

FOR IMMEDIATE RELEASE

18 July 2024

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

Q2 2024 Trading Update

Capital (LSE: CAPD), a leading mining services company, today provides its trading update for the period 1 April to 30 June 2024 (the "Period").

SECOND QUARTER (Q2) AND FIRST HALF (H1) 2024 KEY METRICS

	Q2 2024*	Q2 2023	vs Q2 2023	Q1 2024	vs Q1 2024	H1 2024*	H1 2023	H1 2024* vs H1 2023
Revenue (\$m)	89.2	76.5	16.6%	80.2	11.2%	169.4	154.3	9.8%
Drilling and associated revenue (\$m)	60.1	52.6	14.3%	52.2	15.1%	112.3	110.0	2.1%
Mining revenue (\$m)	18.1	14.3	26.6%	18.2	-0.5%	36.3	27.2	33.5%
MSALABS revenue (\$m)	11.0	9.6	14.6%	9.8	12.2%	20.8	17.1	21.6%

All amounts are in USD unless otherwise stated

** Unaudited numbers*

Financial Highlights

- Revenue \$89.2 million, a 16.6% increase on Q2 2023 (\$76.5 million) and a 11.2% increase on Q1 2024 (\$80.2 million);
 - Drilling and associated revenue for the quarter was \$60.1 million, up 14.3% on Q2 2023 (\$52.6 million) and 15.1% on Q1 2024 (\$52.2 million);
 - Mining revenue for the quarter was \$18.1 million, up 26.6% on Q2 2023 (\$14.3 million) and down 0.5% on Q1 2024 (\$18.2 million); and
 - Laboratories (MSALABS) revenue for the quarter was \$11.0 million, up 14.6% on Q2 2023 (\$9.6 million) and 12.2% on Q1 2024 (\$9.8 million).

Operational Update

- Safety performance remains world-class with a Total Recordable Injury Frequency Rate ("TRIFR") of 1.1 per 1,000,000 hours worked in Q2 2024 (Q1 2024: 1.3).
- Capital Drilling: Strengthening ARPOR as high-quality contracts ramp up**
 - Fleet utilisation for the quarter of 72% was broadly in line with Q2 2023 (73%) but increased from 66% in Q1 2024 driven by increased rig counts at Belinga and the beginning of the ramp up at Nevada Gold Mines;
 - Total rig count increased to 127 over the quarter (from 124 end Q1), with the ramp up of the new Nevada Gold Mines drilling contract weighted to the second half. Further rigs were purchased in H1 2024 however will only contribute to total rig count once commissioned. We expect to add ~9 further rigs by the end of 2024;

- Average monthly revenue per operating rig ("ARPOR") was US\$211,000 in Q2 2024, up 15.3% on Q2 2023 (US\$183,000) and 4.5% on Q1 2024 (\$202,000). This strengthening in ARPOR is primarily the result of the ramp-up of high-quality contracts, as well as a continued focus on efficiency at our more established sites.
- **New contract win: Entry into Zambia**
 - A one-year (with a one-year extension option) grade control drilling services contract with Barrick Gold at its Lumwana Mine in Zambia.
- **Recent H1 2024 wins (previously announced):**
 - A two-year extension of the exploration and delineation drilling contract with Predictive Discovery at its Bankan Gold Project in Guinea.
 - An extension of open pit drilling services at Centamin's Sukari Gold Mine in Egypt for a further 5-years, starting from 1 January 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.
- **Material Nevada Gold Mines drilling contract:** Operations commenced at our contract with Nevada Gold Mines during the quarter, albeit with limited contribution to revenue thus far, and will ramp up through H2 2024. H1 2024 has nevertheless seen significant investment across equipment, on site facilities and headcount, as we move into this new geography.

	Q2 2024*	Q2 2023	vs Q2 2023	Q1 2024	vs Q1 2024	H1 2024*	H1 2023	H1 2024* vs H1 2023
Closing fleet size	127	125	1.6%	124	2.4%	127	125	1.6%
Average Fleet	127	124	2.4%	123	3.3%	127	124	2.4%
Fleet utilisation (%)	72	73	-1.4%	66	9.1%	69	75	-8.0%
Average utilised rigs	91	90	1.1%	81	12.3%	88	93	-5.4%
ARPOR ¹ (\$)	211,000	183,000	15.3%	202,000	4.5%	204,000	188,000	8.5%
Surveying revenue	1.3	0.9	44.4%	0.9	44.4%	2.2	2.0	10.0%
Total Drilling and associated revenue ² (\$m)	60.1	52.6	14.3%	52.2	15.1%	112.3	110.0	2.1%

*Unaudited numbers

¹ Average revenue per month per operating rig

² Associated revenue refers to revenue generated from complementary services tied to our drilling operations

All amounts are in USD unless otherwise stated

- **Capital Mining: Slight extension of the Sukari mining contract**
 - **Sukari waste mining slight extension:** At the Sukari Gold Mine, we completed the 120Mt waste mining contract at the end of Q2 2024, 6 months ahead of the contract term. As a result of this early completion, Centamin have opted to leverage our fleet further and allocated up to a further 10Mt of waste removal that we shall complete over Q3 2024.
 - 4Mt will cover a three-month delay in the delivery of Centamin's five new 785C dump trucks to maintain planned open pit material movement. Up to 3Mt will be used to divert part of Centamin's fleet to accelerate the construction of a new dump leach facility. The remaining 2 to 3Mt will be used for opportunistic waste mining over the quarter; and
 - At Belinga, Gabon, our contract mining fleet has been successfully mobilised to site. Activities in the first half was more focused on drill pad excavation and civils activity to support FMG's focus near term on resource expansion.
- **MSALABS: Revenues weighted to H2 2024 with the ramp up of the Nevada Gold Mines contract**
 - Q2 revenues increased as a result of increased utilisation across a number of our operations. We continue to focus on establishing widespread uptake of the PhotonAssayTM technology and, while the adoption cycle has been a little slower than expected, engagement with top tier customers is very strong and underpins a strong

long-term outlook;

- Revenues for the year will be weighted to the latter portion of the year, particularly driven by the ramp up of our new major contract with Nevada Gold Mines. Construction of the new laboratories in Nevada has progressed through Q2 2024 with sample processing planned to commence in the second half.
 - MSALABS will deploy three PhotonAssay™ units in Nevada with fire assay and multi-element assaying capabilities to follow in 2025. The total contract with NGM is 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 Barrick Gold, with the potential for a further ten PhotonAssay™ units deployed across multiple of Barrick's other operations. The fourth unit under this partnership was commissioned this quarter at the Kibali Gold Mine, DRC (the second unit on site);
 - MSALABS possesses the largest international network of Chrysos PhotonAssay™ technology; and
 - MSALABS's relationship with Chrysos remains strong with the total planned deployment of 21 units.
- **Capital Investments: Continued backing of our investments**
 - The total value of investments (listed and unlisted) was \$47.8 million as at 30 June 2024, up from \$47.2 million at as 31 December 2023;
 - The portfolio recorded investment losses of US\$0.5 million in H1 2024;
 - This is comprised of a combination of listed companies at the end of Q2 2024 (\$45.4 million) and the reported value of unlisted companies (\$2.4 million);
- **Capital Innovation: Strategic investment in Eco-Detection**
 - Capital has completed a ~US\$7 million strategic investment in Eco-Detection, acquiring a 22% ownership stake in the company.
 - Eco-detection's Ion-Q platform is the world's first fully autonomous multiparameter laboratory grade water analysis system. This continuously monitors water quality, transmitting proven laboratory-grade measurements in real-time directly from site, thereby eliminating the need for manual sampling. The secure, validated data and analytics enable more informed management and operational decisions leading to faster response times.
 - The cutting-edge technology holds significant growth potential across multiple sectors including the mining industry, supporting exploration and mining activity by providing critical data for compliance and remediation reporting, monitoring down-hole water quality and delivering real-time contaminant alerts to improve response times to leaching from tailings dams and other storage facilities. Additionally, it can aid community relations through monitoring of the local environment and waterways.
 - As part of our strategic investment, Capital has also agreed an exclusive arrangement for the distribution of this technology to the mining industry;
 - This investment not only provides Capital with an additional service offering but also aligns with Capital's commitment to environmental stewardship.

Outlook

- Revenue guidance for 2024 remains \$355 million to \$375 million as guided at our FY23 results;
- Capital Drilling will see positive momentum in H2 2024 from the ramp-up of operations, particularly at Nevada Gold Mines, as well as the commencement of operations at Lumwana;
- Capital Mining will benefit from the contract extension at Sukari for up to an additional 10Mt throughout Q3 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, with the H2 2024 pick-up particularly driven by the ramp up of the Nevada Gold Mines contract; 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 has seen stable growth in the first half of 2024, with a focus on fleet movement and asset deployment as we commence new operations. Our focus for H2 2024 will be on the operational delivery of key contracts across drilling and MSALABS and we remain confident in our \$355 - 375 million revenue guidance.

In drilling, it was pleasing to see an increase in both the group utilisation and ARPOR with newer operations at Belinga and Reko Diq ramping up and achieving greater efficiencies. As we look forward, we see continued momentum for the business as we ramp up our drilling contract with Nevada Gold Mines as well as our newly announced contract with Barrick at the Lumwana copper mine, another tier one asset.

In mining, we are glad to be able to work with our long-term partners Centamin to leverage our fleet on site having completed our 120Mt waste mining contract 6 months ahead of requirements. We will continue to mine waste through Q3, covering a delay in their new trucks as well as allowing them to accelerate the construction of their new dump leach facility.

MSALABS is continuing to see strong engagement from blue chip customers globally that should see an acceleration in adoption of PhotonAssayTM across the market. The second half will also see increased revenues across the business as we ramp up the comprehensive laboratories contract with Nevada Gold Mines, the business's largest award to date.

Finally, it is exciting to announce our investment in and partnership with Eco-detection. Capital consistently monitors technology that could add significant value to the mining industry and we certainly see that potential here. We look forward to working with the team at Eco-detection to deliver this world-first system across the mining industry and more broadly."

- ENDS -

For further information, please visit Capital's website www.capdrill.com or contact:

Capital Limited investor@capdrill.com

Peter Stokes, Chief Executive Officer

Rick Robson, Chief Financial Officer

Conor Rowley, Corporate Development & Investor Relations Manager

Tamesis Partners LLP +44 20 3882 2868

Charlie Bendon

Richard Greenfield

Stifel Nicolaus Europe Limited +44 20 7710 7600

Ashton Clanfield

Callum Stewart

Rory Blundell

Burson Buchanan +44 20 7466 5000

Bobby Morse capital@buchanan.uk.com

George Pope

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, United States of America and Zambia.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rs@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTGZGMNKNDGDZM