



# CAPITAL

## Capital Limited 2020 Annual Results

18 March 2021



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# Section 1 – Summary



# Capital Limited Snapshot

We provide full-service mining, drilling, maintenance and geochemical analysis solutions to customers within the global minerals industry, focusing on the African markets

YEARS OF EXPERIENCE IN AFRICA

**15+**

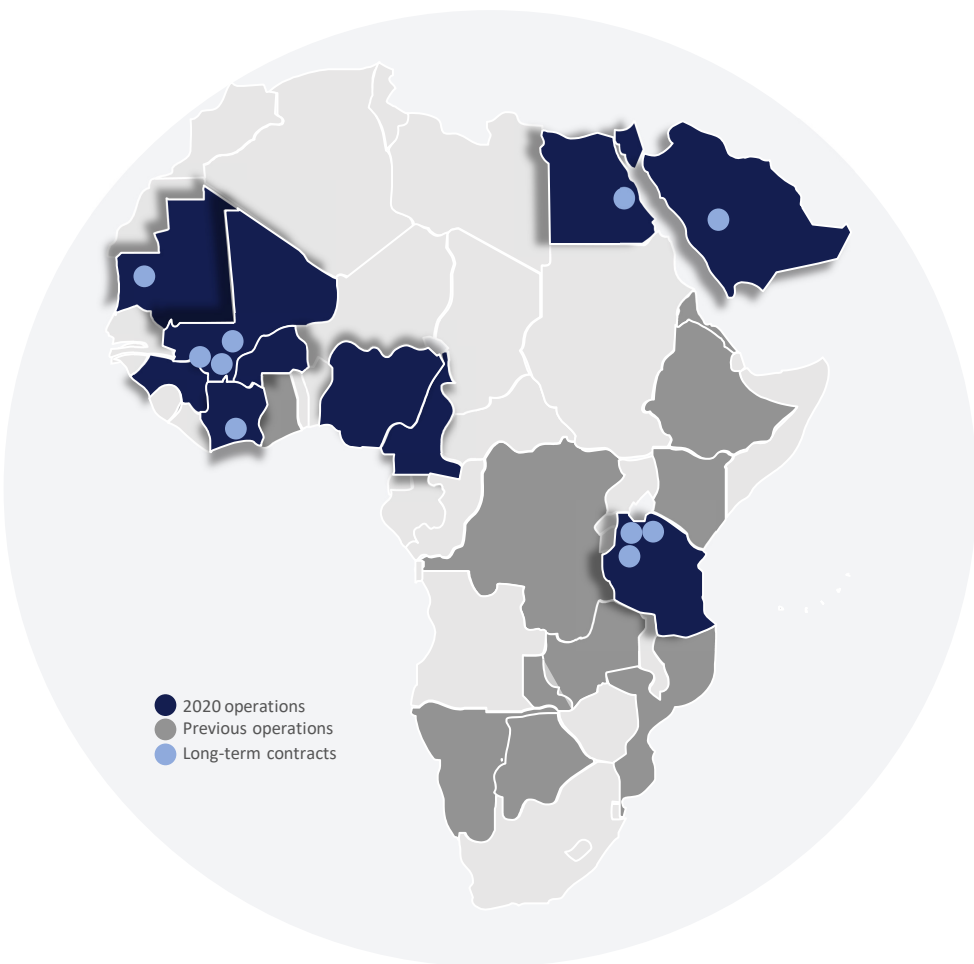
OPERATING IN

**10** African And Middle Eastern Countries

ASSET FLEET

**94** Rigs\*

**28** Heavy Mining Equipment



EMPLOYS

**1,277** People\*

REVENUE BY CUSTOMER

**97%** Tier 1 & Mid-tier Clients

MAJOR CLIENTS



\* As at 31 Dec 2020





# Our Strategy

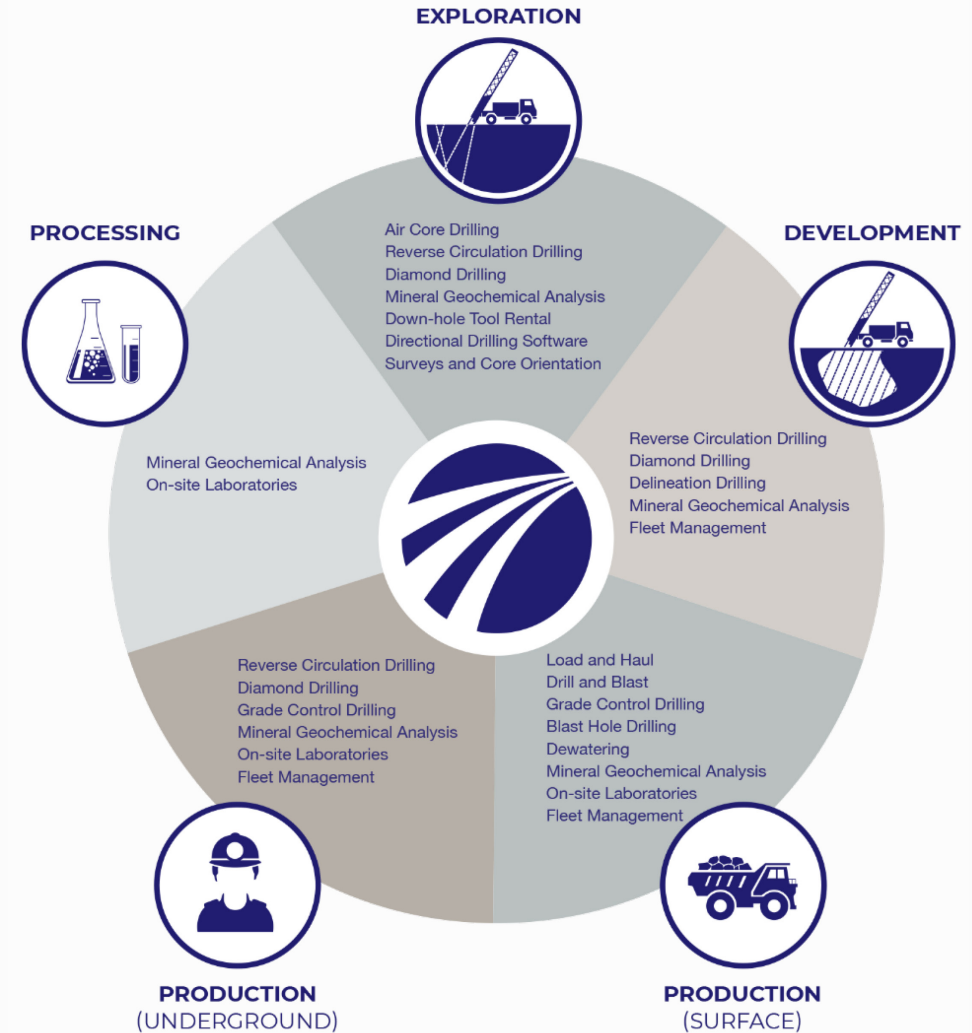
Deliver **AN END-TO-END EXPLORATION TO MINING SERVICES** solution

Focus on **MINE-SITE BASED CONTRACTS** across multiple services to leverage established on-site infrastructure

Build a **SUPERIOR PORTFOLIO OF LONG-TERM CLIENTS** with blue-chip and mid-tier mining companies

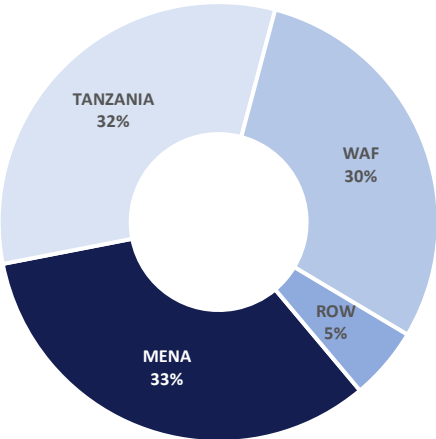
**TARGET KEY CUSTOMER BASE** where their company and asset profile aligns to Capital's strategy

## SERVICES ACROSS THE MINING CYCLE

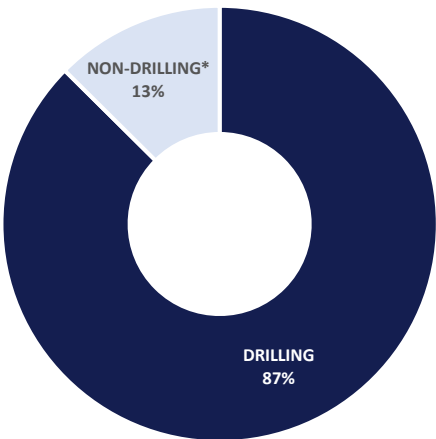


# FY 2020 Revenue Diversification

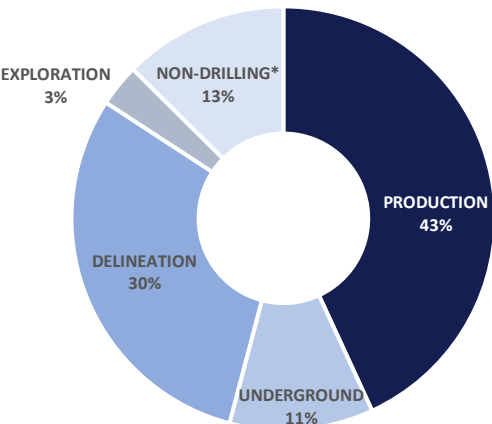
REGION



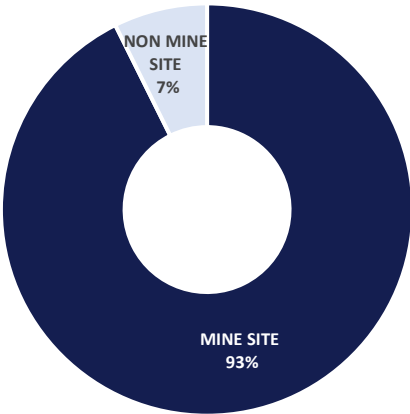
SERVICES



ACTIVITY



LOCATION



Note:  
\* Mining, Maintenance, Laboratory, Equipment Hire





# Long Term Contract Portfolio

**10** OPERATING MINE SITES

**93%** MINE-SITE BASED REVENUE

## WEST AFRICA



**KINROSS**

**Mauritania**  
(Tasiast)

Commenced in 2010



**Côte d'Ivoire**  
(Bonikro)

Commenced 2019



**Resolute**

**Mali**  
(Syama)

Commenced in 2016



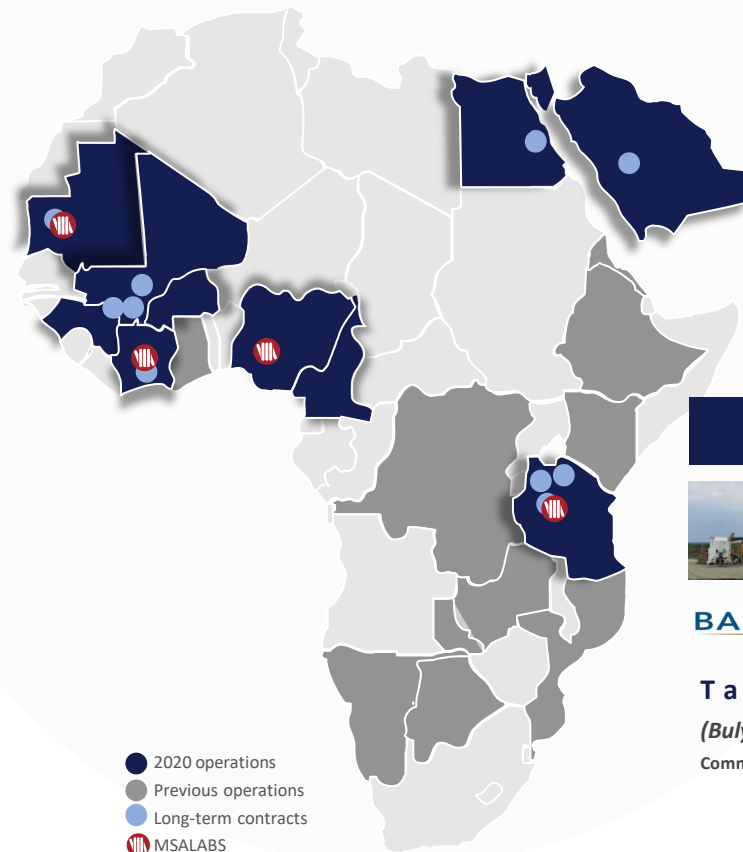
**Mali**  
(Morila)

Commenced 2020



**Mali**  
(Yanfolila)

Commenced 2018



## MIDDLE EAST AND NORTH AFRICA



**CENTAMIN**

**Egypt**  
(Sukari)

Commenced in 2005



**BARRICK**

**Saudi Arabia**  
(Jabal Sayid)

Commenced in 2019

## EAST AFRICA



**BARRICK**

**Tanzania**  
(Bulyanhulu)

Commenced in 2020



**BARRICK**

**Tanzania**  
(North Mara)

Commenced in 2008



**Tanzania**  
(Geita)

Commenced in 2006



# FY 2020 Highlights

## STRATEGIC AND OPERATIONAL



Multiple contract wins with existing and new customers, including seven new mine-site contracts



Transformational waste mining contract with Sukari



Increased rig fleet utilisation to 59% (from 54%)



TRIFR of 0.77 per 1,000,000 hours worked & multiple safety milestones achieved



Non-drilling revenue increase to 13% of total (from 8%)



MSALABS awarded a major five-year laboratory services contract with Barrick in Tanzania

## FINANCIAL



Strong revenue result of \$135.0 million, up 18% on 2019 (\$114.8 million)



EBITDA up 24% to \$33.8 million on 2019 (\$27.3 million)



NPAT increase of 139% to \$24.8 million (2019: \$10.4 million), driving earnings per share up 131% to 17.8 cents



Strong gains from equity investments of \$13.6 million in 2020



(Adjusted) ROCE 22.2%, up 20.3% on 2019 (18.4%)



Total dividend of 2.2 cents per share (cps) including final dividend of 1.3 cps, up 57% on 2019 (1.4 cents per share)





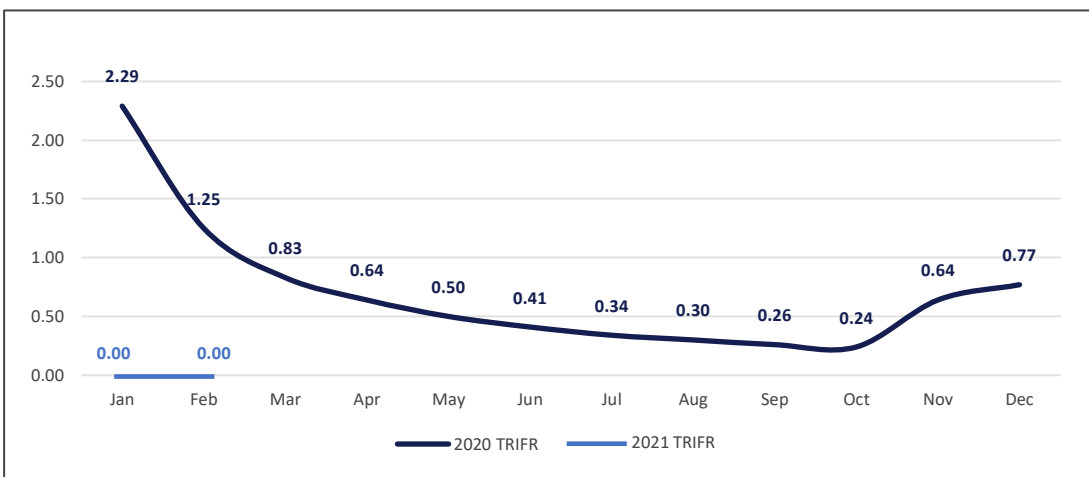
# Delivering on the Strategy 2020

	STRATEGIC FOCUS AREAS	DELIVERED
 <b>INCREASE SERVICE OFFERING</b>	<ul style="list-style-type: none"> <li>Expand range of services into mining, laboratories and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>✓ Transformational waste stripping contract at the Sukari Mine (Centamin)</li> <li>✓ Five year lab management contract at the Bulyanhulu Mine (Barrick)</li> </ul>
 <b>SUPERIOR PORTFOLIO OF CONTRACTS</b>	<ul style="list-style-type: none"> <li>Blue chip and mid-tier mining companies, quality assets</li> </ul>	<ul style="list-style-type: none"> <li>✓ Portfolio of long-term contracts increased to ten mine sites</li> <li>✓ Four new long-term contracts awarded</li> </ul>
 <b>INDUSTRY LEADING HSE</b>	<ul style="list-style-type: none"> <li>World class safety processes and procedures on every site</li> </ul>	<ul style="list-style-type: none"> <li>✓ LTI-free milestones achieved at multiple long-term contracts in 2020</li> <li>✓ TRIFR of 0.77 per 1,000,000 hours worked</li> </ul>
 <b>AFRICAN FOCUSED</b>	<ul style="list-style-type: none"> <li>Strong established presence in East Africa and Egypt</li> <li>Expansion into West African region</li> </ul>	<ul style="list-style-type: none"> <li>✓ Continued asset relocation strategy into West Africa</li> <li>✓ Commenced operations in Guinea and Cameroon</li> </ul>
 <b>QUALITY PROVIDERS</b>	<ul style="list-style-type: none"> <li>Deliver first world project execution standards in the emerging markets</li> </ul>	<ul style="list-style-type: none"> <li>✓ Maintained first class project performance including high availabilities, solid ARPOR and improved margins</li> </ul>
 <b>BEST IN CLASS FLEET / MAINTENANCE</b>	<ul style="list-style-type: none"> <li>Investment in Tier 1 on-site maintenance infrastructure</li> <li>Maintenance and rebuild programs to maintain industry leading standards</li> </ul>	<ul style="list-style-type: none"> <li>✓ Continued active fleet management process</li> <li>✓ Investment in new equipment to supplement and improve the existing asset base</li> </ul>
 <b>ROBUST BALANCE SHEET</b>	<ul style="list-style-type: none"> <li>Strong cash generation</li> <li>Conservative approach to gearing</li> </ul>	<ul style="list-style-type: none"> <li>✓ Strong cash flows funding new asset purchases and paying dividends</li> <li>✓ Successful oversubscribed US\$40 million capital raising to facilitate growth of mining operations</li> </ul>

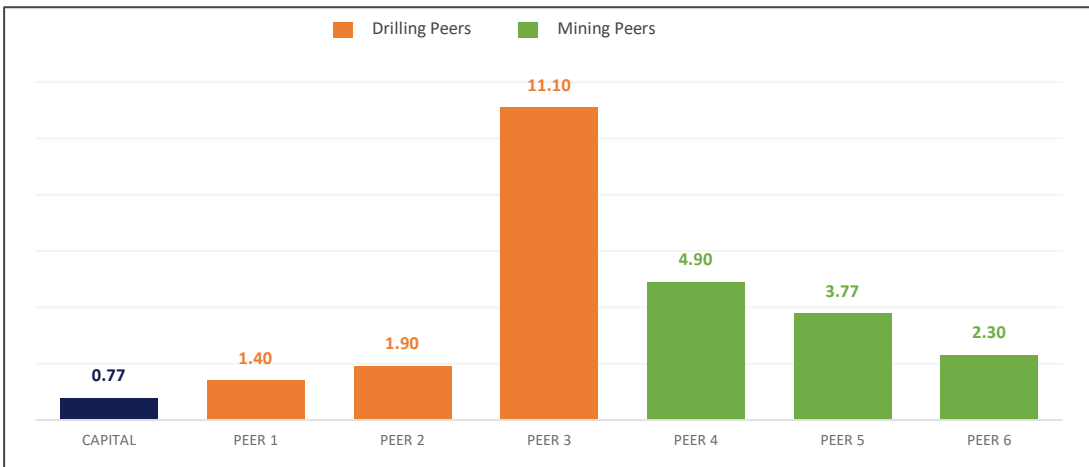


# Industry Leading Safety Standards

## TOTAL RECORDABLE INCIDENTS FREQUENCY RATE (TRIFR) TREND



## TRIFR COMPARISON TO COMPETITORS



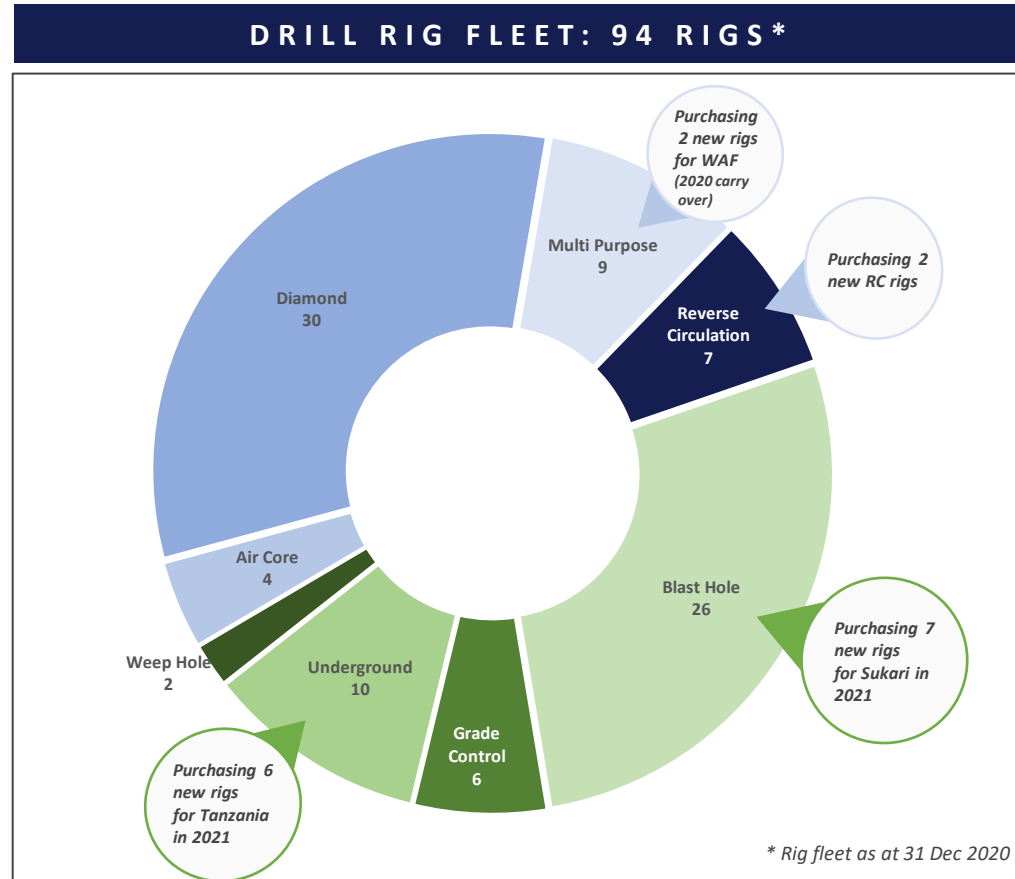
## COMMENTARY

- Total Recordable Incident Frequency Rate (TRIFR) of 0.77
- Achievement of a number of safety records including:
  - Tanzania, Mwanza Facility: 12 years LTI free in January 2020
  - Egypt, Sukari Project: 3 years LTI free in January 2020
  - Tanzania, North Mara Project: 4 years LTI free in March 2020
  - Tanzania, Geita Project: 3 years LTI free in March 2020
  - Mauritania, Tasiast Project: 3 years LTI free in June 2020
  - Mali, Syama Project: 4 years LTI free in June 2020
  - Saudi, Jabal Sayid Project: 1 year LTI free in November 2020
- COVID-19 Protocols - Site specific COVID-19 management plans enacted in conjunction with our clients and Medical consultant (ISOS)





# Capital's Asset Fleet



- Further rigs scheduled to arrive in H1 2021, primarily into Sukari, Geita and Bulyanhulu long term contracts
- Active maintenance programs and active fleet management to maintain our industry leading equipment standards

## MINING



17 trucks (785)



4 Excavators (6020, 6040 & 390)

## ANCILLARY



5 Dozers (D10T & 834)



2 Graders (16M)

- Significant increase in Heavy Mining Equipment driven by the 2020 Sukari waste mining contract award
- All equipment scheduled to be on site and commissioned over H1 2021



# Section 2 – Results





# FY 2020 Financial Overview

Drilling Revenue KPIs	2020	2019	% change
Average Fleet Size	98	92	7%
Fleet Utilisation (%)	59	54	9%
ARPOR (US\$)	171,000	176,000	-3%

Reported Earnings	2020	2019	% change
Revenue (US\$m)	135.0	114.8	18%
EBITDA (US\$m)	33.8	27.3	24%
EBIT (US\$m)	21.6	16.6	30%
NPAT (US\$m)	24.8	10.4	139%
Basic EPS (US cents)	17.8	7.7	131%
Diluted EPS (US cents)	17.6	7.6	131%
EBITDA (%)	25.0	23.8	5%
EBIT (%)	16.0	14.5	10%
NPAT (%)	18.4	9.0	104%

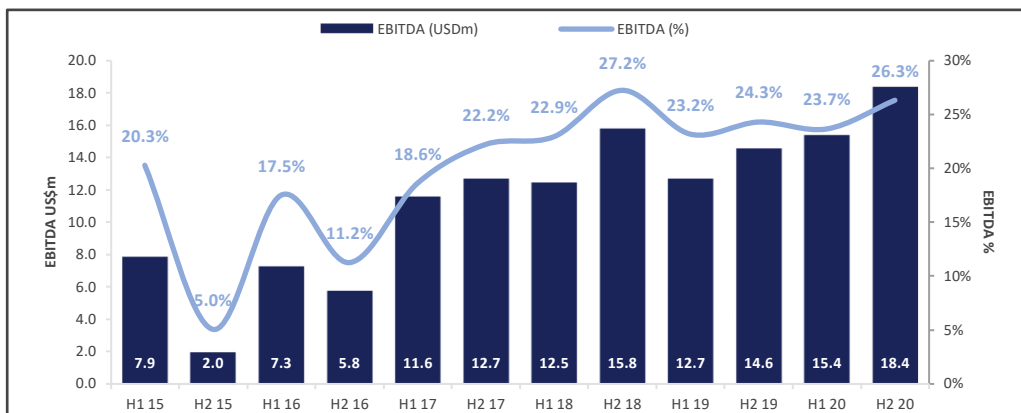
## COMMENTARY

- Industry leading revenue growth a strong endorsement of strategy. Key drivers:
  - Revenue growth on existing key contracts
  - Revenue growth from West African contracts
  - Growth from our laboratory business, MSALABS
  - **Q4 revenue the strongest Q4 since 2012**
- Improved EBITDA and EBIT margins demonstrates operating leverage
- Exceptional NPAT growth reflects strong operating performance and substantial gains in the investment portfolio
- Diluted EPS growth of 131% noting capital raising of gross \$40 million completed in December 2020
- Declared full year dividend US2.2 cps, comprising an interim dividend of 0.9 cps and a final dividend of 1.3 cps

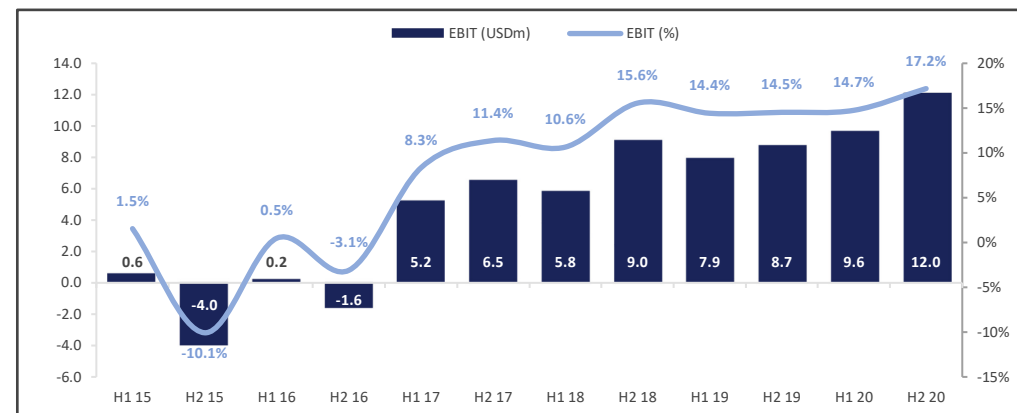


# Improving Margin Profile

## EBITDA AND MARGINS



## EBIT AND MARGINS



## COMMENTARY

- Continued improvement in margins, which have steadily increased since 2017
- **Improved margin** profile attributable to:
  - Improved **maintenance** practices, ongoing active fleet management and increased standardisation has driven lower drilling and maintenance costs
  - Improved **supply chain** efficiencies including restructure of inventory management and purchasing has reduced operating costs
  - Improved **asset utilisation** reflected in operating leverage
- Margin improvement **achieved despite** unprecedented levels of asset movements which impacted freight / customs / transport
  - Capital has moved >40% of it's rig fleet over 2019/2020, with the bulk of the asset moves directed to the Group's West Africa expansion strategy

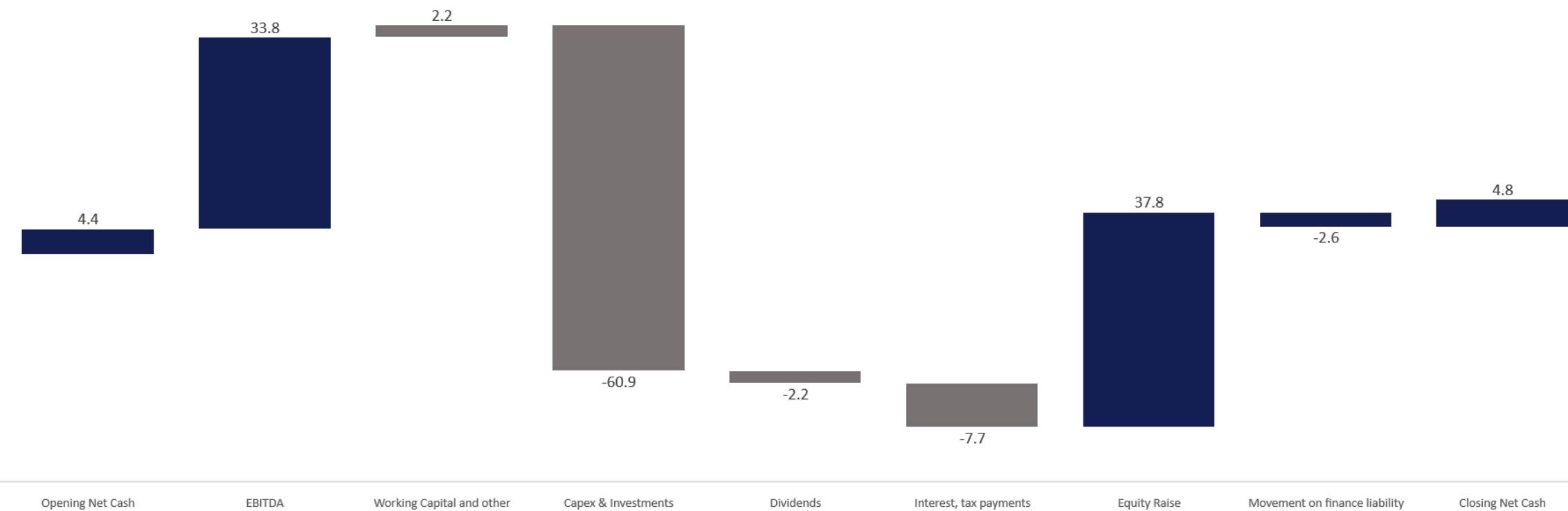


# FY 2020 Cash Flow

- Strong performance in operating cash flows, up 25% up on 2019
- Capex cash outflow of \$60.9 million includes:
  - \$43.0 million Capex
  - \$17.9 million Asset Prepayments
- Stable working capital movement, with increased inventory (Egypt and WAF) offset by inflows in trade payables and receivables

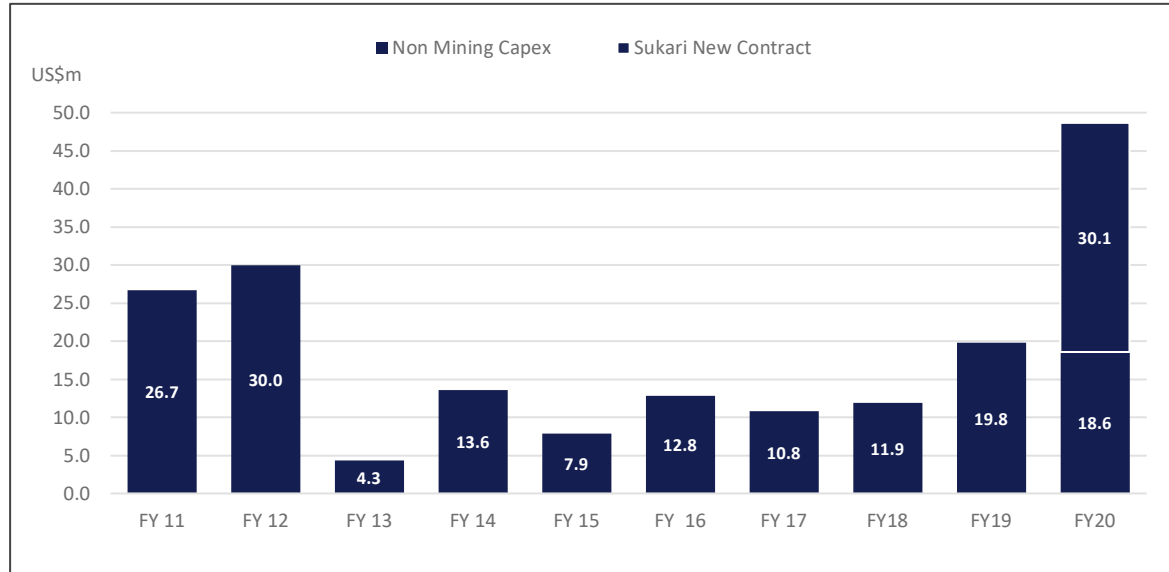


EBITDA cash conversion continues strong trend with cash conversion at 106%

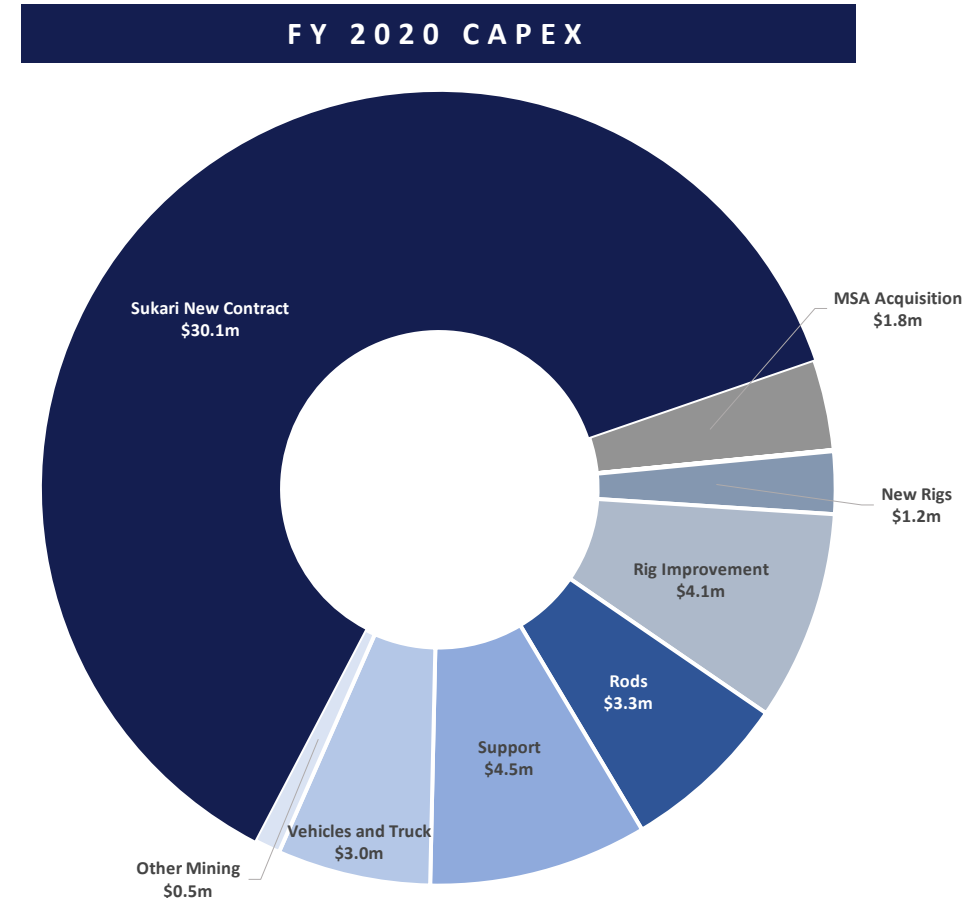




# Capital Expenditure



- Capex \$48.7 million financed by cash (\$43.0 million) and OEM financing (\$5.7 million)
- Significant increase in capital expenditure due to the successful award of the Sukari contracts
- “Existing business” capital expenditure of \$18.6 million, weighted to asset improvements and support equipment including vehicles & trucks
  - Included the purchase of ELAM Laboratories in Cote d’Ivoire (\$1.8 million)
- Sukari capital expenditure of \$30.1 million directed to the new contracts, with a further \$14.9 million reflected in asset pre-payments



**INCREASED CAPITAL EXPENDITURE TO BUILD THE MINING FLEET**



# FY 2020 Balance Sheet

Balance Sheet	2020 US\$m	2019 US\$m	% change from 2019
Cash and cash equivalents	35.7	17.6	102.6%
Property, plant and equipment	89.0	52.9	68.3%
Investments	27.2	12.5	116.7%
Receivables	47.3	25.2	87.4%
Inventory	24.7	17.5	40.7%
Other assets	2.5	2.5	-0.3%
<b>Total Assets</b>	<b>226.3</b>	<b>128.3</b>	<b>76.4%</b>
Payables	39.7	23.1	71.8%
Borrowings	30.7	13.2	132.6%
Right of use liabilities (IFRS 16)	0.7	0.7	0.0%
Taxation	7.2	4.4	64.6%
<b>Total Liabilities</b>	<b>78.3</b>	<b>41.4</b>	<b>89.1%</b>
<b>Total Equity</b>	<b>146.7</b>	<b>85.7</b>	<b>71.1%</b>
<b>Non-Controlling Interest</b>	<b>1.4</b>	<b>1.2</b>	<b>15.8%</b>
<b>Total Shareholders Equity</b>	<b>148.1</b>	<b>86.9</b>	<b>70.3%</b>

Net Asset Value per share (cents)	106.0	63.0	68.3%
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Net Cash (\$m)	5.0	4.4	13.1%
Gearing (Net Cash to Equity in %)	3.4	5.2	-34.5%

Return on Capital Employed (ROCE) (%)*	12.4	18.4	-32.8%
Adjusted ROCE (%)**	22.2	18.4	20.3%

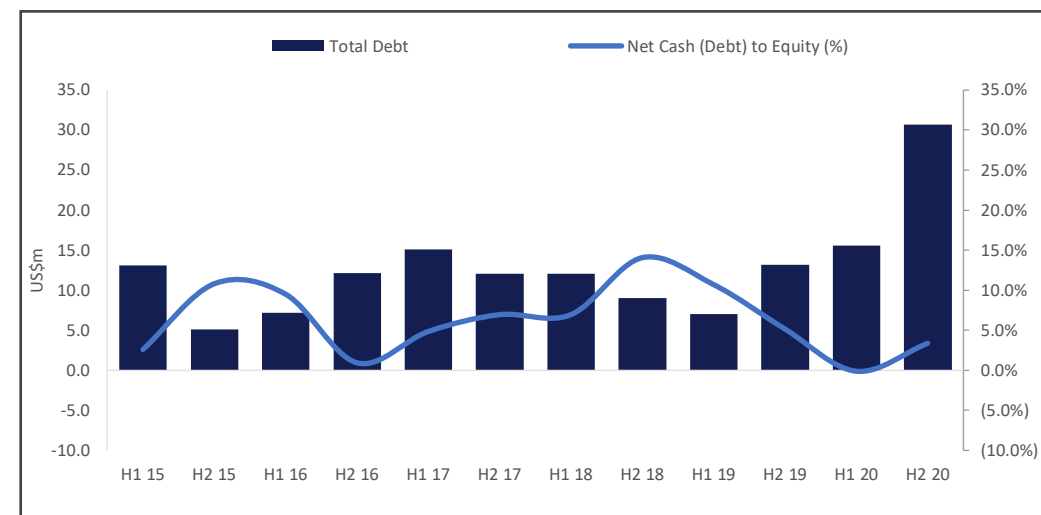
\* ROCE calculated utilising 12 months EBIT.

\*\* Adjusted ROCE excludes Mining Assets and Prepayments, Net Equity Raise proceeds and Sukari prepayment from Capital Employed

## COMMENTARY

- Successfully completed an (upscaled) net capital raising of \$37.2 million in December to facilitate the purchase of equipment required for the Sukari contract
- Negotiated new debt facilities with OEM's (Epiroc & Sandvik) and Macquarie Bank
- Maintained strong balance sheet with modest gearing forecast in H1 2021 as we complete the Sukari capital spend
- Conservative debt profile and further asset backed facilities provide flexibility for future growth opportunities

## GROSS DEBT vs NET CASH (DEBT) TO EQUITY (%)



# Investments

## BACKGROUND

- Capital has selectively engaged in Direct Investment and Drill for Equity since 2015
- Investments must satisfy a number of criteria:
  - Strategic alignment with Capital's operations
  - Stand alone investment case, with investment committee oversight
  - Commercial services contract
  - Preferred or exclusive services terms
- Creates a strategic partnership approach to contracting, helping to develop long term relationships
- Significantly increased activity in 2019, consistent with:
  - Capital's accelerated expansion into West Africa
  - Lack of funding sources for exploration companies
  - Depressed valuations for exploration companies, despite increasing sector M&A and supportive gold prices



## PERFORMANCE

- Capital generated substantial (unrealised) returns from the investment portfolio over 2020
- Total investments value increased from \$12.5 million (December 2019) to \$27.2 million (December 2020)
- Investment gains of \$13.6 million in 2020
  - Gains on both listed and unlisted investments, with strong contributions from Firefinch, Marvel Gold, Predictive Discovery & Allied Gold Corp
- Contracts from investee customers generated \$18.0 million of revenue in 2020
- Cash inflow in 2020 of c\$170,000, reversing significant outflow in 2019 (\$7.9 million), reflecting limited new investments and some portfolio rationalisation
- Opportunities continue to be evaluated albeit a reduced focus for the Group in the current environment

## SELECTED HOLDINGS

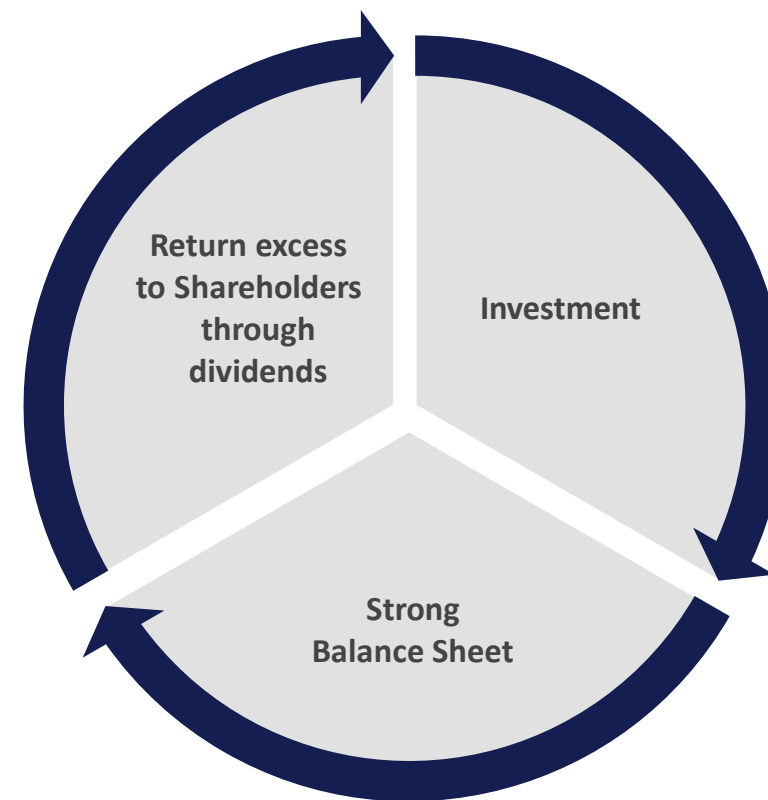
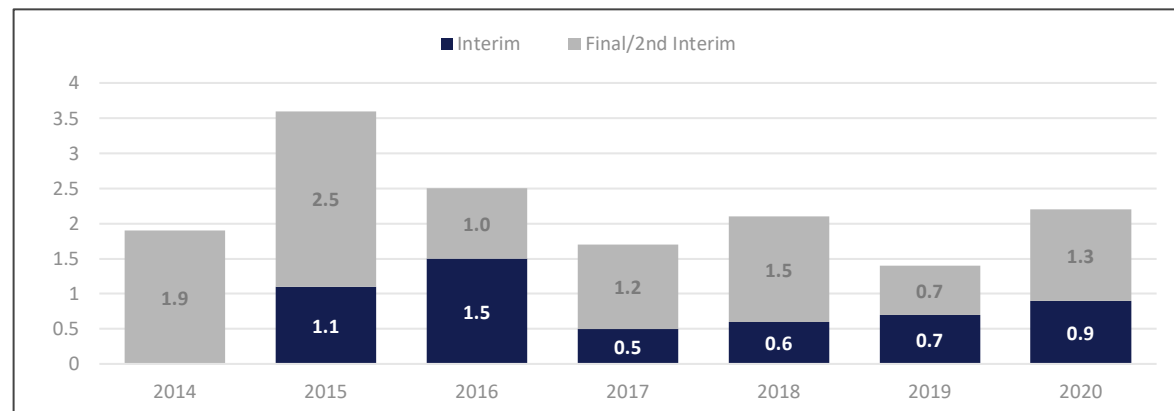




# 2020 Final Dividend

- **FINAL DIVIDEND DECLARED FOR 2020 of US\$1.3cps**
- 2019 final dividend of US\$0.7 cps paid in CY 2020
- Capital has consistently delivered shareholder value through dividends since 2014
- Reflecting the evolved business model, going forward Capital's dividend policy will be:  
*"The dividend policy will be based on the financial condition of, and outlook for, the Company and its cash flow and financing needs. When determining the amount to be paid the Board will take into consideration the underlying profitability of the Company. Specifically, the Board will aim to approve an annual dividend of up to 20% of the Company's net operating profit after tax"*
- We will continue our disciplined approach to capital management – **we remain committed to a strong balance sheet**

## DIVIDEND PAYMENTS SINCE 2014 (US\$C PER SHARE)



## DIVIDEND TIMETABLE

March 18, 2021	FY 2020 Results release & dividend declaration
April 08, 2021	Ex-dividend date
April 09, 2021	Record date
May 4, 2021	Payment date



# Section 3 – Outlook



# Strategic Priorities 2021

## Grow The Full-service Mining Division

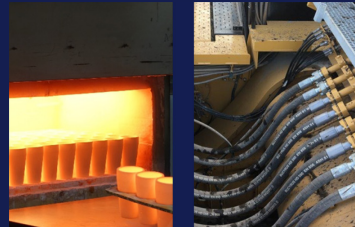


- Larger revenue opportunities
- Long-term contracts
- Mine-site recurring revenue
- Integrated end-to-end service

### 2021 Priorities

- Execute / deliver on the Sukari waste management contract
- Successful award of a further earth moving contract

## Grow Ancillary Services Revenue

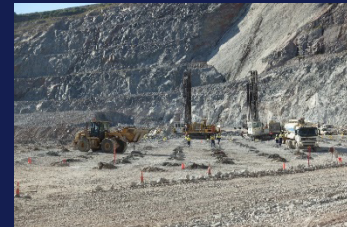


- Service diversification
- Integrated end-to-end service

### 2021 Priorities

- Execute / deliver on the Bulyanhulu laboratory services contract
- Build additional African-based laboratories
- Further growth in non-drilling revenue

## Expand Capacity With Existing Customers

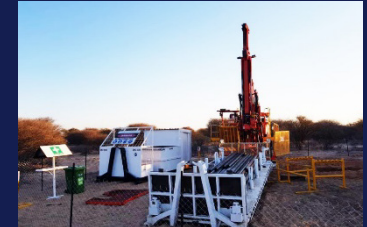


- Leverage existing relationships
- Leverage on-site infrastructure
- Operating leverage through economies of scale

### 2021 Priorities

- Increase operating assets at existing sites
- Award of additional contracts and services at existing sites to existing customers

## Increase Utilisation Through Idle Fleet



- Substantial idle capacity in exploration fleet
- Incremental revenue growth with reduced capital requirements

### 2021 Priorities

- Successful award of additional exploration contracts
- Improve ARPOR through increased productivity and rates





# Sukari Waste Mining Contract

## CAPITAL MINING

- Load and Haul creates a fully integrated service offering
- Presents a larger revenue opportunity and provides opportunity for further long term mine site contracts
- Commenced contract mining business, Capital Mining, in 2019
- Built capacity and capability during 2020, engaged in tendering opportunities
- Secured Sukari waste mining contract in December 2020

## THE SUKARI WASTE MINING CONTRACT

- Open-pit, waste mining contract for load, haul and associated services
- Four-year contract, commenced January 2021, full run rate production anticipated in Q4 2021
- Anticipated incremental revenues of \$235 - \$260 million expected over four years, commencing Q1 2021
- Capital requirements of c\$65 million to purchase heavy mining (HME), drill rigs and related ancillary equipment for this contract

## SUKARI – BLUE CHIP, TIER 1 ASSET

- Operator: Centamin Plc
- Location: Egypt
- Status: In production since 2009
- Production: >15 years remaining mine life
- **Capital has been providing services on site since 2005**



## LEVERAGING EXISTING RELATIONSHIPS INTO FULL-SERVICE MINING OFFERING



# Sukari Contract Update

PEOPLE	<ul style="list-style-type: none"> <li>• All key senior project roles filled</li> <li>• Personnel ramp up progressing with c175 roles “on boarded”</li> <li>• Integration with the existing drilling, maintenance and support teams on track</li> <li>• Heavy mobile equipment operator training advancing well</li> </ul>
INFRASTRUCTURE	<ul style="list-style-type: none"> <li>• Construction of expanded maintenance workshop facilities, project offices and the in-pit service and mining operations hub underway</li> <li>• Infrastructure establishment expected to be largely completed during Q2</li> </ul>
EQUIPMENT	<ul style="list-style-type: none"> <li>• Stage 1 production equipment fully commissioned &amp; commenced operating in February</li> <li>• Stage 2 major equipment on site and commissioning underway with an end March target</li> <li>• Stage 2 (ancillary) &amp; Stage 3 equipment deliveries on track and aligned to the production ramp-up schedule</li> </ul>
OPERATIONS	<ul style="list-style-type: none"> <li>• Stage 1.0 mining production safely <b>commenced in February 2021</b></li> <li>• Stage 2.0 is on-track with activity scheduled to commence in Q2</li> <li>• Stage 3.0 is on-track for commencement in Q3</li> <li>• Full production output on track to be achieved on target in Q4</li> </ul>
FINANCIALS	<ul style="list-style-type: none"> <li>• Full year guidance is in-line with our previously published revenue position</li> </ul>



# Grow Ancillary Services Revenue

## ANCILLARY SERVICES

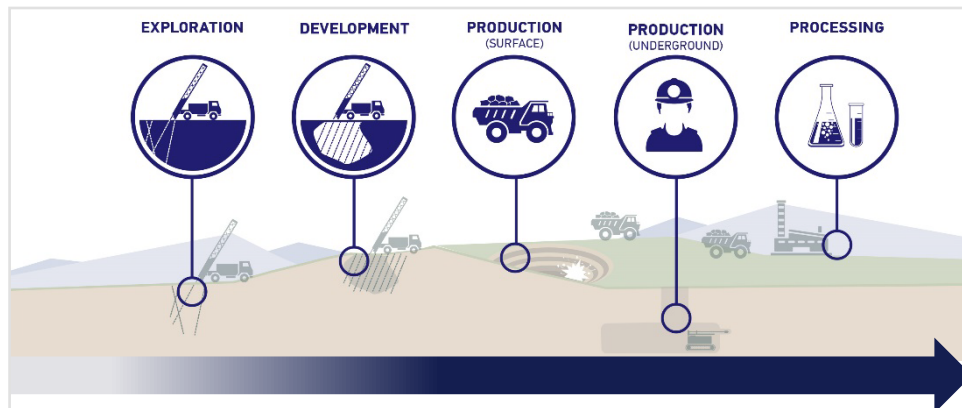


MSALABS: Laboratory services



MSM: Maintenance services

## SERVICE OFFER ACROSS MINING CYCLE



## LAB SERVICES: MSALABS

- Strong growth recorded in 2020 as business moved to positive EBITDA contribution
- Secured 5 year laboratory services contract with Bulyanhulu, with full scale operations commencing in 2021
- Acquired ELAM in Côte d'Ivoire in July 2020
- Commissioning on site lab with Thor Explorations with full scale operations commencing in H2 2021
- Numerous tendering opportunities in Africa and Canada for future growth
- Secured first contract for Chyrsos, a revolutionary assay technology

## MAINTENANCE SERVICES: MSM

- New management team installed to grow the fledgling business
- Multiple distribution agreements signed for product distribution into Africa
- Actively engaged in tenders for maintenance services and hydraulics supplies
- Established infrastructure in West Africa (stores and service centers)
- Introduced new products delivering consumables cost savings to Capital





# Expand Capacity with Existing Customers

## LEVERAGE ESTABLISHED INFRASTRUCTURE



## EXPAND SERVICES AND ASSETS

- Portfolio of ten long-term mine-site based operations
- Allows Capital to leverage existing on-site infrastructure
- Long term contracts support continuous improvement initiatives and the capacity to invest in training and development
- Six existing long-term sites have multiple services and contracts in operation

## CAPACITY EXPANSIONS

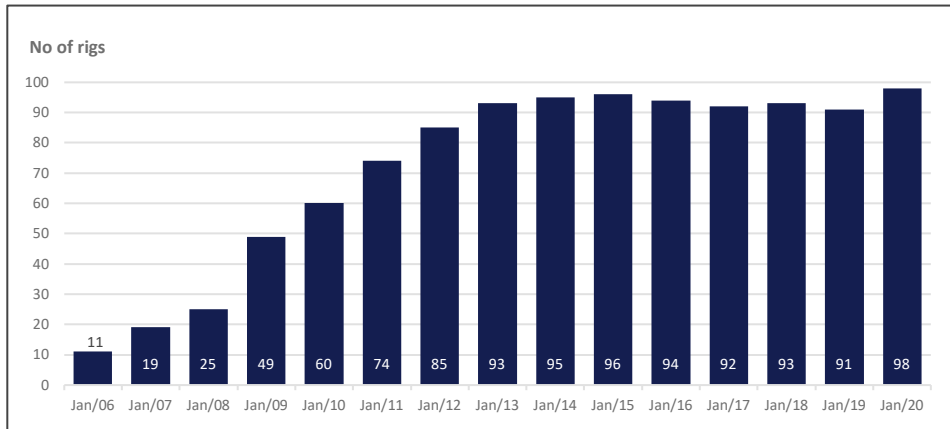
- Increased capacity and services across multiple sites during 2020 including:

	Existing	New
<b>Bonikro</b>	<ul style="list-style-type: none"><li>• Exploration</li><li>• Mining services</li></ul>	<ul style="list-style-type: none"><li>• Laboratory services</li></ul>
<b>Bulyanhulu</b>	<ul style="list-style-type: none"><li>• Surface delineation drilling</li></ul>	<ul style="list-style-type: none"><li>• Underground grade control</li><li>• Laboratory services</li></ul>
<b>Sukari</b>	<ul style="list-style-type: none"><li>• Blast hole drilling</li></ul>	<ul style="list-style-type: none"><li>• Expanded and extended drilling contract</li><li>• Waste mining contract</li></ul>
<b>Tasiast</b>	<ul style="list-style-type: none"><li>• Laboratory services</li></ul>	<ul style="list-style-type: none"><li>• Grade control drilling</li></ul>
<b>Yanfolila</b>	<ul style="list-style-type: none"><li>• Exploration and delineation drilling</li></ul>	<ul style="list-style-type: none"><li>• Expanded rig capacity</li></ul>

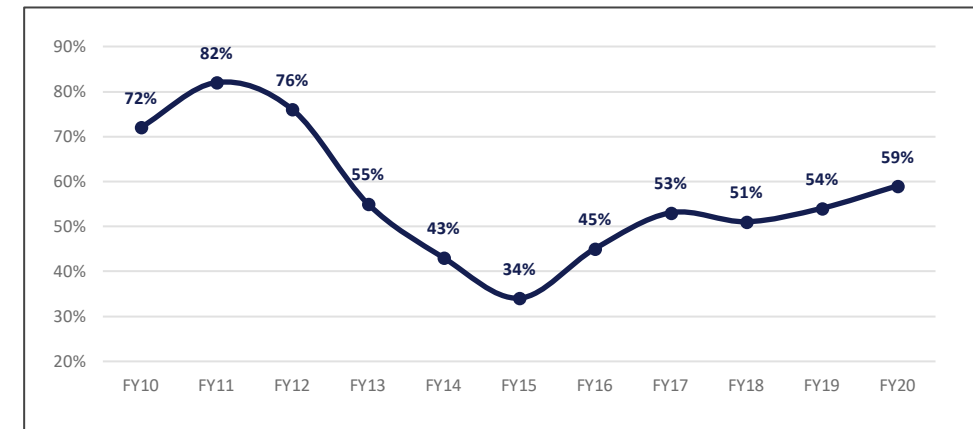


# Increase Exploration Fleet Utilisation

RIG FLEET 2006 - 2020



UTILISATION 2010 - 2020



## POTENTIAL REVENUE CAPTURE



Approximately  
40 idle rigs



FY 2020 ARPOR of  
US\$171,000 per rig



Revenue opportunity  
> \$80 million



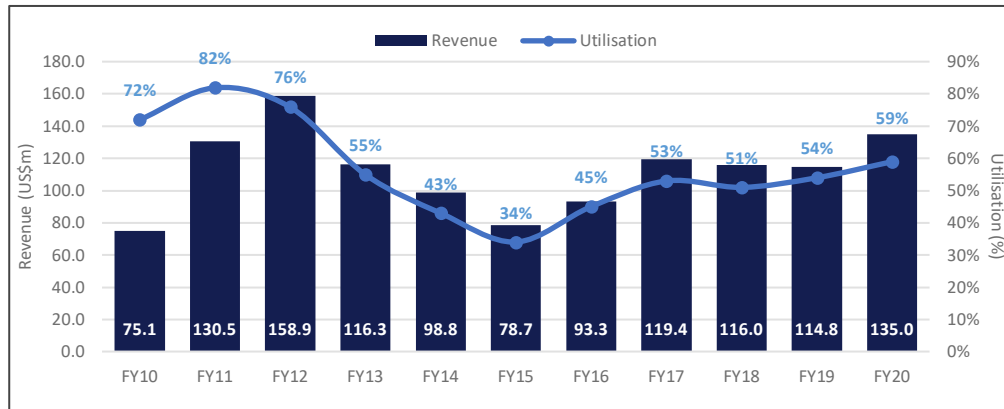
FY 2020 drilling  
revenue US\$118  
million

- FY 2020 rig utilisation of 59% (up 9% on FY 2019), on an average fleet of 98 rigs
- Production and underground fleet near full utilisation, **exploration fleet utilisation increasing rapidly**
- Established operations in West Africa creates platform for higher utilisation with new exploration contract awards in 2020 concentrated in the region
- Further fleet expansion in 2021 due to previously announced contract wins (primarily Sukari, Bulyanhulu and Geita)

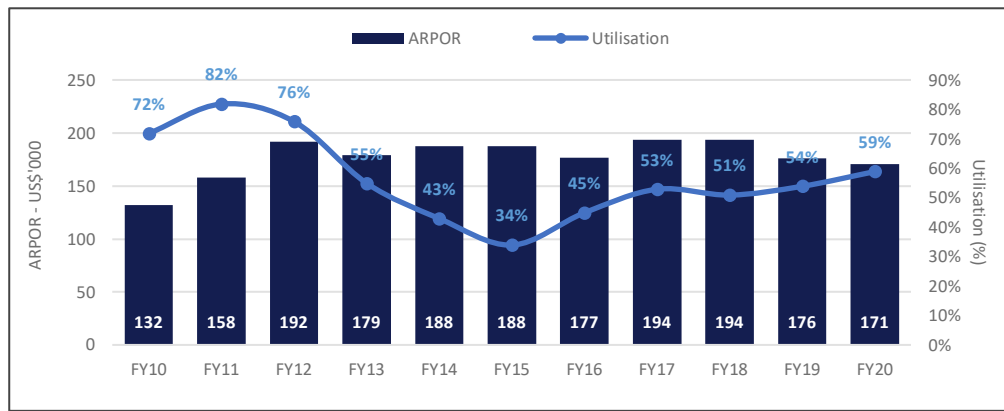


# Revenue Metrics

## REVENUE vs UTILISATION



## ARPOR vs UTILISATION



## DRILLING CYCLE STAGES

- Rig utilisation increases – **HAPPENING NOW**
  - Increasing number of rigs working
  - Strong increase in demand commenced in Q4 2020
  - **Q4 2020 represented the strongest quarterly utilisation rate since H1 2013**
- Rig productivity increases – **HAPPENING NOW**
  - Extended shifts, move towards 24/7 operations
  - Drill requirements evolve into advanced exploration (RC and diamond)
- Pricing improves – **COMMENCING**
  - Increasing demand translates to upward pricing pressure
  - Multi-rig / Multi-year contract pricing increasing up to low double-digits
- Contract terms and conditions improve - **COMMENCING**
  - Larger mobilisation/demobilisation contracts
  - Take or pay contracts (standby charges)





# 2021 Contract Wins & Commencements

## EXPLORATION: GREENFIELD & BROWNFIELD



**EGYPT**  
*Él Sidi  
Project*

(Awarded in 2020)  
Exploration



**MAURITANIA**  
*Tijirit  
Gold Project*

Delineation



**MALI**  
*Sanankoro  
Gold Project*

Delineation



**BURKINA FASO**  
*Dynikongolo  
Gold Mine*

Delineation



**MALI**  
*Tabakorle  
Gold Project*

Delineation



**CAMEROON**  
*Bibemi  
Gold Project*

(Awarded in 2020)  
Exploration



**CÔTE D'IVOIRE**  
*Sissingué  
Gold Mine*

Delineation

## MINE SITE: DELINEATION, UNDERGROUND & PRODUCTION



**MALI**  
*Sadiola  
Gold Mine*

Delineation



**TANZANIA**  
*Geita  
Gold Mine*

Surface  
Delineation &  
Grade Control



**TANZANIA**  
*Geita  
Gold Mine*

Underground  
Delineation &  
Grade Control



**EGYPT**  
*Sukari  
Gold Mine*

(Awarded in 2020)  
Blast Hole



**MAURITANIA**  
*Tasiast  
Gold Mine*

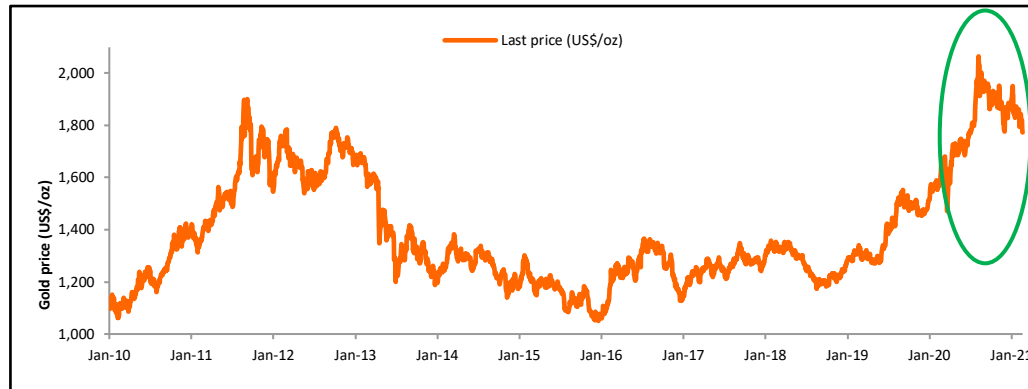
Grade Control





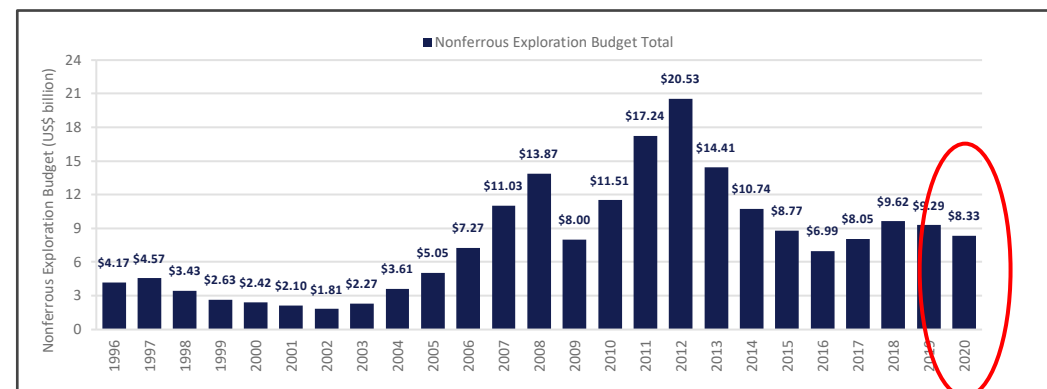
# Gold Market Overview

## GOLD PRICE



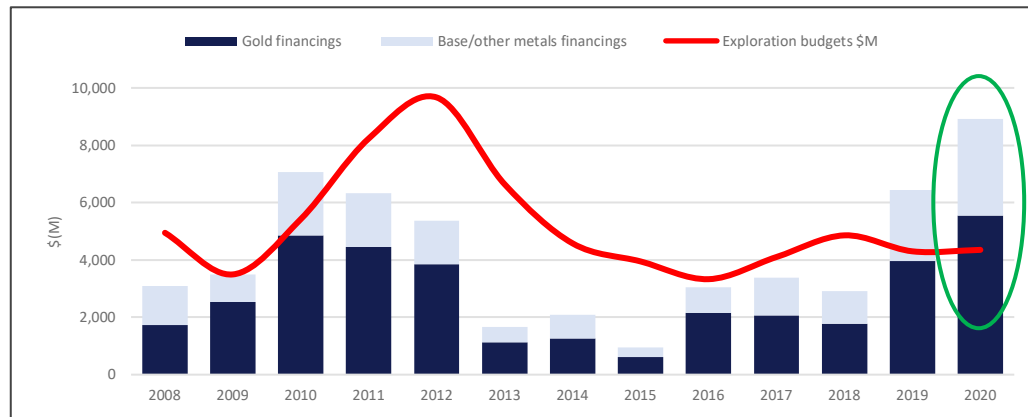
Source: Bloomberg

## NONFERROUS EXPLORATION BUDGET



Source: S&P Global

## FINANCINGS\* AND EXPLORATION BUDGET



Source: S&P Global Industry Monitor February 2021 / Exploration Budgets

\*Intermediate and Junior Financings

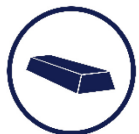
## COMMENTARY

- Highly supportive gold price, which has increased strongly since Q2 2019, trading near decade long highs
- Equity market activity has surged with gold financings for Juniors and Intermediates **up 40% in 2020** over the previous year (Source: S&P Global Industry Monitor)
- Increased capital raising activity is a strong lead indicator for increased activity levels, both in drilling and mining
- Robust industry margins and balance sheets provide solid foundation for sustained growth in demand
- M&A has been a strong feature across the sector, while exploration activity remains subdued at half previous cycle peaks: "Asset expansion by acquisition or discovery"

HIGHLY SUPPORTIVE GOLD PRICE



# Outlook & Guidance



Gold price remains at comfortably high levels, with resurgent pricing for base and battery metals providing further sector support



Surging mining equity market activity during 2020 resulted in a nine-year high for capital raisings, a strong lead indicator for demand



Strong industry fundamentals with improved operating cash flows for producers and a fundamental need to replace depleted resources and reserves



Demand environment accelerating across all business units, with multiple new contract wins awarded to date in 2021



Elevated capital spend anticipated in 2021 as we significantly expand our rig and HME fleet for recent long term contract awards



Continue to maintain a robust balance sheet, supporting ongoing operations and future growth opportunities



Revenue guidance for 2021 of \$185 to \$195 million (up 41% from 2020 at the mid point of guidance)





# Appendices



# Capital Limited Investment Proposition

## FULL-SERVICE PROVIDER

- Diversity of services across the mining cycle and shift towards becoming a full-service provider, increasing recurring revenue

## HIGH GROWTH REGION

- Multiple mine-site based contracts with Tier 1 clients combined with focus on high-growth African market

## EXECUTION EXCELLENCE

- Excellent project execution, high quality and expanding fleet, and experienced management teams

## HIGHLY SUPPORTIVE MACRO

- Strong gold and metals prices, resurgent capital raisings and elevated operating margins across the commodities sector
- Exploration activity set to increase being well below previous cycle peaks

## ROBUST PIPELINE

- Substantial increase in tendering pipeline activity across all business units

## STRONG BALANCE SHEET

- Robust balance sheet enables shareholder returns through accretive growth initiatives, investments and dividend payments





# Our Capabilities



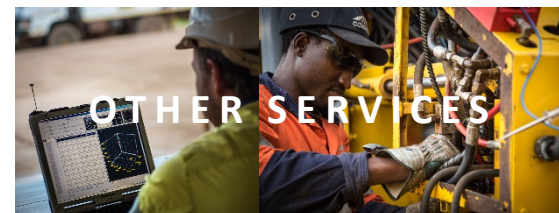
- Since 2005
- Provides a complete range of drilling solutions for projects across the mining cycle from exploration to production
- Services include
  - Air core
  - Reverse circulation
  - Diamond
  - Blast hole
  - Grade control
  - Underground
  - Dewatering



- Since 2019
- Provides complete earthmoving services for clients from development to fully operational mine sites
- Services include
  - Load and haul
  - Drill and blast
  - Fleet management
  - Mine planning



- Since 2017
- A global provider of geochemical laboratory services for the exploration and mining industries
- Services include
  - Geochemical analysis
  - Laboratory management



- WELL FORCE**
  - Since 2010
  - Provides a complete rig site solution
  - Services include:
    - Equipment rental
    - On-site surveying / geophysical logging
    - HITT borehole management software
- MINE SITE MAINTENANCE (MSM)**
  - Since 2019
  - Services include:
    - Broad range of maintenance services
    - Specialist mining supplies



- Since 2015
- Investment in junior & mid tier exploration and mining companies
- Provision of funding alongside services from Capital Limited



# Technology & Innovation

We are **INDUSTRY LEADERS IN ADOPTING THE LATEST TECHNOLOGIES** to improve productivity, safety and environmental performance



*Remote blast hole drilling*



*Remote site internet / communications*

We integrate the latest **DATA CAPTURE AND TRANSMISSION TECHNOLOGIES** to meet our clients needs for accurate information, more quickly



*Orientation Unit*



*IRIS HSE monitoring cameras*



*Solar Lighting Tower*

We **CONSISTENTLY INTEGRATE SAFETY AND PRODUCTIVITY IMPROVEMENTS** leading the industry in our capabilities



*Chrysos Photon Technology*



*Data aggregation and reporting*




# 2020 Contract Wins & Extensions









## EXPLORATION: GREENFIELD & BROWNFIELD

 <p><b>EGYPT</b> Él Sidi Project</p> <p>Exploration</p>	 <p><b>MALI</b> Diba Project</p> <p>Delineation</p>	 <p><b>BURKINA FASO</b> Dassa Gold Project</p> <p>Exploration</p>	 <p><b>CÔTE D'IVOIRE</b> Odienné Project</p> <p>Exploration</p>	 <p><b>MALI</b> Lakanfla &amp; Tabakorole Gold Projects</p> <p>Delineation</p>	 <p><b>CAMEROON</b> Bibemi Gold Project</p> <p>Exploration</p>	 <p><b>CÔTE D'IVOIRE</b> Sissingué Gold Mine</p> <p>Delineation</p>	 <p><b>GUINEA</b> Bankan Gold Project</p> <p>Exploration</p>
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## MINE SITE: DELINEATION, UNDERGROUND & PRODUCTION

 <p><b>TANZANIA</b> Bulyanhulu Gold Mine</p> <p>Delineation</p>	 <p><b>TANZANIA</b> Bulyanhulu Gold Mine</p> <p>Underground Grade Control</p>	 <p><b>TANZANIA</b> North Mara Gold Mine</p> <p>Delineation &amp; Production</p>	 <p><b>EGYPT</b> Sukari Gold Mine</p> <p>Blast Hole</p>	 <p><b>EGYPT</b> Sukari Gold Mine</p> <p>Waste Mining</p>	 <p><b>MALI</b> Morila Gold Mine</p> <p>Delineation</p>	 <p><b>MALI</b> Yanfolila Gold Mine</p> <p>Delineation</p>	 <p><b>MALI</b> Syama Gold Mine</p> <p>Underground Grade Control</p>
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## LABORATORY SERVICES

 <p><b>CÔTE D'IVOIRE</b></p> <p><b>MSALABS</b></p>	 <p><b>TANZANIA</b> Bulyanhulu Gold Mine</p> <p><b>MSALABS</b></p>	 <p><b>CÔTE D'IVOIRE</b></p> <p><b>MSALABS</b></p>	 <p><b>SWEDEN</b></p> <p><b>MSALABS</b></p>	 <p><b>SURINAME</b></p> <p><b>MSALABS</b></p>	 <p><b>CÔTE D'IVOIRE</b></p> <p><b>MSALABS</b></p>	 <p><b>NIGERIA</b> Segilola Project</p> <p><b>MSALABS</b></p>	 <p><b>CANADA</b> Golden Triangle</p> <p><b>MSALABS</b></p>
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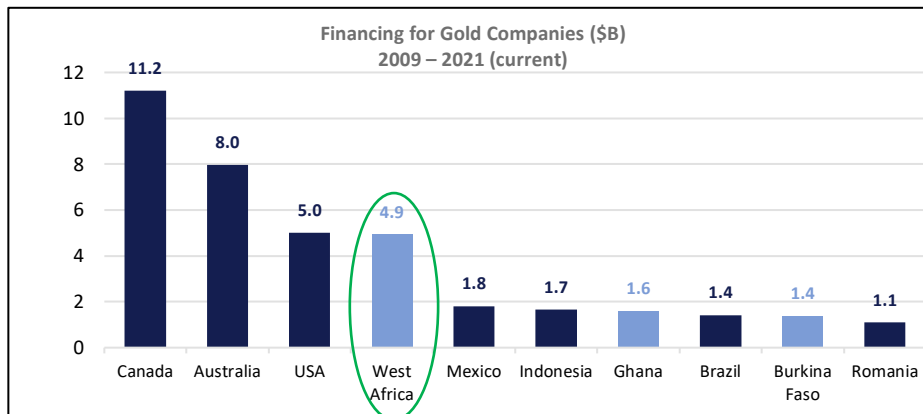




# Compelling Growth Opportunities in West Africa

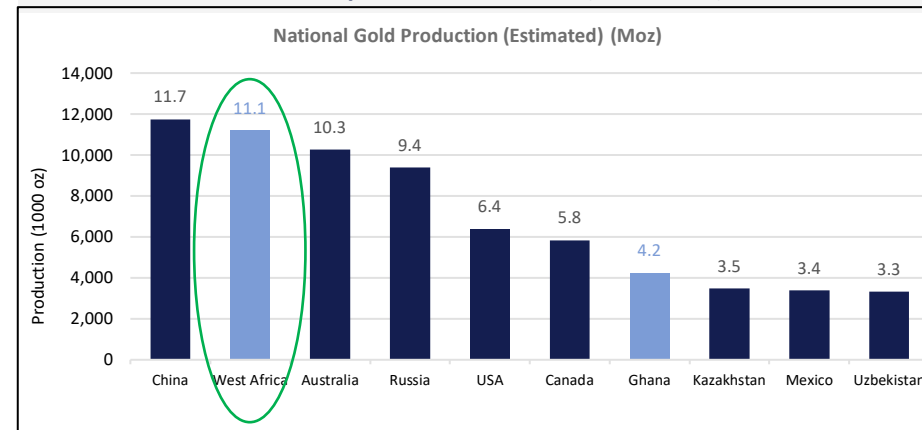
## STRONG EQUITY MARKET SUPPORT

\$4.9 B raised for West African projects



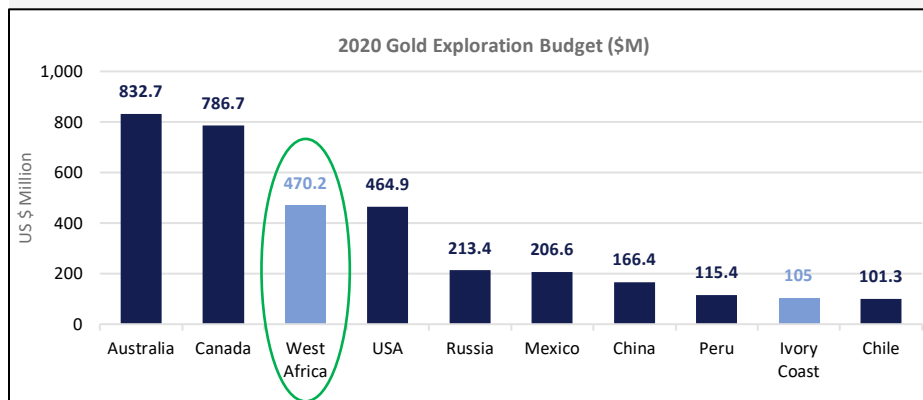
## 2nd TOP GOLD PRODUCING REGION

11.1Moz production in 2020 (Estimated)



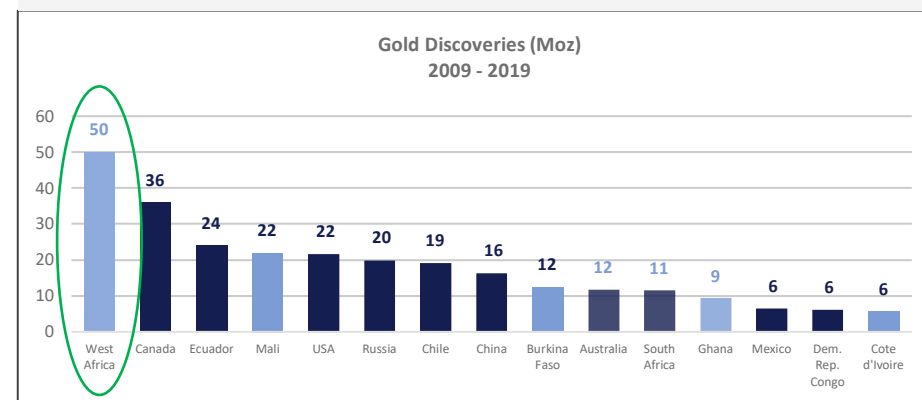
## SIGNIFICANT EXPLORATION ACTIVITY

Region features strongly in 2020 exploration budgets



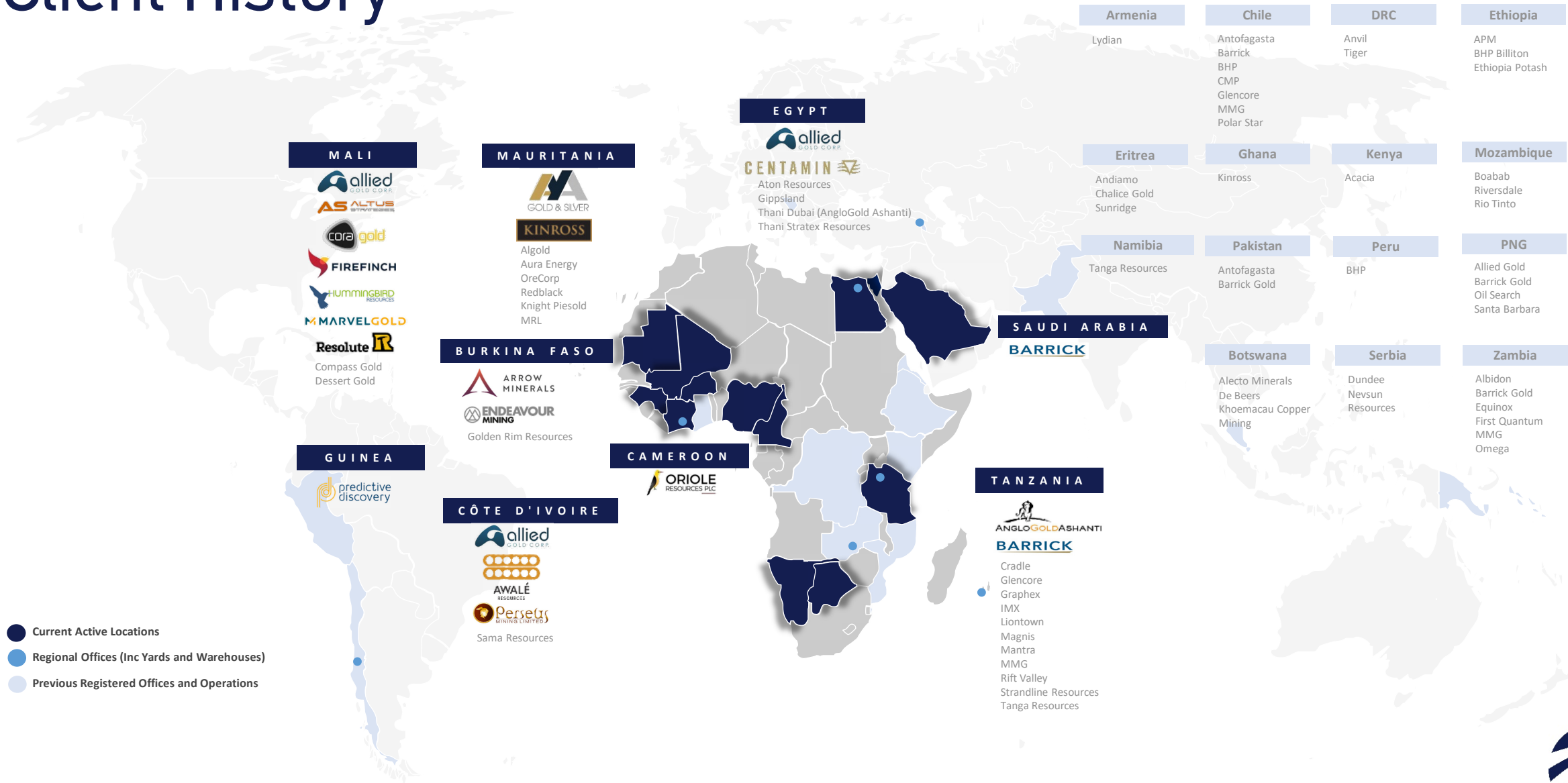
## GREATEST EXPLORATION SUCCESS

#1 global region for successful discoveries





# Client History



# Board of Directors

## EXECUTIVE



**JAMIE BOYTON**  
EXECUTIVE CHAIRMAN

- Over 20 years' experience in finance industry
- Co-founder of Capital Limited (previously Capital Drilling)
- Previously Executive Director and Head of Asian Equity Syndication and Corporate Broking at Macquarie Bank (HK)



**BRIAN RUDD**  
EXECUTIVE DIRECTOR

- Over 30 years' experience in the mining industry in Africa and Australia
- Co-founder of Capital Limited (previously Capital Drilling)
- Previous experience includes 6 years as operations/general manager for Stanley Mining Services Tanzania (Layne Christensen)



**DAVID ABERY**  
SENIOR NED

- Over 20 years experience in financial, commercial and strategic matters in African and UK corporate environments
- Ex Finance Director of Petra Diamonds, Tradepoint Financial Networks (subsequently Virt-X) (AIM) and Mission Testing plc (AIM)



**ALEX DAVIDSON**  
NED

- Over 35 years experience in mining
- 16 years at Barrick Gold; Executive VP of Exploration and Corporate Development
- Ex NED for Highland Gold (now Namakwa Diamonds) and NED of Yamana Gold



**MICHAEL RAWLINSON**  
NED

- Over 20 years investment banking experience with both private and public companies
- Senior NED at Hochschild Mining, and NED at Adriatic Metals
- Ex Director of Liberum Capital and Talvivaara Mining
- Previously Global Co-Head of Mining and Metals with Barclays

EXTENSIVE INDUSTRY EXPERIENCE, SOLID COMPLEMENT OF SKILLS



# Corporate Snapshot

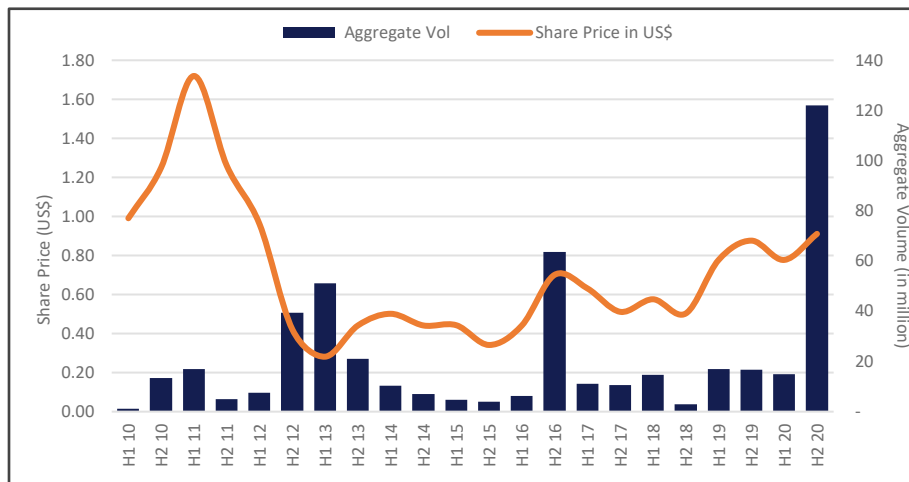
## CAPITAL STRUCTURE

Fully paid ordinary shares	188,780,903
Share price (as at 31 December 2020)	£0.67
Market capitalisation (undiluted)^	\$171.70m
Cash and cash equivalents (as at 31 December 2020)	\$35.70m
Debt (as at 31 December 2020)*	\$31.38m
Enterprise Value	\$167.38m

<sup>^</sup> Share options and unvested share grants issued 4.6 million

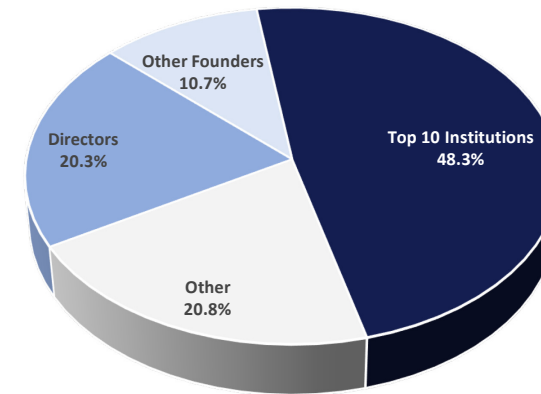
\* RCF \$15.0m, October 2020. LIBOR + 6.50% and Asset financing of \$16.38m

## AGGREGATE VOLUME vs SHARE PRICE



## SHAREHOLDING BLOCK

As at 31 Jan 2021



## DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

Jamie Boyton	Executive Chairman
Brian Rudd	Executive Director
David Abery	Senior Independent NED
Alex Davidson	Independent NED
Michael Rawlinson	Independent NED

### EXECUTIVE LEADERSHIP TEAM

Giles Everist	Chief Financial Officer
Jodie North	Chief Operating Officer
Stuart Thomson	Chief Executive Officer, MSALABS
Jeffery Court	Chief Development Officer, Mining
David Payne	Executive, Commercial
Tony Woolfe	Executive, Assets
Rick Robson	Executive, Corporate Development
Ryan Petersen	Executive, Maintenance
Ahmed Hamadi	General Manager, West Africa



# Capital Limited Competitors

Company	Mkt. Cap. (US\$m)	Cash (US\$m)	Debt (US\$m)	Net Cash (US\$m)	Ent. Val. (US\$m)	EBITDA (US\$m)			EV / EBITDA (x)			P / Book (x)	Div. Yield (%)	Perf. (12M) (%)
						2020a/e	2021e	2022e	2020a/e	2021e	2022e			
<b>DRILLING CONTRACTORS</b>														
Boart Longyear	37.0	23.5	878.6	(855.1)	892.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	3.8%
DDH 1	247.9	2.9	-	2.9	245.0	n/a	n/a	n/a	-	n/a	n/a	n/a	1.5x	n/a
Geodrill	68.6	8.6	4.2	4.4	64.2	19.0	22.6	25.2	3.4x	2.8x	2.6x	0.7x	-	53.6%
Foraco International	45.4	16.1	149.1	(133.0)	178.4	n/a	n/a	n/a	n/a	n/a	n/a	2.8x	-	88.1%
Major Drilling Group	496.2	23.4	15.5	7.9	488.3	36.2	45.4	63.4	13.5x	10.8x	7.7x	1.0x	-	155.3%
Mitchell Services	68.7	7.4	28.5	(21.1)	89.8	23.5	23.6	31.4	3.8x	3.8x	2.9x	1.9x	-	11.3%
Orbit Garant Drilling	28.2	1.7	26.4	(24.7)	52.9	6.6	11.7	12.6	8.0x	4.5x	4.2x	0.3x	-	55.7%
Swick Mining Services	36.9	10.0	24.6	(14.6)	51.5	n/a	n/a	n/a	n/a	n/a	n/a	0.4x	2.6%	17.9%
<b>Mean - Drilling</b>									<b>7.2x</b>	<b>5.5x</b>	<b>4.3x</b>	<b>1.2x</b>	<b>0.3%</b>	<b>55.1%</b>
<b>MINING CONTRACTORS</b>														
Downer Group	2,896.6	445.5	1,847.5	(1,402.0)	4,298.6	578.8	656.2	701.7	7.4x	6.6x	6.1x	1.1x	4.0%	30.1%
Maca Limited	288.4	98.5	164.8	(66.3)	354.7	78.0	123.8	165.0	4.6x	2.9x	2.1x	0.8x	5.0%	54.1%
Macmahon Holdings	358.0	114.5	214.0	(99.5)	457.5	160.3	181.5	215.4	2.9x	2.5x	2.1x	1.1x	2.7%	(2.2%)
NRW Holdings	770.5	132.3	206.7	(74.4)	844.9	167.9	200.7	240.8	5.0x	4.2x	3.5x	1.7x	1.6%	32.1%
Perenti	603.0	169.4	586.1	(416.7)	1,019.7	298.0	298.0	341.6	3.4x	3.4x	3.0x	0.6x	3.8%	16.9%
<b>Mean - Mining</b>									<b>4.7x</b>	<b>3.9x</b>	<b>3.4x</b>	<b>1.0x</b>	<b>3.4%</b>	<b>26.2%</b>
<b>LABORATORY</b>														
ALS Limited	3,789.4	105.1	732.1	(627.0)	4,416.4	294.3	300.2	361.6	15.0x	14.7x	12.2x	2.4x	3.2%	61.2%
<b>Mean – Overall</b>									<b>6.7x</b>	<b>5.6x</b>	<b>4.6x</b>	<b>1.2x</b>	<b>1.6%</b>	<b>44.5%</b>
<b>Capital Ltd.</b>	<b>163.9</b>	<b>35.7</b>	<b>30.7</b>	<b>5.0</b>	<b>158.9</b>	<b>33.8</b>	<b>51.2</b>	<b>66.2</b>	<b>4.7x</b>	<b>3.1x</b>	<b>2.4x</b>	<b>1.1x</b>	<b>2.5%</b>	<b>45.3%</b>

Footnote:

- The share price data is as of 16 March 2021 and sourced from FactSet. Other data sourced from Factset (fiscal years) and most recent company financial reports. CAPD earnings data are Tamesis estimates.
- The CAPD yield is calculated using the second interim dividend of 1.3c for the year to 31 December 2020 and the interim dividend of 0.9c for the six months to 30 June 2020, translated at a GBP:USD exchange rate of 1.39 prevailing on 16 March 2021.





# Glossary

The words below used in the presentation have the following meaning:

ARPOR	Average Revenue Per Operating Rig
CAPEX (Capital Expenditure)	Cash used on acquisition of property plant and equipment less proceeds on disposals of property plant and equipment
EBIT	Earnings (Loss) Before Interest and Taxes [Equal to profit (loss) from operations per the financial statements]
EBITDA	Earnings (Loss) Before Interest, Taxes, Depreciation, Amortisation and Fair Value Gain (Loss)
EPS	Earnings (Loss) Per Share
Enterprise value	Market capitalisation + Debt - Cash
Free Cash Flow	Operating cash flow minus capital expenditures before financing activities (Dividends, Loan repayments/drawdowns)
Group, Company	Capital Limited and its subsidiaries
KPI	Key Performance Indicator
HSSE	Health, Safety, Social and Environment

LTI	Loss Time Injury
Operating Cash flow	Profit or loss after tax adjusted for non-cash items +/- the net change in working capital
Operating Cash flow Margin	Cash generated from operations / Sales
Net Asset Value Per Share (Cents)	Total equity/ Weighted average number of ordinary shares
Net Cash (Debt)	Cash and cash equivalents less short term and long term debt
NPAT	Net profit (loss) after tax per the financial statements
(Headline) Revenue	Average fleet size x Utilisation x ARPOR
Return on Capital Employed (ROCE %)	LTM EBIT / Total Assets – Current Liabilities
Total assets	Current assets plus non-current assets
TRIFR	Total Recordable Incident Frequency Rate



# Company Contact Details

## CAPITAL LIMITED

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