



CAPITAL METALS

Developing High-Grade Mineral
Sands in Sri-Lanka

JANUARY 2022



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Overview - Eastern Minerals Project

High-grade Mineral Sands in Sri Lanka



NEAR TERM PRODUCTION AND PATHWAY TO EARLY CASHFLOW

Over 4 years of development and studies to date with two stage construction strategy



AMONGST HIGHEST GRADE IN GLOBAL PEER GROUP

17.6% Total Heavy Minerals (THM) incl ilmenite, zircon, rutile & garnet



SHALLOW RESOURCE FROM SURFACE

17.2Mt JORC resource 17.6% THM from first 3m from surface



DIRECTORS ESTIMATE A US\$35M LOW CAPEX

Simple, non-chemical, processing route
Development Study targeted for Q1 2022



PROVEN LEADERSHIP TEAM

Substantial listed company, finance, mineral sands & Sri Lankan operational experience



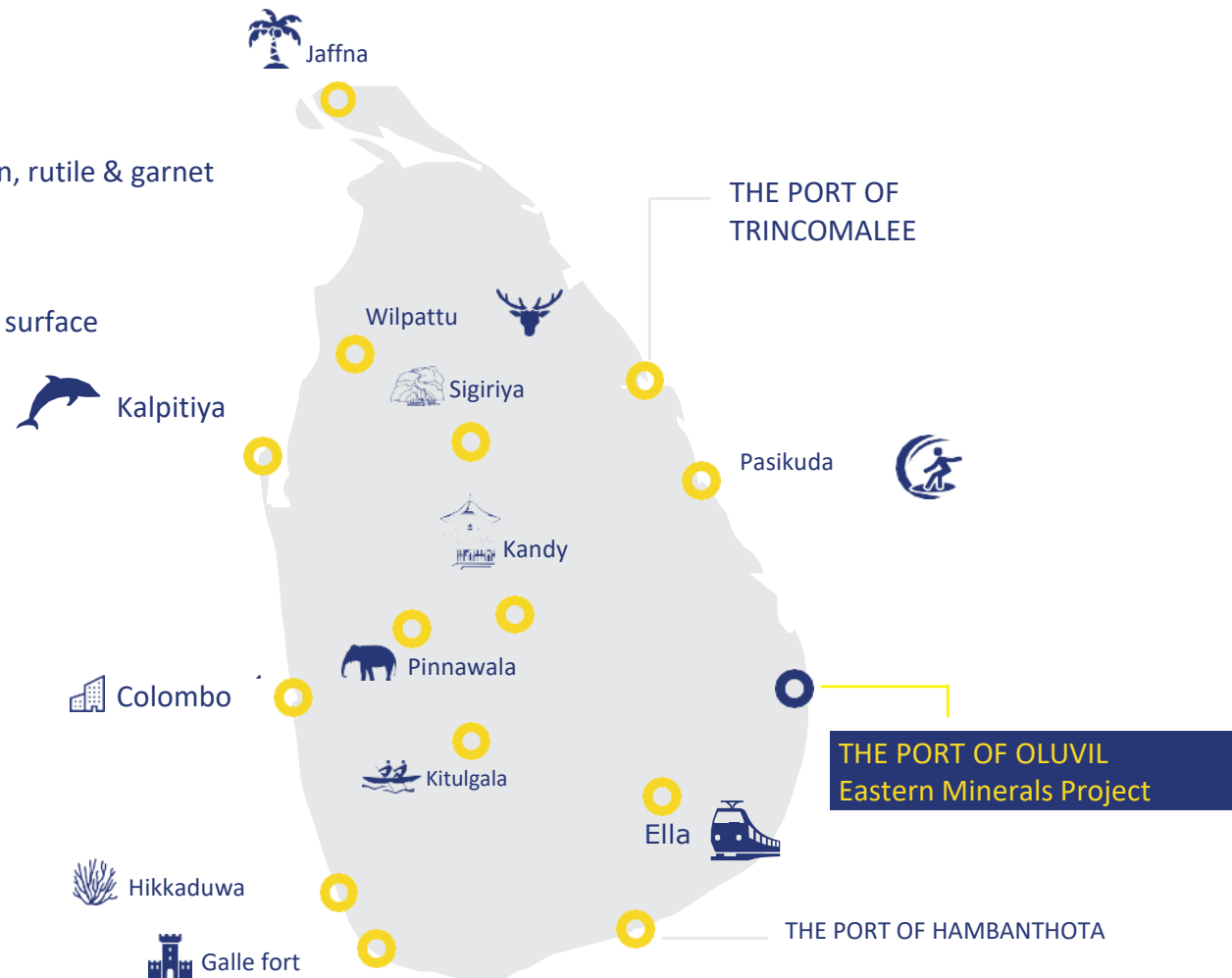
KEY MILESTONES

EIA Process complete, focus now on issue of Mining License. Multiple development milestones



SRI LANKA

Supportive government as evidenced by EIA approval



AT A GLANCE

- Market Cap GBP £16.48*
- Share Price 9.60 p*
- Shares on Issue 172,436,766
- 12 Month Range 8.6p – 23.7p
- Nomad-Spark
- Joint Broker-WH Ireland/Tavira Securities

** As at 14 January 2022*

SHARE PRICE - CMET : AIM



SIGNIFICANT SHAREHOLDERS

• Brent Holdings Limited (Family office)	14.38%
• Roman Resources Management Pty Ltd	8.36%
• Stanton Investments Ltd	7.35%
• KL Kepong International Limited	6.49%
• Chulu Holding	5.13%
• Bart Properties Pty Ltd (Family office)	3.19%

POTENTIAL FOR AN INCREASE IN SHARE PRICE

- Mining Licence
- Resource Upgrade
- Drilling
- Studies
- Offtake
- Financing
- Strategic Partner

A Team To Deliver

International & local team with proven experience in mineral sands project

Greg Martyr / Non- Executive Chairman

- +25 years' resource investment banking experience
- Former President 500kozs Americas gold producer
- Previously Global Head of Mining & Metals Advisory for Standard Chartered



Michael Frayne / CEO + Executive Director

- +25 years' technical and commercial experience in resource sector
- Experienced in corporate strategy & executive management.
- Previously Ernst & Young, Great Central Mines Ltd, Anaconda Nickel Ltd and Asia Energy Plc (now GCM Resources Plc).



James Mahony / Chief Financial Officer

- Partner of Westend Corporate LLP and holds a Bachelor of Applied Science (Hons), Master of Accounting and is a qualified Certified Practising Accountant.
- Works with listed companies on the LSE Main Market, AIM and AQSE as well as private companies in the pre-IPO phase.
- Focused on companies in mining, resource exploration, technology, biomedical and medicinal cannabis sectors.



James Leahy / Non- Executive Director

- +34 years' experience in stockbroking, investment banking and commodities
- Currently a director of Geiger Counter Ltd, Savannah Resources plc and AEG plc
- Former director of MRC whilst Tormin Mineral Sands Project moved from feasibility into production



Iranga Dunuwille / Sri Lanka Country Manager

- 15 years CFO and general management experience in Sri Lanka and has finance and regulatory experience in the UK.
- Based in Sri Lanka overseeing in-country activity
- UK Qualified Chartered Management Accountant & MBA
- Good knowledge of Sri Lanka government processes and regulations



Richard Stockwell / Technical Manager

- Geologist with +20 years' experience in mineral sands
- Expertise covers mineral exploration, resource development and mine planning
- Over 12 years with Iluka Resources then set up drilling + geological services to the mineral sands industry



Corporate Strategy

Resource upgrade, drilling + studies - a potential for increase in share price.



Eastern Minerals Project

High-Grade Mineral Sands



High-Grade JORC Mineral Resource

- 17.2mt at 17.6% THM (Total Heavy Minerals)
- > 90% THM recoveries
- Current resource only first 3m from surface
- Low slimes



Near Term Production

- Stage 1 - Produce Heavy Mineral Concentrate
- Stage 2 - Separated Products - Zircon, Rutile, Ilmenite + Garnet.



Exploration Upside

- Mineralisation continues at depth
- Drill intersections incl.
 - 14m at 26.3% THM
 - 8m at 26.6% THM
- Only 10% of license area drilled
- Drilling program



Four Valuable Mineral Sands Products

- Valuable mineral sands (ilmenite, zircon, rutile & garnet) account for >75% of THM
- Low chrome ilmenite (main source of titanium dioxide)
- Lack of new projects and rising commodity prices



Approval of Mining License

- Final Government meeting pending to approve EIA
- Mining license to follow once EIA approved
- ESG, community & stakeholder engagement ongoing



Simple Processing Route

- Low-CAPEX
- Dig - Screen - Spiral Processor - No Chemicals
- Key infrastructure in place including Oluliv port & road network

Mineral Sands Market

Favourable product split

Titanium Dioxide (TiO2) GDP Growth

- TiO2 demand grows in line with GDP growth
- Pigment accounts for 90% of demand

Ilmenite

1

- Pigment manufacture, titanium slag production
- Uses
 - Paper
 - Paint



Rutile

3

- Pigments and metals
- Uses
 - Paint
 - Cosmetics



Zircon

2

- Opacifier in ceramic glazes, refractory, foundry, chemicals
- Uses
 - Dental products
 - Ceramic raw materials

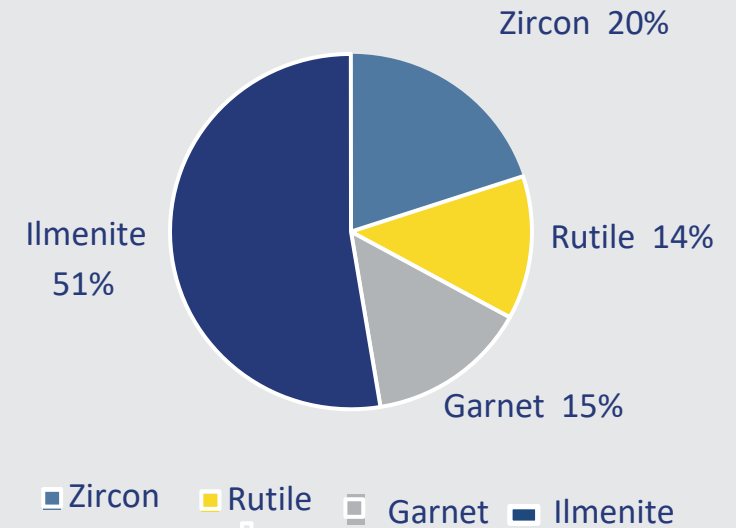
Garnet

4

- Garnet is used for abrasives and water filters
- Uses
 - Sanding belts
 - Abrasive blasting material



% of VALUE*



* Capital Metals Plc estimates based on data reviewed by the Directors in 2020

Positive outlook for mineral sands

- New sources of supply are required
- Potential increase in zircon, rutile and ilmenite prices.

Pricing and latest market dynamics

- Price increases in 2021 due to both supply and demand changes
- Ilmenite up to \$340+ per tonne, Rutile up 40% to over \$1,700 per tonne since last October, Zircon up 14% to \$1,630 per tonne* since end March
- Supply disruption to mineral sands markets – Richards Bay Minerals, Sierra Rutile
- Increased demand due to lack of new mines, shortage of supply and inventory restocking
- Potential supply deficit as new mines not coming on to replace supply losses and increased demand
- Interest to secure new and alternate sources of supply

*As at July 2021



Mineral Resource & Assemblage

Good spread of revenues across product range.
Current resource only first 3m from surface.
100% of Project



JORC Resource Category	Resource '000t	THM %	THM '000t 5% THM cut-off
Measured	5,819	19.9	1,159
Indicated	8,602	16.6	1,432
Inferred	2,791	16.0	446
Total	17,212	17.6	3,037

Source: Optiro – Competent Person Report

VHM Product	THM % 2020	VHM % of Insitu Ore 2020	2020 US\$/t 1	% of value 2020	2021 US\$/t1
Ilmenite ²	47.1	8.3	230	51	250
Zircon	5.1	0.9	1,250	20	1,350
Rutile	3.4	0.6	1,100	14	1,150
Garnet	22.7	4.0	200	15	200

1.Capital Metals Plc estimate

2. Ilmenite 2020 price US\$/t is the estimate for ilmenite only and does not include the price for other TiO₂. The %THM, VHM% of Insitu Ore and % of Value figures for ilmenite all include other TiO₂.

High Grade of 17.6% THM

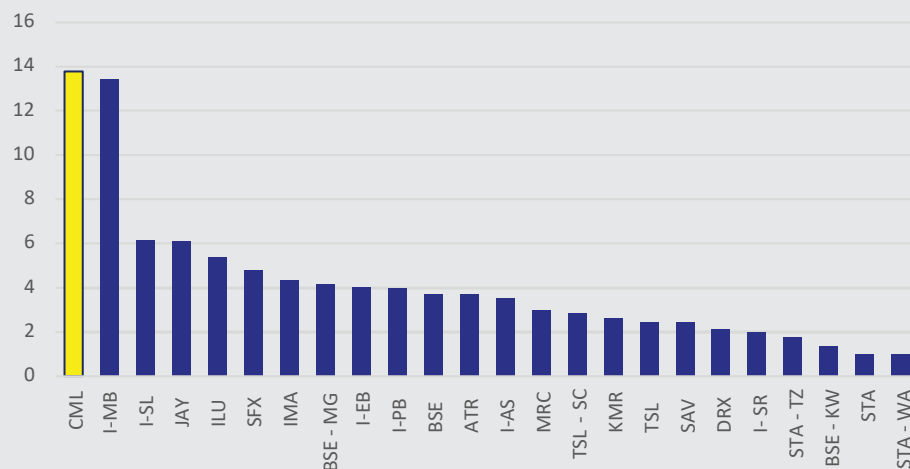
2018 drilling confirmed high grade mineralisation below existing resource

Sillimanite and Monazite products not included in current value

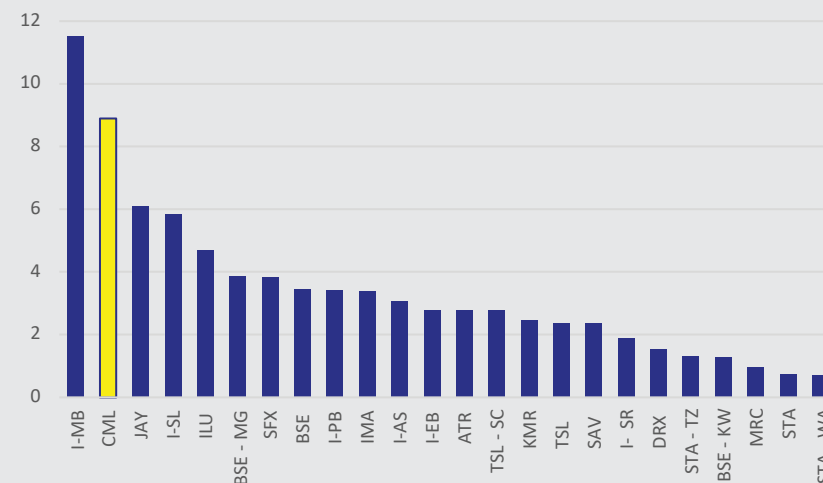
84% of JORC resources are Measured & Indicated

Project Comparison – Grades and Slimes*

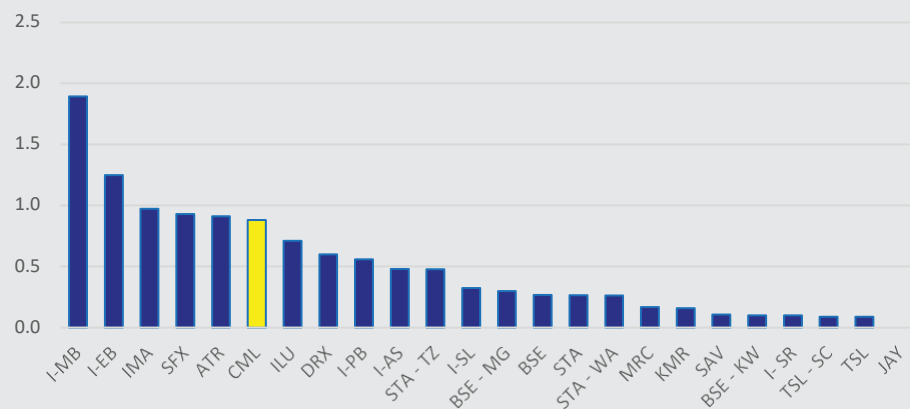
Valuable Heavy Minerals %



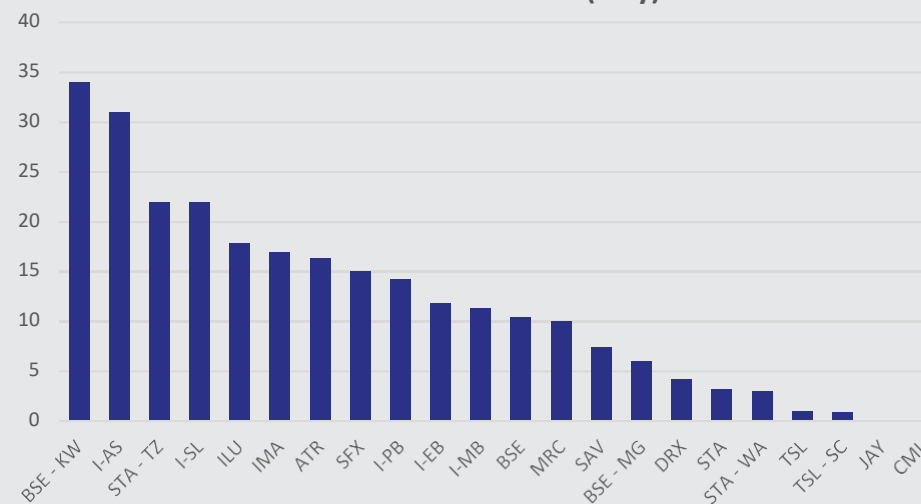
TiO2 Grade - %



Zircon Grade - %



Slimes Content - % (Clay)



* Based on data reviewed by Directors in 2020

Mineral Processing Plants – Simple Mining

2 Stage Process

WET PLANT – MINE SITE (Stage 1)

Located adjacent to the mine site

Mine sand slurry spirals by gravity
– negligible slimes

Mineral sands separated from Silica Sands to
produce Heavy Mineral Concentrate (HMC)

Process:

- Clean silica sand returned to mine cell area
 - HMC via truck to dry plant (Oluvil Port)
- Rehabilitation commences immediately after mining
- Ongoing monitoring of rehabilitated areas

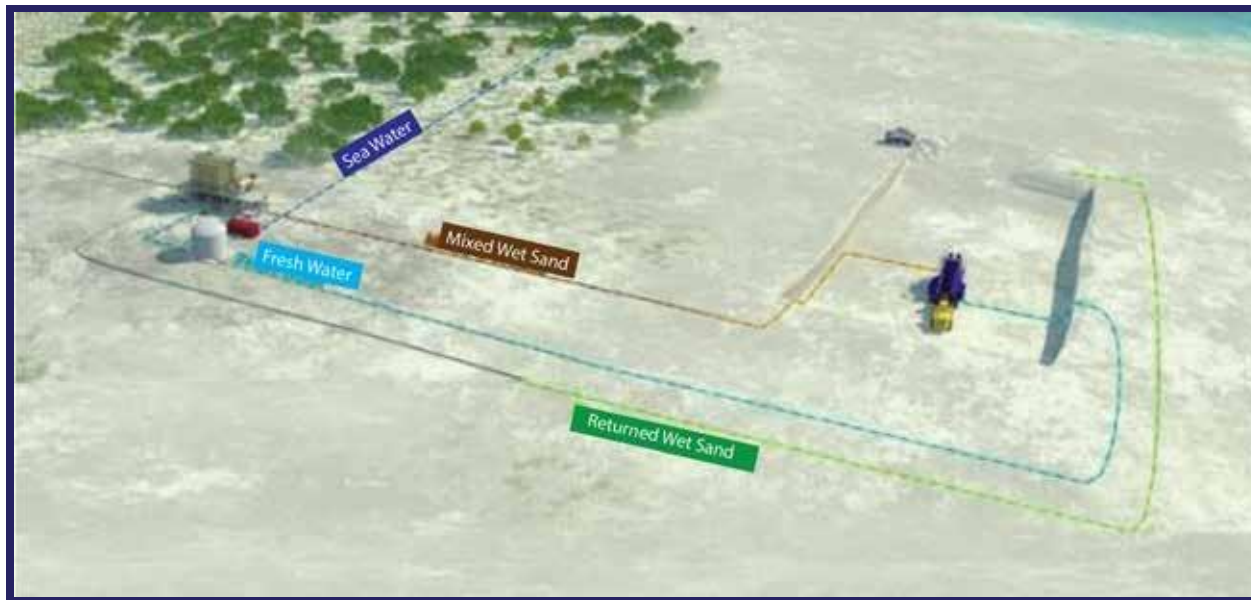


Fig 01: Mine Cell Layout



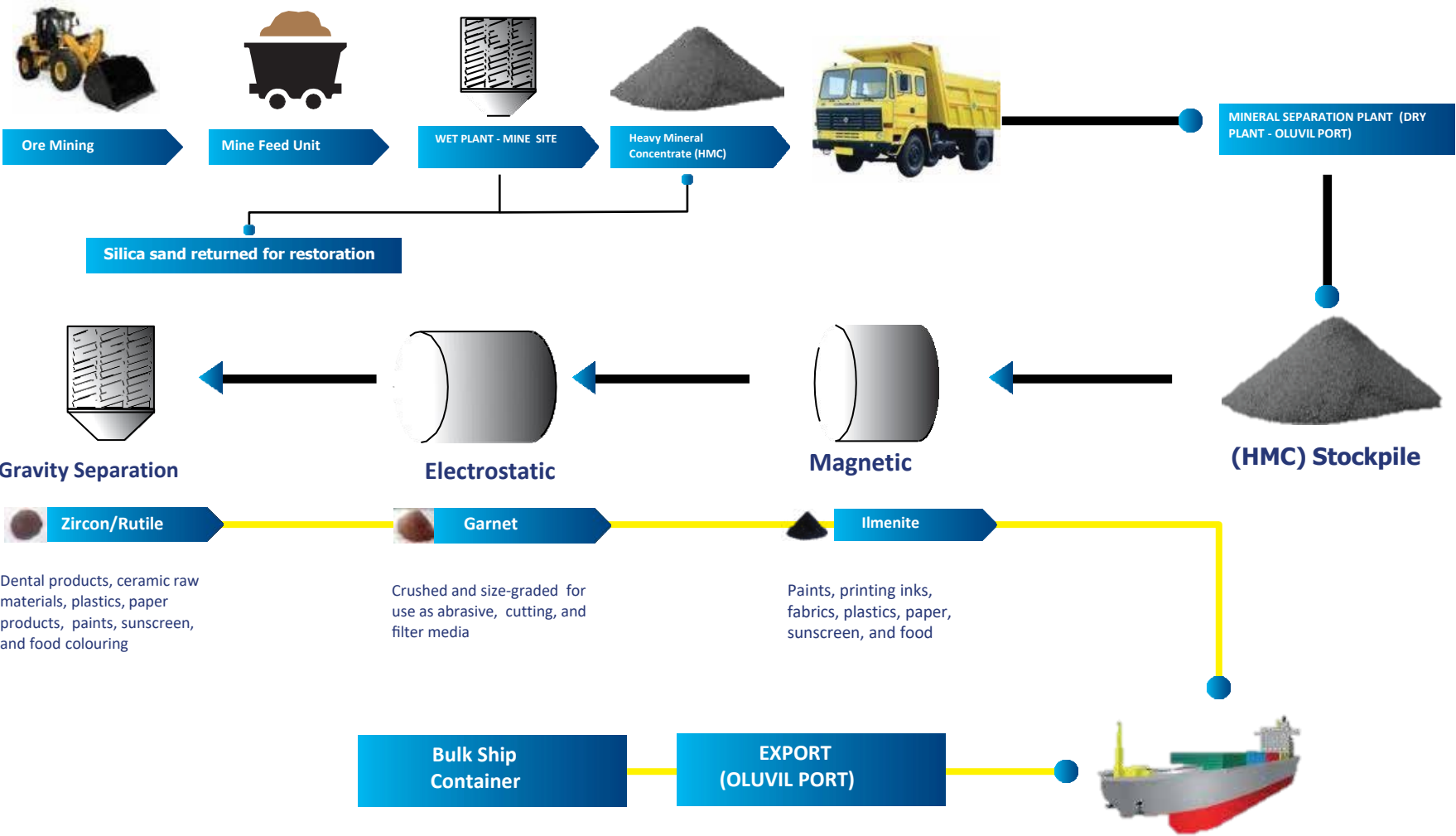
Fig 02: Heavy Mineral Concentrator Plant

Simple Extraction Process - 2 Stage Process

 Low CAPEX US\$35m*

 No Blasting and Continuous Rehabilitation

 Environmentally Responsible Mining



\$ 10M*

* Capital Metals Estimate

\$ 25M*

* Capital Metals Estimate

Mineral Processing Plants – Simple Mining

2 Stage Process

DRY PLANT – OLUVIL PORT (Stage 2)

Mineral Separation Plant proposed to be located at Oluvil Port

Product separation into ilmenite, rutile, garnet and zircon using various techniques:

- Electrostatic
- Magnetic
- Particle size differences
- Additional spirals
- Products intended to be shipped to global markets



Fig 03: Proposed Layout for Mineral Separation Plant

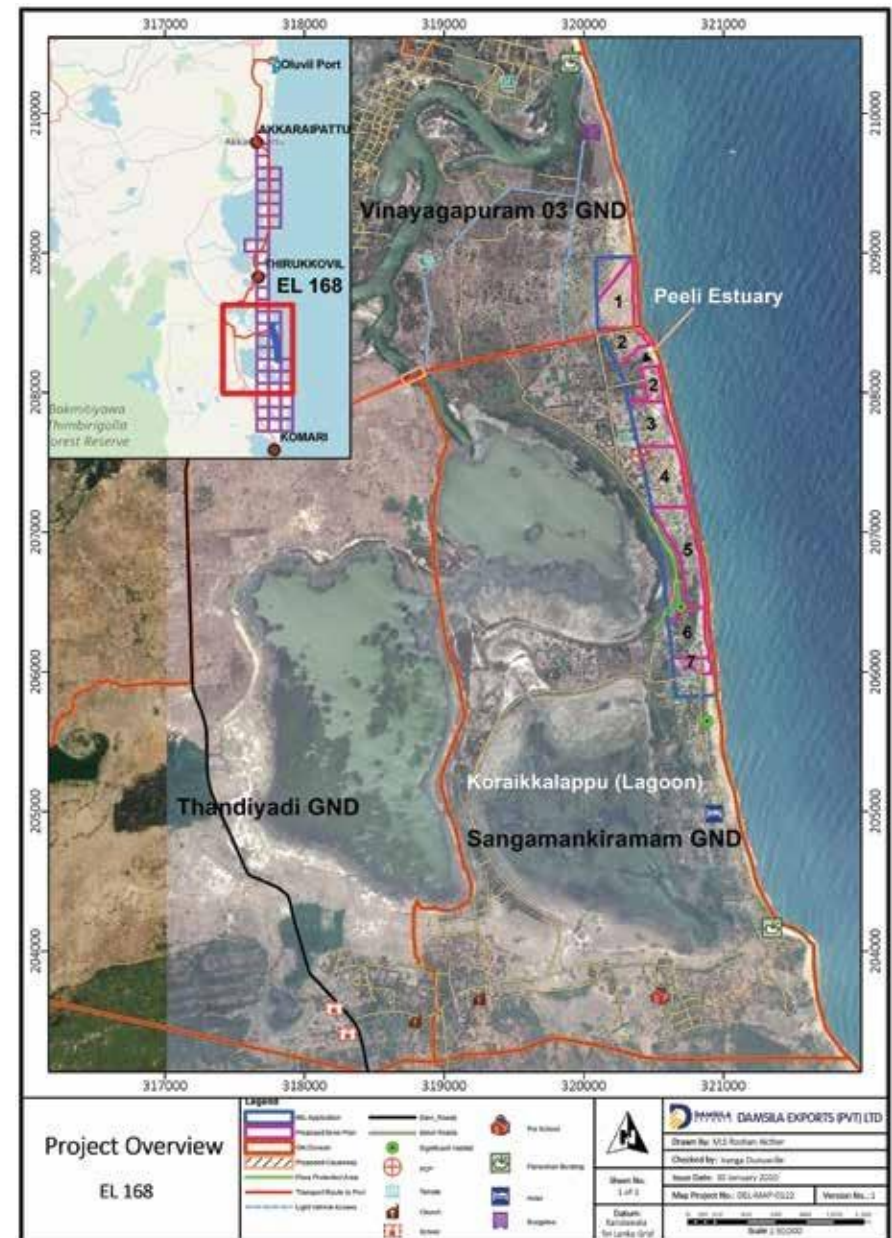
Regional Land Position Around Initial Mining Area

Industrial Mining License (IML)

- 6 IML applications lodged
- Issue of first IML targeted for Q1 2022
- IMLs to be sought as per mine plan

Exploration License (EL199)

- IML applications planned for 2022 over existing resources
- Further exploration work completed in November 2021, results Q1 2022



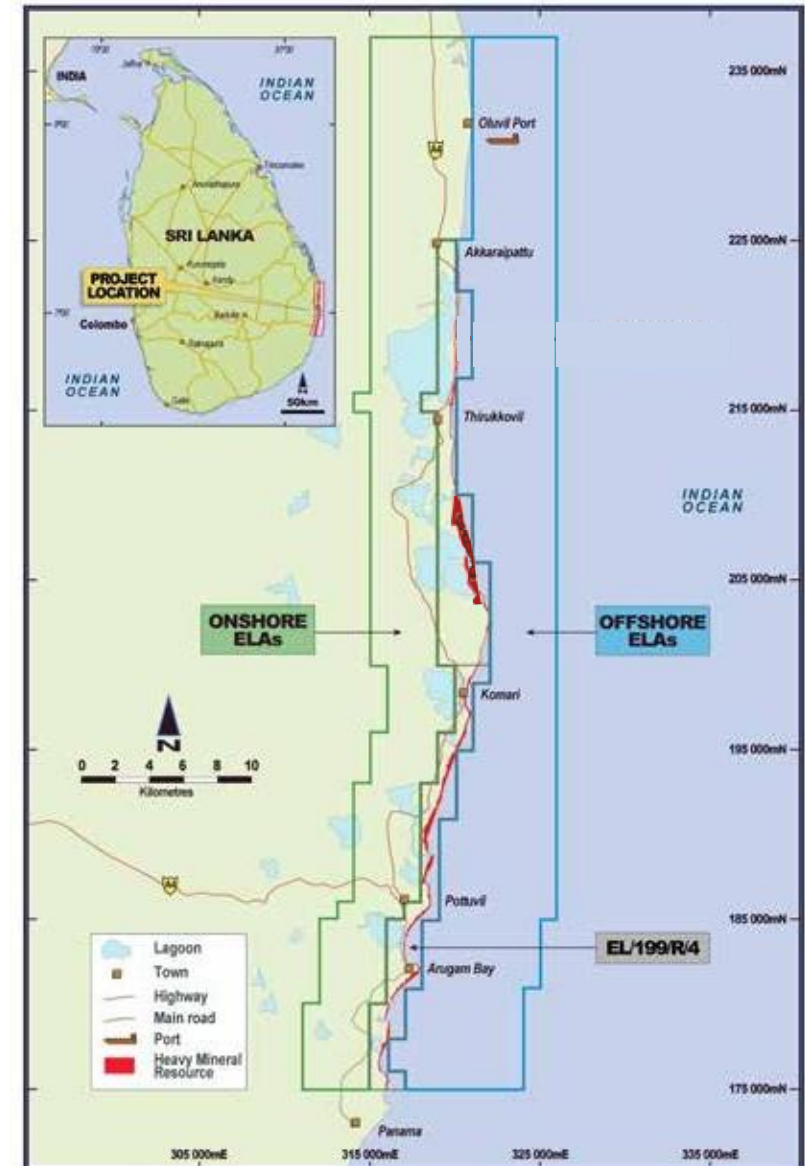
Regional Land Position Around Initial Mining Area

9 Exploration License Applications

- 4 onshore applications for 272km²
- 5 offshore applications for 351km²

Exploration upside

- Potential for increase in resources – at depth, inland & offshore
- Less than 10% of project area drilled to date



Oluvil Port & Infrastructure

Potential availability of the port may reduce cost of operations

Oluvil Port

- 32km by road from wet plant at mine
- Unused commercial port – construction completed in 2013
- Discussions with port authorities for port use and dry plant construction
- Access to export markets

Infrastructure in place at Port

- Grid power, scheme water, sealed roads
- Up to 10,000 tonnes shipping capacity
- Port requires dredging due to long-shore drift



ESG – Community



Assisting the community during difficult times

Partnering local education & uplifting standards in the community

Community engagement is the key to permitting

International and local consultants

Large local workforce when operations commence, opportunity to upskill , new technology

Maintain ongoing presence and continued engagement with community



Environmental Impact Assessment (EIA) + Studies completed over 4 years

Continuous monitoring of rehabilitated mine sites

Proposed 8 Week Rehabilitation Cycles

Progressive rehabilitation aligned with mine plan

Use of recognised rehabilitation methods with local staff ensuring skills transfer and sustainability

Investment Case

Mineral sands project in Sri Lanka



A Geologically Advantageous Deposit

Very high 17.6% THM grades



Near Term Production

Stage 1 - Heavy Mineral Concentrate



Exploration Upside

Over 90% of the project has not been drilled and drilling confirms continued mineralisation



Good Offtake Interest

Interest from offtake companies given market supply constraints



Experienced Leadership Team

Highly experienced Board and in-country team to bring the mine into production



ESG and Infrastructure

Close to port, existing transportation links, large local employment opportunities and community benefits



Good Product Mix

Positive market fundamentals of saleable products: ilmenite, zircon & rutile



High Re-Rate Potential

Multiple visible development milestones



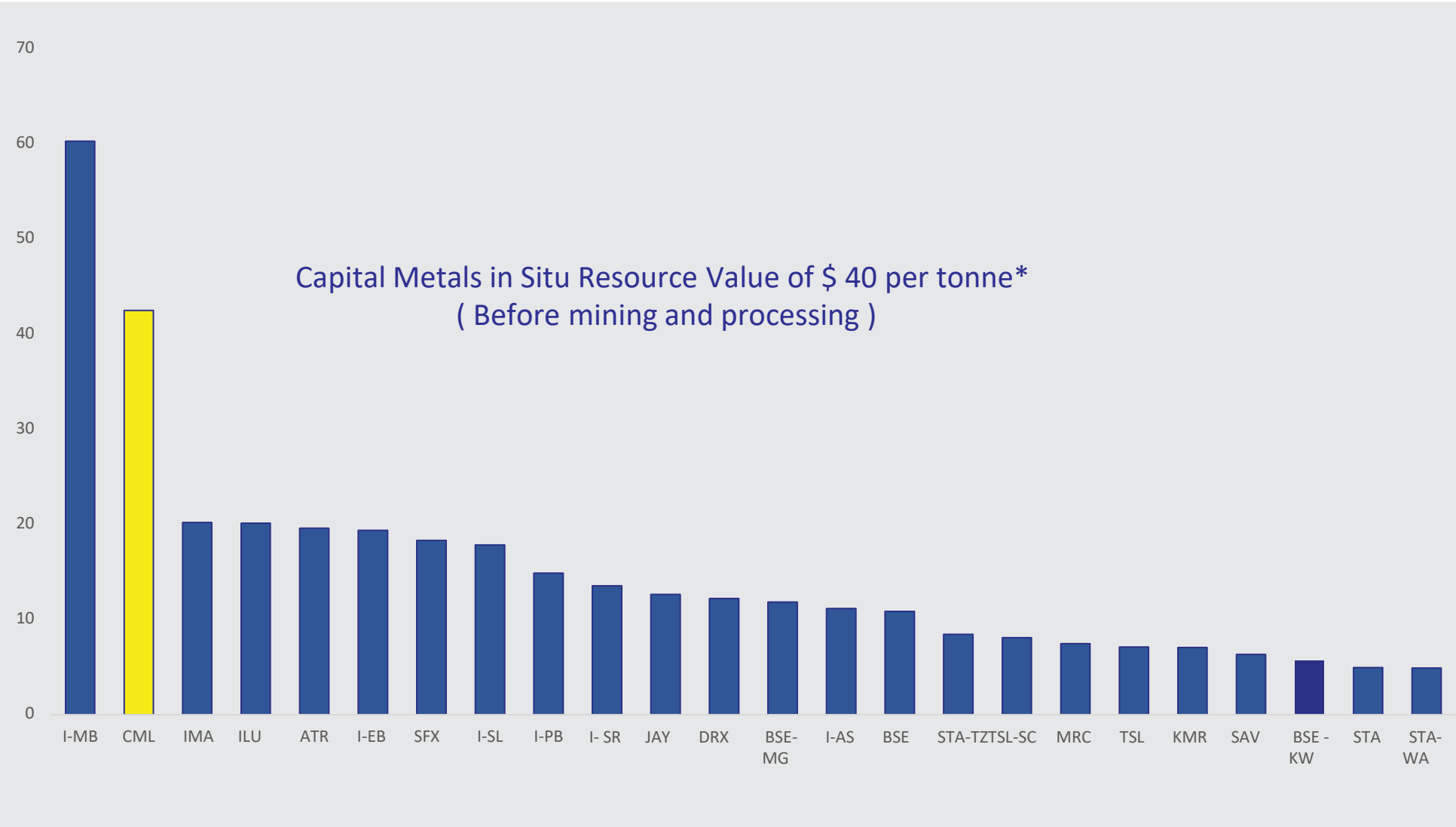


APPENDIX



High Grade for High Value*

Value per Resource Tonne Sand - US\$/t*



* Based on data reviewed by Directors in 2020

Sri Lanka

Strategic Location in South Asia

Sri Lanka is situated strategically in South Asia at the crossroads of major shipping routes to South Asia, the Far East and the continents of Europe and America, making the country a convenient port of call for shipping lines and airfreight services. Further, Sri Lanka's proximity to the Indian sub-continent positions the country as a gateway to a market of 1.3 billion people. These factors have combined to generate keen interest in the country's logistics sector, as well as from manufacturers looking for opportunities in the South Asian region.

Access To Key Markets

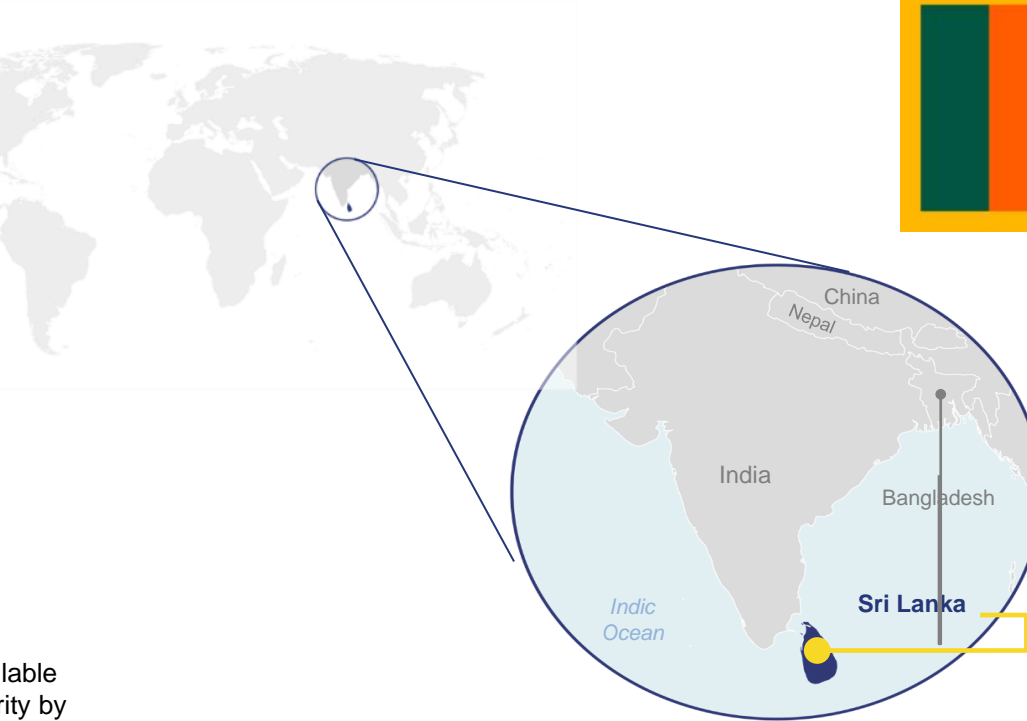
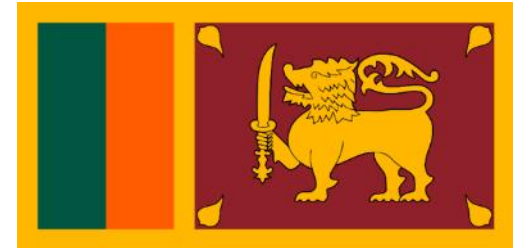
Sri Lanka's strategic location in South Asia provides great opportunities to enter into free trade and partnership agreements with several Asia's trade powerhouses.

Fast Developing Infrastructure

Sri Lanka has experienced significant improvements to available infrastructure which has been recognized as a national priority by successive governments. These include an ambitious program to develop and completely upgrade seaports around the island, the international airports, roads in the city of Colombo and highways connecting to other parts of the country and power and telecommunication facilities.

Quality of Life

Sri Lanka often referred to as the 'pearl of the Indian ocean', is claimed by both locals and expats alike as a truly great place to live and work. A country of many facets, Sri Lanka offers a spectrum of experiences, cultures and places for those who enjoy diversity and variety. The country's expansive beaches, rolling hills, rainforests and cosmopolitan cities make Sri Lanka an eclectic experience for all.



Investment Protection

Sri Lanka has entered into 28 Bilateral Investment Promotion and Protection Treaties (BITs) so far, providing protection to foreign investments within the country. Sri Lanka is developing its model BIT with a view of catering to the needs of covering the aspects of sustainable development principles in attracting foreign investments

Avoidance of Double Taxation

Relief from double taxation for foreign investors; Sri Lanka has entered into Double Taxation Avoidance Agreements with 44 countries to eliminate or mitigate the incidence of juridical double taxation and avoidance of fiscal evasion in international trade (or transactions).

Bulk Sample Test Work



Bulk sample testing HMC on shaker table showing separation at Downer (Mineral Technologies) test facility, QLD Australia

4 Tons Bulk Sample

- Mulliyadi sample sites
- Downer (Mineral Technologies) facility in QLD Australia
- Clean sand with very low slimes & oversize

Exceptional Spiral Results

- 90% Total Heavy Minerals
- >98% recovery of zircon, TiO₂ and monazite minerals on two-stage spiral circuit

Overall VHM Recovery 82.5%

- Exceptional separation of magnetic and non-magnetic components of HMC and final products
- Supports the use of a small, highly mobile mining and processing circuit

For any information or inquiries

Michael Frayne / CEO



michael.frayne@capitalmetals.com



+44 20 8142 3648