

SUSTAINABLE FARMING INITIATIVE ON TARGET TO TRIPLE CROP YIELDS

Sovereign Metals Limited (ASX:SVM; AIM:SVML) (the Company or Sovereign) is pleased to provide an update on its previously announced Conservation Farming Program (Program) in Malawi.

The Company is actively executing its Environmental, Social, and Governance (ESG) Strategy whilst developing the Kasiya Rutile-Graphite Project (Kasiya or Project). The Program is aimed at improving the livelihoods of local communities through the creation of successful smallholder farmers. Farmers have enthusiastically adopted the Program with 90 participants within the Project area being trained in low-input-cost, high-yield sustainable farming techniques. A further 300 farmers will be added during the 2024 planting season.

The Program has already yielded visibly higher crop growth. Preliminary yield estimates have been undertaken through a cob-count and sizing exercise of all 90 farmers. Yields are conservatively estimated at 3.2 tonnes per hectare, tripling average conventional crop yields. This is despite Malawi's crop yields expected to be 22.5% lower than average this year due to the El Niño weather phenomenon.

Increases in maize (corn) production will be quantified in the coming months during the harvest season. Farmers participating in the Program expect to begin harvesting in May 2024, and are looking forward to a bumper harvest, despite the much drier than usual year caused by El Niño, causing widespread drought across southern Africa.

The Program ultimately aims to provide a platform where successful smallholder farmers can produce sufficient surplus crops to generate sustainable household income.



Figures 1 & 2 - Left: planted field using traditional techniques & Right: Field farmed under the Program showing substantially more crop growth

Sovereign’s Managing Director, Frank Eagar commented, *“The incredible improvements in expected maize yields is beyond expectations and is another example of the positive impacts the Kasiya Project will have on our local communities. The 90 farmers in the Program comprise 50% women and 10% vulnerable people. We will maintain this equal opportunity policy as the Program is rolled out across Kasiya. At a time when Malawi and other southern African countries are facing severe drought due to weather conditions, Sovereign takes its social responsibility very seriously and is already delivering tangible benefits for the local community.”*

The Program is being implemented by Sovereign’s experienced team on the ground, which previously ran a very successful program for First Quantum Minerals Limited’s Zambian operations, where its conservation farming program has been effectively operating since 2010. Between 2020 and 2022 harvest crops increased by 67% from 6,000 tonnes to 10,000 tonnes of maize, with over 7,000 farmers in the program at the end of 2022.

Conservation farming as a system aims to protect soil from erosion and degradation and increase crop yields. It involves three main principles:

- 1) minimum soil disturbance, such as no-till farming,
- 2) maintenance of a permanent soil cover, such as cover crops or crop residues and
- 3) diversification of plant species, such as crop rotation.

This is a highly important program for Malawi with maize making up two-thirds of national calorie intake, with nine out of ten farming households producing maize, devoting over 70% of their land to growing it. Sovereign has already identified the next season’s farmers, with the Program being scaled up from 90 to 300 farmers in the 2024/2025 agricultural season. This quantity of farmers will prove that the program successfully increases agricultural production in a sustainable manner, during Sovereign’s upcoming Definitive Feasibility Study. Sovereign plans to roll out Conservation Farming as its cornerstone livelihood restoration and improvement project for the Kasiya Project in the medium to long term.



Figure 3 – On-site Program leader, Mr Duncan Chinkanda with local farmers and team members showing Program adopted crops on the left and traditionally farmed land on the right

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Forward Looking Statement

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