



FOR IMMEDIATE RELEASE
14 August 2024

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

Sale of shares in Predictive Discovery Limited

Capital (LSE: CAPD), a leading mining services company, is pleased to announce the sale of its entire shareholding in Predictive Discovery Limited ("PDI") (being 225,349,418 shares ("Sale Shares")) to Perseus Mining Limited ("Perseus") for total cash consideration of A\$47,323,378 (A\$0.21 per Sale Share) (the "Sale"), equivalent to approximately US\$31.2 million today.

The agreement with Perseus includes a profit share arrangement whereby Capital and Perseus have agreed to share (on a 50/50 basis) the profit, if any, derived by Perseus from a subsequent sale by Perseus of the Sale Shares to any third party that occurs on or prior to 31 December 2025.

In addition, the agreement states that should Perseus make a takeover offer for PDI's shares ("Takeover Offer") or propose a scheme of arrangement in relation to PDI's shares ("Scheme") on or prior to 31 December 2025 at a price of greater than A\$0.21 per ordinary share in PDI (or equivalent value if scrip is offered) (the "Premium"), then Capital will, subject to certain conditions being satisfied prior to that end date, (1) in the case of a Takeover Offer, have a call option to acquire back from Perseus the Sale Shares for the original sale price, subject to Capital's commitment to accept that Takeover Offer from Perseus in respect of such Sale Shares, or (2) in the case of a Scheme, have a call option to acquire back from Perseus those Sale Shares (which would be acquired by Perseus under the scheme) or Perseus may elect to cancel the call option by paying a cash fee to Capital equal to any Premium.

Further details of the agreement effecting the Sale are set out in the Appendix to this announcement.

Capital notes that Perseus has advised Capital that, as part of its acquisition of the Sale Shares, it is not currently in discussions with PDI and, subject to there being no actual or proposed material change in the shareholding of PDI (including a change of control proposal) or the actions of PDI, Perseus has no current intention to acquire control or make a takeover offer for PDI.

Capital has decided to dispose of the Sale Shares in order to recycle funds back into its broader business, predominantly applying the proceeds of the Sale in reducing Capital's debt levels.

In the opinion of the board of directors of Capital, the Sale is in the best interest of the shareholders of the Company as a whole.

Jamie Boyton, Capital's Executive Chairman, has recused himself from all transaction negotiations and voting as part of Capital's independently chaired Investment Committee and voting as part of the Board of Capital. In a separate transaction, Jamie Boyton has accepted the same terms as negotiated by Capital and sold his personal PDI holdings to

Perseus.

Further details of the Sale, and disclosures required under Listing Rule UKLR7, are set out in the Appendix to this Announcement.

Management will be available for questions regarding this transaction alongside the Group's interim results webcast presentation at 09:00 London time on the 15th August 2024.

Commenting on the sale, Peter Stokes, Chief Executive Officer, said:

'Predictive Discovery has been an excellent investment for Capital, as well as an excellent client for Capital's drilling business. As Predictive moves towards permitting and then construction, we see this as the right time to recycle this investment back into the broader business, particularly to lower the Group's debt levels.'

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended)

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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 Canada, Côte d'Ivoire, Democratic Republic of Congo, Egypt, Gabon, Guinea, Kenya, Mali, Mauritania, Pakistan, Saudi Arabia and Tanzania.

APPENDIX

1. Introduction

The Sale constitutes a significant transaction for the purposes of UKLR7 of the Listing Rules published by the United Kingdom's Financial Conduct Authority, because (pursuant to Annex 1 Part 1 Paragraph 4R(3) of UKLR7) the total consideration payable by Perseus to Capital for the Sale Shares is not subject to any maximum, and the percentage ratio of the transaction under the gross assets test in Annex 1 Part 1 Paragraph 2R of UKLR7 exceeds 5%.

In addition to the drilling, mining (load and haul), crushing, mineral assaying and surveying services of Capital and its subsidiaries (the "**Group**"), the Group also has a portfolio of investments in listed and unlisted exploration and mining companies, held for performance and strategic alignment. This constitutes an important element of the Group's business development strategy, allowing it to leverage its infrastructure, relationships and expertise by investing in exploration and mining companies which are strategically aligned with its broader operations. The Sale Shares were

part of that portfolio. The Group's investment activity is overseen by a dedicated investment committee operating with a defined mandate with investments satisfying a number of criteria:

- stand-alone investment case;
- strategic alignment with Capital's operations; and
- potential to gain commercial services contracts through traditional tendering process.

The effect of the Sale will be that Capital will crystallise the value of the Sale Shares with the benefit that it may receive further consideration for the Sale Shares if Perseus disposes of the Sale Shares prior to 31 December 2025, and would be able to participate in a takeover of PDI by Perseus should such takeover occur prior to 31 December 2025 (further details of which are set out in paragraph 3(a) below). However, other than the potential to receive this further consideration, Capital would not obtain the benefit of any future increase in the share price of PDI or the payment of any future dividends or distributions by PDI.

2. Financial Information in relation to the Sale

The value of the gross assets the subject of the Sale, being the Sale Shares, was A\$42.0 million (US\$28.6 million at US\$/A\$ 1.4678) as at 31 December 2023, and the aggregate value at which the Sale Shares are being sold in the Sale is A\$47,323,378.

The gain of the Group attributable to the assets the subject of the Sale, being the Sale Shares, was US\$4.79 million in 2023. Once combined with the rest of the Group's investment portfolio, Capital recorded a fair value gain on investments of US\$3.0 million in 2023.

The information above is derived from the audited accounts of the Group for the financial year ending 31 December 2023.

As a result of the Sale, the Sale Shares will no longer form part of the Group's assets, but the Group will receive the cash consideration for the Sale Shares. The Group does not anticipate any other effect of the Sale on its assets or liabilities. The Group anticipates recognising a realised loss on investment of approximately US\$0.7 million in 2024 as a result of the disposal of the Sale Shares. In comparing the price per Sale Share at which the Sale Shares are being sold to the value of the Sale Shares as at 30 June 2024, the Group anticipates recognising a realised gain on investment of approximately US\$4.9 million in H2 2024 (based on proceeds of ~\$31.2 million).

The amount of the dividends or other distributions paid to the Group by PDI in relation to the Sale Shares over the two years prior to the date of this announcement are nil.

The price of each of the ordinary shares in PDI (**PDI Shares**"), and the imputed aggregate value of the Sale Shares, at the close of business on each of (i) the last business day of the six months prior to the date of this announcement; and (ii) the day prior to the date of this announcement, are as follows:

Date	Price per PDI Share (A\$)	Imputed Value of Sale Shares (A\$)
29 February 2024	\$0.20	39,000,000
28 March 2024	\$0.23	45,000,000
30 April 2024	\$0.21	42,000,000
31 May 2024	\$0.20	43,943,137
28 June 2024	\$0.18	39,436,148
31 July 2024	\$0.18	40,562,895
13 August 2024	\$0.20	43,943,137

Since 31 December 2023, being the end of the last financial period for which financial statements have been published by the Company, there has been no significant change in the financial position of the Group.

3. Non-financial Information in relation to the Sale

a. Material Contracts

Capital and its Group

Set out below is a summary of:

- each material contract, other than contracts entered into in the ordinary course of business, to which Capital or any member of its Group is a party, for the two years immediately preceding publication of this announcement; and

and announcement, and

- any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this announcement, and which, in each case, the Board considers that shareholders of Capital would reasonably require information about for the purpose of making a properly informed assessment of the Sale and its impact on Capital (together, "**Material Contracts**").

On 14 August 2024, Capital DI Limited (the "**Seller**"), which is a wholly-owned subsidiary of Capital, entered into a sale agreement (the "**Sale Agreement**") with Perseus Mining Limited (the "**Buyer**"), pursuant to which the Seller agreed to sell the Sale Shares to the Buyer for consideration of A\$47,323,378 (being A\$0.21 per Sale Share), payable in cash on completion of the Sale.

The transfer of the Sale Shares to Perseus and payment of the purchase price for the Sale Shares is expected to settle two business days following the date of the Sale Agreement.

In addition to the initial cash consideration payable by the Buyer to the Seller, if prior to 31 December 2025 either (i) a takeover bid for PDI, or a scheme of arrangement to effect a takeover of PDI, is made by any party other than the Buyer, the Seller or their associates and such transaction completes, or (ii) the Buyer completes the sale of some or all of the Sale Shares to any party other than the Seller or its associates, and the price per PDI Share in any such transaction (the "**Transaction Price**") exceeds the price per PDI Share paid to the Seller by the Buyer for the Sale Shares (the "**Sale Price**"), then the Buyer must pay to the Seller 50% of the amount by which the Transaction Price exceeds the Sale Price multiplied by the number of PDI shares sold by the Buyer in such transaction.

Additionally, if prior to 31 December 2025, the Buyer makes a takeover bid for PDI, or a scheme of arrangement to effect a takeover of PDI by the Buyer is announced, in each case at a price per PDI Share that exceeds the Sale Price (or equivalent value if scrip is offered), and such takeover becomes unconditional resulting in the Buyer having an interest in not less than 50.1% of all of the issued PDI Shares (on a fully diluted basis), or such scheme is approved by the court, the Seller may exercise a call option to repurchase the Sale Shares from the Buyer (or such less number of PDI Shares as the Buyer beneficially owns at such time) at a price per PDI Share equal to the Sale Price, provided that, in the case of a takeover bid, it undertakes to accept the Buyer's takeover bid in respect of all of such Sale Shares; or, in the case of a scheme, the Buyer may cancel the Seller's call option by paying to the Seller a cancellation fee equal to the excess of the price per PDI Share under such scheme over the Sale Price multiplied by the number of Sale Shares (or such less number of PDI Shares as the Buyer beneficially owns at such time).

The Sale Agreement contains warranties and indemnities from the Seller and the Buyer to each other that are customary for an agreement of this nature.

The Sale Agreement does not contain any break fee arrangements.

The Sale Shares

Other than the Sale Agreement, as summarised above, there are no Material Contracts in relation to the Sale Shares.

b. Legal and Arbitration Proceedings

Capital and its Group

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering the 12 months preceding the date of this announcement which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company or its Group.

The Sale Shares

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering the 12 months preceding

the date of this announcement in relation to the Sale Shares.

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