

16 January 2026

Dear Shareholder,

**SOVEREIGN METALS LIMITED – NOTICE OF GENERAL MEETING**

Sovereign Metals Limited (ASX: SVM, AIM: SVML, OTCQX: SVMLF) (the **Company**) advises that a General Meeting (**Meeting**) will be held on Wednesday, 18 February 2026 at 11:00am (AWST) at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia 6000.

In accordance with 110D of the *Corporations Act 2001* (Cth), the Company will not be dispatching physical copies of the Notice of Meeting (unless a shareholder has elected to receive documents in hard copy in accordance with the timeframe specified in section 110E(8) of the *Corporations Act 2001* (Cth)).

A copy of the Notice of Meeting can be viewed and downloaded online as follows:

- the Company's website: <https://sovereignmetals.com.au/asx-announcements/>.
- the Company's ASX Market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code "SVM"; or
- if you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting.

A copy of your Proxy Form is enclosed for convenience.

The Company intends to hold a physical meeting. The Company will notify shareholders of any changes to this by way of an announcement on ASX, AIM and OTCQX and the details will also be made available on our website.

The Notice of Meeting is important and should be read in their entirety. If you are in doubt as to the course of action you should follow, you should consult your stock broker, investment advisor, accountant, solicitor or other professional adviser.

You may also, prior to the Meeting, obtain a paper copy of the Notice of Meeting (free of charge) by contacting the Company Secretary on +61 8 9322 6322 or by sending an email to [info@sovereignmetals.com.au](mailto:info@sovereignmetals.com.au).

Holders of Depositary Interests should complete and sign a Form of Instruction, which will be sent separately to each Holder of Depositary Interests, and return it by the time and in accordance with the instructions set out in the Form of Instruction. Holders of Depositary Interests will not be eligible to vote in person at the Meeting.

**How do I update my communications preferences?**

Shareholders can still elect to receive some or all of their communications in physical or electronic form or elect not to receive certain documents such as annual reports. To review your communications preferences, or sign up to receive your shareholder communications via email, please update your communication preferences with Computershare at <https://www-au.computershare.com/Investor/#Home>.

Yours sincerely,

*[signed electronically without signature]*

Dylan Browne  
Company Secretary



ACN 120 833 427

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## NOTICE OF GENERAL MEETING

**The General Meeting of Sovereign Metals Limited will be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Wednesday, 18 February 2026 commencing at 11:00am (AWST).**

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*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.**

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## SOVEREIGN METALS LIMITED

### ACN 120 833 427

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## NOTICE OF GENERAL MEETING

Notice is hereby given that the 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 Wednesday, 18 February 2026 commencing at 11:00am (AWST) (**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](http://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 Monday, 16 February 2026 at 11:00am (AWST).

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

## AGENDA

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### 1 Resolution 1 – Issue of Performance Rights to 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, Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of up to 2,450,000 Performance Rights to Mr Benjamin Stoikovich (and/or his nominee(s)) 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 Mr Benjamin Stoikovich (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of Performance Rights (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr Benjamin Stoikovich.

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 Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair 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.

#### Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Benjamin Stoikovich or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person 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 Mr Benjamin Stoikovich or his nominee(s) or any of his, or their, associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) 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 a 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 on this Resolution, and:

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

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## 2 Resolution 2 – Issue of Performance Rights to Mr Franks Eagar

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, Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of up to 3,500,000 Performance Rights to Mr Frank Eagar (and/or his nominee(s)) 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 Mr Frank Eagar (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of Performance Rights (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr Frank Eagar.

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 Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair 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.

### **Voting Prohibition**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Frank Eagar or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person 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 Mr Frank Eagar or his nominee(s) or any of his, or their, associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) 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 a 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 on this Resolution, and:

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

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### **3 Resolution 3 – Issue of Performance Rights to Non-Executive Director Dr Julian Stephens**

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, Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of up to 1,200,000 Performance Rights to Dr Julian Stephens (and/or his nominee(s)) 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 Dr Julian Stephens (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of Performance Rights (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Dr Julian Stephens.

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 Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair 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.

#### **Voting Prohibition**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Dr Julian Stephens or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person 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 Dr Julian Stephens or his nominee(s) or any of his, or their, associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) 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 a 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 on this Resolution, and:

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

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#### **4 Resolution 4 – Issue of Performance Rights to Non-Executive Director Mr Mark Pearce**

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, Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of up to 950,000 Performance Rights to Mr Mark Pearce (and/or his nominee(s)) 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 Mr Mark Pearce (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of Performance Rights (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr Mark Pearce.

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 Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair 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.

##### **Voting Prohibition**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Mark Pearce or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person 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 Mr Mark Pearce or his nominee(s) or any of his, or their, associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) 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 a 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 on this Resolution, and:

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

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## **5 Resolution 5 – Issue of Performance Rights to Non-Executive 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 10.11, Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of up to 550,000 Performance Rights to Mr Nigel Jones (and/or his nominee(s)) 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 Mr Nigel Jones (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of Performance Rights (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr Nigel Jones.

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 Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair 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.

### **Voting Prohibition**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Nigel Jones or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person 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 Mr Nigel Jones or his nominee(s) or any of his, or their, associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) 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 a 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 on this Resolution, and:

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

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**BY ORDER OF THE BOARD**



Dylan Browne  
**Company Secretary**

Dated: 23 December 2025

## **EXPLANATORY MEMORANDUM**

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### **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 Wednesday, 18 February 2026 commencing at 11:00am (AWST).

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:	Resolutions 1 and 2 – Issue of Performance Rights to Directors
Section 4:	Resolutions 3, 4 and 5 – Issue of Performance Rights to Non-Executive Directors
Schedule 1:	Definitions
Schedule 2:	Terms and Conditions of Performance Rights

A Proxy Form is enclosed with the Notice.

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### **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 11:00am (AWST) on Monday, 16 February 2026, being at least 48 hours before the Meeting.

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

#### **2.2 Form of Instruction**

Holders of Depositary Interests should complete and sign a Form of Instruction sent to Depositary Interest holders and return it by the time and in accordance with the instructions set out in the Form of Instruction. Holders of Depositary Interests will not be eligible to vote in person at the Meeting.

### 3 Resolutions 1 and 2 – Issue of Performance Rights to Directors

#### 3.1 General

Resolutions 1 and 2 seek Shareholder approval pursuant to and in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes to issue (in aggregate) up to 5,950,000 Performance Rights to Messrs Stoikovich and Eagar (and/or their respective nominee(s)).

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 Eagar.

The Company's ongoing definitive feasibility study (**DFS**), previously scheduled for completion the December 2025 quarter, is currently being revised to satisfy the World Bank's IFC Performance Standards that relate to the environmental, social and governance aspects of the Kasiya Rutile-Graphite Project in Malawi (**Project**). Compliance with these standards would enable financial institutions (including the IFC) to consider project financing for the construction of the Project. Accordingly, the DFS is being upgraded to meet the generally accepted requirements of bankability.

In parallel, the Company is optimising certain aspect of the DFS, including mining method, an improved solution for the tailings storage facility and capital and operating costs assumptions, while also completing an infill drilling to define a Measured Mineral Resource for Kasiya, that will underpin the first five years of production in the DFS as agreed by the Rio Tinto-Sovereign technical committee.

With this renewed focus, the Company has reviewed in its long-term equity incentive remuneration policy and proposes to issue the following Performance Rights, which will only vest in accordance with long-term service-based Performance Conditions and the achievement of fundamental milestones that are expected to drive the long-term value of the Company's securities.

Tranche	Performance Condition	Expiry Date	Total
1	<b>Bankable Definitive Feasibility Study Milestone</b> The Tranche 1 Performance Rights vest upon the announcement by the Company of a positive, economically sound DFS for the Malawi Rutile-Graphite Project (prepared in accordance with the provisions of the JORC Code) which meets the generally accepted requirements of bankability, and demonstrates the following (on a pre-tax basis): <ul style="list-style-type: none"><li>A minimum net present value (NPV) of US\$1,600m (using a minimum discount rate of 8%);</li><li>A minimum life of mine of 24 years; and</li><li>A minimum NPV / capital to first production ratio of 1.5x.</li></ul>	30 June 2026	900,000 (to Mr Stoikovich) 1,500,000 (to Mr Eagar)
2	<b>Construction and Financing Milestone</b> The announcement by the Company of a decision by the Board authorising the construction of the Project.	30 June 2028	1,550,000 (to Mr Stoikovich) 2,000,000 (to Mr Eagar)

The terms and conditions of the Performance Rights are detailed in Schedule 2.

Subject to the Listing Rules, the Board reserves the right to amend the terms of the Performance Rights to increase the period for satisfaction of a Performance Condition and/or to amend the terms of a Performance condition.

Resolutions 1 and 2 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 1 and 2.

#### 3.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of its shareholders in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months of such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Messrs Stoikovich and Eagar are Directors and therefore are related parties of the Company for the purposes of section 208 of the Corporations Act.

The Board has determined to seek Shareholder approval pursuant to section 208 of the Corporations Act for Resolutions 1 and 2.

### 3.3 Specific information required by section 219 of the Corporations Act

The following information in relation to Resolutions 1 and 2 is provided to Shareholders for the purposes of section 219 of the Corporations Act:

- (a) The financial benefits relating to the issue of the Performance Rights are being provided to:
  - (i) Mr Benjamin Stoikovich (and/or his nominee(s)), Executive Chair (and in relation to his executive consulting services provided to the Company) under Resolution 1; and
  - (ii) Mr Frank Eagar (and/or his nominee(s)), Managing Director & CEO under Resolution 2.
- (b) The maximum number of Performance Rights to be granted to:
  - (i) Mr Benjamin Stoikovich (and/or his nominee(s)) is up to 2,450,000 Performance Rights pursuant to Resolution 1; and
  - (ii) Mr Frank Eagar (and/or his nominee(s)) is up to 3,500,000 Performance Rights pursuant to Resolution 2.
- (c) The Performance Rights are being issued to Messrs Stoikovich and Eagar (and/or their nominee(s)) as part of executive services provided to the Company and as part of their Director compensation arrangements. The Company considers the issuance of Performance Rights to be a cost-effective way to provide compensation benefits to Directors, and to align the Directors interests with the interest of Shareholders, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs Stoikovich and Eagar. The Performance Rights will be granted to Messrs Stoikovich and Eagar (and/or their nominee(s)) on the terms and conditions in Schedule 2.
- (d) The number of Performance Rights are considered appropriate based on the objectives of limiting the dilution of existing Shareholders upon the conversion of Performance Rights whilst also appropriately remunerating the Directors and aligning their interests with Shareholders.
- (e) The Performance Rights have an estimated value using an underlying Share price, as of 16 December 2025, of A\$0.49 per Performance Right assuming all Performance Conditions. As a result, the total value attributed to the Performance Rights to be issued to Mr Stoikovich (and/or his nominees) would be approximately A\$1,200,500 and the total value attributed to the Performance Rights to be issued to Mr Eagar (and/or his nominees) would be approximately A\$1,715,000.
- (f) The current remuneration package of:
  - (i) Mr Stoikovich consists of director fees of £50,000 per annum and a consulting contract with Selwyn Capital Limited (**Selwyn**), a company associated with Mr Stoikovich that is engaged under an agreement to provide executive consulting services to the Company, at a daily rate of £1,000. During the 2025 Financial Year, Selwyn provided executive services worth A\$144,846. In addition, Mr Stoikovich has been granted 960,000 Performance Rights (which have vested and converted), 900,000 Performance Rights (that lapsed unvested), 650,000

and 900,000 Performance Rights that expire on 31 March 2026 and on 30 June 2026 respectively that will lapse unvested on the relevant expiry date as the milestones have been deemed to be unachievable prior to their expiry date; and

- (ii) Mr Eagar consists of a salary of US\$296,000 per annum and a discretionary performance bonus target of up to US\$74,000 per annum upon the achievement of relevant KPIs. In addition, Mr Eagar has been granted 500,000 Performance Rights (which have vested and converted) 1,300,000 Performance Rights (that lapsed unvested), 800,000 and 1,100,000 Performance Rights that expire on 31 March 2026 and 30 June 2026 respectively that will lapse unvested on the relevant expiry date as the milestones have been deemed to be unachievable prior to their expiry date.

- (g) As at the date of the Notice, Messrs Stoikovich and Eagar's interests in the securities of the Company are as follows:

Name	Shares	Performance Rights
Benjamin Stoikovich	4,190,000	1,550,000 <sup>1</sup>
Frank Eagar	500,000	1,900,000 <sup>1</sup>

**Note:**

<sup>1</sup> Performance Conditions for these Performance Rights have been deemed unachievable and will lapse unvested on 31 March 2026 and 30 June 2026.

- (h) If all the Performance Rights subject to Resolutions 1 and 2 are converted into Shares, a total of 5,950,000 Shares would be issued. This will increase the number of Shares on issue from 646,938,703 (being the total number of Shares on issue as at the date of the Notice) to 652,888,703 (assuming no further issues of Shares and no other convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.9%.
- (i) The historical quoted price information for Shares on ASX for the last twelve months from the date of the Notice is as follows:

Shares	Price (A\$)	Date
Highest	0.98	19 and 20 March 2025
Lowest	0.48	11 and 12 December 2025
Last	0.52	9 December 2025

- (j) Mr Stoikovich has an interest in Resolution 1 and therefore believes it inappropriate to make a recommendation.
- (k) Mr Eagar has an interest in Resolution 2 and therefore believes it inappropriate to make a recommendation.
- (l) A voting exclusion statement is included in the Notice for Resolutions 1 and 2.
- (m) Other than the information above and otherwise detailed in the Notice, the Company believes there is no other information that would be reasonably required by Shareholders to pass Resolutions 1 and 2.

### 3.4 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a Related Party;
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;

- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in (a) to (c); or
- (e) a person whose relationship with the company or a person referred to in (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

Resolution 1 seeks the required Shareholder approval to issue up to 2,450,000 Performance Rights to Mr Benjamin Stoikovich (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

Resolution 2 seeks the required Shareholder approval to issue up to 3,500,000 Performance Rights to Mr Frank Eagar (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

If Resolution 1 or 2 is passed, the Company will be able to proceed with the issue of the relevant Performance Rights to the relevant Director (and/or his nominee(s)) and pursuant to Listing Rule 7.2 (exception 14), the issue of the relevant Performance Rights will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 or 2 is not passed, the Company will not be able to proceed with the issue of the relevant Performance Rights to the relevant Director (and/or his nominee(s)), as part of their Director compensation arrangements and the Company will need to find alternative measures to compensate its Directors.

### **3.5 Specific information required by Listing Rule 10.13**

The following information in relation to Resolutions 1 and 2 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) The Performance Rights will be issued to:
  - (i) Mr Benjamin Stoikovich (and/or his nominee(s)), Executive Chair (and in relation to his executive consulting services provided to the Company) under Resolution 1; and
  - (ii) Mr Frank Eagar (and/or his nominee(s)), Managing Director & CEO under Resolution 2.
- (b) Messrs Stoikovich and Eagar fall within Listing Rule 10.11.1 as they are related parties of the Company by virtue of being Directors. Any party they respectively nominate to receive Performance Rights may fall within category 10.11.4 of the Listing Rules as an associate of that Director.
- (c) The maximum number of Performance Rights to be granted to:
  - (i) Mr Benjamin Stoikovich (and/or his nominee(s)) is up to 2,450,000 Performance Rights pursuant to Resolution 1; and
  - (ii) Mr Frank Eagar (and/or his nominee(s)) is up to 3,500,000 Performance Rights pursuant to Resolution 2.
- (d) The material terms of the Performance Rights are detailed in Schedule 2.
- (e) The Performance Rights will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (f) The Performance Rights will be granted for nil consideration. Accordingly, no funds will be raised by the issue of the Performance Rights.

- (g) The Performance Rights are being issued to Messrs Stoikovich and Eagar as part of their Director compensation arrangements. The Company considers the issuance of Performance Rights to be a cost-effective way to provide compensation benefits to Directors, and to align the Directors interests with the interest of Shareholders, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs Stoikovich and Eagar.
- (h) The current remuneration package of:
- (i) Mr Stoikovich consists of director fees of £50,000 per annum and a consulting contract with Selwyn, a company associated with Mr Stoikovich that is engaged under an agreement to provide executive consulting services to the Company, at a daily rate of £1,000. During the 2025 Financial Year, Selwyn provided executive services worth A\$144,846. In addition, Mr Stoikovich has been granted 960,000 Performance Rights (which have vested and converted), 900,000 Performance Rights (that lapsed unvested), 650,000 and 900,000 Performance Rights that expire on 31 March 2026 and on 30 June 2026 respectively that will lapse unvested on the relevant expiry date as the milestones have been deemed to be unachievable prior to their expiry date; and
- (ii) Mr Eagar consists of a salary of US\$296,000 per annum and a discretionary performance bonus target of up to US\$74,000 per annum upon the achievement of relevant KPIs. In addition, Mr Eagar has been granted 500,000 Performance Rights (which have vested and converted) 1,300,000 Performance Rights (that lapsed unvested), 800,000 and 1,100,000 Performance Rights that expire on 31 March 2026 and 30 June 2026 respectively that will lapse unvested on the relevant expiry date as the milestones have been deemed to be unachievable prior to their expiry date.
- (i) There is no agreement associated with the grant of the Performance Rights.
- (j) A voting exclusion statement is included in the Notice for Resolutions 1 and 2.

### 3.6 Board Recommendation

The Board (excluding Mr Stoikovich) recommends that Shareholders vote in favour of Resolution 1.

The Board (excluding Mr Eagar) recommends that Shareholders vote in favour of Resolution 2.

## 4 Resolutions 3, 4 and 5 – Issue of Performance Rights to Non-Executive Directors

### 4.1 General

Resolutions 3, 4 and 5 seek Shareholder approval pursuant to and in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes to issue (in aggregate) up to 2,700,000 Performance Rights to Messrs Stephens, Pearce and Jones as follows:

Tranche	Performance Condition	Expiry Date	Total
1	<p><b>Bankable Definitive Feasibility Study Milestone</b></p> <p>The Tranche 1 Performance Rights vest upon the announcement by the Company of a positive, economically sound DFS for the Malawi Rutile-Graphite Project (prepared in accordance with the provisions of the JORC Code) which meets the generally accepted requirements of bankability, and demonstrates the following (on a pre-tax basis):</p> <ul style="list-style-type: none"> <li>A minimum net present value (NPV) of US\$1,600m (using a minimum discount rate of 8%);</li> <li>A minimum life of mine of 24 years; and</li> <li>A minimum NPV / capital to first production ratio of 1.5x.</li> </ul>	30 June 2026	<p>600,000 (to Dr Stephens)</p> <p>300,000 (to Mr Pearce)</p> <p>300,000 (to Mr Jones)</p>
2	<b>Construction and Financing Milestone</b>	30 June 2028	600,000 (to Dr Stephens)

The announcement by the Company of a decision by the Board authorising the construction of the Project.

650,000  
(to Mr Pearce)

250,000  
(to Mr Jones)

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The terms and conditions of the Performance Rights are detailed in Schedule 2.

Subject to the Listing Rules, the Board reserves the right to amend the terms of the Performance Rights to increase the period for satisfaction of a Performance Condition and/or to amend the terms of a Performance condition.

Resolutions 3, 4 and 5 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 3, 4 and 5.

## **4.2 Chapter 2E of the Corporations Act**

Refer to Section 3.2 for a summary of Chapter 2E of the Corporations Act.

Messrs Stephens, Pearce and Jones are Directors and therefore are related parties of the Company for the purposes of section 208 of the Corporations Act.

The Board has determined to seek Shareholder approval pursuant to section 208 of the Corporations Act for Resolutions 3, 4 and 5.

## **4.3 Specific information required by section 219 of the Corporations Act**

The following information in relation to Resolutions 3, 4 and 5 is provided to Shareholders for the purposes of section 219 of the Corporations Act:

- (a) The financial benefits relating to the issue of the Performance Rights are being provided to:
  - (i) Dr Julian Stephens (and/or his nominee(s)) under Resolution 3;
  - (ii) Mr Mark Pearce (and/or his nominee(s)) under Resolution 4; and
  - (iii) Mr Nigel Jone (and/or his nominee(s)) under Resolution 5
- (b) The maximum number of Performance Rights to be granted to:
  - (i) Dr Julian Stephens (and/or his nominee(s)) is up to 1,200,000 Performance Rights pursuant to Resolution 3;
  - (ii) Mr Mark Pearce (and/or his nominee(s)), is up to 950,000 Performance Rights pursuant to Resolution 4; and
  - (iii) Mr Nigel Jones (and/or his nominee(s)) is up to 550,000 Performance Rights pursuant to Resolution 5.
- (c) The Performance Rights are being issued to Messrs Stephens, Pearce and Jones as part of as part of a cost-effective and efficient reward to incentivise their performance, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs Stephens, Pearce and Jones. The Performance Rights will be granted to Messrs Stephens, Pearce and Jones (and/or their nominee(s)) on the terms and conditions in Schedule 2.
- (d) The number of Performance Rights are considered appropriate based on the objectives of limiting the dilution of existing Shareholders upon the conversion of Performance Rights whilst also appropriately remunerating the Directors and aligning their interests with Shareholders.
- (e) The Performance Rights have an estimated underlying Share price, as of 16 December 2025, of A\$0.49 per Performance Right assuming all Performance Conditions. As a result, the total value attributed to the Performance Rights to be issued to Dr Stephens (and/or his nominees) would be approximately A\$588,000, the total value attributed to the Performance Rights to be issued to Mr Pearce (and/or his nominees) would be

approximately A\$465,500 and the total value attributed to the Performance Rights to be issued to Mr Jones (and/or his nominees) would be approximately A\$269,500.

- (f) The current remuneration package of:
- (i) Dr Stephens consists of director fees of A\$50,000 per annum. In addition, Dr Stephens, in his previous role as Managing Director, has been granted 1,800,000 Performance Rights (which have vested and converted) and 1,200,000 Performance Rights (that lapsed unvested);
  - (ii) Mr Pearce consists of director fees of A\$50,000 per annum. In addition, Mr Pearce has been granted 450,000 Performance Rights (which have vested and converted), 300,000 Performance Rights (that lapsed unvested), 250,000 and 400,000 Performance Rights that expire on 31 March 2026 and 30 June 2026 respectively that will lapse unvested on the relevant expiry date as the milestones have been deemed to be unachievable prior to their expiry date; and
  - (iii) Mr Jones consists of director fees of £50,000 per annum plus additional fee of £10,000 for serving as Chair of the Company's ESG Committee. In addition, Mr Jones has been granted 225,000 Performance Rights (which have vested and converted), 300,000 Performance Rights (that lapsed unvested), 100,000 and 150,000 Performance Rights that expire on 31 March 2026 and 30 June 2026 respectively that will lapse unvested on the relevant expiry date as the milestones have been deemed to be unachievable prior to their expiry date.
- (g) As at the date of the Notice, Messrs Stephens, Pearce and Jones' interests in the securities of the Company are as follows:

Name	Shares	Performance Rights
Julian Stephens	13,557,518	-
Mark Pearce	4,161,151	650,000 <sup>1</sup>
Nigel Jones	225,000	250,000 <sup>1</sup>

**Note:**

<sup>1</sup> Performance Conditions for these Performance Rights have been deemed unachievable and will lapse unvested on 31 March 2026 and 30 June 2026.

- (h) If all the Performance Rights subject to Resolutions 3, 4 and 5 are converted into Shares, a total of 2,700,000 Shares would be issued. This will increase the number of Shares on issue from 646,938,703 (being the total number of Shares on issue as at the date of the Notice) to 649,638,703 (assuming no further issues of Shares and no other convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.4%.
- (i) The historical quoted price information for Shares on ASX for the last twelve months from the date of the Notice is as follows:

Shares	Price (A\$)	Date
Highest	0.98	19 and 20 March 2025
Lowest	0.48	11 and 12 December 2025
Last	0.52	9 December 2025

- (j) Dr Stephens has an interest in Resolution 3 and therefore believes it inappropriate to make a recommendation.
- (k) Mr Pearce has an interest in Resolution 4 and therefore believes it inappropriate to make a recommendation.

- (l) Mr Jones has an interest in Resolution 5 and therefore believes it inappropriate to make a recommendation.
- (m) A voting exclusion statement is included in the Notice for Resolutions 3, 4 and 5.
- (n) Other than the information above and otherwise detailed in the Notice, the Company believes there is no other information that would be reasonably required by Shareholders to pass Resolutions 3, 4 and 5.

#### **4.4 Listing Rule 10.11**

Refer to Section 3.4 for a summary Listing Rule 10.11.

Resolution 3 seeks the required Shareholder approval to issue up to 1,200,000 Performance Rights to Dr Julian Stephens (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

Resolution 4 seeks the required Shareholder approval to issue up to 950,000 Performance Rights to Mr Mark Pearce (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

Resolution 5 seeks the required Shareholder approval to issue up to 550,000 Performance Rights to Mr Nigel Jone (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

If Resolution 3, 4 or 5 is passed, the Company will be able to proceed with the issue of the relevant Performance Rights to the relevant Director (and/or his nominee(s)) and pursuant to Listing Rule 7.2 (exception 14), the issue of the relevant Performance Rights will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3, 4 or 5 is not passed, the Company will not be able to proceed with the issue of the relevant Performance Rights to the relevant Director (and/or his nominee(s)), as part of their Director compensation arrangements and the Company will need to find alternative measures to compensate its Directors.

#### **4.5 Specific information required by Listing Rule 10.13**

The following information in relation to Resolutions 3, 4 and 5 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) The Performance Rights will be issued to:
  - (i) Dr Julian Stephens (and/or his nominee(s)) under Resolution 3;
  - (ii) Mr Mark Pearce (and/or his nominee(s)) under Resolution 4; and
  - (iii) Mr Nigel Jone (and/or his nominee(s)) under Resolution 5.
- (b) Messrs Stephens, Pearce and Jones fall within Listing Rule 10.11.1 as they are related parties of the Company by virtue of being Directors. Any party they respectively nominate to receive Performance Rights may fall within category 10.11.4 of the Listing Rules as an associate of that Director.
- (c) The maximum number of Performance Rights to be granted to:
  - (i) Dr Julian Stephens (and/or his nominee(s)) is up to 1,200,000 Performance Rights pursuant to Resolution 3;
  - (ii) Mr Mark Pearce (and/or his nominee(s)), is up to 950,000 Performance Rights pursuant to Resolution 4; and
  - (iii) Mr Nigel Jones (and/or his nominee(s)) is up to 550,000 Performance Rights pursuant to Resolution 5.
- (d) The material terms of the Performance Rights are detailed in Schedule 2.

- (e) The Performance Rights will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (f) The Performance Rights will be granted for nil consideration. Accordingly, no funds will be raised by the issue of the Performance Rights.
- (g) The Performance Rights are being issued to Messrs Stephens, Pearce and Jones as part of as part of a cost-effective and efficient reward to incentivise their performance, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs Stephens, Pearce and Jones.
- (h) The current remuneration package of:
  - (i) Dr Stephens consists of director fees of A\$50,000 per annum. In addition, Dr Stephens, in his previous role as Managing Director, has been granted 1,800,000 Performance Rights (which have vested and converted) and 1,200,000 Performance Rights (that lapsed unvested);
  - (ii) Mr Pearce consists of director fees of A\$50,000 per annum. In addition, Mr Pearce has been granted 450,000 Performance Rights (which have vested and converted), 300,000 Performance Rights (that lapsed unvested), 250,000 and 400,000 Performance Rights that expire on 31 March 2026 and 30 June 2026 respectively that will lapse unvested on the relevant expiry date as the milestones have been deemed to be unachievable prior to their expiry date; and
  - (i) Mr Jones consists of director fees of £50,000 per annum plus additional fee of £10,000 for serving as Chair of the Company's ESG Committee. In addition, Mr Jones has been granted 225,000 Performance Rights (which have vested and converted), 300,000 Performance Rights (that lapsed unvested), 100,000 and 150,000 Performance Rights that expire on 31 March 2026 and 30 June 2026 respectively that will lapse unvested on the relevant expiry date as the milestones have been deemed to be unachievable prior to their expiry date.
- (i) There is no agreement associated with the grant of the Performance Rights.
- (j) A voting exclusion statement is included in the Notice for Resolutions 3, 4 and 5.

#### **4.6 Board Recommendation**

The Board (excluding Dr Stephens) recommends that Shareholders vote in favour of Resolution 3.

The Board (excluding Mr Pearce) recommends that Shareholders vote in favour of Resolution 4.

The Board (excluding Mr Jones) recommends that Shareholders vote in favour of Resolution 5.

## Schedule 1

### Definitions

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

**\$ or A\$** means Australian Dollars.

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

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

**Board** means the board of Directors of the Company.

**Chair** means the person appointed to chair the Meeting convened by the Notice.

**Child Entity** means an entity which is controlled by, or a subsidiary of, the Company.

**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.

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

**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.

**DFS** has the meaning given in Section 3.1.

**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.

**Form of Instruction** means the form of instruction sent to Depositary Interest holders.

**Group Member** means the Company and its related bodies corporate.

**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.

**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.

**Performance Condition** has the meaning giving in section 1.2 of Schedule 2.

**Performance Right** means an unquoted right to subscribe for or otherwise acquire a Share subject to the achievement of conditional milestones.

**Project** has the meaning given in Section 3.1.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution proposed pursuant to the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

**Selwyn** means Selwyn Capital Limited.

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

**Shareholder** means a registered holder of one or more Shares.

## 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 Conditions specified by the Board in relation to that Performance Right.

#### Performance Conditions and Variation to Performance Conditions

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

PERFORMANCE CONDITION	EXPIRY DATE	NO. OF PERFORMANCE RIGHTS
<p><b>Bankable Definitive Feasibility Study Milestone</b></p> <p>The Tranche 1 Performance Rights vest upon the announcement by the Company of a positive, economically sound definitive feasibility study for the Malawi Rutile-Graphite Project (prepared in accordance with the provisions of the JORC Code) which meets the generally accepted requirements of bankability, and demonstrates the following (on a pre-tax basis):</p> <ul style="list-style-type: none"> <li>• A minimum net present value (NPV) of US\$1,600m (using a minimum discount rate of 8%);</li> <li>• A minimum life of mine of 24 years; and</li> <li>• A minimum NPV / capital to first production ratio of 1.5x.</li> </ul>	30 June 2026	900,000 (Resolution 1) 1,500,000 (Resolutions 2) 600,000 (Resolution 3) 300,000 (Resolution 4) 300,000 (Resolution 5)
<p><b>Construction and Financing Milestone</b></p> <p>The announcement by the Company of a decision by the Board authorising the construction of the Kasiya Rutile-Graphite Project.</p>	30 June 2028	1,550,000 (Resolution 1) 2,000,000 (Resolutions 2) 600,000 (Resolution 3) 650,000 (Resolution 4) 250,000 (Resolution 5)

- 1.3 Performance Rights will only vest and entitle the Holder to be issued Shares if the applicable Performance 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 Conditions

- 1.4 The Board will determine in its sole discretion whether (and, where applicable, to what extent) the Holder has satisfied the Performance 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 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 Conditions 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 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 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 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**

- 1.8 Shares issued on the satisfaction of the Performance 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**

- 1.9 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**

- 1.10 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**

- 1.11 The Holder who holds Performance Rights is not entitled to:
- (a) notice of, or to vote or attend at, a meeting of the Shareholders;
  - (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**

- 1.12 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.
- 1.13 The Holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to any Performance Conditions which are 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**

- 1.14 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**

- 1.15 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.
- 1.16 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 Conditions have been satisfied.

**Quotation**

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

**Performance Rights Not Property**

- 1.18 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**

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

**Amendments to Performance Rights**

- 1.20 Subject to the Listing Rules, the Company can amend the terms of these Performance Rights with the consent of the Holder.

**SOVEREIGN METALS LIMITED**

ACN 120 833 427

**PROXY FORM**

The 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 General Meeting of Sovereign Metals Limited to be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Wednesday, 18 February 2026 commencing at 11:00am (AWST) 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 Resolutions 1 to 5. 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 Resolutions 1 to 5, you will be expressly authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on Resolutions 1 to 5 even if Resolutions 1 to 5 are 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	Issue of Performance Rights to Mr Benjamin Stoikovich			
Resolution 2	Issue of Performance Rights to Mr Franks Eagar			
Resolution 3	Issue of Performance Rights to Non-Executive Director Dr Julian Stephens			
Resolution 4	Issue of Performance Rights to Non-Executive Director Mr Mark Pearce			
Resolution 5	Issue of Performance Rights to Non-Executive Director Mr Nigel Jones			

\* 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](mailto: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 (AWST).