

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

Q1 2022 Trading Update

Capital (LSE: CAPD), a leading mining services company focused on the African markets, today provides its Q1 2022 trading update for the period ended 31 March 2022 (the "Period").

FIRST QUARTER (Q1) 2022 KEY METRICS

	Q1 2022	Q1 2021	Q4 2021	% change from Q1 2021	% change from Q4 2021
Revenue (US\$m)	66.9	44.0	66.5	52.0%	0.6%
ARPOR*(US\$)	174,000	180,000	184,000	-3.3%	-5.4%
Average utilised rigs	90	64	86	40.6%	4.7%
Fleet Utilisation (%)	82%	67%	79%	22.4%	3.8%
Average Fleet	110	95	109	15.8%	0.9%
Closing fleet size	110	98	109	12.2%	0.9%

* Average monthly revenue per operating rig

Financial Highlights

- Revenue US\$66.9 million, a 52.0% increase on Q1 2021 (US\$44.0 million) and a 0.6% increase on Q4 2021 (US\$66.5 million);
- Mine-site services continue to underpin revenue streams, contributing 87% of Group revenue;
- Strong growth in non-drilling revenue contribution (28% of total revenue) compared with Q1 2021 (21%), particularly driven by the ramp up of Mining Services and MSALABS;
- Average monthly revenue per operating rig ("ARPOR") decreased 2.2% on Q1 2021 (\$184,000) and 5.4% (US\$174,000) on Q4 2021 (US\$184,000). ARPOR in the quarter was impacted by increased rig movement within each region and also a higher proportion of revenue at Geita coming from the underground;
- Final dividend of US 2.4 cps declared at the FY21 results for the 2021 financial year (2020: US 1.3 cps), will be payable 10 May 2022.

Operational Highlights

- Fleet Utilisation increased to 82%, an increase of 22.4% on Q1 2021 (67%) and 3.8% on Q4 2021 (79%) driven by start-up of new contracts;
- Safety performance remains world-class with the Group remaining LTI free across twenty-six sites in Q1 2022;
 - Two sites in our East African operations achieved safety milestones remaining LTI free for five and six years;
- Capital Drilling: Outlook underpinned by further contract wins:
 - New contract wins:
 - An extension of the exploration and delineation drilling contract with Predictive Discovery at its Bankan Project in Guinea, initially expanding from 2 to 5 rigs;
 - An exploration drilling contract with WIA Gold at its Bouaflé project in Côte d'Ivoire;

- An extension of the exploration drilling contract with Golden Rim at the Kada Gold mine in Guinea;
 - An extension of the exploration drilling contract with Perseus Mining at the Yaouré Gold mine in Côte d'Ivoire;
- Rig count increased from 109 (31 December 2021) to 110, with 5 rigs due to be commissioned in Q2 2022.
- Capital Mining continues to perform strongly
 - Sukari Gold Mine (Egypt) waste mining contract continues to perform at steady state levels aligned to contract targets for the quarter;
 - Capital remains active in the tendering pipeline as mining projects move through the DFS stage.
- MSALABS: Growth trajectory on track
 - The rollout of the Chrysos™ PhotonAssay units is progressing well:
 - MSALABS provisionally awarded a 5-year agreement with Barrick at the Kibali Gold Mine in the Democratic Republic of Congo for provision of laboratory management, sample preparation, and geochemical assay services on site, subject to final terms and conditions. The contract includes the new Chrysos PhotonAssay technology, with a unit expected to be on site in H2 2022;
 - Awarded a 12-month contract with New Found Gold for processing 20,000 samples per month through our new Val d'Or PhotonAssay facility commencing in Q2 2022;
 - Awarded a 3-year contract with Victoria Gold Corp for the provision of a sample preparation facility on site at its Eagle Gold Project near Mayo, Yukon as well as geochemical assay services in our Langley Hub laboratory;
 - Awarded a 2-year contract and commenced provision of services with Shanta Gold for sample preparation on site at their West Kenya Project Area.

Outlook

- Q1 2022 has continued to see robust demand with the outlook remaining strong across all business units;
 - The drilling business has a strong outlook with utilisation rates at very high levels and the group's rig count due to finish the year ~10 rigs higher than at the end of Q1 2022;
 - The Sukari earth moving contract is now performing at steady state levels;
 - MSALABS is experiencing very strong demand for its laboratory services with the rollout of the Chrysos units progressing further in Q1 2022 and set to continue through the remainder of the year;
 - Business mix underpinned by long-term mine-site contracts with blue-chip customers, with non-drilling revenues to proportionally increase further through 2022;
 - Tendering activity across all business units remains robust, with a number of opportunities progressing;
- Macro conditions continue to suggest sustained strength in the demand environment and outlook with gold and other key commodities still trading at near decade long highs; and
- Revenue guidance for 2022 remains \$270 to \$280 million (compared to FY2021 revenues of \$226.8 million).

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

'The Group had another strong performance through Q1 2022 across all its business units, setting a solid foundation to deliver another record year in 2022. While we continue to see growth across all business units, our focus on operational excellence and safety remains paramount and so it is pleasing to see another world class performance. Market



conditions remain buoyant, and we are very active in the tendering market across drilling, mining and MSALABS. We maintain our revenue guidance of \$270-280 million.

In drilling, while we saw some short term variation in group ARPOR, utilisation rates were very strong as a number of new contracts were brought online. We expect the division to continue to grow through the year, with the expected increase in rig count weighted Q2-Q4 of this year. Our mining division continues to perform well with Sukari now operating at peak steady state levels. MSALABS also continues to go from strength to strength on an exceptional growth trajectory, both with its traditional business and in the roll out of the revolutionary Chrysos technology, highlighted by the clear demand for the unit in Val d'Or and the provisional award for a unit at Barrick's Kibali Gold mine.'

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