

ANTI-BRIBERY AND CORRUPTION (ABC) POLICY

September 2023

1.1. Introduction and Purpose

Sovereign Metals Limited (**Company**) is committed to maintaining a high standard of integrity and to operating fairly, honestly and legally, in order to ensure that we comply with international regulations with regards to anti-corruption and bribery issues. We also make full commitment to ensure the Company has an open and transparent management approach in order to avoid exposing ourselves to potential conflicts of interest.

The Company is committed to maintaining a high standard of ethical conduct in all business dealings. The Company does not obtain or retain business through any unethical or illegal means, and all contract and transaction related payments, including those in connection with gifts and other expenditures, are declared with reasonable details. The Company has developed this policy to prohibit inappropriate conduct associated with bribery and corruption.

1.2. Responsibility for Compliance

All directors, officers, employees (collectively, **Personnel**), joint venture partners, secondees, agents, consultants, contractors (where under a relevant contractual obligation) and representatives of the Company or its subsidiaries (the latter six collectively referred to in this Policy as **Contracted Third Parties**) are personally responsible for complying with this ABC Policy and all applicable laws and regulations worldwide. Personnel must also take reasonable steps to ensure that Contracted Third Parties comply with the ABC Policy. Any conflict between the ABC Policy and the law is to be referred to the relevant Compliance Officer.

1.3. What is Bribery and Corruption?

Bribery is a form of corruption that involves providing, causing, offering, accepting, receiving, soliciting, promising or asking for a benefit to influence a person in order to gain an advantage which is not legitimately due. It does not matter whether the bribe is accepted, as the act of offering a bribe is usually enough to commit an offence. Corruption involves an abuse of power for personal gain or advantage for an entity (together **Improper Acts**).

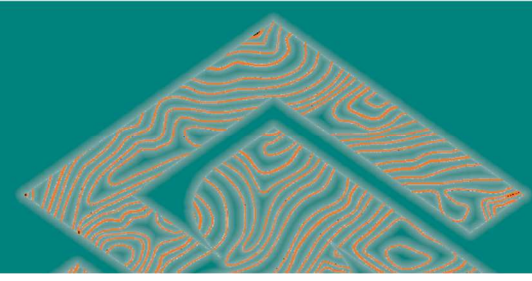
1.4. Prohibition on Improper Acts and other Unfair Dealings

This Policy prohibits Personnel and Contracted Third Parties from conducting any Improper Acts anywhere in the world (in both the private and public sector and irrespective of whether such Improper Act is on a direct or indirect basis). Personnel and Contracted Third Parties may also be personally liable and exposed to criminal and civil liability if they engage in any Improper Acts.

Personnel and Contracted Third Parties will make a clear distinction between the interests of the Company and private interests, and will avoid conduct that would expose Personnel and / or Contracted Third Parties to possible conflicts of interest. Personnel and Contracted Third Parties will not misuse privileged information, misrepresent information or conduct other unfair acts.

1.5. Safety and Liberty Exception

In the event that any Personnel or Contracted Third Parties experience a threat to the safety or liberty of a person, they are not required to comply with this Policy. Such Personnel and Contracted Third Parties must immediately or as soon as reasonably possible after the event provide a detailed report of what occurred to the relevant Compliance Officer.



1.6. Facilitation Payments and Money Laundering

The making of 'facilitation payments' either directly or indirectly through agents, contractors or intermediaries by Personnel and Contracted Third Parties is prohibited.

Money laundering by Personnel and Contracted Third Parties is also prohibited. Money laundering broadly involves the act of concealing or attempting to conceal illegal funds and disguising the funds to give the appearance that they are legitimately obtained.

1.7. Gifts and Entertainment

The Company recognises that offering or accepting gifts and entertainment by Personnel and Contracted Third Parties which are of moderate value and proportionate are generally considered to be in accordance with business practice and maintaining good business relationships, for example, meals and event such as theatre, sporting and cultural events. However, the exchange of gifts and entertainment may give rise to conflicts between the personal interests of Personnel and Contracted Third Parties and the interests of the Company. Personnel and Contracted Third Parties are prohibited from offering or accepting gifts or entertainment in circumstances which could give rise to, or appear to give rise to, Improper Acts and must always consider this ABC Policy when gifts or entertainment are offered. Personnel and Contracted Third Parties must always ensure that any gifts or entertainment offered, given or accepted, are proportionate and in line with the laws and common business practice of the location where the gift or entertainment occurs.

We are to ensure that all gifts and entertainment given to or received from Contracted Third Parties are approved by management. It is the Company's policy that gifts or entertainment with a value exceeding AUD\$500 per person must not be offered, given or accepted by Personnel and Contracted Third Parties without the prior reporting to the Compliance Officer and approval of a director.

Personnel and / or Contracted Third Parties who offer, give or receive a gift or entertainment which has a value over AUD\$500 must immediately report it to the finance team so that such gifts or entertainment can be recorded in the Gifts and Entertainment Register. The Chief Financial Officer (CFO) will regularly review the register.

1.8. Charitable Contributions, Sponsorship and Political Donations

The Company does not make political donations in any country. Apart from political donations, Personnel and / or Contracted Third Parties must not make or offer any charitable contribution, donation or sponsorship (including, for example, community investment projects) on behalf of the Company without prior approval from the CFO or a director. All donations greater than AUD\$500 will be recorded on the Contributions Register.

1.9. Record Keeping

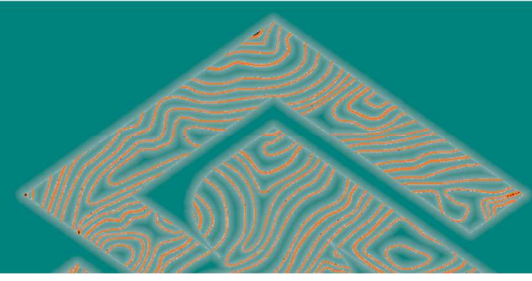
All transactions, including evidence of permitted travel, hospitality, entertainment, gifts or any other expenses, incurred by Personnel and / or Contracted Third Parties must be appropriately recorded in the Company's books and records.

1.10. Contracted Third Parties

The Company expects Contracted Third Parties will avoid Improper Acts and act legally and ethically in all their dealings (and not just dealings involving the Company). Contracted Third Parties are also prohibited from accepting secret commissions, being 'kick-backs' received by a Contracted Third Party related to the Company business.

Personnel will ensure that Contracted Third Parties are made aware of and know the standards the Company expects and commits to maintain.

Contracted Third Parties must be made aware of, and agree in writing to comply with, this Policy and the Company's Code of Conduct. Appropriate due diligence must be conducted in relation to Contracted Third Parties and agents, and should be recorded in writing in suitable detail.



1.11. Training

All relevant Personnel and Contracted Third Parties are to receive appropriate training, including refresher training, relating to this Policy and related policies and procedures. Any newly hired officers and employees will receive such training as part of their induction.

The extent and nature of such training shall be defined by reference to their function and will reflect the risks facing an employee in their role in that role.

Records of all completed training sessions undertaken by Personnel are maintained by the relevant Compliance Officer.

1.12. How to Raise a Concern

Personnel are encouraged to speak up if they suspect any actual, planned or potential Improper Acts or unfair dealings. Any questions or concerns about this Policy or actual or suspected breaches of this Policy should be directed to the relevant Compliance Officer. The Compliance Officer may refer the matter to the Company's lawyers if required. Please also see the Company's Whistleblower Policy.

1.13. Consequences of Breaching this Policy

The Compliance Officer shall investigate any reported breaches or potential breaches of this Policy. The Compliance Officer is ultimately responsible for determining the validity of each report, concern or complaint and fashioning, with the input of its advisors and the Company's management, and if requested, the appropriate corrective action.

The Compliance Officer shall report any legal, regulatory non-compliance they consider a material concern to the Company's Board of Directors and ensure that management takes corrective action including, where appropriate, obtaining external legal advice and, if so advised, reporting any violation to relevant governmental authorities.

Breach of this Policy by any Personnel and / or Contracted Third Parties will be regarded as serious misconduct. Personnel and / or Contracted Third Parties may be subject to disciplinary action, which may include termination of employment. In addition to breaching this Policy, Personnel and / or Contracted Third Parties may be exposed to personal liability or criminal liability at law if they engage in any Improper Acts that are illegal.

Where possible, the Company will seek to terminate its relationship with any Contracted Third Parties if it is determined that such Contracted Third Parties has failed to comply with this Policy.

This Policy will be reviewed regularly to ensure its relevance to the ever-changing environment.

Personnel and Contracted Third Parties should read this ABC Policy in conjunction with the ABC Compliance Guide.