

JAPAN TARGETS KASIYA TRANSPORT CORRIDOR IN NEW STRATEGIC MINERALS INITIATIVE

- **Japanese Government launches new Nacala Logistics Corridor development initiative** - aimed at strengthening critical mineral supply chains from Malawi, Zambia and Mozambique
- **Japan commits US\$7 billion in development funding** - \$5.5 billion through joint program with African Development Bank, plus \$1.5 billion in public-private impact investment through Japan's development agency
- **Initiative focuses on capacity expansion, refurbishment, and resilience upgrades** to increase throughput, enhance reliability, and reduce bottlenecks directly benefiting projects such as Kasiya positioning the Project as a key beneficiary of Japan's mineral security strategy
- **Kasiya has established access to Japanese titanium markets** - previous validation by major Japanese titanium producer confirms Kasiya rutile meets premium specifications
- **Nacala Corridor is Kasiya's preferred transport route** - providing lowest-cost pathway from Kasiya to international markets via a deep-water port

Sovereign Metals Limited (ASX:SVM; AIM:SVML; OTCQX:SVMLF) (Sovereign or the Company) is pleased to announce that the Government of Japan has launched a dedicated investment initiative targeting the Nacala Corridor infrastructure, significantly strengthening the strategic positioning of the Company's Kasiya Rutile-Graphite Project (**Kasiya or Project**) located in Malawi. Japan's Toho Titanium Company Limited (**Toho Titanium**) previously confirmed that natural rutile from Kasiya meets specifications for high-performance titanium metal production, establishing market credentials that align with Japan's priority of securing critical minerals supply chains through the corridor (refer to announcement dated 10 June 2025).

The 9th Tokyo International Conference on African Development was held in Yokohama, Japan, bringing together African leaders and international partners to discuss development cooperation.

In his keynote address at the conference, the Japanese Prime Minister announced: "We will launch a new region-wide co-creation for common agenda initiative that promotes logistics in the Nacala Corridor, which contributes to strengthening mineral resource supply."

Commenting on the announcement, Sovereign Metals CEO Frank Eagar said: "Japan's commitment to the Nacala Corridor infrastructure validates our strategic positioning and creates powerful opportunities for Kasiya's development. The initiative demonstrates the highest level of government backing for the corridor that underpins our project economics, while Japan's focus on securing critical mineral supply chains aligns perfectly with Kasiya's world-class rutile and graphite resources."



Japan's commitment to enhancing regional logistics positions Sovereign to capitalise on growing Japanese demand for critical minerals. The initiative underscores alignment between Japan's resource security objectives and Malawi's position as host to the world's largest natural rutile deposit and the second-largest flake graphite resource.

JAPAN'S STRATEGIC MINERAL SECURITY INITIATIVE STRENGTHENS KASIYA'S POSITION

In August 2025, the Japanese Government's Ministry of Foreign Affairs launched the region-wide initiative **"Strengthening Global Supply Chain through Nacala Corridor Development"** targeting development of mining and agricultural sectors in Malawi, Mozambique and Zambia by eliminating bottlenecks along the Nacala Corridor.

The initiative aims to improve transportation infrastructure and promote industrial development in the Nacala Corridor region, including Malawi, to increase its value as a transportation route for mineral resources and ultimately strengthen Japan's global supply chains related to critical minerals.

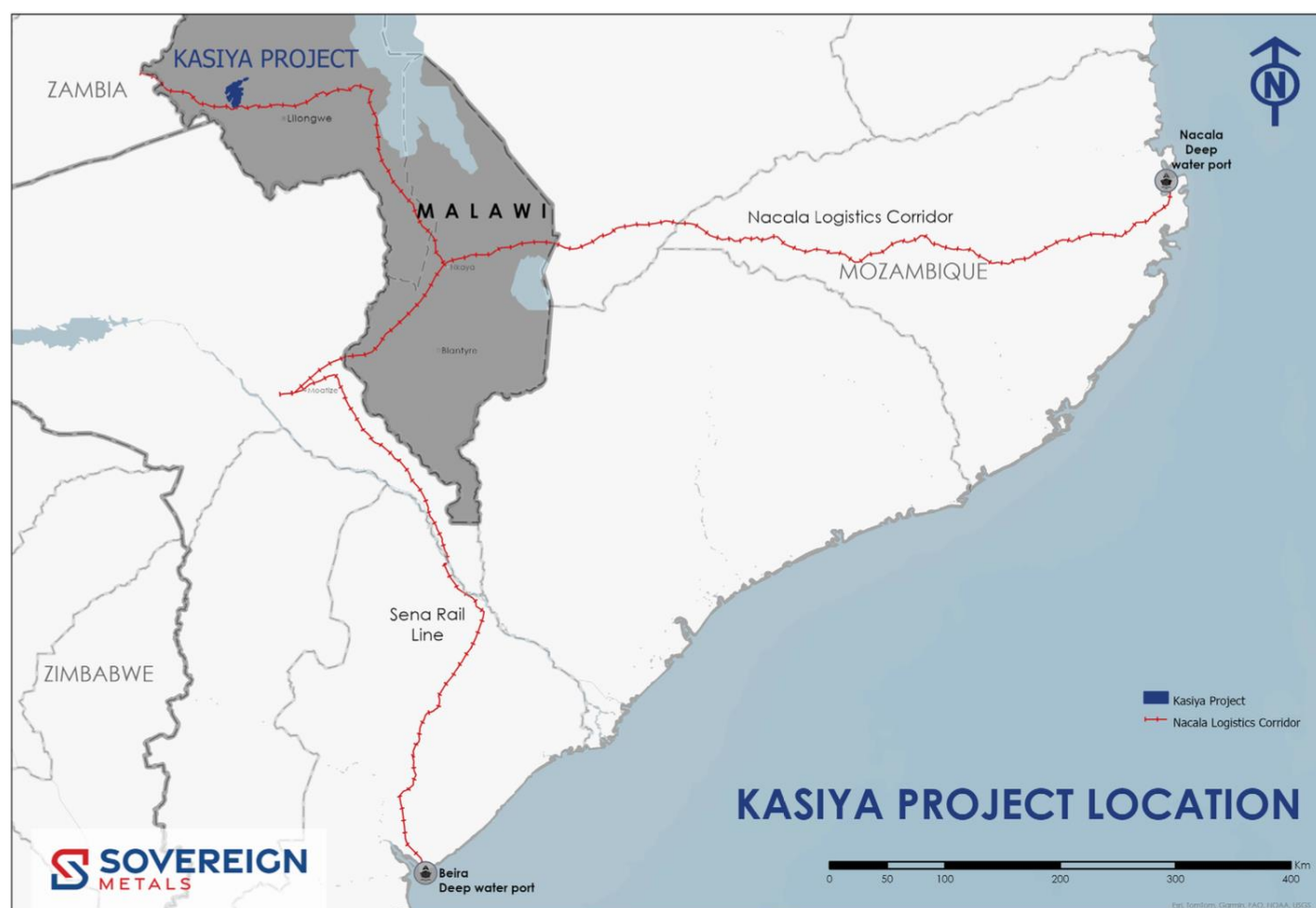


Figure 1: Kasiya is ideally located on the Nacala Corridor

Japan's US\$7 billion commitment includes US\$5.5 billion through the Enhanced Private Sector Assistance for Africa program, which provides development funding to African countries through the African Development Bank. Additionally, US\$1.5 billion will be mobilised through Japan's development agency for direct investment in private sector projects, including mining and infrastructure developments.



KASIYA'S STRATEGIC ADVANTAGES ALIGN WITH JAPANESE PRIORITIES

The initiative creates multiple strategic advantages for Kasiya, positioning the Project as a key beneficiary of Japan's mineral security strategy. Japan's Toho Titanium previously validated that rutile from Kasiya meets specifications for high-performance titanium metal production, establishing proven market access to Japanese industrial consumers. This technical validation, combined with historical commercial interest from Mitsui & Co., which established a Memorandum of Understanding with Sovereign regarding rutile offtake, demonstrates sustained Japanese engagement with the Project.

The Nacala Corridor serves as the preferred transportation route for Sovereign's forthcoming Definitive Feasibility Study, providing a direct route to the deep-water port of Nacala and offering Kasiya a low-cost pathway to global markets with significant capital and operating savings.

Japan's initiative focuses on capacity expansion, refurbishment, and resilience upgrades to increase throughput, enhance reliability, and reduce bottlenecks, directly benefiting projects such as Kasiya.

To access the Nacala Corridor, Sovereign plans to construct a six-kilometre rail spur linking the proposed plant to the Nacala Corridor, ensuring efficient freight handling. The Company is in discussions with leading regional logistics providers on rail and port solutions to ensure reliable and cost-efficient transport of rutile and graphite to international markets.



Figure 2: Bulk cargo trains operating on Nacala Corridor



Figure 3: Nacala Port is the deepest water port in Southern Africa

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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.