

FOR IMMEDIATE RELEASE

18 April 2024

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

Q1 2024 Trading Update

Capital (LSE: CAPD), a leading mining services company, today provides its trading update for the period 1 January to 31 March 2024 (the "Period").

FIRST QUARTER (Q1) 2024 KEY METRICS

	Q1 2024	Q1 2023	vs Q1 2023	Q4 2023	vs Q4 2023
Revenue (\$m)	80.2	77.8	3.1%	84.5	-5.0%
Drilling and associated revenue (\$m)	52.2	57.4	-8.9%	54.1	-3.4%
Mining revenue (\$m)	18.2	12.9	41.6%	19.6	-6.9%
MSALABS revenue (\$m)	9.8	7.5	29.2%	10.8	-9.8%

All amounts are in USD unless otherwise stated

** Unaudited numbers*

Financial Highlights

- Revenue US\$80.2 million, a 3.1% increase on Q1 2023 (US\$77.8 million) and a 5.0% decrease on Q4 2023 (US\$84.5 million);
 - Drilling and associated revenue for the quarter was \$52.2 million, down 8.9% on Q1 2023 (\$57.4 million) and 3.4% on Q4 2023 (\$54.1 million);
 - Mining revenue for the quarter was \$18.2 million, up 41.6% on Q1 2023 (\$12.9 million) and down 6.9% on Q4 2023 (\$19.6 million); and
 - Laboratories (MSALABS) revenue for the quarter was \$9.8 million, up 29.2% on Q1 2023 (\$7.5 million) and down 9.8% on Q4 2023 (\$10.8 million).
- Final dividend of US 2.6 cps declared at the FY23 results for the 2023 financial year (2022: US 2.6 cps), will be payable 15 May 2024.

Operational Update

- Safety performance remains best in class with Q1 2024 Total Recordable Injury Frequency Rate ("TRIFR") of 1.3 per 1,000,000 hours worked (FY 2023 0.75).
- Capital Drilling: Strengthening ARPOR as high-quality contracts ramp up**
 - Fleet utilisation for the quarter reduced to 66%, from 77% in Q1 2023 and 72% in Q4 2023. The reduction was driven by reduced activity at Tembo, Tanzania and continued subdued activity in West Africa, particularly Mali. H1 2024 will see a higher level of asset mobilisation and utilisation is set to increase thereafter as we move through the year; and
 - Average monthly revenue per operating rig ("ARPOR") was US\$202,000 in Q1 2024, up 5.2% on Q1 2023 (\$192,000) and 7.4% on Q4 2023 (US\$188,000). This strengthening in ARPOR is primarily the result of the ramp

up of high-quality contracts, while also a continued focus on efficiency at our more established sites.

- **New contract win:**

- A two-year extension of the exploration and delineation drilling contract with Predictive Discovery at its Bankan Project in Guinea.

- **Recent Q1 2024 wins (previously announced):**

- An extension of open pit drilling services at Centamin's Sukari Gold Mine in Egypt for a further 5-years, starting from January 1, 2025;
- A two-year grade control drilling services contract with Perseus Mining at the Sissingué gold mine in Côte d'Ivoire; and
- Expanded rig count at Ivindo, Gabon, in 2024 under our existing three-year reverse circulation and diamond drilling services contract.

- **Key growth projects continuing to ramp through Q1 2024:** Rig counts at Belinga, Gabon and Reko Diq, Pakistan increased through Q1 2024 and will progress towards target run rates as we move through Q2/Q3 2024.

- **Material NGM drilling contract set for ramp up through Q2 2024** The commencement of operations at our high-quality contract at Nevada Gold Mines is scheduled for the second quarter with activity increasing progressively through the remainder of the year.

- Rig count decreased from 127 to 124 through Q1 2024. This is the result of timing differences between decommissioning of rigs, across Egypt and Sudan, and replacement rigs commissioning across the Group. Further rigs related to growth, particularly in Nevada, will be added to the Group total rig count upon commissioning.

	Q1 2024	Q1 2023	vs Q1 2023	Q4 2023	vs Q4 2023
Closing fleet size	124	123	0.8%	127	-2.4%
Average Fleet	123	123	0.0%	127	-3.1%
Fleet utilisation (%)	66	77	-14.3%	72	-8.3%
Average utilised rigs	81	95	-14.7%	91	-11.0%
ARPOR*(\$)	202,000	192,000	5.2%	188,000	7.4%
Surveying revenue	0.9	1.1	-18.2%	0.9	0.0%
Total Drilling and associated revenue (\$m)	52.2	57.4	-9.1%	54.1	-3.5%

*Average revenue per month per operating rig

*Unaudited numbers

¹ Associated revenue refers to revenue generated from complementary services tied to our drilling operations

All amounts are in USD unless otherwise stated

- **Capital Mining: Ramp up of major contract continues**

- Operations at our mining contract at Belinga, Gabon, have advanced smoothly throughout Q1 2024, with the contract mining fleet now successfully mobilised to the site. The initial Pilot Production Phase work area has been fully developed, and the pilot crushing plant has been commissioned and delivered to the client; and
- Sukari Gold Mine (Egypt) waste mining contract saw consistent operations once again through Q1 2024 and is set to complete operations in Q2 2024 over 6 months ahead of contract requirements.

- **MSALABS: Building momentum of its multi-year growth strategy**

- Q1 revenues were impacted by typical seasonality effects including winter slowdown in Canada albeit again showed significant growth YoY;
- The deployment of Chrysos PhotonAssay™ units remains on track:
 - Construction of the new laboratories in Nevada will progress through Q2 2024 with sample processing to begin in Q3 2024. MSALABS will deploy three PhotonAssay™ units in Nevada with the total contract with NGM anticipated to generate ~\$140 million over the five-year term, making it the largest award of new business in the history of MSALABS;
 - The three PhotonAssay™ units in Nevada marked the start of this broader partnership agreement, with the potential for ten further PhotonAssay™ units deployed across multiple of Barrick's other operations. The fourth unit under this partnership is now on site at the Kibali gold mine, DRC (the second unit on site) and

is due to be commissioned in Q2 2024.

- MSALABS possesses the largest international network of Chrysos PhotonAssay™ technology; and
- MSALABS relationship with Chrysos remains strong with the deployment of 21 units progressing as planned.
- **Capital Investments: Strong momentum through the quarter**
 - The total value of investments (listed and unlisted) was \$51.7 million as at 31 March 2024 up from (\$47.2 million at as 31 December 2023);
 - This is comprised of a combination of listed companies at the end of Q1 2024 (\$49.3 million) and the end of Q4 2023 reported value of unlisted companies (\$2.4 million);
 - Strong results were particularly focused around Predictive Discovery and WIA Gold:
 - Predictive Discovery has released the results of its pre-feasibility study on the Bankan gold project in Guinea, highlighting a maiden ore reserve of 3.05Moz with production 269koz/y over the 12 year life; and
 - Wia Gold Limited has announced an updated Mineral Resource Estimate for the Kokoseb Deposit, situated on its Damaran Gold Project in Namibia, with an inferred resource of 2.12 Moz, a 63% increase in contained gold compared to the maiden resource estimate.
 - The portfolio continues to be focused on a select few key holdings namely Allied Gold Corp, Predictive Discovery and WIA Gold.

Outlook

- Revenue guidance for 2024 remains \$355 to \$375 million as guided at our FY23 results;
- Capital Drilling will see positive momentum into Q2 2024 from the continued ramp up of operations particularly at Belinga and Reko Diq as well the commencement of operation at Nevada Gold Mines This positive trajectory is expected to extend from Q2 2024 through to the end of the year;
- Capital Mining will continue to progress operations at Belinga with the contract mining fleet equipment having been mobilised. In addition, the Sukari earth moving contract is expected to perform at steady state through the remainder of the contract, ending around mid-2024;
- MSALABS will continue its multi-year laboratory roll-out, with a particular emphasis on deploying Chrysos PhotonAssay™ units, further supported by our significant contract with Nevada Gold Mines. Guidance for MSALABS remains \$50-60 million for 2024, as guided at our FY23 results, and another significant increase YoY (FY 2023: \$38.4 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:

"Q1 2023 has seen the business lay the foundations for another strong year. While the quarter has seen a higher than average level of asset mobilisation, particularly in drilling, we are in a strong position now to see positive momentum through the remainder of the year and we remain confident in the \$355 - 375 million revenue guidance we set at our FY23 results.

In drilling, we have increased the number of rigs at our key existing growth projects Belinga and Reko Diq, which will start hitting target run rates in the coming quarters, and our new material contract with NGM in Nevada is set to begin operations imminently and ramp up through the remainder of the year. It is also particularly pleasing to see the improvement in our drilling business's ARPOR now coming through, largely a direct result of our efforts to reposition and strengthen the contract portfolio over the past 18 months.

In mining, our contract at Sukari has continued to perform well as we close out the contract in the coming quarter and in addition, it is great to see the contract mining fleet now mobilised at Belinga where we see significant opportunity in the years to come. Finally, MSALABS, while seeing typical seasonal effects in Q1, has shown significant growth once again YoY and we are excited for the year ahead, particularly as we ramp up the large scale contract with NGM."

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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. 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, Ghana, Guinea, Kenya, Mali, Mauritania, Nigeria, Pakistan, Saudi Arabia, Tanzania and the United States of America.

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