System at Rocky River-Uralla Goldfield ➤ Fully Funded by JV Partner ➤ SOC 55% post-expenditure ➤ \$65,000 NSW Gov. Drilling Grant 	<ul style="list-style-type: none"> ➤ High Grade ➤ Direct Ship Ore ➤ Silver, Zinc, Lead, Copper ➤ \$90,500 NSW Gov. Drilling Grant

Mount Adrah Gold Project

Hobbs Pipe 1	High Grade, Narrow Vein Reefs	Hobbs Pipe Look-a-Likes
<ul style="list-style-type: none"> ➤ 770,000oz Gold @ 1.1 g/t* ➤ Scoping study, open cut mine to 150m 	<ul style="list-style-type: none"> ➤ Near Hobbs Pipe 1 <ul style="list-style-type: none"> • Castor Reef 10m @ 17.7 g/t Au • White Deer 1.2m @ 58.6 g/t Au • Several historical surface mines ➤ Other Areas <ul style="list-style-type: none"> • Southern Cross Reef Mine 3m @ 7.22 g/t 	<ul style="list-style-type: none"> ➤ Near Hobbs Pipe 1 <ul style="list-style-type: none"> • IP Anomalies • Hobbs SE ➤ Other Potential Areas <ul style="list-style-type: none"> • Nacki Nacki Elluvial • Geochemical and geophysical anomalies

Tenements

Tenement information required under LR 5.3.3

Tenement No.	Location
New South Wales	
EL 6483**	Armidale
ELA 5138	Weabonga
EL 6372*	Adelong
EL 7844*	Gundagai
EL 8127*	Adelong
EL 8219*	Gundagai
EL 7491**	Armidale
EL 7768**	Armidale
EL 5339	Halls Peak
EL 4474	Halls Peak
EL 7679**	Halls Peak
Disposal	
EL 8056	Weabonga
EL 8218*	Adelong
EL 7770	Tamworth

Notes:

During the quarter; there has been no change in beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.

* Sovereign holds a 99.5% interest in Mount Adrah Gold Limited, the holder of the licences

** Subject to Farm-in