



NEWS RELEASE 112 JUNE 2024

PILOT PHASE SITE CONSTRUCTION ON SCHEDULE

- Kasiya's pilot mining and land rehabilitation program is progressing with site establishment on schedule
- Mobile fleet is currently constructing the test pit, water storage pond and ore stockpile
- Free-dig nature of soft saprolite ore confirms the ease of mining with no drilling or blasting required
- Eight boreholes have been commissioned and are ready to supply the water storage pond
- Key contractors and consultants across major disciplines have now been appointed
- Empirical data generated from the Pilot Phase will assist in determining optimal project excavation, material handling, processing, backfilling and rehabilitation approaches

Classification 2.2: This announcement includes Inside Information



Figure 1: Pilot Phase site June 2024

Sovereign Metals Limited (ASX:SVM; AIM:SVML) (**the Company** or **Sovereign**) is pleased to announce that pilot site construction for the ongoing Pilot Mining and Land Rehabilitation Program (**Pilot Phase**) at the Kasiya Rutile-Graphite Project (**Kasiya** or **Project**) in Malawi is on schedule with groundworks underway.

Managing Director Frank Eagar commented: *"This Pilot Phase is a step-change for Kasiya and demonstrates our ability to execute in Malawi. The early works are progressing as planned: on schedule and within budget. We are very pleased with the progress and specifically how the mobile fleet is performing in the soft saprolite ore, confirming our understanding of how simple mining, with no drilling or blasting required, will contribute to low operating costs."*

The construction fleet is on-site with groundwork to excavate the water storage pond and construct the test areas currently underway. Site equipment is currently moving 5,000 cubic metres of earth daily. The fleet consists of four excavators, 20 trucks and a support fleet, including two bulldozers and a motor grader.



Figure 2: Dry mining stockpile area under construction

A perimeter fence around the 9.9-hectare pilot site has been erected to maintain the necessary health and safety standards. Sovereign's strategic investor, Rio Tinto, is assisting with establishing health and safety protocols and implementation on a day-to-day basis.

Eight water extraction boreholes have been commissioned and are delivering water to the site, with the filling of the water storage pond to follow. The temporary water storage pond is currently being excavated and will be sealed using natural clay from excavated material. This will minimise the use of conventional plastic lining at the pilot site in accordance with Sovereign's objectives for a sustainable operation at Kasiya.





Figure 3: Pilot Phase fleet and equipment excavating the water storage pond

Key contractors and consultants have been appointed across all major disciplines essential for the Pilot Phase.

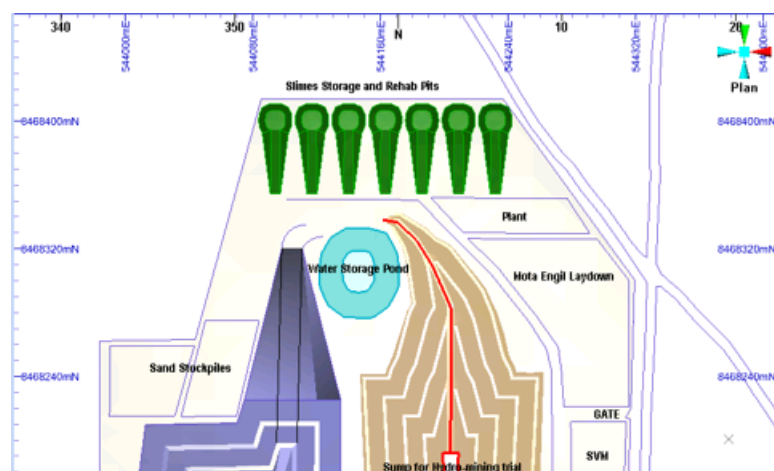
- Multinational engineering and construction company **Mota Engil Group** has been appointed to perform all excavation required for site establishment, the water storage pond, the test pit, seven rehabilitation pits as per Figure 4, site closure and general rehabilitation of the site. Mota Engil Group operates in 21 countries with 54,000 employees and is ranked among the world's largest construction companies.
- South Africa-based consultancy **Fraser Alexander (Pty) Ltd** has been contracted to complete the hydraulic mining phase.
- Backfill, storage and tailings management will be assessed by South African residue management solutions consultancy **Epoch Resources (Pty) Ltd**, which has a 25-year track record, including working for Randgold Resources Plc, Xstrata Plc and Anglo American Platinum Limited.
- International engineering company **DRA Global Limited** has been appointed to oversee and provide engineering and design services required during the Pilot Phase.

The Pilot Phase is being undertaken on a 9.9-hectare site and will include the following activities:

1. **Test Pit:** A test pit of 120m by 110m will be excavated to a depth of 20m, allowing optimisation of hydraulic and dry mining excavation methods.
2. **Stockpiles:** The excavated material will be temporarily stored in 4 stockpiles, namely all dry mining material, wet slimes (in a pond) and two sizes of sand fractions from the hydraulic mining.
3. **Backfilling and Grading:** The material will be placed back into the pit, and all areas will be graded.
4. **Rehabilitation Demonstration:** Sovereign will construct eight small rehabilitation demonstration pits covering a combined area of 100m by 130m. These will be used for water storage, excavated material storage, and demonstration of multiple rehabilitation approaches.
5. **Temporary Laydown Areas:** Four areas will be used as temporary laydown areas, offices, and associated infrastructure.
6. **Communication:** The Pilot Phase will be an educational opportunity for Project stakeholders. Sovereign will undertake a series of stakeholder visits and consultations for this purpose.

Sovereign's objective is to restore land after mining to conditions that achieve the same or better agricultural yields than existing land uses and crop yields. The Pilot Phase will demonstrate to local communities the successful rehabilitation of land for agricultural use post-mining; land rehabilitation will form an integral component of the ongoing optimisation study. Results will also allow Sovereign to determine optimal excavation and backfill approaches, providing critical information for the upcoming Definitive Feasibility Study.

Kasiya is the world's largest natural rutile deposit and the second-largest flake graphite deposit. Sovereign aims to develop a low-CO₂ footprint and sustainable operation to supply highly sought-after natural rutile and natural graphite to the global markets.



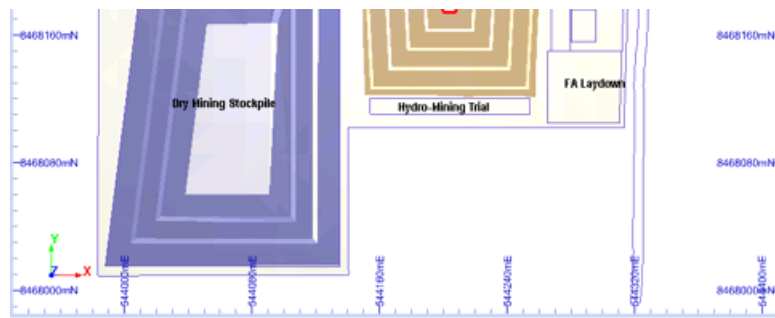


Figure 4: Planned site layout

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