



ANNUAL REPORT 2023



About Capital

Capital is a leading mining services company providing a complete range of drilling, mining, maintenance and geochemical laboratory solutions to customers within the global minerals industry.

🖱️ For further information visit capdrill.com

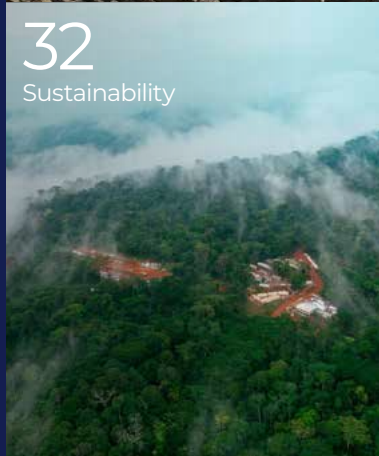
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2023 HIGHLIGHTS

\$318.4m

Revenue

The Group has delivered outstanding compound annual revenue growth of 33% since 2020

\$60.3m

EBIT

Operating profit margins have remained strong at 19%

Second material mining contract

Capital was awarded an earth moving and crushing services contract with Ivindo, majority owned by Fortesque Metals Group at the Belinga Iron Ore Project in Gabon



Landmark expansion into USA

Our new drilling contract with Nevada Gold Mines represents a landmark moment for Capital as we expand our geographic reach



MSALABS – Largest global distributor of PhotonAssay™ technology

MSALABS has positioned itself as an early adopter of this revolutionary technology and is on track to roll out 21 Chryso PhotonAssay™ Units



Epiroc electric drill partnership

Partnering with Epiroc to develop and field test battery-electric surface drill rig, smartRoc D65BE



OUR COMPANY AT A GLANCE

DIVERSIFICATION ACROSS GEOGRAPHIES AND SERVICES



BY REGION

- MENA
- ROW
- CAF/WAF
- EAF



BY SERVICE

- Drilling & associated
- Mining
- MSALABS



BY ACTIVITY

- Production
- Development
- Exploration
- Underground
- Mining
- MSALABS
- Other



BY LOCATION

- Mine site
- Non mine site

COMMITTED TO SAFETY, TRAINING AND LOCAL EMPLOYMENT

2,739 employees

92% nationals

0.75 TRIFR¹

¹ Per 1,000,000 hours worked.

GLOBAL COVERAGE



- Labs
- Drilling
- Corporate office
- Mining

END-TO-END INTEGRATED MINING SERVICE OFFERING



A complete range of drilling solutions for projects across the mining cycle from exploration to production. Our expanded portfolio includes some of the world's largest miners at tier one assets across Africa, the Americas and the Middle East.

See page 19



A fully flexible and complete mining service which delivers additional diversification to the Group by moving further along the value chain. Optimising pit to mill productivity, we provide services that include load and haul and crushing, across developing to fully operational mine sites.

See page 20



A global provider of innovative geochemical laboratory services for the exploration and mining sector, and the largest distributor of PhotonAssay™ technology. Leveraging the latest techniques and technologies, we facilitate accurate, efficient, safe and environmentally responsible analysis.

See page 21



Comprising direct investments in both publicly traded and private companies, Capital Investments constitutes an important element of our business development strategy, allowing us to leverage our infrastructure, relationships and expertise by investing in exploration and mining companies which are strategically aligned with our broader operations.

See page 22



Capital Innovation provides the Group with further diversification of service offering which can contribute to enhanced productivity, efficiency and sustainability through screening and adopting new technology relevant to the mining industry.

See page 23

EXECUTIVE CHAIR'S STATEMENT

Delivering value



2023 has been a year of strategic progress for Capital as we further expand our capabilities and geographic reach.”

Jamie Boyton
Executive Chair

2023 has been a year of strategic progress for Capital as we further expand our capabilities and geographic reach. We experienced growth across all our operating businesses, added depth to our management team and secured several material contract awards that establishes a strong platform for growth in the years ahead.

Once again, the Group achieved an outstanding, industry-leading performance in safety, which continues to be instrumental in allowing us to build and maintain lasting relationships with some of the world's largest natural resources companies. These multi-year relationships have always been core to Capital's strategy as highlighted with operations at Geita with AngloGold Ashanti now entering their nineteenth year and the letter of intent from Centamin due to extend our relationship at Sukari to 25 years.

As an integrated, end-to-end mining service provider, with growing commodity exposure and expanding geographical diversification, we believe we have a differentiated proposition. It is this, coupled with our strategic focus on blue chip customers with tier one assets and our disciplined approach to capital allocation, which has enabled us to continue to drive profitable and reliable growth during the year.

Market

The outlook remains supportive of Capital's business model, with exploration and capital expenditure budgets within the mining industry remaining considerably and unsustainably below peak levels experienced a decade ago and well below levels required to provide the supply in the years ahead.

Whilst Capital's exposure to different commodities continues to broaden, our core drilling business still retains a strong weighting to gold. With the metal price trading around an all-time high, we are confident in continued strong demand for our services. During 2023 we added significant depth to our portfolio with new contract awards across a range of commodities, particularly in iron ore and copper.

Activities in our traditional geographic footprint across East Africa and the Middle East and North Africa (MENA) remain significant contributors to our overall operations and demand has continued to be strong. We commenced operations in Gabon in 2023, while scaling back some activity in select countries in West Africa, reflecting the weaker demand environment in those geographies. Our established operations across Canada, through our laboratory business, MSALABS, has been built on over the course of the year with multiple new facilities being commissioned. In Q4 2023 we also announced the award of contracts for both Capital Drilling and MSALABS in Nevada and we expect our North American revenue to become a significant contributor to Group revenue in the years ahead.

Delivering value for our stakeholders

Safety remains absolutely fundamental to everything we do, and I am pleased to see Capital continue to achieve outstanding performance, remaining Loss Time Injury (LTI) free across thirteen sites through 2023.

EXECUTIVE CHAIR'S STATEMENT CONTINUED



Capital's best in class safety and operational performance is core to generating value."

With a steadfast focus on capital efficiency and allocation, we continued to achieve solid financial performance. Adjusted return on capital employed¹ (ROCE) during the year was 21% and the Company delivered an Adjusted EBITDA margin of 29%. As a result, the Board of Directors has declared a final dividend for 2023 of 2.6cps. This brings the total dividend declared in relation to 2023 to 3.9cps, marking the ninth year of consistent returns.

We are proud of the value we create for the communities in which we operate – not least through the employment we provide (with over 92% of our employees coming from their countries of operation), but also through local investment and support. Through our Joint Venture partnership with the International Apprenticeship and Competency Academy (IACA) in Tanzania, we facilitate training, development and skills transfer for to both our own team and the broader industry.

Our purpose at Capital is to help our customers to achieve their business objectives, through the application of our knowledge, experience and our end-to-end service proposition. We continue to expand and evolve as a business and as such, conducted an exercise during the year to update our mission and values.

As a result of this process, we have identified and committed to six key principles of safety, respect, unity, integrity, sustainability and excellence, which underpin our purpose and reflect how we operate on a daily basis.

Continued evolution of our Board and governance structures

As the Group has continued to grow, so our Board and Committees have evolved over the past year, but particularly in terms of independence and broadening the diversity of the members.

In November, we were delighted to appoint Ms Anu Dhir, who brings with her a wealth of experience in the resources sector both in Africa and across the Americas. In order to ensure the independence of our Committees, Alex Davidson (Non-Executive Director) stepped down from his statutory committee roles in 2023 to recognise the fact he is now deemed non-independent. Whilst this was necessary from a governance perspective and as consulted upon with shareholders, Alex's unique wealth of expertise and skills remains invaluable to the Company and we are therefore delighted he remains a Non-Executive Director.

Conclusion

Together with the full Board, I would like to take this opportunity to thank all our employees for their hard work this year, as well as our customers and investors for their steadfast support and the communities in which we operate.

Having invested strategically in the business over the last few years, we believe our ability to deliver growth is well underpinned by our integrated offering throughout the value chain our increasing geographical and commodity diversification and our balance sheet.



Jamie Boyton
Executive Chair

1. ROCE and EBITDA are adjusted for the cash cost of the IFRS 16 leases



CAPITAL VALUES



Safety

Uphold our exceptional health and safety standards and focus on everyone's well-being.



Respect

Respect colleagues, clients, the environment and the cultures and communities where we operate.



Unity

Operate as a fully inclusive global team.



Integrity

Be frank honest and open, developing relationships and seeing things through to completion.



Sustainability

Identify, develop and implement initiatives to lessen our environmental impact.



Excellence

Be responsive, innovative and entrepreneurial, taking ownership and always striving for the best outcomes.



Strategic Report

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INVESTMENT CASE



Key reasons to invest

Best in class returns and margins

As a premium provider to blue chip customers, with integrated and diversified business model.

Peer leading safety record

Upholding stakeholder value through a commitment to our employees and best practice.

Strategic positioning

To benefit from structural underinvestment in multi-year exploration and development cycle and to capture value from exposure to the global energy transition.

Tier-one client portfolio

Giving strong visibility on revenue and margins into the future.

Strong growth profile

Underpinned by robust balance sheet – providing catalysts to valuation upside.

CHIEF EXECUTIVE OFFICER'S STATEMENT

Executing our strategy



We have succeeded in executing on our growth and development strategies in 2023, leading to significantly enhanced diversification – from a service provision, commodity, and geographical perspective – in addition to robust operational and financial performance.”

Peter Stokes
Chief Executive Officer

Portfolio strength and diversification

We continue to strengthen our portfolio across drilling and mining, with a strategic focus on tier one assets made possible by the longstanding relationships we have built over the years with some of the world's leading miners. By concentrating on mine site activity across the Group, as opposed to a high exposure to exploration, we are poised to extend our service offering with existing customers and can also deliver more stable and consistent margins throughout the cycle.

Demonstrating Capital's ability to diversify revenue streams through an expanded offering with existing customers, following the award of a three-year drilling services contract at Ivindo Iron's Belinga iron ore mine, we subsequently entered into a five-year mining contract in June. This serves to reinforce Capital's reputation for load and haul services with blue chip customers. We also achieved a landmark entry into the North American drilling business in 2023, with a three-year, \$35 million per annum contract at Nevada Gold Mines, spanning a wide range of services across three tier one gold assets. Further, we demonstrated our capacity to maximise opportunities with existing customers in other geographies by securing a two-year diamond drilling services contract with Barrick at the Reko Diq copper project in Pakistan.

Consistently strong performance

Safety remains the priority in everything we do. We recognise that sustained strength in this crucial area is critical to our success, and I am pleased to report that we achieved a Total Recordable Injury Frequency Rate (TRIFR) of 0.75¹ in 2023, an almost 40% improvement on 2022. We believe this demonstrates the rigour we apply to our safety management practices across all our operations.

Supported by our robust contract portfolio, Capital achieved a robust rig utilisation rate of 73% in spite of the geopolitical challenges in West Africa which has led to some reduction in drilling activity, particularly in Mali. We recorded a total drilling and associated revenue of \$215.3 million for the year, up 1% on 2022, and achieved an average revenue per operating rig (ARPOR) of \$186,000. Demonstrating our increasingly diversified revenue streams, total Group revenue was 10% higher than 2022 at \$318.4 million.

Notwithstanding the sustained investment in our business growth, Capital continues to deliver consistently strong profitability, with adjusted EBITDA² generation of \$91.8 million and margins of 29%.

1 per 1,000,000 hours worked

2 EBITDA is adjusted for the cash cost of the IFRS 16 leases

CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

Capital's net debt position remained robust at \$69.8 million at year end; this was just \$22.6 million when including investment holdings of \$47.2 million at the end of 2023 (of which \$44.8 million relates to holdings in listed companies). Capital's balance sheet was further strengthened through the expansion of our revolving credit facility (RCF) from \$25 million to \$50 million in 2023, providing the Group with greater flexibility to deliver on growth opportunities.

Delivering complementary services across the value chain

Capital's majority-owned laboratories business, MSALABS, continues to drive very strong growth, particularly focused around the deployment of Chrysos PhotonAssay™ units, but also across traditional fire assay and multi-element analysis. This has been highlighted by the recent contract with Nevada Gold Mines, the most substantial award in the division's history, a five-year comprehensive contract with annual revenues of \$30 million once fully operational. MSALABS now has the largest international network of Chrysos PhotonAssay™ technology and has forged a partnership with Chrysos Corporation and Barrick to trial and then deliver this innovative technology at its mine sites across up to four continents. This underscores the strength of PhotonAssay's capabilities, facilitating safer, faster, more accurate and environmentally responsible assay analysis. We see this partnership as a strong endorsement of our ability to offer valuable services to blue chip mining companies on a global scale.

Remaining at the forefront of adopting new technology for the mining industry, we have continued to provide enhanced services through Capital Innovation during the year. This included the first solar installation by Mine Power Solutions and the continued ramp up of Well Force International, providing complete drill survey, orientation and downhole geophysical surveying with advanced equipment and software.

We have seen exceptional returns from our investments business to date; having invested a net total of \$17 million since inception, our portfolio was valued at \$47.2 million at the end of 2023. Capital Investments leverages our infrastructure and expertise thereby generating a strong return on investment, whilst at the same time building long-term strategic partnerships which provide a potential platform for future growth.

Progressing our approach to sustainability

Our continued focus on driving sustainability will be highlighted by the publication of Capital's first standalone Sustainability Report for 2023. This report will be an important step in the continued development of our sustainability strategy and we will look to further enhance transparency and reporting as we move forward.

We continue to progress our reporting in line with the Task Force on Climate-Related Financial Disclosures (TCFD) in this Annual Report.

Outlook

2024 has had a strong start with Centamin's letter of intent to renew our key Sukari drilling contract through to 2029 and will see a continuation of positive momentum with the ramp up of operations at Belinga, Reko Diq and Nevada Gold Mines. With enhanced cash flow visibility and remaining active on tendering across a wide range of geographies, we see both breadth and quality of opportunities ahead, particularly thanks to the strength of our existing customer base and our presence on site at some of the world's leading assets.

Peter Stokes
Chief Executive Officer

📄 See our strategy on page 11

📄 See our business model on page 10



BUSINESS MODEL

CAPITAL'S STRENGTHS

- Robust approach to capital allocation and strong cash generation.
- Committed management team and workforce with proven expertise and a strong focus on safety.
- Responsible environmental management and focus on sustainable resource usage.
- High-quality equipment and machinery.
- Innovative approach and ability to commercialise technology across the business.
- Clear emphasis on contract selection and tier 1 asset exposure.
- Longstanding, trusted relationships with blue-chip customers and wider stakeholders, underpinned by effective engagement.

OUR BUSINESSES

- Capital Drilling 
- Capital Mining 
- MSALABS 
- Capital Investment 
- Capital Innovation 

Creating value as an integrated, end-to-end mining service provider



THE VALUE CAPITAL CREATES

- **Investors**
Consistent and sustained shareholder value with a long history of strong dividend payments.
- **Employees**
Commitment to training, development and providing fair wages which are significantly above average pay levels in our countries of operation.
- **Customers**
With a focus on creating long-lasting customer relationships, Capital creates significant value for customers and strives to maintain its excellent quality, safety and sustainability track record.
- **Local communities**
Providing socio-economic value for our local communities through local employment, use of supply chains, skills transfer and community development programmes.
- **Suppliers**
Fair and transparent contracting processes and payment terms; we endeavour to use local suppliers wherever possible.
- **Governments / regulators**
Economic contributions and compliance in our countries of operation; fair and transparent payment of taxes.

STRATEGY

Driving profitable and reliable growth while leveraging our lasting and longstanding blue-chip customer partnerships, with a strategic focus on tier one companies and assets and taking a robust, but flexible approach to capital allocation to drive stakeholder returns.

Our three strategic pillars



PARTNERSHIPS

Resilience and stability, underpinned by lasting blue-chip customer partnerships



CAPITAL EFFICIENCY

Focus on capital efficiency, balance sheet flexibility and robust returns



GROWTH

Driving profitable and reliable growth through integrated end-to-end service offering



STRATEGY CONTINUED

Partnerships

Resilience and stability, underpinned by lasting blue-chip customer partnerships

- Strategic focus on long-life, **tier one** assets.
- Strong track record of **repeat revenue** through **trusted** relationships with **blue-chip** customers, leading to contract extensions and renewals.
- Maintain **excellent track record** of operational delivery:
 - **Quality** – providing premium service with high-quality equipment; our fleet maintains consistently high reliability and availability which is achieved through an extensive maintenance and rebuild programme.
 - **Safety** – unwavering commitment to safety demonstrated by our excellent safety record.
 - **Sustainability** – prioritising local employment; focused on skills development and training; maintaining responsible environmental management.
- Stability, flexibility and resilience provided by **diversification**; both as an integrated service provider and operating across the mining cycle.
- **Strategically positioned** to understand customer requirements through existing relationships and investments.

KEY HIGHLIGHTS

TRIFR of
0.75 per 1,000,000 hours worked (2022: 1.2)

92.4% national employees (2022: 91.3%)



STRATEGY CONTINUED

Strategy in action – Expanding and reinforcing our long-term relationship with Barrick

We have built a longstanding relationship with Barrick (and its associated assets) over the last 19 years, expanding our service offering with this global gold producer over the years, thereby enhancing our portfolio of high-quality projects, increasing our geographical diversification and demonstrating our ability as a Group to maintain quality, safety and sustainability.

See below where Capital has worked with Barrick around the world

2005 Drilling contract at Kabanga, a Barrick-managed JV with Falcon Bridge.

2007 Initial drilling contract with Barrick at Reko Diq, Pakistan, a Barrick-managed JV with Antofagasta.

2008 Commenced drilling operations at North Mara, Tanzania.

2010 Started exploration drilling for Barrick in PNG.

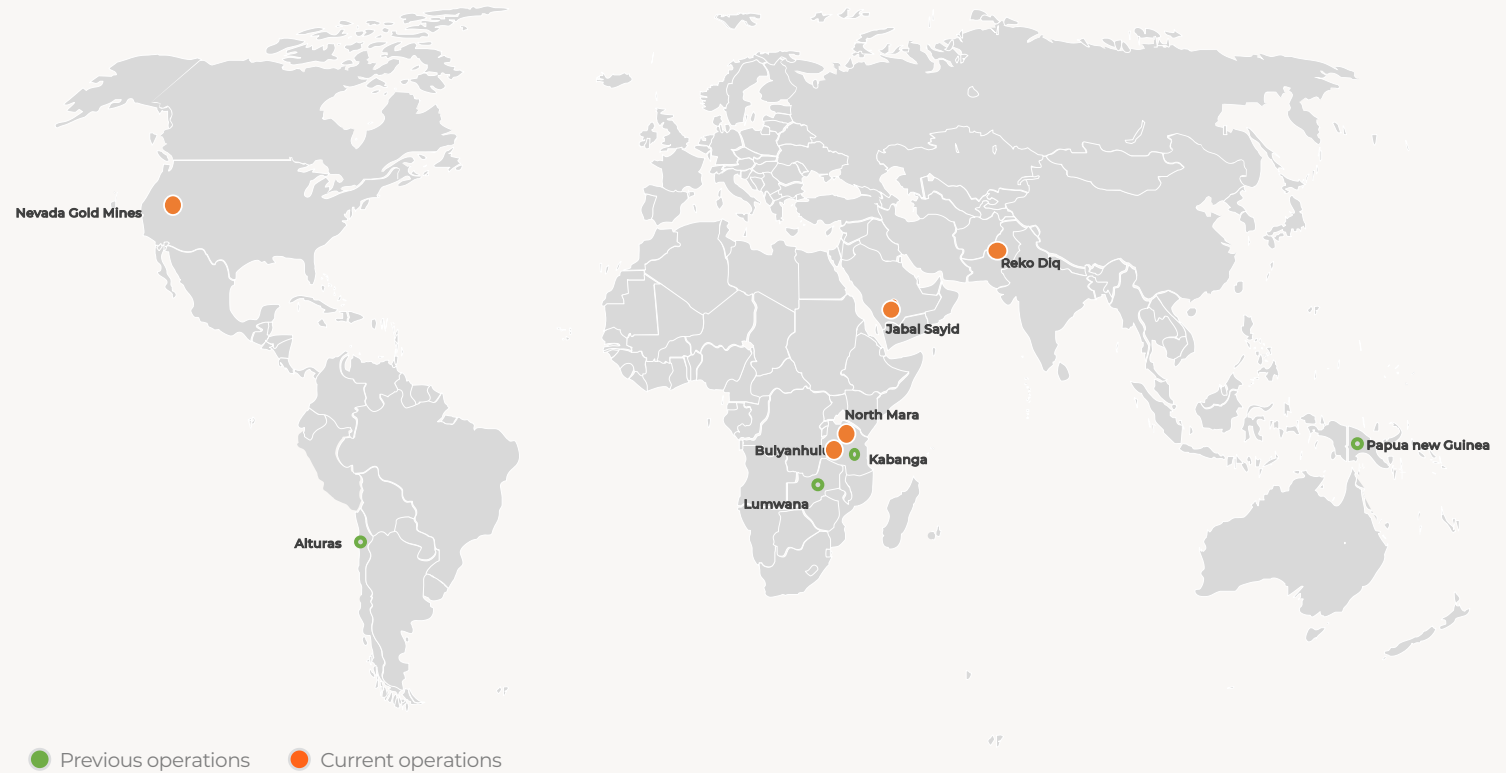
2012 Drilling contract with Barrick at Lumwana, Zambia.

2015 Four-year production contract at the North Mara in Tanzania and exploration drilling contract with Barrick at Barrick Altus site, Chile

2019 Two-year underground exploration drilling contract with Barrick at Jabal Sayid, Saudi Arabia.

2019 Drilling contract extension at North Mara.

2020 New long-term exploration contract in Tanzania at the Bulyanhulu Gold Mine and further contract extensions at North Mara.



2020 Contract awarded by Barrick to MSALABS, with the first Chrysos PhotonAssay™ unit commissioned at Bulyanhulu in 2021.

2021 Three-year underground drilling contract at Jabal Sayid.

2022 Contract extensions at Bulyanhulu (underground grade control) and North Mara (additional underground rig).

2023 Two-year diamond drilling services contract at Reko Diq.

2023 Partnership with Barrick to adopt Chrysos PhotonAssay™ technology at its mine sites across four continents.

2023 Drilling services contract awarded with Nevada Gold Mines (NGM) (JV between Barrick and Newmont), USA including underground diamond drilling at the Leeville

mine within the Carlin complex, underground reverse circulation drilling at Carlin and diamond drilling at the Robertson project within the Cortez complex.

2023 A five-year comprehensive laboratory services contract with NGM including Chrysos PhotonAssay™ units as well as traditional fire assay and multi-element assaying.

1 Operated at the time by Acacia Mining Plc

STRATEGY CONTINUED

Capital Efficiency

Focus on capital efficiency, balance sheet flexibility and robust returns

- Maintaining **balance sheet flexibility** to take advantage of opportunities, fund growth and deliver shareholder returns.
- **Strong relationships** with providers of capital (banks as well as original equipment manufacturer (OEM) finance) as demonstrated by the doubling of our revolving credit facility (RCF) in 2023.
 - long-life, low-cost, high ROCE projects.
 - early-stage investments; benefiting from positive macro-fundamentals in an industry with scarce access to capital.
 - shareholder returns.
- **Effective allocation of capital** to achieve organic and inorganic growth and deliver long-term stakeholder value through:
 - long-life, low-cost, high ROCE projects.
 - early-stage investments; benefiting from positive macro-fundamentals in an industry with scarce access to capital.
 - shareholder returns.
- **Strong fleet utilisation**, with responsible and efficient approach to maintenance and upkeep.

KEY HIGHLIGHTS

Adjusted cash from operations¹

\$84.3m
(2022: \$69.8m)

Expanded RCF from

\$25m to \$50m

Dividend

3.9cps
(2022: 3.9cps)

ROCE¹

21%
(2022: 26%)

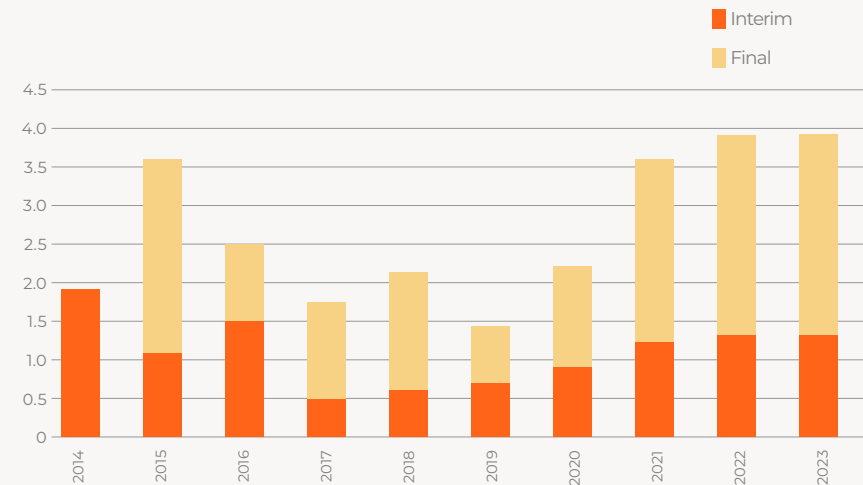
Average rig utilisation

73%
(2022: 79%)

¹ Adjusted for the cash cost of the IFRS 16 leases

Our strategy in action: Consistently strong return of excess capital to shareholders through dividends

DIVIDEND PAYMENTS SINCE 2014 (US CENTS PER SHARE)



STRATEGY CONTINUED

Growth

Driving profitable and reliable growth through integrated end-to-end service offering

- Strategic focus on **long-term contracts** with **growth potential** – leveraging our expertise across the value chain and strong customer relationships to “grow with our customers”, add service contracts in other areas and increase our presence at existing operations.
- Positioned at the **forefront of mining technology** – adding new, innovative and sustainable services and solutions to our business model in line with customer requirements.
- Building the **optimal geographic footprint** – long experience in Africa; extending geographical reach.
- Benefiting from structural underinvestment in multi-year exploration and development cycle; heavy skew to mine site drilling (over exploration) provides **longevity and stability**.
- Increasing **commodity diversification**; benefiting from flourishing energy transition mineral demand.



KPIs

Revenue	ARPOR	Adjusted EBITDA ¹	Share of non-drilling revenue
\$318.4m (2022: \$290.3m)	\$186,000 (2022: \$180,000)	\$91.8m (2022: \$90.1m)	33% (2022: 28%)

¹ Adjusted EBITDA excludes the fair value gains/losses in investments and includes the cash cost of the IFRS 16 leases

Our strategy in action: Accelerating our diversification into North America

Our strategic focus on geographical diversification took a significant leap forward in 2023, with the award of comprehensive drilling and laboratory services contracts with Nevada Gold Mines (NGM) in the USA – the world’s largest gold mining complex, adding to our existing and growing operations in Canada with MSALABS.

The laboratory services contract at the NGM complex represents the largest award in MSALABS’ history – anticipated to generate ~\$140 million over the five-year term. In a phased ramp up process throughout 2024, we will add three PhotonAssay™ units in the USA,

adding to the three-year comprehensive drilling services contract with NGM awarded in September.

We believe our success in securing the drilling services contract with NGM, which spans both surface and underground diamond drilling, as well as underground circulation, is illustrative of our long-standing commitment to industry-leading standards in both safety and productivity.

Highlighting our strategic focus on North America, we have appointed a Chief Executive Officer – Americas who will oversee our operations and ramp up our new Nevada Gold Mines complex contract as well as focus on further growth potential in the region.



The addition of world class contracts in 2023 across Reko Diq, Belinga and now Nevada presents significant further opportunity and a strong platform as we look into 2024.”

Peter Stokes, Chief Executive Officer



MARKET OVERVIEW

Key drivers

Commodity prices remain supportive

Despite challenging global market conditions through 2023, commodity prices have persisted at healthy levels relative to global cost curves. This provides a supportive environment for further investment right across the mining industry.

Capital strategy

While strong commodity prices opens up a number of new opportunities, Capital has a strong focus on Tier-1 clients and low cost operations, ensuring our activity remains strong through the cycle.

Exploration and capex budgets remain significantly below previous highs

We have not yet seen a material pick up in either exploration or capital expenditure budgets relative to levels seen when commodity prices were previously at these levels. Ultimately this has a knock-on effect on both reserve levels at existing operations and the pipeline of new projects to satisfy the demand requirements ahead.

Capital strategy

Over the past five years Capital has significantly expanded its service offering. While increased spending from miners is therefore generally supportive for Capital, our wide ranging service offering allows us to be more selective and strategic.

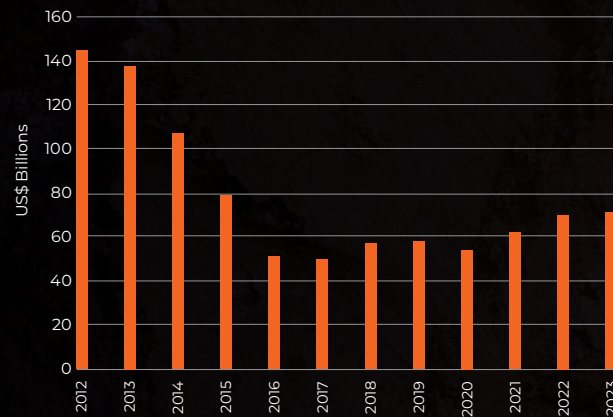
Energy transition is creating a new wave of demand

The energy transition is a significant structural change to the mining industry creating a wave of demand for metals. This could provide long term support for global commodity demand especially given the underinvestment in the industry in previous years.

Capital strategy

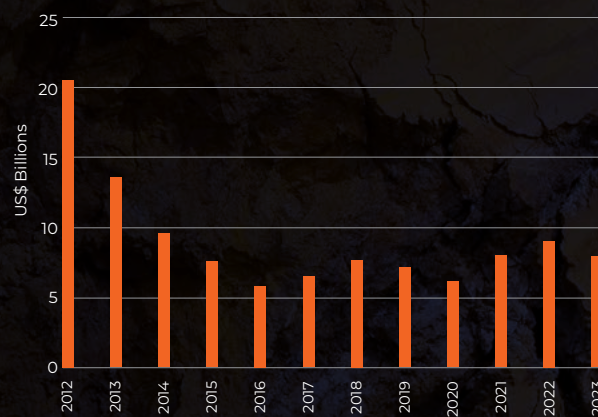
Capital is positioning for this transition both through contract selection and operational innovation. Capital's contract portfolio has covered a range of battery transition and the energy transition should be very supportive for our services in the years ahead. Equally, our ability to be awarded contracts will be based on our commitment to being part of the energy transition ourselves. Capital has a strong commitment to achieving Net Zero by 2050.

CAPEX – TOP 30 GLOBAL MINERS¹



Source: S&P Global Market Intelligence

EXPLORATION BUDGET¹



Source: S&P Global Market Intelligence

¹ Adjusted for inflation

KEY PERFORMANCE INDICATORS

Financial KPIs¹

Revenue

\$318.4m

2023	+ 9.7%	\$318.4m
2022		\$290.3m

Relevance to Capital

Revenue serves as an important metric for measuring the Company's overall success in generating new income across the business.

Performance

Revenue increased by 9.7% as a result of new contract wins across all of drilling, mining and MSALABS.

Adjusted EBITDA³

\$91.8m

2023	+ 6.3%	\$91.8m
2022		\$86.4m

Relevance to Capital

Adjusted EBITDA serves as an indication of the Company's efficiency in deriving profit from its operational activities.

Performance

Adjusted EBITDA increased by 6.3% with the Company maintaining strong margins alongside the revenue growth delivered through 2023.

Adjusted cash from operations³

\$84.3m

2023	+ 21%	\$84.3m
2022		\$69.8m

Relevance to Capital

Cash from operations is the foundation from which Capital can pursue future opportunities.

Performance

Cash from operations increased by 21% thanks to growth in EBITDA and tight working capital management.

Dividend per share

3.9cps

2023	3.9cps
2022	3.9cps

Relevance to Capital

In addition to growth, Capital returns value to shareholders through consistent dividends.

Performance

Total 2023 dividend per share remained consistent YoY and equates to a circa. 3.5% yield.

Adjusted ROCE²

21%

2023	- 17.9%	21.1%
2022		25.7%

Relevance to Capital

ROCE serves as a significant measure in the Company's ability to utilise its asset base to generate profits. ROCE is included as a metric in remuneration.

Performance

ROCE reduced as we increased the capital base across the Group, including new mining equipment in Gabon and increased asset footprint across MSALABS. The associated contracts are still ramping up and have yet to reach their steady state earnings contribution.

¹ All Alternative Performance Measures (APMs) used are defined on page 145

² Adjusted ROCE is calculated utilising EBIT including the cash cost of IFRS 16 leases and average yearly capital employed excluding lease assets and liabilities

³ Adjusted EBITDA and Adjusted cash from operations include the cash cost of the IFRS 16 leases

KEY PERFORMANCE INDICATORS CONTINUED

Operational KPIs

Adjusted EBITDA margin¹

28.8%

2023	28.8%
2022	29.8%

Relevance to Capital

Margins allow us to measure the consistency of operating performance across the business.

Performance

Margins decreased slightly through the year predominantly driven by the increased revenue contribution from MSALABS, which generates lower adjusted EBITDA margins than the rest of the Group.

Average rig utilisation

73%

2023	73%
2022	79%

Relevance to Capital

Tracking rig utilisation enables the Company to assess the effectiveness of its fleet management strategies and optimise resource allocation to maximise returns.

Performance

Rig utilisation remains near our target level, allowing us to mobilise quickly to new projects and also operate an effective maintenance strategy, key to ensuring we provide a high quality of service.

National employees

92%

2023	92.4%
2022	91.3%

Relevance to Capital

Local employment is core to our strategy and a key way for Capital to provide socio-economic benefits in our countries of operation. Nationalisation is included as a metric in remuneration.

Performance

Our level of nationalisation remains consistently high across the Group in line with our strategy.

TRIFR²

0.75

2023	0.75
2022	1.20

Relevance to Capital

An indicator of safety in the workplace and the effectiveness of our training and management controls to maintain best safety practices. Safety is included as a metric in remuneration.

Performance

Group TRIFR improved 37.5% YoY and the Group remains amongst the best performers in the industry.

¹ Adjusted EBITDA excludes the fair value gains/losses on investments and includes the cash cost of the IFRS 16 leases

² Total Recordable Injury Frequency Rate per 1,000,000 hours worked

OPERATIONAL REVIEW

Capital Drilling



A complete range of drilling solutions for projects across the mining cycle from exploration to production. Our expanded portfolio includes some of the world's largest miners at tier one assets across Africa, North America and the Middle East.

2023 REVENUE

\$211.6mCOMPOUNDED GROWTH
RATE SINCE 2020**~19%**

YEAR-ON-YEAR GROWTH

1.4%

Solid performance in challenging conditions

Throughout 2023, our core drilling business maintained its multi-year growth momentum, demonstrating a compound growth rate of ~19% since 2020. Despite challenging global market conditions during the year, we achieved a year-on-year growth of 1.4% to \$211.6 million (2022 \$208.6 million) for Capital Drilling.

Key new geographic push, breaking into US market with Nevada Gold Mines contract

Capital has been awarded a major drilling contract with NGM expected to generate ~\$35 million annually at full operational capacity, representing a landmark moment as we extend our geographic reach in drilling into North America. This large-scale contract, which spans a wide range of drilling services including underground reverse circulation and diamond drilling (both surface and underground) allows us to fully establish ourselves in the region and provides a platform for further growth.

Enhancing our contract portfolio

We've continued to strategically reposition our contract portfolio, with an emphasis on blue chip customers with tier one assets and long-term contracts. This concentrated focus on blue chip customers such as Barrick, Centamin and Fortescue Metals Group (FMG) is highlighted by recent awards from Nevada Gold Mines (NGM) and Lindo SA (FMG's majority owned subsidiary in Gabon). Our commitment to fostering enduring partnerships with these blue-chip clients remains central to our ability to deliver stability and sustainability throughout commodity cycles.

Continued record of contract renewals

Capital saw a number of contract renewals through 2023 and in early 2024, but most notably Centamin's letter of intent to renew our drilling services contact at the Sukari mine, Egypt, commencing in January 2025. The comprehensive agreement, which includes both blast hole and grade control drilling, will extend our activities on site to the end of 2029, 25 years after we commenced operations at this asset in 2005.

Following on from other major contract renewals in 2022, such as at Geita with AngloGold Ashanti, the business has shown a long history of renewals which drives high utilisation across the Group and provides more stable returns.

Focused growth on world class assets

Our key contract awards through 2023 are particularly notable, given the world class nature of the assets themselves. NGM is the single largest gold-mining complex globally, Belinga in Gabon boasts one of the world's largest undeveloped, high-grade hematite iron ore deposits and the Reko Diq copper mine in Pakistan is one of the largest undeveloped copper-gold projects globally. These contracts position Capital to leverage our existing contract portfolio to achieve further organic growth.

OPERATIONAL REVIEW CONTINUED

Capital Mining



A fully flexible and complete mining service which delivers additional diversification to the Group by moving further along the value chain. Optimising pit to mill productivity, we provide services that include load and haul and crushing across developing to fully operational mine sites.

EMPLOYED AT SUKARI MINING CONTRACT

400

IVINDO CONTRACT HAS A TERM OF UP TO 5 YEARS AND WILL GENERATE

~\$30m per annum

Growth in mining business

In 2023, our mining business achieved strong revenue growth, with a 30% increase to \$64.7 million (\$49.8 million in 2022). This follows a substantial 49% year-on-year growth in 2022. This growth was underpinned by consistent operations at Sukari alongside the addition of our second material mining contract in Gabon with Ivindo SA (FMG's majority owned subsidiary).

Sukari mining contract

Our first large scale mining contract at Sukari, which commenced in January 2021, has been an encouraging success for this important element of the Group's business model.

Employing over 400 individuals and deploying a fleet of 17 trucks, 3 excavators, alongside other support equipment, the project not only ramped up ahead of contracted expectations, but subsequently maintained consistent operations and an exemplary safety record.

Spanning a four-year term, the waste mining contract involved moving 120mt of material. Capital Mining is currently on track to complete the contract six months ahead of contracted requirements by mid-2024 and is expected to operate at full capacity until then.

Capital Mining secures its second material contract win at Ivindo, Gabon

In 2023, Capital secured its second high-quality mining services contract with a crushing and earthmoving services contract at Belinga. This site is located in the northeast of Gabon, one of the world's largest undeveloped, high-grade hematite iron deposits with the potential to become a globally significant iron ore mine. The contract has a term of up to five years and will generate approximately \$30 million of revenue per annum once fully operational. This contract has progressed well through 2023, with the first ore from the project being shipped during the last quarter.

Proven capabilities with blue chip clients in load and haul provides a platform for growth

Having demonstrated our expertise in both rapid mobilisation and excellent performance in load and haul operations, Capital Mining is well-positioned to achieve further contracts thanks to our positioning as a trusted partner for blue-chip customers at tier one assets.

OPERATIONAL REVIEW CONTINUED

MSALABS



A global provider of innovative geochemical laboratory services for the exploration and mining sector, and the largest distributor of PhotonAssay™ technology. Leveraging the latest techniques and technologies, we facilitate accurate, efficient, safe and environmentally responsible analysis.

2023 REVENUE GROWTH

41%

2023 REVENUE

\$38.4mNEVADA GOLD MINES CONTRACT
EXPECTED TO YIELD**\$140m**

Multi-year growth strategy

In 2023, MSALABS once again achieved remarkable revenue growth, with a 41% increase to \$38.4 million (\$27.3 million in 2022). This follows a substantial 74% year-on-year increase in 2022. Providing a strong platform for continued growth, 2023 saw expanding global reach of MSALABS operations, a growing client base, and strengthened ties with Chrysos Corporation ("Chrysos"). Notably in the year, MSALABS was awarded its largest ever contract with NGM, with revenue of ~\$140 million expected over the duration of the contract.

Largest global distributor of PhotonAssay™ technology

In July 2022, MSALABS announced an expansion of its partnership with Chrysos to deploy a total of 21 units across the globe by 2025. Through 2023, MSALABS continued to successfully roll out the units and now has the largest international network of Chrysos PhotonAssay™ technology.

This revolutionary technology represents a significant opportunity for MSALABS as major mining companies increasingly embrace its ability to deliver faster, more efficient results in a more environmentally responsible manner. In October 2023, MSALABS announced a global partnership with Barrick and Chrysos to deliver its PhotonAssay™ technology to Barrick mine sites across four continents, adding to existing units at Barrick's Bulyanhulu and Kibali mines.

The partnership will commence with the deployment of three MSALABS contracted PhotonAssay™ units in Nevada, USA, with the potential deployment of up to 10 more PhotonAssay™ units to other Barrick projects by the end of 2025.

Chrysos PhotonAssay™ – revolutionising geochemical analysis

MSALABS has positioned itself as an early adopter of Chrysos PhotonAssay™ technology. The utilisation of X-ray technology in PhotonAssay™ facilitates a true bulk analysis of gold, silver and copper.

PhotonAssay™ has distinct advantages: it delivers results within minutes while also eliminating hazardous waste and minimising emissions, offering a faster, more efficient outcome, with a more environmentally responsible process. The technology utilises a larger 500g sample size, up to 10 times more than traditional methods, ensuring a more representative result. Its simplicity in operation, reduces labour needs, and minimises consumables. Furthermore, process optimisation benefits, including non-destructive sample analysis, automation, and potential recovery improvements, highlight its value as an advanced and efficient analytical method.

Continued growth in traditional geochemistry business

While PhotonAssay™ is the core to the growth strategy, MSALABS continues to develop its traditional geochemistry business.

MSALABS has been awarded a five-year comprehensive laboratory services contract with NGM, where it is set to operate three Chrysos units as well as traditional fire assay methods, complemented by extensive multi-element assaying capabilities, all within a state-of-the-art hybrid laboratory—the first of its kind in the US.

This contract reflects not only the proven advantages of the innovative PhotonAssay™ technology but also the trusted capabilities of MSALABS across traditional fire assay and multi-element analysis.

OPERATIONAL REVIEW CONTINUED

Capital Investments

Comprising direct investments in both publicly traded and private companies, Capital Investments constitutes an important element of our business development strategy, allowing us to leverage our infrastructure, relationships and expertise by investing in exploration and mining companies which are strategically aligned with our broader operations.

PORTFOLIO VALUATION AT END 2023

\$47.2mINVESTEE CUSTOMERS
CONTRACTS WORTH**>\$140m**

A fundamental cornerstone of our Group's strategy

Since formally launching our Group investment strategy in January 2019, we have capitalised on the disparity between positive macro fundamentals in the mining sector and the restricted access to capital, particularly for junior mining companies. We allocate funding to these companies when deemed appropriate, establishing partnerships that have proven highly effective as a business development tool.

Returns

To date, we have invested a net of ~\$17.1 million into this strategy with the portfolio growing to \$47.2 million at the end of 2023. Notably, contracts from these investee customers generated over \$140 million in revenue since 2019, highlighting the effectiveness of this element of our Group's business model.

Concentrated portfolio

Our portfolio comprises predominantly listed companies (representing \$44.8 million at year end), with a small weighting of unlisted companies (\$2.4 million at year end).

At 31 December 2023, the portfolio continued to be focused on a select few key holdings, with Predictive Discovery, Allied Gold and WIA Gold accounting for the majority (~85%) of our investments.

Investment strategy

Our investment activity is overseen by a dedicated investment committee operating with a defined mandate with investments satisfying a number of criteria:

- Stand-alone investment case;
- Strategic alignment with Capital's operations; and
- Potential to gain commercial services contracts through traditional tendering process.

The potential for generating commercial services contracts stems from the establishment of alternative partnership models with our clients, fostering long-term relationships. Within this strategy, we have deployed capital through various avenues:

- Early-stage property sourcing: Leveraging our in-house geology and drilling capabilities, we focus on early-stage exploration properties, conducting our own fieldwork. Subsequently, we seek out listed entities to acquire these assets, receiving equity in exchange; and
- Capital raising: We have provided financing for early-stage mine acquisitions where financing was less readily available.

OPERATIONAL REVIEW CONTINUED

Capital Innovation

Capital Innovation provides the Group with further diversification of service offering which can contribute to enhanced productivity, efficiency and sustainability through screening and adopting new technology relevant to the mining industry.

NUMBER OF ACCREDITED SAFETY PASSPORTS DELIVERED BY IACA SINCE JUNE 2022

1,000

SUPERVISOR TRAINING PROGRAMMES CONDUCTED

120

Screening new technology in the mining industry and adopting successes into the broader business

Our innovation committee continuously screens the latest technologies and innovations in the mining industry, with a focus on building new business opportunities and enhancing operational efficiency and sustainability.

The Innovation Committee serves as a structured incubator, analysing opportunities and integrating them into the wider business structure should they gain scale.

International Apprenticeship and Competency Academy (IACA)

Partnering with IACA through a joint venture, we deliver comprehensive and standardised vocational training in Tanzania. We identify scarce skills, prioritise upskilling and provide training in line with international standards. The obtained qualifications have global recognition, improving labour quality and enabling employee mobility.

Since its inception in June 2022, IACA has delivered over 1,000 accredited Safety Passports and conducted 120 Supervisor Training Programmes for the Group, as well as other specialised programmes. In early 2024, we secured a partnership with Engineering Construction Industry Training Board (ECITB), obtaining an ECITB Global Training Provider licence, thereby becoming the only ECITB accreditation agency in Tanzania.

WellForce International

We improve efficiency, productivity and enhance the accuracy of drilling results with a wide range of specialised and innovative tools and software, both for internal use and external client services.

This year, we implemented high-precision drilling tools and technical support at the Belinga and Reko Diq operations and have been awarded a tooling supply contract with PT Aneka which includes the supply of gyros and survey cameras. Our clients also received our latest Hit The Target (HiTT) software, facilitating improved borehole planning and real-time action to prevent missed targets and costly redrills. The software's unique ability is to provide 3D visibility of the borehole's progress and if required, deliver a report with deviation plans to realign the drill hole to target.

Mine Power Solution (MPS)

MPS is Capital's 50:50 joint venture with Enerwhere Limited to offer cost-effective and rapidly deployable solar hybrid energy solutions for our operations and clients, thereby contributing to decarbonisation. Combining Capital's extensive sector experience and Enerwhere's expertise in hybrid and renewable power, we design, build and operate advanced solar hybrid microgrids to provide reliable and clean power for remote and off-grid applications. This year, our solar installation at Capital's Menankoto camp in Mali has achieved more than a 30% reduction in fossil fuel usage showcasing the success of our initiatives.



How we leverage innovation

While PhotonAssay™ is now a key feature of our MSALABS business, it serves as a strong example of how Capital Innovation operates within the overall business:

- In July 2019, Capital acquired a controlling interest in MSALABS.
- In 2021, Capital's Innovation Committee reviewed and analysed the revolutionary Chrysos PhotonAssay™ technology and, recognising its groundbreaking potential, became an early adopter and distributor through MSALABS, solidifying an initial agreement to distribute six contracted laboratory units.
- In 2022, MSALABS expanded its relationship with Chrysos to distribute an additional 15 units.
- In 2023, MSALABS has the largest international network of the revolutionary technology.

The Group has achieved considerable growth through MSALABS, with revenues of just ~\$3 million in 2019 expected to increase to over \$80 million in 2025.

CHIEF FINANCIAL OFFICER'S REVIEW

Another strong year of growth



We achieved solid financial performance in 2023 and took a number of steps to enable further business growth going forward.”



Rick Robson
Chief Financial Officer

Revenue increased by 10% to \$318.4 million (2022: \$290.3 million). H2 revenue (\$164.1 million) was 6% higher than H1 revenue (\$154.3 million) primarily due to the continued ramp up of MSALABS as well as commencement of drilling and mining operations at Belinga and Reko Diq.

Profitability of Group operations remained robust with a year-on-year (YoY) Adjusted EBITDA¹ increase of 6% and a YoY EBIT increase of 1%.

Our investment portfolio recorded a \$3.9 million mark-to-market gain reflected in the Profit and Loss.

The portfolio remains concentrated around key holdings including Predictive Discovery, Allied Gold and WIA Gold. The total portfolio was valued at \$47.2 million at the end of 2023, with a net investment to date of ~\$17.1 million. During the year we were net buyers with net additions of \$4.6 million.

Our cash capital expenditure rose slightly to \$47.9 million (2022: \$48.5 million) as we funded organic growth. This expenditure included replacement rigs which are incorporated in our sustaining capex guidance, as well as a newly purchased mining fleet required to ramp up our new earthmoving and crushing services contract with Mindo SA in Gabon. In addition, the Group funded the continued expansion of MSALABS with the deployment of a number of commercial laboratories.

Through 2023 we took a number of steps to improve our financial flexibility. In addition to purchasing rigs through OEM financing, we also increased our Macquarie asset backed loan facility following the deployment of mining equipment at Ivindo, which provided \$8.0 million of new liquidity. We have also signed a \$5 million facility with Caterpillar Financial Services Corporation for the acquisition of Caterpillar equipment or parts. In addition we increased our revolving credit facility from \$25 million to \$50 million.

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

Statement of comprehensive income

	2023	2022
Revenue (\$m)	\$318.4m	\$290.3m
Adjusted EBITDA ¹	\$91.8m	\$86.4m
Adjusted EBITDA Margin ¹	28.8%	29.8%
PBT	\$50.3m	\$32.6m
NPAT	\$38.5m	\$22.7m
Basic EPS (cents)	19.1 cents	11.1 cents
Diluted EPS (cents)	18.8 cents	10.7 cents

As part of this upsize, Capital has formed a new banking relationship with one of the premier lenders in Africa, Nedbank Limited, which is co-lending this facility with the previous sole RCF lender Standard Bank Limited.

Adjusted cash generated from operations¹ was notably 21% higher YoY at \$84.3 million (2022: \$69.8 million) due to the ramp up of new contract wins as well as effective management of working capital. Closing cash was \$34.4 million (2022: \$28.4 million) with net debt of \$69.8 million (2022: \$47.2 million).

The business remains very robust and is a testament to our tier one customer base and long-term mine site contracts which reduces the volatility of earnings. Nevertheless, we have evaluated a downside scenario to assess the aggregate effect of the reasonable downside short term risks to going concern and demonstrated that the business is robust to scenarios far worse than experienced or expected. Refer to Note 1.3 of the Financial Statements section for further detail.

Average rig utilisation remained at healthy levels of 73% (2022: 79%). This utilisation is near our target level, allowing us to mobilise quickly to new projects and also operate an effective maintenance strategy, key to ensuring we provide a high quality of service. Average revenue per operating rig (ARPOR) per month increased on the prior year to \$186,000 (2022: \$180,000).

Non-drilling revenues saw another notable increase in contribution to Group revenues in 2023, driven both by the ramp up of the Ivindo mining and earth moving contract as well as the continued expansion of MSALABS. 2023 contribution to revenue from non-drilling services was 33% in 2023 (2022 28%).

EBITDA (adjusted for IFRS 16 leases) increased 6.3% to \$91.8 million delivering a 28.8% margin (2022: \$86.4 million/29.8%). Margins remained robust despite higher administration expenses of \$46.9 million (2022: \$44.3 million). The increase in administration costs was mainly driven by a \$3.5 million increase in employee costs as we lay the foundation in the Group for further growth, but also include an expected credit loss provision of \$1.7 million (2022: \$3.0 million).

EBIT increased 1.0% to \$60.3 million (2022: \$59.7 million) delivering a 18.9% margin (2022: 20.6%). Profit Before Tax (PBT) increased by 54.3% to \$50.3 million (2023: \$32.6 million) however this was primarily impacted by the non-cash investment gain of \$3.9 million (2022: \$19.8 million loss).

Net Profit After Tax (NPAT) increased 69.6% to \$38.5 million (2022: \$22.7 million) again impacted by the non-cash investment gains of our equity investments. Adjusted net profit (excluding the impact of these investments) was \$35.5 million in 2023 down 16.5% YoY (2022: \$42.5 million).

The Effective Tax Rate (ETR) for 2023 was 23.5% (2022: 30.2%). The reduction in ETR in 2023 is primarily due to an unrealised increase in fair value of the Group's investment portfolio compared to the significant decrease in 2022, coupled with the growth in lower tax jurisdictions during the year. Excluding the impact of these investments, our ETR in 2023 was 24.9%, up from 18.8% in 2022.

The Basic Earnings Per Share (EPS) for the year increased 72.4% to 19.1 cents (2022: 11.1 cents), although this is largely due mark-to-market gains on the investment portfolio outweighing the increase in weighted average number of ordinary shares. Excluding the impact of the investment portfolio, the Basic EPS (adjusted) decreased by 18.5% to 17.5 cents (2022: 21.5 cents). The weighted average number of ordinary shares used in the Basic EPS calculation was 192,451,358 (2022: 189,653,369).

Statement of financial position

	2023	2022
Non-current assets	\$250.0m	\$199.0m
Current assets	\$217.7m	\$187.8m
Total assets	\$467.7m	\$386.8m
Non-current liabilities	\$98.7m	\$70.5m
Current liabilities	\$95.9m	\$77.4m
Total liabilities	\$194.6m	\$147.9m
Shareholders equity ¹	\$273.1m	\$238.9m

Non-current assets increased by 26% YoY to \$250.0 million (2022: \$199.0 million) reflecting a net investment in the fleet in addition to a 78% YoY increase in the right-of-use asset base to \$29.7 million (2022: \$16.7 million) primarily in connection with the roll out of Chrysol PhotonAssay™ units in MSALABS.

Current assets increased to \$217.7 million (2022: \$187.8 million) as a result of a 15.9% YoY increase in the fair value of the investment portfolio alongside a 21.1% increase in cash and cash equivalents, and a 19.3% increase in trade receivables. Cash and cash equivalents increased by \$6.0 million to \$34.4 million (2022: 28.4 million) Investments held of \$47.2 million (2022: \$38.7 million) are the fair value of the equity investment portfolio. Trade receivables also increased by 19.3% to \$49.6 million (FY 2022: \$41.5 million) following the award of new contracts.

¹ Adjusted EBITDA and Adjusted cash generated from operations excludes the fair value gains/losses on investments and includes the cash cost of the IFRS 16 leases

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

Non-current liabilities of \$98.7 million (2022: \$70.5 million) includes \$75.5 million of long-term loans (net of unamortised debt costs) (2022: \$56.9 million). Total long-term debt includes \$45.0 million of the renewed Revolving Credit Facility, a \$31.7 million asset backed facility with Macquarie and OEM financing direct through Epiroc, Caterpillar and Sandvik. The balance of the increase in non-current liabilities relates to the lease liabilities associated with new Chrysos PhotonAssay™ units added in the year.

Current liabilities consisted of trade and other payables of \$50.7 million (2022: \$43.5 million), the current portion of long-term liabilities of \$27.1 million (2022: \$18.0 million), provisions of \$0.5 million (2022: \$2.6 million) and tax liabilities of \$9.3 million (2022: \$9.1 million).

Statement of changes in equity

	2023	2022
Opening equity	\$238.9m	\$222.9m
Share based payments	\$3.5m	\$2.8m
Total comprehensive income	\$38.5m	\$22.7m
Dividends paid	\$(7.6)m	\$(7.1)m
NCI ex business combination	\$(0.2)m	–
Closing equity	\$273.1m	\$238.9m

As at 31 December 2023, total equity increased by 14.3% driven primarily by net profit for the year of \$38.5 million. The Group distributed dividends of \$7.6 million (2022: \$7.1 million) to shareholders. There was no share buyback undertaken by the Group in 2023.

Statement of cash flows

	2023	2022
Net cash from operating activities	\$69.2m	\$55.8m
Net cash used in investing activities	\$(59.5)m	\$(47.5)m
Net cash generated/ (used in) from financing activities	\$(3.9)m	\$(9.1)m
Net (decrease)/increase in cash and cash equivalents	\$5.7m	\$(0.8)m
Opening cash and cash equivalents	\$28.4m	\$30.6m
Translation of foreign currency cash	\$0.2m	\$(1.4)m
Closing cash and cash equivalents	\$34.4m	\$28.4m

Reconciliation of net cash (debt) position

	2023	2022
Net (debt)/ cash at the beginning of the year	\$(47.2)m	\$(31.9)m
Net (decrease)/increase in cash and cash equivalents	\$5.7m	\$(0.8)m
(Increase) in loans and borrowings	\$(27.7)m	\$(13.1)m
Translation of foreign currency cash	\$0.2m	\$(1.4)m
Net (debt) / cash at the end of the year	\$(69.8)m	\$(47.2)m

Net cash from operating activities reflects the strong performance of the operations with cash generated of \$92.5 million (2022: \$73.5 million), an increase of 26% year-on-year, offset in part by higher finance costs.

We continued to invest through 2023 to fund the replenishment of the rig fleet as well as the expansion of MSALABS, in addition to increasing the investing cash flow year-on-year. The upsizing of the Macquarie asset backed loan facility and revolving credit facility as well as new facilities with OEM suppliers provided new funds of \$11.3 million, net of overall loan amortisation in 2023.

Despite this, financing activities in 2023 led to a cash outflow of \$3.9 million primarily as a result of lease payments and the dividend cash payment of \$7.6 million (2022: \$7.1 million).

Rick Robson
Chief Financial Officer

PRINCIPAL RISKS

Enterprise risk management (ERM) framework

The Board maintains the view that effective ERM is vital to the achievement of the Group's strategic objectives.

During 2023, following the appointment of Peter Stokes as CEO and as part of an ongoing programme of continuous improvement, the Group's existing ERM framework was refreshed.

The updated ERM Framework includes a Board approved Policy and Standard as well as risk management tools such as the Risk and Control Matrix (RACM) and Risk Rating Matrix.

The framework will continue to be reviewed on at least an annual basis by the Audit and Risk Committee.

The structure of the ERM Framework continues to be guided by the international standard on risk management, ISO 31000, and is a core component of Capital's corporate governance framework and applies to all parts of business (entities and activities) without exception.

Approach to risk management

Risk is inherent in our business and can manifest in many forms. Capital is committed

to effective risk management to best achieve its business objectives.

The identification, management and reporting of risk uses formal risk management processes to improve decision-making and minimise the impact of an event occurring that may influence our corporate strategy, as well as operational and project activities.

By understanding and managing risk, we believe we provide greater certainty and confidence for our shareholders, employees, customers, suppliers, and for the communities in which we operate.

Our risk management approach includes:

- Establishing a standard approach to the management of risk and to the acceptable levels of risk throughout the business.
- Establishing a consistent process and methodology for identifying, assessing, and ranking risks in conducting our business activities.

- Ensuring compliance with applicable laws, regulations and governance standards in all areas of our operations.
- Regularly monitoring our major areas of risk exposure and setting requirements for our personnel to proactively identify risk.
- Responsibility and accountability for risk management is allocated at all levels of the organisation, from frontline employees up to the Board level.

Accountability

In accordance with its charter, the Board is required to establish a framework of prudent and effective controls to assess and manage risk and to determine the nature and extent of the significant risks.

In this context, the table on the following page sets out the three categories of risk used within the ERM Framework as well as identifying who has both overall responsibility and day-to-day accountability for managing risks in each area.

Responsibility and accountability for risk management

Category	Primary cause	Overall responsibility	Day-to-day accountability
Corporate Strategic	Events that are external or that effect the viability of the whole organisation	Board/CEO	Appropriate member(s) of the Executive team
Operational	Inherent in the ongoing activities of the Company These are the risks associated with the day-to-day operational performance of the business	Chief Operating Officer / Divisional CEO	Individual with direct responsibility for the area that gives rise to the risk
Project	Uncertainty associated with the delivery of at least one key project objective	Appropriate member(s) of the Executive team	Project Manager

PRINCIPAL RISKS CONTINUED

Our top ranked risks are listed below and are those risks that are assessed as having a residual risk rating of high or above within Capital's ERM Framework.

1

General reduction in levels of activity across the mining industry

Risk Description (Corporate Strategic)

The Group is highly dependent on the levels of mineral exploration, development and production activity within the markets in which it operates.

A reduction in these activities, or in the budgeted expenditure of mining and mineral exploration companies, will cause a decline in the demand for mining services.

Our Response

The Group is seeking to balance this risk by building a portfolio of long-term mine-site contracts, expanding its services offering into mine-site based activities such as load and haul mining, and also expanding both its client base and geographic reach.

The Group's operations are generally focused on mine sites, with limited exposure to exploration-only activities which can be more volatile.

Capital has strong existing relationships with our clients at both executive and operational levels which helps ensure that the Group is aware of and prepared for potential changes and well placed to identify new opportunities as they arise with our key business partners.

The Group's strategic focus is on blue-chip, high-quality clients with long term project commitments that are inherently less susceptible to industry fluctuations.

[Link to strategy](#) – Partnerships

2

Enterprise Resource Planning (ERP) system failure

Risk Description (Project)

The Group's existing ERP system is monitored and supported by internal technical staff as it is no longer maintained by the publisher, SAGE.

The system requires regular downtime for routine maintenance during which time the system is unavailable to support the business.

Our Response

Capital's staff are experienced in maintaining the current ERP which minimises system downtime.

The implementation of a new, modern ERP system, Microsoft Dynamics, is well progressed and expected to replace the existing system during 2024.

[Link to strategy](#) – Growth

3

Risk to cash repatriation

Risk Description (Operational)

Restrictive currency controls in certain operating jurisdictions can impact the Group's ability to repatriate cash.

Our Response

The Group maintains multiple bank accounts in jurisdictions where cash repatriation can prove challenging, which can provide greater access to foreign currency payments.

The Group maintains strong relations with its key transactional banking partners and any new country entry process includes specific due diligence requirements relating to the operation of the banking system.

[Link to strategy](#) – Capital Efficiency

4

Risk of key contract termination

Risk Description (Operational)

Some contracts can be terminated for convenience by the client without penalty.

Our Response

Key contracts include agreed notice periods as well as demobilisation and/or termination fees where a contract is terminated for reasons beyond the Group's control.

Contract renewal negotiations are commenced well in advance of the expiry of fixed term contracts.

Strong client relationships help the Group to better understand the needs of our clients and partner with them to continue to meet their current and future needs.

[Link to strategy](#) – Partnerships

PRINCIPAL RISKS CONTINUED

5

Decline in mine-site production levels

Risk Description (Operational)

A significant proportion of the Group's revenue is derived from producing mines which carry their own risks and can be subject to, for example, unforeseen changes in mine plans due to geological or technical challenges, changes to a client's operational budget or broader strategic objectives and changes in global commodity prices.

Our Response

The producing mines which account for a significant proportion of the Group's revenue tend to have long-term mine plans and well understood geology.

Many contracts include fixed fee elements which help mitigate the revenue impact of short-term reductions in activity levels.

The Group focuses on ensuring operational excellence and seeks continuous improvement to increase our overall value proposition as a strategic partner for our clients.

[Link to strategy](#) – Partnerships

6

Deterioration in health and safety record

Risk Description (Operational)

The Group's operations are subject to various health and safety risks associated with drilling and mining including, in the case of individuals, personal injury and potential loss of life; and, in the Group's case, interruption or suspension of site operations due to unsafe operations.

Our Response

Health and Safety is an absolute priority for the Group.

Overseen by the Board, the HSSE Committee, the CEO and senior management team provide strategic leadership in this area and lead a programme of open and honest communication with employees at all levels and in all areas of the business.

An overview of Capital's approach to safety is included on page 35. Some of the Group's safety initiatives, including those around training and monitoring as well as the innovative Safety Risk Leadership Walk, are detailed on our website and have contributed to safety milestones such as 15 years LTI free at our Mwanza facility.

[Link to strategy](#) – Partnerships

7

Over exposure to one commodity sector

Risk Description (Operational)

Gold is an important commodity that contributes significantly to the Group's order book and tender pipeline.

Price and demand fluctuations in this single commodity could have a material impact on Capital's financial performance.

Our Response

The Group seeks to secure long term contracts with blue-chip clients (see, for example, 2023 contract announcements relating to Barrick (Nevada Gold Mines), Fortescue Metals (Ivindo Iron).

The Group's exposure to other commodities has increased and Capital continues to actively seek opportunities with a focus on transition materials (e.g. the Reko Diq copper/gold project).

[Link to strategy](#) – Growth

8

Reduction in value of equity investment portfolio

Risk Description (Project)

Through Capital Investments, the Group holds investments in a portfolio of both publicly traded and private companies.

The accounting value of these investments is marked to market at each reporting date and the fair value adjustment is accordingly recorded in the profit and loss account as an unrealised gain or loss. The value of the investments will change and could materially alter both the Group's reported net assets and net profit position.

Our Response

By diversifying its holding into a portfolio of investments in various companies, the Group aims to mitigate the risk from a significant devaluation of a single investment holding.

Following the listing of Allied Gold Corporation during 2023, the Group's investment in private companies is considered immaterial.

We maintain a robust governance structure for this portfolio, with the Group's Investment Committee being required to include at least one Independent Non-Executive Director. The committee actively monitors existing investments for performance and ongoing strategic alignment. New investments are required to satisfy a number of criteria.

In the event the fair value of investments gives rise to an unrealised loss, while this would affect the Company's net assets and profitability, it would not affect cashflow or give rise to any going concern implications.

[Link to strategy](#) – Capital Efficiency

PRINCIPAL RISKS CONTINUED

9

Geographical risk

Risk Description (Corporate Strategic)

The Group operates in a number of jurisdictions where social unrest and resulting economic turbulence are common, both of which have the ability to significantly disrupt operations and threaten safety and security of Capital's assets and personnel.

Our Response

The Group is seeking to continue to diversify its operations geographically including, for example, recent significant new contracts in North America.

The Group has considerable practical experience in operating successfully in many jurisdictions and plans are in place to secure the safety of personnel in the event of significant security issues.

Safety and security are key considerations in the Group's due diligence processes when considering entry into new jurisdictions or significant additional investment into existing jurisdictions. Depending on the findings of the due diligence process, Board approval may be required in order to proceed.

[Link to strategy](#) – Growth

10

Limited access to new funding sources

Risk Description (Corporate Strategic)

Inability to access bank debt and/or inability to access equity capital from the market.

Debt facilities not available in time to support the ongoing growth of the business.

Our Response

Capital is focused on capital efficiency and maintaining balance sheet flexibility. The Group prioritises building and maintaining strong relationships with banks as well as our existing OEM finance providers such as CAT, Sandvik and Epiroc.

During the year, the Group successfully expanded its portfolio of bank lenders to include Nedbank, one of Africa's premier banks. The increase in the revolving credit facility from \$25 million to \$50 million provides additional balance sheet flexibility to deliver on future growth opportunities.

Senior management continues to engage regularly with shareholders – see further detail on page 64.

[Link to strategy](#) – Capital Efficiency

11

Energy transition

Risk Description (Corporate Strategic)

Capital is subject to both risks and opportunities associated with the global energy transition and climate change. Traditional diesel-powered mining equipment will be replaced by more energy efficient, low-carbon alternatives.

Increasing production in the battery minerals sector is critical to support the global transition to lower carbon technologies and slow adoption of these new technologies may represent a risk to the Group's overall growth strategy.

Our Response

The Group continuously assesses developments in low-carbon technology and how these developments can be appropriately introduced into our operating model and existing fleet. Senior management are in regular contact with OEM manufacturers.

The Executive Leadership Team (ELT) members have significant experience and knowledge in their operational field and maintain a strong awareness of industry developments.

Recognising the importance of seeking low-carbon alternatives to meet client requirements, electric underground rigs are already in use by the Group in Tanzania and a number of electric vehicles have been acquired for use as support vehicles in the Group's Nevada operations.

Growth in demand for battery minerals has already provided new contracts and represents a further growth and diversification opportunity for the Group.

We are harnessing other energy transition opportunities, which include our joint venture with Enerwhere – Mine Power Solutions, which provides modular solar hybrid power systems to the mining sector.

See further detail on climate change on page 39.

[Link to strategy](#) – Growth

VIABILITY STATEMENT

The UK Corporate Governance Code requires that the Directors assess the viability of the Group over an appropriate period of time selected by them. The Board has concluded that currently the most relevant time period for this assessment is the three-year period ending December 2026, reflecting the period covered by our strategic plan, length of major contracts and aligned with the principal financing facilities which are due for renewal until March 2026.

This assessment is carried out annually before the approval of the annual Financial Statements and informed by continuous business planning processes conducted throughout the year. The review of the Group's viability is led by the Executive Directors and involves all relevant functions including operations, finance, treasury and risk. The Board actively participates in the annual review process by means of structured Board meetings. As part of this review, the Board considered detailed forecasts in respect of liquidity and the covenants related to the Group's banking facilities and the principal risks of the Group.

Capital structure

During the year, the Group upsized its revolving credit facility by \$25 million, with Nedbank Limited now co-lending alongside Standard Bank, and increased the Macquarie facility by \$8 million, following the deployment of the new mining kit at Ivindo. The Group closed the financial year with a net debt position of \$69.8 million (2022: \$47.2 million). Both the revolving credit facility and the asset backed loan facility have the following financial covenants: interest cover; debt-equity ratio; gross debt to EBITDA and tangible net worth (borrower).

The revolving credit facility is not due for renewal until March 2026.

The activities of the Group, together with the factors likely to affect its future development, performance, the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in pages 08 to 26.

Steady operations

Revenue for the year reached \$318.4 million (2022: \$290.3 million), marginally below 2023 guidance (\$320 – \$340 million). Our drilling business had another strong year in 2023, both in terms of growth and also in strengthening and repositioning its contract portfolio. As set out earlier, the Group saw new contracts wins on non-gold projects with Barrick's Reko Diq (copper) and FMG's Ivindo (iron ore).

Additionally, the Group secured its second mining contract, expanding its service offering to include crushing services in Gabon.

The MSALABS business continues to grow (41% growth in revenue in 2023) with the roll out of more Chrysos PhotonAssay™ units during the year in Africa and Canada, and further deployments due through 2024 and 2025.

Risks and stress tests

The Directors have carried out a robust assessment of the emerging and principal risks facing the Group over the coming three years, including those that would threaten its business model, future performance, solvency or liquidity. These risks and the ways they are being managed and mitigated by a wide range of actions are summarised on pages 28 to 30.

For the purpose of assessing the Group's viability, the Board focused its attention on the Group's principal risks. In order to determine those risks, the Board assessed Group-wide principal strategic, operational and project risks by undertaking consultations with senior management.

Through this analysis, the Board also identified low probability, high loss scenarios – “singular events” – with the potential magnitude to severely impact the solvency and/or liquidity of the Group. The scenarios tested considered the Group's revenue, underlying EBITDA, cashflows and covenant ratios, and included:

- A 50% decrease in rig utilisation back to historic lows throughout the period to December 2026
- A 100% decrease in Capital Mining throughout the period to December 2026
- Non-renewal of key contracts

Under the base case as well as all the scenarios described above, the forecasts indicate that the Group will be able to operate within the covenants set out in the respective financing agreements while also maintaining sufficient liquidity up to the December 2026 by implementing several mitigating measures such as reduction in inventories and capital expenditure, renegotiation of creditor terms and decrease in dividend pay-out.

The Group's base case and all of the sensitised cases do not project any breaches of the covenants and indicate that it would be able to settle the outstanding loans, with the expectation that capital expenditure will decrease from 2025 (down to sustaining spend only).

Conclusion

Based on the results of this analysis, the Directors believe that the Group is well placed to manage its business risks successfully as the market conditions continue to improve. The Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

CAUTIONARY STATEMENT

This Strategic Report, which comprises the Executive Chair's Statement, the Chief Executive Officer's Statement and the Chief Financial Officer's Review, has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed.

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

By order of the Board.

Rick Robson
Chief Financial Officer

14 March 2024



Sustainability

33 Capital's Approach to Sustainability
40 TCFD Report



Capital is committed to upholding ethical and responsible practices throughout the Company and our supply chain, prioritising the safety, health and development of our people, conducting business in an environmentally responsible manner, and contributing to sustainable development in the host countries and communities in which we operate.”

CAPITAL'S APPROACH TO SUSTAINABILITY

Our responsibilities always matter



"We have always taken sustainability seriously at Capital, with a firm focus on maintaining our excellent safety record and a commitment to training and developing our people as well as to employing locally. We look to provide long-term socio-economic benefits for our countries and communities in which we operate and concentrate on responsible environmental management, recognising our responsibility to respond to climate related risks and opportunities. Our governance framework, underpinned by a comprehensive set of policies, is designed to provide the requisite oversight of sustainability management throughout the business, and our daily behaviour is informed by our purpose, culture and values."

Cassie Boggs
Chair of the Sustainability Committee

Our sustainability governance framework

Capital's Board is ultimately responsible for overseeing sustainability and is supported by the Sustainability and Health, Safety, Social and Environmental (HSSE) Committees. The Board delegates responsibility for sustainability management to the Executive Leadership Team (ELT).

See further details in the committee reports on pages 75 and 87 respectively.

CAPITAL'S APPROACH TO SUSTAINABILITY CONTINUED



Capital is committed to upholding ethical and responsible practices throughout the Company and our supply chain, prioritising the safety, health and development of our people and local communities, conducting business in an environmentally responsible manner, and contributing to long-term value and sustainable socio-economic development in the host countries and communities in which we operate.

Our approach to sustainability is encompassed in our vision: “To be regarded as the most dynamic provider of exploration and mining services in the sector, offering comprehensive solutions that are safe, compliant and sustainable.”

In order to ensure that we are concentrating and reporting on our most material issues, we conducted a materiality assessment in 2023, which took account of the impacts of Capital's activities on the economy, environment and people, including impacts on people's human rights, as well as the sustainability issues that have the potential to affect the Company's ability to create value (i.e. financial materiality).

For the purposes of sustainability our definition of materiality aligns with the new GRI double materiality guidance and considers both the impact of our activities on sustainability aspects such as climate change, and the impact of those aspects on our business, both from an impact or societal perspective, as well as a financial perspective. The outcomes defined the strategic priorities and provided refinement to our existing frameworks.

The following topics were identified as part of this process:

1. Occupational health and safety
2. High quality, sustainable services, and solutions
3. Corporate governance and business ethics
4. Climate, emissions, and energy efficiency
5. Local and responsible employment; training and development
6. Socio-economic value creation
7. Innovation

Demonstrating our commitment to enhancing transparency around our sustainability approach, we will be publishing a dedicated Sustainability Report for 2023. The Sustainability Report will provide relevant reporting requirements along with a more in depth assessment of our performance, drawing on site-specific examples where possible.

CAPITAL'S APPROACH TO SUSTAINABILITY CONTINUED

Health and safety

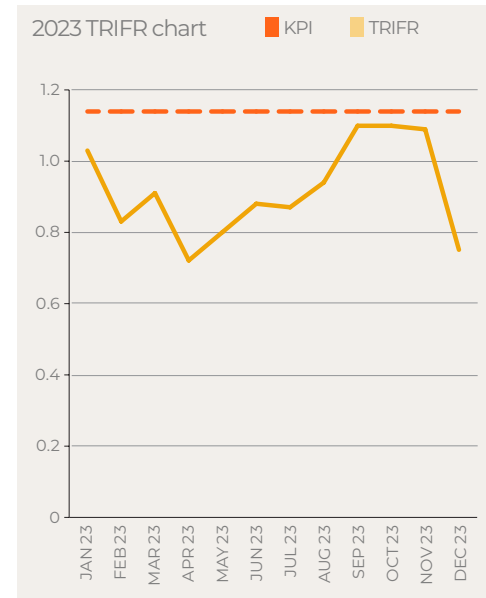
Safety is of critical importance to both the Company and our customers. Our activities are subject to various risks associated with mining operations. Capital has maintained a strong safety track record which is a fundamental requirement for our business.

Our overarching objective is to create and sustain an incident free, safe, and healthy work environment for everybody in our workplace and the communities where we operate. As such our Health, Safety, and Environment (HSE) management system is ISO 45001 and ISO 9001 compliant and is designed to reduce risks to as low as reasonably possible. This includes applying new technology and the hierarchy of controls to eliminate risk and creating management plans and safe work procedures to control risks and hazards associated with work being performed. Capital has a Health, Safety and Wellbeing Policy which applies across all Capital activities and to all Directors, employees and any third-party workers, sub-contractors, business partners or visitors, and is available on the website here: www.capdrill.com/investors/corporate-governance. Along with our management systems, we have numerous safety initiatives, training programmes, policies and procedures designed to ensure all our employees have the knowledge to conduct their work safely and

to address risks in our business. Onsite safety is reinforced at the start of every shift during our toolbox meetings.

The Board delegates responsibility through the Health and Safety Committee, to the Group Health & Safety Manager, and the ELT. This delegation continues to all levels of the organisation providing visible safety leadership and actively supporting a culture of zero harm.

Capital recorded another year of strong safety performance in 2023, remaining lost time injury (LTI) free across thirteen sites during the year – six of which have been LTI free for three years or more. Our total recordable injury frequency rate (TRIFR) was 0.75 (2022: 1.23) per 1 million hours worked with over 11.9 million hours worked in 2023 (2022: 10.6 million hours).



TRIFR¹ of
0.75

LTI free for 7 years for our operations at North Mara

¹ Per 1,000,000 hours worked.

Safety monitoring is a crucial element of our approach. Site safety dashboards monitor the safety performance of individual operational sites enabling tracking against targets, trend identification and implementation of pre-emptive corrective actions.

Health and Safety statistics and incident reports are monitored throughout our projects and the various management structures of the Group, including the HSSE Committee. Where necessary policies and procedures are updated to reflect developments and improvement needs.

Capital's employees have access to medical and health services through an "International SOS" app as well as through various local providers, depending on their region of operation.

We undertake pre-employment medical examinations as well as annual check-ups for our employees, in addition to any specific customer requirements for people working on their sites. In addition to occupational health services, Capital has programmes to address non-occupational diseases, such as malaria. We also conduct health awareness campaigns which cover issues such as fatigue management, personal hygiene, soft tissue injury management and typhoid awareness. Certain site locations also offer exercise and recreational activities to support the health and wellbeing of our employees.



Targeting zero harm across the Group, our robust approach to health and safety is fundamental to our ability to provide our clients with an excellent service and, as such, our safety leadership culture starts at the top. We take a proactive approach to safety management and continually strive for a better, safer and more efficient working environment."

Peter Stokes, Chief Executive



CAPITAL'S APPROACH TO SUSTAINABILITY CONTINUED

Corporate governance and business ethics

Capital is committed to maintaining the highest standards of integrity and accountability across all our business activities, led by our Code of Business Conduct, which provide clear guidance on (amongst other things) ethical behaviour, transparency, respecting human rights and complying with applicable international and local laws and regulations. We acknowledge that winning tenders and delivering successful projects for our customers is dependent on the way in which we behave, and as such taking a responsible approach to business is crucial in building stakeholder trust, which in turn supports our social licence to operate.

In addition to our Code of Business Conduct, we have the following key corporate policies:

- Antislavery and human trafficking
- Anti-bribery and corruption
- Climate change statement
- Sustainability
- Environmental
- Health, safety, and wellbeing
- Human rights
- Social responsibility
- Whistleblowing

📄 Capital's policies are available on the website: www.capdrill.com/investors/corporate-governance

We recognise that potential human rights risks exist within our industry and our broader supply chain, which tend to be labour intensive. Capital's Human Rights Policy sets out our commitment to respect the human rights of our workforce, affected communities and the rights of all individuals with whom we interact.

As a key part of this, we support the Universal Declaration of Human Rights and the United Nations' Guiding Principles on Business and Human Rights. We recognise and support the International Labour Organisation's core labour standards.

Capital maintains a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption, including our Anti-Bribery and Corruption Policy.

Sustainable Resource Lifecycle

Delivering value for our customers is central to our ability to differentiate ourselves from peers and to drive the long-term success of the business. Through our positioning as an integrated, end-to-end service and solution provider, Capital is well positioned to address a number of sustainability-related challenges faced by our clients in the mining industry through our expertise and commitment to innovation. Supporting some of the world's leading mining companies at their tier one assets, we believe this presents significant opportunities for us.

Fostering trusted, long-term partnerships with our customers is central to our strategy. We have proudly built a reputation for best-in-class execution, driven by a crucial focus on premium equipment, our people and training, and excellent standards and safety. Capital prioritises collaboration, working with our customers to ensure we fully understand their requirements and can fulfil their business, and sustainability objectives. We are committed to innovation and look to provide informed, clearly defined solutions and services, underpinned by in-depth experience.

One of Capital's core values is excellence – compelling us to be responsive, innovative and entrepreneurial, taking ownership and always striving for the best outcomes. By focusing on innovation and working alongside world leading equipment manufacturers, we believe we can provide our customers with the services and solutions they need to meet their own sustainability goals. We constantly review new technologies to assess alignment with the needs of our customers, with the aim of developing and enhancing their operations through the implementation of new, innovative technology.

📄 See Capital Innovation on page 23 for further detail



Partnering with Epiroc to address emissions

Capital's large drilling fleet constitutes the most significant source of scope 1 emissions for the Group and therefore, we are partnering with Epiroc to field test the innovative SmartROC D65 BE, a battery-electric surface drill rig for the mining and construction industry, at Sukari in Egypt (where we have a broad fleet of Epiroc drill rigs).

CAPITAL'S APPROACH TO SUSTAINABILITY CONTINUED

Our people

At Capital, our employees are the driving force behind our continued growth and we are committed to a responsible approach to employment, focusing on fair treatment and creating an environment that fosters the development and flourishing of our people.

Emphasising a dedication to the communities we serve, we prioritise local employment and training opportunities, with 92% of our workforce hailing from their respective countries of operation. Recognising our employees as a fundamental strength of our business, we have a rich history of providing professional development and training across all locations. Our wide range of programmes and initiatives is accessible to all employees, contributing to the core strength of our organisation.

A notable initiative is our joint venture partnership, the International Apprenticeship and Competency Academy (IACA), in Tanzania. This collaboration enables the company to deliver standardised UK Accredited training, development, and skills transfer to our team and the broader industry across Africa.

We value diversity and inclusion, and Capital is dedicated to eradicating harassment and discrimination on all grounds. Our commitment to unity as a core value guides our inclusive, global team approach. To overcome cultural barriers, we've implemented local initiatives to attract female talent into operational site-based roles, by hiring local women at Sukari, Jabal Sayid and Reko Diq in collaboration with government labour organisations.

Looking ahead to 2024, we aim to build on this momentum, laying foundations to hire more women in site-based roles, including ongoing efforts at Sukari to create female accommodation and hygiene facilities.

While making strides in increasing female representation within the Group, Capital recognises the ongoing challenges in the mining industry, particularly concerning diversity and inclusion. We acknowledge that there is still a journey ahead and remain committed to continual progress.

Capital has achieved greater representation of women in our workforce in 2023 against a backdrop of increasing overall headcount, reaching 7.7% (2022: 6.2%). This increases strongly to 35% across the Group's support function (i.e. Finance, HR, IT and Enterprise Resource Planning (ERP) teams). 25% of Capital's Board of Directors are female.

Nearly 40% of the current female workforce has been added during 2023, demonstrating Capital's drive to broaden diversity and the success of the initiatives implemented.

CAPITAL EMPLOYEES

2,739

MEN

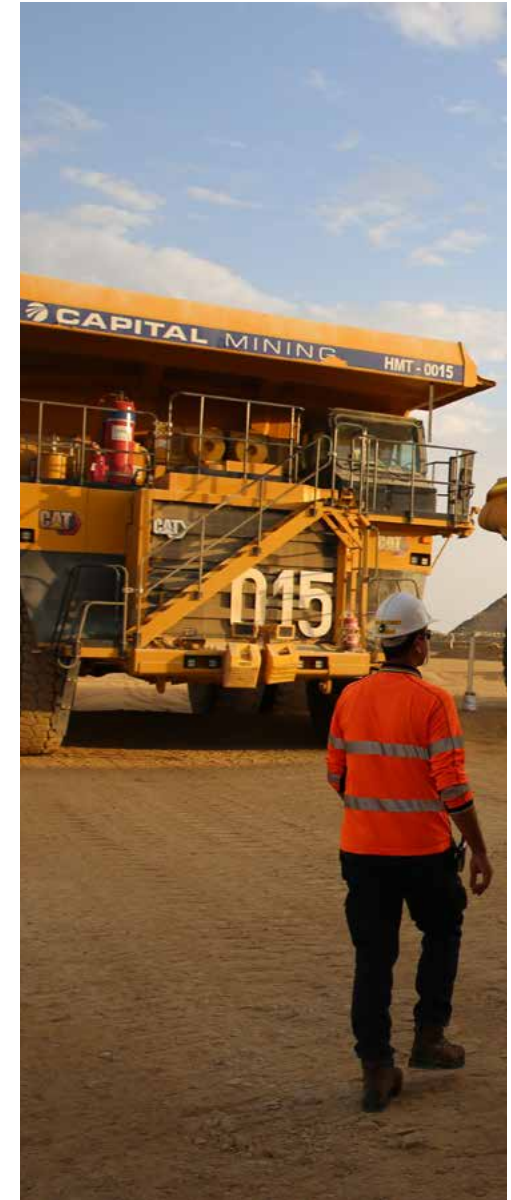
92.3%

WOMEN

7.7%

WOMEN ON BOARD

25%



CAPITAL'S APPROACH TO SUSTAINABILITY CONTINUED

Socio-economic value creation

We recognise our local communities as critical partners when it comes to the viability and long-term sustainability of our operations, providing us not only with a talented workforce but our social licence to operate. Respect for the communities in which we operate is a core value for Capital.

We strive to create socio-economic value through local employment, skills transfer and development, local procurement, the fair and transparent payment of taxes and community investment.

We live in the countries in which we work and therefore prioritise integration into our local communities. Our approach to community relations is founded upon an open, transparent, and responsible approach to stakeholder engagement. Therefore, we have a dedicated Community Officer in Marsa Alam to foster strong relationships with the communities nearest our operations and have open channels of communication with our local and national governmental departments. Providing community support, skills transfer and development opportunities has always been an important focus for Capital.

Through the development of our community management programme, we identify appropriate initiatives for sponsorship or funding. This programme involves a dedicated team which rigorously reviews requests for funding and ensures that projects adhere to the standards in our Code of Business Conduct. In 2023, we invested c.\$150,000 in a number of initiatives, which focused mainly on education, health and childcare.

Case studies

Community training initiatives

Our Tanzanian subsidiary, CMS Tanzania, recently hosted 75 students and 5 instructors from the Dodoma University Department of Mining and Mineral Processing at our North Mara operations as a part of their training programme and fulfilment of our local content plan commitments. The tour provides students with practical site-based knowledge regarding exploration drilling and blasting practices, allows them to experience daily activities on site and provides an overview of safety precautions, hazard identification and risk management responsibilities. Students also learnt about new technologies within the drilling industry.

Construction of an improved maternity ward at the Kamanga Health Centre.

The Kamanga Health Centre is situated in rural areas in Tanzania. Many rural locations in Tanzania lack proper healthcare infrastructure, including hospitals, clinics, and skilled healthcare professionals. This limited access to quality maternal health care can lead to delayed or insufficient prenatal care, increasing the risk of complications during pregnancy and childbirth.

As part of our social investment programme, we are working with Australia for Cedar, Tanzania (ACT), who have been engaged to construct the first phase of the Health Centre. Utilizing our contribution, ACT will, during 2024, construct a Maternity Ward consisting of 6 delivery beds, 10 post-natal beds, 4 post-caesarean beds, 3 prenatal beds and 2 premature beds, thereby significantly increasing the Health Centre's overall capacity.

Included in this ward will be a small operating theatre to accommodate any women experiencing complications.



CAPITAL'S APPROACH TO SUSTAINABILITY CONTINUED

Environmental Stewardship

Capital is committed to delivering the highest standards of environmental management across all our operations. This means mitigating, minimising or avoiding negative impacts wherever possible by applying proven industry practices. We are committed as a minimum to compliance with all applicable legal and regulatory environmental requirements of the countries in which we operate.

We are committed to:

- Protecting the environment by applying proven industry practices to preventing pollution and mitigating environmental impacts.
- Continual improvement of our environmental performance with specific input from our internal innovation and technology committee.
- Complete compliance with all relevant environmental legislation and regulations and any other requirements necessary.
- Undertaking transparent communication and engagement concerning our environmental performance with international and affected stakeholders.

Capital's approach is underpinned by the Company's Environment Policy and ISO 14001:2015 certified Environmental Management System, which sets out our commitment to environmental stewardship, encompassing impact assessment, land use, biodiversity, mine rehabilitation, water, energy and climate change, responsible resource usage and waste management.

We seek continual improvement of our environmental performance with specific input from our internal innovation and technology team.

As a result of our business model, many elements of our environmental management approach are led by our customers environmental management plans, on the sites where we operate. In order to achieve compliance with their policies, systems and processes, we review all client documentation, as well as receive relevant training to ensure our own operations adhere to our clients' requirements.

Our Board (with technical guidance from the Sustainability Committee) is responsible for oversight of environmental management, including our approach to climate change. Responsibility for day-to-day management is delegated to the Executive Leadership Team (ELT) and respective operations-level managers.

Climate change, emissions and energy efficiency¹

Climate change is both a global concern as well as a material issue for Capital. Acknowledging the fact that our activities are contributing to climate change, we also recognise that the impacts of climate change, including shifts in temperature, precipitation, and more frequent severe weather events, could affect our customers and, by extension, our business in a range of possible ways. We believe that climate change and its impacts must be integrated into overall risk processes and overall strategic thinking and decision-making.

Capital has committed to achieving Net Zero by 2050, through the setting of targets aligned with the Science Based Targets Initiative (SBTi).

Energy efficiency is fundamental to the Group's environmental and climate approach. We have identified a number of energy efficiency initiatives, which include Next Generation Fleet Programme, electric vehicles, and renewable energy systems.

Having published our first TCFD report in 2022, we have worked to progress and develop a number of related workstreams in 2023. This has involved improving the quality of carbon calculations, establishing an initial 2035 emissions reduction target to support our 2050 net zero goal providing climate-related updates and education to our Board. During the year, we have investigated and analysed additional energy efficiency and emissions reduction measures. We have not restated 2022 emissions in line with this different calculation approach due to both organisations, while serving different purposes, adhering to similar or compatible standards for measuring and reporting emissions. The data requirements and methodologies for emissions accounting is consistent to ensure that a complete restatement is not necessary.

All of this work has contributed to a greater understanding of the impacts and potential risks climate change had on the business, through improved risk processes, we are able to enhance our disclosures in line with TCFD recommendations.

¹ See page 52 for our GHG emissions calculation methodology

TCFD REPORT

Task Force on Climate-Related Financial Disclosures (TCFD)

Recognising the wide-reaching impacts of climate change, we believe the topic should not be considered in a silo or as simply the work of a sustainability team, but rather it must be integrated into overall risk processes and overall strategic thinking and decision-making.

From the sites where we operate to our boardroom, we endeavour to integrate aspects pertaining to climate change into our strategic discussions and decision-making processes wherever possible, and in particular for those related to:

- Risk management;
- Infrastructure investment, development and management;
- Research and development;
- Resource availability and efficiency;
- Mergers, acquisitions and divestments; and
- Compliance with laws and regulations.

Tackling climate change is a defining challenge of our time. We are committed to reducing our emissions and are taking action to build a climate resilient business. Alongside climate-related risks, we know that there are also extensive and exciting new opportunities. We are working to adjust our service offering to ensure we not only remain relevant and competitive in the contract mining services sector but continue our growth in a sustainable manner.

Our underlying principle is to reduce carbon going into the atmosphere and we have set out a number of pathways to achieve this, which include reducing our energy consumption and intensity and increasing our use of renewable energy. We also believe we can play a role in contributing to the global energy transition through the ongoing diversification of our portfolio towards those metals and minerals which support a greener, cleaner, more sustainable world.

Our journey to develop our climate change strategy began in 2021, when we began to understand our emissions and published our first carbon footprint. This then allowed us to start identifying emissions “hot spots” where we could focus our attention.

From 2021 to 2022, we began our eMining Programme, which seeks to identify ways in which we could begin to reduce emissions where they are most substantial. This included a dedicated team to undertake research and development into alternative fuel vehicles, energy efficiency and optimisation to reduce fuel consumption, and automation and robotics to improve efficiency.

Since the inception of our research and development programme, we have undertaken a series of on-site trials to determine real world application. As with all new technologies and trials, some show marked improvements, whilst others have had limited success.

Where limitations are identified, we work with the manufacturers to enhance product design, such as our collaboration with Epiroc. There are some trials where additional work or investigation is required, which is ongoing.

Our 2022 Annual Report was our first TCFD aligned report, which gave insight into our operational risks in our three key operating geographies (North Africa, West Africa, and Central East Africa). The scenario analysis highlighted specific risks and regions to focus on, but also uncovered a number of key opportunities, which have had a broader positive impact on our operations.

2023 has seen the implementation of our short-term mitigation measures, and risk reduction processes, which were identified through our TCFD development.

Our fleet replacement program has resulted in our first electric forklift being delivered to our Mwanza, Tanzania, workshop with further electric vehicles being delivered to our new operations in the USA. We have continued our engagement with our Original Equipment Manufacturers (OEM) suppliers to identify equipment which can begin replacing our existing fleet, to ensure either alternative fuel use or higher efficiency drive systems.

Through this year we have actively been tracking our own carbon emissions to align with the methodologies and objectives of the Science Based Targets Initiative (SBTi) to ensure our targets remain on track to achieve the commitment we made in 2021 to Net Zero 2050.

Governance of Climate-Related Matters

Climate risk is managed through Capital's enterprise risk management system as an integrated business process. This allows material climate risks to be integrated into long-term strategy development. Furthermore, through the development of climate scenario analysis, long-term impacts are integrated into the risk register.

Capital's approach to the governance of climate-related aspects is consistent with the recommendations of the TCFD. We are taking climate change seriously, acknowledging both the fact that our activities are contributing to climate change and that climate change can have adverse impacts on our operations and workforce.

TCFD REPORT CONTINUED

Sustainability Governance

Climate change governance needs to be driven from the Board and senior management through to the employees on the ground. Our governance structures and climate change considerations are set up to achieve this. The results from our climate scenario analysis are used to inform prioritisation of risk mitigation, our adaptation strategies, as well as identifying opportunities to increase the company's overall resilience to a physical world that is changing and a shifting regulatory and economic landscape.

Board

The Board is ultimately responsible for the oversight over climate-related strategy, performance, risks, vulnerabilities and opportunities. The Board is assisted in this by the Sustainability Committee.

Focus areas in 2023 included:

- Reviewing and monitoring of the Group's long-term and sustainable business strategies and providing strategic direction to senior management; ensuring that the necessary financial and human resources are in place to meet the Group's objectives;
- Determining the nature and extent of the significant risks and conducting a review of the effectiveness of the Group's risk management and internal control system including all financial, operational and compliance controls;

Sustainability Committee

Our Board-level Sustainability Committee is responsible for overseeing our environmental policies, programmes and performance, including matters of climate change. It reports directly to the Board, and is comprised of Ms Boggs (Chair), Ms Dhir, Mr Davidson, Mr Stokes and Mr Boyton (further information about the Committee can be found in the Corporate Governance section on page 75 of this report).

Focus areas in 2023 included:

- Reviewing of ESG initiatives to ensure compliance and alignment to Capital's requirements and those of our stakeholders;
- Implementation of reporting standards and frameworks;
- Monitoring compliance towards the Group's net-zero target by 2050;
- Management of potential risks and opportunities identified through the Climate Scenario Analysis and their implementation into the Risk Management Process.

Chief Executive Officer

Our CEO serves as the bridge between the Board and the management team, and is accountable at management level for the implementation of our policies and delivery of strategy, including for climate change related aspects.

Executive Leadership Team (ELT)

Our ELT supports the Board and the CEO by developing our climate change strategy and policy for consideration and approval. It also executes the Board's mandate by driving the implementation of strategy against key objectives and performance indicators, and our risk management plans.

Members of the ELT meet with the Sustainability Committee on a regular basis to review our exposure to and management of all relevant sustainability issues, including those related to the climate. The ELT is tasked with managing such risks, as well as the preparation of associated disclosures.

Focus areas in 2023 included:

- Implementation of the Net Zero Plan across all operational sites, with focus on achieving our short term climate goals.

Group Sustainability Manager

Recognising the growing importance of sustainability and climate change among our business and stakeholders, in 2022 we appointed a dedicated sustainability specialist to advise on and drive sustainability aspects for our business. Aspects considered by this function include our overarching sustainability strategy, water, energy and climate aspects, and our ESG reporting.

Focus areas in 2023 included:

- Expanding our climate change scenario analysis to include our broader geographical area, and presenting the results to the Board;
- The improvement of our TCFD disclosure in line with recommendations from the Financial Conduct Authority;
- Aligning our targets with SBTi;

- Analysing options for emissions reductions and efficiencies; and
- Ongoing improvement of the quality of climate calculations.

Technology And Innovation Team

Development and implementation of climate strategy ideas are discussed in the technology and innovation team meetings. Members of the ELT and senior management sit on the technology and innovation team, and feedback to the rest of the leadership team and ensure progress against strategy is monitored.

Focus areas in 2023 included:

- The rollout of Mine Power Solutions, solar hybrid temporary power solutions across Africa.
- Assessment and recommendations for fleet replacement with alternative fuel vehicles within our operations; and;
- Review and implementation of operational efficiency initiatives.

Site Level

Whilst we are operators on our clients' sites and therefore, do not have control, we believe there are always opportunities for us as a Group to work towards addressing climate change. We constantly review new technologies to align with client requirements and collaborate to elevate their operations through new technology implementation. We work with our client's site teams in partnership to ensure our on-site teams are sensitised to the site or client-specific climate programmes. This collaborative relationship provides feedback to our senior management team, creating a positive loop of progress for our Group.

TCFD REPORT CONTINUED

Summary of the Task Force on Climate-Related Financial Disclosures (TCFD)

Our climate change disclosure complies with the requirements of seven of the eleven recommended disclosures of the TCFD. Details of our compliance, including areas for improvement and plans to close gaps are set out in the table below.

Compliance Key

● Compliant ● Not fully compliant

Theme	TCFD Recommendation	What Capital Does	Page Reference	Compliance
Governance	a) Describe the Board's oversight of climate related risks and opportunities.	Capital's Board duly formed and appointed a sub-committee responsible for Sustainability which is chaired by Cassie Boggs (Independent, Non-Executive Director). The Committee comprises of Ms Boggs (Chair), Ms Dhir, Mr Davidson, Mr Stokes and Mr Boyton (further information about the Committee can be found in the Corporate Governance Statement on page 75 of this report). The Sustainability Committee meets quarterly with a set roadmap for achieving KPI's for the given year, and to track progress, for example during 2023 this included details of the scenario analysis process and discussion of the findings. The Sustainability Committee reports to the Board, with any key updates being reviewed and discussed at Board meetings. The topics of climate risk and strategy are scheduled for discussion at the Board meetings. Therefore, there is the opportunity to have insight into the risks, opportunities and strategies around climate change and adaptation planning. Further to the finalisation of Capital's climate strategy, Capital's performance against its carbon emissions targets will be monitored and reviewed by the Board at least quarterly. The Board receives training on all sustainability matters, with additional focus on climate related risks and opportunities in order to stay abreast of this rapidly changing area.	41	●
	b) Describe management's role in assessing and managing climate related risks and opportunities.	With the implementation of Capital's climate strategy, the Sustainability Committee has access to the information to monitor progress against targets and action plans for addressing climate-related issues. At an operational level, the assigned responsibilities for climate-related issues are aligned to the environmental management system and internal controls for risk management. An integral part of our management roles is that of the Technology and Innovation team who actively lead the development and trial of projects.	41	●

TCFD REPORT CONTINUED

Summary of the Task Force on Climate-Related Financial Disclosures (TCFD)

Compliance Key

● Compliant ● Not fully compliant

Theme	TCFD Recommendation	What Capital Does	Page Reference	Compliance
Strategy	a) Describe the climate related risks and opportunities the organisation has identified over the short, medium and long-term.	In 2023, as part of Capital's climate scenario analysis, we identified risks associated with climate change and 12 potential impacts at an operational and corporate level. These impacts are assessed across our short to long-term time frames. The process also identified a number of opportunities (e.g., solar hybrid microgrid opportunities).	48-50	●
	b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<p>Climate change has been identified as a key environmental risk, particularly when considering its impact on the availability of water, heat exposure and the related financial implications.</p> <p>Companies such as Capital are increasingly being analysed and evaluated on the basis of their carbon emissions and approach to climate change. Outcomes of such analysis can influence the level of confidence of investors and could thereby influence the share price / market value of the Company.</p> <p>This is an area where Capital does not yet fully comply with the recommendations of TCFD, further consideration is needed in order to clearly understand the relative importance of physical and transition risks to different parts of the business (Drilling, Mining, MSALABs) and to understand the varying level of risks in the different geographies in which we operate.</p> <p>During 2023 we undertook a review of our Corporate Risk Register, with the aim of better aligning our risks to our diverse business model. Our aim for 2024 is a full integration of our Risk Management into each business unit, to ensure our strategies are best aligned to the individual business needs with the aim of being able to complete our disclosure and become compliant by the end of 2024.</p>	48-50	●

TCFD REPORT CONTINUED

Summary of the Task Force on Climate-Related Financial Disclosures (TCFD)

Compliance Key

● Compliant ● Not fully compliant

Theme	TCFD Recommendation	What Capital Does	Page Reference	Compliance
Strategy continued	c) Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	<p>Capital's scenario analysis is based on three climate change scenarios, these include:</p> <ul style="list-style-type: none"> ● The Intergovernmental Panel on Climate Change (IPCC's) high emission scenario (SSP5-8.5) with a 4.3 degrees Celsius increase in global temperature (by 2100); ● The International Energy Agency (IEA) Net Zero Emissions by 2050 scenario (NZS) for transition risks related to an ambitious, immediate, and smooth climate change response; and ● The IEA Announced Pledges Scenario (APS) to assess transition risks related to conforming with announced global and national policies. <p>This is an area where Capital does not yet fully comply with the recommendations of TCFD. During 2023 we made advances in assessing our resilience to climate change. The most significant of which was the full review of our corporate risk register with our scenario analysis being given greater focus, and to increase our scenario analysis as a result of our growing global footprint. The scenario analysis process has enabled us to better understand our risks and opportunities a changing climate poses for our business and our focus for 2024 is to assess and adapt our business plans and thereby our resilience and to become compliant by the end of 2024. However, our current assessment is that the business is in robust health and a good position to adapt to climate change over the short term.</p>	47	●

TCFD REPORT CONTINUED

Summary of the Task Force on Climate-Related Financial Disclosures (TCFD)

Compliance Key

● Compliant ● Not fully compliant

Theme	TCFD Recommendation	What Capital Does	Page Reference	Compliance
Risk Management	a) Describe the organisation's processes for identifying and assessing climate related risks.	Capital uses the following climate-related risk categories to assess its vulnerability: acute physical risk; chronic physical risk; financial risk; reputational risk; legal risk; and climate change opportunity. For each risk, Capital analyses exposure, sensitivities, potential impacts and adaptive capabilities. Estimation criteria used when performing the vulnerability estimation are: extent of the risk/vulnerability, duration of the risk, intensity of the impact of the risk, likelihood of the impact with the significance determined as a combination of all these criteria. These criteria are included within the Corporate Risk Register, which is reviewed and updated quarterly by the ELT and management teams, with oversight by the Audit Committee.	27	●
	b) Describe the organisation's processes for managing climate related risks.	Our Climate Change Net Zero Plan includes the action steps, timeframes for completion, responsible employees and all other resources required to successfully manage Capital's climate risks. This is done by taking account of the vulnerabilities' significance as well as the financial and operational capability to implement the action plans. Quarterly progress reviews are completed as part of the operational environmental management systems, with progress of all sustainability plans presented to the Sustainability Committee. The Sustainability Committee has full oversight of the process and may require an adjustment to prioritisation of plans, depending on strategic or operational needs.	40	●
	c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management	Climate-related risk management is integrated into the operational environmental management system. We have through 2023 taken our first steps to ensure our reporting and data collection processes are integrated, and to limit the potential for errors. During the course of 2024 we will continue this process, however we do see that a truly representative scope 3 footprint is only likely during 2025. All climate-related risks are included in Capital's ERM process with full Board oversight. Capitals targets are guided by the SBTi with the aim of achieving a 50% reduction in our scope 1 emissions by 2030. We believe this is a realistic target based on the interactions we have had with our suppliers and equipment manufacturers. We are still cautious of setting a medium term target due to our current reliance on fossil fuels and technology and alternatives becoming commercially available post 2030.	40	●

TCFD REPORT CONTINUED

Summary of the Task Force on Climate-Related Financial Disclosures (TCFD)

Compliance Key

● Compliant ● Not fully compliant

Theme	TCFD Recommendation	What Capital Does	Page Reference	Compliance
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	Capital sets annual objectives and targets (KPIs) at an operational level. These objectives aim to address the climate-related risks and opportunities that are identified through the risk assessment and climate change scenario analysis processes. In 2023, Capital focused on the following climate-related priorities: <ul style="list-style-type: none"> ● Electricity alternatives – 2023 saw our first MPS solar installation in Mali, resulting in a 32% reduction in energy use and our Mwanza workshop installation has reduced our dependency on grid power by 80% . ● Diesel efficiency – Our fuel use has decreased from 48.6 Million Litres in 2022 to 40.7 Million Litres for 2023, of which 3.2 million litres can be attributed to our efficiency programmes. 	53	●
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	Scopes 1 and 2 GHG emissions are disclosed on an annual basis in the Company's Annual Report. Due to the complex nature of scope 3 emissions, we have taken our 2022 commitment to reporting our emissions and are now actively working with our supply chain to determine an accurate and representative footprint for our scope 3 emissions. These will be incorporated into our footprint and reduction strategy. As our footprint is refined through our implementation of new Enterprise Software during 2024, through enhanced data collection and management, we will better be in a position to manage our supply chain, as well as working on reduction activities with our vendors we have through 2023 taken our first steps to ensure our reporting and data collection processes are integrated, and to limit the potential for errors, during the course of 2024 through enhanced data collection and management, we will continue this process, however we do see that a truly representative scope 3 footprint is only likely during 2025.	52	●
	c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.	Capital committed to achieving Net Zero by 2050 in 2021. This has further been refined to include short- and medium-term targets guided by our SBTi commitment. The Group sets both short-term targets on an annual basis and medium-term targets which aim to reduce the Company's carbon footprint over five-year intervals. Capitals targets are guided by the SBTi with the aim of achieving a 50% reduction in our scope 1 emissions by 2030. We believe this is a realistic target based on the interactions we have had with our suppliers and equipment manufacturers. We are still cautious of setting a medium term target due to our current reliance on fossil fuels and technology and alternatives becoming commercially available post 2030. Performance against these targets will be presented at Board level and will be included in the Company's future reporting.	53	●

TCFD REPORT CONTINUED

Managing Climate Change

In 2021, we began to consider the business impact of climate change which has been increasingly integrated into our formal risk management process. During 2022 and 2023 this was augmented by the climate-related scenario analysis work we undertook. Climate risks have been incorporated into the corporate risk register and include weather related disruption to operations, a slow response to energy transition and non-compliance with climate related reporting regulations.

Each risk is regularly monitored and discussed by the ELT, the Sustainability Committee and the Board in terms of its relative impact on the business. Proposed mitigation strategies with progress against specific actions are also regularly reviewed.

Our Scenario Analysis

Our scenario analysis follows TCFD recommendations, exploring three different scenarios and considers the material risks and opportunities identified for Capital's activities arising from projected physical hazards, as well as global and national climate responses. Conducting climate change scenario analyses has enabled us to identify, assess, and manage our exposure to climate-related risks in our operations in Egypt, Tanzania, several West African countries and, more recently, the USA.

Selected Scenarios

Net Zero +1.5°C	Announced Pledges +2.1°C	SSP5-8.5 +4.3
A scenario which sets out a pathway for the global energy sector to achieve Net Zero CO ₂ emissions by 2050. It does not rely on emissions reductions from outside the energy sector to achieve its goals. Universal access to electricity and clean cooking are achieved by 2030.	A scenario which assumes that all climate commitments made by governments around the world will be met in full and on time. This includes Nationally Determined Contributions (NDCs) and longer-term Net Zero targets, as well as targets for access to electricity and clean cooking.	Current CO ₂ emissions levels roughly double by 2050. The global economy grows quickly, but this growth is fuelled by exploiting fossils fuels and energy-intensive lifestyles. By 2100, the average global temperature is 4.3°C higher.

These newly identified risks help us better plan, adapt, and mitigate the impacts of climate change on our business and risk management processes.

Key impacts and responses to climate risks

At Capital, we regard climate change as both a company and global concern. We recognise that the impacts of climate change could affect both our clients and our business in a variety of ways:

- Physical shifts in temperature, precipitation, and severe weather events which could impact the stability and effectiveness of infrastructure and equipment and leading to elevated health and safety risks.
- Environmental protection requirements and client demands such as demand for green or cleaner fleets.
- Regulatory changes such as more widespread carbon tax regimes.
- The stability and cost of energy and water supplies.

TCFD REPORT CONTINUED

Key sensitivities and opportunities to the business were identified for each scenario to assist us in planning for resilience and preparedness for possible future events. Identified negative impacts (yellow), the opportunities (orange) and the suggested responses are set out in the table below.

Risk Type	Risk / Opportunity	Impact on Capital	Responses	Risk Period
Policy	Cost of carbon	<p>Based on Capital's climate scenario analysis, as well as our diesel consumption, the cost of carbon in the The International Energy Agency (IEA) Net Zero Emissions by 2050 scenario (NZE) will increase diesel-related expenses for Capital:</p> <ul style="list-style-type: none"> ● In the Middle East and North Africa, on average, by an additional \$1.9 million per year in 2030 and \$14.0 million per year in 2050, in the NZS scenario; ● In West Africa, on average, by an additional \$1.3 million per year in 2030 and \$9.4 million per year in 2050; and ● In East Africa, on average, by an additional \$360,000 per year in 2030 and \$2.6 million per year in 2050. In Nevada by an additional 34% per year in 2030 and 45% per year in 2050. 	We continue of fleet replacement programme , with the identification and trialling of electric vehicles, our energy efficiency and automation initiatives, and the systematic replacement of older equipment with more modern fuel efficient machinery.	Short to Long Term
	Grid decarbonisation	In the USA, the national grids will reach zero CO ₂ emissions by 2035 under the NZE. This will be achieved through incentives promoting the roll-out of renewable energy generation technology. This will provide a readily available low-GHG emission energy source for Capital to use.	Capital should prioritise the electrification of lower-energy demand equipment that will be stationed in Nevada to prepare for low-carbon electricity.	Short to Medium Term
	Incentives to reduce GHG emissions	Incentives that encourage the development and deployment of various GHG emission reduction activities such as research and development of alternative fuels and waste minimisation.	Along with cost optimisation, additional focus within the supply chain includes and a stronger focus on lower carbon products.	Short to Medium Term

TCFD REPORT CONTINUED

Risk Type	Risk / Opportunity	Impact on Capital	Responses	Risk Period
Technology	Improvements in the manufacture of alternative fuels	Increased availability and reduction in the cost of using alternative fuels, such as hydrogen.	We are currently piloting a number of potential solutions, including onboard hydrogen generation as a fuel supplement, as well as electric vehicles, including light delivery vehicles, and Epiroc drill rigs.	Medium Term
		Retrofitting the existing light-vehicle fleet to run on natural gas will increase capital costs in the short term but could save money in the medium to long term due to reduced operating costs, especially when taking into account the potential cost of carbon.	Whilst the availability of natural gas is limited within our operational areas, our Suppliers are working on a number of dual fuel derivatives of their engines to allow for the use of a wider range of fuels going forward.	Short to Medium Term
	Significant advances in EV technologies	Equipment currently in use will either need to be upgraded or be replaced during the term of operational contracts. Furthermore, the resale value of fossil fuel dependent assets will be much lower than in the current market.	Our ongoing fleet replacement programme has a greater focus on lower emission vehicles, with higher efficiency diesel / biofuel options being considered, along with our partnership with Epiroc for the development of electric drill rigs.	Short to Medium Term
Reputation / Market	Removal from preferred supplier lists – not awarded contracts	If Capital is to remain a GHG emission intensive company, this may hinder it from being a preferred service provider.	Capital is making significant inroads into its Net Zero plan, with a reduction in emissions of 19% compared to baseline.	Short to Medium Term
	Diversify commodity exposure	It is predicted that there will be an increase in the demand for lithium and other minerals/metals critical to the low-carbon transition and would increase the price of these commodities, making the mining of such minerals more desirable for long term sustainability.	Capital has continued to grow its non mine service offerings including new laboratories and locations for MSALabs, and our MPS offerings. In addition we are expanding our commodity footprint into areas outside of gold.	Short to Medium Term

TCFD REPORT CONTINUED

Risk Type	Risk / Opportunity	Impact on Capital	Responses	Risk Period
Physical (Acute and Chronic)	Increased extreme heat incidents	<p>Adverse health impacts and potential injury/death of workers. Heat stress could risk 2.2% of Capital's annual revenue¹.</p> <p>Operating certain machinery when ambient temperatures exceed 40°C can lead to a 7% increase in fuel consumption.</p>	Ongoing training of staff regarding the risks associated with heat exposure, sun stroke and exhaustion, as well as medicals to ensure staff are healthy. Additional cooling of vehicles, and shorter shifts have been implemented, along with work stoppages should conditions become unhealthy.	Short to Long Term
	Erratic weather	<p>Erratic weather such as flooding and increased drought will cause supply chain disruptions thereby impacting operations.</p> <p>Depending on the number of active rigs on site and the length of production stoppages, this can become a significant issue for Capital.</p>	Regularly review its suppliers and supply chains. Where possible additional inventory can be held on vulnerable sites to mitigate potential delays.	Short to Long Term
	Wildfires	Increased temperatures and more variable rainfall will increase wildfire risk which has health and safety implications as well as operational and supply chain impacts.	Capital to review Health and Safety policies and ensure these are updated regularly.	Short Term
	Extreme cold and snowstorms	In Nevada, extreme cold temperatures and snowstorms can pose several health and safety risks to Capital's employees as well as operational risks and supply chain issues.	Capital must ensure that the teams stationed at the Nevada operations are trained to operate in cold/snowy weather and that the equipment used there is suitable for the colder winter conditions.	Short Term
	Malaria distribution shifts	In East Africa, alterations in malaria distribution may expose operations to malaria that weren't previously affected.	Ongoing management in malaria prone areas, as well as the provision of nets, vector control sprays and residual spraying. Training also undertaken to ensure correct use, as well as greater understanding in areas where malaria is not currently prevalent.	Medium to Long Term

¹ "Heat stress is projected to reduce total working hours worldwide by 2.2 per cent" (ILO, 2019).

TCFD REPORT CONTINUED

Physical Risks

Material physical risks are those that are likely to occur at our operations considering climate projections for the regions. The trends and projections for each of Nevada, Marsa Allam (Egypt), East Africa and West Africa are discussed in detail in the respective physical scenarios.

Through the scenario analysis, it was identified that the severity of physical risks relating to temperature and rainfall varied depending on geographic location. This is highlighted in the table below to provide further detail.

Trend	Impact	Nevada, USA	Marsa Allam, Egypt	West Africa	East Africa	Risk Period
Increased Heat	Excessive heat creates unsafe working conditions impacting worker health and safety. Examples include, but are not limited to, fatigue, dehydration, heat stroke, respiratory and cardiovascular disorders, increased hospital admissions and increased absenteeism.	✓	✓	✓	✓	Short Term
	Excessive heat can impact the performance of the Group's fleet, leading to reduced productivity and in turn reduced revenue.	✓	✓	✓	✓	Long Term
	Increased energy consumption for cooling of equipment, vehicles, offices and ventilation (underground portion of the operations).	✓	✓	✓	✓	Short Term
	Infrastructure disruptions due to extreme heat events can adversely impact water and power supply and transportation. These disruptions can lead to productivity losses or decreases in operational efficiency	✓	✓	✓	✓	Long Term
Increased variability of rainfall	Increased flooding leading to operational and supply chain disruptions as well as increased risks for worker health and safety. Impacts on Capital's clients such as flooding of pits, underground and washing away water supply dams.	✓		✓	✓	Medium Term
	Increased precipitation in the form of snowfall leading to operational and supply chain disruptions as well as increased risks for worker health and safety.	✓				Medium Term
	Increased droughts leading to declining availability of potable and industrial water. Increased operational costs and potential delays in the up-stream value chain, due to increased water prices, water shortages or product delivery delays.			✓	✓	Long Term
	Increased cyclonic impacts, specifically related to flooding and or supply chains.	✓		✓	✓	Long Term
	Increased wildfires as a result of increased heat and increased time between rainfall events (variability).	✓		✓	✓	Medium Term

TCFD REPORT CONTINUED

GHG Emissions

We began to track our carbon footprint in terms of our scope 1 (direct) and scope 2 (indirect) emissions in alignment with the GHG Protocol Corporate Accounting methodology. We currently use the International Energy Agency (IEA) Emission Factors (Efs) for emission calculations, along with the IPCC AR6 Global Warming Potential (GWP) factors, but we acknowledge that IEA Efs are not as representative as country specific Efs.

Our current countries of operation have limited factors available. As part of our ongoing improvement in our footprint calculations, these factors will be reviewed annually to ensure the most representative data is utilised.

For a number of our operations fuel usage is not currently recorded, and as such we rely on fuel consumption estimates based on hours of operation for equipment. The following table sets out the relative contribution of emissions based on consumption estimates:

Emission Source	% Emissions from Estimated Consumption
Scope 1	99%
Scope 2	1%

We have engaged with our clients and suppliers to collect actual fuel consumption information to improve accuracy and robustness of emission calculations, as well as undertaking our initial footprint through the use of emission factors. However, due to the complex nature of scope 3 emissions this is still an ongoing process, which will continue into 2024. Due to this reliance on consumption estimates and emission factors, we have engaged with an independent consulting

firm, Digby Wells, to review our methodology and estimates to ensure correctness.

Our emissions factor calculations use the following Global Warming Potentials (GWP's):

GHG	GWP	Reference
CO ₂	1	IPCC AR6 Working Group 1 – Chapter 7 – GWP-100
CH ₄	29.8	IPCC AR6 Working Group 1 – Chapter 7 – GWP-100
N ₂ O	273	IPCC AR6 Working Group 1 – Chapter 7 – GWP-100
CO ₂ e	1	IPCC AR6 Working Group 1 – Chapter 7 – GWP-100

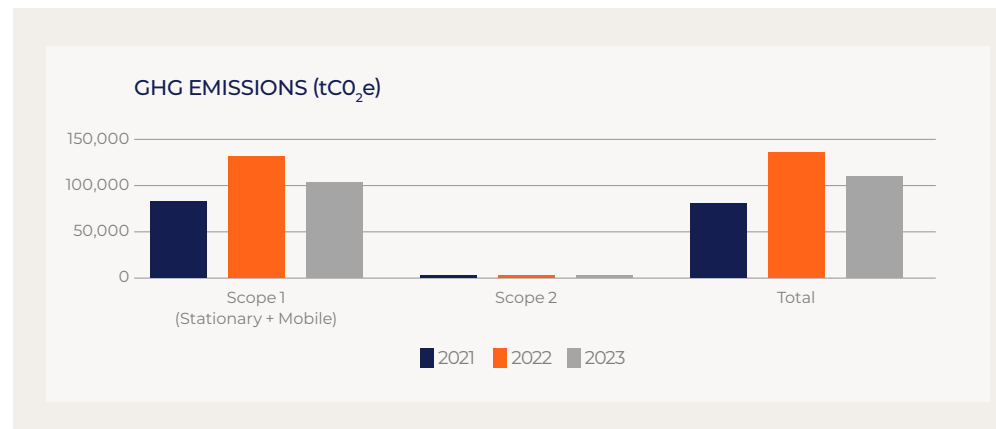
As shown in the table and graphic below our total scope 1 and 2 emissions for 2023 were 109,864 tCO₂e for the year (2022: 135,665 tCO₂e). This 19% decrease is due to a number of factors including the reduction in fossil fuel consumption on our sites as a result of high efficiency equipment usage as well as through the use of renewable energy, including

both the installation of solar systems at our operations, and sourcing our grid electricity from renewable sources.

Mobile diesel consumption constitutes the largest proportion of our emissions (representing approximately 80% of our scope 1 emissions) and is therefore a primary focus for reduction initiatives. One of our focus areas for 2024 will be a review of our Heavy Mining Fleet, due to the ages of the trucks and the more demanding operating conditions (deeper pit access) our emission rates have increased from 1.54 kgCO₂e/BCM (Bank Cubic Metre) in 2022 to 1.59 kgCO₂e/BCM (a 3% increase in emissions). This compared to our drill rig fleet where our focus for 2023 has been and have seen our emission rates decrease from 14.28 kgCO₂e/metre drilled in 2022 to 10.58 kgCO₂e/metre drilled in 2023 (a 35% decrease in emissions). We have also seen a decrease in the emissions generated from MSALABS, where our introduction of solar systems and renewable energy sourced power have reduced our Chrysos PhotonAssay™ per sample emission from 0.65 kgCO₂e to 0.38 kgCO₂e.

GHG Emissions (tCO ₂ -e)	2023	2022	2021
Scope 1	108,632	134,843	83,727
Scope 2	1,231	822	1,223
Total Emissions (Scope 1 and 2)	109,864	135,665	84,950

In line with the TCFD, Capital is in the process of collating and analysing scope 3 emissions from both upstream and downstream of our operations, focusing on our most material scope 3 categories.



TCFD REPORT CONTINUED

Emission Reduction and decarbonisation pathways

With more than 90% of our scope 1 emissions resulting from our drilling and mobile fleet, we are working closely with our equipment suppliers to identify new technologies which will allow us to reduce our dependency on fossil fuels.

Achieving net zero in the short to medium term is not feasible for Capital for two primary reasons – current technologies adopted by our equipment manufacturers cannot as yet achieve net zero and our customers are unlikely to pay a premium for zero carbon services. The cost of decarbonisation would therefore have to be borne by Capital and would not be economically viable until carbon markets adjust.

As we better understand the technological advances made by our suppliers and the accessibility of alternative fuels, our emission goals will be revised on an annual basis and we will set further official reduction targets in line with available and affordable new technology. Our decarbonisation pathway therefore requires innovation and our long-term commitment to achieving net zero. To meet this the following strategies have been put in place to date.

Short term

Due to the nature of our business where a large proportion of our carbon emissions are as a result of fossil fuel use in our equipment, and the relatively slower progress toward cost-effective and reliable electric / alternative fuel haul trucks and drill rigs, our focus in the short term is to ensure that we are as fuel-efficient as possible with our current fleet. We continually investigate opportunities to reduce the diesel needs of our machines focussing on areas where technology is already proven, such as:

- Continued installation of Chrysos PhotonAssay™ technology within our laboratory business, which not only reduces our carbon footprint, but also eliminates the need for lead in the process with a growth for 2023 of 41%.
- Continued fleet replacement programme involving the purchase of smaller electric vehicles and our partnership with Epiroc for our first electric drill rig.
- MPS continue to develop and install solar power systems for our mines sites, and Capital is installing smaller scale systems at our camps and workshops.
- Installation of solar lighting systems is ongoing with 30 units currently to eliminate the need for small scale diesel generators to be utilised on site; and
- Integrate and retrofit technology to drive enhanced fuel efficiency.

There is a trend with our customers for the need to reduce emissions and environmental impacts and we believe that by transitioning quicker than our peers in the short-term, Capital's services will be seen as a more attractive option.

Medium term

In the medium term (3-10 years) we believe that our heavy vehicle manufacturers will begin to commercialise the electric/hydrogen/hybrid fleets that they are currently developing and testing.

The incorporation of electric drill rigs and mine haul vehicles will have the largest impact on our carbon footprint, as currently they account for almost 90% of our emissions. In anticipation of this we have begun the process of preparing for the rollout of our next generation fleet, through our eMining strategy.

As the rollout of the next generation fleet will be carried out over a number of years, Capital is identifying and investing in a number of programmes, in order to further reduce our footprint. This approach allows for the reduction in emissions, as we manage fleet replacement, taking age of units, cost etc into consideration.

As the eMining strategy accounts for a large proportion of our scope 1 mobile emissions, our aim is to achieve a 50% reduction in emissions from the 2022 baseline over this ten year period. We are however cognisant of the limited influence we play in regard to our OEM equipment suppliers, and this target is therefore dependent on their buy-in and aligned with their commitments.

Long term

In the longer term (greater than 10 years) we will continue to

- Engage with our suppliers to ensure the availability of feasible decarbonisation technologies relevant to our operations;
- Engage with our suppliers and partners to get buy-in and ensure alignment with their commitments, provided these are in line with our overall level of ambition;
- Collaborate across our value chains to determine the most appropriate role we can play in contributing to net zero scope 3 emissions;
- Offsetting hard to abate emission where necessary; and
- Update our 2050 target in line with updates should specific countries of operation require a more stringent target.

Governance

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As a Board, we will strive to maintain the highest standards of Corporate Governance at Capital."

CHAIR'S INTRODUCTION TO GOVERNANCE



We recognise the fundamental importance of corporate governance, ethics and integrity in delivering sustainable success for our stakeholders.”

Dear shareholders,

Governance is at the heart of the way we do our business. Only by ensuring that we have the appropriate culture and values in place, with a focus on integrity, transparency and ethics, and underpinned by our robust frameworks and policies, can Capital continue to deliver excellent services and solutions for our customers, thereby creating long-term value for our shareholders.

By reviewing and approving corporate policies, engaging regularly with our teams, conducting site visits and keeping abreast of internal practices, our Board aims to monitor, assess and reinforce our culture and values.

Our approach to engagement – both internal and external – is guided by ensuring an open and respectful culture led from the top by the Board to facilitate effective contributions from all Directors, management and the wider workforce.

Jamie Boyton
Executive Chair

During 2023, we have continued to enhance our Board strategy, structure and culture, with governance highlights including the following:

Stakeholder engagement

Capital recognises the importance of building strong relationships with all our stakeholders, which is essential to the long-term success of our business and lies at the heart of our purpose, values and strategy.

Shareholder engagement

The Group provides financial statements to all shareholders twice a year when its half year and full year results are announced and provides trading updates after the each quarter of trading throughout the fiscal year. These results and all other London Stock Exchange (LSE) announcement information are available on the Group's website www.capdrill.com. Management presentations as well as other information relevant to investors are also available on the website.

All shareholders are given at least 21 working days' notice of the Annual General Meeting (AGM). It is standard practice for all Directors to attend the AGM to which all shareholders are invited and at which they may raise questions to the Chairs of the Board Committees or the Board generally. The proxy votes for and against each resolution, as well as abstentions (which may be recorded on the proxy form accompanying the notice of AGM) are counted before the AGM commences and are made available to shareholders at the close of the formal business of the meeting. The proxy votes are announced via the LSE and posted on the Company's website shortly after the close of the meeting.

The Company's 2023 AGM was held in London on 18 May 2023. We were pleased to welcome shareholders both in person this year and virtually for those wishing to follow the proceedings from afar. A summary of the proxy voting for the AGM in London was made available via the LSE and on the corporate website as soon as was reasonably practicable on the same day as the meeting and the link to the results can be accessed [here](#). In advance of the meeting, proxy votes indicated that shareholders no longer considered Alex Davidson an independent Non-Executive Director due to his length of tenure, in accordance with provision 10 of the UK Corporate Governance Code. As a result of this and an internal Board evaluation held just before the AGM, Mr Davidson immediately stepped down from the Audit and Risk, Remuneration and Nomination Committees so as to ensure the composition of each Committee was purely comprised of independent Directors.

In accordance with Provision 4 of the UK Corporate Governance Code, the Company held a consultation with significant shareholders after the event, led by the Senior Independent Non-Executive Director David Abery with assistance from the Company Secretary. The outcome of the consultation was that shareholders were satisfied with the actions taken in removing Mr Davidson from the governance Committees. Mr Davidson remains on the Board as a non-independent Non-Executive Director and we are delighted to continue to benefit from his skills and expertise.

Further information can be found in the Nomination Committee report on pages 73 to 74.

CHAIR'S INTRODUCTION TO GOVERNANCE CONTINUED

Workforce engagement

Throughout the year, the Executive Directors and myself have made numerous trips to many of our operations which provides an opportunity for us to hear first hand our employees' views and obtain feedback on a range of issues such as culture and its alignment with our values, the impact of our health and safety programs and sustainability objectives. Our site visit to Sukari in July with the entire Board enabled all Directors to deepen their understanding of the operation of the business. The HSE and Sustainability Committees invite members of the workforce to attend Committee meetings, so that the Board is kept fully apprised of health and safety, environmental, social and governance concerns.

Each of the Executive Directors held a number of structured meetings with workforce on the ground during 2023. Workforce engagement is channelled via the Executive Leadership Team and the Company has a very transparent culture with regular staff involvement initiatives in addition to an open reporting line which encourages staff participation. Taking into account this transparency and proactivity of the Executive Directors, and given the size and nature of the business, it was considered that it is an unnecessary step at this time to formalise the current arrangement into a formal workforce engagement scheme. The Board will continue to keep this under review in the coming year.

Further details on the Board's consideration to all stakeholders, in line with Section 172, can be found on pages 63 to 64 of this Report.

Diversity

Capital remains committed to improving diversity levels throughout its workforce, management team and Board, noting the benefits a broad mix of expertise, skills and diversity brings. I am pleased to note that during the year we made progress in continuing to bolster the breadth of skills and expertise on our Board in 2023 with the appointment of Anu Dhir, as well as increasing gender and ethnic diversity. Anu's biography and background can be found on page 59 of this Report. Whilst I appreciate further work must continue in terms of being fully compliant with the Financial Conduct Authority (FCA)'s diversity and inclusion targets, we are moving in the right direction, with 25% of the Board being female. We have one female Board Committee Chair (Catherine (Cassie) Boggs) as Chair of the Sustainability Committee. The Company has met the FCA's diversity target that at least one member of the board should be from an ethnic minority background excluding white ethnic groups (as set out in categories used by the Office for National Statistics). Four different nationalities are represented on our Board.

Board site visit

Site visits provide valuable opportunities for members of the Board to directly observe operations, receive detailed in situ operational updates and engage with employees at all levels of the organisation. This provides important context to the Board for their decision-making and also useful insights for employees. In July 2023, the full Board, in addition to a number of senior management, visited the Sukari mine site in Egypt. This was the first Board site visit for some time given the restrictions associated with Covid-19.

Whilst some Board members had visited Sukari a number of times, for others it was their first visit. However, all Directors noted how impressed they were with the progress at this tier one asset that Capital has serviced for 25 years.

Enhancing our sustainability reporting

Demonstrating our ongoing drive to further enhance the transparency and information we provide to our stakeholders, I am pleased to report that this will be the first year Capital publishes a standalone sustainability report. We have always prioritised safety, ethical and responsible practices and sustainability – with a strong focus on local employment and community development – and are pleased to share this inaugural report which will be available in due course on our website.

Should any stakeholder like to speak to me or David Abery, the Senior Independent Director, about any aspects of this Annual Report or the Company's performance, please do not hesitate to contact us through the Investor Relations team in London; see page 148 for contact details.



Jamie Boyton
Executive Chairman
14 March 2024



STATEMENT OF COMPLIANCE

Capital Limited recognises that a continual commitment to the highest standards of corporate governance, ethics and integrity is essential in delivering sustainable success for our stakeholders. Strong corporate governance is core to our culture, which ultimately benefits the long-term interests of all of our stakeholders. In line with our commitment to maintaining best practices of corporate governance, the Board confirms that for the year ended 31 December 2023 Capital applied the principles and complied with all of the provisions of the UK Corporate Governance Code issued by the Financial Reporting Council in July 2018 (the “2018 Code” available at www.frc.org.uk), save as disclosed in this Corporate Governance report. It should also be noted that Capital Limited falls outside the FTSE 350 Share Index and is therefore a “smaller listed company” for the purposes of the 2018 Code.

Details of the Group’s corporate governance policies and procedures (including the charters of each of its corporate governance committees) can be found on www.capdrill.com/investors/corporate-governance.

The Company notes the 2018 Code has recently been updated to the 2024 Code, applying to financial years beginning on or after 1 January 2025. The Company will work towards ensuring a smooth transition in applying the 2024 Code when it comes into force.

Statement of compliance with the 2018 Code

The 2018 Code places emphasis on relationships between companies, shareholders and stakeholders. It also promotes the importance of establishing a corporate culture that is aligned with the company purpose, business strategy, promotes integrity and values diversity.

It is the intention of Capital to comply as closely as possible with the 2018 Code as a smaller listed company, in order to facilitate the most effective balance between entrepreneurial and prudent management with the ultimate strategy of delivering long-term value to all the Group’s stakeholders. As well as outlining our corporate governance structures in this section of the Annual Report, we also explain where and why the Company does not apply the provisions of the 2018 Code and the alternative procedures in place that achieve the same outcome.

The Company has identified compliance shortfalls and provided mitigating/alternative procedures for Provision 2 (explanation of the Company’s approach to investing in and rewarding its workforce), Provision 9 (chair should be independent on appointment), Provision 19 (chair remaining in post beyond nine years) and Provision 41 (engagement with the workforce in terms of how executive remuneration aligns with wider company pay policy).



BOARD OF DIRECTORS

Capital's Directors bring a broad range of business, commercial and other sector specific experience to the Board.



Jamie Boyton
Executive Chair

Appointment date: January 2009

Tenure: 15 years

Committee membership: ① ⑤

Skills, experience, and qualifications:

In his role as Chair Jamie is responsible for overseeing the Company's strategic and business development, which includes advising on capital markets requirements and strategic growth opportunities. He was previously an Executive Director at Macquarie Bank, where he was the Head of Asian Equity Syndication and Corporate Broking, based in Hong Kong. Jamie holds a BComm (Accounting and Finance) degree from the University of Western Australia.

External appointments:

None



Peter Stokes
Chief Executive Officer

Appointment date: October 2022

Tenure: 1 year

Committee membership: ④ ⑤

Skills, experience, and qualifications:

Peter is responsible for leading the operational management of the business along with the development and implementation of strategy. Peter is a senior executive leader with more than 26 years' experience across the resources and logistics sectors. His expertise includes managing large, complex multi-national organisations, delivering company-wide transformation and turnaround, business development, operational management and strategic planning. Most recently Peter held the role of President Global Logistics for Toll Group, a key operational role for one of the largest logistics and transport businesses in Asia. Prior to this, he was CEO for Barmenco Limited, an international leader in mechanised hard-rock underground mining. Peter is a graduate of the Advanced Management Program (AMP) at Harvard Business School (Boston) together with an MBA (Bond University, Queensland), MAppSc (WA School of Mines) and BSc (UWA, Western Australia).

External appointments:

Audit & risk committee member of the University of Western Australia and advisory board member for Goldstar Transport.



Brian Rudd
Executive Director

Appointment date: May 2005

Tenure: 18 years

Committee membership: ④

Skills, experience, and qualifications:

Brian Rudd is a founder of the Company with a focus on business development and client relations. As a founder of the Company, Brian has been instrumental in the successful establishment and development of the Company since 2005. Brian has over 38 years' experience in the mining industry in both Australia and Africa. Before establishing the Company, Brian held various senior positions for private and listed drilling companies in Australia and Africa.

External appointments:

Non-executive director of Hardy Metals and an adviser to Minexia.



David Abery
Senior Independent Non-Executive Director (SID)

Appointment date: October 2017
(appointed as SID in January 2018)

Tenure: 6 years

Committee membership: ④ ⑤ ⑥

Skills, experience, and qualifications:

David has over 15 years' experience as a Finance Director of London quoted companies, and over 21 years' experience in senior finance and general management roles. He has extensive experience of financial, commercial and strategic matters in African and UK corporate environments at both board and operational level, as well as experience of corporate governance, regulatory and investor relations best practice. David has a BA (Hons) in Finance and Accountancy and is a Chartered Accountant (ICAEW).

External appointments:

None

Committee Key

- ④ Audit and Risk Committee
- ⑤ Nomination Committee
- ⑥ Remuneration Committee

- ④ Health, Safety, Social and Environmental Committee
- ⑤ Sustainability Committee

- ① Investment Committee
- Chair (of that committee)

BOARD OF DIRECTORS CONTINUED

Committee Key

- Ⓐ Audit and Risk Committee
- Ⓝ Nomination Committee
- Ⓡ Remuneration Committee
- Ⓜ Health, Safety, Social and Environmental Committee
- Ⓢ Sustainability Committee
- Ⓜ Investment Committee
- Chair (of that committee)



Michael Rawlinson
Independent Non-Executive Director

Appointment date: August 2018

Tenure: 5 years

Committee membership: Ⓡ Ⓐ Ⓝ Ⓜ

Skills, experience, and qualifications:

Michael is a former investment banker with over 28 years' experience focused on the mining and metals sector. He was previously Global Co-Head of Mining and Metals at Barclays investment bank having joined from the boutique investment bank, Liberum Capital – a business he helped found in 2007. He has experience as both a corporate financier and research analyst covering the mining sector and has extensive capital markets experience having worked on IPOs and follow-on offerings for a number of companies.

External appointments:

Senior independent non-executive director of Hochschild Mining PLC, Chair of Adriatic Metals PLC and is a non-executive director of Andrada Mining Limited.



Catherine Boggs
Independent Non-Executive Director

Appointment date: September 2021

Tenure: 2 years

Committee membership: Ⓢ Ⓐ Ⓡ Ⓝ Ⓜ

Skills, experience, and qualifications:

Catherine (Cassie) has over 40 years' experience in General Counsel and senior leadership roles for companies in the mining sector. Previously, she spent eight years with renowned global mining investment firm, Resource Capital Funds, in the role of Partner, Vice President and General Counsel. Cassie also held the role of Senior Vice President, Corporate Development for Barrick Gold Corporation. During this time, she served as General Counsel to its LSE-listed subsidiary, African Barrick Gold and as Regional President of its African Business Unit. She was also an International Partner for global law firm Baker McKenzie, also holding the role of the Head of Global Mining Group with the company. Since November 2019, she has been serving as an International Expert in mining with the U.S. Department of Commerce's Commercial Law Development Program.

External appointments:

Chair of Hecla Mining Company.



Anu Dhir
Independent Non-Executive Director

Appointment date: November 2023

Tenure: 0 years

Committee membership: Ⓐ Ⓝ Ⓢ

Skills, experience, and qualifications:

Anu has over 20 years' experience in the resources sector, most recently, as a co-founder and executive of ZinQ Mining, a private base and precious metals company which focuses on the Latin American Region. Prior to ZinQ Mining, Anu was Vice President, Corporate Development and Corporate Secretary at Katanga Mining Limited. She is co-founder of Wshingwell, a for-profit community relationship platform that allows individuals, communities and organisations to micro-fundraise around experiences and events. Anu is a graduate of the General Management Program (GMP) at Harvard Business School and has a law degree (Juris Doctor) from Quinnipiac University and a Bachelor of Arts (BA) from the University of Toronto.

External appointments:

Non-executive director of Montage Gold Corp. and non-executive director of Taseko Mines Limited.



Alex Davidson
Non-Executive Director

Appointment date: May 2010

Tenure: 13 years

Committee membership: Ⓜ Ⓢ Ⓜ

Skills, experience, and qualifications:

Alex has over 42 years' experience in designing, implementing and managing gold and base metal exploration and acquisition programmes throughout the world. Alex was Barrick Gold Corporation's Executive Vice President, Exploration and Corporate Development with responsibility for its international exploration programmes and Barrick's corporate development activities. In 2005, Alex was presented the A.O. Dufresne Award by the Canadian Institute of Mining, Metallurgy and Petroleum to recognise exceptional achievement and distinguished contributions to mining exploration in Canada. In 2003, Alex was named the Prospector of the Year by the Prospectors and Developers Association of Canada in recognition of his team's discovery of the Lagunas Norte Project in the Alto Chicama District in Peru. In 2023 it was announced that Alex became a 2023 Canadian Mining Hall of Fame Inductee, recognising his inspiring achievements and visionary leadership in elevating the stature of Canadian mining. Alex holds a B.Sc. and M.Sc. in Economic Geology from McGill University.

External appointments:

Non-executive director of Pan American Silver, Chair of Americas Gold & Silver and non-executive director of NuLegacy Gold Corporation.

BOARD OF DIRECTORS CONTINUED



We made further progress in continuing to bolster the breadth of skills and expertise on our Board in 2023 as well as the diversity it demonstrates.”

Board Changes in 2023

1. On 18 May 2023 immediately after the Company’s AGM, Alex Davidson stepped down from each of the Audit and Risk, Nomination and Remuneration Committees when it was considered he was no longer independent. Further information on this can be found on page 73 of this report.
2. On 18 May 2023, Catherine (Cassie) Boggs was appointed as a member of the Audit and Risk Committee.
3. On 15 November 2023 Anu Dhir was appointed as an independent Non-Executive Director. Anu joined the Audit and Risk, Sustainability and Nomination Committees.

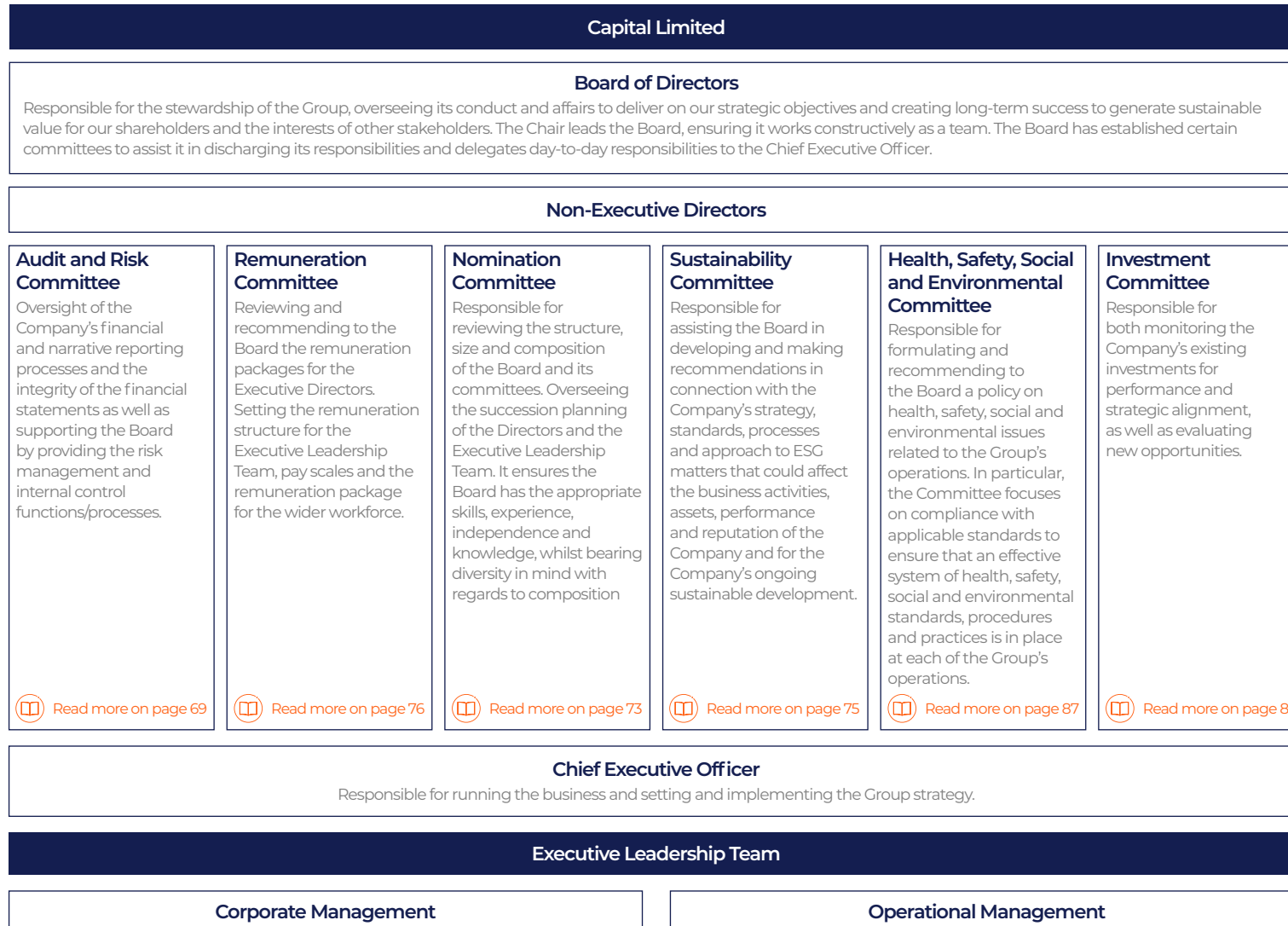
BOARD COMPOSITION

How the composition of our Board positions us to deliver long-term sustainable value for Capital and our stakeholders.



CORPORATE GOVERNANCE REPORT

Governance framework and division of responsibilities



CORPORATE GOVERNANCE REPORT CONTINUED

Board roles and responsibilities

Composition of the Board

Executive Directors

Jamie Boyton – Executive Chair

Peter Stokes – Chief Executive Officer

Brian Rudd – Executive Director

Non-Executive Directors

David Abery – Senior Independent Director

Michael Rawlinson – Independent Director

Catherine (Cassie) Boggs – Independent Director

Anu Dhir – Independent Director

Alex Davidson – Director

Division of responsibilities

The Board is responsible for the long-term success of the Company. Capital's Board should have the necessary combination of skills, experience and knowledge, as well as independence (with regard to the iNEDs), to properly discharge its responsibilities and duties.

In order to fulfil its role, the Board:

- Sets the Company's strategic aims, ensures that the necessary resources are in place for the Company to meet its objectives, and reviews management performance in achieving such objectives
- Provides leadership of the Company within a framework of effective systems and controls which enable risks to be assessed and managed

- Develops the Company's vision and values, and the behaviour it wishes to promote in conducting business and ensures that its obligations to its shareholders and other stakeholders are understood and met
- Carries out all duties with due regard for the sustainability and long-term success of the Company

The role of Chair: Jamie Boyton

- Leads the Board and is primarily responsible for the effective working of the Board
- In consultation with the Board, ensures good corporate governance and sets clear expectations with regards to Company culture, values and behaviour
- With the support of the Company Secretary, sets the Board's agenda and ensures that all Directors are encouraged to participate fully in the activities and decision-making process of the Board
- Is the ultimate custodian of shareholders' interests
- Engages with shareholders and other governance-related stakeholders, as required

The role of Chief Executive Officer: Peter Stokes

- Is primarily responsible for implementing Capital's strategy approved by the Board and for the operational management of the business
- Leads and provides strategic direction to the Company's Executive Leadership Team
- Runs the Company on a day-to-day basis
- Implements the decisions of the Board and its Committees, with the support of the Executive Leadership Team

- Monitors, reviews and manages key risks
- In addition to the Chair, is one of the Company's primary spokespersons, communicating with external audiences, such as investors, analysts and the media
- Leads by example in establishing a performance-orientated, inclusive and socially responsible Company culture
- Chairs the Executive Leadership Team and is a member of the Health, Safety, Social and Environmental, and Sustainability Committees, thereby having direct involvement in the management of Capital's broader sustainability strategy.

The role of Senior Independent Director: David Abery

- Provides a sounding board for the Chair and serves as an intermediary for the other Directors as necessary
- Is available to shareholders if they have concerns which contact through the normal channels has failed to resolve, or for which such contact is inappropriate
- Leads the iNEDs in undertaking the evaluation of the Chair's and Chief Executive Officer's performance
- Is a member of Capital's Audit and Risk (Chair), Nomination (Chair) and Remuneration Committees, thereby having oversight of the Group's material risks, issues and opportunities, and bringing his skill-set and independent judgement to the benefit of these Committees

The role of the NEDs (David Abery, Michael Rawlinson, Catherine (Cassie) Boggs, Anu Dhir, Alex Davidson)

- Challenge the opinions of the Executive Directors, provide fresh insights in terms of strategic direction and bring their diverse experience and expertise to the benefit of the leadership of the Group
- Assess the performance of the Chair
- Scrutinise the performance of the Executive Directors in terms of meeting agreed goals and objectives
- Ensure that the governance, financial information, controls and systems of risk management within the Group are robust and appropriate
- Determine the appropriate levels of remuneration of the Executive Directors
- Provide a breadth of skills and experience to Board Committees and, in the case of the iNEDs, independence

CORPORATE GOVERNANCE REPORT CONTINUED

Directors' independence

The 2018 Code recommends that the chair of the board should be independent. The Directors do not consider Mr Boyton to be independent because of his historical ties with the Group, his employment with the Company as Executive Chair and his significant shareholding in the Group; therefore, the Group does not satisfy this requirement of the 2018 Code. However, in view of his expertise and depth of knowledge of the Group, as well as his strategic role within the Group, the Board considers it appropriate at this stage to retain Mr Boyton as Executive Chair.

The Board is compliant with the provisions of the 2018 Code, whereby at least half the Board comprises Non-Executive Directors who are determined by the Board to be independent. Except for Alex Davidson, each of the Non-Executive Directors is considered by the Board to be independent and free from any issues that may impair their ability to present their opinions and/or mar their judgement.

After the Company's Annual General Meeting on 18 May 2023, the Company carried out a consultation with shareholders in accordance with Provision 4 of the 2018 UK Corporate Governance Code as a result of 28.97% voting against the re-appointment of Alex Davidson. Engagement with shareholders confirmed concerns had been addressed by Mr Davidson immediately stepping down from each of the governance Committees in order to re-establish Committee composition being solely independent. We thank Mr Davidson for his committed service on those Committees. With the addition of Anu Dhir serving on each of the Audit, Nomination and Sustainability Committees going forward, Ms Dhir's independence and skill set will enhance and strengthen each Committee's capability.

Jamie Boyton and Brian Rudd collectively hold 16.78% of the Company's voting share capital. The Board does not consider the Company to have a controlling shareholder for the purposes of the Listing Rules.

Board Committees

See pages 69 to 87 for further information on each of the Committees and their reports.

Board leadership and Company purpose

Stakeholder engagement

Ongoing engagement with our stakeholders remains a priority and is critical to Capital's success. Capital Limited is an exempted company incorporated under the laws of Bermuda and is not subject to the full requirements of Section 172 of the UK Companies Act 2006. However, it is required, as a company with a premium listing on the London Stock Exchange, to comply with the UK Corporate Governance Code (the Code). The Code requires Capital to describe how the interests of stakeholders and the matters set out in Section 172 of the UK Companies Act, 2006 have been considered in both Board discussions and decision-making. See an overview of our engagement activities on page 64.

CORPORATE GOVERNANCE REPORT CONTINUED

Stakeholder engagement continued

Workforce	Clients	Suppliers	Shareholders	Local Communities
Key engagement topics				
<ul style="list-style-type: none"> Health, safety and security Capital's purpose, visions and values Capital's Code of Business Conduct Learning and development Diversity and inclusion Remuneration and benefits Company strategy and operational progress Sustainability and climate-related risks and opportunities 	<ul style="list-style-type: none"> Updates on projects Health, safety and security Operational performance (e.g. shift metrics), standby hours: causes, work time hours: causes Any changes in client's project plans Initiatives 	<ul style="list-style-type: none"> Fair and transparent contracting processes Fair payment terms Collaborative approach Code of Business Conduct Consistency of application of business ethics practices Human Rights and Modern Slavery Policy 	<ul style="list-style-type: none"> Operational and financial performance Valuation considerations Capital allocation Financing strategy Risk management Shareholder distributions Sustainability strategy and addressing climate-related risks and opportunities 	<ul style="list-style-type: none"> Health, safety and security Local employment Development of local staff Local community projects Protection of the environment
How we engaged in 2023				
<ul style="list-style-type: none"> Regular health and safety briefings across the Company Ongoing initiatives to support mental and physical wellbeing Regular digital and in-person communications through emails, intranet, social media, team meetings, town halls and teach-ins Clear communication of policies and procedures Engagement and initiatives to improve diversity and inclusion Learning and development programmes Initiatives to deepen workforce understanding of and involvement in sustainability strategy and addressing climate-related risks and opportunities 	<ul style="list-style-type: none"> Regular in person and/or virtual meetings with clients Presentations and emails on status of the project, involving the key team members from both parties For our larger projects, a Steering Committee Meeting takes place each quarter. These meetings are very much a two-way discussion rather than Capital just presenting, as it is important we know any change in our clients' plans. For all clients, there are touch points at every level between our employees and the clients' employees, from the respective Executive Directors to the respective operational teams on the ground 	<ul style="list-style-type: none"> Supplier due diligence Review of policy and contracts Regular communication 	<ul style="list-style-type: none"> We manage relationships with institutional investors through an investor relations programme. It includes one-to-one conversations, roadshows, group meetings, conferences and industry events. Clear and timely investor communications, including the London Stock Exchange's Regulatory News Service, and regular investor presentations Regular meetings with sell-side analysts In person AGM held with open invitation to all shareholders with the ability to submit questions electronically in advance Consultation with major shareholders in response to voting on one of the resolutions at the AGM 	<ul style="list-style-type: none"> Active and ongoing engagement with local communities Support and funding for local community initiatives Proactive use of local suppliers
Why we engage				
<ul style="list-style-type: none"> The health and safety, development, diversity and retention of Capital's workforce is essential to the Company's success and execution of its strategy 	<ul style="list-style-type: none"> Clients expectations are for projects to be delivered on time and to budget. It is important to have honest feedback and regular interaction so that the Company can deliver its contracts, and can deliver against its strategy To foster a collaborative approach 	<ul style="list-style-type: none"> To foster a collaborative approach The support and performance of suppliers and contractors enables the Company to deliver against its strategy 	<ul style="list-style-type: none"> Our investors have valid views on strategic, financial and operational decision making which we must take into account 	<ul style="list-style-type: none"> The support of local communities is essential for the mutually beneficial development and operation of Capital's projects Our objective is to enhance the economic wellbeing and resilience of the local communities in which we operate Capital is an important employer in the local communities

CORPORATE GOVERNANCE REPORT CONTINUED

Board leadership and Company purpose continued

Our purpose at Capital is to help our customers to achieve their business objectives, through the application of our knowledge, experience and our end-to-end service proposition.

Our Vision

The Company's vision is to be recognised as the industry's premier service provider of exploration and mining services, setting the standard with comprehensive solutions that prioritise safety, compliance and sustainability.

Our values

- Safety – uphold our exceptional health and safety standards and focus on everyone's well-being.
- Respect – respect colleagues, clients, the environment and the cultures and communities where we operate.
- Unity – be frank, honest and open, developing initiatives to lessen our environmental impact.
- Integrity – be frank honest and open, developing relationships and seeing things through to completion
- Sustainability – identify, develop and implement initiatives to lessen our environmental impact
- Excellence – be responsive, innovative and entrepreneurial, taking ownership and always striving for the best outcomes.

Ethics and compliance

We are committed to operating as a responsible business that upholds the highest standards of ethics and compliance wherever and however we operate. We have a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and to implementing and enforcing effective systems to counter bribery and corruption.

Capital's Code of Business Conduct and its Guidelines contain an overview of our policies and procedures relating to anti-bribery and corruption, anti-facilitation of tax evasion, conflicts of interest, competition and anti-competitive conduct, data and information security, diversity, harassment, human rights, modern slavery and HSEQ is essential that the Company maintains transparent relationships free from corruption with our host government, suppliers, contractors and local communities. This protects our reputation and our licence to operate, as well as the ability to access funding and operate effectively.

Our governance policies can be found in the Corporate Governance section of our website.

Further information can also be found on pages 33 to 36 in the Sustainability section presenting the governance framework in this area. This includes Modern Slavery Statement, Anti-Bribery and Corruption Policy, and further policies including Human Rights.

Share Dealing Code

The Company has a share dealing code requiring all employees to obtain prior written clearance from either the Chair or the Chief Executive Officer to deal in the Company's shares. The Chair requires prior written clearance from the Chair of the Audit Committee. Close periods (as defined in the Share Dealing Code) are observed as required by market abuse regulations and other rules that apply to the Company by virtue of the market on which its shares are listed. During these periods employees are not permitted to deal in the Company's securities. Additional close periods are enforced when the Company or its applicable employees are in possession of inside information.

Whistleblowing

Capital has a Whistleblowing Policy which details the steps that any employee can take to raise a concern freely and in confidence; our workforce are encouraged to "speak up". The Board reviews and ensures arrangements for proportionate and independent investigation, for follow-up action. Any submissions reported (using a web reporting portal for anonymity or via email) are handled by the Senior Independent Non-Executive Director, Mr Abery. The Whistleblowing Policy can be found on the Company's website in the Corporate Governance Section [here](#).

Any whistleblowing reports are presented at the Audit Committee; please see page 72 for further information.

Conflicts of interest

None of the Directors has any conflict of interest that have not been disclosed to the Board in accordance with the Company's Code of Conduct. None of the Executive Directors hold any non-executive directorships in a FTSE 100 company. Details of attendance at Board meetings and Board Committee meetings are set out in the table and in each Committee report.

Training

On appointment, and throughout their tenure, all Directors receive appropriate training and regular presentations are made to the Board by senior management and external advisers.

Capital has an induction programme designed to bring new Directors up to speed as quickly as practicable, following their appointment to the Board. See an example of this on page 74. Such an induction would typically involve meetings with the Board and various members of senior management and an information pack of all necessary corporate documents, including the Company's latest Annual Report, the Bye-Laws, Terms of Reference for each Committee and other key Group policies, such as the Code of Business Conduct, enabling them to familiarise themselves with the Group, its procedures and current activities. Please refer to the Nomination Committee report on page 74 for further information on the induction pack.

CORPORATE GOVERNANCE REPORT CONTINUED

Board commitment

The Board is satisfied that each of the Non-Executive Directors committed sufficient time throughout 2023 for the fulfilment of their duties as members of the Board and of the Board Committees.

Board resources

All Directors are authorised to obtain, at the Group's expense and subject to the Chair's approval, independent legal or other professional advice where they consider it necessary. All Directors have access to the Company Secretary, who oversees their ongoing training and development. The Executive Directors' service contracts and the terms and conditions of appointment of the Non-Executive Directors are available for inspection at the Group's London office and will also be at the Annual General Meeting. Brief details of these terms and conditions are also set out in the Remuneration Committee Report.

Re-election of Directors

In accordance with the 2018 Code, all Directors are required to submit themselves for re-election annually. The last Annual General Meeting in May 2023 approved the re-appointment of all seven current Directors who were directors at that time: Mr Abery, Mr Boyton, Mr Davidson, Mr Rawlinson, Mr Rudd, Ms Boggs and Mr Stokes. All seven Directors in addition to Ms Dhir (appointed on 15 November 2023) will submit themselves for re-election at the Annual General Meeting in 2024. Biographies of each of the Directors can be found on pages 58 to 59 of this report.

Meetings and attendance

Details of attendance by each Director at the principal Board meetings during the financial year are as follows:

Name	Attendance
Jamie Boyton	8/8
Peter Stokes	8/8
Brian Rudd	8/8
David Abery	8/8
Michael Rawlinson	8/8
Catherine (Cassie) Bogg	8/8
Anu Dhir ¹	2/2
Alex Davidson	8/8

¹ Anu Dhir was appointed with effect on 15 November 2023

Attendance at Board Committee meetings is set out in the respective Committee reports.

Board activities and focus

Matters reserved for the Board

The decisions which can only be made by the Board are clearly defined in the Delegation of Authority, which is approved on a regular basis. The matters requiring Board approval include, amongst others:

- the Group's strategy, business plan and budget – Financial Statements and reporting (supported by the Audit and Risk Committee) and operation updates
- mergers, acquisitions and disposals of a material size and nature
- material changes to the Group's structure and capital
- risk management

- the payment of dividends
- the approval of material Group policies
- material contract tenders
- material investments.

Board focus

The Board held eight scheduled meetings during the year. There is frequent communication between Board members and with members of Capital's senior management outside of the set meeting dates, in order to stay abreast of business developments. The principal activities undertaken by the Board during the financial year were as follows:

Strategy:

- Reviewing a 3 year strategic plan focused on continued organic growth across the businesses, together with the potential for inorganic growth and other new initiatives. The Board dedicated one day of our two-day meeting in November to discussing strategy.

Operational:

- Ensuring world class safety standards are adhered to at all operations with continued updates from the HSSE Committee
- Gained valuable insight into the operations by undertaking a site visit to the Sukari Gold Mine in Egypt

Financial:

- Approving the budget for the Group covering the next 12 month period
- Approve the Group's audited and interim financial statements
- Ongoing review of the Group's capital efficiency and approach to capital allocation
- Declaring interim and final dividends

Leadership and People:

- Continually hold the senior management team to account and ensure appropriate role responsibilities
- Approve the recommendations of the Remuneration Committee with respect to appropriate compensation
- Overseeing the appointment of Anu Dhir to the Board

Enterprise Risk Management:

- Approved the implementation of an enhanced approach to risk management and the Group's internal control network

ESG:

- Approved the recommendations of the Sustainability Committee to drive continued focus on sustainability and innovation

Governance:

- Ensuring the Group's robust governance structures remain appropriate
- Approve various policy amendments and updates

CORPORATE GOVERNANCE REPORT CONTINUED

Board effectiveness, succession and evaluation

Why our Board is effective

The Board is led by the Chair, who promotes a culture of openness and debate and is responsible for the leadership of the Board and its overall effectiveness. The Chair also facilitates constructive Board relations and the effective contribution of all Non-Executive and Executive Directors, and ensures that Directors receive accurate, timely and clear information.

The Directors' biographies and details of Committee memberships can be found on pages 58 to 59 of this Report.

Board succession

Capital's Nomination Committee is responsible for reviewing the skills, expertise, composition and balance of the Board on an ongoing basis as part of the Company's succession planning. When considering new appointments, a brief is prepared and an independent external search agency is utilized to identify potential candidates.

Read more about the work of the Nomination Committee on pages 73 to 74 of this Report.

Board evaluation

The Board annually evaluates the performance of individual Directors, the Board as a whole and each of its Committees. In May 2023 the Board evaluated the performance of the Board as a whole and each of its Committees in May. Performance of the individual Directors was assessed at a two-day Board meeting held in November, in addition to the Independent Non-Executive Directors meeting separately

to discuss the performance of the Executive Directors, followed by a feedback discussion with the Executive Directors.

Diversity and inclusion

As per the Company's Workforce Diversity Policy, Capital remains committed to improving diversity levels throughout its workforce, management team and Board, noting the benefits a broad mix of expertise, skills and diversity brings to our performance. Further information on our culturally diverse workforce can be found on page 37 of this Annual Report.

As per our Policy, we support the UN Universal Declaration on Human Rights and respect diversity of perspectives, skills, experience, economic status, language, relationship status, ethnicity, culture, tribal/community tradition, gender, age, religion, sexual preference, Aids-HIV status, disability, freedom of association or any other unique lawful difference between humans or the societies in which they exist.

Embracing differences ensures we:

- are committed to equal employment opportunity
- focus attention on business needs rather than personal differences thereby enhancing our productivity and team performance
- reflect the diverse communities in which we operate
- create a competitive advantage in our ability to collaborate and be flexible across a broad mix of people in the markets we choose to operate in.

All employees are entitled to participate in cross culture training to learn more about the culture and background of foreign peers and peers from different tribal/community groups. We will encourage an organisational culture that is respectful of individual differences and are mindful of our goal to create a culture of engaged high performing employees.

The Nomination Committee continues to focus on diversity matters at the Board, Executive Leadership Committee and senior management levels. Further information can be found on page 73 of this Annual Report.



CORPORATE GOVERNANCE REPORT CONTINUED

Board effectiveness, succession and evaluation continued

Listing Rules and Disclosure Guidance and Transparency Rules

The following tables below provide further information in accordance with LR 14 of the Listing Rules as at 31 December 2023:

Gender diversity

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management ¹	Percentage of executive management ¹
Men	6	75%	4	8	80%
Women	2	25%	0	2	20%

Ethnic Diversity

The Company has met the FCA's diversity target that at least one member of the board should be from an ethnic minority background excluding white ethnic groups (as set out in categories used by the Office for National Statistics).

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management ¹	Percentage of executive management ¹
White British or other White (including minority-white groups)	7	87.5%	100	9	90%
Mixed/Multiple Ethnic Groups	0	0%	0	0	0%
Asian/Asian British	1	12.5%	0	0	0%
Black/African/Caribbean/Black British	0	0%	0	1	10%
Other ethnic group, including Arab	0	0%	0	0	0%

¹ Executive management includes the Executive Leadership Team and Company Secretary

Whilst the Board acknowledges that the Company has not yet met the UK's Financial Conduct Authority's (FCA) diversity targets (being at least 40% of the board members should be female and that at least one of the senior board positions should be held by a woman), improvement has been made in 2023 with the appointment of Anu Dhir to the Board. The reason for not meeting these targets mainly relates to the historically lower proportion of women in the resources and mining sectors, and hence already a larger proportion of the Board (and Executive Management) is comprised of males.

AUDIT AND RISK COMMITTEE (“ARC”) REPORT



We further strengthened and developed our risk management in 2023.”



David Abery
Chair of Audit and Risk Committee

Committee membership and attendance

Name	Attendance
David Abery (Chair)	5/5
Michael Rawlinson	5/5
Catherine (Cassie) Boggs ¹	3/3
Anu Dhir ²	1/1
Alex Davidson ³	2/2

- 1 Catherine (Cassie) Boggs was appointed with effect from 18 May 2023.
- 2 Anu Dhir was appointed with effect from 15 November 2023.
- 3 Alex Davidson stood down from the Committee as of 18 May 2023 to ensure that the Committee comprises of all independent Non-Executive Directors.



Key activities during the year

- Reviewed the Group’s half-year and annual financial statements, and any audited accounts, before submission to the Board, and confirming to the Board of Directors their opinion that the report and accounts are fair, balanced and understandable and contain sufficient information on the Group’s performance, business model and strategy
- Reviewed accounting matters likely to impact 2023 year-end results
- Evaluated the effectiveness of the external auditors
- Reviewed the progress against the 2023 internal audit plan
- Received updates on management’s new approach to Enterprise Risk Management (ERM) before approving and recommending for Board approval, reviewed the corporate risk register and challenged management on the findings
- Reviewed the Group’s Delegation of Authority before recommending for Board approval
- Received updates on debt facilities and cash management within the Group
- Received updates on the Group insurance programme and associated risks
- Reviewed the Group’s tax strategy and tax position
- Received regular updates on fraud prevention and detection processes
- Received regular updates on any whistleblowing, anti-bribery and corruption reports
- Received half-yearly updates on Capital’s IT programme and cyber risk management

AUDIT AND RISK COMMITTEE (“ARC”) REPORT CONTINUED

The secretary of the Committee is the Company Secretary.

During the year under review, other attendees included: representatives from BDO (the Group's external auditor), the Executive Chair, the CEO, the CFO, the Group Financial Controller, the Head of Tax, and any other Board members wishing to attend as guests. The Committee meets as necessary and at least three times a year. During 2023 the Committee met five times. It works within the framework of a detailed annual work plan. Committee members participate in other Board Committees, allowing the Committee to consider the full spectrum of risks faced by the Group. In line with UK Corporate Governance Code recommendations, the Board has confirmed that all members of the Committee are Independent Non-Executive Directors and have been appointed to the Committee based on their individual financial and significant experience relevant to the mining sector.

The Committee meetings also provide the opportunity for the Independent Non-Executive Directors to meet privately with BDO without management present. There were no concerns raised for FY23.

The Committee's Charter was reviewed and re-approved during the year. Further details of the Committee's responsibilities can be found on the Company's website.

Role of the Committee

- Monitoring the Group's financial reporting procedures
- Reviewing the integrity of the Group's financial statements, challenging significant financial and other judgements
- Discussing with the Group's auditors any issues and reservations arising from the interim review and year-end audit
- Reviewing the adequacy and effectiveness of the Group's risk management and internal control systems
- Advising the Board on the emerging and principal risks facing the Company (including those that would threaten its business model, future performance, solvency or liquidity and reputation), the identification of emerging risks and the management and mitigation of such risks
- Reviewing the requirement for an internal audit
- Reviewing the independence and objectivity of the external auditor, assessing its effectiveness
- Reviewing the Group's fraud prevention and detection processes
- Reviewing the Group's whistleblowing procedures
- Assisting in the selection of a CFO

The Committee undertakes these significant tasks on behalf of the Board and provides independent oversight on financial matters. This also frees the Board's available time to focus on strategic matters in line with its duties and responsibilities and matters reserved.

Significant matters and accounting judgements relating to the financial statements

The Audit Committee considered the significant matters set out below and in all cases considered to what extent areas of judgement were appropriate. Papers were presented to the Audit Committee by management, setting out the relevant facts, material accounting estimates, and the judgements associated with each item. The external auditor provided a summary report setting out its views on each area of judgement.

The Committee discussed the papers with management, challenged all significant areas of judgement, sought the views of the external auditor on each matter. The Committee concurred with the assumptions and treatment adopted by management in each area and the related disclosure presented in the Annual Report and Financial Statements. During the year there were no instances where there were any disagreements which could not be resolved between the Committee and the Board.

The significant matters that were considered by the Committee in 2023 in relation to the financial statements and how these were addressed were as follows:

Going concern and working capital:

The Group operates in an uncertain environment and maintaining sufficient cash headroom for the business is essential.

The Group has a strict budgetary discipline as well as working capital and cash flow forecasting tools which enable management to closely monitor the Group's working capital and cash forecasts. The working capital and cash forecasts are examined on an ongoing basis by the Committee and Board, and always when contemplating major capital expenditure, to enable the Board to report that the Group remains a going concern.

In addition, the Group upsized its revolving credit facility by \$25 million, upsized the Macquarie facility and secured a new facility with CAT Finance. The Committee and Board are satisfied that this funding approach will provide sufficient capital to execute the business' strategy without negatively impacting the going concern.

Revenue recognition:

During the year, the Group has secured and extended long-term drilling and mining contracts with high-quality customers. More specifically, the Group entered into a new full-service mining contract with Fortescue Metals Group, at its Ivindo Iron Ore Project in Gabon in June 2023. Management performed a detailed analysis of IFRS 15 application for the Ivindo revenue contract and assessed services provided within the contract, identified performance obligations, determined the related transaction price and how this should be allocated to performance obligations, and determined when revenue should be recognised. Based on the assessment of the steps referred to in IFRS 15, Management concluded that the revenue recognition principles recommended by IFRS 15 have been respected and applied consistently in 2023.

AUDIT AND RISK COMMITTEE (“ARC”) REPORT CONTINUED

Taxation:

The Group operates in multiple jurisdictions with complex legal, tax and regulatory requirements. In certain of these jurisdictions, the Group has taken income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws. Management periodically reassesses its tax positions and presents these assessment updates to the Committee for consideration and approval. In particular, the Committee assessed the positions concerning the claims of the Ivory Coast and Mali tax authorities. The Committee is satisfied with management's estimates and assumptions. The Committee takes into account the views and experience of the external advisors but accepts that responsibility for such matters lies with management and, ultimately, the Board.

Asset impairment and inventory valuation:

The Group reviews the carrying amounts of its assets and inventory annually. Management performed a detailed analysis in terms of IAS 36, Impairment of Assets and IAS 2, Inventories to assess the carrying amounts of the Group's assets and inventories. The Committee is satisfied with management's estimates and assumptions.

Recoverability of Trade Receivables:

The Group carried trade receivables of \$49.6m (2022: \$41.5m) at year end, net of an expected loss provision of \$4.7m (2022: \$3.0 m). The provision for expected credit losses represents management's best estimate at the Balance Sheet date. A number of judgements are made in the calculation of the provision, primarily the existence of any disputes, recent historical payment patterns and the debtors' financial position. Further details can be found in Note 17 to the financial statements.

Recoverability of VAT receivables:

The Group holds \$7.6 million (2022: \$6.5 million) of VAT receivables at year end that is owed by fiscal authorities in a number of jurisdictions. In assessing the recoverability of the VAT receivables, the Group assessed the ECL on the VAT amounts owed based on current and historic correspondence with the relevant fiscal authorities and consultations with local tax experts.

External auditor independence:

The Company's policy is to tender the external audit every ten years. The last audit tender was undertaken in 2019 when BDO United Kingdom (BDO) were appointed as auditors to the Group. The effectiveness of the external audit process is largely dependent on appropriate audit risk identification at the commencement of the audit process. BDO prepared a detailed audit plan, identifying key risks which in 2023 included identifying and assessing the risks of management accounting of uncertain tax positions revenue recognition, accounting of tax positions, valuation of inventories, valuation and existence of PPE, accounting for lease liabilities, valuation of trade receivables, recoverability of VAT receivables, going concern

and impact of climate change and related disclosures. In forming its assessment of the effectiveness of the overall audit process, the Committee considered the FRC's Audit Quality Review report on BDO LLP, received formal presentations regarding the proposed audit strategy, met separately with the Audit Partner without members of management present and the Committee Chair met separately with the Audit Partner to discuss the audit strategy in detail, with the Committee Chair reporting back to the Committee after doing so. These forums enabled the Committee to assess the extent to which the audit strategy was considered to be appropriate for the Group's activities and addressed the risks the business faces, including factors such as independence, materiality, the auditors' risk assessment versus the Committee's own risk assessment, the extent of the Group auditors' participation in the subsidiary component audits and the planned audit procedures to mitigate risks.

The Committee assesses the effectiveness of the audit process in addressing these matters semi-annually. In addition, the Committee seeks feedback from management on the effectiveness of the audit process. For the 2023 financial year, management was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be good. The Committee concurred with the view of management and did not consider it necessary to request the auditors to look at any specific areas. The external auditor and Committee have the opportunity at the end of a Committee meeting to speak privately without management to ensure that no restriction in scope has been placed on the external auditor by management. Informal meetings are also held from time to time

between the Chair of the Committee and the external audit partner and did not consider it necessary to request the auditors to look at any specific areas.

Provision of non-audit services

The Committee requires that any non-audit services to be performed by the external auditors are formally approved in advance of the service being undertaken. Audit-related services do not require pre-approval and encompass actions necessary to perform an audit, including areas such as providing comfort letters to management and/or underwriters; and performing regulatory audits. The provision of any non-audit services requires pre-approval and is subject to careful consideration, focused on the extent to which provision of such non-audit service may impact the independence or perceived independence of the auditors. The auditors are required to provide details of their assessment of the independence considerations, as well as measures available to guard against independence threats and to safeguard the audit independence.

Systems of risk management and internal control

The Board has ultimate responsibility for the Group's systems of risk management and internal control, including those established to identify, manage and monitor risks throughout 2023.

The system of internal controls is vital in managing the risks that face the Group and safeguarding shareholders' interests. The Group's internal controls are designed to manage rather than eliminate risk as an element of risk is inherent in the activities of a mining services company.

AUDIT AND RISK COMMITTEE (“ARC”) REPORT CONTINUED

The Board's obligation is to be aware of the risks facing the Group, mitigate them where possible, insure against them where appropriate and manage the residual risk in accordance with the stated objectives of the Group. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The effectiveness of the Group's system of internal controls is reviewed annually by the Committee. The Committee's assessment includes a review of the major financial and non-financial risks to the business and the corresponding internal controls. Where weaknesses or opportunities for improvement are identified, clear action plans are put in place and implementation is monitored by senior management and the Executive Directors. The Committee reported to the Board that following such review, it considered the internal controls in respect of the key risks that face the Group to be appropriate.

In 2023, the Company enhanced and refreshed its approach to risk management. The Head of Tax reports to the Committee on strategic risk issues and oversees the Group's enhanced risk management framework; he provides senior management leadership and oversight of the Group's risk management framework. This acts as a link between the ARC and the business in relation to the management of risk. Information on how the Group identifies, manages and monitors risks, including a description of the principal aspects of the Group's systems of risk management and internal controls and the risk management framework, is set out on pages 27 to 30.

As the Group's risk management and internal control systems mature, the Committee will continue to review the adequacy and effectiveness of these systems.

Whistleblowing

As mentioned on page 65 of the Corporate Governance Report, any reports of whistleblowing are handled by the Senior Independent Director/Chair of Audit Committee. There were no reports during the course of 2023.

Approval

This report was approved by the Board of Directors on 14 March 2024 and signed on its behalf by:



David Abery
Chair of Audit and Risk Committee



NOMINATION COMMITTEE REPORT

Shareholder engagement was an important focus for the Committee in 2023.

Committee membership and attendance

Name	Attendance
David Abery	3/3
Michael Rawlinson	3/3
Catherine (Cassie) Boggs	3/3
Alex Davidson ¹	1/1
Anu Dhir ²	0/0

- 1 Alex Davidson stood down from the Committee as of 18 May 2023 so as to ensure that the Committee comprises of all independent non-executive directors.
- 2 Anu Dhir became a member of the Committee on 15 November 2023

Chair's introduction

At the Company's Annual General Meeting in May 2023, from the proxy results, it became apparent that shareholders no longer perceived Alex Davidson to be independent in terms of provision 10 of the UK Corporate Governance Code, given the length of his tenure on the Board. Whilst he achieved 71.03% (in favour of re-election) for the resolution to be passed, the 28.97% votes against surpassed the threshold of twenty per cent.

David Abery
Chair of
Nomination
Committee

At the recommendation of the Nomination Committee and agreed unanimously by the Board, Mr Davidson immediately stepped down from the Audit & Risk, Remuneration and Nomination Committees so as to ensure that each of these governance committees comprised of independent Non-Executive Directors.

The Company consulted with its significant shareholders and received feedback that concerns had been addressed.

As reported in last year's Annual Report, the Committee was mindful of the targets under the new Listing Rule 9.8.6 which came into force for periods commencing on or after 1 April 2022 and addressing the new requirements was a key priority during the year. An independent executive search firm was appointed to assist the Company in carrying out this search.

Following the completion of this process, I am delighted to welcome Anu Dhir to the Board. Having joined in November 2023, she further strengthens our Board capabilities with a wealth of experience in the resources sector both in Africa and also across the Americas where Capital's business is now growing strongly. Anu has joined the Company's Audit, Nomination, and Sustainability Committees as an independent member of each. Further details on Anu's background can be found on page 59.



Key activities during the year

- Monitoring shareholder feedback from investors and proxy advisers on the shareholder resolutions tabled at the 2023 AGM
- Led a consultation process in accordance with provision 4 of the UK Corporate Governance Code following the voting results at the 2023 Annual General Meeting
- Reviewed Board Committee composition
- Reviewed the independence of all Directors, making recommendations to the Board
- Led and managed the global search for an Independent Non-Executive Director, leading to the appointment of Anu Dhir
- Interviewed and considered potential Board candidates
- Deepened its understanding of the development of a diverse pipeline for succession of Directors and Committee roles
- Board and Committee evaluation

NOMINATION COMMITTEE REPORT CONTINUED

The secretary of the Committee is the Company Secretary. During the year under review, other attendees also included the Executive Chair.

The Committee's Charter was reviewed and re-approved during the year. Further details of the Committee's responsibilities can be found on the Company's website.

Role of the Committee

- Providing a formal, rigorous and transparent procedure for the appointment of new Directors to the Board
- Maintaining an effective succession plan for the Board and senior management
- Reviewing annually the independence of the Non-Executive Directors
- Monitoring conflicts of interest
- Overseeing the development of a diverse pipeline for succession to these bodies
- Evaluating and overseeing the balance of skills, knowledge, experience and structure (including gender and diversity) on the Board and its Committees

Appointment of Anu Dhir as an Independent Non-Executive Director

The Chair of the Nomination Committee (also Senior Independent Director) led the search together with support from the Executive Chair and the Nomination Committee. The table summarises the process, the outcome of which culminated in the recommendation to the Board to approve the appointment of Anu Dhir.

Induction process

Upon joining the Board, Ms Dhir had an induction to assist her in becoming effective in the role as quickly as possible. The Company Secretary put an induction pack together in consultation with the Senior Independent Director which included: Company Bye-Laws, Delegation of Authority, Board Charter, Committees' Terms of Reference, Memorandum on Key Duties and Responsibilities of PLC Directors, key Corporate Policies (including Share Dealing Code, Code of Conduct and Anti-Corruption & Bribery Policy), access to the Board portal for historical Board and Committee papers and latest group structure chart.

A week after joining the Company, Ms Dhir attended an in-person two-day Board meeting in London, where she met the entire Board in person, in addition to a number of senior management representatives

Annual evaluation

This year's evaluation was performed by the Committee in person. This concluded that the Committee remains effective. It was also considered important continue to focus on succession planning and diversity across all levels.

The Committee reviewed the performance of the Executive Directors and reported its conclusions to the remaining Board members. The Senior Independent Director led the review of the performance of the Executive Chair which included obtaining feedback from the Board. The outcome of the review was reported to the Chair, Mr Boyton.

Board appointment process

Role requirements

A set of objective criteria for the role including the skills and attributes required was prepared.

Tender for external recruitment agency

An executive search firm was invited to tender to assist the Board with the search of this appointment. The agency, London Search Associates, has no connection with the Company or any of its directors, but was chosen given its successful recruitment of our Chief Executive Officer, Peter Stokes in 2022.

Candidate search

London Search Associates was then instructed to facilitate the search and identify a diverse long-list of potential candidates.

Interview process

A short-list of candidates was selected and undertook an interview process by a combination of the Senior Independent Director and the Executive Chair. Those invited for a second interview then met each Board member.

The Nomination Committee recommended to the Board the appointment of the successful candidate.

Approval

Due diligence and references were also carried out. Time commitment of the candidate was also considered so as to ensure the candidate has sufficient time to devote to Capital. The Nomination Committee recommended its preferred candidate of choice to the Board for approval. The Company Secretary and Head of Human Resources were then tasked with the formalities.

Approval

This report was approved by the Board of Directors on 14 March 2024 and signed on its behalf by:



David Abery

Chair of the Nomination Committee

SUSTAINABILITY COMMITTEE REPORT

Committee membership and attendance

Name	Attendance
Catherine (Cassie) Boggs	3/3
Alex Davidson	3/3
Anu Dhir ¹	1/1
Peter Stokes	3/3
Jamie Boyton	3/3

¹ Anu Dhir became a member of the Sustainability Committee on 15 November 2023

Sustainability Committee meeting presentations and content are prepared and collated for review by Capital's Group Sustainability Manager.

The secretary of the Committee is the Company Secretary. During the year under review, other attendees also included the Chief Financial Officer.

The Committee's Charter was reviewed and re-approved during the year. Further details of the Committee's responsibilities can be found on the Company's website.

Role of the Committee

- Responsible for assisting the Board in developing and making recommendations in connection with the Company's strategy, standards, processes and approach to environmental, social and governance matters that could affect the business activities, assets, performance and reputation of the Company (collectively, "ESG") and for the Company's ongoing sustainable development.
- Reviewing the corporate policies and monitoring their implementation relating to responsible and ethical business practice and our proactive risk management approach
- Reviewing external reporting of sustainability performance and non-financial reporting requirements

Catherine (Cassie) Boggs
Chair of Sustainability Committee

- While the Sustainability Committee is expected to make recommendations, the ultimate responsibility for establishing the Group's Sustainability Committee policies remains with the Board
- Reviewing the Group's exposure to ESG risks and advise the Audit & Risk Committee (ARC) of any material non-financial risks identified and any business ethics issues identified which are relevant to the role of the ARC

Committee Chair's introduction

Safety and sustainability have always been important to our business. Recognising the growing importance of further enhancing transparency and reporting around our approach to sustainability. We will soon be publishing our inaugural standalone sustainability report. This process has so far involved conducting a materiality assessment to better understand Capital's most important sustainability-related topics; these were approved by the Sustainability Committee and will be used to inform further strategy development as well as forming the basis of our reporting efforts.

Having reported in line with the recommendations of TCFD in 2022 for the first time, we are pleased to have made further progress with our level of disclosure in 2023.

Our management teams keep the Committee apprised of sustainability-related activities, initiatives, risks and opportunities and performance throughout the year, as well as evolving regulatory requirements such as recently published IFRS S1 and S2.

+ See Sustainability section on pages 32 to 53 for more information.

Approval

This report was approved by the Board of Directors on 14 March 2024 and signed on its behalf by:

Catherine Boggs
Chair of Sustainability Committee



Key activities during the year

Overseeing progress against the 2022 and 2023 sustainability-related workstreams including:

- Reviewed findings and recommendations from Geita and Bulyanhulu site assessments
- Reviewed and overseeing outcomes from TCFD scenario analysis
- Reviewed the TCFD disclosures in the FY23 financial statements
- Reviewed and approving 2023 materiality assessment results
- Reviewed and agreeing the approach to external reporting of sustainability performance, with a stand-alone sustainability report.
- Reviewed charter and policies for recommendation to Board for approval

REMUNERATION COMMITTEE REPORT

Committee membership and attendance

Name	Attendance
Michael Rawlinson (Chair)	3/3
David Abery	3/3
Catherine (Cassie Boggs) ¹	3/3
Alex Davidson ²	2/2

- 1 Catherine (Cassie) Boggs was appointed with effect from 18 May 2023
- 2 Alex Davidson stood down from the Committee as of 18 May 2023 to ensure that the Committee comprises of all independent non-executive directors.



Michael Rawlinson
Chair of Remuneration Committee

This report has been prepared by the Remuneration Committee (the “Remuneration Committee” or the “Committee”) and approved by the Board.

The Code recommends that the majority of members of the Remuneration Committee should be Independent Non-Executive Directors. All Committee members were considered to be Independent Non-Executive Directors during the period under review and therefore the Group complied with the Code for smaller listed companies.

Mr Rawlinson, as Chair of the Remuneration Committee, is considered to be an Independent Non-Executive Director.

In addition, Mr Rawlinson exceeds the required 12 months serving on a remuneration committee prior to his appointment. The Board is satisfied that Mr Rawlinson has appropriate and relevant experience for the Chair of the Remuneration Committee.

Dear shareholders,

I am pleased to present the report of the Remuneration Committee in my capacity as Chair of the Committee.

The Remuneration Committee sets the remuneration packages for the Executive Directors, including base salary, bonuses, and other incentive compensation payments and awards. It approves the policy and framework proposals made by the Executive Directors in respect of the remuneration for the executive leadership team of the Group. The Remuneration Committee further approves all share and option grants. The Remuneration Committee is assisted by the Company Secretary and takes advice as appropriate from external advisers. Since 2018, the Company has taken advice on remuneration from h2glenferm Remuneration Advisory on an ad hoc basis which has no connection with the Company nor with any of its Directors. Independent judgement is exercised when evaluating the advice of external third parties, and when receiving views from Executive Directors and senior management.

The annual report on remuneration sets out the remuneration outcomes and decisions made for the year and follows the description of policy.

Performance in year 2023

As set out earlier in this Annual Report, the Company performed strongly in 2023. Full year revenue increased by 10% reaching \$318.4 million (2022: \$290.3 million), adjusted EBITDA also increased, rising by 6% to \$91.8 million (2022: \$86.4 million) with adjusted EBITDA margins remaining strong with a margin of 29% (2022: 30%).

The Remuneration Committee is satisfied that the Group delivered a robust performance for the year despite operating in challenging market conditions. This is the fourth consecutive year Capital has delivered growth in revenue, evidence of the success of several strategic changes that have positioned the Company well. Capital's drilling business saw new high-quality contracts including a new three-year drilling services contract at FMG's majority owned Ivindo Iron Ore SA project in Gabon and multiple material contract renewals on major mine sites.

The Group also secured a new comprehensive drilling services contract with Nevada Gold Mines USA, extending our drilling presence into North America. Additionally, Capital's mining business was awarded its second material mining services contract, also at Ivindo Iron Ore SA. Furthermore, Capital's laboratory business, MSALABS has progressed on its expanded partnership with Chrysos Corporation, becoming the largest international distributor of Chrysos PhotonAssay™ technology across its global network as well as being awarded its largest contract in its history with Nevada Gold Mines.

REMUNERATION COMMITTEE REPORT CONTINUED

Decisions in year

In 2023, the Executive Chair (Jamie Boyton)'s base salary was \$400,000 per year (effective 1 April), the base salary of the CEO (Peter Stokes) was \$500,000 per year (effective 1 April) and the Executive Director (Brian Rudd)'s salary remained unchanged \$360,000 per year.

Reflecting the agreed performance targets achieved relating to EBIT, Return on Capital Employed, Safety and Sustainability metrics, the Remuneration Committee determined to award a scheme bonus payment in respect of 2023 of 63% of maximum entitlement to all Executive Directors, being 94.5% of salary to the Executive Chair and the CEO, and 57% of salary to the Executive Director (Brian Rudd), as detailed later in this report.

The Company made grants of LTIP awards under the long-term incentive structure to the Executive Chair, Chief Executive Officer and Executive Director (Brian Rudd) in 2023. The Company intends to make a further grant in the first half of 2024. The structure of these awards is disclosed in further detail later in this report.

The Committee believes the policy operated as intended in terms of company performance and quantum during 2023.

Remuneration in 2024

There will be no significant changes to the structure of Executive remuneration in 2024.

2023 Annual General Meeting

At our Annual General Meeting in May 2023, 149.2m shares were voted to approve the resolution on remuneration (98.6% of votes cast) with 2.2m shares voted against the resolution (1.4%) and 1.5m votes withheld.

The Remuneration Committee was pleased with the level of support for the resolution and pleased that proxy advisers recommended shareholders vote in favour of the resolution. The Committee considered all comments made by proxy advisers and sets out its thinking, including steps it has taken in response to those comments below.

The Company is not required to put its Remuneration Policy to a binding shareholder vote as it is not UK-incorporated. The Company sees that the annual resolution on its Remuneration Report provides an appropriate and effective mechanism for shareholders to express their views on remuneration given the Company's current size and dynamic growth phase.

The Company sees that for its long-term incentive awards, the combination of total shareholder return (TSR) and earnings per share (EPS) remains appropriate given the Company's profile and outlook.

From 2024, the Company has introduced a shareholding guideline for its Executive Directors as set out in the policy table below. The Company has amended the terms of its 2019 Long-Term Incentive Plan Rules so that the default position is that awards held by good leavers who leave before the normal vesting date will vest on the normal vesting date (and subject to performance and time pro-rating) rather than at cessation.

This remuneration report contains additional disclosures in response to comments made by proxy advisers in relation annual bonus payments including the level of payout for on target performance, bonus leaver provisions as well as more information on personal targets and performance against those targets. Under the policy table, we set out information on how we consider remuneration in the context of shareholder experience.

The Remuneration Committee welcomes all shareholder feedback on remuneration and will continue with its approach of shareholder consultation where significant changes are considered. No significant changes are proposed for 2024.

Michael Rawlinson
Chair of the Remuneration Committee

REMUNERATION COMMITTEE REPORT CONTINUED

Remuneration Policy

The Group's policy on Directors' remuneration has been set with the objective of attracting, motivating and retaining high calibre Directors, in a manner that is consistent with best practice and aligned with the interests of the Group's shareholders. The policy on Directors' remuneration is that the overall remuneration package should be sufficiently competitive to attract and retain individuals of a quality capable of achieving the Group's objectives. Remuneration policy is designed such that individuals are remunerated on a basis that is appropriate to their position, experience and value to the Company.

The main components of the remuneration policy for the years ending 31 December 2023 and 2024 and how they are linked to and support the Company's business strategy are summarised below.

Element	Link to remuneration policy/strategy	Operation	Maximum opportunity	Performance metric
Base Salary	<p>Core element of remuneration.</p> <p>To set at a level which is sufficiently competitive to recruit and retain individuals of the appropriate calibre and experience.</p>	<p>Basic salary is reviewed annually as at 1 January with reference to Company performance; the performance of the individual Executive Director; the individual Executive Director's experience and responsibilities; and pay and conditions throughout the Company.</p> <p>May be paid in different currencies as appropriate to reflect their geographic location.</p>	<p>There is no prescribed maximum annual base salary or salary increase.</p> <p>The Committee is guided by the general increase for the broader employee population, but has discretion to decide to a lower or a higher increase.</p>	<p>The Committee considers individual and Company performance when setting base salary.</p>
Other Benefits	<p>To help recruit and retain high performing Executive Directors.</p> <p>To provide market competitive benefits.</p>	<p>Except for medical and life insurance, the Company does not provide any fringe benefits or pensions to Executive Directors, other than to comply with local statutory requirements.</p>	<p>The CEO and Executive Director (Brian Rudd) are based in Australia and receive superannuation at 10.5% of salary in line with Australian legislation which forms part of their base salary.</p>	<p>N/A</p>
Annual bonus / Short Term Incentive Plan (STIP)	<p>To incentivise the achievement of a range of short-term performance targets that are key to the success of the Company.</p> <p>To align the interests of the Executives, the Executive Leadership Team (ELT) and shareholders to the full year targets.</p>	<p>Parameters, performance criteria, weightings and targets are set at the start of each year.</p> <p>Bonuses can be paid to the Executive Directors and ELT to support the achievement of annual operational, financial, strategic and personal objectives.</p> <p>Payments are made in cash and shares following completion of the year subject to the Committee's assessment of performance against targets and other matters it deems relevant.</p> <p>Any bonus is subject to achieving agreed KPIs. 50% of any bonus is settled immediately in cash, 50% is awarded in shares and deferred for one year.</p> <p>Annual bonus awards are subject to malus and clawback provisions.</p>	<p>The maximum bonus opportunity for the Executive Chair and CEO is 150 % of salary for stretch performance with 100% of salary paid for on-target performance.</p> <p>The maximum bonus opportunity for the Executive Director (Brian Rudd) is 90% of base salary for stretch performance with 60% of salary paid for on-target performance.</p> <p>Levels of performance required for on-target performance are set at appropriately challenging levels to justify stretch payouts of 50% of target bonus.</p> <p>There is no ability for the Company to pay discretionary bonuses above the stated maxima.</p>	<p>For the Executive Chair and CEO, 100% of the bonus is subject to corporate and financial performance objectives. For the Executive Director (Brian Rudd) and other members of the ELT, 80% is subject to corporate and financial performance objectives, with the remaining 20% based on individual performance targets.</p> <p>The annual bonus structure contains financial, strategic, sustainability and HSSE underpin target metrics whereby the Remuneration Committee can determine that no bonus is to be paid if the underpin targets are missed.</p>

REMUNERATION COMMITTEE REPORT CONTINUED

Element	Link to remuneration policy/strategy	Operation	Maximum opportunity	Performance metric
Long-term incentive awards	<p>To support retention, long-term performance and increase alignment between the Executive Directors, ELT and shareholders.</p> <p>The Company intends to make awards under this structure annually.</p>	<p>The Executive Chair, Executive Directors and senior members of the ELT are eligible to receive awards under the Long-Term Incentive Plan (LTIP) at the discretion of the Committee.</p> <p>Awards are granted as nil cost options or conditional awards which vest after three years subject to the meeting of objective performance conditions specified at award.</p> <p>Awards to Executive Directors have an additional two- year holding period post the three-year vesting period.</p> <p>LTIP awards are subject to malus and clawback provisions.</p>	<p>Each of the Executive Directors will receive two performance share awards each year. The initial award will have a face value of up to 100% of salary for the Executive Chair and CEO, and 60% of salary for the Executive Director (Brian Rudd), and have performance conditions pitched at conventional levels. The second award will have a face value of up to a further 100% of salary for the Executive Chair and CEO, and a further 60% of salary for the Executive Director (Brian Rudd), and have performance conditions set in excess of conventional levels.</p>	<p>Performance conditions are set by the Committee at the time of award and are currently based on TSR compound growth and adjusted EPS compound growth, both measured once at the end of the three-year period. 25% of the award will vest at threshold and 100% of the award will vest at stretch performance.</p> <p>The Committee may vary the type, weighting and pitching of performance targets each year.</p>
Shareholding requirement	<p>Aligns Executive Directors' interests with those of shareholders.</p> <p>Encourages Executive Directors to achieve the Company's long-term strategy and create sustainable stakeholder value.</p>	<p>Executive Directors are required to accumulate a personal shareholding in the Company. The level of shareholding expected is set at 150% of salary to be achieved within 5 years from appointment. The shareholding includes beneficially owned shares, vested LTIPs on an after-tax basis and bonuses deferred into shares on an after-tax basis.</p> <p>The Chair and Executive Director (Brian Rudd)'s shareholdings are currently many multiples of their salaries.</p>	-	-
Non-Executive Director remuneration	<p>To attract and retain high calibre Non-Executive Directors with the necessary experience.</p> <p>To provide fees appropriate to time commitments and responsibilities of each role.</p>	<p>Non-Executive Directors are paid a basic fee. An additional fee is paid to the Senior Independent Non-Executive Director to reflect the additional time and responsibility, and to the Chair of each Committee for the same reason.</p>	<p>Fee levels reflect market conditions and are reviewed annually on 1 January each year.</p>	

REMUNERATION COMMITTEE REPORT CONTINUED

Service contracts

The Executive Directors' employment service contracts have no specified term. No Director has a service contract containing more than six months' notice period or with pre-determined compensation provisions upon termination exceeding six months' salary. It is the Company's policy that, except where prescribed by law, there should be no automatic entitlement to bonuses in the event of an early termination.

Non-Executive Directors have entered into letters of appointment with the Group, for an initial three-year period, thereafter renewable on the agreement of both the Company and the Non-Executive Director. The notice period under the letters of appointment is three months.

Policy on recruitment

When hiring a new Executive Director, the Committee will consider the overall remuneration package by reference to the remuneration policy set out in this report.

Annual bonus / STIP – leavers, malus and clawback provisions

The STIP will generally lapse in full if the employee leaves before the grant date of the award, although partial exceptions for good leavers may be made at the discretion of the Remuneration Committee. The STIP award is subject to malus and clawback. If it is determined that there has been a material overpayment as a result of a material misstatement of results or an error in assessing the achievement of the performance condition, a serious breach of the Company's code of ethics or a serious health and safety issue has occurred, the Company may require that any awards held which have not vested lapse in whole or in part immediately. The Company may require executives to repay the after-tax value of some or all vested awards received during that period.

LTIP – leavers, malus and clawback provisions

Awards are governed by the rules of the LTIP scheme at the time of award. Unless individuals are deemed good leavers, awards will lapse on cessation of employment. In the case of good leavers, awards will vest on the date of cessation normally subject to the application of performance conditions and time pro-rating.

LTIP awards are subject to malus and clawback provisions up to three years from the date of determination of awards in the event of a material misstatement of results of the Company or Group or error in assessing the achievement of the performance conditions, a serious breach of the Company's code of ethics or a serious health and safety issue.

External appointments

The Company recognises the proposition that Executive Directors could become fee earning non-executive directors of other companies and that such appointment can broaden their knowledge and experience to the benefit of the Company. In their contracts of employment, the Executive Directors have covenants not to compete during their employment (including directorships) unless the Board consents in writing.

Consideration of employment conditions elsewhere in the Company in developing policy

In setting the remuneration policy for Executive Directors, the pay and conditions of other Group employees are taken into account. The Committee is provided with data on the remuneration structure for senior members of staff below the Executive Director level and uses this information to ensure consistency of approach throughout the Group. The Committee does not directly engage with the workforce on executive remuneration but, as mentioned on page 56 in the Executive Chair's introduction to governance, the workforce has the opportunity to raise any issues (including those on executive remuneration) in the employee engagement initiatives. As mentioned elsewhere in this report, the Company welcomes and encourages a transparent culture.

Consideration of shareholder views

Shareholder views are considered when evaluating and setting remuneration strategy. Opportunities to discuss the remuneration strategy are available during investor calls as well as by voting on the report at the AGM.

Consideration of stakeholder experience

Ongoing engagement with our stakeholders remains a priority and is critical to Capital's success as detailed elsewhere in this Annual Report. When formulating the Company's strategy, the Executive Directors consider the longer-term and broader consequences and implications of its business on key stakeholders. The Committee considers views expressed by stakeholders and the experience of stakeholders when evaluating and setting remuneration strategies and taking decisions on remuneration.

REMUNERATION COMMITTEE REPORT CONTINUED

ANNUAL REPORT ON REMUNERATION

This section of the remuneration report contains details of how the Company's remuneration policy for Directors was implemented during the financial year ended 31 December 2023.

From 1 April 2023, the salary of the Executive Chair was \$400,000 reflecting his time commitment of 4 days per week. Also from 1 April 2023, the salary of the Chief Executive Officer was \$500,000 and the salary of the Executive Director (Brian Rudd) remain unchanged at \$360,000.

In 2023, the bonus maximums for stretch performance for the Executive Chair, Chief Executive Officer and the Executive Director (Brian Rudd) are 150%, 150% and 90% of salary respectively with 100%, 100% and 60% of salary respectively for on-target performance. Levels of performance required for on-target performance are set at appropriately challenging levels to justify stretch payouts of 50% of on target bonus.

Of this, for the Executive Chair/CEO, the entire bonus is based on corporate and financial performance objectives. For the Executive Director, (Brian Rudd), 80% of the maximum bonus opportunity is subject to corporate and financial performance objectives with the remaining 20% based on individual performance targets.

For 2023, corporate and financial objectives were weighted 45% EBIT, 20% Return on Capital Employed (ROCE), 20% on safety (HSSE TRIFR) and 5% Sustainability (nationalisation).

The table on the following page sets out the breakdown of the total award:

	% of Group Target Metrics	Threshold	On Target	Stretch	Level achieved	Pay out (% of maximum entitlement)
EBIT	45%	\$59.8m	\$64.4m	\$68.8m	\$60.6m	39%
ROCE	20%	17.5%	20.0%	22.5%	20.5%	73%
Strategic: Labs (50% on number of labs)	2.5%	4	5	6	7	100%
Strategic: Labs (50% on number of revenue)	2.5%	\$40.0m	\$44.0m	\$48.0m	\$38.4m	0%
Strategic: Mining	5%	\$15.0m	\$30.0m	\$50.0m	\$30.0m	67%
HSE TRIFR	20%	1.42	1.14	0.95	0.75	100%
Sustainability (nationalisation)	5%	91.3%	91.8%	92.3%	92.4%	100%
Weighted total – % of maximum entitlement						63%

The Executive Director (Brian Rudd)'s personal performance targets related to international business development. Brian Rudd performed strongly against these targets. Achievements included new business awards expanding into new regions such as USA resulting in the award of 9 drill rigs with revenue of \$35m per year, Gabon with a significant contract across both drilling, mining and crushing services, and other regions covering both drilling and mining. In light of the strong performance of the Group during the year, bonuses were awarded to the Executive Chair at 63% of maximum entitlement being 94.5% of salary, the CEO at 63% of maximum entitlement being 94.5% of salary and to the Executive Director (Brian Rudd) (comprised of 63% of maximum entitlement for Group target metrics and 63% of maximum entitlement for performance against Group target metrics and 63% of maximum entitlement for performance against personal targets) being 57% of salary.

Of the \$401,565 bonus awarded to Jamie Boyton, the \$460,618 bonus awarded to Peter Stokes and the \$204,089 awarded to Brian Rudd, 50% is payable in cash in March 2024 and 50% payable in shares in March 2025.

REMUNERATION COMMITTEE REPORT CONTINUED

The Company made grants of LTIP awards under the long-term incentive structure to the Executive Chair, Chief Executive Officer and Executive Director (Brian Rudd) in June 2023. Each individual was granted two separate awards (LTIP 1 and LTIP 2) as detailed in the share options table below for the performance period of January 2023 to December 2025. All awards vest after three years subject to performance targets. LTIP 1 awards are subject to two performance targets each covering 50% of the award: a TSR compound growth condition and an adjusted EPS compound growth performance condition, both measured once at the end of a three-year period. For both conditions, the threshold vesting target, at which 25% of the relevant portion of an award vests, was 8% compound annual growth with full vesting at 15% compound annual growth rate (CAGR).

LTIP 2 awards are solely subject to a TSR compound growth condition measured at the end of a three-year period. The threshold vesting target, below which 0% of the relevant portion of an award vests, was 15% compound annual growth with 100% vesting if 25% compound annual growth is achieved.

All awards to Executive Directors are subject to a two-year holding period post vesting.

The remuneration of the Executive and Non-Executive Directors showing the breakdown between elements and comparative figures is shown below.

Figures in \$'000	2023					2022				
	Salary / fees	Bonus in cash	Bonus in shares	LTIP 2020	Total	Salary / fees	Bonus in cash	Bonus in shares	LTIP 2019	Total
Current Executive Directors										
Jamie Boyton	425	201	201	580	1,407	500	353	353	862	2,068
Peter Stokes	487	230	230	–	947	112	56	56	–	224
Brian Rudd	360	102	102	287	851	360	153	153	427	1,093
Non-Executive Directors										
David Abery	105	–	–	–	–	101	–	–	–	101
Catherine (Cassie) Boggs	92	–	–	–	–	88	–	–	–	88
Alex Davidson	92	–	–	–	–	88	–	–	–	88
Michael Rawlinson	112	–	–	–	–	108	–	–	–	108
Anu Dhir ¹	9	–	–	–	–	N/A	N/A	N/A	N/A	N/A

¹ Anu Dhir was appointed to the Board on 15 November 2023 and as a result, her fees have been pro-rated

REMUNERATION COMMITTEE REPORT CONTINUED

The value of the LTIP in 2023 relates to the vesting of the 2020 LTIP awards, and the value has been calculated by multiplying the number of awards which vested by the (20-day VWAP) share price of 96.5p as at the vesting date of 31 December 2022. Of the 2020 LTIP value of \$580,000 for Jamie Boyton, \$220,000 is attributable to share price appreciation. Of the LTIP value of \$287,000 for Brian Rudd, \$109,000 is attributable to share price appreciation.

Non-Executive Remuneration is set out below:

Figures in \$'000	2023				2022			
	Basic Fees	Committee Chair	Snr NED	Total	Basic Fees	Committee Chair	Snr NED	Total
David Abery	72	20	13	105	68	20	13	101
Catherine (Cassie) Boggs	72	20	–	92	68	20	–	88
Alex Davidson	72	20	–	92	68	20	–	88
Michael Rawlinson	72	40	–	112	68	40	–	108
Anu Dhir ¹	9	–	–	9	N/A	N/A	–	N/A

¹ Anu Dhir was appointed to the Board on 15 November 2023 and as a result, her fees have been pro-rated

Directors' Share Interests

Directors' share interests at 31 December 2023 are set out below:

	Number of beneficially owned shares at 31 December 2023 ²	Unvested options without performance measures	Total interest held at 31 December 2023	Total interest held at 31 December 2022
Executive				
Jamie Boyton	20,546,295		20,546,295	24,056,802
Brian Rudd	11,958,465		11,958,465	12,583,079
Peter Stokes	50,000		50,000	0
Non-Executive:³				
David Abery	555,747		555,747	555,747
Catherine (Cassie) Boggs	138,838		138,838	43,478
Alex Davidson	50,000		50,000	50,000
Michael Rawlinson	169,540		169,540	169,540
Anu Dhir	0		0	N/A

² Beneficially owned shares include shares held directly or indirectly by connected persons

³ Non-Executive shares were acquired through market purchases which complied with the Company's share dealing code, and were not acquired through any option scheme

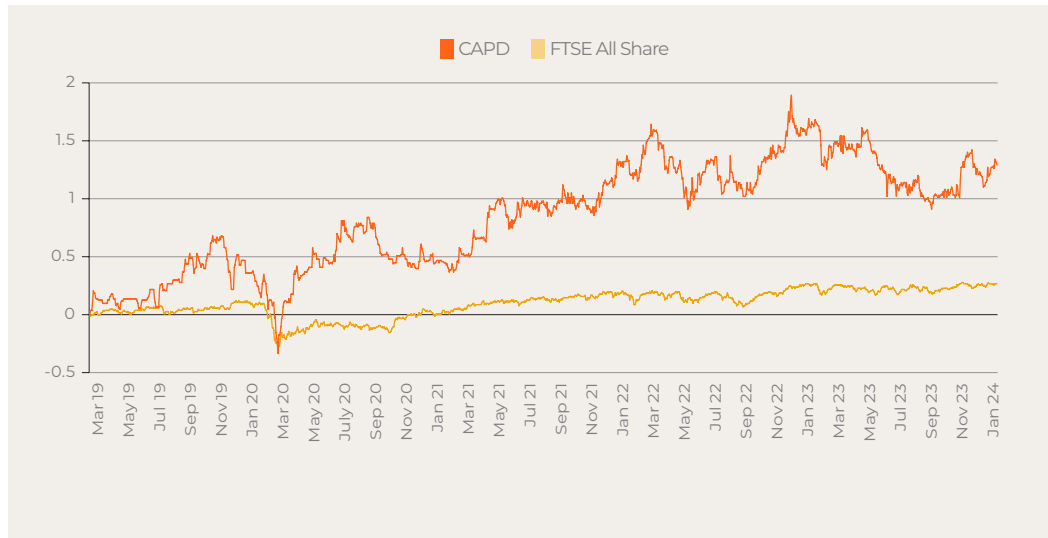
This table does not include the share portion of Jamie Boyton's 2022 bonus which is expected to be issued in March 2024, totalling 317,066 shares based on the share price of last day of the Company's close period in March 2023.

REMUNERATION COMMITTEE REPORT CONTINUED

This table does not include the share portion of Brian Rudd's 2022 bonus which is expected to be issued in March 2024, totalling 136,973 shares based on the share price of last day of the Company's close period in March 2023.

Shareholder Return Graph

The graph below shows the percentage change in total shareholder return for each of the last five financial years compared to the FTSE Actuaries All Share index. This index was selected as it represents a broad equity index which the Company can be compared against.



Relative importance of spend on pay

The following table shows the Group's actual spend on pay for all Group employees relative to dividends and pre-tax profit.

	2023 \$' m	2022 \$' m	Change %
Total employee costs	94.2	82.3	14
Operating profit	60.3	59.7	1
Cash capital expenditure	52.0	48.5	7
Dividends	7.6	7.1	7

REMUNERATION COMMITTEE REPORT CONTINUED

Long-Term Incentive Awards

At 31 December 2023, the LTIP awards that had been awarded to each Director were as follows:

Name	Scheme	Date of award	Vesting date	At 1 Jan 2023	Granted in year	Exercised in year	Lapsed in year	At 31 Dec 2023	Expiry date
Jamie Boyton									
	LTIP	Jan 2020	31/12/22	509,254		509,254			30/9/23
	LTIP	Jan 2021	31/12/23	540,767				540,767	30/9/24
	LTIP 1	Jan 2022	31/12/24	460,766				460,766	30/9/27
	LTIP 2	Jan 2022	31/12/24	460,766				460,766	30/9/27
	LTIP 1	Jan 2023	31/12/25		361,682			361,682	30/9/28
	LTIP 2	Jan 2023	31/12/25		361,682			361,682	30/9/28
Total				1,971,553	723,364			2,185,663	
Brian Rudd									
	LTIP	Jan 2020	31/12/22	252,081		252,081			30/9/23
	LTIP	Jan 2021	31/12/23	237,938				237,938	30/9/24
	LTIP 1	Jan 2022	31/12/24	199,051				199,051	30/9/27
	LTIP 2	Jan 2022	31/12/24	199,051				199,051	30/9/27
	LTIP 1	Jan 2023	31/12/25		183,819			183,819	30/9/28
	LTIP 2	Jan 2023	31/12/25		183,819			183,819	30/9/28
Total				888,121	367,638			1,003,678	
Peter Stokes	LTIP 1	Jan 2023	31/12/25		414,870			414,870	30/9/28
	LTIP 2	Jan 2023	31/12/25		414,870			414,870	30/9/28
Total					829,740			829,740	

The above awards all vest after three years and are subject to performance conditions detailed above.

The Company granted awards under its LTIP to its Executive Chair and Executive Director (Brian Rudd) in 2020. The awards were subject to two performance targets each covering 50% of the award: a TSR compound growth condition and an adjusted EPS compound growth performance condition, both measured once at the end of a three-year period. For both conditions, the threshold vesting target, at which 25% of the relevant portion of an award vests, was 8% compound annual growth with maximum vesting at 18%. These performance conditions were met in full (EPS: 40.8% CAGR, TSR: 18.4% CAGR) and 509,254 awards vested for the Executive Chair and 252,081 awards for the Executive Director (Brian Rudd).

REMUNERATION COMMITTEE REPORT CONTINUED

Management of remuneration for 2024

Salaries

Effective 1 January 2024, the salary of the Executive Chair, Jamie Boyton, has increased to \$416,000; the salary of the CEO, Peter Stokes, has increased to \$520,000; the salary of the Executive Director (Brian Rudd) has increased to \$374,000, each reflecting a 4% CPI increase.

Annual bonus

The annual bonus scheme for the Executive Directors for 2024 is based on the overall performance of the Group and the meeting of financial and non-financial performance objectives including profitability measures, safety measures, specific execution of strategic targets, role based and, for Brian Rudd, personal targets.

We will operate the 2024 annual bonus with a scorecard in line with our normal practice with weightings in line with 2023.

For 2024, the corporate and financial performance objectives will have the following weightings: 40% EBIT, 20% ROCE, 5% strategic targets set for the labs business, 5% annualised growth (significant contract award), 20% HSSE TRIFR, 5% sustainability (nationalisation) and 5% capital management. For the Executive Chair and CEO, their bonus will be based solely on Group targets. For the Executive Director (Brian Rudd), 20% of the bonus will be based on individual performance targets.

In line with our policy, 50% of bonus amounts paid for 2023 will be paid in cash with 50% in shares deferred for one year.

Long-Term Incentives

Our approach with regard to the annual LTIP in 2024 will remain the same as 2023. For LTIP 1, the Chair and CEO will receive an award at 100% of salary and 60% for the Executive Director (Brian Rudd) with a three-year performance period. Awards will be subject to two performance targets each covering 50% of the award: a TSR compound growth condition and an adjusted EPS compound growth performance condition. For both conditions, the threshold vesting target will be 8% compound annual growth with a maximum of 15%.

LTIP 2 awards will solely be subject to a TSR compound growth condition. The threshold vesting target, below which 0% of the awards will vest, will be 15% compound annual growth with full vesting at 25%.

Awards to Executive Directors will be subject to a two year post vesting holding period.

Non-Executive remuneration

The Non-Executives are paid a basic fee with additional amounts paid to chair a Board committee, as well as to the Senior Independent Director to reflect the additional time and responsibility associated with this role. The base fee has not increased remaining at \$72,000 with the additional Senior NED fee and Committee chair fee remaining at \$13,000 and \$20,000 respectively.

Annual General Meeting and shareholder feedback

The Committee welcomes feedback from shareholders on its remuneration.

Corporate Governance Code

The 2018 FRC Corporate Governance Code requires the description of the work of the Committee to cover a number of specified matters, most of which are covered above. The Committee believes that the remuneration levels and structure are appropriate in the light of the Company's commercial and strategic objectives and the need to attract and retain

Clarity	The Committee is committed to transparency. Information in this report is intended to be disclosed directly, simply and clearly.
Simplicity	The structure of the Remuneration Policy is unchanged and is commonly used by UK-listed companies. It comprises three elements – salary, annual bonus and long-term incentive awards which operate simply and in line with market norms.
Risk Management	The Committee recognises the risk of target-based plans. It seeks to mitigate risk by imposing limits on variable pay amounts, by paying half of annual bonus amounts in shares, through applying malus and clawback provisions to its incentive plans and through the ability of the remuneration committee to exercise certain discretions.
Predictability	Variable pay is subject to normal threshold and maximum value or share amounts.

experienced and skilled executives. The Remuneration Policy operated as intended in 2023 in terms of company performance and quantum.

The Committee has considered the principles of clarity, simplicity, risk management, predictability, proportionality and alignment to culture in developing and managing executive remuneration as reflected in the table below.

Proportionality	There is a clear link between individual reward and the delivery of strategy, particularly through the performance targets attached to annual bonus and long-term incentive schemes. The link of remuneration outcomes to long-term performance is primarily through the LTIP which has stretching targets based on EPS and TSR performance.
Alignment to culture	The Remuneration Policy is designed to ensure that successful long-term partnership with shareholders delivers good rewards to the Executive Directors, the senior leadership team and the workforce as a whole.

Approval

This report was approved by the Board of Directors on 14 March 2024 and signed on its behalf by:



Michael Rawlinson

Chair of Remuneration Committee

HEALTH, SAFETY, SOCIAL AND ENVIRONMENTAL (HSSE) COMMITTEE REPORT

Committee membership and attendance

Name	Attendance
Alex Davidson	4/4
Catherine (Cassie) Boggs	4/4
Brian Rudd	4/4
Peter Stokes	4/4

Our Group HSSE Manager, Rick Monaghan, prepares meeting content for review by the Committee.

During the year under review, other attendees also included: the Chief Financial Officer, the Chief Operating Officer – Drilling, the Chief Executive Officer – Mining. The Committee meets as necessary and at least four times a year. The Chair of Sustainability and Chair of HSSE are members of both Committees so as to ensure consistency and continuity for any related discussions applicable to both Committees. The secretary of the Committee is the Company Secretary.

The Committee's Charter was reviewed and re-approved during the year. Further details of the Committee's responsibilities can be found on the Company's website.

Role of the Committee

- Responsible for formulating and recommending to the Board a policy on health, safety, social and environmental issues related to the Group's operations.
- Focuses on compliance with applicable standards to ensure that an effective system of health, safety, social and environmental standards, procedures and practices is in place at each of the Group's operations.

- Responsible for reviewing management's investigation of incidents or accidents that occur and to assess whether policy improvements are required. Committee members take soundings from the workforce in connection with this responsibility.
- Whilst the HSSE Committee is expected to make recommendations, the ultimate responsibility for establishing the Group's health, safety, social and environmental policies remain with the Board.



Key activities during the year

Quarterly Review of health, safety and environmental (HSSE) statistics, trends, and incidents, including:

- Industry benchmarking
- Training and development
- Frequency rates
- Injuries analysis
- Lead indicators
- Improvement programs
- Security briefings
- Medical updates
- HSSE short term incentive plan (STIP) target

INVESTMENT COMMITTEE REPORT

Committee membership and attendance

Name	Attendance
Michael Rawlinson	2/2
Alex Davidson	2/2
Jamie Boyton	2/2
Conor Rowley ¹	2/2

¹ Non-Board Member- Mr Rowley is Head of Corporate Development and Investor Relations

Roles

Formally inaugurated in early 2022 for the Company's investments arm, Capital DI Limited

- The Committee is responsible for both monitoring existing investments for performance and strategic alignment, as well as evaluating new opportunities.
- A copy of the Committee's charter can be found on the website at capdrill.com/investors/corporate-governance



Key activities during the year

The Investment Committee continues to screen the market for opportunities but remains selective, with the portfolio focused on a select few key holdings. Investment activity in 2023 was largely geared towards some of these holdings namely Predictive Discovery and WIA Gold.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with applicable laws and regulations.

The Directors are required to prepare Consolidated Financial Statements for each financial year presenting fairly, in all material respects, the Group's state of affairs at the end of the year and the profit or loss for the year, in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board. The Directors must not approve the accounts unless they are satisfied that they are presenting fairly in all material respects the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing the Consolidated Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs, subject to any material departures disclosed and explained; and
- prepare the financial statements on an going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy the financial position of the Group and to ensure that the Consolidated Financial Statements comply with provisions of the Companies Act

1981 of Bermuda (as amended). They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Bermuda and the United Kingdom governing the preparation and dissemination of Consolidated Annual Financial Statements may differ from legislation in other jurisdictions. The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Directors consider that the Annual Report and the Consolidated Financial statements, taken as a whole, provides the information necessary to assess the Group and Group's performance, business model and strategy and are fair, balanced and understandable.

Corporate Governance Statement

The Corporate Governance Statement on page 57 forms part of this report.

Directors' responsibilities pursuant to DTR 4

In accordance with Chapter 4 of the Disclosure and Transparency Rules issued by the Financial Conduct Authority in the United Kingdom, the Directors confirm to the best of their knowledge:

- the Consolidated Financial Statements have been prepared in accordance with IFRSs and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group, together with a description of the principal risks and uncertainties that it faces.

Going concern

The activities of the Group, together with the factors likely to affect its future development, performance, the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Executive Chair's Statement, CEO's Statement and CFO's Review on pages 4, 8 and 24 respectively. In addition, we describe in Note 33 to the Consolidated Financial Statements on pages 137 to 141 the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit and liquidity risk. Although not assessed over the same period as the going concern, the viability of the Group has been assessed on page 31. It has further reviewed the impact on the business of scenarios such as a general reduction in turnover and a reasonable worst-case scenario incorporating the aggregate impact of operational and financial disruption on the business. The reasonable worse-case scenario is considered to be remote. The Group has considerable financial resources together with established business relationships with many customers and suppliers in countries throughout the world.

As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. After making enquiries, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing this Annual Report and the Consolidated Financial Statements.

Fair, balanced and understandable

The Directors, as at the date of this report, consider that the Annual Report and Annual Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy, as well as the principal risks and uncertainties which could affect the Group's performance.

Auditors

As far as each of the Directors are aware at the time this report was approved:

- there is no relevant audit information of which the auditors are unaware; and
- they have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board

Jamie Boyton
Chair

14 March 2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPITAL LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and
- the financial statements have been prepared in accordance with the requirements of the Bermuda Companies Act 1981.

We have audited the financial statements of Capital Limited (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Independence

We remain independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Discussion of the continued impact of global conflicts and inflationary pressures with the Directors and the Audit Committee, including their assessment of risks and uncertainties associated with the Group's customers, workforce and commodity market prices.

We assessed this against our own views of the risks based on our understanding of the business, the mining sector and the business' performance in the 2023 financial year.

- We obtained the Directors' cash flow forecasts covering the period to 30 June 2025, which is a period of at least 12 months from the date of approval of the financial statements, and challenged the key assumptions in respect of revenue growth, gross profit margins, capital expenditure, and cash generation with reference to new contract wins, our knowledge of the business and its historical performance and results. We checked that the Directors had considered appropriate risks and uncertainties in the preparation of the cash flow forecasts based on our assessment of the risks and issues relating to the business.
- We tested the mathematical accuracy and integrity of the forecast models and assessed their consistency with approved budgets.
- We obtained and critically reviewed the Directors' reverse stress test analysis, performed to determine the point at which:
 - a deterioration of EBITDA; or
 - net debt deterioration due to working capital outflowswould result in a covenant breach or liquidity shortfall and without further mitigation would potentially impact the going concern of the business. Our consideration included an assessment of whether the reverse stress test analysis appropriately reflected the key risks and issues to which the models were sensitive, and we challenged the nature and feasibility of the mitigating actions available to the business identified by the Directors;
- We obtained the new financing agreements entered into by the Group during the year to check the facility terms and their impact on the going concern assessment;
- We assessed covenants at year end, to check that the Group were compliant under the terms of the financing agreements;
- We evaluated forecast covenant compliance and headroom calculations with reference to the covenants stated in the relevant financing agreements;
- We reviewed the adequacy of disclosures in the financial statements in respect of going concern with reference to the Directors' going concern assessment, the cash flow forecasts and reverse stress test analysis, and our understanding of the business.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	94% (2022: 94%) of Group revenue 90% (2022: 91%) of Group total assets
Key audit matters	1. Appropriateness of revenue recognition – also a key audit matter in the prior year
Materiality	Group financial statements as a whole \$2,300,000 (2022: \$2,600,000) based on 5% of Group adjusted profit before tax (2022: 5% of Group adjusted profit before tax)

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group's services are primarily provided across Africa. We assessed there to be four significant components that were significant due to their size and risk profile, being three of the operational subsidiaries in Egypt, Tanzania and Mali, and the Parent Company in Bermuda.

Full scope audits for Group reporting purposes were performed on the significant components in Tanzania, Egypt and Mali by BDO network member firms (the component audit of Mali was completed by BDO Kenya), and the Parent Company by the Group Engagement Team.

We also identified other components in Gabon, Guinea, Côte d'Ivoire, Pakistan and Mauritius where the Group Engagement Team performed specific audit procedures on discrete financial statement areas that we considered presented risks of material misstatement to the Group financial statements.

Financial information relating to the remaining non-significant components of the Group was principally subjected to analytical review procedures performed by the Group Engagement Team.

Our involvement with component auditors

For the work performed by component auditors in Tanzania, Egypt and Mali, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Detailed Group reporting instructions were sent, which included the significant areas to be covered by the audits (including areas that were considered to be key audit matters as detailed below), and set out the information required to be reported to the Group audit team;

- The Group audit team performed procedures independently over certain key audit risk areas, as considered necessary, including the key audit matter below;
- Regular communication throughout the planning and execution phase of the audit. Members of the Group audit team virtually attended the planning and clearance meetings and had detailed discussions throughout the audit with the component auditors. The Group Engagement Team visited Tanzania and Kenya and met with the component auditors at the planning stage of the audit; and
- The Group audit team was actively involved in risk assessment and the direction of the audits performed by the component auditors for Group reporting purposes, review of their working papers, consideration of findings and determination of conclusions drawn.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of Management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in page 40 may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment and viability assessment.

We also assessed the consistency of Management's disclosures on page 42 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Key audit matters continued

Key audit matter	How the scope of our audit addressed the key audit matter
<p>Appropriateness of revenue recognition. The Group's revenue is primarily generated from drilling and mining services, and laboratory mineral analysis services. The Group has service contracts with a number of customers in different geographical locations with varying terms and rates.</p> <p>Refer to Note 1.4.14 for the Group's policy on revenue recognition and Note 3.</p> <p>The accounting for new and modified contracts under IFRS 15 <i>Revenue from Contracts with Customers</i> can be complex and may be incorrectly applied, resulting in inappropriate recognition or measurement of revenue.</p> <p>There is a risk of fictitious revenue being recorded through manual journals that do not relate to genuine sales to customers, leading to revenue being overstated.</p> <p>The Group has material revenue transactions around the year end which creates potential for cut-off risk, particularly noting the potential for revenue recognised pre year end to not match the service delivery date.</p> <p>Due to the above we considered revenue recognition to be a key audit matter and fraud risk.</p>	<p>Our specific audit testing in this regard included:</p> <ul style="list-style-type: none"> • Tested a sample of new and modified contracts in the year by evaluating Management's IFRS 15 <i>Revenue from Contracts with Customers</i> contract assessments, testing details to contracts and invoices, and assessing whether the related revenue recognition was in accordance with the requirements of the applicable accounting standards. • Assessed whether the Group's revenue recognition policy was in line with IFRS 15. <p>Recognition of revenue in the period</p> <ul style="list-style-type: none"> • For a sample of drilling invoices recorded in the year, we tested the drilled metres to customer-approved daily drill reports, agreed rates per metre used to signed contracts, and agreed cash receipts. • For a sample of mining invoices recorded in the year, we tested the volumes moved to customer-approved reports, agreed rates per Bank Cubic Metre used to signed contracts, and agreed cash receipts. • For a sample of laboratory mineral analysis invoices recorded in the year, we tested to proof of service delivery, verified rates used to customer agreements, and agreed to cash receipts. • We tested journals recorded within revenue, selected using specific risk criteria, to appropriate supporting evidence. • We tested drilling and mining revenue in December 2023 to check that the revenue was recognised in the correct period. For the sample of invoices tested, we agreed these to drill and volume reports, and customer approvals. • Tested a sample of contracts to check the accounting for mobilisation income and costs capitalised on the balance sheet were released over the term of the relevant contract.
	<p>Key observations: We have not identified any instances of new and modified contracts not being accounted for in accordance with the requirements of the applicable accounting standards or that the recognition and measurement of revenue in the year to be inappropriate.</p> <p>We have not identified any instances where revenue was recognised in the incorrect period.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Our application of materiality continued

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements	
	2023	2022
	\$	\$
Materiality	2,300,000	2,600,000
Basis for determining materiality	5% of adjusted Group profit before tax	
Rationale for the benchmark applied	We consider the use of 5% of adjusted Group profit before tax to be the most appropriate benchmark since this removes the impact of fair value gains and losses on investments on the underlying profit of the Group, and is also a key measure for the users of the financial statements.	
Performance materiality	1,610,000	1,820,000
Basis for determining performance materiality	70% of Materiality	
Rationale for the benchmark applied	The level of performance materiality was set after considering a number of factors including the expected value of known and likely misstatements, and Management's attitude towards proposed misstatements.	

Component materiality

For the purposes of our Group audit opinion, we set materiality for each component of the Group based on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from \$600,000 to \$1,600,000 (2022: \$900,000 to \$1,680,000). In the audit of each component, we further applied performance materiality levels of 70% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of \$115,000 (2022: \$130,000). We also agreed to report the amount in aggregate of differences below this threshold but in excess of \$46,000 that in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	<ul style="list-style-type: none"> The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified on page 88 and The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate on page 31.
Other Code provisions	<ul style="list-style-type: none"> Directors' statement on fair, balanced and understandable on page 88; Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 31; The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 71; and The section describing the work of the audit committee set out on page 70.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement on page 88, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigation.

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with Management, the Audit Committee, and in-house legal counsel; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the Bermuda Companies Act 1981, the UK Listing Rules, the applicable accounting standards, the Bribery Act 2010, tax legislation, health and safety legislation, and employment laws.

Our procedures in respect of the above included:

- Review of minutes of Board and Audit Committee meetings to identify any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with Management, the Audit Committee, and in-house legal counsel regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risk of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of Board and Audit Committee meetings to identify any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Involvement of forensic specialists in the audit during engagement team fraud discussions; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through inappropriate journal entries, improper revenue recognition, and bias in key estimates and judgements.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of drilling and mining revenue for correct cut-off (refer to revenue recognition KAM); and
- Identifying areas at risk of management bias and reviewed significant estimates and judgements applied by Management in the financial statements to assess their appropriateness.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including component engagement teams, who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the results of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with the Section 90 of the Bermuda Companies Act 1981. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

London, UK
14 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 \$'000	2022 \$'000
Continuing operations			
Revenue	3	318,424	290,284
Cost of sales	4	(171,524)	(155,852)
Gross profit		146,900	134,432
Administration expenses	5	(46,852)	(44,331)
Depreciation, amortisation and impairments	6	(39,766)	(30,416)
Operating profit¹		60,282	59,685
Interest income		65	35
Finance costs	7	(13,002)	(7,356)
Fair value gain / (loss) on financial assets	8	2,989	(19,798)
Profit before taxation		50,334	32,566
Taxation	9	(11,804)	(9,836)
Profit for the year and other comprehensive income²		38,530	22,730
Profit and other comprehensive attributable to:			
Owners of the parent		36,737	20,990
Non-controlling interest	25	1,793	1,740
		38,530	22,730
Earnings per share			
Basic earnings per share (c)	10	19.09	11.07
Diluted earnings per share (c)	10	18.82	10.71

1 Including net impairment losses on trade receivables and accrued income of \$1.7 million (2022: \$3.0 million).

2 There was no other comprehensive income for the year (2022: \$nil)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 \$'000	2022 \$'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	12	208,657	172,658
Right-of-use assets	13	29,684	16,652
Goodwill	14	1,296	1,296
Intangible assets	15	572	1,916
Other receivables	18	9,789	6,460
Total non-current assets		249,998	198,982
Current Assets			
Inventories	16	61,922	58,695
Trade receivables	17	49,567	41,542
Other receivables	18	24,055	20,073
Investments at fair value	19	47,154	38,727
Current tax receivable	30	686	400
Cash and cash equivalents	20	34,366	28,380
Total current assets		217,750	187,817
Total assets		467,748	386,799
EQUITY AND LIABILITIES			
EQUITY			
Equity Attributable to Equity Holders of Parent			
Share capital	21	19	19
Share premium	21	62,390	62,390
Treasury shares	22	–	(2,475)
Equity-settled employee benefits reserve	23	5,763	4,469
Other reserve	24	190	190
Retained income		195,515	168,726
Equity attributable to owners of the parent		263,877	233,319
Non-controlling interest	25	9,270	5,573
Total equity		273,147	238,892



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (continued)

	Notes	2023 \$'000	2022 \$'000
LIABILITIES			
Non-Current Liabilities			
Loans and borrowings	26	75,521	56,865
Lease liabilities	13	21,109	12,127
Trade and other payables	28	2,057	1,485
Deferred tax	27	34	34
Total non-current liabilities		98,721	70,511
Current Liabilities			
Trade and other payables	28	50,685	43,453
Provisions	29	487	2,637
Current tax payable	30	9,315	9,130
Loans and borrowings	26	27,052	18,037
Lease liabilities	13	8,341	4,139
Total current liabilities		95,880	77,396
Total liabilities		194,601	147,907
Total equity and liabilities		467,748	386,799



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital \$'000	Share premium \$'000	Treasury shares \$'000	Total share capital \$'000	Other reserve \$'000	Equity- settled employee benefits reserve \$'000	Total reserves \$'000	Retained income \$'000	Total attributable to the equity holders of the Group/ Company \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at January 1, 2023	19	62,390	(2,475)	59,934	190	4,469	4,659	168,726	233,319	5,573	238,892
Profit for the year	-	-	-	-	-	-	-	36,737	36,737	1,793	38,530
Total comprehensive income for the year	-	-	-	-	-	-	-	36,737	36,737	1,793	38,530
Issue of shares	-	-	2,475	2,475	-	(2,246)	(2,246)	(229)	-	-	-
Recognition of share-based payments	-	-	-	-	-	3,540	3,540	-	3,540	-	3,540
Adjustment arising from change in non-controlling interest ³	-	-	-	-	-	-	-	(2,100)	(2,100)	1,923	(177)
Dividends	-	-	-	-	-	-	-	(7,619)	(7,619)	(18)	(7,637)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	2,475	2,475	-	1,294	1,294	(9,948)	(6,179)	1,905	(4,275)
Balance at December 31, 2023	19	62,390	-	62,409	190	5,763	5,953	195,515	263,877	9,270	273,147
Balance at January 1, 2022	19	60,900	-	60,919	190	3,186	3,376	154,880	219,175	3,768	222,943
Profit for the year	-	-	-	-	-	-	-	20,990	20,990	1,740	22,730
Total comprehensive income for the year	-	-	-	-	-	-	-	20,990	20,990	1,740	22,730
Issue of shares	-	1,490	-	1,490	-	(1,490)	(1,490)	-	-	-	-
Recognition of share-based payments	-	-	-	-	-	2,773	2,773	-	2,773	-	2,773
Repurchase of own shares	-	-	(2,475)	(2,475)	-	-	-	-	(2,475)	-	(2,475)
Adjustment arising from change in non-controlling interest	-	-	-	-	-	-	-	(55)	(55)	55	-
Impact of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	10	10
Dividends	-	-	-	-	-	-	-	(7,089)	(7,089)	-	(7,089)
Total contributions by and distributions to owners of company recognised directly in equity	-	1,490	(2,475)	(985)	-	1,283	1,283	(7,144)	(6,846)	65	(6,780)
Balance at December 31, 2022	19	62,390	(2,475)	59,934	190	4,469	4,659	168,726	233,319	5,573	238,892

³ See Note 25 for change in ownership for NCI



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	92,532	73,533
Interest income received		65	35
Finance costs paid		(9,441)	(6,407)
Interest paid on lease liabilities ⁴	13	(2,081)	(818)
Tax paid	30	(11,905)	(10,585)
Net cash from operating activities		69,170	55,758
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(47,876)	(42,974)
Proceeds from sale of property, plant and equipment		69	19
Purchase of intangible assets and cloud computing arrangements		(1,777)	(634)
Purchase of investments at fair value		(9,258)	(9,011)
Proceeds from sale of investments at fair value		4,668	10,637
Cash paid in advance for property, plant and equipment		(5,318)	(5,543)
Net cash used in investing activities		(59,492)	(47,506)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings	31	38,000	20,717
Repayment of loans and borrowings	31	(26,732)	(16,666)
Repayment of principal on lease liabilities	13	(6,152)	(2,916)
Advance payment on leases		(1,205)	(667)
Dividends paid	11	(7,637)	(7,089)
Repurchase of own shares	22	–	(2,475)
Proceeds from issuance of equity to non-controlling interests	25	1,193	–
Purchase of shares from non-controlling interest	25	(1,404)	–
Net cash used in financing activities		(3,987)	(9,096)
Total cash movement for the year		5,741	(844)
Cash at the beginning of the year	20	28,380	30,577
Effect of exchange rate movement on cash balances		245	(1,353)
Total cash at end of the year	20	34,366	28,380

⁴ Interest paid on leases has been reclassified from financing activities to operating activities in current and prior year. The impact of this change was not material to the financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

CORPORATE INFORMATION

Capital Limited (the “Company”) is incorporated in Bermuda. The Company and its subsidiaries (the “Group”) provide drilling, mining (load and haul), crushing, mineral assaying and surveying services. The Group also has a portfolio of investments in listed and unlisted exploration and mining companies.

During the year ended 31 December 2023, the Group provided drilling services in Côte d'Ivoire, Guinea, Gabon, Egypt, Mali, Saudi Arabia, Pakistan, Sudan and Tanzania. Mining services are provided in Egypt and Gabon and mineral analysis services are provided in Canada, Guyana, Mauritania, Nigeria, Côte d'Ivoire, Mali, Tanzania, Kenya, Ghana, Egypt and Democratic Republic of the Congo. The Group's administrative offices is located in the United Kingdom and Mauritius.

1. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of the Group's Annual Financial Statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The Group Annual Financial Statements are presented in United States Dollars, which is also the Group's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

The Group Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

Where additional information has been presented in the current year Annual Financial Statements, the prior year amounts have been presented to be consistent with the presentation in the current year.

The Group Annual Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

1.1 New standards, interpretations and amendments effective from 1 January 2023

In the current year, the Group has applied a number of amendments to IFRS that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

The following amendments are effective for the period beginning 1 January 2023:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose “significant accounting policies” with “material accounting policy information”. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore require disclosure.

These amendments have no effect on the measurement or presentation of any items in the Consolidated financial statements of the Group but affect the disclosure of accounting policies of the Group.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

These amendments had no effect on the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 *continued*

1. BASIS OF PREPARATION (continued)

1.1 New standards, interpretations and amendments effective from 1 January 2023 (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments had no effect on the annual consolidated financial statements of the Group.

International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023.

These amendments had no effect on the annual consolidated financial statements of the Group.

1.2 Standards and interpretations not yet effective

There are a number of standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

Standard/Interpretation	Effective Date Years beginning on or after	Expected Impact
IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)	January 1, 2024	Unlikely there will be a material impact
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)	January 1, 2024	Unlikely there will be a material impact
IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)	January 1, 2024	Unlikely there will be a material impact
IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Amendment – Supplier Finance Arrangements)	January 1, 2024	Increased disclosure in the notes to cash flows and financial instruments around supplier finance arrangements
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment – Lack of Exchangeability)	January 1, 2025	Unlikely there will be a material impact

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.3 Going Concern

As at 31 December 2023, the Group had a robust balance sheet with a low debt gearing with equity of \$273.1 million and loans and borrowings of \$102.6 million. Cash as at 31 December 2023 was \$34.4 million, with net debt of \$68.2 million. Investments in listed entities at the end of December 2023 amounted to \$44.8 million which provided additional flexibility as these investments could be converted into cash.

This robustness is underpinned by stable cash flows generated by a diversified service offering and diversified contract portfolio. Revenues continued to perform strongly in 2023 with increased revenue of 10% compared to 2022. Commercially, the Group secured two long-term major contracts with high-quality customers in 2023: Ivindo Iron in Gabon which is majority owned by major mining company Fortescue Metals Group for drilling, mining and crushing services and Nevada Gold Mines in USA, a JV between Barrick Gold Corporation and Newmont Corporation for comprehensive drilling and laboratory services. The contract with Nevada Gold Mines had not started generating revenue as at 31 December 2023.

In determining the going concern status of the business, the Board has reviewed the Group's forecasts for the 18 months to June 2025, including both forecast liquidity and covenant measurements. In the assessment, management took into consideration the principal risks of the business that are most relevant to the going concern assessment and reverse stressed the forecast model to identify the magnitude of sensitivity required to cause a breach in covenants or risk the going concern of the business, alongside the Group's capacity to mitigate. The most relevant sensitivity was considered to be a decrease in EBITDA through loss of contracts, with no redeployment of equipment. EBITDA would need to fall over 40% during the period of assessment for going concern to breach the covenant test. Given the strong market demand from existing high-quality clients and across a large tendering pipeline, the Group's increased service diversification and the limited contract expiries due during the year, management considers the risk of a deep demand reduction to be low.

Given the Group's exposure to high-quality mine site operations, we consider a decrease of such magnitude to be remote. Based on its assessment of the forecasts, principal risks and uncertainties and mitigating actions considered available to the Group (holding back dividends, sale of listed investments, capex deferral) in the event of downside scenarios, the Board confirms that it is satisfied the Group will be able to continue to operate and meet its liabilities as they fall due over the going concern period to June 2025. Accordingly, the Board has concluded that the going concern basis in the preparation of the Financial Statements is appropriate and that there are no material uncertainties that would cast doubt on that basis of preparation.

1.4 Material Accounting Information

1.4.1 Consolidation

Basis of consolidation

The consolidated Annual Financial Statements incorporate the Annual Financial Statements of the Company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Group.

The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The results of subsidiaries are included in the consolidated Annual Financial Statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the Annual Financial Statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests (NCI) in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to NCI are allocated to the NCI even if this results in a debit balance being recognised for the NCI.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in NCI for such transactions is recognised in equity attributable to the owners of the Company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.4 Material Accounting Information (continued)

1.4.1 Consolidation (continued)

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values unless another measurement basis is required by IFRS.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Asset acquisition

In the event of an asset acquisition, the cost of the acquisition is assigned to the individual assets and liabilities based on their relative fair values. Contingent consideration is accrued for when these amounts are considered probable and are discounted to present value based on the expected timing of payment.

1.4.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Depreciation is recognised in profit or loss so as to write-off the cost of assets, less their residual values, over their expected useful lives using the straight-line method.

For Heavy Mining Equipment (HME), equipment hours are most closely linked with the economic benefits of the asset. On this basis, the unit of production method using equipment hours is the preferred method of depreciation for HME.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.4 Material Accounting Information (continued)

1.4.2 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Drilling rigs	Straight line	5 – 20 years
Associated drilling equipment	Straight line	2 – 7 years
Heavy mining equipment	Production Hours	6,000 – 80,000 hours
Motor vehicles	Straight line	4 – 7 years
Camp and associated equipment	Straight line	3 – 5 years
Leasehold improvements	Straight line	10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. During the year, management has reassessed the residual values and estimated useful lives for drilling rigs, associated drilling equipment and heavy mining equipment. Therefore, this constitutes as a change in accounting estimate and the effect is accounted for prospectively.

The resulting effect of the lower residual values and updated estimated useful lives on depreciation expense for the current year is decrease of \$0.2 million (2022: \$ nil).

There have been no changes to the depreciation methods of assets during the year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Where an item of property, plant and equipment consists of several significant components, management recognises the components separately from the parent asset and assigns a depreciation rate that represents the expected useful of the component.

Capital spares

Capital spare parts and servicing equipment relates to items that can only be used in connection with specific items of property, plant and equipment and are expected to be used for more than one year. They are measured at the lower of cost and net realised value. The cost of capital spare parts comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the capital spare parts to their present location and condition.

Depreciation of capital spares commences when the asset has been installed and is capable of being used. The depreciation charge is based on the expected useful life of the spare while it is being used, which may be shorter than the useful life of the asset to which it relates. When the spare is itself replaced, the asset is derecognised.

Refer to Note 1.4.8 for inventories that are regularly used or replaced, usually as part of a general replacement programme.

1.4.3 Intangible assets

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. For intangible assets, amortisation is provided on a straight-line basis over their useful life once the development of the software has been completed.

The amortisation period and the amortisation method for intangible assets are reviewed annually.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual value as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.4 Material Accounting Information (continued)

1.4.4 Cloud Computing arrangements

The Group has a number of contracts for Software as a Service (“SaaS”) Cloud Computing Arrangements. These contracts permit the Group to access vendor-hosted software and platform services over the term of the arrangement. The Group does not control the underlying assets in these arrangements and costs are expensed as incurred.

The Group also incurs implementation costs in respect of these contracts. Implementation costs are capitalised as intangible assets where costs meet the definition and recognition criteria of an intangible asset under IAS 38. Such costs typically relate to software coding which is capable of providing benefit to the Group on a standalone basis. Other implementation costs primarily relate to the configuration and customisation of the Cloud software solution and are assessed to determine whether the implementation activity relating to these costs is distinct from the Cloud Arrangement, in which case costs are expensed as the activity occurs. If the configuration and customisation costs relate to activity which is integral to the Cloud Arrangement such that the activity is received over the term of the Cloud Arrangement, costs are recognised as a prepayment and expensed over the term of the Cloud Arrangement.

1.4.5 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss.

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or

- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 33 presents the financial instruments held by the Group based on their specific classifications.

Trade and other receivables

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables.

Trade and other receivables are measured, at initial recognition, at fair value plus transaction costs, if any and are classified as either as financial assets at amortised cost or financial assets at fair value through profit or loss (FVTPL).

Amortised cost

Financial assets are classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and the Group’s business model is to collect the contractual cash flows on trade and other receivables.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. They are subsequently measured at amortised cost.

The Group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets measured at amortised cost. When considering ECL, the Group reviews historical and forward-looking information. The amount of expected credit losses is updated at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.4 Material Accounting Information (continued)

1.4.5 Financial instruments (continued)

The Group measures the allowance for credit losses for financial assets measured at amortised cost at an amount equal to lifetime expected credit losses, which represents the expected credit losses that will result from all possible default events over the expected life of the receivable. A default event means when the Group deems that funds are irrecoverable and written off.

Fair value through profit or loss

Financial assets measured at FVTPL are initially recognised and subsequently measured at fair value. The fair value amounts are based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Trade receivables are presented in Note 17, other receivables are presented in Note 18 and fair value measurements are presented in Note 34.

Recoverable VAT

The Group's subsidiaries are subject to value-added tax (VAT) in the jurisdictions in which they operate. The amount of VAT liability is determined by applying the applicable tax rate to the amount invoiced less VAT paid on purchases. When VAT paid on purchases exceed VAT charged on sales of goods and services, the excess is regarded as recoverable upon the submission of VAT returns and the acceptance of these VAT returns by the relevant tax authorities. VAT recoverable is reviewed for impairment at the end of each reporting date. For VAT recoverable longer than one year, the Group considers the appropriateness of discounting for the time value of money.

Recoverable VAT is presented in Note 18.

Investments in equity instruments

Investments in equity instruments are classified mandatorily at fair value through profit or loss.

Investments in equity instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss. Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss.

Investments in equity instruments are presented in Note 19 and details of the valuation policies and processes are presented in Note 34.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and deposits held on call with banks with a maturity period of less than three months.

Cash and cash equivalents are presented in Note 20.

Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of financial liability.

Loans and borrowings are presented in Note 26 and trade and other payables are presented in Note 28.

1.4.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted in countries where the company and its subsidiaries operate at the end of the reporting period.

Current tax assets and liabilities are presented in Note 30.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.4 Material Accounting Information (continued)

1.4.6 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. This is not applicable for the Group as there are no deferred tax assets at the end of the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are presented in Note 27.

Tax expenses

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

When current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Tax expenses are presented in Note 9.

Uncertainty over Income Tax Treatments

When considering the appropriate accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the position adopted, assuming that the tax authority has full knowledge of all related information. If the assessed probability is that the tax authority will not accept the income tax treatment adopted, in accounting for the current and deferred tax asset or liability, the Group makes an assessment of the probable outcome of the uncertain tax position.

Uncertainty over Income Tax Treatments is presented in Note 9.

1.4.7 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is “identified”, which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the Group is a lessee are presented in Note 13 Leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.4 Material Accounting Information (continued)

1.4.7 Leases (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The definition of the lessee's incremental borrowing rate states that the rate should represent what the lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. In practice, judgement will be needed to estimate an incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amount expected to be payable by the Group under residual value guarantees;
- Exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- Penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses. These amounts are presented in Note 6.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs. Finance costs relating to the lease liability are presented in Note 7.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impact the lease terms, which significantly affects the amount of lease liabilities and rights of use of assets recognised.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when there has been:

- Changes to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- Changes in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- Changes to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- Changes in expected payments under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- Modifications to the lease contract and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments included in the measurement of the lease liability comprise the following:

- Initial amount of the corresponding lease liability;
- Any lease payments made at or before the commencement date;
- Any initial direct costs incurred;
- Any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- Less any lease incentives received.

The Group presents the part of the lease payment that represents interest portion of the lease liability as a operating cash flow in Statement of Cash Flows in accordance with IAS 7 Statement of Cash Flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.4 Material Accounting Information (continued)

1.4.7 Leases (continued)

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.4.8 Inventories

Inventories relates to general spare parts, servicing equipment and consumables and are regularly used or replaced as part of a general replacement programme. They are measured at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. Redundant and slow-moving inventory are identified and written down to their net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are used or sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.4.9 Impairment of assets

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. When it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income in profit or loss immediately.

1.4.10 Share capital and equity

Ordinary shares are classified as equity. Ordinary shares are recognised at par value and classified as “share capital” in equity. Any amounts received from the issue of shares in excess of par value is classified as “share premium” in equity. Dividends are recognised as a liability when they are declared.

1.4.11 Treasury shares

Treasury shares represent the shares of the parent company, Capital Limited, that are held in treasury. Treasury shares are recorded at cost and deducted from equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.4 Material Accounting Information (continued)

1.4.12 Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity-settled employee benefits reserve.

Market conditions and non-vesting conditions are taken into account when estimating the fair value of the equity-settled share-based payment.

As an exception, when the Group is obligated, in terms of tax legislation, to withhold an amount of employees' tax associated with an equity-settled share-based payment transaction (thus creating a net settlement feature), the full transaction is still accounted for as an equity-settled share-based payment transaction.

1.4.13 Employee benefits

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages and leave entitlements in the period the related services is rendered. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Retirement Benefits

The Group does not have a legal obligation to provide for retirement benefits, however each subsidiary makes defined contributions for retirement benefits as per the country's statutory obligations and charged to profit or loss as payment falls due.

1.4.14 Revenue recognition

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduced a 5-step approach to revenue recognition:

- Step 1:** Identify the contract(s) with a customer;
- Step 2:** Identify the performance obligations in the contract;
- Step 3:** Determine the transaction price;
- Step 4:** Allocate the transaction price to the performance obligations in the contract; and
- Step 5:** Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Performance obligations and timing of revenue recognition

Revenue from a contract to provide services is recognised by reference to either the stage of completion (over time) or at a point in time. The Group recognises revenue from the following streams:

- Drilling, mining, crushing and associated revenue:
 - Revenue from drilling, mining and crushing services contracts is recognised at the contractual rates as the respective services are delivered.
 - Revenue for mobilisation of drilling, mining and crushing equipment and associated resources is recognised over the term of the contract.
 - Revenue for demobilisation of drilling, mining and crushing equipment and associated resources is recognised at a point of time when the contract is concluded.
 - Revenue where the Group purchases equipment on behalf of the customer is recorded at a point in time when the goods have been delivered on-site to the customer;
- Revenue from surveying is recognised at the contractual rates as the survey services are delivered; and
- Laboratory analysis of drilling samples relates to sample analysis by MSALABS provided to customers. Transfer of benefits occurs when testing is completed for each sample received and results communicated to customers. Samples are received in batches from customers and processed continuously. Revenue is recognised when testing of a batch is completed and when results are communicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.4 Material Accounting Information (continued)

1.4.14 Revenue recognition (continued)

Costs to fulfil a contract

The Group recognises assets relating to the costs incurred to fulfil a contract or setup costs (mobilisation costs) that are directly related to the principal contract, provided that they will be recovered through the performance of the contract.

Costs required to set up the contract, mobilisation costs are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Group if the contract had not been obtained. They are amortised over the period of the contract. If the above conditions are not met, these costs are taken directly to profit or loss.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably). Dividend income is only recognised when all the above criteria was met.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.4.15 Translation of foreign currencies

Functional and presentation currency

The individual Financial Statements of each Group Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Group Financial Statements, the results and financial statements of each company within the Group are translated to United States Dollars, which is the functional currency of the Group and the presentation currency for the Group Financial Statements.

Foreign currency transactions

In preparing the Financial Statements of the individual Group companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting Group Financial Statements, the assets and liabilities of the Group's foreign operations are translated into United States Dollars at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 continued

1. BASIS OF PREPARATION (continued)

1.4 Material Accounting Information (continued)

1.4.16 Contingent Liabilities

A contingent liability is a possible obligation from past events that will be confirmed by some future event or a present obligation from a past event, but either:

- Outflow of economic benefits to satisfy this obligation is not probable, or
- Amount of obligation cannot be reliably measured.

In events where firm indications of a possible obligation exist the Group will use judgements based on estimates from expert advice to provide for the portion of the possible expense.

1.4.17 Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, if it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax discount rate specific to the liability.

1.4.18 Consideration of climate change

In preparing the Group's Annual Financial Statements, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosure on pages 40 to 53 this year. There has been no material impact identified on the financial reporting judgements and estimates. In particular, the Directors considered the impact of climate change in respect of the following areas:

- Going concern and viability of the Group over the next three years;
- Cash flow forecasts used in the impairment assessments of non-current assets; and
- Carrying value and useful economic lives of property, plant and equipment.

Whilst there is currently no medium-term impact expected from climate change, the Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's Annual Financial Statements.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Annual Financial Statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.1 Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the Annual Financial Statements, are outlined as follows:

Impairment of property, plant & equipment

At the end of every year, management uses judgement to review the indicators of impairment of property, plant and equipment. Depending on those indicators, management will determine if an impairment review needs to be done. Refer to Note 12 for details on external indicators and management assessment on the impairment of property, plant and equipment.

Going concern

There is an element of judgement involved in determining the financial forecasts and availability of cash and headroom over banking facilities and covenants in the context of the Group's principal risks. Refer to Note 1.3 for the detailed assessment on going concern.

Recoverability of trade receivables

The Group has material amounts of billed and unbilled services outstanding at 31 December 2023. Receivables are recognised initially at cost (being the same as fair value) and subsequently at amortised cost less any allowance for impairment, to ensure that amounts recognised represent the recoverable amount. The Group recognises a loss allowance for expected credit losses (ECL) on all receivable balances from customers using a lifetime credit loss approach and includes specific allowance for impairment where there is evidence that the Group will not be able to collect amounts due from customers, subsequent to initial recognition. Management applies judgement on specific allowances for impairment based on the information available at each reporting date which includes information about past events, current conditions and forecasts of the future economic condition of customers. Further details of the Group's recoverability are provided for trade receivables in Note 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

2.1 Critical judgements in applying accounting policies (continued)

Contingent liabilities

Management applies its judgement to the fact patterns and advice it receives from its attorney, advocates and other advisors in assessing if an obligation, including taxation-related claims, is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability. Further details of the Group's contingent liabilities are provided in Note 38.

Uncertain taxation provisions

The Group operates internationally in territories with different and complex tax codes.

Management exercises judgement in relation to the level of provision required for uncertain tax outcomes. There are a number of tax positions not yet agreed with the tax authorities where different interpretation of legislation and commercial arrangements could lead to a range of outcomes. The tax positions under review covers corporate income tax, VAT, minimum income tax, withholding taxes and payroll. Judgements are made for each position having regard to the particular circumstances and advice obtained.

Management also exercises judgement in assessing the availability of suitable future taxable profits to support deferred tax asset recognition.

Further details of the Group's tax position are provided in Note 27, Note 30 and Note 38.

Classification of spare parts and servicing equipment

Management exercises judgement in assessing spare parts and servicing equipment classification. Spare parts and servicing equipment are carried as inventory and recognised as an expense when consumed. However major spares stand-by equipment qualifies as property, plant and equipment when an entity expects to use them during more than one period and if spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Investments at fair value

The Group holds investments classed as Level 3. The Group has assessed the fair value of these investments based on a net asset approach and a cost approach. This requires Directors' estimates to be used and judgements to be made with any gain or loss in fair value recognised in the statement of profit or loss. Further details of the Group's investments at fair value are provided in Note 19.

Recoverability value-added tax ("VAT")

Included in trade and other receivables are material recoverable VAT balances owing mainly by the fiscal authorities in a number of jurisdictions. In assessing the recoverability of the VAT balance, the Group assessed the ECL on the VAT amounts owing based on current and historic correspondence with the relevant fiscal authorities and consultation with local tax experts.

The Group is following the relevant process in each country to recoup the VAT balances owing and continues to engage with authorities to estimate if all amounts are recoverable and to accelerate the refund of the outstanding VAT balances.

Further details of the Group's VAT recoverability are provided in Note 18.

2.2 Key sources of estimation uncertainty

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful economic lives of drilling rigs and heavy mining equipment were reviewed during the year which resulted in the useful lives being updated. The change is applied prospectively in the determination of the depreciation charge.

Heavy mining equipment is depreciated using the unit of production method based on the estimated production hours. The estimated production hours for each type of equipment are based on the original equipment manufacturers standards, together with an assessment by the Group's technical team.

The useful lives of property, plant and equipment could be reduced by climate-related matters, for example, as a result of physical risks, obsolescence or legal restrictions. The change in useful lives would have a direct impact on the amount of depreciation or amortisation recognised each year from the date of reassessment. The Directors' review of useful lives has taken into consideration the impacts of the Group's decarbonisation commitments and has not had a material impact on the results for the year.

Further details of the Group's property, plant and equipment are provided in Note 1.4.2 and Note 12.

Share-based payments

In calculating the share-based payment charge for the year under IFRS 2 Share-based Payments, certain assumptions have been made surrounding the future performance of the Group's share price and the number of employees likely to remain employed during the duration of the option life period. In addition, in order to arrive at a fair value for each of the grants, certain parameters have been assumed for the grants and these have been disclosed in Note 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

2.2 Key sources of estimation uncertainty (continued)

Transportation costs – Freight and customs

The Group has significant inventory which is purchased across the world. Freight and custom costs are only capitalised on initial recognition when the inventory is purchased. In order to allocate freight and customs incurred to inventories, management makes use of the inventory consumption during the year to determine the percentage of freight and customs costs which are attributable to inventory and cost of sales. Further details of the Group's inventories are provided in Note 16.

Inventory provisions

Inventories are valued at the lower of cost and net realisable value. At year end, management estimates the net realisable value of inventories in order to decide whether to make provision for obsolescence. Factors which are considered include the ageing profile of inventories, storage conditions as well as the shelf life of specific inventories.

Climate-related matters may affect the value of inventory as they could become obsolete as a result of a decline in selling prices or a reduction in demand. After consideration of the typical stock-turns of the inventory in relation to the rate of change in the market the Directors consider that inventory is appropriately valued.

Refer to Note 6 and Note 16 for details on the amount of inventory provision for obsolescence.

Incremental borrowing rate

The Group used estimates of its incremental borrowing rate to calculate the present value of future lease payments at the date of adoption/commencement of the leases. The Group calculated its incremental borrowing rate based on existing loan facility arrangements. The weighted average incremental borrowing rate applied to lease arrangements entered into during the year was 10.0% (2022: 7.0%). Further details of the Group's loans and borrowing are provided in Note 26.

2.3 Fair value measurement

In estimating an asset or liability's fair value, the Group takes into account the asset or liability's characteristics if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these Financial Statements is determined on such a basis, except for share-based payment transactions that are in the scope of IFRS 2, leasing transactions which are within the scope of IFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the item's fair value measurement. Transfers of items between levels are recognised in the period they occur.

Further details of the Group's financial instruments are provided in Note 33 and further details of the Group's fair value investments are provided in Note 19 and Note 34.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

3. REVENUE

Revenue from the rendering of services comprises:

	2023 \$'000	2022 \$'000
Drilling and associated revenue	211,552	208,562
Mining and associated revenue	64,721	49,763
Laboratory services revenue	38,405	27,305
Revenue from surveying	3,746	4,654
Total revenue	318,424	290,284

The Group has four revenue streams:

- Drilling revenue relates to drilling services revenue where the terms of the contract with customers requires the Group to drill a specified number of metres at a specified drilling rate. Revenue is recognised over time as the drilling services are provided, which in turn fulfils the performance obligations. Under IFRS 15, it has been concluded that the Group has an enforceable right to payment for performance completed.

The transaction price for drilling is the price per meter drilled multiplied by the number of metres drilled. The e-plod system is a day-by-day tracker of the metres drilled per rig. This takes into account the metres, relevant rate per meter and leads to the revenue number. Revenue recognition occurs when the relevant geologist/mine manager signs and accepts the e-plod report which is converted monthly/bi-monthly into invoices.

Revenue for mobilisation of drilling equipment and associated resources is classified on the Statement of Financial Position as unearned revenue (contract liability) and is recognised over the term of the contract.

Revenue for demobilisation is recognised at a point in time when the contract is concluded and the Group has physically demobilised off the site. Related costs of demobilisation are charged to profit or loss as incurred.

- Mining revenue relates to contracted mining services, equipment rental services and mobilisation of equipment at customers' mine sites.

Revenue for the mining services is generated based on the bank cubic metres (BCM) moved multiplied by the rates per bank cubic metre as per the contract and fixed monthly fees. Revenue is recognised over time as the load and haul service is provided, which in turn fulfils the performance obligations. Invoices are raised monthly after customer sign off and acceptance of the progress claim that details tonnage of earth moved at the contracted rates.

The mining equipment rental contracts consists of both the variable and fixed fee rates. Revenue is generated based on the fixed fee per equipment plus the variable rate multiplied by the number of hours the equipment worked for the month. Invoices are raised monthly with customer sign off on equipment engine hours. Customers are given 30 days credit periods for services rendered.

Revenue for mobilisation of mining equipment and associated resources is classified on the Statement of Financial Position as unearned revenue (contract liability) and is recognised over the term of the contract.

Revenue for demobilisation is recognised at a point in time when the contract is concluded and the Group has physically demobilised off the site. Related costs of demobilisation are charged to profit or loss as incurred.

The Group, acting as a principal, can sometimes purchase equipment on behalf of the customer. Revenue is recorded at a point in time when control has been transferred to the customer, generally being when the goods have been delivered to a customer on-site pursuant to the sales order.

- Laboratory analysis of drilling samples relates to sample analysis by MSALABS provided to customers. Samples are analysed and invoiced as and when the results are obtained and communicated to customers. Under IFRS 15 it has been concluded that the Group has an enforceable right to payment for performance completed.
- Revenue from surveying relates to short-term hire of down hole surveying equipment. Under IFRS 15, it has been concluded that the Group has an enforceable right to payment for performance completed. Meeting of performance obligations and transfer of benefits is continuous.

The Group had recognised \$5.4 million (2022: \$2.3 million) on the Statement of Financial Position and amortised \$1.8 million (2022: \$1.4 million) to the Statement of Comprehensive Income in relation to costs to fulfil contracts.

There are no significant financing components present in any of the Group's contracts with customers.

The Group applies the practical expedient in IFRS 15:121 as the Group has a right to consideration from its customers for the value of the drilling or mining services that have already been provided. No other consideration is generated from its customers outside the contracts already in place.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

4. COST OF SALES

	2023 \$'000	2022 \$'000
Employee cost (Note 6)	70,864	63,236
Consumables	24,554	20,716
Repairs and maintenance	23,250	24,649
Fuel	5,530	8,056
Camp operational cost	6,116	5,438
Other cost of sales	11,469	5,938
Freight and customs	10,634	10,036
Equipment hire	2,245	2,014
Travel and accommodation	6,308	5,423
Safety gear and equipment	3,517	3,128
Establishment cost	612	945
Others	6,425	6,273
Total cost of sales	171,524	155,852

5. ADMINISTRATION EXPENSES

	2023 \$'000	2022 \$'000
Employee cost (Note 6)	19,809	16,324
Professional fees	3,813	3,848
Insurance	1,986	1,886
Rental cost	1,605	1,549
Share-based payment expenses (Note 6)	3,540	2,774
Bad debts written off	218	1,458
Increase in net expected credit loss provision (Note 17)	1,717	2,980
Travel and accommodation	3,211	2,499
Bank charges	1,382	1,277
Foreign exchange (gain) / loss	(151)	1,711
Software costs	1,933	1,104
Other expenses	7,789	6,921
Total administration expenses	46,852	44,331

NOTES CONTINUED

6. PROFIT FROM OPERATIONS

The following items have been recognised as expenses in determining profit from operations:

	2023 \$'000	2022 \$'000			
Depreciation, amortisation and impairments			Other		
Rights of use assets	7,510	3,458	Loss on disposal of property, plant and equipment	946	669
Computer software	7	4	Legal and professional fees	3,813	3,848
Drilling rigs	10,521	10,373	Stock write-off	691	200
Associated drilling equipment	4,900	3,134	Provision for inventory obsolescence	574	745
Vehicles and trucks	4,493	3,180	Allowance for credit losses	1,716	2,981
Camp and associated equipment	2,594	1,390	Bad debts written off	218	1,458
Mining equipment	9,302	8,877	Other taxes	558	333
Total depreciation	39,327	30,416	Increase / (decrease) in provisions for other taxes	136	(288)
Impairment					
Vehicles and trucks	389	–			
Camp and associated equipment	50	–			
Total impairment	439	–			
Total depreciation, amortisation and impairments	39,766	30,416			
Operating lease expense					
Short term equipment rental	3,786	3,335			
Employee costs					
Salaries, wages, bonuses and other benefits	90,673	79,560			
Share-based compensation expense	3,540	2,774			
Total employee costs	94,213	82,334			

NOTES CONTINUED

7. FINANCE COSTS

	2023 \$'000	2022 \$'000
Interest on lease liabilities	2,081	818
Interest on bank loans	7,705	4,220
Interest on supplier credit facilities	1,943	1,005
Amortised debt arrangement costs	1,240	439
Other interest paid	33	874
Total finance charges	13,002	7,356

8. FAIR VALUE GAIN / (LOSS) ON FINANCIAL ASSETS

Fair value gain / loss on financial assets recognised during the year consists of:

	2023 \$'000	2022 \$'000
Valuation of equity investments at fair value through profit or loss	3,513	(19,535)
Valuation of derivative financial assets through profit or loss	53	(555)
Realised gain on disposal of equity investments	347	292
Valuation of receivables at fair value through profit or loss	(924)	–
Fair value gain / (loss) on investments	2,989	(19,798)

9. TAXATION

Major components of the tax expense:

	2023 \$'000	2022 \$'000
Current		
Income tax – current period	11,140	9,371
Income tax – recognised in current tax for prior periods	(363)	205
Withholding tax – current period	1,027	260
Total current taxation	11,804	9,836
Deferred		
Current year	–	–
Total deferred taxation	–	–
Total taxation	11,804	9,836

Capital Limited is incorporated in Bermuda and is domiciled in the United Kingdom for tax purposes from 1 January 2023. Taxation is calculated in terms of the legislation and rates prevailing in the respective jurisdictions.

NOTES CONTINUED

9. TAXATION (continued)

Reconciliation of the tax expense

The taxation charge for the year can be reconciled to the theoretical amount that would arise using the basic tax rate on the profit or loss per the Statement of Comprehensive Income as follows:

	2023 \$'000	2022 \$'000
Accounting profit before tax	50,334	32,566
Tax at domestic rates applicable to profits and losses in the jurisdictions in which the Group operates	983	4,190
Tax effect of adjustments on taxable income		
Revenue-based and other withholding taxes	4,987	3,349
Permanent differences	4,806	623
Prior year under provision	(363)	205
Losses not recognised	1,391	1,469
Total taxation	11,804	9,836

The Group's consolidated income tax expense is affected by the varying tax laws and income tax rates in effect in the various countries in which it operates, which are mainly in Africa, Middle East and the Americas.

Uncertain income tax positions

The Group operates in multiple jurisdictions with complex legal and tax regulatory environments. In certain of these jurisdictions, the Group has taken income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and relate to the interpretation of income tax laws. The Group periodically reassesses its tax positions. Changes to the financial statement recognition, measurement, and disclosure of tax positions is based on management's best judgment given any changes in the facts, circumstances, information available and applicable tax laws. Considering all available information and the history of resolving income tax uncertainties, the Group believes that the ultimate resolution of such matters will not likely have a material effect on the Group's financial position, statements of income or cash flows.

10. EARNINGS PER SHARE

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2023	2022
Earnings for the year, used in the calculation of basic earnings per share (\$'000)	36,737	20,990
Adjusted for:		
Fair value (gain) / loss on investments (\$'000)	(2,989)	19,798
Earnings for the year, used in the calculation of basic earnings per share (adjusted) (\$'000)	33,748	40,788
Weighted average number of ordinary shares for the purposes of basic earnings per share (No.)	192,451,358	189,653,369
Basic earnings per share (\$c)	19.09	11.07
Basic earnings per share (adjusted) (\$c)	17.54	21.51

Diluted earnings per share

The earnings used in the calculation of diluted earnings per share measures are the same as those used in the equivalent basic earnings per share measures, as outlined above.

NOTES CONTINUED

10. EARNINGS PER SHARE (continued)

	2023	2022
Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share		
Weighted average number of ordinary shares used for basic earnings per share	192,451,358	189,653,369
Adjusted for:		
Effect of STIP and LTIP shares	2,801,729	6,263,799
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	195,253,087	195,917,168
	2023	2022
Diluted earnings per share (\$c)	18.82	10.71
Diluted earnings per share (adjusted) (\$c)	17.28	20.82

11. DIVIDENDS PAID

	2023 \$'000	2022 \$'000
Dividends	7,637	7,089

During the 12 months ended 31 December 2023, a dividend of 2.6 cents (2022: 2.4 cents) per ordinary share, totalling to \$5.0 million (2022: \$4.6 million) was declared as the final dividend for 2022. This dividend was paid to the shareholders on 9 May 2023 (2022: 10 May 2022), followed by a further dividend of 1.3 cents (2022: 1.3 cents) per share which was declared as interim dividend for 2023 totalling \$2.5 million (2022: \$2.5 million) and paid on 3 October 2023 (2022: 3 October 2022). The total dividend paid is \$7.6 million (2022: \$7.1 million).

In respect of the year ended 31 December 2023, the Directors propose that a final dividend of 2.6 cents (2022: 2.6 cents) per share be paid to shareholders on 15 May 2024 (2022: 9 May 2023). This final dividend has not been included as a liability in these Consolidated Financial Statements. The proposed final dividend is payable to all shareholders on the Register of Members on 19 April 2024 (2022: 14 April 2023). The total estimated final dividend to be paid is \$5.0 million (2022: \$5.0 million). The payment of this final dividend will not have any tax consequences for the Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

12. PROPERTY, PLANT AND EQUIPMENT

Cost	Drilling Rigs \$'000	Heavy mining equipment \$'000	Associated drilling equipment \$'000	Vehicles and trucks \$'000	Camp and associated equipment \$'000	Computer software \$'000	Leasehold improvements \$'000	Total \$'000
At 1 January 2022	124,252	59,225	23,691	33,594	13,877	38	1,654	256,331
Additions	21,873	12,309	12,134	5,618	4,772	–	–	56,706
Disposal	(6,755)	(90)	(4,426)	(1,426)	(480)	–	–	(13,177)
At 31 December 2022	139,370	71,444	31,399	37,786	18,169	38	1,654	299,860
Additions	27,061	10,416	11,884	10,491	9,404	14	–	69,270
Disposal	(18,189)	–	(1,906)	(1,259)	(530)	–	–	(21,884)
At 31 December 2023	148,242	81,860	41,377	47,018	27,043	52	1,654	347,246
Accumulated Depreciation	Drilling Rigs \$'000	Heavy mining equipment \$'000	Associated drilling equipment \$'000	Vehicles and trucks \$'000	Camp and associated equipment \$'000	Computer software \$'000	Leasehold improvements \$'000	Total \$'000
At 1 January 2022	75,825	7,980	7,954	13,761	7,106	9	97	112,732
Depreciation	10,373	8,877	3,135	3,181	1,390	4	–	26,960
Disposal	(6,410)	(81)	(4,345)	(1,246)	(408)	–	–	(12,490)
At 31 December 2022	79,788	16,776	6,744	15,696	8,088	13	97	127,202
Depreciation	10,521	9,302	4,900	4,493	2,594	7	–	31,817
Impairment	–	–	–	389	50	–	–	439
Disposal	(17,412)	–	(1,783)	(1,157)	(517)	–	–	(20,869)
At 31 December 2023	72,897	26,078	9,860	19,421	10,215	20	97	138,589
Carrying amount at 31 December 2022	59,581	54,668	24,656	22,090	10,081	25	1,557	172,658
Carrying amount at 31 December 2023	75,345	55,782	31,516	27,597	16,828	32	1,557	208,657

Bank borrowings are secured on the Group's drilling and mining fleet – see Note 26.

The Group's property plant and equipment includes assets not yet commissioned totalling \$43.1 million (2022: \$24.6 million). The assets will be depreciated once commissioned and available for use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment

The Group reviews the carrying amounts of its tangible assets at the end of each reporting period to determine whether there is any indication that those assets may be impaired. Property, plant and equipment was tested for impairment at the reporting date. As at this date, Management did not identify any impairment indicators to warrant a detailed impairment review.

A checklist is made against both the external and internal sources of impairment. These indicators include:

- Unexpected decline in market value of the asset
- Adverse technological changes, market or legal environment
- Impact of climate change transitions
- Changes in customer demands to which Capital Limited fails to respond
- Visual inspections of the asset during scheduled maintenance

Due to the ongoing conflict in Sudan, the Group has recognised an impairment loss during the year of \$0.4 million (\$ nil). Besides the Sudan impairment, there was no indication of impairment with regards to the Group's property, plant and equipment. Market values are still stable and in line with the carrying values on the assets.

Routine maintenance is carried out on the assets as required, including parts change out and service.

13. LEASES

Details pertaining to leasing arrangements, where the Group is lessee are presented below:

	Machinery \$'000	Land & Buildings \$'000	Total \$'000
Right-of-use assets			
At 1 January 2022	7,992	1,859	9,851
Additions	7,736	2,522	10,258
Depreciation	(2,641)	(816)	(3,457)
At 31 December 2022	13,087	3,565	16,652
Additions	17,712	2,830	20,542
Depreciation	(6,220)	(1,290)	(7,510)
At 31 December 2023	24,579	5,105	29,684
Lease liabilities			
At 1 January 2022	8,048	1,543	9,591
Additions	7,069	2,522	9,591
Interest expense	651	167	818
Lease payments	(2,897)	(836)	(3,733)
At 31 December 2022	12,871	3,396	16,267
Additions	16,506	2,830	19,336
Interest expense	1,750	331	2,081
Lease payments	(6,861)	(1,373)	(8,234)
At 31 December 2023	24,266	5,184	29,450

The weighted average incremental borrowing rate applied to lease liabilities during the year was 10% (2022: 7%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

13. LEASES (continued)

Lease liabilities

The maturity analysis of lease liabilities is as follows:

	2023 \$'000	2022 \$'000
Within one year	8,341	4,139
Two to five years	21,109	12,127
	29,450	16,266
Current liabilities	8,341	4,139
Non-current liabilities	21,109	12,127
	29,450	16,266

The Group's machinery leases mainly relate to the Chrysos PhotonAssay™ units for the laboratory business. The Group recognises lease liabilities and right-of-use assets once the units have been commissioned for use on site. During 2023, five Chrysos units were commissioned (2022: four units).

14. GOODWILL

	2023			2022		
	Cost \$'000	Accumulated impairment \$'000	Carrying value \$'000	Cost \$'000	Accumulated impairment \$'000	Carrying value \$'000
Group						
Goodwill	1,296	–	1,296	1,296	–	1,296

Goodwill arose from the business combination with the acquisition of control in MSA Mineral Services Analytical (Canada) Inc. (MSALABS) in 2019 and International Apprenticeship & Competency Academy Limited (IACA) in 2022 (see Note 25).

At 31 December 2023, the Group owns 81.8% (2022: 76.7%) of the share capital in MSA and 75% (2022: 75%) of the share capital in IACA. The goodwill arising on the IACA acquisition are not considered to be material to these financial statements.

Goodwill Impairment

The Group is required to test on an annual basis whether goodwill has suffered any impairments. Discounted cash flows were used to assess the goodwill as at 31 December 2023 and no impairment was found. The discount rate used was 20% (2022: 20%) with growth rate of 5% (2022: 5%). Cash flow forecast was performed for five years up to 31 December 2028 with terminal values estimated thereafter at a growth rate of 0% (2022: 0%).

Key assumptions

The Group regards MSALABS as a single Cash Generating Unit (CGU) for the purpose of testing for goodwill impairment. The recoverable amount for this CGU is based on value in use which is derived from discounted cashflow calculations. The key assumptions applied in value in use calculations are those regarding EBITDA, growth rates and discount rates.

Forecasting EBITDA

For MSALABS, the Group prepared cashflow projections for the 5 years to 31 December 2028 as noted above, based on the most recent forecasts for the year ending 31 December 2024 and the Group's outlook on the health of the metals and mining sector over that period.

Growth rates

Revenue growth rates applied to the value in use calculations for MSALABS reflect management's strategy and outlook on the metals and mining sector and particularly on the gold mining sector where a growth rate of 5% per year has been used as a base case scenario.

Discount rates

The pre-tax discount rates used to assess the forecast cashflows for MSALABS was based on estimates of the risk-free rate and uplifted by management's own assessment of business risks and specific risks of operating in the metals and mining sector. This was estimated at 20% at 31 December 2023.

Sensitivity analysis

A sensitivity analysis was performed and management concluded that changes in the key assumptions did not result in an impairment of the goodwill in MSALABS. Discount rates between 12% and 25% and growth rates between 1% and 20% were used in the value-in-use workings. Even at such levels, management concluded that no impairment was required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

15. INTANGIBLE ASSETS

Reconciliation of intangible assets

	2023 \$'000	2022 \$'000
Cost		
At 1 January	1,916	1,282
Additions	128	634
Reclassified to prepayments (Note 18)	(1,472)	0
At 31 December	572	1,916

The Group's intangible assets consists of expenditure on the Group's Laboratory Information Management System (LIMS). The intangible assets have not yet been amortised as they were still in the development stage at the reporting date. No impairment indicators have been identified in respect of the intangible assets.

Expenditure in respect of the ERP implementation has been reclassified to Prepayments as the costs do not meet the definition and recognition of an intangible asset under IAS 38. However in accordance with the accounting policy set out in 1.4.4, these configuration and customisation costs have been recognised as a prepayment to be expensed over the term of the cloud computing contract.

16. INVENTORIES

	2023 \$'000	2022 \$'000
Gross carrying value of inventory	63,724	59,955
Less: provision for inventory obsolescence	(1,802)	(1,260)
	61,922	58,695

The cost of inventories recognised as an expense in the current year amounts to \$21.3 million (2022: \$18.3 million). During the year, the Group wrote off \$0.7 million (2022: \$0.2 million) of inventory. A provision of \$0.6 million (2022: \$0.7 million) was made during the year, resulting in an increase in the carrying amount of the provision. Refer to Note 6 for details of the amount of write-down of inventories recognised as an expense in the period.

17. TRADE RECEIVABLES

	2023 \$'000	2022 \$'000
Trade receivables	54,264	44,523
Less: allowance for credit losses	(4,697)	(2,981)
Total trade receivables	49,567	41,542

Trade receivables have credit periods of between 30 to 45 days. The ageing of trade receivables is detailed below:

	2023 \$'000	2022 \$'000
Current	26,139	29,298
Past due 1 – 30 days	6,583	6,505
Past due 31 – 60 days	12,913	1,299
Past due over 120 days	8,629	7,421
	54,264	44,523

Before accepting new customers, the Group assesses the potential customer's credit quality and defines credit limits for each customer. Customer credit limits are reviewed annually. The Group's credit risk is concentrated as the Group currently provides drilling services to a limited number of major and mid-tier mining companies as well as some junior explorers.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates have been based on current and forward-looking information on micro and macroeconomic factors affecting the Group's customers. The Group has identified the metals and mining sector's credit loss probability rates as the key macroeconomic factor in countries where the Group operates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

17. TRADE RECEIVABLES (continued)

The lifetime expected loss provision for trade receivables is as follows:

31 December 2023	Current \$'000	1-30 days past due \$'000	31-60 days past due \$'000	Over 120 days past due \$'000	Total \$'000
Expected loss rate	0.2%	1.7%	0.1%	52.4%	8.7%
Gross carrying amount	26,139	6,583	12,913	8,629	54,264
Loss provision	49	113	14	4,521	4,697

Movements in the impairment allowance for trade receivables are as follows:

	2023 \$'000	2022 \$'000
Opening provision for impairment of trade receivables	2,981	-
Increase during the year	1,934	4,438
Receivables written off during the year as uncollectable	(218)	(1,457)
At 31 December	4,697	2,981

The Directors consider that the carrying amount of trade and other receivables approximate their fair values.

18. OTHER RECEIVABLES

	2023 \$'000	2022 \$'000
Prepayments	7,529	4,334
Capitalised contract costs	3,783	1,585
VAT recoverable	7,561	6,485
Amounts due from non-controlling interest	5,536	6,460
Accounts receivable – Sundry	4,025	2,124
Prepayment for fixed assets	5,318	5,543
Others	92	2
	33,844	26,533
Current	24,055	20,073
Non-current	9,789	6,460
	33,844	26,533

Non-current receivable consists of prepayments for ERP implementation cost, capitalised contract costs and amounts due from the non-controlling interest in CK Washirika Limited. Capitalised contract costs are amortised over the period of the respective contracts. The amount due from the non-controlling interest in CK Washirika Limited is measured at fair value through profit or loss and will be settled by future dividends in CK Washirika Limited. The Directors have assessed the expected credit loss allowance in respect of the current and non-current receivables to be immaterial.

The configuration and customisation of the ERP software is expected to complete during 2024. The costs will be expensed over the term of the cloud computing contract.

The Group expects to realise the prepayment for fixed assets within 12 months through receipt of the underlying property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

19. INVESTMENTS AT FAIR VALUE

Equity investments at fair value through profit or loss:

	2023 \$'000	2022 \$'000
Mandatorily at fair value through profit or loss:		
Level 1 shares	44,756	30,435
Level 3 shares	2,398	8,292
	47,154	38,727

The reconciliation of the investment valuations from 1 January to 31 December is as follows:

	Level 1 \$'000	Level 3 \$'000	Total \$'000
At 1 January 2023	30,435	8,292	38,727
Additions	7,238	2,020	9,258
Disposal	(3,313)	(1,083)	(4,396)
Fair value gain / (loss)	3,512	53	3,565
Transfers	6,884	(6,884)	–
At 31 December 2023	44,756	2,398	47,154
	Level 1 \$'000	Level 3 \$'000	Total \$'000
At 1 January 2022	51,959	8,193	60,152
Additions	8,713	297	9,010
Disposal	(10,345)	–	(10,345)
Fair value gain/(loss)	(19,892)	(198)	(20,090)
At 31 December 2022	30,435	8,292	38,727

Transfer from Level 3 to Level 1

The Group owns shares in Allied Gold Corporation (Allied Gold). The Group valued Allied Gold on a Level 3 hierarchy until Allied Gold listed on the Toronto Stock Exchange (TSX) in September 2023. As Allied Gold's shares are listed on active markets, the valuation method of the shareholding in Allied Gold has been upgraded to Level 1.

Fair value information

Level 1 shares

Market approach – Listed share price.

The Group's interests in various listed shares are valued at the 31 December 2023 closing prices. No secondary valuation methodologies have been considered as the Company's Level 1 investments are listed on active markets.

Level 3 shares

The Group's investments held at Level 3 are valued either on a net asset approach or cost approach.

Net asset approach

Management applied a net asset valuation methodology at 31 December 2023 for certain unlisted investments based on the Group's share ownership percentage of the unlisted company's net asset value. The unlisted company publishes some of its significant net asset value information and management then derives the investment at fair value attributable to the Group.

Cost approach

Management holds all other unlisted investments at cost where this represents the best estimate of fair value.

NOTES CONTINUED

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2023 \$'000	2022 \$'000
Cash on hand	1,183	105
Bank balances	33,183	28,275
Total cash and cash equivalents	34,366	28,380

21. SHARE CAPITAL AND PREMIUM

	2023 \$'000	2022 \$'000
Authorised		
2,000,000,000 (2022: 2,000,000,000) Ordinary shares of \$0.0001 (2022: \$0.0001) each	200	200
Number of ordinary shares		
Balance at beginning of period	192,864,738	190,054,838
Number of shares issued	832,182	2,809,900
Balance at end of period	193,696,920	192,864,738
Number of shares reserved for issue under options	–	1,973,551

In April 2023, the Group issued 832,182 new common shares pursuant to the Group's employee short- and long-term incentive plans. The shares rank pari passu with the existing ordinary shares. Fully paid ordinary shares which have a par value of 0.01 cents, carry one vote per share and carry rights to dividends.

	2023 \$'000	2022 \$'000
Issued share capital		
Balance at beginning of period	19	19
Share issued	–	–
Balance at end of period	19	19

The holders of ordinary shares have the same rights. They are entitled to receive dividends as declared from time to time and to one vote per share at the shareholders' meeting.

	2023 \$'000	2022 \$'000
Share premium		
Balance at beginning of period	62,390	60,900
Share issue	–	1,490
Balance at end of period	62,390	62,390

22. TREASURY SHARES

	2023 \$'000	2022 \$'000
Balance at 1 January	2,475	–
Acquired in the year	–	2,475
Issued in the year	(2,475)	–
Balance at 31 December	–	2,475

The treasury shares reserve represents the cost of shares in Capital Limited purchased in the market and held by the Company to satisfy options under the Group's share options plans. The number of ordinary shares held by the Company at 31 December 2023 was nil (2022: 1,973,551).

During the year, the treasury shares were reissued to employees against the LTIPs and STIPs that vested during the year.

NOTES CONTINUED

23. EQUITY-SETTLED EMPLOYEE BENEFITS RESERVE

All employees of the Group are eligible to participate in the discretionary bonus incentive scheme approved by the Remuneration Committee. The scheme incentivises the achievement of a range of short-term and long-term performance targets that are key to the success of the Group. The Remuneration Committee grants at its discretion options or share awards at no costs to the employee based on individual performance. Employees to whom options or share awards are offered are required to accept the offer prior to issuance of the certificate.

Grant terms are determined by the Remuneration Committee on the date of the grant. These include the number of options or share awards, vesting terms, exercise price and expiry date which are communicated to employees in the offer notice. Options or share awards are forfeited if the employee leaves the Group before the vesting date. If options are not exercised by the expiry date, they are cancelled. Details of the share options or share awards outstanding during the year are as follows:

2022 & 2023 Short Term Incentive Plans (STIP)

Share awards were granted under the 2022 STIP. The total value of the grant in shares was \$1.6 million. The total number of shares granted was 1,245,761 and the share price used in the calculation was GBP 0.916 which was the quoted price of the shares as at 10 March 2022. Vesting date is 31 March 2024 and vesting is contingent on continued employment to that date. The Group has expensed \$0.8 million in 2023 (2022: \$0.8 million).

Share awards were granted under the 2023 STIP. The total value of the grant in shares was \$1.4 million. The total number of shares to be awarded will be based upon the closing share price after the March 2024 closing period. Vesting date is 31 March 2025 and vesting is contingent on continued employment to that date. The Group has expensed \$0.7 million in 2023 (2022: \$ nil).

2021, 2022 & 2023 Long-Term Incentive Plans (LTIP)

Vesting conditions for 2021, 2022 and 2023 LTIP shares are contingent upon:

- i) the compound annual growth rate (CAGR) of the earnings per share (EPS) over the vesting period; and/or
- ii) the compound Total Shareholder Return (TSR) over the vesting period

For LTIPs issued to Directors and other persons discharging managerial responsibilities (PDMRs) (LTIP 1), 50% of the share awards are contingent on condition 1 (EPS CAGR), while 50% are contingent on condition 2 (TSR). The share awards are valued separately due to the independent vesting conditions. Condition 1 being a non-market related condition while condition 2 is a market-related condition.

LTIP 2 issued to Directors and Executive Leadership Team ("LTIP 2") – 100% of the share awards are contingent upon the TSR over the vesting period (3 years).

Condition 1: (EPS CAGR)

Condition 1 is a non-market condition with a variable number of equity instruments. Valuation of condition 1 is performed using the modified grant method which utilises a value method and a number component.

- i) Value component: The value component is the fair value of the share award based on the share price observed in the market on grant date. This value remains constant during the life of the instrument.
- ii) Number component: The number of equity instruments expected to vest is based on the EPS CAGR estimate at year end. Linear interpolation is performed between upper and lower bound targets to obtain an estimate of the number of shares vesting. The estimated number of shares vesting is revised at year end.

Condition 2: (TSR)

Condition 2 is a market condition with a variable number of equity instruments. The grant date fair value should therefore reflect the probability of satisfying the market condition. The binomial model is an appropriate valuation model as it considers the different possible outcomes while allowing the adjustment of intrinsic value for the vesting conditions. The share-based payment should not be adjusted for stock price changes related to the market condition on subsequent valuation dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

23. EQUITY-SETTLED EMPLOYEE BENEFITS RESERVE (continued)

The second condition utilised a binomial model with the following inputs for the 2020, 2021 and 2022 LTIP:

	2021 LTIP	2022 LTIP 1	2022 LTIP 2	2023 LTIP 1	2023 LTIP 2
Volatility	41.56%	39.80%	39.80%	39.59%	39.59%
Fair value at grant date	GBP 0.3283	GBP 0.4404	GBP 0.2979	GBP 0.8133	GBP 0.4947
Share price at grant date	GBP 0.6101	GBP 0.8036	GBP 0.8036	GBP 1.2175	GBP 1.2175
Risk Free Rate	1.52%	1.52%	1.52%	3.88%	3.88%
Dividend yield	3.28%	4.39%	4.39%	4.02%	4.02%
Exercise price	\$ 0.0001	\$ 0.0001	\$ 0.0001	\$ 0.0001	\$ 0.0001
Volatility periods*	1,264	1,261	1,261	1,263	1,263
Vesting date	31 Dec 2023	31 Dec 2024	31 Dec 2024	31 Dec 2025	31 Dec 2025

*Volatility for the LTIPs was calculated using the daily share price movement from the four respective preceding years.

Long-Term Incentive Plans	Vesting Date	Remaining Options 2023	Remaining Options 2022	Expected total expense 2023 \$'000	Expected total expense 2022 \$'000
2021 LTIP	31/12/2023	1,555,968	1,555,968	937	1,031
2022 LTIP 1	31/12/2024	916,513	1,948,692	404	1,467
2022 LTIP 2	31/12/2024	1,113,232	1,113,232	415	401
2023 LTIP 1	31/12/2025	1,741,561	–	1,609	–
2023 LTIP 2	31/12/2025	1,431,562	–	901	–

During the year, 115,666 options were forfeited (2022: 583,525).

The charge to the Statement of Comprehensive Income during the year for LTIPs was \$1.9 million (2022: \$1.2 million) and for STIPs was \$1.6 million (2022: \$1.4 million).

The weighted average share price at the date of issue of share awards during the year was GBPO.92 (2022: GBP1.04) per share.

24. OTHER RESERVES

Other reserves consist of \$0.2 million (2022: \$0.2 million) which arose upon the acquisition of shares in MSA in 2019.

25. NON-CONTROLLING INTEREST

MSALABS Ltd

MSALABS Ltd, an 81.9% (2022: 76.7%) owned subsidiary of the Company, has material non-controlling interests (NCI). MSALABS Ltd is incorporated in Mauritius and has operations globally.

CMS (Tanzania) Ltd

CMS (Tanzania) Ltd is an 89.8% (80% direct, 9.8% indirect) owned subsidiary of the Company.

Summarised financial information in relation to MSALABS Ltd, before intra-Group eliminations and CMS (Tanzania) Ltd is presented below together with amounts attributable to NCI. Disclosure around IACA has not been included as it is not material to the Group.

Summarised Statement of Financial Position

	MSALABS Ltd		CMS (Tanzania) Ltd	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets				
Non-current assets	44,433	24,139	47,896	32,569
Current assets	19,943	11,232	35,065	22,578
Total assets	64,376	35,371	82,961	55,147
Liabilities				
Non-current liabilities	352	12,300	7,273	15,823
Current liabilities	43,061	11,559	17,014	11,009
Total liabilities	43,413	23,859	24,287	26,832
Total net assets	20,963	11,512	58,674	28,315
Carrying amount of non-controlling interest	3,153	2,688	5,912	2,891

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

25. NON-CONTROLLING INTEREST (continued)

Summarised Statement of Profit or Loss and Other Comprehensive Income

	MSALABS Ltd		CMS (Tanzania) Ltd	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue	38,405	26,657	86,200	64,537
Other income and expenses	(43,629)	(25,672)	(52,933)	(44,859)
Profit/(Loss) before tax	(5,224)	985	33,267	19,678
Tax expense	(1,340)	(1,156)	(2,908)	(2,061)
(Loss)/profit for the year	(6,564)	(171)	30,359	17,617
Total comprehensive (loss)/income for the year	(6,564)	(171)	30,359	17,617
(Loss)/profit allocated to non-controlling interest	(1,301)	(40)	3,097	1,792

Summary of movement in non-controlling interest during the year:

	MSALABS Ltd \$'000	CMS (Tanzania) Ltd \$'000	International Apprenticeship & Competency Academy Limited \$'000	Total \$'000
Balance at 1 January 2023	2,688	2,891	(7)	5,572
Profit or (loss)	(1,301)	3,097	(3)	1,793
Change in ownership	1,923	–	–	1,923
Dividends paid	(18)	–	–	(18)
Balance at 31 December 2023	3,292	5,988	(10)	9,270

	MSALABS Ltd \$'000	CMS (Tanzania) Ltd \$'000	International Apprenticeship & Competency Academy Limited \$'000	Total \$'000
Balance at 1 January 2022	2,673	1,095	–	3,768
Acquisitions during the year	–	–	10	10
Profit or (loss)	(40)	1,797	(17)	1,740
Change in ownership	55	–	–	55
Balance at 31 December 2022	2,688	2,892	(7)	5,573

During the year, MSALABS completed a \$12 million (2022: nil) equity raise with \$11 million coming from the Group and \$1.2 million from non-controlling interest. These funds will be used to finance the construction of new laboratories to support the continued rollout of both Chrysos PhotonAssay™ laboratories and the traditional geochemistry business.

The Group agreed to fund any shareholder not willing to participate and as a result purchased \$1.4 million (2022: nil) from non-controlling interests.

26. LOANS AND BORROWINGS

	2023 \$'000	2022 \$'000
Bank loans	78,385	57,945
Supplier credit facilities	25,813	17,674
	104,198	75,619
Less: Unamortised debt arrangement costs	(1,625)	(717)
Total loans and borrowings	102,573	74,902
Current	27,052	18,037
Non-current	75,521	56,865
Total loans and borrowings	102,573	74,902

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

26. LOANS AND BORROWINGS (continued)

Long-term liabilities consist of:

(a) \$50 million revolving credit facility (RCF) provided by Standard Bank (Mauritius) Limited and Nedbank Limited

The Company entered into a revolving credit facility agreement on 28 March 2023 as borrower together with Standard Bank (Mauritius) Limited and Nedbank Limited (acting through its Nedbank Corporate and Investment banking division) as lenders and arrangers, with Nedbank acting as agent and security agent to borrow a revolving credit facility for an aggregate amount of \$50 million with the Company being able to exercise an accordion option to request an increase of the facility under the terms and conditions of the Facility Agreement. The interest rate on the RCF is the prevailing three-month Secured Overnight Financing Rate (SOFR) (payable in arrears) plus a margin of 5.5%, and an annual commitment fee of 1.75% per annum is charged on any undrawn balances. The amount utilised on the RCF was \$45 million as at 31 December 2023 (2022: \$25 million).

Under the terms of the RCF, the Group is required to comply with certain financial covenants relating to:

- Interest Cover Ratio
- Gross Debt to EBITDA Ratio
- Debt Equity Ratio
- Tangible Net Worth

In addition, CAPD (Mauritius) Limited, as the borrower, is also required to comply with the Tangible Net Worth covenant.

Security for the RCF comprises various pledges over the shares and claims of the Group's entities in Tanzania together with a debenture over the rigs in Tanzania and the assignment of material contracts and their collection accounts in each of Egypt, Tanzania and Mali.

As at the reporting date and during the period under review, the Group has complied with all covenants attached to the loan facilities.

(b) \$40.5 million term loan provided by Macquarie Bank Limited (London Branch)

On 15 September 2022, the Group refinanced the senior secured, asset backed term loan facility with Macquarie Bank Limited. The term of the loan is three years repayable in quarterly instalments with an interest rate on the facility of the prevailing three-month SOFR plus a margin of 6.5% per annum (payable quarterly in arrears). The loan is secured over certain assets owned by the Group and currently located in Egypt together with guarantees provided by Capital Limited, Capital Drilling Egypt LLC. The Group drew an additional \$8 million in 2023. As at 31 December 2023, the amount outstanding on the term loan was \$32 million (2022: \$33 million).

During the year under review, the Group has complied with all covenants attached to the term loan.

(c) Epiroc Financial Solutions AB credit agreements

The Group has a number of credit agreements with Epiroc, drawn down against the purchase of rigs. The term of the agreements is four years repayable in 46 monthly instalments. The rate of interest on most of the agreements is three-month SOFR plus a margin of 4.8%, with a fixed rate of interest of the remaining agreements of 8.5%. As at 31 December 2023, the total drawn under these credit agreements was \$16.5 million (2022: \$11.7 million).

No covenants are attached to this facility.

(d) \$8.5 million term loan facility with Sandvik Financial Services AB (PUBL)

The Group has term loan facility agreement with Sandvik Financial Services AB (PUBL). The facility is for the purchase of equipment from Sandvik AB, available in not more than four tranches. Interest is payable quarterly in arrears at 5.45% per annum on the drawn amount. The facility is no longer available to draw on and as at 31 December 2023 the balance outstanding was \$4.2 million (2022: \$5.9 million).

Additionally, the Group entered into a further \$10 million facility agreement on 23 October 2023. The rate of interest on this agreement is fixed at 8.15%. As at 31 December 2023, the facility was undrawn.

No covenants are attached to this facility.

(e) \$5 million facility with Caterpillar Financial Services

The Group entered into a \$5 million facility agreement with Caterpillar Financial Services Corporation on 25 July 2023. The rate of interest on this agreement is three-month SOFR plus a margin of 5.25%. The term of the agreement is 2 years repayable in 8 quarterly instalments. All repayments can be subsequently redrawn. As at 31 December 2023, the facility was fully drawn at \$5 million.

During the year under review, the Group has complied with all covenants attached to the facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

27. DEFERRED TAX

	2023 \$'000	2022 \$'000
Deferred tax liability		
Fair value movements and excess of capital allowances over depreciation	(34)	(34)
Right-of-use lease assets	(1,985)	(896)
Total deferred tax liability	(2,019)	(930)
Deferred tax asset		
Tax losses	4	10
Right-of-use lease liabilities	1,981	886
Total deferred tax asset	1,985	896
The summarised position is as per below:		
Deferred tax liability	(2,019)	(930)
Deferred tax asset	1,985	896
Total net deferred tax liability	(34)	(34)
Reconciliation of deferred tax asset/(liability)		
At beginning of year	(34)	(34)
Initial recognition of right-of-use lease arrangements	(4)	(11)
Taxable / (deductible) temporary difference movement on tangible fixed assets	4	11
At end of year	(34)	(34)

At the reporting date, the Group has estimated tax losses carried forward of US\$9.8 million (2022: US\$6.6 million) with a tax value of US\$2.5 million (2022: US\$1.5 million available for offset against future profits. No deferred tax asset has been recognised in relation to these carried forward tax losses due to uncertainty as to the realisation of future taxable profits against which the losses can be offset.

28. TRADE AND OTHER PAYABLES

	2023 \$'000	2022 \$'000
Financial instruments:		
Trade payables	27,502	25,510
Other payables – Accrued expenses	8,982	6,315
Other payables – Employee related liabilities	9,649	8,167
VAT payable	3,181	2,471
Non-financial instruments:		
Deferred income	3,428	2,475
Total trade and other payables	52,742	44,938
Current		
Current	50,685	43,453
Non-current		
Non-current	2,057	1,485
Total trade and other payables	52,742	44,938

Trade payables comprise liabilities for the purchase of goods and services and have terms ranging from 60 to 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within an appropriate credit time frame.

The deferred income refers to mobilisation revenue received in advance for Sukari and Ivindo contracts spread over the term of the contracts.

29. PROVISIONS

	2023 \$'000	2022 \$'000
Current		
At 1 January	2,637	–
Utilised	(1,428)	–
(Released) / charged to profit or loss	(722)	2,637
At 31 December	487	2,637

Provisions relate to project closure (redundancy costs) in respect of contracts concluded during the year and various operational claims and disputes that are expected to be settled during 2024. The provisions represent management's best estimate of the Group's liability as at 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

30. CURRENT TAX PAYABLE / RECEIVABLE

	2023 \$'000	2022 \$'000
Current tax receivable		
Normal tax	388	99
Withholding tax	298	301
Total current tax receivable	686	400
Current tax payable		
Normal tax	7,216	7,180
Withholding tax payable	2,099	1,950
Total current tax payable	9,315	9,130
The taxation paid for the period under review can be reconciled as follows:		
Net amount payable at the beginning of the year	8,730	9,479
Amounts charged to the statement of comprehensive income (excluding deferred tax)	11,804	9,836
Net amount payable at the end of the year	(8,629)	(8,730)
Total Taxation Paid	11,905	10,585

31. NOTES SUPPORTING STATEMENT OF CASH FLOWS

31.1 CASH GENERATED FROM OPERATIONS

	2023 \$'000	2022 \$'000
Profit before taxation	50,334	32,566
Adjustments for:		
Depreciation, amortisation and impairments	32,256	26,959
Loss on disposals	946	669
Depreciation of ROU assets	7,510	3,457
Share-based payment	3,540	2,774
Fair value (gain) / loss on financial assets	(2,914)	19,798
Interest income	(65)	(35)
Finance costs	13,002	7,356
Other non-cash items	34	–
Unrealised foreign exchange (gain) / loss on foreign cash held	(246)	1,355
Increase in expected credit loss provision	1,716	2,981
Bad debt write offs	218	1,458
Changes in working capital:		
Increase in inventories	(3,227)	(20,760)
Increase in trade and other receivables	(15,568)	(4,885)
Increase / (decrease) in trade and other payables	7,146	(2,797)
(Decrease) / increase in provisions	(2,150)	2,637
Cash generated from operations	92,532	73,533

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

31. NOTES SUPPORTING STATEMENT OF CASH FLOWS (continued)

31.2 RECONCILIATION OF BORROWINGS AND LEASES

	Loans and borrowings \$'000	Leases liabilities \$'000	Total \$'000
At 1 January 2023	74,901	16,267	91,168
Cash flows			
– Drawdowns	38,000	–	38,000
– Interest paid	(8,210)	(2,081)	(10,291)
– Principal repayments	(26,732)	(6,153)	(32,885)
Non-cash flows:			
– Supplier credit facility received	15,830	–	15,830
– Interest expensed during the year	9,691	2,081	11,772
– Unamortised debt arrangement costs	(907)	–	(907)
Additions to leases	–	19,336	19,336
At 31 December 2023	102,573	29,450	132,023

	Loans and borrowings \$'000	Leases liabilities \$'000	Total \$'000
At 1 January 2022	62,455	9,592	72,047
Cash flows			
– Drawdowns	20,616	–	20,616
– Interest paid	(5,094)	(818)	(5,912)
– Principal repayments	(16,666)	(2,916)	(19,582)
Non-cash flows:			
– Supplier credit facility received	9,083	–	9,083
– Interest expensed during the year	5,225	818	6,043
– Unamortised debt arrangement costs	(718)	–	(718)
Additions to leases	–	9,591	9,591
At 31 December 2022	74,901	16,267	91,168

32. SEGMENTAL INFORMATION

Operating segments are identified on the basis of internal management reports regarding components of the Group. These are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. Operating segments are identified based on the regions of operations. For the purposes of the segmental report, the information on the operating segments have been aggregated into the principal regions of operations of the Group.

The Group's reportable segments under IFRS 8 Operating Segments are therefore:

Africa	Derives revenue from the provision of drilling and mining services, surveying and mineral assaying.
Rest of world	Derives revenue from the provision of drilling services, surveying and mineral assaying. The segment relates to jurisdictions which contribute a relatively small amount of external revenue to the Group. These include Saudi Arabia and Canada.

Segmental revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

2023	Africa \$'000	Rest of world \$'000	Consolidated \$'000
External revenue:			
Drilling services	199,496	12,056	211,552
Mining services	64,721	–	64,721
Laboratory services	19,743	18,662	38,405
Surveying services	3,659	87	3,746
Total external revenue	287,619	30,805	318,424
Segment profit (loss)	108,359	(17,771)	90,588
Central administration costs and depreciation			(30,306)
Profit from operations			60,282
Interest income			65
Finance charges			(13,002)
Fair value loss on investments at fair value			2,989
Profit before tax			50,334

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

32. SEGMENTAL INFORMATION (continued)

The following customers from the Africa segment contributed 10% or more to the Group's revenue.

	2023	2022
	%	%
Customer A	16	15
Customer B	33	39

2022	Africa \$'000	Rest of world \$'000	Consolidated \$'000
External revenue:			
Drilling services	202,201	6,361	208,562
Mining services	49,763	-	49,763
Laboratory services	13,804	13,501	27,305
Surveying services	4,333	321	4,654
Total external revenue	270,101	20,183	290,284
Segmental profit (loss) ¹	91,428	(6,554)	84,874
Central administration costs and depreciation			(25,189)
Profit from operations			59,685
Interest income			35
Finance charges			(7,356)
Fair value gain on investments at fair value			(19,798)
Profit before tax			32,566

¹ The 2022 segmental profit/(loss) for prior year has been restated to remove central administration and depreciation costs of US\$24.7m from the Rest of world segment. These costs relate to the entire group and should not have been allocated to a single segment.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) earned by each segment without allocation of central administration costs, depreciation, interest income, share of losses from associate, finance charges, gains or losses of investments recognised at FVTPL, and income tax. This is the measure reported to the Chair for the purpose of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	2023 \$'000	2022 \$'000
Segmental assets:		
Africa	567,699	506,043
Rest of world	92,454	59,642
Total segmental assets	660,153	565,685
Head Office companies	338,507	280,828
	998,660	846,513
Eliminations	(530,912)	(459,714)
Total Assets	467,748	386,799
Segmental liabilities:		
Africa	257,526	239,013
Rest of world	61,173	31,752
Total segmental assets	318,699	270,765
Head Office companies	373,103	315,695
	691,802	586,460
Eliminations	(497,201)	(438,553)
Total Liabilities	194,601	147,907

For the purposes of monitoring segmental performance and allocating resources between segments, the Chair monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of property, plant and equipment used by the head office companies and investment amounts totalling \$19.9 million (2022: \$18.9 million) included in other receivables and \$2.5 million (2022: \$5.7 million) in cash and cash equivalents held by the Head Office companies.

As part of the segmental reporting, all the liabilities have been allocated to the respective segments with the exception of the long-term liabilities of \$74.7 million (2022: \$57.0 million) and part of the trade payables and intercompany balances held at the level of the head office which is eliminated at the Group level.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

32. SEGMENTAL INFORMATION (continued)

Other segmental information

Non-Cash items included in profit or loss:

	2023 \$'000	2022 \$'000
Depreciation and impairment on property, plant and equipment		
Africa	36,165	28,554
Rest of world	3,123	1,477
Total segmental depreciation and impairment	39,288	30,031
Head Office companies	477	385
Total depreciation and impairment	39,765	30,416
	2023 \$'000	2022 \$'000
Taxation expense		
Africa	10,461	8,308
Rest of world	1,048	1,507
Total segmental taxation expense	11,509	9,815
Head Office companies	295	21
	11,804	9,836
Impairment on Inventory		
Africa		
Stock Write-Offs	556	745
Stock Provision	731	202
Rest of world		
Stock Write-Offs	17	(2)
Stock Provision	(39)	
Total segmental impairment	1,265	945
Head Office companies	-	-
	1,265	945

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2022.

The capital structure of the Group consists of debt (refer to Note 26), cash and cash equivalents (refer to Note 20) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings and the Statement of Changes in Equity.

The Group's capital structure and going concern are dependent on the Company's ability to obtain cash resources from its subsidiaries. There are currently no severe long-term restrictions in place which impairs the Company's ability to repatriate funds from its subsidiaries.

Under the terms of the RCF from Standard Bank (Mauritius) Limited and Nedbank Limited and term loan provided by Macquarie Bank Limited, the Group is required to comply with certain financial covenants relating to:

- Interest Cover Ratio
- Gross Debt to EBITDA Ratio
- Debt to Equity Ratio
- Tangible Net Worth
- Loans to Value Ratio (applicable only to loan from Macquarie Bank Limited)

In order to meet Capital's risk management objectives, the Group aims to ensure it meets these financial covenants attached to the loans. There have been no breaches of the financial covenants during the reporting period.

Risk management is conducted within a framework of policies and guidelines that are continuously monitored by management and the Board of Directors. The objective is to minimise exposure to market risks (interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Gearing

The gearing ratio at the end of the reporting period was as follows:

	Note(s)	2023 \$'000	2022 \$'000
Lease liabilities	13	29,450	16,267
Total loans and borrowings	26	104,198	75,619
Total debt		133,648	91,886
Cash & cash equivalents	20	(34,366)	(28,380)
Net debt		99,282	63,506
Less: lease liabilities		(29,450)	(16,267)
Adjusted net debt		69,832	47,239
Equity		272,953	238,892
Adjusted debt to equity ratio		36.4%	19.8%

Categories of financial instruments

The following table details the categories of financial instruments and their carrying values in the Statement of Financial Position for the Group.

Categories of financial assets

2023	Note(s)	Fair value through profit or loss – Mandatory \$'000	Amortised cost \$'000	Total \$'000
Investments at fair value	19	47,154	–	47,154
Trade receivables	17	–	49,567	49,567
Non-current receivables	18	5,536	–	5,536
Cash and cash equivalents	20	–	34,366	34,366
		52,690	83,933	136,623

2022	Note(s)	Fair value through profit or loss – Mandatory \$'000	Amortised cost \$'000	Total \$'000
Investments at fair value	19	38,727	–	38,727
Trade receivables	17	–	41,541	41,541
Non-current receivables	18	–	6,460	6,460
Cash and cash equivalents	20	–	28,380	28,380
		38,727	76,381	115,108

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability. For further categorisation, refer to note 34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Categories of financial liabilities

2023	Note(s)	Amortised cost \$'000	Total \$'000
Trade and other payables	28	49,314	49,314
Loans and borrowings	26	104,198	104,198
		153,512	153,512
2022	Note(s)	Amortised cost \$'000	Total \$'000
Trade and other payables	28	42,463	42,463
Loans and borrowings	26	75,619	75,619
		118,082	118,082

At 31 December 2023, the Group did not have any financial liabilities measured at fair value through profit or loss or other comprehensive income (2022: \$ nil).

The carrying values of financial assets and financial liabilities in the Statement of Financial Position for the Group approximate their fair values.

Categories of financial liabilities

Financial risk management

Foreign currency risk

The Group's activities expose it to the financial risks of fluctuations in foreign currency exchange rates. In order to manage the Group's risk to foreign currency fluctuations, the Group tries to match the currency of operating costs with the currency of revenue as well as the currency of financial assets with currency of financial liabilities. Financial assets and liabilities denominated in foreign currencies are reviewed regularly by Management to ensure that the Group is not unduly exposed to foreign currency risk.

Further to this, the Group manages its exposure on foreign cash balances by converting excess local currency cash to United States Dollar to minimise local currency cash balances maintained.

The carrying amounts of the Group's foreign currency denominated monetary assets, cash and cash equivalents, trade receivables, monetary liabilities and trade payables at 31 December 2023 are as follows:

	2023 \$'000	2022 \$'000
Financial assets		
Australian Dollar (2023: AUD 1.3 million; 2022: AUD 0.04 million)	858	28
Euro (2023: EUR 1.2 million; 2022: EUR 0.3 million)	1,273	291
Mauritanian Ouguiya (2023: MRU 34.2 million; 2022: MRU 42.8 million)	859	1,161
West African CFA (2023: XOF 8,325.8 million; 2022: XOF 10,994.0 million)	13,560	17,286
West African CFA (2023: XAF 4,802.4 million; 2022: XAF 72.8 million)	8,087	118
West African CFA (2023: XOS 1,047.6 million; 2022: XOS 874.3 million)	1,682	1,358
Guinea Franc (2023: GNF 29,358.6 million; 2022: GNF 39,725.1 million)	3,448	4,644
All other currencies	2,704	3,551
	32,471	28,437
Financial liabilities		
Australian Dollar (2023: AUD 2.8 million; 2022: AUD 0.8 million)	1,899	555
Canadian Dollar (2023: CAD 1.0 million; 2022: CAD 2.4 million)	725	1,792
Egyptian Pound (2023: EGP 18.3 million; 2022: EGP 22.1 million)	591	893
Euro (2023: EUR 0.7 million; 2022: EUR 1.6 million)	771	1,681
Tanzanian Shillings (2023: TZS 3,636.0 million; 2022: TZS 1,999.1 million)	1,450	866
South African Rands (2023: ZAR 10.0 million; 2022: ZAR 5.2 million)	542	309
West African CFA (2023: XOF 517.4 million; 2022: XOF 519.0 million)	843	816
West African CFA (2023: XAF 6400.5 million; 2022: XAF 1.5 million)	1,079	2
All other currencies	621	942
	8,521	7,856

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Categories of financial liabilities

The following table details the Group's sensitivity to a 10% change in the United States Dollar against the relevant foreign currencies. The sensitivity analysis includes the outstanding foreign currency denominated monetary items at year end and adjusts their translation for a 10% change in foreign currency rates.

A positive number below indicates an increase in profit before tax where the United States Dollar strengthens by 10% against the relevant currency. For a 10% weakening of the United States Dollar against the relevant currency, there would be an equal and opposite impact on the profit before tax.

	2023 \$'000	2022 \$'000
Australian Dollar	(104)	(53)
Canadian Dollar	72	(94)
Euro	50	(139)
Guinea Franc	326	440
Mauritanian Ouguiya	47	112
West African CFA	1,272	1,784
West African CFA	701	12
All other currencies	31	(183)
	2,395	1,879

Interest rate risk management

As a result of changes in interest rates, the Group is exposed to interest rate risk as entities in the Group borrow funds at variable interest rates and therefore borrowing costs could increase with rate increases. The risk is managed by the Group by maintaining a conservative gearing ratio. The Group's exposure to interest rates on financial liabilities are detailed below.

Interest rate sensitivity analysis:

The sensitivity analysis below has been determined based on the exposure to interest rates at the date of the Statement of Financial Position. For floating rate liabilities, the analysis is prepared using the average balance outstanding for the year. A 200-basis point (2022: 200-basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If interest rates had been 200 basis points higher and all other variables were held constant, the Group's profit before taxation for the year ended 31 December 2023 would decrease by \$1.7 million (2022: \$0.5 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings. The decrease in the Group's sensitivity to interest rates, is directly attributable to the variable interest rate long-term debt facilities, offset by the settlements that occurred during the year, as disclosed in Note 27.

Equity price risk management

The Group holds equity investments and is exposed to equity price risk. Equity investments are held for strategic purposes rather than trading purposes and the Group does not actively trade these investments. The investments are actively monitored and proactively managed. New investments are required to satisfy a number of criteria with non-executive oversight. If equity prices had been 5% higher and all other variables were held constant, the Group's profit before taxation for the year ended 31 December 2023 would increase by \$2.2 million (2022: \$1.6 million).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 continued

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk relates to potential exposure on trade and other receivables and bank balances.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits for each customer. Customers credit limits are reviewed annually. The Group's credit risk is concentrated as the Group currently provides mining and drilling services to a limited number of major and mid-tier mining companies as well as junior exploration companies.

The Group's exposure to credit risk is minimized as customers are given 30 to 45 days credit periods for services rendered. As at 31 December 2023, 3 customers individually contributed 10% or more to the Group's trade receivables (2022: 3 customers).

There was a significant increase in the credit risk that has been identified in respect of the Group's customers during the year and as at 31 December 2023, an expected credit loss allowance of \$4.7 million has been recognised (2022: \$2.8 million).

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in Note 19.

Credit risk also arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Liquidity risk management

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves, banking and reserve borrowing facilities, continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables:

The following table details the Group's remaining contractual maturity for its financial assets and liabilities with agreed repayment periods. The tables for assets have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The tables for liabilities represent undiscounted cash flows of financial liabilities based on the earliest repayment date on which the Group can be required to pay at the reporting date:

The tables for liabilities represent undiscounted cash flows of financial liabilities based on the earliest repayment date on which the Group can be required to pay at the reporting date:

2023	1 month \$'000	1 – 3 months \$'000	3 months – 1 year \$'000	1 – 5 years \$'000
Financial assets				
Financial Assets under Amortised Cost	26,214	15,811	2,434	5,108
	26,214	15,811	2,434	5,108
Financial liabilities				
Non-interest bearing – Financial Liabilities at Amortised Cost	23,373	16,377	9,058	505
Variable interest rate instruments	5,965	5,701	15,387	75,520
Lease liabilities	688	1,317	6,335	21,109
	30,026	23,395	30,780	97,134

2022	1 month \$'000	1 – 3 months \$'000	3 months – 1 year \$'000	1 – 5 years \$'000
Financial assets				
Financial Assets under Amortised Cost	27,997	6,250	6,587	7,167
	27,997	6,250	6,587	7,167
Financial liabilities				
Non-interest bearing – Financial Liabilities at Amortised Cost	23,857	15,042	6,536	2,139
Variable interest rate instruments	1,007	4,037	13,431	56,426
Lease liabilities	332	670	3,137	12,127
	25,196	19,749	23,104	70,692

Financing facilities

The following table details the Group's secured loan facilities (undiscounted) at the reporting date.

	2023 \$'000	2022 \$'000
Available amount	117,700	86,800
Unutilised amount	15,000	–
Utilised amount	102,700	86,800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 continued

34. FAIR VALUE MEASUREMENTS

Fair value adjustment on financial assets through profit or loss

The Group's fair value adjustments on financial assets through profit or loss are listed and unlisted equity securities in the mining industry as well as other receivables which are measured at fair value at the end of each reporting period. The listed equity securities are designated as Level 1 financial assets in the fair value hierarchy. Their fair value is determined using quote bid prices in an active market. The fair value of these financial assets FVPTL amounted to US\$47.2 million (2022: US\$30.4 million).

The fair values of financial instruments that are not traded in an active market and other receivables are determined using standard valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on Group specific estimates. The Directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the Group's Annual Financial Statements are approximately equal to their fair values. The fair values disclosed for the financial assets and financial liabilities are classified in level 3 of the fair value hierarchy have been assessed to approximate their carrying amounts based on a net asset or cost approach for the equity securities and an income approach for other receivables.

35. AUDITOR'S REMUNERATION

The Group auditors are BDO LLP ("BDO"). The Group has engaged BDO and other audit firms to provide both audit and non-audit services to its various subsidiaries.

	2023 \$'000	2022 \$'000
Fees paid to the Group's auditor		
– The audit of the Group's Annual Financial Statements	738	579
– Non-audit services – Group	96	93
Fees paid to associates of the Group's auditor		
– The audit of the Group's subsidiaries	140	87
– Non-audit services – BDO Egypt	4	
	978	759

36. RELATED PARTIES

During the year, the Company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions. All transactions are entered into at amounts negotiated between the parties.

	2023 \$'000	2022 \$'000
Directors' emoluments		
Short Term Benefits	2,215	1,921
Share Based Payments	1,181	562
	3,396	2,483

The Group considers the Key Management Personnel to be limited to the Board of Directors as they are responsible for planning and directing the Group's activities.

37. COMMITMENTS

The Group has the following commitments:

	2023 \$'000	2022 \$'000
Committed capital expenditure	36,083	18,686

The Group had outstanding purchase orders amounting to \$39.5 million (2022: \$29.7 million) at the end of the reporting period of which \$36.1 million (2022: \$18.7 million) were for capital expenditure.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 continued

38. CONTINGENCIES

As a result of the multiple jurisdictions in which the Group operates, there are a number of ongoing tax audits. In the opinion of Management, none of these ongoing audits represent a reasonable possibility of a material settlement and as such, no contingent liability disclosure is required.

39. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events affecting the Group since the year end.

40. APPROVAL OF THE CONSOLIDATED Annual Financial Statements

The Annual Financial Statements set out on pages 96 to 143 were approved by the Board of Directors on 14 March 2024 in London.



Supplementary Information

- 145 Alternative Performance Measures
- 148 Shareholder Information



ALTERNATIVE PERFORMANCE MEASURES

In addition to GAAP figures reported under International Financial Reporting Standards (IFRS), Capital Limited provides certain alternative performance measures (APMs). These APMs are used internally in the management, planning, budgeting and forecasting of the business and are also considered to be helpful in term of the external understanding of the Group's underlying performance. As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Company's definition of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies.

The use of APMs by listed companies to better explain performance and provide additional transparency and comparability is common. However, APMs should always be considered in conjunction with IFRS reported numbers and not used in isolation. Commentary within the Annual Report, including the Chief Financial Officer's Review, as well as the Consolidated Financial Statements and the accompanying notes, should be referred to in order to fully appreciate all the factors that affect our business. We strongly encourage readers not to rely on any single financial measure, but to carefully review our reporting in its entirety.

The following terms and alternative performance measures were used for the year ended 31 December 2023.

ARPOR	Average revenue per operating rig
EBITDA	Earnings before interest, taxes, depreciation, amortisation and fair value gain/loss on financial assets
EBIT	Earnings before interest, taxes and fair value gain/loss on financial assets
OPERATIONAL EARNINGS	Profit for the year attributable to the owners of the parent before fair value gain or loss on financial assets
NET CASH/(DEBT)	Cash and cash equivalents less short term and long-term debt (excluding lease liabilities)
NET ASSET VALUE PER SHARE (CENTS)	Total equity/weighted average number of ordinary shares
RETURN ON CAPITAL EMPLOYED	EBIT/Total assets-current liabilities
RETURN ON TOTAL ASSETS	EBIT/Total assets

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES TO THE FINANCIAL STATEMENTS:

ARPOR can be reconciled from the financial statements as per the below:

	2023	2022
Revenue per financial statements (\$'000)	318,424	290,284
Non-drilling revenue (\$'000)	(114,249)	(89,793)
Revenue used in the calculation of ARPOR (\$'000)	204,175	200,491
Monthly Average active operating Rigs	92	93
Monthly Average operating Rigs	125	118
ARPOR	186	180

EBITDA can be reconciled from the financial statements as per the below:

Profit for the year	38,530	22,730
Depreciation	39,766	30,416
Taxation	11,804	9,836
Interest income	(65)	(35)
Finance charges	13,002	7,356
Fair value adjustments on financial assets	(2,989)	19,798
EBITDA	100,048	90,101
Operating profit (EBIT)	60,282	59,685
Depreciation, amortisation and impairments	39,766	30,416
EBITDA	100,048	90,101
Gross profit	146,900	134,432
Administration expenses	(46,852)	(44,331)
EBITDA	100,048	90,101
EBITDA Margin	31.4%	31.0%

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES TO THE FINANCIAL STATEMENTS (CONTINUED)

Adjusted EBITDA can be reconciled from the financial statements as per the below:

Operating profit (EBIT)	60,282	59,685
Depreciation, amortisation and impairments	39,766	30,416
Cash cost of IFRS 16 leases	(8,234)	(3,733)
Adjusted EBITDA	91,814	86,368
Adjusted EBITDA Margin	28.8%	29.8%

Adjusted cash from operations can be reconciled from the financial statements as per the below:

Cash generated from operations	92,532	73,533
Cash cost of IFRS 16 leases	(8,234)	(3,733)
Adjusted Cash from operations	84,298	69,800

Net (debt) / cash can be reconciled from the financial statements as per the below:

Cash and cash equivalents	34,366	28,380
Long-term borrowings ¹	(76,273)	(57,154)
Short-term borrowings ¹	(27,925)	(18,465)
Net (debt)/ cash	(69,832)	(47,239)

The Adjusted EBIT used in the Adjusted ROCE can be reconciled from the financial statements as per the below:

Operating profit (EBIT)	60,282	59,685
Depreciation on IFRS 16 leases	7,510	3,457
Cash cost of IFRS 16 leases	(8,234)	(3,733)
Adjusted EBIT	59,558	59,409

¹ Excludes the unamortised debt arrangement costs

AVERAGE REVENUE PER OPERATING RIG

ARPOR is a non-financial measure defined as the monthly average drilling specific revenue for the period divided by the monthly average active operating rigs. Drilling specific revenue excludes revenue generated from shot crew, a blast hole service that does not require a rig to perform but forms part of drilling. Management uses this indicator to assess the operational performance across the board on a period-by-period basis even if there is an increase or decrease in rig utilisation.

EBITDA

EBITDA represents profit or loss for the year before interest, income taxes, depreciation and amortisation and fair value adjustments on financial assets at fair value through profit or loss and realised gain (loss) on FVTOCI shares.

EBITDA is non-IFRS financial measures that is used as a supplemental financial measure by management and external users of financial statements, such as investors, to assess our financial and operating performance. This non-IFRS financial measure will assist our management and investors by increasing the comparability of our performance from period to period.

- i) Increasing the comparability of our performance from period to period;
- ii) Understanding and analysing the results of our operating and business performance; and
- iii) Monitoring our ongoing financial and operational strength in assessing whether to continue to hold our shares. This is achieved by excluding the potentially disparate effects between periods of depreciation and amortisation, income (loss) from associate, interest income, finance charges, fair value adjustment on financial assets at fair value through profit or loss and realised gain (loss) on FVTOCI shares, which may significantly affect comparability of results of operations between periods.

EBITDA has limitations as an analytical tool and should not be considered as an alternative to, or as substitutes for, or superior to, profit or loss for the period or any other measure of financial performance presented in accordance with IFRS. Further, other companies in our industry may calculate this measure differently, limiting its usefulness as a comparative measure.

ADJUSTED EBITDA

Adjusted EBITDA represents profit or loss for the year before interest, income taxes, depreciation & amortisation, fair value adjustments on financial assets at fair value through profit or loss and realised gain (loss) on fair value through profit or loss investments and net of cash cost of the IFRS 16 leases.



ALTERNATIVE PERFORMANCE MEASURES CONTINUED

ADJUSTED CASH FROM OPERATIONS

Adjusted cash from operations is a non-GAAP measure defined as cash generated from operations less cash cost of IFRS 16 leases. Management believes this measure represents the operational performance of the Group as well as the effect of leases as one of the key operating components of the Group's business.

NET (DEBT) / CASH

Net cash (debt) is a non-GAAP measure that is defined as cash and cash equivalents less short term and long-term debt.

Management believes that net cash (debt) is a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking account of cash and cash equivalents within the Group's business that could be utilised to pay down the outstanding borrowings. Management believes that net debt can assist securities analysts, investors and other parties to evaluate the Group. Net cash (debt) and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing net debt as reported by the Group to net cash (debt) of other companies.

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Net cash (debt) is a non-GAAP measure that is defined as cash and cash equivalents less short term and long-term debt.

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AVERAGE REVENUE PER OPERATING RIG

ARPOR is a non-financial measure defined as the monthly average drilling specific revenue for the period divided by the monthly average active operating rigs. Drilling specific revenue excludes revenue generated from shot crew, a blast hole service that does not require a rig to perform but forms part of drilling. Management uses this indicator to assess the operational performance across the board on a period by period basis even if there is an increase or decrease in rig utilisation.



SHAREHOLDER INFORMATION

Capital Limited

Bermuda registered number 34477

Registered Office

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Corporate Head Office:

Ground Floor
10/11 Park Place
London SW1A 1LP

Investor Relations

investor@capdrill.com

Company Secretary

Catherine Apthorpe
cosec@capdrill.com

Website

www.capdrill.com

Registrar

Computershare Investor Services (Jersey)
13 Castle Street, St Helier, Jersey,
JE1 1ES Channel Islands

Auditor

BDO LLP, 55 Baker Street, London
W1U 7EU

Bank

Standard Bank (Mauritius) Limited 9th Floor,
Tower A 1 CyberCity, Ébène Mauritius

Brokers

Tamesis Partners LLP
125 Old Broad Street
London EC2N 1AR

Stifel Nicolaus Europe Limited
150 Cheapside
London, EC2V 6ET

Public Relations

Buchanan
107 Cheapside
London EC2V 6DN
capital@buchanan.uk.com

Standard financial calendar

Accounting period end	31 December
Annual Report published	March
Annual General Meeting	June
Interim accounting period end	30 June
Interim results announced	August

Stock Exchange listing

The Company's shares are admitted to the premium segment of the Official List and are traded on the Main Market of the London Stock Exchange. The Common Shares (as defined below) themselves are not admitted to CREST, but dematerialised depositary interests representing the underlying Common Shares issued by Computershare Investor Services PLC can be held and transferred through the CREST system. The rights attached to the Common Shares are governed by the Companies Act 1981 (Bermuda) (as amended) (the Act) and the Company's Bye-Laws as adopted on 3 December 2003 and as amended and restated by resolutions of the Shareholders dated 28 May 2010, 29 April 2015 and 27 April 2016 (the Bye-Laws).

Dividend

The Company has resolved to declare a final dividend for 2023 of 2.6 cents per share.

Substantial shareholdings

The interests in the table below reflect TR-1 notifications received by the Company as at 31 December 2023, indicating shareholdings of more than 3% of the issued share capital of the Company.

Shareholder	Percentage of voting rights held (%)
Jamie Boyton	10.6
Aberforth Partners	9.9
Fidelity International	9.9
Brian Rudd	6.2
Allianz Global Investors	6.1
Premier Miton Investors	5.0
James Edward Armitage	4.9
Aegis Financial Corporation	4.5
Ruffer	3.9
River Global Investors	3.7

SHAREHOLDER INFORMATION CONTINUED

Shares in issue

There was a total of 193,696,920 Common Shares in issue at 31 December 2023.

Company Bye-Laws

The Company is incorporated in Bermuda and the UK City Code on Takeovers and Mergers (the City Code) therefore does not apply to the Company. However, the Company's Bye-Laws incorporate material City Code protections appropriate for a company to which the City Code does not apply.

The Bye-Laws of the Company may only be amended by a resolution of the Board and by a resolution of the shareholders. The Bye-Laws of the Company can be accessed here: www.capdrill.com/corporategovernance.

Share capital

The Company has one class of shares of \$0.0001 each (the Common Shares). Details of the Company's authorised and issued Common Share capital together with any changes to the share capital during the Year are set out in note 21 to the Financial Statements.

Power to issue shares

At the AGM held on 18 May 2023 (the 2023 AGM), authority was given to the Directors to allot:

- i) Equity Securities up to a maximum aggregate nominal amount of \$6,456.56 (being 64,565,640 Common Shares which represented one third of the Company's Common Share capital)
- ii) Equity securities for cash on a non-pre-emptive basis up to a maximum aggregate nominal amount of \$968.48, representing approximately 5% of the issued share capital.

Share rights

In accordance with the Company's Bye-Laws, shareholders have the right to receive notice of and attend any general meeting of the Company. Each shareholder who is present in person (or, being a corporation, by representative) or by proxy at a general meeting on a show of hands has one vote and, on a poll, every such holder present in person (or, being a corporation, by representative) or by proxy shall have one vote in respect of every Common Share held by them.

There are no shareholders who carry any special rights with regard to the control of the Company.

Restriction on transfer of shares

There are no restrictions on the transfer of Common Shares other than:

- The Board may at its absolute discretion refuse to register any transfer of Common Shares over which the Company has a lien or which are not fully paid up provided it does not prevent dealings in the Common Shares on an open and proper basis.

During the Year, the Board did not place a lien on any shares nor did it refuse to transfer any Common Shares.

The Board shall refuse to register a transfer if:

- It is not satisfied that all the applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained.
- Certain restrictions on transfer from time to time are imposed by laws and regulations.
- So required by the Company's share dealing code pursuant to which the Directors and employees of the Company require approval to deal in the Company's Common Shares.
- Where a person who holds default shares (as defined in the Bye-Laws) which represent at least 0.25% of the issued shares of the Company has been served with a disclosure notice and has failed to provide the Company with the requested information in connection with the shares.

Repurchase of shares

The Company may purchase its own shares for cancellation or to acquire them as Treasury Shares (as defined in the Bye-Laws) in accordance with the Companies Act 1981 (Bermuda) on such terms as the Board shall think fit. The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Companies Act 1981 (Bermuda), provided, however, that such purchase may not be made if the Board determines in its sole discretion that it may result in a non de minimis adverse tax, legal or regulatory consequence to the Company, any of its subsidiaries or any direct or indirect holder of shares or its affiliates.

Investor relations

The Annual Report and Accounts is available on Capital's website. Investor relations enquiries should be addressed to the investor relations team in the London office at investor@capdrill.com.

Shareholder enquiries

Any enquiries concerning your shareholding should be addressed to the Company's registrar. The registrar should be notified promptly of any change in a shareholder's address or other details.

