



NEWS RELEASE | 11 AUGUST 2025

Mining Method and Fleet Design Finalised for DFS

- **Mining fleet design finalised** as part of ongoing Definitive Feasibility Study work at Kasiya
 - **Fleet specifically engineered for large-scale dry mining** operations following the results of the successful pilot phase mining trials
 - **No drilling, blasting, crushing or milling** required at Kasiya resulting in low capital outlays and operating costs
 - **Equipment selection and supplier identification completed** for all operational requirements across the proposed initial 25-year mine life
 - **Phased fleet deployment strategy** from 36 units in Year 1 to peak operational fleet of 81 units
 - **Leading global suppliers identified**, including CAT, Komatsu, Liebherr, Hitachi and others
 - **Preferred fleet selection completed with Rio-SVM Technical Committee** input and oversight
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Sovereign Metals Limited (ASX:SVM; AIM:SVML; OTCQX:SVMLF) (Sovereign or the Company) is pleased to announce confirmation of the mining method and completion of the mining fleet design for the Kasiya Rutile-Graphite Project (**Kasiya or the Project**) in Malawi, representing another significant milestone in the ongoing Definitive Feasibility Study (**DFS**).

The Company has finalised the selection of mining equipment specifically designed for large-scale dry mining operations at Kasiya. Following the successful 2024 pilot phase mining trials that confirmed Kasiya ore can be efficiently mined using conventional dry mining techniques, the comprehensive fleet design encompasses both primary mining operations and support activities across the Project's proposed initial 25-year life of mine.

The dry mining approach, detailed in the Company's recent Optimised Pre-feasibility Study (**OPFS**), will deliver superior project delivery, operational flexibility, and environmental outcomes (refer to announcement "Kasiya - Optimised PFS Results" dated 22 January 2025). The fleet deployment follows a strategic phased approach, with a total of ~200+ equipment units to be purchased over the mine life, including replacements.

Sovereign Metals CEO, Mr Frank Eagar, commented: "The successful validation of our dry mining approach through comprehensive pilot phase trials has enabled us to design a fleet that delivers on our commitment to industry-leading low operating costs while maintaining exceptional operational flexibility and reliability.

The strategic phased deployment demonstrates our disciplined approach to capital allocation and operational efficiency. Our dragline-based dry mining method offers superior safety, operational flexibility and environmental outcomes, while our multi-supplier strategy ensures competitive procurement and ongoing support. This milestone brings us closer to our DFS completion and demonstrates the systematic progress we are making across all work streams."

The Company has conducted a comprehensive market analysis and identified leading global equipment manufacturers as potential suppliers, including Caterpillar Inc. (**CAT**), Komatsu Ltd. (**Komatsu**), Liebherr Group (**Liebherr**), Hitachi, Ltd. (**Hitachi**), and Volvo Group (**Volvo**).

MAJOR EQUIPMENT CATEGORIES

The mining fleet has been designed to support the Project's large-scale, low-cost mining operation and includes:

Primary Mining Equipment

- **Draglines** (350t) - three units total with Liebherr identified as potential supplier, ramping from one unit in Year 1 to two units for full (steady-state) operations,
- **Large Excavators** ($\pm 230t$) - six units total with multiple supplier options including CAT, Liebherr, Komatsu and Hitachi, scaling from one unit initially to two units at full production,
- **Mine Trucks** (777 class or equivalent) - 51 units total, representing the largest fleet component, growing from six units in Year 1 to a peak of 21 units, and
- **Front End Loaders** (100t) - eight units total for material handling, doubling from two to four units at steady-state operations.

Support Equipment

- **Dozers and Graders** - 18 units combined for site preparation and maintenance,
- **Articulated Dump Trucks** (40t) - 21 units across various applications, including drainage, water trucks and service vehicles, and
- **Light Vehicles and Ancillary Equipment** - 68 units supporting operations, scaling from 12 units initially to 24 units for full operations.

SUPPLIER IDENTIFICATION

The Company has identified leading global equipment manufacturers as potential suppliers, including:

- CAT - Primary supplier across multiple equipment categories,
- Komatsu - Major supplier for excavators, trucks and support equipment,
- Liebherr - Specialist supplier for draglines and excavators,
- Hitachi - Supplier for excavators and support equipment, and
- Volvo, Bell - Additional suppliers for specific equipment categories.

This multi-supplier approach ensures competitive procurement, equipment availability and ongoing support throughout the proposed 25-year project lifecycle, with strategic timing of equipment deployment to match production requirements and optimise capital efficiency.



Figure 1: Example of a dragline excavator in action (Source: Liebherr)



Figure 2: Komatsu large mining excavator loading a mining truck (Source: Komatsu)



Figure 3: Cat® 777 100-ton mining trucks in action (Source: CAT)



Figure 4: Volvo articulated dump truck (Source: Volvo)

DRY MINING OPERATIONS

The fleet design is underpinned by the successful completion of large-scale dry mining trials during the pilot phase, which confirmed that Kasiya's soft, friable saprolite-hosted mineralisation can be efficiently extracted using conventional dry mining methods. The trials, conducted on a 120m x 110m test pit excavated to 20m depth, demonstrated that no drilling, blasting, crushing, grinding or milling is required before processing the run-of-mine material.

Based on comprehensive evaluation criteria including safety, technical risk factors, operational flexibility, infrastructure requirements, and capital and operating costs, dragline mining was selected as the optimal method for Kasiya's planned large-scale operation. The dragline approach offers predominantly single-bench digging operations with extended reach capabilities, resulting in fewer relocation operations and more consistent material blending compared to alternative mining methods.

The dry mining fleet design directly supports the project's targeting of industry-leading low operating costs and positions Kasiya as a long-life, large-scale operation capable of meeting growing global titanium feedstock and graphite demand.



Figure 5: Trial Mining operations at Kasiya during the 2024 pilot phase

DFS PROGRESSION

The completion of mining fleet design represents a critical component of the DFS work program, building on previous milestones including geotechnical investigations, continued product testwork, and signing of a memorandum of understanding regarding power supply, with the Electricity Supply Corporation of Malawi (**ESCOM**).

The DFS continues to progress including:

- process plant design optimisation,
- infrastructure and logistics planning, and
- environmental and social impact assessments.

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Competent Person Statement

The information in this announcement that relates to the OPFS, including Production Targets, Ore Reserves, Processing, Mine Life, Infrastructure and Capital and Operating Costs is extracted from an announcement dated 22 January 2025, which is available to view at www.sovereignmetals.com.au. Sovereign confirms that: a) it is not aware of any new information or data that materially affects the information included in the original 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 original 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 original announcement.

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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