

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

**Trading and Operational Update**

Capital (LSE: CAPD), a leading mining services company, today provides its trading update for the period 1 October to 31 December 2024 (the "Period") as well as an operational update.

**Major new contracts update:**

The Company is pleased to announce that it has a letter of intent from Barrick, the operators of Reko Diq, to significantly expand our service offering at its 50% owned major copper-gold project in Pakistan beyond the reverse circulation and diamond drilling geotechnical services we have provided since early 2023.

These additional works will utilise the majority of Group's combined mining fleets and covers two components:

- An early works civils and mining services contract award:
  - Reko Diq Mining Company ("RDMC") has received internal Board approvals for Capital to carry out these works, with both parties working to finalise contract T&Cs.
  - The initial contract is anticipated to have a 3-year term with works focused on the construction phase of the project prior to first production.
  - The first items of equipment are due to arrive on site in the first half of 2025 prior to commencing the agreed scope and ramping up in the second half of 2025.
- An additional longer term tailings storage facility ("TSF") services contract award:
  - Subject to the conclusion of a definitive agreement, Capital will phase further items of equipment to arrive on site through 2025 with a gradual ramp up in operations from Q4 2025 onwards, currently envisaged to be at run rate utilisation from the second half of 2026.
  - Post completion of the Sukari Mining contract, this equipment requires selective rebuild and maintenance work which will be completed at the workshop facilities in Egypt prior to shipping the equipment to Pakistan.

**Trading and operational update:**

**FY 2024 revenue**

- As detailed below, FY 2024 revenue was 348.0 million, up 9.3% on FY 2023 ( 318.4 million) but marginally below our guidance of 355-375 million.

**Drilling business**

- Our drilling business delivered another year of growth with revenue up 11.1% YoY to 239.1 million.
- However, as previously announced, Nevada Gold Mines ("NGM") has seen delays which has had significant impact on Group margins with the contract revenues not yet supporting the cost base put in place to deliver the project.
  - In response, management have spent significant time on the ground to drive change and improvements. These changes will be implemented through the first half of 2025 as the contract continues to ramp to its full run rate.
- The focus for drilling in 2025 is finalising the delivery of NGM while also ensuring high utilisation and consistent ARPOR across the rest of the fleet.
- Q4 drilling contract wins:
  - An 18-month diamond drilling services contract at the Mingomba Copper Project in Zambia owned by KoBold Metals;

- A 2-year diamond drilling services contract at Perseus Mining's Yaouré Gold Mine in Côte d'Ivoire, further strengthening our relationship with Perseus;
- A 6-month reverse circulation drilling services contract with Aton Mining at its various exploration properties in Egypt; and
- A 6-month diamond drilling services contract with Lotus Gold at its project site in Egypt.

#### MSALABS

- FY2024 revenue of 43.6 million was broadly in line with our revised guidance of ~ 45 million.
- The delay in the ramp up of our significant contract with NGM has been the largest driver of the lower revenue outcome but we have also seen utilisation remaining below expectations across a number of commercial laboratories.
- While this has made profitability challenging in 2024, we saw strong momentum into the end of the year with sample processing commencing at NGM and the business implementing a number of steps to drive continued improvements. H1 2025 will see continued focus on addressing our underperforming laboratories.
- We have made changes across the management structure of this division to bolster a number of key functions. Improvements include the appointment of a Chief Operating Officer and expansion of the global business development team.
- New laboratory in Fairbanks, Alaska: We have recently completed construction of a new laboratory in Alaska. While this is a commercial laboratory, we expect to reach strong utilisation rapidly with the laboratory underpinned by a large scale, long-term anchor contract with an existing client Northern Star as well as a long-term contract with new customer Kinross.

#### CAPD Board Update

- As previously announced, Mr Graeme Dacomb was appointed as an Independent Non-Executive Director, Chair of the Audit Committee and member of the Nomination and Remuneration Committees;
- Michael Rawlinson has now been appointed Senior Independent Director;
- Anu Dhir has been appointed Chair of the Nomination Committee; and
- Alex Davidson has been appointed Chair of the Investment Committee.

#### 2025 Guidance

- 2025 Revenue:
  - Revenue guidance will be provided at our FY24 results.
- 2025 Capex:
  - Capex for 2025 is expected to be ~ 45-55 million (significantly below FY2024 guidance of 70-80 million). This will fund typical sustaining and replacement capex across the drilling fleet, necessary rebuilds on the Sukari mining fleet, as well as the expansion of MSALABS.

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

*"2024 was a challenging year for the business, driven by material mining contracts coming to an end combined with delays in the ramp up of new contracts in drilling and MSALABS, most notably at Nevada Gold Mines. These delays have impacted both Group revenue but also our margins with the start-up costs from these new business streams not yet fully supported by steady state operations.*

*We are delighted to announce today the letter of intent from Reko Diq that will see the majority of both our mining fleets utilised at this large-scale project. While this will be a multi-year ramp up, it is a compelling opportunity for our mining division that will generate stronger returns compared to an equipment sale.*

*With this award together with the operational and organisational changes we have implemented and will continue to implement over the first half of 2025, we see a clear pathway to putting the challenges of 2024 behind us."*

#### Q4 2024 Trading Update:

#### FOURTH QUARTER (Q4) 2024 KEY METRICS

Q4 2024	Q4 2023	VS Q4 2023	Q3 2024	VS Q3 2024	FY 2024*	FY 2023	FY 2024 vs FY 2023
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	Q4 2023			Q3 2024			FY 2023	
Revenue ( m )	84.9	84.5	0.5%	93.7	-9.4%	348.0	318.4	9.3%
Drilling and associated revenue <sup>1</sup> ( m )	62.9	54.1	16.3%	63.9	-1.6%	239.1	215.3	11.1%
Mining revenue ( m )	9.6	19.6	-51.0%	19.3	-50.3%	65.2	64.7	0.8%
MSALABS revenue ( m )	12.4	10.8	14.8%	10.5	18.1%	43.6	38.4	13.5%

All amounts are in USD unless otherwise stated.

\* Unaudited numbers

<sup>1</sup> Associated revenue refers to revenue generated from complementary services tied to our drilling operations

## Financial Highlights

- FY 2024 revenue of 348.0 million, up 9.3% on FY 2023 ( 318.4 million), marginally below guidance of 355-375 million;
- Q4 2024 revenue 84.9 million, a 0.5% increase on Q4 2023 ( 84.5 million) but a 9.4% decrease on Q3 2024 ( 93.7 million);
  - Drilling and associated revenue for the quarter was 62.9 million, up 16.3% on Q4 2023 ( 54.1 million) but down 1.6% on Q3 2024 ( 63.9 million);
  - Mining revenue for the quarter was 9.6 million, down 51.0% on Q4 2023 ( 19.6 million) and down 50.3% on Q3 2024 ( 19.3 million); and
  - Laboratories (MSALABS) revenue for the quarter was 12.4 million, up 14.8% on Q4 2023 ( 10.8 million) and up 18.1% on Q3 2024 ( 10.5 million).

## Operational Update

- Safety performance maintains its exceptional standing on a global scale with the 2024 Total Recordable Injury Frequency Rate ("TRIFR") of 0.78 per 1,000,000 hours worked, broadly in line with FY 2023 (0.75).
- Capital Drilling:**
  - Fleet utilisation for the quarter was 77%, compared to 72% in Q4 2023 and 76% on Q3 2023;
  - Average monthly revenue per operating rig ("ARPOR") was 197,000 in Q4 2024, up 4.8% on Q4 2023 ( 188,000) but down 6.2% on Q3 2024 ( 210,000);
    - ARPOR was particularly impacted in Q4 by lower productivity at Sukari, in part driven by the fleet running ahead of plan through the previous quarters.
  - Rig count increased from 127 to 130 through Q4 2024, net of depletion.
    - We still expect rig count to grow to ~135 rigs in part driven by the completion of the ramp up at NGM, with rigs only added to the rig count upon commissioning.

	Q4 2024	Q4 2023	vs Q4 2023	Q3 2024	vs Q3 2024	FY 2024*	FY 2023	FY 2024 vs FY 2023
Closing fleet size	130	127	2.6%	126	3.2%	130	127	2.6%
Average Fleet	129	127	1.6%	126	2.4%	126	125	0.8%
Fleet utilisation (%)	77%	72%	6.2%	76%	0.6%	73%	73%	-0.8%
Average utilised rigs	99	91	8.8%	96	3.1%	92	92	0.0%
ARPOR <sup>1</sup> ( )	197,000	188,000	4.8%	210,000	-6.2%	204,000	186,000	9.7%
Surveying revenue	1.8	0.9	99.9%	1.4	30.7%	5.4	3.7	45.0%
Total Drilling and associated revenue <sup>2</sup> ( m )	62.9	54.1	16.3%	63.9	-1.6%	239.1	215.2	11.1%

All amounts are in USD unless otherwise stated

\* Unaudited numbers

<sup>1</sup> Average revenue per month per operating rig

<sup>2</sup> Associated revenue refers to revenue generated from complementary services tied to our drilling operations

- Capital Mining: Existing operations have now concluded**
  - Operations at both Sukari Gold Mine and Belinga concluded in Q3 2024;
- MSALABS: Initiated strategic global partnership, breaking into the USA market with largest contract in MSALABS history**

- Q4 revenues increased with our significant contract with Nevada Gold Mines now receiving samples with the ramp up the PhotonAssay™ units over the next 12 months with wet chemistry and multi-element assaying capabilities due to commission in the later stages of the year;
  - We continue to focus on establishing widespread uptake of the PhotonAssay™ technology; and
  - New laboratory in Fairbanks, Alaska: We have recently completed construction of a new laboratory in Alaska. While this is a commercial laboratory, we expect to reach strong utilisation rapidly underpinned by large scale contracts with both Northern Star and Kinross.
- **Capital Investments: Continued strong returns**
    - The total value of investments (listed and unlisted) was 30.3 million as at 31 December 2024 vs 30.9 million as at 30 September 2024 and vs 47.8 million as at 30 June 2024;
    - Major divestment in H2 2024: On 14th August 2024, Capital sold its entire stake in Predictive Discovery to Perseus Mining for a total cash consideration of ~ 31.2 million. The agreement with Perseus also included a call option and profit share arrangement in the event of a takeover or subsequent sale by Perseus, with full details available in our separate 14th August announcement;
    - The portfolio recorded investment gains (realised and unrealised) of 12.4 million in H2 2024; and
    - The portfolio continues to be focused on a select few key companies with our holdings in WIA Gold, Leo Lithium, Asara Resources and Sanu Gold comprising the majority of our investments.

- ENDS -

**For further information, please visit Capital's website [www.capdrill.com](http://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

**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

**FTI Consulting** +44 20 3727 1000

Ben Brewerton capitallimited@fticonsulting.com

Nick Hennis

Lucy Wigney

#### **About Capital Limited**

Capital Limited is a leading mining services company that provides 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 Canada, Côte d'Ivoire, Democratic Republic of Congo, Egypt, Gabon, Ghana, Guinea, Kenya, Mali, Mauritania, Pakistan, Saudi Arabia, Tanzania, United States of America and Zambia.

information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

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