



SOVEREIGN GOLD COMPANY LIMITED

Sovereign Gold Company Limited
ACN 145 184 667

Level 2, 131 Macquarie Street
Sydney NSW 2000
Tel: +61 2 9251 7177
Fax: +61 2 9251 7500

Contact
Michael Leu CEO

email: mleu@sovereigngold.com.au

Latest News
www.sovereigngold.com.au

Directors / Officers
John Dawkins AO
Michael Leu
Julian Malnic
Peter Meers
Jacob Rebek

ASX Symbol: SOC

Qualifying Statements

The information in this Report that relates to Exploration Information is based on information compiled by Michael Leu who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

Mr Leu is a qualified geologist and is a director of Sovereign Gold Company Limited.

Mr Leu has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources. Mr Leu consents to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

ASX Release
31 March 2014

Sovereign Gold to Spin-out Mount Adrah Gold Limited through ASX Initial Public Offering

- Sovereign Gold to spin-out Mount Adrah Gold Limited which will be listed via an Initial Public Offering in Q2 2014
- Sovereign Gold shareholders eligible to apply for shares in a priority offer
- Mount Adrah Mineral Resource estimate is 770,000 ounces of gold (440,000 oz Indicated; 330,000 oz Inferred), within a total Mineral Resource estimate of 20.5 Mt at 1.1 g/t gold, at various cut-off grades¹
- Mount Adrah Gold to raise between \$2 million and \$3 million via a public offer prospectus at an issue price of 20 cents per share
- Appointment of Julian Malnic as Managing Director of Mount Adrah

Mount Adrah Gold Limited Spin-Out

Sovereign Gold Limited (**Sovereign Gold**) (ASX: SOC) is proposing to spin-out Mount Adrah Gold Limited (formerly Gossan Hill Gold Limited), (**Mount Adrah**), a 72% owned subsidiary Sovereign Gold.

Mount Adrah Gold has a portfolio of highly prospective gold projects in New South Wales, Australia at the Mount Adrah Gold Project.

Exploration aims to locate a major gold deposit, with a principal focus on the Mount Adrah Gold area where the JORC Code compliant Mineral Resource estimate is 770,000 ounces of gold (440,000 oz Indicated; 330,000 oz Inferred), within a total Mineral Resource estimate of 20.5 Mt at 1.1 g/t gold, at various cut-off grades.

"The spin-out will provide dedicated resources and focus for the accelerated exploration and development of the Mount Adrah Gold Project," Mount Adrah CEO, Julian Malnic said.

Initial Public Offering

The Mount Adrah IPO is for 10,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$2,000,000; additionally the Company may accept over-subscriptions for up to 5,000,000 Shares to raise up to a further \$1,000,000.

Sovereign Gold currently holds 41,825,000 shares in Mount Adrah.

¹ The information is extracted from the report entitled "Hobbs Pipe - Mineral Resource Update Additional Information" created 27th December 2013 and is available to view on www.sovereigngold.com.au/investors.htm. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



All Sovereign Gold shareholders holding at least a Marketable Parcel of Sovereign Gold shares at the Record Date (yet to be set) will be eligible to apply for shares in a priority offer, with a guaranteed allocation of shares in Mount Adrah.

Julian Malnic Appointed Managing Director

Julian Malnic, a director of Sovereign Gold has been appointed Managing Director of Mount Adrah.

Julian Malnic is a professional geologist and company builder whose career spans a wide range of industry activity including exploration (specialising in gold), mine assessment, corporate management and development, and industry media.

In 1995, Julian founded Nautilus Minerals (listed on the Toronto and London exchanges) the world's first company to be granted exploration licences to newly discovered, high-grade seafloor massive sulphide deposits.

Julian subsequently founded Direct Nickel (**DNi**) in 2005 after having identified the potential of precursor technologies for the Direct Nickel Process which it has successfully developed for treating nickel laterites.

He worked as Executive Chairman of DNi until Sept 2012 and led the DNi team in developing the DNi Process. The company has successfully tested a wide array of ore types, confirmed the process's efficient and wide spectrum capabilities, and forged strong technical and financial partnerships with Teck Resources Limited, PT Antam, and the CSIRO.

The Offer of the securities will be made in a prospectus to be lodged with ASIC during April 2014. To subscribe for Shares, applicants will need to complete the application form that is in, or accompanies, the prospectus.

In deciding whether to acquire the Shares, applicants should read the prospectus carefully, and if necessary seek their own taxation and investment advice.

The prospectus, including the application form, once lodged with the ASIC, will be able to be viewed and downloaded at www.adrah.com.au.

Requests for the prospectus and application form can also be made by phoning Mount Adrah on +61 2 9251 7177.

For further information please contact:

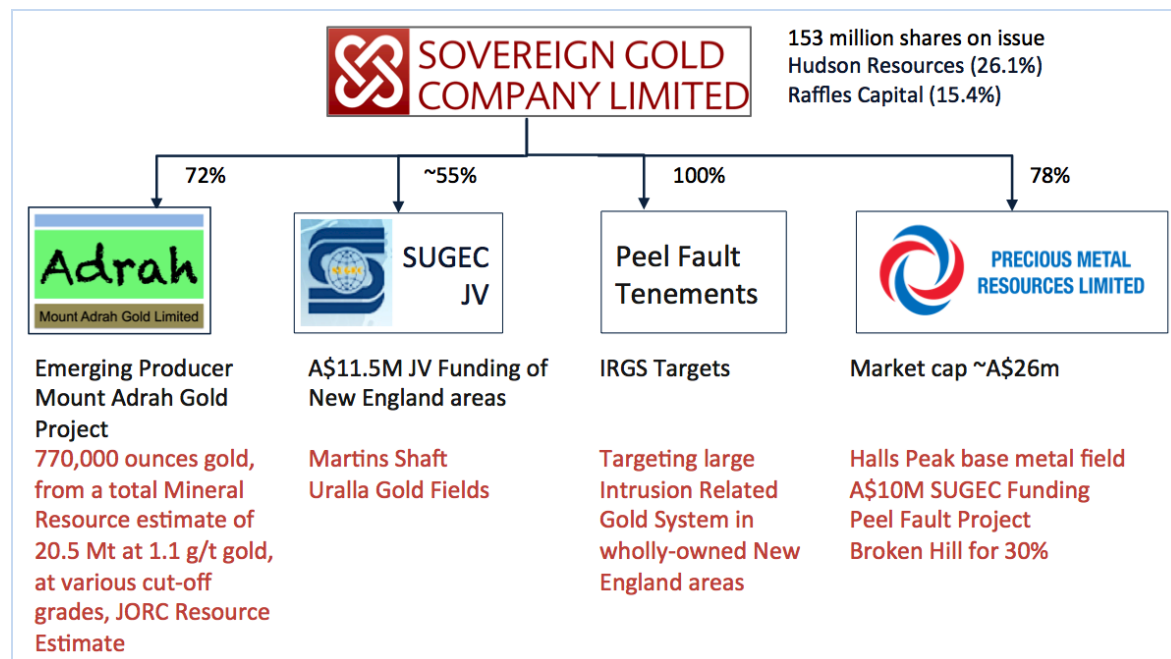
Henry Kinstlinger
Investor Relations

Telephone: +61 2 9251 7177

About Sovereign Gold Company Limited

Sovereign Gold Company Limited (ASX: SOC) (**Sovereign Gold**), is an ASX listed company exploring primarily for gold in NSW.

Sovereign Gold currently holds a 72% interest in Mount Adrah Gold Limited (formally Gossan Hill Gold Limited). Exploration and deep drilling at the Mount Adrah Gold Project has uncovered a potentially world-class Intrusion-Related Gold System (**IRGS**) discovery. Evaluation is continuing. The Mount Adrah Gold Project is located approximately 50 km southeast of the regional NSW Centre of Wagga Wagga and 23km northwest of the historic gold mining district of Adelong.



Sovereign Gold also holds six Exploration Licences over 1,740km² near Armidale in NSW including the historic Rocky River-Uralla Goldfields. Another three Exploration Licences (900km²) are under Joint Venture with Jiangsu Geology & Engineering Co Ltd (**SUGEC**), a major Chinese State-owned geology enterprise; exploration on these tenements is fully funded by SUGEC.

SUGEC funded drilling, near Martins Shaft, in the Uralla area, now under Joint Venture with SUGEC, has recently confirmed the presence of another potentially large IRGS discovery. The Joint Venture is directing \$2 million toward a drilling program on Martins Shaft and adjacent areas.

Sovereign Gold holds 78% of Precious Metal Resources Limited (ASX: PMR), (**PMR**) an ASX listed exploration company. PMR holds 25 ELs and ELAs over prospective base and precious metal ground, many in close proximity to Sovereign Gold.