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1 December 2023

**Capital Metals plc**

("Capital Metals" or the "Company")

**Reinstatement of Industrial Mining Licences**

[Capital Metals](#) (AIM: CMET), a mineral sands company approaching mine development stage at the high-grade Eastern Minerals Project in Sri Lanka (the "Project"), is pleased to announce that the Geological Survey and Mines Bureau ("GSMB") has today formally reinstated Industrial Mining Licences 16236 and 16237 (the "IMLs") to the Company's Sri Lankan subsidiary, Damsila Exports (Pvt) Limited.

The IMLs had previously been subject to a suspension and notice of cancellation until a statutory appeal ruling, announced on 19 October 2023, ordered them to be reissued.

**Key points:**

- The IMLs were granted for an initial 10-year period from August 2022
- The IMLs were granted pursuant to the approval of an Environmental Impact Assessment ("EIA") in November 2021
- The IMLs cover an initial 16 hectares of land for the commencement of mining activities, including some of the Project's highest-grade resources with grades up to 25% Total Heavy Minerals
- The Coast Conservation and Coastal Resources Management Department ("CCD") in Sri Lanka has today also issued an extension to its permit to mine pursuant to the EIA approval in November 2021, evidencing further in-country support for the Project
- The reinstatement of the IMLs is a key milestone in moving from the previously announced Memorandum of Understanding to the finalisation of negotiations with [LB Group](#) (002601:SHENZHEN; Market Cap: US\$6 billion), the world's No. 1 manufacturer of high-performance titanium dioxide pigments, to unlock the funding for the total capital expenditure for the Project

**Greg Martyr, Executive Chairman, commented:**

*"The reinstatement of the IMLs marks the culmination of over a year's unrelenting efforts to overcome interference by a minority of bad actors who no longer hold their offices. We are working towards execution of the Joint Venture with LB Group to fund the total capital expenditure for one of the highest-grade heavy mineral sands projects globally, with additional upside not yet included in the resource. This will be a significant project to kick-start much needed foreign investment in Sri Lanka's heavy mineral sands mining and export industry which could be a major contributor to rebuilding the economy.*

*We would like to thank the new team at the GSMB for their cooperation in what has been a challenging period after many changes in numerous related government departments in Sri Lanka. We look forward to working constructively with them, as well as the Board of Investment, the CCD, and all other stakeholders, as we progress mine construction planning."*

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**About Capital Metals**

Capital Metals is a UK company listed on the London Stock Exchange (AIM: CMET). We are developing the Eastern Minerals Project in Sri Lanka, approximately 220km east of Colombo, containing industrial minerals including ilmenite, rutile, zircon, and garnet. The Project is one of the highest-grade mineral sands projects globally, with potential for further grade and resource expansion. In 2022, a third-party Preliminary Economic Assessment provided a Project NPV of US\$155-235m based on existing resources, with further identified optimisation potential. We are committed to applying modern mining practices and bringing significant positive benefits to Sri Lanka and the local community. We expect over 300 direct new jobs to be created and over US\$130m in direct government royalties and taxes to be paid.

Visit our website:

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