

KASIYA'S GRAPHITE SUITABLE FOR EXPANDABLE/EXPANDED GRAPHITE MARKETS

- Medium to coarse Kasiya graphite concentrate (>150 microns to >300 microns) has met or exceeded the key specifications required for use as expandable graphite in flame retardants and as expanded graphite in gaskets, seals and brake linings.
- Demand for natural graphite in the expandable and expanded market is approaching 100,000 tonnes per year and is growing at 6%-8% CAGR.¹
- According to Benchmark Mineral Intelligence, 94-95% graphite concentrate usable in the expandable and expanded markets was priced at US\$1,140/t (FOB) in December 2024.
- Overall test work to date demonstrates that Kasiya graphite is suitable for use in the three key segments that account for over 94% of the ~1.6Mtpa global demand for natural flake graphite—battery anodes, refractories and expanded/expandables.²
- Sovereign intends to produce a 96% graphite concentrate at an incremental cost of US\$241/t (FOB) per the recently announced Kasiya Optimised Prefeasibility results.
- Results will be used for customer engagement and potential offtake discussions.

Sovereign Metals Limited (ASX:SVM; AIM:SVML; OTCQX: SVMLF) (Sovereign or the Company) is pleased to announce that further test work completed on graphite from the Company's Kasiya Rutile-Graphite Project (**Kasiya or the Project**) has confirmed Kasiya's graphite has the key characteristics required for use in expandable (fire retardant) and expanded (gaskets, seals, and brake lining) applications. The comprehensive testwork programs were completed by ProGraphite GmbH (**ProGraphite**) and Dorfner Anzaplan (**DorfnerA**) in Germany. The tests confirm that Kasiya medium to coarse flake (>150 microns to >300 microns) achieved very high expansion ratios using standard reagents at room temperature and short durations providing a competitive advantage over other current and potential sources of graphite supply.

Managing Director and CEO Frank Eagar commented: "Our continuous graphite downstream application testing has shown that the high-quality Kasiya concentrate is suitable for the three key natural graphite markets: the high-growth anode materials for graphite fines; the stable and large refractory materials market for coarse flake and the growing expandable and expanded graphite markets for medium to coarse flake.

These results along with our industry-low cost position, offers Kasiya the potential to become the world's dominant natural graphite supplier, whilst remaining a primary rutile project."

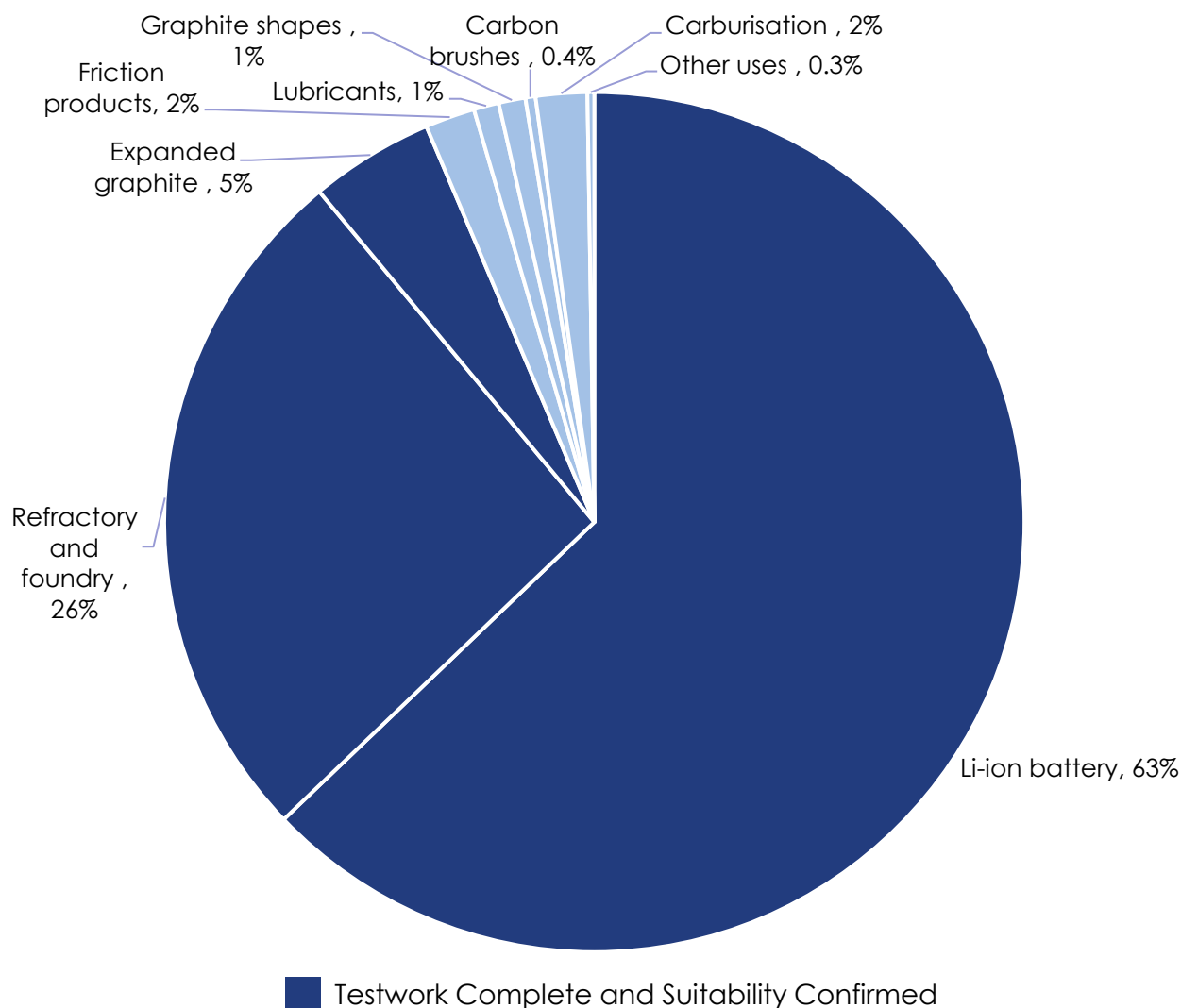


Figure 1: Natural graphite market per application (Benchmark Minerals Intelligence, 2025).

Uses of Expandable and Expanded Graphite

A key use for **expandable graphite** is as a flame retardant. Growth for expandable graphite flame retardants, is driven by concerns over halogen-based flame retardants, which include brominated and chlorinated flame retardants. Many of these chemicals are now recognized as global contaminants and are associated with adverse health effects in animals and humans, including endocrine and thyroid disruption, immunotoxicity, reproductive toxicity, and cancer (National Institute of Health).

In this application, the natural graphite is pre-treated with acid and an oxidizer but not expanded via heat treatment. When exposed to a fire, the expandable graphite swells, forming a protective layer that slows down the fire. Expandable graphite represents a low-cost, good flame retardancy and low smoke generation solution, typically as a filler in polyurethane foams. Flame retardant applications for expandable graphite include the construction industry, chemicals and textiles.



Expanded graphite is used in gaskets, seals, brake linings, bi-polar plates for fuel cells, and thermal management in electronic devices, where the inherent properties of graphite are combined with the flexibility of expanded graphite.

Expandable and Expanded Application Test Work Results

Flake graphite concentrate generated from Kasiya ore was tested for expandable/expanded graphite applications at two leading European laboratories (ProGraphite and DorfnerA).

ProGraphite achieved expansion volumes of 320cm³/g and 355cm³/g for >180 microns concentrate and >300 microns concentrate respectively using standard reagents and conditions, above the typical minimum requirements of 250cm³/g and 350cm³/g respectively for these size fractions.

Optimisation testing of >150 microns concentrate at DorfnerA achieved a very high expansion volume of 650cm³/g, using standard reagents and short duration testing at room temperature - Figure 2. The results indicate the potential to tailor expansion volumes to application requirements and the ability to achieve high expansion volumes when required.

The results will be used for customer engagement and advancing offtake discussions for Kasiya's medium to coarse flake.

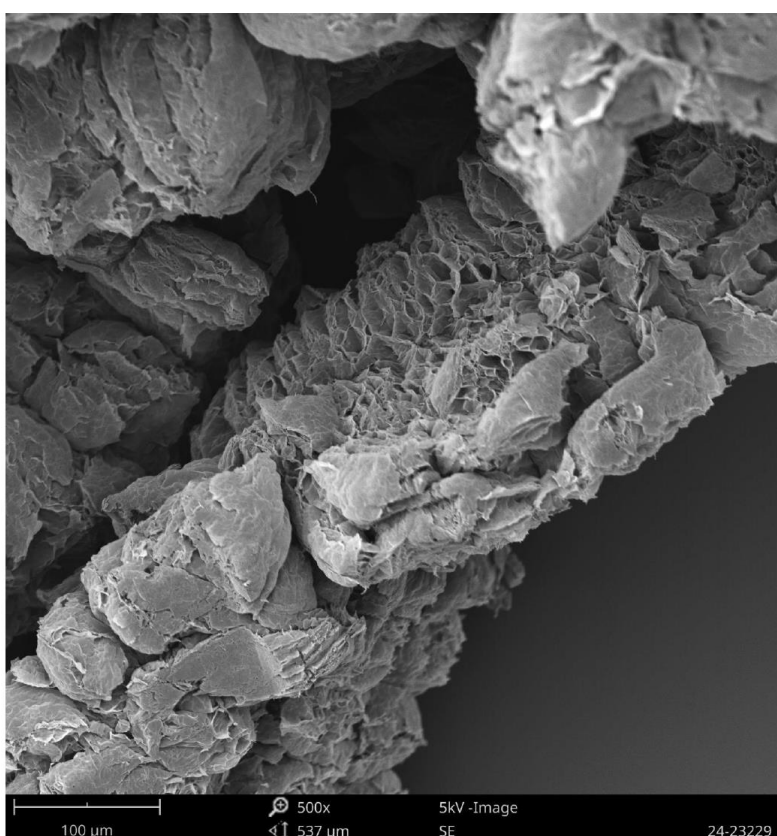


Figure 2: Scanning Electron Microscopy (SEM) of optimised expanded graphite, achieving 650cm³/g expansion volume.



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Competent Person Statement

The information in this report that relates to Metallurgical Testwork is based on information compiled by Dr Surinder Ghag, PhD., B. Eng, MBA, M.Sc., who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Dr Ghag is engaged as a consultant by Sovereign Metals Limited. Dr Ghag has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Ghag consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Mr Malcolm Titley, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Titley consults to Sovereign Metals Limited and is a holder of ordinary shares and unlisted performance rights in Sovereign Metals Limited. Mr Titley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Titley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to operating costs and graphite marketing 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.

This announcement has been approved and authorised for release by the Company's Managing Director & CEO, Frank Eagar.

Sources

¹ Fastmarkets, Lucintel.

² U.S. Geological Survey, Benchmark, S&P Global.



Appendix 1: JORC CODE, 2012 EDITION – TABLE 1

SECTION 1 - SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling Techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Metallurgical Composite Sample: The sample was a composite of multiple hand anger drill samples drilled in 2022 and 2023. Dilling of these samples was within the Kingfisher pit. Clusters of holes were drilled in eight locations. Block 15 Site 1 - PT15BLK00143 - PT15BLK00152 (Hole ID: NSPT0017 – refer ASX Announcement dated 15/03/2022) Block 15 Site 2 - PT15BLK00125 - PT15BLK00142 (Hole ID: KYAC0149 – refer ASX Announcement dated 30/01/2023) Block 15 Site 3 - PT15BLK00103 - PT15BLK00124 (Hole ID: KYAC0142 – refer ASX Announcement dated 30/01/2023) Block 15 Site 4 - PT15BLK00075 - PT15BLK00094, PT15BLK00124, PT15BLK00134 (Hole ID: KYAC0025 – refer ASX Announcement dated 8/09/2022) Block 15 Site 5 - PT15BLK00061 - PT15BLK00074, PT15BLK00099 - PT15BLK00102, PT15BLK00106 - PT15BLK00108 (Hole ID: KYAC0088 – refer ASX Announcement dated 26/10/2022) Block 15 Site 6 - PT15BLK00035 - PT15BLK00060, PT15BLK00076 - PT15BLK00077, PT15BLK00095 - PT15BLK00098, PT15BLK00114 - PT15BLK00117 (Hole ID: KYAC0090 – refer ASX Announcement dated 26/10/2022) Block 15 Site 7 - PT15BLK00013 - PT15BLK00014, PT15BLK00022 - PT15BLK00034 (Hole ID: KYAC0091 – refer ASX Announcement dated 26/10/2022) Block 14 Site 8 – PT15BLK00003 - PT15BLK00012, PT15BLK00015 - PT15BLK00021, PT15BLK00036 - PT15BLK00039 (Hole ID: KYAC0079 – refer ASX Announcement dated 26/10/2022) All samples within the pit shell were added to the composite resulting in a sample of 15,766kg. Samples were processed separately for the eight locations through Sovereign's Malawi metallurgical laboratory. The following workflow was used to generate a pre-concentrate graphite feed: • Wet screen at 2mm to remove oversize • Dry screen at 1mm to remove oversize • Wet screen at 600µm • Wet screen at 45µm to remove -45µm material • Pass +45µm -600µm (fine sand) fraction over laboratory wet shaking table to produce a heavy mineral concentrate, light middling and wet table tailings which is the graphite concentrate. • The +45µm -600µm (fine sand) graphite concentrate and <1000µm >600µm screen fraction were combined to provide flotation feed. The >1000µm fraction was not included. • Flotation was performed at Maelgwyn in Johannesburg. • Fine and coarse gravity tailing samples contain approximately 75%-80% of the graphite present in the feed sample. The majority of the graphite lost is contained in the -45µm fines.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Placer Consulting (Placer) Resource Geologists have reviewed Standard Operating Procedures (SOPs) for the collection of HA and PT drill samples and found them to be fit for purpose. Drilling and sampling activities are supervised by a suitably qualified Company geologist who is present at all times. All bulk 1-metre drill samples are geologically logged by the geologist at the drill site.



		The primary metallurgical composite sample is considered representative for this style of mineralisation.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	HA drilling was used to obtain samples. The bulk metallurgical sample was a composite of selected samples from routine resource drilling. Existing rutile and graphite exploration results were used to determine the 1-metre intervals suitable to contribute to the two bulk sample composites.
Drilling Techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Hand-auger drilling is completed with 75mm diameter enclosed spiral bits with 1-metre long steel rods. Each 1m of drill sample is collected into separate sample bags and set aside. The auger bits and flights are cleaned between each metre of sampling to avoid contamination. Placer has reviewed SOPs for hand-auger drilling and found them to be fit for purpose and support the resource classifications as applied to the MRE.
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	The configuration of drilling and nature of materials encountered results in negligible sample loss or contamination. Samples are assessed visually for recoveries. Overall, recovery is good. Drilling is ceased when recoveries become poor generally once the water table has been encountered. Auger drilling samples are actively assessed by the geologist onsite for recoveries and contamination.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The Company's trained geologists supervise auger drilling on a 1 team 1 geologist basis and are responsible for monitoring all aspects of the drilling and sampling process.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No bias related to preferential loss or gain of different materials has occurred.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation mining studies and metallurgical studies.	All individual 1-metre auger intervals are geologically logged, recording relevant data to a set template using company codes.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	All logging includes lithological features and estimates of basic mineralogy. Logging is generally qualitative.
	The total length and percentage of the relevant intersection logged	100% of samples are geologically logged.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Not applicable – no core drilling conducted.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Primary individual 1-metre samples from all HA and PT holes drilled are sun dried, homogenised and riffle split.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Metallurgical Composite Sample: Full length of the Hand Auger Holes were processed in total 15,767kg. Graphite concentrate sent to Maelgwyn was ~4800kg



	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The sample preparation techniques and QA/QC protocols are considered appropriate for the nature of this test-work.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	The sampling best represents the material in situ.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample size is considered appropriate for the nature of the test-work.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	Metallurgical Composite Sample: The following workflow was used to generate a graphite product; - o Rougher graphite flotation - o Polishing grind of rougher graphite concentrate - o Primary cleaner flotation milled rougher concentrate - o Attrition milling of primary cleaner concentrate - o Secondary cleaning of attritioned primary cleaner concentrate - o Attrition milling of secondary cleaner concentrate - o Tertiary cleaner flotation of attritioned secondary cleaner concentrate - o Final concentrate dewatering, drying and sizing
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Acceptable levels of accuracy and precision have been established. No handheld methods are used for quantitative determination.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicate, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Acceptable levels of accuracy and precision have been established in the preparation of the bulk sample composites.
Verification of sampling & assaying	The verification of significant intersections by either independent or alternative company personnel.	No drilling intersections are being reported.
	The use of twinned holes.	No twin holes completed in this program.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All data was collected initially on paper logging sheets and codified to the Company's templates. This data was hand entered to spreadsheets and validated by Company geologists.
	Discuss any adjustment to assay data.	No adjustment to assay data has been made.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	A Trimble R2 Differential GPS is used to pick up the collars. Daily capture at a registered reference marker ensures equipment remains in calibration. No downhole surveying is completed. Given the vertical nature and shallow depths of the holes, drill hole deviation is not considered to significantly affect the downhole location of samples.
	Specification of the grid system used.	WGS84 UTM Zone 36 South.
	Quality and adequacy of topographic control.	DGPS pickups are considered to be high quality topographic control measures.
Data spacing & distribution	Data spacing for reporting of Exploration Results.	Metallurgical Composite Sample: The hand-auger holes contributing to this metallurgical were selected from pit area Kingfisher and broadly represent early years of mining as contemplated in the OPFS (Approximately the first three years). It is deemed that these holes should be broadly representative of the mineralisation style in the general area.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not applicable, no Mineral Resource or Ore Reserve estimations are covered by new data in this report.



	Whether sample compositing has been applied.	Metallurgical Composite Sample: The sample was composited as described under Sampling Techniques in this Table.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known considering the deposit type	No bias attributable to orientation of sampling has been identified.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	All holes were drilled vertically as the nature of the mineralisation is horizontal. No bias attributable to orientation of drilling has been identified.
Sample security	The measures taken to ensure sample security	Samples are stored in secure storage from the time of drilling, through gathering, compositing and analysis. The samples are sealed as soon as site preparation is complete. A reputable international transport company with shipment tracking enables a chain of custody to be maintained while the samples move from Malawi to Johannesburg. Samples are again securely stored once they arrive and are processed at Maelgwyn. Graphite concentrate samples were shipped to German laboratories using a reputable international transport company with shipment tracking to enable a chain of custody to be maintained while the samples moved from Johannesburg to Germany. Concentrate samples are securely stored once they arrive and are processed in Germany. At each point of the sample workflow the samples are inspected by a company representative to monitor sample condition. Each laboratory confirms the integrity of the samples upon receipt.
Audits or reviews	The results of any audits or reviews of sampling techniques and data	It is considered by the Company that industry best practice methods have been employed at all stages of the exploration. Malawi Field and Laboratory visits have been completed by Richard Stockwell in May 2022. A high standard of operation, procedure and personnel was observed and reported.

SECTION 2 - REPORTING OF EXPLORATION RESULTS

Criteria	Explanation	Commentary
Mineral tenement & land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environment settings.	The Company owns 100% of the following Exploration Licences (ELs) under the Mines and Minerals Act 2019 (Malawi), held in the Company's wholly-owned, Malawi-registered subsidiaries: EL0609, EL0582, EL0492, EL0528, EL0545, EL0561, EL0657 and EL0710. A 5% royalty is payable to the government upon mining and a 2% of net profit royalty is payable to the original project vendor. No significant native vegetation or reserves exist in the area. The region is intensively cultivated for agricultural crops.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing and no known impediments to exploration or mining exist.
Exploration done by other parties	Acknowledgement and appraisal of exploration by other parties.	Sovereign Metals Ltd is a first-mover in the discovery and definition of residual rutile and graphite deposits in Malawi.
Geology	Deposit type, geological setting and style of mineralisation	The rutile deposit type is considered a residual placer formed by the intense weathering of rutile-rich basement paragneisses and variable enrichment by eluvial processes. Rutile occurs in a mostly topographically flat area west of Malawi's capital, known as the Lilongwe Plain, where a deep tropical weathering profile is preserved. A typical profile from top to base is generally soil ("SOIL", 0-1m) ferruginous pedolith ("FERP", 1-4m), mottled zone ("MOTT", 4-7m), pallid



		saprolite ("PSAP", 7-9m), saprolite ("SAPL", 9-25m), saprock ("SAPR", 25-35m) and fresh rock ("FRESH" >35m). The low-grade graphite mineralisation occurs as multiple bands of graphite gneisses, hosted within a broader Proterozoic paragneiss package. In the Kasiya areas specifically, the preserved weathering profile hosts significant vertical thicknesses from near surface of graphite mineralisation.
Drill hole information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northings of the drill hole collar; elevation or RL (Reduced Level-elevation above sea level in metres of the drill hole collar); dip and azimuth of the hole; down hole length and interception depth; and hole length	All intercepts relating to the Kasiya Deposit have been included in public releases during each phase of exploration and in this report. Releases included all collar and composite data and these can be viewed on the Company website. There are no further drill hole results that are considered material to the understanding of the exploration results. Identification of the broad zone of mineralisation is made via multiple intersections of drill holes and to list them all would not give the reader any further clarification of the distribution of mineralisation throughout the deposit.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case	No information has been excluded.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high-grades) and cut-off grades are usually Material and should be stated.	No data aggregation was required.
	Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No data aggregation was required.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable
Relationship between mineralisation widths & intercept lengths	These relationships are particularly important in the reporting of Exploration Results.	The mineralisation has been released by weathering of the underlying, layered gneissic bedrock that broadly trends NE-SW at Kasiya North and N-S at Kasiya South. It lies in a laterally extensive superficial blanket with high-grade zones reflecting the broad bedrock strike orientation of ~045° in the North of Kasiya and 360° in the South of Kasiya. No drilling intercepts are being reported.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	The mineralisation is laterally extensive where the entire weathering profile is preserved and not significantly eroded. Minor removal of the mineralised profile has occurred where alluvial channels cut the surface of the deposit. These areas are adequately defined by the drilling pattern and topographical control for the resource estimate.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'.	No drilling intercepts are being reported.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of the drill collar locations and appropriate sectional views.	The original exploration results and plan view of the drill holes for the samples used in relation to the metallurgical composite test work conducted in this announcement, are included in Sovereign's announcements dated 15 March 2022, 8 September 2022, 26 October 2022 and 30 January 2023. These announcements are accessible on the Company and ASX websites.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high-grades and/or widths should be practiced to avoid misleading reporting of exploration results.	All results are included in this report and in previous releases. These are accessible on the Company's webpage.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to: geological observations; geophysical survey results; geochemical survey results; bulk samples	Limited lateritic duricrust has been variably developed at Kasiya, as is customary in tropical highland areas subjected to seasonal wet/dry cycles. Lithological logs record drilling refusal in just under 2% of the HA/PT drill



	- size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	database. No drilling refusal was recorded above the saprock interface by AC drilling. Sample quality (representivity) is established by geostatistical analysis of comparable sample intervals.
Further work	The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large-scale step-out drilling).	Having recently completed an OPFS, the Company is working towards completing a definitive feasibility study.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to diagrams and plan views disclosed in previous announcements. These are accessible on the Company's website as discussed above.