SOVEREIGN
METALS LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 10 MAY 2007

APPOINTMENT OF PETER WOODMAN AS MANAGING DIRECTOR

The Directors of Sovereign Metals Limited are pleased to announce the appointment of Mr Peter Woodman as Managing Director of the Company.

Mr Woodman was most recently the CEO of Wedgetail Mining Ltd, where he oversaw the successful completion of the bankable feasibility study on the Nullagine Gold Project. Subsequent to this, he managed a $20M equity raising and the mandate of a $40 M senior debt facility with a major Australian institutional bank. He has significant commercial and technical expertise, with substantial exploration, development and operational experience in the resources sector.

Mr Woodman's focus will initially be on exploring and developing Sovereign's portfolio of tenements in Queensland whilst also aggressively pursuing new opportunities to further enhance the value of the Company.

The Directors of Sovereign are delighted that an executive with Mr Woodman's technical and commercial experience has agreed to join the Company, providing a positive endorsement of the potential of the Company's asset portfolio and the opportunities available to Sovereign.

Further details on Mr Woodman's experience and remuneration are included on the following page.

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Managing Director – Mr Peter Woodman

Mr Woodman is a Geologist with over 19 years experience in exploration, development and operations in the resources sector. He is a graduate of the Australian National University and is a corporate member of the Australian Institute of Mining and Metallurgy.

Mr Woodman has worked for a number of mining companies during his extensive career in the resources sector and most recently held the position of Chief Executive Officer of Wedgetail Mining Limited where he oversaw the successful completion of the bankable feasibility study for the Nullagine Gold Project and then managed a $20 M equity raising and the awarding of the banking mandate for $40 M senior debt facility with a major Australian institutional bank.

Prior to his role with Wedgetail Mining Ltd, he held positions with Samantha Gold NL, Ranger Minerals NL, Hellman & Schofield Pty Ltd, Centamin Egypt Ltd and Kingsgate Consolidated Ltd. His background is in management, exploration planning and execution, resource development and mining operations both in Australia and overseas.

Mr Woodman's primary role will be to focus on the commercial progression of the Company and to enhance the advancing of exploration of the Company's Queensland copper / gold tenements. In addition, he will seek to identify new opportunities that will further increase the Company's value for shareholders.

Remuneration

Mr Woodman is commencing his role with the Company immediately. He will receive a salary of $250,000 (inclusive of superannuation) and a $50,000 bonus upon the successful completion of key performance indicators to be determined by the Board.

Mr Woodman will also be granted the following options (subject to the necessary approvals):

- 750,000 unlisted incentive options exercisable at $0.35 each on or before 30 June 2009, vesting immediately;
- 750,000 unlisted incentive options exercisable at $0.50 each on or before 31 December 2009, vesting after 12 months of service; and
- 1,500,000 unlisted incentive options exercisable at $0.65 each on or before 30 November 2010, vesting after 18 months of service.