

RESPONSE TO MEDIA SPECULATION

Sovereign Metals Limited (ASX:SVM; AIM:SVML; OTCQX: SVMLF) (Sovereign or the Company) notes today's media speculation including an article in the Australian Financial Review on Monday 24 March 2025 in respect of a potential capital raising by the Company.

The Company confirms that it has engaged Petra Capital as Lead Manager and Sole Bookrunner to raise A\$40m via a placement at A\$0.85 per share (**Fundraise**). Funds raised will be applied to the Kasiya Rutile Graphite Project's development costs including permitting, studies and other costs and working capital and offer costs. There can be no certainty that the Fundraise will complete, nor as to the final structure or terms of any such Fundraise.

The Company's shares on the Australian Securities Exchange (**ASX**) will continue to be in a voluntary trading halt until the earlier of an announcement to the market regarding the results of the capital raising or the opening of trade on ASX on Wednesday, 26 March 2025.

Trading in the Company's ordinary securities will continue to trade as normal on AIM, a market operated by the London Stock Exchange, during this period. Further announcements will be made as appropriate.

Enquiries

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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.

This announcement has been authorised for released by the Company Secretary.