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29 May 2025

**Capital Metals PLC**

("Capital Metals" or the "Company")

**Up to US 4M Strategic Investment from Significant New Sri Lankan Partners  
&  
MoU for Project Development and Funding**

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 announce a strategic investment of US 2 million by Ambeon Capital PLC ("Ambeon") (a Sri Lankan company) together with an option for a period of 45 days for it or its nominated investors (collectively the "Investors") to invest up to a further US 2 million.

The Investors are seeking to enter the country's mineral sands sector via Capital Metals' Project. Pursuant to Ambeon's investment in the Company, Ambeon and Capital Metals have signed binding subscription and relationship agreements, as well as a non-binding Memorandum of Understanding ("MoU") setting out the key commercial terms upon which they intend to collaborate in the development and operation of the Project.

**Highlights**

- Ambeon to invest US 2 million for 59,701,000 new Ordinary shares at a subscription price of 2.5 pence per share representing 14.1% of Capital Metals' enlarged ordinary share capital ("Ambeon Subscription")
- Option for the Investors for a period of 45 days to invest up to a further US 2 million for 54,274,000 new ordinary shares at a subscription price of 2.75 pence per share, to increase the total Investors' ownership up to 23.5% of the Company's enlarged ordinary share capital ("Ambeon Option")
- Non-binding MoU signed for an agreed path to fund the Project at the Final Investment Decision to commence construction ("FID") pursuant to which Ambeon, with Capital Metals' full cooperation, will seek to:
  - invest, together with other investors, approximately US 10 million in equity for the Company's Sri Lankan Project holding company, Redgate Lanka (Pvt) Limited ("Redgate"), to acquire an aggregate shareholding percentage of 15% of Redgate, which will seek a listing on the Colombo Stock Exchange; and
  - arrange approximately US 10 million in corporate debt for Redgate
- Funding anticipated to be sufficient to complete Stage 1 development phase of the Project at which point it is expected to become self-funding
- Capital Metals' major shareholder, Sheffield Resources Limited (ASX: SFX) ("Sheffield"), wishes to exercise its right to maintain its 10% shareholding in the Company which will result in an investment of a further US 0.267 million
- The Company also intends to conduct a retail offer ("Retail Offer") to existing shareholders for up to a further £300,000 at 2.5 pence per share to participate on similar terms, with details to follow shortly

**Greg Martyr, Executive Chairman of Capital Metals, commented:**

*"Capital Metals has been seeking the right Sri Lankan investment partner for some time. Ambeon's investment is particularly pleasing as it effectively provides a funding path to get to FID and brings onto our shareholder register a company which is part of one of Sri Lanka's most successful organisations. They wish to enter the country's mineral sands sector, and we are pleased they have chosen our Project after considerable due diligence including speaking to many government stakeholders about the future of the Project.*

*The experience and connections of the Ambeon group will be invaluable in assisting with receiving the in-country approvals required, as well as demonstrating significant Sri Lankan ownership of an extremely important development project when the country is looking to attract foreign investment and advance its underdeveloped mining sector.*

*I am delighted that alongside their strategic investment, we have outlined terms upon which we intend to collaborate in the development of the Project, with a proposed funding path that will be sufficient for the Project to become cash flow positive.*

*A partnership of this nature with any investor would represent a major milestone but to be able to do it with a Sri Lankan company is truly significant. We look forward to concluding a definitive agreement and to working with Ambeon and its associates to deliver this exceptionally high-grade Project and its associated social and economic benefits.*

*We are also pleased that Sheffield Resources, with its considerable sector expertise, will invest further in the Company to maintain its shareholding."*

**Dr Sajeeva Narangoda, Chief Executive Officer of Ambeon Capital PLC, commented:**

*"This transaction aligns perfectly with Ambeon Capital's vision. We are excited to be part of this journey and look forward to supporting the development of sustainable value in Sri Lanka's mineral sector. Together, we believe we can help unlock the island's true potential and drive inclusive economic growth for generations to come."*

**Ambeon Capital PLC**

Ambeon Capital PLC is a Colombo Stock Exchange listed diversified conglomerate with strategic interests across key sectors, including information technology, financial services, real estate and strategic investments in Sri Lanka. Ambeon is seeking to invest in mineral sands assets in Sri Lanka and to assist with their development and operation. Guided by a

seeking to invest in mineral sands assets in Sri Lanka and to assist with their development and operation. Guided by a long-term value creation approach, the group actively manages its portfolio to unlock synergies and drive sustainable growth across its verticals. Ambeon continues to reinforce its position as a dynamic player in Sri Lanka's capital markets, leveraging sectoral expertise and strategic foresight to deliver enduring value to its stakeholders.

### Strategic Investment in Capital Metals

Ambeon has agreed with Capital Metals that it will subscribe for an initial 59,701,000 new Ordinary shares in the Company ("Ambeon Subscription Shares") at an issue price of 2.5 pence per share (the "Issue Price"), raising US 2 million. Following the Ambeon Subscription, the Sheffield Subscription (as defined below), and the Retail Offer (assuming it is fully subscribed), Ambeon will own approximately 14.1% of Capital Metals' enlarged issued share capital.

The Investors have also been granted an option by the Company for a period of 45 days to subscribe for up to a further 54,274,000 new Ordinary shares in the Company at an issue price of 2.75 pence per share, raising up to a further US 2 million. Following the exercise of this Ambeon Option, if completed, the Investors would collectively own up to 23.5% of Capital Metals' enlarged issued share capital.

The proceeds from the Ambeon Subscription and the Ambeon Option, if exercised, and the Retail Offer will be used to obtain all necessary approvals to reach FID, with any amounts remaining to be used for working capital and applied towards capital expenditure in connection with Stage 1 of the Project.

Stage 1 has a 165tph plant feed rate to achieve a 550,000tpa throughput with expected production of 125,000tpa of a high-grade Heavy Mineral Concentrate (>95%) via a 3-stage Wet Concentrator Plant ("WCP") from Mineral Technologies. Subsequent stages involve increases in mining capacity, additional WCPs and the construction of a Mineral Separation Plant.

Following the Ambeon Subscription, Ambeon will be entitled to appoint a nominee director to the Capital Metals Board, subject to satisfactory completion of customary due diligence and Nominated Adviser checks.

Ambeon and Capital Metals have entered into a Relationship Agreement pursuant to which, for so long as the Company's Ordinary shares are admitted to trading on AIM and Ambeon continues to hold more than 10% of the voting rights attaching to the Ordinary shares in issue from time to time, the Company and its business shall be managed for the benefit of shareholders as a whole, any transactions with Ambeon and the Company will be at arm's length, the Board will contain at least two independent directors and certain reserved Board matters will only be voted on by the independent directors.

In connection with the Ambeon Subscription and the Ambeon Option, Capital Metals expects to issue share options to subscribe for up to 20,000,000 new Ordinary shares in the Company ("Adviser Options") to advisers that have assisted with the transaction. The terms of the Adviser Options, which are expected to be exercisable at a premium to the Issue Price, are in the process of being finalised, and a further update will be provided in due course.

### MoU for the Project

Capital Metals and Ambeon ("the Parties") have agreed in the MoU that Capital Metals will own 85% and Ambeon and other investors (including public investors who may acquire shares in Redgate under any initial public offering for a listing) will own 15% of Redgate (which holds the effective economic interest in the Project) in return for investing approximately US 10 million in Redgate (the "Redgate Equity"). Ambeon will also arrange approximately US 10 million in corporate debt for Redgate (the "Redgate Debt"). The final allocations of debt and equity and the ownership percentages may be varied if required to complete the Redgate Equity transaction, and if the Parties agree to accept equity into Redgate prior to FID and the listing of Redgate.

Capital Metals' existing management and new personnel as required in consultation with Ambeon will form the management team to operate the Project.

Having dedicated considerable time over recent months to concluding the Ambeon Subscription and MoU, the Parties will immediately commence working together on the approvals required to reach FID, the listing of Redgate and the Redgate Equity and Redgate Debt transactions, which are expected to be completed within six months.

### Sheffield Additional Subscription

Capital Metals is further pleased to announce that Sheffield, the 50% owner of the Thunderbird mineral sands mine in Western Australia and approximately a 10% shareholder in Capital Metals, has indicated it wishes to exercise its right, pursuant to the Relationship Agreement it signed with the Company in March 2024, to participate in any share issuance of the Company on the same terms as other investors in order to maintain its 10% shareholding in the Company as set out in the 15 March 2024 announcement.

Accordingly, Sheffield has entered into an agreement with Capital Metals to subscribe for 7,984,000 new Ordinary shares in the Company ("Sheffield Subscription Shares") at the Issue Price for US 0.267 million (the "Sheffield Subscription"), and any subsequent subscription to maintain its holding at approximately 10% will be disclosed as and when it occurs.

### Retail Offer

In conjunction with the Ambeon Subscription, Capital Metals intends to facilitate a Retail Offer via the Winterflood Retail Access Platform ("WRAP") of up to 12,000,000 new Ordinary Shares ("WRAP Retail Offer Shares") raising up to £300,000, in order that existing shareholders may participate on equivalent pricing terms as the Ambeon Subscription at 2.5 pence per share. Further details of the Retail Offer will be announced shortly.

### Admission and Total Voting Rights

Application will be made for the Ambeon Subscription Shares and the Sheffield Subscription Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective and dealings will commence at 8.00 a.m. on or around 4 June 2025. The Ambeon Subscription Shares and the Sheffield Subscription Shares will rank *pari passu* with the Ordinary shares of the Company in issue. A further announcement will be made regarding application for admission of shares to be issued pursuant to the Retail Offer in due course.

Following Admission, the total number of Ordinary shares in the capital of the Company in issue will be 412,835,261 with voting rights. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company's share capital pursuant to (i) the Company's Articles, (ii) the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and/or (iii) the AIM Rules for Companies issued by the London Stock Exchange plc as amended from time to time.

For further information, please visit [www.capitalmetals.com](http://www.capitalmetals.com) or contact:

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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 150m in direct government royalties and taxes to be paid.

Visit our website:

[www.capitalmetals.com](http://www.capitalmetals.com)

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