



NEWS RELEASE 126 JUNE 2024

## SOVEREIGN PARTNERS WITH INTERNATIONAL DEVELOPMENT ORGANISATION IN MALAWI

- Sovereign has entered into an MoU with The Palladium Group - a US-based international development entity operating in Malawi.
- Palladium implements several development projects, including the Feed the Future Malawi Growth Poles Project, which invests in local rural communities to advance sustainable, climate-smart, and inclusive wealth creation.
- Sovereign and Palladium will collaborate around Sovereign's Kasiya Project to provide key agricultural inputs, training, technologies, and financing to develop and integrate smallholder farmers into the emerging high growth agriculture value chains.
- A central pillar of the MoU and partnership is Sovereign's existing Conservation Farming Program, which aims to promote tried and tested improved small-scale agricultural practices, and the creation of community support and mentorship networks.

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Sovereign Metals Limited (ASX: SVM; AIM: SVML) (**Sovereign**) has signed a Memorandum of Understanding (**MoU**) with The Palladium Group (**Palladium**) - a US-based development entity implementing several development projects in Malawi including the Feed the Future Malawi Growth Poles Project (**Growth Poles**). Growth Poles is a US\$50 million project that will run from 2023 to 2028.

Palladium is a global impact firm that works to link social progress and commercial growth. For nearly six decades, Palladium has been working with corporations, governments, investors, communities, and civil society to formulate strategies, build partnerships, mobilise capital, and implement programs that have a lasting social and financial impact. With a workforce of over 2,500 global leaders, Palladium has positively impacted the lives and livelihoods of more than 76 million people across 90 countries; broadening access to health, water, power, and infrastructure; building enduring, sustainable, and transformative institutions and market systems to address global challenges; and conserving the natural world.

Sovereign has launched several social development initiatives focused on improved health (provision of clean water), education (scholarships and school support), and conservation farming practices in communities located near and within Sovereign's Kasiya Rutile-Graphite Project (**Kasiya or Project**) area.

The MoU identifies Sovereign as a potential anchor firm in Malawi and Kasiya as an anchor client or "Partner Growth Pole". The MoU sets out a long-term vision for multi-partner investment and co-development aimed at supporting community engagement activities and scaling up the availability of commercial agriculture across Malawi, in particular in environmentally and economically vulnerable groups and households, to improve livelihoods for communities around the Kasiya Project.

A central pillar of the MoU and partnership is Sovereign's existing Conservation Farming Program (refer to Company ASX announcements dated 26 February 2024 and 15 April 2024), which aims to promote tried and tested improved small-scale agricultural practices, and the creation of community support and mentorship networks. The Conservation Farming Program's objective is to substantially improve crop yields of the farming communities within and around the Project area, thus improving food security and economic growth.

Sovereign and Palladium are already collaborating to provide Purdue Improved Crop Storage (**PICS**) bags to beneficiaries of Sovereign's Conservation Farming Program. PICS are non-chemical, hermetically sealable bags that reduce post-harvest losses by 20-30% caused by poor storage of grains.

The MoU also establishes the foundation for the potential long-term development of partnerships with multiple private sector firms and development agencies, with the aim of catalysing diverse and inclusive development across a wide area, through mechanisms such as input financing, extension support, offtake arrangements, and complementary investments in value chain

mechanisms such as input financing, extension support, offtake arrangements, and complementary investments in value chain infrastructure. The MoU expires on 18 April 2028 and can be extended by mutual agreement.

A group of people standing in a field Description automatically generated

#### Sovereign and Palladium Staff Standing Together with Sovereign's Conservation Farming Beneficiaries

Sovereign's Kasiya project is one of only 11 Tier 1<sup>[1]</sup> mineral deposits discovered in the last decade. It is the world's largest Rutile resource and second largest flake Graphite resource, and has the potential to be the world's largest, lowest cost, and lowest carbon producer of both minerals.

Sovereign recognises that the Kasiya Project presents an opportunity to assist Malawi in realising its stated Sustainable Development Goals and can directly benefit local communities. The positive impact of the Kasiya project will be further enabled through the development of partnerships with the Government of Malawi, international development organizations, and the private sector.

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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.

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[ii](#) Tier 1 deposits are "Company making" mines, they are large, long life, and low cost, i.e. >20 years, bottom quartile costs, with NPV >\$1 billion and EV >\$2 billion; per MinEx Consulting, "Exploration: Australia vs The World", October 2023

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