

KEY MANAGEMENT APPOINTMENTS TO DRIVE PROJECT OPTIMISATION AND DEVELOPMENT AT KASIYA

- Appointment of experienced African based mining executive, Mr Frank Eagar, as the new Managing Director and CEO
- Existing Managing Director Dr Julian Stephens to transition to Non-Executive Director
- Key technical appointments of experienced African engineering, social and environmental teams to work on project optimisation and advancing the development of the Kasiya Project
- Management changes bring a strong track record of successful large-scale project development in southern Africa

Sovereign Metals Limited (ASX:SVM; AIM:SVML) (the **Company** or **Sovereign**) is pleased to announce the appointment of Mr Frank Eagar as Managing Director and Chief Executive Officer (**CEO**), effective from 20 October 2023.

Mr Eagar has over 20 years' experience in the financing, permitting, development and operation of mining projects with a strong focus in southern Africa.

Mr Eagar is a Chartered Accountant who has gained extensive corporate, commercial and technical experience in the mining sector throughout his career. Mr Eagar has previously held a number of senior executive positions in the resources sector, more recently with African mining focused private equity firm AMED Funds, which included acting as Chief Financial Officer (**CFO**) for AMED's controlled company, Central Copper Resources PLC (**Central Copper**).

Prior to Central Copper, Mr Eagar was the CEO (and prior to that the CFO) of Baobab Steel Limited (**Baobab**) another AMED controlled company, where he managed the completion of a Definitive Feasibility Study (**DFS**) and a joint venture with the World Bank's IFC to procure strategic investors and raise project finance for Baobab's US\$1 Billion, fully permitted, integrated 500ktpa Steel and Vanadium Project in Mozambique.

Mr Eagar joined Sovereign in December 2022 as General Manager in Malawi, where he has already expanded the team with a focus on Malawian nationals, developed strong relationships with Government and demonstrated a clear understanding of the Kasiya Project and its development landscape.

Sovereign has also made several key technical appointments as the Company transitions into project optimisation and development of the Kasiya Project and is poised to become a significant supplier of natural rutile and graphite. These key appointments bring a strong track record of successful large-scale project development and operations management, as well as extensive experience in southern Africa.

These management changes come at an important time for the Company as it transitions from the Pre-Feasibility Study (**PFS**) into the next phase of project optimisation, community and stakeholder engagements and ultimately the completion of a DFS.

Effective from 20 October 2023 current Managing Director, Dr Julian Stephens, will transition to a Non-Executive Director of Sovereign, remaining as a consultant assisting and supporting the incoming technical and management team.

Dr Stephens has been Managing Director of Sovereign since June 2016 and has been instrumental in the Company's growth and development. He first identified rutile mineralisation in Malawi and then led the team that discovered Sovereign's world-class Kasiya rutile-graphite deposit.

The Board would like to take this opportunity to thank Dr Stephens for his significant contribution to the Company and look forward to his continual involvement with Sovereign as the Company continues the development of the Kasiya Project.

Dr Julian Stephens commented: *"It has been a privilege to lead Sovereign through the discovery and early study phases and it is now a logical time for leadership transition as the Company continues through the next phases of development. I am extremely proud of the significant achievements our team has accomplished during my time. With the appointment of Frank as MD and CEO, plus the technical team enhancements, I am confident that the Company is in very good hands and in a strong position to establish itself as a globally significant supplier of natural rutile and graphite."*

Incoming Managing Director, Mr Frank Eagar commented: *"Securing Rio Tinto as a strategic investor alongside the completion of the high-quality PFS, provides the foundation for what will be an extremely exciting time in the Company's development story. I am very honoured and look forward to taking on my new role as MD and CEO. The Kasiya Project is multi-generational, has the potential to deliver a valuable, long-term source of low-CO₂ critical minerals and generate substantial economic and socio-economic returns."*

Sovereign's Chairman Ben Stoikovich commented: *"Today's management changes and appointments mark a pivotal step for the Company as it lays the foundation for project optimisation and development. With Rio Tinto's investment and the release of a world-class PFS, the Company is entering an exciting new phase. I would like to thank outgoing MD, Julian Stephens, who has done a tremendous job in the discovery of Kasiya, a truly once-in-generation deposit, and growing Sovereign to where it is today. The Company is looking forward, in collaboration with Rio Tinto, to conducting the optimisation review, progressing to the Definitive Feasibility Study and delivering the significant potential of Kasiya to all stakeholders."*

Details of Mr Eagar's remuneration are included in Appendix A.

ENQUIRIES

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APPENDIX A – TERMS AND CONDITIONS OF APPOINTMENTS

Mr Frank Eagar

Mr Eagar will be engaged as Managing Director and Chief Executive Officer under an employment agreement that can be terminated with six (6) months written notice, or payment in lieu thereof. Mr Eagar will be paid fees of US\$296,000 per annum and be entitled to a discretionary bonus of up to US\$74,000 per annum upon the achievement of relevant key performance indicators to be determined by the Board. Mr Eagar will also be granted with the following long-term incentives under the Company's Shareholder approved Long-term Equity Incentive Plan:

- 300,000 performance rights that vest upon satisfaction of the DFS Milestone, expiring 31 October 2025;
- 500,000 performance rights that vest upon satisfaction of a Grant of Mining Licence Milestone, expiring 31 March 2026; and
- 700,000 performance rights that vest upon satisfaction of a Final Investment Decision Milestone, expiring 30 June 2026.

Dr Julian Stephens

Dr Stephens will step down to Non-Executive Director and will also be engaged under a consulting agreement for technical and transition services that can be terminated with one month's written notice. Dr Stephens will be entitled to receive a daily rate of A\$2,000 under the consulting agreement.

Incentive Securities

Subject to shareholder approval at the upcoming the Company's Annual General Meeting on 24 November 2023, the Company will issue the following performance rights to Directors (and others):

	Tranche 1 – DFS Milestone (expiring 31 October 2025)	Tranche 2 – Grant of Mining Licence Milestone (expiring 31 March 2026)	Tranche 3 – Final Investment Decision Milestone (expiring 30 June 2026)
Benjamin Stoikovich	-	350,000	500,000
Mark Pearce	-	250,000	400,000
Nigel Jones	-	100,000	150,000
Other key employees and consultants	1,150,000	2,400,000	2,950,000

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 ASX Announcement has been approved and authorised for release by the Company's Board of Directors.