

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY. If you are in any doubt about the contents of this document, you should consult an independent financial adviser authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom or, if you are not resident in the United Kingdom, another appropriately authorised independent financial adviser.



(Incorporated in Australia with Australian Business Number 71 120 833 427)

APPENDIX TO PRE ADMISSION ANNOUNCEMENT FURTHER INFORMATION ON SOVEREIGN METALS LIMITED IN CONNECTION WITH ITS PROPOSED ADMISSION TO TRADING ON AIM

Nominated Adviser



Application will be made for the entire issued ordinary share capital of Sovereign Metals Limited ("Sovereign" or the "Company") to be admitted to trading ("Admission") on the AIM market operated by the London Stock Exchange plc ("London Stock Exchange"). It is expected that Admission will become effective and dealings in the ordinary shares of the Company will commence on AIM on 14 December 2021.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

The London Stock Exchange has not itself examined or approved the contents of this document.

Directors Declaration

The Directors of the Company, whose names appear on page 5 of this document, and the Company, accept responsibility both individually and collectively for the information contained in this document and for compliance with the AIM Rules for Companies. Having taken all reasonable care to ensure that such is the case, to the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and when read in accordance with the Public Record (as defined below) makes no omission likely to affect the import of such information.

Information in Appendix and Public Record

This Appendix has been prepared in accordance with Rule 2 of, and Schedule One (and its supplement for quoted applicants) of, the AIM Rules for a quoted applicant. It includes, inter alia, all information that is, under these rules, equivalent to that required for an admission document and which is not currently in the Public Record. Information which is in the Public Record includes, without limitation, all information filed with the Australian Securities Exchange (available at www.asx.com.au) and all information available on the Company's website at www.sovereignmetals.com.au. The information on the Company's website does not form part of the Announcement unless that information is incorporated by reference into the Announcement. The Public Record can be accessed freely. This Appendix should be read in conjunction with the 20 Day Schedule One Announcement Form made by the Company and the Public Record. This Appendix and the 20 Day Schedule One Announcement Form together constitute "the Announcement". A copy of this Appendix, which is dated 16 November 2021, will be available on the Company's Website, sovereignmetals.com.au, from 16 November 2021.

Notice from Nominated Adviser and Broker

RFC Ambrian Limited, a company incorporated in England and Wales ("RFC Ambrian"), and which is a member of the London Stock Exchange and authorised and regulated by the Financial Conduct Authority, is the Company's nominated adviser in connection with the proposed arrangements described in the Announcement. RFC Ambrian's responsibilities as the Company's nominated adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules, are owed to the London Stock Exchange. RFC Ambrian is not acting for, and will not be responsible to, any other persons for providing protections afforded to customers of RFC Ambrian nor for advising them in relation to the proposed arrangements described in the Announcement.

Optiva Securities Limited, a company incorporated in England and Wales and which is a member of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority ("Optiva") is the Company's broker. Optiva is acting for the Company and no one else in connection with the proposed arrangements described in the Announcement. Optiva will not regard any other person as their customer nor be responsible to any other person for providing protections afforded to the clients of Optiva nor for providing advice to any other person in connection with the proposed arrangements described in the Announcement.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, Shares.

An investment in the Company may not be suitable for all recipients of this document. Any such investment is speculative and involves a high degree of risk. Prospective investors should carefully consider whether an investment in the Company is suitable for them in light of their circumstances and the financial resources available to them. Attention is drawn in particular to the risk factors referred to in section 8 of this document.

This document contains forward looking statements. These statements relate to the Company's future prospects, developments and business strategy. Forward looking statements are identified by their use of terms and phrases, including without limitation, statements containing the words "believe", "anticipated", "expected", "could", "envisage", "estimate", "may" or the negative of those, variations or similar expressions including references to assumptions. Such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking-statements speak only as at the date of this document. The Company disclaims any obligations to update any such forward looking statements in this document to reflect events or developments except as may be otherwise required by applicable securities laws.

No representation or warranty, express or implied, is made by RFC Ambrian as nominated adviser to Sovereign or Optiva as Broker to Sovereign, as to the contents of this Announcement and no liability is accepted by RFC Ambrian or Optiva for the accuracy or opinions contained in, or for the omission of any material information from the Announcement, for which the Company and the Directors are solely responsible.

DEFINITIONS

"A\$"	Australian Dollars
"Admission"	Admission of the Shares to trading on AIM in accordance with the AIM Rules
"AIM"	The AIM market operated by the London Stock Exchange
"AIM Rules"	The AIM Rules for Companies published by the London Stock Exchange from time to time
"ASIC"	Australian Securities and Investments Commission
"Associates"	Persons and entities associated with an entity, as defined in section 12 of the Australian Corporations Act (in the context of provisions under the Australian Corporations Act), section 6 of the FATA (in the context of provisions under the FATA) and as defined in paragraph (c) of the definition of "related party" in the AIM Rules (in the context of the UK)
"ASX"	The Australian Securities Exchange operated by ASX Limited
"ASX Listing Rules"	The Listing Rules of the ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of the ASX
"Australian Corporations Act"	The Corporations Act 2001 of the Commonwealth of Australia (as amended)
"Australian Registrar"	Computershare Investor Services Pty Ltd, a company incorporated in Australia
"Board" or "Directors"	The directors of the Company whose names are set out on page 6 of this document
"Broker"	Optiva Securities Limited
"CHESS"	The Clearing House Electronic Subregister System, being the system used to settle securities traded on the ASX
"City Code"	The UK City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers
"Company" or "Sovereign"	Sovereign Metals Limited, a company incorporated in Australia with Australian Business Number 71 120 833 427, and where the context allows, including the subsidiaries of the Company
Company Website	www.sovereignmetals.com.au/
"Competent Persons"	Placer and DRA
"Constitution"	The constitution of the Company at the date of this document
CPRs	competent person's reports prepared by Placer and DRA on the Company's material assets and available on the Company's website at www.sovereignmetals.com.au
"CREST"	The system for paperless settlement of trades and holdings of uncertificated securities administered by Euroclear UK & International Limited in the UK
"Deed Poll"	The deed poll to be executed by the Depositary in favour of the holders of the Depositary Interests from time to time as summarised in Section 15.E of this Appendix
"Depositary"	The UK Registrar, or its nominee
"Depositary Agreement"	The agreement to be entered into by the Company and the Depositary appointing the Depositary as summarised in Section 15.D of this Appendix
"Depositary Interests"	The depositary interests representing Shares which may be traded through CREST in uncertificated form, details of which are set out in Section 5 of this Appendix
"DRA"	DRA Global Ltd, who have prepared a competent person's report on the Company's material graphite assets
"DTRs"	The Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority containing the Disclosure Guidance, the Transparency Rules, the Corporate Governance Rules and the rules relating to primary information providers
"FATA"	The Foreign Acquisitions and Takeovers Act 1975 of the Commonwealth of Australia (as amended)
"Group"	Includes Sovereign and its subsidiary companies
Indicated Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and

	evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered
Inferred Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
“Kasiya Project”	The Kasiya mineral sands project in Malawi, Southeast Africa being explored and evaluated by the Company, details of which are set out in Section 1 of this Appendix
“London Stock Exchange”	London Stock Exchange plc
“MAR”	the UK version of Regulation (EU/596/2014) of the European Parliament and of the Council on market abuse, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 and, where relevant, associated delegated legislation and guidance
Measured Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
“MWK”	Malawian Kwacha
“Nomad”	Nominated Adviser as defined in the AIM Rules (being RFC Ambrian)
“Options”	Options to subscribe for Shares
Optiva	Optiva Securities Limited, a company incorporated in England and Wales with registered number 3068464, acting as broker to the company
Ore Reserve	The economically mineable part of Measured and/or Indicated Mineral Resources
“PDMR”	person discharging managerial responsibilities
Performance Rights	Contractual rights to receive Shares in the future if certain conditions and/or performance hurdles are met
“Placer”	Placer Consulting Pty Ltd, who have prepared a competent person’s report on the Company’s material rutile assets
“Public Record”	Without limitation, all disclosures made by the Company to the ASX (available at www.asx.com.au) and all information available on the Company’s website (available at www.sovereignmetals.com.au) as at the date of this document)
“RFC Ambrian”	RFC Ambrian Limited, a company incorporated in England and Wales with registered number 04236075, acting as Nomad to the Company
“Shareholders”	Holders of Shares from time to time
“Shares”	Fully paid ordinary shares of no par value in the capital of the Company
“Significant Shareholder”	As defined in the AIM Rules, includes a person who holds any legal or beneficial interest directly or indirectly in 3% or more of the Shares
“Substantial Shareholder”	As defined in the AIM Rules, includes a person who holds any legal or beneficial interest directly or indirectly in 10% or more of the Shares
“UK”	The United Kingdom of Great Britain and Northern Ireland

“USD”	United States dollar
“UK Registrar”	Computershare Investor Services plc, a company incorporated in England and Wales with registered number 03498808
VWAP	Volume Weighted Average Price
“£”	UK Pounds

DIRECTORS, SECRETARY AND ADVISERS

Directors on Admission	Mr <u>Benjamin</u> Rade Stoikovich Dr <u>Julian</u> Rodney Stephens Mr <u>Mark</u> Laurence Pearce Mr <u>Ian</u> Peter Middlemas	<i>Non-Executive Chairman</i> <i>Managing Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
Company Secretary	Mr Dylan Browne	
Registered Office & Principal Place of Business	Level 9, 28 The Esplanade Perth WA 6000 Australia Ph: +61 (0) 8 9322 6322	
Company Website	www.sovereignmetals.com.au	
Nominated Adviser	RFC Ambrian Limited Octagon Point 5 Cheapside London EC2V 6AA United Kingdom	
Broker	Optiva Securities Limited 49 Berkeley Square Mayfair London W1J 5AZ United Kingdom	
Solicitors to the Company	<i>In Australia</i> Thomson Geer Level 27, Exchange Tower 2 The Esplanade Perth WA 6000 Australia	<i>In the UK</i> CMS 1 West Regent Street Glasgow G2 1AP United Kingdom
Malawi Title Opinion Lawyers	William Faulkner William Faulkner House, Area 15/175 Ntcheu Street P. O. Box 30636 Lilongwe 3, Malawi	
Competent Persons	Placer Consulting Pty Ltd PO Box 110 Darlington WA 6070 Australia	DRA Global Limited 256 Adelaide Terrace Perth WA 6000 Australia
Auditors	Deloitte Touche Tohmatsu Level 7-9, Brookfield Place, Tower 2 123 St George's Terrace Perth WA 6000 Australia	
Share Registry	<i>In Australia</i> Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000 Australia	<i>In the UK</i> Computershare Investor Services plc The Pavilions Bridgwater Road Bristol BS99 6ZZ United Kingdom

EXPECTED TIMETABLE

All references to time in this document and in the expected timetable are to the time in London, United Kingdom, unless otherwise stated. Each of the times and dates in the table below are indicative only and may be subject to change.

Publication of this Announcement	16 November 2021
Admission effective	14 December 2021

SHARE CAPITAL

Issued share capital at Admission	423,357,327
ASX Ticker	SVM
AIM Ticker	SVML
ISIN Code	AU000000SVM6
LEI	213800NSPXSASTENFQ34.
SEDOL Number	BN4LJ02

1. DESCRIPTION OF THE COMPANY'S BUSINESS

Sovereign Metals Limited ("Sovereign" or "the Company") is an ASX listed company developing the Kasiya Project in their Malawi Rutile Province located in Malawi, Southeast Africa. The Kasiya Project, which is Sovereign's near-term focus, has delineated Inferred Resources of 644Mt at 1.01% rutile (0.7% rutile cut-off) including a high-grade component of 137Mt at 141% rutile (1.2% rutile cut-off) and is on track to release a scoping study in late 2021. Sovereign's graphite projects in Malawi include Malingunde, where Resources and Reserves under the JORC Code (2012 edition) have been previously delineated supporting a 2018 prefeasibility study (and updated per the DRA CPR).

Following Admission, the Company will continue its strategy as set out below, with the objective of the Group being to create long-term shareholder value through the discovery, development and acquisition of technically and economically viable mineral deposits. To date, Sovereign has not commenced production of any minerals. To achieve its objective, the Company currently has the following business strategies and prospects over the medium to long term:

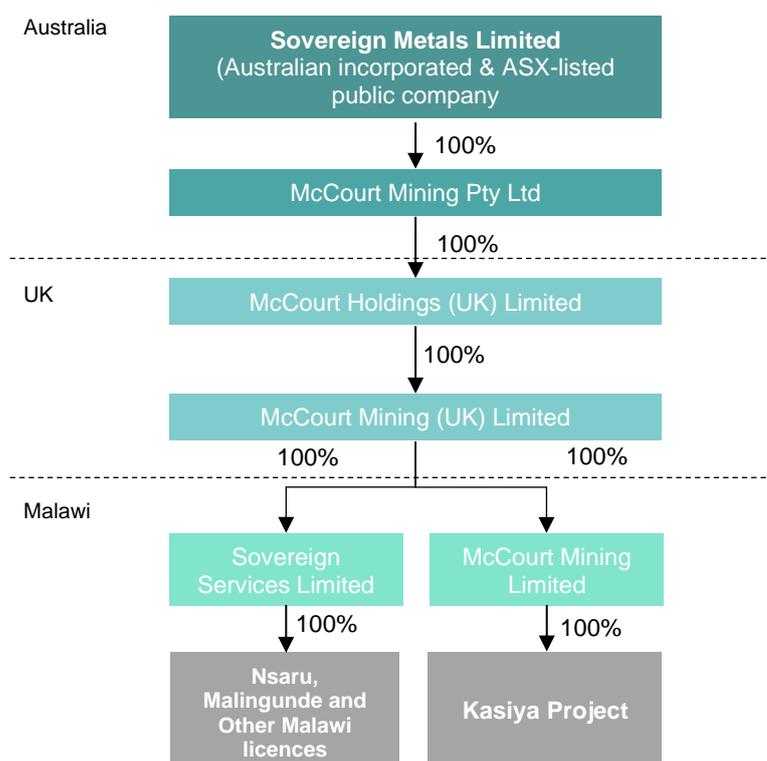
- Complete a Scoping Study to establish a cost profile and determine the potential economics of the Kasiya Project;
- Conduct further exploration programs across rutile targets identified on the Company's tenements; and
- Continue to examine other new business development opportunities in the resources sector, both locally and overseas.

The Company's activities and assets are more fully described in announcements and documents available on the Company's website, on the ASX's website (available at www.asx.com.au), and in the CPRs.

2. INCORPORATION

The Company is domiciled in Australia and was incorporated and registered in Australia as an Australian public company limited by shares on 20 July 2006. The Company's Australian Business Number is 71 120 833 427. Sovereign was formed and operates under the Australian Corporations Act 2001 and is headquartered in Perth, Western Australia.

The simplified corporate structure of the Group underpinning its operations is as follows:



Note: Non-core and dormant subsidiaries excluded from the above diagram

Sovereign has the following subsidiaries:

Subsidiary	Country of Incorporation	Sovereign's Equity Interest (%)
McCourt Mining Pty Ltd ⁽ⁱ⁾	Australia	100
Sovereign Cloncurry Pty Ltd ⁽ⁱ⁾	Australia	100
Sovereign Mozambique Pty Ltd ⁽ⁱ⁾	Australia	100
Sovereign Moçambique Limitada	Mozambique	100
Sovereign Zambia Pty Ltd ⁽ⁱ⁾	Australia	100
Sovereign Metals (Zambia) Ltd	Zambia	100
Sovereign Coal Pty Ltd ⁽ⁱ⁾	Australia	100
NGX Limited	Australia	100
NGX Graphite Pty Ltd	Australia	100
McCourt Mining Limited	Malawi	100
Sovereign Services Limited	Malawi	100
NGX Mining Limited	Malawi	100
NGX Exploration Limited	Malawi	100
McCourt Mining (UK) Limited	United Kingdom	100
McCourt Holdings (UK) Limited	United Kingdom	100
NGX Holdings UK Limited	United Kingdom	100
NGX Exploration UK Limited	United Kingdom	100
NGX Mining UK Limited	United Kingdom	100

Note: (i) Member of the tax consolidated group

3. AUSTRALIAN CORPORATIONS ACT

Below is a general description of the relevant corporate laws and policies in Australia. The law, policies and practice are subject to change from time to time and the description below should not be relied upon by Shareholders or any other person. It does not purport to be a comprehensive analysis of all the consequences resulting from holding, acquiring or disposing of Shares or interests in Shares. If you are in any doubt as to your own legal position, you should seek independent advice without delay.

The Company is obliged to comply with the Australian Corporations Act and also with specific obligations arising from other laws that relate to its activities.

The ASIC is responsible for administering and enforcing the Australian Corporations Act.

A. Takeovers

The Company is incorporated, is resident, and has its head office and central place of management, in Australia. Accordingly, transactions in Shares will not be subject to the provisions of the City Code. There are, however, provisions under Australian law and regulations applicable to the Company, particularly Chapter 6 of the Australian Corporations Act, that are, in part, similar or analogous to certain provisions of the City Code.

As an Australian public listed company, a takeover of the Company is governed by the Australian Corporations Act. The Australian Corporations Act contains a general rule that a person must not acquire a 'relevant interest' in issued voting shares of such a company as a result of a transaction in relation to securities entered into by or on behalf of the person if, because of the transaction, a person's voting power in the company:

- increases from 20 per cent or below to more than 20 per cent; or

- increases from a starting point which is above 20 per cent but less than 90 per cent.

Under the Australian Corporations Act, a person's "voting power" is defined in broad terms and includes any relevant interest in shares held by a person and their Associates.

Certain acquisitions of relevant interests are exempt from the above rule including, among others, acquisitions under takeover bids, acquisitions under a court approved compromise or arrangement, acquisitions approved by Shareholders, acquisitions that do not result in the person having voting power more than 3 per cent higher than that person had 6 months before the acquisition (so long as the person maintained voting power of at least 19 per cent during that 6 month period), and acquisitions that result from rights issues, dividend reinvestment schemes and issues to an underwriter or sub-underwriter.

If a person wishes to acquire more than a 20 per cent interest, or increase a holding which is already beyond 20 per cent (but less than 90 per cent), the person must do so under one of the exemptions (as noted above), which includes undertaking a takeover bid in accordance with the Australian Corporations Act.

A person who holds 90 per cent or more of the voting power in a company may conduct a compulsory acquisition of all remaining shares under the Australian Corporations Act. This ability to compulsorily acquire all remaining shares can arise following a takeover bid (if at least 75 per cent of the shares the subject of that takeover bid were accepted into the bid) or from a general compulsory acquisition power under the Australian Corporations Act. Separate from the concept of conducting a compulsory acquisition, if a person reaches this 90 per cent (or more) shareholding as a result of a takeover bid, then that person must make an offer to all minority shareholders to acquire their shares (giving them the option to accept that offer). The Australian Corporations Act also provides for circumstances in which other securities of a company (e.g. convertible securities) may be compulsorily acquired.

While not specifically related to takeovers, the Australian Corporations Act also provides protection to minority shareholders where the conduct of the company's affairs or an act or omission (including a resolution of members or a class of members) by a company is contrary to the interests of the members as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a member or group of members.

No person has made a public takeover bid for the Company's issued share capital since the Company was admitted to the official list of the ASX.

B. Substantial Shareholdings

Under the Australian Corporations Act, in relation to a company, a person has a "substantial holding" if that person and that person's Associates have a relevant interest in 5 per cent or more of voting shares in the company or where the person has made a takeover bid for voting shares in the company and the bid period has started but not yet ended.

A person who:

- begins to have, or ceases to have, a substantial holding in a listed company;
- has a substantial holding in a listed company and there is movement by at least 1 per cent in their holding; or
- makes a takeover bid for securities of the listed company,

must give notice to the company and to the ASX. The contents of the notice are prescribed in the Australian Corporations Act, sections 671B(3) and (4).

As the Company is not incorporated in the UK, it is not subject to chapter 5 of the DTRs that apply to UK incorporated companies whose shares are admitted to trading on AIM and which require shareholders to make various notifications when they hold over 3 per cent of a company's issued shares. However, AIM listed companies not subject to the DTRs are required to use all reasonable endeavours to comply with AIM Rule 17 notwithstanding that the local law applicable to some AIM companies does not contain provisions that are similar to the DTR. In practice, the obligations contained in chapter 5 of the DTRs and AIM Rule 17 are similar. In addition to the substantial shareholding notification requirements (as detailed above), the Australian Corporations Act also contains provisions giving companies the power

to ask any registered holder(s), including nominee holders, to provide details of the identity of their underlying beneficial holders.

C. Foreign Investment

In Australia, foreign investment in, and ownership of, companies and property is regulated by the *Foreign Acquisitions and Takeovers Act 1975* (Cth) ("FATA"), which is administered by The Treasury of the Australian federal government with assistance from the Foreign Investment Review Board ("FIRB"). FIRB's functions are advisory only, and responsibility for making decisions on proposals rests with the Treasurer of the Australian federal government ("Treasurer").

FATA provides for, among other things, a notification and approval process for proposed investments in Australia by "foreign persons" (individuals, corporations or trusts), which may result in foreign control or ownership of Australian businesses or companies. Generally, small proposals are exempt from notification (subject to some exceptions), and larger proposals which require notification are approved unless determined to be contrary to the Australian national interest. Under the FATA (and under the Australian government's broader foreign investment policy) the threshold requirements for notification vary according to the nature of the foreign investor (e.g. whether the foreign investor is privately or state owned), the nature and value of the business to be acquired and the aggregate Australian land holding of that business.

FATA generally provides that where:

- the Treasurer is satisfied a person proposes to acquire shares in a corporation which carries on an Australian business;
- the acquisition would result in the corporation being controlled by a foreign person; and
- the result would be contrary to the national interest,

the Treasurer may make an order prohibiting the acquisition.

A proposed acquisition of shares (unless an exempt dealing under FATA) will have the effect of a foreign person acquiring a controlling interest in an Australian corporation if one of the following applies:

- that person alone, or together with their Associates, directly or indirectly acquires 20 per cent or more of the shares or controls 20 per cent or more of the voting power (or potential voting power) in an Australian corporation; or
- that person, together with other foreign persons and each of their Associates, directly or indirectly acquires 40 per cent or more of the shares or controls 40 per cent or more of the voting power (or potential voting power) in an Australian corporation.

If a foreign person must give notice of a proposed acquisition to the Treasurer under FATA it must either await the decision of the Treasurer or allow for a prescribed period following notification to the Treasurer to lapse before entering into a binding agreement to acquire shares which will result in a foreign person acquiring a controlling interest in a corporation.

D. ASX Listing Rules

As a company admitted to the official list of the ASX, the Company is bound to comply with the ASX Listing Rules, as amended from time to time. The ASX Listing Rules address such matters as Admission to listing, quotation of securities, continuous disclosure, periodic disclosure, certain requirements for terms of securities, issues of new capital, transfers of securities, disclosure of corporate governance practices, mining and exploration reporting requirements, escrow (lock-in) arrangements, transactions with related/controlling parties, significant transactions, shareholder meetings, trading halts and suspensions and fees payable. The ASX also publishes guidance notes regarding the interpretation of parts of the ASX Listing Rules.

The ASX Listing Rules and guidance notes can be found at www.asx.com.au.

4. SHARE CAPITAL

All Shares are currently admitted to quotation on the ASX and trade under the ASX ticker "SVM". The Shares have been traded on the ASX since 22 January 2007 and are uncertificated.

The Company confirms that, following due and careful enquiry, it has adhered to the legal and regulatory requirements involved in having the Shares traded on the ASX.

Copies of all documents or announcements which the Company has made public over the last two years (in consequence of having its Shares listed for trading on the ASX) are available on the Company Website.

The International Securities Identification Number (ISIN) Code for the Shares is AU000000SVM6.

The Company, as at the date of this document, has in issue 423,357,327 Shares, a total of 20,714,500 Options and a total of 16,800,000 Performance Rights. The Shares were issued in A\$, have no par value and are recorded in the accounts of the Company at their issue price less expenses associated with their issue. Shareholders have no further liability in respect of their Shares. No Shares are held as treasury shares and there are no restrictions on the transfer of Shares.

The Company intends to make an application for all of its Shares to be admitted to trading on AIM. The Shares and Options that the Company expects to have on issue as at Admission are set out in the table below.

Shares	Number
Listed ordinary fully paid Shares	423,357,327
Options	Number
Unlisted Options exercisable at A\$0.14 on or before 30 June 2022	6,375,000
Unlisted Options exercisable at A\$0.18 on or before 30 June 2022	2,000,000
Unlisted Options exercisable at A\$0.50 on or before 09 April 2022	9,839,500
Unlisted Options exercisable at A\$0.18 on or before 31 July 2022	2,500,000
Total Number of Options	20,714,500

The Performance Rights that the company expects to have on issue at Admission are set out below.

Vesting Condition and Expiry	Number
Announcement of a positive Scoping Study – Expiry 31 December 2021	4,360,000
Announcement of a positive Feasibility Study – Expiry 31 December 2023	5,070,000
Announcement of a Decision to Mine (Malawi rutile) – Expiry 31 October 2025	7,370,000
Total Number of Performance Rights	16,800,000

No application is to be made for the unlisted Options to be listed on the ASX or any other market and no application is to be made for the unlisted Options to be admitted to trading on AIM. However, application will be made for any Share issued on exercise of any Option or upon conversion of any vested Performance Right to be listed on the ASX and admitted to trading on AIM.

A. Potential and/or Contingent Share, Option and Performance Rights Issues

In addition to the Shares, Options and Performance Rights tabled above, the Company has an Employee Equity Incentive Plan (“Plan”) which enables the Company to offer Performance Rights, Options, and Shares upon conversion or exercise of those Performance Rights and Options to be issued under the Plan to eligible Directors (excluding Mr Ian Middlemas and Mr Mark Pearce), employees and contractors. Details of the Plan are set out in the Company’s publicly available ‘Notice of AGM and Explanatory Memorandum’ dated 23 October 2020. The Company also intends to issue a separate tranche of 750,000 Performance Rights to director Mr Mark Pearce. The issue of these Performance Rights to Mr Pearce will be subject to shareholder approval, with details set out in the Company’s Appendix 3X announcement on ASX dated 21 May 2021 and ‘Notice of AGM and Explanatory Memorandum’ dated 15 October 2021.

Under the terms of an engagement letter dated 6 October 2021 between the Company and Optiva (also see Section 15.B), the Company has agreed to issue Optiva:

- broker warrants in the Company, equivalent in exercise value to 5% of the funds raised and introduced by Optiva in any fundraisings (“Exercise Value”), exercisable at the placing price and with a maturity of 3 years, and equivalent in number to the Exercise Value divided by the placing price;
- £30,000 broker warrants (the “Performance Warrants”), to be granted at time of Admission and exercisable at the higher of the Company’s closing share price after the first day of trading on AIM and the pound sterling equivalent of A\$0.50 for a period of 3 years (“Exercise Price”). The number of warrants is variable as it is calculated as the value (being £30,000) divided by the Exercise Price. 50% of the Performance Warrants shall only vest if the 5-day VWAP of the Company exceeds a 100% premium to the Exercise Price, and the remainder shall only vest if the 5-day VWAP of the Company exceeds a 200% premium to the Exercise Price. These warrants will expire after 3 years, regardless of whether they have vested.

Apart from the above, the Company has not (i) entered into any other agreements under which it has agreed, or (ii) is not otherwise considering plans, to issue any further securities as at the date of this Appendix.

B. Future Share Issue Restrictions

The Company does not have an authorised share capital. There is generally no limit in the Australian Corporations Act or the Constitution on the power of the Directors to issue shares. In particular, the general concept under English law that existing shareholders have a statutory right (subject to certain exceptions) to be offered newly issued shares in a company for cash only before such shares can be offered to new investors does not apply to Australian companies unless it is specifically included in their constitution, which is not the case in respect of the Company. However, subject to certain exceptions (including those in respect of pro rata issues and issues under employee schemes):

- (a) ASX Listing Rule 7.1 prohibits a company which is listed on the ASX from issuing or agreeing to issue securities (including shares, options or performance rights) representing more than 15 per cent of its issued capital in any 12 month period without shareholder approval unless one of the exceptions set out in ASX Listing Rule 7.2 apply. Such shareholder approval requires an ordinary resolution passed by a simple majority;
- (b) ASX Listing Rule 7.1A allows a company listed on ASX and classified as an “eligible entity” to seek shareholder approval at its annual general meeting to issue further ASX listed securities (including shares, options or performance rights) representing no more than an additional 10 per cent of its issued capital in any 12 month period to that permitted by ASX Listing 7.1. Such shareholder approval requires a special resolution passed by a 75 per cent majority and for a company to be an “eligible entity” to utilise the additional 10 per cent placement capacity under ASX Listing Rule 7.1A, with the eligibility criteria being that the company must:
 - (i) have a market capitalisation of less than the prescribed amount (currently \$300 million); and
 - (ii) not be included in the S&P/ASX 300 Index.
- (c) ASX Listing Rule 10.11 prohibits a company which is listed on the ASX from issuing or agreeing to issue securities (including shares, options or performance rights) to certain persons including related parties (e.g. directors of the company) and substantial shareholders (being a shareholder who holds voting power of 30% or more in the company or a shareholder who holds voting power of 10% and who has nominated a director to the board of the company) without shareholder approval unless one of the exceptions set out in ASX Listing Rule 10.12 apply. Such shareholder approval requires an ordinary resolution passed by a simple majority;
- (d) As explained in Section 3 above, save in relation to certain exempt acquisitions, Chapter 6 of the Australian Corporations Act prohibits the acquisition of a “relevant interest” in voting shares in a company (whether by transfer or issue) if, as a result of the acquisition, the “voting power” of the acquirer (or any other person) would increase:
 - (i) from 20 per cent or below to more than 20 per cent; or
 - (ii) at all from a starting point which is above 20 per cent but less than 90 per cent; and
- (e) the Australian Corporations Act contains provisions governing the disclosure obligations of a company making an offer/issue of securities. The general rule is that an offer of securities must be

accompanied by disclosure to potential investors in a prescribed document (either a prospectus, a short form prospectus, a profile statement or an offer information statement) unless the type of offer falls within an exemption. Types of offers which do not require disclosure include offers to sophisticated investors and professional investors, offers to people associated with the company, certain offers to existing holders of securities and issues for no consideration.

Unless otherwise disclosed in this document or in the Public Record:

- (a) no Share of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
- (b) no Share of the Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) no commission, discount, brokerage or other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share capital of the Company;
- (d) no founder, management or deferred shares have been issued by the Company; and
- (e) no amount or benefit has been paid or is to be paid or given to any promoter of the Company.

5. ADMISSION, SETTLEMENT (CREST) AND DEALINGS

To be traded on AIM, securities must be capable of transfer and settlement through the CREST system, a UK computerised paperless share transfer and settlement system, which allows shares and other securities, including depositary interests, to be held and transferred in electronic form rather than in paper form. The Australian equivalent of this system is called CHESS. Shares of non-UK companies cannot be held and transferred directly into the CREST system. For such foreign securities, in this case the Shares, to be effectively transferred and settled through CREST they need to be in the form of depositary interests.

The Company, through its UK Registrar, is establishing a facility whereby (pursuant to the Deed Poll) "Depositary Interests" will be issued by the UK Registrar (or its nominee), acting as "Depositary", to persons who wish to hold the Shares in electronic form within the CREST system. It is intended that the Company will apply for the Depositary Interests, to be settled in CREST with effect from Admission. Accordingly, settlement of transactions in Depositary Interests following Admission may take place within the CREST system if the relevant Shareholders so wish.

The Depositary Interests will be independent securities constituted under English law that may be held and transferred through CREST. Depositary Interests will have the same security code (ISIN) as the underlying Shares. The Depositary Interests will be created and issued pursuant to the Deed Poll, which will govern the relationship between the Depositary and the holders of the Depositary Interests. The terms of the proposed Deed Poll are summarised in Section 15.E of this Appendix.

Shares represented by Depositary Interests will be held on bare trust for the holders of the Depositary Interests. Each Depositary Interest will be treated as one Share for the purposes of determining eligibility for dividends, issues of bonus stock and voting entitlements. In respect of any cash dividends, the Company will put the Depositary in funds for the dividend and the Depositary will transfer the money to the holders of the Depositary Interests. In respect of any bonus stock, the Company will allot any bonus stock to the Depositary who will issue such bonus stock to the holder of the Depositary Interest (or as such holder may have directed) in registered form.

In respect of voting, the Depositary will cast votes in respect of the Shares as directed by the holders of the Depositary Interests which represent the relevant Shares.

Further information regarding the depositary arrangement and the holding of Shares in the form of Depositary Interests is available from the Depositary. The Depositary may be contacted at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, United Kingdom or by telephone on +44 (0)370 702 0003.

The Shares will remain listed and traded on the ASX, with trades settled electronically on the Australian register through CHESS.

Shares held on the Australian register cannot be used to settle trades on AIM and similarly, Depositary Interests held on the UK Registrar's register cannot be used to settle trades on the ASX. However, subject to the relevant regulations, Shares held through CHESS on the Australian register may be transferred into Depositary Interests held through CREST on the UK Registrar's register and vice versa.

Shareholders wishing to undertake such a transfer will generally need to contact their broker and allow a reasonable time for the transfer to be effected. Furthermore, Shareholders will need to establish an account with a broker in the market to which they are transferring their Shares in order to trade their Shares on that market. The Company advises that under its Broker Engagement Letter with Optiva (see Section 15.B), Optiva will set up a facility to enable the transfer of ASX shares to AIM depository interests.

For further information concerning CREST, Shareholders should contact their brokers or Euroclear UK & International Limited at 33 Cannon Street, London, EC4M 5SB or by telephone on +44 (0)20 7849 0000.

6. LOCK-IN ARRANGEMENTS

All Directors, applicable employees for the purpose of Rule 7 of the AIM Rules, and related parties, whose interests in Shares and Options are detailed in Section 10, have undertaken to RFC Ambrian and the Company, in accordance with Rule 7 of the AIM Rules, not to dispose of any interest that they have in the Company's securities (including any securities which they may subsequently acquire within 12 months of Admission) for a period of 12 months from Admission except in the very limited circumstances allowed by the AIM Rules and as set out below.

It should be noted that certain Directors, applicable employees for the purpose of Rule 7 of the AIM Rules, and related parties, Julian Stephens, Ben Stoikovich, Mark Pearce, Dylan Browne, Sam Cordin, Reidwel Nyrienda and Sapan Ghai (collectively the "Exception Parties") have or are likely to have:

- Option positions in the Company, a material number of which expire during the period of 12 months from Admission, thereby posing cash flow implications to the Exception Parties as the exercise of these Options requires significant personal cash resources; and/or
- Performance Rights in the Company, a material number of which are expected to vest during the period of 12 months from Admission, thereby posing cash flow implications to the Exception Parties as their vesting triggers income tax liabilities.

Accordingly, under the terms of the lock-in arrangements the Exception Parties are permitted to sell only the minimum number of Shares needed to realise sufficient proceeds in order to fund the total cost of exercising said Options and/or to realise sufficient proceeds in order to meet the income tax liabilities that would crystallise as applicable..

7. DIVIDEND POLICY

The Directors anticipate that the Company will be focused on advancing the exploration and evaluation of the Kasiya Project during the 12-month period following Admission. Accordingly, the Company does not expect to declare any dividends during that period. Thereafter, it is the Directors' intention to pay dividends when profit, available cash flow and capital requirements allow and in accordance with the Company's strategy for growth. However, the Directors can give no assurance as to the payment of future dividends.

8. RISK FACTORS

There are a number of risks which may have a material and adverse impact on the future operating and financial performance of Sovereign and the value of Sovereign securities, and, if any such risks materialise, an investor could lose all or part of its investment. These include risks that are general risks associated with any form of business and specific risks associated with Sovereign's business and its Kasiya Project in Malawi. Whilst many of these risk factors are largely beyond the control of Sovereign and its Directors, the Company will seek to mitigate these risks to the extent that the Directors consider appropriate for a company of the size and nature of Sovereign, where possible.

The Directors believe the following risks to be the most relevant and material to the Company. However, the list below is not an exhaustive list, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority (save that those risks that the Directors believe to be specific to the Company are set out ahead of those risks they consider to be general). Further risks which are not presently known to the Directors, or that the Directors currently deem immaterial, may also have a material adverse effect on the business, financial condition, prospects and share price of the Company.

A. Specific Risks Relating to Sovereign's Business Activities

i. Legislative changes, government policy and approvals

Changes in government regulations and policies in Australia and in Malawi may adversely affect the financial performance of the Company. For example, the Company's capacity to explore and potentially exploit its mineral deposits may be affected by changes in government policy which are beyond the control of the Company.

ii. The Company's exploration properties may never be brought into production

The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Company will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Company will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. However there can be no guarantee that the studies will confirm the technical and economic viability of the Company's mineral properties or that the properties will be successfully brought into production.

iii. Operating history

The Company is exploring and evaluating its Kasiya Project but has not to date conducted mining production operations. There can be no assurance that it can bring its Kasiya Project into production or operate it profitably. While the Company aims to generate working capital through future mining operations, there is no assurance that the Company will be capable of producing positive cash flow on a consistent basis or that any such funds will be available for further exploration and development programs.

iv. Resource and Reserve estimates

Mineral Resource and Ore Reserve estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, Mineral Resource and Ore Reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's future operations.

There can be no guarantee, and Shareholders should not assume, that:

- anticipated tonnages and grades of ore will be achieved during production or, even if they could be, that they will be sufficient to sustain a profitable mining operation; or
- there will not be significant increases in costs in contractors, labour, plant, materials or utility charges (or the availability of any of these) in a manner that will adversely impact on anticipated capital, development or operating costs.

v. Operating risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- adverse geological conditions;
- limitations on activities due to seasonal weather patterns and cyclone activity;
- unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- mechanical failure of operating plant and equipment;
- industrial and environmental accidents, industrial disputes and other force majeure events;
- unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- inability to obtain necessary consents or approvals.

vi. Contractor and partner risks

The development of the Kasiya Project by the Company depends significantly on the maintenance of good relationships with, the solvency of, and performance of its obligations by, its key consultants and contractors. It also relies on the maintenance of good relationships with regulatory and governmental departments. Failure to maintain these relationships may adversely impact the Company's performance.

vii. Future capital requirements

The exploration and any development of the Company's exploration properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and any development of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

viii. Dependence on key executives and personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

B. General Risks Relating to Malawi and Australia

i. Malawi

The Kasiya Project is located in Malawi, Africa. Malawi transitioned to a functioning democracy in 1994 and over subsequent period has been relatively peaceful and transparent, increasingly attracting international investment with significant potential for mining to contribute to the country's economic growth and development. It has however more recently elected a new leader following a period of turmoil after a disputed 2019 election that resulted in countrywide protests. It ranks among the world's least developed countries, typically experiences greater economic, social and political volatility than developed Western countries, and there is therefore a higher degree of geo-political risk associated with doing business there. As a result, the Company's future operations in Malawi may be impacted by:

- potential difficulties in enforcing agreements and collecting receivables through the local legal and regulatory systems;
- potential difficulties in protecting / enforcing rights and interests in assets, including changes in laws relating to foreign ownership and government or local partner participation rules;
- changes in government policies and procedures, including restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes, restrictions on the transfer / repatriation of funds and monetary policies;
- property ownership (including rights of access) in a foreign country is generally subject to the risk of expropriation or nationalisation with inadequate compensation;
- currency fluctuations, high inflation and deteriorating economic conditions; and
- civil unrest and industrial action, personal security issues, disease outbreaks, and social and religious conflict.

The likelihood of any of these risks eventuating, and their possible effects, if any, cannot be determined by the Company with any clarity at the present time, but they may include disruption, increased costs and, in some cases, total inability to establish or to continue to operate its current and future mineral sands exploration, development and production activities..

ii. Australia

Legal, tax and regulatory changes in Australia, where the Company is incorporated, may also impose additional financial obligations on the Company or otherwise adversely affect the value of the Company's assets and the financial position and performance of the Company.

C. General Resource Company Business Risks Relating to the Company

i. Title risk

Minerals licences are granted subject to various conditions. Failure to comply with conditions may lead to forfeiture.

All of the mineral properties in which the Company has an interest will be subject to renewal. If any of the mineral properties are not renewed for any reason, the Company may suffer damage through loss of opportunity to participate in advancement or development.

ii. Environmental risks and regulations

The Company's projects are subject to laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed.

The Company conducts its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required. However, there is always a risk of environmental damage arising from the Company's operations, including through accident, which may give rise to liabilities and costs for the Company, including through the imposition of fines and the potential for operations to be delayed, suspended or shut down.

iii. Uninsured risks

Insurance against all risks associated with mineral deposit exploration, evaluation, and potentially eventual mine development and operation is not always available or affordable. The Company intends to maintain insurance where it is considered appropriate for its needs. However, it may not be insured against all risks either because appropriate cover is may not be available or because the Directors may consider the required premiums to be excessive in the circumstances.

iv. Risks associated with the need to maintain an effective system of internal controls

There can be no assurance that the Company will be able to effectively manage its proposed growth plans, or that the Company's current personnel, systems, procedures and internal controls will be adequate to support the Company's future developments. Any failure of the Board to manage effectively the Company's growth and development could have a material adverse effect on its business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Board's strategy will develop as anticipated.

v. Litigation

Whilst the Company currently has no outstanding material litigation, there can be no guarantee that the current or future actions of the Company will not result in litigation since the mining industry, as all industries, is subject to claims, both with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Owing to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Company's financial position or results of operations.

vi. Volatility of mineral prices

Future production, if any, from the Company's mineral properties will be dependent upon the price of rutile and other commodities being adequate to make these properties economic. The mining industry is competitive and there is no assurance that a profitable market for the sale of the products, if any, from the Kasiya Project would be sustained.

Mineral prices, including that of rutile, are subject to volatile price changes from a variety of factors outside the control of the Company including international economic trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods or increased exploration.

vii. Foreign exchange risk

While Company's costs are currently principally denominated in Australian dollars the Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and the MWK.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group has not formalised a foreign currency risk management policy however it monitors its foreign currency expenditure in light of exchange rate movements. The functional currency of the subsidiary companies incorporated in Malawi is USD. All parent and remaining subsidiaries balances are in Australian dollars. The Group does not have any material exposure to foreign currency risk relating to MWK.

viii. COVID-19 risks

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange.

To date, the COVID-19 pandemic has not had any material impact on the Company's operations, however, any infections occurring on site at the Company's projects could result in the Company's operations being suspended and otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as adverse implications on the Company's future cash flows, profitability and financial condition. Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

Governmental or industry measures taken in response to COVID-19 may materially adversely impact the Company's operations and are likely to be beyond the control of the Company. To date, the measures imposed by Government or industry, including the restrictions in place as at the date of this Appendix, have not had a material adverse impact on the Company's operations. However, future measures imposed by Government or industry may affect the Company's ability to freely move people and equipment to and from exploration projects, which may cause delays or cost increases.

D. Share Ownership and Investment Risks

i. Share price volatility and share market risks

Prospective investors should be aware that the value of an investment in the Shares may go down as well as up and that the market price of the Shares may not reflect the operating performance and underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

The share prices of quoted companies, in particular mining and exploration companies, can be highly volatile and shareholdings may be illiquid. The price at which the Shares are quoted and the price which investors may realise for their Shares may be influenced by a large number of factors, some of which are specific to the Company and its operations and some of which may affect quoted companies generally. These factors include, without limitation:

- the operating performance of the Company and market expectations of future performance;
- changes in general economic conditions and outlook, including interest rates, inflation rates, exchange rates, commodity prices and the demand for, and supply of, capital;
- natural disasters, terrorism events and other hostilities and conflicts;
- changes in government policies, taxation and other laws;
- large purchases or sales of Shares by other investors;
- changes in investor sentiment towards particular market sectors and the equity markets in general; and
- other factors which are outside of the control of the Company.

Such factors also impact on the ability of the Company to raise further funds by the issue of further Shares or other securities in the Company. Neither Sovereign nor its Directors warrant the future performance of Sovereign or any return on investment in Sovereign.

ii. Share trading liquidity and future sales of Shares

Although the Shares are already listed on the ASX and are to be admitted to trading on AIM, there is no guarantee that there will be a liquid market in the Shares on either AIM or the ASX in the future or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on the ASX or AIM at any given time. It may therefore be difficult, in certain circumstances, to achieve the prevailing market price for sales of Shares or to sell Shares at all, and to realise a return on investment in the Shares.

Although the Shares are to be admitted to trading on AIM, they will not be listed on the Official List of the London Stock Exchange (the "Official List"). An investment in securities traded on AIM may carry a higher degree of risk than securities quoted on the Official List.

9. RIGHTS ATTACHING TO SHARES AND POWERS OF THE COMPANY

A shareholding in the Company is held subject to the Constitution, which can be accessed on the Company's website at www.sovereignmetals.com.au.

The Constitution contains provisions in relation to voting rights, dividends, issues of new securities, the transfer of Shares, meetings and notices, election of directors, the indemnification of directors and rights on winding up.

It should also be noted that as an ASX listed company, the requirements of the ASX Listing Rules override what may be contained in the Constitution. However, the Company is not aware of any areas of its Constitution which are inconsistent with the requirements under the ASX Listing Rules.

10. DIRECTORS', APPLICABLE EMPLOYEES' AND RELATED PARTIES' INTERESTS IN SHARE CAPITAL

As at the date of this document and as expected at Admission, the Directors and entities in which the Directors have a substantial interest hold 35,638,360 fully paid ordinary Shares, a total of 3,500,000 Options and 4,950,000 Performance Rights (none yet tested against their vesting conditions) in the capital of the Company representing 9.6% of the Company's fully diluted share capital assuming all Performance Rights vest and 8.8% if none of the Performance Rights vested. The percentage of Shares not held in public hands as at the date of this document and as expected at Admission is 19.6%, comprising the interests of Directors, the other parties subject to an AIM Rule 7 lock-in and substantial shareholders as defined by the AIM Rules.

As at the date of this document, the holdings of the Directors and any other PDMR of the Company, and their spouses, civil partner or children under the age of eighteen years, in the share capital of the Company or a related financial product referenced to the Shares: (i) which would be required to be notified by the Company pursuant to Article 19 of MAR under the Company's share dealing policy maintained under Rule 21 of the AIM Rules; or (ii) are holdings of a person connected (within the meaning of sections 252 to 254 of the UK Companies Act 2006 (as amended)) with a Director which would, if the connected person were a Director, be required to be disclosed under (i) above and the existence of which is known to, or could with reasonable due diligence be ascertained by, the Directors are as follows:

Name	Position on Admission	Shares Held	Options Held	Performance Rights Held
Mr Ian Middlemas	Independent Non-Executive Director	16,100,000 ⁽¹⁾	-	-
Dr Julian Stephens	Managing Director	13,317,518 ⁽²⁾	2,000,000 ⁽³⁾	3,000,000 ⁽⁴⁾
Mr Benjamin Stoikovich	Non-Executive Chairman	2,150,000 ⁽⁵⁾	1,500,000 ⁽⁶⁾	1,200,000 ⁽⁷⁾
Mr Mark Pearce	Independent Non-Executive Director	4,070,842 ⁽⁸⁾	-	750,000 ⁽⁹⁾
Total		35,638,360	3,500,000	4,950,000

1. The Shares held by Mr Middlemas are held indirectly through Arredo Pty Ltd of which Mr Middlemas is director and shareholder.
2. The Shares held by Dr Stephens are held indirectly through One Way Trust in which Dr Stephens has a beneficial interest.
3. The Options held by Dr Stephens are held indirectly through One Way Trust, in which Dr Stephens has a beneficial interest, and are unlisted and exercisable at A\$0.14 on or before 30 June 2022.
4. The Shares held by Dr Stephens are held indirectly through One Way Trust in which Dr Stephens has a beneficial interest.
5. The Shares held by Mr Stoikovich are held directly and indirectly, with 400,000 held directly, 1,500,000 held indirectly by Selwyn Capital Limited (in which Mr Stoikovich has a beneficial interest) and 250,000 held indirectly in Mr Stoikovich's UK Self Invested pension Plan.
6. The Options held by Mr Stoikovich are held indirectly through Selwyn Capital Limited in which Mr Stoikovich has a beneficial interest, and are unlisted and exercisable at A\$0.14 on or before 30 June 2022.
7. The Performance Rights held by Mr Stoikovich are held indirectly through Selwyn Capital Limited in which Mr Stoikovich has a beneficial interest.
8. The Shares held by Mr Pearce are held directly and indirectly with 820,000 held directly, 339,691 are held indirectly by Mr Mark Pearce and Mrs Natasha Pearce through the NMLP Family A/C (trustee and beneficial interest), 1,911,151 held indirectly through Apollo Group Pty Ltd (as a director and indirect shareholder) and 1,000,000 held indirectly through Crystal Brook Investments Pty Ltd (as director and beneficial interest).
9. Subject to shareholder approval, the Performance Rights in the Company have been offered to Mr Pearce (or his nominee)

The Company is committed to appointing an additional non-executive director, to be based in the UK, during the first calendar quarter of 2022.

11. ADDITIONAL INFORMATION ON THE DIRECTORS

Details of the Directors and their backgrounds can be found in the Company's Public Record.

The directorships and partnerships of the Directors, including of the Company and the Company's subsidiaries, held at present and within the five years preceding the date of this document are provided in the table below.

Name	Current Directorships/Partnerships	Past Directorships/Partnerships (within past 5 years)
Mr Ian Peter Middlemas (Aged 61)	Sovereign Metals Limited	Piedmont Lithium Ltd
	Peregrine Gold Limited	Waratah Rise Pty Ltd
	AEGM Pty Ltd	Latitude Energy (Services) Pty Ltd
	Apollo Minerals Limited	Latitude Energy Pty Ltd
	Arredo Pty Ltd	Cradle Resources Limited
	Berkeley Energia Limited	MMA Aust Pty Ltd
	Constellation Resources Limited	MT Phillips Exploration Pty Ltd
	Equatorial Resources Limited	OTC ACCM Pty Ltd
	Hartshorne Coal Mining Pty Ltd	OTC Mount Magnet Pty Ltd
	HCM Resources Pty Ltd	OTC Port Hedland Pty Ltd
	Salt Lake Potash Limited	Outback Network Pty Ltd
	Bald Eagle Resources Pty Ltd	Syntonic Limited
	IJM Foundation Pty Ltd	WCP Copper Pty Ltd
	Jedan Pty Limited	WCP Energy Pty Ltd
	Mineral Investments Pty Ltd	WCP Gold Pty Ltd
	Odyssey Gold Limited	WCP Phosphate Pty Ltd
	Paringa Resources Limited	PDZ (UK) Limited
	Petersview Pty Ltd	PD Co Holdings (UK) Limited
	NGX Limited	McCourt Holdings (UK) Limited
	Prairie Mining Limited	McCourt Mining (UK) Limited
Siti Investments Pty Ltd		
LIP Investments Limited		

Name	Current Directorships/Partnerships	Past Directorships/Partnerships (within past 5 years)
Dr Julian Rodney Stephens (Aged 49)	Sovereign Metals Limited Sovereign Services Limited McCourt Mining Pty Ltd McCourt Mining Limited McCourt Holdings (UK) Limited McCourt Mining (UK) Limited	Tate Minerals Pty Ltd HPAA Pty Ltd Coastal View Investments Pty Ltd North West Nickel Pty Ltd Nebula Resources Pty Ltd
Mr Mark Laurence Pearce (Aged 51)	Sovereign Metals Limited Apollo Group Pty Ltd NGX Limited Equatorial Resources (UK) Limited Bald Eagle Resources Pty Ltd Constellation Resources Limited Crystal Brook Investments Pty Ltd Equatorial (Africa) Pty Ltd Equatorial Exploration Pty Ltd Equatorial Resources Limited McCourt Mining Pty Ltd Mineral Investments Pty Ltd PDZ Holdings Pty Ltd Peregrine Gold Limited PGD (SC) Pty Ltd Prairie Mining Limited Roseberry Holdings Pty Ltd Sovereign Cloncurry Pty Ltd Sovereign Coal Pty Ltd Sovereign Mozambique Pty Ltd Sovereign Zambia Pty Ltd Trafalgar Mining Pty Ltd	Piedmont Lithium Ltd Apollo Minerals Limited Apollo Iron Ore No 2 Pty Ltd Apollo Iron Ore No 3 Pty Ltd Apollo Iron Ore Pty Ltd Southern Cross Lithium Pty Ltd Southern Cross LCT Pty Ltd Hartshorne Coal Mining Pty Ltd HCM Resources Pty Ltd Latitude Energy Pty Ltd Latitude Energy (Services) Pty Ltd Mt Philips Exploration Pty Ltd Montage Petroleum Pty Ltd NWS O&G Pty Ltd Odyssey Gold Limited Pacific Ore Exploration Pty Ltd Pacific Ore (WA) Pty Ltd Pacific Ore Mining Pty Ltd McCourt Mining (UK) Limited McCourt Holdings (UK) Limited PD Co Holdings (UK) Limited PDZ (UK) Limited Powersands Limited Salt Lake Potash Limited Southern Exploration Pty Ltd Syntonic Holdings Pty Ltd WCP Copper Pty Ltd WCP Energy Pty Ltd WCP Gold Pty Ltd WCP Phosphate Pty Ltd

Name	Current Directorships/Partnerships	Past Directorships/Partnerships (within past 5 years)
Mr Benjamin Rade Stoikovich (Aged 48)	Sovereign Metals Limited Prairie Mining Limited PDZ Holdings Pty Ltd PDZ (UK) Limited PD Co Holdings (UK) Limited PD Co sp z.o.o Karbonia S.A McCourt Holdings (UK) Limited McCourt Mining (UK) Limited McCourt Mining Limited Sovereign Services Limited Selwyn Capital Ltd ERI Bedwas Limited Arbitration Advisory Ltd Berkeley Exploration Limited NGX Exploration UK Limited NGX Mining UK Limited NGX Holdings UK Limited Apollo Minerals (UK) Limited Gemini Resources (Kroussou) Limited NGX Limited NGX Graphite Pty Ltd Mineral Investments Pty Ltd Windellama Super Pty Ltd	Windellama Capital Limited Karski sp z.o.o

Mr Middlemas was appointed as a non-executive director to the board of IHG Limited (“**IHG**”) on 03 Feb 2000. IHG subsequently changed its name to Smartworld Corporation Limited (“**SWC**”) on 30 Oct 2000. Mr Middlemas resigned as a director from SWC on 28 August 2001. On 5 Sep 2001 SWC was suspended from its official quotation on the ASX before being placed into voluntary administration on 12 September 2001. In January 2002, SWC entered into a deed of company arrangement with its creditors and subsequently changed its name to View Resources Ltd (“**VRE**”) on 14 March 2003. Following the restructuring of its business from a technology focus to exploration VRE was re-admitted to the official quotation on 23 April 2002.

Mr Middlemas has been a non-executive director to the Board of Salt Lake Potash Limited (“**SO4**”) since 21 January 2010 and its Chairman since 29 August 2014. On 29 July 2021, SO4 was voluntarily suspended from its official quotation on the ASX. On 19 October 2021, SO4 requested a suspension of trading in its securities on AIM. On 20 October 2021, Mr Martin Jones, Mr Thomas Birch and Mr Hayden White of KPMG Restructuring were appointed as Voluntary Administrators, and Mr Richard Tucker and Mr Craig Shepard of KordaMentha were appointed as Receiver and Managers, of SO4.

Mr Pearce was a Non-Executive director of Mustang Group Limited (“**MGL**”) which acquired a health/personal wellbeing company called The Metabolism Centre. Pursuant to the terms of the agreement, Mr Pearce resigned as a director of MGL and new management and directors were appointed in September 2003. MGL then changed its name to Metabolism Health Limited (“**MHL**”). In January 2004, MHL was placed into voluntary administration. In April 2004, MHL entered into a Deed of Company Arrangement with its creditors and in July 2004, MHL was released from external administration under the name M Health Limited.

Mr Pearce was a Non-Executive Director of Leisure and Gaming Corporation Ltd (“**LGC**”) in March 2000, a company that was establishing an online gaming business, with a view to undertaking an initial public offering and listing on the ASX. Following the establishment of LGC, substantial legislative restrictions were imposed on the industry by the Federal Government. LGC’s attempt to list on ASX was not successful and withdrawn, with LGC subsequently placed into liquidation in April 2003.

Other than as set out above, none of the Directors:

- (a) has any unspent convictions in relation to indictable offences; or
- (b) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to the assets of such director; or
- (c) has been a director of any company which, while they were a director or within 12 months after they ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
- (d) has been a partner of any partnership which, while they were a partner or within 12 months after they ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (e) has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (f) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

12. DIRECTORS' SERVICE AGREEMENTS AND REMUNERATION

Details of the current remuneration arrangements for the Directors and their remuneration for the financial year ending 30 June 2021 are disclosed in the Remuneration Report included in the Company's Annual Report for the year ended 30 June 2021 which is available on the Company's website www.sovereignmetals.com.au. Dr Stephens' employment contract has a rolling annual term and may be terminated by the Company by giving 3 months' notice. No amount is payable in the event of termination for neglect or incompetence in relation to the performance of duties. There are no termination notice periods or required payments, other than accrued fees and any expenses properly incurred, in relation to the employment of the remaining Directors.

The Directors are indemnified by the Company in accordance with the Constitution and deeds of indemnity, insurance and access between each Director, individually, and the Company.

Selwyn Capital Limited, a company associated with Mr Stoikovich is engaged under an agreement to provide consulting services to the Company, on a rolling 12-month term that either party may terminate with one month written notice. Apollo Group Pty Ltd, a company of which Mr Mark Pearce is a Director and beneficial shareholder is paid a monthly retainer fee of \$25,000 for the provision of serviced office facilities, administration services and additional consulting services. The agreement can be terminated by either party with one month's notice.

13. SIGNIFICANT SHAREHOLDERS

Subject to the limitations set out in Section 3.B, other than as tabled below, the Company is not aware of any holding (within the meaning of the AIM Rules) in its issued Share capital which would, as at the date of this document, represent three (3) per cent or more of the Company's issued Shares (a Significant Shareholder):

Shareholder	No. of Ordinary Shares Owned*	% of Fully Paid Ordinary Shares*
Sprott Inc.	43,138,641	10.19%
Arredo Pty Ltd	16,100,000	3.80%
Mr Mark Stuart Savage	14,781,118	3.49%
Julian Stephens	13,317,518	3.15%

*Note: The above percentage holdings are on an undiluted basis based on the total issued fully paid share capital of 423,357,327 (as tabled in Section 4 of this document) which does not include any of the potential Shares that may be issued upon the exercise of the 20,714,500 Options on issue, the 16,800,000 Performance Rights on issue, or any of the potential new issues of Shares as set out in Section 4.

None of the Company's Significant Shareholders has voting rights that are different from the other Shareholders.

Save as disclosed in this Appendix or in the Public Record, the Directors are not aware of any person who either, at the date of this Appendix, or immediately following Admission, exercises or could exercise, directly or indirectly, jointly or severally, control over the Company.

The Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of the Company.

14. TAXATION IMPLICATIONS FOR AUSTRALIAN AND UK RESIDENTS INVESTING IN SOVEREIGN

The paragraphs below do not constitute tax advice and are intended as a general guide to the general Australian and UK taxation position of individual and corporate resident and non-resident Shareholders in relation to the payment of dividends by the Company and the future disposal of their Shares.

The following comments are intended as a general guide to the Australian and UK tax implications only. This should not be a substitute for individual advice from an appropriate professional adviser and all Shareholders or prospective Shareholders are strongly advised to obtain their own professional advice on the tax implications of acquiring, owning and disposing of Shares based on their own specific circumstances.

The comments are based on the law and understanding of the published practice of the tax authorities in Australia and the UK at the date of this document and do not take into account or anticipate changes in the taxation law or future judicial and administrative interpretations of the Australian and UK taxation laws. Current law and published practice are both subject to change at any time, possibly with retrospective effect.

C. Australian Taxation

An Australian resident taxpayer includes in Australian tax assessable income certain ordinary income and statutory income from Australian and foreign sources, may be entitled to a deduction for certain losses in respect of that income, must generally lodge an Australian income tax return and pays Australian income tax to the Australian Taxation Office on that net Australian taxable income at Australian resident taxpayer rates, with a tax free threshold.

A non-Australian resident taxpayer includes in Australian tax assessable income certain ordinary income and statutory income from Australian sources, may be entitled to a deduction for certain losses in respect of that income, must generally lodge an Australian income tax return and pays Australian income tax to the Australian Taxation Office on that net Australian taxable income at non-resident taxpayer rates, without a tax free threshold.

iii. Taxation of future Share transactions

a. Australian resident Shareholders – General

Australian resident Shareholders who acquire, hold and cease to hold Shares in the ordinary course of their business will hold their Shares as trading stock. These Shareholders will include profits from the disposal of their Shares in their Australian tax assessable income in the Australian income tax year in which they cease to hold those Shares. These Shareholders may value their trading stock of Shares at the end of an income year at its cost, market selling value or replacement value. The choice as to which valuation method to use varies as the value of closing trading stock directly affects the calculation of the assessable income of these Shareholders. Any difference between the value of their opening and closing trading stock value of Shares on hand for an income year will be brought to account as either Australian tax assessable income (in the case of an increase in the value of their trading stock of Shares on hand) or as a deduction from their Australian tax assessable income (in the case of a decrease) as at the end of each Australian income tax year the Shares are held as trading stock.

Australian resident Shareholders who acquire, hold and cease to hold Shares for the purpose of re-sale at a profit (but do not hold those shares as trading stock) will hold those Shares on revenue account. Australian resident Shareholders must include any profits made on ceasing to hold those Shares held

on revenue account in their Australian tax assessable income in the Australian income tax year in which the cease to hold those Shares.

Losses realised by Australian resident Shareholders who cease to hold Shares held as trading stock or on revenue account may be entitled to deduct the loss against their Australian tax assessable income in the Australian income tax year in which they cease to hold those Shares.

Australian resident Shareholders that hold their Shares on revenue account will concurrently hold those shares on capital account. All other Australian resident Shareholders will hold their Shares on capital account. These Australian resident Shareholders must consider the impact of Australian capital gains tax (CGT) rules on transacting in their Shares.

Australian resident Shareholders derive a capital gain on the disposal or other specified CGT event of Shares where the capital proceeds received or receivable exceeds the cost base of the Shares, unless the capital gain is disregarded or deferred by rollover.

Australian resident Shareholder incur a capital loss on the disposal or other specified CGT event of Shares where the capital proceeds received or receivable is less than the reduced cost base of the Shares, unless the capital loss is denied.

All capital gains and losses for the Australian tax year are offset to produce a net capital gain or loss. A net capital gain for an Australian tax year is included in the Australian resident taxpayer's assessable income and is subject to taxation in Australia. A net capital loss can only be used to offset other capital gains and cannot be used to offset ordinary income. Subject to satisfying certain continuity ownership requirements, net capital losses may generally be carried forward to future years to be deducted against future capital gains.

Australian resident Shareholders that hold shares on concurrent revenue account and capital account will calculate the tax in alternate ways and pay tax at whichever produces the greatest tax liability.

b. Non-Australian resident Shareholders – General

Non-Australian resident Shareholders who acquire, hold and cease to hold Shares as trading stock or on revenue account may need to include profits from ceasing to hold those Shares in their Australian Tax assessable income on the same basis as that described above for Australian resident shareholders..

Non-Australian resident Shareholders who acquire, hold and cease to hold Shares on capital account would only be subject to Australian capital gains tax upon ceasing to hold their Shares where the following conditions are met:

- if the non-Australian resident Shareholders (together with their associates) held 10 per cent or more of the Company's issued capital at the time of or for any 12 month period in the 24 months preceding ceasing to hold the Shares; and
- at the time of ceasing to hold the Shares, more than 50 per cent of the market value of the assets of the Company are represented (either directly or indirectly) by real property interests situated in Australia or mining rights in respect of certain resources situated in Australia (indirect Australian real property (**IARP**)).

Australian double taxation agreements with the country applicable to the Non-Australian resident shareholder may provide relief from Australian taxation.

c. Capital gains tax discount

Australian resident Shareholders that are qualifying individuals, the trustee of trusts or complying superannuation funds (and in some cases a life insurance company) may be entitled to the capital gains tax discount in relation to capital gains derived from ceasing to hold Shares, provided that the Shares were held for at least 12 months prior. If the capital gains tax discount applies, the amount of the capital gain will be reduced by 50 per cent (in the case of Shareholders who are individuals or trusts) and 33 1/3 per cent (in the case of complying superannuation funds and, in certain circumstances, life insurance companies). Shareholders that are companies (other than acting as a trustee) are not eligible for the capital gains tax discount.

Non-Australian resident Shareholders are not entitled to the capital gains tax discount in relation to capital gains derived from ceasing to hold shares acquired on or after 8 May 2012

d. CGT Foreign Vendors Withholding

Non-Australian Shareholders that acquire, hold and cease to hold Shares on capital account that are indirect Australian real property (IARP) with a market value of \$750,000 or more, the purchaser must withhold 12.5% capital gains tax from the capital proceeds and remit the amount to the Australian Taxation Office, unless exempt under a clearance certificate or valued at \$2,000,000 and excluded under a non-foreign declaration. When the Non-Australian Shareholder lodges an Australian income tax return in respect of that capital gain, the Australian Taxation Office will set-off the withheld amount and refund any amounts in excess of the Australian taxation liability.

iv. Dividends

An Australian resident company will pay Australian income tax on Australian taxable income at corporate tax rates and records a 'franking credit' for that tax. The company does not receive a deduction for any dividends paid to shareholders, but may allocate a franking credit to a dividend, which may be a tax-offset to the shareholder referable to the tax paid by the company.

Dividends paid to Shareholders out of after tax profits may be unfranked, partially franked or fully franked with that tax offset.

It should be noted that the definition of dividend for Australian tax purposes is broad and can include certain capital returns and off-market share buy-backs.

a. Australian resident Shareholders - Non-corporate

Australian resident non-corporate Shareholders will include dividends in their Australian tax assessable income for the period in which they receive the dividends.

The amount to be included in the Australian tax assessable income is the amount of the dividend plus the amount of the franking credit notified by the company (if any) and the grossed-up amount is used to calculate the tax payable.

Australian Resident non-corporate Shareholders who are individuals, trustees who are assessed on a resident beneficiary's share of income, complying superannuation funds, certain exempt institutions and certain life insurance companies may reduce the tax payable on that grossed up dividend to the extent of the franking credit tax offset in respect of the dividends.

Australian Resident non-corporate Shareholders who are trustees may distribute the dividends to the beneficiaries of the trust and the Australian resident beneficiaries who receive that flow-through dividend and franking credit (if any) calculate the tax payable on the dividends and may reduce the tax payable on that grossed up dividend to the extent of the franking credit tax offset in respect of the dividends. Australian Resident non-corporate shareholders who are a partnership will similarly distribute the dividends to the Australian resident partners who treat the dividend in a similar manner.

Australian resident non-corporate Shareholders (or flow-through dividend beneficiaries and partners) might receive a tax refund, if the franking credit tax offset in respect of the dividends exceeds the tax payable on their Australian taxable income. In the case of certain exempt institutions, a refund of the whole of the franking credit may be obtained.

Non-corporate Shareholders (or flow-through dividend beneficiaries and partners) will be liable to pay additional Australian income tax if the tax payable as a result of receiving the dividend exceeds the franking credits which are notified in respect to the dividend.

b. Australian resident Shareholders – Corporate

Australian resident corporate Shareholders will include the dividend in their assessable income in the year the dividend is paid.

The amount to be included in the Australian tax assessable income is the amount of the dividend plus the amount of the franking credit notified by the company (if any) and the grossed-up amount is used to calculate the tax payable.

Australian resident corporate Shareholders may reduce the tax payable on that grossed up dividend to the extent of the franking credit tax offset in respect of the dividends. This would result in no-further tax being paid by the Australian resident corporate shareholder to the extent that it is franked. A fully franked dividend should effectively be free of tax to an Australian resident corporate Shareholder.

Australian resident corporate Shareholders would record the franking dividend offset, and upon subsequent distribution of that dividend to the shareholder of that company, may allocate a franking credit to a dividend, which may be a tax-offset to the shareholder referable to the tax paid by the company. The shareholder of the company would be subject to tax in the way previously described.

Australian resident corporate Shareholders will have excess franking offsets if the total franking credits to which it is entitled for the year exceeds the income tax that it would have to pay for that year. Excess franking offsets of the Australian resident corporate Shareholders can be converted to a tax loss for the income year to prevent loss of the franking credits.

c. Non-Australian resident Shareholders – General

Non-Australian resident Shareholders do not include in Australia tax assessable income the amount of a fully franked dividend, which is, therefore, not subject to Australian tax.

An Australian resident company must withhold a final dividend withholding tax of 30% on unfranked dividend paid to foreign shareholders that are not conduit foreign income.

Partly franked and unfranked dividends paid to non-Australian resident Shareholders will generally be subject to an Australian final dividend withholding tax of 30% unless reduced under an Australian double tax agreement with the country applicable to the Non-Australian resident shareholder. The double taxation agreement may reduce the withholding tax rate to a rate range of between 5 per cent and 15 per cent depending on the country of residence of the non-Australian resident Shareholder.

Where the Australian resident company pays an unfranked dividend out of certain profits derived from non-Australian sources, the Company may declare a portion of the unfranked dividend to consist of conduit foreign income. Where this is the case, the portion of the unfranked dividend that consists of conduit foreign income will not be subject to Australian withholding tax and will not be subject to further Australian income tax in the hands of non-Australian resident Shareholders.

The franked part of a dividend paid to a non-Australian resident shareholder is not subject to withholding tax and again is not subject to further Australian income tax in the hands of non-Australian resident Shareholders

The non-resident trustee of a foreign trust is required to pay Australian income tax on any dividends not distributed to a beneficiary as if an individual.

Non-Australian resident Shareholders may be assessable for tax on any dividends in their country of residence. Non-Australian resident Shareholders may be able to reduce any foreign tax by a foreign tax credit under the domestic laws in their country of residence. They should consider the impact of dividends under their domestic tax regime.

d. Other Australian Withholding Taxes

Australian resident Shareholders will be required to provide their Tax File Number or Australian Business Number (as applicable) to the Australian resident company paying the dividend otherwise an amount (up to 46.5 per cent) could be withheld from unfranked dividends paid by the Company. The amount withheld will be credited against the Shareholder's Australian income tax liability. No amount should be withheld in respect of the franked part of a dividend.

The Australian resident trustee of an Australian trust is assessable on the income to which a non-resident beneficiary is presently entitled at corporate or foreign resident marginal tax rates. Where the trustee is liable to pay tax, the foreign beneficiary includes the amount in the beneficiary's assessable income and claims a credit for the tax paid and is entitled to a refund of any excess tax.

Every Australian person holding money due to a non-resident who derives Australian source income or capital gains must when required by the Australia Taxation Office pay the tax due and payable by the non-resident or becomes personally liable for the tax not withheld. The withholding obligation does not arise until the Australian Taxation Office issues the Australian person holding the money with a notice to withhold.

An Australian resident trustee of an Australian trust must withhold an amount (up to 46.5 per cent) of a distribution to an Australian resident beneficiary if the beneficiary has not notified the trustee of a Tax File Number to the Trustee.

e. Australian Tax Avoidance Rules

An Australian resident shareholder (or flow-through dividend beneficiaries and partners) that is not a 'qualified person' with a sufficient ownership and risk interest in the Share for at least 45-day or 90-day franking credit offset may be reduced (including to nil) for the Australian resident shareholder (or flow-through dividend beneficiaries and partners).

An Australian resident shareholder that undertakes a tax avoidance scheme by which Shares are sold on an ex-entitlement basis while retaining the entitlement to any franked dividend and then reacquiring a substantially identical parcel of shares on the ASX on a cum-dividend basis, the Australian Taxation Office may cancel the tax offset entitlement for any franking credit in relation to the shares sold and the shares acquired.

v. Goods and Services Tax (GST) and stamp duty

No Australian GST is payable on the supply of the Shares, being an input taxed financial supply.

State stamp duty is not payable on the acquisition or disposal of Shares in a public listed company.

D. UK Taxation

The Company

The Company should have no liability in respect of United Kingdom (UK) corporation tax on the basis that it is expected that the Company will not carry on any activities or have any presence in the UK such that for UK corporation tax purposes it will not be regarded as either resident within the UK, nor carrying on a trade through a permanent establishment located in the UK, nor is it expected to receive income "arising in the UK" of such a type that it could fall within the scope of UK taxation regardless of the recipient's residency position (for example, rental income from UK property, or interest income arising in the UK).

UK Shareholders

The following paragraphs broadly outline the taxation position of Shareholders in the Company who are tax resident (and, if individuals, domiciled) in the UK for tax purposes. The statements are based on current UK tax legislation and HM Revenue and Customs published practice. The statements may be subject to change, including with retrospective effect. Furthermore, we can provide no assurances that the tax consequences contained in this summary will not be challenged by HMRC or will be sustained by a United Kingdom court if they were to be challenged. The statements may also not apply to certain classes of Shareholder such as individuals who acquire the shares in the course of employment, dealers, insurance companies and charities.

The following paragraphs are intended as a general guide only and does not constitute tax advice. Each Shareholder's specific circumstances will impact on their taxation position. All Shareholders are recommended to obtain and to rely on their own taxation advice.

In particular, all Shareholders, including UK tax resident Shareholders are advised to consider the potential impact of any relevant double tax agreements on their shareholding.

The statements apply only to Shareholders who are the beneficial owners of the Shares but are not applicable to all categories of Shareholders, and in particular are not addressed to:

- Shareholders who do not hold their Shares as capital assets;
- special classes of Shareholders such as traders, dealers in securities or currencies, broker-dealers, intermediaries, insurance companies, investment companies or collective investment schemes;
- Shareholders who hold Shares in connection with a trade, profession, vocation, office or employment carried on in the UK (whether through a branch or agency or otherwise);
- Shareholders who hold at least 10% of the voting power in the Company; or
- Shareholders who hold their Shares in a “tax wrapper” such as an individual savings account.

Such persons may be subject to special rules.

Except where indicated, the statements below in respect of the taxation of dividends and distributions and the taxation of chargeable gains only cover the principal UK tax consequences of holding Shares for holders who are resident in the UK for tax purposes although it should be noted that special rules, which are not covered, may apply to such holders of Shares who are not domiciled in the UK.

vi. Taxation of capital gains

a. UK resident Shareholders

Issue of Depositary Interests to Shareholders

UK Shareholders are not expected to be liable to UK capital gains tax (“UK CGT”) or corporation tax (“CT”) on chargeable gains as a result of the issue of Depositary Interests to Shareholders on the basis that such issue is not expected to result in a change in the beneficial ownership of the Shares and therefore should not give rise (or should not be treated as giving rise) to a disposal of the Shares.

Future disposals

A disposal or deemed disposal of Shares (including the Depositary Interests represented by them) by a UK Shareholder may, depending on the Shareholder’s particular circumstances and subject to any available exemption or relief give rise to a capital gain or allowable loss for the purposes of UK CGT, or, in the case of a UK resident corporate shareholder, the taxation of chargeable gains for CT purposes.

For Shareholders who are individuals subject to UK CGT, UK capital gains are currently chargeable at a rate of either 20 per cent or 10 per cent, depending on the individual’s total taxable income and gains, subject to certain reliefs and exemptions. The UK CGT annual exemption (which for tax year 2021/2022 is £12,300) will also be available to offset any chargeable gain (to the extent it is not otherwise utilised).

Individuals who are temporarily non-resident in the UK for UK CGT purposes at the date of disposal, may, on become resident for UK tax purposes in the UK again, be subject to capital gains tax in respect of gains realised on a disposal of Shares during their period of non-residence.

For corporations subject to UK CT on chargeable gains (which do not qualify for the substantial shareholdings exemption), any gain would be taxable at the rate applicable at the time of disposal (currently 19% increasing from 1 April 2023 to various marginal rates depending broadly on the profits of the company with a maximum rate of 25%), subject to the application of certain reliefs and exemptions.

vii. Dividends

Dividends payable by the company may suffer withholding tax (“WHT”) (see Section 14(A)(ii)(d) - Non-Australian resident Shareholders – General). A holder of the Depositary Receipts in respect of the Shares is expected to be treated for UK tax purposes as the beneficial owner of the corresponding number of Shares. If a UK Shareholder receives an unfranked dividend on their Shares and Australian tax is withheld from the payment of the dividend, credit for the Australian tax may be available for set-off against any liability to UK CT or UK income tax on the dividends.

The credit would be limited to the lesser of (i) the WHT or (ii) the UK tax payable on the dividend. As the double tax agreement between the UK and Australia provides limits on the rate of withholding tax on

dividends which may be levied by Australia on dividends paid to beneficial owners who are resident in the UK, the UK tax credit relief may only be claimed up to the extent of such applicable treaty rate (although a double tax treaty claim may be available to mitigate Australian withholding tax suffered in excess of such rate).

a. Individuals

Any individual tax resident in the UK who holds Shares, will generally be within the charge to UK tax on income in respect of any dividends paid on the Shares. Those UK Shareholders who are within the charge to UK income tax will pay no tax on their cumulative dividend income in a tax year up to an annual dividend allowance (£2,000, for the 2021/2022 tax year). The rates of income tax on dividends received above the annual dividend allowance are currently (i) 7.5% for basic rate taxpayers; (ii) 32.5% for higher rate taxpayers; and (iii) 38.1% for additional rate taxpayers. It has been announced that each of these rates, other than the 0 per cent rate, will increase by 1.25% from April 2022. Dividend income that is within the dividend allowance counts towards an individual's basic or higher rate limits and will therefore affect the rate of tax that is due on any dividend income in excess of the annual dividend allowance. In calculating into which tax band any dividend income over the £2,000 allowance falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

b. UK resident Company Shareholder

UK Shareholders who are within the charge to UK corporation tax will be subject to UK corporation tax on any dividends on the Shares unless certain conditions for exemption are satisfied. The exemption is of wide application and such UK Shareholders will therefore ordinarily not be subject to UK corporation tax on the dividends received on the Shares. Accordingly, if the exemption applies, or such UK Shareholder otherwise does not suffer corporation tax on the dividend, no UK tax credit relief may be claimed.

viii. UK stamp duty and stamp duty reserve tax ("SDRT")

No UK stamp duty will be payable (i) in respect of a paperless transfer of Shares for which no written instrument of transfer is used; or (ii) on a written instrument of transfer of Shares if that transfer instrument is executed and retained outside the UK and does not relate to any property situated in the UK or to any other matter or thing done or to be done in the UK (which may include, without limitation, the involvement of UK bank accounts in payment mechanics).

Accordingly, no UK stamp duty is expected to be payable in respect of the transfer of the Shares into the CREST System, the issue of the Depositary Interests, or in respect of a later transfer of the Shares (including a related transfer of the Depositary Interests within the CREST System), on the assumption that no written instrument of transfer is used to effect any such transfers.

No UK SDRT should arise in respect of a transfer of the Shares provided that the Shares are not registered on a register that is kept in the United Kingdom. No UK SDRT should arise in respect of a transfer of the Depositary Interests within the CREST System as the Depositary Interests are expected to meet all the criteria set out for the SDRT exemption granted in the Stamp Duty Reserve Tax (UK Depositary Interests in Foreign Securities) Regulations 1999 (SI 1999/2383 as amended).

Any person who is in any doubt as to their tax position or is subject to taxation in a jurisdiction other than Australia or the UK should consult an appropriate professional adviser as the tax legislation of the investor's Member State and that of Sovereign's country of incorporation, Australia, may have an impact on the income received from the securities.

15. MATERIAL CONTRACTS

In addition to the agreements summarised in the Public Record, the following contracts, being either (i) material contracts entered into by the Company or its subsidiaries outside the ordinary course of business during the two years immediately preceding the date of this document which, in either case, are, or may be, material as of the date of this document or (ii) material contracts which are included within, or which relate to, the assets and liabilities of the Company or its subsidiaries whether in the ordinary course of business or not:

A. Nomad Agreement

An Admission Engagement letter dated 12 October 2020 and a Nomad Engagement letter dated 12 October 2021 between the Company and RFC Ambrian (the “Nomad Engagement Letters”), under the terms of which RFC Ambrian has agreed to act as Nomad for the Company in relation to the application for Admission and thereafter on an ongoing basis until terminated by either party providing 90 days’ notice. The Nomad Engagement Letters provide for an engagement fee, an upfront fee on publication of the Schedule One, a fee on Admission and an annual retainer, payable quarterly in advance, to be paid to RFC Ambrian Australia for its services. Additional fees for work outside of the scope will be set out in a separate engagement letter. The engagement letter also contains an indemnity and various undertakings from the Company in respect of, inter alia, compliance with all applicable regulations.

B. Broker Agreement

An engagement letter dated 6 October 2021 between the Company and Optiva (“Broker Engagement Letter”), under the terms of which Optiva has agreed to act as the Company’s Broker in relation to the application for Admission and on an ongoing basis thereafter until terminated by either of the parties providing 3 months written notice, subject to a minimum term of 12 months from the date of the agreement. The engagement letter provides for:

- an annual retainer fee to be paid quarterly in arrears to Optiva for its services;
- a commission fee on funds raised and introduced by Optiva, including in the period of 12 months after termination by either party;
- a research fee for preparation of an Initiation of Coverage Note if requested by the Company;
- broker warrants in the Company, equivalent in exercise value to 5% of the funds raised and introduced by Optiva in any fundraisings (“Exercise Value”), exercisable at the placing price and with a maturity of 3 years, and equivalent in number to the Exercise Value divided by the placing price;
- £30,000 broker warrants (the “Performance Warrants”), to be granted at time of Admission and exercisable at the higher of the Company’s closing share price after the first day of trading on AIM and the pound sterling equivalent of A\$0.50 for a period of 3 years (“Exercise Price”). The number of warrants is variable as it is calculated as the value (being £30,000) divided by the Exercise Price. 50% of the Performance Warrants shall only vest if the 5-day VWAP of the Company exceeds a 100% premium to the Exercise Price, and the remainder shall only vest if the 5-day VWAP of the Company exceeds a 200% premium to the Exercise Price. These warrants will expire after 3 years, regardless of whether they have vested.

The Broker Engagement Letter contains an indemnity and various undertakings from the Company in respect of the services provided by Optiva.

C. Vendor Royalty Agreement

As part of the acquisition of McCourt Mining Limited (“McCourt”) in November 2012, which held the licences that formed Sovereign’s entry into Malawi (licence EPL0355 and reconnaissance licence RL0416) (the “Transaction”), Sovereign agreed to pay a royalty to the project Vendors (“Vendor Royalty”) under the 2012 Share Sale Agreement (“2012 SSA”), even without the formal execution of the Royalty Agreement contained within the 2012 SSA (the “Royalty Agreement”). The Vendors included the Company’s current Managing Director, Dr Julian Stephens, who received a 25% relative interest in the Vendor Royalty. Dr Stephens was not yet a director of Sovereign however, only being appointed to Sovereign’s board on 22 January 2016.

Subsequently, the Company and its wholly owned subsidiaries McCourt Mining Pty Ltd, Sovereign Services Limited, and McCourt Mining Limited (collectively the “Grantor”) have executed the Royalty Agreement, which remains unchanged in all material aspects to that at the time of completion of the Transaction with the Vendors.

Key terms of the Vendor Royalty include:

- A 2% net mine gate royalty (being revenues minus mining and processing cash operating costs) to the Vendors from all products removed from all or any part of the Licences, whether or not subsequently beneficiated, processed or otherwise upgraded (collectively, “Product”)

- accruing from and be payable quarterly from the date of commercial production, and at all times thereafter for so long as the Product is produced;
- The royalty will be paid net of any deductions for any tax, duty, impost, charge or other withholding, subject to meeting certain administrative obligations; and
- The area over which the Royalty is granted is the exclusive prospecting license EPL0355 and reconnaissance license RL0146 and any other mining tenement or mining tenements which may be granted in lieu of or relate to the same ground as those licences (collectively, the “Licences”);

While the area covered by the Licences no longer aligns precisely with the Company’s current tenement package there remains significant overlap, including substantial parts of the Kasiya and Malingunde projects.

Should the Grantor relinquish, abandon or be obliged by law to surrender, the whole or any part of the Licences (“Dropped Area”), the Vendor Royalty will cease to apply to the Dropped Area for so long as the Grantor ceases to have an interest in the Dropped Area but will apply to any area which is subsequently re-applied for or otherwise acquired within the area of the Licences. Additionally, should the Grantor intend on surrendering any area of the Licences it must, as practicable, provide 30 days’ notice to the Vendors unless it intends nominating another party to apply for the surrendered area.

Typical clauses of assignment apply.

D. Depositary Agreement

The Company and the Depositary propose to enter into the Depositary Agreement, pursuant to which the Company will appoint the Depositary to constitute and issue from time to time, pursuant to the terms of the Deed Poll, the Depositary Interests.

Under that Depositary Agreement the Company will agree to pay the Depositary an annual fee of £6,000 (plus VAT if any) and to reimburse the Depositary for all out-of-pocket expenses provided that individual expenses of £1,000 or more are approved in writing and in advance by the Company. The Depositary’s maximum liability under the Depositary Agreement over any 12 month period will be capped at an amount equal to two times the Depositary’s fees earned in that 12 month period in respect of a single claim or in the aggregate. The parties are required to indemnify each other in certain circumstances. Neither party is liable to indemnify the other in respect of any loss arising from the fraud, negligence or wilful default of the other party or as a result of a breach by the other party of the Depositary Agreement. Upon completion of the initial period of five years, the appointment of the Depositary shall continue in force until terminated by either party giving the other not less than six months’ notice.

E. Deed Poll

The Deed Poll will be entered into by the Depositary and will contain certain provisions which will be binding upon the holders of Depositary Interests, including:

- a) the holders of Depositary Interests shall warrant that the Shares which are transferred or issued to the Depositary (or a custodian on behalf of the Depositary) are free and clear of all liens, charges, encumbrances or third party interests (other than the interests arising under a declaration of trust pursuant to the Deed Poll);
- b) the Depositary shall pass on to the holders of the Depositary Interests all rights and entitlements received by the Depositary or the custodian in respect of the underlying Shares;
- c) the Depositary shall be entitled to cancel Depositary Interests and treat the holder as having requested a withdrawal of the underlying securities in certain circumstances including where a holder of Depositary Interests fails to furnish to the Depositary such proof certificates or representations or warranties as to matters of fact, including the holder’s identity, as the Depositary deems necessary or appropriate;
- d) each holder of Depositary Interests will be liable to indemnify the Depositary and, where applicable, a custodian against all liabilities arising from or incurred in connection with the Deed Poll so far as they relate to the deposited property; and

- e) the Depositary may terminate the Deed Poll by giving 30 days' prior notice to the holders of the Depositary Interests. During such notice period holders shall be entitled to cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination the Depositary shall, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest holders or, at its discretion, sell all or part of such deposited property and request the removal of the relevant Depositary Interests from the CREST system. The Depositary shall, as soon as reasonably practicable thereafter, deliver the net proceeds of any such sale, after deducting any monies due to it, together with any other cash held by it under the Deed Poll pro rata to holders of Depositary Interests in respect of their Depositary Interests.

16. PAYMENTS RELATING TO MINERAL ASSETS

The schedule of mineral tenements disclosed in the Company's Annual Report for the year ended 30 June 2021 has undergone one change with EL0609, also 100% held, issued in substitute of EL0413. With regards to the acquisition of, or maintenance of its assets, Sovereign has made the following payments aggregating to over £10,000 to the Malawian government or regulatory authorities since its entry into Malawi in August 2012:

- £292,722 to the Ministry of Natural Resources, Energy and Mining.

17. LITIGATION

Other than as disclosed in this document or in the Public Record, the Company is not, and has not in the previous 12 months, been involved in any governmental, legal or arbitration proceedings, nor so far as the Directors are aware, are there any legal or arbitration proceedings active, pending or threatened by or against the Company which are having, may have or have had a significant effect on the financial position or profitability of the Company.

18. CORPORATE GOVERNANCE

As a result of its listing on the ASX, the Company has already established corporate governance practices and procedures and complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition'.

Sovereign and the entities it controls believe corporate governance is important for the Company in conducting its business activities. The Board has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company. These documents are available in the Corporate Governance section of the Company's website, www.sovereignmetals.com.au. These documents are reviewed at least annually to address any changes in governance practices and the law.

The Company's 2021 Corporate Governance Statement, which is current as at 30 June 2021 and has been approved by the Board, explains how Sovereign complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition' in relation to the year ended 30 June 2021. The Corporate Governance Statement is available in the Corporate Governance section of the Company's website, www.sovereignmetals.com.au/corporate/corporate-governance and was lodged with ASX together with an Appendix 4G (also available at www.sovereignmetals.com.au) at the same time that the Company's Annual Report was lodged with ASX.

In addition to the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition' the Board has taken into account a number of important factors in determining its corporate governance policies and procedures, including the:

- relatively simple operations of the Company, which currently only undertakes mineral exploration and development activities;
- cost versus benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board's experience in the resources sector;
- organisational reporting structure and number of reporting functions, operational divisions and employees;
- relatively simple financial affairs with limited complexity and quantum;
- relatively small market capitalisation and economic value of the entity; and

- direct shareholder feedback.

The Company currently operates a share dealing policy which applies to the Directors and certain employees of the Company. The Company has adopted, with effect from Admission, a revised share dealing policy for the Directors and employees of the Group which contains provisions appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with MAR) and the Company will take all reasonable steps to ensure compliance by the Directors and employees of the Group with such policy.

19. GENERAL

There are no other persons (excluding professional advisers otherwise disclosed in the Announcement and this Appendix or in the Public Record and trade suppliers) who have received, directly or indirectly, from the Company within the 12 months preceding the date of this document or with whom the Company has entered into contractual arrangements (not otherwise disclosed in this document or in the Public Record) to receive, directly or indirectly from the Company on or after Admission, fees or securities in the Company or any other benefit, with a value of £10,000 or more at the date of Admission.

Other than as disclosed in Section 16 above, there are no payments aggregating over £10,000 made to any government or regulatory authority as similar body made by the Company or on behalf of it, with regards to the acquisition of or maintenance of its assets.

The number of people employed by the Company, together with its subsidiaries, and including those employed under consultancy and service agreements, at the date of this document and as at the end of the financial years dated 30 June 2019, 30 June 2020 and 30 June 2021 was as follows:}]

Employees and contractors	30 June 2019	30 June 2020	30 June 2021	At date of this document
Directors including Managing Director (Australia)	3	3	4	4
Staff (Australia)	1	2	3	3
Malawi staff	10	21	20	22
Total	14	26	27	29

The costs, charges and expenses payable by the Company in connection with or incidental to Admission, including registration and stock exchange fees, legal fees and expenses are estimated to amount to approximately £352,383 excluding Goods and Services Tax (in Australia) and Value Added Tax (in the UK and Malawi).

Other than as disclosed in the Announcement, this document or as otherwise disclosed in the Public Record:

- there have been no interruptions in the Company's business which may have or have had in the last twelve months a significant effect on the Company's financial position;
- there are no significant investments by the Company under active consideration; and
- the Directors are not aware of any exceptional factors which have influenced the Company's activities.

The Company's accounting reference date is 30 June. Subsequent to 30 June 2021, the Company issued 2,160,500 ordinary shares upon the conversion of options, raising \$380,250.

There are no other matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2021 of the Group;
- the results of those operations, in financial years subsequent to 30 June 2021 of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2021 of the Group.

The Directors have no reason to believe that the working capital available to Group will be insufficient for at least 12 months from the expected date of Admission.

Information equivalent to that required for an admission document which has not previously been made public (in consequence of the Company having its Shares traded on the ASX) is included in this document.

Copies of the Company's latest published accounts are available at the Company's website at www.sovereignmetals.com.au.

The information required by Rule 26 of the AIM Rules for Companies will be available at www.sovereignmetals.com.au as from the date of Admission.

Copies of this document and the CPRs are available to the public free of charge at the Company's website www.sovereignmetals.com.au.

20. CONSENTS

RFC Ambrian has given and not withdrawn its consent to the inclusion of its name in this document of references thereto in the form and context in which they appear, but has not made any statements that are included in this document nor are statements identified in this document based on any statements made by RFC Ambrian.

Optiva has given and not withdrawn its consent to the inclusion of its name in this document of references thereto in the form and context in which they appear, but has not made any statements that are included in this document nor are statements identified in this document based on any statements made by Optiva.

The Competent Persons have given and have not withdrawn their written consent to the inclusion in this Appendix of references to their name in the form and context in which they appear.

The Competent Persons have confirmed to the Company and RFC Ambrian that there has been no material change of circumstances or available information since the date of the CPRs.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of the Announcement and Appendix other than the references to their name.

Dated 16 November 2021