

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

Q1 2023 Trading Update

Capital (LSE: CAPD), a leading mining services company, today provides its trading update for the period 1 January to 31 March 2023 (the "Period").

FIRST QUARTER (Q1) 2023 KEY METRICS

	Q1 2023	Q1 2022	vs Q1 2022	Q4 2022	vs Q4 2022
Revenue (\$m)	77.8	66.9	16.3%	79.1	-1.6%
ARPOR[#] (\$)	192,000	174,000	10.3%	191,000	0.5%
Average Utilised Rigs	95	90	5.6%	94	1.1%
Fleet Utilisation (%)	77%	82%	-6.1%	73%	5.5%
Average Fleet	123	110	11.8%	129	-4.7%
Closing Fleet Size	123	110	11.8%	129	-4.7%

All amounts are in USD unless otherwise stated

[#] Average revenue per month per operating rig

** Unaudited numbers*

Financial Highlights

- Revenue US\$77.8 million, a 16.3% increase on Q1 2022 (US\$66.9 million) and a 1.6% decrease on Q4 2022 (US\$79.1 million);
- Non-drilling revenue contributed 27% of total revenue in Q1 2023 with consistent Mining Services operations and MSALABS continuing along its growth path;
- Average monthly revenue per operating rig ("ARPOR") was US\$192,000 in Q1 2023, a 10.3% increase on Q1 2022 (\$174,000) and 0.5% on Q4 2022 (US\$191,000). We saw ARPOR pick up particularly in Q4 2022 and expect higher levels to continue going forward. This has been the direct result of our fleet repositioning strategy in the latter half of 2022, with a focus away from shorter term contracts in favour of large scale mine sites and world class developments;
- Final dividend of US 2.6 cps declared at the FY22 results for the 2022 financial year (2021: US 2.4 cps), will be payable 09 May 2022.

Operational Update

- Safety performance remains world-class with Q1 2023 Total Recordable Injury Frequency Rate ("TRIFR") of 0.7 per 1,000,000 hours worked (FY 2022: 1.2).
- **Capital Drilling: Improving ARPOR following fleet repositioning strategy**
 - Fleet utilisation was 77% in Q1 2023, compared to 82% in Q1 2022 and 73% in Q4 2022. While we

continue to see very strong demand for our services, this level is close to our target utilisation, allowing us to mobilise quickly to new projects and also operate an effective maintenance strategy, key to ensuring we provide a high quality of service;

- New contract wins:
 - An extension of the exploration drilling contract with Perseus Mining at the Yaouré gold mine in Côte d'Ivoire;
 - Recent Q1 2023 contract wins (previously announced):
 - A two-year diamond drilling services contract with Barrick at the Reko Diq copper-gold project, Pakistan;
 - A three-year reverse circulation and diamond drilling services contract with Fortescue Metals Group at the Belinga iron ore project, Gabon;
 - A diamond drilling services contract with Kodal Minerals at the Bougouni lithium project, Mali.
 - Rig count decreased from 129 to 123 through Q1 2023. This is the result of timing differences between decommissioning of old rigs and replacement rigs commissioning. We continue to expect rig count to end 2023 at similar levels to the end of 2022 as guided at our FY22 results.
- **Capital Mining: Consistent performance continuing**
 - Sukari Gold Mine (Egypt) waste mining contract had another strong performance through Q1 2023;
 - Capital remains active in the tendering pipeline.
 - **MSALABS: Continuing to deliver on its multi-year growth trajectory**
 - Chrysos' PhotonAssay™ unit rollout is progressing well:
 - MSALABS now has six units commissioned across Africa and Canada, with a mine site laboratory at Barrick's Kibali gold mine, and the commercial laboratory in Prince George, Canada successfully commissioned in Q1 2023;
 - The expanded relationship with Chrysos will see MSALABS deploy 21 units by 2025;
 - MSALABS extended into the Yukon region in Canada in Q1 2023, where mining activity is rapidly growing, with a sample preparation laboratory at Victoria Gold's Eagle mine.
 - MSALABS commissioned in Q1 2023 a mine site laboratory at Shanta Gold's Singida mine, Tanzania, and a laboratory in Bougouni, Mali, which will support gold and lithium operations in southern Mali.

Outlook

- Revenue guidance for 2023 remains \$320 to \$340 million as guided at our FY22 results;
- Capital Drilling will continue to see improvement in the contract portfolio, as evidenced in the strengthening ARPOR run rates. While planned decommissioning lowered the rig count through Q1 2023, replacement rigs will bring our total fleet size back up to similar levels as the end of 2022, as guided at our FY22 results;
- Capital Mining will remain robust through 2023 with the Sukari earth moving contract expected to perform at steady state through the year while we continue to progress opportunities in the tendering market;
- MSALABS will continue its multi-year laboratory roll out, particularly focused on Chrysos PhotonAssay™ units, and has got off to a strong start in Q1 2023. Guidance for MSALABS remains \$40-50 million for 2023, as guided at our FY22 results, and another significant increase YoY (FY 2022: \$27.3 million);
- Tendering activity remains robust across the Group with a number of opportunities progressing.

Commenting on the trading update, Peter Stokes, Chief Executive, said:

"The Group has got off to a strong start in 2023 across all our business units and we remain confident in the \$320-340 million revenue guidance we set at our FY22 results a little over a month ago. Our mining business at Sukari will remain at steady state through the year but MSALABS is set to grow significantly again YoY as it continues to build its global network, skewing Group revenues more to the second half.

What has been particularly pleasing in Q1 2023 is the ongoing improvement we have seen in our drilling business's ARPOR, largely a direct result of our efforts to reposition and strengthen the portfolio suite through the back half of last year. Through contract extensions such as with Perseus in Cote d'Ivoire as announced today, or through the addition of contracts on world class projects such as Barrick's Reko Diq copper project and FMG's Belinga iron ore project announced earlier this year, we expect this trend in ARPOR to continue positively."

Our fleet remains highly utilised, our safety performance world class and we continue to see a strong tender pipeline of opportunities. This provides us a solid platform to achieve another record year milestone for 2023."

- 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; maintenance; and geochemical analysis. The Group's corporate headquarters are in Mauritius and it has established operations in Côte d'Ivoire, Canada, Democratic Republic of Congo, Egypt, Guinea, Kenya, Mali, Mauritania, Nigeria, Pakistan, Saudi Arabia, Sudan and Tanzania.

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