



NEWS RELEASE | 26 SEPTEMBER 2025

2025 ANNUAL REPORT

Sovereign Metals Limited (ASX:SVM; AIM:SVML; OTCQX:SVML) (**Sovereign** or the **Company**) advises its 2025 Annual Report has been published today at <https://api.investi.com.au/api/announcements/svm/b196b272-dfe.pdf> with the results provided below.

The Company has also published an Appendix 4G (Key to Disclosures: Corporate Governance Council Principles and Recommendations) and its 2025 Corporate Governance Statement today which are available at <https://api.investi.com.au/api/announcements/svm/14fedf11-82b.pdf>.

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DIRECTORS' REPORT

The Directors of Sovereign Metals Limited present their report on the Group consisting of Sovereign Metals Limited (the **Company** or **Sovereign** or **Parent**) and the entities it controlled at the end of, or during, the year ended 30 June 2025 (**Group**).

OPERATING AND FINANCIAL REVIEW

KASIYA RUTILE-GRAPHITE PROJECT

Sovereign is focused on the development of its Kasiya rutile-graphite project (**Kasiya** or the **Project**) in Malawi to become a leading global supplier to the titanium and graphite industries. Kasiya is the world's largest natural rutile deposit - the purest, highest-grade naturally occurring titanium feedstock - and the world's second-largest flake graphite deposit - a battery mineral essential for the Energy Transition.





Figure 1: Kasiya Regional Project Location

Sovereign discovered Kasiya in 2019 after identifying the potential of a new rutile province in Malawi. Today, Kasiya stands out as the world's largest known natural rutile deposit and second largest known flake graphite deposit and holds the accolade of one of only 11 Tier 1 mining projects discovered in the last decade (source MnEx Consulting, "Exploration: Australia vs The World, October 2023).

The Optimised Pre-Feasibility Study (**OPFS**), completed during the year with oversight from the Sovereign-Rio Tinto Technical Committee, reaffirmed Kasiya's potential to become a large, low-cost producer of strategic minerals. Sovereign is now advancing the Definitive Feasibility Study (**DFS**).

HIGHLIGHTS DURING AND SUBSEQUENT TO YEAR END

Mining Method and Fleet Design Finalised for DFS

- Mining Fleet specifically engineered for large-scale dry mining operations following the results of the successful Pilot Mining and Land Rehabilitation (**Pilot Phase**).
- No drilling, blasting, crushing or milling required at Kasiya resulting in low capital outlays and operating costs.
- Equipment selection and supplier identification completed for all operational requirements across the proposed initial 25-year mine life.

DFS Progresses with Completion of Geotechnical Program and Power Supply MOU Signed

- In April 2025, the Company announced that several geotechnical drilling programs were underway at all critical project infrastructure locations across Kasiya.
- Geotechnical investigations were successfully completed subsequent to the year end, with preliminary findings confirming favourable subsurface conditions for infrastructure construction.
- In May 2025, Sovereign and Electricity Supply Corporation of Malawi (**ESCOM**) entered into a non-binding Memorandum of Understanding (**MOU**) to ensure the long-term supply of electricity to Kasiya, establishing a framework for negotiating future definitive agreements.
- In May 2025, the World Bank approved a US 350m grant to support Malawi's Mpatamanga Hydropower Storage Project to significantly increase Malawi's installed capacity by 2030.

Japan's Toho Titanium Confirms Kasiya Rutile's Suitability for Producing High-Performance Products

- During the year, one of Japan's premier titanium metal producers, Toho Titanium Company Limited (**Toho Titanium**), confirmed that natural rutile from Kasiya is suitable for manufacturing its high-specification titanium products critical to aerospace and industrial applications.
- Toho Titanium is a cornerstone supplier in the global titanium value chain, serving the world's most demanding aerospace and industrial manufacturers.

Japan Government launches new Nacala Logistics Corridor development initiative

- Japan commits US 7 billion in development funding - 5.5 billion through joint program with African Development Bank, plus 1.5 billion in public-private impact investment through Japan's development agency.
- Initiative focuses on capacity expansion, refurbishment, and resilience upgrades to increase throughput, enhance reliability, and reduce bottlenecks directly benefiting projects such as Kasiya positioning the Project as a key beneficiary of Japan's mineral security strategy.
- Nacala Corridor is Kasiya's preferred transport route - providing lowest-cost pathway from Kasiya to international markets via a deep-water port.

New Graphite Tariff Environment Underscores Kasiya's Global Significance

- In July 2025, the U.S. Commerce Department announced 93.5% preliminary anti-dumping duties on Chinese

graphite imports, fundamentally altering the economics for battery manufacturers seeking secure, cost-competitive supply chains.

- The new tariff environment highlights Kasiya's potential as the world's largest and lowest-cost non-Chinese graphite producer with an industry-leading US 241/t incremental cost of production.
- Latest coating optimisation testwork achieved successful coated spherical purified graphite (**CSPG**) production characteristics with superior performance metrics to support advancing offtake discussions.

Successful Rehabilitation Results Further De-Risk DFS

- Rehabilitation of the land at the test pit site mined during the Pilot Phase was completed during the year.
- Exceptional first-year results from its rehabilitation trials at the Kasiya, delivering critical data that will inform the progressive rehabilitation strategy for the ongoing DFS.
- Rehabilitation trials achieved 5x crop yield improvement - demonstrating superior post-mining land productivity versus traditional farming.

Optimised PFS Results Reaffirm Kasiya's Globally Strategic Significance

- OPFS was completed during the year with oversight from the Sovereign-Rio Tinto Technical Committee. Results of the OPFS reaffirmed Kasiya's potential to become one of the largest and lowest-cost producers of natural rutile and natural flake graphite while generating exceptional economics.
- Various optimisations have led to superior project delivery, operational flexibility, environmental and social outcomes compared to the 2023 Prefeasibility Study (**2023 PFS**).

Kasiya Graphite Suitable for >94% of End-Use Markets

- Test work completed during the quarter has demonstrated that Kasiya graphite is suitable for use in the three key segments that account for over 94% of the ~1.6Mtpa global demand for natural flake graphite-battery anodes, refractories and expanded/expandables.
- Sovereign intends to produce a 96% graphite concentrate at an incremental cost of US 241/t (FOB).

OPERATIONS

MINING METHOD AND FLEET DESIGN FINALISED FOR DFS

Subsequent to the end of the year, The Company has finalised the selection of mining equipment specifically designed for large-scale dry mining operations at Kasiya. Following the successful 2024 Pilot Phase that confirmed Kasiya ore can be efficiently mined using conventional dry mining techniques, the comprehensive fleet design encompasses both primary mining operations and support activities across the Project's proposed initial 25-year life of mine.

The dry mining approach, detailed in the OPFS, will deliver superior project delivery, operational flexibility, and environmental outcomes. The fleet deployment follows a strategic phased approach, with a total of ~200+ equipment units to be purchased over the mine life, including replacements.

The Company has conducted a comprehensive market analysis and identified leading global equipment manufacturers as potential suppliers, including Caterpillar Inc. (**CAT**), Komatsu Ltd. (**Komatsu**), Liebherr Group (**Liebherr**), Hitachi, Ltd. (**Hitachi**), and Volvo Group (**Volvo**).





Figure 2: Example of a dragline excavator in action (Source: Liebherr)

DFS GEOTECHNICAL PROGRAMS COMPLETE

In April 2025, the Company announced that several geotechnical drilling programs were underway at Kasiya as part of the DFS. Subsequent to the year end, the programs were successfully completed.

The extensive programs, conducted by ARQ Geotech (Pty) Ltd and with oversight from the Sovereign-Rio Tinto Technical Committee, represent a critical milestone in the Project's ongoing DFS. The continued progress demonstrates momentum towards advancing this Tier-1 project.

The geotechnical investigations provide essential subsurface data that will inform detailed engineering design and infrastructure planning across major Project components. The comprehensive scope covered critical infrastructure areas, including mining operations, process plants, tailings storage facility (TSF), and raw water storage dam - representing the foundational elements required for the Project's development.

Understanding subsurface conditions is crucial for predicting interactions between in-situ geological strata and the overlying infrastructure. The geotechnical data will inform the design of foundations, earthworks, slope stability measures, and material suitability, ultimately contributing to safe, efficient, and cost-effective development.

The fieldwork programs employed a sophisticated combination of near-surface and deep investigation techniques across the project site, with over 400 individual tests conducted to characterise soil and rock profiles comprehensively.

Preliminary Findings

Initial results indicate highly favourable subsurface conditions that correlate well with the expected regional geology. The material profiles encountered across all infrastructure sites show generally consistent stratigraphy. Consistent stratigraphy and suitable subsurface conditions enable more standardised foundation designs and construction approaches across infrastructure areas, potentially reducing engineering complexity and construction costs. The findings will be integrated into detailed engineering design work to optimise infrastructure placement, foundation design, and construction methodologies.



Figures 3-6 Clockwise from Top Left: Geotechnical diamond drilling, auger drilling, seismic geophysics testing using multi-channel analysis of surface waves (MASW), Cone Penetration Test with pore pressure measurements (CPTu) rig.

POWER SUPPLY MOU SIGNED AS WORLD BANK APPROVES MALAWI HYDROPOWER PROJECT

In May 2025, Sovereign announced that it had entered into a non-binding MOU with ESCOM (Malawi's national electricity utility) to ensure the long-term supply of electricity to the Kasiya Project. The MOU establishes the framework for negotiating the following future definitive agreements:

- Project Implementation Agreement, including construction and installation of a new 132kV overhead power line, and
- Power Supply Agreement, for the provision of bulk power supply from Malawi's national grid.

The MOU follows discussions with ESCOM regarding the provision of electricity to the Kasiya Project in preparation for construction and operation. The total installed capacity in Malawi is currently 549MW, with approximately 73% of this capacity coming from hydropower.

During Stage 1, Kasiya's power demand will amount to 30MW, increasing to 60MW at steady-state production in Year 6 of

operation. To supply power from the hydro-based grid network, a 132kV overhead transmission line will be constructed to connect the Kasiya site to the Nkhoma substation, approximately 97km away. Nkhoma has been identified as the most suitable connection point based on power reliability, technical feasibility, and environmental and social considerations. This line will supply the 132/33kV Kasiya bulk intake substation.

The purpose of the MOU with ESCOM is to record the mutual understanding for negotiation in good faith of a Project Implementation Agreement and a Power Supply Agreement (**Definitive Agreements**). The MOU is non-exclusive and non-binding and remains subject to negotiation and execution of the Definitive Agreements. The MOU will expire upon execution of the Definitive Agreements or on 30 June 2026, whichever is the earliest, but it can be mutually extended by 12 months.



Figure 7: Nkhoma substation has capacity for connection to the Kasiya operation.

(Source: Millenium Challenge Corporation, USA)

Mpatamanga Hydropower Storage Project

On 15 May 2025, the World Bank approved a US 350m grant to support Malawi's Mpatamanga Hydropower Storage Project (**MHSP**), a large infrastructure operation aiming to "transform the country's energy landscape and its economic development trajectory." (Source: World Bank)

In September 2022, the Malawian Government selected a consortium of strategic sponsors, which currently owns the MHSP, and consists of Electricité de France (**EDF**) and SN Malawi BV, which in turn is owned by the UK Government's development finance institution, British International Investment plc, the Norwegian Parliament's development finance institution, Norfund, and global energy company TotalEnergies SE. Once complete, the US 1.5 billion MHSP will deliver 358MW of additional generation capacity to the Malawi electricity grid.

MHSP is one of several large energy projects in Malawi supported by the World Bank Group, reflecting the institution's strong commitment to supporting this sector as an essential enabler of economic growth and development.

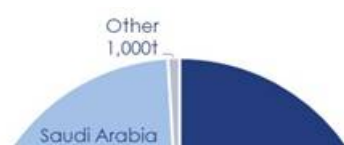
TOHO TITANIUM VALIDATES KASIYA RUTILE FOR HIGH-SPECIFICATION TITANIUM PRODUCTS

In June 2025, the Company announced that one of Japan's premier titanium metal (sponge and ingot) producers, Toho Titanium, confirmed the suitability of natural rutile from Sovereign's Kasiya Project for manufacturing high-specification titanium products critical to aerospace and industrial applications.

Toho Titanium's analysis of a sample of rutile from Kasiya concluded that "it is of a quality that can be used without any issues". Kasiya's rutile surpassed the requirements for TiO₂ grade (>95%), low or no deleterious elements, low radiation value, and suitable particle size distribution and density.

Toho Titanium represents a cornerstone supplier in the global titanium value chain, with combined decades of expertise serving the world's most demanding aerospace and industrial manufacturers. Toho Titanium, together with Japan's other major titanium metal producer, Osaka Titanium Technologies Co., Ltd., account for over 15% of global titanium production capacity and over 60% of non-sanctioned, aerospace-grade titanium metal production (i.e. excluding China, which is not qualified to produce aerospace-grade titanium, and Russia).

Toho Titanium occupies a critical position in titanium supply chains, supporting the aerospace industry across the United States, Europe, and the Indo-Pacific region. Recent geopolitical developments have intensified focus on secure titanium supply chains, creating unprecedented strategic opportunities and strengthening the strategic nature of Kasiya as a future supplier of high-grade titanium feedstock.



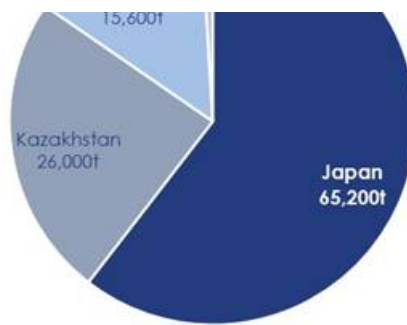


Figure 8: 2024 Global Titanium Sponge Production Capacity by Non-Sanctioned Countries Qualified to Produce Aerospace-Grade Titanium Products.

(Source: US Geological Survey; "Other" includes USA and India)

Kasiya Rutile Suitable for all Major End-Use Markets

Bulk scale metallurgical test work conducted by Allied Mineral Laboratories in Australia has previously confirmed that a premium-grade rutile product can be produced via a simple, conventional process flowsheet with no requirements for flotation or acid leaching.

World-class specification rutile products were reported ranging from 95.0% to 97.2% TiO₂ with low impurities and exceptional metallurgical recoveries of up to 100% (Refer to ASX Announcement: "Outstanding Metallurgical Results at Kasiya" dated 7 December 2021).

The premium chemical parameters and particle sizing (d₅₀ 126µm, 8.6% <75µm) of Kasiya's rutile indicate that the product is suitable for all major end-use markets. Specifically, Kasiya's rutile product specification makes it a suitable feedstock for superior, high-performance titanium metal products. Confirmation that Kasiya's rutile can be used by Toho Titanium establishes Sovereign Metals as a credible future supplier to the global titanium industry's most discerning customers. This technical endorsement, combined with Kasiya's unmatched scale and strategic location, positions Sovereign as a potential market leader in the titanium supply chain.

JAPAN TARGETS KASIYA TRANSPORT CORRIDOR IN NEW STRATEGIC MINERALS INITIATIVE

Subsequent to the end of the year, the Government of Japan launched a dedicated investment initiative targeting the Nacala Corridor infrastructure, significantly strengthening the strategic positioning of the Kasiya Project. As discussed above Toho Titanium confirmed that natural rutile from Kasiya meets specifications for high-performance titanium metal production.

The initiative aims to improve transportation infrastructure and promote industrial development in the Nacala Corridor region, including Malawi, to increase its value as a transportation route for mineral resources and ultimately strengthen Japan's global supply chains related to critical minerals.

Japan's US 7 billion commitment includes US 5.5 billion through the Enhanced Private Sector Assistance for Africa program, which provides development funding to African countries through the African Development Bank. Additionally, US 1.5 billion will be mobilised through Japan's development agency for direct investment in private sector projects, including mining and infrastructure developments.

The initiative creates multiple strategic advantages for Kasiya, positioning the Project as a key beneficiary of Japan's mineral security strategy.

The Nacala Corridor serves as the preferred transportation route for Sovereign's forthcoming Definitive Feasibility Study, providing a direct route to the deep-water port of Nacala and offering Kasiya a low-cost pathway to global markets with significant capital and operating savings.

Japan's initiative focuses on capacity expansion, refurbishment, and resilience upgrades to increase throughput, enhance reliability, and reduce bottlenecks, directly benefiting projects such as Kasiya.

To access the Nacala Corridor, Sovereign plans to construct a six-kilometre rail spur linking the proposed plant to the Nacala Corridor, ensuring efficient freight handling. The Company is in discussions with leading regional logistics providers on rail and port solutions to ensure reliable and cost-efficient transport of rutile and graphite to international markets.





Figure 9: Bulk cargo trains operating on Nacala Corridor



Figure 10: Nacala Port is the deepest water port in Southern Africa

NEW GRAPHITE TARIFF ENVIRONMENT UNDERSCORES KASIYA'S GLOBAL SIGNIFICANCE

Subsequent to the year end, the Company announced that the latest testwork on graphite from Kasiya has delivered highly successful results. The testwork focused on optimising the coating process for conversion of Kasiya-derived spherical purified graphite (SPG) coated spherical CSPG while maintaining premium performance.

The results will assist with ongoing offtake discussions with anode manufacturers. Sovereign is developing Kasiya to potentially become the world's largest and lowest-cost natural graphite producer outside of China with an incremental cost of graphite production of US 241/t.

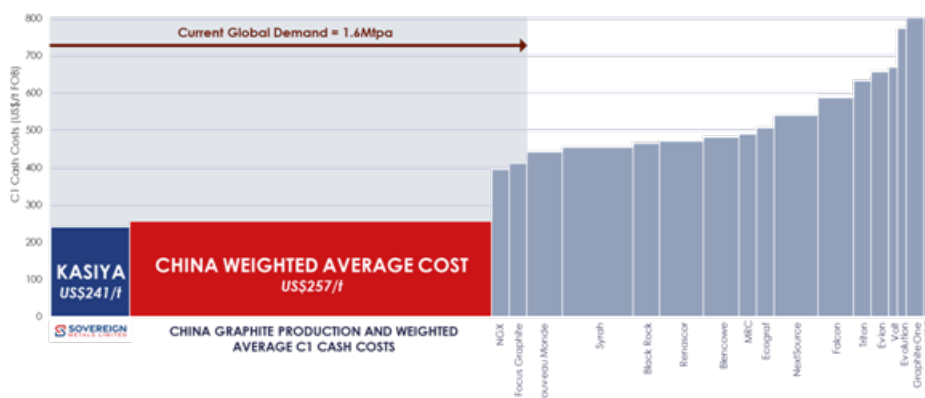


Figure 11: Natural Flake Graphite Industry Cost Curve for Projects at Prefeasibility Stage or Later.

The global graphite supply chain is experiencing fundamental realignment following the U.S. Commerce Department's 17 July 2025 announcement of 93.5% preliminary anti-dumping duties on Chinese graphite imports. Combined with existing tariffs, this creates an effective 160% barrier on Chinese graphite, fundamentally altering the economics for battery manufacturers seeking secure, cost-competitive supply chains. China currently controls approximately 75% of global graphite production and 97% of anode material processing, creating critical supply chain vulnerabilities that major battery manufacturers are now actively addressing.

Tesla, Inc. (**Tesla**) and Panasonic were among companies that opposed the new US tariffs, with Tesla's submission to the U.S. Government stating that U.S. graphite producers have yet to demonstrate the "technical ability to produce commercial quantities" of graphite of the quality and purity required by Tesla and other battery cell manufacturers.

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Once developed, Kasiya has the potential to become the world's largest and lowest-cost natural flake graphite producer, offering battery manufacturers a strategic alternative to Chinese supply chains for anode material feedstock. The latest successful coating testwork is a further demonstration of Kasiya's increasing strategic importance.

Latest Testwork Validates Kasiya Graphite's World-Class Quality to Anode Manufacturers

Optimisation testwork conducted by Prographite GmbH (**Prographite**) has once again demonstrated the exceptional characteristics of Kasiya graphite for CSPG production. The optimisation process successfully achieved target coating specifications and optimised inputs into the coating process while maintaining the premium performance metrics that position Kasiya graphite among the highest-quality sources globally (refer to Announcement "Outstanding Battery Anode Material Produced From Kasiya Graphite" dated 4 September 2024 for previously announced premium performance metrics).

Pitch coating is a standard refinement process where carbon-rich pitch material is applied to spherical graphite particles to create protective layers that enhance battery performance and longevity, turning SPG into CSPG. The latest testwork systematically evaluated pitch content to achieve optimal performance parameters.

Key achievements from the process include:

- **Process Efficiency Demonstrated:** Coating requirements optimised while maintaining superior CSPG characteristics
- **Premium Performance Maintained:** All target specifications achieved for discharge capacity (>360mAh/g) and first cycle efficiency (>94%)
- **Physical Properties Achieved:** Specific surface area (<4m²/g) and tap density (>1.0 g/cm³) specifications met

The electrochemical test results demonstrate the consistently high quality of CSPG produced from Kasiya graphite:

Table 1: Electrochemical Half-Cell Testing Results

Pitch Coating Level	Initial Charge (mAh/g)	Initial Discharge (mAh/g)	First Cycle Efficiency (%)
Baseline (100%)	390	369	94.64
Optimised (60%)	388	366	94.36

The data confirms that Kasiya graphite consistently delivers discharge capacity well above the critical 360mAh/g threshold while achieving first cycle efficiency above 94% - both key specifications for premium-quality natural graphite anode materials.

SUCCESSFUL REHABILITATION RESULTS FURTHER DE-RISK DFS

Subsequent to the end of the year, Sovereign announced exceptional first-year results from its rehabilitation trials at Kasiya, delivering empirical data that will inform the progressive rehabilitation strategy for the DFS.

The successful rehabilitation trials address a key component of Kasiya's development pathway, demonstrating that post-mining land can achieve superior agricultural productivity compared to pre-mining conditions. With maize yields of 5.2 tonnes per hectare versus the regional average of 1 tonne per hectare, the trials validate Sovereign's progressive mining, back-filling and rehabilitation approach that will be integrated into the DFS.

The 10-hectare pilot program achieved a 5x crop yield improvement through soil remediation, engaging 28 local farmers as partners and proving the rehabilitation process to be effective for a scaled-up implementation. Sovereign followed a systematic six-step rehabilitation process that successfully restored the disturbed land back to productive agricultural use:

1. **Land preparation** with complete backfill and grading to original contours.
2. **Soil nutrient enhancement** via application of locally sourced lime, biochar and fertilisers.
3. **Mechanical integration** using community-sourced equipment.
4. **Strategic planting** of bamboo blocks with intercropped maize and legumes.
5. **Harvest** success delivering 5.2 tonnes/hectare average yield.
6. **Year-round productivity** enabled by drip irrigation for winter farming programs.

The rehabilitation approach combines proven agronomic practices with innovative techniques, including biochar application, precision nutrient management, and intercropping with Giant Bamboo - creating a replicable model for the broader Kasiya development. These rehabilitation results will be integrated into Sovereign's progressive rehabilitation strategy within the DFS, supporting:

- **Project-specific closure provisioning** through demonstrated restoration success.
- **Enhanced community value proposition** via improved post-mining land productivity.

Enhanced community stakeholder engagement and improved post-mining land processing.

- **Proven environmental stewardship.**
- **Strengthened ESG positioning.**



Figure 12: Test pit site during the mining trials (September 2024)



Figure 13: Rehabilitation site with mature crop (May 2025)

OPTIMISED PFS RESULTS REAFFIRM KASIYA'S GLOBALLY STRATEGIC SIGNIFICANCE

During the year, the Company announced the results of an OPFS at Kasiya.

Following input from various organisations, including internationally recognised, independent consultancies, the Company's owner's team, and subject matter experts from Rio Tinto, the OPFS has reconfirmed Kasiya as a leading global future supplier of strategic critical minerals outside of China.

Summary of Optimisations

The OPFS optimises seven key areas compared to the 2023 PFS, as summarised below.

Mining Method

The 2023 PFS proposed a 25-year initial life of mine (**LOM**) based on a hydraulic mining process where slurry material would be screened and pumped overland to the processing plants.

Based on findings from the mining trials undertaken as part of the Pilot Phase, the OPFS proposes a large-scale open-pit dry mining operation using draglines and trucking of material to the processing plants. The change in mining method has not changed the initial mine life of 25 years.

Operating Model

The 2023 PFS envisaged mining would take place on a contractor basis.

During the OPFS, Sovereign undertook a trade-off analysis between the following operating options:

- Fully owner-operated mine with draglines and trucks purchased by the owner
- Owner-operated mine with draglines and trucks leased by the owner
- Mining contractor operation using excavators and trucks

Due to the preference for draglines and benefit of flexibility, an owner-operated mine with leased equipment is selected as the preferred operating model.

Plant Configuration

Dry mining Kasiya means the material received at the plant is not pre-wet and pre-scrubbed. Therefore, the OPFS proposes a process plant front end consisting of two scrubbers and two oversize screens per 12Mt plant. No further changes are proposed to the processing plant flowsheet.

Plant Location

Per the 2023 PFS, mining would commence in the southern area of the Kasiya deposit, ramping up to 12Mt per annum (Mt_{pa}) and then scaling up to 24Mt_{pa} in Year 5 by constructing a second plant module in the same area, reaching nameplate capacity by the end of that year.

In Year 10 of production, another new 12Mt_{pa} plant module would be built and commissioned in the northern area of Kasiya, supported by the relocation to the north of one of the southern plants to maintain a steady state of 24Mt_{pa}.

However, the OPFS has determined the most efficient plant locations to be an initial 12Mt_{pa} South Kasiya plant followed by the construction of another 12Mt_{pa} North Kasiya plant in year 5 of production, negating any relocation requirements in later years.

The OPFS maintains the ROM schedule with operations commencing with 12Mt_{pa} of throughput during the first four years of production (**Stage 1**) and expanding to 24Mt_{pa} in year 5, with full capacity reached by end of year 5 (**Stage 2**).

Tailings Management

Per the 2023 PFS, a conventional process would be used to produce rutile and graphite concentrate with tailings in separate sand and fines streams being pumped to a conventional TSF. Mined out pit areas would be backfilled as part of a rehabilitation process.

The OPFS proposes maximising backfilling of pits as undertaken during the Pilot Phase and the introduction of mud farming on the TSF to accelerate dewatering. This approach has reduced tailings volumes in the TSF by 44% from 187 Mm³ to 105 Mm³.

Mud farming is a technique used by Rio Tinto at operations such as its 100%-owned Weipa bauxite operations in Queensland, Australia, which has been in production since 1963 and produced 35.1Mt of bauxite in 2023.

Water Management

The 2023 PFS proposed that the primary water supply for the Kasiya mining complex would be created by building a water storage dam and collecting run-off water from the greater catchment area. Following the introduction of dry mining and mud farming, the size of the water storage dam proposed in the 2023 PFS has been significantly reduced, with less process water required and more process water recovered.

The OPFS mining trials and material deposition tests indicated a water demand of 10.2 Mm³ per annum, almost a 40% decrease in water requirement from the 2023 PFS (16.7 Mm³). The effect on the water storage dam wall could be a reduction in volume from 0.79 Mm³ to 0.57 Mm³ and a reduction in dam wall height from 20 metres to 17 metres.

Power

The 2023 PFS envisaged a hybrid hydro-generated grid power plus solar power system solution.

The Malawi grid reliability has improved since completion of the 2023 PFS and is expected to further improve considerably with the commissioning of the country's first HV transmission interconnector to Mozambique in Q2 2025.

This will provide the Project with sufficient power and therefore the OPFS proposes to connect the Project's power system to the hydro-sourced grid network only. This mitigates any risks associated with commissioning a new solar power project and reducing the overall power tariff by eliminating the need for an Independent Power Producer as per the 2023 PFS.

DFS PROGRESSION

The completion of mining fleet design represents a critical component of the DFS work program, building on previous milestones including geotechnical investigations, continued product testwork, and signing of the MOU regarding power supply with ESCOM.

The DFS continues to progress including:

- process plant design optimisation;
- infrastructure and logistics planning;
- environmental and social impact assessments; and
- Mineral Resource update to be announced in the coming weeks.

ESG FRAMEWORK ADVANCES SOCIAL INITIATIVES IN MALAWI

Sovereign has established an Environmental, Social and Governance (**ESG**) framework to advance Sovereign's Corporate Social Responsibility in Malawi which continues to undertake several initiatives to assist in the development of its project affected local communities, including:

- An ongoing successful conservation farming program that includes increased participation each year;
- Promoting education through a Schools Upgrade Program and creation of a Scholarship Program for high school learners;
- Advancing local community infrastructure commissioning of water bores across the Company's licence area to provide local communities with drinking water;
- Establishing international standard mining industry facilities with the construction of an extensive rutile sample laboratory in Lilongwe;
- Employment of a diverse workforce and developing key exploration and mining-applicable skills through training programs; and
- Continuing engagement with key stakeholders from local communities through to Government level.

RESULTS OF OPERATIONS

The net loss of the Group for the year ended 30 June 2025 was 40,440,339 (2024: 18,600,894). Significant items included in the year end loss are the following:

- Interest income of 2,043,809 (2024: 1,821,876) earned on term deposits held by the Group;
- Exploration and evaluation expenses of 33,897,375 (2024: 14,831,671) in relation to the Kasiya project. This is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore and up to the completion of feasibility studies;
- Non-cash share-based payments expenses totalling 4,309,932 (2024: 2,303,201) relating to performance rights on issue. The fair value of rights are measured at grant date and recognised over the period during which the rights holders become unconditionally entitled to the incentive securities; and
- Business development expenses of 2,247,815 (2024: 2,340,819) which includes the Group's investor and shareholder relations activities including but not limited to public relations costs, marketing and digital marketing, broker and advisor fees, business development consultant fees and costs of the Group's ASX and AIM listings.

FINANCIAL POSITION

As at 30 June 2025, the Group had cash and cash equivalents of 54,538,435 (2024: 31,564,130) and no debt (2024: nil). The Group had net assets of 55,387,701 at 30 June 2025 (2024: 34,358,774), an increase of 21,028,927 or approximately 38% compared with the previous year. This is largely attributable to the increase in cash reserves following the additional investment made by Rio Tinto and completion of the placement in the year offset by exploration and evaluation spend on the Project to complete the Pilot Phase and OPFS, and the progression to the DFS.

Business Strategies and Prospects for Future Financial Years

The objective of the Group is to create long-term shareholder value through the development of a technically and economically viable mineral deposits at Kasiya.

To date, the Group has not commenced production of any minerals at Kasiya. To achieve its objective, the Group intends, over the medium term to conduct further development activities at Kasiya including, the progression and completion of the DFS and to continue with ongoing discussions with potential offtake partners.

These activities are inherently risky and the Board is unable to provide certainty that any or all of these developments will be achieved. The material business risks faced by the Group that are likely to have an effect on the Group's future prospects, and how the Group manages these risks, include:

- **Development Risk** - 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 Group will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Group will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. This includes the completion of the

economic studies with respect to its projects prior to making a decision to mine. This includes the completion of the DFS which the Company is currently undertaking. However, there can be no guarantee that any other studies, including the DFS, will confirm the technical and economic viability of the Group's mineral properties or that the properties will be successfully brought into production;

- **Operational Risk** - The potential commissioning, ramp-up and production at Kasiya are subject to operating risks that could impact the amount and quality of rutile and graphite produced or increase the cost of production. Further, following the publication of a DFS, Rio Tinto has the option, pursuant to an investment agreement with the Company, to be appointed as operator of the Project on arm's length terms. If Rio Tinto elects to become operator, it will be granted the exclusive right to 40% of the annual production of all products produced from the Project. If Rio does not exercise its option to operate the Project, the Company will be required to operate the project itself or seek alternative arrangements. This could lead to delays in the proposed development of the Project or hinder the Company's ability to obtain financing in the future, which may have a material adverse effect on the Company's operations, financial performance and value of its shares. Further, the Company would also be required to seek alternative offtake agreements and there can be no assurance that suitable counterparties will be identified, or that binding offtake agreements for all products from the Project will be concluded on commercially favourable terms;

- **Capital and Funding Risk** - The ongoing development of the Group's mineral properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further development of the Group's mineral 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 Group;

- **Sovereign Risk** - The Group's operations in the Republic of Malawi are exposed to various levels of political, economic and other risks and uncertainties. The Republic of Malawi is a developing country and economy which does not have an established mining industry. There can be no assurances that the future political developments in Malawi will not directly impact the Group's operations;

- **Commodity Price and Foreign Exchange Risks** - The price of rutile, graphite and other commodities fluctuates widely and is affected by numerous factors beyond the control of the Group. Future production, if any, from the Group's mineral properties will be dependent upon the price of rutile and graphite and other commodities being adequate to make these properties economic.

Current and planned development activities are predominantly denominated in US dollars and the Group's ability to fund these activities may be adversely affected if the Australian dollar continues to fall against the US Dollar. The Group currently does not engage in any hedging or derivative transactions to manage commodity price or foreign exchange risk. As the Group's operations change, this policy will be reviewed periodically; and

- **Global Financial Conditions Risk** - Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Group's activities, a slowdown in the financial markets or other economic conditions may adversely affect the Group's growth and ability to finance its activities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

- (i) On 3 July 2024, the Company announced that Rio Tinto had exercised unlisted options and the Company subsequently issued 34.5 million Shares to Rio Tinto to raise an additional 18.5 million (before costs);
- (ii) On 22 January 2025, the Company announced the results of an OPFS for Kasiya which reaffirmed Kasiya's potential to become the largest and lowest-cost producer of natural rutile and natural flake graphite while generating exceptional economics; and
- (iii) On 3 April 2025, the Company completed a placement to raise gross proceeds of approximately 40.0 million from new and existing investors.

There are no significant changes in the state of affairs of the Group during the year not otherwise disclosed in this report.

SIGNIFICANT POST BALANCE DATE EVENTS

At the date of this report, there are no other matters or circumstances which have arisen since 30 June 2025 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2025 of the Group;
- the results of those operations, in financial years subsequent to 30 June 2025 of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2025 of the Group.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year consisted of the development of Kasiya. No significant change in the nature of these activities occurred during the year.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2025 (30 June 2024: nil).

LOSS PER SHARE

	2025 Cents	2024 Cents
Basic and diluted loss per share	(6.62)	(3.34)

DIRECTORS

The names of Directors in office at any time during or since the end of the financial year are:

Current Directors

Mr Benjamin Stoikovich	Chair
Mr Frank Eagar	Managing Director and CEO
Mr Ian Middlemas	Non-Executive Director
Dr Julian Stephens	Non-Executive Director
Mr Mark Pearce	Non-Executive Director
Mr Nigel Jones	Non-Executive Director

Unless otherwise disclosed, Directors held their office from 1 July 2024 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Benjamin Stoikovich

Chair (Committee: ESG Member)

Qualifications - B.Eng, MEng, MSc, CEng, CEnv

Mr Stoikovich is an experienced mining executive and corporate finance professional residing in London. Mr Stoikovich is currently the Chief Executive Officer of GreenX Metals Limited (ASX: GRX) and was formerly a Director of the Mining and Metals Corporate Finance Division of Standard Chartered Bank in London, with extensive experience in financing the development of African mining projects and exposure to the mineral sands sector.

Mr Stoikovich started his career as a mining engineer with BHP Billiton in Australia, gaining broad experience across mine operations management and qualifying as a mine manager. He holds a post graduate degree in Environmental Engineering and UK professional designation as a Chartered Environmentalist (**CEnv**) with wide ranging experience of managing the environmental, social and sustainability aspects of mining projects across the life-cycle and the ESG requirements of the investment community. Mr Stoikovich was appointed a Director of the Company on 13 October 2020. During the three year period to the end of the financial year, Mr Stoikovich held a directorship in GreenX Metals Limited (June 2013 - present).

Frank Eagar

Managing Director and CEO (Committee: ESG Member)

Qualifications - B.Com, CA

Mr Eagar has over 20 years' experience in the financing, permitting, development and operation of mining projects with a strong focus in southern Africa.

Mr Eagar is a Chartered Accountant who has gained extensive corporate, commercial and technical experience in the mining sector throughout his career. Mr Eagar has previously held a number of senior executive positions in the resources sector, more recently with African mining focused private equity firm AMED Funds which included acting as Chief Financial Officer (**CFO**) for AMED's controlled company, Central Copper Resources PLC (**Central Copper**).

Prior to Central Copper, Mr Eagar was the CEO (and prior to that the CFO) of Baobab Steel Limited (**Baobab**) another AMED controlled company, where he managed the completion of a DFS and a joint venture with the World Bank's IFC to procure strategic investors and raise project finance for Baobab's US 1 Billion, fully permitted, integrated 500ktpa Steel and Vanadium Project in Mozambique.

Mr Eagar joined Sovereign in December 2022 as General Manager in Malawi, where he has already expanded the team with a focus on Malawian nationals, developed strong relationships with Government and demonstrated a clear understanding of the Kasiya Project and its development landscape. Mr Eagar was appointed as Managing Director and CEO of Sovereign Metals Limited on 20 October 2023. During the three year period to the end of the financial year, Mr Eagar did not hold any other directorships in publicly listed companies.

Ian Middlemas

Non-Executive Director (*Committee: Audit Member*)

Qualifications - B.Com, CA

Mr Middlemas is a Chartered Accountant and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director of a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director of Sovereign Metals Limited on 20 July 2006. During the three year period to the end of the financial year, Mr Middlemas has held directorships in GBM Resources Limited (June 2025 - present), NGX Limited (April 2021 - present), Constellation Resources Limited (November 2017 - present), Apollo Minerals Limited (July 2016 - present), Terra Metals Limited (October 2013 - present), Berkeley Energia Limited (April 2012 - present), GreenX Metals Limited (August 2011 - present), Salt Lake Potash Limited (Receivers and Managers Appointed) (January 2010 - present), Equatorial Resources Limited (November 2009 - present) and Odyssey Gold Limited (September 2005 - present).

Julian Stephens

Non-Executive Director

Qualifications - B.Sc (Hons), PhD, MAIG

Dr Stephens originally identified and secured the Malawi properties acquired by Sovereign in 2012. He has since been closely involved with the subsequent exploration and development of these projects, including the discovery of the Kasiya rutile deposit.

Dr Stephens has extensive experience in the resources sector having spent in excess of 25 years in board, executive management, senior operational and economic geology research roles for a number of companies. He has spent over a decade working on African projects, particularly projects in Malawi. Dr Stephens holds a PhD from James Cook University, Queensland and is a member of the Australian Institute of Geoscientists.

Dr Stephens was appointed a Director of Sovereign Metals Limited on 22 January 2016. On 27 June 2016 Dr Stephens was appointed Managing Director of the Company and on 20 October 2023 he was appointed as a Non-Executive Director. During the three year period to the end of the financial year, Dr Stephens held a directorship in Viking Mines Limited (March 2025 - present).

Mark Pearce

Non-Executive Director (*Committee: Audit Chair*)

Qualifications - B.Bus, CA, FCIS, FFin

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies. Mr Pearce is also a Fellow of the Institute of Chartered Secretaries and a member of the Financial Services Institute of Australasia.

Mr Pearce was appointed a Director of Sovereign Metals Limited on 20 July 2006. During the three year period to the end of the financial year, Mr Pearce has held directorships in Terra Metals Limited (Alternate Director) (June 2022 - present), NGX Limited (April 2021 - present), Constellation Resources Limited (July 2016 - present), GreenX Metals Limited (August 2011 - present) and Equatorial Resources Limited (November 2009 - present).

Nigel Jones

Non-Executive Director (*Committees: ESG Chair, Audit Member*)

Qualifications - MA

Mr Jones has over 30 years of mining industry experience with 22 years in a number of senior roles at Rio Tinto Group, where most recently, Mr Jones was Managing Director of Rio Tinto's Simandou iron ore project, one of the world's largest proposed mining developments.

In this role, he was accountable for all aspects of the project's development, including its complex ESG strategy. Such aspects included impacts on natural ecosystems, biodiversity, and community and government relations.

Mr Jones was also a member of the senior leadership team of the Energy and Minerals product group, which incorporated Rio Tinto's titanium dioxide feedstock businesses in Canada and southern Africa. Prior roles in Rio Tinto included Head of Business Development, Head of Business Evaluation and Managing Director of the group's Marine operations.

Mr Jones was appointed a Director of Sovereign Metals Limited on 10 February 2022. During the three year period to the end of the financial year, Mr Jones did not hold any other directorships in publicly listed companies.

Mr Dylan Browne

Chief Financial Officer) and Company Secretary

Qualifications - B.Com, CA, AGIA ACG

Mr Browne is a Chartered Accountant and Associate Member of the Governance Institute of Australia (Chartered Secretary)

Mr Browne is a Chartered Accountant and a Executive member of the Chartered Institute of Accountants (Chartered Accountant), who is currently Company Secretary for a number of ASX and European listed companies that operate in the resources sector. He commenced his career at a large international accounting firm and has since been involved with a number of exploration and development companies operating in the resources sector, based in London and Perth, including Berkeley Energia Limited, Apollo Minerals Limited, GreenX Metals Limited and Papillon Resources Limited. Mr Browne successfully listed Prairie Mining Limited (renamed GreenX Metals Limited) on the Main Board of the London Stock Exchange (LSE) and the Warsaw Stock Exchange and oversaw Berkeley's listings on the Main Board LSE and the Spanish Stock Exchanges. Mr Browne was appointed Company Secretary of the Company on 29 April 2021.

INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF SOVEREIGN

As at the date of this report, the Directors' interests in the securities of the Company are as follows:

Interest in Securities at the Date of this Report		
Current Directors	Ordinary Shares ⁽¹⁾	Performance Rights ⁽²⁾
Benjamin Stoikovich	4,190,000	2,450,000
Frank Eagar	500,000	3,200,000
Ian Middlemas	16,500,000	-
Julian Stephens	13,557,518	1,200,000
Mark Pearce	4,161,151	950,000
Nigel Jones	225,000	550,000

Notes:

- (1) "Ordinary Shares" means fully paid ordinary shares in the capital of the Company; and
- (2) "Performance Rights" means an unlisted performance right that converts to one Share in the capital of the Company upon satisfaction of the relevant milestone.

CONVERTIBLE SECURITIES

At the date of this report the following convertible securities have been issued by the Company over unissued capital:

- 10,977,500 Performance Rights subject to the Definitive Feasibility Study Milestone that expire on 31 October 2025;
- 4,992,500 Performance Rights subject to the Mining Licence Milestone that expire on 31 March 2026; and
- 6,190,000 Performance Rights subject to the Final Investment Decision Milestone that expire on 30 June 2026.

During the year ended 30 June 2025 and up to the date of this report, no ordinary shares were issued as a result of the exercise of unlisted options and no ordinary shares have been issued as a result of the conversion of performance rights. During the year ended 30 June 2024 and up to the date of this report, 34,549,598 ordinary shares were issued as a result of the exercise of unlisted options and 6,100,000 ordinary shares have been issued as a result of the conversion of performance rights.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2025, and the number of meetings attended by each Director.

Current Directors	Board Meetings		ESG Committee		Audit Committee	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
Benjamin Stoikovich	2	2	1	1	-	-
Frank Eagar	2	2	1	1	-	-
Ian Middlemas	2	2	-	-	2	2
Julian Stephens	2	2	-	-	-	-
Mark Pearce	2	2	-	-	2	2
Nigel Jones	2	2	1	1	2	2

The Board as a whole currently performs the functions of a Risk Committee, Nomination Committee and Remuneration Committee. However this will be reviewed should the size and nature of the Company's activities change.

COMMITTEE MEMBERSHIPS

As at the date of this report, the Company has an Audit Committee and an ESG Committee of the board of directors.

An Audit Committee has been established to oversee the Company's financial reporting and quality of the audit conducted by the external auditors.

The ESG Committee was established to support the Company's ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability and other public policy matters relevant to the Company.

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel (**KMP**) of the Group.

Details of KMP

The KMP of the Group during or since the end of the financial year is as follows:

Executives

Mr Benjamin Stoikovich	Chair
Mr Frank Eagar	Managing Director and CEO
Mr Robert Slater	Chief Operating Officer
Mr Sapan Ghai	Chief Commercial Officer
Mr Dylan Browne	CFO and Company Secretary
Mr Paul Marcos	Head of Project Development
Mr Sam Cordin	Business Development Manager (ceased 31 August 2024)

Directors

Mr Ian Middlemas	Non-Executive Director
Dr Julian Stephens	Non-Executive Director
Mr Mark Pearce	Non-Executive Director
Mr Nigel Jones	Non-Executive Director

Unless otherwise disclosed, the KMP held their position from 1 July 2024 until the date of this report.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP: (a) the Group is currently focused on undertaking development and exploration activities at Kasiya; (b) risks associated with small cap resource companies whilst in the development and exploration phase; (c) other than profit which may be generated from asset sales, the Company does not expect to be undertaking profitable operations until sometime after the commencement of commercial production at Kasiya.

The objective of the Group's remuneration structure reward framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The remuneration framework provides a mix of fixed and variable remuneration, which incorporates a blend of short and long-term incentives. There is a deliberate emphasis on lower fixed base and higher variable results-based remuneration to ensure that management focus is aligned with that of shareholders. This has been achieved by ensuring that a significant proportion of executive's remuneration is 'at risk'. Long-term incentives are based on Company milestones linked to long term value drivers.

Executive Remuneration

The Group's remuneration policy is to provide a fixed remuneration component and a performance-based component (short-term incentive and long-term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration - Short Term Incentive

Some executives are entitled to an annual cash bonus upon achieving various key performance indicators (**KPI's**), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as the successful completion of development activities (e.g. completion of feasibility studies), environmental and social activities (e.g. sustainability and conservation), exploration and technical activities (e.g. completion of exploration programs within budgeted timeframes and costs), corporate activities (e.g. recruitment of key personnel) and business development activities (e.g. project acquisition and capital raisings). The Board assesses performance against these criteria annually.

During the 2025 financial year, a total bonus sum of 575,925 (2024: 334,514), representing 100% of KMP entitlement was paid and accrued to executives after achievement of KPIs set by the Board. For the 2025 year, the KPI areas of focus

included: (a) completion of the OPFS; (b) commencement and completion of the Pilot Phase, on time and on budget; (c) completion of the infill drilling program; (d) successful installation of the spiral plant; (e) completion of various graphite met test work programs; and (f) completion of the sustainable farming program. Specific KPIs are set for each KMP and are designed to drive successful business outcomes. No cash bonuses were forfeited during the financial year.

Performance Based Remuneration - Long Term Incentive

The Group has a long-term equity incentive plan (**LTIP**) comprising the "Sovereign Employee Equity Incentive Plan" (**Incentive Plan**) to reward KMP and other key employees and contractors for long-term performance of the Group. The Incentive Plan provides for the issuance of unlisted performance rights (**Performance Rights**) and unlisted incentive options (**Incentive Options**) to eligible employees and contractors as part of their remuneration and incentive arrangements in order to attract and retain their services and to provide an incentive linked to the performance of the Group.

To achieve its corporate objectives, the Group needs to attract, incentivise, and retain its KMP and other key employees and contractors. The Board believes that grants made to eligible participants under the Incentive Plan is a useful tool to underpin the Group's employment and engagement strategy, and enables the group to: (a) recruit, incentivise and retain KMP and other key employees and contractors needed to achieve the Group's business objectives; (b) link the reward of key staff with the achievement of strategic goals and the long-term performance of the Group; (c) align the financial interest of participants of the Plan with those of Shareholders; and (d) provide incentives to participants of the Incentive Plan to focus on superior performance that creates Shareholder value.

(i) Performance Rights

The Incentive Plan provides for the issuance of Performance Rights to eligible participants which, upon satisfaction of the relevant performance conditions attached to the Performance Rights, will result in the issue of an Ordinary Share for each Performance Right. Performance Rights are issued for no consideration and no amount is payable upon conversion thereof.

Performance Rights granted under the Incentive Plan to eligible participants will be linked to the achievement by the Group of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

During the financial year, 3,500,000 (2024: 5,350,000) Performance Rights were granted to KMP. No (2024: 4,070,000) Performance Rights held by KMP vested and converted in Ordinary Shares during the year. No (2024: nil) Performance Rights held by KMP lapsed during the financial year. The Performance Rights granted to KMP during the year included the following:

- 1,087,500 Performance Rights subject to the Definitive Feasibility Study Milestone that expire on 31 October 2025;
- 1,087,500 Performance Rights subject to the Mining Licence Milestone that expire on 31 March 2026; and
- 1,450,000 Performance Rights subject to the Final investment Decision Milestone that expire on 30 June 2026.

(ii) Incentive Options

The Incentive Plan also provides for the issuance of Incentive Options to eligible participants. The Board's policy is to grant Incentive Options to KMP with exercise prices at or above market share price (at the time of agreement). As such, the Incentive Options granted to KMP are generally only of benefit if the KMP performs to the level whereby the value of the Group increases sufficiently to warrant exercising the Incentive Options granted.

Other than service-based vesting conditions (if any) and the exercise price required to exercise the Incentive Options, there are generally no additional performance criteria on the Incentive Options granted to KMP, as given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered that the performance of the KMP and the performance and value of the Group are closely related. The Group prohibits executives from entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

During the financial year, no (2024: nil) Incentive Options were granted, exercised or lapsed to KMP.

Non-Executive Director Remuneration

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, Performance Rights Incentive Options have been used to attract and retain Non-Executive Directors, where deemed appropriate. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting and is currently 500,000. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors have

shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors have received Performance Rights and Incentive Options in order to secure their services and as a key component of their remuneration. The Company prohibits Non-Executive Directors from entering into arrangements to limit their exposure to convertible securities granted as part of their remuneration package.

Fees for the Chair are presently £50,000 (95,000) per annum (2024: £50,000 (95,000)) and fees for Non-Executive Directors' are 50,000 to £40,000 (82,000) per annum (2024: 50,000 to £40,000 (76,000) per annum). Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees including the Audit and ESG Committee. The Chair of the ESG Committee currently receives £10,000 (20,000) (2024: £10,000 (19,000)) for chairing the ESG Committee.

Relationship between Remuneration of KMP and Shareholder Wealth

During the Company's exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the ongoing development and exploration and of the Kasiya project. Accordingly the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Board did not determine, and in relation to, the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and the previous four financial years. Discretionary annual cash bonuses are based upon achieving various non-financial KPI's that are not based on share price or earnings, as discussed above. However, as noted above, a number of KMP have received Performance Rights and/or Incentive Options which generally will be of greater value to KMP if the value of the Group's shares increases (subject to vesting conditions being met).

Relationship between Remuneration of KMP and Earnings

As discussed above, the Company is currently undertaking development and exploration activities and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Remuneration of KMP

Details of the nature and amount of each element of the remuneration of each KMP of the Company for the year ended 30 June 2025 and 30 June 2024 are as follows:

	Short-Term Benefits		Post Employment Super-annuation	Non-Cash Share-based payments (Rights)	Other -Cash Benefits	Total	Percentage Performance Related %
2025	Salary & Fees	Cash Bonus					
Executives							
Benjamin Stoikovich ⁽¹⁾	246,079	-	-	567,628	-	813,707	70
Frank Eagar ⁽²⁾	458,308	195,993	-	731,594	-	1,385,895	67
Robert Slater ⁽³⁾	614,089	261,854	-	435,597	-	1,311,540	53
Sapan Ghai ⁽⁴⁾	354,834	59,745	-	338,091	-	752,670	53
Dylan Browne ⁽⁵⁾	-	54,428	-	287,783	-	342,211	100
Paul Marcos	300,000	50,000	27,125	141,311	-	518,436	37
Sam Cordin ⁽⁶⁾	15,000	8,333	2,683	8,770	18,888	53,674	32
Non-Executive Directors							
Ian Middlemas	50,000	-	5,750	-	-	55,750	-
Julian Stephens ⁽⁷⁾	50,000	-	5,750	87,551	-	143,301	61
Mark Pearce	50,000	-	5,750	149,343	-	205,093	73
Nigel Jones	104,611	-	-	78,586	-	183,197	43
	2,242,921	630,353	47,058	2,826,254	18,888	5,765,474	

	Short-Term Benefits		Post Employment Super-annuation	Non-Cash Share-based payments (Rights)	Other Non-Cash Benefits	Total	Percentage Performance Related %
2024	Salary & Fees	Cash Bonus					
Executives							
Benjamin Stoikovich ⁽¹⁾	246,750	-	-	151,773	-	398,523	38

Director/Key Management Personnel	2025	2024	2023	2022	2021	2020	2019
Frank Eagar ⁽²⁾	432,057	116,045	-	282,196	-	830,298	48
Robert Slater ⁽³⁾	425,175	-	-	108,300	-	533,475	20
Sapan Ghai ⁽⁴⁾	140,116	48,468	-	121,640	-	310,224	55
Dylan Browne ⁽⁵⁾	-	-	-	166,159	-	166,159	100
Paul Marcos	277,500	45,000	29,800	94,506	-	446,806	31
Sam Cordin ⁽⁶⁾	166,667	45,000	23,508	52,332	-	287,507	34
Non-Executive Directors							
Ian Middlemas	45,336	-	4,987	-	-	50,323	-
Julian Stephens ⁽⁷⁾	141,218	80,000	27,500	87,791	-	336,509	50
Mark Pearce	40,000	-	4,400	119,344	-	163,744	73
Ngel Jones	95,925	-	-	67,088	-	163,013	41
	2,010,744	334,513	90,195	1,251,129	-	3,686,581	

Notes:

- (1) In addition to Directors fees, Selwyn Capital Limited (**Selwyn**), an company of which Mr Stoikovich is a director and beneficial shareholder, was paid, or is payable, A 144,846 (2024: A 150,506) for additional services provided in respect of corporate and business development activities which is included in Mr Stoikovich's salary and fee amount.
- (2) Mr Eagar was appointed as the Company's Managing Director and CEO on 20 October 2023.
- (3) Mr Slater was appointed as Chief Operating Officer from 16 October 2023.
- (4) Mr Ghai commenced being KMP from 1 November 2023.
- (5) Mr Browne commenced being KMP from 1 November 2023. Mr Browne provided services through a services agreement with Apollo Group Pty Ltd (**Apollo Group**) a company of which Mr Mark Pearce is a Director and beneficial shareholder of. Mr Browne is an employee of Apollo Group. During the year, Apollo Group was paid or is payable A 390,000 (2024: A 432,000) for the provision of serviced office facilities and administrative, accounting, company secretarial and transaction services to the Group.
- (6) Mr Cordin ceased as Business Development Manager on 31 August 2024.
- (7) Dr Stephens was previously Managing Director and was appointed as a Non-Executive Director as at 20 October 2023. Cash bonus was paid to Dr Stephen's in his role as Managing Director.

Loans with KMP

No loans were provided to or received from KMP during the year ended 30 June 2025 (2024: Nil).

Other Transactions with KMP

Selwyn, a company of which Mr Stoikovich is a director and beneficial shareholder, 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. Selwyn receives a daily rate of £1,000 under the consulting agreement. These services provided during the financial year amounted to 144,846 (2024: 150,506).

Apollo Group, a company of which Mr Mark Pearce is a director and beneficial shareholder, was paid, or is payable, 390,000 (2024: 432,000) for the provision of serviced office facilities, administration services and additional transaction services provided during the year. This item has been recognised as an expense in profit and loss. The amount is based on a current monthly retainer of 32,500 (2024: 31,000) due and payable in advance, with no fixed term, and is able to be terminated by either party with one month's notice.

Performance Rights Granted to KMP

Details of the value of Performance rights granted, vested, converted or lapsed for each KMP of the Group during the 2025 financial year are as follows:

	No. of rights granted #	No. of rights vested #	No. of rights lapsed #	Value of rights granted during the year ⁽¹⁾	Value of rights converted during the year ⁽²⁾	Value of rights included in remuneration for the year
2025						
Executives						
Benjamin Stoikovich	1,000,000	-	-	710,000	-	567,628
Frank Eagar	1,000,000	-	-	710,000	-	731,594
Robert Slater	750,000	-	-	532,500	-	435,597
Sam Cordin	750,000	-	-	532,500	-	435,597

Sapan Ghai	500,000	-	-	355,000	-	338,091
Dylan Browne	250,000	-	-	177,500	-	287,783
Paul Marcos	125,000	-	-	88,750	-	141,311
Sam Cordin	-	-	-	-	-	8,770
Non-Executive Directors						
Julian Stephens	-	-	-	-	-	87,551
Mark Pearce	-	-	-	-	-	149,343
Nigel Jones	-	-	-	-	-	78,586

Notes:

- (1) Determined at the time of grant per AASB 2.
- (2) Determined at the time of conversion at the intrinsic value.

Details of Performance Rights granted by the Company to each KMP of the Group during the 2025 financial year are as follows:

	Grant Date	Expiry Date	Exercise Price	Grant Date Fair Value ⁽¹⁾	No. Granted
Executives					
Benjamin Stoikovich	27 Sep 24	31 Oct 25	-	0.710	300,000
	27 Sep 24	31 Mar 26	-	0.710	300,000
	27 Sep 24	30 Jun 26	-	0.710	400,000
Frank Eagar	27 Sep 24	31 Oct 25	-	0.710	300,000
	27 Sep 24	31 Mar 26	-	0.710	300,000
	27 Sep 24	30 Jun 26	-	0.710	400,000
Robert Slater	27 Sep 24	31 Oct 25	-	0.710	225,000
	27 Sep 24	31 Mar 26	-	0.710	225,000
	27 Sep 24	30 Jun 26	-	0.710	300,000
Sapan Ghai	27 Sep 24	31 Oct 25	-	0.710	150,000
	27 Sep 24	31 Mar 26	-	0.710	150,000
	27 Sep 24	30 Jun 26	-	0.710	200,000
Dylan Browne	27 Sep 24	31 Oct 25	-	0.710	75,000
	27 Sep 24	31 Mar 26	-	0.710	75,000
	27 Sep 24	30 Jun 26	-	0.710	100,000
Paul Marcos	27 Sep 24	31 Oct 25	-	0.710	37,500
	27 Sep 24	31 Mar 26	-	0.710	37,500
	27 Sep 24	30 Jun 26	-	0.710	50,000

Notes:

- (1) For details on the valuation of Unlisted Options and Performance Rights, including models and assumptions used, please refer to Note 17 of the financial statements.

	Held at 1 July 2024 (#)	Granted as remuneration (#)	Rights Converted (#)	Net Change Other (#)	Held at 30 June 2025 (#)	Vested and exercisable at 30 June 2025 (#)
2025						
Executives						
Benjamin Stoikovich	1,450,000	1,000,000	-	-	2,450,000	-
Frank Eagar	2,200,000	1,000,000	-	-	3,200,000	-
Robert Slater	900,000	750,000	-	-	1,650,000	-
Sapan Ghai	1,080,000	500,000	-	-	1,580,000	-
Dylan Browne	1,200,000	250,000	-	-	1,450,000	-
Paul Marcos	750,000	125,000	-	-	875,000	-
Sam Cordin	600,000	-	-	-	600,000 ⁽¹⁾	-
Non-Executive Directors						
Julian Stephens	1,200,000	-	-	-	1,200,000	-
Mark Pearce	950,000	-	-	-	950,000	-
Nigel Jones	550,000	-	-	-	550,000	-

Note:

- (1) As at date of ceasing to be KMP.

Shareholdings of KMP

2025	Held at 1 July 2024 (#)	Granted as remuneration (#)	Conversion of rights (#)	Net Other Change (#)	Held at 30 June 2025 (#)
Executives					
Benjamin Stoikovich	4,190,000	-	-	-	4,190,000
Frank Eagar	500,000	-	-	-	500,000
Robert Slater	-	-	-	-	-
Sapan Ghai	1,714,000	-	-	-	1,714,000
Dylan Browne	952,000	-	-	-	952,000
Paul Marcos	750,000	-	-	-	750,000
Sam Cordin	4,225,000	-	-	-	4,225,000 ⁽¹⁾
Non-Executive Directors					
Ian Middlemas	16,100,000	-	-	400,000	16,500,000
Julian Stephens	13,557,518	-	-	-	13,557,518
Mark Pearce	4,520,842	-	-	-	4,520,842
Nigel Jones	225,000	-	-	-	225,000

Note:

(1) As at date of ceasing to be KMP.

Employment Contracts with KMP

Mr Frank Eagar, Managing Director and CEO, has a letter of employment with the Group which may be terminated by either party upon giving six months' advance notice, or payment of lieu thereof. Mr Eagar receives a fixed remuneration component of US 296,000 per annum and a discretionary annual bonus of up to US 74,000 to be paid upon successful completion of KPIs as determined by the Board.

Mr Robert Slater, Chief Commercial Officer, has a consulting agreement with the Group which may be terminated by either party upon giving six months' advance notice. Mr Slater receives a fixed remuneration component of US 33,000 per month and a discretionary annual bonus of up to 25% of the annual fixed remuneration component, to be paid upon successful completion of KPIs as determined by the Board.

Mr Sapan Ghai, Chief Commercial Officer, has a consulting agreement with the Group which may be terminated by either party upon giving one month advance notice. Mr Ghai receives a fixed remuneration component of £18,750 (2024; £10,417) per month.

Mr Paul Marcos, Head of Project Development, has a letter of employment with the Group which may be terminated by either party by giving three months' advance notice. Mr Marcos receives a fixed remuneration component of 300,000 per annum plus superannuation with an annual bonus of up to 50,000 payable upon successful completion of KPIs as determined by the Board.

All Directors have a letter of appointment confirming the terms and conditions of their appointment as a Director.

End of Remuneration Report

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a part for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve. Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities. There have been no significant known breaches by the Group during the financial year.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has entered into Deeds of Indemnity with the Directors indemnifying them against certain liabilities and costs to the extent permitted by law.

The Group has paid, or agreed to pay, a premium in respect of Directors' and Officers' Liability Insurance and Company Reimbursement policies for the 12 months ended 30 June 2025 and 2024, which cover all Directors and officers of the Group against liabilities to the extent permitted by the Corporations Act 2001. The policy conditions preclude the Group from any detailed disclosures including the premium amount paid.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

NON-AUDIT SERVICES

During the financial year, the Company's current auditor, Ernst & Young (or by another person or firm on the auditor's behalf) provided non-audit services relating to income tax preparation and advice, totalling 11,500 (2024: 13,000).

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of the non-audit services provided means that auditor independence was not compromised.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 31 of the Directors' Report in the full version of the 2025 Annual Report.

This report is made in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

For and on behalf of the Directors

Frank Eagar

Managing Director and CEO

25 September 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
Continuing Operations		
Interest Income	2,043,809	1,821,876
Other (expenses)/income	(479,574)	141,614
Exploration and evaluation expenses	(33,897,375)	(14,831,671)
Corporate and administrative expenses	(1,549,452)	(1,088,693)
Share-based payment expenses	(4,309,932)	(2,303,201)
Business development expenses	(2,247,815)	(2,340,819)
Loss before income tax	(40,440,339)	(18,600,894)
Income tax expense	-	-
Loss for the year	(40,440,339)	(18,600,894)
Loss attributable to members of the parent	(40,440,339)	(18,600,894)
Other Comprehensive income, net of income tax:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on foreign entities	194,119	510,155
Other comprehensive income for the year, net of income tax	194,119	510,155
Total comprehensive loss for the year	(40,246,220)	(18,090,739)
Total comprehensive loss attributable to members of Sovereign Metals Limited	(40,246,220)	(18,090,739)
Basic and diluted loss per share from continuing operations (cents per share)	(6.62)	(3.34)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	2025	2024
Current Assets		
Cash and cash equivalents	EA 528,125	21,564,120

Cash and cash equivalents	34,338,433	31,304,130
Other receivables	1,771,002	315,597
Other financial assets	105,000	560,000
Total Current Assets	56,414,437	32,439,727
Non-current Assets		
Property, plant and equipment	1,852,383	1,149,771
Exploration and evaluation assets	5,086,129	5,086,129
Total Non-current Assets	6,938,512	6,235,900
TOTAL ASSETS	63,352,949	38,675,627
Current Liabilities		
Trade and other payables	7,749,922	4,138,353
Provisions	125,582	56,782
Other financial liabilities	46,621	35,288
Total Current Liabilities	7,922,125	4,230,423
Non-Current Liabilities		
Other financial liabilities	43,123	86,430
Total Non-Current Liabilities	43,123	86,430
TOTAL LIABILITIES	7,965,248	4,316,853
NET ASSETS	55,387,701	34,358,774
EQUITY		
Contributed equity	174,800,846	117,835,631
Reserves	1,143,781	(3,360,270)
Accumulated losses	(120,556,926)	(80,116,587)
TOTAL EQUITY	55,387,701	34,358,774

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
Cash flows from operating activities		
Interest received	1,715,164	1,676,348
Payments to suppliers and employees - exploration and evaluation	(30,042,677)	(12,632,736)
Payments to suppliers and employees - other	(4,551,699)	(2,576,443)
Net cash used in operating activities	(32,879,212)	(13,532,831)
Cash flows from investing activities		
Payments for purchase of plant and equipment	(1,023,642)	(836,348)
Repayment of loan receivable from NGX Limited	-	34,434
Net cash used in investing activities	(1,023,642)	(801,914)
Cash flows from financing activities		
Proceeds from issue of shares	59,174,395	40,598,258
Share issue costs	(2,209,180)	(248,778)
Payments for finance lease	(63,482)	(16,595)
Net cash from financing activities	56,901,733	40,332,885
Net increase in cash and cash equivalents	22,998,879	25,998,140
Net foreign exchange differences	(24,574)	1,614
Cash and cash equivalents at the beginning of the financial year	31,564,130	5,564,376
Cash and cash equivalents at the end of the financial year	54,538,435	31,564,130

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

Share-based

Foreign
Currency

	Issued Capital	Share-based Payments Reserve	Demerger Reserve	Currency Translation Reserve	Accumulated Losses	Total Equity
Balance at 1 July 2024	117,835,631	3,605,751	(7,336,678)	370,657	(80,116,587)	34,358,774
Net loss for the year	-	-	-	-	(40,440,339)	(40,440,339)
<i>Other comprehensive income</i>						
Foreign currency translation	-	-	-	194,119	-	194,119
Total comprehensive loss for the year	-	-	-	194,119	(40,440,339)	(40,246,220)
Transactions with owners recorded directly in equity						
Issue of placement shares	59,174,395	-	-	-	-	59,174,395
Share issue costs	(2,209,180)	-	-	-	-	(2,209,180)
Share-based payments expense	-	4,309,932	-	-	-	4,309,932
Balance at 30 June 2025	174,800,846	7,915,683	(7,336,678)	564,776	(120,556,926)	55,387,701
Balance at 1 July 2023	74,508,488	4,155,950	(7,336,678)	(139,498)	(61,515,693)	9,672,569
Net loss for the year	-	-	-	-	(18,600,894)	(18,600,894)
<i>Other comprehensive income</i>						
Foreign currency translation	-	-	-	510,155	-	510,155
Total comprehensive loss for the year	-	-	-	510,155	(18,600,894)	(18,090,739)
Transactions with owners recorded directly in equity						
Issue of placement shares	40,598,258	-	-	-	-	40,598,258
Transfer from SBP reserve on conversion of performance rights	2,853,400	(2,853,400)	-	-	-	-
Share issue costs	(124,515)	-	-	-	-	(124,515)
Share-based payments expense	-	2,303,201	-	-	-	2,303,201
Balance at 30 June 2024	117,835,631	3,605,751	(7,336,678)	370,657	(80,116,587)	34,358,774

To view the full version of the 2025 Annual Report including the notes to the financial statements, please refer to <https://api.investi.com.au/api/announcements/svm/b196b272-dfe.pdf>

Forward Looking Statement

This release may include forward-looking statements, which may be identified by words such as "expects", "anticipates", "believes", "projects", "plans", and similar expressions. These forward-looking statements are based on Sovereign's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Sovereign, which could cause actual results to differ materially from such statements. There can be no assurance that forward-looking statements will prove to be correct. Sovereign makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

Competent Persons Statement

The information in this Report that relates to Mineral Resources (Rutile and Graphite - Kasiya) is based on, and fairly represents, information compiled by Mr Richard Stockwell, a Competent Person, who is a fellow of the Australian Institute of Geoscientists (AIG). Mr Stockwell is a principal of Placer Consulting Pty Ltd, an independent consulting company. Mr Stockwell has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stockwell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Stockwell has approved the Mineral Resources Statement as a whole and consents to its inclusion in the form and context in which it appears.

The information in this announcement that relates to Ore Reserves is based on and fairly represents information provided by Mr Frikkie Fourie, a Competent Person, who is an Associate Member of The South African Institute of Mining and Metallurgy and a Registered Professional Engineer with the Engineering Council of South Africa, a Recognised Professional Organisation' (RPO) included in a list promulgated by ASX from time to time. Mr Fourie is employed by Moletech SA (Pty) Ltd, an independent consulting company. Mr Fourie has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fourie consents to the inclusion in the Announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the Exploration Results is extracted from announcements dated

7 December 2021, 16 December 2021, 28 September 2023, 8 May 2024, 15 May 2024, 4 September 2024, 21 November 2024, 19 February 2025, 26 February 2025 and 10 March 2025, which are available to view at www.sovereignmetals.com.au. Sovereign confirms that a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions included in the original announcement continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the announcement.

The information contained within this announcement is deemed by Sovereign to constitute inside information as stipulated under the Regulation 2014/596/EU which is part of domestic law pursuant to the Market Abuse (Amendment) (EU Exit) Regulations (SI 2019/310) ("UK MAR"). By the publication of this announcement via a Regulatory Information Service, this inside information (as defined in UK MAR) is now considered to be in the public domain.

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