

Half-year Report

2025-12-18

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Capital Metals PLC

18 December 2025

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18 December 2025

Capital Metals PLC
("Capital Metals" or the "Company")

Unaudited Interim Results for the Six-Month Period Ended 30 September 2025

Capital Metals (AIM: CMET), a mineral sands company approaching mine development stage at its high-grade Taprobane Minerals Project in Sri Lanka (the "Project"), announces its unaudited interim results for the six-month period ended 30 September 2025 (the "Half-Year").

Half-Year Highlights:

- Completed Phase 1 Aircore drilling at depth resulting in approximately a 15x increase in Mineral Resource Estimate tonnes in Initial Mining Area
- Significant progress towards project development in key areas:
 - Substantial engineering/studies progress towards Final Investment Decision ("FID")
 - Positive ongoing discussions regarding two key pending approvals
 - Project funding advancing
 - Building community support
 - Growing team in Sri Lanka
 - Improved project economics resulting in improved NPV
- Secured \$4 million strategic investment with significant new Sri Lankan partner and signed a Memorandum of Understanding ("MoU") for Project funding
 - Raised approximately \$1 million in additional funding from existing shareholder participation
 - Prominent Sri Lankan directors joined the Board: cricket legend and business magnate, Aravinda De Silva, and leading Investment Specialist and Ambeon Capital PLC ("Ambeon Capital") Director, Savanth Sebastian

Greg Martyr, Executive Chairman of Capital Metals, commented:

"From the exceptional results of the Phase 1 Aircore drilling programme and the subsequent Mineral Resource Estimate upgrade, to the advancement of engineering, regulatory, and commercial workstreams, we have continued to improve the foundations for Project development. Strategic investments from Ambeon Capital, alongside support from existing shareholders, have ensured the Company is well funded to complete the approvals and planning required to take FID to enable the commencement of construction in Q1 next year.

With a strengthened Board, including prominent Sri Lankans, growing local engagement, and an expanding social licence to operate, Capital Metals is firmly positioned to deliver a long-life, high-grade mineral sands operation that will create meaningful value for shareholders, local communities, and Sri Lanka."

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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

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CHAIRMAN'S STATEMENT

Introduction

I am pleased to present the unaudited half year report for the six-month period ended 30 September 2025. The Half-Year has been one of sustained progress as we advanced the Taprobane Minerals Project through a series of important technical,

commercial, and operational milestones.

The Company's drilling programme has continued to demonstrate exceptional grades and expanding mineralisation, culminating in a major upgrade, as announced on 17 November 2025, to the Mineral Resource Estimate ("MRE") for the Initial Mining Area ("IMA"). This has reinforced the Project's scale and extended its longevity.

In parallel, we have advanced engineering, design, and regulatory work required for development, improved Project economics, and strengthened our position in Sri Lanka as we move towards construction.

A strategic investment secured in the period from one of Sri Lanka's leading diversified conglomerates, together with investment support from existing shareholders, ensures the Company is adequately funded through and beyond FID.

Review of Activity

Drilling & MRE Upgrade

The Company was actively drilling during the Half-Year, completing Phase 1 Aircore drilling at depth in June 2025 with 170 reverse circulation holes drilled for 1,501 metres, in the proposed IMA. This resulted in a new discovery with confirmation of high-grade mineralisation at depth and outside the pre-existing MRE.

Assays were returned from the laboratory from July through September 2025, confirming consistently high heavy mineral grades and a more than threefold increase in the surface area of the mineralisation in the IMA alone compared to the pre-existing resource. This marked a step change for the Project as the Company advances towards development. The discovery of multiple high-grade palaeo-shorelines at depth further strengthens the long-term potential of the Project.

Whereas the 2016 MRE in the IMA covered 47 hectares, the aircore drilling assay results from the 2025 programme indicate the mineralisation extends substantially to the west and at depth and now extends across an area around 3.2 times larger at 152 hectares. Analysis of this work led to the announcement on 17 November 2025 of a major upgrade, with Stage 1 drilling delivering nearly a 15 times increase in MRE tonnes in the proposed IMA (using a bottom cut of 2% Heavy Minerals ("HM")).

Maintaining a 5% HM bottom cut delivers a 4.8 times increase in MRE tonnes in the IMA, from 897kt to 4.3Mt at an average resource grade of 10.5% HM. Applying a 2% HM bottom cut, however, delivers a 14.6 times increase in MRE tonnes from 897kt to 13.1Mt at an average resource grade of 5.5% HM.

The mineralisation typically commences from surface to a maximum of 15 metres depth with an average total depth of 7.9 metres. The MRE is predominately classified at an indicated level, which is suitable for calculation of Probable Mining Reserves for operational planning and product scheduling purposes.

This is a considerable resource increase, which exponentially exceeds the Company's assumed upgrade for the Initial Mining Area when the Company updated the Project's financial model and NPV, as announced on 18 September 2025. The Company now looks forward to continuing the deeper drilling across the balance of the Project where hopefully this trend will continue to deliver similar multiples of resource increase. The implications of a similar increase across the whole resource make this a potentially multi-generational project.

Ongoing technical evaluations are required to determine the optimal pit sizes and processing strategy, but it is clear that this will open up flexible mining options, including a combination of high-grade surface mining and significantly lower cost dredging for the deeper and wider deposits, subject to local approvals.

These results clearly justify the ongoing drilling programme, which is expected to significantly increase the total Project resource and to facilitate a better understanding of the Company's mining and processing alternatives, which will add to our overall valuation for what will clearly be a long life mine with a grade that is expected to remain among the highest in the world.

Progress Towards Project Development

The Company intends to be cash flow generative by early 2027. This requires all studies to be complete and Project approvals and funding in place in order to commence construction in Q1 2026 - with FID being taken any time prior. Key areas of progress include:

- Technical

- Completion of Process Flow Diagram for the Wet Concentrator Plant ("WCP")
- Establishment of WCP process design criteria for low (150 tph), base (175 tph) and high (200 tph) throughput scenarios to accommodate variable feed grades as mining progresses
- Completion of 3D model and general arrangement drawings for WCP
- Completion of mechanical equipment list and electrical load demand for WCP
- Completion of logistics study for road haulage and export (via Colombo Port)
- Completion of hydrogeology study
- Assessment of heavy mobile equipment requirements

Mineral Technologies has provided a fixed lump sum price for the fabrication and supply of key Stage 1 equipment, including the pre-designed Flex-Series WCP, feed hopper and screening unit. The flowsheet remains a simple three-stage spiral plant with a feed hopper, vibrating screen, and ancillary equipment.

- Advancing Two Main Approvals

The Company continues to await parliamentary endorsement of a new National Minerals Policy, understood to be imminent. We expect its publication will send a strong signal that Sri Lanka is 'Open for Business' for mining. Certainly, we have been encouraged by recent moves in Sri Lanka to transfer the management of the Geological Survey and Mines Bureau from the Ministry of Environment to the Ministry of Industry, with associated positive public statements indicative of a progressive attitude to the sector from the Minister of Industry. Subsequent to the announcement of the National Minerals Policy, guidelines on the specific value addition requirements in the mineral sands sector are anticipated, and we have been very active in seeking to educate all stakeholders on a practical staged approach. Capital Metals is also seeking an additional Industrial Mining Licence ("IML") focussed on the proposed IMA and adjacent to the two existing approved IMLs.

- Funding Plans

Discussions with banks and other investors to provide project debt and equity financing began in the Half-Year and are ongoing. The Company is also engaged in active discussions with preferred potential offtakers, with a focus on those that may also provide project equity or working capital funding.

Several constructive meetings were held last month at the key global mineral sands conference in Kuala Lumpur. The recognised high quality of the Project's mineral products has attracted broad market interest, and counterparties have expressed positive interest in long-term supply arrangements.

- Building Trust Through Action in Local Communities

Among the most important areas of progress in the Half-Year has been the strengthening of relationships with host communities in Sri Lanka's Eastern Province. Recent initiatives include sponsorship of local schools and A-Level education programmes, spiritual events, fishing societies, sporting associations, as well as the installation of community suggestion boxes to encourage open dialogue and support for environmental activities such as coastal beach clean-ups.

During the period, Capital Metals, in association with the Urani Super Warriors Sports Club, sponsored a local cricket tournament branded the "Capital Metals Cricket Cup", with over 40 teams from around the eastern province coming together in an incredible display of talent and sportsmanship. The Company's Non-Executive Director and a Sri Lankan cricket hero, Aravinda De Silva, presented awards during the closing ceremony.

As part of the board's site visit, members donated a fishing boat to a local fishing society, a gesture that will directly benefit more than 50 families. The Company has also helped women's groups and small-scale agricultural projects to support local livelihoods. These activities reflect the Company's commitment to delivering sustainable, long-term benefits for local stakeholders alongside the advancement of the Taprobane Minerals Project.

Mineral sands mining is not well known in the Project area. This presents challenges in terms of awareness and understanding of the Company's proposed activities. The Company has been actively and successfully prioritising education and awareness programmes, both locally within the Project area and more broadly across the country, recognising that education is key to building long-term understanding and support. The Company's Sri Lankan Facebook account, launched during the Half-Year, has quickly amassed over a thousand followers and is a key channel for communication.

The Company is also in the process of establishing the first of a series of Coastal Regeneration Centres, focussed on the

preferred native plants and regeneration practices required for rehabilitation over the life of the Project, while also providing a platform for students and the wider public to learn more about the Company's environmental practices.

- In-Country Team Expansion and Capacity Building

Key local appointments during the Half-Year include a Financial Controller, Mining Engineer, Project Manager and Processing Specialist, with recruitment ongoing for a Manager of Environment to lead the development of the operational Environmental Management Plan and detailed rehabilitation plans in coordination with the mine engineering team.

The team is also developing a heavy equipment training programme to upskill local employees and build long-term operational capacity.

- Updated Financial Model and Increase in NPV

A key piece of work in the Half-Year was the development of a new financial model including:

- Reduced Stage 1 capex of \$20.9 million, as announced on 18 September 2025
- Refinement of heavy equipment requirements using a first-principles approach
- Detailed build-up of mining and processing operating costs
- Updated logistics costs following completion of logistics studies
- Resource increase to reflect indications from recent drilling results, with base and upside case resources modelled at 1.33x and 1.67x the existing MRE respectively
- Updated increased corporate tax and royalty assumptions

This resulted in materially improved Project economics, with the MRE upgrade assumptions being subsequently exceeded when the MRE for the IMA was published after the Half-Year end on 18 September 2025.

- the base case NPV₈ (post tax) has increased to \$180 million compared to \$155 million;
- the upside case NPV₈ (post tax) has increased to \$289 million compared to \$235 million;
- the base case IRR (post tax) has increased to 73% compared to 56%;
- the upside case IRR (post tax) has increased to 98% compared to 73%; and
- the updated NPV₈ per share of 27p and 44p for base and upside cases, respectively.

- Premium Garnet Quality Confirmed by Independent Testing

The results of a garnet product quality study announced in the Half-Year confirmed that the garnet is of a superior quality than previously thought and will therefore attract a higher price in the industrial abrasive market. The Company is in discussions with global garnet distributors regarding potential offtake agreements.

Financial Matters

On 29 May 2025, the Company announced a landmark strategic investment of \$2 million into the Company by way of a share subscription by Ambeon Capital, together with an option for Ambeon Capital or its nominees to invest up to a further \$2 million. By September 2025, the option was fully exercised by Ambeon Capital's nominees, bringing in \$4 million in total from this strategic investment. This was supplemented by approximately a further \$1 million from existing shareholder participation. These funding events are expected to see the Company comfortably funded through FID and beyond.

Ambeon Capital is a Colombo Stock Exchange listed diversified conglomerate and part of one of Sri Lanka's most successful investment organisations. Ambeon Capital had been looking to enter Sri Lanka's mineral sands sector and has now become the Company's largest shareholder, owning c.12.15% of the Company. Given its connections in Sri Lanka, Ambeon Capital is already assisting in improving the speed and flow of information and communication with national stakeholders.

Ambeon Capital and Capital Metals also signed a non-binding MoU for an agreed path to fund the Project at FID to commence construction, through arranging the provision of \$20 million in equity/debt at the Project level, with such amount anticipated to be sufficient to complete Stage 1 development at which point the Project is expected to become self-funding.

The Company made a loss before income tax for the Half-Year of \$1,069,078 compared to \$446,781 in the corresponding period last year. The loss for the year increased primarily due to the significant accounting charge from the issuance of Silver Pine Pacific Limited share options in September 2025, together with higher expenses driven by increased Company activity

levels, such as travel expenses and equity fundraising initiatives. These activities include the continuation of the drilling programme, advanced engineering, design and regulatory work for development, and strengthened presence in Sri Lanka ahead of construction. As at 30 September 2025, the Company had \$4,781,609 in cash and cash equivalents (31 March 2025: \$1,351,494).

Board Appointments

In August 2025, I had the honour to welcome two respected Sri Lankan business leaders to the Board of Capital Metals, Aravinda De Silva and Savanth Sebastian.

Aravinda De Silva is an ICC Cricket Hall of Fame inductee and national sporting icon who played a crucial part in Sri Lanka's 1996 World Cup-winning team. He is making a significant positive impact in Sri Lanka as a businessman and investor, and he is already playing a key role in the development of the Taprobane Minerals Project.

Savanth Sebastian is a leading business figure in Sri Lanka with considerable industry knowledge and expertise. He currently serves as a Director of Ambeon Capital, helping to shape its financial and investment strategies. He was a Director at Nations Trust Bank PLC of Sri Lanka and serves on the board of Sri Lanka's largest IT company.

Aravinda and Savanth played key roles in cementing Ambeon Capital's strategic investment in Capital Metals. The Company is working hard with Aravinda, Savanth and the Ambeon Capital team, with whom the Company now shares an office in Colombo, on many fronts to develop the Project that will create sustainable value for Sri Lanka in the form of jobs, skills, revenue, education, and training.

Outlook

The Half-Year has been marked by substantial progress across all aspects of the Taprobane Minerals Project. From the exceptional results of the Phase 1 Aircore drilling programme at depth and the subsequent Mineral Resource Estimate upgrade to the advancement of engineering, regulatory, and commercial workstreams, the Company has continued to improve the foundations for Project development. Strategic investments from Ambeon Capital, alongside support from existing shareholders, have ensured the Company is well funded to complete the approvals and planning required to commence construction.

The Company now looks forward to continuing the deeper Aircore drilling across the balance of the Project where hopefully the trend seen in Phase 1 will continue to deliver similar multiples of resource increases. The implications of a similar increase across the whole resource make this a potentially multi-generational project. There remains a lot of work to do to determine the optimal pit sizes and how the resource will be processed, but it is clear that this will open up flexible mining options, including a combination of high-grade surface mining and significantly lower cost dredging for the deeper and wider deposits, subject to local approvals.

With a strengthened Board, including prominent Sri Lankans, growing local engagement, and an expanding social licence to operate, Capital Metals is firmly positioned to deliver a long-life, high-grade mineral sands operation that will create meaningful value for shareholders, local communities, and Sri Lanka. On behalf of the Board, I extend my sincere thanks to our employees, advisers, partners, and other stakeholders for their ongoing support in advancing this world-class asset.

Greg Martyr

Executive Chairman

18 December 2025

CAPITAL METALS PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTH PERIOD ENDING 30 SEPTEMBER 2025

	Note	Unaudited Period ending 30 September 2025 \$	Unaudited Period ending 30 September 2024 \$
Continuing Operations			
Revenue		-	-
Administrative expenses		(717,293)	(454,492)
Share based payments		(403,425)	(4,631)
Foreign exchange gain / (loss)		(1,741)	(871)
Operating profit / (loss)		(1,122,459)	(459,994)
Finance Income		53,381	13,213
Profit / (loss) before taxation		(1,069,078)	(446,781)
Income Tax		-	-
Profit / (loss) for the period from continuing operations		(1,069,078)	(446,781)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences		(149,205)	216,927
Total comprehensive profit/(loss) for the period		(1,218,283)	(229,854)
Basic loss per share (pence)	5	(0.140)	(0.064)

CAPITAL METALS PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

	Note	Unaudited As At September 2025 \$	Unaudited As At 30 September 2024 \$	Audited As At 31 March 2025 \$
NON-CURRENT ASSETS				
Property, plant and equipment		25,397	20,561	23,026
Other Loans		141,469	144,141	144,860
Intangible Assets	6	6,685,422	5,708,492	6,055,291

TOTAL NON-CURRENT ASSETS		6,852,288	5,873,194	6,223,177
CURRENT ASSETS				
Trade and other receivables		100,853	44,625	80,731
Cash and cash equivalents		4,781,609	2,427,569	1,351,494
TOTAL CURRENT ASSETS		4,882,462	2,472,194	1,432,225
TOTAL ASSETS		11,734,750	8,345,388	7,655,402
NON-CURRENT LIABILITIES				
Trade and other payables		600,000	600,000	600,000
TOTAL NON-CURRENT LIABILITIES		600,000	600,000	600,000
CURRENT LIABILITIES				
Trade and other payables		637,058	790,077	883,958
TOTAL CURRENT LIABILITIES		637,058	790,077	883,958
TOTAL LIABILITIES		1,237,058	1,390,077	1,483,958
NET ASSETS		10,497,692	6,955,311	6,171,444
EQUITY				
Share capital	7	6,851,056	6,455,344	6,455,344
Share premium	7	59,651,917	54,923,341	54,936,218
Other Reserves		(38,652,460)	(38,803,708)	(38,907,313)
Retained losses		(17,261,985)	(15,499,523)	(16,192,907)
Non-controlling interest		(90,836)	(120,143)	(119,898)
TOTAL EQUITY		10,497,692	6,955,311	6,171,444

The notes form an integral part of the Condensed Consolidated Interim Financial Statements.

The Condensed Consolidated Financial Statements were approved and authorised by the Board of Directors on **18 December 2025**:

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Greg Martyr
Executive Chairman

CAPITAL METALS PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - AS AT 30 SEPTEMBER 2025

	Share Capital \$	Share Premium \$	Other Reserves \$	Retained Losses \$	Total Equity \$	Non-Controlling Interest \$	Total Equity \$
Balance at 31 March 2024	6,455,344	54,923,341	(39,071,519)	(15,052,742)	7,254,424	(73,890)	7,180,534
Loss for period	-	-	-	(446,781)	(446,781)	-	(446,781)
Other comprehensive income	-	-	216,927	-	216,927	-	216,927
Total comprehensive loss for period	-	-	216,927	(446,781)	(229,854)	-	(229,854)
Grant of options	-	-	4,631	-	4,631	-	4,631
Foreign exchange movements on NCI	-	-	46,253	-	46,253	(46,253)	-
Total transactions with owners, recognised in equity	-	-	50,884	-	50,884	(46,253)	4,631
Balance at 30 September 2024	6,455,344	54,923,341	(38,803,708)	(15,499,523)	7,075,454	(120,143)	6,955,311
Balance at 31 March 2025	6,455,344	54,936,218	(38,907,313)	(16,192,907)	6,291,342	(119,898)	6,171,444
Loss for period	-	-	-	(1,069,078)	(1,069,078)	-	(1,069,078)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for period	-	-	-	(1,069,078)	(1,069,078)	-	(1,069,078)
Transactions with owners in own capacity	-	-	-	-	-	-	-
Ordinary shares issued in the period	395,712	4,715,699	-	-	5,111,411	-	5,111,411
Issue of options	-	-	403,425	-	403,425	-	403,425
Foreign exchange movements	-	-	(147,635)	-	(147,635)	29,063	(118,572)
Expired options	-	-	(938)	-	(938)	-	(938)
Total transactions with owners, recognised directly in equity	395,712	4,715,699	254,852	-	5,366,263	-	5,395,326
Balance at 30 September 2025	6,851,056	59,651,917	(38,652,461)	(17,261,985)	10,588,527	(90,836)	10,497,692

CAPITAL METALS PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE 6 MONTH PERIOD ENDING 30 SEPTEMBER 2025

	Unaudited Period ended 30 September 2025 \$	Unaudited Period ended 30 September 2024 \$
Cash flow from operating activities		
Profit / (loss) before taxation for the period	(1,069,078)	(446,781)
<i>Adjustments for:</i>		
Share based payments	403,425	4,631
Depreciation	4,648	3,564
Interest income	(7,415)	(13,157)
Foreign exchange	(60,455)	(8,842)
<i>Changes in working capital:</i>		
(Increase) / decrease in trade and other receivables	(20,122)	7,585
(Decrease) in trade and other payables	(246,900)	(65,186)
Net cash outflow from operating activities	(995,897)	(518,186)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,278)	(2,336)
Exploration and evaluation activities	(630,131)	(340,449)
Interest received	7,415	13,157
Net cash flow from investing activities	(624,994)	(329,628)
Cash flows from financing activities		
Proceeds from issue of shares	5,297,582	-
Share issue costs	(186,171)	-
Net cash flow from financing activities	5,111,411	-
Net increase/(decrease) in cash and cash equivalents	3,490,520	(847,814)
Exchange differences on cash	(60,405)	188,054
Cash and cash equivalents at beginning of the period	1,351,494	3,087,329
Cash and cash equivalents at end of the period	4,781,609	2,427,569

CAPITAL METALS PLC - CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTH PERIOD ENDING 30 SEPTEMBER 2025

1. General information

Capital Metals plc is a mineral exploration company with its shares admitted to trading on the AIM Market of the London Stock Exchange.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales, with registration number 05555087. The address of its registered office is Eccleston Yards, 25 Eccleston Place, London SW1W 9NF, United Kingdom.

2. Accounting Policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2025, which have been prepared in accordance with UK adopted international accounting standards.

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of UK adopted international accounting standards.

Statutory financial statements for the year ended 31 March 2025 were approved by the Board of Directors on 17 August 2025 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified in relation to the Company's ability to continue as a going concern. The condensed interim financial statements are unaudited and have not been reviewed by the Company's auditor.

2.2 Accounting Policies

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Company's annual financial statements for the year ended 31 March 2025.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group and Company

A number of new and amended standards and interpretations issued by the International Accounting Standards Board (IASB) have become effective for the first time for financial periods beginning on (or after) 1 April 2024 and have been applied by the Company and Group in these interim financial statements. None of these new and amended standards and interpretations had a significant effect on the Company or Group because they are either not relevant to the Company or Group's activities or require accounting which is consistent with the Company or Group's current accounting policies.

(b) New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed and not early adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods, and which have not been adopted early.

2.3 Going concern

These financial statements have been prepared on the going concern basis. Given the Group's current cash

position and its demonstrated ability to raise capital, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting preparing the condensed unaudited interim financial statements for the period ended 30 September 2025.

Since 31 March 2025, the Group has sourced additional financing validating the Directors decision to adopt the Going Concern assumption. The Directors continue to exercise due process when evaluating the liquidity of the Group and will continue to make certain assumptions with regards to the timing and amount of future expenditure over which they have control. Considering all the factors affecting the Group the Directors are confident in the ability of the Group to satisfy this condition and hence continue to adopt the going concern basis in preparing these interim financial statements.

2.4 Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the 2025 Annual Report, a copy of which is available on the Company's website: www.capitalmetals.com. The key financial risks are foreign currency risk, liquidity risk, credit risk, market risk and fair value estimation.

3. Critical accounting estimates and judgements

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in the 31 March 2025 Annual Report. The nature and amounts of such estimates have not changed significantly during the interim period.

4. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 September 2025 (2024: \$nil).

5. Earnings per Share

The calculation for basic and diluted earnings per ordinary share is based on the total comprehensive loss after income tax attributable to equity shareholders for the period and is as follows:

	Unaudited Period ended 30 Sep 2025	Unaudited Period ended 30 Sep 2024	Audited Year ended 31 March 2025
Net profit / (loss) for the period attributable to ordinary equity holders for continuing operations (\$)	(1,069,078)	(446,781)	(1,140,932)
Weighted average number of ordinary shares in issue	770,730,376	701,083,711	701,083,711
Basic and diluted earnings per share for continuing operations (pence)	(0.139)	(0.064)	(0.163)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the period presented.

6. Intangible fixed assets

The movement in capitalised exploration and evaluation costs during the period was as follows:

Exploration & Evaluation at Cost and Net Book Value	\$
Opening balance - 30 September 2024	5,708,492
Additions	308,719
Foreign Exchange	38,080
As at 31 March 2025	6,055,291

Opening balance - 1 April 2025	6,055,291
Additions	663,729
Foreign Exchange	(33,598)
As at 30 September 2025	6,685,422

7. Share Capital and Share Premium

	Ordinary Shares	Share Capital	Share Premium	Total
	#	\$	\$	\$
As at 30 September 2024	344,806,209	903,344	54,923,341	55,826,685
Expiry of warrants (cost of capital)	-	-	12,877	12,877
As at 31 March 2025	344,806,209	903,344	54,936,218	55,839,562
Issue of ordinary shares ¹	146,385,231	395,712	4,755,949	5,151,660
As at 30 September 2025	491,191,440	1,299,056	59,692,167	60,991,222

	Deferred Shares	Share Capital	Total
	#	\$	\$
As at 30 September 2024	356,227,502	5,552,000	5,552,000
As at 31 March 2025	356,227,502	5,552,000	5,552,000
As at 30 September 2025	356,227,502	5,552,000	5,552,000

Ordinary Shares and Deferred Shares total a share capital value of \$6,851,056, with no movement in deferred shares for the period.

¹ During the period, the Company issued 146,385,231 ordinary shares of par value £0.002 at varying subscription prices as part of placements in the Company. Each share issuance with the subscription price is set out below:

- 02/04/2025: 344,052 ordinary shares at a subscription price of £0.019799
- 26/05/2025: 67,685,000 ordinary shares at a subscription price of £0.023

- 02/06/2025: 16,000,000 ordinary shares at a subscription price of £0.023
- 05/06/2025: 283,355 ordinary shares at a subscription price of £0.024106
- 26/06/2025: 783,677 ordinary shares at a subscription price of £0.023
- 04/08/2025: 22,713,704 ordinary shares at a subscription price of £0.0255
- 12/09/2025: 38,575,443 ordinary shares at a subscription price of £0.0255

8. Events subsequent to period end

There were no material events subsequent to period end that require disclosure.

9. Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 18 December 2025.

10. Availability of interim financial statements

Copies of these interim financial statements are available from the Capital Metals website at www.capitalmetals.com.

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