

MARCH 2026 QUARTERLY REPORT

Sovereign Metals Limited (ASX:SVM, AIM:SVML, OTCQX:SVMLF) (**Sovereign** or the **Company**) is pleased to provide its quarterly report for the period ended 31 March 2026 including advances made at its Kasiya Rutile-Graphite Project (**Kasiya** or **the Project**) in Malawi.

HIGHLIGHTS DURING AND SUBSEQUENT TO THE QUARTER

Kasiya Definitive Feasibility Study Delivers Outstanding Results

- Pre-tax NPV₈ of US\$2.2 billion on capital expenditure to first production of US\$727 million – an NPV to capex ratio of 3.0x
- Steady state annual EBITDA of US\$476 million and pre-tax, unlevered free cash flow of US\$452 million; total revenue of US\$16.2 billion initial 25-year mine life with potential for multi-generational mine life extensions
- Operating cost of just US\$450/t product (FOB Nacala) – underpinning strong margin resilience across commodity cycles
- Positioned to become the world's largest producer of both natural rutile (222ktpa) and natural flake graphite (275ktpa) – two commodities designated as Critical Minerals by the United States and the European Union
- DFS completed under the oversight of the Sovereign–Rio Tinto Technical Committee, with workstreams aligned with IFC Performance Standards; World Bank/IFC Collaboration Agreement in place as potential co-lead mandated lead arranger for project financing
- Data obtained from Pilot Mining Program, completed with technical input from Rio Tinto, provided real-world inputs and validation across key DFS workstreams
- Heavy rare earth potential not included in DFS – evaluation of monazite by-product from rutile tailings stream now underway

Mineral Resource Estimate Significantly Upgraded

- Total Rutile Mineral Resource increased to 2.1 billion tonnes at 0.96% rutile for 20.3Mt contained rutile, with 0.95% TGC for 20.0Mt contained graphite (Measured, Indicated & Inferred)
- Measured and Indicated contained rutile surged 32% to 16.1Mt (1.65 billion tonnes at 0.98% rutile) – a material increase in resource confidence
- First-ever Measured Resource declared – the highest confidence JORC Code category – covering at least the first six years of planned operations
- Resource upgrade delivered the classification standard required for a bankable DFS and a critical milestone on the path to project financing

Offtake Momentum: Mitsui (Rutile) and Traxys (Graphite) MOUs Signed

- Non-binding MOU signed with Mitsui for up to 70,000 tonnes per annum of Kasiya natural rutile concentrate (TiO₂ >95%) over an initial four-year supply period from first production, with potential five-year extension – equates to over 50% of Phase 1 rutile production



- Japan is the world's second-largest producer of titanium sponge after China and supplied over 70% of US titanium sponge imports in H1 2025, underscoring the strategic importance of securing reliable natural rutile feedstock
- Non-binding MOU signed with Traxys North America LLC – one of only three trading houses selected to procure critical minerals for the U.S. Government's US\$12 billion Project Vault strategic reserve – for approximately 40,000 tonnes per annum of Kasiya graphite in Phase 1, increasing to up to 80,000 tonnes per annum as the Project expands
- Traxys MOU contemplates an initial focus on the high-value refractory market, with potential to include flake graphite to serve battery anode supply chains

Strategic Heavy Rare Earths Recovered at Kasiya

- Monazite concentrate containing exceptionally elevated levels of heavy rare earth elements recovered from the rutile tailings stream at Sovereign's Lilongwe laboratory
- Preliminary analysis confirmed significant valuable heavy rare earth content with an average DyTb ratio of 2.9% and 11.9% Yttrium, and valuable light rare earth content, including 21.8% NdPr ratio – heavy rare earth ratio approximately 7x higher for both DyTb and Yttrium than the five largest global rare earth producing mines, suggesting potential for Kasiya to produce a very high value rare earth product
- Monazite recovered from material that would otherwise be discarded – potential third revenue stream at near-zero incremental cost, with no parallel rare-earth processing circuit required
- DyTb and Yttrium are all subject to Chinese export controls introduced in April 2025 and further tightened against Japan in January 2026 – the elements underpin permanent magnets for defence systems, aerospace thermal barrier coatings, radar and laser systems

Next Steps

Over the quarter ending June 2026 and beyond, Sovereign will:

- Advance post-DFS workstreams, including finalisation of the Environmental and Social Impact Assessment
- Advance offtake discussions and progress towards binding definitive agreements with Mitsui, Traxys and other strategic counterparties
- Undertake further work to characterise the monazite mineralisation at Kasiya, including detailed mineralogical characterisation, assessment of heavy rare earth concentrate recovery rates through the proposed Kasiya flowsheet, and evaluation of potential scale and economics of rare earth production as a by-product
- Continue the Company's community and social development programs in Malawi

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KASIYA DEFINITIVE FEASIBILITY STUDY RESULTS

Subsequent to the end of the quarter, the Company announced the results of the Definitive Feasibility Study (**DFS** or the **Study**) for Kasiya. The DFS built on the outcomes of the Optimised Pre-feasibility Study announced in January 2025 and on empirical data from the Pilot Mining and Rehabilitation Program (**Pilot Mining**) completed in 2024. The DFS was undertaken in accordance with a scope of work approved by, and with technical input and oversight from, the Sovereign-Rio Tinto Technical Committee and, where applicable, conforms to the World Bank Group's International Finance Corporation (**IFC**) Performance Standards to enhance bankability of the Project.

Following input from world-class consultancies, Sovereign's highly experienced owners' team, and subject matter experts from Rio Tinto, the DFS has reconfirmed that Kasiya will be a leading future supplier to two distinct strategic critical minerals supply chains and outside of Chinese control – natural rutile for the titanium industry and natural flake graphite.

Outstanding Financial Returns

The key financial metrics from the DFS (steady state, all on a 100% project basis) are set out below:

TABLE 1: Key DFS Metrics (Steady State)

OPERATING METRICS	Units	Results
Initial Life of Mine (LOM)	Yrs	25
Total Ore Mined	Mt	536
Phase 1 Plant Throughput (Yrs 1-4)	Mtpa	12
Phase 2 Plant Throughput (Yrs 5-25)	Mtpa	24
Annual Rutile Production (95%+ TiO ₂)	ktpa	222
Annual Graphite Production (96% TGC)	ktpa	275
FINANCIAL PERFORMANCE		
Total Revenue	US\$M	16,210
Annual Revenue	US\$M	728
Annual EBITDA	US\$M	476
Annual Free Cash Flow (pre-tax, unlevered)	US\$M	452
NPV ₈ (real, pre-tax)	US\$M	2,204
IRR (pre-tax)	%	23%
OPERATING AND CAPITAL EXPENDITURE		
Capex to First Production	US\$M	727
Total LOM Development Capex	US\$M	1,239
Total LOM Sustaining Capex	US\$M	431
Operating Costs (FOB Nacala)	US\$/t product	450

Note: Steady State is defined as years of operation during which total run-of-mine is at full capacity of 24 Mtpa (i.e., years 5 to 23). All results are presented on a 100% project basis.



Summary of Key DFS Workstreams

Dry Mining Method Confirmed

Using real-world data collected from the Pilot Mining, the DFS confirms a dry mechanical mining method using draglines and 100t rigid dump trucks. The soft, free-dig saprolite orebody requires no drilling, blasting, crushing or milling. A two-bench approach (5m top cut, up to 15m bottom cut) keeps the draglines above the water table, eliminating the need for production equipment below groundwater level. This represents a significant de-risking step from the hydro-mining method originally considered in the original Pre-feasibility Study.

No Conventional Tailings Storage Facility

A major advancement in the DFS is the elimination of the conventional Tailings Storage Facility, leading to a significant reduction in the mining footprint and providing a flexible, lower-risk tailings management solution. All tailings will be stored via hydraulic co-disposal backfilling of mined-out pits, designed in compliance with the Global Industry Standard on Tailings Management. The 50:50 fines-to-sand backfill ratio closely matches the existing soil profile, supporting progressive rehabilitation.

Hydropower-Sourced Grid Electricity

The DFS is based on connection to Malawi's national hydropower grid via a 132kV overhead line to the Nkhoma substation. Electricity Supply Corporation of Malawi Limited has confirmed significant grid expansion is underway, including a 400kV Mozambique interconnector and the 375MW IFC/World Bank-funded Mpatamanga hydropower station. Grid connection delivers substantially lower power costs and a favourable emissions profile.

Dual Plant Configuration and Processing Flowsheet

The DFS confirms a staged development with two 12Mtpa processing plants – South Plant from Year 1 and North Plant from Year 5 – positioned at the respective resource centres of gravity to minimise haulage distances and costs. The Wet Concentration Plant employs a low-energy gravity separation process to produce a Heavy Mineral Concentrate, which is then fed to the Mineral Separation Plant for electrostatic and magnetic separation to yield premium-quality rutile (+95% TiO₂). Graphite-rich concentrate recovered from the spirals is processed in a dedicated flotation plant, producing a high-purity, high-crystallinity, coarse-flake graphite product.

Logistics and Export Infrastructure

Kasiya's products will be railed directly from a purpose-built dry port at the mine site eastward along the Nacala Logistics Corridor to the container terminal at the Port of Nacala on the Indian Ocean. The existing heavy-haul rail line and deep-water port provide a proven, operational export route – a significant infrastructure advantage over comparable undeveloped projects. Product transport cost is estimated at US\$117/t product (FOB Nacala).

IFC Performance Standards Integrated into Design

The DFS has been prepared in alignment with IFC Performance Standards, with a comprehensive Environmental and Social Impact Assessment nearing completion and the full suite of environmental and social specialist studies completed. Sovereign's established on-the-ground social team of 22 core staff and 90-member Community Liaison Team represent a level of social preparedness rarely achieved at DFS stage.



MINERAL RESOURCE ESTIMATE UPDATE

In March 2026, ahead of the publication of the DFS, the Company announced an updated Mineral Resource Estimate (**MRE**) for Kasiya. The updated MRE served as the resource base for the DFS mine schedule, replacing the previous April 2023 MRE.

Combined Measured and Indicated (M&I) rutile Resources grew 38% to 1,652Mt, representing 77% of the total Resource base. This material improvement in Resource confidence reflects the extensive infill drilling programs completed and provides a robust foundation for the DFS. Kasiya achieved a Measured Resource for the first time, covering at least the first six years of planned operations.

TABLE 2: Updated Rutile MRE

Class	Tonnes (Mt)	Rutile Grade (%)	Rutile (Mt)	TGC (%)	TGC (Mt)	Rutile Eq. (%)
Measured	107	1.05	1.12	1.56	1.67	1.94
Indicated	1,545	0.97	14.99	1.05	16.26	1.57
Total M&I	1,652	0.98	16.12	1.09	17.93	1.60
Inferred	452	0.91	4.12	0.45	2.02	1.17
Total Rutile MRE	2,105	0.96	20.24	0.95	19.95	1.51

Note: Rutile Mineral Resource defined from a pit shell with mineralisation defined as $\geq 0.75\%$ Rut95 for the pit shell optimisation run. A rutile concentrate net price of US\$1,400 was used to determine economic value. The Rutile MRE is reported based on all rutile mineralisation $\geq 0.4\%$ Rut95 within the optimised pit shell. Any apparent differences in totals are due to rounding.

Table 3: MRE Comparison – Previous vs. Updated

Metric	Previous MRE	Updated MRE	Change
Total Resource Tonnes (Mt)	1,809	2,105	+16%
Measured & Indicated Tonnes (Mt)	1,200	1,652	+38%
M&I Contained Rutile (Mt)	12.2	16.1	+32%
Total Contained Rutile (Mt)	17.9	20.2	+13%

The step-up in Measured and Indicated resource confidence provided the critical input for the DFS, enabling the Company to present a resource base with the classification level required for bankable project financing and offtake discussions. The Kasiya MRE has been prepared by Sovereign under guidance by MSA Group and is reported in accordance with the JORC Code (2012) (**JORC Code**).

OFFTAKE MOUS: MITSUI AND TRAXYS

Mitsui & Co. Rutile Offtake MOU

In March 2026, the Company announced the signing of a non-binding memorandum of understanding (**MOU**) with Mitsui & Co., Ltd. for the sale and purchase of natural rutile concentrate from Kasiya. The MOU provides an offtake framework for up to 70,000 tonnes per year of natural rutile concentrate ($\text{TiO}_2 > 95\%$) over an initial four-year supply period from first production, concurrent with Phase 1 of the Project (12Mtpa plant throughput), with the potential for a five-year extension concurrent with Phase 2 (24Mtpa plant throughput).



Mitsui is a global trading and investment company with a presence in more than 60 countries and a diverse business portfolio covering a wide range of industries. After China, Japan is the world's second-largest producer of titanium sponge and is recognised globally for producing the highest-quality titanium alloys for aerospace, defence, medical, and advanced manufacturing applications. Japan is home to leading titanium metal manufacturers including Toho Titanium Co., Ltd. and OSAKA Titanium technologies Co., Ltd., which together account for over 60% of aerospace and defence-grade titanium metal production outside of China and Russia.

According to the U.S. Geological Survey, the U.S. sourced over 70% of its titanium sponge imports from Japan during the first half of 2025, underscoring Japan's critical role in Western titanium supply chains and the strategic importance of securing reliable, high-quality rutile feedstock for the Japanese titanium industry.

The signing of the MOU coincided with the inaugural US Critical Minerals Ministerial in February 2026, hosted by U.S. Secretary of State Marco Rubio in Washington, D.C., bringing together delegations from over 50 nations, including Japan, to advance collective efforts to strengthen and diversify critical minerals supply chains. Separately, the United States, European Union, and Japan announced their intention to develop Action Plans for critical minerals supply chain resilience, including coordinated trade policies and border-adjusted price floors.

The MOU records the mutual intention of the parties to negotiate in good faith towards a formal sales and offtake agreement and is non-exclusive and non-binding except for certain standard clauses. The negotiation and entry into any definitive agreement with Mitsui remains subject to the rights of Rio Tinto pursuant to the Investment Agreement dated 16 July 2023 and acknowledges the Company's Collaboration Agreement with the IFC dated 15 December 2025.

Traxys North America Graphite Marketing MOU

In February 2026, the Company announced the execution of a non-binding MOU with Traxys North America LLC (**Traxys**), a leading global physical commodity trader and merchant, for the marketing and sale of graphite products from Kasiya. Under the MOU, the parties have agreed to negotiate in good faith towards a binding Marketing Agreement under which Traxys would sell Sovereign's graphite production on the Company's behalf. The MOU contemplates approximately 40,000 tonnes per annum in Phase 1, increasing to up to 80,000 tonnes per annum as the Project expands, with a contemplated supply period of 5–10 years. Initial focus is the high-value refractory graphite market (flake sizes of +100 mesh or larger), with potential to also serve battery anode customers.

Traxys is a leading physical commodity trader and merchant headquartered in Luxembourg, with over 400 employees across more than 20 offices worldwide and annual turnover in excess of US\$10 billion. On 2 February 2026, the US Administration launched Project Vault, a first-of-its-kind US\$12 billion public-private partnership to establish a US Strategic Critical Minerals Reserve, backed by a US\$10 billion loan from the US Export-Import Bank and approximately US\$2 billion in private capital. Traxys North America was selected as one of only three commodity trading houses to procure critical minerals for the US Strategic Reserve.

The MOU is non-exclusive and non-binding (other than confidentiality, compliance, reputation, governing law and anti-bribery provisions). The negotiation and entry into any binding Marketing Agreement remains subject to the respective boards' approvals and the rights of Rio Tinto under its Investment Agreement with Sovereign.



STRATEGIC HEAVY RARE EARTHS RECOVERED AT KASIYA

In January 2026, the Company announced the successful recovery of a monazite product containing high-value heavy rare earth elements (**REE**) from the tailings stream generated during rutile processing at its upgraded Lilongwe laboratory facilities. The concentrate was recovered from material that would otherwise be discarded – the non-conductor tailings stream from electrostatic separation of a heavy mineral gravity concentrate of Kasiya ore.

Preliminary analysis confirmed that the monazite concentrate contains exceptional heavy rare earth content averaging 2.9% (and up to 3.9%) combined Dysprosium-Terbium (**DyTb**) and averaging 11.9% (and up to 17.3%) Yttrium, and light rare earth content including 21.8% Neodymium-Praseodymium (**NdPr**). Chemical analysis was conducted by Scientific Services South Africa.

Comparison with Major Global Producers

Global rare earth production is concentrated in five major operations that together supply over 70% of the world's rare earth production: three in China (Bayan Obo, Weishan, Maoniuping), one in Australia operated by Lynas Rare Earths Ltd. (Mt Weld), and one in the United States operated by MP Materials Corp. (Mountain Pass). All five are dominated by light rare earths – principally lanthanum and cerium, which are abundant and low-value, and the magnet rare earths Neodymium and Praseodymium.

Table 4: Kasiya vs five largest REE producers

Project	Location	NdPr	DyTb	Yttrium
Mt Weld	Australia	23.3%	0.4%	0.8%
Mountain Pass	USA	16.4%	0.0%	0.0%
Bayan Obo	China	21.7%	0.0%	0.4%
Weishan	China	14.9%	0.1%	0.8%
Maoniuping	China	21.0%	1.3%	6.3%
Top Five Producer Average		19.4%	0.4%	1.7%
KASIYA	Malawi	21.8%	2.9%	11.9%

Source: See Appendix 4

Kasiya's heavy rare earth content is approximately 7x higher for both DyTb and Yttrium than found in the five largest rare earth producing mines. Notably, Mountain Pass – America's only rare earth mine – contains no measurable DyTb or Yttrium. Preliminary analysis of Kasiya's monazite REE content also demonstrates one of the highest combined heavy rare earth profiles among comparable REE development projects globally, while maintaining NdPr levels comparable to many REE development projects that have received government backing.

Strategic Importance of DyTb and Yttrium

DyTb and yttrium are heavy magnet rare earths essential for high-temperature permanent magnets used in advanced technology, including defence systems and precision weapons. Yttrium is a high-impact rare earth element critical for aerospace, thermal barrier coatings, radar and laser systems, alloy strengthening and semiconductor manufacturing.



China's April 2025 export controls on dysprosium, terbium, and yttrium have created acute supply shortages for Western manufacturers. On 6 January 2026, China announced strengthened export controls on dual-use items to Japan, effective immediately. Despite 15 years of diversification efforts, Japan remains approximately 60% dependent on Chinese rare earth imports, and for heavy rare earths, Japan's dependence on China approaches 100%. The US is 100% reliant on imports for its yttrium requirements.

By-Product from Existing Process

The monazite concentrate was recovered from the non-conductor tailings stream of the standard Kasiya flowsheet. Gravity concentrates were subjected to electrostatic separation, with the non-conductor stream then subjected to further gravity separation, followed by magnetic separation to produce a magnetic monazite concentrate. Duplicate analyses confirmed excellent repeatability.

Critically, no additional complex processing was required, which means capital requirements would not include a parallel full rare-earth processing circuit, as required by primary REE miners. This represents potential by-product economics at near-zero incremental cost – rare earth recovery as an addition to existing rutile and graphite processing infrastructure. This workstream was not included in the DFS and an evaluation program is continuing during the current quarter.

SUCCESSFUL REHABILITATION TRIALS AND COMMUNITY PARTNERSHIPS

In April 2026, the Company announced that its second year of rehabilitation trials, as part of the Pilot Mining at Kasiya was nearing completion for the upcoming harvest season in Malawi.

The rehabilitation trials provide practical, multi-year evidence demonstrating Sovereign's alignment with international rehabilitation, environmental, and community good-practice standards. Empirical data from the trials were used to prepare the Mine Closure and Mine Rehabilitation Plans, which are now integrated into the mining, backfilling and post-mining closure planning – critical components for project bankability and alignment with the standards required by development finance institutions.

The rehabilitation programme has also contributed to a significant community development outcome. After two years of close collaboration, the 28 local farmers involved in the trials have formally requested that Sovereign remains at the trial site and support them in establishing a farming co-operative. This represents a strong community endorsement of the program's value and is a central pillar of Kasiya's post-closure social transition strategy – demonstrating that the Project can deliver lasting economic benefits to local communities well beyond the mine life.

The outcomes directly complement the collaboration with the IFC, which is supporting integration of IFC Performance Standards into the Project's Environmental and Social Impact Assessment, and strengthening Kasiya's pathway to bankable development and international project financing.

Proven Rehabilitation Results

The second year of trials builds on the success of the first year, which delivered maize yields of 5.2 tonnes per hectare versus the regional average of 1 tonne per hectare – a fivefold increase that confirmed post-mining land can achieve superior agricultural productivity compared to pre-mining land, which loses crop carrying capacity at 3 to 4% per annum.

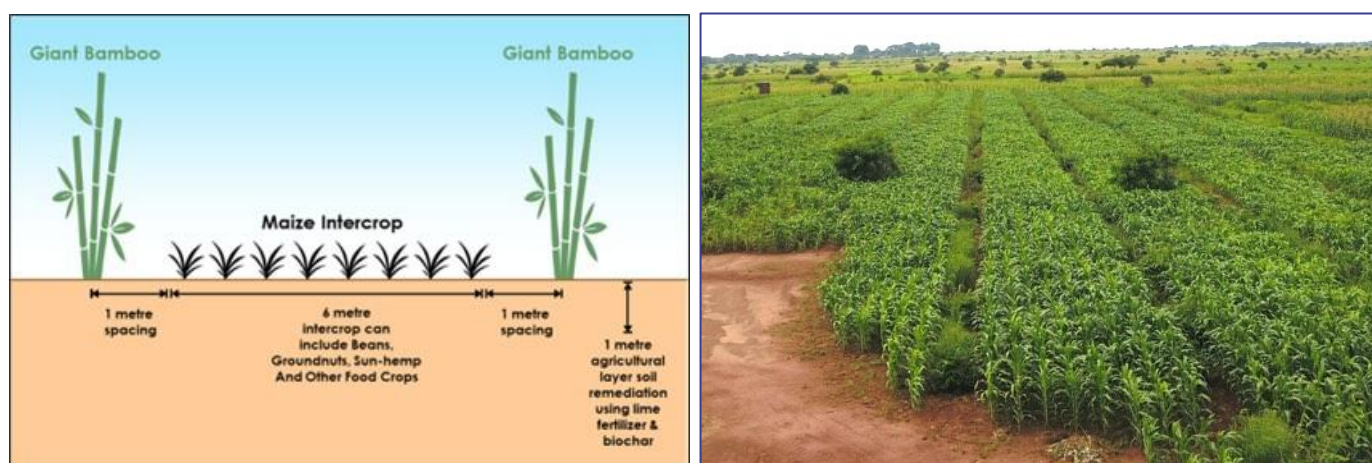


Sovereign's rehabilitation approach is designed to use agricultural inputs while maximising long-term agricultural sustainability. Lime, fertiliser and biochar were applied during the first year of rehabilitation, with only targeted supplementation in the second year where specific deficiencies in basic nutrients were identified. Rehabilitation activities are conducted under a no-tillage, minimal soil disturbance principle. No heavy machinery is permitted on rehabilitated soils; all activities are undertaken by hand to preserve soil structure and the effectiveness of applied ameliorants. This simple, replicable approach is specifically designed to be adopted and maintained by local farming communities beyond mine closure.

Diversified Cropping System

The second year of trials has expanded the rehabilitation approach into a diversified multi-cropping system, combining maize with bamboo (Giant Bamboo – *Dendrocalamus asper*), winter beans, grass fodder and groundnuts. First-year results confirmed that bamboo and maize co-exist with minimal competition, functioning in a symbiotic manner that supports long-term land productivity. Through the intercropping approach, local farmers were able to exceed their usual crop yields, while, in parallel, the Bamboo has been allowed to mature as a long-term carbon and soil remediation solution. The multi-cropping approach provides participating communities with a wider range of food, cash and fodder crops – supporting year-round agricultural viability and the transformation from subsistence to commercial farming on rehabilitated land.

Second-year crop yields are expected to reach the first-year benchmark of 5.2 tonnes per hectare when harvested in mid-2026.



Figures 1 & 2: Bamboo and maize intercropping system & Sovereign's rehabilitation showing maize intercropped with bamboo (February 2026).

Community Partnerships

Farmer engagement and participation are central to the long-term success of Kasiya's rehabilitation strategy. The rehabilitation approach uses simple agronomic methods carried out largely by hand, ensuring that local communities can sustain and build on the improved farming practices beyond mine closure.

Sovereign has worked closely with local farmers over the past two years, who have been integral to the success of the rehabilitation program. This deepening partnership has resulted in participating farmers formally requesting that Sovereign remains involved at the trial site and provide support in establishing a farming co-operative – a strong endorsement of the program's value to the local communities.



The development of community-led farming co-operatives forms a central pillar of Sovereign's post-closure social transition strategy. The Company plans to continue working with local farmers throughout 2026, with a view to establishing a replicable model that can be scaled across the broader Kasiya project area as mining progresses.



Figure 3: Rehabilitation site farmers with agreements on setting up a farming co-operative.



Figures 4-6: Images showing the progression of mining, backfilling and rehabilitation at Sovereign's Rehabilitation Trail Site.



Competent Person Statement

The information in this announcement that relates to the DFS (including Mine Engineering, Mine Scheduling, Processing, Infrastructure, Capital and Operating Costs, Production Target and Ore Reserves) is extracted from an announcement dated 16 April 2026, which is available to view at www.sovereignmetals.com.au. Sovereign confirms that a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions included in the original announcement continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this announcement have not been materially changed from the original announcement.

The information in this announcement that relates to the Mineral Resource Estimate is extracted from Sovereign's announcement dated 18 March 2026 entitled 'Kasiya Mineral Resource Estimate Significantly Upgraded Ahead of DFS' (**Original Announcement**), which is available to view at www.sovereignmetals.com.au, and is based on, and fairly represents information compiled by Mr Jeremy Witley, a Competent Person, who is a member of the South African Council for Natural Scientific Professions (SACNASP Pr. Sci. Nat.), a Recognised Professional Organisation (**RPO**) included in a list promulgated by ASX from time to time. Mr Witley is a principal of MSA Group, an independent consulting company. Sovereign confirms that a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions included in the Original Announcement continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in Original Announcement have not been materially changed from the disclosure in the Original Announcement.

The information in this announcement that relates to the exploration results (metallurgy) is extracted from announcements dated 28 September 2023, 8 May 2024, 15 May 2024, 4 September 2024 and 21 January 2026, which is available to view at www.sovereignmetals.com.au. Sovereign confirms that a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions included in the original announcement continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this announcement have not been materially changed from the original announcement.

This announcement has been approved and authorised for release by the Company's Managing Director & CEO, Frank Eagar.



APPENDIX 1: SUMMARY OF MINING TENEMENTS

As at 31 March 2026, the Company had an interest in the following tenements:

Licence	Holding Entity	Interest	Type	Licence Renewal Date	Expiry Term Date ¹	Licence Area (km ²)	Status
EL0609	MML	100%	Exploration	25/09/2026	25/09/2028	219.5	Granted
EL0582	SSL	100%	Exploration	15/09/2025 ²	15/09/2028	69.8	Granted
EL0561	SSL	100%	Exploration	15/09/2025 ²	15/09/2028	30.7	Granted
EL0657	SSL	100%	Exploration	3/10/2028	3/10/2031	2.3	Granted
EL0710	SSL	100%	Exploration	1/02/2027	1/02/2031	38.4	Granted
RTL0035- RTL0045	SSL	100%	Retention	N/A	26/06/2026	285.2	Granted
EL0528	SSL	100%	Exploration	N/A	27/11/2025 ³	16.2	Granted
EL0545	SSL	100%	Exploration	N/A	12/05/2026 ³	24.2	Granted

Notes:

SSL: Sovereign Services Limited, MML: McCourt Mining Limited

¹ An exploration licence (**EL**) covering a preliminary period in accordance with the Mines and Minerals Act (2023) (**2023 Mines Act**) is granted an initial period of five (5) years with the ability to extend by three (3) years on two occasions (a total term of 11 years). ELs that have come to the end of their term can be converted by the EL holder into a retention licence (**RL**) for a term not exceeding five (5) years subject to meeting certain criteria or any conditions imposed on the RL.

² The Company has submitted two EL applications, APL0739 (16.2km²) and APL0740 (71.5km²), which remain pending as at 31 March 2026.

³ Licence surrender letters submitted for non-core ELs.

APPENDIX 2: RELATED PARTY PAYMENTS

During the quarter ended 31 March 2026, the Company made payments of A\$294,000 to related parties and their associates. These payments relate to existing remuneration arrangements (executive salaries, director fees, superannuation and bonuses (A\$196,000)) and for the provision of administrative, secretarial and corporate services (A\$98,000).

APPENDIX 3: MINING EXPLORATION EXPENDITURES

During the quarter, the Company made the following payments in relation to mining exploration activities:

Activity	A\$'000
Feasibility Studies (DFS & Pilot Mining (including rehabilitation trials))	3,129
Project Operations (site office, personnel, field supplies, equipment, vehicles and travel)	1,250
Assaying and Metallurgical Test-work	231
ESG related (including community and social development programs)	558
Drilling related	58
Return of VAT	(1,293)
Total as reported in Appendix 5B	3,933

There were no mining or production activities and expenses incurred during the quarter ended 31 March 2026.



APPENDIX 4: COMPANY SPECIFIC SOURCES

Project	Company	Status	Source Data	Link
Balranald	Iluka Resources Limited	Development	Company Presentation: "Macquarie Conference" (7-May-25)	https://www.iluka.com/media/d5gjznmn/iluka-resources-macquarie-australia-conference-may-2025.pdf
Bayan Obo	China Northern Rare Earth (Group) High-Tech CO. Ltd	Producing	Rare Earth Exchanges (8-Feb-25)	rareearthexchanges.com/project/bayan-obo/
Enneaba	Iluka Resources Limited	Development	Company Presentation: "Macquarie Conference" (7-May-25)	https://www.iluka.com/media/d5gjznmn/iluka-resources-macquarie-australia-conference-may-2025.pdf
Kangankunde	Lindian Resources Ltd.	Development	Company Announcement: "Kangankunde Project Stage 1 Outstanding Feasibility Study Results" (1-Jul-24)	https://static1.squarespace.com/static/58a516a859cc689ad6303dc4/t/6681df545eee2944615f3358/1719787358011/Outstanding+Kangankunde+Stage+1+Feasibility+Study+Results+2741301.pdf
Longonjo	Pensana Plc	Development	Company Announcement: "Longonjo Mineral Resource estimate upgraded" (14-Sept-20)	https://pensana.co.uk/wp-content/uploads/2020/09/longonjo-mineral-resource-estimate-upgraded-14-Sept-2020.pdf
Maoniuping	China Rare Earth Group	Producing	Rare Earth Exchanges (8-Feb-25)	https://rareearthexchanges.com/project/maoniuping/
Mt Weld	Lynas Rare Earths Ltd.	Producing	Vara Mada Feasibility Study NI43-101 & S-K 1300 Technical Summary (7-Jan-26)	https://www.energyfuels.com/wp-content/uploads/2026/01/FS-Vara-Mada-Project-Report-NI43-101-FINAL-01.07.2026.pdf
Mountain Pass	MP Materials Corp.	Producing	SEC FILING: 10-K - Mineral Resource Estimate (28-Feb-25)	https://d18m0p25nwr6d.cloudfront.net/CIK-0001801368/37126578-26fe-49e0-b0d2-12c6053a5a1b.pdf
Nolans	Arafura Rare Earths Ltd	Development	Company Announcement: "Nolans DFS Delivers Robust Project Economics" (7-Feb-19)	https://wcsecure.weblink.com.au/pdf/ARU/02073274.pdf
Phalaborwa	Rainbow Rare Earths Limited	Development	Company Presentation: "Decision to use SX as the optimal separation route for Phalaborwa" (25-Nov-25)	https://www.rainbowrareearths.com/wp-content/uploads/2025/11/Corporate-Presentation-November-2025-FINAL.pdf
Songwe Hill	Mkango Resources Ltd	Development	SEDAR FILING "NI43-101 Technical Report on the Songwe Hill Rare Earth Element Project in Malawi" (18-Aug-22)	https://www.sedarplus.ca/csa-party/records/document.html?id=ac89e479364d84c1649c942630b03245c0bf337b2e0f902e6c0267058f330cb6



Project	Company	Status	Source Data	Link
Vara Mada	Energy Fuels Inc.	Development	Vara Mada Feasibility Study NI43-101 & S-K 1300 Technical Summary (7-Jan-26)	https://www.energyfuels.com/wp-content/uploads/2026/01/FS-Vara-Mada-Project-Report-NI43-101-FINAL-01.07.2026.pdf
Weishan	China Rare Earth Group	Producing	Rare Earth Exchanges (8-Feb-25)	rareearthexchanges.com/project/weishan/
Wimmera	Iluka Resources Limited	Development	Company Presentation: "Macquarie Conference" (7-May-25)	https://www.iluka.com/media/d5gjznmn/iluka-resources-macquarie-australia-conference-may-2025.pdf

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Sovereign Metals Limited

ABN

71 120 833 427

Quarter ended ("current quarter")

31 March 2026

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(3,933)	(23,299)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(311)	(1,251)
	(e) administration and corporate costs	(318)	(1,049)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	197	1,521
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Business Development	(248)	(1,040)
1.9	Net cash from / (used in) operating activities	(4,613)	(25,118)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(44)	(133)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(44)	(133)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	33,937	54,538
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,613)	(25,118)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(44)	(133)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(9)	(16)
4.6	Cash and cash equivalents at end of period	29,271	29,271

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,751	20,937
5.2	Call deposits	23,520	13,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	29,271	33,937

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(294)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,613)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(4,613)
8.4	Cash and cash equivalents at quarter end (item 4.6)	29,271
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	29,271
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2026

Authorised by: Company Secretary
(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.