



NEWS RELEASE 18 JULY 2024

## SOVEREIGN COMMENCES TRADING ON OTCQX MARKET

- Sovereign upgrades to the OTCQX Market, the top tier of the OTC Markets, providing access to a broader eligible U.S. investor base
- OTCQX quotation follows increased U.S. investor and strategic interest in Sovereign and its Kasiya Rutile-Graphite Project in Malawi
- Kasiya has the potential to be the world's largest, lowest-cost producer of rutile, which is the purest form of titanium feedstock, and a long-term secure source of graphite supply outside of China
- U.S. Department of Energy has designated both titanium and graphite as critical minerals due to national security concerns. China currently dominates global supply of both minerals

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Sovereign Metals Limited (ASX: SVM; AIM: SVML; OTCQX: SVMLF) (**Sovereign** or the **Company**) is pleased to announce that its shares have commenced trading on the OTCQX® Best Market (**OTCQX**) under the ticker symbol SVMLF.

The OTCQX is the highest market tier of OTC Markets on which over 12,000 U.S. and global securities trade. Sovereign previously traded on the OTC Pink Market and has been upgraded to the OTCQX as it meets high financial standards, follows best-practice corporate governance and has demonstrated compliance with applicable securities laws. Trading on OTCQX began on 5 July 2024 and will enhance the visibility and accessibility of Sovereign to U.S. investors.

Sovereign is focused on becoming a market leader in supplying two critical minerals to global markets: titanium, in the form of rutile, and graphite. China currently dominates the supply of both critical minerals.

Rutile is the purest, highest-grade natural form of titanium dioxide (TiO<sub>2</sub>) and is the preferred feedstock in manufacturing titanium pigment and producing titanium metal. Titanium is essential for various industries, including aerospace, defence, pigments, medical and consumer technologies. According to the U.S. Geological Survey, China and Russia control ~70% of the global primary titanium supply chain. Currently, the U.S. relies entirely on foreign sources for titanium sponge, yet based on the U.S. Commerce Department's Bureau of Industry and Security, titanium supports 15 out of 16 critical infrastructure sectors deemed essential by the federal government.

Graphite is vital for the energy transition as the largest component of lithium-ion batteries used in electric vehicles and other energy storage solutions. Graphite anode material can be up to 50% of the mass of a typical lithium-ion battery. According to S&P Global, in 2023, 77% of the world's graphite production came from China, with the U.S. importing 42% of its graphite supply from China. In December 2023, China imposed several restrictions on the export of Graphite concentrate. In May 2024, the US government imposed a 25% tariff on all natural graphite imported from China from 2026 onwards.

Sovereign's 100% owned Tier-One Kasiya Rutile-Graphite Project (**Kasiya**), located in the southeast African country of Malawi, is both the world's largest known rutile deposit and second-largest flake graphite deposit. Kasiya can become a long-term secure source of natural graphite supply outside of China.

Through numerous technical studies, Sovereign has already confirmed that the Kasiya project could be the world's largest and lowest-cost producer of rutile and graphite and is currently undertaking an optimisation study. Sovereign's strategic investor and one of the world's largest and most accomplished global mining companies, Rio Tinto continues to provide assistance and advice on technical and marketing aspects of Kasiya. With sustainability a core pillar of Sovereign's strategy, Kasiya would also have the lowest greenhouse gas emissions of any high-grade titanium feedstock or graphite producer.

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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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