



SOVEREIGN
METALS LIMITED

ACN 120 833 427

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Sovereign Metals Limited will be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Friday, 18 November 2022 commencing at 10:00am (WST).

This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stockbroker, investment advisor, accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on + 61 8 9322 6322.

Shareholders are urged to attend or vote by lodging the Proxy Form enclosed with the Notice.

SOVEREIGN METALS LIMITED

ACN 120 833 427

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Sovereign Metals Limited (**Company**) will be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Friday, 18 November 2022 commencing at 10:00am (WST) (**Meeting**).

If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.sovereignmetals.com.au and the ASX announcements platform.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 16 November 2022 at 4:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1 Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution, the following:

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson voting an undirected proxy which expressly authorises the Chairperson to vote the proxy on this Resolution connected with the remuneration of a member of the Key Management Personnel.

2 Resolution 2 – Re-election of a Director – Mr Benjamin Stoikovich

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution, the following:

"That, pursuant to and in accordance with article 6.3(c) of the Constitution and for all other purposes, Mr Benjamin Stoikovich, a Director, retires and being eligible pursuant to article 6.3(f) of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

3 Resolution 3 – Election of a Director – Mr Nigel Jones

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution, the following:

"That, pursuant to and in accordance with Listing Rule 14.4 and Article 6.3(j) of the Constitution and for all other purposes, Mr Nigel Jones, Director, who was appointed as a casual vacancy on 10 February 2022, retires and being eligible pursuant to Article 6.3(j) of the Constitution, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

4 Resolution 4 – Amendment to terms of existing Performance Rights

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution, the following:

"That for the purposes of Listing Rule 6.23.4 and for all other purposes, Shareholders approve an amendment to the terms of all outstanding Performance Rights issued to Directors, employees, consultants, and advisors on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who holds a Performance Right that is the subject of the approval being sought under this Resolution or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

5 Resolution 5 – Issue of Performance Rights to a Director – Mr Benjamin Stoikovich

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution, the following:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 360,000 Performance Rights to Mr Benjamin Stoikovich (and/or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

Listing Rules

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Benjamin Stoikovich (and/or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

Corporations Act

The Company will disregard any votes cast on this Resolution by or on behalf of Mr Benjamin Stoikovich or any associate.

However, a person described above may cast a vote on this Resolution if:

- (a) it is cast as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person described above.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member. However, a vote may be cast

by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

6 Resolution 6 – Ratify issue of Placement Shares issued pursuant to Listing Rule 7.1

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution, the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 22,210,268 Shares (**Placement Shares**) at an issue price of A\$0.67 each issued under Listing Rule 7.1; on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the Placement or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7 Resolution 7 – Ratify issue of Placement Options issued pursuant to Listing Rule 7.1

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution, the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 11,105,125 attaching \$0.80 Options (**Placement Options**) issued under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the Placement or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8 Resolution 8 – Approval of Remuneration of Non-Executive Directors

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution, the following:

"That, pursuant to and in accordance with Listing Rule 10.17, Article 6.5(a) of the Constitution and for all other purposes, the maximum aggregate remuneration that may be paid to the non-executive Directors in any year be increased to A\$500,000 per annum, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director or any of their associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

9 Resolution 9 – Adoption of New Constitution

To consider and, if thought fit, to pass with or without amendment, as a special resolution, the following:

"That, pursuant to and in accordance with section 136 of the Corporations Act and for all other purposes, the Company repeal its current Constitution and adopt the New Constitution tabled at the Meeting with effect from the close of the Meeting, on the terms and conditions in the Explanatory Memorandum."

10 Resolution 10 – Approval for 10% Placement Capacity

To consider and, if thought fit, to pass with or without amendment, as a special resolution, the following:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and/or their nominee(s)) who is expected to participate in the proposed issue or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of Shares), or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associated of a person excluded from voting on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

Note: As at the date of this Notice, it is not known who may participate in any Equity Securities issued under Resolution 10 and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue of Equity Securities under the 10% Placement Capacity. Accordingly, no Shareholders are excluded from voting on Resolution 10.

11 Resolution 11 – Appointment of Auditor

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution, the following:

"That, pursuant to and in accordance with section 327B of the Corporations Act and for all other purposes, Ernst & Young, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company effective from the date of the Meeting and the Directors be authorised to agree the remuneration on the terms and conditions in the Explanatory Memorandum."

BY ORDER OF THE BOARD

[signed electronically without signature]

Dylan Browne
Company Secretary

Dated: 30 September 2022

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Friday, 18 November 2022 commencing at 10:00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr Benjamin Stoikovich
Section 6:	Resolution 3 – Election of a Director – Mr Nigel Jones
Section 7:	Resolution 4 – Amendment to terms of existing Performance Rights
Section 8:	Resolution 5 – Issue of Performance Rights to a Director – Mr Benjamin Stoikovich
Section 9:	Resolutions 6 and 7 – Ratify issue of Placement Shares and Placement Options issued pursuant to Listing Rule 7.1
Section 10:	Resolution 8 – Approval of Remuneration of Non-Executive Directors
Section 11:	Resolution 9 – Adoption of New Constitution
Section 12:	Resolution 10 – Approval of Additional 10% Placement Capacity
Section 13:	Resolution 11 – Appointment of Auditor
Schedule 1:	Definitions
Schedule 2	Terms and Conditions of Performance Rights
Schedule 3	Terms and Conditions of Placement Options
Schedule 4	Nomination of Auditor
Schedule 5	Summary of new Constitution

A Proxy Form is enclosed with the Notice.

2 Action to be taken by Shareholders

Shareholders should read the Notice (including this Explanatory Memorandum) carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:00am (WST) on Wednesday, 16 November 2022, being at least 48 hours before the Meeting

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on Resolution 1; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on Resolution 1, but expressly authorises the Chairperson to exercise the proxy even if Resolution 1 is connected with the remuneration of a member of the Key Management Personnel.

2.3 Voting Prohibition by Proxy Holders (other)

In accordance with section 250BD of the Corporations Act, a vote on Resolutions 4, 5 and 6 (inclusive) must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

2.4 Attendance at Meeting

The Company advises Shareholders that the Meeting will be held in compliance with any government restriction on gatherings in Australia (and/or Western Australia). Due to the evolving COVID-19 situation, the Company strongly encourages all Shareholders to vote by directed proxy rather than attend the meeting in person.

- (a) If it becomes necessary or appropriate to make alternative arrangements to those detailed in this Notice, Shareholders will be updated via the ASX announcements platform and on the Company's website at www.sovereignmetals.com.au.

3 Annual Report

In accordance with section 317 of the Corporations Act, the Annual Report for the financial year ended 30 June 2022 must be laid before the Meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.sovereignmetals.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Auditor about:

- (a) the preparation and contents of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4 Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out:

- (a) the Company's remuneration policy; and
- (b) the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Pursuant to the Corporations Act, Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGMs.

If the Resolution on the Remuneration Report receives a Strike at two consecutive AGMs, the Company will be required to put to Shareholders at the second AGM, a Resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the Company's 2021 AGM. If the Remuneration Report receives a Strike at the Meeting, Shareholders should be aware that if a second Strike is received at the Company's 2023 AGM, this may result in the re-election of the Board.

The Chairperson will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary Resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5 Resolution 2 – Re-election of Director – Mr Benjamin Stoikovich

5.1 General

Article 6.3(c) of the Constitution requires that one third of the Directors must retire at each AGM (rounded down to the nearest whole number), excluding:

- (a) the Managing Director; and
- (b) any Director that was appointed by the Directors under Article 6.2(b) of the Constitution and is required to retire under Article 6.3(j) of the Constitution,

Article 6.3(e) of the Constitution requires that the Directors to retire under article 6.3(c) of the Constitution shall be those who have held their office as Director the longest period of time since their last appointment at that office and if two or more Directors have held office for the same period of time since their last appointment, those Directors determined by the drawing of lots, unless those Directors agree otherwise.

Article 6.3(f) of the Constitution provides that a Director who retires under Article 6.3(c) of the Constitution is eligible for re-election.

Resolution 2 provides that Mr Stoikovich retires by rotation and seeks re-election as a Director.

Details of Mr Stoikovich's qualifications and experience are set out in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

5.2 Board Recommendation

The Board supports the re-election of Mr Stoikovich as a Director and recommends that Shareholders vote in favour of Resolution 2.

6 Resolution 3 – Election of a Director – Mr Nigel Jones

6.1 General

Article 6.2(b) of the Constitution gives the Directors authority to appoint a person to fill a casual vacancy at any time, provided that the number of Directors is not less than 3 (the minimum number of Directors specified in Article 6.1(a) of the Constitution).

Article 6.3(i) of the Constitution states that a Director appointed under Article 6.2(b) may retire at the next general meeting and is eligible for re-election at that meeting.

Article 6.3(j) of the Constitution states that unless a Director appointed under Article 6.2(b) has retired under Article 6.3(i) that Director must retire at the next Annual General Meeting and is eligible for re-election. Accordingly, Mr Nigel Jones will retire as a Director at the Meeting and being eligible seeks to be elected as a Director.

Details of the qualifications and experience of Mr Jones are in the Annual Report.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

6.2 Board Recommendation

The Board supports the election of Mr Jones and recommends that Shareholders vote in favour of Resolution 3.

7 Resolution 4 – Amendment to terms of existing Performance Rights

7.1 General

Resolution 4 seeks Shareholder approval, pursuant to Listing Rule 6.23, to amend the terms of all existing Performance Rights currently on issue and amend the Performance Criteria as detailed below (**Amendment**).

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

7.2 Background and Explanation

In March 2020, the Company announced results from a maiden drilling program which defined a major, high-grade rutile discovery at Kasiya with a mineralised footprint across ~6.5km strike and up to 3km in width. By the end of 2020, further drilling results had identified that the Kasiya mineralised footprint had increased by some ~350% to 66km² and still remained open along strike. By the end of the 2020, the significance and scale of Kasiya was still an unknown and the Company continued to work towards announcing a maiden Mineral Resource Estimate (**MRE**). In November 2020, shareholder approved an Equity Incentive Plan and issued performance rights with the original performance criteria as disclosed in the table below.

In 2021, continued drilling resulted in the announcement of a maiden MRE which confirmed Kasiya as one of the world's largest rutile deposits and a total mineralised area of 114km². The maiden MRE had originally planned to be published in Q3 of 2020, however during the height of COVID-19 the Company experienced significant industry wide delays in receiving a large number of assay results and was only able to publish the maiden MRE in June 2021. At the end of 2021, the Company published the results of its Initial Scoping Study (**ISS**) which highlighted the potential global significance of the Kasiya Project. An updated indicated MRE underpinned the results of the ISS with mineralisation increasing to 129km². Further drilling results in early 2022 increased the drill-defined rutile mineralised footprint by 28% to 165km² which was followed the latest MRE upgrade of a 1.8 billion tonne JORC resource confirming the Kasiya Project as the largest rutile deposit ever discovered. In just two years the Company had found a highly strategic, Tier 1 globally significant project of size and scale that had not previously been contemplated by the Company. The step-change in scale allowed the Company to examine higher-grade throughput increased production levels and a longer mine life with the completion and announcement of the Expanded Scoping Study (**ESS**) in June 2022.

Taking the above into account, the Amendment is being sought to ensure that management are not disadvantaged by the impacts of COVID-19 plus the Company's decision to complete the ESS, which was underpinned by the substantial MRE update announced in April 2022, which tripled the previous MRE. As discussed above, the MRE update transformed the business and was followed by the decision to complete the ESS which further enhanced the Kasiya Project economics but ultimately delayed the commencement of a Pre-Feasibility Study (**PFS**) and subsequent Definitive Feasibility Study (**DFS**) at the Kasiya Project.

The Board believes that the Amendment is representative of the change in scale and size of the Kasiya Project and is required to ensure that the Performance Rights currently on issue continue to incentivise and retain existing key management personnel and, importantly, to ensure continuing alignment between the strategic goals of the Company and its shareholders in order to create shareholder value.

The Company is seeking shareholder approval to make the Amendment as follows:

TRANCHE	ORIGINAL PERFORMANCE CRITERIA	ORIGINAL EXPIRY DATE	AMENDED PERFORMANCE CRITERIA	AMENDED EXPIRY DATE	NO. OF PERFORMANCE RIGHTS
2	<p>Feasibility Study Milestone means announcement of a positive Feasibility Study for the Malawi Rutile Project in accordance with the provisions of the JORC Code.</p> <p>Feasibility Study has the meaning given in the JORC Code.</p>	31 December 2023	<p>Pre-Feasibility Study Milestone means announcement of a positive Pre-Feasibility Study for the Malawi Rutile Project (prepared in accordance with the provisions of the JORC Code) which demonstrates the following:</p> <ul style="list-style-type: none"> • A minimum net present value of US\$1,000M (using a minimum discount rate of 8%); • A minimum life of mine of 20 years; and • A minimum internal rate of return of 25%. 	30 September 2023	5,120,000
3	<p>Decision to Mine Milestone means announcement of a Decision to Mine for the Malawi Rutile Project.</p> <p>Decision to Mine means a decision to commence mining operations.</p>	31 October 2025	<p>Definitive Feasibility Study Milestone means announcement of a positive Definitive Feasibility Study (DFS) for the Malawi Rutile Project (prepared in accordance with the provisions of the JORC Code) which demonstrates the following:</p> <ul style="list-style-type: none"> • A minimum net present value of US\$1,000M (using a minimum 	31 October 2025	7,320,000

TRANCHE	ORIGINAL PERFORMANCE CRITERIA	ORIGINAL EXPIRY DATE	AMENDED PERFORMANCE CRITERIA	AMENDED EXPIRY DATE	NO. OF PERFORMANCE RIGHTS
			discount rate of 8%); <ul style="list-style-type: none"> • A minimum life of mine of 20 years; and • A minimum internal rate of return of 25%. 		

The material terms of the Performance Rights, including the Amendment, are summarised in Schedule 2.

7.3 ASX Listing Rules

Listing Rule 6.23.4 provides that a change to the terms of Performance Rights which is not prohibited under Listing Rule 6.23.3 (reducing the exercise price, increasing the exercise period or increasing the number securities received on exercise) can only be made with Shareholder approval.

The Company is seeking Shareholder approval for the Amendment to change the terms of all existing Performance Rights.

If Resolution 4 is passed, the Performance Criteria for the Performance Rights will be amended.

If Resolution 4 is not passed, the Performance Criteria for the Performance Rights will not be amended and the Performance Rights holders will not be able to participate in the benefits of the updated Performance Criteria.

7.4 Board Recommendation

The Board (excluding Dr Stephens, Mr Stoikovich, Mr Pearce and Mr Jones) recommends that Shareholders vote in favour of Resolution 4.

8 Resolution 5 – Issue of Performance Rights to a Director – Mr Benjamin Stoikovich

8.1 General

Resolution 5 seeks Shareholder approval, pursuant to Listing Rule 10.11, for the issue of up to 360,000 Performance Rights to Mr Stoikovich (and/or his nominee) as part of the long-term incentive component of Mr Stoikovich's remuneration.

In the Company's present circumstances, the Board considers that the grant of these Performance Rights is a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Stoikovich and is consistent with the strategic goals and targets of the Company.

The issue of Performance Rights to Mr Stoikovich following his appointment as Chairperson and the Company's change in focus from exploration to development activities at the Kasiya Project. Details of the Directors' qualifications and experience are set out in the Annual Report.

The Company has set performance criteria for these Performance Rights to ensure that they only vest upon achievement of the performance criteria that will drive the long-term value of the Company's securities. The Performance Rights will be granted to Mr Stoikovich (and/or his nominee) with the following performance criteria and expiry dates:

TRANCHE	PERFORMANCE CRITERIA	EXPIRY DATE	NO. OF PERFORMANCE RIGHTS
2	<p>Pre-Feasibility Study Milestone means announcement of a positive Pre-Feasibility Study for the Malawi Rutile Project (prepared in accordance with the provisions of the JORC Code) which demonstrates the following:</p> <ul style="list-style-type: none"> • A minimum net present value of US\$1,000M (using a minimum discount rate of 8%); • A minimum life of mine of 20 years; and • A minimum internal rate of return of 25%. 	30 September 2023	240,000
3	<p>Definitive Feasibility Study Milestone means announcement of a positive Definitive Feasibility Study (DFS) for the Malawi Rutile Project (prepared in accordance with the provisions of the JORC Code) which demonstrates the following:</p> <ul style="list-style-type: none"> • A minimum net present value of US\$1,000M (using a minimum discount rate of 8%); • A minimum life of mine of 20 years; and • A minimum internal rate of return of 25%. 	31 October 2025	120,000

The principal terms of the Performance Rights to be granted to Mr Stoikovich (and/or his nominee) are summarised in Schedule 2.

Resolution 5 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

8.2 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval. The proposed issue of an aggregate of 360,000 Performance Rights to Mr Stoikovich (and/or his nominee) falls within Listing Rule 10.11, as Mr Stoikovich is a related party of the Company, and does not fall within any of the exceptions in Listing Rule 10.12. The Company therefore requires the approval of Shareholders for the proposed issue of an aggregate of 360,000 Performance Rights to Mr Stoikovich (and/or his nominee) pursuant to Listing Rule 10.11.

The effect of passing Resolution 5 will be to allow the Company to issue an aggregate of 360,000 Performance Rights to Mr Stoikovich (and/or his nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Performance Rights to Mr Stoikovich (and/or his nominee) pursuant to Resolution 5 will not reduce the Company's 15% placement capacity for the purposes of Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the 360,000 Performance Rights to Mr Stoikovich (and/or his nominees).

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the 360,000 Performance Rights to Mr Stoikovich (and/or his nominee) and may consider alternative forms of remuneration for Mr Stoikovich in lieu of such issue.

8.3 Specific Information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders:

- (a) 360,000 Performance Rights will be granted to Mr Stoikovich (and/or his nominee);
- (b) Mr Stoikovich is a Director, and a related party under Listing Rule 10.11.1;
- (c) the maximum number of Performance Rights to be issued to Mr Stoikovich (and/or his nominee) is 360,000;
- (d) the key terms the Performance Rights include the following:

TRANCHE	PERFORMANCE CRITERIA	EXPIRY DATE	NO. OF PERFORMANCE RIGHTS
2	<p>Pre-Feasibility Study Milestone means announcement of a positive Pre-Feasibility Study for the Malawi Rutile Project (prepared in accordance with the provisions of the JORC Code) which demonstrates the following:</p> <ul style="list-style-type: none"> • A minimum net present value of US\$1,000M (using a minimum discount rate of 8%); • A minimum life of mine of 20 years; and • A minimum internal rate of return of 25%. 	30 September 2023	240,000
3	<p>Definitive Feasibility Study Milestone means announcement of a positive Definitive Feasibility Study (DFS) for the Malawi Rutile Project (prepared in accordance with the provisions of the JORC Code) which demonstrates the following:</p> <ul style="list-style-type: none"> • A minimum net present value of US\$1,000M (using a minimum discount rate of 8%); • A minimum life of mine of 20 years; and • A minimum internal rate of return of 25%. 	31 October 2025	120,000

Refer to Schedule 2 for a summary of the terms and conditions of the Performance Rights.

- (e) the Company will grant the Performance Rights no later than 1 month after the date of the Meeting;
- (f) each Performance Right will be granted for nil consideration and no funds are being raised from the issue;
- (g) the Performance Rights are being issued as a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Stoikovich and is considered by the Board to be consistent with the strategic goals and targets of the Company;
- (h) Mr Stoikovich's current remuneration includes the following:
 - (i) Director Fees of £50,000 (~A\$85,000) per annum (inclusive of superannuation); and
 - (ii) a consulting contract with Selwyn Capital Limited (**Selwyn**), a company associated with Mr Stoikovich that is engaged under an agreement to provide consulting services to the Company, at a daily rate of £1,000;
- (i) there is no agreement associated with the grant of the Performance Rights; and
- (j) a voting exclusion statement is included in the Notice for Resolution 5.

8.4 Board Recommendation

The Board (other than Mr Stoikovich) recommends that Shareholders vote in favour of Resolution 5.

9 Resolutions 6 & 7 Ratify issue of Placement Securities issued pursuant to Listing Rule 7.1

9.1 General

In May 2022, the Company completed a placement to raise gross proceeds of A\$15 million through the issue of 22,210,268 Shares (**Placement Shares**) and 11,105,125 attaching A\$0.80 unlisted Options expiring 13 May 2023 (**Placement Options**) from UK, European and North American institutional investors who are not related parties or associates of related parties of the Company (**Placement**). The UK, European and North American institutional investors were identified by the Company's financial advisor, Sprott Capital Partners LP, and joint corporate broker, Joh. Berenberg, Gossler & Co. KG, by way of a bookbuild for the Placement.

Thematica Future Mobility UCITS Fund, a Luxembourg-based green energy fund with a strong emphasis on Critical Raw Materials and ESG, were the cornerstone participant in the Placement.

Sprott Capital Partners LP acted as financial advisor in connection with the Placement. The Company's joint corporate broker, Joh. Berenberg, Gossler & Co. KG. provided financial advice in Europe.

The Placement will be used to fund the exploration and development activities at the Company's flagship Kasiya Project.

Refer to the Company's announcement released on ASX on 3 May 2022 for further details regarding the Placement.

The Placement Shares and Placement Options were issued using the Company's placement capacity under Listing Rule 7.1. Accordingly, Resolutions 6 and 7 seek Shareholder approval to ratify the issue of 22,210,268 Placement Shares and 11,105,125 Placement Options, respectively, pursuant to Listing Rule 7.4.

Resolutions 6 and 7 are ordinary resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolutions 6 and 7.

9.2 ASX Listing Rules

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**15% Placement Capacity**).

The issue of the Placement Shares and the Placement Options do not fit within any of these exceptions and, as it has not been approved by Shareholders, it effectively used up the Company's 15% Placement Capacity, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 provides that if the Company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 or Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rule 7.1 or Listing Rule 7.1A) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1 or Listing Rule 7.1A. The Company confirms that the issue of Placement Shares and Placement Options sought to be ratified did not breach Listing Rule 7.1 or Listing Rule 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolutions 6 and 7 seek Shareholder approval for the issue of the Placement Shares and the Placement Options, respectively, under and for the purposes of Listing Rule 7.4.

The effect of passing Resolutions 6 and 7 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% Placement Capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 6 is not passed, the effect will be that the Placement Shares and Placement Options issued will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the issue dates.

If Resolution 7 is not passed, the effect will be that the Placement Shares and Placement Options issued will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the issue dates.

9.3 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the Placement Shares (Resolution 6) and Placement Options (Resolution 7) as follows:

- (a) on 13 May 2022, the Company issued 22,210,268 Placement Shares and 11,105,125 attaching Placement Options to UK, European and North American institutional investors pursuant to Listing Rule 7.1;
- (b) no related parties, members of the Company's key management personnel, advisers to the Company, or any associates of such persons, participated in the Placement;
- (c) the Placement Shares issued were all fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Options were issued in accordance with the terms and conditions in Schedule 3;
- (e) the 22,210,268 Placement Shares were issued for A\$0.67 per share with the 11,105,125 Placement Options being a 1 for 2 free attaching and therefore issued for nil consideration;

- (f) the purpose of the Placement was to raise A\$15 million with the proceeds raised from the Placement Shares to be used to fund exploration and development activities at the Company's flagship Kasiya Project, for general corporate purposes and working capital; and
- (g) voting exclusion statements are included in the Notice for Resolutions 6 and 7.

9.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolutions 6 and 7.

10 Resolution 8 – Approval of Remuneration of Non-Executive Directors

10.1 General

In accordance with Listing Rule 10.17 and Article 6.5(a) of the Constitution, the Company must not increase the total amount of Non-Executive Directors' fees payable by it and any of its child entities without the approval of holders of its ordinary securities.

Listing Rule 10.17 also provides that the Notice must include the amount of the increase, the maximum amount that may be paid to the Directors as a whole, and a voting exclusion statement.

Resolution 8 seeks Shareholder approval to set the maximum aggregate remuneration payable to Non-Executive Directors at A\$500,000 per annum.

The Board believes that the remuneration of the Directors must be maintained at a level consistent with similarly sized ASX listed companies, taking into account the time commitment of the role and Company performance. The increase in the aggregate remuneration pool sought by Resolution 8 is designed to:

- (a) accommodate any increase in the number of Non-Executive Directors, if such an increase is considered appropriate;
- (b) allow for future increases in remuneration to current or future Non-Executive Directors, should this be considered appropriate; and
- (c) following the change in focus from exploration to development activities at the Kasiya Project and the associated requirement for additional human resources .

The maximum aggregate amount does not include any matters excluded from Directors' fees pursuant to the Listing Rules governing the total aggregate amount of Directors' fees payable to the Non-executive Directors and any Equity Securities issued to Non-Executive Directors as permitted by the Listing Rules.

If Resolution 8 is passed, it will ensure the Company has adequate flexibility to increase the size of the Board or the remuneration of Non-Executive Directors, as and when the business of the Company requires.

If Resolution 8 is not passed, the Company will not have additional flexibility to increase the remuneration of Non-Executive Directors beyond the current maximum aggregate remuneration pool of A\$350,000.

Resolution 8 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 8.

The Board (excluding Dr Stephens) do not give a recommendation on Resolution 8 in view of their personal interest in the Resolution. Dr Stephens recommends that Shareholders vote in favour of Resolution 8.

10.2 Article 6.5(a) of the Constitution and Listing Rule 10.17

Article 6.5(a) of the Constitution provides that the remuneration of the Directors shall not be increased except pursuant to a Resolution passed at a general meeting of the Company.

Listing Rule 10.17 provides that Shareholder approval is required to increase the total amount of Directors' fees payable by the Company. Listing Rule 10.17 does not apply to the salary of an executive Director. Listing Rule 10.17 requires that the following information be provided to Shareholders:

- (a) Shareholder approval is being sought to increase the fee pool by approximately A\$150,000, which would increase the annual remuneration pool from A\$350,000 to A\$500,000.
- (b) Subject to Shareholders approving Resolution 8, the maximum aggregate amount of Directors fees that may be paid to all of the Company's Non-Executive Directors will be A\$500,000 per annum.
- (c) In the last 3 years, the following securities have been issued to Non-Executive Directors under Listing Rule 10.11 or 10.14 (with Shareholder approval):

DIRECTOR	TYPE OF SECURITY	ISSUE DATE	NO. OF SECURITIES
Benjamin Stoikovich	Unlisted Performance Rights	23 December 2020	1,200,000
Julian Stephens	Unlisted Performance Rights	23 December 2020	3,000,000
Nigel Jones	Unlisted Performance Rights	16 February 2022	525,000
Mark Pearce	Unlisted Performance Rights	25 November 2022	750,000

- (d) A voting exclusion statement is included in the Notice for Resolution 8.
- (e) Directors may be entitled to further remuneration if they are called upon to perform additional services or make special exertions on behalf of the Company or the business of the Company.

11 Resolution 9 – Adoption of New Constitution

11.1 General

The Company's existing Constitution was previously reviewed and adopted by the Shareholders at the Company's annual general meeting on 22 November 2012 (**Existing Constitution**). The Board has conducted a review of the Existing Constitution, and in view of changes to the Listing Rules and the Corporations Act, and recent developments in corporate governance and current market practice, has resolved that it would be in the best interests of the Company and the Shareholders to repeal the Existing Constitution and replace it with a new constitution (**New Constitution**) as opposed to making multiple amendments to the Existing Constitution. The New Constitution does not make any changes to Shareholders' fundamental rights (including voting rights, transmission rights, dividend entitlements).

Resolution 9 seeks Shareholder approval for the adoption of the New Constitution in accordance with section 136 of the Corporations Act.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

A copy of the New Constitution will be sent to any Shareholder on request and will also be available for inspection at the office of the Company during normal business hours prior to the Meeting and available for inspection at the Meeting.

If Resolution 9 is passed, the New Constitution will be effective from the close of the Meeting.

The Chairperson intends to exercise all available proxies in favour of this Resolution 9.

11.2 Summary of New Constitution

The key provisions of the New Constitution are summarised in Schedule 5.

11.3 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

12 Resolution 10 – Approval for 10% Placement Capacity

12.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% Placement Capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. The number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.

If Resolution 10 is passed, the effect will be that the Company will be able to issue Equity Securities under the 10% Placement Capacity in addition to the Company's 15% Placement Capacity under Listing Rule 7.1.

If Resolution 10 is not passed, the effect will be that the Company will not be able to issue any Equity Securities under the 10% Placement Capacity and will have to rely upon its 15% Placement Capacity under Listing Rule 7.1 for the issue of Equity Securities.

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 10.

12.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Capacity is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted class of Equity Securities, being Shares.

(c) **Formula for calculating 10% Placement Capacity**

Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- (ii) plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within rule 7.2 (exception 9) where:
 - (A) the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or
 - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under these Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (iii) plus the number of fully paid ordinary securities in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 16) where:
 - (A) the agreement was entered into before the commencement of the relevant period; or
 - (B) the agreement or issue was approved or taken under these rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4;
- (iv) plus the number of any other fully paid ordinary securities issued in the 12 months with approval under Listing Rule 7.1 or Listing Rule 7.4 (noting that this may include fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 17) where the issue is subsequently approved under Listing Rule 7.1);
- (v) plus the number of partly paid ordinary securities that became fully paid in the 12 months; and
- (vi) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% Placement Capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months where the issue or agreement to issue has not been approved by Shareholders under Listing Rule 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% Placement Capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 423,357,327 Shares and therefore has a capacity to issue:

- (i) 63,503,599 Equity Securities under Listing Rule 7.1; and

- (ii) subject to Shareholder approval being sought under Resolution 10, 42,335,732 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 12.2(c)).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; and
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the 10% Placement Period).

12.3 Effect of Resolution

The effect of Resolution 10 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% Placement Capacity under Listing Rule 7.1.

12.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) Shareholder approval will be valid during the 10% Placement Period as detailed in Section 12.2(f).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) If Resolution 10 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (d) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.

- (e) The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.25 50% decrease in Issue Price	\$0.50 Issue Price	\$1.00 100% increase in Issue Price
Current Variable 'A' 423,357,327 Shares	10% voting dilution	47,087,502 Shares	47,087,502 Shares	47,087,502 Shares
	Funds raised	\$10,359,251	\$20,718,501	\$41,437,002
50% increase in current Variable 'A' 635,035,991 Shares	10% voting dilution	70,631,253 Shares	70,631,253 Shares	70,631,253 Shares
	Funds raised	\$15,538,876	\$31,077,752	\$62,155,503
100% increase in current Variable 'A' 846,714,654 Shares	10% voting dilution	94,175,005 Shares	94,175,005 Shares	94,175,005 Shares
	Funds raised	\$20,718,501	\$41,437,002	\$82,874,004

- (f) The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
- (ii) No Performance Rights or Options are exercised or converted into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% Placement Capacity under Listing Rule 7.1.

- (vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.44, being the closing price of the Shares on ASX on 9 September 2022. The Company will only issue the Equity Securities during the 10% Placement Period.
- (g) The Company may seek to issue the Equity Securities for cash consideration for continued exploration and development of the Malawi Rutile Project and for general working capital.
- (h) The Company will only issue the Listing Rule 7.1A Shares during the 10% Placement Period. The approval under Resolution 10 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (i) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.3 upon issue of any Equity Securities.
- (j) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (k) The subscribers under the 10% Placement Capacity have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company and are likely to be sophisticated and professional investors.
- (l) In the 12 months preceding the date of the Meeting, the Company has not issued any Equity Securities pursuant to Listing Rule 7.1A.2.
- (m) A voting exclusion statement is included in the Notice for Resolution 10. However as at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

12.5 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 10.

13 Resolution 11 – Appointment of Auditor

Resolution 11 seeks Shareholder approval for the appointment of Ernst & Young as the auditor for the Company.

Effective on 7 September 2022, Deloitte Touche Tohmatsu (**Deloitte**) resigned as auditor of the Company after receiving ASIC's consent to the resignation pursuant to section 329(5) of the Corporations Act.

Ernst & Young were appointed as auditor of the Company effective from 9 September 2022 in accordance with section 327C of the Corporations Act.

Pursuant to section 328B of the Corporations Act, the Company has received a nomination from a shareholder for Ernst & Young to act as its auditor. A copy of the nomination is attached to this Notice in Schedule 4. The Company confirms that Ernst & Young has given and not withdrawn its consent to act as auditor as at the date of the Notice.

Resolution 11 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 11.

13.1 Board recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 11.

Schedule 1

Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

£ means British Pounds.

10% Placement Capacity has the meaning given to that term in Section 12.1.

10% Placement Period has the meaning given to that term in Section 12.2(f).

15% Placement Capacity has the meaning given to that term in Section 9.2.

AGM means an annual general meeting of the Shareholders.

Amendment has the meaning given to that term in Section 7.1.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022.

Article means an article in the Constitution.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company's auditor from time to time (being Ernst & Young as at the date of the Notice).

Auditor's Report means the Auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Chairperson means the person appointed to chair the Meeting convened by the Notice.

Closely Related Party means in relation to a member of a Key Management Personnel:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Sovereign Metals Limited ACN 120 833 427.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Decision to Mine means a decision to commence mining operations.

Decision to Mine Milestone means announcement of a Decision to Mine for the Malawi Rutile Project.

Definitive Feasibility Study has the meaning given in the JORC Code.

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice.

Feasibility Study has the meaning given in the JORC Code.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Incentive Options means an incentive Option in the Company.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012).

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Malawi Rutile Project means the Company's rutile project in Malawi.

Managing Director means the managing Director.

Meeting has the meaning given to that term in the introductory paragraph of the Notice.

Notice means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

Option means an option which entitles the holder to subscribe for a Share.

Optionholder means the holder of an Option.

Performance Criteria means the performance criteria applicable to a Performance Right.

Performance Right means a performance right which upon satisfaction of Performance Criteria and/or vesting conditions confers an entitlement to be provided one Share.

Placement has the meaning given in Section 9.1 of this Notice.

Placement Shares has the meaning given in Section 9.1 of this Notice.

Placement Options has the meaning given in Section 9.1 of this Notice.

Plan or Equity Incentive Plan means the Sovereign Metals Limited Employee Equity Incentive Plan adopted by Shareholders on 25 November 2020.

Pre-Feasibility Study has the meaning given in the JORC Code.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution proposed pursuant to the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Scoping Study has the meaning given in the JORC Code.

Scoping Study Milestone means announcement of a positive Scoping Study for the Malawi Rutile Project in accordance with the provisions of the JORC Code.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Vesting Condition means the vesting condition applicable to a Performance Right.

VWAP means volume weighted average price.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule 2

Terms and Conditions of Performance Rights

Offer of Performance Rights

- 1.1 Each Performance Right confers an entitlement on the holder of the Performance Right (**Holder**) to be provided with one Share, credited as fully paid, at no cost, upon the full satisfaction of the Performance Criteria and/or Vesting Conditions specified by the Board in relation to that Performance Right.

Performance Criteria/Vesting Conditions and Variation to Performance Criteria/Vesting Conditions

- 1.2 The Performance Criteria/Vesting Conditions and Expiry Dates of each Performance Right is referred to in the table below.

TRANCHE	PERFORMANCE CRITERIA / VESTING CONDITIONS	EXPIRY DATE	NO. OF PERFORMANCE RIGHTS
2	<p>Pre-Feasibility Study Milestone means announcement of a positive Pre-Feasibility Study for the Malawi Rutile Project (prepared in accordance with the provisions of the JORC Code) which demonstrates the following:</p> <ul style="list-style-type: none"> • A minimum net present value of US\$1,000M (using a minimum discount rate of 8%); • A minimum life of mine of 20 years; and • A minimum internal rate of return of 25%. 	30 September 2023	<p>5,120,000 (Resolution 4)</p> <p>240,000 (Resolution 5)</p>
3	<p>Definitive Feasibility Study Milestone means announcement of a positive Definitive Feasibility Study (DFS) for the Malawi Rutile Project (prepared in accordance with the provisions of the JORC Code) which demonstrates the following:</p> <ul style="list-style-type: none"> • A minimum net present value of US\$1,000M (using a minimum discount rate of 8%); • A minimum life of mine of 20 years; and • A minimum internal rate of return of 25%. 	31 October 2025	<p>7,320,000 (Resolution 4)</p> <p>120,000 (Resolution 5)</p>

- 1.3 Performance Rights will only vest and entitle the Holder to be issued Shares if the applicable Performance Criteria/Vesting Conditions have been satisfied prior to the end of the Expiry

Date (**Performance Period**), waived by the Board, or are deemed to have been satisfied under these Rules.

Satisfaction of Performance Criteria

- 1.4 The Board will determine in its sole discretion whether (and, where applicable, to what extent) the Holder has satisfied the Performance Criteria and/or Vesting Conditions (if any) applicable to the Performance Rights at the end of the Performance Period. As soon as practicable after making that determination the Board must allot and issue, or transfer, the number of Shares which the Holder is entitled to acquire upon satisfaction of the Performance Criteria and/or Vesting Conditions for the relevant number of Performance Rights held in accordance with clause 1.6.

Lapse of Performance Rights

- 1.5 Where Performance Rights have not satisfied the Performance Criteria within the Performance Period or Expiry Date (whichever occurs earlier) those Performance Rights will automatically lapse.

Timing of the Issue of Shares and Quotation

- 1.6 The Company must within twenty (20) business days after the later of the following:
- (a) the satisfaction of the Performance Criteria and/or Vesting Conditions (if any) applicable to the Performance Rights; and
 - (b) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date the relevant Performance Criteria and/or Vesting Conditions are satisfied pursuant to clause 1.4,

the Company will:

- (c) allot and issue the Shares pursuant to the vesting of the Performance Rights;
 - (d) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (e) apply for official quotation on ASX of Shares issued pursuant to the vesting of the Performance Rights.
- 1.7 Notwithstanding clause 1.6 above the Company's obligation to issue such Shares shall be postponed if the Holder at any time after the relevant Performance Criteria and/or Vesting Conditions are satisfied pursuant to clause 1.4 elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:
- (a) the Shares to be issued or transferred will be held by the Holder on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding);
 - (b) the Company will apply a holding lock on the Shares to be issued or transferred and the Holder is taken to have agreed to that application of that holding lock;
 - (c) the Company shall release the holding lock on the Shares on the earlier to occur of:
 - (i) the date that is twelve (12) months from the date of issue of the Share; or
 - (ii) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or
 - (iii) the date a transfer of the Shares occurs pursuant to clause (d) of these terms and conditions; and

- (d) Shares shall be transferable by the Holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period in clause (c)(i).

Shares Issued

Shares issued on the satisfaction of the Performance Criteria and/or Vesting Conditions attaching to the Performance Rights rank equally with all existing Shares, including those Shares issued, directly, under the Plan.

Quotation of the Shares Issued on Exercise

If admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the vesting of the Performance Rights.

Reorganisation

If there is any reorganisation of the issued share capital of the Company, the terms of Performance Rights and the rights of the Holder who holds the Performance Rights will be varied, including an adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

Holder's Rights

The Holder who holds Performance Rights is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the Shareholders; or
- (b) receive any dividends declared by the Company,
- (c) participate in any new issues of securities offered to Shareholders during the term of the Performance Rights, or
- (d) cash for the Performance Rights or any right to participate in surplus assets or profits of the Company on winding up;

unless and until the Performance Rights are satisfied and the Holder holds Shares.

Pro Rata Issue of Securities

If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, the Holder shall not be entitled to participate in the rights issue in respect of any Performance Rights, only in respect of Shares issued in respect of vested Performance Rights.

The Holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to any Performance Criteria and/or Vesting Conditions which is based, in whole or in part, upon the Company's share price, as a result of the Company undertaking a rights issue.

Adjustment for Bonus Issue

If, during the term of any Performance Right, securities are issued pro rata to Shareholders generally by way of bonus issue, the number of Shares to which the Holder is then entitled, shall be increased by that number of securities which the Holder would have been issued if the Performance Rights then held by the Holder were vested immediately prior to the record date for the bonus issue.

Change of Control

For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:

- (a) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes

of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

- (b) a Takeover Bid:
 - (i) is announced;
 - (ii) has become unconditional; and
 - (iii) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;
- (c) any person acquires a Relevant Interest in fifty and one-tenths percent (50.1%) or more of the issued Shares by any other means; or
- (d) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any Performance Criteria or Vesting Conditions have been satisfied.

Quotation

The Company will not seek official quotation of any Performance Rights.

Performance Rights Not Property

The Holder's Performance Rights are personal contractual rights granted to the Holder only and do not constitute any form of property.

No Transfer of Performance Rights

Unless otherwise determined by the Board, Performance Rights cannot be transferred to or vest in any person other than the Holder.

Rules

The Performance Rights are issued under and in accordance with the Plan and the terms and conditions of these Performance Rights are subject to the Rules.

Schedule 3

Terms and Conditions of Placement Options

Entitlement

Each Unlisted Option (**Option**) entitles the holder of the Option (**Holder**) to subscribe for one (1) Share upon exercise.

Exercise Price, Expiry Date and Vesting Condition

Exercise Option	Price per	Expiry Date	Vesting Condition
A\$0.80		13 May 2023	None

Exercise Period

Each Option is exercisable at any time prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

Notice of Exercise

The Options may be exercised by notice in writing (**Option Exercise Form**) to Sovereign Metals Limited (**SVM**) and payment of the applicable Exercise Price for each Option being exercised. Any Option Exercise Form for an Option received by SVM will be deemed to be a notice of the exercise of that Option as at the date of receipt.

Minimum Exercise

Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder.

Shares Issued on Exercise

Option Shares issued on exercise of the Options rank equally with the then Ordinary Shares of SVM and are free of all encumbrances, liens and third party interests.

Quotation of Shares

SVM will apply to ASX for official quotation of the Option Shares issued upon the exercise of the Options.

Timing of Issue of Shares and Quotation of Shares on Exercise

Within 10 Business Days after the later of the following:

- (a) receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised; and
- (b) when excluded information in respect to SVM (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of an Option Exercise Form as set out above,

SVM will:

- (a) allot and issue the number of Option Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by SVM;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if SVM is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy

section 708A(11) of the Corporations Act to ensure that an offer for sale of the Option Shares does not require disclosure to investors; and

- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Option Shares issued pursuant to the exercise of the Options.

If, for any reason, a notice delivered under paragraph (b) is not effective to ensure that an offer for sale of the Option Shares does not require disclosure to investors, SVM must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Option Shares does not require disclosure to investors.

Participation in New Issues

A Holder who holds Options is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the shareholders;
- (b) receive any dividends declared by SVM; or
- (c) participate in any new issues of securities offered to shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Ordinary Shares.

Adjustment for Bonus Issues of Shares

If SVM makes a bonus issue of Ordinary Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Option Shares which must be issued on the exercise of an Option will be increased by the number of Ordinary Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

Adjustment for Rights Issue

If SVM makes an issue of Ordinary Shares pro rata to existing shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

Adjustment for Reorganisation

If there is any reconstruction of the issued share capital of SVM, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

Quotation of Options

SVM will not seek official quotation of any Options.

Options Transferable

The Options are transferable provided that the transfer of the Options complies with section 707(3) of the Corporations Act.

Lodgement Requirements

Cheques shall be in Australian currency made payable to SVM and crossed 'Not Negotiable' for the application for Option Shares on the exercise of the Options.

Schedule 4

Nomination of Auditor

30 September 2022

The Directors
Sovereign Metals Limited
Level 9, 28 The Esplanade
PERTH WA 6000

Dear Sirs

NOMINATION OF AUDITOR

For the purposes of section 328B(1) of the Corporations Act 2001, Foggy Dew Pty Ltd, being a member of Sovereign Metals Limited, hereby nominate Ernst & Young , of 11 Mounts Bay Road, Perth, Western Australia, for appointment as auditor of Sovereign Metals Limited at the Company's next Annual General Meeting.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'A. Lynch', written in a cursive style.

Director
Foggy Dew Pty Ltd

Schedule 5

Summary of New Constitution

1. Shares

The issue of Shares by the Company is under the control of the Directors, subject to the Corporations Act, Listing Rules and any rights attached to any special class of Shares.

2. Preference Shares

The Corporations Act requires certain rights of preference shares to be either set out in the constitution or approved in general meeting by special resolution before preference shares are issued.

The New Constitution sets out a framework of rights for preference share issues from which the Board can determine to issue preference shares, without the need to obtain further Shareholder approval every time an allotment of preference shares is proposed. Schedule 6 to the New Constitution contains the framework as well as specific rights of preference shares as to the repayment of capital, requirements for redemption (if the preference shares are redeemable), participation in surplus assets and profits, voting rights and priority of payment of capital and dividends. Other specific terms, including the dividend amount, the redemption date (if applicable) and redemption amount (if applicable), would be set by the issuing resolution of the Directors.

3. Reductions of Capital

The New Constitution is consistent with the Corporations Act requirements which must be satisfied by the Company in undertaking an alteration of capital.

4. Liens

If the Company issues partly paid Shares and a call made on those shares is unpaid, the Company will have a lien over the shares on which the call is unpaid. The lien may be enforced by a sale of those shares. The powers of the Company in relation to calls, company payments, forfeiture and liens are set out in schedule 2 to the New Constitution.

5. Transfer of Shares

The Company may participate in any clearing and settlement facility provided under the Corporations Act, the Listing Rules and the ASX Settlement & Transfer Corporation Pty Ltd (ASTC) Operating Rules. Transfers through ASTC are effected electronically in ASTC's Clearing House Electronic Sub register System (CHESS). For the purposes of the Company's participation in the CHESS, the Company may issue holding statements in lieu of share certificates. The Company will not charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of shares in the circumstances permitted or required under the Corporations Act and Listing Rules.

6. Proportional Takeovers

A proportional takeover bid is one in which the offer or offers only to buy a specified proportion of each Shareholders' shares.

The New Constitution provides for Shareholder approval of any proportional takeover bid for the shares. Subject to the Listing Rules and ASTC Operating Rules, the provisions require the Directors to refuse to register any transfer of shares made in acceptance of a proportional takeover offer until the requisite Shareholder approval has been obtained.

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. The proportional takeover provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

At the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

The perceived advantages of including proportional takeover provisions in a constitution are that such provisions may:

- (i) enhance the bargaining power of Directors in connection with any potential sale of the Company;
- (ii) improve corporate management by eliminating the possible threat of a hostile takeover through longer term planning;
- (iii) make it easier for Directors to discharge their fiduciary and statutory duties to the Company and its Shareholders to advise and guide in the event of a proportional bid occurring; and
- (iv) strengthen the position of Shareholders of the Company in the event of a takeover, assuming the takeover will result in a sharing of wealth between the offeror and Shareholders, as the more cohesive Shareholders are in determining their response the stronger they are. A requirement for approval can force Shareholders to act in a more cohesive manner. Where Shareholders know that a bid will only be successful if a specified majority of Shareholders accept the offer, they have less to fear by not tendering to any offer which they think is too low.

The perceived disadvantages of including proportional takeover provisions in a constitution include the following:

- (v) a vote on approval of a specific bid suffers from a bias in favour of the incumbent Board;
- (vi) the provisions are inconsistent with the principle that a share in a public company should be transferable without the consent of other Shareholders; and
- (vii) a Shareholder may lack a sufficient financial interest in any particular company to have an incentive to determine whether the proposal is appropriate.

To comply with the Corporations Act, the proportional takeover provisions must be renewed by Shareholders in general meeting at least every 3 years to remain in place.

While the proportional takeover provisions were in effect under the existing Constitution, there were no proportional takeover bids for the Company. Therefore, there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and the Shareholders, respectively, during this period.

The proportional takeover provisions are contained in schedule 5 to the New Constitution.

7. Alterations of share capital

Shares may be converted or cancelled with Shareholder approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act and the Listing Rules.

If a reduction of capital occurs by way of a distribution of shares or other securities in another body corporate, Shareholders (i) are deemed to have agreed to be members of and bound by the constitution of that body corporate, (ii) appoint the Company and its directors to execute any transfers to give effect to the distribution of shares or other securities and (iii) any binding instructions or notification given to the Company are deemed to be binding instructions or notifications to the other body corporate. The Company also has the discretion to not distribute the shares or other securities in the other body corporate and instead make a cash payment if the distribution would be illegal, give rise to unmarketable parcels or be unreasonable having regard to the number, value and/or the legal requirements of distributions to Shareholders in particular overseas jurisdictions.

8. Buy Backs

The Company may buy back shares in itself on terms and at such times determined by the Directors.

9. Disposal of less than a Marketable Parcel

For the sake of avoiding excessive administration costs, the New Constitution contains provisions enabling the Company to procure the disposal of Shares where the Shareholder holds less than a marketable parcel of shares within the meaning of the Listing Rules (being a parcel of shares with a market value of less than \$500). To invoke this procedure, the Directors must first give notice to the relevant Shareholder holding less than a marketable parcel of shares, who may then elect not to have his or her shares sold by notifying the Directors.

The provisions relating to unmarketable parcel are contained in schedule 4 to the New Constitution.

10. Variation of class rights

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

11. Meetings of Shareholders

The Directors may call a meeting of Shareholders whenever they think fit. Shareholders may call a meeting as provided by the Corporations Act. The New Constitution contains provisions prescribing the content requirements of notices of meetings of Shareholders and all Shareholders are entitled to a notice of meeting. Consistent with the Corporations Act, a meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is 2 eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the Listing Rules.

12. Virtual Meetings

A meeting of Shareholders may be held virtually using any technology that gives Shareholders as a whole a reasonable opportunity to participate in the meeting.

13. Voting of Shareholders

Resolutions of Shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll each eligible Shareholder has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

14. Direct Voting

The Directors may determine that Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Shareholders, by direct vote. Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the directors, the notice of meeting will include information on the application of direct voting.

15. Proxies

An eligible Shareholder may appoint a proxy to attend and vote at the meeting on the Shareholder's behalf. The New Constitution contains provisions specifying the manner of lodgement of proxy instruments. A Shareholder may appoint an individual or corporation to act as its representative.

16. Directors

Unless changed by the Company in general meeting, the minimum number of directors is 3 and no maximum number is specified. The Directors and the Company may at any time appoint any person as a Director. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for re-election

as director). No Director other than the Managing Director may hold office for longer than 3 years without submitting himself or herself for re-election.

17. Powers of Directors

The business of the Company is to be managed by or under the direction of the Directors.

18. Remuneration of Directors

The Company may pay non-executive Directors a maximum of the total amount as determined by the Shareholders in General Meeting and such sum must not be paid by way of commission on, or percentage of, profits or operating revenue.

The remuneration of executive Directors will be subject to the provisions of any contract between each of them and the Company and may be by way of commission on, or percentage of, profits of the Company, but will not be by way of commission on, or percentage of, operating revenue.

19. Execution of documents

In accordance with the Corporations Act, the Constitution provides for execution of documents by the Company without the use of the Company's company seal.

20. Notice to Shareholders

The Constitution provides that notices provided to Shareholders can be provided in person, by post, fax, email, electronic means, by posting a notice identifying where a notice is available or any other means permitted by the Corporations Act.

21. Dividends

The Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to shares (such as preference shares), dividends will be paid proportionately.

The Company is not required to pay any interest on dividends.

22. Indemnities and insurance

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or Secretary of the Company against a liability incurred by that person in his or her capacity as a Director or secretary. A similar indemnity is provided in respect of legal proceedings. The Company may also pay the premiums on directors' and officers' liability insurance.

23. Restricted Securities

The Company's constitution complies with Listing Rule 15.12. Certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form Appendix 9A. Those with less significant holdings (such as non-related parties and non-promoters), the Company will issue restriction notices to holders of restricted securities in the form Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

SOVEREIGN METALS LIMITED

ACN 120 833 427

PROXY FORMThe Company Secretary
Sovereign Metals Limited**By delivery:**Level 9, 28 The Esplanade
PERTH WA 6000**By post:**PO Box Z5083
PERTH WA 6831**By email:**

voting@sovereignmetals.com.au

By facsimile:

+61 8 9322 6558

Name of Shareholder:

Address of Shareholder:

Number of Shares entitled to vote:

Please mark ☒ to indicate your directions. Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting. Further instructions are provided overleaf.

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/we being Shareholder/s of the Company hereby appoint:

**The Chairperson
(mark box)****OR** if you are **NOT** appointing the Chairperson as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairperson, as my/our proxy to act generally on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Sovereign Metals Limited to be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Friday, 18 November 2022 commencing at 10:00am (WST) and at any adjournment or postponement of such meeting. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is []% of the Shareholder's votes / [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Important – If the Chairperson is your proxy or is appointed your proxy by default

The Chairperson intends to vote all available proxies in favour of Resolution 1. If the Chairperson is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be expressly authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on Resolution 1 even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Step 2 – Instructions as to Voting on Resolutions**INSTRUCTIONS AS TO VOTING ON RESOLUTIONS**

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Remuneration Report			
Resolution 2	Re-election of Director – Mr Benjamin Stoikovich			
Resolution 3	Election of a Director – Mr Nigel Jones			
Resolution 4	Amendment to terms of existing Performance Rights			
Resolution 5	Issue of Performance Rights to a Director – Mr Benjamin Stoikovich			
Resolution 6	Ratify issue of Placement Shares issued pursuant to Listing Rule 7.1			
Resolution 7	Ratify issue of Placement Options issued pursuant to Listing Rule 7.1			
Resolution 8	Approval of Remuneration of Non-Executive Directors			
Resolution 9	Adoption of new Constitution			
Resolution 10	Approval of Additional 10% Placement Capacity			
Resolution 11	Appointment of Auditor			

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority on a poll.

The Chairperson intends to vote all available proxies in favour of each Resolution.**Authorised signature/s**This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or an electronic copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received electronically by e-mail or by facsimile transmission at the Perth office of the Company (Level 9, 28 The Esplanade, Perth, WA, 6000, or by post to PO Box Z5083, Perth, WA, 6831, or by email to voting@sovereignmetals.com.au or by Facsimile (08) 9322 6558 if faxed from within Australia or +618 9322 6558 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).