

COMPLETION OF PLACEMENT

Sovereign Metals Limited (“Sovereign” or “Company”) is pleased to announce that following Shareholder approval, the Company has issued a further 23.3 million new ordinary shares to raise \$1.75 million before costs. This completes the placement to raise a total \$4.0 million before costs, as announced on 27 June 2016.

The funds raised will be used to expedite development of the Company’s 100% owned Duwi Flake Graphite Project in Malawi, along with ongoing exploration of a number of other advanced flake graphite prospects and general working capital.

Managing Director, Dr Julian Stephens said, *“It’s an exciting time for the Company which is now well funded to take full advantage of the increased focus on high quality flake graphite projects that is being driven by the rapidly growing rechargeable battery market. The Company has now commenced a number of its technical work programs along with progressing its marketing efforts in China. Accordingly we expect to generate substantial investor news flow over the coming months”.*

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