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INSTITUTIONAL PLACEMENT TO RAISE \$15M

- Firm commitments received for A\$15 million
- Placement cornerstoned by Thematica Future Mobility UCITS Fund, a European green energy fund which offers exposure to companies to benefit from the transition to clean and sustainable energy solutions
- Funds to be used to further the development of Sovereign's Kasiya Project, the world's largest natural rutile deposit and one of the world's largest flake graphite resources

Sovereign Metals Limited (**Sovereign** or the **Company**) is pleased to announce it has secured commitments for A\$15 million (gross proceeds) from UK, European and North American institutional investors to subscribe for 22,210,268 new ordinary shares of the Company at an issue price of A\$0.67 plus a one-for-two unlisted option with an exercise price of A\$0.80 and 12 month expiry (**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 well-supported Placement which will fund exploration and development activities at the Company's flagship Kasiya Project (**Kasiya**).

Kasiya is the world's largest natural rutile deposit and one of the largest natural graphite deposits globally underpinning its potential to be a major source of sustainable critical raw materials to contribute to decarbonisation and the energy transition. An enhanced Scoping Study for Kasiya is advancing and is expected to be completed by mid-2022.

Sovereign's Managing Director, Dr Julian Stephens commented: *"We are extremely pleased that prominent green energy investors such as Thematica see the enormous potential of Kasiya, not only to be a major world supplier of low carbon footprint natural rutile, but also a supplier of low carbon footprint flake graphite which is a vital component in lithium-ion batteries used in electric vehicles. ESG and green energy are now prominent investment themes, particularly in Europe and North America. Thematica's investment represents a significant endorsement of Sovereign's ESG credentials and the potential for Kasiya to deliver critical raw materials vital for the world's energy transformation. Our focus will now turn to the updated Scoping Study which is targeted for completion in the coming months and will incorporate the significant Kasiya resource increase announced in April."*

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. A fee of 6% is payable on amounts placed by the financial advisors.

The Company will issue the shares and options under Listing Rule 7.1.

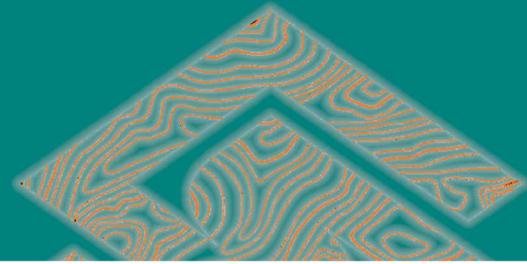
ENQUIRIES

Dr Julian Stephens (Perth)
Managing Director
+61(8) 9322 6322

Sam Cordin (Perth)
+61(8) 9322 6322

Ben Stoikovich (London)
Chairman
+44 207 478 3900

Sapan Ghai (London)
+44 207 478 3900



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Forward Looking Statement

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

This ASX Announcement has been approved and authorised for release by the Company's Managing Director, Dr Julian Stephens.