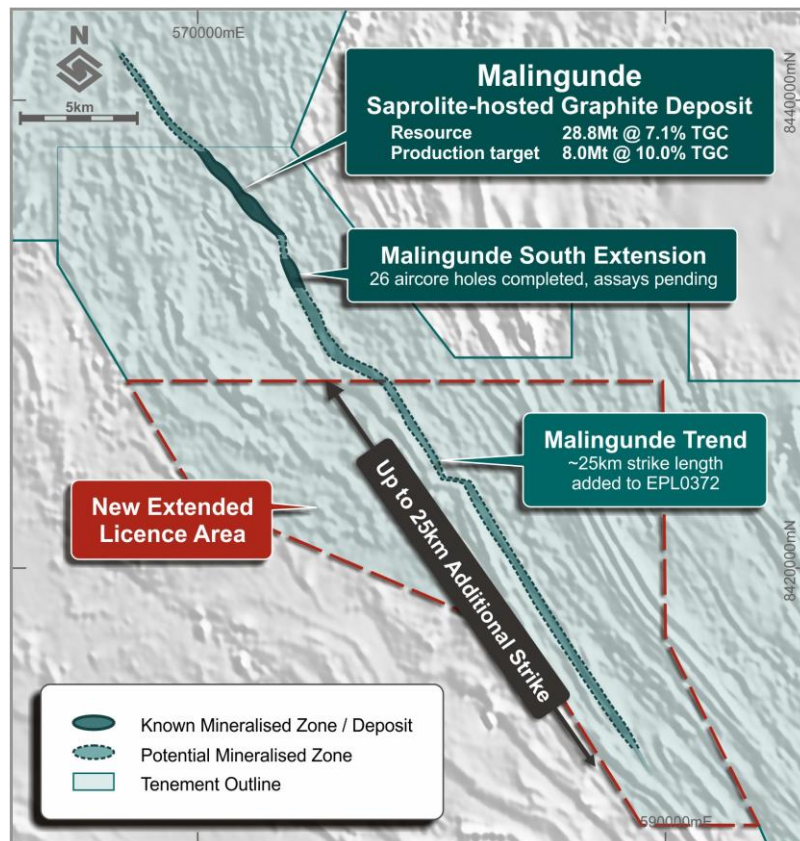


## SOVEREIGN SECURES ADDITIONAL GROUND ALONG STRIKE FROM MALINGUNDE

Sovereign Metals Limited (“the Company” or “Sovereign”) is pleased to announce that it has been granted additional ground directly along strike of the world-class Malingunde saprolite-hosted graphite deposit in Malawi.

### HIGHLIGHTS:

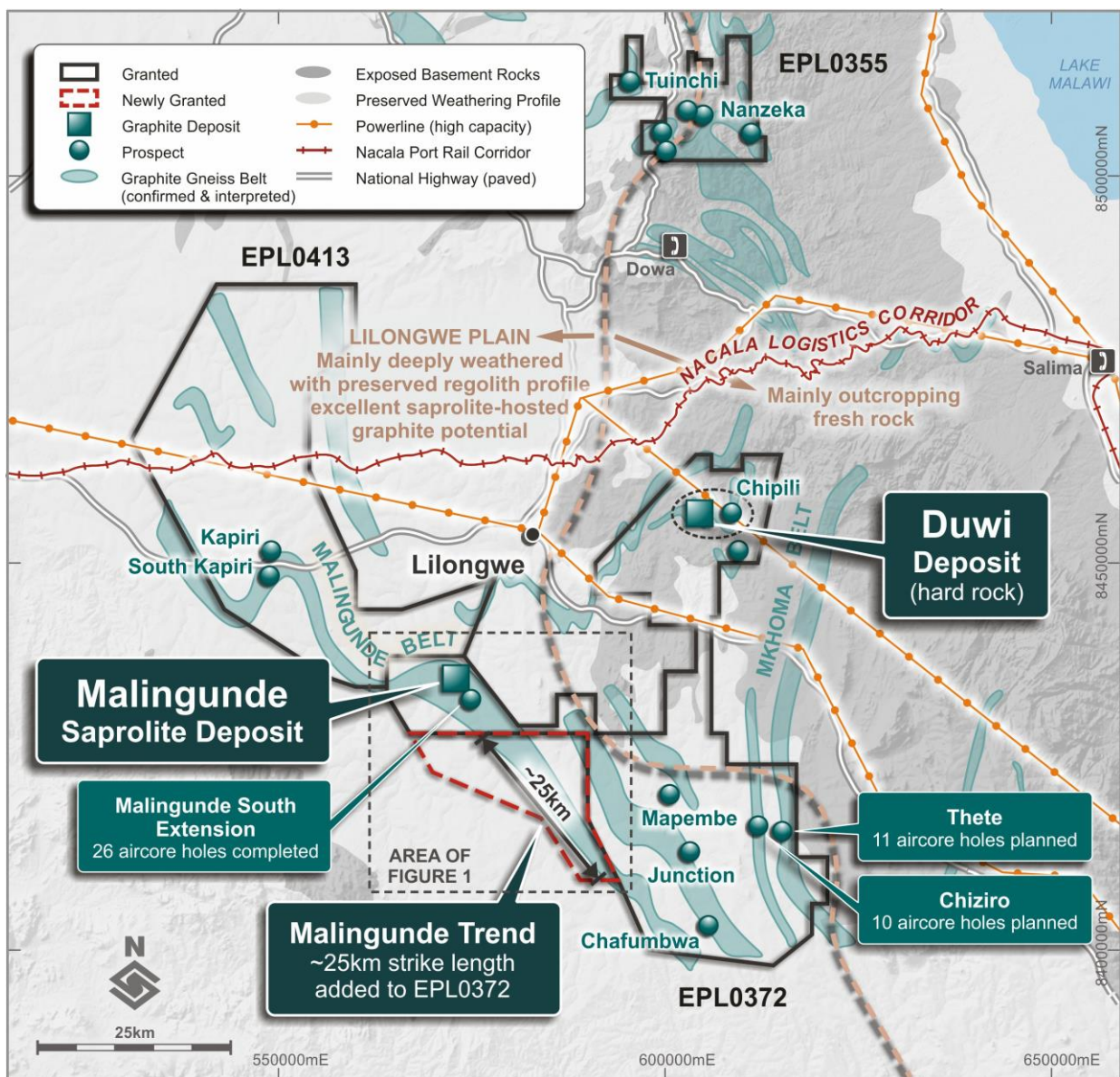
- ❖ New ground added to EPL0372 directly along strike to the south-east of the Malingunde deposit, extending the prospective strike length of the “Malingunde Trend” by ~25km.
- ❖ Previous exploration is known to have intersected saprolite-hosted graphite mineralisation in this newly granted area.
- ❖ A total area of 229km<sup>2</sup> has been added to EPL0372. Following statutory relinquishments of non-prospective areas of EPL0355 and EPL0413, the Company’s total ground package is now 2,740km<sup>2</sup>.
- ❖ Sovereign’s first mover advantage means it is the dominant ground holder in the Central Malawi Graphite Province, controlling ~80% of the total area prospective for flake graphite mineralisation.
- ❖ Pre-feasibility (“PFS”) activities at Malingunde continue to rapidly advance, with 2017 resource drilling now completed and drilling of additional regional targets well advanced.



**Figure 1: Map showing the newly granted extension of EPL0372 covering about 25km of strike of the Malingunde Trend.**

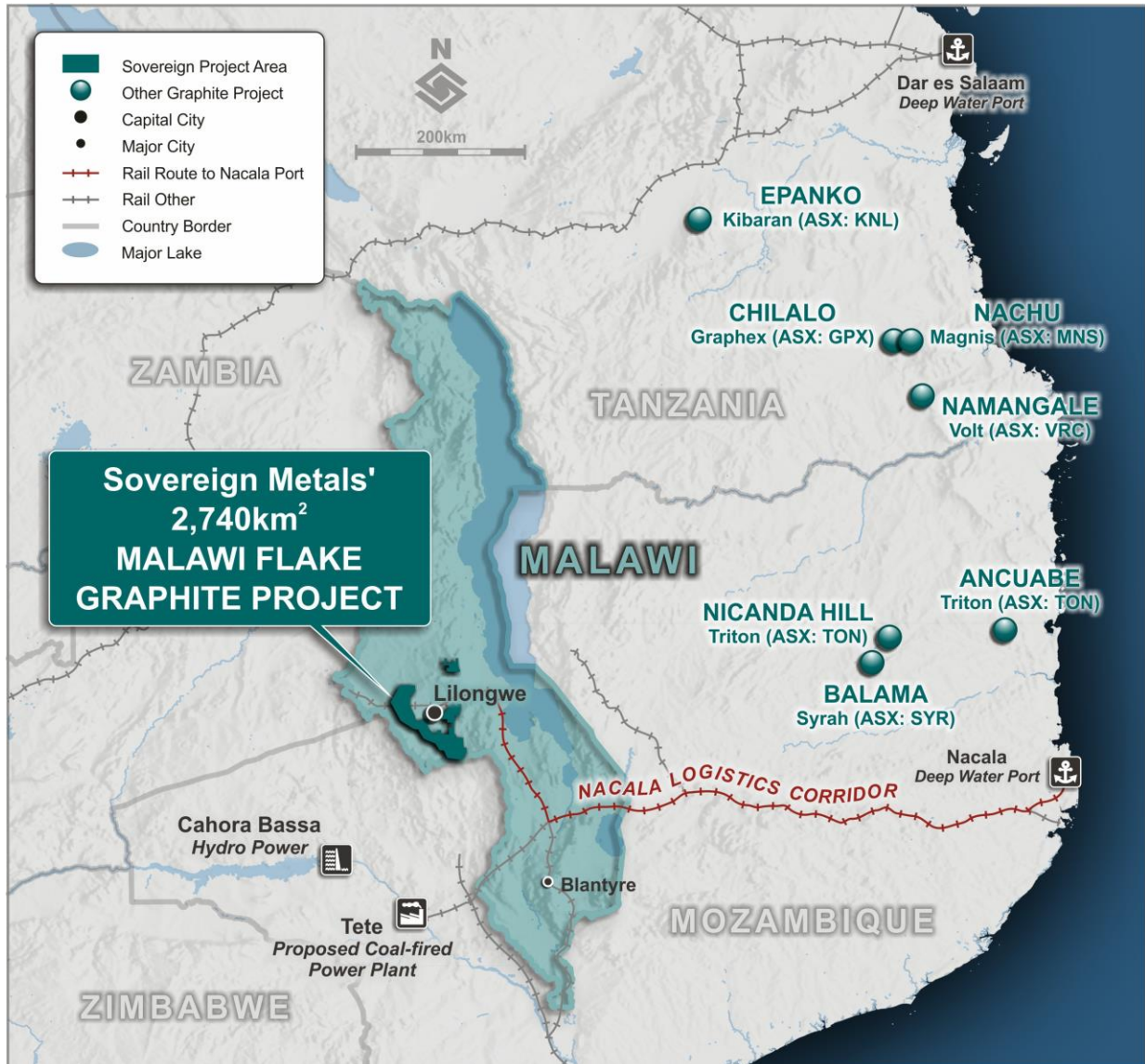
Sovereign’s Managing Director, Dr Julian Stephens, said “We are very pleased to have secured control of the entire Malingunde Graphite Trend, providing significant scale and optionality upside to the existing world-class resource that has been defined at Malingunde. Sovereign’s in-country team will commence targeted exploration along strike from Malingunde over the upcoming wet season (December – March) using the very cheap and effective hand-auger exploration tool.”

**ENQUIRIES**                      **Julian Stephens**                      **Managing Director**  
**+618 9322 6322**                      **Dominic Allen**                      **Business Development Manager**



**Figure 2: Map showing the newly granted extension of EPL0372 and Sovereign’s dominant ground position within the Central Malawi Graphite Province. Key deposits and areas of current exploration work are also shown.**





**Figure 3: Map showing location of the Sovereign Metals' Malawi Graphite Project and the Nacala Logistics Corridor (rail & port).**



**Forward Looking Statement**

*This release may include forward-looking statements, which may be identified by words such as "expects", "anticipates", "believes", "projects", "plans", and similar expressions. These forward-looking statements are based on Sovereign's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Sovereign, which could cause actual results to differ materially from such statements. There can be no assurance that forward-looking statements will prove to be correct. Sovereign makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.*

**Competent Person Statements**

*The information in this Announcement that relates to Mineral Resources is extracted from an announcement dated 18 April 2017. This announcement is available to view on [www.sovereignmetals.com.au](http://www.sovereignmetals.com.au). The information in the original ASX Announcement that related to Mineral Resources was based on, and fairly represents, information compiled by Mr David Williams, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Williams is employed by CSA Global Pty Ltd, an independent consulting company. Mr Williams has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. 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, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

*The information in this Announcement that relates to Production Targets is extracted from an announcement entitled "Malingunde Scoping Study Delivers Rare Combination of Exceptionally Low Capex & Opex" dated 20 June 2017. This announcement is available to view on [www.sovereignmetals.com.au](http://www.sovereignmetals.com.au). The information in the original announcement that related to Production Targets is based on and fairly represents information compiled or reviewed by Mr David Dodd, who is a Fellow of the Southern Africa Institute of Mining and Metallurgy. Mr Dodd has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken. 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 that all material assumptions underpinning the Production Target included in the original announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

*The Production Target referred to in this announcement is based on Sovereign Metals Limited's Scoping Study for the Malingunde Project released to the ASX on 20 June 2017. The information in relation to the Production Target that the Company is required to include in a public report in accordance with ASX Listing Rules 5.16 and 5.17 was included in SVM's ASX Announcement released on 20 June 2017. The Company confirms that the material assumptions underpinning the Production Target referenced in the 20 June 2017 release*