



SOVEREIGN GOLD  
COMPANY LIMITED

## **ACCEPT**

Sovereign Gold Company Limited's Offer  
to acquire all or any number of your ordinary shares in  
Precious Metal Resources Limited

### Bidder's Statement

in relation to a recommended Offer by  
Sovereign Gold Company Limited  
(ACN 145 184 667)

to acquire all or any number of your ordinary shares in  
Precious Metal Resources Limited  
(ACN 145 105 148)

The Consideration offered is:

**Nine Sovereign Gold Shares for every ten PMR Shares you own.**

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION AND REQUIRES YOUR IMMEDIATE ATTENTION.  
THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN ANY DOUBT AS  
TO HOW TO DEAL WITH THIS DOCUMENT, YOU SHOULD CONSULT YOUR BROKER, OR YOUR LEGAL,  
FINANCIAL OR OTHER PROFESSIONAL ADVISER AS SOON AS POSSIBLE.

If you are not inclined to accept the Offer immediately please retain this Bidder's Statement and  
the personalised Offer Acceptance Form for future action.

To accept the Offer you should follow the instructions on the enclosed Offer Acceptance Form.

If you have any questions about the Offer, this document or how to accept the Offer, please  
contact the Offer Information Line on +61 2 9251 7177 (normal charges apply).

## IMPORTANT INFORMATION

### Bidder's Statement

This Bidder's Statement is given by Sovereign Gold Company Limited ACN 145 184 667 (**Sovereign Gold**) to Precious Metal Resources Limited ACN 145 105 148 (**PMR**) under Part 6.5 of the Corporations Act and sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire your PMR Shares.

This Bidder's Statement is dated 20 July 2012.

It includes the Offer dated 20 July 2012 made on the Offer terms set out in section 12 and subject to the Defeating Conditions in section 13.

A copy of this Bidder's Statement was lodged with ASIC and ASX 20 July 2012. None of ASIC, ASX nor any of their officers takes any responsibility for the content of this Bidder's Statement.

### Notice to Foreign Shareholders

The distribution of this document and the making of the Offer may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. This document has been prepared having regard to Australian disclosure requirements and Australian accounting standards. These disclosure requirements and accounting standards may differ from those in other countries.

The treatment of Offers to Foreign Shareholders is dealt with in section 12.9 of this Bidder's Statement.

### Forward-looking statements

Statements contained in this document may contain forward-looking statements including statements with respect to Sovereign Gold's current intentions (which include those in section 7), statements of opinion and predictions of possible future events. Statements in this document that are not historical facts are 'forward-looking statements'.

Where a forward-looking statement appears in this document the maker of that statement has reasonable grounds for making the statement.

Forward-looking statements relate to future matters and are subject to inherent risks and uncertainties. These risks and uncertainties include risks that are specific to the mining industry as well as matters such as general economic conditions, many of which are outside the control of Sovereign Gold and its directors. These factors may cause the actual results, performance or achievements of Sovereign Gold, PMR or the Merged Group to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forward-looking statements. The past performance of Sovereign Gold is not a guarantee of future performance.

The forward-looking statements do not constitute a representation that future profits (or any other matter) will be achieved in the amounts or by the dates indicated and are presented as a guide to assist PMR Shareholders in assessing the Offer. The financial information and other forward-looking statements are based on information available to Sovereign Gold or PMR at the date of this document and should be read in conjunction with the assumptions underlying their preparation as set out in section 8.4 Actual outcomes may differ materially from the events, intentions or results expressed or implied by any forward-looking statement in this document.

None of Sovereign Gold, its officers, or persons named in this document with their consent or any person involved in the preparation of this document makes any representation or warranty (express or implied) as to the accuracy or likelihood

of fulfilment of any forward-looking statement, or any intentions or outcomes expressed or implied in any forward-looking statement. You are cautioned not to place undue reliance on any forward-looking statement, having regard to the fact that the outcome may not be achieved. The forward-looking statements in this document reflect views held only as at the date of this document.

### Estimates and assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this document are references to estimates, assumptions and derivations of the same by Sovereign Gold management. Management estimates and assumptions are based on views at the date of this document, and actual facts or outcomes may be materially different from those estimates and assumptions.

### Investment decisions

The information provided in this document is not investment advice and has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. You should seek independent financial and taxation advice from your financial or other professional adviser before deciding whether to accept the Offer.

### Notice to PMR Shareholders in New Zealand

In offering Sovereign Gold Shares under the Offer in New Zealand, Sovereign Gold is relying on the Securities Act (Overseas Companies) Exemption Notice 2002. This document is not a prospectus or an investment statement under New Zealand law, and does not contain all the information that a prospectus or investment statement is required to contain under New Zealand law. New Zealand investors should seek their own advice and satisfy themselves as to the Australian and New Zealand tax implications of participating in the Offer.

### Internet sites

Each of Sovereign Gold and PMR maintains an internet site.

The Sovereign Gold internet site is at the URL [www.sovereigngold.com.au](http://www.sovereigngold.com.au) and the PMR internet site is at the URL <http://pmrl.com.au>. Information contained in or otherwise accessible through these internet sites is not a part of this document. All references in this document to these internet sites are for your information only.

### Privacy

Sovereign Gold, and its share registry Computershare Investor Services Pty Limited, may collect your information from the register of PMR Shareholders for the purposes of making the Offer. If you accept the Offer your information may be used to administer your holding of Sovereign Gold Shares. Your information may be disclosed on a confidential basis to Sovereign Gold or its related bodies corporate and external service providers, and may be required to be disclosed to regulators, such as ASIC.

### Defined terms

A number of defined terms are used in this document. Unless expressly specified otherwise, defined terms have the meaning given in the Glossary in section 15. All references to \$, \$A, dollars, c and cents are to Australian currency unless specified otherwise.

### Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this document are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this document.

## **ACCEPT NOW**

**Sovereign Gold is offering nine Sovereign Gold Shares for every ten PMR Shares you own.**

- **The Offer represents a premium of 27.27% on the closing sale price for PMR Shares on 9 July 2012<sup>1</sup> and 23.94% premium based on the companies' respective 90 market trading day VWAP to 9 July 2012<sup>2</sup>.**
- **PMR Shareholders will receive shares in Sovereign Gold, which is a more diversified company with a broader portfolio of projects and greater resources to manage both companies' projects.**
- **Sovereign Gold is better placed to raise the substantial development capital required to develop PMR's projects.**

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<sup>1</sup> Being the last ASX trading day before each company announced the proposed Merger.

<sup>2</sup> Based on PMR's 90 market trading day VWAP to 9 July 2012 of 21.5 cents and Sovereign Gold's 90 market trading day VWAP of 26.7 cents to 9 July 2012.

## 1. KEY DATES

Announcement Date	10 July 2012
Register Date	23 July 2012
Bidder's Statement lodged with ASIC and dated	20 July 2012
Offer open	27 July 2012
Offer Closing Date (unless extended or withdrawn)	7:00 pm (AEST) 27 August 2012

*\* PMR has given its consent to Sovereign Gold despatching this Bidder's Statement to PMR Shareholders on the date the Offer opens, being a date earlier than would otherwise apply under section 633 of the Corporations Act.*

## 2. HOW TO ACCEPT

**Your Offer Acceptance Form must be received in sufficient time for your instructions to be processed by 7:00 pm (AEST) on 27 August 2012 unless the Offer is extended.**

Subject to sections 12.5 of this Bidder's Statement the Offer may be accepted for all, or any number of your PMR Shares.

### For Issuer Sponsored Holdings of PMR Shares

If your PMR Shares are held on PMR's issuer sponsored sub-register (that is, if there is an 'I' appearing before your holder number on the enclosed Application Form), complete, sign and return the Offer Acceptance Form in accordance with the instructions on it.

### For CHESS Holdings of PMR Shares

If your PMR Shares are held in a CHESS Holding (that is if there is an 'X' appearing before your holder number on the enclosed Application Form), either:

- (a) contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf; or
- (b) complete sign and return the Offer Acceptance Form in accordance with the instructions on it.

Post your completed Application Form in the enclosed reply paid envelope to:

Computershare Investor Services Pty Ltd  
GPO Box 52  
Melbourne VIC 3001

For more details on how to complete your Offer Acceptance Form see section 12.6 of this Bidder's Statement. If you have any questions about the Offer or this document or about how to accept the Offer, please contact the Sovereign Gold Offer Information Line on +61 2 9251 7177 (normal charges apply).

## 3. JORC QUALIFYING STATEMENTS

The information in this Bidder's Statement that relates to Exploration Information is based on information compiled by Michael Leu who is a member of 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 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Resources. Mr Leu consents to the inclusion in this Bidder's Statement announcement of the Exploration Information in the form and context in which it appears.

## TABLE OF CONTENTS

1. Key Dates .....	2
2. How to Accept .....	2
3. JORC Qualifying Statements .....	2
Table of Contents.....	3
<b>1. REASONS WHY YOU SHOULD ACCEPT SOVEREIGN GOLD'S OFFER .....</b>	<b>5</b>
<b>2. FREQUENTLY ASKED QUESTIONS.....</b>	<b>6</b>
<b>3. PROFILE OF SOVEREIGN GOLD .....</b>	<b>10</b>
<b>4. SOVEREIGN GOLD'S FINANCIAL INFORMATION .....</b>	<b>18</b>
<b>5. INFORMATION ABOUT SOVEREIGN GOLD SECURITIES .....</b>	<b>20</b>
<b>6. PROFILE OF PMR.....</b>	<b>24</b>
<b>7. SOVEREIGN GOLD'S INTENTIONS IN RELATION TO PMR .....</b>	<b>31</b>
<b>8. PROFILE OF THE MERGED GROUP.....</b>	<b>33</b>
<b>9. INVESTMENT RISKS.....</b>	<b>40</b>
<b>10. TAXATION INFORMATION .....</b>	<b>45</b>
<b>11. OTHER MATERIAL INFORMATION .....</b>	<b>48</b>
<b>12. FORMAL TERMS OF THE OFFER .....</b>	<b>52</b>
<b>13. CONDITIONS OF THE OFFER .....</b>	<b>61</b>
<b>14. APPROVAL OF THE BIDDER'S STATEMENT .....</b>	<b>63</b>
<b>15. GLOSSARY.....</b>	<b>64</b>
CORPORATE DIRECTORY .....	70
Annexure A.....	71
Annexure B .....	72
Annexure C .....	73



SOVEREIGN GOLD  
COMPANY LIMITED

ACN 145 184 667

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20 July 2012

Dear PMR Shareholder,

On behalf of the Board of Sovereign Gold Company Limited (**Sovereign Gold**), we are pleased to enclose an Offer to acquire all of your Shares in Precious Metal Resources Limited (**PMR**).

The Offer is nine Sovereign Gold Shares for every ten PMR Shares you hold.

Although PMR holds good quality prospective tenements, Sovereign Gold believes in the long-term development potential of PMR's exploration assets which include base metals and potentially gold in the exploration licences that PMR holds in its own right.

By moving the PMR assets into the Sovereign Gold we will be able to continue to extend the Sovereign Gold expertise into these PMR tenements in parallel with Sovereign Gold's exploration programmes.

Sovereign Gold's Offer of nine Sovereign Gold Shares for every ten PMR Shares:

- (a) provides you value representing a premium to PMR's closing price for the PMR Shares before the announcement of Sovereign Gold's intention to make the Offer;
- (b) allows you to become a shareholder in a more diversified company with a broader portfolio of projects and greater resources to develop PMR's assets; and
- (c) allows you to maintain an interest in PMR's exploration projects.

If Sovereign Gold's Offer for PMR is successful, the Merged Group will emerge as a stronger and more diversified group and one with greater capacity to attract interest from the wider investment community.

I am confident the Merged Group, with its broader asset base, will be better placed to withstand cyclical downturns in metal prices and volatility in the broader financial markets.

PMR is required to appoint an independent expert to assess whether, in the expert's opinion, Sovereign Gold's Offer is fair and reasonable to PMR Shareholders. PMR's Target's Statement, which will provide the Independent Expert's Report and includes all the information known to PMR that you would reasonably require to decide whether or not to accept the Offer, has been sent to you at the same time as this Bidder's Statement.

As with any investment there are risks and these are described in section 9 of this document.

The Offer is open until 7:00 pm (AEST) on 27 August 2012 (unless extended under the Corporations Act). If you have any questions about the Offers please do not hesitate to contact the Sovereign Gold Offer Information Line on +61 2 9251 7177 (normal charges apply).

Yours faithfully

John Dawkins AO,  
Chairman

**1. REASONS WHY YOU SHOULD ACCEPT SOVEREIGN GOLD'S OFFER**

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**1.1 The Offer provides a premium on PMR Shares**

The Offer represents a premium of 27.27% on the closing sale price for PMR Shares on 9 July 2012<sup>3</sup> and a 23.94% premium based on the companies' respective 90 market trading day VWAP to 9 July 2012<sup>4</sup>.

**1.2 You will hold shares in a more diversified company**

PMR Shareholders will receive fully paid ordinary shares in Sovereign Gold, which is a more diversified company that has a broader portfolio of projects and greater resources to manage both companies' projects.

**1.3 Sovereign Gold is better placed to develop PMR's assets**

Sovereign Gold is better placed to raise the substantial development capital required to develop PMR's projects.

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<sup>3</sup> Being the last trading day prior to when both companies announced the proposed Merger.

<sup>4</sup> Based on PMR's 90 market trading day VWAP to 9 July 2012 of 21.5 cents and Sovereign Gold's 90 market trading day VWAP of 26.7 cents to 9 July 2012.

**2. FREQUENTLY ASKED QUESTIONS**

The information in this section is a summary only of Sovereign Gold's Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement and PMR's Target's Statement sent to you at the same time as this Bidder's Statement, before deciding whether to accept the Offer.

<b>Question</b>	<b>Answer</b>	<b>Further information</b>
<i>What is Sovereign Gold's Offer?</i>	Sovereign Gold is offering to buy up to 100% of Your PMR Shares by way of an off-market takeover bid by issuing to you nine Sovereign Gold Shares for every ten PMR Shares you hold.	Section 12
<i>Who is making the Offer?</i>	The Offer is being made by Sovereign Gold Company Limited.	Section 3
<i>Are there any conditions to the Offer?</i>	In summary, the Offer is subject to the following Defeating Conditions which must be met or waived: <ul style="list-style-type: none"> <li>(a) Sovereign Gold acquiring a Relevant Interest in at least 80% (by number) of PMR Shares;</li> <li>(b) receipt of all required Regulatory Approvals;</li> <li>(c) no restraint arising that adversely affects the Offer;</li> <li>(d) no conduct by PMR that is outside its ordinary course of business; and</li> <li>(e) no PMR Prescribed Occurrence occurring; and</li> <li>(f) no PMR Material Adverse Change occurring.</li> <li>(g) representations regarding PMR's issued securities continue to be true and correct.</li> </ul>	Section 13
<i>What happens if the Defeating Conditions are not waived or satisfied?</i>	If the Defeating Conditions to the Offer are not satisfied or waived by the Closing Date, including any extensions to the Closing Date, the Offer will lapse and you will retain your PMR Shares.	Section 12.11



2 – FREQUENTLY ASKED QUESTIONS Cont.

Question	Answer	Further information
<i>What is this Bidder's Statement?</i>	This Bidder's Statement sets out the terms of the Offer for all or any number of your PMR Shares and information relevant to your decision on whether or not to accept the Offer. It has been issued by Sovereign Gold under Part 6.5 of the Corporations Act for distribution to PMR Shareholders. This Bidder's Statement is an important document. If you are in any doubt as to how to deal with this Bidder's Statement, you should consult your Broker or your legal, financial or other professional adviser as soon as possible.	
<i>What happens if I accept the Offer for my PMR Shares?</i>	If you accept the Offer for all or any number of Your PMR Shares and the Defeating Conditions are satisfied or waived, Sovereign Gold will acquire your PMR Relevant Shares. In return you will receive nine Sovereign Gold Shares for every ten PMR Relevant Shares you own.	Sections 12 and 13
<i>When will I receive the Offer Consideration?</i>	If you accept the Offer and the contract resulting from your acceptance becomes unconditional you will receive the Offer Consideration on or before the earlier of: <ul style="list-style-type: none"> <li>(a) one month after the date the Offer is validly accepted by you or, if the Offer is subject to Defeating Conditions when you accept the Offer, within one month after the takeover contract resulting from your acceptance of the Offer becomes unconditional; and</li> <li>(b) 21 days after the end of the Offer Period.</li> </ul>	Section 12.8
<i>What if I accept the Offer and Sovereign Gold then increases the Offer Consideration with respect to the Offer?</i>	You will receive the increased Offer Consideration even though you had already accepted the Offer.	
<i>Do I have to pay stamp duty or brokerage charges if I accept the Offer?</i>	There is no stamp duty or brokerage payable in relation to the Offer.	
<i>When does the Offer close?</i>	The Offer closes at 7:00 pm (AEST) on 27 August 2012 unless extended under the Corporations Act. You will receive written notification of any extension.	

2 – FREQUENTLY ASKED QUESTIONS Cont.

Question	Answer	Further information
<i>Can I accept the Offer in respect of part of my holding?</i>	Yes, you may accept the Offer in respect of all or any number of Your PMR Shares (subject to section 12.5(e) to (f) of this Bidder's Statement relating to certain trustees and nominees).	Section 12.5(e) to (f)
<i>Are there any risks in accepting the Offer?</i>	There are a number of risks that may have a material impact upon the implementation of the Offer, the future performance of the Merged Group and the value of Sovereign Gold Shares including Sovereign Gold's ability to get its projects into production and normal market risks.	Section 9
<i>As a PMR Shareholder what choices do I have?</i>	<p>As a PMR Shareholder you have the following choices in respect of Your PMR Shares:</p> <ul style="list-style-type: none"> <li>(a) accept Sovereign Gold's Offer either in whole or in part;</li> <li>(b) sell Your PMR Shares on ASX (unless you have previously accepted the Offer); or</li> <li>(c) do nothing.</li> </ul>	
<i>What are the tax implications if I accept the Offer?</i>	You should seek your own advice. Section 10 contains a general summary of the likely major Australian tax consequences for PMR Shareholders who accept the Offer.	Section 10
<i>How do I accept the Offer?</i>	To accept the Offer you should follow the instructions set out in section 12.	Section 12
<i>Can I withdraw my acceptance?</i>	Under the terms of the Offer you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.	

## 2 – FREQUENTLY ASKED QUESTIONS Cont.

Question	Answer	Further information
<i>What happens if I do not accept the Offer?</i>	<p>If you do not accept the Offer, you will remain a PMR Shareholder.</p> <p>If Sovereign Gold acquires a Relevant Interest in 90% or more of PMR Shares the other conditions of the Offer are either satisfied or waived, and it is entitled to do so under the Corporations Act, Sovereign Gold intends to proceed to compulsorily acquire your PMR Shares which Sovereign Gold will be entitled to compulsorily acquire in accordance with the Corporations Act. In that case, you will not be paid the consideration for your PMR Relevant Shares until the end of the compulsory acquisition process.</p> <p>If Sovereign Gold acquires a Relevant Interest in at least 80% but fails to acquire a Relevant Interest in 90% or more of PMR's Shares and the other conditions of the Offer are either satisfied or waived, you will become a minority shareholder in PMR. Sovereign Gold's current intentions in relation to PMR if this occurs are set out in section 7.4.</p>	
<i>Where do I go for further information?</i>	<p>If you have any questions about Sovereign Gold's Offer, this Bidder's Statement or how to accept the Offer, please contact the Offer Information Line on +61 2 9251 7177 (normal charges apply).</p> <p>If you are in any doubt as to how to deal with this document you should consult your Broker or your legal, financial or other professional adviser as soon as possible.</p>	

### **3. PROFILE OF SOVEREIGN GOLD**

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#### **3.1 Sources of information**

Sovereign Gold Company Limited (**Sovereign Gold**) is a "disclosing entity" for the purposes of the Corporations Act and as such is subject to Australian Securities Exchange (**ASX**) continuous reporting and disclosure obligations.

Copies of documents lodged with ASIC in relation to Sovereign Gold may be obtained from, or inspected at, an ASIC office.

Sovereign Gold will provide a copy of Sovereign Gold's Annual Financial Statements for the year ended 31 December 2011 free of charge to any PMR Shareholder who requests a copy during the Offer Period.

#### **3.2 Introduction**

Sovereign Gold is an ASX listed junior explorer, exploring for gold and other precious metals in Australia and Malaysia. Sovereign Gold was officially admitted to the ASX on 29 November 2010 and quoted on the ASX on 3 December 2010.

#### **3.3 Relevant Interests and voting power in PMR**

At the date of this Bidder's Statement, Sovereign Gold has a Relevant Interest in no PMR Shares, representing nil% of the issued capital of PMR.

Because Sovereign Gold has Relevant Interests in PMR Shares representing nil%, Sovereign Gold has nil% voting power in PMR.

#### **3.4 Sovereign Gold's Background**

Sovereign Gold is exploring large Intrusion-Related Gold Systems (**IRGS**) at the Rocky River-Uralla Goldfield in New South Wales and in the Eastern and Central Gold Belts of Peninsular Malaysia.

Sovereign Gold's Rocky River-Uralla Goldfield Project covers 2,400 square kilometres.

The project is located around the township of Uralla, 21km southwest of Armidale, New South Wales, Australia, with access to infrastructure. It is close to major roads, rail, airport, labour source, university, power, and engineering.

Sovereign Gold's exploration objective is to locate the hard rock gold sources.

#### **3.5 Exploration**

Sovereign Gold's tenements bear significant similarities to one million ounce IRGS projects globally. They house a large grassroots discovery in a historic gold province surrounded by ideal road, rail and coastal infrastructure to support a future operation and they continue to offer significant exploration upside.

Sovereign Gold's IRGS has striking similarities to the 28 million ounces Donlin Creek IRGS deposit (gold in dykes like Martins Shaft) of the Yukon-Alaska running Tintina Gold Province.

Current exploration and research substantiates that the auriferous system of the Rocky River-Uralla Goldfield is emerging as one of the best defined examples of an IRGS found in Australia. The newly discovered mineralised system has a plethora of characteristics distinctly diagnostic of the classic, extensively researched IRGS discovered in the vast Tintina Gold Province of Alaska and Yukon. IRGS are a newly-defined (1999) deposit classification based mainly on well-studied deposits in Alaska and Yukon (Hart, 2005). An integrated interpretation of geological, geophysical, geochemical and metallogenic data to determine the size and intensity of the gold-bearing mineral system exposed in the Rocky River-Uralla Goldfield has confirmed the existence of a very large, attractive target.

3 - PROFILE OF SOVEREIGN GOLD Cont.

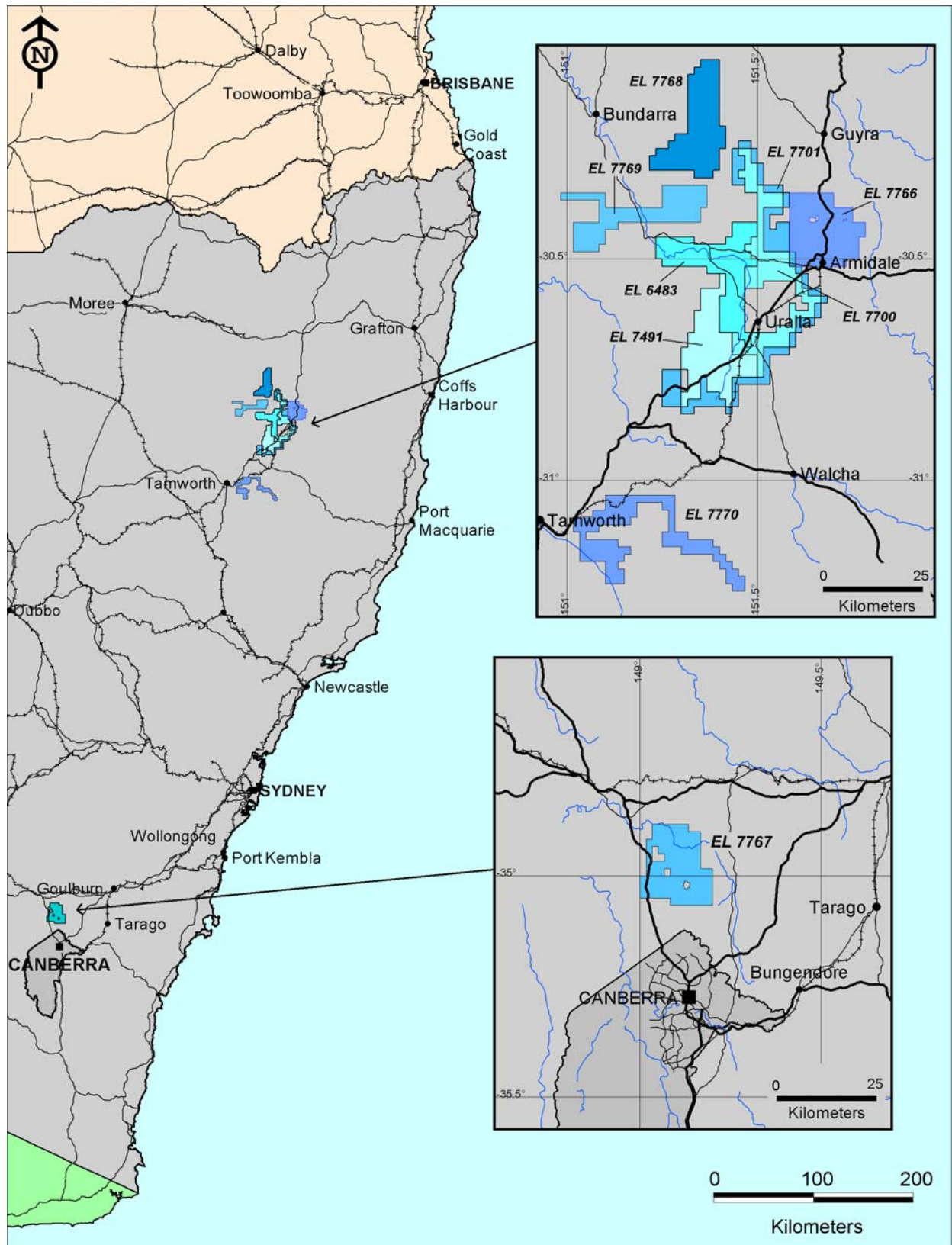


Figure 1 – Location of Granted Sovereign Gold Exploration Licences, regional NSW context, held by 100% owned subsidiaries of Sovereign Gold Company Limited.

### **3.6 Sovereign Gold Projects**

#### **Rocky River-Uralla Goldfield Exploration Highlights**

- (a) Exploration, although in the very earliest of stages, has already resulted in the discovery of significant gold mineralisation and the identification of many more potential drill targets.
- (b) Drilling has confirmed the presence of a large, newly discovered IRGS at the Rocky-River Uralla Goldfield. 'Proof of Concept' validates the potential for a major gold discovery.
- (c) The gold mineralisation discovered at Martins Shaft and the Goldsworth Mine is very significant as this style of mineralisation was predicted from the application of Sovereign's IRGS Model.
- (d) Sovereign Gold is now a leader in exploration of IRGS and through application of its exploration team's new understanding on the controls on gold mineralisation within these large systems has identified several high priority targets for drilling in 2012.
- (e) A detailed low-level airborne magnetic and radiometric survey has been completed that revealed the location of many long gold-channelling conduits.
- (f) Potential exists for the discovery of multiple Martins Shaft-type deposits, of similar and larger size, within the large IRGS. Sovereign's well-calculated drill programmes have defined a multitude of targets, over 15 separate gold-bearing deposits and numerous geochemical anomalies, in a large 60 square kilometre mineralising system.
- (g) Multiple drill ready targets have been identified for the 2012 drilling campaign. These include several known and other recently discovered hard rock gold targets, as well as several targets on the largely unexplored 41 kilometres long magnetic linear that host several historic gold occurrences.
- (h) Senior Geoscientists from the NSW Geological Survey are collaborating with Sovereign Gold as the new understanding of these gold systems has potential to invigorate gold exploration in the New England Fold Belt.

#### **Martins Shaft**

The gold mineralisation at Martins Shaft is very significant as this style of mineralisation was predicted from the application of Sovereign Gold's IRGS Model. The mineralisation comprises sheeted veins and disseminated gold mineralisation within a felsic dyke and confirms the potential of the large IRGS to host several primary hard rock gold deposits.

The felsic dyke has acted as a brittle host for magmatic fluids. It is clear from the presence of gold mineralisation and associated alteration that igneous textures are very conducive to the permeation/dissemination of gold-bearing fluids. Potential exists for multiple Martins Shaft-type deposits, of similar and larger size, within the large IRGS. Associated sulphide mineralisation consists of pyrite, arsenopyrite and stibnite.

#### **Vickers Prospect**

Vickers Prospect is located 1.85km north-east of the gold mineralisation at Martins Shaft. Seven shallow reverse circulation drill holes were completed at Vickers Prospect. The depth of most holes ranged from 51-69 metres. All holes intersected wide spread phyllic alteration and some anomalous gold. Mineralisation is associated with the long conduit of the main magnetic linear.

Anomalous gold was encountered in some intervals of the other holes associated with silica flooding and variable sulphides (pyrite dominant, lesser arsenopyrite) and alteration veining.

3 - PROFILE OF SOVEREIGN GOLD Cont.

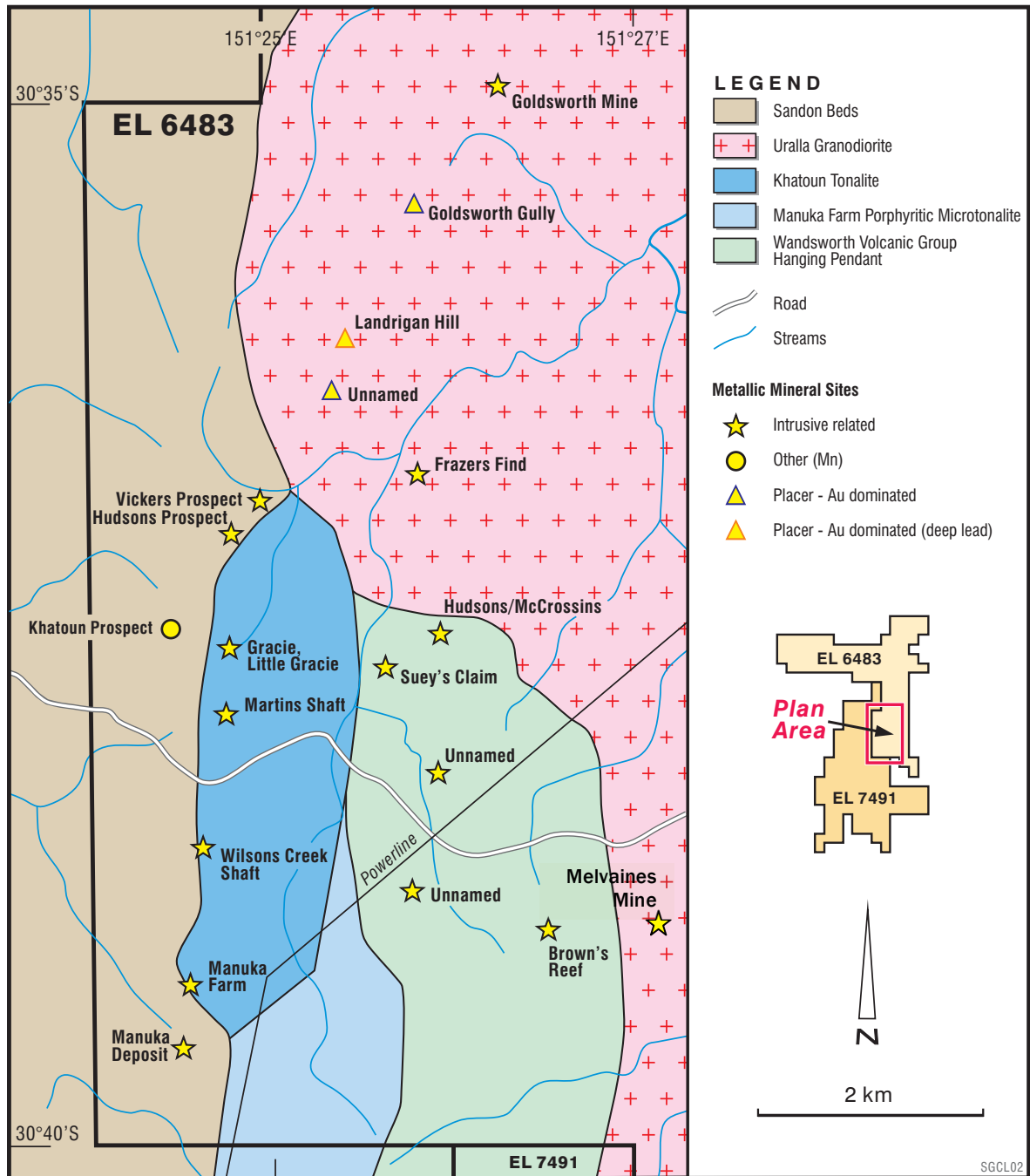


Figure 2 – Sovereign Gold Rocky River-Uralla Goldfield Projects

### **Goldsworth Mine**

The Goldsworth Mine area was the first drill target located on the 41km long magnetic linear. The objective at Goldsworth was to drill test immediately along strike of and below the historical mine workings, and to test the magnetic linear for gold mineralisation over a significant strike length. Most holes were shallow and targeted to test the magnetic linear at less than 60 metres vertically. Each hole intersected a zone of strong phyllic alteration, pyrite, arsenopyrite, green sericite and quartz. Narrow zones of gold mineralisation ranging from 1-4 metres wide (down-hole width) were recorded.

Gold mineralisation was primarily present associated with sheeted quartz-sulphide veins and disseminated phyllic alteration within the Uralla Granodiorite. Some dykes were encountered in drill holes but most mineralisation was associated with veining and alteration.

The Goldsworth Mine area was tested over a strike length of 700 metres.

Although exploration is at a very early stage, it seems that the magnetic linear is defining a zone of intense hydrothermal alteration, marking a structure that has provided a pathway for hydrothermal fluids and gold mineralisation. Along with drilling at Martin Shaft, early results from Goldsworth have confirmed the existence of a large IRGS. There are untested targets over many kilometres that are either on/or immediately adjacent to the magnetic linear.

The magnetic linear at Goldsworth is highly anomalous with respect to gold; squirts of mineralisation are very encouraging and support deeper drilling to test the potential at Goldsworth. It is noteworthy that the zone of mineralisation appears widening at depth in places. The gold mineralisation intersected may potentially be derived from a larger, 'blind' (concealed) gold-bearing pluton that has intruded the structure hosting the magnetic linear. The source of the gold mineralisation lies open both vertically and laterally (over several kilometres).

### **Gracie and Little Gracie Mines**

Several drill targets have been identified at the Gracie Mines including testing a zone of sheeted veins and the main lode along strike and at depth.

### **Wilson's Creek**

The mineralisation at Wilson's Creek is associated with a shear zone breccia that is potentially kilometres long. A series of pits/shallow shafts on this structure establishes that it is at least 660 metres.

The main mineralised shear zone extends through metasediments of the Sandon Beds and also impacts some late stage porphyritic quartz microdiorite dykes. Drilling demonstrated the main shear zone within the metasediments is generally less than one metre wide.

Widespread disseminated and sheeted vein alteration associated with gold in porphyritic quartz microdiorite dykes is significant as it indicates the potential for repetition of Martins Shaft-style mineralisation where gold-bearing magmatic fluids channelled by the long Wilson's Creek structure interact with intrusives.



### 3.7 JORC Code Compliant Public Reports

This Bidder's Statement contains summaries of Exploration Results and Mineral Results as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The following table references the location of the Code-compliant Public Reports or Public Reporting on which the summaries are based. This reference may be viewed on the ASX website.

28/06/2012	Geophysics confirms large gold system potential
25/05/2012	Frasers Find Drilling Underway
10/05/2012	2012 Drilling Target Snapshot No. 2
26/04/2012	Drilling Target Snapshot
17/04/2012	Sovereign Gold 2012 Drilling Program Commences
02/04/2012	Gold Mine Discoveries Continue
26/03/2012	Frasers Find Found - High gold and silver grades
16/03/2012	Martins Shaft 2011 Wrap Up
21/02/2012	Higher Gold Grades in Diamond Holes
14/02/2012	Higher Gold results from improved sampling
17/11/2011	Confirmation of New Major Gold Bearing Structures
19/10/2011	Free Gold Discovered at Reedy Creek
28/09/2011	Early Success following Airborne Magnetic Survey
24/08/2011	Airborne Survey Completed Successfully
02/08/2011	Ibam Hills Gold Project Presentation
07/07/2011	Good gold grades - drilling update
28/06/2011	High Grade Gold Intercepts
20/06/2011	Goldsworth Mine Drilling Update
24/05/2011	SOC - 119 Metres Gold Intersection
11/05/2011	Successful First Pass Gold RC Program Completed
15/04/2011	Presentation by Chief Geologist
28/03/2011	New Target - Vickers 1 oz. Gold Source
15/03/2011	325m Gold Extension
01/03/2011	Alluvial Gold Source Identified
24/02/2011	Accelerated Drilling Program
15/02/2011	IRGS confirmed at Rocky River-Uralla Goldfield
21/01/2011	2011 Drilling Underway - Testing Martin`s Shaft
14/12/2010	Sovereign Gold commences drilling
28/09/2010	Sovereign Gold Company Limited: Prospectus

### **3.8 Information on Sovereign Gold's directors & management**

#### **Directors**

##### **John S Dawkins, AO BEd, RDA Non-Executive Chairman**

Mr Dawkins' earliest exposure to the mining industry was when, as Minister for Trade in the Hawke Government, he was responsible for the administration of export controls on certain minerals until he proposed the abolition of these arrangements in order to improve the operation of the market.

During his time in Government he also served in a number of other portfolios including Treasurer. Since leaving politics he has been an occasional adviser to the World Bank and OECD and has held a number of board positions including Elders Rural Bank (now Rural Bank); Sealcorp Holdings (now Asgard Wealth Solutions); and his current appointments are with the listed companies Tiaro Coal Limited; MGM Wireless and Integrated Legal Holdings and the unlisted Government Relations Australia Advisory Ltd. He also chairs the Australian Qualifications Framework Council and the Board of Governors of the Institute for International Trade at the University of Adelaide.

Mr Dawkins is a non-executive and independent Director.

##### **Michael Leu, B Sc. (Hons 1st Class) Chief Executive Officer & Chief Geologist**

Michael Leu is a geologist with over 30 years professional experience in exploration and mining across a range of mineral commodities within Australia and some Pacific and Asian countries.

He has worked in industry (Freeport, Getty Oil, Queensland Ores), as a private consultant and for seven years on the academic staff of Macquarie University.

He has extensive expertise in mineral exploration for epithermal and porphyry gold±Cu deposits; intrusion-related gold systems; metahydrothermal gold, greisen-hosted molybdenite, wolfram and tin; volcanic-hosted massive sulphides; chromite; uranium, alluvial gold and platinum and a range of industrial minerals.

Mr Leu is currently a Non-Executive Director of PMR.

##### **Peter J Meers, BA (Economics) FAIB Non-Executive Director**

Peter Meers has broad business experience across a range of industries including consumer, commercial and investment banking, securities trading and origination, mining and exploration and building materials. He is Executive Deputy Chairman of Tiaro Coal Limited, a subsidiary of Hudson Resources Limited.

Mr Meers held senior executive positions and portfolio management roles in agribusiness, mining, property and trade finance during a career spanning 25 years with ANZ Bank in Australia and Asia. Past directorships include appointment on company boards in Malaysia, Indonesia and Singapore.

Mr Meers is currently a Non-Executive Director of PMR.

##### **Rado Jacob Rebek Non-Executive Director**

Jacob Rebek is an Australian geologist with forty years' experience in exploration. From 1970 to 2003 he worked for CRA and Rio Tinto in various parts of Australia and overseas. His roles included that of Exploration Manager for Papua New Guinea in the 1970's, South Australia and Northern Territory from 1981 to 1984, Eastern Australia from 1987 to 1993 and Exploration Director for South America from 1997 to 2000.

He led teams which discovered new zinc, copper and gold deposits. Since 2003, he worked for emerging companies, generating new projects. In 2006, he started working for Hudson Resources as Chief Geologist.

**Officers**

**David Hughes**  
**Joint Company Secretary**

Mr Hughes has held similar positions with other listed companies for over 20 years. He is currently the Company Secretary of the following ASX listed public companies; Latrobe Magnesium Limited, Hudson Investment Group Limited, and joint company secretary for Hudson Resources Limited, Tiaro Coal Limited, Australian Bauxite Limited, Empire Energy Group Limited and Raffles Capital Limited.

**Henry Kinstlinger**  
**Joint Company Secretary**

Henry Kinstlinger has the past thirty years been actively involved in the financial and corporate management of a number of public companies and non-governmental organisations. He is a corporate consultant with broad experience in investor and community relations and corporate and statutory compliance. He is currently the joint company secretary of Australian Bauxite Limited, Raffles Capital Limited and PMR.

**Francis Choy, MComm, MBA, FCPA (HK), FCPA**  
**Chief Financial Officer**

Francis Choy has held a number of senior positions in corporate financial management roles throughout Australia and South East Asia. He has extensive experience in project finance, compliance, acquisition and investment appraisals. He has been involved in project financial, financial management of property development and telecommunication projects in South East Asia. He held senior financial roles for numerous public listed companies both in Hong Kong and Australia, including PMR.

**3.9 Sovereign Gold Directors' interests in PMR Shares and PMR Options**

As at the date of this Bidder's Statement, the Sovereign Gold Directors had the following Relevant Interests in PMR Shares and PMR Options:

<b>Name of Director</b>	<b>Number of PMR Shares</b>	<b>Number of PMR Options</b>
John Dawkins	Nil	Nil
Jacob Rebek	Nil	Nil
Peter Meers	Nil	250,000
Michael Leu	2,500,000	250,000

PMR Shares and PMR Options may be held either directly or indirectly by a Sovereign Gold Director.

#### 4. SOVEREIGN GOLD'S FINANCIAL INFORMATION

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##### 4.1 Source of Information

The information in this section 4 is only a summary of Sovereign Gold's historical financial information. Full details of Sovereign Gold's historical financial information, including applicable notes and the accounting policies underlying their preparation, are contained in Sovereign Gold's yearly financial report for the year ended 31 December 2011 which can be found on the Sovereign Gold website and in Sovereign Gold's past announcements to the ASX.

##### 4.2 Summary Sovereign Gold Consolidated Income Statement

	2011	5 months to end December 2012
	\$	\$
<b>Revenue</b>	<b>184,501</b>	10,215
	<b>184,501</b>	10,215
Exploration expenses	(1,225,537)	(255,765)
Finance costs	(6,320)	(266)
Share based payment expenses	-	(212,130)
<b>(Loss) / Profit before tax</b>	<b>(1,047,356)</b>	(457,946)
Income tax expense	-	-
<b>(Loss) / Profit before tax</b>	<b>(1,047,356)</b>	(457,946)
Other Comprehensive Income		
Other comprehensive income for the year net of tax	-	-
<b>Total Comprehensive Income attributable to members of the Parent Entity</b>	<b>(1,047,356)</b>	(457,946)
Basic earnings/(loss) per share	(1.42)	(2.50)
Diluted earnings/(loss) per share	(1.28)	(1.71)

**4.3 Summary Sovereign Gold Consolidated Balance Sheet**

	31 December 2011 \$	30 June 2011 \$
<b>Current assets</b>		
Cash and cash equivalents	1,413,956	2,857,407
Trade and other receivables	761,477	765,326
Other current assets	99,000	-
<b>Total current assets</b>	<b>2,274,433</b>	<b>3,622,733</b>
<b>Non-current assets</b>		
	-	100,000
Trade and other receivables	-	-
Mining tenements	1,956,726	1,399,804
Financial assets	-	-
Plant and equipment	39,333	43,797
Deferred tax assets	-	-
<b>Total non-current assets</b>	<b>1,996,059</b>	<b>1,543,601</b>
<b>Total Assets</b>	<b>4,270,492</b>	<b>5,166,334</b>
<b>Current liabilities</b>		
Trade and other payables	51,523	251,534
Employee benefits provision	-	19,200
<b>Total current liabilities</b>	<b>51,523</b>	<b>270,734</b>
<b>Non-current liabilities</b>		
Trade and other payable	-	-
Deferred tax liabilities	-	-
Employee benefits provision	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>51,523</b>	<b>270,734</b>
<b>Net assets</b>	<b>4,218,969</b>	<b>4,895,600</b>
<b>Equity</b>		
Issued capital	5,382,756	5,382,756
Reserves	341,515	341,515
Accumulated losses	(1,505,302)	(828,671)
<b>Total equity</b>	<b>4,218,969</b>	<b>4,895,600</b>

## 5. INFORMATION ABOUT SOVEREIGN GOLD SECURITIES

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### 5.1 Sovereign Gold issued securities

As at 30 June 2012, Sovereign Gold has:

- 77,000,000 Sovereign Gold Shares on issue, of which 32,125,000 are quoted on ASX and may be freely traded. The balance of 44,875,000 are restricted securities and will not be quoted before 3 December 2013.
- 7,250,000 unissued ordinary shares under option with an exercise price of 30 cents per option, expiring on 29 November 2013.

### 5.2 Trading of Sovereign Gold Shares

The closing sale price of Sovereign Gold Shares on ASX on 19 July 2012 (being the last Trading Day before lodgement of the Bidder's Statement with ASIC) was 26 cents.

The highest recorded close price of Sovereign Gold Shares on ASX in the four months to the last Trading Day before was 29.5 cents on 4 May 2012.

The lowest recorded close price of Sovereign Gold Shares in the four months to the last Trading Day before was 22 cents on 9 July 2012.

### 5.3 Dividends

Sovereign Gold has not paid dividends. Sovereign Gold reviews its corporate dividend policy regularly and will continue to do so.

### 5.4 Sovereign Gold substantial holders

As at 30 June 2012, the substantial shareholders in Sovereign Gold were:

Name of Shareholder	Number of Sovereign Gold Shares	Approximate % holding
Hudson Resources Limited	40,000,000	51.95%
Mr Li Ren	6,000,000	7.79%
Mr Michael Leu	4,875,000	6.33%
Mr Russel Lay	4,816,000	6.26%
Mr Geng Du Lou	4,000,000	5.19%

### 5.5 Rights and liabilities attaching to the Sovereign Gold Shares offered

A summary of the rights which relate to Sovereign Gold Shares is set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of Sovereign Gold Shareholders.

**Voting:** At a general meeting of Sovereign Gold on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Sovereign Gold Share held by them.

**Dividends:** The Sovereign Gold Shares offered under the Offer will rank equally with all other issued shares in the capital of Sovereign Gold and will participate in dividends out of profits earned by Sovereign Gold from time to time. Subject to the rights of holders of Sovereign Gold Shares of any special preferential or qualified rights attaching thereto, the profits of Sovereign Gold are divisible amongst the holders of Sovereign Gold Shares in proportion to the Sovereign Gold Shares held by them irrespective of the amount paid up or credited as paid up thereon. The Sovereign Gold Directors may from time to time pay to Sovereign Gold Shareholders such interim dividends as in their judgement the position of Sovereign Gold justifies.

**Winding Up:** Upon paying the application moneys, Sovereign Gold Shareholders will have no further liability to make payments to Sovereign Gold in the event of Sovereign Gold being wound up pursuant to the provisions of the Corporations Act.

**Transfer of Securities:** Generally, Sovereign Gold Shares are freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Sovereign Gold Directors may decline to register any transfer of Sovereign Gold Shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

**Sale of Non-Marketable Holdings:** Sovereign Gold may take steps in respect of non-marketable holdings of Sovereign Gold Shares to effect an orderly sale of those Sovereign Gold Shares in the event that holders do not take steps to retain their holdings in accordance with the Constitution and the ASX Listing Rules.

For more particular details of the rights attaching to Sovereign Gold Shares, investors should refer to the Constitution of Sovereign Gold.

## 5.6 Sovereign Gold employee share plan

Sovereign Gold has adopted an ESOP for its employees. A person is an eligible employee of Sovereign Gold if that person is an executive Director, non-executive Director or considered by the Board to be employed by Sovereign Gold or a related party of Sovereign Gold.

The purpose of the ESOP is to provide an opportunity for all eligible employees of Sovereign Gold to participate in the growth and development of Sovereign through participation in the equity of Sovereign Gold.

Sovereign Gold believes it is important to provide incentives to employees in the form of Sovereign Gold Options, which provide the opportunity to participate in the share capital of Sovereign Gold. Sovereign Gold expects to apply the proceeds of exercise of the Sovereign Gold Options to working capital needs, asset or business acquisitions and general corporate purposes. All Sovereign Gold Options to be issued must be consistent with any applicable Listing Rules and having regard to regulatory constraints under the *Corporations Act 2001*, ASIC policy or any other law applicable to Sovereign Gold.

Sovereign Gold Options are issued at no cost to the employee.

The Sovereign Gold Options cannot be transferred, assigned, encumbered or otherwise disposed of unless the Board otherwise agrees.

The Directors have issued the following eligible employees with the following Sovereign Gold Options:

Name	Description	Number of Sovereign Gold Options
AMZALAK, Benjamin	Corporate Relations	500,000
CHOY, Francis	Chief Financial Officer	250,000
DAWKINS AO, John	Director, Chairman	500,000
HUGHES, David	Company Secretary	250,000
KINSTLINGER, Henry	Investor Relations, Company Secretary	500,000
LEU, Michael Roby	CEO, Chief Geologist	750,000
MEERS, Peter	Non-Executive Director	500,000
RAFFAN, Nicholas*	Former Director	750,000
REBEK, Jacob	Director, Consulting Geologist	500,000
		<b>4,500,000</b>
Unallocated		1,250,000
		<b>5,750,000</b>

\* Lapsed pursuant to the ESOP Deed.

All Sovereign Gold Options issued under the ESOP are vested and have an exercise price of \$0.30 and must be exercised at any time up until 5.00 pm 15<sup>th</sup> September 2013. They are not subject to any vesting conditions.

### 5.7 Sovereign Gold Success Options

Success Options have been issued to consultants and advisors who have and will continue to provide services to Sovereign Gold as follows:

<b>Name</b>	<b>Services provided or to be provided</b>	<b>No of Sovereign Gold Options</b>
Arotama Sdn Bhd	Corporate advisory services with respect to SE Asia corporate and financial markets and services	500,000
JT Capital Pty Ltd	Corporate financial advisory services with respect to the Offer	500,000
Safico Sdn Bhd	Corporate advisory services with respect to Malaysian corporate and financial markets and services	500,000
Sing Capital Limited	Corporate advisory services with respect to Chinese corporate and financial markets and services	500,000
Calibre Investments Pty Ltd	Consideration pursuant to Sponsoring Broker and Lead Manager Agreement	500,000
Anything Communications Pty Ltd	Investor, broker and media relations	250,000
		<b>2,750,000</b>

All success options issued have an exercise price of \$0.30 have vested and must be exercised at any time up until 5:00 pm 3 December 2013.

The above consultants and advisors are not related parties to Sovereign Gold.



**5.8 Sovereign Gold top 20 shareholders**

Sovereign Gold's top 20 shareholders as at the date of this Bidder's Statement are listed in the table below.

Holder Name	No. of Sovereign Gold shares
1. Hudson Resources Limited	40,000,000
2. Mr Li Ren	6,000,000
3. Michael Roby Leu	4,875,000
4. Russell Lay	4,816,670
5. Mr Geng Du Lou	4,000,000
6. Sing Capital Pty Ltd	2,902,451
7. Code Nominees Pty Ltd <Mata>	1,958,133
8. Ms Nominees Pte Ltd	1,500,000
9. Mr Benjamin Amzalak	1,250,000
10. Hudson Corporate Ltd	650,300
11. Mr Lip Koon Hwang	500,000
12. Hudson Corporate Ltd	383,000
13. Phillip Securities Pte Ltd <Client Account>	286,270
14. John Christopher Slade	250,000
15. Ms Kaye Howell	214,653
16. Ms Ee Hwee Low	205,349
17. Golds Book & Gift Co	200,000
18. Nefco Nominees Pty Ltd	179,000
19. Agressor Corporation Pty Ltd	150,000
20. Mr Yu Gan Chen	150,000

**5.9 Sovereign Gold Directors' interests in Sovereign Gold Shares and Sovereign Gold Options**

As at the date of this Bidder's Statement, the Sovereign Gold Directors had the following Relevant Interests in Sovereign Gold Shares and Sovereign Gold Options:

Director	Number of Sovereign Gold Shares	Number of Sovereign Gold Options
Peter Meers	10,000	500,000
Michael Leu	4,875,000	750,000
John Dawkins	100,000	500,000
Jacob Rebek	Nil	500,000

Sovereign Gold Shares and Sovereign Gold Options may be held either directly or indirectly by a Sovereign Gold Director.

## 6. PROFILE OF PMR

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### 6.1 Sources of information / disclaimer

PMR is a "disclosing entity" for the purposes of the Corporations Act and as such is subject to ASX continuous reporting and disclosure obligations. The following information about PMR has been prepared by Sovereign Gold using publicly available information and information provided by PMR that has not been independently verified. Accordingly Sovereign Gold does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information regarding PMR in this document should not be regarded as comprehensive.

Information in this section which has been released to ASX by PMR or provided to Sovereign Gold by PMR is dealt with in summary form only. You should refer to the Target's Statement which has been sent to you at the same time as this Bidder's Statement for more information in relation to PMR and you may also wish to view PMR's website at [www.pmrl.com.au](http://www.pmrl.com.au).

A list of announcements made by PMR to ASX between the date of lodgement with ASIC of its annual report for the year ended 31 December 2011 and 19 July 2012 (being the day before the date of lodgement of this Bidder's Statement with ASIC) appears in Annexure C to this Bidder's Statement.

### 6.2 Background

PMR is an exploration company; its projects are the granted tenements in NSW, EL 4474, EL 5339 and EL 7679, located at Halls Peak, 80 km south-east of Armidale and EL 7920 at Tarago.

### 6.3 PMR's capital structure

As at 30 April 2012, PMR had the following classes of securities and number of securities in those classes:

Class of securities	Number of securities in the class
Ordinary shares	85,000,000
Options	3,600,000

At the date of this Bidder's Statement, Sovereign Gold has a Relevant Interest in nil PMR Shares and nil PMR Options.

### 6.4 Market information about PMR Shares

In the four month period prior to the date of the Offer the range of prices of PMR Shares traded were:

Maximum 25 cents 2 April 2012

Minimum 20 cents 9 May 2012

### 6.5 Employee Share Options

PMR operates an ESOP as an incentive to employees and as a retention benefit to Directors and key employees.

A total of 1,950,000 PMR Employee Options have been issued to employees under the PMR ESOP.

PMR Employee Options are unlisted and lapse upon termination of employment of the relevant employee.

All PMR Employee Options vest in the event of a takeover offer.

It is important to note that the Offer does not extend to the PMR Employee Options. Holders of PMR Employee Options may however exercise all of their Options before the end of the Offer Period and obtain PMR Shares, for which they may or may not accept the Offer as they decide.

### 6.6 PMR Success Options

Success Options have been issued to consultants and advisors who have and continue to provide services in connection with PMR as follows:

Name	Services provided or to be provided	No of PMR Options
Anything Communications Pty Ltd	Investor, broker and media relations	250,000
Arotama Sdn Bhd	Corporate advisory services with respect to SE Asia corporate and financial markets and services	250,000
HUGHES, David	Advisor, Corporate compliance	100,000
QIU, Qinjing	Advisor, China and overseas markets	100,000
JT Capital Pty Ltd	Corporate financial advisory services with respect to the Offer	250,000
RAFFAN, Nicholas	Financial and resources analytical services	100,000
Safico Sdn Bhd	Corporate advisory services with respect to Malaysian corporate and financial markets and services	250,000
Sing Capital Limited	Corporate advisory services with respect to Chinese corporate and financial markets and services	250,000
TAN, Luisa	Corporate advisory services - local markets	100,000

The above consultants and advisors are not related parties to PMR.

It is important to note that the Offer does not extend to the PMR Success Options. Holders of PMR Success Options may however exercise all of their Options before the end of the Offer Period and obtain PMR Shares, for which they may or may not accept the Offer as they decide.

### 6.7 Source of financial information

The information in section 6.8 and 6.9 is only a summary of PMR's historical financial information. Full details of PMR's historical financial information, including applicable notes and the accounting policies underlying their preparation, are contained in PMR's annual financial report for the year ended 31 December 2011, copies of which can be found on the PMR website at [www.pmr.com.au](http://www.pmr.com.au) and in PMR's past announcements to ASX.

**6.8 Summary PMR Consolidated Income Statement**

	2011	2010
	\$	\$
<b>Revenue</b>	<b>8,490</b>	-
	<u>8,490</u>	-
Administrative and exploration expenses	(401,479)	(7,923)
Finance costs	(392)	-
Share based payment expenses	(97,246)	-
<b>(Loss)/Profit before income tax</b>	<b>(490,627)</b>	<b>(7,923)</b>
Income tax expense	-	-
<b>(Loss)/Profit after income tax</b>	<b>(490,627)</b>	<b>(7,923)</b>
Other Comprehensive Income		
Other comprehensive income for the year net of tax	-	-
<b>Total comprehensive (loss)/income attributable to members of the consolidated entity</b>	<b>(490,627)</b>	<b>(7,923)</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	(0.75)	-
Diluted earnings/(loss) per share	(0.68)	-

**6.9 Summary PMR Consolidated Balance Sheet**

	2011	2010
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	59,786	-
Trade and other receivables	1,782,343	20,000
Total current assets	<u>1,842,129</u>	<u>20,000</u>
<b>Non-current assets</b>		
Trade and other receivables	638,000	-
Mining tenements	200,250	200,250
Financial assets	-	-
Deferred tax assets	-	-
Total non-current assets	<u>838,250</u>	<u>200,250</u>
<b>Total assets</b>	<u>2,680,379</u>	<u>220,250</u>
<b>Current liabilities</b>		
Trade and other payables	7,897	226,923
Employee benefits provision	4,687	-
Total current liabilities	<u>12,584</u>	<u>226,923</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	-
Employee benefits provision	1,391	-
Total non-current liabilities	<u>1,391</u>	<u>-</u>
<b>Total liabilities</b>	<u>13,975</u>	<u>226,923</u>
<b>Net assets/(Deficiency in net assets)</b>	<u>2,666,404</u>	<u>(6,673)</u>
<b>Equity</b>		
Issued capital	2,985,422	1,250
Reserves	179,532	-
Accumulated losses	(498,550)	(7,923)
<b>Total equity/(Deficiency in total equity)</b>	<u>2,666,404</u>	<u>(6,673)</u>

## **6.10 PMR Board**

### **Information on directors & management**

#### **Directors**

##### **John Foley BD LLB BL (Dub) MAICD Non-Executive Chairman**

Appointed as a Director on 27 May 2011.

Graduating in law from the University of Sydney in 1969, Mr Foley was admitted to practice as a Barrister in New South Wales in 1971, and was called to the Irish Bar in 1989 and admitted as a Member of the Honourable Society of Kings' Inns in Dublin, Ireland.

Mr Foley has over 40 years' experience in the gold mining industry and was a founding Director of the Australian Gold Council, the industry body.

Mr Foley has 20 years' experience as the Chairman of Australian mining company, Citigold Corporation Limited, listed on the ASX and the FSE (Frankfurt Stock Exchange), and with a Level One ADR (American Depository Receipts) program in the USA.

Mr Foley has wide-ranging experience in resources, industrial, manufacturing, legal, financial and investment related industries, with extensive business experience in Australia. His leadership roles have covered a broad scope of senior positions, and his commercial and legal background provides further depth, knowledge and experience to the Company.

Mr Foley is a non-executive and independent Director.

##### **Peter Kennewell B Sc. Chief Executive Officer / Managing Director**

Appointed as a Director on 27 May 2011.

Peter Kennewell has worked for the past 26 years for Cluff Resources Pacific NL as Exploration Manager, with the last 18 years as Managing Director.

Mr Kennewell has successfully overseen the development of mines, from resource evaluation, prefeasibility study, environmental impact approvals, grant of mining tenements and funding arrangements, through to plant and accommodation construction and staffing.

##### **Michael Leu B Sc (Hons 1<sup>st</sup> Class) Non-Executive Director**

Appointed as a Director on 8 July 2010.

Michael Leu is a geologist with over 30 years professional experience in exploration and mining across a range of mineral commodities within Australia and some Pacific and Asian countries. He has worked in industry (Freeport, Getty Oil, Queensland Ores), as a private consultant and for seven years on the academic staff of Macquarie University.

Michael Leu has extensive expertise in mineral exploration for epithermal and porphyry gold±Cu deposits; intrusion-related gold systems; metahydrothermal gold, greisen-hosted molybdenite, wolfram and tin; volcanic-hosted massive sulphides; chromite; uranium, alluvial gold and platinum and a range of industrial minerals.

Mr Leu is currently Chief Executive Officer & Chief Geologist of Sovereign Gold.

##### **Peter J Meers BA (Economics) FAIB Non-Executive Director**

Appointed as a Director on 8 July 2010.

Mr Meers has broad business experience across a range of industries including commercial & investment banking, securities trading and origination, mining & exploration and building materials. Mr Meers held senior executive positions and portfolio management roles in agribusiness, mining, property and trade finance during a career spanning 25 years with ANZ Bank in Australia and Asia.

In the area of financial services he was responsible for establishment of new business operations in China, Vietnam, Philippines and Indonesia.

Mr Meers is currently a Non-Executive Director of Sovereign Gold.

**Bruce Dennis B Com LLM (UNSW)  
Non-Executive Director**

Appointed as a Director on 8 July 2010.

Mr Dennis is a solicitor in Australia with over 30 years' experience. He has practised in areas of personal injury, civil and commercial litigation in the Federal Court, Supreme Court and District Court jurisdictions.

Mr Dennis has considerable experience in identifying commercial and legal risk. His business interests include resource exploration.

**Officers**

**Henry Kinstlinger  
Joint Company Secretary**

Henry Kinstlinger has for the past thirty years been actively involved in the financial and corporate management of a number of public companies and non-governmental organisations. He is a corporate consultant with broad experience in investor and community relations, corporate and statutory compliance. He is currently the joint company secretary of ASX listed companies, Australian Bauxite Limited, Raffles Capital Limited and Sovereign Gold Company Limited.

**Julian Rockett LL.B.  
Joint Company Secretary**

Julian Rockett is currently the joint company secretary for ASX listed public companies, Hudson Resources Limited and Tiaro Coal Limited. Mr Rockett has assisted Company Secretaries to ASX listed Australian Bauxite Limited, Raffles Capital Limited and Sovereign Gold Company Limited. Mr Rockett is in-house counsel.

**Francis Choy M.Comm MBA FCPA (HK) FCPA  
Chief Financial Officer**

Francis Choy has held a number of senior positions in corporate financial management roles throughout Australia and South East Asia. He has extensive experience in project finance, compliance, acquisition and investment appraisals. He has been involved in project financial, financial management of property development and telecommunication projects in South East Asia. He held senior financial roles for numerous public listed companies both in Hong Kong and Australia.

**6.11 PMR Directors' Interest in PMR Shares and PMR Options**

As at the date of this Bidder's Statement, the PMR Directors had the following Relevant Interests in PMR Shares and PMR Options:

<b>Director</b>	<b>Number of PMR Shares</b>	<b>Number of PMR Options</b>
John Foley	Nil	250,000
Peter Kennewell	Nil	500,000
Bruce Dennis	2,500,000	250,000
Michael Leu	2,500,000	250,000
Peter Meers	Nil	250,000

PMR Shares and PMR Options may be held either directly or indirectly by a PMR Director.

**6.12 PMR Directors' interests in Sovereign Gold Shares and Sovereign Gold Options**

As at the date of this Bidder's Statement, the PMR Directors had the following Relevant Interests in Sovereign Gold Shares and Sovereign Gold Options:

<b>Director</b>	<b>Number of Sovereign Gold Shares</b>	<b>Number of Sovereign Gold Options</b>
John Foley	Nil	Nil
Peter Kennewell	Nil	Nil
Bruce Dennis	Nil	Nil
Michael Leu	4,875,000	750,000
Peter Meers	Nil	500,000

Sovereign Gold Shares and Sovereign Gold Options may be held either directly or indirectly by a PMR Director.



## **7. SOVEREIGN GOLD'S INTENTIONS IN RELATION TO PMR**

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### **7.1 Overview of intentions**

This section sets out the intentions of Sovereign Gold on the basis of the facts and information concerning PMR which are available to Sovereign Gold at the time of preparation of this document and the existing circumstances affecting the business of PMR so far as they are known to Sovereign Gold, in relation to the following:

- (a) the continuation of, and changes to, PMR's business and assets;
- (b) the compulsory acquisition of PMR's Shares and delisting of PMR; and
- (c) the future employment of present employees of PMR.

All statements of intention in this section are statements of current intention only and may change as new information becomes available and/or circumstances change.

### **7.2 Background to intentions**

It is Sovereign Gold's current intention to maintain PMR's tenements and work towards the development of its resources. These assets, if brought to development, may be valuable for Sovereign Gold and the Merged Group.

### **7.3 Intentions following Sovereign Gold acquiring a Relevant Interest in 90% or more of PMR Shares**

If Sovereign Gold acquires a Relevant Interest in 90% or more of the PMR Shares, it has the following intentions:

- (a) **Corporate Matters**
  - i. If it is entitled to do so under the Corporations Act, Sovereign Gold will seek to proceed with the compulsory acquisition of the outstanding PMR Shares in accordance with the provisions of the Corporations Act.
  - ii. At the completion of the compulsory acquisition process, Sovereign Gold intends to make arrangements for PMR to be removed from the official list of ASX, subject to obtaining any required approvals.
- (b) **Operations, developments and exploration**
  - i. to operate and manage PMR's business together with the business of Sovereign Gold;
  - ii. reduce or eliminate costs arising from the maintenance of separate share registry, secretarial, head office and administration functions and costs associated with the listing of PMR; and
  - iii. review all of PMR's exploration interests and activities to determine appropriate requirements for the operation, management and funding of both PMR's and Sovereign Gold's businesses and, where appropriate, the integration of these activities and tenement holdings into a group structure.
- (c) **PMR management**

At the date of this Bidder's Statement there is only one person employed by PMR, Peter Kennewell, the managing director. It is Sovereign Gold's intention that he will be transferred to Sovereign Gold, with no change to his entitlements. No loss of knowledge is anticipated.

#### **7.4 Intentions if Sovereign Gold acquires a Relevant Interest in at least 80% but less than 90% of PMR Shares**

If Sovereign Gold acquires a Relevant Interest in at least 80% but fails to acquire a Relevant Interest in 90% or more of the PMR Shares on issue then Sovereign Gold has the following intentions.

##### **(a) Corporate matters**

- i. Sovereign Gold intends to maintain PMR's listing on ASX while it meets ASX requirements for maintaining a listing and it is cost effective to do so.
- ii. If Sovereign Gold becomes entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act, it intends to exercise those rights.

##### **(b) Assumption of control of Board and management**

Subject to the Corporations Act and the constitution of PMR, Sovereign Gold will seek to add two members to the Board of PMR to reflect Sovereign Gold's proportionate ownership interest in PMR. Sovereign Gold will seek, through its nominees on the board of PMR, to implement the intentions detailed in section 7.3 to the extent that they are consistent with PMR being a controlled entity of Sovereign Gold and are considered to be in the best interests of all PMR Shareholders. Sovereign Gold has made no decision as to the identity of those proposed directors.

##### **(c) Other intentions**

On the basis of the information concerning PMR which is known to Sovereign Gold at the date of this document and the existing circumstances affecting the business of PMR, it is the present intention of Sovereign Gold that:

- i. the business of PMR will be otherwise continued in substantially the same manner as it is presently being conducted;
- ii. no other major changes will be made to the business of PMR;
- iii. there will not be any other redeployment of the fixed assets of PMR; and
- iv. the present employees of PMR will be employed by Sovereign Gold.

## **8. PROFILE OF THE MERGED GROUP**

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### **8.1 Overview of the Merged Group**

The Merged Group will provide shareholders with a diversified exploration company with potential for significant growth resulting in economic benefits which may not be available to either Sovereign Gold or PMR individually.

### **8.2 Pro forma historical information for the Merged Group**

This section 8 contains reviewed pro forma financial information for the Merged Group, reflecting the aggregated businesses of Sovereign Gold and PMR. The pro forma financial information is presented in this section 8 to provide PMR Shareholders with an indication of the profile of the Merged Group as at the date of the latest disclosed reviewed financial accounts for both Sovereign Gold and PMR, being 31 December 2011.

The information in this section 8 is presented on a reviewed pro forma basis only. As a result it is likely that this information will differ from the actual financial information for the Merged Group. The pro forma historical balance sheet of the Merged Group as at 19 July 2012 and the pro forma adjustments are disclosed in this section 8.

### **8.3 Basis of preparation of the Merged Group pro forma financial information**

The Merged Group pro forma financial information has been prepared on the basis that Sovereign Gold acquires PMR and accordingly:

- (a) the accounting policies of the Merged Group used to prepare the Merged Group pro forma financial information are based on AASB standards; and
- (b) the Merged Group pro forma financial information has been presented based on the reviewed historical financial statements of Sovereign Gold and PMR as at 31 December 2012; and
- (c) the Merged Group pro forma financial information is presented in abbreviated form and does not contain all the disclosures that are usually provided in an annual financial report in accordance with the Corporations Act. In particular it does not include notes to and forming part of the financial statements of Sovereign Gold or PMR.

No adjustments have been made in the Merged Group pro forma financial information for any expected synergies, integration costs, changes in interest income or expense or other costs that may impact the consolidated income statement following the acquisition by Sovereign Gold of all PMR Shares. No adjustments have been made in the Merged Group pro forma financial information for any one-off or non-recurring costs or discontinued operations.

### **8.4 Main assumptions for Merged Group pro forma financial information**

It has been assumed that:

- (a) 77,000,000 Sovereign Gold Shares are on issue immediately prior to Sovereign Gold acquiring all PMR Shares;
- (b) 85,000,000 PMR Shares are on issue immediately prior to Sovereign Gold acquiring the PMR Shares;
- (c) Sovereign Gold's share price is 28 cents (being the closing price of Sovereign Gold Shares on ASX on 9 July 2012) on the date Sovereign Gold acquires the PMR Shares;
- (d) PMR's share price is 22 cents (being the closing price of Sovereign Gold Shares on ASX on 9 July 2012) on the date Sovereign Gold acquires the PMR Shares;

- (e) The acquisition cost per PMR share is 25.2 cents (being 9 (Sovereign Gold Shares) / 10 (PMR Shares) x 28 cents, being the closing price of Sovereign Gold Shares on ASX on 9 July 2012)
- (f) for the purposes of calculating goodwill in the pro forma Merged Group balance sheet as at 31 December 2011, the book value of PMR's assets and liabilities is assumed to be equal to their fair value as at 19 July 2012. The fair value assessment post acquisition may result in the identification of differences from book value which could materially impact the gain recognised on acquisition in the Merged Group's pro forma balance sheet.

**8.5 Pro forma unaudited consolidated balance sheet as at 19 July 2012 based on Sovereign Gold acquiring all PMR shares**

The Merged Group's reviewed pro forma balance sheet is compiled from the aggregation of the:

- (a) Sovereign Gold historical consolidated balance sheet as at 31 December 2011, a summary of which is set out in section 0 of this Bidder's Statement;
- (b) PMR historical consolidated balance sheet as at 31 December 2012, a summary of which is set out in section 6.9 of this Bidder's Statement;
- (c) pro forma adjustments to reflect the acquisition of PMR by Sovereign Gold as if Sovereign Gold acquired all PMR Shares on 31 December 2012.

Set out the below is the Merged Group's reviewed pro forma historical balance sheet as at 31 December 2011 on the basis that Sovereign Gold acquires all PMR Shares:

**8.6 Pro-Forma Balance Sheet of the Merged Group based on Sovereign Gold acquiring all PMR shares**

	Sovereign Gold audited Consolidated 31.12.2011 \$	PMR audited Consolidated 31.12.2011 \$	Takeover Journal 1 \$	Takeover Journal 2 \$	Merged Consolidated 31.12.2011 \$
<b>Current assets</b>					
Cash and cash equivalents	1,413,956	59,786		(23,000)	1,450,742
Trade and other receivables	761,477	1,782,343			2,543,820
Other current assets	99,000				99,000
<b>Total current assets</b>	<b>2,274,433</b>	<b>1,842,129</b>		<b>(23,000)</b>	<b>4,093,562</b>
<b>Non-current assets</b>					
Trade and other receivables	-	638,000			638,000
Mining tenements	1,956,726	200,250			2,156,976
Financial assets	-	-	19,278,000	(19,278,000)	-
Plant and equipment	39,333	-			39,333
Goodwill on consolidation	-	-		16,611,596	16,611,596
<b>Total non-current assets</b>	<b>1,996,059</b>	<b>838,250</b>	<b>19,278,000</b>	<b>(2,666,404)</b>	<b>19,445,905</b>
<b>Total Assets</b>	<b>4,270,492</b>	<b>2,680,379</b>	<b>19,278,000</b>	<b>(2,689,404)</b>	<b>23,539,467</b>
<b>Current liabilities</b>					
Trade and other payables	51,523	7,897			59,420
Employee benefits provision	-	4,687			4,687
<b>Total current liabilities</b>	<b>51,523</b>	<b>12,584</b>	<b>-</b>	<b>-</b>	<b>64,107</b>
<b>Non-current liabilities</b>					
Trade and other payable	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Employee benefits provision	-	1,391			1,391
<b>Total non-current liabilities</b>	<b>-</b>	<b>1,391</b>	<b>-</b>	<b>-</b>	<b>1,391</b>
<b>Total liabilities</b>	<b>-</b>	<b>13,975</b>	<b>-</b>	<b>-</b>	<b>65,498</b>
<b>Net assets</b>	<b>4,218,969</b>	<b>2,666,404</b>	<b>19,278,000</b>	<b>(2,689,404)</b>	<b>23,473,969</b>
<b>Equity</b>					
Issued capital	5,382,756	2,985,422	19,278,000	(2,985,422)	24,660,756
Reserves	341,515	179,532		(179,532)	341,515
Accumulated losses	(505,302)	(498,550)		475,550	(1,528,302)
Minority interest					
<b>Total equity</b>	<b>4,218,969</b>	<b>2,666,404</b>	<b>19,278,000</b>	<b>(2,689,404)</b>	<b>23,539,467</b>

The pro-forma balance sheet shows adjustments based on the following transactions as if they occurred on 19 July 2012.

### **8.7 Pro forma adjustments**

The following pro forma adjustments (listed as notes in the reviewed pro forma historical balance sheet in section 8.5 above) have been made in the compilation of Merged Group pro forma financial information on the assumed acquisition of all PMR Shares by Sovereign Gold:

- (a) Payment of advisory fees on completion of the Offer estimated at \$23,000 (excluding GST).
- (b) Sovereign Gold's purchase of all PMR Shares on the issue of nine Sovereign Gold Shares to PMR Shareholders for every ten PMR Shares held. The maximum number of Sovereign Gold Shares issued under the Offer will be 76,500,000 valued at \$21,420,000<sup>5</sup>. This assumes that no PMR Options or Sovereign Gold Options will be exercised during the Offer Period.

### **8.8 Pro forma unaudited consolidated balance sheet as at 19 July 2012 based on Sovereign Gold acquiring 80% of PMR shares**

The Merged Group's reviewed pro forma balance sheet is compiled from the aggregation of the:

- (a) Sovereign Gold historical consolidated balance sheet as at 31 December 2011, a summary of which is set out in section 4.3 of this Bidder's Statement;
- (b) PMR historical consolidated balance sheet as at 31 December 2012, a summary of which is set out in section 6.9 of this Bidder's Statement;
- (c) pro forma adjustments to reflect the acquisition of PMR by Sovereign Gold as if Sovereign Gold acquired 80% PMR Shares on 31 December 2012.

Set out the below is the Merged Group's reviewed pro forma historical balance sheet as at 31 December 2011 on the basis that Sovereign Gold acquires 80% of the PMR Shares:

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<sup>5</sup> Based on the price Sovereign Gold Shares last traded on the last trading day prior to when both companies announced the proposed Merger.

**8.9 Pro-Forma Balance Sheet of the Merged Group based on Sovereign Gold acquiring 80% of PMR shares**

	Sovereign Gold audited Consolidated 31.12.2011 \$	PMR audited Consolidated 31.12.2011 \$	Takeover Journal 1 \$	Takeover Journal 2 \$	Merged Consolidated 31.12.2011 \$
<b>Current assets</b>					
Cash and cash equivalents	1,413,956	59,786		(23,000)	1,450,742
Trade and other receivables	761,477	1,782,343			2,543,820
Other current assets	99,000				99,000
<b>Total current assets</b>	<b>2,274,433</b>	<b>1,842,129</b>		<b>(23,000)</b>	<b>4,093,562</b>
<b>Non-current assets</b>					
Trade and other receivables	-	638,000			638,000
Mining tenements	1,956,726	200,250			2,156,976
Financial assets	-	-	15,422,400	(15,422,400)	-
Plant and equipment	39,333	-			39,333
Goodwill on consolidation	-	-		13,289,277	13,289,277
					-
<b>Total non-current assets</b>	<b>1,996,059</b>	<b>838,250</b>	<b>15,422,400</b>	<b>(2,133,123)</b>	<b>16,123,586</b>
<b>Total Assets</b>	<b>4,270,492</b>	<b>2,680,379</b>	<b>15,422,400</b>	<b>(2,156,123)</b>	<b>20,217,148</b>
<b>Current liabilities</b>					
Trade and other payables	51,523	7,897			59,420
Employee benefits provision	-	4,687			4,687
<b>Total current liabilities</b>	<b>51,523</b>	<b>12,584</b>	<b>-</b>	<b>-</b>	<b>64,107</b>
<b>Non-current liabilities</b>					
Trade and other payable	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Employee benefits provision	-	1,391			1,391
<b>Total non-current liabilities</b>	<b>-</b>	<b>1,391</b>	<b>-</b>	<b>-</b>	<b>1,391</b>
<b>Total liabilities</b>	<b>51,523</b>	<b>13,975</b>	<b>-</b>	<b>-</b>	<b>65,498</b>
<b>Net assets</b>	<b>4,218,969</b>	<b>2,666,404</b>	<b>15,422,400</b>	<b>(2,156,123)</b>	<b>20,151,650</b>
<b>Equity</b>					
Issued capital	5,382,756	2,985,422	15,422,400	(2,985,422)	20,805,156
Reserves	341,515	179,532		(179,532)	341,515
Accumulated losses	(1,505,302)	(498,550)		475,550	(1,528,302)
Minority interest				533,281	533,281
<b>Total equity</b>	<b>4,218,969</b>	<b>2,666,404</b>	<b>15,422,400</b>	<b>(2,156,123)</b>	<b>20,151,650</b>

The pro-forma balance sheet shows adjustments based on the following transactions as if they occurred on 19 July 2012.

### **8.10 Pro forma adjustments**

The following pro forma adjustments (listed as notes in the reviewed pro forma historical balance sheet in section 8.8 above) have been made in the compilation of Merged Group pro forma financial information on the assumed acquisition of 80% of PMR Shares by Sovereign Gold:

- (a) Payment of advisory fees on completion of the Offer estimated at \$23,000 (excluding GST).
- (b) Sovereign Gold's purchase of 80% of PMR Shares on the issue of nine Sovereign Gold Shares to PMR Shareholders for every ten PMR Shares held. The maximum number of Sovereign Gold Shares issued under the Offer will be 61,200,000 valued at \$17,136,000<sup>6</sup>. This assumes that no PMR Options or Sovereign Gold Options will be exercised during the Offer Period.

### **8.11 Material items post 31 December 2011**

There have been no material events since 31 December 2011 that should be considered in addition to the pro forma Merged Group's balance sheet (and which is not taken account of in the pro forma Merged Group's balance sheet).

### **8.12 Outlook for the Merged Group**

If Sovereign Gold acquires all PMR Shares then Sovereign Gold will remain the entity listed on the ASX and will be the ultimate holding company for all companies within the new Merged Group. The acquisition by Sovereign Gold of all PMR Shares will result in a Merged Group with a diversified portfolio of mineral tenements.

This Bidder's Statement does not include forecasts or projections for production or earnings in relation to Sovereign Gold or the Merged Group. Sovereign Gold believes that the inclusion of such forecasts would be unduly speculative and potentially misleading to PMR Shareholders, particularly in the current uncertain economic environment and due to the effect that minerals and energy prices may have on future production and earnings performance.

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<sup>6</sup> Based on the price Sovereign Gold Shares last traded on the last trading day prior to when both companies announced the proposed Merger.



**8.13 Merged Group top 20 shareholders**

	<b>Holder Name</b>	<b>Number of shares</b>
1.	Raffles Capital Limited	46,125,000
2.	Hudson Resources Limited	40,000,000
3.	Mr Michael Roby Leu	7,125,000
4.	Code Nominees Pty Ltd <Mata>	6,887,148
5.	Mr Li Ren	6,000,000
6.	Russell Lay	4,816,670
7.	Code Nominees Pty Ltd	4,500,000
8.	Mr Geng Du Lou	4,000,000
9.	Sing Capital Pty Ltd	3,420,650
10.	Mr Antonius Budi Setiawan	2,700,000
11.	Mr Bruce Dennis	2,250,000
12.	Mr Bruce Dennis <Boyle Invest P/L Family A/C>	2,250,000
13.	Mr Alistair Melville-Ross	2,250,000
14.	Mr Benjamin Amzalak	2,150,000
15.	Mrs Yustina Anita Setiawan	1,845,000
16.	Ms Nominees Pte Ltd	1,500,000
17.	Hudson Corporate Limited	877,550
18.	M M & R Pty Ltd	342,000
19.	Phillip Securities Pte Ltd <Client Account>	286,270
20.	John Christopher Slade	250,000

This table has been prepared on the assumptions that Sovereign Gold acquires all PMR Shares, none of the Sovereign Gold Options and none of the PMR Options are exercised before the close of the Offer and that all PMR Options are cancelled.

**8.14 Pro forma capital structure**

A pro forma capital structure of Sovereign Gold upon completion of the Offer is set out below. This capital structure has been prepared on the basis that Sovereign Gold acquires all PMR Shares. It assumes none of the Sovereign Gold Options or PMR Options are exercised before the close of the Offer and that all PMR Options are cancelled.

Total Number of Sovereign Gold Shares (post merger)	153,500,000
Total number of Sovereign Gold Options (post merger)	6,500,000

**8.15 Dividends**

It is anticipated that there will be no dividends declared for the year ended 31 December 2012.

If any of Sovereign Gold's projects generate surplus profits, Sovereign Gold Directors will consider paying some surplus funds as dividends to Sovereign Gold Shareholders.

## **9. INVESTMENT RISKS**

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### **9.1 Introduction**

An overview of the key risks that may have a material adverse impact upon the implementation of the Offer, the future performance of the Merged Group and the value of Sovereign Gold Shares are described in this Bidder's Statement and include those risks set out in this section 9. The risks identified in this section 9 are not exhaustive. Sovereign Gold gives no assurances or guarantees of future performance or profitability, or payment of dividends by, the Merged Group.

Additionally Sovereign Gold gives no assurances or guarantees that the risks set out in this document will not change. There may be other material risks which are not disclosed in this document because they were not known by Sovereign Gold or were not considered to be material at the date of this Bidder's Statement. Many of the risks below arising from Sovereign Gold's Offer is also inherent within each of PMR and Sovereign Gold as separate entities.

The value of the Offer to PMR Shareholders will depend upon the future performance of the Merged Group and the value of Sovereign Gold Shares. As a result, PMR Shareholders should carefully consider both the risks affecting the Offer and those risks affecting the future performance of the Merged Group and the value of the Sovereign Gold Shares.

PMR Shareholders should be aware that an investment in the Merged Group has risks which are associated with investing in listed securities. Any future dividends, the value of the Merged Group's assets and the market value or price of the Sovereign Gold Shares quoted on ASX may be influenced by these and other risk factors.

Many of these factors are common to those affecting the current performance of Sovereign Gold and PMR. Some of the risks may be mitigated by the use of safeguards and appropriate systems and controls. However, many risks that may affect the Merged Group are outside the control of Sovereign Gold, PMR and the Merged Group.

This section 9 does not take into account the investment objectives, financial circumstances or particular needs of individual PMR Shareholders. It is important that PMR Shareholders carefully read this Bidder's Statement in its entirety (particularly the risks set out in this section 9), consider their personal circumstances (including financial and taxation issues) and seek independent professional advice before deciding whether to accept the Offer.

### **9.2 Specific risk factors that affect the Merged Group**

Set out below are some of the key risks that have been identified as potentially affecting the performance of the Merged Group, the ability of the Merged Group to pay dividends and the value of the Sovereign Gold Shares.

The past performance of Sovereign Gold and PMR is not necessarily representative of the future performance of the Merged Group or the value of Sovereign Gold Shares.

#### **(a) Exploration and Operational Risks**

- i. By its nature, the business of exploration is a speculative endeavour and involves significant risks. The prosperity of the Merged Group's mining exploration business depends on the successful exploration and/or acquisition of resources or reserves, competent operational management and efficient financial management. Further, the nature of the business of exploration can sometimes result in industrial accidents and other incidents beyond the control of the Merged Group.
- ii. There can be no assurances that the proposed project exploration programs, or any other projects or tenements that the Merged Group may acquire in the future, will result in the discovery of a significant ore deposit. Even if a significant ore deposit is identified, there can be no guarantee that it can be economically exploited.

- iii. Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of an efficient exploratory operation, obtaining the necessary titles and access and government and other regulatory approvals. The exploration activities of the Merged Group may be affected by a number of factors including, but not limited to, geological conditions, seasonal weather patterns, technical difficulties and failures, continued availability of the necessary technical equipment and appropriately skilled and experienced technicians, adverse changes in government policy or legislation, access to the required level of exploration funding and costs of access to its tenements.
- iv. All tenements in Australia are governed by the respective state legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Merged Group could lose title to or its interest in the Merged Group's tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.
- v. Further, the Merged Group may decide to surrender or relinquish areas of the Merged Group's tenements as priorities change to meet budgetary requirements.
- vi. The Merged Group's tenements consist only of exploration permits. There is a risk that even if economic quantities of ore are discovered, that an application for a mineral development licence or mining lease with respect to the areas of ore discovered on the Merged Group's tenements to enable the Merged Group to carry out the development and mining of the ore may not be granted

**(b) Metal prices**

Any future earnings of the Merged Group will be significantly affected by local and worldwide metal prices. Low metal prices will have a materially adverse effect on the Merged Group. It is not possible to accurately predict future movements in metal prices particularly in the current uncertain economic environment.

**(c) Production and operation risks**

- i. Mining activities carry an inherent degree of risk. Various production and operational factors could affect the success of the Merged Group. These include unanticipated mining or geological conditions, climatic conditions, environmental issues, exploration results, equipment failures, transport interruptions, processing inputs, industrial disputes, cost overruns and other general operating risks. PMR Shareholders will be exposed to production and operational risks associated with Sovereign Gold's business if Sovereign Gold acquires all PMR Shares.
- ii. Certain approvals (whether regulatory, environmental or otherwise) may be needed in connection with the operations of the Merged Group and there is a risk that these approvals will not be given, or will be delayed.

**(d) Development Consents**

There is a risk that additional development consents will be required. There is also a risk that the Merged Group will not be able to satisfy the requirements to obtain these development consents or will be able to obtain such consents only on onerous terms and conditions. The Merged Group may also incur material expenses and costs in seeking and obtaining such consents.

**(e) Developments**

Development projects may incur further costs than currently anticipated or may be delayed due to the need to obtain regulatory approvals or licenses or due to problems with contractors or suppliers, financing issues or accidents during construction or commissioning of mines.

**(f) Timing delays**

There is a risk that the Merged Group will not achieve its financial and strategic goals due to delays or difficulties occurring during the integration of the two businesses.

**(g) Increased Financing costs**

Sovereign Gold may incur greater than anticipated implementation costs during the integration of the businesses of Sovereign Gold and PMR. The net funds of the Merged Group may not be sufficient for expenditure that may be required to integrate the operations of Sovereign Gold and PMR or to expand its operations or projects or for other capital expenditure, further exploration or feasibility studies or otherwise in the Merged Group's operations. The Merged Group may need to raise additional debt or equity funds in the future. There is no assurance that the Merged Group will be able to obtain additional debt or equity funding when required in the future, or that the terms associated with such funding will be acceptable to the Merged Group, particularly having regard to the current uncertain economic environment and the effect that metal prices may have on future production and earnings performance. This may have an adverse effect on the Merged Group's financial results.

**(h) Cash position**

There is no guarantee that the Merged Group will be able to maintain a sufficient cash balance following the acquisition by Sovereign Gold of all PMR Shares.

**(i) Hedging risk**

Neither Sovereign Gold nor PMR currently use hedging contracts to reduce the impact of future fluctuations on exposures such as the price of metals and currency exchange rates. However, hedging contracts entered into in the future may negatively impact the profitability of the Merged Group if unanticipated changes in metal prices or exchange rates occur. In the current uncertain economic environment such changes have been occurring, and may continue to occur, frequently.

**(j) Accounting**

The Merged Group will be required to perform a fair value assessment of all of PMR's assets and liabilities following the acquisition by Sovereign Gold of all PMR Shares. This assessment may result in increased depreciation and amortisation charges. These charges may be substantially greater than those that would exist in Sovereign Gold and PMR as separate businesses.

**(k) Re-rating**

Post-Merger, Sovereign Gold may not achieve an improved re-rating of its share price or an improved credit profile. Due to adverse changes in the business or unforeseen circumstances, Sovereign Gold Shares may decline in value.

**(l) Regulatory and legislative risks**

Any changes in the laws and regulations under which the Merged Group operates may adversely impact on the Merged Group's activities, planned projects and financial results. These laws and regulations include mining and exploration-related laws, laws requiring permits and licences, environmental regulations and health and safety laws and regulations.

**(m) Environment**

Mining and exploration activities are strictly regulated by environmental legislation and government authorities. There is a risk that environmental regulation may prevent or impede the Merged Group's activities. It is possible that environmental approvals for the Merged

Group's projects are not granted or are delayed. If this occurred it may materially affect the Merged Group's earnings.

**(n) Litigation**

The Merged Group may be subject to litigation and other claims based on the conduct of Sovereign Gold and PMR that occurred prior to the acquisition by Sovereign Gold of all PMR Shares and the conduct of Sovereign Gold which follows the acquisition.

**(o) Resource and Reserve estimates**

Sovereign Gold has made estimates of its resources based on relevant reporting codes, where required, and judgments based on knowledge, skills and industry experience. However, there is no guarantee that estimates will prove to be accurate. Actual mining results may materially differ from estimates due to further findings and results not previously known or fluctuations in operating costs, exchange rates and metal prices.

**(p) Insurance**

The Merged Group will have various forms of insurance covering its business. However, certain risks are not covered by insurance due to limitations or exclusions in insurance policies or because the Merged Group will have decided not to insure against certain risks because of high premiums or for other reasons. Mining accidents, cave-ins, business interruption, compensation claims, environmental effects, fires, floods earthquakes and various other events may not be adequately covered by insurance. Such insurance could significantly increase the costs of the Merged Group.

**(q) Health and safety**

The businesses of Sovereign Gold and PMR are subject to strict health safety and safety laws and regulations. The Merged Group may become liable for past and current conduct of Sovereign Gold and PMR which violates such laws and regulations. Penalties for breaching health and safety laws can be significant and include criminal penalties. Victims of workplace accidents may also commence civil proceedings against the Merged Group. These events might not be covered by insurance policies held by the Merged Group or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for the Merged Group. Such an event would negatively impact the financial results of the Merged Group.

**(r) Native title**

Sovereign Gold's and PMR's mineral tenements and other entitlements to property and minerals may be affected by native title claims, unregistered agreements, transfers or unknown defects in title. Native title claims and Aboriginal heritage issues may have a material adverse impact on the Merged Group's activities and may hinder or prevent its mining and exploration activities.

**(s) Past transactions**

Previous transactions undertaken by either Sovereign Gold or PMR which involved the acquisition or disposal of assets may continue to bear risks associated with the possibility of warranty or other claims in connection with such transactions to which it was a party.

**(t) Competition**

Upon entry into production, the Merged Group will be subject to competition from other miners. Competitors include current miners and future entrants into the market. Other companies may have competitive advantages such as new technology and new production processes. The Merged Group may be unable to successfully compete and may suffer material adverse consequences such as loss of market share and customers.

**(u) Counterparty risk**

There is a risk, which is higher in the current uncertain economic environment, that contracts and other arrangements to which Sovereign Gold and PMR are party and obtain a benefit will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations.

**9.3 General risk factors**

In addition to the specific business risks above, there are a number of general risks associated with holding Sovereign Gold Shares including, but not limited to, the following risks which may impact the operations or financial performance of the Merged Group, the market for its products or the price of Sovereign Gold Shares:

- (a) changes to government, legislation, government or regulatory regulations and policy (including taxation laws and policies, accounting laws, policies and standards and practices, fiscal, monetary and regulatory policies and the introduction of a carbon tax and trading emission schemes and government "climate-change" policy);
- (b) the condition of the Australian and overseas economies (including the aggregate investment being undertaken and economic output occurring in those economies, inflation and interest rates and the prices of products which are inputs used in the operations of the Merged Group);
- (c) investor sentiment, local and international stock market conditions, adverse industry publicity and recommendations by brokers and analysts; and
- (d) global geo-political events, hostilities and acts of terrorism.

## **10. TAXATION INFORMATION**

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### **10.1 Background**

This taxation summary provides a general description of the Australian taxation consequences for PMR Shareholders who dispose of their PMR Relevant Shares pursuant to the Offer.

This summary does not take into account the specific circumstances of any particular PMR Shareholder.

This taxation summary is not, and is not intended to be, taxation advice to any PMR Shareholder and should not be relied on as such.

The summary does not address the taxation consequences for:

- (a) PMR Shareholders who are subject to special tax rules (for example, tax exempt entities, insurance companies and superannuation funds);
- (b) PMR Shareholders who acquired their PMR Shares (or options to acquire PMR Shares) in respect of their employment, or an associate's employment, with PMR or an associated company of PMR; or
- (c) non-resident PMR Shareholders who hold their PMR Shares through a permanent establishment in Australia.

All PMR Shareholders should seek their own independent professional advice regarding the taxation implications associated with the Offer. The following description is based upon the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 as in effect at July 2012 but it is not intended to be an authoritative or complete statement of the applicable law.

#### **CGT Summary**

In Australia a taxpayer is required to include net capital gains in their assessable income, net capital gains is worked out under a method statement taking into account capital gains, capital losses and any relevant discount capital gain. The sale of PMR Shares pursuant to the Offer will constitute a disposal of the PMR Shares respectively and a "CGT event" for working out whether or not a capital gain or a capital loss is made by the shareholder. The "date of disposal" will generally be the date that the Offer is accepted. If, for any reason the Offer does not proceed, no disposal will occur. A PMR Shareholder may make a capital gain or a capital loss from the disposal of PMR Shares pursuant to the Offer. These amounts will be relevant in determining whether the PMR Shareholder is required to include a net capital gain in their assessable income for the income year in which the Offer is accepted. In general, capital gains and capital losses are firstly aggregated to determine whether there is a net capital gain, which is calculated after taking into account any discount capital gains or other concessions in respect of the capital gains. The remaining net capital gain is included in assessable income and subject to tax at the applicable marginal rate of the PMR Shareholder.

### **10.2 Capital Gain**

#### **Australian Resident PMR Shareholders**

The taxation treatment on the disposal of PMR Shares by PMR Shareholders will depend upon whether the PMR Shares are held on revenue or capital account. Australian resident PMR Shareholders who trade in PMR Shares as part of the ordinary course of their business would hold their PMR Shares respectively on revenue account. These PMR Shareholders will be required to include the profit arising from the disposal of their ordinary PMR Shares in their assessable income. Conversely, a loss arising from the disposal of PMR Shares on revenue account would be allowed as a deduction from assessable income. Generally, all other Australian resident PMR Shareholders will hold their PMR Shares on capital account. These Australian resident PMR Shareholders should consider the impact of Australian CGT rules on the disposal of their PMR Shares.

A PMR Shareholder will acquire their Sovereign Gold Shares on the date the Offer is accepted. The cost base of the Sovereign Gold Shares acquired under the Offer should be determined with reference to the market value of Sovereign Gold Shares on the date of issue (that is, the date of disposal of their PMR Shares). This is subject to obtaining access to scrip-for-scrip rollover relief discussed below, in which case

the cost base of Sovereign Gold Shares will be determined with reference to the cost base of the PMR Shares.

Subject to the application of the CGT scrip-for-scrip rollover relief discussed below, an Australian resident PMR Shareholder will derive a capital gain where the proceeds received on disposal of their PMR Shares exceed the cost base. The capital proceeds received on disposal of PMR Shares will be the market value of the Sovereign Gold Shares the PMR Shareholder receives under the Offer. A PMR Shareholder will make a capital loss on the disposal of their PMR Shares where the disposal proceeds received are less than the reduced cost base of the PMR Shares respectively for CGT purposes. Capital losses can only be used to offset current year capital gains or carried forward to offset future capital gains. They cannot be used to reduce non capital income. Any net capital gain (after recoupment of capital losses) is included in the shareholder's assessable income. The applicable tax payable on the net capital gain will be dependent on the type of shareholder. An Australian tax resident individual will be taxed at their marginal rate. Alternatively, an Australian resident company shareholder will be subject to tax at the corporate rate of 30% of taxable income. Where an Australian resident shareholder has held the ordinary share as a capital asset for at least 12 months the capital gain may be reduced by the general CGT discount concession for particular shareholders. The discount percentage for individuals and trusts is 50%, and for complying superannuation funds and life insurance companies 33%. This means generally only 50% (for individuals and trusts) and 67% (for complying superannuation funds) of the capital gain is included in shareholder's assessable income after the offset of any capital losses. Corporate shareholders are not eligible for the general CGT discount concession.

#### **Non-Australian Resident Shareholders**

Where non-Australian residents hold PMR Shares on revenue account, the profits on their disposal may be required to be included in the shareholder's assessable income. This is subject to the application of any double tax treaty relief which may exclude such profits from Australian taxation.

Generally, all other non-Australian resident PMR Shareholders will hold their PMR Shares on capital account. These PMR Shareholders should consider the impact of Australian CGT rules on the disposal of their PMR Shares. Non-Australian resident shareholders are only subject to Australian CGT where those shareholders are disposing of shares in an Australian company where they held 10% or more of the company and the company predominately holds interests in land and/or mining, quarrying or prospecting rights within Australia. This will also be subject to any double tax treaty relief. Non-Australian resident shareholders will need to seek specific advice in respect of their particular circumstances with respect to Australian CGT on the disposal of PMR Shares at the time of any disposal

#### **Scrip-for-scrip Rollover Relief**

If as a result of the Offer, Sovereign Gold acquires at least 80% of the PMR Shares, CGT scrip-for-scrip rollover relief (**Rollover Relief**) may be available to PMR qualifying Shareholders who would otherwise realise a capital gain from the disposal of PMR Shares pursuant to the Offer. Rollover Relief may not be available to non-residents. Non-residents should seek tax advice in relation to how the rollover relief applies to their specific circumstances. The cost base for Sovereign Gold Shares acquired under the Offer and subject to rollover relief will generally be the cost base of the original parcel of PMR Shares disposed of under the Offer.

Rollover Relief will not be available to PMR Shareholders who realise a capital loss from the disposal of PMR Shares. Where Rollover Relief is available a PMR Shareholder can elect to either obtain Rollover Relief or recognise the capital gain. A PMR Shareholder cannot elect for Rollover Relief to apply where the disposal of PMR Shares gives rise to a capital loss. If Rollover Relief is available and the PMR Shareholder elects for Rollover Relief to apply, any capital gain realised by the PMR Shareholder from the disposal of PMR Shares will be disregarded. Instead, PMR Shareholders electing Rollover Relief in respect of their PMR Shares will acquire a cost base in the replacement Sovereign Gold Shares equal to its cost base in the PMR Shares prior to disposal. If Rollover Relief is available and a PMR Shareholder elects for it to apply, the PMR Shareholder does not need to lodge a formal election or other document with the Australian Taxation Office. Instead, the income tax return of the PMR Shareholder needs to be completed in a manner consistent with the Rollover Relief being available. The effect of choosing Rollover Relief will depend upon the particular circumstances of each PMR Shareholder and may not benefit all Shareholders. PMR Shareholders should seek their own independent tax advice in relation to whether to choose Rollover Relief.



### **10.3 GST**

Australian GST should not apply to the disposal of PMR Shares by PMR, the issue of Sovereign Gold Shares, or any subsequent disposal of Sovereign Gold Shares by Sovereign Gold Shareholders. PMR Shareholders who are registered for Australian GST purposes may not be entitled to full input tax credits for any GST incurred on costs associated with acquiring or disposing of shares in Sovereign Gold or PMR. PMR Shareholders should seek their own tax advice in this respect.

### **10.4 Stamp Duty**

No stamp duty will be payable by PMR Shareholders on the transfer of PMR Relevant Shares to Sovereign Gold or on the issue of Sovereign Gold Shares to PMR Shareholders.

## **11. OTHER MATERIAL INFORMATION**

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### **11.1 Information held by Sovereign Gold**

Information held by Sovereign Gold about PMR is as disclosed in PMR's ASX announcements. Sovereign Gold and PMR agreed through the TBIA to provide access to confidential information for the purposes of preparing this Bidder's Statement and the Target Statement respectively.

### **11.2 Voting power of Sovereign Gold in PMR**

As at 20 July 2012, being the date this Bidder's Statement was lodged with ASIC, Sovereign Gold has voting power of nil% in PMR.

### **11.3 Relevant Interests of Sovereign Gold in PMR Shares**

Sovereign Gold holds a Relevant Interest in nil PMR Shares, giving it a Relevant Interest in approximately nil% of all PMR Shares.

### **11.4 Acquisition by Sovereign Gold of PMR Shares during previous four months**

No PMR Shares have been purchased by or issued to Sovereign Gold, and Sovereign Gold has not provided, or agreed to provide consideration for any PMR Shares under a purchase or agreement, in the four months before the date of this Bidder's Statement.

### **11.5 Inducing benefits given by Sovereign Gold during previous four months**

During the four months before the date of lodgement of this Bidder's Statement with ASIC, neither Sovereign Gold nor any Associate of Sovereign Gold gave, offered to give or agreed to give, a benefit to another person that is not available under the Offer to all PMR Shareholders and was likely to induce the other person, or an Associate of the other person, to:

- (a) accept the Offer; or
- (b) dispose of PMR Shares.

### **11.6 Offer extends to new PMR Shares**

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Register Date.

Should any PMR Options be exercised after the Register Date and prior to the close of the Offer, then the Offer will extend to any person who becomes registered or entitled to be registered as the holder of PMR Shares before the close of the Offer.

If additional PMR Shares are issued after the end of the Offer Period, subject to Sovereign Gold being entitled to compulsorily acquire PMR Shares under Chapter 6A of the Corporations Act, Sovereign Gold may compulsorily acquire any PMR Shares issued after the end of the Offer Period.

### **11.7 Sovereign Gold is a disclosing entity**

Because Sovereign Gold is offering Sovereign Gold Shares as consideration for the acquisition of PMR Shares under the Offer, the Corporations Act requires that this document must include all information that would be required for a prospectus for the Offer of Sovereign Gold Shares under sections 710 to 713 of the Corporations Act. Sovereign Gold does not need to issue a separate prospectus for this offer of Sovereign Gold Shares because the offer of Sovereign Gold Shares is made as consideration under the Offer and is accompanied by this Bidder's Statement.

Sovereign Gold is a disclosing entity (as defined in section 111AC of the Corporations Act) and as such is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, Sovereign Gold is subject to the Listing Rules and is required to continuously disclose to the market any information held by it that a reasonable person would expect to have a material effect on the price or the value of Sovereign Gold Shares. Copies of announcements made on ASX are available from ASX.

Additionally, Sovereign Gold is required to lodge various documents with ASIC, copies of which may be obtained from, or inspected at, an ASIC office.

- (a) Sovereign Gold will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
  - i. the annual financial report of Sovereign Gold for the 12 months ended 31 December 2011 (being the annual financial report most recently lodged by Sovereign Gold with ASIC); and
  - ii. all continuous disclosure notices given by Sovereign Gold after the lodgement of that annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

Requests for copies of these documents may be made by calling the Sovereign Gold Offer Information Line on +61 2 9251 7177. Copies of all documents lodged with ASIC in relation to Sovereign Gold can be inspected at the registered office of Sovereign Gold during normal office hours.

A list of material announcements relating to the Offer appears in Annexure A. A list of announcements made by Sovereign Gold to ASX between the date of lodgement with ASIC of its annual financial report for the year ended 31 December 2011 and the lodgement of this Bidder's Statement with ASIC on 20 July 2012 appears in Annexure B.

Other than information contained in this Bidder's Statement, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and is information that a PMR Shareholder or a professional adviser to a PMR Shareholder would reasonably require for the purpose of making an informed assessment of:

- (b) the assets and liabilities, financial position and performance, profits and losses and prospects of Sovereign Gold; or
- (c) the rights and liabilities attaching to the Sovereign Gold Shares.

### **11.8 Interests of directors**

Michael Leu, a Director of Sovereign Gold, received 4,875,000 ordinary shares in Sovereign Gold in exchange for his interest in two companies, which hold EL 7491 and EL 6483. These companies were acquired by Sovereign Gold prior to Sovereign Gold's IPO. They are now 100% owned subsidiaries of Sovereign Gold.

- (a) Other than set out below or elsewhere in this Bidder's Statement:
  - i. No Director or proposed Director of Sovereign Gold and no firm in which a Director of Sovereign Gold is or was at the relevant time a partner has, or has had in the 2 years before the lodgement of this Bidder's Statement, any interest in the formation or promotion of Sovereign Gold; or any property proposed to be acquired by Sovereign Gold in connection with its formation or promotion, or this offer of Sovereign Gold Shares;
  - ii. No amounts or other benefits, whether in cash or otherwise, has been paid or agreed to any Director of Sovereign Gold (or any firm in which he or she is or was a partner) either to induce him or her to become, or to qualify him or her as, a Director of Sovereign Gold, or otherwise for services rendered by him or her or by the firm, in connection with the promotion or formation of Sovereign Gold, or this offer of Sovereign Gold Shares.
- (b) Current Directors' indemnity agreements

Sovereign Gold has entered into an Indemnity and Access Agreement with each current Director. The terms of the agreement provide for Sovereign Gold:

- i. to indemnify the Director against all liabilities incurred as an officer of Sovereign or any other Sovereign Gold group company;

- ii. to ensure that Sovereign Gold use its best commercial endeavours to maintain Directors and Officers insurance for the benefit of the Director in relation to acts and omissions of the Officer in his capacity as an officer of Sovereign Gold; and
  - iii. to give access to a Director to documents (excluding a document created after the Director ceased to be an officer of Sovereign Gold) for the purposes of any claims where the Director is a party, witness or otherwise and the Director is involved because they are or were an officer of Sovereign or any other Sovereign Gold group company.
- (c) Directors' Fees

The constitution of Sovereign Gold provides that the Directors are entitled to remuneration as the Directors determine, but the remuneration of the Non-Executive Directors must not exceed, in aggregate, a maximum amount fixed by Sovereign Gold in general meeting of shareholders for that purpose. The initial maximum amount has been set at \$200,000.

Current aggregate fees paid to directors are \$40,000 per annum.

### **11.9 Interests of experts and advisers**

This section applies to persons named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement and promoters of Sovereign Gold (**Prescribed Persons**). Other than set out below or elsewhere in this Bidder's Statement, no Prescribed Person has, or has had in the last 2 years, any interest in:

- (a) the formation or promotion of Sovereign Gold;
- (b) the property acquired or proposed to be acquired by Sovereign Gold in connection with its formation or promotion, or this offer of Sovereign Gold Shares; or
- (c) this offer of Sovereign Gold Shares.

K.S. Black & Co has provided the taxation information in section 10 of this Bidder's Statement, for which it will be paid \$3,000 plus GST plus disbursements. It takes no responsibility for any part of the Prospectus other than the information provided in Section 10 of this Bidder's Statement.

Piper Alderman has acted as legal advisors to Sovereign Gold in connection with the Offer, for which it will be paid \$20,000 plus GST plus disbursements. Piper Alderman also acted as legal advisors to Sovereign Gold in relation to a prospectus dated 17 September 2010 and replacement prospectus dated 21 October 2010, for which it was paid \$15,000 plus GST plus disbursements.

### **11.10 Consents**

#### **Statements in this Bidder's Statement**

K.S. Black has given and has not, before the date of lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to being named in this Bidder's Statement as taxation adviser to Sovereign Gold in respect of the Offer in the form and context in which it is named.

Piper Alderman has given and has not, before the date of lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to being named in this Bidder's Statement as legal adviser to Sovereign Gold in respect of the Offer in the form and context in which it is named.

Computershare Investor Services Pty Limited has given, and as the date here of, has not withdrawn, its written consent to be being named as Share Registrar in the form and context in which it is named.

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Bidder's Statement other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Bidder's Statement.

### **11.11 Consents not required under ASIC Class Orders**

This Bidder's Statement includes or is accompanied by statements which are made in, or based on, statements made in documents lodged with ASIC or ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement. PMR Shareholders are entitled to obtain from Sovereign Gold free of charge a copy of any document, which contained such a statement. If you would like to receive a copy of any of these documents, please contact the Sovereign Gold Offer Information Line on +61 2 9251 7177 and you will be sent a copy free of charge.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains security-trading data sourced from IRESS without its consent.

In addition, as permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

### **11.12 Status of Defeating Conditions**

The Defeating Conditions of the Offer are set out in section 13. Sovereign Gold will use all reasonable endeavours to ensure the Defeating Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

### **11.13 Expiry date**

No Sovereign Gold Shares will be issued on the basis of this document and the Offer contained in this document after the date that is 13 months after the date of this Bidder's Statement.

### **11.14 No escalation agreements**

Neither Sovereign Gold nor any Associate of Sovereign Gold has entered into any escalation agreement in respect of PMR Shares that is prohibited by section 622 of the Corporations Act.

### **11.15 No other material information**

Except as set out in this document, there is no other information (other than information that it would be unreasonable to require Sovereign Gold to include because the information has previously been disclosed to the holders of PMR shares) that

- (a) is material to the making of a decision by PMR Shareholders as to whether or not to accept the Offer; and
- (b) is known to Sovereign Gold;
- (c) does not relate to the value of the Sovereign Gold Shares offered as the Offer Consideration under the Offer.

## **12. FORMAL TERMS OF THE OFFER**

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### **12.1 The Offer**

- (a) Sovereign Gold offers to acquire any or all of your PMR Shares on and subject to the terms and conditions set out in this section 12. If you accept this Offer for some of your PMR Shares by specifying that number on your Offer Acceptance Form, you may still accept the Offer for the balance of your PMR Shares at any time during the Offer Period.
- (b) The Sovereign Gold Offer extends to any PMR Shares which become registered in your name on the register of shareholders of PMR during the period from the Register Date to the end of the Offer Period as a result of the conversion of, or exercise of rights attached to, other securities convertible into PMR Shares which are on issue on the Register Date, for the Offer Consideration on the terms and subject to the Offer Conditions.
- (c) The Offer extends to any person who becomes registered or entitled to be registered as the holder of any of your PMR Relevant Shares during the period from the Register Date to the end of the Offer Period.
- (d) By accepting the Offer, you undertake to transfer to Sovereign Gold the PMR Relevant Shares to which the Offer relates.
- (e) The Offer is dated 27 July 2012.

### **12.2 Offer Consideration**

- (a) You will receive the Offer Consideration if you accept the Offer and all of the Defeating Conditions are satisfied or waived.
- (b) The Offer Consideration is nine Sovereign Gold Shares for every ten PMR Shares held (subject to rounding of fractional entitlements).
- (c) If you become entitled to a fraction of one Sovereign Gold Share in respect of any single CHESS Holding or Issuer Sponsored Holding of PMR Shares in your name, that fraction will be disregarded and will be rounded down to the nearest whole Sovereign Gold Share.
- (d) Sovereign Gold Shares to be issued under the Offer will rank equally in all respects with existing Sovereign Gold Shares on issue at the Register Date.

### **12.3 Offer Period**

The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of the Offer, being 27 July 2012 and ending at 7:00 pm (AEST) on the later of:

- (a) 27 August 2012; or
- (b) any date to which the Offer Period is extended in accordance with the Corporations Act.

### **12.4 Official quotation of Sovereign Gold Shares**

- (a) Sovereign Gold has been admitted to the official list of ASX and Sovereign Gold Shares are traded on ASX. Sovereign Gold Shares of the same class as those to be issued under the Offer have been granted official quotation by ASX.
- (b) An application will be made to ASX within seven days after the date the Bidder's Statement is given to PMR for the granting of official quotation of the Sovereign Gold Shares to be issued as Offer Consideration.

- (c) In accordance with section 625(3) of the Corporations Act, the Offer is subject to a condition that application for admission to quotation of the Sovereign Gold Shares issued under the Offer is made within seven days after the date the Bidder's Statement is given to PMR and permission for admission to quotation being granted no later than seven days after the end of the Offer Period. This condition may not be waived.

## **12.5 Persons to whom the Offer is made**

### **Offerees**

- (a) This Offer is being made to:
- i. each holder of PMR Shares registered in PMR's register of PMR Shareholders as at the Register Date; and
  - ii. any person who becomes registered or entitled to be registered as the holder of PMR Shares during the period from the Register Date to the end of the Offer Period due to the conversion of or exercise of rights attached to other securities convertible into PMR Shares which are on issue on the Register Date.
- (b) If at the time the Offer is made to you, or at any time during the period from the Register Date to the end of the Offer Period and before you accept the Offer, another person is, or is entitled to be, registered as the holder of some or all of your PMR Shares to which the Offer relates (**Transferred Shares**), then:
- i. a corresponding Offer will be deemed to have been made to that other person in respect of the Transferred Shares;
  - ii. a corresponding Offer will be deemed to have been made to you in respect of your PMR Shares other than the Transferred Shares; and
  - iii. this Offer is deemed to have been withdrawn immediately after making such corresponding Offer.

### **Trustees and nominees**

- (c) If you are a trustee or nominee for several persons in respect of separate parcels of PMR Shares, section 653B of the Corporations Act deems a separate Offer to have been made to you in respect of each separate and distinct parcel.
- (d) To validly accept the Offer for any of those separate and distinct parcels, you must:
- i. if the parcel consists of PMR Shares held in an Issuer Sponsored Holding, complete and sign the Offer Acceptance Form; and
  - ii. if the parcel consists of PMR Shares held in a CHES Holding, initiate acceptance in accordance with Rule 14.14 of the ASX Settlement Rules,
- (e) in each case specifying that the PMR Shares in respect of which you are accepting are a separate and distinct parcel and the number of PMR Shares in the separate and distinct parcel to which the acceptance relates.
- (f) You may at the one time accept the Offer in respect of two or more such separate and distinct parcels as if they were a single parcel.
- (g) If sections 12.5(c) to 12.5(f) apply to you, please contact the Sovereign Gold Offer Information Line on +61 2 9251 7177 for such additional copies of this document or the Offer Acceptance Form as are necessary.

## **12.6 How to accept the Offer**

### **(a) General**

- i. Subject to sections 12.5(c) to 12.5(f) and 12.6(e), you may accept the Offer in respect of all or any number of your PMR Shares.
- ii. You may accept the Offer at any time during the Offer Period.

### **(b) Issuer Sponsored Holdings**

If any of your PMR Relevant Shares are in an Issuer Sponsored Holding, to accept the Offer in respect of those PMR Relevant Shares you must:

- i. Complete and sign the Offer Acceptance Form in accordance with the instructions on the Offer Acceptance Form; and
- ii. Ensure that the Offer Acceptance Form together with all other documents required by the terms of the Offer and the instructions on the form are received before the expiry of the Offer Period at one of the addresses given on the Offer Acceptance Form.

### **(c) CHESS Holdings**

- i. If your PMR Relevant Shares are in a CHESS Holding, to accept the Offer you must comply with the ASX Settlement Rules. To accept the Offer in respect of those PMR Relevant Shares:
  - A. you should instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Rules before the expiry of the Offer Period; or
  - B. if you are a Participant, you must initiate acceptance of the Offer in accordance with the ASX Settlement Rules before the expiry of the Offer Period.
- ii. Alternatively, you may complete and sign the Offer Acceptance Form in respect of those PMR Relevant Shares which are in the CHESS Holding in accordance with the instructions on the form and return the form, together with all other documents required by those instructions, to the address given on the Offer Acceptance Form. This will authorise Sovereign Gold to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf. You must ensure that the Offer Acceptance Form is received in time for Sovereign Gold to give instructions to your Controlling Participant and your Controlling Participant to carry out those instructions before the expiry of the Offer Period. You will be taken to have completed acceptance of the Offer when your Controlling Participant initiates acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Rules.

### **(d) PMR Shares held through different structures**

If your PMR Relevant Shares are held in different parcels in different structures, your acceptance of the Offer will require action under 12.5(c) to 12.5(f) in relation to the different parcels of your PMR Relevant Shares.

### **(e) Nominee holdings**

If your PMR Relevant Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.



**(f) Status of Offer Acceptance Form**

- i. The Offer Acceptance Form which accompanies this document form part of the Offer. The requirements on the Offer Acceptance Form must be observed when accepting the Offer. Acceptance of the Offer for PMR Relevant Shares held in an Issuer Sponsored Holding will be effective only when (subject to section 12.6(e)) the properly completed Offer Acceptance Form (together with any document required by the instructions on that form) has been received at one of the addresses set out on the Offer Acceptance Form.
- ii. The method chosen to deliver the Offer Acceptance Form and other documents is at the risk of each accepting PMR Shareholder.

**(g) Where to deliver your Offer Acceptance Form**

You may send your completed and signed Offer Acceptance Form (and any other documents, if any, required by the instructions on the Offer Acceptance Form) by post to:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne VIC 3001  
Australia

**(h) Sovereign Gold's discretion**

Notwithstanding anything to the contrary in this section 12.6, Sovereign Gold may at its discretion treat any Offer Acceptance Form received before the end of the Offer Period (at an address indicated on the Offer Acceptance Form or such other address or fax number as may be acceptable to Sovereign Gold) as valid or waive any requirements to the contrary in any case, but the provision of the Offer Consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Sovereign Gold.

**12.7 Effect of acceptance**

By accepting the Offer, or initiating acceptance of the Offer, in accordance with section 12.6, you will, or will be deemed to, have:

- (a) accepted the Offer for your PMR Relevant Shares and irrevocably agreed to the Offer Conditions to sell your PMR Relevant Shares to Sovereign Gold;
- (b) subject to the Offer being declared free from the Defeating Conditions or those conditions being satisfied or waived, agreed to transfer your PMR Relevant Shares to Sovereign Gold in accordance with the terms set out in the Offer;
- (c) subject to the Offer being declared free from the Defeating Conditions or those conditions being satisfied or waived, authorised Sovereign Gold to issue to you the Sovereign Gold Shares due to you, and to register your name in the Sovereign Gold register of shareholders in respect of those Sovereign Gold Shares, and agreed that you will be bound by the Constitution;
- (d) authorised Sovereign Gold (by its directors, officers or agents) to complete your Offer Acceptance Form by inserting such details as are omitted in respect of your PMR Relevant Shares and to rectify any errors in or omissions from the Offer Acceptance Form as may be necessary to make the Offer Acceptance Form an effective acceptance of the Offer or to enable registration of the transfer of your PMR Relevant Shares to Sovereign Gold;

- (e) represented and warranted to Sovereign Gold that as a fundamental condition going to the root of the contract that, both at the time of acceptance of the Offer and at the time of transfer of your PMR Relevant Shares to Sovereign Gold, your PMR Relevant Shares are fully paid and free from all mortgages, charges, liens, encumbrances, interests of third parties of any kind (whether legal or otherwise) and restrictions on transfer of any kind and that you have full power, capacity and authority to sell and transfer your PMR Relevant Shares (including the legal and beneficial ownership in those PMR Share);
- (f) with effect from the date that the Offer, or any contract resulting from your acceptance of the Offer, becomes unconditional until registration of a transfer of your PMR Relevant Shares to Sovereign Gold, irrevocably appointed Sovereign Gold and each of its directors, secretaries and officers severally as your true and lawful exclusive attorney, agent and proxy in your name and on your behalf, with power to do all things which you could lawfully do concerning your PMR Relevant Shares or in exercise of any right derived from the holding of your PMR Relevant Shares, including (without limiting the generality of the foregoing):
  - i. attending and voting at any meeting of PMR Shareholders;
  - ii. demanding a poll for any vote to be taken at any meeting of PMR Shareholders;
  - iii. proposing or seconding any resolution to be considered at any meeting of PMR Shareholders;
  - iv. requisitioning the convening of any meeting of PMR Shareholders and convening a meeting pursuant to any such requisition (or joining with other PMR Shareholders to do either of those things);
  - v. notifying PMR that in respect of your PMR Relevant Shares, your address in the records of PMR for all purposes, including the despatch of notices of meeting, annual reports and distributions, should be altered to an address nominated by Sovereign Gold, and directing PMR to send all correspondence, payments or notifications in respect of and any other communications and documents whatsoever in respect of your PMR Relevant Shares to Sovereign Gold at that address;
  - vi. executing all forms, transfers, assignments, notices, instruments (including instruments appointing a director of Sovereign Gold as a proxy in respect of all or any of your PMR Relevant Shares and a transfer form for your PMR Relevant Shares), proxy forms, consents, agreements and resolutions relating to your PMR Relevant Shares as may be necessary or desirable to convey your PMR Relevant Shares to Sovereign Gold;
  - vii. requesting PMR to register in the name of Sovereign Gold your PMR Relevant Shares on any register of PMR; and
  - viii. doing all things incidental or ancillary to any of the foregoing, and to have agreed that in exercising the powers conferred by that power of attorney, the attorney may act in the interests of Sovereign Gold as the intended registered holder and beneficial owner of your PMR Relevant Shares and to have further agreed to do all such acts, matters and things that Sovereign Gold may require to give effect to the matters the subject of this paragraph (including the execution of a written proxy form to the same effect as this paragraph which complies in all respects with the requirements of the constitution of PMR) if requested by Sovereign Gold.
- (g) agreed that the appointment in section 12.7(f) is being given for valuable consideration to secure the interest acquired in your PMR Relevant Shares and is irrevocable;
- (h) agreed, in the absence of a prior waiver of this requirement by Sovereign Gold, not to attend or vote in person at any meeting of PMR or to exercise any of the powers conferred on Sovereign Gold or its nominee in section 12.7(f);

- (i) agreed to indemnify Sovereign Gold in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or in consequence of the transfer of your PMR Relevant Shares being registered by Sovereign Gold without production of your Holder Identification Number for your PMR Relevant Shares;
- (j) if you signed the Offer Acceptance Form in respect of any of your PMR Relevant Shares in a CHES Holding, irrevocably authorised Sovereign Gold to:
  - i. instruct your Controlling Participant to initiate acceptance of the Offer in respect of all such PMR Relevant Shares in accordance with the ASX Settlement Rules; and
  - ii. give any other instruction in relation to your PMR Relevant Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant,
  - iii. even though at the time of such transfer Sovereign Gold has not paid the Offer Consideration due to you under the Offer;
- (k) if at the time of acceptance of the Offer your PMR Relevant Shares are in a CHES Holding, with effect from the date that the Offer, or any contract resulting from your acceptance of the Offer, becomes unconditional:
  - i. authorised Sovereign Gold to cause a message to be transmitted to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Rules so as to transfer your PMR Relevant Shares to Sovereign Gold's takeover transferee holding, even though at the time of such transfer Sovereign Gold has not provided the Offer Consideration due to you under the Offer; and
  - ii. represented and warranted to Sovereign Gold that, unless you have notified Sovereign Gold in accordance with sections 12.5(c) to 12.5(f), your PMR Relevant Shares do not consist of separate parcels of PMR Relevant Shares.

### **12.8 When you will receive your Offer Consideration**

- (a) Subject to this section 12.8 and sections 12.6, 12.9 and 12.10 and to the Corporations Act, if you accept the Offer, Sovereign Gold will allot the Offer Consideration that you are entitled to under section 12.2 on or before the earlier of:
  - i. one month after the date the Offer is validly accepted by you or, if the Offer is subject to Defeating Conditions when you accept the Offer, within one month after the takeover contract resulting from your acceptance of the Offer becomes unconditional; and
  - ii. 21 days after the end of the Offer Period.
- (b) Where documents are required to be given to Sovereign Gold with your acceptance to enable Sovereign Gold to become the holder of your PMR Relevant Shares (such as a power of attorney):
  - i. if the documents are given with your acceptance, Sovereign Gold will allot the Offer Consideration to you in accordance with section 12.8(a);
  - ii. if the documents are given after acceptance and before the end of the Offer Period while the Offer is still subject to a Defeating Condition, Sovereign Gold will allot the Offer Consideration to you by the end of whichever of the following periods ends first:

- A. one month after the contract resulting from your acceptance becomes unconditional; and
  - B. 21 days after the end of the Offer Period;
- iii. if the documents are given after acceptance and before the end of the Offer Period while the Offer is no longer subject to a Defeating Condition, Sovereign Gold will allot the Offer Consideration to you by the end of whichever of the following periods ends first:
- A. one month after Sovereign Gold is given the documents; and
  - B. 21 days after the end of the Offer Period;
- iv. if the documents are given after the end of the Offer Period while the Offer is no longer subject to a Defeating Condition, Sovereign Gold will allot the Offer Consideration to you within 21 days after the documents are given; or
- v. if the documents are given after the end of the Offer Period while the Offer is still subject to a Defeating Condition, Sovereign Gold will allot the Offer Consideration to you within 21 days after the contract which arises upon your acceptance of the Offer becomes unconditional.
- (c) The obligation of Sovereign Gold to allot any Sovereign Gold Shares to which you are entitled under the Offer will be satisfied by Sovereign Gold:
- i. entering your name on the register of shareholders of Sovereign Gold; and
  - ii. despatching or procuring the despatch to you of an uncertificated holding statement in your name by pre-paid ordinary mail or, in the case of addresses outside Australia, by pre-paid airmail, to your address as shown on the register of PMR Shareholders maintained by PMR. If your PMR Relevant Shares are held in a joint name, an uncertificated holding statement will be issued in the name of the joint holders and forwarded to the address that appears first in the copy of the register of PMR Shareholders maintained by PMR;
- (d) If, at the time of acceptance of the Offer, you are resident in or a resident of a place to which, or you are a person to whom, the following regulations apply:
- i. Banking (Foreign Exchange) Regulations 1959;
  - ii. part 4 of the Charter of the United Nations Act 11945 (Cth);
  - iii. the Charter of the United Nations (Dealing with Assts) Regulations 2008 (Cth);
  - iv. the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth); or
  - v. any other law of Australia that would make it unlawful for Sovereign Gold to provide consideration for your PMR Relevant Shares,

acceptance of the Offer will not create for you or transfer to you any right (contractual or contingent) to receive the Offer Consideration specified in the Offer unless and until all requisite authorities or clearances have been obtained by Sovereign Gold.

### **12.9 Foreign Shareholders**

- (a) If you are Foreign Shareholder, you should be aware that in jurisdictions outside Australia, this Offer may be restricted by law, and you should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The Offer does not constitute the Offer in any place in which, or to persons to whom, it would not be lawful to make the Offer.

- (b) If a Foreign Shareholder accepts the Offer, in respect of those Sovereign Gold Shares which you would have become entitled to receive under section 12.2 but for restrictions under 12.9(a), Sovereign Gold will:
- i. issue to the Nominee the number of Sovereign Gold Shares which you and all other Foreign Shareholders would have been entitled to under section 12.2 but for section 12.9(a);
  - ii. cause the Nominee to sell on-market, or cause the Nominee to procure the on-market sale of, all of the Sovereign Gold Shares issued to it under section 12.9(b) i as soon as practicable and in any event not more than 30 Business Days after the close of the Offer;
  - iii. after the sale of the Sovereign Gold Shares pursuant to section 12.9(b) ii, cause the Nominee to pay, or procure the payment of, the amount which is received by the Nominee upon the sale of all Sovereign Gold Shares under section 12.9(b) ii less brokerage and other sale expenses (Proceeds of Sale) to Sovereign Gold; and
  - iv. pay the proportion of the Proceeds of Sale which you are entitled to receive, ascertained in accordance with the following formula:  

**Proceeds of Sale x (A/B) where:**

A is the number of Sovereign Gold Shares which Sovereign Gold would otherwise be required to issue to you as a result of your acceptance of the Offer under section 12.2; and

B is the total number of Sovereign Gold Shares issued to the Nominee under section 12.9(b) i.
- (c) The amount payable to you under section 12.9(b) will be paid by cheque in one lump sum in Australian currency. The cheque will be sent to you at your risk by pre-paid airmail to your address as shown on the copy of the register of PMR Shareholders maintained by PMR. Under no circumstances will interest be paid on the proceeds of this sale, regardless of any delay in remitting these proceeds to you.
- (d) Notwithstanding anything else contained in this document, Sovereign Gold is not under any obligation to spend any money, or undertake any action, in order to satisfy itself that a person is not a Foreign Shareholder and is therefore eligible to receive Sovereign Gold Shares under the Offer.

### **12.10 Defeating Conditions**

The Offer and any contract that results from the acceptance of the Offer are subject to fulfilment of the Defeating Conditions set out in section 13.

### **12.11 Nature and effect of Defeating Conditions**

- (a) Each of the Defeating Conditions set out in section 13 is a condition subsequent.
- (b) Each of the Defeating Conditions set out in section 13 is a separate and distinct condition, and shall not be taken to limit the meaning or effect of any other Defeating Condition, nor shall any condition in section 13 merge on completion of any contract arising from acceptance of the Offer.
- (c) The breach or non-fulfilment of any Defeating Condition does not prevent a contract to sell your PMR Relevant Shares arising from your acceptance of the Offer, but if
  - i. Sovereign Gold has not declared the Offer to be free from the Defeating Conditions in section 13 before the Conditions Notice Date; and
  - ii. the Defeating Conditions in section 13 have not been fulfilled at the end of the Offer Period,

- (d) all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such case, Sovereign Gold will:
  - i. return all documents forwarded by you to the address shown in the Offer Acceptance Form; and
  - ii. notify ASX Settlement of the lapse of the Offer in accordance with Rule 14.19 of the ASX Settlement Rules.

#### **12.12 Benefit of the Defeating Conditions**

Subject to the provisions of the Corporations Act, Sovereign Gold alone shall be entitled to the benefit of the Defeating Conditions in section 13 and any non-fulfilment of such Defeating Conditions may be relied upon only by Sovereign Gold.

#### **12.13 Freeing of the Offer from the Defeating Conditions**

Subject to section 650F of the Corporations Act, Sovereign Gold may at any time in its sole discretion declare the Offer free from any or all of the Defeating Conditions generally or in relation to any specific occurrence or any specific entity by giving notice in writing to PMR with a copy given to ASX.

#### **12.14 Statutory condition**

The Offer and any contract that results from your acceptance of it are subject to the condition that:

- (a) an application is made to ASX within seven days after the date the Bidder's Statement is given to PMR for the granting of admission to official quotation of the Sovereign Gold Shares to be issued as Offer Consideration; and
- (b) permission for admission to official quotation by ASX of the Sovereign Gold Shares to be issued pursuant to the Offer is granted no later than seven days after the end of the Offer Period.

If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be automatically void.

#### **12.15 Notice on the status of the Defeating Conditions**

The date for giving the notice on the status of the Defeating Conditions required by section 630(3) of the Corporations Act is the Conditions Notice Date (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

#### **12.16 Variation of the Offer**

Sovereign Gold may vary the Offer as permitted by Part 6.6 Division 2 of the Corporations Act. A variation may extend the Offer Period, and may increase the Offer Consideration. Any variations to the Offer will be notified to the ASX and in accordance with the Corporations Act. If you have accepted the Offer prior to a variation, you will receive the benefit of that variation.

#### **12.17 Withdrawal of the Offer**

- (a) In accordance with section 652B of the Corporations Act, the Offer may only be withdrawn with the consent in writing of ASIC, which consent may be given subject to such conditions (if any) as are specified in the consent.
- (b) If Sovereign Gold withdraws the Offer, all contracts arising from its acceptance will automatically be void.

#### **12.18 Governing law**

The Offer and any contract that results from your acceptance of the Offer is governed by the laws in force in New South Wales.

### **13. CONDITIONS OF THE OFFER**

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The Offer, and any contract that results from your acceptance of the Offer, is subject to the following Defeating Conditions being satisfied or waived by Sovereign Gold.

#### **13.1 Minimum acceptance condition**

Before the end of the Offer Period, Sovereign Gold and its Associates have Relevant Interests in at least 80% (by number) of all PMR Shares.

#### **13.2 Regulatory Approval**

Before the end of the Offer Period, Sovereign Gold has obtained any Regulatory Approval required in respect of its intended ownership of PMR and its operation of the business of PMR.

#### **13.3 No restraint adversely affecting the Offer**

No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Offer or the transactions contemplated by the Offer is in effect at the close of the Offer Period.

#### **13.4 Conduct of business**

Between the Announcement Date and the end of the Offer Period (each inclusive) PMR or any subsidiary of PMR has not done any of the following:

- (a) **(licences and permits):** doing or omitting to do anything that causes or is reasonably likely to cause any licence or permit necessary or desirable for the conduct of its business to be suspended, revoked, cancelled or otherwise materially adversely impacted;
- (b) **(acquisition of assets):** acquiring (including by way of subscription for equity), offering to acquire, agreeing to acquire, leasing, or entering into a binding commitment, or granting a person an irrevocable option to require it, to acquire or lease any asset for a consideration of greater than \$500,000, or making an announcement in relation to such an acquisition, offer or agreement, without the prior written consent of Sovereign Gold;
- (c) **(disposal of assets):** leasing, sub-leasing or disposing of, offering to lease or sub-lease or dispose of, agreeing to lease or sub-lease or dispose of or granting a person an irrevocable option to require it to lease or sublease or dispose of any asset (including any shares held by PMR or a subsidiary of PMR) (or any interest in one or more assets) for a consideration of greater than \$500,000, or making an announcement in relation to such a lease, sublease, disposition, agreement or option, other than inventory in the ordinary course of business, without the prior written consent of Sovereign Gold;
- (d) **(financial indebtedness):** except for liabilities incurred in connection with the Offer, increasing its level of financial indebtedness (including financial liabilities incurred under finance leases), other than in the ordinary and usual course of business, or with Sovereign Gold's prior written consent, by an amount in excess of \$500,000;
- (e) **(capital expenditure):** making capital expenditure in excess of \$500,000 in aggregate without the prior written consent of Sovereign Gold;
- (f) **(joint venture or partnership):** entering into a joint venture, partnership or other similar arrangement;
- (g) **(dividend):** PMR declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;
- (h) **(encumbrance):** creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property; or

- (i) **(prosecution or litigation):** is or becomes a party to any material prosecution, litigation or arbitration other than as a plaintiff or applicant, in respect of PMR or any of its subsidiaries or their respective business or assets that exposes PMR or the subsidiary to a potential liability exceeding \$500,000 (including legal costs) or having a material adverse effect on the business of PMR or any of its subsidiaries, not including litigation that is initiated or instigated by Sovereign Gold or any of its subsidiaries.

### **13.5 No PMR Prescribed Occurrence**

Between the Announcement Date and the end of the Offer Period (each inclusive), no PMR Prescribed Occurrence occurs without the prior written approval of Sovereign Gold.

### **13.6 No PMR Material Adverse Change**

Between the Announcement Date and the end of the Offer Period (each inclusive), no PMR Material Adverse Change occurs.

### **13.7 Representations**

Between the Announcement Date and the end of the Offer Period (each inclusive), no circumstance or event occur which would make any of the following statements, if those statements had been made on the Announcement Date, untrue or incorrect in any material respect:

- (a) subject to the issue of any PMR Shares on exercise of PMR Options the issued share capital of PMR comprises 85,000,000 PMR Shares;
- (b) there are no securities of PMR convertible into PMR Shares other than 3,600,000 PMR Options, each PMR Option entitling the holder to subscribe for one PMR Share on the terms and conditions applicable to the PMR Option;
- (c) other than the PMR Options referred to in section 13.7(b) above, there are no options over PMR Shares or other entitlements to have PMR Shares issued; and
- (d) PMR is not involved in any negotiations with a party other than Sovereign Gold relating to or concerning a Competing Proposal.

### **13.8 Nature of conditions**

Each of the Defeating Conditions set out in each paragraph and subparagraph of section 13 will:

- (a) be construed as a separate, several and distinct condition;
- (b) be a condition subsequent; and
- (c) until the expiration of the Offer will be for the benefit of Sovereign Gold alone and may be relied upon only by Sovereign Gold.

### **13.9 Conditions apply to multiple events**

- (a) Where an event occurs that would have the effect, at the time the event occurs, that a Defeating Condition to which the Offer or the contract resulting from an acceptance of the Offer is then subject would not be fulfilled, each Defeating Condition affected by that event becomes two separate Defeating Conditions on identical terms except that:
  - i. one of them relates solely to that event;
  - ii. the other specifically excludes that event; and
  - iii. Sovereign Gold may declare the Offer free from either of those Conditions without declaring it free from the other and may do so at different times.
- (b) This clause 13.9 may apply any number of times to a particular Defeating Condition (including a Defeating Condition arising from a previous operation of this clause).



**14. APPROVAL OF THE BIDDER'S STATEMENT**

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This Bidder's Statement has been approved by a unanimous resolution passed by all the directors of Sovereign Gold.

This Bidder's Statement is dated 20 July 2012.

Signed on behalf of Sovereign Gold by Rado Jacob Rebek, being a director of Sovereign Gold who has been authorised to sign by a unanimous resolution passed by all the directors of Sovereign Gold.

A handwritten signature in black ink, appearing to read 'R. Rebek', with a long, sweeping horizontal flourish extending to the right.

Rado Jacob Rebek  
Director

## 15. GLOSSARY

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### 15.1 Definitions

**AASB** means the Australian Accounting Standards Board.

**Announcement** means the announcement of the Offer released by Sovereign Gold and PMR on the Announcement Date,

**Announcement Date** means 10 July 2012.

**Approvals** includes approvals, licences, authorisations, authorities, consents, permissions, clearances, grants, confirmations, orders, exemptions, waivers or rulings.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the same meaning as given to that term for the purposes of Chapter 6 of the Corporations Act (as modified by ASIC from time to time).

**ASX** means ASX Limited ACN 008 624 691 or the securities market operated by ASX Limited ACN 008 624 691, as the context requires.

**ASX Clear Operating Rules** means the operating rules of ASX Clear Pty Limited ABN 48 001 314 503 from time to time.

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532, the body which administers CHES.

**ASX Settlement Rules** means the rules of ASX Settlement from time to time, except to the extent of any relief given by ASX Settlement.

**Bidder's Statement** means this document, which is given by Sovereign Gold in respect of the Offer pursuant to Part 6.5 of the Corporations Act and in compliance with the requirements of sections 636 and 637 of the Corporations Act.

**Board** means, when used in reference to a company, the board of directors of that company.

**Broker** means a person who is a share broker and a participant in CHES.

**Business Day** has the meaning given in the Listing Rules.

**CGT** means capital gains tax, being the tax you pay on a capital gain. Further information is set out in section 10.

**CHES** means Clearing House Electronic Subregister System, which provides for electronic transfer of securities in Australia.

**CHES Holding** means a holding of PMR Shares on the CHES subregister of PMR.

**Closing Date** means 7:00 pm (AEST) on the last day of the Offer Period.

**Competing Proposal** means a bona fide proposal or offer by any person with respect to any transaction (by purchase, scheme of arrangement, takeover bid or otherwise) that may result in any person (or group of persons) other than Sovereign Gold or its related entities or associates:

- (a) acquiring voting power of more than 20% in PMR or any subsidiary of PMR;
- (b) acquiring an interest in all or a substantial part of the assets of PMR or any subsidiary of PMR; or
- (c) otherwise acquiring control within the meaning of section 50AA of the Corporations Act of, or
- (d) merging or amalgamating with, PMR or any subsidiary of PMR.

**Conditions Notice Date** means 17 August 2012 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

**Constitution** means the constitution of Sovereign Gold, as amended from time to time.

**Controlling Participant** means a Participant who is designated as the controlling participant for shares or other security in a CHESS Holding in accordance with the ASX Settlement Rules.

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

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

**Defeating Condition** means each condition of the Offer set out in section 13 of this Bidder's Statement.

**ESOP** means Employee Share Option Plan.

**Foreign Shareholder** means a PMR Shareholder whose address as shown on the PMR share register is a place outside Australia and its external territories and New Zealand.

**Government Agency** means any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

**Independent Expert** means the independent expert appointed by PMR to prepare the Independent Expert's Report included in the Target's Statement.

**Independent Expert's Report** means the report of the Independent Expert included in the Target's Statement as updated and supplemented at any time and from time to time.

**Insolvency Event** means for a person, being in liquidation or provisional liquidation or bankruptcy or provisional bankruptcy or under administration, having a controller, receiver, receiver and manager or analogous person appointed to it or any of its property, being taken under section 459F(1) of the Corporations Act (or its statutory equivalent in any other jurisdiction) to have failed to comply with a statutory demand, being unable to pay its debts or otherwise insolvent, dying, ceasing to be of full legal capacity or otherwise becoming incapable of managing its own affairs for any reason, becoming an insolvent under administration (as defined in section 9 of the Corporations Act (or its statutory equivalent in any other jurisdiction)), entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors or any analogous event, the making of an order by a court for the winding up of a person, or a person resolving that it be wound up.

**Issuer Sponsored Holding** means a holding of PMR Shares on PMR's issuer sponsored subregister.

**JORC Resource** means an economic resource as defined under the Joint Ore Reserves Committee guidelines.

**Listing Rules** mean the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver granted by ASX.

**Merged Group** means the Sovereign Gold Group following its acquisition of all or a majority of the PMR Shares.

**Merger** means the acquisition by Sovereign Gold of all or a majority of the PMR Shares.

**Nominee** means a nominee to be appointed by Sovereign Gold and approved by ASIC.

**Offer** means the offer by Sovereign Gold to acquire PMR Shares that Sovereign Gold does not control, including all PMR Shares on issue as at the end of the Offer Period on the Offer Conditions.

**Offer Acceptance Form** means the personalised acceptance and transfer form for PMR Shares enclosed with this Bidder's Statement which form part of the Offer.

**Offer Conditions** means the terms and conditions of the Offer set out in sections 12 and 13.

**Offer Consideration** means the consideration under the Offer of nine (9) Sovereign Gold Shares for every ten (10) PMR Shares held (subject to rounding of fractional entitlements) as contained in section 12.2 of this Bidder's Statement.

**Offer Period** means the period during which the Offer remains open.

**Participant** means an entity admitted to participate in CHESS under the ASX Settlement Rules.

**PMR** means Precious Metal Resources Limited ACN 145 105 148.

**PMR Director** means a director of PMR.

**PMR Employee Option or Employee Option** means a PMR Option issued under the PMR ESOP.

**PMR ESOP** means the PMR employee share option plan governed by rules released to the ASX on 2 December 2011.

**PMR Group** means PMR and each of its subsidiaries.

**PMR Material Adverse Change** means an event, occurrence or matter which individually or when aggregated with all such events, occurrences or matters diminish, or could reasonably be expected to diminish, the PMR Net Assets as at 30 December 2011 by \$500,000 or more, other than;

- (a) an event, occurrence or matter required to be done or procured by PMR pursuant to the Offer;
- (b) any asset write off or write down required to be made by the accounting standards;
- (c) a change of law or accounting practice;
- (d) an actual event, occurrence or matter which is known to Sovereign Gold or its Representatives prior to the Announcement Date (which does not include knowledge of the risk of an event, occurrence or matter happening);
- (e) an event, occurrence or matter that was apparent or reasonably ascertainable by Sovereign Gold or its Representatives from:
  - i. documents made available to them by PMR; or
  - ii. responses provided to them in interviews with PMR management, in the course of the due diligence investigations; or
- (f) an event, occurrence or matter that was apparent or reasonably ascertainable by Sovereign Gold or its Representatives from:
  - i. announcements made by PMR to ASX prior to the Announcement Date; or
  - ii. information that was publicly available prior to the Announcement Date from databases maintained by ASIC or any other Government Agency.

**PMR Net Assets** means the excess of total tangible assets over total liabilities of the PMR Group on a consolidated basis.

**PMR Option** means any security which will convert, or may be converted, to PMR Shares or confer rights to be issued PMR Shares, and includes PMR Director Options, PMR Employee Options.

**PMR Prescribed Occurrence** means any of:

- (a) PMR converting all or any of its PMR Shares into a larger or smaller number;
- (b) PMR or a subsidiary of PMR resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) PMR or a subsidiary of PMR:
  - i. entering into a buy-back agreement; or
  - ii. resolving to approve the terms of a buy-back agreement under the Corporations Act;

- (d) PMR or a subsidiary of PMR issuing shares, securities or other instruments convertible into shares, debt securities or granting an option over its shares, or agreeing to make such an issue or grant such an option other than issuing PMR Shares pursuant to the exercise of PMR Options or PMR Executive Entitlements in accordance their terms;
- (e) PMR or a subsidiary of PMR making any change or amendment to its constitution; or
- (f) An Insolvency Event occurring in relation to PMR or a subsidiary of PMR.

**PMR Relevant Share** means that number of PMR Shares for which you accept the Offer.

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

**PMR Shareholder** means the holder of one or more PMR Shares.

**Public Authority** means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority tribunal, agency or entity.

**Register Date** means the date set by Sovereign Gold under section 633(2) of the Corporations Act, being 23 July 2012.

**Regulatory Approval** means:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with,
  - i. a Government Agency, or
  - ii. ASX, or
  - iii. PMR Shareholders, or
  - iv. Sovereign Gold Shareholders; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Government Agency intervened or acted in any way after lodgement, filing, registration or notification:
  - i. the expiry of any applicable period without intervention or action; or
  - ii. the receipt of a statement in writing from the Government Agency that it does not intend to intervene or take action.

**Related Entity** means, in respect of a party, another entity which is:

- (a) related to the first entity within the meaning of section 50 of the Corporations Act; or
- (b) in any consolidated entity (as defined in section 9 of the Corporations Act) which contains the first entity.

**Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act.

**Representative** means in relation to an entity:

- (a) any of the entity's related entities; and
- (b) any of the officers and advisers of the entity or of any of its related entities.

**Rights** means mean all accretions, rights or benefits of whatever kind attaching to or arising from PMR Shares (as the context requires) directly or indirectly at or after the Announcement Date including, without limitation, all dividends, returns of capital and other distributions (whether in cash or in specie) and all rights to receive any dividends, returns of capital or other distributions (whether in cash or in specie), and

all rights to receive or subscribe for shares, units, notes, bonds, options or other securities declared, paid or issued by PMR or by any subsidiary of PMR.

**Sovereign Gold** means Sovereign Gold Company Limited ACN 145 184 667.

**Sovereign Gold Directors** means the board of directors of Sovereign Gold.

**Sovereign Gold Group** means Sovereign Gold and each of its subsidiaries.

**Sovereign Gold Material Adverse Event** means any change, event, effect, occurrence or state of facts that is, or would in the reasonable opinion of PMR Directors be expected to be, material and adverse to the assets, liabilities (including contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, financial condition or prospects of Sovereign Gold or any of its subsidiaries taken as a whole.

**Sovereign Gold Offer Information Line** means the Offer information telephone assistance line which can be contacted during normal business hours in Sydney, New South Wales, on +61 2 9251 7177.

**Sovereign Gold Shareholder** means the holder or one or more Sovereign Gold Shares.

**Sovereign Gold Share** means a fully paid ordinary share in the capital of Sovereign Gold.

**Sovereign Gold Option** means any security which will convert, or may be converted, to Sovereign Gold Shares or confer rights to be issued Sovereign Gold Shares.

**Subsidiary** has the meaning given to the term in section 9 of the Corporations Act.

**Success Option** means options which have been issued to consultants and advisors who have and will continue to provide services to Sovereign Gold or PMR, as required by the context.

**Superior Proposal** means a Competing Proposal that, in the opinion of the PMR Directors acting in good faith and on the basis of financial advice that supports the determination of the PMR Directors:

- (a) is reasonably capable of being valued and completed, taking into account both the nature of the Competing Proposal and the person or persons making it; and
- (b) is more favourable to PMR Shareholders than the Offer, taking into account all terms and conditions of the Competing Proposal.

**Tax** means any tax, levy, excise, duty (including stamp duty), charge, surcharge, contribution, withholding tax, impost or withholding obligation of whatever nature, whether direct or indirect, by whatever method collected or recovered, together with any penalties, fines, interest or statutory charges.

**Target's Statement** means the target's statement prepared and issued by PMR pursuant to sections 633 and 638 of the Corporations Act in relation to the Offer.

**Trading Day** has the meaning given in the Listing Rules.

**VWAP** means volume weighted average price, calculated by dividing the value of trades by the volume over a given period.

**Your PMR Shares** means, subject to section 12,

- (a) the PMR Shares of which you are registered or entitled to be registered as the holder in the register of members of PMR at the Register Date; and
- (b) any other PMR Shares to which you are able to give good title at the time you accept the Offer.

## 15.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Sydney (AEST) time;
- (b) headings are for convenience only and do not affect interpretation;

- (c) the singular includes the plural and conversely;
- (d) a reference to a section is to a section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical Form have a corresponding meaning;
- (g) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASTC Rules, as the case may be;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom the Offer is made; and
- (o) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## CORPORATE DIRECTORY

### **Sovereign Gold Company Limited**

ACN 145 184 667

ABN 12 145 184 667

### **Registered and Corporate Office**

Level 2  
Hudson House  
131 Macquarie Street  
Sydney NSW 2000

Telephone: +61 2 9251 7177

Fax: +61 2 9251 7500

Website: [www.sovereigngold.com.au](http://www.sovereigngold.com.au)

### **Share Registry**

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne VIC 3001  
Australia

Telephone: 1300 850 505

### **Auditors**

K.S. Black & Co  
Level 6  
350 Kent Street  
Sydney NSW 2000

Telephone: +61 2 8839 3000

### **Bankers**

Australia & New Zealand Banking Group Limited  
20 Martin Place  
Sydney NSW 2000

Telephone: +61 2 9227 1818

St George Bank Limited  
Level 3, 1 Chifley Square  
Sydney NSW 2000

Telephone: +61 2 9216 2200

### **Lawyers**

Piper Alderman  
Level 23, Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

Telephone: +61 2 9253 9999

### **Directors**

John Dawkins AO (Chairman)  
Michael Leu (CEO)  
Peter Meers  
Rado Jacob Rebek

### **Joint Company Secretaries**

David L Hughes  
Henry Kinstlinger



**ANNEXURE A**

**Material announcements relating to the Offer**

10/07/2012	PMR: T/O Bid Implementation Agreement with PMR
10/07/2012	Takeover Bid Implementation Agreement with PMR
06/07/2012	Discussion with PMR
06/07/2012	PMR: Approach by Sovereign Gold Company Ltd - Take No Action

**ANNEXURE B****Sovereign Gold's past announcements to ASX**

10/07/2012	PMR: T/O Bid Implementation Agreement with PMR
10/07/2012	Takeover Bid Implementation Agreement with PMR
06/07/2012	Discussion with PMR
06/07/2012	PMR: Approach by Sovereign Gold Company Ltd - Take No Action
28/06/2012	Geophysics confirms large gold system potential
29/05/2012	Final Director`s Interest Notice
28/05/2012	Results of Meeting
28/05/2012	CEO Presentation to AGM
28/05/2012	Chairman`s Address to Shareholders
25/05/2012	Frasers Find Drilling Underway
10/05/2012	2012 Drilling Target Snapshot No. 2
27/04/2012	Quarterly Activities Report
27/04/2012	Notice of Annual General Meeting/Proxy Form
27/04/2012	Quarterly Cashflow Report
26/04/2012	Drilling Target Snapshot
17/04/2012	Sovereign Gold 2012 Drilling Program Commences
02/04/2012	Gold Mine Discoveries Continue

**ANNEXURE C****PMR's past announcements to ASX**

19/07/2012	Takeover Bid Implementation Agreement with PMR
10/07/2012	SOC: Takeover Bid Implementation Agreement with PMR
06/07/2012	SOC: Discussion with PMR
06/07/2012	Approach by Sovereign Gold Company Ltd - Take No Action
28/06/2012	VTEM Survey Underway
30/05/2012	Results of Meeting
30/05/2012	Chairman`s Address to Shareholders
01/05/2012	Assays present further high grade results
27/04/2012	Quarterly Activities Report
27/04/2012	Notice of Annual General Meeting/Proxy Form
27/04/2012	Quarterly Cashflow Report