FOR IMMEDIATE RELEASE
10 MARCH 2022

CAPITAL

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

Full Year Results for the year ended 31 December 2021

FULL YEAR FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021*

	2021	2020	% change
Revenue ($ m)	**226.8**	**135.0**	68.0%
EBITDA[1] ($ m)	**73.3**	**33.8**	116.9%
EBIT[1] ($ m)	**51.9**	**21.6**	140.3%
Adjusted net profit ($ m)	**36.6**	**11.2**	226.6%
Investment Gains ($ m)	**33.7**	**13.6**	147.9%
Net Profit After Tax ($ m)	**70.3**	**24.8**	183.5%
Cash From Operations ($ m)	**42.6**	**36.0**	18.3%
Capex ($ m)	**46.3**	**42.2**	9.6%
Earnings per Share			
Basic (adjusted) (cents)	**19.2**	**7.9**	141.7%
Basic (cents)	**37.0**	**17.8**	108.2%
Final / Interim Dividend per Share (cents)	**2.4**	**1.3**	84.6%
Total dividend per Share (cents)	**3.6**	**2.2**	63.6%
Adjusted ROCE (%) [3]	**22.7**	**22.2**	2.4%
Net cash / (debt) ($m)	**(31.9)**	**5.0**	
Investments ($m)	**60.2**	**27.2**	121.4%
Adjusted Net Cash (Including Investments) ($ m)	**28.3**	**32.2**	(12.2)%
Net Cash/Equity (%)	**12.9**	**21.9**	(41.2)%

**All amounts are in US dollars unless otherwise stated*

(1) *EBITDA, EBIT, Net Asset Value per share and Net Cash are non-IFRS financial measures and should not be used in isolation or as a substitute for Capital Limited financial results presented in accordance with IFRS.*

(2) *ROCE calculated utilising 12 months EBIT.*

(3) *Adjusted ROCE excludes Mining Assets and Prepayments, Net Equity Raise proceeds and Sukari prepayment from Capital Employed.*

Financial Overview

- FY2021 revenue of $226.8 million, up 68% on FY 2020 ($135.0 million);
- 2021 EBITDA of $73.3 million, up 116.9% on FY 2020 ($33.8 million);
- EBITDA margins increased to 32.3% up from 25.0% in FY 2020;
- Net gains from equity investments of $33.7 million in 2021 (realised + unrealised), increasing the value of Group strategic investments to $60.2 million, net of cash proceeds, as of 31 December 2021 (31 December 2020: $27.2 million);
- Net Profit After Tax (NPAT) $70.3 million (including investment gains), an increase of 183.5% on FY 2020 ($24.8 million); and adjusted net profit after tax of $36.6 million, up 226.6% on FY 2020 ($11.2 million);
- Cash capex of $46.3 million, up 9.6% on FY2020 ($42.2 million);
- Cash from operations of $42.6 million, an increase of 18.3% on FY 2020 ($36.0 million);
- Net cash including investments of $28.3 million, down from net cash including investments of $32.2 million at year end 2020;
- Basic earnings per share (including investment gains) of 37.0 cents, up 108.2% on FY 2020 (17.8 cents); and adjusted earnings per share of 19.2 cents, up 141.7% on FY 2020 (7.9 cents)
- Declared a final dividend of US$2.4 cents per share, to be paid on 10 May 2022 which, together with the interim dividend of US$1.2 cents per share brings total dividends declared for 2021 of US$3.6 cents per share (up 64% on 2020 total dividend of US$2.2 cents per share).

Operational and Strategic Highlights

- Rig fleet utilisation increased to 79% in Q4 2021, up 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%);
- Non-drilling revenue contributed 22% of total revenue for 2021, compared with 2020 (9%[1]), primarily driven by the increased contribution from mining services and MSALABS, which saw significant growth through 2021;
- Average monthly revenue per operating rig ("ARPOR") for Q4 2021 at US$184,000, up 7% (Q4 2020: US$172,000) and up 6% on Q3 2021 (US$182,000); FY 2021 ARPOR was $181,000 up 5.8% on FY 2020 $171,000 as core long-term contracts continue to perform strongly;
- 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 wins (previously 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;
    - An exploration contract with Firefinch at the Goulamina Lithium mine, Mali, a JV project between Firefinch and the world's largest lithium producer Ganfeng;

[1] Restated as Well Force International (WFI) revenue is now incorporated within drilling revenue

- 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;
- Expanded grade control services to include underground at North Mara, Tanzania;
- A one-year contract extension for underground grade control drilling with Resolute at the Syama Gold Mine, Mali.

- New contract wins:
  - A three-year underground drilling contract with Barrick at the Jabal Sayid copper mine, Saudi Arabia;
  - An extension with Cora Gold at the Sanankoro Gold Project for drilling exploration;
  - An exploration contract with Aton Mining, Egypt.
- Sukari Gold Mine (Egypt) waste mining and expanded drilling contracts performed ahead of contract targets in 2021:
  - Operations achieved mining quantities above contract in 2021, with all production phases brought on-line ahead of schedule;
  - The commissioning phase of this contract involved over 400 new employees with associated new equipment, and concluded its first year of operation injury free.
- MSALABS has had a very successful 2021:
  - 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;
    - Two further units are due to be commissioned in Val d'Or (Canada) and the Morila Gold Mine in Mali (80% owned by Firefinch ASX:FFX) in Q1 2022 and Q2 2022 respectively.
- Accordingly, the Group's portfolio of long-term mine-site based operations increased to ten sites, comprising 18 individual contracts with the addition of the new contracts with Barrick in Tanzania and Firefinch in Mali;

Outlook

- Revenue guidance for 2022 of $270 to $280 million driven by an increased drill rig count, contract extensions and expansions from existing long-term contracts, load and haul waste stripping contract at Sukari, Egypt running for the whole year at full capacity and MSALABS continuing to grow through 2022;
- Capital expenditure is expected to be approximately $45 million in 2022. This will fund an increase to the drill rig count, the expansion of MSALABS, including a major hub laboratory in Saudi Arabia, as well as sustaining capex on the enlarged drill fleet and the Sukari mining contract;
- Drill rig fleet size forecast to increase by 11 rigs by the end of 2022, net of depletion;
- The Sukari earth moving contract continues to perform well, with the project now safely commissioned and we expect the operation to contribute at full capacity through 2022;
- Laboratories is seeing strong demand for its services and the rollout of the Chrysos units, with the business expected to deliver revenues of approximately $30 million in 2022, almost double revenue in 2021 (FY 2020 $15.6 million);

- 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.

Commenting on the results, Jamie Boyton, Executive Chairman of Capital Limited, said:

'2021 has been another outstanding year for Capital and marks the business's second consecutive year of material growth. While this has been supported by a rapid increase in demand over the past 12 months, we have also taken a notable shift forward in our service offering, increasing our non-drilling revenues to 22% of the Group from just 9% the prior year, while also growing our drilling business.

In order to drive the growth in the business, we increased our headcount by 1,000 new people through the year, and despite this significant new onboarding and increased activity across the group, we maintained our industry leading safety performance, with a TRIFR result of 0.98 (2020: 0.77).

We entered 2021 flagging the disconnect between decade-high commodity prices, with exploration spending at half the levels of a decade ago. We saw this begin to correct through early 2021 with a rapid pickup in market activity evident in our operational metrics. On top of an increased rig count, rig utilisation increased to 75% in 2021 compared to 59% in 2020, while ARPOR also increased by 5.8% to $181,000 from 2020. We are continuing to invest in our drill rig fleet to meet the continued strength in demand we are seeing and ensuring we have a favourable balance of rig type in the regions where we are operating. Our focus will nevertheless remain on growing long term contracts and partnerships with blue-chip customers to reduce the volatility and ensure the sustainability of the business through the cycles.

Our mining business has taken a sizeable step forward in 2021 with the exceptional ramp up of the Load & Haul contract at Sukari, which we delivered ahead of contact expectations. Operations are now fully commissioned and 2022 will be the first complete year with the earth moving contract at full run rate. Following the rise in commodity prices, we are seeing an increase in projects moving forward to development and therefore we expect the pipeline of new mining contracts to expand in the coming years.

MSALABS also performed well through 2021, setting the foundations for further growth in the coming years. 2022 will be an exciting year for MSALABS as it continues the rollout of the revolutionary Chrysos PhotonAssay technology, as well as developing a major hub laboratory in Saudi Arabia. PhotonAssay, which provides gold assay results in minutes rather than weeks or months, has the potential to disrupt the geochemical analysis sector. This technology is a key driver of growth in MSALABS, with revenues expected to approximately double in 2022 YoY.

Another key contributor to our strong result for the year has been returns from our equity investments, which have become a core pillar of our Group strategy. Capital Investments not only contributes through equity returns, which amounted to $33.7 million in 2021, but has also served as a highly effective business development tool for several years, with $41 million or 18% of group revenue coming from investee companies in 2021. This creates a strong partnership approach to our contracting model and remains core to the investment strategy.

In view of the significant progress made in 2021, Capital today is a stronger and more robust business. We will continue to pursue our key strategic priorities during 2022 and have confidence in maintaining a growth trajectory in the business, with revenues expected to reach $270-280 million in 2022.'

Results Conference Call

Capital Limited will host a Webcast on Thursday 10 March 2021 at 09.00 am (London, UK time) to update investors and analysts on its results. Participants may join the webcast via the like below. Shareholders may also join the webcast by dialling one of the following numbers, approximately 10 minutes before the start of the call. Participants may also wish to download the 2020 Results Presentation, which is available b clicking http://www.capdrill.com/investors/presentations

Webcast Link

https://webcasting.buchanan.uk.com/broadcast/6221ec7cd196af24e1e91a0c

Dial-In Details

United Kingdom Toll-Free: 08003589473
United Kingdom Toll: +44 3333000804
PIN: 35312080#
International dial-in numbers - Link
- 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, Mali, Mauritania, Nigeria, Saudi Arabia and Tanzania.

Cautionary note regarding forward looking statements

Certain information contained in this report, including any information on Capital Limited’s plans or future financial or operating performance and other statements that express management’s expectations, or estimates of future performance, constitute forward-looking statements. Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. Capital Limited cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Capital Limited to be materially different than the Company’s estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in exploration and development of mineral properties, changes in economic conditions, changes in the worldwide price of commodities and project execution delays, many of which are beyond the control of Capital Limited. Nothing in the report should be construed as either an offer to sell or a solicitation to buy or sell Capital Limited securities.

CHAIRMAN'S STATEMENT

2021 has been a transformational year with Capital delivering three record quarters of revenue growth and the strongest year in our history. We have seen growth in all our business areas, but most notably a sizeable shift forward in our service offering with the addition of large scale load and haul services at Sukari and the beginning of the rollout of the revolutionary Chrysos PhotonAssay units in our laboratory business, MSALABS. The operational execution of this growth has been outstanding, with an exceptional safety performance, maximising the value delivered to shareholders.

We delivered 68% revenue growth, 117% EBITDA growth and 140% EBIT growth. This is the second consecutive year we have delivered material growth, following 18% YoY growth in revenue in 2020. Amongst this growth however, our core focus on long life, mine site contracts (88% of revenue in 2021) with blue-chip customers has remained unchanged to ensure a business that is sustainable through the cycles.

Our strategy to develop a broader range of services continued successfully during 2021. The contribution from our non-drilling services increased significantly during the year to 22% of Group revenues, compared to 9% in 2020, driven primarily by the ramp up of the load and haul operation at Sukari and the continued expansion of MSALABS.

In 2020, we announced an equity raise to help fund equipment for a waste mining contract with Centamin at the Sukari Gold mine, which represented the largest award of business in the Group's history. The ramp up of this operation in 2021 was ahead of contracted expectations and has reached full run rate going into 2022, while remaining injury free. This contract is anticipated to deliver incremental revenues of US$235 – $260 million over a four-year period.

Our laboratory business, MSALABS, continued to perform well and is positioning itself for material growth as it rolls out the revolutionary Chrysos PhotonAssay units. The first of these units was successfully commissioned in 2021 and in 2022 MSALABS will continue to roll out further units, a key driver of its growth. PhotonAssay technology has the potential to disrupt the geochemical analysis sector and we are encouraged by the demand we are seeing.

In addition to the expansion in our service offering, our core drilling business has also gone from strength to strength. As we entered 2021 there was a clear disconnect between the rapid increase in commodity pricing seen in 2020, compared to capital raisings and exploration budgets, which remained at close to half the level seen when commodity prices were last at these levels. This changed early in the year and we saw a rapid and significant increase in demand which was visible in our utilisation rates in the subsequent three quarters of the year. Elevated commodity prices have continued into 2022, as has the strong demand we are seeing for our services.

Our Direct Investments portfolio has also cemented itself as the fourth key pillar of our strategy. We undertook a significant and well-timed investment strategy in 2019 as we expanded our operations in West Africa. We have engaged in direct investments into exploration and mining companies, and drill for equity, aligning the activity with service contracts. The year-end portfolio was valued at $60.2 million, up 121% compared to the year end 2020 position of $27.2 million, with investment gains (predominantly unrealised) for the year of $33.7 million. This translated into significant net profit growth in 2021 of 184%.

In addition to the investment gains, these positions have cemented key relationships and partnerships with the investees, with contracts from these companies generating $41 million of revenue over 2021 (18% of Group revenue).

At the beginning of 2022 we also launched a buyback programme of up to two million shares. While our focus remains primarily on growth, the buyback demonstrates both the huge success we achieved in 2021 and also the confidence we have in the business going forward.

The Board of Directors has declared a final dividend for the 2021 period of 2.4cps ($4.5 million), payable on 10 May 2022 to shareholders on the register as of 7 April 2022. This brings the total dividend declared in 2021 to 3.6c per share. The dividend is a result of our solid financial and operating position.

OPERATIONAL & SAFETY UPDATE

I am extraordinarily proud of our Company's achievements during 2021. Amongst the significant levels of growth and increased activity, the Group has also increased its headcount by 1,000 people, a 78% increase YoY. Nevertheless we maintained the consistency in our operations throughout the year and our industry leading safety record and I would like to take this opportunity to thank all our employees for their dedication.

The Group's rig count increased from 94 at the end of 2020 to 109 at the end of 2021, with a further three rigs undergoing commissioning. The new rigs supported both existing long-term contracts and new contract wins. We remain very active with our fleet management in order to maintain our position as the provider of best-in-class equipment in the regions where we operate. In addition to the increased fleet size, our rig fleet utilisation increased to 75% in 2021 vs 59% in 2020, while full year ARPOR also increased 5.8% in 2021 to $181,000 (2020: $171,000). This stellar performance is a result of both improving commodity prices and macro conditions together with our successful geographical expansion into West Africa. This expansion has delivered regional revenue exposure beyond our traditional operations in Egypt and Tanzania, and with it new long-term mine site contracts.

Our portfolio of ten long-term mine site contracts continued to perform well through 2021 with a number seeing increased rig counts on site for further support and new services. In addition, we signed multiple new contracts while also expanding our commodity exposure.

By the nature of both the contracting market and also critically the geographic regions where we operate, gold mining remains our main exposure. However, at the beginning of 2022, Capital announced an exploration contract with Firefinch at the Goulamina Lithium Mine, Mali, a JV project between Firefinch and the world's largest lithium producer Ganfeng, as well as an exploration contract with Tembo Mining at the Kabanga Nickel Mine, Tanzania. Both projects have the potential to be very large, long-life assets and the latter project has seen an investment from BHP intended to accelerate development.

For the ramp up of the Sukari mining project we hired over 400 new employees and purchased 4 excavators, 17 mining trucks and other associated vehicles. Nevertheless we delivered ahead of our contract terms with the ramp up also completed with its first year of operation injury free. This outstanding performance in our first major earth moving contract both reinforces our relationship with Centamin at Sukari, where we have provided drilling services since 2005, and also positions us well for future tender awards.

MSALABS is quickly becoming a key growth area for the Group. 2021 saw the start of the company's rollout of Chrysos PhotonAssay units, with the first unit now commissioned at Barrick's Bulyanhulu Gold Mine in Tanzania. This contract marked both the largest contract since MSALABS' establishment, and the first PhotonAssay unit deployed outside Australia. Two more units were deployed in Q1 2022, the first in Val d'Or in Quebec, Canada, and the second at the Morila Gold Mine, Mali. MSALABS will also establish a third major hub laboratory in Saudi Arabia later this year, which will assist in setting the foundations for further growth in 2023 and beyond.

Once again, our focus and commitment to the safety of our employees delivered results significantly better than industry standards, and I congratulate everyone for their effort. We expect visible safety leadership at all levels of the business, from the Executive Leadership Team to crews on site, and we actively invest in training programs to ensure our workforce is skilled, competent and can identify and mitigate hazards in the workplace. Our Total Recordable Injury Frequency Rate (TRIFR) was 0.98 per 1,000,000 hours worked. We also achieved a number of site records and safety milestones during 2021 including:

- 13 years LTIF at Mwanza, Tanzania
- 5 years LTIF at the Syama Gold Mine, Mali
- 5 years LTIF at the North Mara Gold Mine, Tanzania
- 4 years LTIF at the Geita Gold Mine, Tanzania
- 3 years LTIF at Bamako, Mali
- 3 years LTIF at Hummingbird, Mali
- 2 years LTIF at the Jabal Sayid Copper Mine, Saudi Arabia
- 1 year LTIF at the Bulyanhulu Gold Mine, Tanzania
- 1 year LTIF at the Bonikro Mine, Cote d'Ivoire
- 1 year LTIF at the Sukari Gold Mine, Egypt
- 1 year LTIF at the Bankan gold project, Guinea

OUTLOOK

As we look to the year ahead, trading conditions continue to point to very strong demand. Commodity prices, including our main exposure gold, remain at very high levels which provide strong profitability and cash flows for the producers and is a positive indicator for continued momentum throughout 2022.

Equity markets also remain highly supportive for the mining industry, with financings through 2021 at decade highs according to S&P Global Market Intelligence. Together this suggests a further improvement in exploration budgets and demand for our services across all of our business units.

Our focus on long-term mine site contracts continues to underpin our business through 2022. At the end of 2020, we saw an extension and expansion of the drilling contract at Sukari (in line with the mining contract award) and in 2021 we saw major contract renewals at Geita. These contract renewals provide clear revenue visibility and a strong foundation for the year ahead.

At Sukari, operations are now fully commissioned, and 2022 will be the first complete year with the earth moving contract at full run rate. MSALABS is also at an exciting inflection point, with one Chrysos PhotonAssay unit successfully commissioned in Q4 2021 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.

As we enter 2022, our core drilling business has 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. We are also continuing to invest in our fleet and this will drive a further increase to our fleet size (net of decommissioning old rigs).

We will continue to execute our key strategic priorities in 2022, focussing on growing our full-service mining business, growing revenues from our ancillary services businesses, particularly MSALABS, expanding capacity with our existing clients and maintaining high levels of utilisation through our fleet.

I would like to take this opportunity to thank all our employees, business partners, shareholders, our Board of Directors and other stakeholders for their continued support of our Company.

Jamie Boyton
Executive Chairman
9 March 2022

CAPITAL

CHIEF FINANCIAL OFFICER'S REVIEW

OVERVIEW

Capital Limited has delivered a stellar performance in 2021 with all our business areas achieving growth through the year. We have made transformational steps through 2021, including expanding our service offering in order to continue to grow the business even further in 2022 and beyond.

Revenue increased by 68% to $226.8 million (2020: $135.0 million). H2 revenue ($128.1 million) was 30% higher than H1 revenue ($98.7 million) primarily due to the weighting of the ramp up of the Sukari waste mining contract, but also new drilling contract wins through the year, an associated increase in rig count and improved revenues at MSALABS.

Profitability also improved, with margin improvements across all key metrics on the back of increased expenditure discipline. YoY EBITDA and EBIT increased by 117% and 140% respectively.

Primarily as a result of our expanded service offering into waste mining and the associated equipment purchases, our capex remained elevated relative to 2020 with cash capital expenditure of $46.3 million (2020: $42.2 million). In addition to the Sukari load & haul contract, growth capex funded the expansion of the rig fleet in 2021 and also deposits for rigs due to arrive and commission in 2022.

Through 2021 we have increased our debt profile through additional financing to fund equipment purchases in combination with operating cash flow. We obtained this financing from Macquarie Bank ($27.7 million) and OEM financing from Sandvik and Epiroc.

Cash generated from operations was $42.6 million (2020: $36.0 million). Closing cash was $30.6 million (2020: $35.7 million), aided by an additional $27.7 million in new financing in the year, with net debt of $31.9 million (2020: $5.0 million net cash). Weighing on cash flows was the increased capex outflow associated in particular with the Sukari mining ramp up. Nevertheless our balance sheet remains in a very strong position with the group finishing 2021 with net cash including investments of $28.3 million.

Our portfolio of long-term mine-site based contracts continues to underpin our cash flow and growth strategy. Mine-site based contracts represent 88% (2020: 93%) of our Company revenue and growth of this portfolio remains a focus.

Our investment portfolio generated a $33.7 million gain on investments reflected in the Profit and Loss. This outstanding performance reflects a significant value increase in a number of investments within the portfolio. The result is a consequence of the successful 2019 investment strategy. Investment activity decreased in 2020 and 2021 as the cycle improved and capital markets became significantly more accommodating to equity issuance. The Company's strategy has therefore matured and rationalised to a portfolio of strategic core holdings, while continuing to evaluate new opportunities.

Our focus on long-term mine site contracts both reduces the volatility of earnings and ensures the sustainability of the business through the cycles. This stable business platform was demonstrated through 2020 and early 2021 through the COVID-19 pandemic where our portfolio of mine-site based contracts continued uninterrupted. However, given the sometimes unpredictable nature of the countries where we operate, we have evaluated a downside model taking the aggregate effect of the reasonable downside short term risks and demonstrated that the business is robust to scenarios far worse than experienced or expected. Refer to Note 1.1 of the Annual Financial Statements for further detail.

Statement of Comprehensive Income

Reported	2021 $'m	2020 $'m
Revenue	226.8	135.0
EBITDA	73.3	33.8
EBITDA (%)	32.3	25.1
EBIT	51.9	21.6
PBT	82.0	34.1
NPAT	70.3	24.8
Basic EPS (cent)	37.0	17.8
Diluted EPS (cent)	36.4	17.6

Table 1: Statement of Comprehensive Income (Summary)

Average rig utilisation increased 16% to 75% (2020: 59%) on a larger average fleet size of 104 (2020: 98). Average revenue per operating rig (ARPOR) per month also saw an increase in 2021 to $181,000 (2020: $171,000) attributed to the increased mobilisation of exploration rigs and some renegotiation of existing contracts.

Non-drilling revenues saw a notable increase in contribution to Group revenues in 2021, driven by the ramp up of the Sukari mining contract as well as the continued ramp up of MSALABS. 2021 contribution to revenue from non-drilling services was 22% in 2021 (2020: 9%) and is expected to increase further in 2022.

EBITDA increased 117% to $73.3 million delivering a 32.3% margin (2020: $33.8 million/25.0%).

EBIT increased 140% to $51.9 million delivering a 22.9% margin (2020: $21.6 million/16.0%).

Profit Before Tax (PBT) increased by 141% to $82.0 million (2020: $34.1million) impacted by Net Interest of $3.6 million (2020: $1.1 million) and benefitting from an investment gain of $33.7 million (2020: $13.6 million gain). These investments were aligned to activity with service contracts and provided greater revenue and earnings. Depreciation of $21.4 million (2020: $12.2 million), flat as a percentage of revenue at 9%.

NPAT increased 184% to $70.3 million (2020: $24.8 million). The improved NPAT benefitted from net gains on unrealised equity investments of $33.7 million (2020: $13.6 million gain).

The Effective Tax Rate for 2021 was 14.3% (2020: 27.4%). The decrease YoY reflects adjustments in 2020 that did not recur in 2021. In 2020 tax included a $2.8m adjustment in respect of prior periods' assessments which were finalised in 2020. The tax recognised in respect of prior periods in 2021 was $0.2 million. As the Group operates in multiple jurisdictions, there is an inherent uncertainty in the interpretation of income tax laws. As at 31 December 2021, the Group had uncertain income tax positions with an assessment valued at $2.0 million (2020: $2.7 million). The Group has recognised a provision of $0.2 million (2020: $0.9 million) as management's best estimate of the likely exposure.

As at 31 December 2021, the Group had uncertain income tax positions with an assessment valued at $2.0 million (2020: $2.7 million). The Group has recognised a provision of $0.2 million (2020: $0.9 million) as management's best estimate of the likely exposure.

The Basic Earnings Per Share (EPS) for the year increased 108% to 37.0 cents (2020: 17.8 cents). The weighted average number of ordinary shares used in the earnings per share calculation was 189,765,149 (2020: 138,367,746).

The substantial growth in Earnings per Share was driven by the strong operating performance and investment gains.

Statement of Financial Position

Reported	2021 $'m	2020 $'m
Non-current assets	162.4	91.1
Current assets	189.1	135.2
Total assets	351.5	226.3
Non-current liabilities	53.0	26.5
Current liabilities	75.6	51.8
Total liabilities	128.6	78.3
Shareholders' equity (1)	219.2	146.7

Table 2: Statement of Financial Position (Summary)
(1) *Excludes non-controlling interest of $3.8 million*

As at 31 December 2021, shareholders' equity increased by 49.4% driven primarily by strong net profit of $70.3 million. The Group distributed dividends of $4.7 million (2020: $2.2 million) to shareholders.

The total rig fleet size at the end of 2021 was 109 drill rigs with 3 further rigs undergoing commissioning (2019: 94).

Overall PPE increased from $89.0 million in 2020 to $143.6 million in 2021, reflecting depreciation of $21.4 million (2020: $12.2 million), assets disposed of $0.5 million (2020: $0.8 million) and additional operating capital expenditure of $75.7 million (2020: $48.7 million).

Current assets increased to $189.1 million (2020: $135.2million). Inventory increased by $13.2 million to $37.9 million (2020: $24.7 million) due to increased inventory levels primarily in Egypt. Prepaid expenses decreased by $10.7 million to $17.7 million (2020 $28.4 million). Cash and cash equivalents decreased by $5.1 million to $30.6 million (2020:$35.7 million). Investments held of $60.2 million (2020: $27.2 million) are the fair value of trade investments.

Non-current liabilities of $53.0 million (2020: $26.5 million) includes $45.6million (2020: $26.1 million) of long term loans. Total long term debt includes $15 million of the renewed Revolving Credit Facility, a $37.7 million asset backed facility with Macquarie and OEM financing direct through Epiroc & Sandvik .

Current liabilities consisted of trade and other payables, $46.5 million (2020: $39.7million), current portion of long-term liabilities $16.9 million (2020: $4.6 million) and tax liabilities of $10.0 million (2020: $7.2 million). Trade and other payables includes increased trade payables of $22.1 million (2020: $19.9 million) due to increased activity levels and investment in the Sukari contract.

Statement of changes in equity

Reported	2021 $'m	2020 $'m
Opening equity	148.1	87.0
Net proceeds from Equity raise	-	37.2
Share based payments	2.0	1.4
Total comprehensive income	70.3	24.7
Dividends paid	(4.8)	(2.2)
Gain on change in ownership	5.6	-
NCI ex Business Combination	1.7	-
Closing equity	222.9	148.1

Table 3: Statement of changes in equity (Summary)

Statement of Cash Flows

Reported	2021 $'m	2020 $'m
Net cash from operating activities	30.4	28.3
Net cash used in investing activities	(50.1)	(60.7)
Net cash generated from/(used in) financing activities	15.5	50.1
Net (decrease)/increase in cash and cash equivalents	(4.2)	17.7
Opening cash and cash equivalents	35.7	17.6
Translation of foreign currency cash	(0.9)	0.4
Closing cash and cash equivalents	30.6	35.7

Table 4: Statement of Cash Flows (Summary)

Reconciliation of net cash (debt) position

Reported	2021 $'m	2020 $'m
Net cash at the beginning of the year	5.0	4.4
Net (decrease)/increase in cash and cash equivalents	(4.2)	17.7
(increase) in long term liabilities	(31.8)	(17.5)
Translation of foreign currency cash	(0.9)	0.4
Net cash at the end of the year	(31.9)	5.0

Table 5: Reconciliation of net cash (debt) position

Cash generated from operations was $42.6 million (2020: $36.0 million), an increase of 18.3% year-on-year.

The investing cash flow have decreased year-on-year with some investments, including prepayments, for the new Sukari contract occurring in 2020. We continued to invest through 2021, however, both to complete the ramp up for the Sukari mining contract as well as increase our drill rig count to meet existing client requirements and maintain fleet operational readiness.

Financing activities included the dividend cash payment of $4.8 million (2019: $2.2 million).

CAPITAL

The dividend history for the past three years is as follows:

	H1 2019	FY 2019	H1 2020	FY 2020	H1 2021	FY 2021
Declaration	22 Aug 2019	19 Mar 2020	20 Aug 2020	18 Mar 2021	19 Aug 2021	10 Mar 2022
Cents per share	0.7	0.7	0.9	1.3	1.2	2.4
Dividend amount ($'m)	$0.95	$0.96	$1.23	$2.47	$2.28	$4.55

Principal Risks and Uncertainties

Given the breadth of operations and the geographies and markets in which the Group operates, a wide range of risk factors and uncertainties have the potential to impact Capital. While Capital attempts to mitigate and manage risks where it is efficient and practicable to do so, there is no guarantee these efforts will be successful. Aside from the generic risks that face all businesses, the Group's business, financial condition or results of operations could be materially and adversely affected by any of the risks described below.
Outlined below is an overview of a number of material risks facing Capital. These risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties, nor are they listed in order of magnitude or probability. Additional risks and uncertainties that are not presently known to the Directors, or which they currently deem immaterial, may also have an adverse effect on the Group's operating results, financial condition and prospects.

The principal and emerging risks associated with the business are:

Area	Risk Description	Risk Mitigation
Reduction in levels of mining activity	The Group is highly dependent on the levels of mineral exploration, development and production activity within the markets in which it operates. A reduction in exploration, development and production activities, or in the budgeted expenditure of mining and mineral exploration companies, will cause a decline in the demand for mining services, as was evident in the 2014 and 2015 financial years.	The Group is seeking to balance these risks by building a portfolio of long- term mine-site contracts, expanding its services offering into mine-site based activities such as load and haul mining, and also expanding both its customer and geographic reach.
Risk of Termination	Contracts can be terminated for convenience by the client at short notice and without penalty. Guidance is partly based on current contracts in hand, and the Group derives a significant proportion of its revenue from providing services under large contracts. As a result, there can be no assurance that work in hand will be realised as revenue in any future period. There could be future risks and	Contract renewal negotiations are initiated well in advance of expiry of contracts to ensure contract renewals are concluded without interruption to services. There are also a wide range of termination clauses across the Group's contracts depending on the size, nature and client involved (i.e not all contracts can be terminated for

	costs arising from any termination of contract. While the Group has no reason to believe any existing or potential contracts will be terminated, there can be no assurance that this will not occur. In addition it's important that the Group maintains its project pipeline and win rate. Any failure by the Group to continue to win new contracts will impact its financial performance and position.	convenience, and some contracts must be terminated with notice).
Risk of Default	The Group has financing facilities with external financiers. A default under any of these facilities could result in withdrawal of financial support or an increase in the cost of financing.	The Group has a robust system of analysing and forecasting cash and debt positions. The Group is continuing to develop a stronger facilities management system, in addition to strengthening and broadening its banking relationships.
Supply chain disruption	Disruption to border crossings; equipment being held up in customs	The Group ensures a continual monitoring of movement of goods at all relevant borders, and assesses back-up options regularly. Inventory levels are set to allow for a period of disruption. The Group also ensures a local supplier early bulk purchasing strategy.
Adverse change in local tax laws, regulations and practice.	Unforeseen changes to local tax regulations leading to new or higher tax charges; unpredictable tax audit processes.	The Group carries out enhanced tax due diligence on incorporation with identification of strong and well-connected local tax advisers. The Group obtains written confirmation from local tax authorities in advance of undertaking major transactions. The Group ensures supporting documentation for all tax filings are complete and accurate.
Risk to Cash Repatriation	Restrictive currency controls which impact ability to repatriate cash from countries of operation.	The Group has multiple bank accounts in multiple currencies and seeks to move cash out of restrictive or high-risk jurisdictions as soon as possible. The import documentation process is being improved and the process increasingly automated.

Declines in Minesite production levels	The Group's activity levels and results are to a certain extent dependent on production levels at clients' mines while revenues are linked to the production volumes and not to the short-term price of the underlying commodity.	A significant proportion of the Group's revenue is derived from mines which are already in production. The Group focuses on ensuring execution of work to a high standard and improving its operation to increase its value proposition to clients. Application of the Group tender work procurement and approval processes maximises the likelihood of achieving margins and earnings. In addition, the Group's diversification of service offering limits the exposure to one specific area of the business.
Reliance on Key Customers	The Group's business relies on a number of individual contracts and business alliances, and derives a significant proportion of its revenue from a small number of key long-term customers and business relationships with a few organisations. In the event that any of these customers fails to pay, reduces production or scales back operations, terminates the relationship, defaults on a contract or fails to renew their contract with the Group, this may have an adverse impact on the financial performance and/or financial position of the Group.	The Group has entered into long-term contracts with its key customers for periods between two to five years. Contract renewal negotiations are initiated well in advance of expiry of contracts to ensure contract renewals are concluded without interruption to services. The Group has historically had a strong record of completing contracts to term and securing contract extensions. The Group is selective in the contracts that it enters into to allow for options to extend where possible to maximise the contract period and the return on capital. The Group focuses on ensuring execution of work to a high standard and improving its operation to increase its value proposition to clients. Application of the Group tender work procurement and approval processes maximises the likelihood of securing quality work with commensurate returns for the risks taken. The Group maintains a work portfolio diversified by geography, market, activity and client to mitigate the impact of emerging trends and market volatility. The Group has and continues to monitor projects closely and invest a significant amount of time into client relationship and service level monitoring at all levels of the business. A key part of this process is the quarterly project steering committee meetings with key client stakeholders that

		provide a forum for monitoring and reporting on project performance and performance indicators, contractual issues, pricing and renewal.
Labour costs and availability	The Group is exposed to increased labour costs and retention constraints in markets where the demand for labour is strong. Changes to labour laws and regulations may limit productivity and increase costs of labour. If implemented and enforced, these types of changes to labour laws and regulations could adversely impact revenues and, if costs increase or productivity declines, operating margins.	The Group's labour costs are typically protected by rise and fall mechanisms within client contracts, which mitigate the impact of rising labour costs.
Risk of poor performance due to lack of equipment availability	The Group has a significant fleet of equipment, and has a substantial ongoing requirement for consumables, including tyres, parts and lubricants. If the Group cannot secure a reliable supply of equipment and consumables, there is a risk that its operational and financial performance may be adversely affected.	The Group continues to focus on supplier relationships including maintaining payment terms and identifying alternative sources.
Deterioration in Health & Safety record	Operations are subject to various risks associated with mining including, in the case of employees, personal injury, malaria and loss of life and in the Group's case, damage and destruction to property and equipment, release of hazardous substances into the environment and interruption or suspension of site operations due to unsafe operations. The occurrence of any of these events could adversely impact the Group's business, financial condition, results of operations and prospects, lead to legal proceedings and damage the Group's reputation. In particular, clients are placing an increasing focus on occupational health and safety, and a deterioration in the Group's safety record may result in the loss of key clients.	The Executive Chairman, Executive Leadership Team and managers provide leadership to projects on the management of these risks and actively engage with employees at all levels. The Group has implemented and continue to monitor and update a range of health and safety policies and procedures including equipment standards and standard work procedures. Employees are provided with training regarding risks associated with their employment, policies and standard work procedures. Health and Safety statistics and incident reports are monitored throughout our projects and the various management structures of the Group, including the HSE committee. Where necessary policies and procedures are updated to reflect developments and improvement needs. The Executive – HSEQ monitors high risk events in areas of operation and distributes

		warnings and guidance as required. The Group is also closely engaged with its clients to ensure workplace safety and containment measures are adhered to.
Risk of Mispricing Contracts	The Group is reliant on its ability to price contracts accurately. Contract prices are generally set at the-outset of a customer contract following a competitive tender process.	The Group goes through a rigorous process to determine a price to submit as part of the tender submission based on a bottom-up costing analysis with a mark-up. The Group makes use of its extensive historical statistics and its in-house knowledge base, combined with site visits to obtain contract specific data. Where contracts are of significant scope, independent cost estimators are appointed, with their findings verified by in-house modelling. Some contracts include pricing protections by way of mechanisms that allow for annual pricing reviews and or the application of annual CPI adjustments. Many contracts also contain mechanisms to allow the Group to end the contract with minimal notice if continued performance is financially burdensome. Some contracts include pricing protections by way of mechanisms that allow for annual pricing reviews and or the application of annual CPI adjustments. Many contracts also contain mechanisms to allow the Group to end the contract with minimal notice if continued performance is financially burdensome.
Risk of non-compliance with climate related reporting regulations	Non-physical risks arise from a variety of policy, regulatory, legal, financing and investor responses to the challenges posed by climate change.	The Group has recognised the need for the appointment of a Sustainability Manager. It has engaged with expert consultants in this field to establish emissions reporting, guidance and publications. Additionally it has established a separate Sustainability Committee to drive the ESG process forward.
Communicable disease outbreaks,	A large-scale outbreak in one of our operating jurisdictions may lead to	The Group undertakes extensive planning to facilitate the mobility of its international and

including COVID-19	interruptions in operations, closures at mine sites, inability to source supplies or consumables, higher volatility in the global capital and commodity markets, adverse impacts on investment sentiment and economies. Ongoing restrictions on travel could significantly impair the Group's ability to manage its businesses effectively.	regional expatriate workforce as the Company manages international flight cancellations and COVID-19 travel restrictions. The Group also monitors other communicable disease outbreaks relevant to the location of the Group's operations in order to implement its planned respoibse strategy when needed. The Group's current key priorities on COVID-19 are: protecting our people with a focus on their wellbeing - to play our role in limiting the spread of the virus - delivering value for our clients and stakeholders - maintaining the strongest possible financial position.

VIABILITY STATEMENT

The activities of the Group, together with the factors likely to affect its future development, performance, the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in pages 50 to 59.

The Directors have carried out a robust assessment of the emerging and principal risks facing the Group over the coming three years, including those that would threaten its business model, future performance, solvency or liquidity. These risks and the ways they are being managed and mitigated by a wide range of actions are summarised on pages 54 to 56.

Taking account of the Group's position, emerging and principal risks, the Directors assessed the prospects of the Group by reviewing and discussing the annual forecast, the three-year strategic plan and the Group risk framework. The review is a robust consideration of all risk factors and sensitivities. Whilst all the risks identified could have an impact on the Group's performance, the specific risks which could potentially impact the Group's financial position / viability include:

- A deterioration in global demand and commodity prices;
- Non-renewal of key contracts within the time frame;
- Idled mining equipment at the end of the large scale load & haul contract;
- A potential decrease in turnover due to a prolonged operational disruption such as political unrest; and
- Increases in the Group's cost base.

Given the Group had minimal operational impacts from COVID-19 over the past two years, the Directors no longer view it as a significant risk to the Group's performance and financial position.

In view of the recent escalation of the Russia-Ukraine conflict and sanctions imposed on Russia and Belarus, the Directors have considered the likely impact on the Group as detailed in Note 1.1 and assessed the risk to the

Group's operations as minor. The Directors will continue to carefully assess the impact of this situation on the Group's operations.

The evaluation of the potential downturn in commodity pricing considered the long term nature of the majority of our contracts, the low operating costs of the mines where we operate, the liquidity of the company, its robust balance sheet and good relationship with financiers.

The evaluation of mining equipment remaining idle at the end of the mining contract considered that the asset backed debt facilities drawn to purchase the equipment over the life of the contract and therefore would not affect group viability if left idled for a period.

The Directors have also evaluated short term major disruptions from due to political events and while these risks are considered remote, in such a scenario, the Group would be able to continue operating without reaching its borrowing capacity nor breaching its covenants, given the diversification of the company's geographic mix and through additional measures available to mitigate the impact on the Group's liquidity and cash flows such as reduction in inventories and capital expenditure and renegotiation of creditor terms.
The Directors have also reviewed the forecasts and downward scenario against the Group's current and projected future net cash/debt and liquidity position. The Group closed the financial year with a net debt[1] position of $31.9 million (2020: $5.0 million net cash). The revolving credit facility has financial covenants interest cover, debt-equity ratio, gross debt to EBITDA and tangible net worth and is not due for renewal until June 2023.

A three-year period is considered appropriate for this assessment because:

- It is the period covered by the strategic plan;
- It is aligned with the terms of our principle financing facilities;
- The majority of our major contracts are for a period of three to five years; and
- It enables a high level of confidence, even in extreme adverse events, due to a number of factors such as:
    - The Group has considerable financial resources together with established business relationships with major, mid-tier and junior mining houses and suppliers in countries throughout the world; High cash generation by the Group's operations;
    - Low levels of gearing and strong debt capacity;
    - Flexibility of cash outflows including capital expenditure and dividend payments; and
    - The Group's long-term contracts, equipment availability and diverse geographic operations.

Based on the results of this analysis, the Directors believe that the Group is well placed to manage its business risks successfully as the market conditions continue to improve. The Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

CAUTIONARY STATEMENT

This Business Review, which comprises the Chairman's Statement and Chief Financial Officer's Review, has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed.

The Business Review contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

By order of the Board

Giles Everist
Chief Financial Officer
9 March 2021

Financial Results

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2021

		CONSOLIDATED	
		2021	**2020**
		$	$
Revenue		226,793,266	134,961,874
Cost of sales		(120,491,246)	(80,065,718)
Gross profit		106,302,020	54,896,156
Administration expenses		(33,027,346)	(21,074,206)
Depreciation		(21,397,355)	(12,197,072)
Profit from operations		51,877,319	21,624,878
Interest income		244,998	256,557
Finance charges		(3,833,766)	(1,364,222)
Fair value gain/(loss) on investments at fair value		33,716,756	13,574,332
Profit before tax		82,005,307	34,091,545
Taxation	4	(11,716,529)	(9,328,357)
Profit for the year		70,288,778	24,763,188
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Movement in other reserve		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		**70,288,778**	**24,763,188**
Earnings per share:			
Basic operational earnings per share (cents per share)	5	19.21	7.95
Diluted operational earnings per share (cents per share)	5	18.91	7.86
Basic earnings per share (cents per share)	5	36.98	17.76
Diluted earnings per share (cents per share)	5	36.40	17.55
Profit (loss) attributable to:			
Owners of the parent		70,174,784	24,571,452
Non-controlling interest		113,994	191,736
		70,288,778	**24,763,188**
Other comprehensive income (loss) attributable to:			
Owners of the parent		-	-
Non-controlling interest		-	-
		-	-

CAPITAL

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Notes	2021	2020
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	7	143,598,399	88,970,683
Right-of-use assets		9,851,343	629,657
Goodwill		1,252,348	1,252,348
Intangible assets		1,282,269	276,248
Prepaid expenses and other assets		6,460,000	-
Total non-current assets		**162,444,359**	**91,128,936**
Current assets			
Inventory	10	37,935,112	24,689,102
Trade and other receivables		42,212,147	18,903,656
Prepaid expenses and other assets		17,681,623	28,394,850
Investments at fair value		60,151,667	27,167,095
Taxation		499,361	359,970
Cash and cash equivalents		30,577,249	35,701,894
Total current assets		189,057,159	135,216,567
Total assets		**351,501,518**	**226,345,503**
EQUITY AND LIABILITIES			
Equity			
Share capital	8	19,006	18,878
Share premium	8	60,900,119	60,169,426
Equity-settled employee benefits reserve		3,185,450	1,926,994
Other reserve		190,056	190,056
Retained earnings		154,879,201	84,384,101
		219,173,832	**146,689,455**
Non-controlling interest		3,767,589	1,389,315
Total equity		**222,941,421**	**148,078,770**
Non-current liabilities			
Loans and Borrowings	9	45,567,668	26,112,602
Lease liabilities		7,354,745	337,233
Deferred tax liabilities		34,196	13,755
Total non-current liabilities		**52,956,609**	**26,463,590**

CAPITAL

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As at 31 December 2021

	2021 $	2020 $
Current liabilities		
Trade and other payables	46,500,122	39,711,217
Taxation	9,979,250	7,174,749
Loans and Borrowings	16,887,692	4,581,111
Lease liabilities	2,236,424	336,066
Total current liabilities	75,603,488	51,803,143
Total liabilities	128,560,097	78,266,733
Total equity and liabilities	**351,501,518**	**226,345,503**

FOR IMMEDIATE RELEASE
10 MARCH 2022

CAPITAL

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Note	Share capital $	Share premium $	Equity settled employee benefits reserve $	Other reserve $	Retained earnings $	Non-controlling interest $	Total $
CONSOLIDATED								
Balance at January 1, 2020		**13,625**	**22,495,287**	**974,118**	**261,301**	**62,004,344**	**1,199,681**	**86,948,356**
Issue of shares		5,253	40,743,147	(458,740)	-	-	-	40,289,660
Expenses paid on equity raise		-	(3,069,008)	-	-	-	-	(3,069,008)
Recognition of share-based payments		-	-	1,411,616	-	-	-	1,411,616
Purchase of shares from minority		-	-	-	-	-	(2,102)	(2,102)
Movement to intangible assets		-	-	-	(71,245)	-	-	(71,245)
Total comprehensive (loss) income for the year		-	-	-	-	24,571,452	191,736	24,763,188
Profit for the year		-	-	-	-	24,571,452	191,736	24,763,188
Other comprehensive (loss) income for the year, net of tax		-	-	-	-	-	-	-
Dividends paid		-	-	-	-	(2,191,695)	-	(2,191,695)
Balance at 31 December 2020 (Audited)		**18,878**	**60,169,426**	**1,926,994**	**190,056**	**84,384,101**	**1,389,315**	**148,078,770**
Issue of shares		128	730,693	(730,821)	-	-	-	-
Recognition of share-based payments		-	-	1,989,277	-	-	-	1,989,277
Adjustment arising from change in non-controlling interest						5,071,688	2,264,280	7,335,968
Total comprehensive income for the year		-	-	-	-	70,174,784	113,994	70,288,778
Profit for the year		-	-	-	-	70,174,784	113,994	70,288,778
Other comprehensive income for the year, net of tax		-	-	-	-	-	-	-
Dividends paid	6	-	-	-	-	(4,751,372)	-	(4,751,372)
Balance at 31 December 2021		**19,006**	**60,900,119**	**3,185,450**	**190,056**	**154,879,201**	**3,767,589**	**222,941,421**

FOR IMMEDIATE RELEASE
10 MARCH 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Notes	CONSOLIDATED 2021 $	2020 $
Operating activities:			
Cash generated from operations	11	42,607,564	35,987,566
Interest received		244,998	256,557
Finance charges paid		(3,423,815)	(1,340,098)
Taxation paid		(9,030,977)	(6,577,555)
Net cash generated from operating activities		**30,397,770**	**28,326,470**
Investing activities:			
Purchase of property, plant and equipment		(46,303,585)	(42,232,001)
Purchase of investments		(9,150,084)	(6,398,269)
Proceeds from sale of investments at fair value		9,774,463	6,562,856
Proceeds from disposal of property, plant and equipment		68,116	42,990
Purchase of intangible asset		(1,006,021)	(44,302)
Cash paid for asset acquisition		-	(716,752)
Cash paid in advance for property, plant and equipment		(3,548,794)	(17,933,019)
Proceeds from sale of other investments		107,805	-
Net cash from investing activities		**(50,058,100)**	**(60,718,497)**
Financing activities:			
Proceeds from new loans		27,669,435	16,000,000
Repayment of loans		(6,973,921)	(1,062,766)
Repayments of leases – principal		(946,920)	(453,611)
Advance payment on ROU assets		(418,782)	-
Dividend paid	6	(4,751,372)	(2,191,695)
Gross proceeds on equity raise		-	40,289,660
Expenses paid on equity raise		-	(2,486,602)
Amount received from non-controlling interest on rights issue		875,968	-
Net cash from financing activities		**15,454,408**	**50,094,986**
Total cash movement for the year		(4,205,922)	17,702,959
Cash and cash equivalents at the beginning of the year		35,701,894	17,620,623
Effect of exchange rate movement on cash balances		(918,723)	378,312
Total cash at end of the year		**30,577,249**	**35,701,894**

NOTES TO THE CONDENSED ANNUAL FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. **Basis of preparation**

The preliminary condensed consolidated financial statements are prepared on the going concern basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The directors are responsible for the preparation of the preliminary announcement.

The condensed consolidated financial statements included in this preliminary announcement has been prepared in accordance with the measurement and recognition criteria of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Whilst the financial information included in this preliminary announcement has been prepared in accordance with IFRS, this announcement does not itself contain sufficient information to comply with the disclosure requirements of IFRS. The Group's 2021 Annual Consolidated Financial Statements have been prepared in accordance with IFRS. The preliminary announcement does not constitute a dissemination of the annual financial reports. A separate dissemination announcement in accordance with Disclosure and Transparency Rules (DTR) 6.3 will be made when the Annual Report and audited consolidated Financial Statements are available on the Company's website.

The accounting policies are in terms of IFRS and consistent with those of the prior year.

The financial information for the years ended 31 December 2021 and 2020 does not constitute the annual financial statements. The annual consolidated financial statements for the year ended 31 December 2020 and 2021 were completed and received an unmodified audit report from the Company's Auditors.

2. **Operations during the year**

Capital Limited (the "Company") is incorporated in Bermuda. The Company and its subsidiaries (the "Group") provide drilling services including but not limited to exploration, development, grade control and blast hole drilling services, mining services including but not limited to earthmoving, fleet management and mine management, mineral analytical services including but not limited to geochemical analysis and laboratory management, maintenance services, including but not limited to fleet maintenance and distribution of specialist mining supplies and rig site technology services including but not limited to equipment rental, survey and geophysical logging and borehole management software services for mining and mining exploration companies.

During the year ended 31 December 2021, the Group provided drilling services in Burkina Faso, Cameroon, Côte d'Ivoire, Guinea, Egypt, Kenya, Mauritania, Mali, Saudi Arabia and Tanzania. Mining services are provided in Egypt and mineral analysis are provided in Canada, Guyana, Mauritania, Nigeria, Ivory Coast, Mali and Tanzania. The Group's administrative office is located in Mauritius.

3. **Segment analysis**

Operating segments are identified on the basis of internal management reports regarding components of the Group. These are regularly reviewed by the Chairman in order to allocate resources to the segments and to assess their performance. Operating segments are identified based on the regions of operations. For the purposes of the segmental report, the information on the operating segments have been aggregated into the principal regions of operations of the Group. The Group's reportable segments under IFRS 8 are therefore:

CAPITAL

NOTES TO THE CONDENSED ANNUAL FINANCIAL STATEMENTS
For the year ended 31 December 2021

3. Segment analysis (continued)

- Africa: Derives revenue from the provision of drilling and mining services, equipment rental, IT support services and mineral assaying.

- Rest of world: Derives revenue from the provision of drilling services, equipment rental, IT support services and mineral assaying. The segment relates to jurisdictions which contribute a relatively small amount of external revenue to the Group.

The following is an analysis of the Group's revenue and results by reportable segment:

	Africa $	Rest of world $	Consolidated $
2021			
External revenue	212,730,761	14,062,504	226,793,266
Segment profit (loss)	84,884,225	(31,732,012)	53,152,213
Central administration costs and depreciation			(1,274,894)
Profit from operations			51,877,319
Interest income			244,998
Finance charges			(3,833,766)
Fair value gain on investments at fair value			33,716,756
Profit before tax			**82,005,307**
2020 Audited			
External revenue	118,892,158	16,069,716	134,961,874
Segment profit (loss)	42,983,120	(19,213,658)	23,769,462
Central administration costs and depreciation			(2,144,584)
Profit from operations			21,624,878
Interest income			256,557
Finance charges			(1,364,222)
Net loss on financial assets at fair value through profit and loss			13,574,332
Profit before tax			**34,091,545**

The following customers from the Africa segment contributed 10% or more to the Group's revenue

	2021 %	2020 %
Customer A	16%	22%
Customer B	37%	30%

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3. Segment analysis (continued)

Segment assets and liabilities:

The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets:

	CONSOLIDATED 2021 $	CONSOLIDATED 2020 $
Africa	421,186,192	276,239,160
Rest of world	75,429,655	48,615,789
Total segment assets	496,615,847	324,854,949
Head office companies	278,034,723	209,060,235
	774,650,570	533,915,184
Eliminations	(423,149,052)	(307,569,681)
Total Assets	**351,501,518**	**226,345,503**

Segment liabilities:

	CONSOLIDATED 2021 $	CONSOLIDATED 2020 $
Africa	226,314,805	150,572,691
Rest of world	28,407,677	37,338,422
Total segment assets	254,722,482	187,911,113
Head office companies	269,589,374	189,124,661
	524,311,856	377,035,774
Eliminations	(395,751,759)	(298,769,041)
Total Liabilities	**128,560,097**	**78,266,733**

Segmental reporting summary by region:

	Revenue		Non-current assets	
	2021	**2020**	**2021**	**2020**
Middle East/North Africa	89,307,774	44,620,151	75,919,256	41,357,995
South & East Africa	52,055,578	43,448,759	34,338,287	12,246,215
West Africa	78,186,571	39,699,664	39,508,301	24,682,269
Others	7,243,343	7,193,300	12,678,515	12,842,457
	226,793,266	**134,961,874**	**162,444,359**	**91,128,936**

The business has considered this segmental distribution to be appropriate as it represents the discrete areas of operations that make up the group's revenue stream.

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4. Taxation

Capital Limited is incorporated in Bermuda. No taxation is payable on the results of the Bermuda business. Taxation for other jurisdictions is calculated in terms of the legislation and rates prevailing in the respective jurisdictions.

The Group operates in multiple jurisdictions with complex legal and tax regulatory environments. In certain of these jurisdictions, the Group has taken income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and relates to the interpretation of income tax laws. The Group periodically reassesses its tax positions. Changes to the financial statement recognition, measurement, and disclosure of tax positions is based on management's best judgment given any changes in the facts, circumstances, information available and applicable tax laws. Considering all available information and the history of resolving income tax uncertainties, the Group believes that the ultimate resolution of such matters will not likely have a material effect on the Group's financial position, statements of operations or cash flows. Refer to Note 13 (Contingencies) for more detail on Tanzania, Zambia, Mauritania and Ivory Coast.

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	CONSOLIDATED	
	2021	2020
	$	$
5. Earnings per share		
Basic earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Earnings for the year, used in the calculation of basic earnings per share	70,174,784	24,571,452
Earnings for the year, used in the calculation of basic operational earnings per share	36,458,028	10,997,120
Weighted average number of ordinary shares for the purposes of basic earnings per share	189,765,149	138,367,746
Basic operational earnings per share (cents)	19.21	7.95
Basic earnings per share (cents)	36.98	17.76
Diluted earnings per share		
The earnings used in the calculations of all diluted earnings per share measures are the same as those used in the equivalent basic earnings per share measures, as outlined above.		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	189,765,149	138,367,746
Shares deemed to be issued for no consideration in respect of:		
– Dilutive share options #	-	149,023
– Effect of STIP and LTIP shares	3,021,654	1,478,469
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	192,786,803	139,995,238
Diluted operational earnings per share (cents)	18.91	7.86
Diluted earnings per share (cents)	36.40	17.55

Share options granted in the previous year were anti-dilutive in nature and were not considered in the calculation of diluted earnings per share of the previous year.

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	CONSOLIDATED	
	2021	**2020**
	$	$
6. Dividends		
Dividends paid:		
Final dividend in respect of the year	4,751,372	2,191,695
Total dividends paid	4,751,372	2,191,695

During the 12 months ended 31 December 2021, a dividend of 1.3 cents (2020: 0.7 cent) per ordinary share, totalling to $2,470,714 (2020: $958,866) was declared as the final dividend for 2020 and paid to the shareholders on 04 May 2021 (2020: 04 May 2020) followed by a further dividend of 1.2 cents (2020: 0.9 cents) per share which was declared as interim dividend for 2021 totalling $2,280,658 (2020: $1,232,828) and paid on 24 September 2021 (2020: 25 September 2020). The total dividend paid is $4,751,372 (2020: $2,191,695).

In respect of the year ended December 31, 2021, the Directors propose that a final dividend of 2.4 cents (2020: 1.3 cents) per share be paid to shareholders on 10 May 2022 (2020: 04 May 2021). This final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these Consolidated Financial Statements. The proposed final dividend is payable to all shareholders on the Register of Members on 7 April 2022 (2020: 9 April 2021). The total estimated final dividend to be paid is $4.59 million (2020: $2.47 million). The payment of this final dividend will not have any tax consequences for the Group.

7. Property, plant and equipment

For the year ended 31 December 2021, the Group spent $75.7 million (2020: $46.9 million) on drilling rigs and other assets to expand its operations, safety upgrades and for the replacement of existing assets. The Group disposed of property, plant and equipment with a net book value of $0.5 million (2020: $0.8 million) during the year. A loss of $0.5 million (2020: $0.8 million) was incurred on the disposal of property, plant and equipment. Not reflected in the Cash Flow is a $2.5 million asset finance facility obtained from Epiroc Financial Solutions for the purchase of 3 Rigs, $8.5 million asset finance facility obtained from Sandvik for the purchase of equipment and $0.7 million of assets purchased on credit.

8. Share capital

	2021	2020
Authorised		
2,000,000,000 (2020: 2,000,000,000) ordinary shares of 0.0001 cents (2020: 0.0001 cents) each	200,000	200,000
Number of ordinary shares issued		
190,054,838 (2020: 188,780,903) ordinary shares of 0.0001 cents (2020: 0.0001 cents) each	19,006	18,878
Share premium		
Balance at the beginning of the year	60,169,426	22,495,287
Share issue	730,693	37,674,139
Balance at the end of the year	**60,900,119**	**60,169,426**

9. Loans and Borrowings

Long term liabilities consist of

(a) $15 million revolving credit facility (“RCF”) provided by Standard Bank (Mauritius) Limited

The RCF was renewed on 30 July 2020 for a further term of three years. The interest rate on the RCF is the prevailing three month US LIBOR plus a margin of 6.5% (payable quarterly in arrears) and an annual commitment fee of 2.275% of the undrawn balance. The RCF is secured by various pledges over the shares and claims of the Group’s entities in Cote d’Ivoire and Tanzania together with the assignment of material contracts and their collection accounts in these jurisdictions and a debenture over the rigs in Tanzania. The facility was fully drawn as at 31 December 2021.

(b) $ 3.8 million credit facility provided by Epiroc Financial Solutions AB

The facility was signed on 6 September 2019 and drawn down against the purchase of five rigs. The term of the facility is four years repayable in 46 monthly instalments. Interest is charged at a with a fixed rate of 8.47% per annum (payable monthly in arrears). As at 31 December 2021, an amount of $1.8 million (2020: $2.7 million) remained outstanding under this facility.

(c) $2.6 million credit facility by Epiroc Financial Solutions AB

The facility was signed on 26 November 2020 and drawn down against the purchase of three rigs. The term of the facility is 4 years repayable in 46 monthly instalments. Interest is charged at a fixed rate of 8.25% per annum (payable monthly in arrears). As at 31 December 2021, an amount of $1.9 million (2020: $ 2.6 million) remained outstanding under this facility.

(d) $2.5 million credit facility by Epiroc Financial Solutions AB

This new facility was signed on 01 May 2021 and drawn down against the purchase of three rigs. The facility is repayable in 46 monthly instalments. The interest rate is the prevailing three-month US LIBOR plus a margin of 4.8%. As at 31 December 2021, an amount of $2.4 million remained outstanding under this facility.

(e) $37.7 million term loan provided by Macquarie Bank Limited (London Branch)

On 25th September 2020, the Group entered into a senior secured, asset backed term loan facility with Macquarie Bank Limited. The term of the loan is three years repayable in quarterly instalments with an interest rate on the facility of the prevailing three-month US LIBOR plus a margin of 7.75% per annum (payable quarterly in arrears). The loan is secured over certain assets owned by the Group and currently located in Egypt and Cote d’Ivoire together with guarantees provided by Capital Limited, Capital Drilling Egypt LLC and Capital Mining Services SARL. The Group drew an additional $27.7 million in 2021. The facility was fully drawn as at 31 December 2021 (2020: fully drawn).

During the year under review, the Group has complied with all covenants that attached to both the RCF and the term loan.

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9. Loans and Borrowings (Continued)

(f) $8.5 million term loan facility with Sandvik Financial Services AB (PUBL)

On 19 November 2020, the Group entered into a new term loan facility agreement with Sandvik Financial Services AB (PUBL). The facility is for up to $8.5 million for the purchase of equipment from Sandvik AB, available in not more than four tranches until 31 December 2021. Each tranche is repayable over a period of five years. Interest is payable quarterly in arrears at 5.45% per annum on the drawn amount. As at 31 December 2021 $8.3 million of the facility was used and $0.2 million of the facility remained undrawn (2020: $8.5 million remained undrawn).

During the year under review, the Group has no covenants that attached to the facility.

	CONSOLIDATED	
	2021	2020
	$	$
Balance at the beginning of the year	30,693,713	13,194,210
Amounts received during the year	27,669,435	16,000,000
Credit facility received for the purchase of rigs	10,834,144	2,649,798
Interest accrued during the year	3,217,253	1,196,504
Interest paid during the year	(2,967,733)	(1,098,963)
Commitment fees expensed/paid	(17,531)	(185,070)
Principal repayments during the year	(6,973,921)	(1,062,766)
	62,455,360	30,693,713
Less: Current portion included under current liabilities	(16,887,692)	(4,581,111)
Due after more than one year	45,567,668	26,112,602

10. Inventory

The cost of inventories recognised as an expense in the current year amounts to $13.4m (2020: $9.8m). During the year, the Group wrote off $1.3m (2020: $0.4m) of inventory. A reversal of provision of $1.0m (2020: Provision of $0.1m) was made during the year, resulting in a decrease in the carrying amount of the provision.

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	CONSOLIDATED 2021 $	CONSOLIDATED 2020 $
11. Cash generated from operations		
Profit before tax	82,005,307	34,091,545
Adjusted for:		
– Depreciation	20,516,484	11,778,170
– Loss on disposal of property, plant and equipment	453,869	778,847
– Depreciation of Right of use assets	883,923	418,902
– Share based payment expense	1,989,277	1,411,616
– Fair value gain/(loss) on investments at fair value	(33,716,756)	(13,574,332)
– Interest income	(244,998)	(256,557)
– Finance charges	3,833,766	1,364,222
– Unrealised foreign exchange loss/(gain) on foreign cash held	918,723	(378,312)
Operating cash flows before working capital changes	76,639,595	35,634,101
Adjustments for working capital changes:		
– (Increase)/Decrease in inventory	(13,246,010)	(7,074,833)
– Increase in trade and other receivables	(26,879,489)	(5,170,082)
– Increase in trade and other payables	6,093,468	12,598,380
	42,607,564	35,987,566

	CONSOLIDATED 2021 $	CONSOLIDATED 2020 $
12. Commitments		
The Group has the following commitments:		
Committed capital expenditure	13,424,141	35,647,233

The Group had outstanding purchase orders amounting to $30.3 million (2020: $40.2 million) at the end of the reporting period of which $13.4 million (2020: $35.6 million) were for capital expenditure.

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13. Contingencies

Zambia tax:

Capital Drilling (Zambia) Limited ("CDZ"), a subsidiary of Capital Limited, is a party to various tax claims made by the Zambian Revenue Authority (ZRA) for the tax years 2007 to 2013.

On 30 April 2015, CDZ received a tax assessment from the ZRA totalling Zambian Kwacha 150m ($8.2 million), inclusive of penalties and interest. The claims relate to various taxes, including income tax, value added tax, payroll tax (PAYE) and withholding tax. CDZ responded in detail to these claims, and no amount has yet been paid. No subsequent communication has been received from the ZRA regarding this matter since June 2016.

As Capital has ceased to operate in Zambia, CDZ is being liquidated. This process is expected to be completed during 2022.

Tanzania tax:

2009-15 tax audit

Capital Drilling (T) Ltd ("CDT"), is party to a payroll tax claim made by the Tanzanian Revenue Authority ("TRA") for the tax years 2009-2015. During the financial year ended 31 December 2016, the company received an immediate demand notice from the TRA for 18.6 billion Tanzanian Shillings ("TZS") (US$[8.0] million), inclusive of penalties and interest. The management of CDT objected to the assessment raised by the TRA and requested the calculations of the notice. In order to object, according to Tanzanian tax law, a taxpayer is required to pay the tax amount not in dispute or one third of the assessed tax whichever is greater. CDT's management reached an agreement with the TRA and paid TZS 1.5 billion (US$0.7 million) in lieu of one third of the assessed value.

In June 2017 the TRA provided its calculations to CDT, in which CDT identified differences with the TRA on both the facts and methodology used to determine the tax payable. In order to continue the discussions and negotiations with the TRA, CDT has, at the request of the TRA, paid an additional amount of TZS 1.1 billion (US$0.4 million), increasing the total amount paid to TZS 2.6 billion (US$1.1 million) as at 31 December 2018.

CDT is of the view that the US$1.1 million already paid represents the maximum potential tax liability. However, on 3 February 2020, the TRA issued an updated assessment of TZS 22.5 billion (US$9.8 million) which comprises a principal amount of TZS 7.3 billion (US$3.2 million) and interest of TZS 15.2 billion (US$6.6 million). CDT has lodged an appeal at the Tanzania Revenue Appeals Board (TRAB), which was dismissed on a technicality on 25th September 2020. In August 2021, CDT finally received the documents required to be able to appeal the dismissal and the appeal was lodged within the statutory timeframe. CDT is now awaiting confirmation of the date for the verbal arguments to be presented. CDT's advisers remain confident that the appeal will be successful.

13. Contingencies (Continued)

Tanzania tax: (Cont'd)

2016-18 tax audit

The TRA issued an initial assessment of $4.5m for 2016-18 in December 2019. Through negotiation, this was reduced to $2.4 million in May 2020 and a total of $0.7 million was paid by CDT in order to proceed with lodging formal objections. These were lodged in June 2020 and responses finally received a year later in June 2021. A number of CDT's positions were accepted and a further round of correspondence entered into which is ongoing.

$0.7m remains in line with Management's estimate of the potential tax and penalties due and, as this amount has already been paid, no further amounts have been provided on the balance sheet.

Mauritania tax:

2019 tax audit

On 25 November 2020, CDM received notification that the MRA has commenced a routine tax audit into the 2019 tax year and, on 21 December 2020, the MRA issued a payment demand for a total of $1.9m including penalties.

Management considers that the maximum exposure is $0.7m, including penalties. A payment of $0.3m was made before the end of 2020, leaving $0.4m payable based on management's analysis. As at 31 December 2020, a further $1.0m was provided on the balance sheet.

However, in February 2021 CDM was required to sign a payment plan for the full outstanding claim of $1.7m, including an additional $0.1m penalties, in order for the case to proceed to a full technical review by the MRA and to prevent shutdown of the company's operations. The full technical review had not progressed in any meaningful way before the payment agreement came to an end with all but $0.1m paid in full. No further balance sheet provision is therefore required, and no asset recognised for the potential reduction in the final liability.

Negotiations with the MRA are ongoing and the technical review should still take place, although both the timing and outcome are uncertain.

Ivory Coast tax:

2018-19 tax audit

A tax audit of CDCI for the two years ended 31 December 2019 is currently underway which focuses on the tax outcomes resulting from the local SYSCOA accounting reporting requirements. The main area where the Ivorian tax authorities are seeking additional tax relates to securities tax (IRVM) that they claim is

13. Contingencies (Continued)

Ivory Coast tax: (Cont'd)

payable on an intercompany balance. Through negotiations, the total tax exposure has been reduced from $1.5m to $0.4m. No provision has been recognised at 31 December 2021 on the basis that negotiations are ongoing and the underlying facts would not trigger any additional securities tax liability.

Customs duty

An initial exchange of correspondence has taken place between the Ivorian customs duty authority and Capital Mining Services (CMS) relating to the availability of certain customs duty exemptions under CMS client's Mining Convention. CMS responded with a forceful written denial of this position in July 2021 and no further correspondence has been received. No balance sheet provision has been made, no assessments have been issued and no amounts are due and payable.

Mali tax:

2016-18 tax audit

In July 2019, the Mali Tax Authorities (DGE) commenced a routine tax audit of Capital Drilling Mali for the periods 2016-18. No final assessments or requests for payment have been issued in respect of any of the three years under audit and the audit process has not yet formally concluded.

Across the three years, the maximum potential tax claim including penalties is approximately $3.8m. Following a detailed review, our in-country advisers have calculated the actual potential exposure at $0.2m, including penalties and provided a comprehensive response to the tax authorities supporting this position.

14. Glossary

A description of various acronyms is detailed below:

ARPOR	Average Revenue Per Operating Rig
CAPEX	Capital Expenditure
EBIT	Earnings (Loss) Before Interest and Taxes
EBITDA	Earnings (Loss) Before Interest, Taxes, Depreciation and Amortisation
EPS	Earnings (Loss) Per Share
ETR	Effective Tax Rate
HSSE	Health, Safety, Social and Environment
KPI	Key Performance Indicator
LTI	Lost Time Injury

LTM	Last Twelve Months
NPAT	Net Profit (Loss) After Tax
PBT	Profit (Loss) Before Tax
YOY	Year On Year
Return on capital employed	LTM EBIT / (Equity)
Return on total assets	LTM EBIT / Total Assets