



SOVEREIGN GOLD
COMPANY LIMITED

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Latest News

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Rocco Tassone (MD)
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ASX: SOC

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 the Chief Geologist 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.

Leading Lithium Consultant For Clayton Valley Drill Program

- Experienced Lithium Consulting Geologist Jerry Aiken appointed to head Clayton Valley Lithium exploration (Qualified Person (QP) for both 43-101 and JORC for several commodities)
- Mr Aitken will formalise the drill program to test for eastward lateral extensions of aquifers discovered by Pure Energy Minerals in their adjacent Claims
- Pure Energy Minerals report 816,000 tonnes of lithium carbonate equivalent, Inferred Resource NI 43-101 July 2015, and within 10 kilometres of North Americas only producing lithium mine, Silver Peak Mine, Clayton Valley owned by Albemarle Corp (NYSE: ALB) Market Cap US\$8.55bn (Figures 1 & 3)
- Previous high level review (ASX release 28 July 2016) outlined the SOC 111 claims have excellent potential for hosting Li-bearing sediment for discovery of a surface or near surface solid Li resource and additional potential for the existence of reservoirs of brine within deeper aquifers proximal to basin defining structures
- It is likely that the southern area of the Pure Energy claims extends into the Sovereign Gold claims project with a similar depositional history to lithium-bearing areas of Pure Energy and Silver Peak Operations
- The Tenova Bateman process, available to SOC impressively extracts lithium product from Li bearing brines in a matter of hours with no requirement for large expansive areas of evaporation ponds

Sovereign Gold Company Ltd (**Sovereign Gold or Company**) (ASX Code: SOC) is pleased to announce that it has engaged Jerry Aiken, an experienced and leading Lithium Consultant, to formalise and manage a diamond drilling program on SOC's 111 Clayton Valley Lithium claims in Nevada, USA (**Clayton Valley Option or 111 Claims**).

Potential exists for the lithium-bearing aquifers beneath the 111 Claims and based on Pure Energy's drilling results to date it is apparent the 111 Claims are favourably situated for the potential existence of ash unit hosted lithium brines. Sovereign Gold has appointed an in-country Lithium specialist, Consulting Geologist Jerry Aiken, to design a drill program to test for eastward lateral extensions of aquifers discovered by Pure Energy in their adjacent Claims and also to the north where Matica's (McGee) Claims represent a very promising first order target for lithium brine.

The Main Ash Aquifer (R8) present in Pure Energy's Claim is interpreted to extend into the western portion of SOC Claims project – Refer to Figure 1 below from the "High Level Review of Lithium Potential, 111 Claims, Clayton Valley, Nevada" undertaken by Senior Consultant (Geos Mining Mineral Consultants) Llyle Sawyer, MAIG, M. App. Sc., who is VALMIN Code 2015 Specialist and JORC Code 2012 Competent Person (uranium, strategic minerals, lithium brines, potash, kaolin). Consultant Geologist Jerry Aiken was highly recommended by Llyle Sawyer.

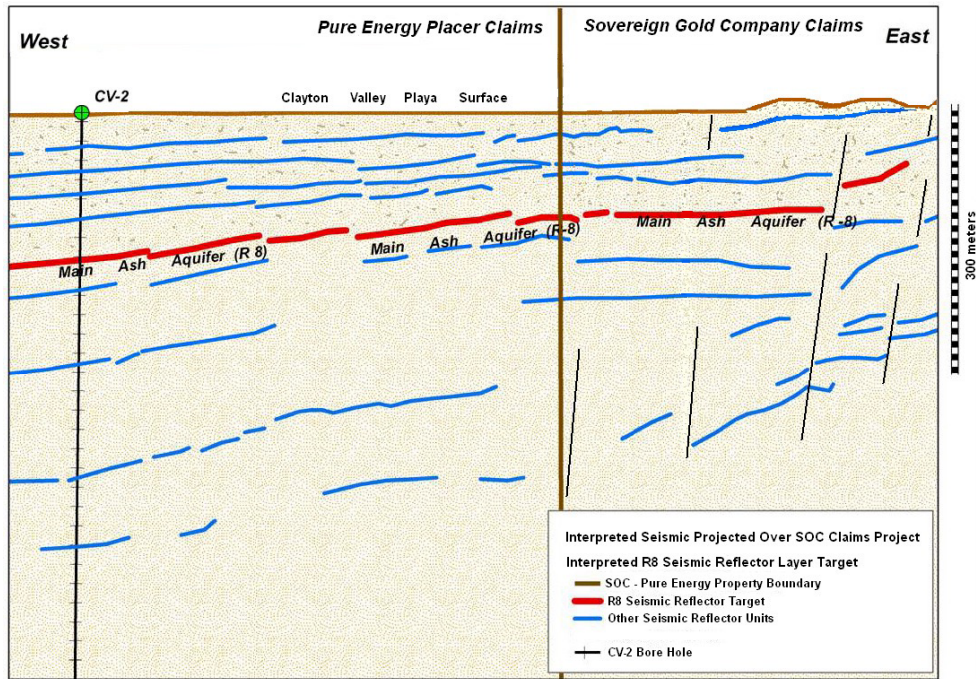


Figure 1: Seismic interpretation projected to western portion of SOC claims project (after Cypress Dev. Corp., 2016). The lithium brine hosting Main Ash Aquifer in Pure Energy claims (R8, seismic reflector target, plotted with red line) is interpreted to extend into the SOC Claims. Pure Energy Minerals report 816,000 tonnes of lithium carbonate equivalent, Inferred Resource NI 43-101 July 2015, next to North America's only producing lithium mine, Albermarle's Silver Peak Mine, Clayton Valley

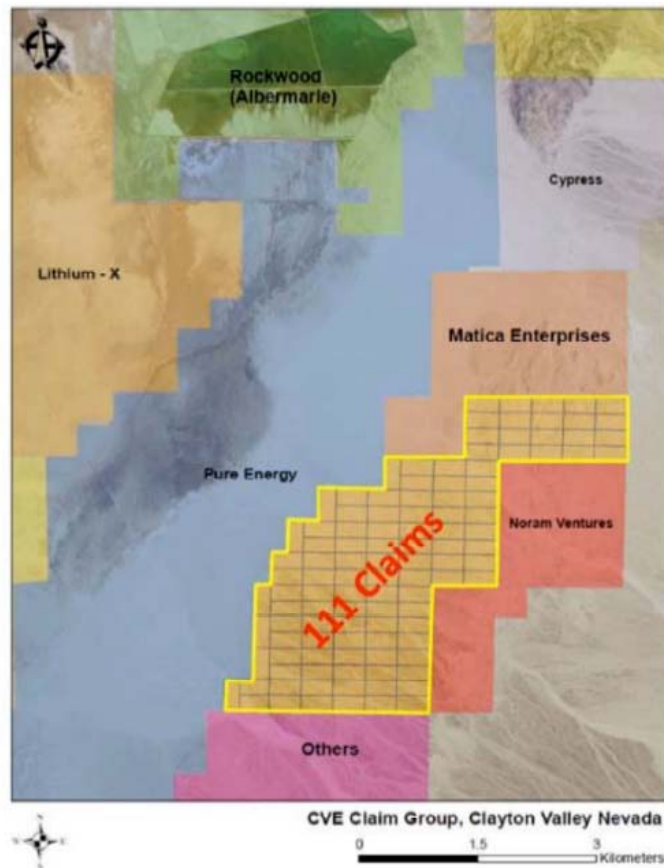


Figure 2: SOC 111 mineral claims over Clayton Valley relative to claims held by Albermarle, Pure Energy, Cypress, Matica Enterprises and Noram Ventures.



Mr Jerry Aiken is Qualified Person (QP) for both 43-101 and JORC for several commodities in Industrial Minerals, Base and Precious Metals. He will identify the primary targets, brine and clay and arrange Permits (Federal) for drilling and access roads, drilling contractors, water extraction permits from the State of Nevada Division of Water Resources – pump testing and water discharge, Hydrogeologist for evaluation of pump testing, selection of analytical laboratories for brine and core samples (e.g. testing the static porosity).

Jerry has over 45 years of experience in the mining industry, primarily in Mineral Exploration, covering both Base and Precious Metals and in the last 25 years he has focused on the Industrial Minerals sector. His recent emphasis has been on Lithium in brines, Potash in both brines and hard rock (bedded), Borates in both brines and hard rock (bedded). He worked with Rio Tinto Exploration (US Borax) from 1976 to 2005. Within Rio's Industrial Minerals Group (RTX) he implemented the South American Borate Program opening an office in Salta, Argentina and with field crews in Peru, Chile and Bolivia. He was responsible for the management, implementation, evaluation, budgeting and reporting of conclusions and recommendations for this exploration program. The program was focused on Borates, both bedded and brine sourced which also included Potash and Lithium throughout the Puna/Alta Plano.



Figure 3: Clayton Valley Location, Nevada. Sovereign's claims relative to North America's only producing lithium mine, Albermarle's (Rockwood) Silver Peak Mine. Pure Energy's claims about the northern end of SOC's Claim (Figure 2). Pure Energy Minerals report 816,000 tonnes of lithium carbonate equivalent, Inferred Resource NI 43-101 July 2015.

SOC Managing Director Mr Rocco Tassone commented "We are fortunate to have our Clayton Valley Lithium drilling program formalised and overseen by Mr Jerry Aiken. The Clayton Valley is home to the only producing Lithium mine in North America, Albermarle's Silver Peak Mine, the relatively low cost of drilling comparative to Australia and the existence of the Tenova Bateman process available to us to extract lithium product from Li bearing brines, makes SOC's claims extremely prospective".

For further information please contact:

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