



Announcement Summary

Entity name

SOVEREIGN METALS LIMITED

Announcement Type

New announcement

Date of this announcement

Tuesday March 30, 2021

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Unlisted options exercisable at \$0.50 each, expiring 12 months from issue.	10,000,000
SVM	ORDINARY FULLY PAID	20,000,000

Proposed +issue date

Thursday April 8, 2021

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

SOVEREIGN METALS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

71120833427

1.3 ASX issuer code

SVM

1.4 The announcement is

New announcement

1.5 Date of this announcement

Tuesday March 30, 2021

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

Yes

Details of +securities proposed to be issued

ASX +security code and description

SVM : ORDINARY FULLY PAID

Number of +securities proposed to be issued

20,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.40000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes



Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

Unlisted options exercisable at \$0.50 each, expiring 12 months from issue.

+Security type

Options

Number of +securities proposed to be issued

10,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Sovereign has secured commitments for A\$8.0 million (gross proceeds) from Northern Hemisphere based institutional investors to subscribe for 20,000,000 new ordinary shares of the Company at an issue price of A\$0.40 plus a one-for-two unlisted option with an exercise price of A\$0.50 and 12 month expiry (Placement).

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes



Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.5000

Expiry date

Thursday April 8, 2021

Details of the type of +security that will be issued if the option is exercised

SVM : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

10,000,000 fully paid ordinary shares

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Unlisted options exercisable at \$0.50 each into fully paid ordinary shares, expiring 12 months from issue.

Standard terms and conditions for unlisted options are included at: <http://www.investi.com.au/api/announcements/svm/9645fa97-1f7.pdf>

Part 7C - Timetable

7C.1 Proposed +issue date

Thursday April 8, 2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

30,000,000

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

No



7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

Yes

7E.1a Who is the lead manager/broker?

Sprott Capital Partners LP acted as exclusive financial advisor to the Placement.

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

A fee of up to 6% is payable on amounts placed by the financial advisor.

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Not applicable.

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

The Placement will fund exploration and development activities on the Company's globally significant, strategic rutile province in Malawi and general working capital.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue