

FOR IMMEDIATE RELEASE
13 OCTOBER 2021



Capital Limited
("Capital", the "Group" or the "Company")

Q3 2021 Trading Update

Capital (LSE: CAPD), a leading mining services company focused on the African markets, today provides its Q3 2021 trading update for the period to 30 September 2021.

THIRD QUARTER (Q3) 2021 KEY METRICS

	Q3 2021	Q3 2020	Q2 2021	% change from Q3 2020	% change from Q2 2021
Revenue (US\$m)	61.6	35.3	54.7	74.5%	12.6%
ARPOR*(US\$)	182,000	171,000	180,000	6.4%	1.1%
Average utilised rigs	81	60	81	35.0%	0.0%
Fleet Utilisation (%)	76	61	79	24.6%	-3.8%
Average Fleet	107	98	103	9.2%	3.9%
Closing fleet size	108	98	106	10.2%	1.9%

* Average monthly revenue per operating rig

Financial Highlights

- Revenue of \$61.6 million represents a new quarterly revenue record for the Group, up 12.6% on Q2 2021 (\$54.7 million) and 74.5% up on Q3 2020 (\$35.3 million);
- Mine-site services continue to underpin revenue streams, contributing 90% of Group revenue;
- Non-drilling revenue contribution of 26% to total revenue, up from 17% in Q2 and 12% in Q3 2020, driven by mining services and MSALABS;
- Average monthly revenue per operating rig ("ARPOR") up marginally (1.1%) on Q2 2021 at US\$182,000, but up 6.4% on Q3 2020 (US\$171,000);
- Interim dividend of 1.2 cents per share (cps), paid on 1 October, up 33.3% on 2020 interim dividend (0.9 cps);
- **Increasing 2021 Revenue Guidance:** After a strong first three quarters of 2021 with better than anticipated drilling utilisation rates, and Sukari mining operations delivering ahead of contract targets, the Group is increasing guidance on anticipated revenues for 2021 to \$220-225 million (up from \$200-210 million guided at our Q2 2021 trading update and up from \$185-195 million originally guided at the FY20 results).

Operational Update

- Fleet utilisation slightly reduced through the quarter to 76%, a decrease of 3.8% on Q2 2021 (79%) but an increase of 24.6% on Q3 2020 (61%). This was due to seasonal weather impacts, particularly in West Africa, and some short term rig movements. Despite lower utilisation, the number of active rigs remained constant with the Group's total rig count increasing to 108 rigs at the end of Q3 2021;
- Safety performance remains world class with the Group maintaining the eight LTI free milestones achieved since January 2021, six being in excess of three years;
- Commenced exploration drilling for Allied Gold Corp, Egypt (contract previously announced);
- New contract wins include:
 - An exploration contract with Thani Dubai Mining at its Anbat project in Egypt, due to commence in Q4;
 - Exploration contract with Golden Rim Resources at its Kada project in Guinea, due to commence in October; and
 - A two-year maintenance contract with Kinross at its Tasiast Gold Mine in Mauritania, due to commence in Q4. The contract expands our services on site, adding to the existing drilling and laboratory services contracts.

- Transformational Sukari Gold Mine (Egypt) waste mining and expanded drilling contracts performing ahead of contract targets:
 - Operations hit target run rates of above 1Mbcm per month in August, three months ahead of contracted commitments;
 - Full fleet of heavy mining equipment, ancillary equipment and drilling fleet operational; and
 - Workforce recruitment is now complete.
- MSALABS is advancing the installation of Chrysos’s PhotonAssay units:
 - The initial unit at the Bulyanhulu (Tanzania) laboratory has now been commissioned and is expected to commence operations in October;
 - Val d’Or (Canada) is expected to arrive in December, expanding our presence in the country and facilitating our entry into the prolific Abitibi Belt;
 - Morila Gold Mine in Mali (80% owned by Firefinch ASX:FFX) expected to arrive in Q4, to service a five-year contract with Societe Des Mines De Morila SA, subject to final terms and conditions;
- MSALABS commissioning of Thor Explorations mine site laboratory is complete and the first analyses have commenced;
- Rig count increased from 106 (30 June 2021) to 108 with the acquisition of new rigs to support existing contracts together with new business; and
- The Group’s portfolio of ten long-term mine-site based contracts performed well.

Outlook

- The Company once again delivered the highest quarterly revenues since its inception, and we see a robust outlook for the remainder of the year;
- As a result we are increasing revenue guidance for 2021 to \$220-225 million compared to \$200-210 million at the Q2 trading update and \$185-195 million originally guided at the FY20 results;
- The drilling business has a strong outlook for the remainder of the year, as we move past the seasonally weak Q3, and further rigs arrive in the last quarter;
- Sukari earth moving has achieved target run rates ahead of contract expectations;
- MSALABS is seeing strong demand for its laboratory services and the rollout of the Chrysos units is progressing well with two further units due to be installed in Q4 2021;
- Tendering activity across all business units remains robust, with a number of opportunities progressing; and
- Macro conditions continue to suggest sustainability in the strong demand environment with gold still trading at near decade long highs - a strong tailwind for Capital with c.90% of revenue exposed to the African gold mining sector.

Commenting on the trading update, Jamie Boyton, Executive Chairman, said:

“The third quarter of 2021 has again seen Capital hit its strongest revenue performance since its inception. While we saw a slight seasonal dip in drill rig utilisation, ARPOR remained strong and performance for the Group improved as contribution from the Company’s non-drilling services increased. This reinforces Capital’s strategy of diversifying its revenue streams and focusing on mine sites to drive strong organic growth and ensure a sustainable business through the cycle.”

Sukari mining has hit target run rates having outperformed contract expectations, and with new contract wins cementing the outlook for drilling for the remainder of the year, today we have raised our revenue guidance once again for 2021. Amongst the strong momentum across all areas of the business it is of particular note that we have seen continued excellence in our safety performance.

Looking ahead we continue to see strong demand across all our business areas with the tender pipeline looking very encouraging. We see increased activity with our existing clients, given high commodity prices, but also new opportunities are opening in our key market Egypt, with exploration in the country showing very positive signs as we begin exploration contracts at Sukari and also with Thani and Allied.”

- ENDS –

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About Capital Limited

Capital Limited is a leading mining services company providing a complete range of drilling, mining, maintenance and geochemical laboratory solutions to customers within the global minerals industry, focusing on the African markets. The Company's services include: exploration, delineation and production drilling; load and haul services; mining equipment hire and maintenance; and geochemical analysis. The Group's corporate headquarters are in Mauritius and it has established operations in Burkina Faso, Cameroon, Côte d'Ivoire, Egypt, Guinea, Kenya, Mali, Mauritania, Nigeria, Saudi Arabia and Tanzania.