



9 December 2019

AIRCORE DRILLING COMMENCES ACROSS MULTIPLE RUTILE TARGETS

Sovereign Metals Limited (“the Company” or “Sovereign”) is pleased to announce it has commenced an aircore drilling program targeting multiple rutile prospects in Malawi. The program is designed primarily to test the extent and tenor of rutile mineralisation at depth.

HIGHLIGHTS

- ❖ The Company plans to test at least three prospects with deeper aircore drilling (15m to 30m) to follow up initial high-grade hand auger results and recent visual indicators at a new regional prospect
- ❖ A total of 45 holes for approximately 1,000m is planned across three targets at Railroad, Railroad West and the new regional prospect
- ❖ Shallow drilling and regional soil sampling continues across the Company’s large ground package in order to generate and test additional rutile targets



Figure 1: Aircore drill rig in action

Sovereign’s Managing Director Dr Julian Stephens commented:

“This is a really exciting time for Sovereign with our exploration work continuing to uncover multiple new zones of rutile mineralisation. The aircore rig has now commenced with a program to test three of our targets identified to date with deeper drilling. Overall, we believe we are not only looking at a few potential deposits here, but rather a new, and possibly globally significant rutile province.”

Enquiries

Dr Julian Stephens (Perth)
Managing Director
+61(8) 9322 6322

Sam Cordin (Perth)
+61(8) 9322 6322

Sapan Ghai (London)
+44 207 478 3900

Sovereign Metals Limited | ASX : SVM

T: +61 8 9322 6322 | F: +61 8 9322 6558 | E: info@sovereignmetals.com.au | www.sovereignmetals.com.au
Level 9, 28 The Esplanade, PERTH WA 6000 | ABN: 71 120 833 427

AIRCORE DRILL PROGRAM

Sovereign has commenced an aircore drilling program which is designed primarily to test the extent and tenor of rutile mineralisation at depth. The Company is planning to test at least three prospects with this deeper drilling to follow up initial high-grade, shallow drilling results reported from Railroad (refer to ASX Announcement dated 6 November 2019) and recent visual indicators at a new regional prospect.

For context, initial shallow hand-auger drilling across Railroad and Railroad West prospects was able to achieve hole depths averaging about 10m. The aircore rig will be able to achieve depths of up to 30m and will reach the base of the soft, free-dig saprolite material.

At this stage, a total of 45 holes for approximately 1,000m is planned across three targets.

It is expected that first results should be available toward the end of January 2020.

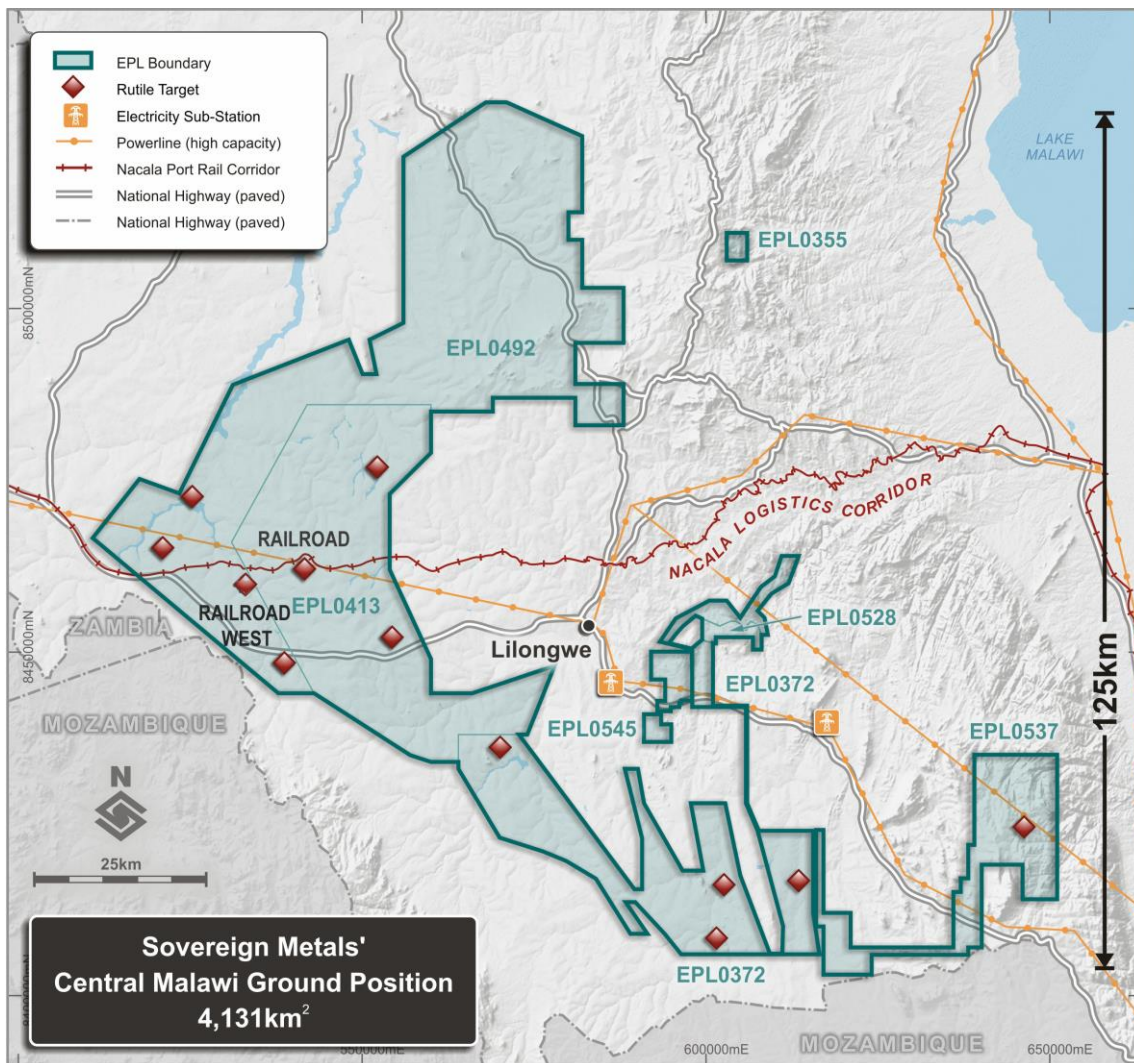


Figure 2: Sovereign's rutile prospects and ground package in Malawi.

BACKGROUND

Sovereign controls a very large area underlain predominantly by paragneiss rocks which are commonly highly enriched in rutile compared to other similar terranes globally. The weathering process has further concentrated the rutile near surface. Overall, this has created an unusually high concentration of rutile in the weathering profile known as a residual placer. It occurs in the form of a 5-25m thick blanket of mineralisation hosted within soft, friable and free-dig saprolite material.

Sovereign has successfully demonstrated that a very high-quality rutile product with 96.0% TiO₂ can be produced using conventional mineral sands processing methods from its saprolite ore. The rutile product produced met or exceeded typical market specifications at a recovered rutile grade of 1.16%.

For reference, the rutile deposits in Sierra Leone controlled by Sierra Rutile (wholly owned by Iluka Resources Limited) have a global resource of 714mt @ 1.1% rutile¹. The majority of the Sierra Leone deposits occur in placers with vertical thicknesses generally ranging from 5 to 15m. Sierra Rutile is considered the only world class rutile deposit currently known.

1. *Iluka Resources Limited Annual Report 2018*

This ASX Announcement has been approved in accordance with the Company's published continuous disclosure policy and authorised for release by the Company's Managing Director, Julian Stephens.

Competent Persons' Statements

The information in this report that relates to Exploration Results is extracted from announcements on 24 June 2019, 23 September 2019 and 6 November 2019. These announcements are available to view on www.sovereignmetals.com.au. The information in the original announcements that related to Exploration Results was based on, and fairly represents, information compiled by Dr Julian Stephens, a Competent Person who is a member of the Australian Institute of Geoscientists (AIG). Dr Stephens is the Managing Director of Sovereign Metals Limited and a holder of ordinary shares and unlisted options in Sovereign Metals Limited. Dr Stephens has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, 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. 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 report that relates to Metallurgical Test work Results is extracted from an announcement on 24 June 2019. This announcement is available to view on www.sovereignmetals.com.au. The information in the original announcement that related to Metallurgical Test work Results was based on, and fairly represents, information compiled by Mr Gavin Diener, a Competent Person who is a member of the AusIMM. Mr Diener is a Director of Allied Mineral Laboratories Pty Ltd (AML), an independent mineral sands laboratory and is not a holder of any equity type in Sovereign Metals Limited. Mr Diener has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, 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. 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.

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.