

SOVEREIGN ESG FRAMEWORK ADVANCES SOCIAL INITIATIVES IN MALAWI

- Environmental, Social and Governance (ESG) framework established to advance Sovereign's Corporate Social Responsibility in Malawi
- Sovereign continues to undertake several initiatives to assist in the development of Malawi and its local communities
 - Promoting education in Malawi through a Schools Upgrade Program and creation of a Scholarship Program for high school learners
 - Advancing local community infrastructure including construction of a new Community Centre at Malingunde and commissioning of water bores across the Company's licence area to provide local communities with drinking water
 - Establishing international standard mining industry facilities with the construction of an extensive rutile sample laboratory in Lilongwe
 - Employment of a diverse workforce and developing key exploration and mining-applicable skills through training programs
 - Continuing engagement with key stakeholders from local communities through to Government level
- Sovereign aims to become an industry leader in social responsibility having successfully worked with communities in Malawi over the last decade who remain highly supportive and are well positioned to benefit from the development of new mining projects
- Updated Scoping Study incorporating the upgraded resource is due for completion in the coming weeks

Sovereign Metals Limited (ASX:SVM; AIM:SVML) (the Company or Sovereign) continues its development of the Kasiya rutile project (Kasiya), the largest rutile deposit in the world, the Company is pleased to announce that it has taken proactive steps to establish ESG frameworks to become an industry leader in its corporate social responsibility in Malawi.

Sovereign remains committed to making informed choices in line with our strong corporate governance, financial capabilities, operational efficiency, environmental stewardship, stakeholder engagement and resource management.

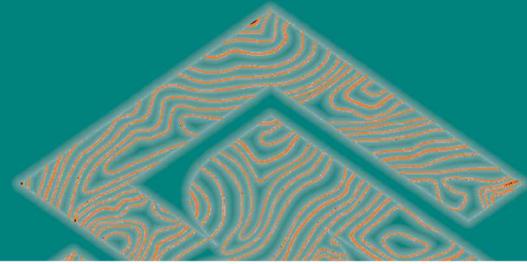
Sovereign's Managing Director Dr Julian Stephens commented: *"Over the last decade Sovereign has worked very hard to establish and maintain a strong and positive social licence to operate in Malawi. The future development of the Kasiya Rutile Project will bring substantial benefits to Malawi in terms of GDP, royalties, taxes, employment and training, local business opportunities and community development. In advancing Kasiya, Sovereign will strive to become a leading socially responsible corporate"*

ENQUIRIES

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PROMOTING EDUCATION IN MALAWI

Sovereign understands the importance of education for young Malawians. At a community level, the Company is working to improve the local learning environment and is working in close cooperation with the local education committees.

Schools upgrade program

Sovereign has identified four schools in the neighbouring community of Kasiya which would significantly benefit from access to additional learning materials and upgrades to their learning environments. This initiative has the endorsement and support from the Education Technical Committee, who have commended the Company for the program.



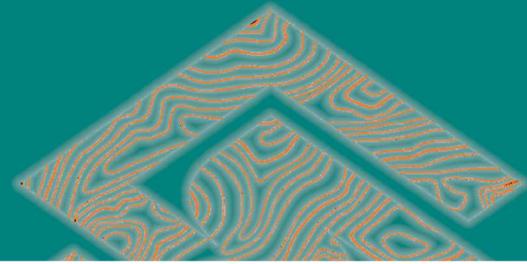
Figure 1: Local high school students

Scholarship Program

Furthermore, Sovereign has established a scholarship program which will provide high school learners with sufficient support to reach their full potential. An initial eight students have entered the scholarship program.

Internship Program

Sovereign regularly provides internships with students from the University of Malawi (Chancellor College) and the Mining Engineering Department of the Polytechnic. The Company has accepted twelve students to assist in the upcoming drill program with six geology and six engineering students gaining experience and exposure to the industry.



ADVANCING LOCAL INFRASTRUCTURE

Laboratory facilities

Sovereign has established an international standard laboratory facility in Malawi. This facility provides Sovereign the ability to analyse drill samples for rutile content.

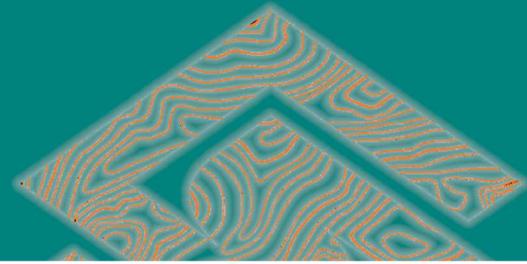


Figure 2: Sovereign's laboratory facility in Lilongwe, Malawi

The facility has the ability to process over 80 drill samples per day with the processing controlled by QA/QC procedures, which includes a certified magnetic separation unit. During a recent visit from Government officials, they were very impressed with the high-standard and professionalism of the laboratory.



Figures 3 & 4: Recording sample weights (L) and conducting magnetic separation (R) at the Company's laboratory in Lilongwe



Malingunde Community Centre

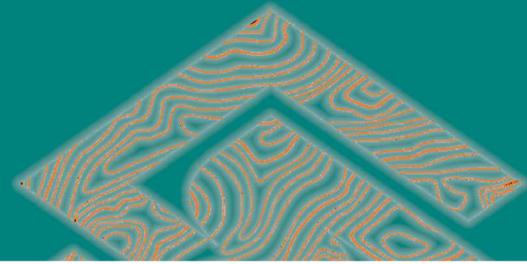
Sovereign has recently completed the construction of a new Community Centre in Malingunde. The Community Centre is designed to establish a central point for the Malingunde community to gather and host events.



Figure 5: The entrance of the Community Centre



Figure 6: Traditional dance at the opening ceremony of the community centre



Water bores

To provide local communities with drinkable water. Sovereign has commissioned four water bores across its licence area. The water bores save the local communities transit times and provide a clean source of water.



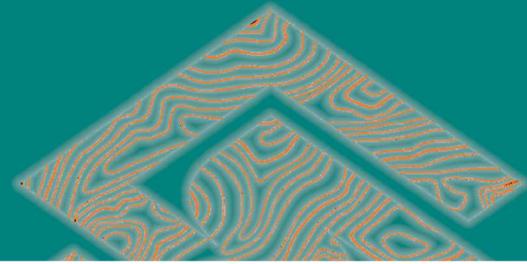
Figure 7: Water bore installed by Sovereign

EMPLOYMENT AND TRAINING OF A DIVERSE WORKFORCE

The Company currently employs 45 full time employees and is an equal opportunities employer with a gender diverse workforce. Currently, 60% of Sovereign's professional Malawian staff and at least 50% of our regular interns are women.

It is estimated during the operation of Kasiya it will create hundreds of direct jobs and significantly more indirect jobs in the community. Similar projects in Africa typically witness a flow on effect for employment in local communities. For every person employed directly in the project a significant multiplier of people will be employed in indirect jobs. These jobs would be supported by the Company's supply chain and additional consumer spending generated by the new direct and indirect employment.

Sovereign has structured training and skills transfer programs covering on-the-job training for full-time employees, as well as programs for local graduates and interns. The programs focus on building skills capacity in the surrounding community. Recent examples of this include defensive driving and first aid for senior staff in Malawi.



Figures 8 & 9: Sovereign employees during first aid training

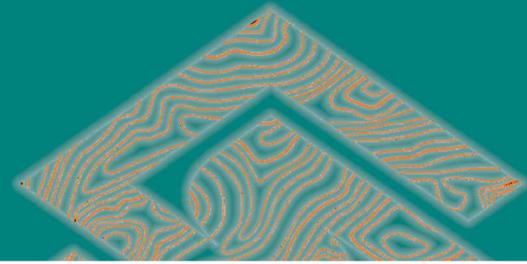
COMMUNITY ENGAGEMENT

The Company understands that achieving our long-term goals is reliant on building beneficial relationships with the communities in which we operate and establishing a balanced flow of mutual benefit.

Sovereign has ensured it has maintained engagement with key stakeholders from local communities through to Government. The Company has completed a number of initiatives and community interactions, these include large community information sessions and education on the Company's activities and future operations. Stakeholders have appreciated how the project will enhance their communities and the benefits that mining can bring.



Figure 10 & 11: Community liaison officers discussing Sovereign's future plans for exploration work in the area and how it relates to the communities



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