CAPITAL

# H1 2020
# Results Presentation

20 August 2020

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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

- Capital Drilling Ltd changed its company name to Capital Limited (Capital) in June 2020
- Capital Limited better reflects the company's expanded range of services, including mineral analysis and load and haul
- 15-year history in Africa, commenced operations in 2005
- Listed on LSE (premium listing) in June 2010
- Operations across nine African and Middle Eastern countries
- History of strong financial performance and investor returns

### KEY METRICS H1 2020

| REVENUE | EBITDA | NET PROFIT |
|---|---|---|
| $65.1 million | $15.4 million | $13.6 million |
| Up 18.8% on H1 2019 | Up 21.3% on H1 2019 | Up 166.7% on H1 2019 |

### STRATEGIC PRIORITIES

- Grow capacity and revenue with existing customers
- Increase utilisation through idle fleet
- Grow ancillary services revenue

### MAJOR CLIENTS

allied, AngloGoldAshanti, Barrick, Centamin, Kinross, Resolute

### REVENUE BY CUSTOMER

MAJOR & MID-TIER CLIENTS

**98%**

Revenue derived from Tier 1 and Mid-Tier clients

### MINE SITE BASED REVENUE

NINE OPERATING MINE SITES

**94%**

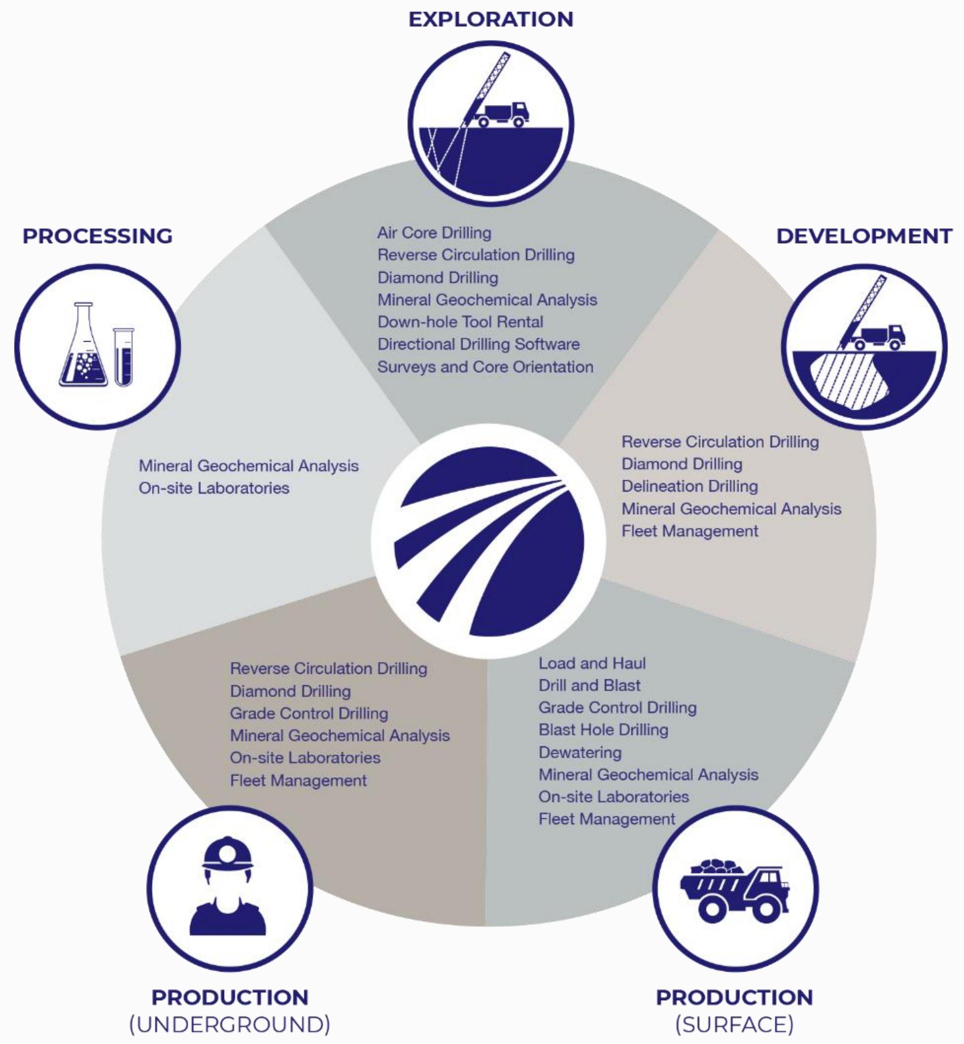
Less exposed to fluctuations in the mining cycle

# Our Capabilities

**We provide a full range of services for companies operating across the minerals mining cycle**

- Provides clients with a fully integrated end-to-end mining services solution
- Capacity to work across all facets of a project
- Deliver greater management and communication efficiencies
- Improved efficiencies enable faster identification and implementation of improvements or changes
- Flexible, coordinated approach keeping programs on schedule

**SERVICES ACROSS THE MINING CYCLE**



# Well Established Contracts, Tier 1 Operations

## WEST AFRICA

KINROSS

**Mauritania**

**Commenced in 2010**

- Grade control drilling
- Maintenance services
- Laboratory services

Resolute

**Mali**

**Commenced in 2016**

- Underground, delineation and exploration drilling

HUMMINGBIRD RESOURCES

**Mali**

**Commenced 2018**

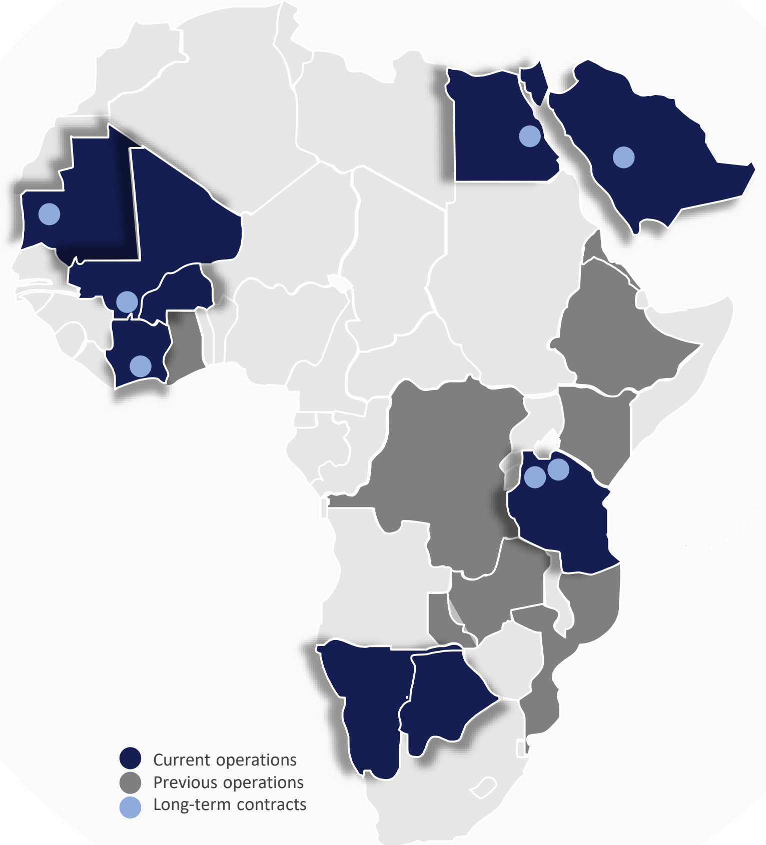
- Exploration, dewatering and delineation drilling

allied

**Côte d'Ivoire**

**Commenced 2019**

- Exploration, grade control and blast hole drilling
- Equipment hire, maintenance service and management services




## MIDDLE EAST AND NORTH AFRICA

CENTAMIN

**Egypt**

**Commenced in 2005**

- Blast hole, grade control and delineation drilling

BARRICK

**Saudi Arabia**

**Commenced in 2019**

- Underground exploration and delineation drilling

## EAST AFRICA

BARRICK

**Tanzania (North Mara)**

**Commenced in 2008**

- Blast hole and grade control drilling
- Exploration and delineation drilling

ANGLOGOLDASHANTI

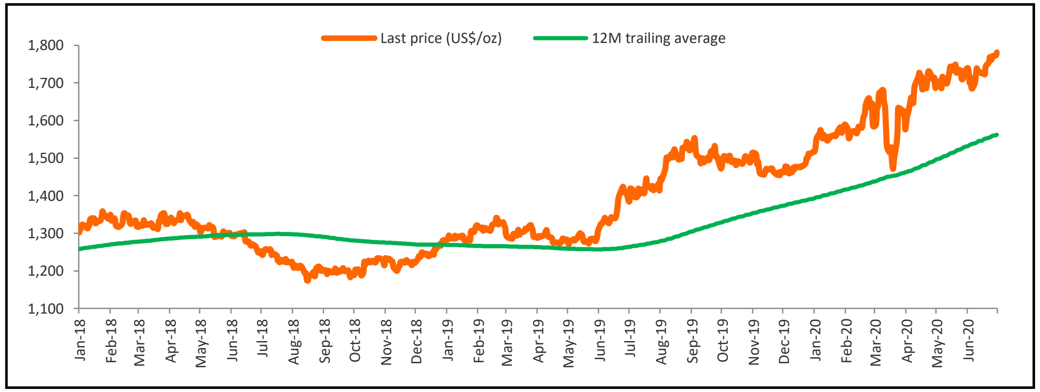
**Tanzania**

**Commenced in 2006**

- Blast hole, grade control, exploration, delineation and underground drilling

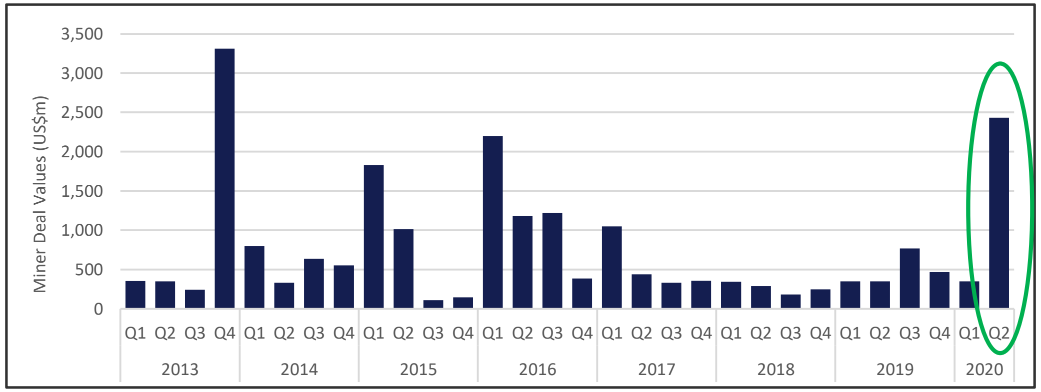
# Gold Market

## GOLD PRICE




*Source: Bloomberg Data*

## FINANCING BY JUNIOR AND INTERMEDIATE COMPANIES




*Source: Bloomberg Article July 21, 2020*

- Highly supportive gold price, which has increased strongly since Q2 2019, reaching record highs in early Q3 2020
- Capital generates >90% of its revenue from services to gold mining and exploration companies
- Recent sector M&A highlights the desire to build reserve bases, however this drive is yet to meaningfully impact exploration activity
- Recent strength in the gold price has seen a welcome surge in equity market activity
- Increased capital raising activity is a strong lead indicator for increased activity levels, both in drilling and mining

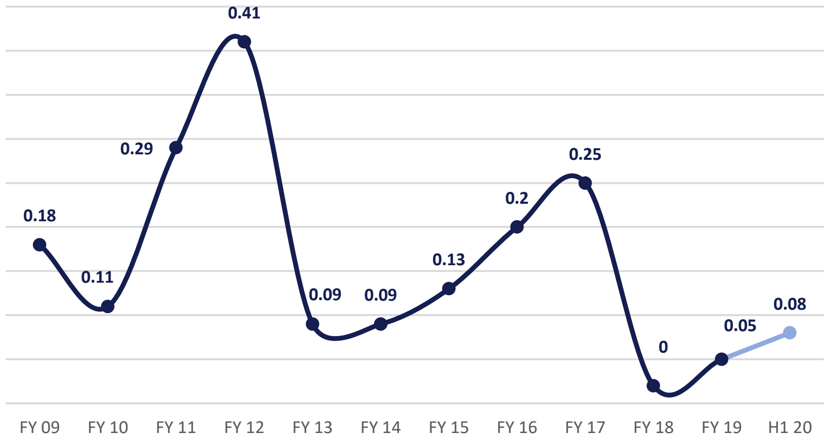
**HIGHLY SUPPORTIVE GOLD PRICE**

# Our Strategy

| | STRATEGIC FOCUS AREAS | DELIVERING AGAINST STRATEGY 2020 |
|---|---|---|
| **African Focused** | • Strong established presence in East Africa and Egypt<br>• Expansion into West African region | • Continued asset relocation strategy into West Africa |
| **Quality Providers** | • Deliver first world project execution standards in the emerging markets | • Maintained first class project performance including high availabilities and continued strong ARPOR |
| **Industry Leading HSE** | • World class safety processes and procedures on every site | • LTI-free milestones achieved at most long-term contracts during H1 2020 |
| **Best in Class Fleet / Maintenance** | • Investment in Tier 1 on-site maintenance infrastructure<br>• Maintenance and rebuild programs to maintain industry leading standards | • Continued active fleet management process<br>• Investment in new equipment to supplement and improve the existing asset base |
| **Superior Portfolio of Contracts** | • Blue chip and mid-tier mining companies | • Added new long-term contract to the portfolio |
| **Robust Balance Sheet** | • Strong cash generation<br>• Conservative approach to gearing | • Strong cash flows funding new asset purchases and paying dividends |
| **Increase Service Offering** | • Expand range of complimentary services | • Addition of load and haul services<br>• Growth in geochemical analysis activities<br>• Establishment of Mine Site Maintenance subsidiary |

# Industry Leading Safety Standards

## LTI FREQUENCY RATE TREND (2009 – H1 2020)




** LTI per 200,000 man hours worked*

## COMMENTARY

- Industry leading safety performance
- Loss Time Injury Frequency Rate (LTIFR) of 0.08 in H1 2020
- All Injury Frequency Rate (AIFR) of 0.33

- 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

# Section 2 – Results

# H1 2020 Highlights

## STRATEGIC AND OPERATIONAL

- New contract wins with existing and new customers, including a new long-term mine-site contract
- Increase rig fleet utilisation to 57%, with closing fleet of 100 rigs
- ARPOR stable at $170,000, no material production interruptions
- Multiple LTI-free safety milestones achieved at key long-term contracts
- Non-drilling revenue increase to 11% of total Company revenue
- Further developed capability of non-drilling businesses with key hires in the mining team and expansion of laboratory operations

## FINANCIAL

- Strong revenue result of $65.1 million, up 18.8% on H1 2019 ($54.8 million)
- EBITDA up 21.3% to $15.4 million on H1 2019 ($12.7 million)
- Material NPAT increase of 166.7% to $13.6 million (H1 2019: $5.1 million)
- Gains from equity investments of $9.9 million in H1 2020
- Earnings per share (EPS) up 170.5% to 10.0 cents (H1 2019: 3.7 cents)
- Interim dividend of 0.9 cents per share, to be paid on 25 September 2020, up 28.6% on H1 2019 (0.7 cents per share)

# H1 2020 Financial Overview

| Revenue KPIs | H1 2020 | H1 2019 | H2 2019 | % change from H1 2019 | % change from H2 2019 |
|---|---|---|---|---|---|
| Average Fleet Size | 99 | 91 | 92 | 8.8% | 7.6% |
| Fleet Utilisation (%) | 57 | 52 | 56 | 9.6% | 1.8% |
| ARPOR ($) | 170,000 | 183,000 | 170,000 | -7.1% | 0.0% |

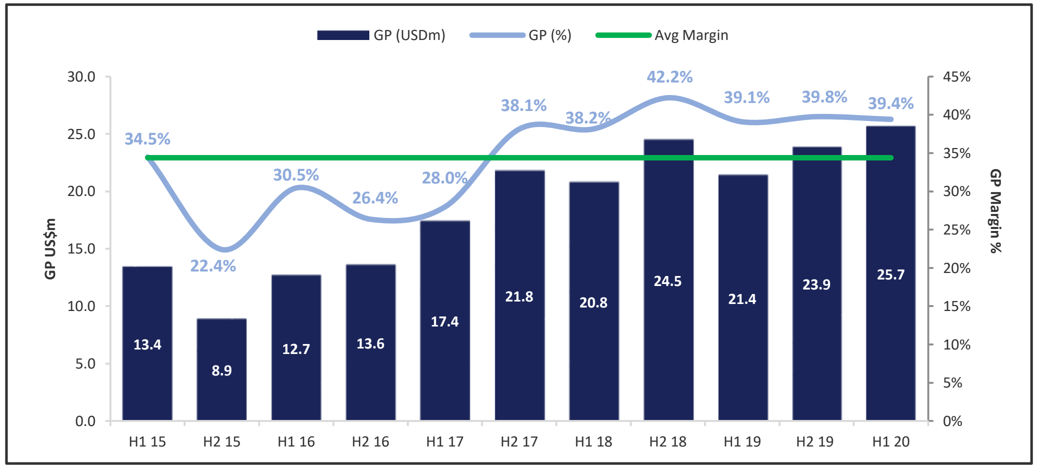
| Reported Earning | H1 2020 | H1 2019 | H2 2019 | % change from H1 2019 | % change from H2 2019 |
|---|---|---|---|---|---|
| Revenue ($m) | 65.1 | 54.8 | 60.0 | 18.8% | 8.5% |
| EBITDA ($m) | 15.4 | 12.7 | 14.6 | 21.3% | 5.5% |
| EBIT ($m) | 9.6 | 7.9 | 8.7 | 21.5% | 10.3% |
| NPAT ($m) | 13.6 | 5.1 | 5.3 | 166.7% | 156.6% |
| Basic EPS (cents) | 10.0 | 3.7 | 7.7 | 170.5% | 30.0% |
| Diluted EPS (cents) | 9.9 | 3.7 | 7.6 | 167.2% | 30.1% |
| Gross Profit (%) | 39.4 | 39.1 | 39.8 | 0.8% | -1.0% |
| EBITDA (%) | 23.7 | 23.2 | 24.3 | 2.0% | -2.8% |
| EBIT (%) | 14.7 | 14.4 | 14.5 | 2.4% | 1.7% |
| NPAT (%) | 20.9 | 9.3 | 8.8 | 124.6% | 136.5% |

## COMMENTARY

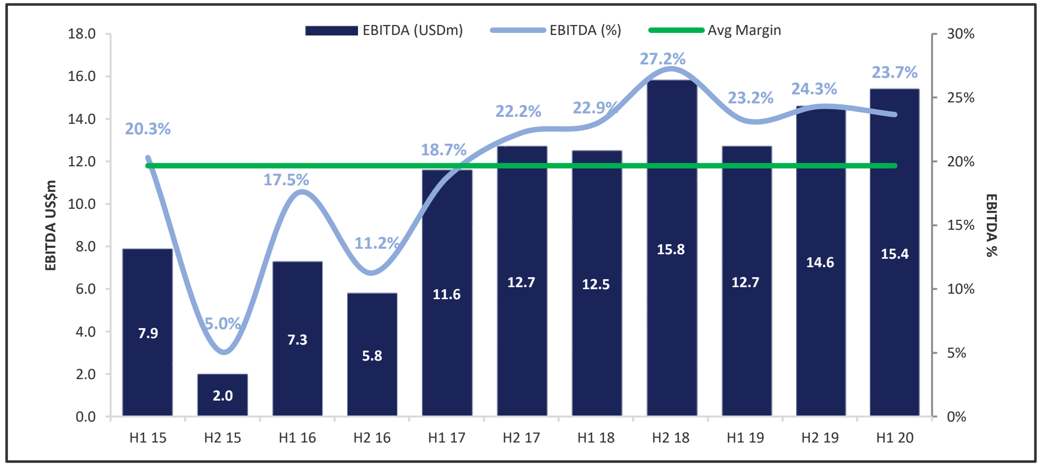
- Revenue US$65.1 million, an 18.8% increase on H1 2019
  - Increased fleet utilisation of 57%, up 9.6% on H1 2019, with a larger fleet of 100 rigs (H1 2019: 92 rigs)
  - Strong ARPOR of US$170,000 from H2 2019, down 7.1% on H1 2019 (US$183,000)
- EBITDA US$15.4 million, up 21.3% on H1 2019
  - Slightly increased margins at 23.7%, H1 2019 of 23.2%, reflecting the sustained focus on cost management
- NPAT US$13.6 million, a 166.7% increase on H1 2019
  - Strong operational performance materially boosted by investment portfolio
- H1 2020 interim dividend declared of 0.9 cents per share, up 28.6% on H1 2019 (0.7 cents per share)

# Sustained Profitability

## GROSS PROFIT AND MARGINS




## EBITDA AND MARGINS




## COMMENTARY

- Continued solid performance in Gross Profit margins
  - Strong performance to maintain GP margins despite higher labour cost inputs due to the impact of COVID-19
  - Higher direct labour costs impact, 1% of margin
  - Lower other Direct Expenses contributed to margin performance
- Improving performance at a number of sites reflecting improved disciplines with new management team

## COMMENTARY

- Continued solid performance in EBITDA margins
- Margins increased from H1 2019, despite additional management and support headcount
- Over the period Capital established corporate offices in Perth and London and made a number of key hires in Business Development, Contracts, Legal and Finance, adding bandwidth to support our expansion plans

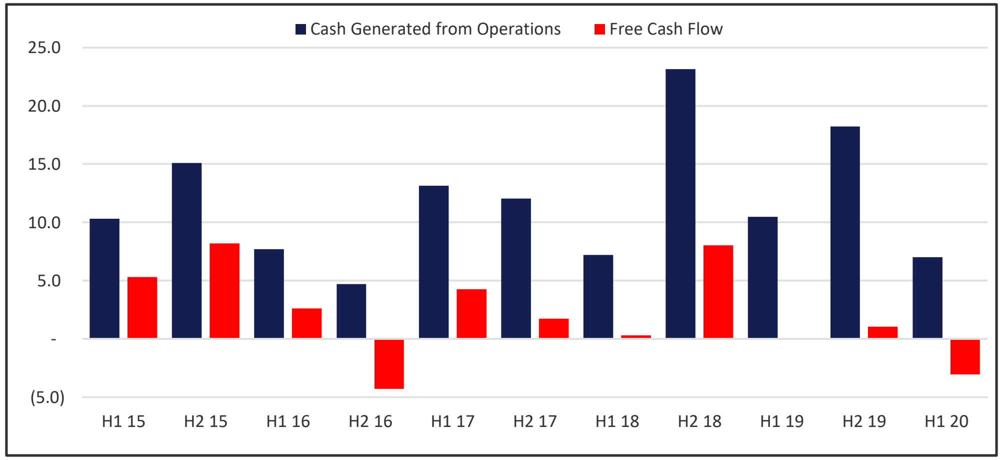
# Strong Cash Flow

| Cash Flow | H1 2020 US$m | H1 2019 US$m | H2 2019 US$m |
|---|---|---|---|
| **EBITDA** | **15.4** | 12.7 | **14.6** |
| Other non Cash flow adjustments | 1 | 0.8 | 0.5 |
| **Operating cash flows before working capital changes** | **16.4** | **13.5** | **15.1** |
| Working Capital Movements | -9.4 | -3 | **3.1** |
| **Cash generated from operations** | **7** | **10.5** | **18.2** |
| CAPEX and proceeds from Capex [(1)] | -7.0 | -6.4 | -9.4 |
| Investments and cash from Business Combination | 0.5 | -1.7 | -6.1 |
| Finance charges and Tax Payments | -3.5 | -2.4 | -1.6 |
| **Free Cash Flow** | **-3** | **0** | **1.1** |
| Movement in long term liabilities[(1)] | 2.2 | -2.1 | 1.8 |
| Dividends paid | -1 | -2 | (1.0) |
| **Net increase in cash** | **-1.8** | **-4.1** | **1.9** |
| Opening Cash Balance | 17.6 | 19.9 | 15.5 |
| FX on cash | -0.3 | -0.3 | 0.3 |
| **Closing cash balance** | **15.5** | **15.5** | **17.6** |

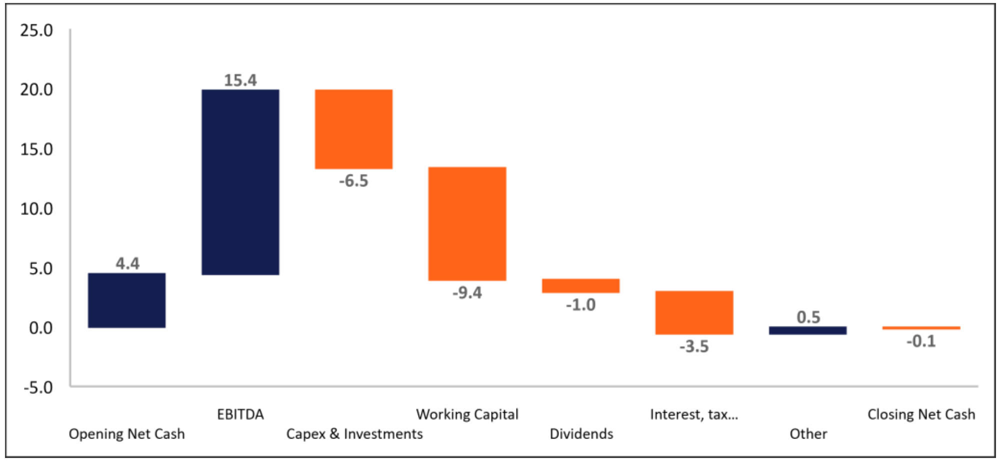
[(1)] *excludes assets purchased via finance leases*

- Strong performance in operating cash flows, up 21% on H1 2019
- Cash from operations of $7 million, due to working capital outflows:
  - Asset prepayments of $3 million
  - Receivables timing of $2 million
  - Inventory outflow $1 million
  - VAT and other tax payments $2 million

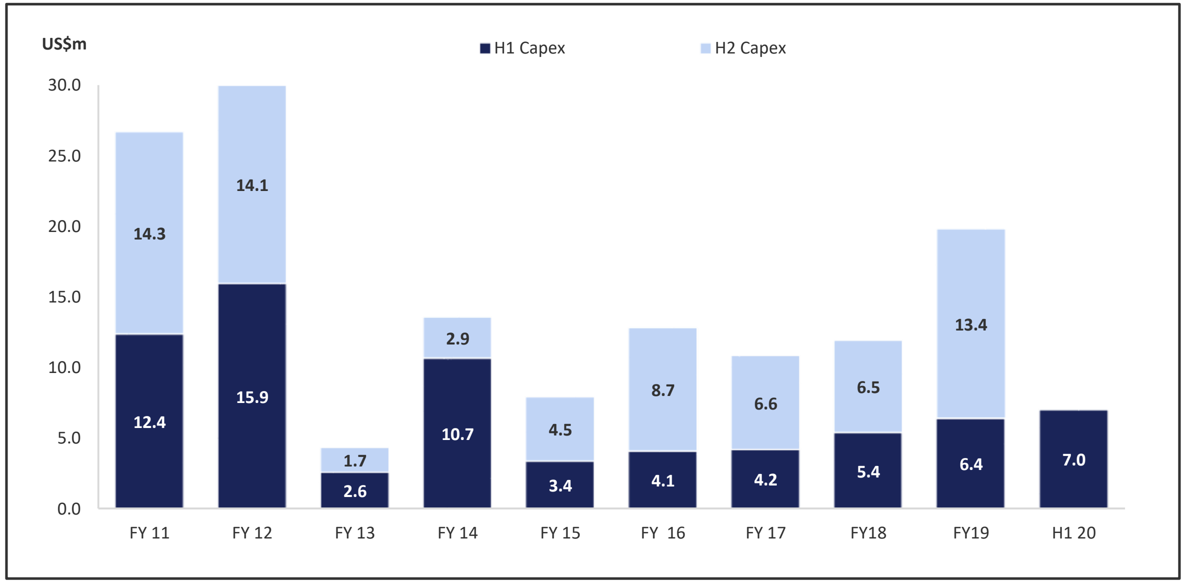
## OPERATING CASH FLOW / FREE CASH FLOW




## H1 2020 NET CASH MOVEMENTS

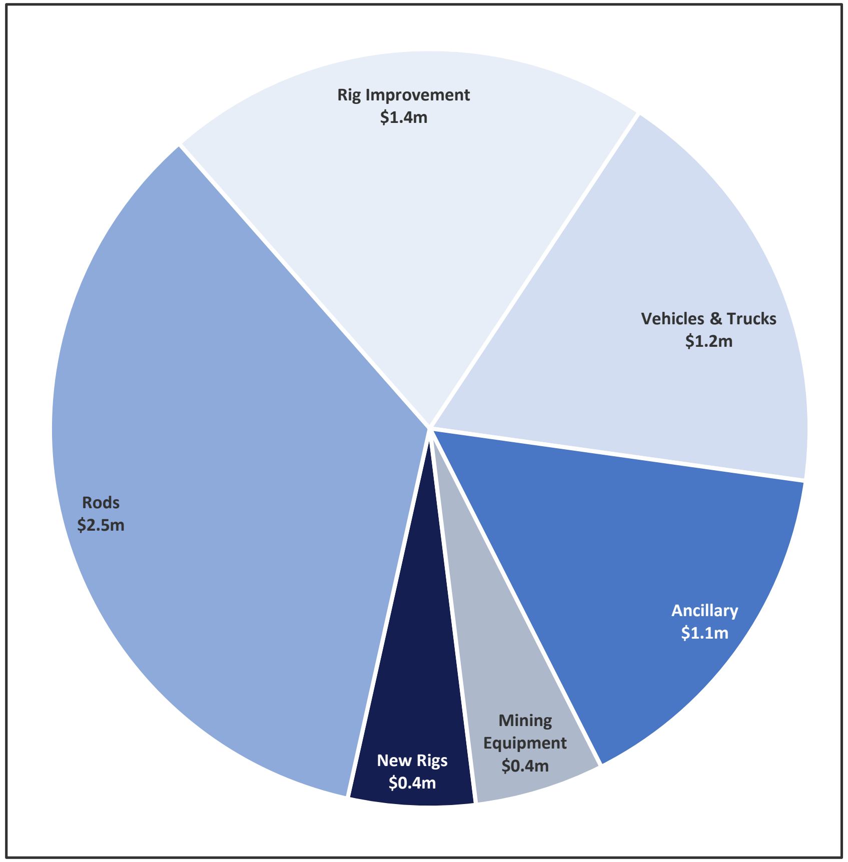


# Capital Expenditure




- Capital expenditure (CAPEX) US$7.0 million
- Acquired one further underground rig for deployment with Barrick in Tanzania (Bulyanhulu)
- Increased investment in support equipment (vehicles, trucks, ancillary) to support expanded fleet in West Africa
- Further investment in mining equipment (deposits on trucks and excavators) to better position the company for contract wins
  - Asset deposits reflected in working capital outflows in H1 2020 of $3 million

**H1 2020 CAPEX**




**DISCIPLINED APPROACH TO CAPITAL MANAGEMENT**

# Strong Balance Sheet

| Balance Sheet | H1 2020 US$m | H1 2019 US$m | H2 2019 US$m | % change from H1 2019 | % change from H2 2019 |
|---|---|---|---|---|---|
| Cash and cash equivalents | 15.5 | 15.5 | 17.6 | 0.0% | -11.9% |
| Investments | 23.2 | 8.9 | 12.5 | 160.7% | 85.6% |
| Receivables | 32.4 | 24.6 | 25.2 | 31.7% | 28.6% |
| Inventory | 18.8 | 18.4 | 17.5 | 2.2% | 7.4% |
| Other assets | 2.4 | 0.8 | 2.6 | 200.0% | -7.7% |
| Property, plant and equipment | 54.2 | 40.3 | 52.9 | 34.5% | 2.5% |
| **Total Assets** | **146.5** | **108.5** | **128.3** | **35.0%** | **14.2%** |
| Payables | 23.4 | 17.6 | 23.1 | 33.0% | 1.3% |
| Borrowings | 15.6 | 7.1 | 13.2 | 119.7% | 18.2% |
| Right of use liabilities (IFRS 16) | 0.6 | 0.5 | 0.7 | 20.0% | -14.3% |
| Taxation | 6.8 | 4 | 4.4 | 70.0% | 54.5% |
| **Total Liabilities** | **46.4** | **29.2** | **41.4** | **58.9%** | **12.1%** |
| **Total Equity** | **99.0** | **79.3** | **85.7** | **24.8%** | **15.5%** |
| **Less Non-Controlling Interest** | **1.1** | **0.0** | **1.2** | **N/A** | **-8.3%** |
| **Total Shareholders Equity** | **100.1** | **79.3** | **86.9** | **26.2%** | **15.2%** |

| | | | | | |
|---|---|---|---|---|---|
| Net Asset Value per share (cents) | 72.4 | 58.3 | 63.0 | 24.2% | 14.9% |

| | | | | | |
|---|---|---|---|---|---|
| Net Cash ($m) | -0.1 | 8.5 | 4.4 | -101.2% | -102.3% |
| Gearing (Net Cash to Equity in %) | -0.1 | 10.7 | 5.2 | -100.9% | -101.9% |

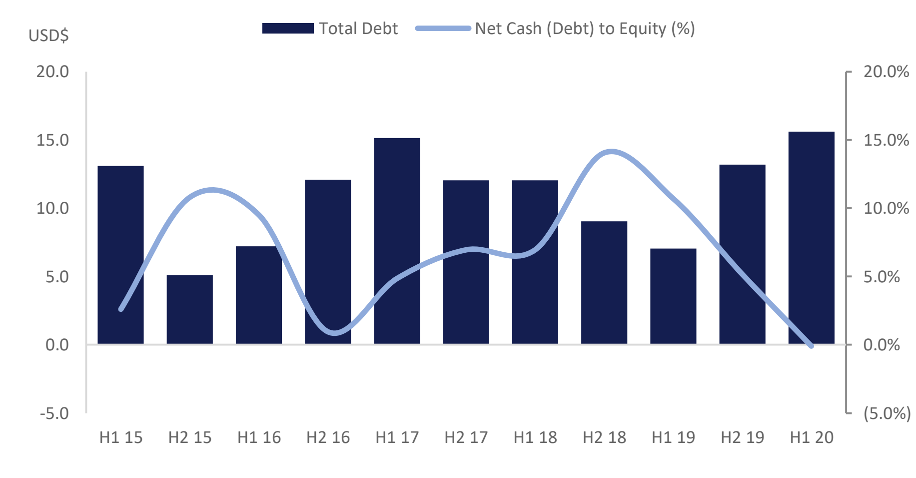
| | | | | | |
|---|---|---|---|---|---|
| Return on Total Assets (%)* | 12.5 | 15.6 | 13.0 | -19.6% | -3.6% |
| Return on Invested Capital (%)* | 17.0 | 18.8 | 17.0 | -9.3% | 0.3% |

** ROTA = LTM EBIT / Total assets*
*ROIC = LTM EBIT / Invested capital*

## COMMENTARY

- Maintained strong balance sheet, closing the period neutral Net Cash
- Investment gains substantially increased portfolio value
- Increase in receivables reflects increased revenues
- Shareholder equity increased 15.2% from H2 2019
- Successfully renewed and increased the value of the Group RCF facility to $15 million (previously $12 million) with a three-year term with Standard Bank

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



# Investments

## BACKGROUND

- Capital has selectively engaged in Drill for Equity and Direct Investment 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 H1 2020
- Total investments value increased from $12.5 million (December 2019) to $23.2 million (June 2020)
- Investment gains of $9.9 million in H1 2020
  - Gains on both listed and unlisted investments, with strong contributions from Predictive Discoveries and Allied Gold Corp
- Cash flow inflow in H1 2020 of $0.5 million, reversing significant outflow in 2019 ($7.9 million)
- Contract revenue from investee customers of $8.0 million in H1 2020

## SELECTED HOLDINGS

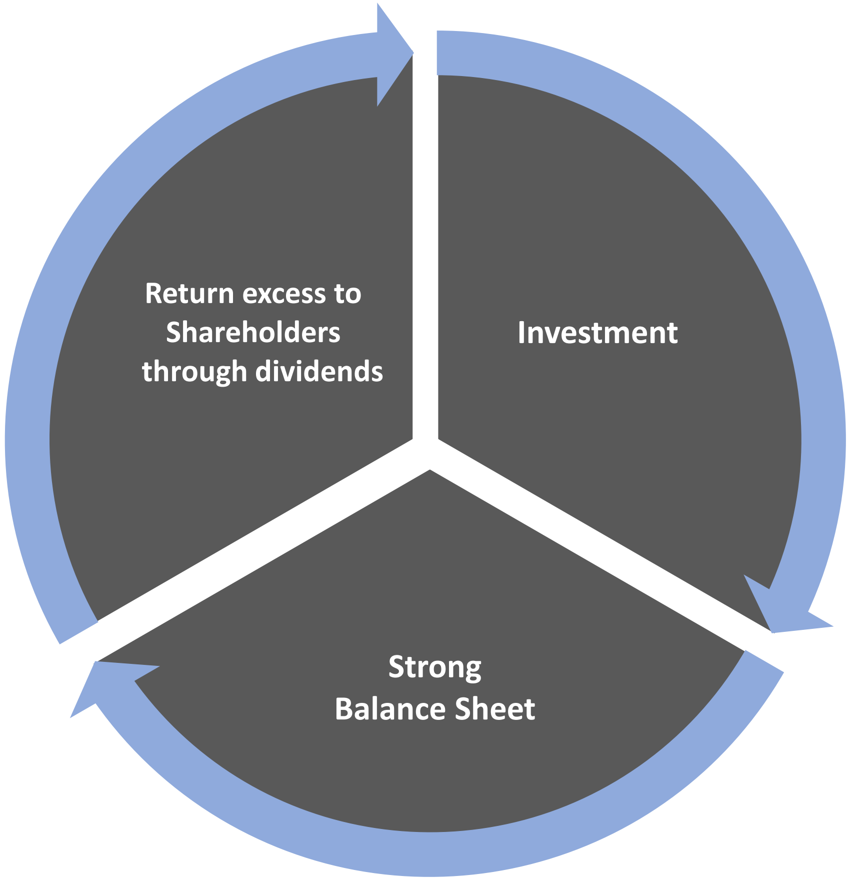
allied · ARROW MINERALS · AWALÉ RESOURCES · cora gold · Golden Rim Resources · Graphex MINING LIMITED · predictive discovery

# 2020 Interim Dividend

- **Interim dividend declared for H1 2020 of US 0.9cps (2019: interim dividend of US 0.7cps)**
- Declared a second half interim dividend of US 0.7cps on 19 March 2020, payment date 04 May 2020
- We will continue our disciplined approach to capital management – **we remain committed to a strong balance sheet**

| DIVIDEND DECLARED | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| **Cents per share** | 1.9 | 3.6 | 2.5 | 1.7 | 2.1 | 1.4 |
| **Amount ($'m)** | $2.56 | $4.85 | $3.38 | $2.31 | $2.86 | $1.91 |

| DIVIDEND TIMETABLE | |
|---|---|
| August 20, 2020 | H1 2020 Results release and dividend declaration |
| September 03, 2020 | Ex-dividend date |
| September 04, 2020 | Record date |
| September 25, 2020 | Payment date |



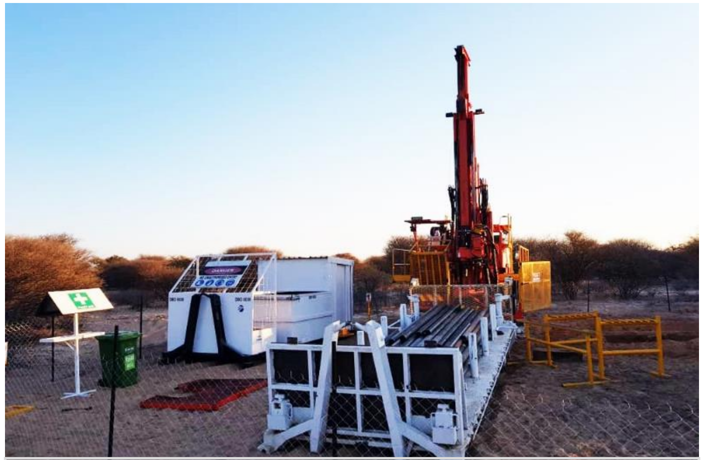
# Section 3 – Strategy Update

# Growth Drivers

## EXPAND CAPACITY WITH EXISTING CUSTOMERS

- Eight existing long-term contracts
- Capital's strategy focused on providing multiple services to existing clients, expanding the services as the projects develop
- Numerous long-term contracts have increased assets during H1 2020

## UTILISE IDLE ASSETS



- Idle capacity in exploration fleet
- 2019 saw a material increase in the depth of Capital's exploration customer base
- Exploration activity remained subdued during H1 2020, primarily due to COVID-19 restrictions
- Anticipate surge in equity raisings will drive spike in exploration activity

## GROW ANCILLARY SERVICES REVENUE


- Established range of ancillary services across mining cycle
- Focus on building capability through people, infrastructure and equipment
- New management teams in place for Capital Mining and MSM (Maintenance)

# Increase Assets with Existing Customers

**LEVERAGE EXISTING INFRASTRUCTURE**

- Capital's strategy focused on providing multiple services to existing clients, expanding the services as the projects develop
- Leverages the existing on-site infrastructure and adds depth to the service offering
- Increased rig fleet utilisation in H1 2020 attributable to increased demand from existing customers
- Increased our services across multiple sites in H1 2020, including:
    - Bonikro (Allied Gold)
    - Geita (AngloGold Ashanti)
    - Syama (Resolute)
    - Yanfolila (Hummingbird)

**EXISTING LONG-TERM CONTRACTS**

| | | | |
|---|---|---|---|
| Bonikro<br>Cote d'Ivoire | Geita<br>Tanzania | Jabal Sayid<br>Saudi Arabia | North Mara<br>Tanzania |
| Sukari<br>Egypt | Yanfolila<br>Mali | Tasiast<br>Mauritania | Syama<br>Mali |

# Increase Exploration Fleet Utilisation

## IDLE EXPLORATION RIGS


Air Core


Diamond Core


Reverse Circulation

## POTENTIAL REVENUE CAPTURE

Approximately
**40 idle rigs**

H1 2020 ARPOR of
**US$170,000 per rig**

Revenue opportunity
**> $80 million**

H1 2020 revenue
**US$65.1 million**

- H1 2020 rig utilisation of 57% (up 9.6% on H1 2019), on a fleet of 100 rigs
- Production and underground fleet near full utilisation, with substantial idle capacity in existing exploration fleet
- Platform for higher utilisation built in 2019, with a record number of exploration contract wins, eight of which were in West Africa

## CURRENT EXPLORATION CONTRACTS

Perseus Mining Limited
**CÔTE D'IVOIRE**
Commenced
Q4 2019

BARRICK
**TANZANIA**
Commenced
Q1 2020

Altus Strategies
**MALI**
Project Executed
Q2 2020

Arrow Minerals
**BURKINA FASO**
Recommenced
Q3 2020

Awalé Resources
**CÔTE D'IVOIRE**
Commenced
Q3 2020

Graphex Mining Limited
**MALI**
Commencing
Q3 2020

allied
**EGYPT**
Commencing
Q3 2020

# Grow Non-Drilling Revenue

## LOAD & HAUL SERVICES: CAPITAL MINING

- Established the mining division, Capital Mining Services in H2 2019
- Commenced first contract for ancillary mining services at the Bonikro Mine in H2 2019
- Continue to build the core team, including Chief Development Officer, Contracts, Legal and Head of Maintenance
- Actively engaged on multiple tenders across a mix of existing and new customers
- Load & haul tenders represent a larger revenue opportunity for the Group, with potential contract revenues >$40 million per annum in revenue
- Selectively investing in mining equipment, better positioning the Group for tendering success



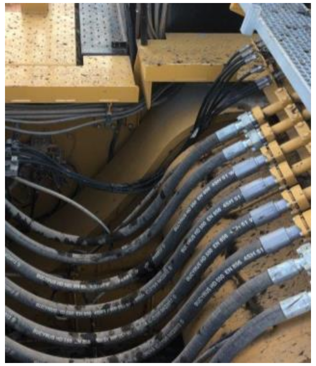
**INCREASED CAPABILITY PROVIDES BROADER OPPORTUNITIES WITH LARGER CLIENT BASE**

# Grow Non-Drilling Revenue

## ANCILLARY SERVICES


Capital Mining: Load & Haul

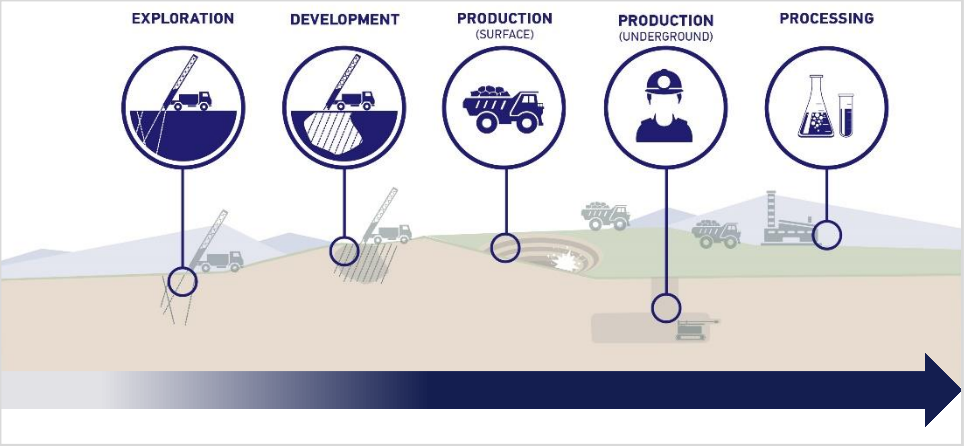

MSALABS: Laboratory services


MSM: Maintenance services

## LAB SERVICES: MSALABS

- Restructured management team
- Increased investment in African infrastructure
  - Acquisition of ELAM laboratory (Cote d'Ivoire)
  - Commissioning of new laboratory in Nouakchott (Mauritania)
- Significant increase in new clients including Allied Gold, Endeavor Mining and Perseus Mining
- African revenue now represents over 50% of MSALAB's revenue

## SERVICE OFFER ACROSS MINING CYCLE




## 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
- Began third party sales in H1 2020

# Young and Expanding Fleet

**Our company operates one of the youngest equipment fleets in the industry, as a result of our regular maintenance and upgrades**

- Reputation for a quality, reliable fleet
- Equipment is fitted with the latest technologies for enhanced efficiency, safety and data collection
- Established drill rig fleet includes diamond core, air core, reverse circulation / grade control, blast hole and underground rigs
- Expanding mining equipment fleet:
  - CAT D9 dozers
  - CAT 16M grader
  - CAT 6020B mining shovel
  - CAT 6040 mining shovel
  - CAT 340 excavator
  - CAT 785 haul trucks


# Outlook

- Record gold price is a positive indicator for Capital, with over 90% of Capital Limited revenue from gold producers
- Surge in equity market activity during Q2 is 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
- West Africa continuing to attract bulk of African investment, asset movements into the region largely completed, providing strong platform to take advantage of new opportunities
- Substantial increase in tendering pipeline activity across all business units
- Uncertainty associated with COVID-19 pandemic continues, some positive signs of restrictions easing, monitoring and management of the situation will continue
- Robust balance sheet, established infrastructure and broader management team in place to capitalise on increased demand

# Capital Limited Investment Proposition

| | |
|---|---|
| **Tier 1 Mine-site based clients** | • Stable and predictable revenue streams |
| **Business Diversification** | • Diversity of services across the cycle, coupled with extension into complementary ancillary services, provides increased revenue security |
| **Targeted Growth** | • Focus on high-growth West African region, with geographic concentration to drive margins |
| **Excellence in Execution** | • Best-in-class project execution, fleet quality and management |
| **Robust Balance Sheet** | • Capacity to fund growth initiatives and dividend payments |
| **Exploration Fleet Capacity** | • Idle rig capacity provides growth upside |
| **Executing on Strategic Priorities** | • Establishment of Capital Mining Services to deliver significant growth opportunities |
| **Shareholder Returns** | • Focus on shareholder returns through growth, investments and dividend payments (since 2014) |

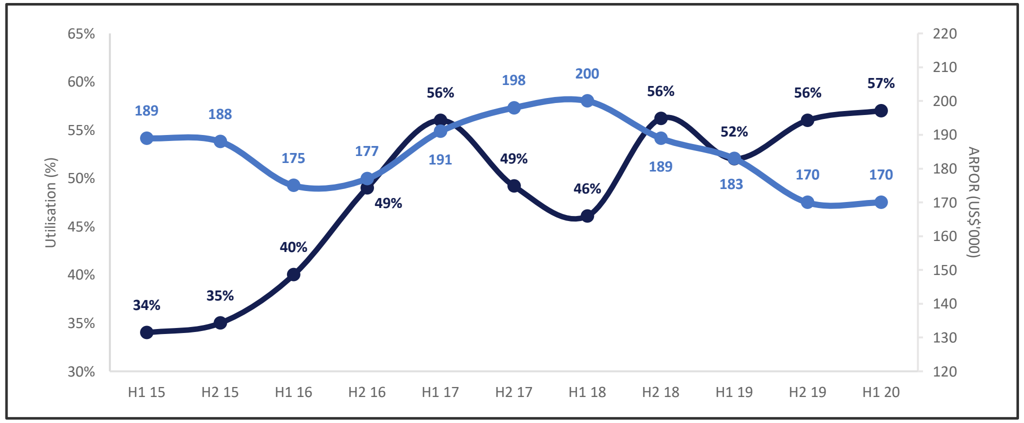
# Appendices

# Our Brand Portfolio

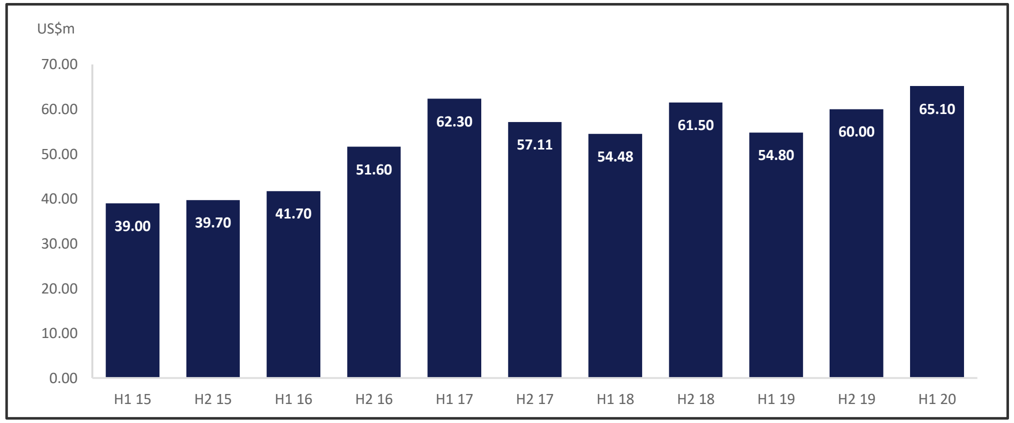
| | |
|---|---|
| CAPITAL DRILLING | Capital Drilling provides a complete range of drilling solutions for projects across the mining cycle from exploration to production |
| CAPITAL MINING | Capital Mining provides complete Load and Haul services for clients from development to fully operational mine sites |
| MSALABS | MSALABS are a global provider of geochemical laboratory services for the exploration and mining industries |
| MSM MINE SITE MAINTENANCE | Mine Site Maintenance (MSM) provide a broad range of maintenance services across Africa |
| WELL FORCE INTERNATIONAL | Well Force International provides a complete rig site solution including equipment rental, on-site surveying and geophysical logging services, and HiTT, a unique software solution for borehole management |

# Revenue Metrics

## UTILISATION vs ARPOR




## REVENUE

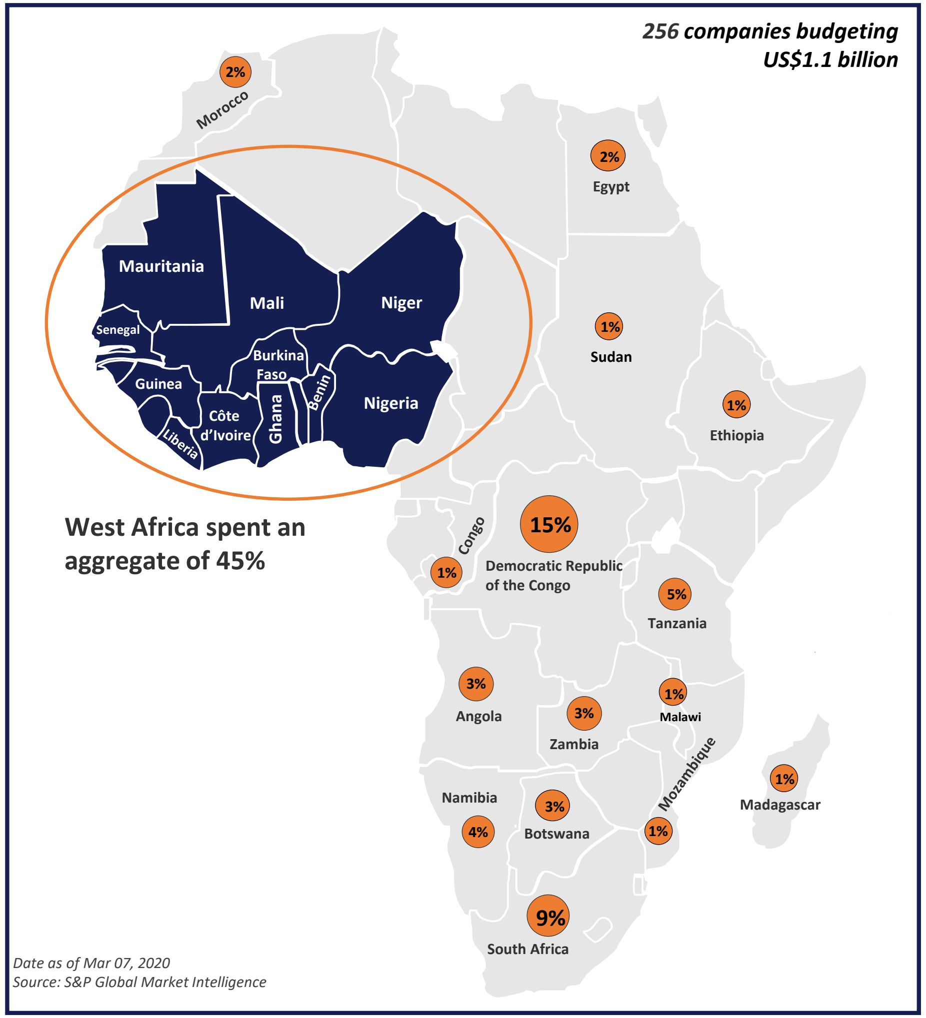



## COMMENTS

- Improvement in utilisation with increased assets at a number of existing operations
- Increased fleet utilisation of 57%, up 9.6% on H1 2019
- Stable ARPOR driven by strong performance at core long-term contracts

# Expansion into West Africa

**AFRICAN EXPLORATION BUDGETS BY COUNTRY, 2019**




*Date as of Mar 07, 2020*
*Source: S&P Global Market Intelligence*

## Increased Rig Count

Rig count in region tripled in two years from 13 rigs at December 2017 to 42 rigs (42% of total fleet) in West Africa by end Q2 2020

## Established Infrastructure

Offices, warehouses, workshops and accommodation in Bamako (Mali), Yamoussoukro (Côte d'Ivoire) and Nouakchott (Mauritania)

## Increased Revenue Contribution

West African revenues represent 31% of Group revenue in H1 2020

## Multiple Contract Wins

- Altus Strategies: Mali
- Arrow Minerals: Burkina Faso
- Awale Resources: Côte d'Ivoire
- Graphex Mining: Mali
- Hummingbird Resources: Mali
- Resolute: Mali

## Key Business Positions Employed

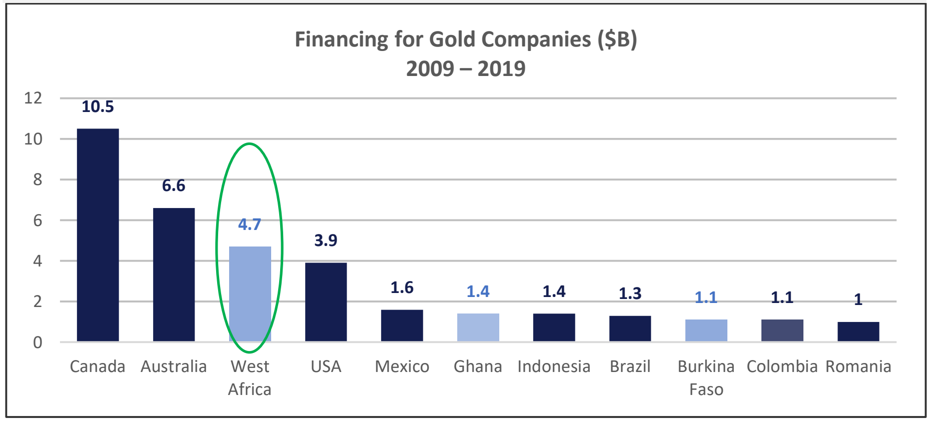
Increased depth with new employee recruitment in exploration, finance and laboratories

**WEST AFRICA REPRESENTS THE LARGEST REGIONAL OPPORTUNITY**

# Compelling Growth Opportunities in West Africa

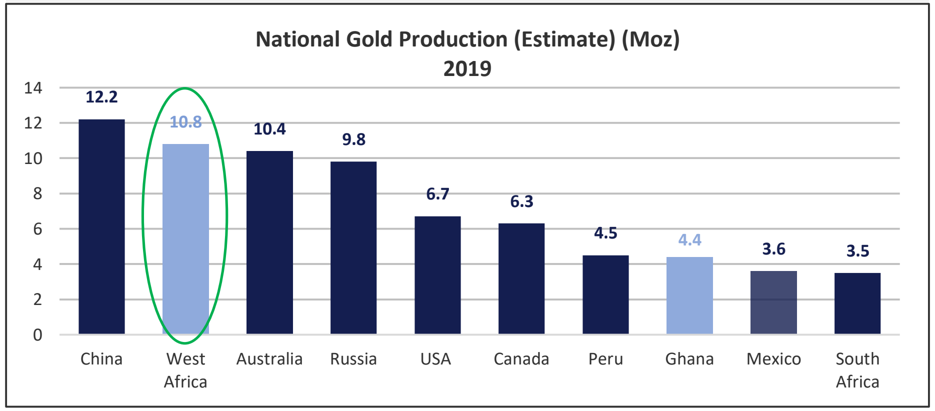
## STRONG EQUITY MARKET SUPPORT

**$4.7 B raised for West African projects**



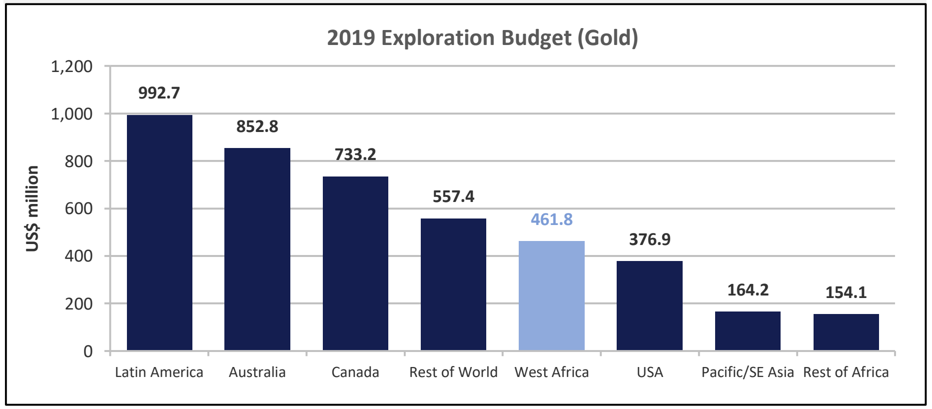

## 2nd TOP GOLD PRODUCING REGION

**10.8Moz production in 2019 (Estimated)**



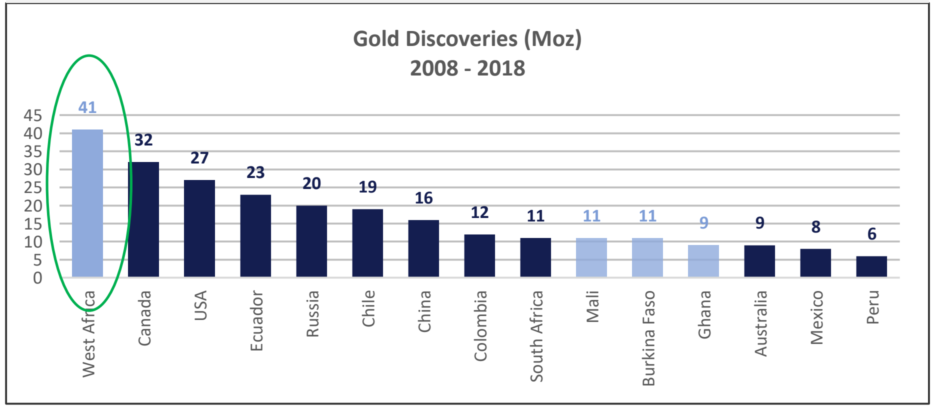

## SIGNIFICANT EXPLORATION ACTIVITY

**Region features strongly in 2019 exploration budgets**



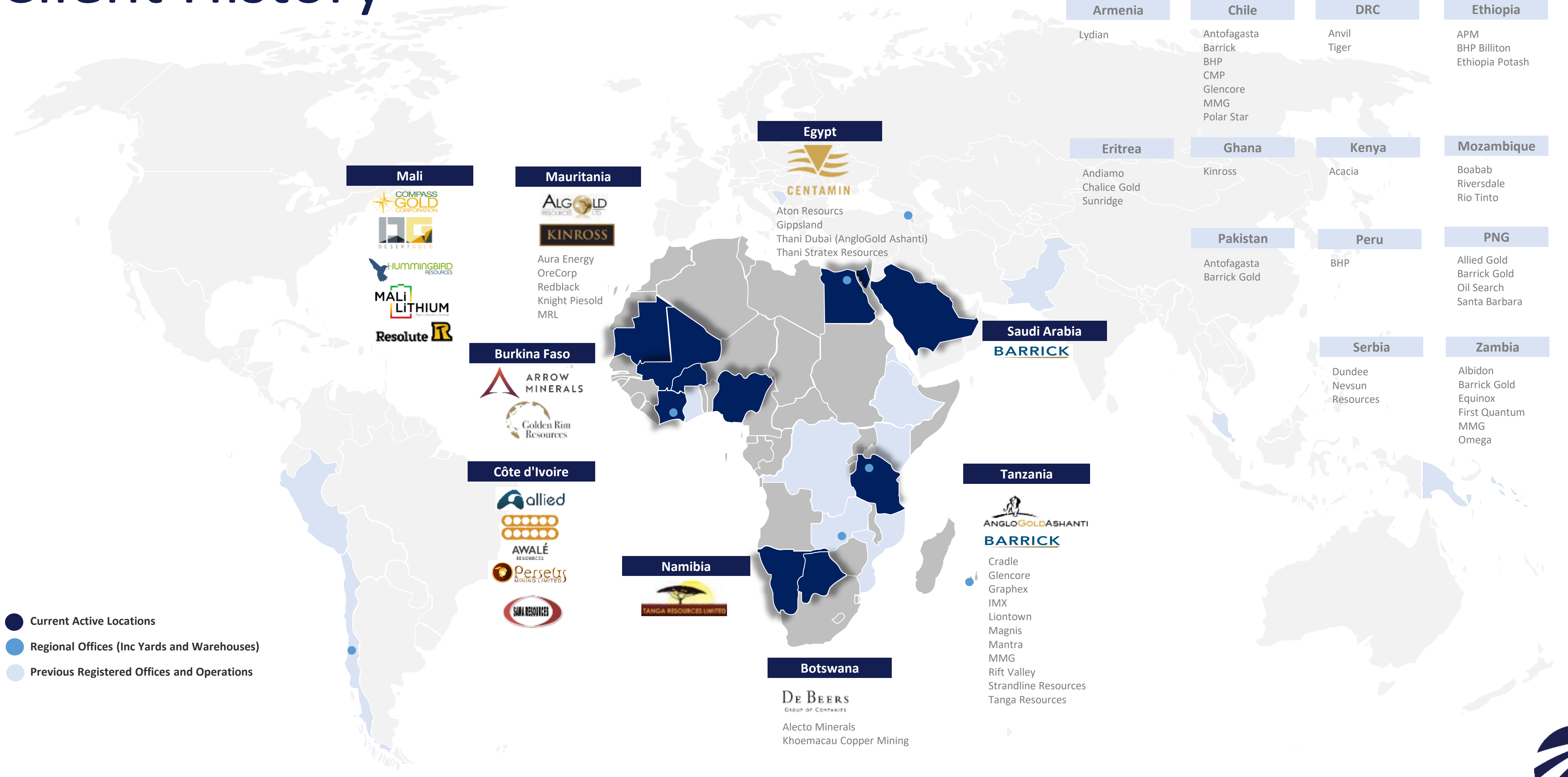

## GREATEST EXPLORATION SUCCESS

**#1 global region for successful discoveries**




*Source: S&P Global Market Intelligence*

# Client History



## Mali
Compass Gold Corporation
Desert Gold
Hummingbird Resources
Mali Lithium
Resolute

## Mauritania
Algold Resources Ltd
Kinross
Aura Energy
OreCorp
Redblack
Knight Piesold
MRL

## Burkina Faso
Arrow Minerals
Golden Rim Resources

## Côte d'Ivoire
allied
Awalé Resources
Perseus Mining Limited
Sama Resources

## Namibia
Tanga Resources Limited

## Egypt
Centamin
Aton Resourcs
Gippsland
Thani Dubai (AngloGold Ashanti)
Thani Stratex Resources

## Saudi Arabia
Barrick

## Tanzania
AngloGold Ashanti
Barrick
Cradle
Glencore
Graphex
IMX
Liontown
Magnis
Mantra
MMG
Rift Valley
Strandline Resources
Tanga Resources

## Botswana
De Beers Group of Companies
Alecto Minerals
Khoemacau Copper Mining

## Armenia
Lydian

## Chile
Antofagasta
Barrick
BHP
CMP
Glencore
MMG
Polar Star

## DRC
Anvil
Tiger

## Ethiopia
APM
BHP Billiton
Ethiopia Potash

## Eritrea
Andiamo
Chalice Gold
Sunridge

## Ghana
Kinross

## Kenya
Acacia

## Mozambique
Boabab
Riversdale
Rio Tinto

## Pakistan
Antofagasta
Barrick Gold

## Peru
BHP

## PNG
Allied Gold
Barrick Gold
Oil Search
Santa Barbara

## Serbia
Dundee
Nevsun
Resources

## Zambia
Albidon
Barrick Gold
Equinox
First Quantum
MMG
Omega

- Current Active Locations
- Regional Offices (Inc Yards and Warehouses)
- Previous Registered Offices and Operations

# 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)

## NON-EXECUTIVE

**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 & 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**

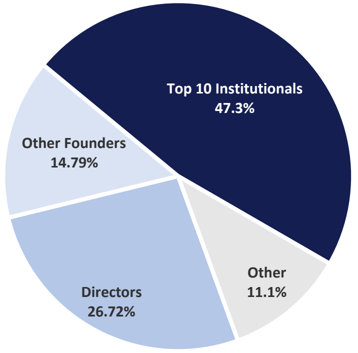
# Corporate Snapshot

## CAPITAL STRUCTURE

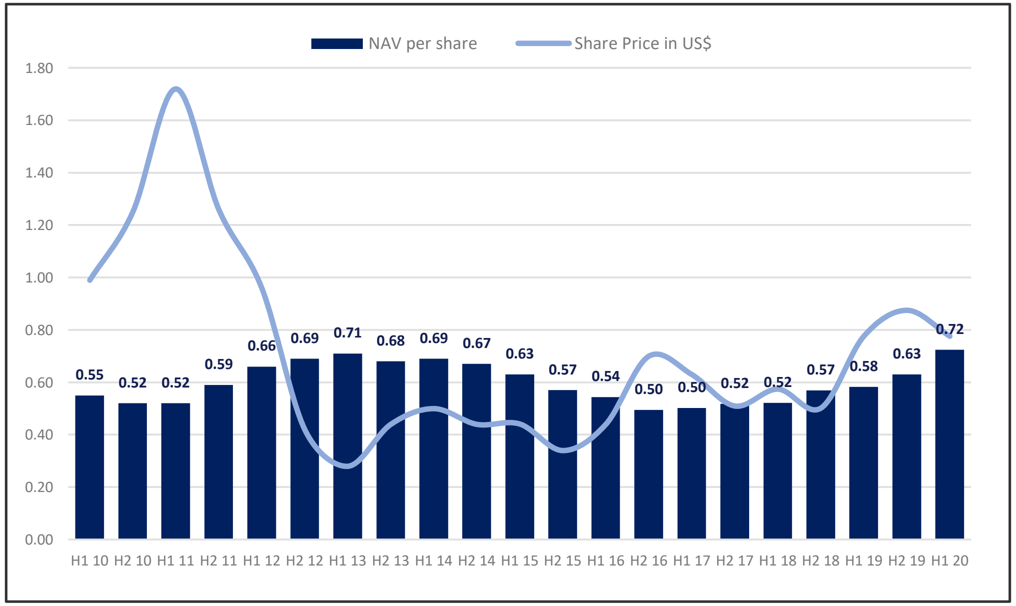
| | |
|---|---|
| Fully paid ordinary shares | 136,980,903 |
| Share price (as at 30 June 2020) | $0.78 |
| Market capitalisation (undiluted)^ | $106.30 |
| Cash (as at 30 June 2020) | $15.50 |
| Debt (as at 30 June 2020)* includes bank borrowings & O/D | $15.60 |
| Enterprise Value | $106.40 |

*^ Share options and unvested share grants issued 7.0 million*
** RCF $12.1m, October 2020. LIBOR +5.75% and Asset financing of $3.5 million*

## SHAREHOLDING BLOCKS




## NET ASSET VALUE PER SHARE vs SHARE PRICE




## DIRECTORS AND SENIOR MANAGEMENT

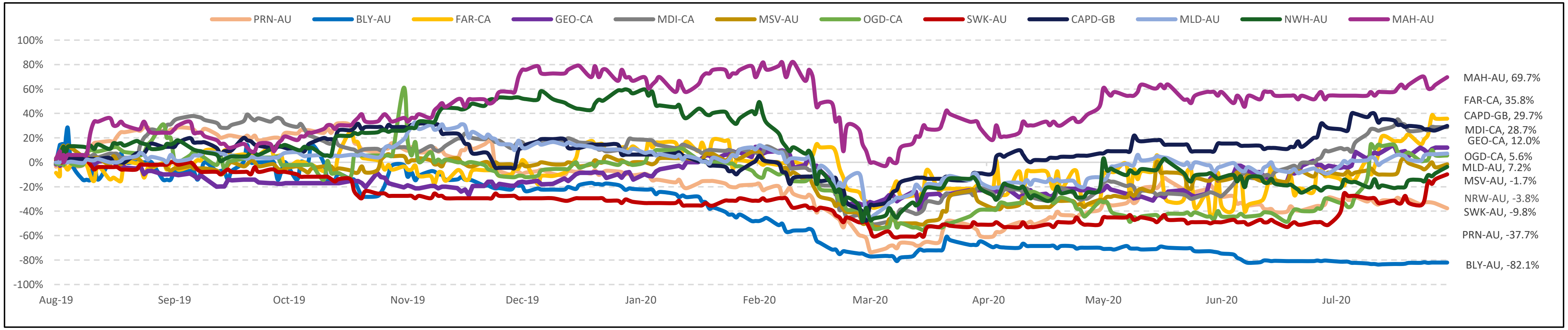
| | |
|---|---|
| Jamie Boyton | Executive Chairman |
| Brian Rudd | Executive Director |
| David Abery | Senior Independent Non-Executive Director |
| Alex Davidson | Independent Non-Executive Director |
| Michael Rawlinson | Independent Non-Executive Director |
| André Koekemoer | Chief Financial Officer |
| 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 |

# Capital Limited and Competitors

| Company | Mkt. Cap. | Cash | Debt | Net Cash | Ent. Val. | EBITDA (US$m) | | | EV / EBITDA (x) | | | P / Book | Div. Yield | Perf. (12M) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (US$m) | (US$m) | (US$m) | (US$m) | (US$m) | 2019a | 2020e | 2021e | 2019a | 2020e | 2021e | (x) | (%) | (%) |
| Boart Longyear | 23.7 | 20.2 | 784.3 | (764.1) | 787.7 | 87.3 | 135.2 | - | 9.0x | 5.8x | - | n/a | - | (82.1%) |
| Foraco International | 35.2 | 16.4 | 147.7 | (131.2) | 166.4 | 28.0 | - | - | 5.9x | - | - | 0.8x | - | 35.8% |
| Geodrill | 65.7 | 11.0 | 4.3 | 6.7 | 59.0 | 19.6 | 19.7 | 22.6 | 3.0x | 3.0x | 2.6x | 0.7x | - | 12.0% |
| Major Drilling Group | 377.9 | 43.6 | 37.5 | 6.1 | 371.8 | 36.1 | 42.7 | 52.5 | 10.3x | 8.7x | 7.1x | 0.9x | - | 28.7% |
| Mitchell Services | 84.4 | 13.9 | 33.3 | (19.4) | 103.8 | 24.5 | 32.4 | 34.8 | 4.2x | 3.2x | 3.0x | 2.7x | - | (1.7%) |
| Orbit Garant Drilling | 26.5 | 1.9 | 43.5 | (41.5) | 68.0 | 10.1 | 7.8 | 12.7 | 6.7x | 8.7x | 5.3x | 0.5x | - | 5.6% |
| Swick Mining Services | 49.4 | 7.8 | 18.2 | (10.4) | 59.8 | 17.3 | 19.5 | - | 3.5x | 3.1x | - | 0.6x | 4.3% | (9.8%) |
| Maca Limited | 185.6 | 40.2 | 96.3 | (56.1) | 241.7 | 47.9 | 80.5 | 79.7 | 5.0x | 3.0x | 3.0x | 0.7x | 5.2% | 7.2% |
| Macmahon | 421.0 | 76.3 | 111.7 | (35.4) | 456.4 | 122.2 | 166.1 | 176.6 | 3.7x | 2.7x | 2.6x | 0.9x | 1.7% | 69.7% |
| NRW Holdings | 627.8 | 44.0 | 68.0 | (24.0) | 651.8 | 98.0 | 174.0 | 197.0 | 6.7x | 3.7x | 3.3x | 3.2x | 2.4% | (3.8%) |
| Perenti | 561.4 | 223.5 | 757.4 | (533.9) | 1,095.3 | 233.0 | 301.0 | 311.0 | 4.7x | 3.6x | 3.5x | 0.9x | 3.8% | (37.7%) |
| **Mean** | | | | | | | | | **5.6x** | **4.6x** | **3.8x** | **1.2x** | **-** | **-** |
| **Capital Limited** | **130.7** | **17.6** | **13.2** | **4.4** | **126.3** | **26.9** | **30.1** | **34.6** | **4.7x** | **4.2x** | **3.7x** | **1.4x** | **1.7%** | **29.7%** |

***Footnote:***

- *The share price data is as of 19 August 2020 and sourced from FactSet. Other data sourced from Factset (fiscal years) and most recent company financial reports*
- *The CAPD yield is calculated using the second interim dividend of 0.7c for the year to 31 December 2019 and the interim dividend of 0.9c for the six months to 30 June 2020, translated at a GBP:USD exchange rate of 1.33 prevailing on 19 August 2020.*



# 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 |

| | |
|---|---|
| LTM | Last Twelve Months |
| 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 |
| Return on Invested Capital (ROIC) | LTM EBIT / Invested Capital |
| Return on Total Assets (ROTA %) | LTM EBIT / Total Assets |
| Total assets | Current assets plus non-current assets |

# Company Contact Details

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