

HIGHLY EXPERIENCED SOCIAL SPECIALIST FIRM APPOINTED TO ASSIST IN ADVANCING KASIYA

- African-based social specialist consultancy, SocialEssence has been appointed to lead social and community development programs for Sovereign in Malawi
- SocialEssence joins Sovereign's Owners Team and will design, implement, and manage several social and community initiatives which will feed into the DFS and permitting requirements
- SocialEssence will build upon existing relationships cultivated over the last decade, between Sovereign and highly supportive local communities at Kasiya
- SocialEssence has a strong and successful track record of implementing social responsibility programs across southern Africa, including at First Quantum Minerals' Zambian operations Trident and Kansanshi, where over 7,000 farmers participate in a conservation farming program, which was initiated and led by SocialEssence's current Livelihood Specialist.
- The appointment aligns with the Company's objective to develop a socially responsible and sustainable operation which will provide significant long term and sustainable benefits to local communities.

Sovereign Metals Limited (ASX:SVM; AIM:SVML) (the Company or Sovereign) is pleased to announce the appointment of SocialEssence (Pty) Ltd (SocialEssence), a specialist social performance consultancy, who will assist in the continued development of the Company's stakeholder relations, social performance objectives and its Community and Social Responsibility (CSR) framework.

Sovereign has engaged SocialEssence to design and execute social performance activities during the Definitive Feasibility Study (DFS) phase. Founder, Mr Garth Lappeman, has over 16 years of on the ground social performance planning and implementation experience in accordance with IFC Performance Standards and World Bank Environmental, Health and Safety Guidelines. SocialEssence has been active in a number of countries working on projects in Angola, Botswana, Democratic Republic of Congo, Kenya, Kyrgyzstan, Liberia, Malawi, Mozambique, Namibia, Panama, Uganda, Sierra Leone, South Africa, Northern Sudan, Tanzania, Uzbekistan, and Zambia.

Most notably, in Zambia, SocialEssence's Director was involved from early exploration through to steady state production of First Quantum Minerals Ltd's (First Quantum Minerals) Trident operations, which includes the Sentinel Copper Mine which is of similar scale to Sovereign's Kasiya project. Mr Lappeman was responsible for implementing and managing social and community initiatives for First Quantum Minerals as it established its large-scale commercial operations.

Managing Director and CEO, Mr Frank Eagar commented: *"The SocialEssence exemplary track record and implementation experience aligns with our objectives of establishing long lasting and sustainable community relationships well ahead of project implementation. The conservation farming program implemented by SocialEssence's leaders in Zambia has stood the test of time and has over 7,000 participating farmers. We will continue to build out our owner's team and capabilities while we work through Kasiya's optimisation with Rio Tinto."*

SocialEssence will:

- prepare Kasiya's Social Impact Assessment and Management Plan for the DFS and permitting;
- design, implement and manage social performance activities including stakeholder engagement, development of key relationships;
- prove the feasibility of critical social performance measures (including early local content, and piloting of livelihood restoration programs, and piloting of rehabilitation activities to restore land for agricultural use); and
- align with the Company's ESG Framework.

ENQUIRIES

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ABOUT SOCIALESSENCE

SocialEssence provides a full range of social performance management services and tools to clients in the mining, renewable energy and infrastructure development sectors in Africa and Central Asia. SocialEssence is distinguished from other consultancies by the practical implementation experience of its staff and associates, enabling best-practice solutions that are practical. The Director and Founder, Mr Garth Lappeman, is a high-quality resettlement and social performance, development, and communications practitioner with a 16 year track record of practical on-site experience in social impact and risk management, particularly in resettlement and land acquisition. Mr Lappeman has worked on over 40 projects globally on social performance and resettlement. His most noteworthy project was an ~600-household, ~2,000-farmer, acquisition of 439km² of traditional land for a large greenfield mine and town development in Zambia.

The social performance services have been developed through 16 years of on-the-ground experience of planning and implementation in accordance with the IFC Performance Standards, World Bank Environmental, Health and Safety Guidelines, International Labour Organisation Standards, Voluntary Principles on Security and Human Rights, and International Human Rights Conventions and Frameworks.

SocialEssence's consultants, and network of associates have experience in projects in these countries: Angola, Botswana, Democratic Republic of Congo, Kenya, Kyrgyzstan, Liberia, Malawi, Mozambique, Namibia, Panama, Uganda, Sierra Leone, South Africa, Northern Sudan, Tanzania, Uzbekistan, and Zambia.

Social Essence have successfully implemented a wide range of livelihood restoration and improvement projects in sub-Saharan Africa including agricultural-based, enterprise-based, employment-based and natural-resource-based livelihood restoration and improvement projects. These include conservation farming, small-scale horticulture, poultry farming (broiler chicken and village chicken), holistic livestock farming, village-banking, business formalisation, training and micro-loan programs, vocational training (upgrading government trade schools with mining training facilities), sustainable forest and fisheries management projects. The most successful of these, and the one most applicable to the project and its impacts and objectives, is conservation farming.

ABOUT SOVEREIGN

Sovereign is focused on the development of its Kasiya project in Malawi. Kasiya is the **largest natural rutile deposit and second largest flake graphite deposit in the world**. Sovereign is aiming to develop a **low-CO₂ and sustainable operation** to supply highly sought-after natural rutile and graphite to global markets.

Results of the PFS released in late 2023, demonstrated Kasiya's potential to become the **world's largest rutile producer** at 222kt per annum and **one of the world's largest natural graphite producers** outside of China at 244kt per annum based on an initial 25 year life-of-mine.

Delivering compelling economics with a post-tax NPV₈ of US\$1.6 Billion and post-tax IRR of 28%, this long-life, multi-generational operation was modelled to initially generate over US\$16 Billions of revenue and provide an average annual EBITDA of US\$415 Million per annum.

Kasiya's PFS modelling was limited to only 25 years meaning **substantial production rate and mine life upside exists**, with an initial Probable Ore Reserves declared of 538Mt, **only representing 30% of the total Mineral Resource**.

Competent Person Statement

The information in this announcement that relates to Production Targets, Ore Reserves, Processing, Infrastructure and Capital Operating Costs, Metallurgy (rutile and graphite) is extracted from an announcement dated 28 September 2023 entitled 'Kasiya Pre-Feasibility Study Results' 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 and technical parameters underpinning the Production Target, and related forecast financial information derived from the Production Target 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 presentation have not been materially modified from the Announcement.

Ore Reserve for the Kasiya Deposit						
Classification	Tonnes (Mt)	Rutile Grade (%)	Contained Rutile (Mt)	Graphite Grade (TGC) (%)	Contained Graphite (Mt)	RutEq. Grade* (%)
Proved	-	-	-	-	-	-
Probable	538	1.03%	5.5	1.66%	8.9	2.00%
Total	538	1.03%	5.5	1.66%	8.9	2.00%

* RutEq. Formula: Rutile Grade x Recovery (100%) x Rutile Price (US\$1,484/t) + Graphite Grade x Recovery (67.5%) x Graphite Price (US\$1,290/t) / Rutile Price (US\$1,484/t). All assumptions are taken from this Study ** Any minor summation inconsistencies are due to rounding.

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