

Registered number: 5555087

CAPITAL METALS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

CAPITAL METALS PLC

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CAPITAL METALS PLC

COMPANY INFORMATION

Directors	Gregory Martyr (Executive Chairman) James Leahy (Non-Executive Director) Teh Kwan Wey (Non-Executive Director) Aravinda De Silva (Non-Executive Director) Savanth Sebastian (Non-Executive Director)
Company Secretary	Orana Corporate LLP
Registered Office	25 Eccleston Place London SW1W 9NF
Company Number	05555087
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CAPITAL METALS PLC

CHAIRMAN'S REPORT

Introduction

I am pleased to present the Annual Report and Accounts of Capital Metals plc ("the Company" and together with its subsidiaries, "the Group") for the year ended 31 March 2026 ("the Year"). The Year was one of significant progress, both for the Company and Sri Lanka's developing minerals sector. The Taprobane Minerals Project (the "Project") moved materially closer to a Final Investment Decision ("FID") during the Year. We secured a strategic investment of US\$4 million from a new Sri Lankan partner, Ambeon Capital PLC ("Ambeon") and its associates; completed the first phase of our drilling programme, which delivered a transformational upgrade to the mineral resource in the initial mining area; further reduced Stage 1 development costs; and largely completed the engineering work required for FID.

Central to this progress has been the trust we continue to earn across Sri Lanka, from local communities through to national government. These relationships underpin our goal of creating long-term, sustainable value for all our stakeholders from a deposit of exceptional grade. A particularly encouraging development was the introduction of Sri Lanka's first new National Minerals Policy since 1999, which signalled the Government's commitment to advancing the sector and provides a more supportive regulatory backdrop for Capital Metals and other project developers. The recent formation of the Sri Lanka Mineral Sands Association ("SLMSA"), whose membership comprises the majority of the industry's key sector players, including Capital Metals, unites industry participants to advocate for the sector and overcome key challenges. The SLMSA has already had a productive audience with the President of Sri Lanka, Anura Kumara Dissanayake.

Review of Activity

Project Advancement

We continued to refine and de-risk the Stage 1 development plan during the Year. Having previously reduced the Stage 1 capital cost estimate to US\$20.9 million, further optimisation and greater engineering definition enabled a further reduction, to US\$17.7 million, meaningfully improving the Project's overall capital intensity.

The engineering work required for FID is now largely complete. We received a fixed lump-sum price from Mineral Technologies for the wet concentrator plant, giving a high degree of certainty over one of the largest single elements of Project capital, and completed the site access and hydrogeology studies that support a lower-cost, lower-impact development.

We also commissioned Mineral Technologies and Access Group to undertake concept studies for a Mineral Separation Plant ("MSP") to assess opportunities to accelerate downstream processing. Mineral Technologies has completed the initial concept design and capital cost estimate, providing the foundation for the work currently being undertaken by Access Group.

On permitting, we submitted the Environmental Impact Assessment ("EIA") for the southern EL199 licence area, which lies immediately south of EL168, where an EIA is already approved and for which two Industrial Mining Licences have been issued. EL199 represents an optimal location for additional mining areas and, in time, the opportunity to increase production capacity materially.

Project funding discussions are advancing with debt providers, strategic investors and potential offtake partners, which can only be finalised once the final project approvals are received.

Drilling Programme

During the Year, we completed an Aircore drilling programme in the northern EL168 area focussing on the initial mining area ("IMA") to support the opening mine plan for the Project. Results confirmed not only consistently high heavy mineral grades but also a threefold increase in the surface area of the mineralisation in the initial mining area alone compared to the current resource. This marked a step change for the Project and provided the foundation for a significant upgrade to the Mineral Resource. The discovery of multiple high-grade palaeo-shorelines at depth further strengthens the long-term potential of the Project.

Mineral Resource Upgrade

In November 2025, the drilling programme culminated in a substantial upgrade to the mineral resource estimate ("MRE") for the proposed IMA. Within the IMA, tonnes increased approximately fifteen-fold, from 897,000 tonnes to 13.1 million tonnes at an average grade of 5.5% Heavy Minerals. Much of the additional material derives from older beach strand formations below the modern beach barrier, and the resource is now predominantly classified as Indicated, a level suitable for mine planning. This MRE upgrade underlines the potential for a long-life, and potentially multi-generational, operation at a grade we expect to remain among the highest in the world.

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Action in Local Communities

Our community and environmental initiatives are central to the Company's social licence to operate. During the Year, we finalised plans for the first of several Coastal Regeneration Centres ("CRCs"). These nurseries will support progressive rehabilitation, biodiversity enhancement, community engagement and increased employment across the Project area.

Our expanding site team continued to strengthen the Company's social licence to operate through a structured programme of community engagement and environmental education. Key initiatives included building a Reverse Osmosis plant to supply clean water to the Thirukkivil area, the Capital Metals Cricket Cup, involving more than 40 local teams and attended by our Director, Sri Lankan cricket legend Aravinda de Silva, the donation of a fishing boat benefiting approximately 120 local families, as well as a number of local school and sporting carnival projects.

Our dedicated Sri Lankan Facebook channel has also become a valuable stakeholder engagement platform, reaching up to 650,000 people each month.

These initiatives demonstrate our commitment to building strong and transparent community partnerships, delivering lasting benefits alongside the Project.

Strategic Investment and Funding

Having a strong element of local ownership of the Project is important and, during the Year, we cemented a landmark relationship with Ambeon, a Colombo-listed diversified conglomerate that forms part of one of the country's most successful business groups. Having made an initial US\$2 million investment, Ambeon's nominees subsequently exercised an option in full, taking Ambeon and its associates' strategic commitment to the maximum of US\$4 million. Given its connections in Sri Lanka, Ambeon Capital is already assisting in improving the speed and flow of information and communication with national stakeholders.

This funding was supplemented by approximately a further US\$1 million from existing shareholder participation.

Board appointments and Leadership Changes

Following Ambeon's strategic investment in the Company, we welcomed two respected Sri Lankan business leaders to the Board of Capital Metals as Non-Executive Directors, 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, 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.

Reflecting the strong ties between Ambeon and Capital Metals, the Company now shares an office in Colombo with Ambeon.

We further reinforced the Board and corporate structure during the Year, appointing Anthony Eastman as Chief Financial Officer and Orana Corporate LLP as Company Secretary, adding significant financial and governance expertise as we prepare for development.

Bruce Griffin, representing Sheffield Resources Limited (ASX: SFX) ("Sheffield") on our Board, stepped down during the Year as a Non-Executive Director after Sheffield sold its shareholding in the Company following its well-publicised working capital challenges in relation to its Thunderbird Mineral Sands Mine in Western Australia. Demand from other high-quality investors, including Sri Lankans, enabled Sheffield's holding to be fully transferred. We reiterate our thanks to Bruce for his valuable input during his time on the Board.

We also continued to strengthen our senior team in Sri Lanka, adding further finance, environmental and government-relations expertise to support the Company as it transitions towards development.

Post Year End

Mineral Sands Technical Conference and SLMSA

We were pleased to be the Platinum Sponsor of Sri Lanka's inaugural Mineral Sands Technical Conference, held in Colombo in June 2026. Organised by the Ceylon Chamber of Commerce in partnership with our engineering partner, Mineral

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Technologies, the sold-out event drew over 200 delegates and 70 government officials, and was officially opened by the Minister of Industry and Entrepreneurship Development, whose Ministry is now responsible for the minerals sector. The conference brought together leading international technical experts to share global best practices in what was an encouraging display of confidence in Sri Lanka's mineral sands sector.

The conference also paved the way for the formation of the Sri Lanka Mineral Sands Association whose members comprise the majority of the industry's key sector players, including Capital Metals. The first of its kind in Sri Lanka, the SLMSA will give the industry a unified voice to promote the sector and collectively address the remaining challenges to unlocking the country's mineral sands potential – a further encouraging sign of the growing support from government and industry as we advance towards FID.

The SLMSA has already had a productive audience with the President of Sri Lanka, Anura Kumara Disسانayake, to discuss the development of Sri Lanka's mineral industry in line with the 2026 National Mineral Policy. The discussion focused on the steps required to systematically harness the country's mineral resources to contribute to national economic growth and increase export earnings, as well as on streamlining the processes involved in mineral exploration, extraction and value addition.

The President noted publicly after the meeting that extensive discussion was had on the need to attract both foreign and domestic investment to the sector, provide investors with the necessary facilities and support, and address emerging issues without delay.

The importance of this development should not be underestimated in its reflection of Sri Lanka's commitment at the highest level to kickstarting the sector.

Outlook

Our confidence has been bolstered by Sri Lanka's slow but evident drive to create a supportive environment for its nascent minerals sector to grow. In moving the responsibility for the minerals sector from the Ministry of Environment to the Ministry of Industry and Entrepreneurship Development, issuing a National Minerals Policy, embracing an inaugural technical conference, and engaging with the newly formed SLMSA, the new government is sending positive signals that the country is keen to advance this sector. The Government's recently announced National Export Development Plan (NEDP) 2026–2030 explicitly designates Mineral-Based Industries as one of its eight priority vertical sectors targeted for rapid diversification and global market integration, with a target of over US\$1 billion per annum in export earnings.

As part of the move to the Industries Ministry, the mines bureau is finalising a standard operating procedure to provide greater clarity on the licencing process. It is also conducting a compliance review of all issued exploration licences. Capital Metals, which has met all compliance requirements of its licences, is cooperating with this process which has been slow to progress but appears now to be nearing conclusion.

We expect these processes to pave the way for the removal of the two primary remaining bottlenecks, being: the granting of the one additional Industrial Mining Licence that we want to expand the Company's initial mining area to justify the capex to commence construction of Stage 1; and the confirmation of the country's approach to value addition, which we have been proposing should be staged in a practical manner to enable the building of the industry and supporting infrastructure. Notably, the Mineral Sands Technical Conference speakers strongly reinforced this approach.

At a development level, with the engineering for FID largely complete, Stage 1 capex further reduced, project-level funding discussions advancing, and a transformational resource upgrade delivered, the Company is well positioned to take FID and to begin construction in short order once outstanding approvals have been received. Once that happens, our anticipated construction period is nine to twelve months before first production.

The Project's fundamentals are attractive – the in-situ grade is already among the highest in the world and there is significant scope to grow the resource further. The Project's grade, low environmental footprint and staged, scalable development plan give it clear advantages. I firmly believe that these attributes, together with our collaborative engagement with local communities, will enable us to create significant value for our shareholders and for Sri Lanka.

On behalf of the Board, I extend my sincere thanks to our staff, our partners, and other stakeholders for their ongoing support for the Company.



Gregory Martyr
Executive Chairman

7 September 2026

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STRATEGIC REPORT

The Directors of the Company present their Strategic Report on the Group for the year ended 31 March 2026.

Strategic approach

The Group's aim is to create value for shareholders through the exploration and development of high-grade mineral sands. The Group's strategy is to continue to progress the development of the Taprobane Minerals Project in Sri Lanka towards production in the near future.

Organisation overview

The Group's business is directed by the Board and is managed on a day-to-day basis by the Executive Chairman. The Board monitors compliance with objectives and policies of the Group through monthly performance reporting, budget updates and periodic operational reviews.

At year end, the Board comprised one Executive Chairman and four Non-Executive Directors. Mr Aravinda De Silva and Mr Savanth Sebastian were appointed as Non-Executive Directors of the Company on 4 August 2025, and Mr Bruce Griffin resigned on 6 February 2026.

Review of business

During the year the Group commenced, and subsequently completed, Phase 1 drilling in the Initial Mining Area, with the goal of increasing the Mineral Resource and supporting mine planning. The programme, undertaken with the cooperation and participation of the Geological Survey and Mines Bureau ("GSMB"), returned first and second batches of results demonstrating exceptional Heavy Mineral grades. In November 2025, these results supported a material Mineral Resource upgrade, a 14.6x increase in the Initial Mining Area to 13.1Mt at a 2% Heavy Mineral cut-off (from 897kt), together with a 4.5x increase in contained Heavy Mineral.

During the year, Ambeon Capital PLC, a Colombo Stock Exchange-listed diversified conglomerate seeking to invest in mineral sands assets in Sri Lanka, made a strategic investment in the Company. Following an initial US\$2 million subscription in May 2025, Ambeon exercised its option in full to subscribe for a further US\$2 million (in two tranches in August and September 2025), taking its total strategic investment to US\$4 million. Following these subscriptions Ambeon became the Company's largest shareholder, holding approximately 12.15% of the enlarged share capital, and the Company and Ambeon entered into a Relationship Agreement. 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.

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Financial performance review

The loss before taxation of the Group for the year ended 31 March 2026 amounts to \$2,045,425 (31 March 2025: \$1,140,932).

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the period to 31 March 2026.

The three main KPIs for the Group are as follows. These allow the Group to monitor costs and plan future exploration and development activities:

KPI	2026	2025
Cash and cash equivalents	\$3,465,487	\$1,351,494
Administrative expenses as a percentage of total assets	16%	15%
Exploration costs capitalised during the period	\$1,079,367	\$649,168

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Cash has been used to fund the Group's operations and facilitate its investment activities (refer to the Statements of Cash Flows on page 38).

Administrative expenses are the expenses related to the Group's ability to run the corporate functions to ensure they can perform their operational commitments.

Exploration costs capitalised during the period consist of exploration expenditure on the Group's exploration licences net of foreign exchange rate movements.

Our people

Our people are a key element in our success and the Company aims to attract, develop and retain talented people and to create a diverse and inclusive working environment, where everyone is accepted, valued and treated equally without discrimination, taking into account the current size of the Company.

At the year end the Company comprised five directors, one COO, one key country manager and 21 employees in Sri Lanka, with the workforce by gender summarised below:

As at 31 March 2026	Male	Female
Executive Directors	1	-
Non-Executive Directors	4	-
Key Management	2	-
Employees	14	7
All employees	21	7

The Group is cognisant of the gender imbalance and will look to improve the equality of gender roles as the Company grows, noting that four additional women have been employed in Sri Lanka during the year. The Group operates in a predominantly male dominated industry with a limited pool of female candidates. Going forward the Group will look to actively recruit from diverse candidate pools where possible and foster an inclusive workplace culture.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are outlined below.

The Company continuously monitors its risk exposures and reports to the Board on a regular basis. Risks are reviewed by management and the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

Exploration, evaluation and development risk

The exploration and mining business is controlled by a number of global factors, principally supply and demand which in turn is a key driver of global mineral prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine. At every stage of the exploration process the projects are rigorously reviewed to determine if the results justify the next stage of exploration expenditure ensuring that funds are only applied to high-priority targets.

The principal assets of the Group comprising the mineral exploration licences and the IMLs are subject to certain financial and legal commitments. If these commitments are not fulfilled the licences could be revoked. They are also subject to legislation defined by the Government; if this legislation is changed it could adversely affect the value of the Group's assets.

Dependence on key personnel

The Group and Company is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Uninsured risk

The Group, as a participant in exploration and development programmes, may become subject to liability for hazards that cannot be insured against or third-party claims that exceed the insurance cover. The Group may also be disrupted by a variety

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of risks and hazards that are beyond control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards and weather conditions or other acts of God.

Funding risk

The only sources of funding currently available to the Group are through the issue of additional equity capital in the Company or through bringing in partners to fund exploration and development costs. The Company's ability to raise further funds will depend on the success of the Group's exploration activities and its investment strategy. The Company may not be successful in procuring funds on terms which are attractive and, if such funding is unavailable, the Group may be required to reduce the scope of its exploration activities or relinquish some of the exploration licences held for which it may incur fines or penalties.

Financial risks

The Group's operations expose it to a variety of financial risks that can include market risk (including foreign currency, mineral price and interest rate risk), credit risk, and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Environmental risk

There may be unforeseen environmental liabilities resulting from both future or historic exploration or mining activities, which may be costly to remedy. In addition, potential environmental liabilities as a result of unfulfilled environmental obligations by the previous owners may impact the Group. If the Group is unable to fully remedy an environmental problem, it may be required to stop or suspend operations or enter interim compliance measures pending completion of the required remedy.

Environmental management systems are in place to mitigate environmental risks, including the engagement of an independent and multi-disciplinary team of consultants.

Government regulation, political and country risks

The Project is located in Sri Lanka, where the Group's activities may be affected in varying degrees by political stability, governmental regulation and economic conditions. Changes in regulation or shifts in political attitude, including those arising from a change of government, are beyond the control of the Group and may adversely affect its operations. Following the elections of September and November 2024, the administration has undertaken a substantial programme of reform in the minerals sector: responsibility for the sector was transferred from the Ministry of Environment to the Ministry of Industry and Entrepreneurship Development, and in 2026 the Government issued the National Minerals Policy, the first revision of Sri Lanka's minerals policy since 1999, which provides for the competitive allocation of exploration and mining rights, requires value addition ahead of export in place of the shipment of minerals in raw form, and places greater emphasis on sustainable resource management and community benefit. The Government's National Export Development Plan 2026–2030 designates mineral-based industries as one of eight priority sectors, with a target of over US\$1 billion per annum in export earnings.

The Directors regard the direction of these reforms as constructive and broadly consistent with the Group's own development plan, which contemplates staged in-country value addition. Pending implementation of the new framework, the determination of mineral sector approvals has been deferred while the regulator finalises a revised standard operating procedure for licensing. The Group's outstanding applications, including the further Industrial Mining Licence required to expand the Initial Mining Area and the applications through which EL199 is to be retained, are subject to that process, as is the commencement of the Group's planned exploration drilling. The Directors remain of the view that the outstanding approvals will be granted, but the timing is not within the Group's control.

A prolonged delay in obtaining or renewing the approvals necessary for the Project would defer the Final Investment Decision and the commencement of construction, extend the period over which the Group must fund its overheads before generating revenue, and could affect the retention of EL199 and the carrying value of the Group's exploration and evaluation assets. These matters have been taken into account in the going concern assessment set out in note 2.4 and the critical accounting judgements set out in note 4.

The Group actively monitors political and regulatory developments through its management team, local partners, consultants and advisers, and reports on them to the Board monthly. It maintains a permanent in-country management team, retains local legal and environmental advisers, and has a Colombo-listed strategic shareholder, Ambeon Capital PLC, holding 12.15 per cent of the Company's issued share capital, whose local relationships assist the Group's engagement with national stakeholders. During the Year and to the date of this report the Group has engaged directly with the reform process,

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sponsoring Sri Lanka's inaugural Mineral Sands Technical Conference in June 2026 and participating as a founder member of the Sri Lanka Mineral Sands Association, established under the Ceylon Chamber of Commerce.

Environmental, Social and Governance

Once in production, the Project has the potential to open significant new economic opportunities in eastern Sri Lanka. The Group is committed to working with local communities and to ecologically sensitive production procedures under which all mining areas are progressively rehabilitated. Benefits expected to arise from development of the Project include:

- New high-quality construction, mining and processing work for local workers as well as demand for local contracting services. The Group's construction, mining and processing work will employ local workers, who will be trained and supported by local and foreign mining experts. Demand for contractor services is expected to create a multiplier effect benefiting the wider economy and transferring skills/knowledge to the local work force.
- An internship programme, providing local university students with hands-on experience in the mining sector, offering mentorship and exposure to the professional world.
- Community initiatives include waste disposal programmes, assisting reforestation campaigns, ongoing financial and training support for the local farmers, provision of clean and safe drinking water during the dry seasons, sponsorships for local community-based sports events and educational projects.
- Full consultation with the local community on any potential environmental impact from the Project, and commitment to modern international mineral sands processing integrating land rehabilitation into the mining process.
- Potential to free up the port for the local fishing industry and commercial shipping by removing the significant volume of sand that has filled the port area due to the coastal currents depositing sand in the harbour.
- Taxes and royalties flowing from the Group's operations will generate government revenues for reinvestment in Sri Lanka's continued economic development.
- The country will also benefit from foreign direct investment to bring the mine into production and export earnings from the sale of the products into the international market.

Environment

The Group recorded no reportable environmental incidents during the Year (2025: nil). Work continued during the Year on the Environmental Management Plan for the Project, and the Group continued to progress the environmental approvals required for site access. The Group also finalised plans for the first of several Coastal Regeneration Centres, nurseries intended to support progressive rehabilitation, biodiversity enhancement, community engagement and local employment across the Project area; construction of the first Centre is underway.

Health and safety

The Group recorded no reportable injuries, no first aid injuries and no drug or alcohol positives during the Year, and one near miss. A project risk and opportunities workshop was held during the Year to inform the pre-feasibility study, and work continues on the Group's Health and Safety Management Plan, the finalisation of which is linked to the recruitment of a dedicated Health and Safety Manager following the Final Investment Decision.

Community

Community investment during the Year totalled approximately US\$67,000, and community complaints in the Year were 7 (2025: 7). Initiatives during the Year and to the date of this report included the construction and commissioning of a reverse osmosis plant supplying clean drinking water to the Thirukkivil area, officially opened in partnership with the Sri Lanka Navy, the Sri Lanka Police and community representatives; the Capital Metals Cricket Cup, involving more than 40 local teams and attended by Aravinda De Silva, a Director of the Company; the donation of a fishing boat benefiting approximately 120 local families; a plant nursery programme aimed at rejuvenating coastal ecosystems, stabilising sand dunes and promoting biodiversity; support for local farmers through the provision of seedlings and access to agricultural expertise sponsored by the Group; and support for local schools, sporting carnivals and educational projects. The Group's dedicated Sri Lankan social media channel has become a significant stakeholder engagement platform, reaching up to 650,000 people each month.

People

At 31 March 2026 the Group employed 21 people in Sri Lanka in addition to its directors and key management, of whom 10 were permanent and 11 were engaged on contract. Employees received an average of 35 hours of training during the Year,

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including public speaking training for all employees and first aid training for the majority. Employee turnover for the Year was 23 per cent.

Governance and engagement

The Group's governance framework and the policies underpinning it, including its Code of Business Ethics, Anti-Corruption and Anti-Bribery Policy and Whistle Blowing Policy, are set out in the Corporate Governance Report on page 17 and are available on the Company's website. The Directors welcome the emphasis in the National Minerals Policy on value addition, sustainable extraction and community benefit, which is aligned with the Group's own plans for the Project. The Board and local management team continue to monitor economic and political developments in Sri Lanka, and receive monthly reporting on environmental, health and safety, community and stakeholder performance against defined targets

Environmentally sensitive mining

The Group is committed to pursuing modern international mineral sands mining and rehabilitation processes that will respect the coastline along which the Project will operate.

The Project's commercial mineral sands will be extracted using proven non-chemical processing methods. The proposed mining method is staged mining of small 150m x 50m cells, with each cell continuously rehabilitated after mining and then fully available for alternative uses such as agriculture and tourism, or to remain as a wilderness.

Well-regulated mineral sands programmes integrate land rehabilitation into the mining process. The shallow depth of mineral sands deposits allows them to be mined using conventional surface mining methods including bulldozers, excavators and trucks. Topsoil, subsoil and clay are removed and stockpiled separately to allow it to be progressively returned after the mining process. The mineral sand deposit is then removed from the ground and then transported to a processing plant where the valuable heavy minerals are separated from the sand. The waste sand (mostly silica) is transported back to the mining cell, where it is returned to the ground. Subsoil and topsoil are then replaced, and the land rehabilitated back to its original use.

Directors' statement under section 172 (1) of the Companies Act 2006

The Companies (Miscellaneous Reporting) Regulations 2018 require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (a) to (f) of the Companies Act 2006 ("S172") when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the Company.

This S172 statement explains how the Directors have regard to:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the Company's employees,
- (c) the need to foster the Company's business relationship with suppliers, customers and others,
- (d) the impact of the Company's operations on the community and environment,
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the Company.

The S172 statement focuses on matters of strategic importance to the Company and the Group, and the level of information disclosed is consistent with the size and the complexity of the business.

General confirmation of Directors' duties

The Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. When making decisions, each Director ensures that they act in good faith in the way most likely to promote the Company's success for the benefit of its members.

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S172(1) (a) "The likely consequences of any decision in the long term"

The application of the Section 172 (1) requirements can be demonstrated in relation to some of the key decisions made during the reporting period, including:

- commenced and completed Phase 1 drilling in the Initial Mining Area, supporting the November 2025 Mineral Resource upgrade (a 14.6x increase in the Initial Mining Area to 13.1Mt) and informing mine planning;
- deepened CSR programme led by dedicated personnel aimed at increasing local understanding of the Project and undertaking support initiatives;
- successfully reduced Stage 1 Project capex to US\$17.7 million (from US\$20.9 million), following a fixed lump-sum proposal from Mineral Technologies, with further optimisation opportunities identified.

The Group is focused on the development of the Taprobane Minerals Project in Sri Lanka. The raising of new capital advances the Company's objective, facilitating access to a significant and globally respected financial market to raise funds from deep pools of institutional and private investors, towards the development of the Project, whilst providing important liquidity to shareholders.

Although the current resource is of sufficient size for commercial mining operations, the Group is to develop an exploration strategy towards increasing the size of the resource and target of high value areas, enhance the economics of the Project and drive further value to shareholders, as well as further socio-economic benefits to stakeholders through increased production. The undertaking of further significant drilling will be subject to procuring sufficient further funding.

Management assesses overheads and expenditure on an ongoing basis towards the most effective utilisation of funds to meet Group business and strategic objectives to the benefit of shareholders.

S172(1) (b) "The interests of the company's employees"

The Board recognises that the Company's employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (c) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering on our strategy to develop the Project requires strong mutually beneficial relationships with suppliers, customers, governments, and local partners. We aim to have a positive and enduring impact on the communities in which we operate, including engagement with local suppliers, and through payments to governments in taxes and other fees. The Group values all of its suppliers and aims to build strong positive relationships through open communication and adherence to trade terms. The Group is committed to being a responsible entity and doing the right thing for its customers, suppliers and business partners.

S172(1) (d) "The impact of the company's operations on the community and the environment"

As a mineral sands Group operating in Sri Lanka, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption and bribery. The Group is committed to following modern international practices on environmental aspects of our work and the development of the Project. We actively engage with the local communities to ensure we maintain our social licence to operate and develop the Project. Management and employees conduct site visits and hold external stakeholder engagements. Wherever possible, local communities are engaged in the Group's activities, and the development of the Project will provide much needed employment and wider socio-economic benefits to the local communities.

S172(1) (e) "The desirability of the company maintaining a reputation for high standards of business conduct"

The Group aims to achieve the development of the Project in ways which are economically, environmentally and socially responsible. The Board periodically reviews and approves clear frameworks, such as the Company's Code of Business Ethics, to ensure that its high standards are maintained both within the Group and the business relationships we maintain. This, complemented by the various ways the Board is informed and monitors compliance with relevant governance standards, help ensure its decisions are taken and that the Group acts in ways that promote high standards of business conduct.

S172(1) (f) "The need to act fairly as between members of the company"

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy over the long-term, taking into consideration the impact on stakeholders. The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members.

CAPITAL METALS PLC

STRATEGIC REPORT

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with key private shareholders, analysts and brokers, providing the opportunity to discuss issues and provide feedback at meetings with the Company. All shareholders are encouraged to attend the Company's Annual General Meeting and any general meetings held by the Company.

Outlook

The Year saw the Project advance materially towards a Final Investment Decision. The Phase 1 Aircore drilling programme in the northern EL168 area was completed, delivering in November 2025 a substantial upgrade to the Mineral Resource Estimate for the Initial Mining Area, from 897,000 tonnes to 13.1 million tonnes at an average grade of 5.5% Heavy Minerals, with the resource now predominantly classified as Indicated and therefore suitable for mine planning. Alongside this, the Stage 1 capital cost estimate was reduced further to US\$17.7 million, a fixed lump-sum price was obtained from Mineral Technologies for the wet concentrator plant, and the site access and hydrogeology studies were completed. The engineering work required for FID is now largely complete and the pre-feasibility study is at an advanced stage.

The critical path to FID has consequently shifted from technical work to permitting. Phase 2 drilling has not yet commenced, and the further Industrial Mining Licence required to expand the Initial Mining Area remains outstanding, pending determination of the relevant approvals under the revised licensing framework described in the principal risks section above. The Directors expect the drilling programme to recommence, and the outstanding approvals to be determined, once that framework is in place, and continue to engage with the regulator and the Ministry of Industry and Entrepreneurship Development to that end.

Project-level funding discussions with debt providers, strategic investors and potential offtake partners have continued, but can only be concluded once the outstanding approvals have been received. The Group will require additional funding to reach and implement a Final Investment Decision, as set out in note 2.4.

The Directors nonetheless remain confident in the Project's fundamentals. The in-situ grade is among the highest in the world, there is significant scope to grow the resource further, and the staged, scalable development plan and low environmental footprint give the Project clear advantages. With engineering largely complete, capital cost reduced and the resource transformed, the Group is well positioned to move quickly to construction, anticipated to take nine to twelve months to first production, once the outstanding approvals have been received.

For further details please see the going concern disclosure in note 2.4.

We look forward to reporting on the next phase of the Project.



Greg Martyr
Executive Chairman
7 September 2026

CAPITAL METALS PLC

DIRECTORS' REPORT

The Directors present their Annual Report on the affairs of Capital Metals plc together with the Financial Statements for the year ended 31 March 2026.

Principal activities

The principal activity of the Group is the development of the Taprobane Minerals Project (formerly the Capital Metals Lanka South Project) located in the Ampara District of the Eastern Province of Sri Lanka.

Dividends

The Directors do not recommend the payment of a dividend for the year (2025: Nil).

Directors & Directors' interests

The Directors who served during the year ended 31 March 2026 are shown below and had, at that time the following beneficial interests in the shares of the Company:

	31 March 2026		31 March 2025	
	Ordinary Shares	Options	Ordinary Shares	Options
Gregory Martyr	8,167,519	6,000,000	8,167,519	6,000,000
James Leahy	538,333	2,000,000	538,333	2,000,000
Teh Kwan Wey	-	750,000	-	750,000
Bruce Griffin (1)	800,000	-	800,000	-
Aravinda De Silva (2)	-	-	-	-
Savanth Sebastian (2)	-	-	-	-

(1) Bruce Griffin resigned as a Director on 6 February 2026. His interests are shown as at that date. He subsequently disposed of 350,000 Ordinary Shares on 25 February 2026, after he had ceased to be a Director.

(2) Aravinda De Silva and Savanth Sebastian were appointed on 4 August 2025.

Further details on options can be found in Note 16 to the Financial Statements.

Substantial shareholders

The substantial shareholders at 31 March 2026 and 7 September 2026:

	31 March 2026		7 September 2026	
	Holding	Percentage	Holding	Percentage
Ambeon Capital Plc	59,701,000	12.13	59,701,000	12.13
Bart Properties Pty Limited	43,498,991	8.84	43,498,991	8.84
Skyfall Properties Limited	24,793,095	5.04	24,793,095	5.04

Corporate responsibility

The Board is committed to ensuring good standards of corporate governance in so far as practicable for a company of this size. The London Stock Exchange has required all AIM companies to apply a recognised corporate governance code. In connection with these requirements, the Quoted Companies Alliance has published a Corporate Governance Code which the Company has adopted. The Company has adopted and operates a share dealing code for Directors and senior employees on substantially the same terms as the Model Code appended to the Listing Rules of the UK Listing Authority. Information in relation to the Corporate Governance of the Group is contained within the Corporate Governance Report.

CAPITAL METALS PLC

DIRECTORS' REPORT

Environmental

The Group's operations are, and will be, subject to environmental regulation (with regular environmental impact assessments and evaluation of operations required before any permits are granted to the Group) in the jurisdiction in which it operates. Although the Group intends to be in compliance with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other circumstances, which could subject the Group to extensive liability. Further, the Group may fail to obtain the required approval from the relevant authorities necessary for it to undertake activities which are likely to impact the environment. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area. No environmental breaches have been notified by any governmental agency as at the date of this report.

Health and safety

The Group operates a comprehensive health and safety programme to ensure the wellness and security of its employees. The control and eventual elimination of all work-related hazards requires a dedicated team effort involving the active participation of all employees. A comprehensive health and safety programme is the primary means for delivering best practices in health and safety management. This programme is regularly updated to incorporate employee suggestions, lessons learned from past incidents and new guidelines related to new projects with the aim of identifying areas for further improvement of health and safety management. This results in continuous improvement of the health and safety programme. Employee involvement is regarded as fundamental in recognising and reporting unsafe conditions and avoiding events that may result in injuries and accidents.

Employment policies and remuneration

The Company is committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure ongoing success for the business. Employees and those who seek to work with the Company are to be treated equally regardless of sex, marital status, creed, age, colour, race or ethnic origin.

Directors' remuneration

The Group remunerates the Directors at a level commensurate with the size of the Group and the experience of its Directors. The Board has reviewed the Directors' remuneration and believes it upholds the objectives of the Company and the Group with regard to this issue.

Please refer to Note 20 for details of Directors' remuneration.

Energy and carbon report

The Group's United Kingdom energy consumption was less than 40,000 kWh during the year and it accordingly qualifies as a low energy user. The Group has therefore not made separate disclosures relating to energy consumption and efficiency under the Streamlined Energy and Carbon Reporting framework. Further commentary on the Group's environmental impact is set out in the Strategic Report.

Corporate and social responsibility

The Company maintains high, ethical standards in its business activities. We act responsibly, promoting accountability as individuals and as a company. We operate with ethics and fairness and comply with all required rules and regulations.

The Company requires that in respect to all of its operations there runs alongside this a comprehensive community engagement plan. It is vital that we engage, listen and communicate effectively with local communities, particularly when they begin the process of planning new developments. Whilst the Company is cognisant of its corporate social responsibilities, the Company considers that it is not of the size to warrant a formal policy.

Going concern

These financial statements have been prepared on the going concern basis, as set out in note 2.4.

The Directors have prepared cash flow forecasts for the period to 30 September 2027, which consider the cost and operational structure of the Group and Company, planned exploration and evaluation expenditure, licence commitments and working capital requirements. Those forecasts assume completion of an equity raise during the going concern period and, on that basis, indicate that the Group and Company will have sufficient resources to meet their liabilities as they fall due for at least 12 months from the date of approval of these financial statements. The timing and amount of any raise, and of the Group's progress towards a Final Investment Decision, is affected by the timing of the outstanding regulatory approvals referred to in the Strategic Report and in note 4, which is not within the Group's control.

CAPITAL METALS PLC

DIRECTORS' REPORT

The Directors have sensitised the forecasts for a delay to, and the non-completion of, the raise. In each such scenario, and after applying the mitigating actions available to them, the Group is projected to move into a cash shortfall within the forecast period. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. The Directors nevertheless remain confident in the Company's ability to raise the necessary funds and accordingly continue to adopt the going concern basis of accounting in preparing these financial statements. Further detail is set out in note 2.4.

Directors' and Officers' indemnity insurance

The Company maintains a directors' and officers' liability policy on normal commercial terms which includes third party indemnity provisions.

Financial Risk Management Objectives

The Group's activities expose it to foreign currency, credit and liquidity risks. The size of the Company means that it is unnecessary and impractical for the Directors to delegate the responsibility of monitoring financial risk management to a sub-committee of the Board. Refer to Note 3.1 of the financial statements, for further details.

Events after the reporting period

Events after the reporting period are set out in Note 27 to the Financial Statements.

Future developments

Details of future developments for the Group are disclosed in the Chairman's Report on page 3.

Provision of information to Auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of Auditors

The Group appointed PKF Littlejohn LLP as auditor in September 2022 in accordance with Section 485 of the Companies Act 2006. PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 7 September 2026 and signed on its behalf.



Greg Martyr
Executive Chairman
7 September 2026

CAPITAL METALS PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group and Company financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Company is compliant with AIM Rule 26 regarding the Company's website.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

CAPITAL METALS PLC

CORPORATE GOVERNANCE REPORT

The Company continues to be guided by the Quoted Companies Alliance Corporate Governance Code (the “QCA Code”). Throughout the past year, the Company has applied the principles of the QCA Code and completed periodic reviews of its charter to maintain the robustness of its governance systems. The Company has complied with the QCA Code save for the limited exceptions explained in the relevant sections below, for which explanations for non-compliance are provided. No material governance issues were identified over the past twelve months.

The Company is committed to maintaining the highest standards in corporate governance throughout its operations and to ensure all its practices are conducted transparently, ethically and efficiently. The Company believes scrutinising all aspects of its business and reflecting, analysing and improving its procedures will result in the continued success of the Company and deliver value to shareholders. Therefore, and in accordance with the AIM Rules for Companies (the “AIM Rules”), the Company has chosen to formalise its governance policies by complying with the UK’s Quoted Companies Alliance Corporate Governance Code.

On 13 November 2023, the QCA published the latest version of its corporate governance code (the “2023 Code”) aimed at ‘UK Growth companies’. The 2023 Code applies to financial years beginning on or after 1 April 2024 and accordingly first applied to the Company for the financial year ended 31 March 2025. This report has been prepared in accordance with the 2023 Code for the financial year ended 31 March 2026, as outlined below.

The Board currently consists of five Directors: the Executive Chairman, and four Non-Executive Directors (“NEDs”), two of whom were appointed during the year. The Board considers that appropriate oversight of the Company is provided by the currently constituted Board.

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

Principle One

Business Model and Strategy

The business objective of the Group is to successfully evaluate, permit, finance and develop the Taprobane Minerals Project in Sri Lanka into a profitable mining operation in a socially and environmentally responsible way. The Company’s business model and strategy, as well as key challenges to execution, are outlined in the strategic report commencing on page 6.

Principle Two

Corporate Culture

The corporate culture of the Group is promoted throughout its employees and consultants and is underpinned by compliance with local regulations and the implementation and regular review and enforcement of various policies including a Share Dealing Policy and Code, Anti-Corruption and Anti-Bribery Policy, Matters Reserved for the Board, Code of Business Ethics, Whistle Blowing Policy, and Media and Communications Policy, so that all aspects of the Company are run in a robust and responsible way.

The Board is aware that the culture set by the Board will impact all aspects of the Group and the way that employees and consultants behave. The exploration, evaluation and development of mineral resources can have a significant impact and it is important that the communities view the Group’s activities positively. Therefore, the importance of sound ethical values and behaviours (as set by the Board, and monitored on a regular basis) is crucial to the ability of the Group to successfully achieve its corporate objectives.

Principle Three

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communications and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company’s Annual General Meeting and any other General Meetings or events (whether in person or online) that are held throughout the year.

Investors also have access to current information on the Company through its website www.capitalmetals.com. The Company provides regulatory, financial and business news updates through the Regulatory News Service in accordance with the AIM Rules for Companies.

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CORPORATE GOVERNANCE REPORT

Principle Four

Considering Wider Stakeholder and Social and Environmental Responsibilities

The Board recognises that the long-term success of the Group is reliant upon the collective efforts of management, employees, consultants, suppliers, local communities, regulators, government and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight of and contact with its key resources and relationships, including ongoing two-way communication, control and feedback processes to enable an appropriate and timely response. The Group's engagement with its stakeholders, and the environmental, social and community initiatives undertaken during the Year, are described in the Strategic Report.

A detailed social impact assessment and public stakeholder consultation process was undertaken in support of the Group's Industrial Mining Licence applications over the EL168 area, and a further Environmental Impact Assessment was submitted in respect of the EL199 area during the Year, which is subject to its own technical review and stakeholder consultation process. The Group maintains a dedicated in-country community engagement team and reports monthly to the Board on community and environmental performance against defined targets, including community interactions, field visits, complaints and community investment.

Stakeholder engagement in the Project area has been broadly supportive, and the Board recognises that maintaining that support is central to the Group's social licence to operate. The Board monitors community feedback closely and responds through direct engagement, environmental education and the community investment programme described in the Strategic Report.

Principle Five

Risk Management, Internal Controls and Assurance Activities

The Board regularly reviews the risks to which the Group is exposed and, through its meetings and regular reporting, seeks to ensure that these risks are managed and mitigated so far as is practicable, whilst recognising that its business opportunities carry an inherently high level of risk and that certain of the principal risks are outside the Group's control. The Board receives monthly reporting from management on performance against defined targets covering health and safety, environment, community and stakeholder engagement, technical delivery, people and financial performance.

The principal risks and uncertainties facing the Group at this stage and in the foreseeable future are set out in the risk assessment matrix below, together with the Board's assessment of the likelihood of each risk arising and the severity of its potential impact. This matrix is updated as changes arise in the nature of the risks or the controls implemented to mitigate them, and is reviewed by the Audit Committee, which reports to the Board on the risk register and on the effectiveness of the Group's internal controls. Further detail on the Group's principal risks is set out in the Strategic Report.

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CORPORATE GOVERNANCE REPORT

Activity	Risk	Impact	Likelihood	Severity	Control(s)
Licensing and permitting	Delay in, or refusal of, outstanding licence applications, renewals and extensions	Deferral of FID and construction; loss of tenure over part of the Project area; impairment of exploration and evaluation assets	High	High	Continuous engagement with the regulator and relevant ministries; permanent in-country management team; local legal and technical advisers; participation in the Sri Lanka Mineral Sands Association
Funding and liquidity	Inability to raise further funds as required, or on acceptable terms, including project-level debt and offtake financing	Group unable to meet its liabilities as they fall due; delay to development. See note 2.4	High	High	Regular cash flow forecasting and sensitivity analysis reviewed by the Board; ability to defer non-committed expenditure; demonstrated access to equity funding; established broker and adviser relationships
Country and political	Change in government, policy, regulation or fiscal terms in Sri Lanka, including the approach to value addition	Adverse change to Project economics, tenure or development timetable	Medium	High	Monitoring of political and regulatory developments through management, local partners and advisers; Colombo-listed strategic shareholder; industry association engagement
Land access	Inability to secure land tenure or access on acceptable terms or timescales	Delay to construction and to the commencement of mining	Medium	High	Engagement with relevant landholding bodies and provincial authorities; alternative access and land options under evaluation
Technical	Mineral resource estimates or metallurgical assumptions prove inaccurate	Reduced Project economics; revision to the mine plan and development timetable	Medium	High	Independent Competent Person reporting under the JORC Code; ongoing drilling and metallurgical test work; peer review of studies
Social licence	Loss of community or wider stakeholder support	Delay or disruption to operations; difficulty obtaining approvals; reputational damage	Medium	Medium	Dedicated in-country community engagement team; monthly reporting of community KPIs to the Board; community investment and environmental education programmes
Strategic	Market downturn	Change in macro-economic conditions and in prices for the Group's intended products	Medium	Medium	Ongoing monitoring of economic events and markets; active marketing and experienced management
Health, safety and environment	Injury to staff, or an environmental incident	Injury to staff whilst operating heavy machinery in a remote location; environmental damage, remediation cost, regulatory sanction and reputational harm	Low	High	Creating a safe working environment through strict procedures and regular training; Environmental Management Plan and monitoring programmes; environmental specialist within the in-country team; monthly reporting of HSE KPIs

CAPITAL METALS PLC

CORPORATE GOVERNANCE REPORT

Regulatory adherence	Breach of rules	Censure or withdrawal of authorisation	Low	High	Strong compliance regime instilled at all levels of the Company
Financial	Misappropriation of funds and IT security	Fraudulent activity and loss of funds; loss of critical financial data	Low	Medium	Robust financial controls and segregation of duties; regular back up of data online and locally

Opportunities

The Board considers the opportunities available to the Group alongside these risks. These include the potential to grow the mineral resource materially beyond the initial mining area, the mineralisation identified below the water table, the scope for downstream value addition currently being assessed through the Mineral Separation Plant concept studies, and the potential for consolidation within Sri Lanka's mineral sands sector.

Internal controls and assurance

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable, and not absolute, assurance against material misstatement or loss. Key elements include Board approval of the annual budget and of expenditure outside it, defined authorisation limits, segregation of duties within the finance function, monthly management reporting of actual performance against budget, and Board review of the Group's cash position and cash flow forecasts at each meeting. Given the current size of the Group and the scale of its activities, the Board does not consider that an internal audit function is necessary at this stage. This position is reviewed annually by the Audit Committee and will be reconsidered as the Group progresses towards development and production.

Climate-related risk

Given the small scale of its current operations, the Group has the opportunity to embed climate-related risk management into its internal control systems from the outset. The Board recognises that the Project is exposed to physical climate risk, given its coastal location, and to transition risk arising from evolving regulatory expectations, including in relation to in-country processing and energy use. These risks are monitored by the Board and will be formally incorporated into the risk assessment matrix as operations scale up, at which point the identification, assessment and effective management of climate-related risks and opportunities will be actively discussed at Board and management meetings.

Principle Six

A Well-Functioning Board of Directors

The Board's role is to agree the Company's long-term direction and strategy and monitor achievement of key milestones against its business objectives. The Board meets formally at regular intervals for these purposes and holds additional meetings when necessary to transact other business. The Board receives reports for consideration on all significant strategic, operational and financial matters.

During the year, the Board was comprised of an Executive Chairman (Greg Martyr) and five NEDs (James Leahy, Teh Kwan Wey, Bruce Griffin, who resigned on 6 February 2026, and Aravinda De Silva and Savanth Sebastian, who were both appointed during the year on 4 August 2025). Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director. The Board meets regularly throughout the year as deemed appropriate formally and informally, in person and by telephone. No single director is dominant in the decision-making process.

The Company constantly keeps under review the constitution of the Board and may seek to add more members as required as the Company grows and develops. Biographies for each member of the Board are provided on the Company's website www.capitalmetals.com, and which demonstrate the wide range of skills and expertise that the Board holds as a collective to execute the Company's strategy.

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CORPORATE GOVERNANCE REPORT

The Board is supported by the Company's senior leadership team. During the year the Company appointed Anthony Eastman as Chief Financial Officer, and Orana Corporate LLP as Company Secretary, adding significant financial and governance expertise as the Company transitions towards development. The Chief Financial Officer and Company Secretary attend Board meetings, and the Company also continued to build its senior team in Sri Lanka during the year, adding further finance, environmental and government-relations expertise.

The Board considers James Leahy and Teh Kwan Wey to be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. The independent directors are not part of the Company's executive team or involved in day-to-day operations, with their core duties including providing oversight, challenging executive decisions, and ensuring transparency.

The Board has implemented an effective committee structure to assist in the discharge of its responsibilities. All committees of the Board have written terms of reference dealing with their authority and duties. The Company Secretary acts as secretary to each of these committees.

Details of the Directors' attendance at the Board and Board committee meetings are set out below:

	Board Meetings attended	Audit committee	Remuneration committee
Gregory Martyr	6/6	2/2	-
James Leahy	6/6	-	2/2
Teh Kwan Wey	6/6	2/2	2/2
Bruce Griffin (resigned 6 February 2026)	2/3	2/2	-
Savanth Sebastian (appointed 4 August 2025)	4/4	0/1	-
Aravinda De Silva (appointed 4 August 2025)	4/4	-	0/1

Principle Seven

Maintenance of Governance Structures and Appropriate Skills, Experience and Capabilities of the Directors

The Board considers the current balance of sector, financial and public market skills and experience which it embodies is appropriate for the size and stage of development of the Company and that the Board, supported by the Chief Operating Officer and the Chief Financial Officer, has the skills and requisite experience necessary to execute the Company's strategy and business plan whilst also enabling each Director to discharge their fiduciary duties effectively. Biographies for each member of the Board are provided on the Company's website www.capitalmetals.com.

All Directors, through their involvement in other listed companies as well as the Company, including attendance at seminars, forums and industry events and through their memberships of various professional bodies, keep their skill sets up to date. External advisers are engaged in Sri Lanka to advise on regulatory issues as they arise.

The Board reviews annually, and when required, the appropriateness of its mix of skills and experience to ensure that it meets the changing needs of the Company.

The Company has an outsourced Company Secretary function based in the UK who assists the Board in preparing for and running effective Board meetings, including the timely dissemination of appropriate information. The Company Secretary provides advice and guidance to the extent required by the Board on the legal and regulatory environment.

The Board is responsible for setting the vision and strategy for the Company to deliver value to the Company's shareholders by effectively putting in place its business model. The roles and responsibility of the (non-board) Chief Operating Officer, Executive Chairman, (non-board) Chief Financial Officer and other Directors are laid out below:

- The Chief Operating Officer's primary responsibilities are to: implement the Company's strategy in consultation with the Executive Chairman and the Board; take responsibility for the Company's projects in Sri Lanka; implement the decisions of the Board; monitor, review and manage key risks; and communicate with external audiences such as investors, analysts and media.
- The Executive Chairman's primary responsibilities are to: lead the Board and ensure the effective working of the Board; in consultation with the Board, ensure good corporate governance and set clear expectations with regards to the Company culture, values and behaviour; set the Board's agenda and ensure that all Directors are encouraged to

CAPITAL METALS PLC

CORPORATE GOVERNANCE REPORT

participate fully in the decision-making process of the Board; and take responsibility for relationships with the Company's professional advisers and major shareholders.

- The Chief Financial Officer's primary responsibilities are to: oversee internal/external financial reporting; ensure compliance with financial regulations; track cashflow; financial planning; and communicate risk issues to the Board.
- The Company's NEDs participate in all Board level decisions and play a particular role in the determination and articulation of strategy. The Company's NEDs provide oversight and scrutiny of the performance of the Executive Directors, whilst both constructively challenging and inspiring them, thereby ensuring the business develops, communicates and executes the agreed strategy and operates within the risk management framework.
- The Company Secretary is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with.

The whole Board is responsible for the appointment of all additional and replacement Executive and Non-Executive Directors.

The Board is supported by the audit and remuneration committees as described below. Given the size of the Company and size of the Board it is not deemed necessary at this stage to include a separate audit committee report and remuneration committee report (with such report being put to an advisory vote at the AGM per Principle 9). This is not compliant with the QCA Code; however details of the audit and remuneration committees' work in the year are detailed below. Notwithstanding, the committees met once and twice, respectively, during the year.

Audit Committee

The Audit Committee comprises Teh Kwan Wey (Chair), James Leahy and Savanth Sebastian.

The Audit Committee reviews reports from management and from PKF Littlejohn LLP, the Company's auditor, relating to the interim and annual accounts and to the system of internal financial control.

The Audit Committee is responsible for assisting the Board's oversight of the integrity of the financial statements and other financial reporting, the independence and performance of PKF Littlejohn LLP, the regulation and risk profile of the Company and the review and approval of any related party transactions. The Audit Committee may hold private sessions with PKF Littlejohn LLP without management present. Further, the Audit Committee is responsible for making recommendations to the Board on the appointment of PKF Littlejohn LLP and the audit fee and reviews reports from management and PKF Littlejohn LLP on the financial accounts and internal control systems used throughout the Company.

The Audit Committee is responsible for ensuring that the Company's financial performance is properly monitored, controlled and reported. The Audit Committee intends to meet at least twice a year to ensure that the audit of the financial statements is conducted appropriately and that the financial statements give a true and fair position of the group. However, the committee only met once during the year due to the limited number of contentious audit matters. The Audit Committee is responsible for the scope and effectiveness of the external audit and compliance by the Company with statutory and other regulatory requirements.

The Audit Committee:

- monitors, in discussion with PKF Littlejohn LLP, the integrity of the financial statements of the Company, any formal announcements relating to the Company's financial performance and reviews significant financial reporting judgments contained in them;
- reviews the Company's internal financial controls and reviews the Company's internal control and risk management systems;
- considers annually whether there is a need for an internal audit function and makes a recommendation to the Board;
- makes recommendations to the Board for it to put to the shareholders for their approval in the general meeting, in relation to the appointment, re-appointment and removal of PKF Littlejohn LLP and to approve the remuneration and terms of engagement of PKF Littlejohn LLP;
- reviews and monitors PKF Littlejohn LLP's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements;
- develops and implements policy on the engagement of PKF Littlejohn LLP to supply non-audit services, taking into account relevant external guidance regarding the provision of non-audit services by PKF Littlejohn LLP; and
- reports to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

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CORPORATE GOVERNANCE REPORT

PKF Littlejohn LLP were appointed as the Group's external auditor in the year ended 31 March 2023.

Having assessed the performance, objectivity and independence of the auditor, the Committee will be recommending the reappointment of PKF Littlejohn LLP as auditor to the Company at the 2026 Annual General Meeting.

The Audit Committee also reviews arrangements by which the staff of the Company and the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the proportionate and independent investigation of such matters with appropriate follow-up action.

Matters considered during the Year

In addition to its standing responsibilities, the Committee considered the following matters in particular during the Year:

- Going concern: the Committee reviewed management's cash flow forecasts and the sensitivity analysis applied to them, including scenarios in which the planned equity raise is delayed or does not complete, together with the mitigating actions available to the Group, and satisfied itself that the disclosure of a material uncertainty in note 2.4 is appropriate;
- Carrying value of exploration and evaluation assets: the Committee reviewed management's assessment of the impairment indicators in IFRS 6, having regard to the status of the Group's Industrial Mining Licence applications, licence renewals and extensions, the results of the drilling programme and the Project's economics, and concurred with the conclusion that no impairment was required at the year end;
- Ambeon strategic investment: the Committee considered the accounting for the strategic investment by Ambeon Capital PLC and its associates completed during the Year, including the recognition of the equity subscribed and the related costs of issue, the accounting for the options granted in connection with the investment, and the related party disclosures arising from Ambeon's shareholding and Board representation; and
- Appointment of subsidiary auditors: Ernst & Young were appointed as auditors of the Group's Sri Lankan subsidiaries during the Year. The Committee considered the appointment and the implications for the Group audit, including the arrangements for oversight of, and reporting by, the component auditor.

Remuneration Committee

The Remuneration Committee comprises James Leahy (Chair) and Teh Kwan Wey. Aravinda De Silva was added to the Remuneration Committee during the year.

The Remuneration Committee is responsible for considering all material elements of remuneration policy, the remuneration and incentivisation of Executive Directors and senior management (as appropriate) and to make recommendations to the Board on the framework for executive remuneration and its cost. The role of the Remuneration Committee is to keep under review the Company's remuneration policies to ensure that the Company attracts, retains and motivates the most qualified talent who will contribute to the long-term success of the Company. The Remuneration Committee also reviews the performance of the Executive Chairman and sets the scale and structure of his remuneration, including the implementation of any bonus arrangements, with due regard to the interests of shareholders.

The Remuneration Committee is also responsible for reviewing the terms of granting options by the Company, in particular, the price per share and the application of the performance standards which may apply to any grant, ensuring in determining such remuneration packages and arrangements, due regard is given to any relevant legal requirements, the provisions and recommendations in the AIM Rules and the QCA Code.

The Remuneration Committee:

- determines and agrees with the Board the framework or broad policy for the remuneration of the Chief Operating Officer and Executive Chairman;
- determines targets for any performance-related pay schemes operated by the Company;
- ensures that contractual terms on termination and any payments made are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- determines the total individual remuneration package of the Chief Operating Officer and Executive Chairman, including bonuses, incentive payments and share options;
- is aware of and advises on any major changes in employees' benefit structures throughout the Company;
- ensures that provisions regarding disclosure, including pensions, as set out in the (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, are fulfilled; and

CAPITAL METALS PLC

CORPORATE GOVERNANCE REPORT

- is exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee.

During the reporting period, the committee met to discuss the remuneration package of the Executive Chairman including the issue of options and the remuneration of the NEDs.

Principle Eight

Evaluation of Board Performance

Review of the Group's progress against the long-term strategy and aims of the business provides a means to measure the effectiveness of the Board. This progress is reviewed in Board meetings held periodically throughout the year which reflects the Group's size and complexity at this stage of the Group's growth. An externally facilitated board review has not yet taken place as it is not deemed an appropriate use of resources at this stage in the Company's growth, but the Board remains open to it at the appropriate time in the future.

The Group conducts periodic reviews of its Board succession planning protocols which includes an assessment of the number of Board members and relative experience of each Board member vis-à-vis the Company's requirements given its stage of development, with the goal of always having in place an adequate and sufficiently experienced Board. The Directors develop their experience and skills via ongoing professional development and Group-mandated training programmes for anti-bribery and corruption and matters relating to criminal finances.

Principle Nine

Establishing a Remuneration Policy supportive of long-term value creation and the Company's purpose, strategy and culture

As detailed under Principle 7, the Remuneration Committee is responsible for considering all material elements of the remuneration policy to ensure it is transparent, fair and understandable to shareholders whilst reflecting the Company's values and strategic goals, the remuneration and incentivisation of the Executive Chairman and senior management (as appropriate) and to make recommendations to the Board on the framework for executive remuneration and its cost.

The Remuneration Committee reviews the Company's remuneration policies to ensure that the Company attracts, retains and motivates the most qualified talent who will contribute to the long-term success of the Company whilst being proportionate and justifiable. The Remuneration Committee also reviews the performance of the Executive Chairman and sets the scale and structure of his remuneration, including the implementation of any bonus arrangements, with due regard to the interests of shareholders.

Given the Company's size, the Board does not intend to undertake an advisory vote on remuneration policy at the upcoming AGM; however, it remains committed to maintaining transparent dialogue with shareholders on all material remuneration matters. This represents a departure from the QCA Code, which the Board considers proportionate at the Company's current stage of development.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with institutional and key private shareholders, analysts and brokers, providing the opportunity to discuss issues and provide feedback at meetings with the Company.

The Company also provides regular updates on the progress of the Company, detailing recent business and strategy developments, in news releases which are available on the Company's website www.capitalmetals.com. The Company's financial reports can also be found on its website.

All shareholders are encouraged to attend the Company's Annual General Meeting and any general meetings held by the Company. The Company has elected to host its AGMs in London. The Directors believe hosting the AGM in London will enhance engagement with the Company's shareholders by making the meeting more accessible. The Board is always open to receiving feedback from shareholders. The Executive Chairman has been appointed to manage the relationship between the Company and its shareholders and will review and report to the Board on any communications received. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are published on the Company's corporate website.

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The Company also participates in various investor events including conferences and presentation evenings, at which shareholders can meet with management in person to answer queries, provide information on current developments and to take into consideration shareholder views and suggestions.



Greg Martyr
Executive Chairman
7 September 2026

CAPITAL METALS PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPITAL METALS PLC

Opinion

We have audited the financial statements of Capital Metals Plc (the 'company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise the Consolidated and Company Statements of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2026 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2.4 in the financial statements, which indicates that the group and company will require additional funding during the going concern assessment period in order to fund exploration expenditure and meet working capital requirements. Management's forecasts assume that additional funding will be secured in the next 12 months from the date of the approval of the financial statements.

As stated in Note 2.4, whilst the directors have a reasonable expectation that the required funding will be obtained, the funding is not committed as at the approval date of the financial statements. Accordingly, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the group's and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the directors' going concern assessment and evaluating the appropriateness of the assessment;
- Checking the arithmetical accuracy of the cash flow forecast and assessing the Group's historical forecasting accuracy;
- Reviewing the budgets and cashflow forecasts which cover the period to 30 September 2027 and challenging management's basis for the underlying assumptions in the forecasts, agreeing to supporting documentation such as license commitments, post year end bank statements, management accounts and regulatory news service announcements;
- Performing sensitivity analysis on the cashflow forecasts to assess the impact of changes in key assumptions and the level of available cash headroom;
- Comparing management's forecasts to prior year results and results subsequent to the year end and discussing variances to the forecast results;
- Assessing management's assumptions regarding future financing and considering the historical success of previous fundraising;
- Verifying available cash resources post-year end;
- Reviewing the external market factors affecting the group and its future economic viability and ensuring this is appropriately reflected in the forecasts; and

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPITAL METALS PLC

- Reviewing the adequacy of the disclosures in respect of going concern to ensure in line with the reporting requirements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. We determined materiality for the financial statements to be:

Entity	Materiality	Performance Materiality	Triviality threshold
Group (\$'000)	229 (2025: 185)	183 (2025: 148)	11 (2025: 9)
Company (\$'000)	220 (2025: 184)	120 (2025: 147)	11 (2025: 9)

The benchmark for the group materiality was selected at 3% of the group's net assets (2025: 3% of net assets). Net asset is considered to be the most appropriate metric given the entity's current exploration activities and increasing operational costs, as it reflects the residual value after accounting for the financial obligations of the group.

The company's materiality was assessed based on 3% of the company's net assets (2025: 3% of net assets) and capped below group materiality. Net assets were selected as the benchmark for the company's materiality because the significant balances in the company's financial statements relate to the investment in subsidiaries that own and operate the underlying exploration projects.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures. The performance materiality was set at 80% (2025: 80%) of materiality for the financial statements as a whole, for the group. The company performance materiality was capped at a lower amount to ensure appropriate coverage at the group audit level. The following factors were considered when determining the performance materiality:

- Our knowledge of the group and its environment, including industry specific trends and risk assessment of the control environment; and
- The level of judgement required in respect of the key accounting estimates.

In assessing the risk of material misstatement to the group financial statements, we identified seven reporting components within the group. Full-scope audits were performed on three components, which were selected based on their financial significance to the group and risk characteristics. In addition, we performed specific scope procedures on two components, focusing on those account balances, classes of transactions and disclosures considered most significant to the group financial statements. For the remaining two components, which were not individually significant, audit work comprised analytical review procedures and substantive testing on the group's key audit risk areas, based on their relative size and risk profile.

For each component designated as a full scope audit, we allocated a performance materiality that is less than our overall group performance materiality. The performance materiality applied to the components ranged between \$120,000 (2025: \$130,000) and \$30,000 (2025: \$80,000).

We agreed with the audit committee that we would report all audit differences identified during the course of our audit in excess of \$11,000 (2025: \$9,000) at both group and company level as well as differences below that threshold that, in our view warranted reporting on qualitative grounds.

We applied the concept of materiality in planning and performing our audit and in evaluating the effects of misstatement. No significant changes have come to light during the audit, which required a revision of our materiality for the financial statements as a whole.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPITAL METALS PLC

Our approach to the audit

Our audit is risk-based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement, as well as greatest complexity, risk and size.

As part of designing our audit approach, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. The areas of estimate and judgement included:

- The recoverability of intangible asset and investments in subsidiary undertakings, including the intercompany receivable, as the future exploration results are inherently uncertain;
- The valuation of the share options issued in the year;
- The assessment of control over Capital Metals Lanka Pvt Ltd ("CM Lanka"); and
- The fair value assessment of the deferred and contingent consideration.

We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

The scope of our audit was based on the significance of component's operations and materiality. Each component was assessed as to whether they were significant or not to the group by either their size or risk.

The Sri Lankan subsidiaries, CM Lanka and Capital Metals Lanka South Pvt Ltd ("CM Lanka South"), have been assessed as full scope audit. The key balances held within these entities are the exploration and evaluation assets. These full scope components were audited by component auditors in Sri Lanka operating under our instructions. There was regular interaction with the component auditors during all stages of the audit, and we were responsible for the scope and direction of the audit process. We reviewed key working papers and reporting appendices to understand the work performed and conclusions reached, in order to gain sufficient appropriate evidence for our opinion on the group financial statements.

The company was also assessed as a significant component. All audit work on other components was conducted by the group audit team in our London office with regular contact with management throughout the audit.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our scope addressed this matter
Accuracy and valuation of the carrying value of the group's capitalised exploration costs (Note 7) The group holds intangible assets in relation to the capitalised exploration costs for the Sri Lankan mineral sands projects. The projects remain in the exploration and development stage and the intangible assets are subject to impairment reviews whenever facts and circumstances indicate that the carrying amount may exceed the recoverable amount. The carrying value and its recoverability is dependent on the expected commerciality of the underlying projects. There is also a risk that the asset is overstated as a result of additions being incorrectly capitalised through not meeting the criteria of IFRS 6. This is considered to be a key audit matter due to the significant judgement and estimates	Our work in this area included: • Confirming the entity's right to the assets by obtaining copies of the license documentation (including any renewals of such rights) and ascertaining the validity of the documentation provided; • Inspecting evidence of payment of applicable renewal fees and confirmation of acceptance by the licensing authority for licences under renewal; • Summarising the terms and conditions attached to the legal rights to explore (including any renewals of such rights) (e.g. minimum spend requirements or closure and rehabilitation provisions) and ensuring these have been complied with and disclosed; • Reviewing the status of exploration licences, licence renewals, Industrial Mining Licence applications and other regulatory developments affecting the underlying project assets; • Performing substantive testing on the capitalised costs in the year and ensuring correctly capitalised in accordance with the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources';

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involved in assessing whether any indicators of impairment have arisen at the year end, and in quantifying any potential impairment.	- Obtaining management's impairment assessment and reviewing for any indicators of impairment. We assessed the reasonableness of the impairment indicators and if in line with the requirements of IFRS 6; and - Confirming the exploration and evaluation asset disclosures are in line with the requirements of the applicable financial reporting framework. <u>Observation:</u> As outlined in Note 7, the exploration licence over the northern EL168 area has expired and is not capable of further renewal; the area is retained through IML applications, two of which have been granted (IML 16236 and 16237), with the Geological Survey and Mines Bureau ("GSMB") affording the Group exclusivity over the remaining grids pending determination of the outstanding applications. Capital Metals Lanka South had been granted a two-year extension on EL199, which has now lapsed, with IML applications to follow completion of the technical review and stakeholder consultation process; the renewal of EL430 remains outstanding with the GSMB. In February 2026, the Government of Sri Lanka published a revision to the National Minerals Policy, and determination of the Group's outstanding applications, renewals and extensions has been deferred pending the regulator finalising a revised licensing procedure. As at the date of this report, these licence renewals have not been confirmed and are in the process of renewal. No adjustments have been made to the financial statements to reflect the uncertainty over the license position.
The carrying value of investments in subsidiaries and recoverability of the intragroup balances (company only) (Notes 8 and 9) The company's investment in subsidiary undertakings represents the largest asset on the company statement of financial position. The recoverability of these assets is dependent on the future performance of the subsidiaries and successful development of the underlying project. Management's assumptions regarding the future performance are considered to be key accounting judgements and there is a risk that these investments may be impaired. Given the significance of the balances and the judgement involved in assessing the performance of the underlying assets, we considered this to be a key audit matter.	Our work in this area included: - Confirming ownership and good standing of the subsidiaries at the year end; - Assessing management's impairment review of investments in subsidiaries in accordance with IAS 36, Impairment of Assets, including consideration of whether any indicators of impairment existed and whether the recoverable amount of the investment exceeded its carrying value, challenging the data and assumptions applied; - Assessing evidence of continued project advancement, including drilling results, permitting progress, engineering studies, development planning and future expenditure commitments; - Assessing management's expected credit loss ("ECL") assessment in respect of intercompany loan balances in accordance with IFRS 9, Financial Instruments; - Evaluating management's assessment that there had not been a significant increase in credit risk in respect of the intercompany loans since origination, and therefore that no material expected credit loss provision was required; - Reviewing the financial position of the borrower entities and assessing whether recoverability of the intercompany loans remained supported by the anticipated future development, refinancing or monetisation of the underlying mining project; - Reviewing the terms of the intercompany loan agreements and considering the appropriateness of their classification and accounting treatment under IFRS 9; - Assessing the adequacy of the related disclosure in the financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPITAL METALS PLC

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and company financial statements, the directors are responsible for assessing the group and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPITAL METALS PLC

- We obtained an understanding of the group and company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management with regards to potential instances of non-compliance with laws and regulations both in the UK and in overseas subsidiaries. We also selected a specific audit team based on experience in auditing exploration entities of similar size and nature.
- We determined the principal laws and regulations relevant to the group and company in this regard to be those arising from:
 - The Companies Act 2006;
 - AIM Rules;
 - Local industry regulations in Sri Lanka including the operating terms set out in the IMLs;
 - Tax and employment law in the UK and Sri Lanka;
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and company with those laws and regulations. These procedures included, but were not limited to:
 - Conducting enquiries with management regarding potential instances of non-compliance;
 - Reviewing the Regulatory News Service (RNS) announcements;
 - Reviewing legal and professional fees ledger accounts;
 - Discussions with component auditors on any non-compliance noted relating to overseas subsidiaries; and
 - Reviewing board minutes and other correspondence from management.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, whether key management judgements could include management bias. The potential for management bias existed in the below key management judgements and estimates:
 - Valuation and accuracy of the carrying value of the exploration assets.
 - Assessment of the carrying value of the investment in subsidiaries;
 - Valuation of the share options issued in the year;
 - Assessment of control over CM Lanka; and
 - Fair value assessment of the deferred consideration.

Audit procedures were performed in this regard to review and challenge management's assessments of impairment, fair value and control.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Compliance with laws and regulations at the subsidiary level was ensured through enquiry of management, communication with the component auditor and reviewing correspondence for any instances of noncompliance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPITAL METALS PLC

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Humphreys (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
7 September 2026

30 Churchill Place
Canary Wharf
London E14 5RE

CAPITAL METALS PLC**CONSOLIDATED & COMPANY STATEMENTS OF FINANCIAL POSITION**
For the year ended 31 March 2026

Company number: 05555087

	Note	Group		Company	
		For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2026	For the year ended 31 March 2025
		\$	\$	\$	\$
Non-Current Assets					
Property, plant and equipment	6	295,582	23,026	-	-
Investment in subsidiaries	8	-	-	35,241,369	34,502,223
Loans to subsidiaries	9	-	-	6,000,583	3,936,340
Other loans	10	131,415	144,860	-	-
Exploration & evaluation assets	7	6,993,279	6,055,291	-	-
		7,420,276	6,223,177	41,241,952	38,438,563
Current Assets					
Trade and other receivables	11	129,467	80,731	1,459,258	713,389
Cash and cash equivalents	12	3,465,487	1,351,494	2,405,918	1,047,477
		3,594,954	1,432,225	3,865,176	1,760,866
Total Assets		11,015,230	7,655,402	45,107,128	40,199,429
Non-Current Liabilities					
Trade and other payables	13	600,000	600,000	-	-
		600,000	600,000	-	-
Current Liabilities					
Trade and other payables	13	828,085	883,958	136,695	173,206
		828,085	883,958	136,695	173,206
Total Liabilities		1,428,085	1,483,958	136,695	173,206
Net Assets		9,587,145	6,171,444	44,970,433	40,026,223
Equity attributable to owners of the Parent					
Share capital	15	6,853,603	6,455,344	6,853,603	6,455,344
Share premium	15	59,542,259	54,936,218	59,542,259	54,936,218
Other reserves	17	(38,389,794)	(38,907,313)	34,391,560	33,286,975
Retained losses		(18,238,332)	(16,192,907)	(55,816,989)	(54,652,314)
Non-controlling interest		(180,591)	(119,898)	-	-
Total Equity		9,587,145	6,171,444	44,970,433	40,026,223

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The loss for the Company for the year ended 31 March 2026 was \$1,164,675 (year ended 31 March 2025: \$786,743).

The Financial Statements were approved and authorised for issue by the Board of Directors on 7 September 2026 and were signed on its behalf by:



Greg Martyr
Executive Chairman

CAPITAL METALS PLC**CONSOLIDATED INCOME STATEMENT**
For the year ended 31 March 2026

		For the year ended 31 March 2026	For the year ended 31 March 2025
Continued operations	Note	\$	\$
Administrative expenses	23	(1,749,301)	(1,166,430)
Share based payment charge	16	(469,277)	(4,611)
Other losses		33,346	(49)
Operating loss		(2,185,232)	(1,171,090)
Finance income		139,807	30,158
Loss before income tax		(2,045,425)	(1,140,932)
Income tax	21	-	-
Loss for the year attributable to owners of the Parent		(2,045,425)	(1,140,932)
Basic (Loss) Per Share attributable to owners of the Parent during the period (expressed in cent per share)	22	(0.253)	(0.163)

CAPITAL METALS PLC**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 March 2026

	For the year ended 31 March 2026	For the year ended 31 March 2025
	\$	\$
Loss for the year	(2,045,425)	(1,140,932)
Other Comprehensive Income:		
Items that may be subsequently reclassified to profit or loss		
Foreign exchange on translation	301,798	126,400
Retirement benefit obligation	-	767
Total other comprehensive income for the year, net of tax	301,798	127,167
Total comprehensive loss attributable to:		
Owners of the Company	(1,743,627)	(1,013,765)
Non-controlling interests	-	-
Total comprehensive loss	(1,743,627)	(1,013,765)

CAPITAL METALS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2026

	Share capital \$	Share premium \$	Other reserves \$	Retained losses \$	Total \$	Non- controlling interest \$	Total \$
Balance as at 1 April 2024	6,455,344	54,923,341	(39,071,519)	(15,052,742)	7,254,424	(73,890)	7,180,534
Loss for the year	-	-	-	(1,140,932)	(1,140,932)	-	(1,140,932)
Other comprehensive income for the year							
Items that may be subsequently reclassified to profit or loss							
Currency translation difference	-	-	126,400	-	126,400	-	126,400
Retirement benefit obligation	-	-	-	767	767	-	767
Total comprehensive income for the year	-	-	126,400	(1,140,165)	(1,013,765)	-	(1,013,765)
Issue of options/warrants	-	-	4,611	-	4,611	-	4,611
Foreign exchange on options/warrants	-	-	64	-	64	-	64
Expired warrants	-	12,877	(12,877)	-	-	-	-
Foreign exchange movements on NCI	-	-	46,008	-	46,008	(46,008)	-
Total transactions with owners, recognised directly in equity	-	12,877	37,806	-	50,683	(46,008)	4,675
Balance as at 31 March 2025	6,455,344	54,936,218	(38,907,313)	(16,192,907)	6,291,342	(119,898)	6,171,444
Balance as at 1 April 2025	6,455,344	54,936,218	(38,907,313)	(16,192,907)	6,291,342	(119,898)	6,171,444
Loss for the year	-	-	-	(2,045,425)	(2,045,425)	-	(2,045,425)
Other comprehensive income for the year							
Items that may be subsequently reclassified to profit or loss							
Currency translation difference	-	-	301,798	-	301,798	-	301,798
Total comprehensive income for the year	-	-	301,798	(2,045,425)	(1,743,627)	-	(1,743,627)
Ordinary Shares issued in the period	398,259	4,799,116	-	-	5,197,375	-	5,197,375
Share Issue Costs	-	(193,075)	-	-	(193,075)	-	(193,075)
Issue of options	-	-	472,651	-	472,651	-	472,651
Expired warrants	-	-	(317,623)	-	(317,623)	-	(317,623)
Foreign exchange movements on non-controlling interest	-	-	60,693	-	60,693	(60,693)	-
Total transactions with owners, recognised directly in equity	398,259	4,606,041	215,721	-	5,220,021	(60,693)	5,159,328
Balance as at 31 March 2026	6,853,603	59,542,259	(38,389,794)	(18,238,332)	9,767,736	(180,591)	9,587,145

CAPITAL METALS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2026

	Share capital \$	Share premium \$	Other reserves \$	Retained Losses \$	Total \$
Balance as at 1 April 2024	6,455,344	54,923,341	32,320,298	(53,865,571)	39,833,412
Loss for the year	-	-	-	(786,743)	(786,743)
Other comprehensive income for the year					
Items that may be subsequently reclassified to profit or loss					
Currency translation difference	-	-	974,879	-	974,879
Total comprehensive income for the year	-	-	974,879	(786,743)	188,136
Issue of options/warrants	-	-	4,611	-	4,611
Foreign exchange on options/warrants	-	-	64	-	64
Expired warrants	-	12,877	(12,877)	-	-
Total transactions with owners, recognised directly in equity	-	12,877	(8,202)	-	4,675
Balance as at 31 March 2025	6,455,344	54,936,218	33,286,975	(54,652,314)	40,026,223
Balance as at 1 April 2025	6,455,344	54,936,218	33,286,975	(54,652,314)	40,026,223
Loss for the year	-	-	-	(1,164,675)	(1,164,675)
Other comprehensive income for the year					
Items that may be subsequently reclassified to profit or loss					
Currency translation difference	-	-	949,557	-	949,557
Total comprehensive income for the year	-	-	949,557	(1,164,675)	(215,118)
Ordinary Shares issued in the period	398,259	4,799,116	-	-	5,197,375
Share Issue Costs	-	(193,075)	-	-	(193,075)
Issue of options	-	-	472,651	-	472,651
Expired warrants	-	-	(317,623)	-	(317,623)
Total transactions with owners, recognised directly in equity	398,259	4,606,041	155,028	-	5,159,328
Balance as at 31 March 2026	6,853,603	59,542,259	34,391,560	(55,816,989)	44,970,433

CAPITAL METALS PLC

STATEMENTS OF CASH FLOWS
For the year ended 31 March 2026

		Group		Company	
		Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
	Note	\$	\$	\$	\$
Cash flows from operating activities					
Loss before income tax		(2,045,425)	(1,140,932)	(1,164,675)	(786,743)
Adjustments for:					
Depreciation	6	9,864	6,546	-	-
Share based payments	16	469,277	4,611	469,277	4,611
Foreign exchange		29,388	(27,562)	(135,042)	(7,398)
Interest received		(139,807)	(30,158)	(35,905)	28,436
Write off property, plant and equipment	6	9,022	-	-	-
Fee shares issued in lieu of cash		81,202	-	81,202	-
Changes in working capital:					
(Increase) in trade and other receivables		(48,736)	(35,400)	(745,869)	(254,208)
(Decrease)/increase in trade and other payables		(55,873)	36,323	(36,511)	46,783
Net cash used in operating activities		(1,691,088)	(1,186,572)	(1,567,523)	(968,519)
Cash flows from investing activities					
Purchase of property plant and equipment	6	(284,672)	(9,119)	-	-
Disposal of property, plant and equipment	6	-	1,477	-	-
Cash expenditure on exploration and evaluation activity	7	(1,079,367)	(649,168)	-	-
Loan to subsidiaries	9	-	-	(2,158,439)	(1,077,373)
Interest received		139,807	30,158	35,905	(28,436)
Net cash used in investing activities		(1,224,232)	(626,652)	(2,122,534)	(1,105,809)
Cash flows from financing activities					
Proceeds from issue of share capital	15	5,197,374	-	5,197,374	-
Transaction costs of share issue	15	(193,075)	-	(193,075)	-
Net cash generated from financing activities		5,004,299	-	5,004,299	-
Net Increase/(decrease) in cash and cash equivalents		2,088,979	(1,813,224)	1,314,242	(2,074,328)
Cash and cash equivalents at beginning of year		1,351,494	3,087,329	1,047,477	3,045,465
Exchange loss on cash and cash equivalents		25,014	77,389	44,199	76,340
Cash and cash equivalents at end of year	12	3,465,487	1,351,494	2,405,918	1,047,477
Non-cash investing and financing activities					
Share options and warrants issued (1)	16	469,277	4,611	469,277	4,611
Fee shares (2)		81,202	-	81,202	-

(1) Share options and warrants were granted during the period to parties in consideration for services provided to the Group.

(2) Comprised of shares issued to Hannam & Partners in lieu of cash, to satisfy fees payable for the period.

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

1. General information

The principal activity of Capital Metals plc (the 'Company') and its subsidiaries (together the 'Group') is the exploration and development of the Taprobane Minerals Project located in the Ampara District of the Eastern Province of Sri Lanka. The Company's shares are quoted on AIM of the London Stock Exchange. The Company is incorporated and domiciled in England.

The address of its registered office is 25 Eccleston Place, London, SW1W 9NF.

2. Summary of significant Accounting Policies

The principal Accounting Policies applied in the preparation of these Consolidated Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. Basis of preparation of Financial Statements

These financial statements have been prepared in accordance with UK adopted International Accounting Standards and in accordance with the requirements of the Companies Act 2006. The Financial Statements have also been prepared under the historical cost convention, except as modified for assets and liabilities recognised at fair value on business combination.

The Financial Statements are presented in US Dollars. The functional currency of the Company is Pound Sterling.

The preparation of financial statements in accordance with the applicable financial reporting framework requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in Note 4.

2.2. New and amended standards

(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 2025 and have been applied by the Company and Group in these 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.

A number of standards, amendments to standards and interpretations have been issued by the IASB that are effective in future accounting periods and have not been adopted early by the Group or Company. With the exception of IFRS 18 (see below), which will affect the presentation of the financial statements rather than the recognition or measurement of amounts recognised, none of these is expected to have a material impact on the financial statements, as they are either not relevant to the Group or Company's activities or require accounting which is consistent with the Group or Company's current accounting policies.

IFRS 18 'Presentation and Disclosure in Financial Statements'

IFRS 18 was issued by the IASB in April 2024 and is effective for annual reporting periods beginning on or after 1 January 2027, subject to UK adoption, with early application permitted. IFRS 18 replaces IAS 1 and introduces new requirements for the presentation of the statement of profit or loss, including defined categories of income and expenses (operating, investing and financing) and new required subtotals (operating profit, and profit before financing and income taxes), together with new disclosures regarding management-defined performance measures and enhanced requirements for the aggregation and disaggregation of information. The Group and Company are currently assessing the impact of IFRS 18. While it is not expected to affect the recognition or measurement of amounts recognised in the financial statements and accordingly is not expected to have a material impact on the Group's reported results or net assets, it is expected to change the structure and presentation of the statement of profit or loss and certain related disclosures. The Group and Company do not intend to adopt IFRS 18 early.

2.3. Basis of Consolidation

These consolidated financial statements comprise the financial statements of Capital Metals plc and its subsidiaries as at 31 March 2026. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where subsidiaries follow differing accounting policies from those of the Group, those accounting policies have been adjusted to align with those of the

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2026

Group. Inter-company balances and transactions between Group companies are eliminated on consolidation, though foreign exchange differences arising on inter-company balances between subsidiaries with differing functional currencies is recognised in profit or loss.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

During 2023, the Group completed a restructure which resulted in the disposal of a subsidiary and disposal of an equity proportion of a subsidiary whilst control was maintained. Refer to Note 18 for further details. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.4. Going concern

These financial statements have been prepared on the going concern basis. The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Report and the Strategic Report.

As at 31 March 2026, the Group had cash and cash equivalents of \$3.47m (2025: \$1.35m). During the year, the Group raised gross equity of approximately \$5.2m, comprising a \$4m strategic investment from Ambeon Capital PLC (completed in tranches to September 2025), a subscription by Sheffield Resources Limited in September 2025, and an oversubscribed Retail Offer via the WRAP platform.

The Directors have prepared cash flow forecasts to 30 September 2027, which consider the cost and operational structure of the Group and Company, planned exploration and evaluation expenditure, licence commitments and working capital requirements. These forecasts assume completion of an equity raise during the going concern period and, on that basis, indicate that the Group and Company will have sufficient funds to meet their operational objectives and expected liabilities as they fall due for at least 12 months from the date of approval of these financial statements. The timing and amount of any raise, and of the Group's progress towards a Final Investment Decision, is affected by the timing of the outstanding regulatory approvals referred to in the Strategic Report and in note 4, which is not within the Group's control.

The Directors have sensitised the forecasts across a range of scenarios, including a delay to, and the non-completion of, the equity raise. Under each scenario in which that funding is not raised within the assumed timeframe, the forecasts indicate that the Group would move into a cash shortfall position within the forecast period. The Directors have also considered the mitigating actions available to them, however, even after applying those actions, the Group is projected to be in a cash deficit position before 30 September 2027 in the absence of a raise.

The Directors are confident in the Company's ability to raise additional funds as required, from existing and/or new investors, and the Company has demonstrated its access to financial resources through the equity raisings completed during the year referred to above. Nevertheless, the Group's ability to continue as a going concern is contingent on a funding event that has not yet completed. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern, and the auditors have made reference to this in their audit report.

Notwithstanding that material uncertainty, and having considered the matters set out above, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements. These financial statements do not include any adjustments that would result if the going concern basis of preparation were determined to be inappropriate.

2.5. Segment reporting

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

The Directors are of the opinion that the Group operates in two geographical areas, the UK and Sri Lanka. The Company operates in one geographical area, the UK. Activities in the UK are mainly administrative in nature whilst activities in Sri Lanka relate to exploration and evaluation of mineral sand resources. The reports used by the chief operating decision maker are based on these geographical segments.

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

2.6. Foreign currencies

(a) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the UK parent entity is Pound Sterling, the functional currency of the BVI subsidiaries is US Dollars, and the functional currency of the Sri Lankan subsidiaries is Sri Lankan Rupee. The Financial Statements are presented in US Dollars which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each period end date presented are translated at the period-end closing rate;
- income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the Income Statement as part of the gain or loss on sale.

2.7. Intangible assets

Exploration and evaluation assets

Exploration and evaluation assets include the cost of acquisition, exploration, determination of resources and recoverable reserves, technical studies, economic feasibility studies and all technical and administrative overheads directly associated with these assets, where a mineral deposit has development potential.

Exploration and evaluation assets which are acquired are recognised at fair value. Capitalised exploration and evaluation expenditure is recorded and held at cost.

The Group performs an impairment test on the exploration and evaluation assets when specific facts and circumstances indicate an impairment test is required, including:

- i) the Group's right to explore in an area has expired, or will expire in the near future without renewal;
- ii) no further exploration or evaluation is planned or budgeted for;
- iii) a decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; and
- iv) sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

If any such facts or circumstances are noted, the Group, as a next step, perform an impairment test in accordance with the provisions of IAS 36 "Impairment of Assets". In such circumstances, the aggregate carrying value of the exploration and assets is compared against the expected recoverable amount of the cash-generating unit. The recoverable amount is the higher of value in use and the fair value less costs to sell. Management considers all licences relating to the Project to represent one asset when undertaking their impairment assessment.

2.8. Investments in subsidiaries

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

2.9. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Computer & office equipment – 3 years
Motor vehicles – 4 years
Field equipment – 5 years
Drilling equipment – 10 years
Furniture & fittings – 5 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If an impairment review is conducted following an indicator of impairment, assets which are not able to be assessed for impairment individually are assessed in combination with other assets within a cash generating unit.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains' in the Income Statement.

2.10. Impairment of non-financial assets

Assets that have an indefinite useful life, for example, intangible assets not ready to use, and goodwill, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11. Financial assets

(a) Recognition and measurement

Management determines the classification of its financial assets at initial recognition, the classification of which depends on the purpose for which the financial assets were acquired.

Financial assets are classified in four categories:

- i) amortised cost;
- ii) fair value through other comprehensive income ("FVOCI") with gains or losses recycled to profit or loss on derecognition;
- iii) FVOCI with no recycling of gains or losses to profit or loss on derecognition; and
- iv) fair value through profit or loss ("FVTPL").

Financial assets are classified as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

The Group's financial assets comprise cash and receivables which are classified as financial assets at amortised cost. The Company's financial assets comprise cash and loans to subsidiaries and connected parties, which are classified as financial assets at amortised cost.

The Company accounts for loan receivables at amortised cost as the objective is to hold these assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. After classification as amortised cost, the financial assets are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

(b) Impairment

Impairment provisions for loans to subsidiaries are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

2.12. Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial liabilities are initially recognised at fair value and subsequently measured either as:

- amortised cost using the effective interest method, with interest-related charges recognised as an expense in the income statement; or
- financial liabilities measured at FVTPL, re-measured at subsequent reporting dates to fair value through the income statement.

During the reporting period, the Group's financial liabilities comprised trade and other payables, deferred consideration payable, loans and convertible bonds. The trade and other payables, and loans, are classified at amortised cost.

The deferred consideration payable in respect of the acquisition of the Project is treated as a financial liability measured at FVTPL.

The convertible bonds were assessed to contain an embedded derivative conversion feature and the Group elected to treat the entire instrument as a financial liability measured at FVTPL.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

2.13. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

2.14. Equity

Equity comprises the following:

- "Share capital" represents the nominal value of the Ordinary shares;
- "Share Premium" represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares;
- "Other reserves" represents the capital contribution reserve, deferred share reserve, merger reserve, foreign currency translation reserve, reverse acquisition reserve and share option and warrant reserve where;
 - "Merger reserve" represents the difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange;
 - "Foreign currency translation reserve" represents the translation differences arising from translating the financial statement items from functional currency to presentational currency;
 - "Reverse acquisition reserve" represents a non-distributable reserve arising on the acquisition of Capital Metals Limited;
 - "Share option and warrant reserve" represents share options and warrants awarded by the Group;
 - Capital contribution reserve - represents capital contributed by one or more of the members without taking shares in return or creating a debt.
 - Deferred share reserve – represents shares to be issued upon certain conditions being met.
 - "Retained earnings" represents retained losses.

2.15. Share capital, share premium and deferred shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds provided there is sufficient premium available. Should sufficient premium not be available placing costs are recognised in the Income Statement. All ordinary shares are fully paid and carry full voting, dividend and capital distribution (including on winding up) rights.

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

Deferred shares are classified as equity. Deferred shares represent shares to be issued upon certain conditions being met. The holders of deferred shares do not have any right to receive written notice of or attend, speak or vote at any general meeting of the Company. As regards income, on any dividend or other distribution of the Company, the holders of deferred shares shall be entitled to payment in priority to any dividend or distribution to the holders of any other class of shares in the Company, £1 in aggregate. Upon any capital distribution of the Company (including upon winding up), the holders of the deferred shares shall be entitled to payment in priority to any distribution to the holders of any other class of shares in the Company, £1 in aggregate. The deferred shares may be cancelled by the Company at any time at its determination for no payment and without obtaining sanction of such holders.

2.16. Share based payments

The Group has granted options over its unissued share capital to certain Directors, management, employees and consultants as part of their remuneration. The fair value of options granted in respect of services provided, is measured at the grant date and recognised as an expense over the vesting period, with a corresponding increase in the Share warrants and options reserve.

The fair value of the share options and warrants are determined using the Black Scholes valuation model, considering the terms and conditions upon which the warrants or options were issued or granted.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

2.17. Taxation

No current tax is yet payable in view of the losses to date.

Deferred tax is recognised for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets (including those arising from investments in subsidiaries), are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be used.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply to the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are not discounted.

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. None of these risks are hedged.

Risk management is carried out by the management team under policies approved by the Board of Directors.

Market risk

(a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Sri Lankan Rupee (LKR), US Dollar (USD), Australian Dollar (AUD) and the British Pound Sterling (GBP or £). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group negotiates all material contracts for activities in relation to its subsidiaries in either LKR, AUD or USD. The Group does not hedge against the risks of fluctuations in exchange rates. The volume of transactions is not deemed sufficient to enter into forward contracts as most of the foreign exchange movements result from the retranslation of intercompany loans. The Group has sensitised the figures for fluctuations in foreign exchange rates, as the Directors acknowledge that, at the present time, the foreign exchange retranslations have resulted in rather higher than normal fluctuations and is predominantly due to the exceptional nature of the LKR exchange rate in the current economic climate.

As at 31 March 2026, the exposure of the Group to foreign exchange rates is summarised as follows:

	Group 2026	Group 2025	Company 2026	Company 2025
Cash and cash equivalents	\$	\$	\$	\$
US Dollar	1,841,138	184,972	1,840,239	23,123
Australian Dollar	6,894	30,201	6,894	30,201
Sri Lankan Rupee	1,058,670	142,168	-	-
Pound Sterling	558,785	994,153	558,785	994,153
	3,465,487	1,351,494	2,405,918	1,047,477
Other receivables				
US Dollar	-	-	-	-
Sri Lankan Rupee	20,673	-	-	-
Australian Dollar	-	-	-	-
Pound Sterling	24,212	36,023	24,212	26,223
	44,885	36,023	24,212	26,223
	3,510,372	1,387,517	2,430,130	1,073,700

As at 31 March 2026, if Pound Sterling had gained or lost 10 per cent. against the USD, the impact on comprehensive loss would have been as follows:

	Group 2026	Group 2025	Company 2026	Company 2025
Impact on comprehensive loss	\$	\$	\$	\$
+10% GBP/USD	58,300	103,018	58,300	102,038
-10% GBP/USD	(58,300)	(103,018)	(58,300)	(102,038)

As at 31 March 2026, if the Sri Lankan Rupee had gained or lost 10 per cent. against the USD, the impact on comprehensive loss would have been as follows:

	Group 2026	Group 2025	Company 2026	Company 2025
Impact on comprehensive loss	\$	\$	\$	\$
+10% LKR/USD	107,934	14,217	-	-
-10% LKR/USD	107,934	(14,217)	-	-

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

As at 31 March 2026, if the Australian Dollar had gained or lost 10 per cent. against the USD, the impact on comprehensive loss would have been as follows:

	Group 2026	Group 2025	Company 2026	Company 2025
	\$	\$	\$	\$
Impact on comprehensive loss				
+10% AUD/USD	689	3,020	689	3,020
-10% AUD/USD	(689)	(3,020)	(689)	(3,020)

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk relating to the Group's financial assets which comprise principally cash and cash equivalents, arises from the potential default of counterparties. The credit risk on liquid funds is limited because the counterparties are reputable banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets represents the maximum credit exposure, which at the reporting date was:

	Group 2026	Group 2025	Company 2026	Company 2025
	\$	\$	\$	\$
Cash and bank balances	3,465,487	1,351,494	2,405,918	1,047,477
Trade and other receivables	129,467	80,731	1,459,258	713,389
Loan to subsidiaries	-	-	6,000,583	3,936,340
	3,594,954	1,432,225	9,865,759	5,697,206

The expected credit risk for both the Group and the Company was assessed as not material.

Liquidity risk

In keeping with similar sized mineral exploration groups, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

With exception to deferred taxation, financial liabilities are all due within one year. The significant liabilities of the Group are not discounted and as such, no undiscounted future cashflow analysis provided.

3.2. Capital risk management

The Directors consider the Group's capital to comprise of share capital and reserves stated on the statement of financial position. The Group manages its capital to ensure that it will be able to continue as a going concern on a long-term basis, while providing an optimal return to shareholders and other stakeholders through an effective balance of debt and equity. No changes were made in the objectives, policies and processes during the current or previous year.

The share capital, including share premium, and reserves totalling \$9,587,145 (2025: \$6,171,444) provides the majority of the working capital required by the Group. Management reviews the capital structure and makes adjustment to it in the light of changes in economic conditions.

4. Critical accounting estimates and judgements

The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Items subject to such estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, include but are not limited to:

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

Impairment of intangible assets – exploration and evaluation costs

Management makes the judgement as to which costs are directly associated with the exploration and evaluation assets and are to be capitalised, including the allocation of applicable salary and overhead costs.

Exploration and evaluation costs have a carrying value at 31 March 2026 of \$6,993,279 (31 March 2025: \$6,055,291). Such assets are not amortised until extraction of the resource commences. In accordance with the accounting policy stated in note 2.7, management assesses at each reporting date whether any of the facts and circumstances set out in IFRS 6 exist which would require the assets to be tested for impairment. Each exploration project is subject to an annual review by either a consultant or a senior company geologist to determine if the exploration results returned during the period warrant further exploration expenditure and have the potential to result in an economic discovery, taking into consideration long term metal prices, anticipated resource volumes and the supply and demand outlook.

The Group's tenure over the Project area rests on a combination of exploration licences and Industrial Mining Licence ("IML") applications. The exploration licence over the northern EL168 area has expired and is not capable of further renewal; the area is retained through IML applications submitted over all of the grids within it, two of which have been granted, and the Geological Survey and Mines Bureau ("GSMB") affords the Group exclusivity over the former licence area by refraining from accepting applications from third parties. The exploration licence over the southern EL199 went into the standard 2 year retention period in July 2024 to allow the Group to complete the Environmental Impact Assessment (EIA) and the IML applications. The retention period technically lapsed on 9 July 2026, however, the Group submitted the required EIA in December 2025 but the GSMB have delayed processing licences and EIAs until a new standard operating procedure has been approved following the government release of the new National Minerals Policy announced in February 2026. The Group has been verbally advised by government representatives that the delays caused by the GSMB will be taken into account to extend deadlines, which has occurred historically from time to time due to previous GSMB delays. The Directors have every reason to believe that this logical extension will be forthcoming before IML applications are made over that area. The renewal of EL430 has been applied for and remains with the GSMB.

Management completed an assessment of each of the impairment indicators in IFRS 6 at 31 March 2026, having regard to the Group's tenure position, the exploration and evaluation expenditure budgeted and incurred, the scale and grade of the Mineral Resource and the economic assessment of the Project. Based on that assessment, and in particular the reasonable expectation, supported by ongoing discussions with the GSMB, that the outstanding IML applications, licence renewals and extensions will be determined in the Group's favour in due course, management concluded that none of the impairment indicators was engaged and that accordingly no calculation of the recoverable amount of the assets was required at the year end. The timing of these determinations is not within the Group's control. Should the Group ultimately not be successful in maintaining its tenure over all or part of the Project area, or should the determinations be materially delayed, the Directors would reassess this conclusion and an impairment of the E&E assets may be required. See note 7 for further considerations at the year end.

Capital Metals Lanka (Pvt) Limited and Capital Metals Lanka South (Pvt) Limited have also submitted five applications for new exploration licences over a further seven grids and are concluding the preliminary requirements and approvals.

Share based payment transactions

Management measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date on which they are granted. The fair value of shares is determined by the share price at the date of grant. The fair value of options and warrants is determined using the Black-Scholes model. Management estimates the number of options expected to vest based on the non-market vesting conditions. Some of the options granted in the year vest on the completion of specified corporate transactions or the achievement of operational milestones, rather than on the passage of time. These are non-market vesting conditions and are not reflected in the grant-date fair value. Instead, management applies a probability to the number of options expected to vest. This is a critical judgement and is reassessed at each reporting date. The valuation of these options and warrants involves several critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions are described in more detail in note 16.

Control and consolidation of Capital Metals Lanka (Pvt) Limited

If an entity with a 40% shareholding has a contractual arrangement that gives it the power to direct the relevant activities of the other entity, it can maintain control and is required to consolidate the financial statements of the other entity. After the restructure of the Group during the prior year, the contractual arrangements in place to determine whether they have the power to direct the relevant activities of another entity and, as a result, maintain control were carefully assessed and it was concluded Capital Metals Lanka Holdings Pvt Ltd maintains control of Capital Metals Lanka and as such they shall remain consolidated within the Group accounts. No non-controlling interest has been recognised against the net assets as the Group continues to have full rights to the returns of the subsidiary. Please refer to Note 18 for details of the Group restructure.

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

Fair value of deferred and contingent consideration

Deferred consideration represents amounts payable in respect of the acquisitions of Capital Metals Lanka (Pvt) Limited and Capital Metals Lanka South (Pvt) Limited. The amounts fall due and payable upon completion of certain milestones within the Group, being for each of Capital Metals Lanka (Pvt) Limited and Capital Metals Lanka South (Pvt) Limited: \$625,000 in cash (recognised at 95% of face value) upon completion of feasibility studies and all approvals on the relevant project and \$750,000 in cash (recognised at 80% of face value) upon commencement of first commercial production from the relevant project. At the reporting year end, the probability estimated for the likelihood of completion of Tranche 2 and 3 of the deferred and contingent consideration was considered, and management continue to estimate 95% probability for Tranche 2 and 80% probability for Tranche 3. If these estimates prove incorrect then the amounts payable in respect of the acquisition may be different to those stated within the financial statements.

Recoverability of investments in and amounts due from subsidiaries (parent company only)

The Company holds its investments in subsidiaries at cost less any provision for impairment, with a carrying value at 31 March 2026 of \$35,241,369 (31 March 2025: \$34,502,223) (see note 8) and amounts due from subsidiaries of \$6,000,583 (31 March 2025: \$3,936,340) (see note 9). Recovery of both is ultimately dependent on the successful development of the Taprobane Minerals Project, and management therefore assesses them together, having regard to the same factors considered in respect of the Group's exploration and evaluation assets, including the status of the Industrial Mining Licence applications, the licence renewals and extensions described above, the progress of the Environmental Impact Assessment and the Project's economics.

At each reporting date management assesses whether there is any indication that the carrying value of the investments may not be recoverable, and whether any expected credit loss arises in respect of the amounts due from subsidiaries. Based on the Company's internal project economics model, which indicates a post-tax net present value of approximately US\$180 million (Base Case), management concluded that no impairment of the investments in subsidiaries and no material expected credit loss in respect of the amounts due from subsidiaries was required at 31 March 2026. Were the underlying assumptions, including the probability and timing of reaching a Final Investment Decision, securing project financing and obtaining the necessary licences and approvals, to prove incorrect, the carrying amounts could be materially different from those stated within these financial statements.

Management also reassessed the recovery profile of the amounts due from subsidiaries and noted that the updated project development timetable means it is unlikely that repayments will commence within the next 12 months. Accordingly, the amounts continue to be classified as non-current receivables. See note 9 for further information.

5. Segment information

As at 31 March 2026, the Group operates in two geographical areas, the UK and Sri Lanka. The Company operates in one geographical area, the UK. Activities in the UK are mainly administrative in nature whilst activities in Sri Lanka relate to exploration and evaluation of mineral sand resources. The reports used by the chief operating decision maker are based on these geographical segments.

The Group generated no revenue during the year ended 31 March 2026 (2025: \$Nil).

2026	Sri Lanka \$	UK \$	Total \$
Administrative expenses	(474,048)	(1,275,253)	(1,749,301)
Share based payment charge	-	(469,277)	(469,277)
Other gains/(losses)	520	32,826	33,346
Finance income	103,902	35,905	139,807
Operating loss from continued operations per reportable segment	(369,626)	(1,675,799)	(2,045,425)
Reportable segment assets	8,548,694	2,466,536	11,015,230
Reportable segment liabilities	(1,291,389)	(136,696)	(1,428,085)
Reportable segment net assets/(liabilities)	7,257,305	2,329,840	9,587,145

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026

2025	Sri Lanka	UK	Total
	\$	\$	\$
Administrative expenses	(293,744)	(872,686)	(1,166,430)
Share based payment charge	-	(4,611)	(4,611)
Other gains/(losses)	(49)	-	(49)
Finance income	1,535	28,623	30,158
Operating loss from continued operations per reportable segment	(292,258)	(848,674)	(1,140,932)
Reportable segment assets	6,538,703	1,116,699	7,655,402
Reportable segment liabilities	(1,310,750)	(173,208)	(1,483,958)
Reportable segment net assets/(liabilities)	5,227,953	943,491	6,171,444

Segment assets and liabilities are allocated based on geographical location.

6. Property, plant and equipment

The movement on the property, plant and equipment asset accounts are shown in aggregate as follows:

	Group Total
	\$
Cost	
As at 1 April 2024	88,005
Exchange Differences	(4,963)
Additions	9,119
Disposals	(1,477)
As at 31 March 2025	90,684
As at 1 April 2025	90,684
Exchange Differences	(6,065)
Additions	284,672
Disposals	(9,022)
As at 31 March 2026	360,269
Depreciation	
As at 1 April 2024	66,416
Charge for the year	7,998
Disposals	(1,452)
Exchange differences	(5,304)
As at 31 March 2025	67,658
As at 1 April 2025	67,658
Charge for the year	9,864
Disposals	(8,317)
Exchange differences	(4,518)
As at 31 March 2026	64,687
Net book value as at 31 March 2025	23,026
Net book value as at 31 March 2026	295,582

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

7. Intangible assets

Intangible assets comprise exploration and evaluation costs. The movement on the exploration and evaluation assets was as follows:

	Group
Exploration & Evaluation Assets - Cost and Net Book Value	\$
Cost	
As at 31 March 2024	5,332,471
Additions	649,168
Exchange differences	73,652
As at 31 March 2025	6,055,291
Additions	1,079,367
Exchange differences	(141,379)
As at 31 March 2026	6,993,279

All exploration and evaluation assets relate to Group subsidiaries and the Taprobane Minerals Project in Sri Lanka.

The Directors undertook a review of the impairment indicators under IFRS 6, and none were identified. In performing their review, the Directors noted the following:

- The exploration licence over the northern EL168 area has expired and is not capable of further renewal. The area is retained through Industrial Mining Licence ("IML") applications submitted over all of the grids within it, two of which have been granted, and the Geological Survey and Mines Bureau ("GSMB") affords the Group exclusivity over the former licence area by refraining from accepting applications from third parties.
- The 2 year EL199 retention period technically lapsed on 9 July 2026, however, the Group submitted the required EIA in December 2025 but the GSMB has delayed licencing and EIA processes until a new standard operating procedure has been approved following the government release of the new National Minerals Policy announced in February 2026. The Group has been verbally advised by government representatives that the delays caused by the GSMB will be taken into account to extend deadlines and the Directors have every reason to believe that this logical extension will be forthcoming.
- The Group completed a drilling programme in the Initial Mining Area during the year, undertaken with the cooperation and participation of the GSMB. The results supported the upgrade announced in November 2025 to the Mineral Resource in the Initial Mining Area, from 897kt to 13.1Mt at an average grade of 5.5% heavy minerals on a 2% cut-off, an increase of 14.6 times. Further drilling is required over the Project before an updated Mineral Resource estimate can be completed.
- The Group continues to incur substantive expenditure on the evaluation of the Project, including the engineering and study work undertaken with Mineral Technologies and Access Group in support of a Final Investment Decision, which reduced the estimated Stage 1 capital cost to US\$17.7 million. The Company's updated project economics model indicates a base case net present value of approximately US\$180 million.
- In February 2026 the Government of Sri Lanka announced its first revision of the National Minerals Policy since 1999. Pending implementation of the new framework, the determination of the Group's outstanding applications, renewals and extensions has been deferred while the regulator finalises a revised standard operating procedure for licensing. The Directors expect these to be determined in the Group's favour in due course, although the timing is not within their control.

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026

It is also noted the total resource of the Taprobane Minerals Project comprises:

- EL199 – comprises 37 1x1km grids.
- EL168 – comprises 47 1x1km grids. Two IMLs have been granted over the EL168 area, supporting Stage 1 mining, with a further seven IML applications outstanding and being processed, together covering all 47 grids. Until those remaining applications are finalised, the tenement areas are exclusively reserved to the Group and are not available to other parties.
- EL430 – comprises 6 1x1km grids, currently under renewal.

Based on the above, management is of the judgement that there is a reasonable expectation that the remaining IML applications will be approved in due course.

Following their assessment of indicators of impairment, the Directors concluded that no such indicators were identified at 31 March 2026 and, accordingly, no impairment review was required.

8. Investments in subsidiaries

	Company	
	For the year ended 31 March 2026	For the year ended 31 March 2025
	\$	\$
At beginning of period	34,502,223	33,658,512
Additions	-	-
Impairment charge	-	-
Foreign exchange differences	739,146	843,711
Investment at end of period	35,241,369	34,502,223

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

Subsidiaries

Name of subsidiary	Country of incorporation and place of business	Company number	Parent company	Proportion of ordinary shares held by the Group (%)	Nature of business
Capital Metals Limited	British Virgin Islands	1890161	Capital Metals plc	100%	Holding company
Brighton Metals Limited	British Virgin Islands	1893384	Capital Metals Limited	100%	Holding company
Capital Metals Lanka Holdings (Pvt) Limited (Formerly RLL)	Sri Lanka	119784	Brighton Metals Limited	100%	Holding/Investment
Capital Metals Lanka (Pvt) Limited	Sri Lanka	PV8591	Keynes Investments Lanka (Pvt) Limited	60.01%	Exploration
	Sri Lanka	PV8591	Capital Metals Lanka Holdings (Pvt) Limited	39.99%	Exploration
Capital Metals Lanka South (Pvt) Limited	Sri Lanka	PV81273	Capital Metals Lanka Holdings (Pvt) Limited	100%	Exploration
Green Tech Minerals (Pvt) Limited	Sri Lanka	00277939	Brighton Metals Limited	100%	Holding/Investment

All subsidiary undertakings are included in the consolidation.

The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Following an assessment, the Directors concluded that, in the context of the Company's current market capitalisation of approximately £25.2 million, the US\$4 million strategic investment by Ambeon Capital PLC completed during the year, the continued progress of the drilling programme (including the 14.6x Mineral Resource upgrade announced in November 2025) and a year-end cash balance of approximately US\$3.48 million, the Company is now both well-funded and in the best position to unlock material shareholder value, and therefore no impairment was required at 31 March 2026.

9. Loans to subsidiaries

	Company	
	For the year ended 31 March 2026	For the year ended 31 March 2025
	\$	\$
At beginning of period	3,936,340	2,796,677
Additions	2,158,439	1,077,373
Foreign exchange differences	(94,196)	62,290
Loan at end of period	6,000,583	3,936,340

The fair value of all receivables is the same as their carrying values stated above and are repayable on demand. Interest on the principal of the loans is charged at a rate of 2% per annum.

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026

The Directors have assessed that there are no expected credit losses to recognise in respect of the loans to subsidiaries as at the balance sheet date, based on their assessment of the recovery strategies, which indicate that the Company would fully recover the outstanding balance of the loans. As such the Directors concluded that no impairment was required at 31 March 2026. Please refer to Note 7 for further details in relation to the assessment of the underlying assets.

At 31 March 2026 Management reassessed the recovery profile of the Company loans to subsidiaries and note the updated project development timetable would mean that it is unlikely that repayments from subsidiaries would commence in the next 12 months and accordingly the loans continue to be classified as non-current receivables in the current year.

10. Other loans

	For the year ended 31 March 2026	For the year ended 31 March 2025
	\$	\$
Keynes Investment Lanka (Pvt) Limited	131,415	140,212
KPRS Resources (Pvt) Limited	-	4,648
Loans at end of period	131,415	144,860

11. Trade and other receivables

	Group		Company	
	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2026	For the year ended 31 March 2025
Current	\$	\$	\$	\$
Trade receivables	-	-	1,398,640	644,168
Prepayments	84,582	44,708	36,405	42,999
VAT receivable	24,212	26,222	24,213	26,222
Other receivables	20,673	9,801	-	-
Total	129,467	80,731	1,459,258	713,389

The fair value of all receivables is the same as their carrying values stated above. The Directors have assessed that there are no expected credit losses to recognise in respect of the trade and other receivables.

The Company trade receivables relate to management recharges to the subsidiary companies. Further details can be found in Note 25.

A further breakdown of the foreign currency denominated trade and other receivables can be found in Note 3.

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026**12. Cash and cash equivalents**

	Group		Company	
	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2026	For the year ended 31 March 2025
	\$	\$	\$	\$
Cash at bank and in hand	3,465,487	1,351,494	2,405,918	1,047,477

All of the UK entities cash at bank is held with institutions with high credit ratings. The Sri Lankan entities cash at bank is held with institutions whose credit rating is unknown. The denomination of the currencies of the cash and cash equivalents can be found in Note 3.

13. Trade and other payables

	Group		Company	
	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2026	For the year ended 31 March 2025
	\$	\$	\$	\$
Current				
Trade payables	94,202	159,901	4,122	53,841
Accrued expenses	132,573	121,738	132,573	119,365
Social security and other taxation	7,560	8,569	-	-
Deferred consideration	593,750	593,750	-	-
Total current liabilities	828,085	883,958	136,695	173,206
Non-current				
Deferred consideration	600,000	600,000	-	-
Total non-current liabilities	600,000	600,000	-	-

Deferred consideration represents amounts payable in respect of the acquisitions of Capital Metals Lanka (Pvt) Limited and Capital Metals Lanka South (Pvt) Limited. The amounts fall due and payable upon completion of certain milestones within the Group, being for each of Capital Metals Lanka (Pvt) Limited and Capital Metals Lanka South (Pvt) Limited: \$625,000 in cash (recognised at 95% of face value) upon completion of feasibility studies and all approvals on the relevant project and \$750,000 in cash (recognised at 80% of face value) upon commencement of first commercial production from the relevant project. Management anticipates the completion of these milestones to take place within 12 months of the balance date, and accordingly the deferred consideration in respect of this milestone is classified as a current liability.

At the reporting period end, the probability estimated for the likelihood of completion of Tranche 2 and 3 was considered, and management continue to estimate 95% probability for Tranche 2 and 80% probability for Tranche 3. If these estimates prove incorrect then the amounts payable in respect of the acquisition may be different to those stated within the financial statements. The total deferred consideration payable if all milestones are achieved would be \$1,375,000. The value of deferred consideration recognised as at 31 March 2026 was \$1,193,750 (2025: \$1,193,750).

14. Financial Instruments by Category

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair value.

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026**Group**

	31 March 2026		31 March 2025	
	Amortised cost	Total	Amortised cost	Total
	\$	\$	\$	\$
Assets per Statement of Financial Performance				
Cash and cash equivalents	3,465,487	3,465,487	1,351,494	1,351,494
	3,465,487	3,465,857	1,351,494	1,351,494

	31 March 2026			31 March 2025		
	Amortised cost	Fair value through profit and loss	Total	Amortised cost	Fair value through profit and loss	Total
	\$	\$	\$	\$	\$	\$
Liabilities per Statement of Financial Performance						
Trade and other payables	234,335	-	234,335	281,642	-	281,642
Deferred consideration	-	1,193,750	1,193,750	-	1,193,750	1,193,750
	234,335	1,193,750	1,428,085	281,642	1,193,750	1,475,392

Company

	31 March 2026		31 March 2025	
	Amortised cost	Total	Amortised cost	Total
	\$	\$	\$	\$
Assets per Statement of Financial Performance				
Trade and other receivables (excluding prepayments)	1,422,853	1,422,853	670,390	670,390
Loans to subsidiaries	6,000,583	6,000,583	3,936,340	3,936,340
Cash and cash equivalents	2,405,918	2,405,918	1,047,477	1,047,477
	9,829,354	9,829,354	5,654,207	5,654,207

	31 March 2026		31 March 2025	
	Amortised cost	Total	Amortised cost	Total
	\$	\$	\$	\$
Liabilities per Statement of Financial Performance				
Trade and other payables	136,695	136,695	173,206	173,206
	136,695	136,695	173,206	173,206

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

15. Share capital and premium

Group and Company	Number of shares		Share capital	
	No.	Nominal value	£	\$
Ordinary shares	492,145,817	0.0020	984,292	1,301,603
Deferred shares	356,277,502	0.0099	3,527,147	5,552,000
Total	848,423,319		4,511,439	6,853,603

Issued shares	Number of Ordinary shares	Share capital \$	Share premium \$	Cost of Capital \$	Total \$
As at 31 March 2025	344,806,209	903,344	55,168,964	(232,746)	55,839,562
Issue of ordinary shares (1)	344,052	892	8,835	-	9,727
Issue of ordinary shares (2)	67,685,000	183,616	2,111,582	-	2,295,198
Issue of ordinary shares (3)	16,000,000	43,264	497,536	-	540,800
Issue of ordinary shares (4)	283,355	769	9,279	-	10,048
Issue of ordinary shares (5)	783,677	2,157	24,804	-	26,961
Issue of ordinary shares (6)	22,713,704	60,373	769,756	-	830,129
Issue of ordinary shares (7)	38,575,443	104,640	1,334,157	-	1,438,797
Issue of ordinary shares (8)	638,029	1,700	22,609	-	24,309
Issue of ordinary shares (9)	146,550	394	10,078	-	10,472
Issue of ordinary shares (10)	169,798	454	10,480	-	10,934
Share Issue Costs	-	-	-	(193,075)	(193,075)
As at 31 March 2026	492,145,817	1,301,603	59,968,080	(425,821)	60,843,862

- On 2 April 2025, the Company issued 344,052 new ordinary shares of 0.2 pence each to Hannam & Partners in consideration of Broker and Financial Advisor fees, at an issue price of 2.1799 pence per share (equal to £7,500), based on the 30-day volume-weighted average price of the Company's shares.
- On 29 May 2025, the Company issued 59,701,000 new ordinary shares of 0.2 pence each at a price of 2.5 pence per share to Ambeon Capital PLC for gross proceeds of approximately US\$2.0 million, together with a further 7,984,000 new ordinary shares of 0.2 pence each at 2.5 pence per share to Sheffield Resources Limited (to maintain its strategic shareholding) for gross proceeds of approximately US\$267,000.
- On 2 June 2025, the Company issued 16,000,000 new ordinary shares of 0.2 pence each at a price of 2.5 pence per share under an oversubscribed retail (WRAP) offer for gross proceeds of £400,000.
- On 13 June 2025, the Company issued 283,355 new ordinary shares of 0.2 pence each to Hannam & Partners in consideration of Broker and Financial Advisor fees, at an issue price of 2.6106 pence per share.
- On 16 July 2025, the Company issued 783,677 new ordinary shares of 0.2 pence each at a price of 2.5 pence per share in settlement of adviser fees.
- On 5 August 2025, the Company issued 22,713,704 new ordinary shares of 0.2 pence each at a price of 2.75 pence per share on the first exercise of the Ambeon subscription option, for gross proceeds of approximately US\$825,000.
- On 2 September 2025, the Company issued 31,886,025 new ordinary shares of 0.2 pence each at 2.75 pence per share on the full exercise of the Ambeon subscription option; and on 4 September 2025 it issued 6,689,418 new ordinary shares of 0.2 pence each at 2.75 pence per share to Sheffield Resources Limited under its right to maintain its strategic shareholding (£183,959). Together these comprise the 38,575,443 shares shown.
- On 14 October 2025, the Company issued 638,029 new ordinary shares of 0.2 pence each to Hannam & Partners in consideration of commission and advisory fees, at an issue price of 2.8610 pence per share (equal to £18,254).
- In January 2026, the Company issued 146,550 new ordinary shares of 0.2 pence each to Hannam & Partners in consideration of corporate broking and research fees, at an issue price of £0.051177 per share (equal to £7,500).
- In March 2026, the Company issued 169,798 new ordinary shares of 0.2 pence each to Hannam & Partners in consideration of corporate broking and research fees, at an issue price of £0.046192 per share (equal to £7,843.29).

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026

Deferred Shares	Number of Deferred shares	Share capital \$
As at 31 March 2025	356,227,502	5,552,000
As at 31 March 2026	356,227,502	5,552,000

16. Share based payments**Options**

The Company has established a share option scheme for Directors, employees and consultants to the Group. Share options outstanding and exercisable at the end of the period have the following expiry dates and exercise prices:

Grant Date	Vesting Date	Exercise price	Exercise price hurdle	Expiry Date	Options	
					31 March 2026	31 March 2025
13/01/2021	13/01/2021	12.0p	18.0p	13/01/2026	-	666,667
13/01/2021	13/07/2021	12.0p	18.0p	13/01/2026	-	666,667
13/01/2021	13/01/2022	12.0p	24.0p	13/01/2026	-	666,667
15/09/2021	15/09/2025	12.0p	-	15/09/2025	-	1,000,000
01/08/2023	01/08/2023	3.0p	-	01/08/2028	3,683,333	3,683,333
01/08/2023	01/08/2024	3.0p	-	01/08/2028	3,683,333	3,683,333
01/08/2023	01/08/2025	3.0p	-	01/08/2028	3,683,333	3,683,333
25/03/2024	25/03/2024	5.0p	-	25/03/2029	250,000	250,000
25/03/2024	25/03/2025	5.0p	-	25/03/2029	250,000	250,000
25/03/2024	25/03/2026	5.0p	-	25/03/2029	250,000	250,000
01/07/2024	01/07/2025	3.2p	-	01/07/2034	2,000,000	2,000,000
01/07/2024	Milestone dependant	3.2p	-	01/07/2034	4,000,000	4,000,000
16/07/2025	16/07/2026	3.0p	-	16/07/2030	200,000	-
16/07/2025	16/07/2027	4.0p	-	16/07/2030	200,000	-
16/07/2025	16/07/2028	5.0p	-	16/07/2030	200,000	-
04/09/2025	Milestone dependant	3.0p	-	04/09/2030	6,666,667	-
04/09/2025	Milestone dependant	4.0p	-	04/09/2030	6,666,667	-
04/09/2025	Milestone dependant	5.0p	-	04/09/2030	6,666,667	-
					38,400,000	20,800,000

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options was determined using the Black Scholes valuation model. The parameters used are detailed below:

	2021 Options	2022 Options
Granted on:	13 January 2021	15 September 2021
Estimated Life (years)	5 years	4 years
Share price (pence per share)	19.05p*	9.75p
Risk free rate	1.05%	1.71%
Expected volatility	120%	7.94%
Total fair value (\$)	1,459,455	694

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026

	2023 Options	2024 Options
Granted on:	01 August 2023	25 March 2024
Estimated Life (years)	5 years	5 years
Share price (pence per share)	1.15p	4.75p
Risk free rate	4.02%	4.02%
Expected volatility	37.24%	45.54%
Total fair value (£)	11,564	12,408

	2025 Options
Granted on:	01 July 2024
Estimated Life (years)	10 years
Share price (pence per share)	1.55p
Risk free rate	4.26%
Expected volatility	48.27%
Total fair value (£)	36,145

2026 Options – Silver Pine Pacific Ltd

	Tranche A	Tranche B	Tranche C
Granted on:	04 September 2025	04 September 2025	04 September 2025
Number of options granted	6,666,667	6,666,667	6,666,666
Estimated Life (years)	5 years	5 years	5 years
Share price (pence per share)	3.70p	3.70p	3.70p
Exercise price (pence per share)	3.0p	4.0p	5.0p
Risk free rate	4.01%	4.01%	4.01%
Expected volatility	81.63%	81.63%	81.63%
Marketability discount	20%	20%	20%
Probability of vesting (1)	100%	80%	80%
Fair value per option (pence per share)	2.099p	1.955p	1.836p
Grant date fair value (£)	139,955	130,320	122,384
Fair value of options expected to vest (£)	139,955	104,256	97,907

- (1) The options granted on 4 September 2025 were granted to Silver Pine Pacific Ltd in consideration of the introduction of Ambeon Capital PLC and the arranging of the equity subscription completed during the Year. They were granted in three tranches, each exercisable on completion of a specified corporate transaction: Tranche A on completion of the equity subscription by Ambeon Capital and its associates; Tranche B on completion of either an equity investment in, or the arrangement of a corporate debt facility for, Capital Metals Lanka Holdings (Pvt) Limited to fund the first stage of project capital expenditure; and Tranche C on completion of the arrangement of that debt facility.

These are non-market vesting conditions and are therefore not reflected in the fair value per option at the date of grant. Instead, management estimates the number of options expected to vest by applying a probability to each tranche, which is reassessed at each reporting date. The Ambeon equity subscription completed in September 2025, satisfying the condition attaching to Tranche A, and a probability of 100% has accordingly been applied. Management reviewed the likelihood of the remaining conditions being satisfied at 31 March 2026 and applied a probability of 80% to each of Tranches B and C.

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026**2026 Options – D. Peiris**

	Tranche A	Tranche B	Tranche C
Granted on:	16 July 2025	16 July 2025	16 July 2025
Number of options granted	200,000	200,000	200,000
Estimated Life (years)	5 years	5 years	5 years
Share price (pence per share)	3.26p	3.26p	3.26p
Exercise price (pence per share)	3.0p	4.0p	5.0p
Risk free rate	4.04%	4.04%	4.04%
Expected volatility	80.32%	80.32%	80.32%
Marketability discount	20%	20%	20%
Probability of vesting	100%	100%	100%
Fair value per option (pence per share)	1.778p	1.644p	1.534p
Grant date fair value (£)	3,556	3,288	3,069
Fair value of options expected to vest (£)	3,556	3,288	3,069

The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life.

A reconciliation of options granted over the year to 31 March 2026 is shown below:

	31 March 2026		31 March 2025	
	Number	Weighted average exercise price (£)	Number	Weighted average exercise price (£)
Outstanding at beginning of period	20,800,000	4.4p	14,800,000	12.0p
Expired	(3,000,000)	12p	-	-
Cancelled	-	-	-	-
Exercised	-	-	-	-
Granted	20,600,000	4.0p	6,000,000	3.0p
Outstanding as at period end	38,400,000	3.6p	20,800,000	4.4p
Exercisable at period end	13,800,000	3.1p	12,866,677	-

The options outstanding at 31 March 2026 have a weighted average contractual life of 4.4 years (2025: 4.7 years).

The options granted on 13 January 2021 expired unexercised on 13 January 2026.

The options granted on 1 August 2023 and 25 March 2024, and the time-based tranche of the options granted on 1 July 2024, continue to vest in accordance with their original terms as previously disclosed. The remaining 4,000,000 options granted on 1 July 2024 vest on satisfaction of construction-approval and production-capacity milestones.

On 16 July 2025 the Company granted 600,000 options to a consultant in connection with the Ambeon arrangements, in three tranches of 200,000 at exercise prices of 3.0p, 4.0p and 5.0p, vesting on the first, second and third anniversaries of grant respectively and expiring on 16 July 2030.

On 4 September 2025 the Company granted 20,000,000 options to Silver Pine Pacific Limited as consideration for the introduction of Ambeon Capital and the arranging of the equity financing. The options are structured in three tranches: 6,666,667 at 3.0p vesting on completion of the CMET Equity Transaction (which completed on 4 September 2025); 6,666,667 at 4.0p vesting on completion of the RL Equity Transaction or the RL Debt Transaction; and 6,666,666 at 5.0p vesting on completion of the RL Debt Transaction. These are non-market performance conditions. They are not reflected in the grant-date fair value but are taken into account by adjusting the number of options expected to vest, weighted by the probability of each condition being met. At 31 March 2026 the probabilities applied were 100%, 80% and 80% respectively, as confirmed by management.

During the year, there was a charge of \$469,277 (2025: \$4,611) in respect of share options and \$2,651 (2025: \$nil) in respect of warrants. On expiry of the 13 January 2021 options, \$317,623 was transferred from the share option reserve to retained

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For the year ended 31 March 2026

earnings. The share option reserve was \$640,407 at 31 March 2026 (2025: \$488,031) and the warrant reserve was \$134,116 (2025: \$131,465).

Warrants

As at 31 March 2026, there were 1,885,294 warrants outstanding by the Company (2025: 1,735,294).

			Warrants	
Grant Date	Exercise price	Expiry Date	31 March 2026	31 March 2025
08/09/2020	£0.080	08/09/2023	-	-
13/01/2021	£0.080	13/01/2024	-	-
13/01/2021	£0.120	13/01/2024	-	-
13/01/2021	£0.156	13/01/2024	-	-
13/01/2021	£0.156	13/01/2024	-	-
13/01/2021	£0.156	13/01/2024	-	-
15/02/2022*	£0.075	15/02/2025	-	-
01/08/2023***	£0.030	01/08/2028	1,000,000	1,000,000
10/12/2023****	£0.042	10/12/2026	735,294	735,294
09/10/2025	£0.0275	09/10/2030	150,000	-
			1,885,294	1,735,294

The fair value of the warrants was determined using the Black Scholes model. The parameters used are detailed below:

	2022 Warrants	2023 Warrants	2026 Warrants
Granted on:	15 February 2022	1 August 2023	9 October 2025
Life (years)	3 years	5 years	5 years
Price at grant	7.75p	1.15p	4.65p
Risk free rate	1.71%	4.02%	4.20%
Volatility	88.90%	37.24%	80.12%

*The estimated fair value of the warrants granted on 15 February 2022 was assessed as \$13,000 and charged to the share premium to recognise the cost of issuing the warrants. The expected volatility was determined by reference to the historical volatility of the Company's share price.

**On 20 June 2023 warrants to subscribe for 2,500,000 shares were issued to the Company Broker. The Warrants were exercisable at the Placing Price for a period of 3 years from the date of Admission. 1,625,000 warrants were subsequently exercised on 23 October 2023 and 875,000 on 15 January 2024. Please refer to Note 15 for further details.

***The estimated fair value of the warrants granted on 1 August 2023 was assessed as \$1,320 and charged to the share premium to recognise the cost of issuing the warrants. The expected volatility was determined by reference to the historical volatility of the Company's share price.

****735,294 warrants were issued to the Company Broker as part of the placing which took place on 11 December 2023. The Warrants are exercisable at the placing price of 4.25p for a period of 3 years from the date of Admission.

On 9 October 2025, 150,000 warrants were issued to Hannam & Partners, exercisable at 2.75p. The warrants vest in full on 9 October 2026 (12 months after grant) and remain exercisable until the earlier of (i) five years from engagement, (ii) 60 days post-termination of engagement, or (iii) 12 months post-death, with extensions if the holder is restricted from dealing. A marketability discount of 20% has been applied.

CAPITAL METALS PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

A reconciliation of the movement of warrants over the year to 31 March 2026 is shown below:

	31 March 2026		31 March 2025	
	Number	Weighted average exercise price (£)	Number	Weighted average exercise price (£)
Outstanding at beginning of period	1,735,294	3.5p	2,568,627	11.0p
Expired	-	-	(833,333)	-
Cancelled	-	-	-	-
Exercised	-	-	-	-
Granted	150,000	2.75p	-	-
Outstanding as at period end	1,885,294	3.5p	1,735,294	3.5p
Exercisable at period end	1,735,294	3.5p	1,735,294	3.5p

The warrants outstanding at 31 March 2026 have a weighted average contractual life of 1.9 years (2025: 2.6 years).

17. Other reserves

Group

	Capital contribution reserve \$	Deferred share reserve \$	Merger reserve \$	Reverse acquisition reserve \$	Share warrants and options reserve \$	Foreign currency translation reserve \$	Total \$
At 31 March 2024	1,250,000	1,968,750	35,633,822	(75,441,159)	602,698	(3,085,630)	(39,071,519)
Currency translation differences	-	-	-	-	-	126,400	126,400
Issue of options	-	-	-	-	4,611	-	4,611
Foreign exchange on options	-	-	-	-	64	-	64
Expired warrants	-	-	-	-	(12,877)	-	(12,877)
Transfer to NCI	-	-	-	-	-	46,008	46,008
At 31 March 2025	1,250,000	1,968,750	35,633,822	(75,441,159)	594,496	(2,913,222)	(38,907,313)
At 1 April 2025	1,250,000	1,968,750	35,633,822	(75,441,159)	594,496	(2,913,222)	(38,907,313)
Currency translation differences	-	-	-	-	-	301,798	301,798
Issue of options/warrants	-	-	-	-	472,651	-	472,651
Foreign exchange movements	-	-	-	-	-	-	-
Expired options / warrants	-	-	-	-	(317,623)	-	(317,623)
Transfer to NCI	-	-	-	-	-	60,693	60,693
At 31 March 2026	1,250,000	1,968,750	35,633,822	(75,441,159)	749,524	(2,550,731)	(38,389,794)

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026**Company**

	Merger reserve	Share warrants and options reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$
At 1 April 2024	35,633,822	627,698	(3,941,222)	32,320,298
Currency translation differences	-	-	974,879	974,879
Issue of options/warrants	-	4,611	-	4,611
Foreign exchange on options/warrants	-	64	-	64
Expired options	-	(12,877)	-	(12,877)
At 31 March 2025	35,633,822	619,496	(2,966,343)	33,286,975
At 1 April 2025	35,633,822	619,496	(2,966,343)	33,286,975
Currency translation differences	-	-	949,557	949,557
Issue of options/warrants	-	472,651	-	472,651
Foreign exchange movements	-	-	-	-
Expired options / warrants	-	(317,623)	-	(317,623)
At 31 March 2026	35,633,822	774,524	(2,016,786)	34,391,560

18. Group Restructure

On 10 February 2023, following receipt of the notice from Sri Lanka's GSMB to the Company's Sri Lankan IML-holding subsidiary Capital Metals Lanka (Pvt) Limited (formerly Damsila Exports (Pvt) Limited ("Damsila"), the Company had been in frequent and productive dialogue with senior GSMB and other officials in Colombo seeking to resolve concerns around the ownership structure of Damsila. While the Company's legal position remained that the ownership structure conformed with the relevant requirements, the Board's objective had been to derive a pragmatic solution to satisfy the GSMB that the spirit of the law requiring local ownership of mining and primary processing activities was reflected. This resulted in a restructuring of the Group.

Under the Restructuring, an effective 60 percent of the ownership of Damsila has been issued to a Sri Lankan national who is known to, and who has worked with, the Company since 2015. As the Company will continue to fund the capital and operations of the Project, the Restructuring has been completed without materially impacting the Company's economic value in the Project.

Prior to the restructure, Damsila had 26,354,812 shares in issue. The Restructuring involved Damsila issuing 39,548,694 new shares to Keynes Investment Lanka (Pvt) Limited ("Keynes"), which is 99.98% owned by a Sri Lankan national, Mr Dinal Peiris, who is well known to the Company, with the remaining 0.02% owned by an existing Capital Metals shareholder, giving Keynes a 60.01 percent interest in Damsila and the Sri Lankan national an effective 60.0 percent of Damsila. The consideration for the above issue of ordinary shares in Damsila to Keynes is 1 Sri Lankan rupee per share (equivalent to US\$108,353 at 365 SLR: 1 USD).

If an entity with a 40% shareholding has a contractual arrangement that gives it the power to direct the relevant activities of the other entity, it can maintain control and is required to consolidate the financial statements of the other entity in accordance with IFRS 10. After the restructure of the Group, the contractual arrangements in place to determine whether they have the power to direct the relevant activities of another entity and, as a result, maintain control were carefully assessed. It was concluded that as Directors have the majority of the voting rights, the Company will benefit from all future production of any offtake agreements and that Capital Metals Lanka Holdings (Pvt) Limited maintains control of Damsila. As such Damsila shall remain consolidated within the Group accounts. Damsila is now accounted for as a non-controlling interest. No NCI has been recognised on the net assets of Damsila as the Group has full rights to returns from the subsidiary. An equity transfer has been made only in relation to historic OCI movements through the foreign exchange reserve.

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026

As a result of the restructure, Keynes Investment Lanka (Pvt) Limited was deconsolidated and is no longer part of the Group. There was no material impact on the financial statements. A loan to Keynes Investment Lanka (Pvt) Limited has arisen due to the restructure of the Group (please refer to Note 10). The loan balance is a loan balance held with Damsila that had previously been eliminated on consolidation.

19. Employee benefit expense

	Group		Company	
	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
Staff costs (excluding Directors)	\$	\$	\$	\$
Salaries and wages	102,155	139,267	-	-
	102,155	139,267	-	-

Salaries, wages and consultancy fees of \$274,859 (2025: \$137,859) directly attributable to exploration and evaluation activity were capitalised within intangible assets during the year and are therefore excluded from the amounts above. Total staff and consultancy costs (excluding directors) incurred by the Group before capitalisation were \$377,014 (2025: \$278,440).

The number of employees of the Group at 31 March 2026 was 28 (year ended 31 March 2025: 32).

20. Directors' and Key Management remuneration

	Salaries & fees	Share based payments	Year ended 31 March 2026	Year ended 31 March 2025
	\$	\$	\$	\$
Executive Directors				
Gregory Martyr	233,235	-	233,235	180,645
Non-executive Directors				
James Leahy	50,462	-	50,462	50,662
Teh Kwan Wey	32,167	-	32,167	30,617
Bruce Griffin (resigned 6 February 2026)	-	-	-	-
Aravinda De Silva (appointed 4 August 2025)	32,167	-	32,167	-
Savanth Sebastian (appointed 4 August 2025)	36,068	-	36,068	-
Key Management				
Iranga Dunuwille	97,600	-	97,600	82,000
Stuart Forrester	272,855	-	272,855	172,773
	754,554	-	754,554	516,697

As at 31 March 2026, there were no directors receiving defined contribution pension schemes benefits (2025: Nil).

Of the above costs, \$468,557 (year ended 31 March 2025: \$216,647) has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the year.

Details of fees paid to companies of which the Directors detailed above are Directors have been disclosed in Note 25.

The remuneration of Directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

There are no current year director's fees/remuneration paid through the issuance of shares.

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026**21. Income tax expense**

No charge to taxation arises due to the losses incurred.

The tax on the Group's loss before tax, applicable to the losses of the consolidated entities, is as follows:

	Group	
	For the year ended 31 March 2026	For the year ended 31 March 2025
	\$	\$
Loss before tax	(2,045,425)	(1,140,932)
Tax at the applicable rate of 25% (2025: 25%)	(511,356)	(285,233)
Effects of:		
Expenditure not deductible for tax purposes	127,548	11,068
Deferred tax asset not recognised	383,808	274,165
Tax charge	-	-

No deferred tax assets have been recognised in relation to the historic losses in the year (2025: nil), this is as a result of the uncertainty of future profits within the Group.

The Group has tax losses of approximately \$15,099,535 (31 March 2025: \$13,564,300) available to carry forward against future taxable profits.

The Company has tax losses of approximately £3,057,527 (31 March 2025: £2,765,086) available to carry forward against future taxable profits.

22. Loss per share**Group**

The calculation of the total basic loss per share of 0.253 cents (2025: 0.163 cents) is based on the total comprehensive loss attributable to equity holders of the parent company of \$2,045,425 (2025: \$1,140,932) and on the weighted average number of ordinary shares of 809,534,350 (2025: 701,083,711) in issue during the year.

In accordance with IAS 33, basic and diluted earnings per share are identical for the Group as the effect of the exercise of share options would be to decrease the earnings per share. Details of share options that could potentially dilute earnings per share in future periods are set out in Note 16.

CAPITAL METALS PLC**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2026**23. Expenses by nature**

	Group	
	Year ended 31 March 2026 \$	Year ended 31 March 2025 \$
Operations	602,546	211,744
Director fees & employment tax contributions	285,997	300,050
Audit	93,820	92,490
Accountancy	113,458	110,454
Exchange related costs	122,124	134,488
Professional & consultancy fees	174,488	129,731
Office expenses	16,491	15,199
Insurance	14,806	12,325
Depreciation	9,864	3,773
Travel & entertainment	138,717	104,767
Acquisition related costs	-	25,514
Other expenses	176,990	25,895
Total administrative expenses	1,749,301	1,166,430

The above Director fees were \$754,554 prior to the capitalisation of \$468,557 of exploration related costs (year ended 31 March 2025: \$516,697) in accordance with IFRS 6. Refer to Note 20.

Services provided by the Company's auditor and its associates

During the year, the Group (including overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

	Group	
	Year ended 31 March 2026 \$	Year ended 31 March 2025 \$
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and Consolidated Financial Statements	93,820	92,490

24. Commitments*License commitments*

Capital Metals plc through its subsidiaries owns two mineral exploration licenses and two IMLs in Sri Lanka. These licences include commitments to pay annual licence fees and minimum spend requirements.

As at 31 March 2026 these are as follows:

Group	2026			2025		
	Licence fees \$	Minimum spend requirement \$	Total \$	Licence fees \$	Minimum spend requirement \$	Total \$
Not later than one year	442,037	-	442,037	725,700	-	725,700
Later than one year and no later than five years	-	108,493	108,493	-	152,981	152,981
Total	442,037	108,493	550,530	725,700	152,981	878,681

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

The minimum spend requirement is for the 24 grids previously covered by EL430. The renewal application is for six grids only.

25. Related party transactions

Loans to Group undertakings

Amounts receivable as a result of loans granted to subsidiary undertakings are as follows:

	Company	
	31 March 2026	31 March 2025
	\$	\$
Brighton Metals Limited	2,468,528	2,366,182
Capital Metals Limited	1,005,582	962,002
Capital Metals Lanka (Pvt) Limited	589,230	607,620
Capital Metals Lanka South (Pvt) Limited	927	268
Capital Metals Lanka Holdings (formerly Redgate Lanka (Pvt) Limited)	1,936,316	268
At 31 March 2026	6,000,583	3,936,340

These amounts are unsecured and repayable in US Dollars on demand from the Company. Interest on the principal of the loan is charged at a rate of 2% per annum.

Amount receivable as a result of management recharges are as follows:

	Company	
	31 March 2026	31 March 2025
	\$	\$
Brighton Metals Limited	36,788	36,016
Capital Metals Limited	36,788	36,016
Capital Metals Lanka Private Ltd	771,851	294,784
Capital Metals Lanka South Private Ltd	511,059	236,081
Capital Metals Lanka Holdings Private Ltd	42,154	41,271
At 31 March 2026	1,398,640	644,168

Management recharges of \$751,390 were made during the year (2025: \$216,643), being \$477,565 to Capital Metals Lanka (Pvt) Limited and \$273,825 to Capital Metals Lanka South (Pvt) Limited. The balances shown are cumulative and include amounts recharged in prior years. No recharges were made to Brighton Metals Limited, Capital Metals Limited or Capital Metals Lanka Holdings (Pvt) Limited during the year; the movement in those balances represents foreign exchange retranslation. The amounts are unsecured, interest free and repayable on demand. All intra Group transactions are eliminated on consolidation.

Other transactions

The Group defines its key management personnel as the Directors of the Company as disclosed in the Directors' Report.

Hogan's Bluff Capital Pty Ltd, a limited company of which Greg Martyr is a director, was paid a fee of \$233,235 for the year ended 31 March 2026 (31 March 2025: \$233,982) for consulting services to the Company and expenses. There was a balance of \$Nil owing at year end (31 March 2025: \$Nil).

KL-Kepong International Ltd, a limited company of which is fully owned by Kuala Lumpur Kepong Berhad Ltd of which Teh Kwan Wey is an employee of, was paid a fee of \$32,167 for the year ended 31 March 2026 (31 March 2025: \$30,617) for consulting services to the Company. There was a balance of \$Nil owing at year end (31 March 2025: \$Nil).

Inverness Consulting Pty Ltd, a limited company of which Stuart Forrester is a director, was paid a fee of \$272,855 for the year ended 31 March 2026 (31 March 2025: \$185,104) for consulting services to the Company. There was a balance of \$Nil owing at year end (31 March 2025: \$Nil). Inverness Consulting Pty Ltd also holds 6,000,000 options in the Company, of which 2,000,000 were exercisable as at 31 March 2026.

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2026

Ventureflex (Pvt) Ltd, a limited company of which Iranga Dunuwille is a director, was paid a fee of \$28,000 for the year ended 31 March 2026 (31 March 2025: \$36,000) for consulting services to the Company. There was a balance of \$Nil owing at year end (31 March 2025: \$Nil). Iranga Dunuwille holds 1,500,000 options in the Company, all of which were exercisable as at 31 March 2026.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions only when such terms can be substantiated.

26. Ultimate controlling party

The Directors believe there is no ultimate controlling party.

27. Events after the reporting date

On 18 June 2026, the Company issued 153,595 new ordinary shares of 0.2 pence each to Hannam & Partners in consideration of corporate broking and research fees, at an issue price £0.050783 per share, increasing the Company's issued share capital to 492,299,412 ordinary shares.

On 12 June 2026, the Company granted options over 500,000 new ordinary shares to Placer Consulting, exercisable at 5.0 pence per share and expiring in June 2031.

Both events are non-adjusting events after the reporting period and have no impact on the financial position of the Company as at 31 March 2026. There were no other material events between 31 March 2026 and the date of approval of these financial statements.