

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

Q2 2023 Trading Update

Capital (LSE: CAPD), a leading mining services company, today provides its trading update for the period 1 April to 30 June 2023 (the "Period").

FIRST HALF (H1) 2023 KEY METRICS

	H1 2023	H1 2022	vs H1 2022	H2 2022	vs H2 2022
Revenue (\$m)	154.3	138.1	11.7%	152.2	1.4%
ARPOR# (\$)	188,000	173,000	8.7%	187,000	0.5%
Average Utilised Rigs	93	93	0.0%	93	0.0%
Fleet Utilisation (%)	75	83	-9.6%	75	0.0%
Average Fleet	124	112	10.7%	124	0.0%
Closing Fleet Size	125	116	7.8%	129	-3.1%

SECOND QUARTER (Q2) 2023 KEY METRICS

	Q2 2023	Q2 2022	vs Q2 2022	Q1 2023	vs Q1 2023
Revenue (\$m)	76.5	71.2	7.4%	77.8	-1.7%
ARPOR# (\$)	183,000	171,000	7.0%	192,000	-4.7%
Average Utilised Rigs	90	97	-7.2%	95	-5.3%
Fleet Utilisation (%)	73	85	-14.1%	77	-5.2%
Average Fleet	124	114	8.8%	123	0.8%
Closing Fleet Size	125	116	7.8%	123	1.6%

All amounts are in USD unless otherwise stated

Average revenue per month per operating rig

* Unaudited numbers

Financial Highlights

- Revenue US\$76.5 million, a 7.4% increase on Q2 2022 (US\$71.2 million) and a 1.7% decrease on Q1 2023 (US\$77.8 million);
- Three high-quality contracts are set to commence in Q3 2023:
 - The business is geared for a strong second half driven by the ramp up of three high quality contracts, namely drilling at the Ivindo Iron Ore Project ("Ivindo"), Gabon, and the Reko Diq copper-gold project, Pakistan, and our recently announced mining services and crushing contract at Ivindo Iron ore.
- Temporary shutdown of operations at Perseus Mining's Meyas Sand Gold Project, Sudan:
 - Following the escalation of conflict in Sudan in April 2023, we alongside Perseus made the decision to temporarily cease operations at the Meyas Sand Gold Project. We have been closely monitoring the situation and with no reported incidents in an area of approximately 250,000 square kilometres around the site, we are in discussions with Perseus to return to operations in H2 2023.
- Non-drilling revenue contributed 36% of total revenue in Q2 2023 with consistent Mining Services operations and MSALABS continuing along its growth path;
- In Q2 we paid the final dividend of US 2.6 cps declared at the FY22 results for the 2022 financial year (2021: US 2.4 cps). This dividend was paid on 09 May 2023.

Operational Update

Operational Update

- Safety performance remains world-class with H1 2023 Total Recordable Injury Frequency Rate ("TRIFR") of 1.03 per 1,000,000 hours worked (FY 2022: 1.2).
- **Capital Drilling: Material contracts commencing Q3 2023**
 - Fleet utilisation was 73% in Q2 2023, compared to 85% in Q2 2022 and 77% in Q1 2023, the decrease in part driven by the temporary shutdown of rigs in Sudan.
 - Average monthly revenue per operating rig ("ARPOR") remained strong at US\$183,000 in Q2 2023, a 7.0% increase on Q2 2022 (\$171,000) and a 4.7% decrease on Q1 2023 (US\$192,000).
 - New contract win:
 - A reverse circulation exploration drilling contract with Centamin, at the Nugrus Block in the Egyptian Eastern Desert;
 - Rig count increased from 123 to 125 through Q2 2023, net of depletion.
- **Capital Mining: A second material contract win**
 - New major earthmoving and crushing services contract: Capital has secured its second high-quality mining services contract with Ivindo Iron SA ("Ivindo Iron"). This site is located in the northeast of Gabon, one of the world's largest undeveloped, high-grade hematite iron deposits with the potential to become a globally significant iron ore mine. This contract has a term of up to 5 years and will generate approximately \$30 million of revenue per annum once fully operational; and
 - Sukari Gold Mine (Egypt) waste mining contract saw consistent operations once again through Q2 2023;
- **MSALABS: Continuing to deliver on its multi-year growth trajectory:**
 - Chrysos' PhotonAssay™ unit rollout is progressing well as MSALABS now has the largest international network of Chrysos PhotonAssay™ technology:
 - MSALABS now has ten units deployed or under construction across Africa and Canada
 - New laboratories recently operational or now under construction include Obuasi (Ghana), Kankan (Guinea) and Bamako (Mali) in West Africa and in the Geita Township (Tanzania) in East Africa.
 - In accordance with Capital's sustainability goals, the laboratory in Kankan (Guinea) is set to be solar powered through Mine Power Solutions Limited (MPS), Capital's 50:50 joint venture with Enerwhere Limited that focuses on providing solar hybrid power solutions; and
 - The expanded relationship with Chrysos will see MSALABS deploy 21 units by 2025.
 - MSALABS also continued the rollout of its traditional geochemical business in the quarter, with a fire assay laboratory currently under construction in Marsa Alam, Egypt; and
 - MSALABS has completed a \$10 million equity raise to fund the expansion of the business. Following this Capital's shareholding in MSALABS has increased from 77.76% to 81.79%.

Outlook

- Revenue guidance for 2023 remains \$320 to \$340 million;
- Capital Drilling will see growth in revenues in H2 2023 driven by the addition of two high-quality long-term contracts at Reqqo Diq, Pakistan and Ivindo, Gabon set to ramp up through Q3 2023;
- Capital Mining will also see an improvement in revenues in H2 2023 with the mining contract at Ivindo, Gabon set to commence in Q3 2023, with mobilisation to site having already commenced through Q2 2023. In addition, the Sukari earth moving contract is expected to perform at steady state through the remainder of the year;
- MSALABS will continue its multi-year laboratory roll out, particularly focused on Chrysos PhotonAssay™ units, with guidance for MSALABS remaining \$40-50 million for 2023, another significant increase YoY (FY 2022: \$27.3 million); and
- 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 took another strong step forward through the quarter with the award of our second significant mining services contract win at the Ivindo Iron Ore Project. This not only continues our strategy to diversify revenues but alongside further growth in our drilling business and the impressive growth trajectory of MSALABS, decouples the Group's growth trajectory from prevailing commodity prices.

While Q2 saw some temporary operational interruptions, specifically at the Meyas Sand Gold Project, we expect a strong second half and remain confident in our revenue guidance of \$320-340 million. This will be driven across all business divisions, with the Ivindo iron ore mining contract commencing in Q3 2023, the world-class drilling contracts at Ivindo iron ore and Barrick's Reko Diq project announced earlier in the year ramping up through Q3 2023, and also MSALABS continuing to build its global network of laboratories."

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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 the United Kingdom and it has established operations in Côte d'Ivoire, Canada, Democratic Republic of Congo, Egypt, Gabon, Guinea, Kenya, Mali, Mauritania, Nigeria, Pakistan, Saudi Arabia, Sudan and Tanzania.

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