

SOVEREIGN SIGNS RUTILE OFFTAKE MOU WITH CHEMOURS

MOU signed for supply of 20,000 tonnes of natural rutile per annum from Kasiya to US-based Chemours, one of the world's largest producers of high-quality titanium dioxide pigments

Sovereign Metals Limited (ASX:SVM; AIM:SVML) (the **Company** or **Sovereign**) is pleased to announce that it has entered into a non-binding Memorandum of Understanding (**MOU**) with The Chemours Company (**Chemours**) for the potential supply of 20,000 tonnes of natural rutile per annum from the Company's Kasiya Rutile Project (**Kasiya**).

Upon signing the MOU, Sovereign's Managing Director Dr Julian Stephens commented: *"To have signed an MOU for the supply of natural rutile to Chemours, a global leader in the titanium dioxide pigment industry, is a true testament to the quality and strategic nature of our world-class Kasiya Project in Malawi. We are excited to be working with Chemours as a future off-take partner for our premium, low carbon-footprint rutile products."*

The MOU covers the potential supply of 20,000 tonnes per annum of natural rutile at Stage 1 nameplate capacity and an option to take additional product (tonnage to be agreed) when Kasiya reaches Stage 2 nameplate capacity (refer to announcement dated 16 June 2022 entitled Kasiya Expanded Scoping Study Results). Further, volumes may be varied up or down by mutual agreement and pricing will reference market prices of the day (both to be included in the definitive agreement).

The MOU is non-exclusive and non-binding and remains subject to negotiation and execution of the definitive agreement. The MOU will expire two years from the execution date but can be extended by agreement by both parties should a definitive agreement not have been reached by that time.

CHEMOURS: ONE OF THE WORLD'S LARGEST PRODUCERS OF HIGH-QUALITY TITANIUM DIOXIDE PIGMENT

Chemours is a leading provider of performance chemicals that are key inputs in end-products and processes across a variety of industries. Chemours operates 29 manufacturing sites serving approximately 3,200 customers in approximately 120 countries.

Its Titanium Technologies segment is one of the world's largest producers of high-quality titanium dioxide (TiO₂) pigment and aspires to be the most sustainable TiO₂ enterprise in the world. Using its proprietary chloride technology—pioneered in 1931 and improving ever since—Chemours provides innovative TiO₂ solutions for coatings, plastics, and laminates.

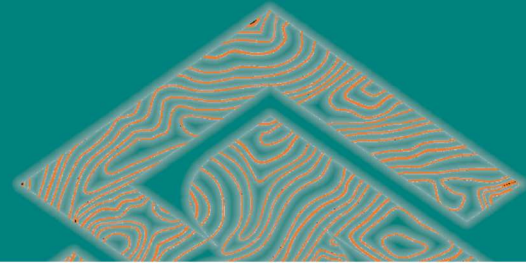
It operates four TiO₂ pigment production facilities: two in the United States, one in Mexico, and one in Taiwan totalling TiO₂ pigment nameplate capacity of 1.25 million tonnes per year. In the year ended 31 December 2021, Chemours' Titanium Technologies segment reported net sales of US\$3.4 Billion.

ENQUIRIES

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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.

Competent Persons Statement

*The information in this announcement that relates to Production Targets, Processing, Infrastructure and Capital and Operating Costs, is extracted from the announcement dated 16 June 2022 entitled 'Kasiya Expanded Scoping Study Results' (**Announcement**). Sovereign confirms that: a) it is not aware of any new information or data that materially affects the information included in the 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 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.*

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