

29 January 2020

*This ASX announcement is not for release to US wire services or distribution in the United States*

## INSTITUTIONAL PLACEMENT

Sovereign Metals Limited (**Sovereign** or **the Company**) is pleased to announce that it has secured commitments from two well regarded North American and United Kingdom based institutional investors in addition to a small number of high net worth investors to subscribe for 22,222,222 new ordinary shares of the Company at an issue price of A\$0.09 to raise gross proceeds of A\$2.0 million (**Placement**).

Sovereign is very pleased to be able to include affiliates of the Sprott Group (**Sprott**) in the Placement. Sprott is a leading North American-based asset management firm with an enviable track record of identifying and funding successful early stage resource projects.

The Placement will fund exploration and development activities on the Company's rutile project in Malawi where work continues to unlock a potentially globally significant, strategic rutile province.

The Company has a number of advanced rutile prospects with clear and well-defined exploration programs well underway. Substantial shallow hand-auger and deeper (10m-30m) air-core drilling was completed in late 2019 and early 2020 on four priority prospects, with a significant number of results near completion and expected to be announced progressively over the coming weeks.

The Company will issue the shares under Listing Rule 7.1.

Following securing the commitments, **Sovereign's Managing Director Dr Julian Stephens commented:**

*"We are extremely pleased to bring these high calibre Investors, including Sprott, onto the Company's register. This is a strong testament to the quality of Sovereign's emerging rutile assets in Malawi. The additional funds will allow the Company to continue to unlock this new, potentially globally significant, strategic rutile province"*

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*This ASX announcement has been approved and authorised for release by the Company's Board of Directors.*

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**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.*