

FOR IMMEDIATE RELEASE
18 JANUARY 2022



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

FY 2021 Trading Update

Capital (LSE: CAPD), a leading mining services company focused on the African markets, today provides its trading update for the period 1 January to 31 December 2021 (the "Period").

FOURTH QUARTER (Q4) AND FULL YEAR 2021 KEY METRICS

	Q4 2021	Q3 2021	vs Q3 2021	Q4 2020	vs Q4 2020	FY 2021*	FY 2020	FY 2021 vs FY 2020
Revenue (\$m)	66.5	61.6	8.0%	34.6	92.2%	226.8	135.0	68.0%
ARPOR# (\$)	184,000	182,000	1.1%	172,000	7.0%	181,000	171,000	5.8%
Average Utilised Rigs	86	81	6.2%	56	53.6%	78	57	36.8%
Fleet Utilisation (%)	79	76	3.9%	59	33.9%	75	59	27.1%
Average Fleet	109	107	1.9%	95	14.7%	104	98	6.1%
Closing Fleet Size	109	108	0.9%	94	16.0%	109	94	16.0%

All amounts are in USD unless otherwise stated

Average revenue per month per operating rig

* Unaudited numbers

Financial Highlights

- FY 2021 revenue of \$226.8 million, up 68% on FY 2020 (\$135.0 million), slightly ahead of recently revised guidance of \$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). This is the second consecutive year Capital has delivered material growth in revenue, following 18% YoY growth in 2020;
- Q4 2021 revenue of \$66.5 million, another record quarter, up 92% on Q4 2020 (\$34.6 million) and up 8% on Q3 2021 revenue (\$61.6 million);
- Non-drilling revenue contributed 22% of total revenue for FY 2021, compared with 9% in FY 2020, and 26% in Q4 2021, driven primarily by the increased contribution from mining services and MSALABS.

Operational Update

- Fleet utilisation increased to 79% in Q4 2021, an increase of 4% on Q4 2020 (76%) and 34% on Q3 2021 (59%); FY 2021 average utilisation was 75% an increase of 27% on FY 2020 (59%);
- Average monthly revenue per operating rig ("ARPOR") at US\$184,000, up 7% on Q4 2020 (US\$172,000) and up 6% on Q3 2021 (US\$182,000);
- Safety performance remains world class with the Group remaining LTI free across eleven sites through 2021, six of which have remained LTI free in excess of three years;
- Recent contract win (already announced):
 - A three-year surface production drilling contract with AngloGold Ashanti at the Geita Gold Mine, Tanzania. This contract will utilise five rigs from the existing fleet together with one new rig during 2022, and is anticipated to generate revenues of \$33 million over the contract term;

- New contract wins include:
 - An exploration contract with Firefinch at the Goulamina Lithium mine, Mali, a JV project between Firefinch and the world's largest lithium producer Ganfeng;
 - An exploration contract with Tembo Mining at the Kabanga Nickel mine, Tanzania. This year has seen an investment from BHP intended to accelerate the development at the project;
 - An underground contract with Barrick for an additional rig at North Mara, Tanzania;
 - A one year contract extension for underground grade control drilling with Resolute at the Syama Gold Mine, Mali.
- Sukari Gold Mine (Egypt) waste mining and expanded drilling contracts continue to perform ahead of contract targets:
 - Operations continued smoothly through Q4 2021 with 2021 finishing above contracted mining quantities as all production phases were brought on-line ahead of schedule;
 - The commencement and ramp up of this contract, involving over 400 new employees with associated new equipment, has completed, with its first year of operation injury free.
- MSALABS has had a very successful Q4 2021, cementing a strong outlook for 2022:
 - The rollout of the Chrysos™ PhotonAssay units is progressing well:
 - The unit at the Bulyanhulu (Tanzania) laboratory has been commissioned and commenced operations in October;
 - A unit will arrive in Val d'Or (Canada) in January 2022 and is expected to be commissioned by late March 2022. This expands Capital's presence in Canada and we have now been awarded a one year service contract with Benz Mining and a one year contract with Solidus Resources;
 - A unit is due to arrive in March 2022 at the Morila Gold Mine in Mali (80% owned by Firefinch ASX:FFX), to service a now finalised five-year contract with Société Des Mines De Morila SA;
 - MSALABS has signed a Heads of Terms with Modern Mining Testing Company in the Kingdom of Saudi Arabia which will seek to establish a major hub laboratory in the region for the analysis of mining samples from within Saudi Arabia and other international jurisdictions.
- The total rig count increased from 108 (30 June 2021) to 109 through Q4 2021, with three further rigs currently undergoing commissioning; and
- The Group's portfolio of ten long-term mine-site based contracts continue to perform well.

Direct Investments Update

- Over the past several years, as a component of its business development strategy, Capital has engaged in direct investments into exploration and mining companies, aligning the activity with service contracts;
- The listed portfolio recorded investment gains (realised and predominantly unrealised) of \$29.1 million representing a 135% increase over H2 2021;
- The total value of listed investments was \$51.9 million as of 31 December 2021, versus \$21.6 million at the end of H1 2021; The revaluation of the unlisted investments (which amounted to \$9.4 million at the end of H1 2021) will be released with FY21 results;
- The Direct Investment portfolio will provide a material mark to market contribution to results.

Outlook

- Q4 saw the strongest quarterly revenues in the Group's history, and the momentum has continued into 2022 across all business units;

- The drilling business has a strong outlook with a higher rig count entering 2022, utilisation rates up after the seasonably weak Q3 and pricing remaining robust;
 - The Sukari earth moving contract continues to perform above expectations and with the project now safely commissioned, we expect the operation to run at full capacity in the coming year;
 - MSALABS is seeing strong demand for its laboratory services and the rollout of the Chrysos units will continue through 2022;
 - Business mix underpinned by long-term mine-site contracts with blue-chip customers, growing exposure to metals beyond gold, and non-drilling revenues expected to proportionally increase further in 2022;
 - Tendering activity across all business units remains robust, with a number of opportunities progressing;
 - Strength across all business units gives the Group confidence to continue to invest in growth.
- Macro conditions continue to suggest sustained strength in the demand environment and outlook with gold & other key commodities still trading at near decade long highs; and
 - Revenue guidance for 2022 will be announced alongside the Group's full year results and together with any dividend declaration.

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

"The last financial year saw Capital deliver three record quarters of revenue growth, delivering the strongest year in our history. 2021 has been a transformational year for Capital, driven in part by a surge in market activity in our drilling business, but also the increasing contribution from our non-drilling services which in Q4 2021 accounted for 26% of Group revenues, compared to just 9% in 2020. Our focus on mine-site contracts, long life assets and a blue-chip customer base, the diversity in our service offering, and the increasing exposure to non-gold commodities at world class assets, together underpin the sustainability of our business model.

It is pleasing to see not only an extremely successful execution in the ramp ups of these new services but also with continued excellence in our safety performance amongst this significant increase in activity across the Group.

As we look to the year ahead, there are a number of growth catalysts to come. At Sukari, with operations now commissioned, 2022 will be the first complete year with the earth moving contract at full run rate. MSALABS is also at an exciting inflection point in Q4 2021, with one Chrysos Photon Assay unit successfully commissioned and 2022 set to see material growth driven by the rollout of further units as well as the construction of the Group's third major hub lab, in Saudi Arabia. For the core drilling business, we also enter 2022 with the highest rig count in the group's history and we are confident in maintaining strong utilisation levels given the increased activity we are seeing from our existing clients as well as the strength we continue to see in commodity pricing."

Conference Call Details – Today 09.00 GMT

The Company will host a conference call on Tuesday, 18 January 2022, at 09.00 GMT to update investors and analysts on the Q4 and FY 2021 Trading Update.

Participants can join the conference call using the dial in details below:

United Kingdom Toll-Free: 08003589473

United Kingdom Toll: +44 3333000804

PIN: 52117437#

International dial-in numbers - [Link](#)

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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, Côte d'Ivoire, Egypt, Guinea, Kenya, Mali, Mauritania, Nigeria, Saudi Arabia and Tanzania.