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11 June 2025

Capital Metals PLC

("Capital Metals" or the "Company")

Drilling Update

Indications of exceptional high-grade resource extensions discovered laterally and at depth

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 within the northern EL168 area, focusing on the Initial Mining Area of the existing 17.2 Mt Mineral Resource.

Highlights

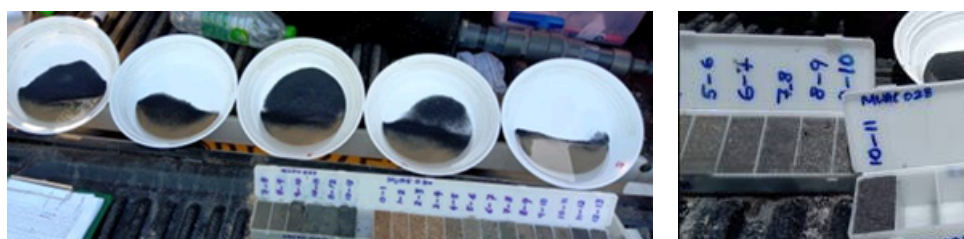
- **Phase 1 completed:** 170 reverse circulation holes for 1,501 metres predominately in the proposed initial mining area in a 400m north by 40m east drilling pattern
- **New discovery:** Indications of high-grade mineralisation at depth and outside the Mineral Resource where drilling extended down to 15m with an average depth of around 10m - previous hand auger drilling used to define the Mineral Resource, calculated on a total 2,621m of drilling, only went to an average of 1.6m depth
- **Indications of exceptional high grades:** Preliminary indications from panning of samples obtained at depth (subject to laboratory assay) in some cases of over 60% Total Estimated Heavy Minerals, compared to existing Mineral Resource grade of 17.6% (already one of the highest-grade mineral sands deposits globally)
- **Resource expansion:** Additional mineralisation inland in the area drilled to date is approximately double the width of the existing Mineral Resource
- **Resource upgrade:** In addition to the anticipated resource increase from the new discovery at depth, the Company is confident it will be able to reduce the cut-off grade of the Mineral Resource from 5% to 2% upon optimisation, which will significantly increase the size of the resource with a slight reduction in grade (with any grade reduction expected to be offset by higher grades encountered at depth)
- **Laboratory assays:** First batch of 539 routine and QA samples commenced analysis at Scientific Services laboratory in South Africa, with assay results expected within approximately one month, and the remaining 1,042 samples having recently arrived in Cape Town
- **Geo-metallurgical analysis:** Scanning of heavy minerals upon completion of the assay will allow a detailed mineralogical analysis programme to be completed to inform the resource model update and mining and production schedules

Greg Martyr, Executive Chairman of Capital Metals, commented:

"We are delighted with the initial observations from Phase 1 drilling. Whilst results are only estimates at this stage, extensive new mineralisation discovery is evident. This confirms our exploration model and validates our expectation of a substantial resource increase. There is, however, a lot more drilling to be completed before we know how consistent this expansion is over the whole Project. We are also in discussions with the Geological Survey and Mines Bureau regarding the phased implementation of the global practice of mining below the water table to access the deeper resources.

We'd like to thank our local stakeholders, particularly the GSMB, for their continued support and collaboration. We look forward to continuing the drilling programme which will further our understanding of the resource and assist with mine planning in the Initial Mining Area."

Figure 1: Drill sample trays and panning profiles showing significantly deeper high-grade mineral intercepts





Next Steps

Phase 2 drilling expected to commence shortly to include completion of 400m north by 40m east spaced extensional drilling programme for the balance of the EL168 tenement in a southerly direction from the Phase 1 drilling (phasing to accommodate land ownership access). This would be followed up by infill drilling, based on results from Phases 1 and 2, for the proposed Initial Mining Area at a 100m north by 20m east drill pattern to provide greater definition of host material characteristics and mineral grade and assemblage which will increase the certainty of the mine plan and product schedule.

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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.

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