



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 15 JANUARY 2013

SHARE PLACEMENT

The Directors of Sovereign Metals Limited (“Sovereign” or “Company”) are pleased to announce that the Company will place 10 million ordinary shares at \$0.30 each to European based sophisticated investors, to raise \$3 million before costs.

The majority of the placement has been made to a company affiliated with Aterra Capital (“Aterra”), who will subscribe for 8.33 million shares for a total of \$2.5 million. Aterra is a private equity and venture capital firm based in Moscow that specialises in investments in natural resources projects.

The Board is delighted to have Aterra as a key investor and the placement will significantly strengthen the Company’s financial position and enable Sovereign to continue the exploration of its Projects including the recently acquired and highly prospective Central Malawi Graphite Project (“CMGP”), located in Malawi, near the capital city, Lilongwe.

Results to date at the CMGP have been very encouraging, and the Company looks forward to being able to accelerate exploration activities in 2013, and providing further updates to Shareholders as these activities progress.

The Company expects to complete the placement on or about 18 January 2013.

For further information contact: Peter Woodman
Managing Director
Sovereign Metals Limited
Tel: (+618) 9322 6322