



NEWS RELEASE | 16 DECEMBER 2025

WORLD BANK GROUP'S IFC TO COLLABORATE WITH SOVEREIGN ON SUSTAINABLE DEVELOPMENT FOR KASIYA

- **Collaboration Agreement signed with International Finance Corporation (IFC), a member of the World Bank Group**, to support the sustainable development of Kasiya.
- **Collaboration with IFC - world's largest global development institution - is expected to lay the foundation for international project financing for Kasiya**, the world's largest rutile and second largest graphite deposit.
- **IFC to provide Environmental & Social expertise**, supplementing Rio Tinto's significant input. The Kasiya Definitive Feasibility Study (DFS) and Environmental and Social Impact Assessment (ESIA) will seek to integrate [IFC's Performance Standards on Environmental and Social Sustainability](#).
- **IFC secures financing rights to fund Kasiya**: right to act as lender, mandated co-lead arranger, and/or investor in securities for project financing. IFC's financing rights are subject to Rio Tinto's rights under the Investment Agreement.
- **IFC is a key investor and development partner for mining projects in emerging markets.**
- **The World Bank Group has a long-standing presence in Malawi**, supporting strategic enabling infrastructure, including transport infrastructure and power, which is expected to benefit Kasiya.

Sovereign Metals Limited (ASX:SVM; AIM:SVML; OTCQX:SVMLF) (Sovereign or the Company) is delighted to announce that it has signed a strategic Collaboration Agreement (**Agreement**) with International Finance Corporation (IFC) to advance the sustainable development of the Company's Kasiya Rutile-Graphite Project (**Kasiya or the Project**) in Malawi. IFC is a member of the World Bank Group (**World Bank**) and the largest global development institution focused on the private sector in developing countries.

In fiscal year 2025, IFC committed a record US 71.7 billion to private companies and financial institutions in developing countries, with a total portfolio of US 68.5 billion as of 30 June 2025, demonstrating its commitment to financing major projects worldwide.

Under the Agreement:

- **IFC will use its expertise to support aligning Kasiya with IFC's environmental, social, and governance standards.** IFC will complement Sovereign's owner's team and supplement Rio Tinto's input for the development of the Environmental and Social Impact Assessment (ESIA) aligned with global best practice sustainability standards.
- **IFC will have rights to finance Kasiya following the collaboration in accordance with the Agreement** and subject to the Rio Tinto's rights under the Investment Agreement. IFC may act as:
 - o Primary lender and/or mandated co-lead arranger for debt financing of the Project;
 - o Lead investor in debt or equity securities financing; and
 - o The term of the Agreement is 36 months (refer below for further details).

IFC's track record demonstrates its commitment to partnering with leading miners, including Sovereign's strategic investor, Rio Tinto, on tier-one projects.

Sovereign's Chairman Ben Stoikovich: *"IFC brings unmatched advantages to Kasiya's development - decades of*

experience in Malawi, including in strategic infrastructure we intend to utilise, established government partnerships, and the institutional credibility that opens doors to international capital markets. This collaboration provides Sovereign with a clear pathway to financing while supporting Kasiya to meet the global standards that institutional investors require."

Sovereign's CEO Frank Eagar commented: *"We are incredibly pleased to get IFC involved at this stage, as this will support our DFS and ESIA efforts to be aligned with IFC's Environmental and Social Performance Standards, seeking to make the Kasiya Project DFS not just feasible but also bankable. Having IFC's support validates Kasiya's exceptional quality and strategic importance and takes us one step closer to project execution. The World Bank Group's support for key enabling infrastructure, including the Nacala transport corridor and the Mpatamanga Hydropower Project, are expected to benefit the Kasiya project."*

IFC'S EXTENSIVE TRACK RECORD WITH WORLD-CLASS MINING ASSETS

IFC (www.ifc.org) has decades of experience in the metals and mining sector, financing some of the world's largest and globally strategic mining projects across all stages, including construction, production, and expansion. As both a long-term equity partner and debt provider to major mining companies, including Sovereign's strategic investor, Rio Tinto, IFC has supported large-scale mine developments and expansions across multiple continents.

WORLD BANK'S STRATEGIC PRESENCE IN MALAWI

The World Bank Group has a significant presence in Malawi through a Country Partnership Framework that supports the government's *Malawi 2063 Vision*. Its activities include financing major enabling infrastructure like the Mpatamanga Hydropower Project, which is Malawi's largest energy infrastructure project to date. IFC also previously played a role in mobilizing financing for the Nacala transport corridor, which extends through Malawi. The Kasiya Project is expected to directly benefit from these strategic infrastructure assets.

COLLABORATION AGREEMENT PARTICULARS

Collaboration Activities

IFC and the Company shall collaborate on the Kasiya Project via the following activities:

- environmental and social review and identification of improvement opportunities, if any;
- meetings with local communities, stakeholders and the Government of Malawi;
- development of an implementation plan to support the Project's alignment with IFC Performance Standards required for a potential IFC funding proposal; and
- support Sovereign until the completion of the ESIA.

IFC Financing Rights

If the Board of Directors of Sovereign resolve to seek funding to finance the construction of Kasiya to achieve first production, the IFC is granted the right to:

- act as lender and/or mandated co-lead arranger in relation to all or a part of any financing of the Project by means of senior, subordinate, mezzanine or any other type of loans and/or the mobilisation from or syndication to third-party lenders of loans to finance the Project; and/or
- act as a subscriber or purchaser in respect of all or a part of any financing of the Project by means of the issuance or sale of senior, subordinate, mezzanine or any other type of debt or equity securities, subject to this right to any Securities Financing not resulting in the IFC exceeding 19.9% of voting power in Sovereign.

If, during the term of the Agreement, Sovereign receives an offer from a third party to fund the construction of Kasiya, IFC has the right to match those terms. The financing rights granted to IFC are subject to the prior rights of Rio Tinto pursuant to the Rio Tinto Investment Agreement.

The term of the Agreement ends on the earlier of the date a financing agreement is entered into with IFC or 3 years from the date of the Agreement.

Either party may terminate the Agreement at any time prior to the end of the term by giving the other party 30 calendar days prior written notice or immediately if there is an event of default. In the case of Sovereign terminating the Agreement or in the case of IFC terminating for Sovereign being in default of the Agreement, Sovereign would be required to pay IFC an amount of up to US 160,000.

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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.

The information contained within this announcement is deemed by Sovereign to constitute inside information as stipulated under the Regulation 2014/596/EU which is part of domestic law pursuant to the Market Abuse (Amendment) (EU Exit) Regulations (SI 2019/310) ("UK MAR"). By the publication of this announcement via a Regulatory Information Service, this inside information (as defined in UK MAR) is now considered to be in the public domain.

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