

FOR IMMEDIATE RELEASE  
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Capital Limited  
("Capital", the "Group" or the "Company")

Q2 2022 Trading Update

Capital (LSE: CAPD), a leading mining services company, today provides its trading update for the period 1 January to 30 June 2022 (the "Period"). The Company will announce its half year results and provide a further operational update on 18 August 2022.

FIRST HALF (H1) 2022 KEY METRICS

	H1 2022	H1 2021	H2 2021	% change from H1 2021	% change from H2 2021
Revenue (\$million)	138.1	98.7	128.1	39.9%	7.8%
ARPOR (\$)	173,000	180,000	183,000	-3.9%	-5.5%
Average utilised rigs	93	73	83	27.4%	12.0%
Fleet Utilisation (%)	83	73	77	13.7%	7.8%
Average Fleet	112	99	108	13.1%	3.7%
Closing fleet size	116	106	109	9.4%	6.4%

SECOND QUARTER (Q2) 2022 KEY METRICS

	Q2 2022	Q2 2021	Q1 2022	% change from Q2 2021	% change from Q1 2022
Revenue (\$million)	71.2	54.7	66.9	30.2%	6.4%
ARPOR (\$)	171,000	180,000	174,000	-5.0%	-1.7%
Average utilised rigs	97	81	90	19.8%	7.8%
Fleet Utilisation (%)	85	79	82	7.6%	3.7%
Average Fleet	114	103	110	10.7%	3.6%
Closing fleet size	116	106	110	9.4%	5.5%

Financial Highlights

- Q2 2022 revenue of \$71.2 million, up 30.2% on Q2 2021 (\$54.7 million) and up 6.4% on Q1 2022 revenue (\$66.9 million);
- H1 2022 revenue of \$138.1 million, up 39.9% on H1 2021 (\$98.7 million) and up 7.8% on H2 2021 (\$128.1 million);
- Non-drilling revenue contributed 28% of total revenue for H1 2022, compared with H1 2021 (17%), driven by growth YoY in mining services and MSALABS;
- Paid a final dividend of US2.4cps for 2021 financial year in May 2022, up from US1.3cps for the 2020 financial year. This is in addition to the ~\$2.5 million buyback completed in Q1 2022;
- H1 2022 results will be released on 18 August 2022.

## Operational Update

- Safety performance remains world-class with the Group TRIFR at 1.8 in H1 2022. Capital's target is zero harm across the Group;
- Capital has now employed a full time Sustainability Manager to assist in the Group's ESG strategy;
- **Capital Drilling: Strongest demand environment since the company's inception**
  - Fleet Utilisation increased to 85% in Q2 2022, an increase of 7.6% on Q2 2021 (79%) and 3.7% on Q1 2022 (82%);
  - New contract wins:
    - A three-year comprehensive drilling services contract with AngloGold Ashanti with its GEITA GOLD MINE LIMITED in Tanzania: Our Tanzanian subsidiary company, CMS (Tanzania) Limited has been awarded a contract to provide a full range of drilling services including development (diamond & reverse circulation), grade control, blast hole & underground drilling. Capital will utilise the existing fleet, which now has a total of 25 rigs on site. It is anticipated to generate ~\$150 million over the three year contract term, making it the second largest award of new business in the Company's history;
    - First contract with B2Gold Corporation at the Fekola Gold mine in Mali, one of largest gold mines in Africa: Capital has been awarded a reverse circulation drilling services contract.
  - Rig count increased from 110 to 116 through Q2 2022, net of depletion.
- **Capital Mining continues to perform strongly**
  - Sukari Gold Mine (Egypt) waste mining contract continues to perform well and remained LTI free;
  - Capital remains active in the tendering pipeline.
- **MSALABS: Growth outlook improved through expanded relationship with Chrysos and major contract extension**
  - Expanded relationship with Chrysos Corporation:
    - MSALABS recently announced an expansion of its global partnership with Chrysos, now guiding to deploying 21 Chrysos PhotonAssay™ units by 2025;
    - Rollout of initial six units by year end 2022 on track: In addition to four units already announced at Bulyanhulu Gold Mine (Tanzania), the Morila Gold Mine (Mali), the Kibali Gold Mine (DRC) and in Val d'Or (Quebec, Canada):
      - A fifth unit will arrive imminently at Yamoussoukro, Cote d'Ivoire with facility preparations well advanced;
      - A sixth unit is due to begin installation in Timmins, Canada by the end of 2022;
  - MSALABS has been awarded a two-year extension to the existing three-year onsite laboratory services contract with Kinross at the Tasiast Gold Mine, Mauritania, subject to final terms & conditions.
- **Capital Direct Investments (Capital DI): Impacted by general market conditions but strong business development performance**
  - The portfolio recorded investment losses (unrealised) of US\$10.3 million. The total value of investments (listed and unlisted) was US\$47.3 million as of 30 June 2021, versus US\$60.2 million at the end of 2021;
  - Over the period Capital continued to rationalize the breadth of holdings and realized cash proceeds from the portfolio generating net sales after investments of US\$2.6million, with the proceeds directed toward group capital expenditures.
  - Key holdings update:

- Predictive Discovery: The Company has made substantial progress under new management, including a successful capital raising of over A\$53 million, which sets a strong foundation for work programs in the months and years ahead. Capital DI has maintained its exposure by participating in this equity raise at A\$0.18 per share as an anchor shareholder.
- Firefinch / Leo Lithium: Over the period Firefinch completed its demerger of its lithium assets into Leo Lithium. Capital DI's exposure in Firefinch Limited has largely pivoted to Leo Lithium, which listed on the ASX in June 2022.
- Contract revenues from investee companies again contributed strongly to Group revenues, totalling US\$26.4mn over the H1 period.

### Outlook

- Q2 2022 has again seen extremely strong demand with the outlook remaining supportive;
  - The drilling business is operating at high utilisation rates, and further rigs will arrive in the second half with the group's rig count growing towards ~120 rigs;
  - The Sukari earth moving contract continues to perform well;
  - MSALABS is experiencing exceptional demand for its laboratory services. The expanded partnership with Chrysos will drive material further growth through 2023 and 2024;
  - Business mix underpinned by long-term mine-site contracts. Capital is taking advantage of strong demand in the market to not only win further contracts, but also rotate into higher quality blue-chip customers as highlighted by the recent contract win with B2Gold;
  - Tendering activity across all business units remains robust, with a number of opportunities progressing; and
- Revenue guidance for 2022 remains \$270 to \$280 million (compared to FY2021 revenues of \$226.8 million).

### Conference Call Details – Today 09.00 UK time

The Company will host a conference call today, Tuesday, 19 July 2022, at 09.00 a.m. (London, UK time) to update investors and analysts on the Q2 trading release.

Participants can join the conference call using the dial in link below

<https://webcasting.buchanan.uk.com/broadcast/62ce9891287bf548a3b8c89d>

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

*"We are currently seeing the strongest demand since the Company's inception, in contrast to the recent perception from global equity markets.*

*Our drilling fleet operated at 85% utilisation through Q2 2022 and finished the quarter at 116 rigs. This represents both the highest rig count and also the highest quarterly utilisation rate in the Group's history. Our mining fleet at Sukari also operated at steady state maintaining very high utilisation of the equipment through the quarter.*

*It is equally pleasing that we continue to maintain our peer leading safety standards, particularly when considering the significant expansion in activity across the Group.*

*MSALABS has also now locked in a continuation of its impressive growth trajectory with the expanded relationship with Chrysos. At the time of the acquisition of a controlling interest in MSALABS in 2019, the company generated just \$3 million in annual revenue, and so it is incredibly pleasing to see that business now guiding to over US\$80 million just five years later."*

**- ENDS -**

**For further information, please visit Capital's website [www.capdrill.com](http://www.capdrill.com) or contact:**

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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.