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26 March 2025

Capital Metals PLC

("Capital Metals" or the "Company")

Drilling Update

Capital Metals (AIM: CMET), a mineral sands company approaching mine development stage at the high-grade Taprobane Minerals Project in Sri Lanka (the "Project"), is pleased to provide the following update on drilling.

Aircore drilling within the Company's northern EL168 area is continuing successfully, focusing first on the Initial Mining Area ("IMA") of the existing 17.2Mt high grade Mineral Resource. The purpose of the drilling is to increase the Mineral Resource, as well as to help with mine planning in particular for the IMA. A total of 380 metres across 41 drillholes have been completed in this programme to date. Previous hand auger drilling used to define the Mineral Resource only went to an average depth of 1.6 metres, whereas the aircore rig in use is drilling to depths of up to 15 metres before intersecting basement lithologies.

The programme includes specific targets of new beach placers at depth and further inland. The Company is pleased to announce that drilling has intersected a second marine sand package considered to have been deposited during the Pleistocene epoch. Estimated heavy mineral grades are high, and work is ongoing to define the extent of this new mineralisation and the impact on the resource within the IMA and across the Project, with more targeted drilling to be planned. All drill samples will be analysed and subsequently domained according to geological formation and updates will be provided when available. By doing this, discrete geo-metallurgical classification can be conducted on the surface (Holocene) and buried (Pleistocene) domains and their individual mineralogical and economic character can be assessed during the optimisation of the resource for mining.

In addition to targeting extensions to the Mineral Resource, the current phase of the drill programme will assist the Company in outlining the perimeters of the IMA, determining optimal locations for mining cells and the location of the Wet Concentrator Plant site. Planned infill drilling will provide greater definition of host material characteristics and mineral grade and assemblage which will increase the certainty of the mine plan and product schedule through different geological domains. The drilling programme is scheduled to continue in a southerly direction with land access in a number of areas already obtained, and an ongoing process to obtain additional land access agreements as and when required.

Greg Martyr, Executive Chairman of Capital Metals, commented:

"Drilling is progressing well with the cooperation and participation of the Geological Survey & Mines Bureau. This drilling campaign is targeted at significantly increasing the size and hopefully grade of the Mineral Resource and is an important component of the plan to reach a Final Investment Decision. It will also assist us in determining the specifics of the mining plan, enhancing our knowledge of the make-up of the products, and dictating where to locate mining cells and to site the plant. We look forward to updating shareholders on further observations in due course with assays targeted to be received over the summer."

Click here to watch a short video message from Stuart Forrester, Chief Operating Officer, at the drill site: https://youtu.be/YWCl_SFA83s?si=JOpBvLMGIwr7_VgW/.

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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 Taprobane 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:
www.capitalmetals.com

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