

11 September 2025

Fortuna to Acquire Mkanda and Kampini Rutile Projects in Malawi

Highlights

- Acquisition of two granted exploration licences forming the Mkanda and Kampini Projects, located in the emerging new major rutile province in Malawi, Africa
- The projects sit adjacent to Sovereign Metals Limited's (ASX: SVM) tier one Kasiya rutile and flake graphite deposit, 1,809Mt @ 1% Rutile and 1.4% Graphite (TGC%)¹
- Rutile is the purest high grade natural mineral of titanium
- Titanium is critical for future-facing sectors, with demand expected to grow driven by applications in robotics, aerospace, defence applications and advanced manufacturing
- Malawi is considered a stable democratic nation in Africa
- Excellent surrounding infrastructure, including sealed roads and rail to deep water port
- Appointment of Tom Langley as CEO

Fortuna Metals Limited (ASX: FUN) (Fortuna or the Company) is pleased to advise it has entered into a binding agreement to acquire 100% of the issued capital of a holding company which holds a 100% interest in two granted exploration licences forming the Mkanda and Kampini Projects (Projects) highly prospective for rutile and graphite (Acquisition).

The Mkanda and Kampini Projects are located in the emerging rutile province in Malawi, Africa and cover an area of 658sqkm.

In conjunction with the Acquisition, Fortuna is pleased to announce the appointment of Tom Langley as Chief Executive Officer (CEO). Mr. Langley has extensive experience in both exploration and mining geology, including overseeing large scale resource definition drill programs, early-stage project evaluation, project generation and grassroots exploration programs across multiple commodities and deposit types.

Commenting on the Acquisition, Mr. Langley said *"I am looking forward to the opportunity to lead the Company with the aim of making a major rutile and graphite discovery in the emerging Malawi rutile province. The projects cover some of the most prospective geology outside of Sovereign's Kasiya deposit, which hosts the world's largest rutile and second largest flake graphite resource. With our licences covering the continuation of the geology observed at Sovereign, I believe this acquisition is an exceptional opportunity that presents compelling exploration upside and I look forward to commencing our exploration programs of soil and hand auger sampling as soon as possible."*

Projects Background

The Mkanda and Kampini Projects are located to the south of Sovereign Metals Limited's (ASX: SVM) world class Kasiya rutile project, the largest rutile and the second largest flake graphite deposit in the world¹.

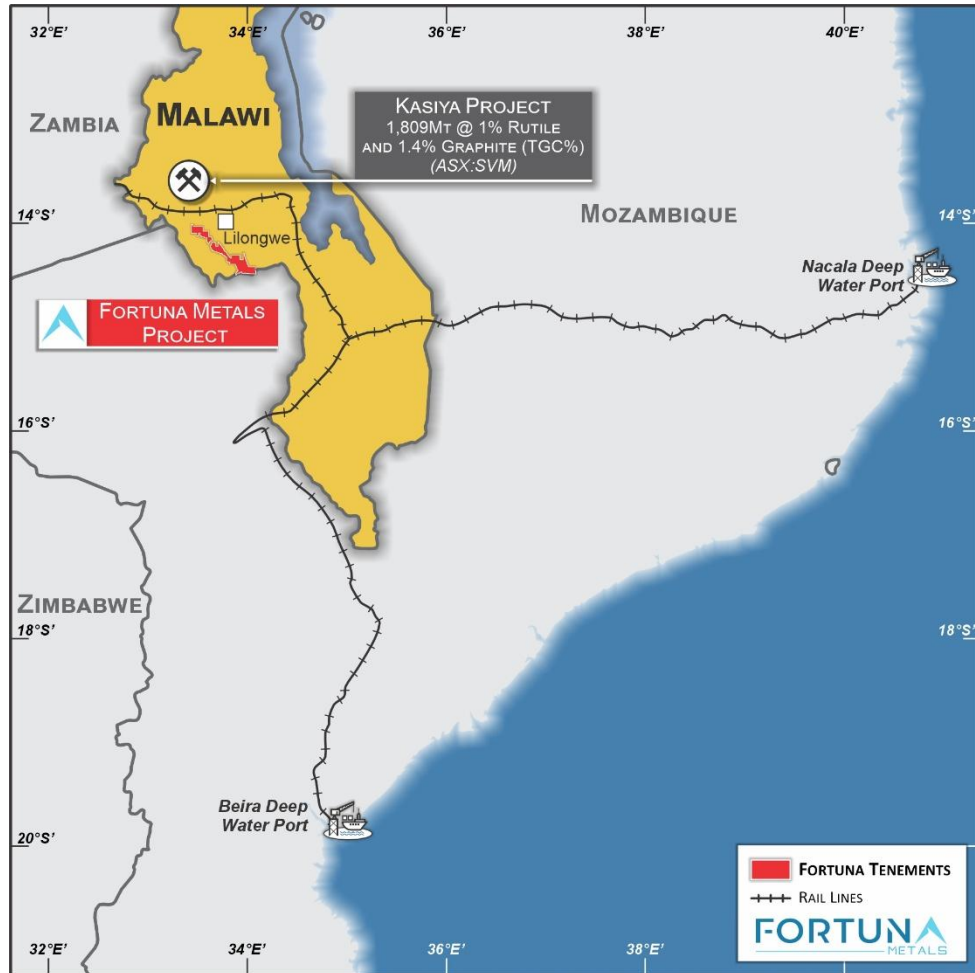


Figure 1. Locations of the Projects in Malawi, Africa.

The areas of the Projects cover the same basement rock unit that hosts the rutile and graphite at Kasiya. The high-grade rutile deposit at Kasiya is best described as a residual placer or eluvial heavy mineral deposit. The enrichment of rutile into economic mineralisation is a result of weathering of the primary host rock and concentration, in-place of heavy minerals, as opposed to the high energy transport and concentration of heavy minerals in a traditional placer. The enrichment stage came as tropical weathering during the Tertiary depleted the top ~5 to 10m of physically and chemically mobile minerals. This caused significant volume loss and concurrent concentration of heavy minerals including rutile.

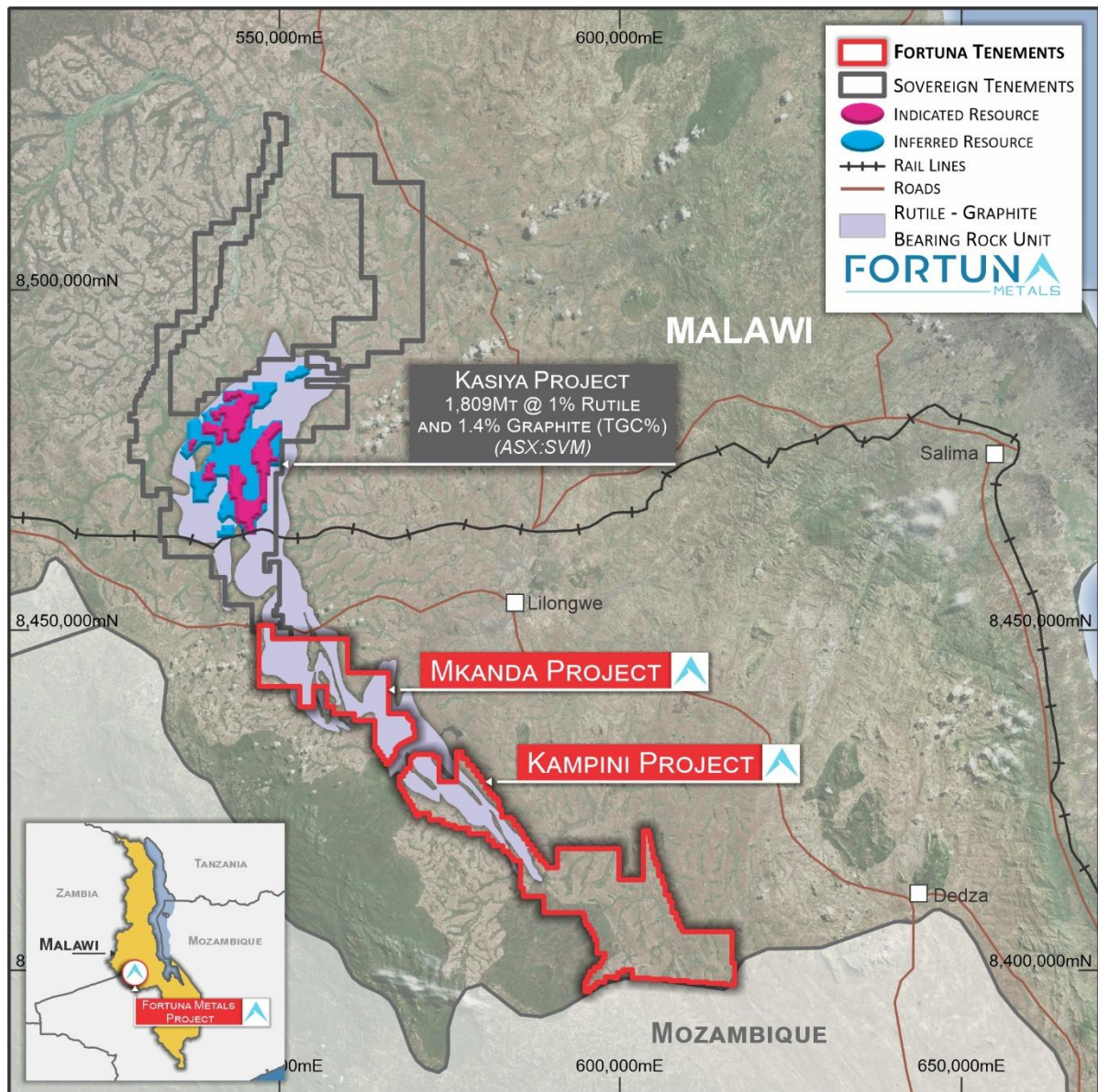


Figure 2. Projects geology map.

Next steps: Exploration Plan

It is proposed that exploration on the Projects over the next 12 months will occur in two phases. The first phase of exploration will include soil sampling of known target areas as well as hand auger drilling. The second phase of exploration will include the purchase and reprocessing of existing geophysical data from the Malawian government and assessment of past exploration reports, geophysical data and the results from phase one soil sampling and hand auger programs, which will be used to design a larger phase two hand auger drilling program. It is expected that approximately 250 soil samples and 64 hand auger drill holes (for approximately 640m of drilling) will be completed in the phase one program. Following positive results from phase one, subsequent exploration programs will be greatly expanded.

Appointment of Tom Langley as Chief Executive Officer

The Company is also pleased to announce the appointment of Mr Thomas Langley as Chief Executive Officer (CEO) of the Company, effective immediately.

Mr. Langley holds a BSc Geology from the University of Western Australia and a MSc Economic Geology from the University of Tasmania (CODES). He has worked for several resource companies including BHP Nickel West, Northern Star Resources and Creasy Group.

Mr. Langley has extensive experience in both exploration and mining geology, including overseeing large scale resource definition drill programs, early-stage project evaluation, project generation and grassroots exploration programs across multiple commodities and deposit types.

Mr. Langley is currently a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM), the Australian Institute of Company Directors (MAICD) and the Australian Institute of Geoscientists (MAIG). The material terms of Mr Langley's appointment are set out in Schedule 1.

Material Terms of the Acquisition

The Company has entered into a share sale agreement to purchase 100% of the issued capital in Ice Shelf Resources Pty Ltd which, via its wholly owned subsidiary Ice Breaker Limited (Malawi), owns the granted Kampini Exploration Licence (EL0840-25) and Mkanda Exploration Licence (EL0839-25), forming the Mkanda and Kampini Projects.

The material terms of the Acquisition are set out below:

- (a) in consideration for the Acquisition, the Company will:
 - (i) issue 55,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) and 55,000,000 performance shares in the Company (**Performance Shares**) to the shareholders of the holding company (together, the **Consideration Securities**); and
 - (ii) make a cash payment of \$100,000, as reimbursement of costs incurred on the Projects to date.
- (b) there is an existing 1.5% gross revenue royalty in place on the Projects, which the Company will assume as part of the Acquisition.
- (c) the Consideration Securities will be subject to voluntary escrow on the basis that one third is subject to escrow for 6 months and one third is subject to escrow for 12 months.
- (d) the Performance Shares will be issued in two classes comprising:
 - (i) 27,500,000 Class A Performance Shares which will convert into Shares upon the Company announcing a minimum of five drilling intersections each with an average grade equal to or greater than 1.25% RutEq over a minimum of 8 metres on the Projects (as reported by the Company to the ASX in accordance with the

JORC code), within 4 years of the date of issue of the Class A Performance Shares; and

- (ii) 27,500,000 Class B Performance Shares which will convert into Shares upon the Company delineating a JORC-compliant Inferred Mineral Resource of at least 100 million tonnes with a grade equal to or greater than 1.25% RutEq on the Projects (as reported by the Company to the ASX in accordance with the JORC code), within 4 years of the date of issue of the Class B Performance Shares.
- (e) The conditions precedent to completion of the Acquisition include:
 - (i) completion of technical, financial and legal due diligence by the Company to its satisfaction, noting that the Company has completed initial due diligence to satisfy itself on the merits of the Acquisition;
 - (ii) the Company receiving confirmation from ASX that the proposed terms of the Performance Shares are appropriate and equitable for the purposes of ASX Listing Rule 6.1;
 - (iii) the Company obtaining all necessary shareholder approvals required to complete the Acquisition, including for the issue of the Consideration Securities for the purposes of ASX Listing Rule 7.1; and
 - (iv) the parties obtaining all necessary regulatory and third party approvals to allow the parties to lawfully complete the Acquisition.
- (f) The conditions precedent are to be satisfied (or waived) within 120 business days of signing.
- (g) Completion of the Acquisition is to occur on the date that is 5 business days after the satisfaction (or waiver) of the conditions precedent.

The share sale agreement otherwise contains terms and conditions considered customary for transactions similar to the Acquisition. The Company confirms the entities being acquired are not related parties to the Company and it has completed due diligence to its satisfaction on the entities pursuant to the Acquisition agreement.

Completion of the Acquisition is targeted for early November 2025. The Company confirms that it does not intend to seek any shareholder approvals to proceed to completion of the Acquisition, other than for the issue of the Consideration Securities.

Consultancy Fee

In connection with the Acquisition, the Company intends to seek shareholder approval to issue an entity related to Director, Mr Peter Pawlowitsch, 5,000,000 Shares and 5,000,000 Performance Shares (split equally between, and on the same terms and conditions as, the proposed Classes A and B Performance Shares referred to above) (**Consultancy Securities**), in connection with the work completed by Mr Pawlowitsch in identifying the Acquisition and for facilitating and implementing the transaction.

Shareholder Meeting

The Company anticipates seeking shareholder approval to, amongst other things, issue the Consideration Securities and Consultancy Securities at its Annual General Meeting to be held on or around 31 October 2025.

References

¹ Sovereign Metals Limited (ASX: SVM), Optimised PFS Results dated 22 January 2025. The Kasiya deposit comprises 1,200Mt @ 1.0% TiO₂ and 1.5% TGC and 609Mt @ 0.9% TiO₂ and 1.1% TGC at a 0.7% cut-off as at 5 April 2023.

This announcement has been authorised for release by the Directors of the Company.

For additional information please visit our website at <https://fortunametals.limited/>

CAUTIONARY STATEMENT

This announcement has been prepared by Fortuna Metals Limited. The document contains background Information about Fortuna Metals Limited current at the date of this announcement. The announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement. The announcement is for information purposes only. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

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COMPETENT PERSON'S STATEMENT

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Thomas Langley who is a member of the Australian Institute of Geoscientists (MAIG) and a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Thomas Langley is a full-time employee of Fortuna Metals Limited, and is a shareholder, however Mr Thomas Langley believes this shareholding does not create a conflict of interest, and Mr Langley 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". Mr Langley consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the exploration results in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

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Schedule 1 – Key Terms of Chief Executive Officer Appointment

1. **Position:** Chief Executive Officer (**CEO**).
2. **Commencement Date:** 10 September 2025.
3. **Base Salary:** \$200,000 per annum plus statutory superannuation.
4. **Termination:** Immediately for cause and otherwise on three months' notice by either party
5. **Performance Equity to be issued pursuant to employee incentive plan:**

Number of Performance Rights	Vesting Condition – Performance Targets	Vesting Condition – Continuous Employment (need to still be employed at this date)	Achievement Date
Project performance			
2,000,000	The Company announcing a minimum of five drilling intersections each with an average grade equal to or greater than 1.25% RutEq over a minimum of 8 metres (as reported by the Company to the ASX in accordance with the JORC code)	30 September 2026	30 September 2026
4,625,000	The Company delineating a JORC-compliant Inferred Mineral Resource of at least 100 million tonnes with a grade equal to or greater than 1.25% RutEq (as reported by the Company to the ASX in accordance with the JORC code)	30 September 2027	30 September 2027
4,625,000	The Company completing a positive feasibility study demonstrating a post-tax Net Present Value (NPV) exceeding A\$500m (as reported by the Company to the ASX in accordance with the JORC code)	30 September 2028	30 September 2029
Share price performance – 20-day VWAP above the below price			
2,000,000	The Company achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.075	30 September 2026	30 September 2026
4,625,000	The Company achieving a 20-day VWAP of Shares of at least \$0.15	30 September 2027	30 September 2027
4,625,000	The Company achieving a 20-day VWAP of Shares at least \$0.25	30 September 2028	30 September 2028