

Quarterly Activities Report – March 2016

SOVEREIGN GOLD COMPANY LIMITED

Sovereign Gold Company Limited
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Directors / Officers

Patrick Glovac
Non-Executive Director

Charles Thomas
Non-Executive Director

Rocco Tassone
Managing Director

ASX Symbol: SOC

Mount Adrah Mineral Resource estimate:

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 gold*

** 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 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.*

This quarterly operations report for Sovereign Gold Company Limited (**Sovereign Gold or the Company**) (**ASX Code SOC**) is dated 29 April 2016 and is for the three months ending 31 March 2016.

Corporate

Between January 2016 and March 2016, the Company announced it was conducting an unmarketable Parcel share sale. At the conclusion of the Unmarketable Parcel share sale, 8.1 million shares were acquired from 315 shareholders under the facility and the shares were later sold to unrelated professional or sophisticated investors at \$0.003 per share.

On 1 February 2016 the Company issued 38.8 million new shares at \$0.024 per share to raise \$93,000 additional working capital placed with professional or sophisticated investors.

On 1 March 2016 the Company announced that Charles Thomas had been appointed Chairman and that Simon Bird has resigned as a Director.

On 17 March 2016 Rocco Tassone was appointed Managing Director.

On 30 March 2016 the Company advised that it had received the R&D Tax Incentive refund amounting to \$1.53 million (net) for the years 2012 to 2014 with the 2015 in-preparation.

On 1 April 2016 the Company announced that it was offering a non-renounceable share issue for 2 new shares for every 5 shares held to raise \$1.2 million for working capital.

Operations

ASX: 11 February 2016: Halls Peak Cooperative Drilling update

- The NSW Government extended the New Frontiers Cooperative Drilling program to April 2016 (subsequently lapsed)
- All land access agreements have been finalised
- An initial 1200 metre diamond drilling program is planned for Halls Peak
- Testing to target deep conductor discovered with heliborne VTEM survey

ASX: 19 February 2016: Halls Peak Exploration Update

Halls Peak Exploration Update

The Next Phase of the Drilling program at Halls Peak is designed to test Two Key Target Areas:

- The deep VTEM conductor near the historic Sunnyside Mine (SOC ASX: 11 Feb 2016)
- The extent of High Grade Base Metal and Silver Mineralisation, Gibsons Mine Area
- Discussions ongoing with a number of interested parties regarding participation in the Halls Peak Base Metal Project

VTEM Deep Conductor

A helicopter Versatile Time Domain Electromagnetic (**VTEM**) and aeromagnetic survey of 1,222 line kilometres was flown by Frontier Capital Group Limited (formally Precious Metal Resources Limited) (**FCG**) over EL 4474, EL 5339 and EL 7679 in 2013 (FCG ASX: 2 January 2013).

The VTEM survey distinguished electrically conductive horizons that extend over an area of at least 14km². These conductors could potentially be interpreted as horizons containing base metals.

The large deep conductor drilling target near the historic Sunnyside Mine has been previously released to market (SOC ASX: 11 February 2016).

Gibsons Mine Area

Diamond drill holes have been planned for the Gibsons Mine area to test the vertical and lateral extent of the high grade base metal and silver lodes reported by FCG in 2014. Holes are also planned to intersect other historical lodes within the Gibsons Mine area.

Details of drilling at the Gibsons Mine area have been previously reported by FCG (FCG ASX: 5 May 2014)

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 Reserves. Mr Leu consents to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

Tenements

Tenement information required under LR 5.3.3

Tenement No.	Location
New South Wales	
EL 6483**	Armidale
EL 6372*	Adelong
EL 7844*	Gundagai
EL 8127*	Adelong
EL 7491**	Armidale
EL 7768**	Armidale
EL 5339	Halls Peak
EL 4474	Halls Peak
EL 7679**	Halls Peak

Notes:

During the quarter, no tenements were acquired or disposed.

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