

# Annual Report 2024



## 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 more investor relations | [www.capdrill.com/investors](http://www.capdrill.com/investors)

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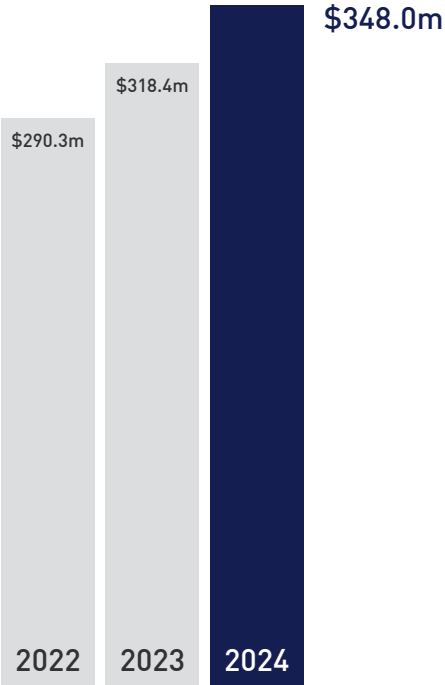


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## 2024 in review

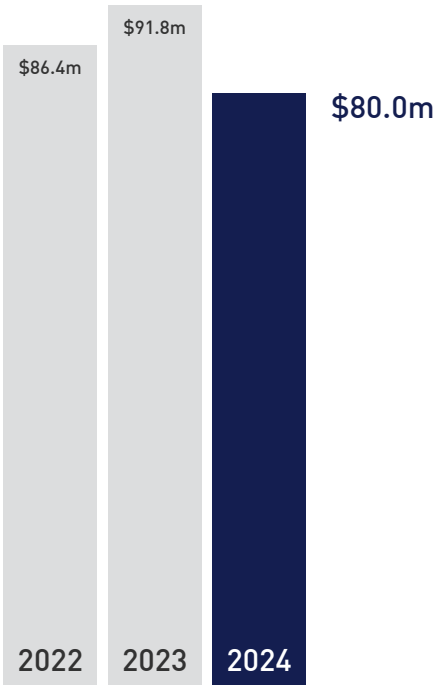


### REVENUE

**\$348.0m**

The Group has delivered outstanding compound annual revenue growth of

**27% CAGR**  
since 2020



### ADJUSTED EBITDA

**\$80.0m**

Margins reflect investment in growth areas

**23%**  
for 2024

## Award of new mining contract at Reko Diq

Subject to final contract negotiations, majority of our mining fleet will be sent to Reko Diq to commence early civils work and TSF construction during 2025.



## Commencement of USA operations

Our new drilling contract at Nevada Gold Mines commenced during the year, expanding our drilling footprint to the Americas.



## Record revenues for MSALABS

MSALABS achieved its highest ever revenues during the year, underpinned by our rollout of the PhotonAssay™ technology and remain as the largest global distributor of this technology.



## Investment in Eco Detection

We made a strategic investment in Eco Detection and secured an exclusive arrangement to distribute their Ion-Q technology within the mining industry. This is the world's first fully autonomous, multiparameter, laboratory-grade water analysis system.



# Our company at a glance

## Our global coverage

Labs Drilling Corporate office Mining



Committed to safety, training and local employment

EMPLOYEES

2,854

NATIONALS

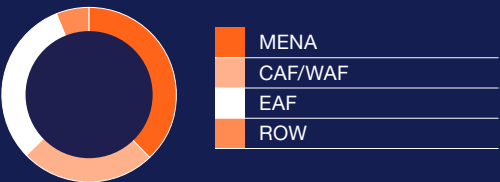
93.5%

NUMBER OF COUNTRIES

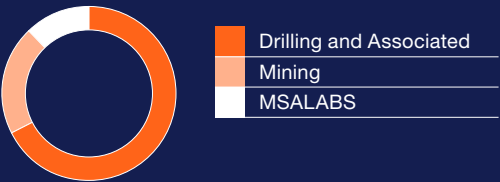
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## A diverse portfolio across geography and service

### BY REGION



### BY SERVICE



### BY ACTIVITY



### BY LOCATION



## Our company at a glance continued

### End-to-end integrated mining services 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.



Load and haul services for mining operations, delivering additional diversification to the Group by moving further along the value chain.



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.



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.



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.

## Executive Chair's statement

# Capital is undergoing a transition to create a platform for profitable growth

### Highlights for the year

In 2024 we continued to invest across the business to drive future growth.

The Group achieved an outstanding, industry-leading performance in safety.

TRIFR<sup>1</sup>

0.78

<sup>1</sup> Total Recordable Injury Frequency Rate. Per 1,000,000 hours worked

➤ See my introduction to Governance | **Page 55**

➤ See my Biography | **Page 67**



*2024 has been a year of transition as we ramp up multiple large scale projects in new geographies."*

Jamie Boyton  
Executive Chair



2024 has been a year of intense activity for Capital, as we navigated the challenges of ramping up multiple projects simultaneously. This pivotal year of transition is, however, expected to give the business a clear roadmap ahead - one that will see us evolve into a larger, more resilient business positioned to deliver consistent margins across the full market cycle.

Laying the foundations for this growth, we entered the USA market during the year across drilling and MSALABS. As previously guided, this has not been without its difficulties with the ramp-up falling behind our expectations, therefore negatively impacting our Group financials. In response to challenges faced this year, we have implemented a series of structural changes within our management team to enhance our ability to successfully capitalise on the significant growth opportunities available to the Group.

Whilst we recorded a 9% increase in Group revenue to \$348.0 million, our mining division saw the conclusion of its two existing contracts. However, we have successfully navigated this by securing, pending final negotiations, a material new contract at Barrick's world-class project Reko Diq, strengthening our position for long-term success and utilising the majority of our mining fleet in this new location.

Whilst we will see lower mining revenues for 2025, equipment will start to arrive on site during H1 and begins to meaningfully ramp up in H2. We are excited to be bringing our services to Reko Diq at the very beginning of its development. This operation is set to be one of the world's largest, longest life and lowest cost copper-gold operations. Our mining contracts, which build on the drilling contracts already in place, will involve both early works civils and tailings storage facility mining services and reinforces our reputation for load and haul services with blue-chip customers.

In MSALABS we are consolidating our existing platform in key strategic locations. During 2025 we will also be constructing a state-of-the-art laboratory at Nevada Gold Mines ("NGM") that will add wet chemistry and multi-element capabilities from 2026 and see NGM grow to the largest single operation of MSALABS. Through this in conjunction with the rollout of further laboratories, we remain confident in revenues for MSALABS surpassing \$80 million annualised revenue.

Following a major investment cycle over the past four years, we see significant growth coming on stream across MSALABS, our mining division and through continuing to leverage our strong drilling platform.



## Executive Chair's statement continued

Importantly this growth comes with reduced capital expenditure, largely utilising equipment we already own. This allows us concentrate on successfully finalising the current ramp ups to drive cash flow and a return on our investments.

### Consistency remains core to the business

Underpinning our enduring customer relationships with blue-chip, large-scale miners has been our commitment to an industry-leading operational, technical and safety performance. Safety has firmly remained our first priority, enabling us to maintain our outstanding recording 2024, with a Total Recordable Injury Frequency Rate (TRIFR) of 0.78 in 2024 (2023: 0.75) (per 1,000,000 hours worked). This consistent, best-in-class performance is credit to the diligence we apply to safety management and all practices across our business, and I congratulate our employees for their efforts. We also maintained very strong utilisation across our drilling fleet of 73% in the year in spite of some of the challenges we faced in commissioning various new projects.

Our focus for 2025 will be to drive this same consistency across our projects still in ramp up as well as efficiently redeploy our mining fleet to Reko Diq to reach steady state operations and ultimately strong margins and returns. The Board of Directors has declared a final dividend for 2024 of 1.3cps. This brings the total dividend declared in relation to 2024 to 2.6cps, representing a ten-year history of consistent returns to shareholders.

### Broad ranging services across the value chain

The comprehensive range of services we offer across the value chain is a key differentiator for Capital, providing diversified revenue streams and a long-term business model, while also fostering stronger, more enduring relationships with our clients by delivering end-to-end solutions. Our clients are increasingly recognising our broad offering, expanding their contracts with us to include multiple sites and a wider combination of services across drilling, laboratories, earthmoving and in some cases investment.

Innovation and technology are central to our strategy and to expanding our service offering, with the Board placing significant emphasis on driving advancement within our sector. We remain at the forefront of the mining industry by actively seeking new opportunities and adopting cutting-edge technologies that drive efficiencies, deliver environmental benefits and create value for both our business and our customers. In 2024 we made a ~\$7 million strategic investment in Eco Detection, acquiring a ~22% ownership stake in the company and also securing an exclusive arrangement for the distribution of this technology to the mining industry. Eco Detection's Ion-Q platform is the world's first fully autonomous, multiparameter laboratory grade water analysis system and, while still in its early stages, we look forward to introducing this new technology to our clients and the broader mining industry.

### Delivering across cycles

Exploration activity and capital spending across the mining industry has remained relatively subdued despite strong commodity pricing, with current exploration and capital expenditure budgets insufficient to meet the projected demand for minerals in coming years. Global exploration investment remains considerably and unsustainably below previous cycle peaks.

By strategically refining our customer base to focus on blue-chip customers which are better positioned to access capital, and operate world-class, low-cost operations, we insulate the Company from fluctuating market trends and we believe we can drive sustainable returns through the cycles.

Heightened geopolitical tensions throughout 2024 have made operating in some jurisdictions challenging, reinforcing the benefits of our geographical diversification strategy. With a long history of operating successfully on the continent, Africa remains a significant contributor to our Group. However, we have selectively reduced exposure from West Africa and towards further growth in East Africa and in Southern Africa. We are also increasing our presence in North America through both drilling and MSALABS and in Pakistan through drilling and earthmoving at Reko Diq.

### Progressing our approach to sustainability

We continue to have a strong focus on advancing sustainability across our business and will provide a comprehensive update to our stakeholders in our second standalone Sustainability Report. In addition to upholding our excellent safety record, some of our key commitments include investing in the ongoing training and development of our workforce and creating value for the countries in which we operate, with 93.5% of our workforce coming from their countries of operation. In alignment with our environmental commitments, we have made further progress with our reporting in line with the Task Force on Climate-Related Financial Disclosures (TCFD) in this Annual Report. We continue to identify innovative ways of helping our customers address sustainability-related challenges – be that through improved accuracy and efficiencies with related environmental benefits, examples being PhotonAssay™ and Eco Detection's Ion-Q platform or through partnering with major OEM supplier Epiroc to field test the innovative SmartROC D65 BE, a battery-electric surface drill rig for the mining and construction industry.

## Executive Chair's statement continued



### 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

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.

### Board, Governance structures and Executive Management changes

The Board was deeply saddened by the passing of our valued fellow member David Abery, who made such considerable contributions to the business since 2017. David's commitment to Capital and pivotal role in further progressing our approach to governance and risk during a time of accelerated growth leaves a lasting legacy. We have welcomed Graeme Dacomb onboard as an Independent Non-Executive Director, Chair of the Audit & Risk Committee, and member of the Nomination and Remuneration Committees. In addition, Michael Rawlinson has been appointed Senior Independent Director, Anu Dhir has been appointed Chair of the Nomination Committee and Alex Davidson has been appointed Chair of the Investment Committee.

In early 2025 the Company's CEO, Peter Stokes, tendered his resignation which was accepted by the Board. The senior management team will report to myself in my role as Executive Chair. I would like to thank Peter for his tireless efforts through this challenging time and wish him the best of success in his future endeavours.

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

### Outlook

Whilst we acknowledge challenges throughout the year, we remain positive about the longer-term outlook for the business. We have set a clear pathway to overcoming operational and organisational hurdles, driving a return to peer leading profitability and resuming revenue growth into 2026 and beyond.

**Jamie Boyton**  
Executive Chair



***We take pride in and remain committed to industry-leading operational, technical and safety performance."***



# Strategic Report

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BUSINESS MODEL

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STRATEGY

## Investment Case

# Five key reasons to invest

### Best-in-class operator



Premium provider to blue-chip customers, with integrated and diversified business model.

[More information](#) | Page 10

### Peer leading safety record



Protecting stakeholder value through an unwavering commitment to our employees and best-practice safety standards.

[More information](#) | Page 12

### Strategic positioning



Well-placed to capitalise on structural underinvestment in the multi-year exploration and development cycle and geographically diversified operations.

[More information](#) | Page 11

### Tier-one client portfolio



Giving strong visibility on revenue and margins into the future.

[More information](#) | Page 13

### Strong growth profile



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

[More information](#) | Page 15



## Business Model

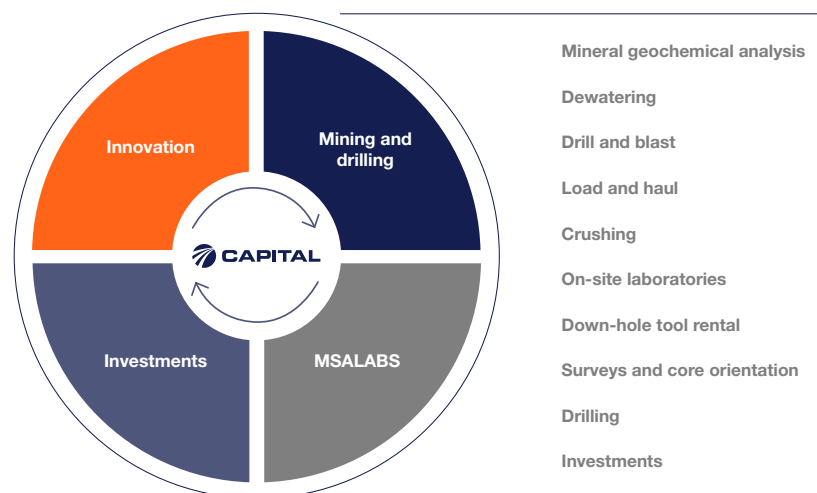
# Creating value as an integrated, end-to-end mining services provider

### 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
- Strategic contract selection with emphasis on tier one asset exposure
- Longstanding, trusted relationships with blue-chip customers and wider stakeholders

### WHAT WE DO

An integrated end-to-end mining service provider – from exploration, through development, production and processing



### OUR BUSINESSES



### 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

#### Customers

Capital prioritises building lasting customer relationships by delivering value and focusing on innovation to address their needs, upholding its strong track record in quality, safety and sustainability

#### Local communities

Providing socio-economic value for our local communities through local employment, local procurement, skills transfer and community development programmes in collaboration with our customers

#### Suppliers

Fair and transparent contracting processes and payment terms; we endeavour to use local suppliers wherever possible

#### Governments / regulators

Economic contributions through local employment, local procurement and fair and transparent payment of taxes; compliance with legislative requirements



## Strategy

# Driving profitable and reliable growth.

We leverage 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 four strategic pillars are:

## PEOPLE

Best-in-class safety and operational excellence, driven by the strength of our people

NATIONAL EMPLOYEES

**93.5%**

(2023: 92.4%)

## CAPITAL EFFICIENCY

Focus on capital efficiency, balance sheet flexibility and robust returns

[More information](#) | **Page 14**

ADJUSTED CASH FROM OPERATIONS

**\$77.1m**

(2023: \$84.3M)

DIVIDEND

**2.6CPS**

(2023: 3.9cps)

## PARTNERSHIPS

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

[More information](#) | **Page 13**

OPERATING AT SUKARI SINCE

**2005**

## GROWTH

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

[More information](#) | **Page 15**

REVENUE

**\$348.0m**

(2023: \$318.4m)



## Strategy continued

# People

Best-in-class safety and operational excellence,  
driven by the strength of our people

- Capital's Health, Safety, Social and Environment (HSSE) management system is ISO 45001, ISO 14001 and ISO 9001 compliant, and annually assessed by independent auditors
- Consistent best in class safety record
- Training opportunities provided through our joint venture partnership, the International Apprenticeship and Competency Academy (IACA)
- Focus on local employment with clear training and talent development strategies in place
- Capital's Health, Safety and Wellbeing Policy outlines our commitment to protecting the wellbeing of our people and actively supporting a culture of zero harm, setting measurable objectives to drive continual improvement toward an injury-free workplace in alignment with our core values

TRIFR<sup>1</sup>

0.78

(2023: 0.75)

LOCAL EMPLOYMENT

93.5%

(2023: 92.0%)

TOTAL EMPLOYEES

2,854

(2023: 2,739)

1 per 1,000,000 hours  
worked

## Our strategy in action: International Apprenticeship and Competence Academy recognised for training excellence

Capital, in partnership with the IACA in Tanzania, plays a critical role in providing UK-accredited vocational training, skill development and competency transfer to its workforce and the wider industry across Africa. This collaboration enhances the Company's capacity to foster skill development by equipping workers with internationally recognised qualifications.

IACA was honoured as the Africa and Rest of the World Regional Training Provider of the Year at the prestigious 2024 Engineering Construction Industry (ECI) Training and Development Awards. This accolade highlights IACA's outstanding contributions to vocational training and its commitment to elevating skill standards.

As the only ECITB global licensed training provider in Tanzania, IACA is dedicated to improving the quality of vocational training and expanding opportunities for Tanzanian workers. The academy is rapidly growing its network of technical training centres to support industrial development and offers internationally accredited programmes, including the International Health and Safety Passport and the Chargehand Development Course.

These programmes ensure that Tanzanians gain skills aligned with global industry standards. By assessing and upskilling thousands of existing tradespeople, IACA is making a significant impact in building a competent workforce to support Tanzania's expanding industries.

➔ see further detail on our approach to health and safety and our people on | **Page 36**



## 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

OPERATING AT SUKARI  
GOLD MINE SINCE

2005

CHRYSOS-BARRICK  
PARTNERSHIP SINCE

2023

OPERATING AT GEITA  
SINCE

2006

## Our strategy in action: Expanding our service offering at Reko Diq

Since early 2023, Capital has been providing reverse circulation and diamond drilling geotechnical services at Reko Diq, Barrick's 50%-owned major copper-gold project in Pakistan. This strategic partnership positions us strongly for further contract awards as the project progresses.

Building on this, we have been awarded, subject to final contract negotiation, a material mining contract. These additional works include early works civils and also the TSF.

Following the conclusion of two mining contracts at Sukari, Egypt, and Belinga, Gabon, in 2024, this contract will see the majority of our mining fleets deployed at this large-scale operation.





## Strategy continued

# Capital Efficiency

## Utilising existing assets for future growth

- 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, OEM, finance and asset-backed finance) as demonstrated by the upsizing of our revolving credit facility (RCF) in 2024
- 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

### RIG UTILISATION

**73%**

(2023: 73%)

### NON-EXPLORATION DRILLING REVENUE

**87%**

(2023: 85%)

### 2025 GUIDANCE - CAPITAL EXPENDITURE

**\$45m –  
\$55m**

(2023: \$70 - 80m)

## Our strategy in action: Disciplined approach with our asset base

We prioritise capital efficiency, ensuring we maintain balance sheet flexibility to take on new opportunities for growth and provide shareholder returns.

We continue to focus our drilling business on low-cost, long-life mine sites, allowing us to achieve strong rig utilisation rates and build resilience across our operations.

Our recent mining contract win at Reko Diq enables us to redeploy our mining equipment without major additions to the mining fleet and continue our drive for capital efficiency.

We have strong relationships with our RCF providers, Standard Bank and Nedbank, having initially taken out long-term facility with Standard Bank in 2010.



## 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

NEW MAJOR MINING CONTRACT

# Reko Diq

DRILLING REVENUE CAGR<sup>1</sup>

# 17%

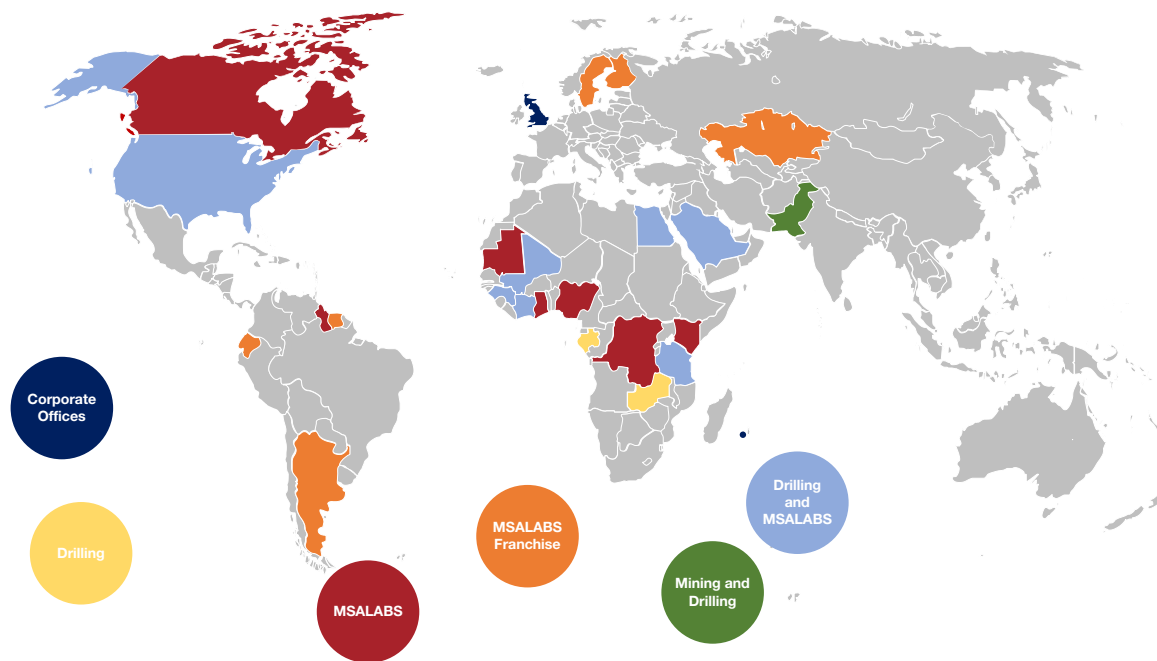
Since 2020

MSALABS REVENUE CAGR<sup>1</sup>

# 49%

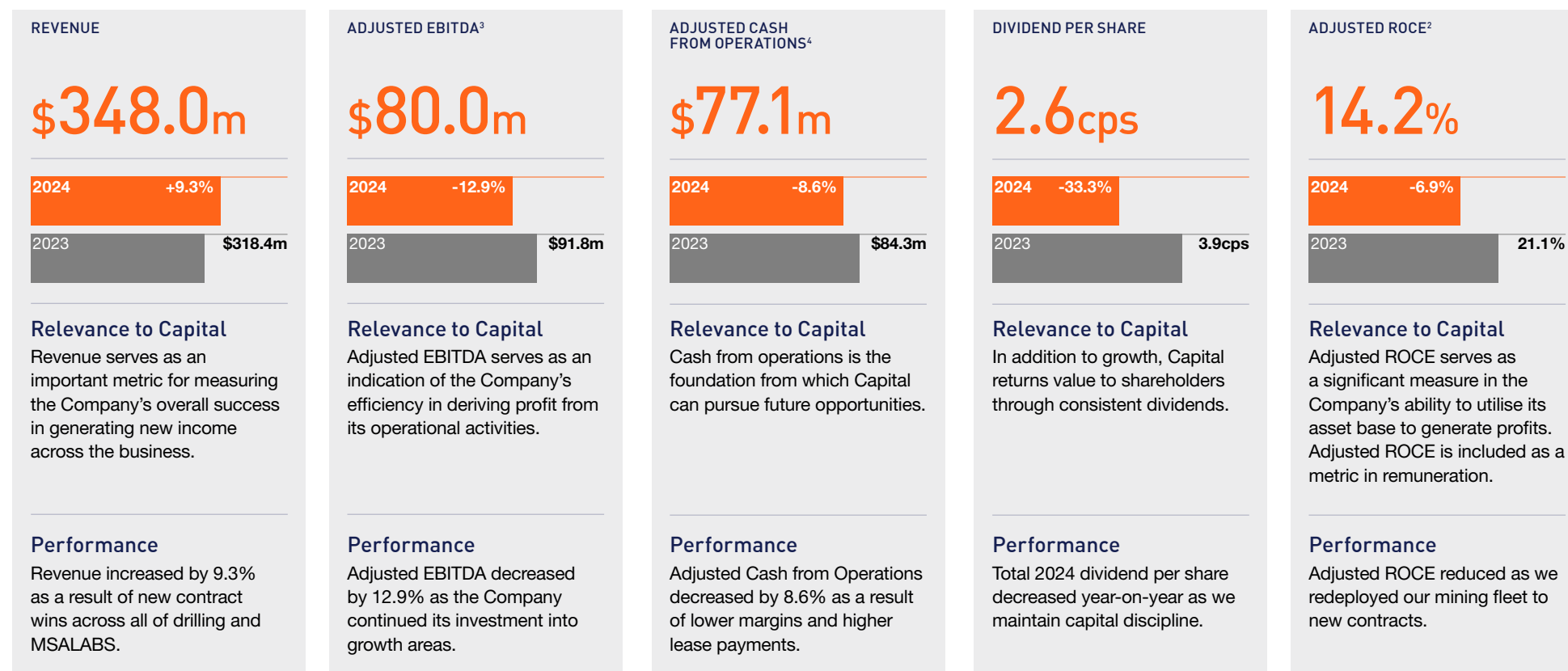
Since 2020

<sup>1</sup> Compound Annual Growth Rate



## Key Performance Indicators

# Financial KPIs



1 All Alternative Performance Measures (APMs) used are defined on page 152

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

3 Adjusted EBITDA include the cash cost of the IFRS 16 leases and exclude exceptional items

4 Adjusted Cash From Operations includes the cash cost of the IFRS 16 leases



Key Performance Indicators continued

# Operational KPIs

<div><div>ADJUSTED EBITDA MARGIN<sup>1</sup></div><div>23.0%</div><div><div>2024</div><div>2023</div></div><div>28.8%</div></div> <div><div>Relevance to Capital</div><div>Margins allow us to measure the consistency of operating performance across the business.</div></div> <div><div>Performance</div><div>Margins decreased during the year predominantly driven by investment in growth areas and the increased revenue contribution from MSALABS, which generates lower Adjusted EBITDA margins than the rest of the Group.</div></div>	<div><div>AVERAGE RIG UTILISATION</div><div>73%</div><div><div>2024</div><div>2023</div></div><div>73%</div></div> <div><div>Relevance to Capital</div><div>Tracking rig utilisation enables the Company to assess the effectiveness of its fleet management strategies and optimise resource allocation to maximise returns.</div></div> <div><div>Performance</div><div>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.</div></div>	<div><div>NATIONAL EMPLOYEES</div><div>93.5%</div><div><div>2024</div><div>2023</div></div><div>92.4%</div></div> <div><div>Relevance to Capital</div><div>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.</div></div> <div><div>Performance</div><div>Our level of nationalisation remains consistently high across the Group in line with our strategy.</div></div>	<div><div>TRIFR<sup>2</sup></div><div>0.78</div><div><div>2024</div><div>2023</div></div><div>0.75</div></div> <div><div>Relevance to Capital</div><div>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.</div></div> <div><div>Performance</div><div>Group TRIFR remains as one of the best performers in the industry.</div></div>
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1 Adjusted EBITDA include the cash cost of the IFRS 16 leases and excludes exceptional items

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

## Operational Review

# 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.

2024 REVENUE

**\$239.1m**

COMPOUNDED GROWTH RATE SINCE 2020

**~17%**

DRILLING YEAR-ON-YEAR GROWTH

**11.1%**

Our core drilling business experienced a further year of growth of 11.1% in 2024 to \$239.1 million (2023: \$215.3 million), as we begun to ramp up a number of key new contracts. Our fleet utilisation of 73% (2023: 73%) remains at strong yet stable levels for the year, even as we ramped up new contracts during 2024.

### Continued push in new geographies

Capital has continued to strategically push into new geographies with an emphasis on blue chip customers with tier one assets and long-term contracts. We commenced our first drilling contract in the Americas during 2024. This material drilling contract for the Group with NGM marks a key milestone in expanding our global presence and establishing a platform for further growth in the region. Whilst we have experienced delays in reaching full capacity during 2024, management has spent significant time on the ground to drive change and improvements. These changes will be implemented through the first half of 2025 as the contract continues to ramp up. 2024 also marked our re-entry into Zambia with the award of a grade control drilling services contract at Barrick's Lumwana Copper Mine, followed by the award of a diamond drilling services contract at KoBold Metals' Mingomba Copper Project.

### Continued record of relationships with blue-chip customers

Capital saw a number of contract renewals through 2024 reinforcing our strong track record of long-term partnerships. We entered 2025 under a five-year extension with Centamin at the Sukari Gold Mine, now under new ownership of AngloGold Ashanti, which will extend our activities on site to the end of 2029, 25 years after we arrived at the operation.

Furthermore we expanded our relationship with Perseus during the year, with an extension at its Sissingué Gold Mine in Côte d'Ivoire, a new contract award at its Yaouré Gold Mine in Côte d'Ivoire and the award of a drilling services contract at its Nyanzaga Gold Project in Tanzania.

### Focus on world class assets to enhance our contract portfolio

Our strategic focus on blue chip customers comes with the additional benefit of operating on world-class operations. This typically equates to resilient, low-cost operations that are well positioned to withstand the cycles and also long mine lives giving us longer-term visibility of returns. A number of our contracts are particularly notable in scale. NGM is the single largest gold-mining complex globally, Reko Diq copper mine in Pakistan is one of the largest undeveloped copper-gold projects globally and the Lumwana Project in Zambia is set to be a tier one copper mine once the expansion is complete.

## Operational Review continued

# Mining



Load and haul services for mining operations, which delivers additional diversification to the Group by moving further along the value chain.

WASTE MOVED OVER LIFETIME OF SUKARI MINING CONTRACT

~130Mt

ANTICIPATED MAJOR NEW CONTRACT AWARD

**Reko Diq Copper Project**

Our mining business achieved marginal revenue growth in 2024, up 0.8% to \$65.2 million broadly in line with 2023 (\$64.7 million). During the year, the Sukari mining contract came to its natural end in September 2024 while at Belinga, Fortescue Metals Group took the decision to pivot its development strategy from pre-production mining to resource development and, consequently concluded our mining contract.

Against this backdrop, we were delighted to be awarded a major contract in early 2025, subject to final contract negotiations with our longstanding customer, Barrick, the operators of Reko Diq, to significantly expand our service offering at its 50% owned major copper project in Pakistan.

### Major new contract anticipated at Reko Diq, Pakistan

The new mining services contracts will utilise the majority of Group's combined mining fleets from Sukari and Belinga and comprise two components - early works civils and also TSF mining services.

To this end, 2025 will represent a transitional year for Capital's mining division with the first items of equipment due to arrive on site in H1 2025, prior to commencing the agreed scope and ramping up in H2 2025. The larger scale equipment from Sukari, will gradually commence operations from Q4 2025,

achieving run rate utilisation from the second half of 2026.

The long-term outlook of this operation is compelling, with an estimated life of mine of ~40 years and Barrick seeing exploration targets supporting the potential to double that.

### Building a track record for new contracts

The Group's first large-scale mining services contract at Sukari which commenced in early 2021, showcased our capabilities and strengths. The contract ramped up ahead of expectations, completed ahead of schedule and maintained an exemplary safety record throughout its duration. The waste mining contract came to a natural conclusion at the end of Q3 2024 following its successful completion. This contract, which moved 130 million tonnes of material over a four-year period, employed over 400 people and operated a fleet of 17 trucks, 3 excavators, alongside other support equipment.

## 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.

PLANNED CHRYSOS UNITS ROLLOUT

**21 units**

MAJOR GOLD LABORATORY AT NEVADA  
GOLD MINES

**Phase 1  
commissioned**

### Multi-year growth strategy

In 2024, MSALABS recorded revenue growth of 13.5% to \$43.6 million (2023: \$38.4 million) with revenue CAGR of ~49% since 2020 (\$8.91 million). Having experienced delays in the ramp up of our significant contract with NGM as well as lower than expected utilisation across a number of commercial laboratories, both contributing to a longer approach to profitability, we achieved strong growth in the latter part of the year as ramp ups accelerated.

After recording a loss in 2024, MSALABS is on a path towards profitability. Furthermore, management made the decision to close our operations in Ghana and Mali, which led to an impairment in 2024 results. Alongside changes across the management structure including the appointment of a Chief Operating Officer and the expansion of the global business development team, we believe this positions the business well to continue its multi-year growth trajectory in the coming years.

### Building momentum with the largest contract in MSALABS' history

The growth in Q4 2024 revenues was largely driven by our significant contract with NGM beginning to receive samples. In 2025, this five-year comprehensive laboratory services contract will focus on the ramp up of the

PhotonAssay™ units while we progress phase 2, which will see the addition of wet chemistry and multi-element assaying capabilities. Once complete, NGM will represent the largest contract in this history of MSALABS.

### Largest global distributor of PhotonAssay™ technology

Having strategically positioned ourselves as an early adopter of PhotonAssay™ technology, MSALABS remains at the forefront of the industry with the largest international network of Chrysos PhotonAssay™ units. During 2024, MSALABS continued to successfully roll out units, building on the momentum since announcing the expansion of our partnership with Chrysos in July 2022 to see the planned rollout of 21 units. Underpinning this rollout is a global partnership with Barrick and Chrysos to deliver its PhotonAssay™ technology to Barrick mine sites across four continents.

PhotonAssay™ offers several distinct advantages: it provides results in minutes, eliminates hazardous waste and reduces emissions, ensuring a faster, more efficient outcome and environmentally responsible process. Additionally, the technology uses a larger 500g sample size - up to 10 times greater than traditional methods - delivering more accurate and representative results.

This groundbreaking technology presents a significant opportunity for MSALABS, as major mining companies continue to adopt its premium capabilities.

### Laboratory portfolio split between mine site and commercial laboratories

Our global network of laboratories falls into two strategic categories – mine site and commercial laboratories. Mine site laboratories are located directly at our customers' mine site and receive exclusive sample inflow from that operation. These laboratories typically reach full utilisation quickly and maintain steady output, aligned with the consistent operations of the mine.

In contrast, commercial laboratories require longer to reach targeted utilisation as they receive samples from multiple customers. In 2023 and 2024, MSALABS leveraged its early mover advantage by strategically deploying PhotonAssay™ units at key commercial locations to strengthen our position.

Looking forward, MSALABS will focus on increasing the utilisation at these commercial sites, while placing a greater emphasis on mine site locations for future laboratory rollouts.



## Operational Review continued

# Investments



Comprising direct investments in both publicly traded and private companies, Capital Investments constitutes an important element of our business development strategy.

We leverage our infrastructure, relationships and expertise by investing in exploration and mining companies which are strategically aligned with our broader operations.

SALE OF STAKE IN PREDICTIVE DISCOVERY

**\$31.2m**

INVESTMENT PORTFOLIO AS AT 31 DECEMBER 2024

**\$30.3m**

### A proven cornerstone of our Group's strategy

The Group launched its Capital Investment strategy in January 2019, to capitalise on the returns potential in a sector that has, in recent history, faced limited access to capital, particularly for junior mining companies. This strategy has now demonstrated significant returns, with cumulative net receipts of ~\$12 million since inception, whilst also fostering partnerships that have been highly effective as a business development tool.

### Returns and material recycling of capital

In August 2024, we sold our entire stake in Predictive Discovery to Perseus Mining for a total cash consideration of ~\$31.2 million. The agreement with Perseus also included a call option and profit share arrangement in the event of a takeover or subsequent sale by Perseus.

### Concentrated portfolio

Our portfolio predominantly comprises listed companies (representing \$29.1 million at year end), with a small weighting of unlisted businesses (\$1.2 million at year end). At 31 December 2024, the portfolio stood at \$30.3 million and continued to be focused on a select few key holdings, with WIA Gold, Sanu Gold and Asara Resources accounting for almost 90% of our investments.

### Investment strategy

Our investment activity is overseen by a dedicated investment committee operating with a defined investment mandate.

See the Investment Committee Report on page 96.

The potential investments must satisfy a number of criteria:

- Stand-alone investment case and attractive valuation;
- Potential to add operational support through our services;
- Potential to add financial support where capital is constrained;
- Potential to add strategic support through industry access and experience; and
- Potential to generate 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

# 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.

NEW STRATEGIC INVESTMENT

## Eco Detection

NEW IACA PARTNERSHIP IN 2024

## ECITB

### An incubator for new technology in the mining industry

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.

### Eco Detection

During 2024, we completed a ~\$7 million strategic investment in Eco Detection, acquiring a ~22% ownership stake in the company. The investment in Eco Detection offers us a unique opportunity to enhance our service offerings through exclusive global distribution of the Ion-Q platform to the mining sector. Eco Detection's Ion-Q platform is the world's first fully autonomous multiparameter laboratory grade water analysis system. This technology which provides continuous water quality monitoring transmits proven laboratory-grade measurements in real-time directly from site, thereby eliminating the need for manual sampling.

This cutting-edge technology supports exploration and mining activities by providing critical data for compliance and remediation reporting, monitoring down-hole water quality

and delivering real-time contaminant alerts. These capabilities enhance response times to potential leaching from tailings dams and other storage facilities, whilst also improving community relations through monitoring of local environment conditions and waterways. With Eco Detection's growing acceptance by regulatory bodies and its potential to support sustainable water management across industries, this deal strengthens our commitment to environmental stewardship and positions us to capitalise on the increasing demand for innovative water solutions in the mining and other sectors. In 2023, Eco Detection topped @AuManufacturing's inaugural Top 50 Australian Manufacturers and won the Victorian iAwards23 prize for the best Sustainability and Environmental Solution.

### 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. Additionally, our in-house built Hit The Target (HiTT) software facilitates 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.

In 2024, we implemented high-precision drilling tools and technical support at the Predictive Discovery's Bankan Project, Allied Gold's Sadiola Project and Perseus recently acquired Nyanzaga Project.

### 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.

In 2024, we secured a partnership with Engineering Construction Industry Training Board (ECITB), obtained an ECITB Global Training Provider licence and became the only ECITB accreditation agency in Tanzania.

## Chief Financial Officer's Review

## Navigating transitional headwinds



*The challenges we have faced transitioning the business and ramping up several new large-scale projects placed downward pressure on our operating margins for 2024. Looking forward, as the structural changes take effect and each of our new contracts reach run rate performance, the business will be on a firmer footing with stronger margins and returns."*

**Rick Robson**  
Chief Financial Officer



Revenue for 2024 increased by 9% to \$348.0 million (2023: \$318.4 million), underpinned by strong drilling revenues across the Group. However, H2 saw 5% lower revenue (\$169.4 million) than H1 (\$178.6 million) primarily due to the Sukari mining contract finishing in September 2024.

Average rig utilisation remained at healthy levels of 73% (2023: 73%). This utilisation is near our target level of 75%, allowing for efficient mobilisations and enabling an effective maintenance programme, a key differentiator in the market. Average revenue per operating rig (ARPOR) per month increased on the prior year to \$204,000 (2023: \$186,000).

2024 contribution to revenue from non-drilling services was 31% (2023: 32%) with MSALABS contributing 13% of Group revenue in 2024 (2023: 12%) and mining contributing 18% of Group revenue in 2024 (2023: 20%).

EBITDA (adjusted for IFRS 16 leases and exceptional items) decreased 12.9% to \$80.0 million (2023: \$91.8 million) delivering a 23.0% margin (2023: 28.8%). The profitability of Group operations was impacted by ramp up challenges, particularly at our drilling operation at NGM, Nevada, but also by slower than expected ramp up in volume at several of the Group's commercial laboratories. Administration expenses (pre-ERP costs) increased to \$54.3million (2023: \$46.9 million). The main drivers of the increase are a \$2.5 million non-cash provision made against various aged VAT receivables, particularly in Mali; a \$2.6 million increase in employee cost, primarily relating to operational and regional managerial roles added as we continue to ramp up growth projects; and exchange losses of \$2.3 million caused by adverse currency movements in West and Central Africa.

EBIT decreased 34.9% to \$39.3 million (2023: \$60.3 million) delivering a 11.3% margin (2023: 18.9%). Part of this decrease is attributable to impairments booked in the year against the assets of several underperforming laboratories as well

as increased depreciation on right-of-use assets as we brought new Chrysos PhotonAssay™ units online.

Our investment portfolio recorded a \$12.1 million gain reflected in the Statement of Profit and Loss. The portfolio remains concentrated around key holdings, particularly the holdings in WIA Gold and Sanu Gold. The total portfolio was valued at \$30.3 million at the end of 2024 down from \$47.2 million at the end of 2023, following the disposal in August 2024 of our investment in Predictive Discovery for \$31.2 million. Since inception, the portfolio has realised ~\$12 million more than has been invested.

## Statement of comprehensive income

	2024	2023
Revenue (\$m)	\$348.0m	\$318.4m
Adjusted EBITDA <sup>1</sup>	\$80.0m	\$91.8m
Adjusted EBITDA Margin <sup>1</sup>	23.0%	28.8%
PBT	\$34.3m	\$50.3m
NPAT	\$18.3m	\$38.5m
Basic EPS (cents)	8.9 cents	19.1 cents
Diluted EPS (cents)	8.9 cents	18.8 cents

<sup>1</sup> Adjusted EBITDA include the cash cost of the IFRS 16 leases and excludes exceptional items

## Chief Financial Officer's Review continued

Profit Before Tax (PBT) decreased by 31.9% to \$34.3 million (2023: \$50.3 million) and Net Profit After Tax (NPAT) decreased 52.5% to \$18.3 million (2023: \$38.5 million) with both measures affected by higher interest costs during the year of \$16.7 million (2023: \$13.0 million) and positively impacted by the net investment gain of \$12.1 million (2023: \$3.0 million gain).

The Effective Tax Rate (ETR) for 2024 was 46.5% (2023: 23.5%). Excluding the impact of the realised and unrealised gain on the Group's investment portfolio and adjusting for non-cash exceptional items (\$2.5 million provision for VAT receivables and \$2.8 million impairment of laboratory assets), the ETR was 57.9% (2023: 24.9%). The increase is primarily a result of a greater proportion of profit from higher tax jurisdictions combined with the build up of tax losses in new jurisdictions (in particular the USA). We anticipate being able to recognise the benefit of these tax losses in 2025 as these new jurisdictions move to profitability.

The Basic Earnings Per Share (EPS) for the year decreased 53.5% to 8.9 cents (2023: 19.1 cents). The weighted average number of ordinary shares used in the Basic EPS calculation was 195,112,329 (2023: 192,451,358).

### Statement of financial position

	2024	2023
Non-current assets	<b>\$292.2m</b>	\$250.0m
Current assets	<b>\$219.5m</b>	\$217.7m
Total assets	<b>\$511.7m</b>	\$467.7m
Non-current liabilities	<b>\$119.9m</b>	\$98.7m
Current liabilities	<b>\$108.5m</b>	\$95.9m
Total liabilities	<b>\$228.3m</b>	\$194.6m
Shareholders equity	<b>\$283.4m</b>	\$273.1m

Non-current assets increased by 16.9% YoY to \$292.2 million (2023: \$250.0 million) reflecting a net investment in the fleet (of which rig purchases in Nevada are a major component), the purchases of the facility in Elko, Nevada and the laboratory facility in Fairbanks, Alaska. Furthermore, non-current assets were increased due to the recognition of the investment made in Eco Detection and a 8.0% YoY increase in the right-of-use asset base to \$32.1 million (2023: \$29.7 million) primarily in connection with the roll out of Chrysos PhotonAssay™ units in MSALABS.

Current assets increased to \$219.5 million (2023: \$217.7 million) as a result of a 21.5% YoY increase in trade receivables, a 17.9% increase in cash and cash equivalents, offset by a 35.7% reduction in the value of the investment portfolio following the sale of our Predictive Discovery stake. Trade receivables also increased to \$60.2 million (2023: \$49.6 million) primarily due to the receivable from Ivindo relating to early termination of our mining contract. Cash and cash equivalents increased by \$6.1 million to \$40.5 million (2023: \$34.4 million). The fair value of the equity investments decreased to \$30.3 million (2023: \$47.2 million).

Current liabilities primarily consisted of trade and other payables of \$57.8 million (2023: \$50.7 million), the current portion of long-term liabilities of \$28.3 million (2023: \$27.1 million) and tax liabilities of \$10.6 million (2023: \$9.3 million).

Non-current liabilities of \$119.9 million (2023: \$98.7 million) includes \$86.9 million of long-term loans (net of unamortised debt costs) (2023: \$75.5 million). Total long-term debt includes \$60.0 million of the upsized Revolving Credit Facility, a \$13.1 million asset backed facility with Macquarie, OEM financing direct through Epiroc, Caterpillar and Sandvik and two new mortgage facilities totalling \$4.3 million for the property purchases. The balance of the increase in non-current liabilities primarily relates to the lease liabilities associated with new Chrysos PhotonAssay™ units added in the year.

### Statement of changes in equity

	2024	2023
Opening equity	<b>\$273.1m</b>	\$238.9m
Total comprehensive income	<b>\$18.3m</b>	\$38.5m
Share based payments	<b>\$0.5m</b>	\$3.5m
Dividends paid	<b>\$(7.7)m</b>	\$(7.6)m
NCI ex business combination	<b>\$(0.8)m</b>	\$(0.2)m
Closing equity	<b>\$283.4m</b>	\$273.1m



## Chief Financial Officer's Review continued

As at 31 December 2024, total equity increased by 3.7% driven primarily by net profit for the year of \$18.3 million. The Group distributed dividends of \$7.7 million (2023: \$7.6 million) to shareholders. There was no share buyback undertaken by the Group in 2024.

### Statement of cash flows

	2024	2023
Net cash from operating activities	\$63.7m	\$69.2m
Net cash used in investing activities	\$(20.2)m	\$(60.8)m
Net cash used in financing activities	\$(36.2)m	\$(2.7)m
Net increase in cash and cash equivalents	\$7.3m	\$5.7m
Opening cash and cash equivalents	\$34.4m	\$28.4m
Translation of foreign currency cash	\$(1.1)m	\$0.2m
Closing cash and cash equivalents	\$40.5m	\$34.4m

### Reconciliation of Adjusted net cash (debt) position

	2024	2023
Net (debt) / cash at the beginning of the year	\$(69.8)m	\$(47.2)m
Net increase in cash and cash equivalents	\$7.3m	\$5.7m
Increase in loans and borrowings	\$(12.1)m	\$(28.5)m
Translation of foreign currency cash	\$(1.1)m	\$0.2m
Net (debt) / cash at the end of the year	\$(75.7)m	\$(69.8)m

Net debt/cash excludes ROU leases

Net cash from operating activities was 8% lower YoY at \$63.7 million (2023: \$69.2 million) impacted by the weaker performance of both our drilling contract at NGM and several MSA laboratories, and higher finance costs. There were favourable working capital movements during the year driven by higher payables and offset by elevated receivables at the year end.

Adjusted cash from operations was 8.6% lower YoY at \$77.1 million (2023: \$84.3 million) primarily due to the increase in the cash cost of IFRS 16 leases which increased from \$8.2 million to \$13.1 million as further Chrysos PhotonAssay™ units were commissioned. Closing cash was \$40.5 million (2023: \$34.4 million) with net debt of \$75.7 million (2023: \$69.8 million).

Net cash used in investing activities was a cash outflow of \$20.2 million (2023: \$60.7 million), 67% lower year-on-year primarily due to the proceeds from the sale of our stake in Predictive Discovery. Our cash capital expenditure reduced by 28% to \$38.4 million in 2024 from \$53.2 million in 2023 with the prior year including the purchase of mining equipment for the mining contract at Belinga. In 2024, the Group funded the continued expansion of MSALABS with the deployment of a number of commercial laboratories as well as the mine-site laboratory at NGM.

Net cash from financing activities in 2024 led to a cash outflow of \$36.2 million (2023: \$2.7 million) primarily as a result of the net repayment of \$17.3 million of loans, \$10.0 million principal portion of lease payments and the dividend cash payment of \$7.7 million.

During 2024 we continued to work with our existing lenders and entered into new OEM-financing arrangements with our trusted drilling equipment manufacturers as well as increasing the revolving credit facility from \$50 million to \$75 million as we expanded our global presence, particularly in the USA.

While both our mining contracts came to an end in 2024, there are exciting growth prospects for the Group as we commence our new tailings storage facility and civils construction contract at Reko Diq, Pakistan, in 2025, subject to final contract negotiations. This, alongside our core long-term mine site contracts together with expected improvements in the USA and across our commercial laboratories, the business will be on a much stronger footing.



**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.

The 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/CFO	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 / Regional GM	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

## Principle 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 service 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 Groups strategic focus on blue-chip, high-quality clients with long term project commitments that are inherently less susceptible to industry fluctuations.

[Link to strategy – !\[\]\(5d954b3e270654ad8ab0d5913161c03c\_img.jpg\) 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 transition to the new system commenced during 2024 and will continue throughout 2025.

[Link to strategy – !\[\]\(62e94c0795f5d0e811cb40e6b18f26fd\_img.jpg\) 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 and the ability to repatriate cash.

[Link to strategy – !\[\]\(5c9c0083657e3e23e37785bd1c32a518\_img.jpg\) 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 – !\[\]\(d00fc04377caa3ed65ff95a660ca17f8\_img.jpg\) Partnerships](#)

## Principle 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 – !\[\]\(899d8b7697d64725bf017d3296cfcf1b\_img.jpg\) 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, including 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, and the 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 36. 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 16 years LTI free at our Mwanza facility.

[Link to strategy – !\[\]\(a2bb1e57b467f1e41142026aa73db90f\_img.jpg\) Partnerships](#)

7

### Over exposure to one commodity

#### Risk Description (Corporate Strategic)

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, 2024 contract announcements relating to a five year extension at Sukari, Egypt, new contracts with Perseus Mining in both Cote d'Ivoire and Tanzania as well as with Barrick at Lumwana, Zambia. Capital continues to actively seek opportunities with a focus on non-gold minerals (e.g. copper) as well as other transition metals.

[Link to strategy – !\[\]\(aaea9d55ec7e05231e57f246a23a2f24\_img.jpg\) Growth](#)

8

### Reduction in value of equity investment portfolio

#### Risk Description (Project)

Through Capital Investments, the Group holds investments in a portfolio of publicly.

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

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 – !\[\]\(0fe13ea28ef8f4eb29408334f2a802c0\_img.jpg\) Capital Efficiency](#)



## Principle 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 the safety and security of Capital's assets and personnel.

#### Our Response

The Group has considerable practical experience in operating successfully in such jurisdictions and plans are in place to secure the safety of personnel and assets in the event of significant security issues. These plans are augmented by various insurance policies.

The Group is seeking to continue to diversify its operations geographically including, for example, in North America and Zambia.

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.

[Link to strategy – 🌐 Growth](#)

10

### 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

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

During the year, the Group successfully arranged with its existing banking syndicate an increase in the revolving credit facility from \$50 million to \$75 million which provides additional balance sheet flexibility to deliver on growth opportunities.

Senior management continues to engage regularly with shareholders – see further detail on page 61.

[Link to strategy – 🌐 Capital efficiency](#)

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### Energy transition

#### Risk Description (Corporate Strategic)

Capital is subject to both risks and opportunities associated with the global energy transition and climate change. Compliance with related requirements and regulations, could result in additional costs to us or our client.

Traditional diesel-powered mining equipment will be replaced by more energy efficient, low-carbon alternatives.

#### Our Response

Our carbon reduction efforts are closely linked to the development of sustainably powered equipment by Original Equipment Manufacturers (OEMs) as well as clients and host governments switching to renewable energy sources. The Group assesses developments in low-carbon technology and senior management are in regular contact with OEM manufacturers so as to maintain a strong awareness of industry developments.

Recognising the importance of reducing our emissions and our Net Zero target, we continue to identify and pilot technology options for decarbonisation to capitalise on opportunities as they become available such as our Epiroc partnership to field-test their SmartROC D65 battery-electric surface drill rig.

We continue to focus on our drill fleet automation and replacement and already have several electric underground rigs in use. Where possible we are looking to switch our ancillary fleet to alternative energy sources.

More information on our approach to decarbonisation and our climate risk assessment is available on page 46.

[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 2027, reflecting the period covered by our strategic plan, length of major contracts and aligned with the principal financing facility which are due for renewal in April 2027.

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

Total long-term debt includes \$60.0 million of the upsized Revolving Credit Facility, a \$13.1million asset-backed facility with Macquarie and OEM-financing direct through Epiroc, Caterpillar and Sandvik. The Group closed the financial year with a net debt position of \$75.7 million (2023: \$69.8 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 April 2027.

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 10 to 25.

### Operations

Revenue for the year reached \$348.0 million (2023: \$318.4 million), marginally below 2024 guidance (\$355 – \$375 million). Our core drilling business had another strong year in 2024, continuing our focus on mine-site contracts as well as our expansion into the USA and Zambia.

In 2024 the mining contract at Sukari came to its natural end and Ivindo was terminated early by the customer. Looking to 2025, the Group, subject to final contract negotiations, will commence an early works civils contract along with an additional longer term tailings storage facility mining services contract with Reko Diq, building on its existing relationship with Barrick and expanding its operations at the project site. The MSALABS business continues to grow (14% growth in revenue in 2024) with the roll out of additional Chrysos PhotonAssay™ units during the year in the USA and Africa, with further deployments due through 2025 and 2026.

### 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 27 to 29.

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:

- Decreases in forward EBITDA throughout the period; and
- 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 December 2027 by implementing several mitigating measures such as liquidating the investment portfolio, reducing 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 assumption 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 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  
27 March 2025



# Sustainability

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HEALTH AND SAFETY

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TCFD REPORT



## Sustainability

# Sustainability is a part of our culture



***Sustainability and responsible business is embedded in our culture and our values, it is a part of how we do business. Our approach is governed by a comprehensive set of policies, providing oversight of sustainability management throughout the business.”***

Catherine (Cassie) Boggs  
Chair of the Sustainability Committee



### Our sustainability governance framework

The Board is ultimately responsible for overseeing sustainability and is guided and 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), which in turn is responsible for communicating, monitoring and delegating responsibilities to relevant management in the business including the Group Sustainability Manager, Group HSSE Manager and regional managers.

See further details in the committee reports on pages 78 and 95 respectively.

Sustainability is an important element of how we do business, recognising that upholding the highest ethical and responsible practices across all areas of our operations and supply chain is essential. As an end-to-end mining services provider, we believe we play a role in contributing to a sustainable resource lifecycle through our employment and training practices as well as through our approach to innovation and technology.

At the core of our strategy is the ability to grow our business, maintain a competitive edge and continue working with some of the world's largest mining companies while supporting their tier-one assets. By prioritising sustainability, we aim to meet the evolving expectations of our customers, build strong relationships and ensure long-term success. We prioritise the health & safety of our workforce, with a focus on local employment, training and development. We are dedicated to conducting business in an environmentally and socially responsible manner and contributing to socio-economic development in the host countries and communities in which we operate.

We work closely with our customers who hold the mining permits and therefore carry the primary responsibility to meet sustainability obligations for their sites, including legal requirements. Where we are located off-site, we are committed to managing environmental and social impacts of our activities, seeking continual improvement and opportunities to reduce our impact. Capital's separate sustainability reporting provides detail on each of our material sustainability topics along with updates on our sustainability activities and our approach going forward.

### Sustainability Governance Framework





## Sustainability continued

### Materiality

To ensure that we are concentrating and reporting on our most material topics, we conducted a materiality assessment in 2023.

In 2024 we reviewed our material topics to ensure they remain relevant.

Our topics take 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).

The outcomes defined the strategic priorities and provided refinement to our existing frameworks.

We have categorised our topics into six key pillars which form the basis of our approach to sustainability. Our pillars are:

RESPONSIBLE BUSINESS	SUSTAINABLE RESOURCE LIFECYCLE	HEALTH & SAFETY	OUR PEOPLE	CONTRIBUTING TO SOCIETY	ENVIRONMENTAL STEWARDSHIP
<b>Corporate governance and business ethics</b> <p>Maintaining the highest standards of integrity and accountability and conducting all our business activities in a responsible, honest and ethical manner.</p> <p><b>2024 update</b></p> <ul style="list-style-type: none"> <li>Reviewed our Whistleblowing mechanism, identifying the opportunity for improved awareness across our employees and business partners targeting 2025 for rollout.</li> </ul>	<b>High quality, sustainable services and solution; Innovation</b> <p>A culture of continual improvement, innovative thinking and latest technology. Providing excellent services and solutions to our customers that support improved sustainability outcomes.</p> <p><b>2024 update</b></p> <ul style="list-style-type: none"> <li>Completed a strategic investment of ~\$7 million in Eco Detection.</li> <li>Continued our partnership with Epiroc to field test their SmartROC D65 BE battery-electric surface drill rig</li> <li>Continued roll-out of Chrysos PhotonAssay™ technology.</li> </ul>	<b>Occupational health and safety</b> <p>An uncompromising commitment to the occupational health &amp; safety of our employees, contractors and others where we work.</p> <p><b>2024 update</b></p> <ul style="list-style-type: none"> <li>0.78 TRIFR achieving our aim to keep TRIFR below 1.00.</li> <li>Maintained our ISO 45001 and ISO 9001 certification with no major non-conformances</li> </ul>	<b>Local and responsible employment; training and development</b> <p>Maintaining a responsible approach to employment, treating employees fairly and providing an environment where our people can develop and thrive. Contributing to our host countries by prioritising local jobs and training opportunities, with the intention of providing exciting career prospects and continued growth.</p> <p><b>2024 update</b></p> <ul style="list-style-type: none"> <li>Maintained our Social Responsibility &amp; Compliance Initiative Management System (consistent with (SA8000)) compliance in 2024</li> <li>25% female board representation and 20% in executive management<sup>1</sup></li> <li>8% women across the Group</li> </ul> <p><small>1 Executive management includes the Executive Leadership Team and Company Secretary</small></p>	<b>Socio-economic value creation</b> <p>Creating socio-economic value through local employment, skills transfer and development, local procurement, the fair and transparent payment of taxes and a targeted approach to community investment.</p> <p><b>2024 update</b></p> <ul style="list-style-type: none"> <li>Contributed over \$0.35 million to community initiatives across the regions in which we operate.</li> <li>Reviewed our Corporate Social Investment Guidance for community initiatives.</li> </ul>	<b>Climate, emissions and energy efficiency</b> <p>Working in an environmentally responsible manner – enhancing efficiencies and managing and reducing the environmental impacts of our activities.</p> <p><b>2024 update</b></p> <ul style="list-style-type: none"> <li>Maintained our ISO 14001 certification with no major non-conformances.</li> </ul>

## Sustainability continued

### Responsible Business

Capital aims to conduct all business activities with honesty and integrity, upholding the highest standards of accountability as outlined in 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 have outlined our comprehensive approach in more detail in the Corporate Governance section on page 57 of this report.

We are aware that we work in some countries where corruption, bribery, tax evasion and other unethical behaviour is more prevalent and therefore take a stringent approach to these issues. Many of our contracts are with the world's leading mining companies, who, like Capital, take corporate governance, bribery, corruption and other unethical behaviour very seriously. We therefore expect our employees and business partners to uphold the highest standards of corporate governance, ethics and integrity throughout our business no matter the jurisdiction or operational context. 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.

Capital recognises the potential human rights risks within our industry and broader supply chain, which tend to be labour intensive. By upholding internationally recognised human rights, Capital seeks to avoid infringing on the human rights of our employees, communities and throughout our supply chain, and to facilitate access to remedy through our employee grievance and broader whistleblowing mechanisms. In 2024 we reviewed our whistleblowing mechanism identifying the opportunity for enhanced awareness across employees and business partners for implementation in 2025. 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. In 2024, we reviewed our standard clauses in supply chain contracts with the aim of further strengthening the credentials, anti-corruption, human rights, and code of conduct pre-qualifications criteria and contract clauses for implementation in 2025.

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

We provide more information on our principal Company risks and our management approach to these on page 27 of this report.

## Sustainability continued

### Sustainable Resource Lifecycle

Central to our strategy is our ability to grow our business, maintain a competitive edge, and consistently deliver value to our customers. We believe that technology and innovation are crucial in setting us apart from our peers and achieving this strategy, driving the long-term success of Capital's business.

As an integrated, end-to-end provider of mining services and solutions, working with some of the world's largest mining companies, we are well positioned to play a part in influencing and impacting a meaningful portion of the industry, helping to drive sustainability across the value chain. We can do this by seeking ways to address some of the sustainability challenges our customers face, particularly through enhanced accuracy and efficiency that reduce time, emissions and environmental impacts – whether within our own fleets or through investment in new opportunities.

Our focus on sustainable solutions is strengthened by our comprehensive involvement across the mining life cycle which gives us access to cutting-edge technologies and innovations that can drive real change. At the core of our business is the foundation of trusted, long-term partnerships with customers, driven by our reputation for best-in-class execution. This is underpinned by a focus on premium equipment, skilled people, rigorous training, excellent standards and a proven safety track record. Through collaboration, we fully understand our customers' business and sustainability objectives, enabling us to deliver innovative, tailored solutions.

Excellence is one of Capital's core values – compelling us to be responsive, innovative and entrepreneurial, taking ownership and always striving for the best outcomes. By focusing on innovation in collaboration with world leading equipment manufacturers, we believe we can provide our customers with the services and solutions they need to meet their own sustainability goals. Our Innovation and Technology Steering Committee (comprising Capital's Executive Chair, relevant ELT members and our Corporate Development Manager) is designed to be agile and fast-moving, playing a pivotal role in identify and nurturing new opportunities.

Leveraging our strong relationship with some of the world's largest OEMs and our deep understanding of customers' needs, we act quickly on innovations that maintain our competitive advantage and foster growth for both our business and our customers.

### Eco Detection

In 2024, we entered a strategic investment in Eco Detection, acquiring a 22% share in the company and securing an exclusive arrangement to distribute this technology within the mining industry. This investment not only expands Capital's service offerings but also reinforces our commitment to environmental stewardship. Eco Detection's Ion-Q platform is the world's first fully autonomous, multiparameter, laboratory-grade water analysis system. It continuously monitors water quality, transmitting accurate, lab-grade measurements in real-time directly from site – eliminating the need for manual sampling and lead time for

laboratory analysis. The secure, validated data and analytics empower more informed management and operational decisions, allowing for significantly faster response times. This cutting-edge technology presents significant growth opportunities across various sectors. It supports exploration and mining activities by providing critical data for compliance and remediation reporting, monitoring down-hole water quality, and delivering real-time contaminant alerts. These capabilities improve response times to leaching from tailings dams, potential water contamination and other storage facilities. Additionally, the system can enhance community relations by monitoring local environmental conditions and waterways.

### Partnering with Epiroc to address emissions

In early 2024, we announced our partnership with Epiroc to field test their innovative SmartROC D65, a battery-electric surface drill rig for the mining and construction industry. Diesel used for our drill rigs accounts for a significant proportion of our Scope 1 emissions and therefore investigating alternatives represents an important step in our decarbonation journey and our Net Zero target (across scope 1 and 2). Epiroc tested the SmartROC D65 BE in situ throughout the year, ensuring it is ready for field testing, which we aim to start in H2 2025 at Sukari in Egypt (where we have a broad fleet of Epiroc drill rigs).

### PhotonAssay™ technology

Using innovative PhotonAssay™ technology, MSALABS delivers faster, safer and more environmentally responsible (from both a waste and emissions perspective) analysis than traditional fire assay methods. We have continued to roll out Chrysos PhotonAssay™ machines across our MSALABS and in 2024 increased the number of machines from 9 to 13. The PhotonAssay™ reduces the per sample emissions by switching from fuel generated power required for fire assay testing to grid electricity, reducing scope 1 emissions associated with each sample. PhotonAssay™ does not use acids nor other hazardous reagents and does not generate lead fumes or solid waste typically associated with traditional fire assay testing and therefore removes the hazardous waste generated from every sample.

### eMining, fleet replacement, digitisation and automation

Our eMining, fleet replacement, digitisation and automation program, which focusses on finding solutions to reduce emissions from our core mining and drilling activities and ancillary fleets, has seen several initiatives piloted and some implemented. More information available on page 51 of this report.

## Sustainability continued

### Health & Safety

Safety is of critical importance to both the Company and our customers. Our people have the right to a safe working environment, and we take this right extremely seriously. Our activities are subject to various risks associated with mining operations and geochemical laboratories. 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, Social & Environmental (HSSE) management system is ISO 45001, ISO 14001 and ISO 9001 compliant being annually assessed by independent auditors and is designed to reduce risks to as low as reasonably possible (more information is available on environmental management on page 39). This includes applying 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 on site, and is available on the website here: [www.capdrill.com/investors/corporate-governance](http://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 key risks in our business. Our site-based employees and contractors attend induction training covering key safety requirements along with refresher training. Onsite safety is reinforced at the start of every shift during our pre-shift instruction meetings, and during our weekly meetings as well as through several ongoing initiatives such as safety risk leadership walks, plan task observations and our Critical Control Verification (CCV) programme.

We continued to focus on hand and finger injury prevention programmes in 2024. Whilst we saw a reduction in related injuries from 2023, this is still the most common injury across our drilling and mining activities. In 2024 we focused on training, safety enhancement plans at relevant operations and our ongoing safety programmes such as CCV.

The Board delegates responsibility through the HSSE Committee, to the Group HSSE 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 2024, remaining lost time injury (LTI) free across fifteen sites during the year – eight of which have been LTI free for three years or more. Our total recordable injury frequency rate (TRIFR) was 0.78 (2023: 0.75) per 1 million hours worked, with over 12.7 million hours worked in 2024 (2023: 11.9 million hours).

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 & safety statistics and incident reports are monitored throughout our projects and the various management structures of the Group, including by 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 where relevant, 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, malaria and typhoid awareness. Certain site locations also offer exercise and recreational activities to support the health and wellbeing of our employees. We saw an increase in malaria cases in 2024 mostly attributed to our West African operations. Although malaria awareness is already part of our induction training, we rolled out additional malaria management plans at relevant operations including specific malaria awareness through our monthly training topics.



## 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 of our people.

Our approach to human resources is consistent with the Social Accountability 8000 International Standard (SA8000) and in 2024 we maintained our Social Responsibility & Compliance Initiative Management System (SRCIMS) certification with annual independent audits across our business entities.

Capital has always prioritised local employment, with 93.5% of our workforce coming from their respective countries of operation, and this approach remains steadfast as we continue to grow. We collaborate with local employment bodies, customers and communities to ensure safe and efficient operations, while implementing training programmes to facilitate the transfer of skills and knowledge across roles where needed. Our wide range of programmes and initiatives is accessible to all employees, contributing to the core strength of our organisation. In 2024, our employees received an average of 74 training hours across the Group compared to 70.5 in 2023. We are driving the digitisation of our training offering with a strong push for online learning across the full organisation, covering both operational and non-operational training. Having launched our online Learning Management System (LMS) in 2023, a blended learning system with an online e-learning portal providing training, learner assessments and a trainer to validate.

The LMS is available 365 days a year for all our employees across the Group to use and is aimed at upskilling, driving organisational development and contributing to succession planning and our local employment efforts.

A notable initiative is the International Apprenticeship and Competency Academy (IACA), in Tanzania. This collaboration enables the Company to deliver standardised UK Accredited vocational training, development, and skills transfer to our team and the broader industry across Africa. IACA has secured a partnership with Engineering Construction Industry Training Board (ECITB), obtaining an ECITB Global Training Provider licence and becoming the only ECITB accreditation agency in Tanzania (for more information please refer to case study on page 12).

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, with an ethically and geographically diverse workforce.

We aim to foster a culture where everyone feels safe to speak up, whether regarding safety, guidance or raising concerns. Our leadership remains approachable, and if an issue cannot be resolved directly, employees can contact the General Manager, HR, the Executive team or follow the grievance escalation process. Employees are also encouraged to use Capital's ethics or HR Assist email. The grievance mechanism is covered in our induction and refresher training. When necessary, a fair and independent investigation will be conducted by HR. In 2024, we drafted a set of guidelines

and supplementing documents to support the grievance mechanism.

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. We have introduced local initiatives to help overcome cultural barriers and attract female talent into operational site-based roles. This has included hiring local women at Sukari, Jabal Sayid and Reko Diq in collaboration with government labour organisations.

In 2024, women accounted for 8% of our workforce which remains consistent with the previous year, with the total increasing to 227 (2023: 211). This increases strongly to 26.7% women in support functions across the Group, with 38.2% of head office support being female employees. 25% of Capital's Board of Directors are female and 20% in executive management<sup>1</sup>.

<sup>1</sup> Executive management includes the Executive Leadership Team and Company Secretary

## Sustainability continued

### Contributing to society

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 in the regions in which we operate through prioritising local employment and skills transfer, community investment initiatives, local procurement and fair and transparent payment of taxes.

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. Where our activities are based on our client's operations, our client will take primary responsibility to lead community engagement and identification of community investment initiatives. We support them and will engage communities jointly with our clients when required. We then work with our clients to identify where Capital can best support their community development aims.

In 2024, we contributed \$0.35 million to community projects in many of the regions in which we operate, as outlined in the case studies.

### Sustainability in action Dodoma University

In Tanzania, as part of our ongoing partnership with the University of Dodoma, we donated monetary awards for academic excellence during the 15th Convocation Ceremony. These awards aimed to motivate students and recognised outstanding achievements in research and development, including the best student research on drilling projects, the top student in metallurgy and mineral processing, the best finalist in mining projects and the overall best student in the department.

In 2024 we again welcomed students from the University of Dodoma's Department of Mining and Minerals Processing Engineering for work experience – this year at Geita Gold Mine. This initiative presents an excellent opportunity for students to gain practical experience and knowledge transfer through first-hand, day-to-day operations on site.



### Sustainability in action Road Repairs

After heavy rain caused flooding and damage around Marsa Allam, Egypt, we supported our client and the General Authority for Roads and Bridges to undertake repairs to three areas of Marsa Allam-Idfu Road. This road is an important thoroughfare and access road for our clients' employees, our employees, and local residents. Our support to repair and maintain this vital local infrastructure has contributed to the safety of all who use it.

### Sustainability in action Kamanga Health Centre - Maternity ward update

In Tanzania, we donated \$0.122 million to the Kamanga Health Centre in rural Tanzania for a new maternity ward through our work with the Cedar Foundation, Tanzania. Initially the construction of the ward was scheduled for 2024 to consist of 10 postnatal beds, four post-caesarean beds, three prenatal beds and two premature beds. However, due to an urgent need for flood protection for the hospital and the construction of a flood barrier, the maternity ward construction has now been scheduled for mid-2025.

## Sustainability continued

### Environmental Stewardship

Our Environmental Policy, Sustainability Policy and Climate Change Statement reflect our commitments to managing the risks and impacts of our activities, drawing on years of experience, international best practices, and collaboration with tier one mining clients. We are dedicated to upholding the highest environmental management standards, focusing on avoiding negative impacts and, where avoidance is not possible, mitigating or minimising them through proven industry practices. Our approach is aligned with ISO 14001:2015 – with annual, independent maintenance audits across business entities – and we comply with all relevant legal and regulatory environmental requirements in the countries where we operate.

As a mining services provider, we do not hold mining permits or own mines; instead, we work on our clients' sites under their permit conditions. Our licence to operate depends on fulfilling contracts responsibly and in compliance with these conditions. Given our business model, much of our management approach is therefore guided by the environmental management plans of our clients on respective sites, who generally take responsibility for site clearance, rehabilitation, waste disposal and the provision of fuel and electricity. We ensure compliance with both environmental standards and our clients' specific policies and requirements by engaging with them to understand their needs and incorporating them into our management plans. Many of our activities occur on existing mining sites with client environmental teams present.

In remote exploration areas, our clients lead the site preparation, following their environmental management plans, to ready the site for our drilling operations. Where no client-specific requirements exist or where our approach is more comprehensive, we implement our own policies and standards. Clients regularly review our environmental practices through site inspections and audits. We seek continual improvement of our environmental performance with working closely with our internal innovation and technology team.

Where we are not located on our client's sites, such as our offices, maintenance workshops or some of our commercial laboratories, we take full responsibility for all relevant environmental management. In 2024 we undertook our annual ISO 14001 independent audits, maintaining compliance with no major non-conformances.

Our Board (with technical guidance from the Sustainability and HSSE Committees) is responsible for oversight of environmental management, including our approach to climate change. Day-to-day responsibility is delegated to the ELT, our Group HSSE Manager, Group Sustainability Manager, and relevant operations-level managers. Our site teams are led by regional and local HSSE Managers and Co-coordinators who are responsible for the management of environmental risks, impacts, incidents and management measures.

Environmental awareness training is included in our induction training for on-site employees and contractors, ensuring they understand our commitment to environmental stewardship and their role in maintaining sustainable practices.

Our approach to climate change, emissions and energy efficiency is covered in our TCFD report on page 40.



### Sustainability in action Reducing Plastic Waste at Mwanza Workshop

In an effort to reduce single use plastic in Mwanza, Tanzania, at our workshop facility, we have installed our first water maker, which generates approximately 500 litres of water per day and eliminates around 400 plastic water bottles a month, significantly reducing landfill waste. Our workshop has a solar system providing around 80% of the workshop electricity, the unit is set to feed during the day on this renewable supply only.

## TCFD Report

### Climate-related Governance structure



### Governance of Climate-Related Matters

Climate change governance needs to be driven from the Board and senior management through to our employees on the ground. Our governance structures and climate change considerations are set up to achieve this. Our board has responsibility and oversight of climate-related risks and opportunities and is guided by the Sustainability Committee on climate-related matters.

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 changing physical world and an evolving regulatory landscape.

#### Board

The Board is ultimately responsible for the oversight of climate-related strategies, performance, risks, vulnerabilities and opportunities as well as budget review and approval for the Company. The Board is assisted in this by the Sustainability Committee.

#### Focus areas in 2024 included:

- Reviewing and monitoring 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 principal risks, including climate-related risks considered principal, 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 assists the Board in developing its strategy, standards and processes for the Company's ongoing sustainable development. The Committee oversees our environmental and social policies, programmes and monitors performance, including climate-related matters. This includes our Net Zero target, decarbonisation approach, Scope 1 & 2 GHG emissions and climate-related risks. The Committee comprised Ms Boggs (Chair), Ms Dhir, Mr Davidson, and Mr Boyton.

#### Focus areas in 2024 included:

- Reviewing Scope 1 and 2 GHG emissions, targets and implications for the Company.
- Reviewing sustainability and TCFD disclosures.
- Agreeing priority focus areas for the Sustainability function for 2025, including climate change related focus areas.

#### Audit & Risk Committee

The Audit & Risk Committee is a Governance committee of the Board of Directors, with its primary function to assist the Board in its ongoing obligations for external and internal audits, financial policies, financial reporting and other compliance-related obligations, this includes discharging its responsibility in business risk management and internal control systems, including climate related risks where identified as principal risks. The Audit & Risk Committee



## TCFD Report continued

reviews the adequacy and effectiveness of the Company's internal control and risk management system. Governance of Climate-Related Risk, including transitional and physical risk, is managed through Capital's Enterprise Risk Management (ERM) system as an integrated business process, with oversight by the Audit & Risk Committee.

### Focus areas in 2024 included:

- Review of Capital's principal risks, emerging thematic risk areas and changes in risk ratings of principal business risks.

### Executive Leadership Team (ELT)

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

Members of the ELT meet with the Sustainability Manager on a regular basis, this includes sustainability related matters such as climate-related issues. The ELT is tasked with managing risks, as well as the preparation of associated disclosures.

### Focus areas in 2024 included:

- Implementation of the decarbonisation and climate-related opportunities (identified through the Technology and Innovation Committee).
- Tracking and monitoring Scope 1 and 2 GHG emissions.

### Group Sustainability Manager

Our Group Sustainability Manager is responsible for our overarching sustainability approach including climate-related issues. Our Sustainability Manager works closely with management across the Group and our different business divisions, MSALABS, Drilling and Mining, to define our decarbonisation approach, assess risks and to integrate, track and monitor performance.

### Focus areas in 2024 included:

- Expanding our climate change scenario analysis to include our new material geographical location (Pakistan).
- Undertaking a gap analysis to ISSB IFRS 2 requirements to ensure continual improvement.
- Analysis of our GHG emissions reviewing our GHG targets and approach.
- Ongoing improvement of the quality of Scope 1 and 2 GHG emissions calculations.

### Technology and Innovation Committee

This Committee (which includes Capital's Executive Chair, relevant ELT members, and Corporate Development Manager) is designed to be agile and fast-moving, serving as a central hub for identifying and nurturing innovative opportunities. The Committee identifies and assesses new technology opportunities (including efficiency, emissions reduction or zero emission technology). With our deep understanding of client needs, built on lasting relationships, the Committee ensures we act swiftly to capitalise on key

innovations, maintaining our competitive advantage and driving growth for both our business and our clients. The Technology and Innovation Committee reviews technology with the potential to improve Capital's own business as well as that of our clients and have also reviewed opportunities to reduce emissions from our own drilling and mining activities (refer to page 45). Members of the ELT and senior management sit on the technology and innovation team and provide feedback to the broader leadership team, allowing them to allocate responsibility for piloting, implementation and monitoring of identified opportunities.

### Focus areas in 2024 included:

- Partnership with Epiroc to field test the innovative SmartROC D65 BE battery-electric surface drill rig.

### Operational and site management

Energy and fuel supply is largely controlled by our clients on many of the sites we operate on; however, we believe there is always work we can do to address climate change. We constantly review new technologies and collaborate with clients to implement new technology with the potential to benefit their operations. Field testing of new technologies occurs at operations, managed by the Asset and Maintenance team with support from the site teams and in collaboration with our clients. We work with our client's site teams to ensure our on-site teams understand their sustainability priorities and requirements including climate-related priorities and programmes where relevant.

## 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

## Governance

TCFD Recommendation	What Capital Does	Page	Compliance
a) Describe the Board's oversight of climate-related risks and opportunities.	<p>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 Ms Boggs (Chair), Ms Dhir, Mr Davidson, and Mr Boyton (further information about the Committee can be found in the Corporate Governance Statement on page 54 of this report). The Sustainability Committee meets quarterly and routinely discusses climate-related issues to provide insights into the risks, opportunities and approach to climate change. The Sustainability Committee reports to the Board, with any key updates being reviewed and discussed at Board meetings. Capital's GHG emissions and decarbonisation commitments are reviewed by the Sustainability Committee. The Committee receives briefings and updates on sustainability matters relevant to Capital, with additional focus on climate related risks and opportunities in order to stay abreast of this rapidly changing area.</p> <p>The Audit &amp; Risk Committee is responsible for assisting the Board with discharging its responsibility in business risk management and internal control systems, including climate-related risks. The Audit &amp; Risk Committee reviews the principal Company risks at least annually along with effectiveness of controls and changes in risk ratings.</p>	40	●
b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The Sustainability Committee reviews and approves climate change related policies and statements for Capital and the priority focus areas for the business. The Sustainability Committee has access to information to monitor progress GHG emissions, key activities, actions and targets. Climate-related risks, including physical and transitional risks, are integrated into the ERM approach. The ELT is accountable for risk identification, assessment and control measures. Controls are monitored by senior leadership responsible for implementation. Through the Technology and Innovation Committee, opportunities are identified, assessed and where appropriate implemented. The Committee actively leads the development and trial of projects through members of the ELT and their teams.</p> <p>At an operational level, the assigned responsibilities for climate-related issues are aligned to the environmental management system and internal controls for risk management.</p>	40	●

## TCFD Report continued

### Compliance Key

● Compliant ● Not fully compliant

## Strategy

TCFD Recommendation	What Capital Does	Page	Compliance
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.	<p>As part of Capital's climate scenario analysis (as outlined on page 48, we identified climate-related risks and 12 potential impacts at an operational and corporate level. These impacts are assessed across our climate-related short-to long-term time frames (as outlined on page 46).</p> <p>Our Technology and Innovation Committee undertake assessments of climate-related opportunities and in 2023 undertook an assessment of our Scope 1 and 2 emissions, prioritising opportunities for our largest sources of emissions. Key themes and emissions reduction opportunities related to efficiency, alternative fuels and electric options were identified through our eMining and fleet digitisation, replacement and automation programmes. Additional information on these opportunities is provided on page 54.</p>	46	●
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<p>Over the last few years Capital has made progress to better understand the climate-related risks and opportunities related to our business. Our top climate-related risk is Capital's ability to swiftly adapt to energy efficient, low-carbon alternatives as they come onto the market. We prepare for this transition through our approach to innovation and technology with our ongoing digitisation of our drill rigs, piloting of new technology, and, when moving into new jurisdictions, factoring the weather-related risks we may face such as increased temperatures and extreme weather events.</p> <p>The climate-related opportunities, identified and assessed by the Technology and Innovation Committee, and pilots led by our ELT, are outlined on page 54.</p> <p>This is an area where Capital does not yet fully comply with the recommendations of TCFD, as further consideration is needed in order to clearly understand the relative importance of physical and transitional risks to different parts of the business (Drilling, Mining, MSALABS). With the continued roll-out of our ERM system, we will use the physical and transitional scenario risk assessments to inform the risk assessment process into the areas of the business.</p> <p>In 2024, Capital did not have any material financial impact due to physical or transitional climate related risks.</p>	46	●
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"> <li>• 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);</li> <li>• 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</li> <li>• The IEA Announced Pledges Scenario (APS) to assess transition risks related to conforming with announced global and national policies.</li> </ul> <p>This is an area where Capital does not yet fully comply with the recommendations of TCFD. We have assessed the possible physical and transitional risk for our three selected scenarios, however further work is required to consider these risks for each division of our business over the short, medium and long-term.</p> <p>Since our full review of our corporate risk register in 2023, which gave greater focus to our climate scenario analysis, we have also assessed climate-related risks in Pakistan, which from 2025 will be considered a material location due to the anticipated increase in activity in Reko Diq.</p> <p>Our climate scenario analysis process has enabled us to better understand our risks and opportunities for our business. With the continued roll-out of our ERM system including, climate related risks to improve understanding of possible impact on business, strategy and financial planning.</p> <p>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>	46	●

## TCFD Report continued

### Compliance Key

● Compliant ● Not fully compliant

## Risk Management

TCFD Recommendation	What Capital Does	Page	Compliance
a) Describe the organisation's processes for identifying and assessing climate related risks	<p>We selected three different scenarios: Net Zero (+1.5°C), Announced Pledges (+2.1°C) and SSP5-8.5 (+4.3°C) and used the following climate-related risk categories to assess our vulnerability: acute physical risk; chronic physical risk; policy and legal risk; reputational risk; technology-related risk; market risk, and climate-related opportunities. For each risk, Capital analyses exposure, sensitivities, potential impacts and adaptive capabilities.</p> <p>Estimation criteria used when performing the vulnerability assessment 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 &amp; Risk Committee. The Committee reviews the principal risks at least annually with any changes in increasing and decreasing risk.</p>	46	●
b) Describe the organisation's processes for managing climate related risks	<p>Our ELT is accountable for Capital's corporate risks with responsibility for control measures delegated to management in the business. The Technology and Innovation Committee is responsible for identifying and screening opportunities to manage transitional climate-related risk. Responsibility for piloting and implementing identified opportunities are delegated as required to ELT and senior management. Physical climate-related risks are managed through our operational management teams by taking account of the vulnerabilities as well as the financial and operational capability to implement the action plans.</p> <p>Progress against sustainability priority areas are presented to the Sustainability Committee. The Sustainability Committee has oversight of the process and may require an adjustment to prioritisation of plans, depending on strategic or operational needs.</p>	40	●
c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management	<p>Climate-related risks are included in Capital's ERM process with full Board oversight. Climate-related risk management, where relevant, is integrated into the operational environmental management system. Since we began reporting our Scope 1 and 2 GHG emissions, we have taken steps to improve the accuracy of our data collection. This work will be ongoing and supports our efforts to target our highest sources of emissions and identify opportunities and risks.</p> <p>Whilst we recognise there is always more we can do to achieve our aims, we strive to integrate climate change considerations into decision-making process where relevant and possible - from the sites where we operate, to our MSALABS and our boardroom. We try to apply the lens of climate change in particular to discussions and decisions related to:</p> <ul style="list-style-type: none"> <li>• Risk management;</li> <li>• Infrastructure investment, development and management;</li> <li>• Research and development;</li> <li>• Resource availability and efficiency;</li> <li>• Mergers, acquisitions and divestments; and</li> <li>• Compliance with laws and regulations</li> </ul>	40	●



## TCFD Report continued

## Compliance Key

● Compliant ● Not fully compliant

## Metrics and Targets

TCFD Recommendation	What Capital Does	Page	Compliance
a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process	<p>To address our climate-related risks, specifically those related to the transition to low-carbon energy, we use metrics focused on our priority areas. These metrics include total Scope 1 and 2 GHG emissions, fuel efficiency and energy source.</p> <ul style="list-style-type: none"> <li>Energy source and reduction in diesel use: reducing our reliance on fuel, in particular diesel, will have the greatest impact on reducing our Scope 1 GHG emissions. Switching from diesel to alternative fuel options or switching from diesel to grid or renewable energy sources will also reduce them. Our partnership with Epiroc to field-test their battery-electric surface drill rig demonstrates our commitment to reducing fuel reliance in collaboration with our OEM. The drill rig will arrive in Egypt in H2 2025 and the field test will run for 12 months. We have also implemented the following initiatives: <ul style="list-style-type: none"> <li>The solar installation at our Mwanza workshop continues to reduce our reliance on the grid, accounting for around 60% reduction in grid power consumed in 2024;</li> <li>An electric fork-lift at our Mwanza workshop;</li> <li>Electric light vehicles at our operations in Nevada;</li> <li>Roll out of solar lighting system units to replace diesel generators; and</li> <li>Roll out of Chrysos PhotonAssay™ units to our MSALABS in 2024, now totalling 13 units across our geochemical laboratories.</li> </ul> </li> <li>Fuel efficiency: Our fuel use has decreased from 40.7 million litres in 2023 to 33.9 million litres for 2024 across Scope 1. This can be partly attributed to the end of mining contract at Sukari in Egypt.</li> </ul>	51	●
b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	Scope 1 and 2 GHG emissions are disclosed on an annual basis in the Company's Annual Report. Given the complexities associated with achieving representative calculations of Scope 3 emissions – particularly with the disparate nature of our supply base, this work is continuing throughout 2025. Whilst we are aware of the importance of reporting Scope 3 emissions, our primary focus remains on accurately calculating Scope 1 and 2 as well as identifying the right opportunities for emissions reduction in a structured and cohesive manner.	51	●
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<p>We remain committed to achieving Net Zero by 2050 across our Scope 1 &amp; 2 emissions. Initially we aimed to reduce our Scope 1 emissions by 50% by 2030, however due to our reliance on our suppliers and our business expansion goals, we believe this aim will unlikely be achieved in this period. Due to a number of factors including our reliance on our suppliers' timelines to develop, trial and manufacture sustainably powered equipment and the slower than expected progress on this, our reliance on our client's ability to source renewable energy, and in order to expand our business (such as our anticipated increase in activity at Reko Diq, Pakistan), we are reassessing and working to update our decarbonisation targets. We have continued to trial reduction opportunities to achieve reduction in our Scope 1 GHG emissions, some with more success than others, but believe that new technology advancements allowing us to switch to alternative fuels or electric equipment will take longer.</p> <p>We aim to update our decarbonisation pathway and targets based on the outcomes of our recent pilots and opportunities. Given this ongoing work, we have decided not to seek SBTi endorsement at this stage, but will continue to consider science-based methodologies and guidance in developing our targets and pathway to Net Zero. We take our commitment to climate change seriously and continue to work on actions within our control whilst working with suppliers so that we are ready to incorporate sustainably powered equipment as it becomes available.</p>	51	●

TCFD Report continued

Managing climate change

Since 2021, we have considered the impact of climate change on the business through climate-related scenario analysis. Due to the anticipated increase in activity at Reko Diq, we also included Pakistan into our climate-related scenario analysis work in 2024. Our climate-related risks have been incorporated into the ERM using scenario analysis and outcomes, considering both physical and transition-related risks. The Corporate risk register is reviewed and updated annually and the principal corporate risks reviewed by the Audit & Risk Committee which includes a review of any material changes to risk significance. The risk register identifies control mechanisms allocated to accountable ELT members for monitoring and implementing controls. A slow response

to the low-carbon energy transition is one of our principal corporate risks for the Group outlined on page 27 of this report.

Our scenario analysis

Our scenario analysis follows TCFD recommendations, exploring three different scenarios. The analysis considers the material risks and opportunities identified for Capital's activities arising from projected physical hazards, as well as global and national climate responses. Materiality of risks and opportunities was considered qualitatively based on likelihood of occurrence and severity. Conducting climate change scenario analysis has enabled us to identify, assess, and manage our exposure to climate-related risks in our operations in Egypt, Tanzania, several West African countries, USA and Pakistan.

Selected Scenarios

Net Zero +1.5°C	Announced Pledges +2.1°C	SSP5-8.5 +4.3°C
A scenario which sets out a pathway for the global energy sector to achieve Net Zero CO <sub>2</sub> emissions (NZE) 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 <sub>2</sub> 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.

Compliance Key

● Compliant ● Not fully compliant

We selected three risk scenarios to assess physical and transitional risks. Net Zero (+1.5°C) provides a scenario with higher transitional risks such as high cost increases due to increased regulations allowing an assessment of risks and opportunities related to this scenario. While the SSP5-8.5 provides a scenario to assess risks and opportunities consistent with higher world temperatures and associated potential severe physical risks and outcomes.

In identifying our short, medium and long time periods we considered: our financial and strategic planning timelines, timeline for likely availability of alternative fuels and technology, and timelines to monitor progress against our 2050 Net Zero target.

Timeframe	Period	Rationale
Short term	1 to 3 years	Aligns with our Company financial planning and average remaining time on our contracts.
Medium term	3 to 10 years	Our strategy is to grow as a business, growing our portfolio, and to remain competitive by reducing our emissions. This aligns with projected timeline for increased likelihood of alternative fuel availability and sustainably powered equipment through our key OEM suppliers.
Long term	> 10 years	Mid-point to our 2050 Net Zero target, allowing time for a phased approach to rollout of sustainably powered equipment and fleet replacement.

## 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 USA, Marsa Allam (Egypt), East Africa, West Africa and Balochistan (Pakistan) 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	Balochistan, Pakistan	Risk Period
Increased Heat	Excessive heat creates unsafe working conditions impacting worker health & safety. Examples include, but are not limited to, fatigue, dehydration, heat stroke, respiratory and cardiovascular disorders, increased hospital admissions and increased absenteeism.	X	X	X	X	X	Short Term
	Excessive heat can impact the performance of the Group's fleet, leading to reduced productivity and in turn reduced revenue	X	X	X	X	X	Long Term
	Increased energy consumption for cooling equipment, vehicles, offices and ventilation (underground portion of the operations).	X	X	X	X	X	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.	X	X	X	X	X	Medium Term
Increased variability of rainfall	Increased flooding leads to operational and supply chain disruptions as well as increased risks for worker health & safety. Impacts on Capital's clients such as flooding of pits, underground and washing away water supply dams.	X		X	X	X	Medium Term
	Increased precipitation in the form of snowfall leading to operational and supply chain disruptions as well as increased risks for worker health & safety.	X					Medium Term
	Increased flooding and changing weather conditions leading to worker health & safety risks due to increased malaria cases.				X	X	Long Term
	Increased droughts lead 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.			X	X	X	Long Term
	Increased drought conditions can exacerbate sand and dust storms, causing impacts to production or local supply chains.					X	Long Term
	Increased cyclonic impacts, specifically related to flooding and or supply chains.	X		X	X	X	Long Term
	Increased wildfires as a result of increased heat and increased time between rainfall events (variability). Increased wildfires may endanger infrastructure, worker health & safety and reduce visibility.	X		X	X		Medium Term

## TCFD Report continued

## 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 could impact on the stability and effectiveness of infrastructure and equipment, leading to elevated health & safety risks.
- Increased 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.

Whilst there are a number of risks associated with climate change, we also believe that it presents many opportunities. Capital is well-positioned in the mining industry to capitalise on these opportunities with a strong focus on innovation and often a first mover advantage. 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. Key sensitivities and opportunities to the business were identified for each scenario to assist us in planning for resilience and preparation for possible future events. Identified negative impacts (orange), the opportunities (blue) and the suggested responses are set out in the table below:

## Compliance Key

● Risk ● Opportunity

Risk Type	Risk / Opportunity	Impact on Capital	Responses	Risk Period
<b>Policy</b>	Cost of carbon	<p>Based on Capital's climate scenario analysis, as well as our diesel consumption, the cost of carbon in The International Energy Agency (IEA) Net Zero Emissions by 2050 scenario (NZS) may increase diesel-related expenses for Capital:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• In West Africa, on average, by an additional \$1.3 million per year in 2030 and \$9.4 million per year in 2050;</li> <li>• In East Africa, on average, by an additional \$360,000 per year in 2030 and \$2.6 million per year in 2050;</li> <li>• In Nevada, by an additional 34% per year in 2030 and 45% per year in 2050; and</li> <li>• In Pakistan, by an additional 4% per year in 2030 and 34% per year in 2050.</li> </ul> <p>Overall, at all non-US operations, the cost of carbon can increase the cost of using diesel by up to 4.1 ¢/L in the short term and up to 9.5 ¢/L in the long term.</p>	<p>We continue our fleet replacement programme, with the identification and trialling of electric vehicles, electric surface drill rig, our energy efficiency and automation initiatives, and the systematic replacement of older equipment with more modern fuel efficient machinery.</p> <p>As relevant, we aim to engage our customers on potential implications of additional carbon related costs.</p>	Short to Long Term



## TCFD Report continued

## Compliance Key

● Risk
● Opportunity

Risk Type	Risk / Opportunity	Impact on Capital	Responses	Risk Period
<b>Policy</b> continued	Grid decarbonisation	In the USA, the national grids will reach zero CO <sub>2</sub> emissions by 2035 under the NZS. 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.  Pakistan also aims to increase the share of renewable electricity on the grid to 60% by 2030, with no further decarbonisation stipulated.	We will continue to trial and implement electrification of lower-energy demand equipment that will be stationed in Nevada and Pakistan to prepare for low-carbon electricity such as electric light vehicles.  Over the medium term, suppliers will likely have more sustainably powered equipment options which can be phased in when available on the market.	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.	We continue to identify and pilot new technology on our decarbonisation journey as outlined on page 45. We piloted the hydrogen-on-demand solution as a possible fuel replacement option, although not successful at the time of piloting. We have deployed electric vehicles, including light delivery vehicles, and plan to field-test the Epiroc drill rig. We continue to engage and partner with suppliers as appropriate.	Short to Long Term
<b>Technology</b>	Improvements in the manufacture of alternative fuels	Increased availability and reduction in the cost of using alternative fuels, such as hydrogen.	We continue to identify and pilot a number of potential solutions, including field testing the Epiroc SmartROC D65 BE battery-electric surface drill rig.	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 partner-ship with Epiroc for the field-testing of electric drill rigs.	Short to Medium Term
<b>Reputation / Market</b>	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 preparing for the fact that clients may increasingly require lower carbon options through our fleet automation, eMining and other technology such as Chrysos PhotonAssay™ in our MSALABS.	Short to Medium Term
<b>Reputation / Market</b> continued	Diversify commodity exposure	It is predicted that there will be an increase in the demand for lithium, copper 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. In addition we are expanding our commodity footprint into areas outside of gold.	Short to Medium Term

## TCFD Report continued

Compliance Key  
● Risk ● Opportunity

Risk Type	Risk / Opportunity	Impact on Capital	Responses	Risk Period
<b>Physical (Acute and Chronic)</b>	Increased extreme heat incidents	Adverse health impacts and potential injury/death of workers. Heat stress could risk 2.2% of Capital's annual revenue. Operating certain machinery when ambient temperatures exceed 40°C can lead to a 7% increase in fuel consumption.	Capital's mandatory induction training and annual refreshers include training on the risks associated with heat exposure, sun stroke and exhaustion, as well as medicals to ensure staff are healthy. Prior to entering a new jurisdiction, the due diligence includes an assessment of risks. Measures are implemented to manage these risks such as additional cooling of vehicles, implementing shorter shifts where relevant, along with work stoppages should conditions become unhealthy.	Short to Long Term
	Erratic weather	Erratic weather such as flooding and increased drought will cause supply chain disruptions thereby impacting operations. Depending on the number of active rigs on site and the length of production stoppages, this can become a significant issue for Capital.  Erratic weather can also lead to high winds and potential dust storms in Pakistan. This can cause health & safety risks and delay operations, depending on the severity of the event.	Capital reviews its suppliers and supply chains periodically. Where possible additional inventory can be held on vulnerable sites to mitigate potential delays.  Capital will review its Health & Safety policies and ensure these are suitable for evolving circumstances and updated regularly.	Short to Long Term
	Wildfires	Increased temperatures and more variable rainfall will increase wildfire risk which has health & safety implications as well as operational and supply chain impacts	Capital will review its Health & Safety policies and ensure these are suitable for evolving circumstances and updated regularly.	Short Term
	Extreme cold and snowstorms	In Nevada, extreme cold temperatures and snowstorms can pose several health & safety risks to Capital's employees as well as operational risks and supply chain issues.	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 were not previously affected.  In Pakistan, increased flooding is projected to increase incidence rates of malaria and waterborne diseases such as typhoid, cholera, and dengue fever.	We have ongoing management in malaria prone areas, as well as the provision of nets, vector control sprays and residual spraying. Training is also undertaken to ensure correct use, as well as greater understanding in areas where malaria is not currently prevalent.	Medium to Long Term

## TCFD Report continued

### GHG Emissions

We calculate our GHG emissions in terms of our Scope 1 (direct) and Scope 2 (indirect) 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 GHG calculations, these factors will be reviewed annually to ensure the most representative data is utilised.

Since the initial reporting of our Scope 1 and 2 GHG emissions, we have taken steps to improve the accuracy of our data collection. Through this ongoing work, we have continued to improve our operational fuel record keeping. Our focus on latest technology and digital fleet means for those assets we have tracking of fuel consumption and emissions. For operations where this is not currently recorded, we rely on fuel consumption estimates based on hours of operation for equipment. Similarly, we continue to improve the tracking of fuel and energy use at our MSALABS. Where we do not have access to actual usage data, we have taken steps to estimate our energy consumption based on utilisation time or electricity use estimates. We continue to focus on tracking actual fuel and electricity use to provide a more accurate Scope 1 and 2 GHG calculation. Scope 1 accounts for 98%<sup>1</sup> of GHG emissions, the majority of which is due to diesel with Scope 2 emissions accounting for 2% of

our emissions. We continue to focus on energy efficiency in our existing fleet through our digitisation and eMining programmes. As well as identifying, testing, piloting and implementing new technology where appropriate and available. Engaging with our clients to understand their plans and requirements and our suppliers on their road maps to develop sustainably powered equipment is an ongoing process.

The ongoing initiatives in support of our emissions reduction approach include:

- Mining and drilling: eMining fleet digitisation replacement and automation.
- MSALABS: Chrysos PhotonAssay™ machines.

Given the complexities associated with achieving representative calculations of Scope 3 emissions – particularly with the disparate nature of our supply base, this work is continuing throughout 2025. Whilst we are aware of the importance of reporting Scope 3 emissions, our primary focus remains on accurately calculating Scope 1 and 2 as well as identifying the right opportunities for emissions reduction in a structured and cohesive manner.

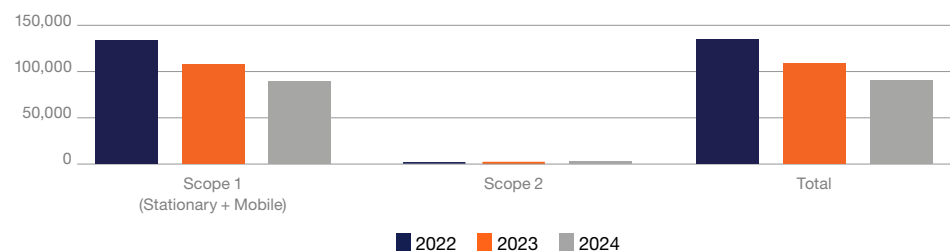
Due to our reliance on consumption estimates and emission factors, we continue to engage an independent consulting firm, Digby Wells Environmental, to review our methodology, estimates and measures to ensure correctness. Our emissions factor calculations use the following Global Warming Potentials (GWP's):

GHG	GWP	Reference
CO <sub>2</sub>	1	IPCC AR6 Working Group 1 – Chapter 7 – GWP-100
CH <sub>4</sub>	29.8	IPCC AR6 Working Group 1 – Chapter 7 – GWP-100
N <sub>2</sub> O	273	IPCC AR6 Working Group 1 – Chapter 7 – GWP-100
CO <sub>2</sub> 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 2024 were 91,186 tCO<sub>2</sub>e for the year (2023: 109,863 tCO<sub>2</sub>e). This 17% decrease is due to several factors, with the completion of our mining contract at Sukari, Egypt contributing to more than a third of this decrease and with improved emissions tracking and improved accuracy, resulting in lower Scope 1 emissions. The anticipated increase in activity at Reko Diq will see an increase in Scope 1 emissions (from 2025) and throughout the duration of activities. Our total energy consumption in 2024 was 1,233,704GJ equivalent. Mobile diesel consumption constitutes the largest proportion of our emissions (representing approximately 92% of our Scope 1 emissions) and is therefore a primary focus for reduction initiatives.

GHG Emissions (tCO <sub>2</sub> e)	2024	2023	2022
Scope 1	89,497	108,632	134,843
Scope 2	1,689	1,231	822
Total Emissions (Scope 1 and 2)	91,186	109,863	135,665

### GHG EMISSIONS (tCO<sub>2</sub>e)



<sup>1</sup> The majority, over 98%, of our emissions comes from diesel which is purchased and supplied by our clients. Capital includes emissions from all fuel used regardless, as we believe this provides a truer reflection of our GHG Emissions.

## TCFD Report continued

We acknowledge that the management of climate change risks and the reduction of GHG emissions is an iterative process that requires us to adapt and evolve. Decarbonisation in the mining industry, and for Capital, requires collaboration and partnership across the value chain to drive the changes required to achieve Net Zero.

Even with cooperation however, we face numerous and complex challenges in achieving decarbonisation. We believe it is important to address these transparently whilst demonstrating our direction of travel. Currently, reaching Net Zero in the short term is not feasible for two key reasons. First, the technologies provided by our equipment suppliers are not yet sufficient to fully support Net Zero goals. Second, the financial burden of achieving decarbonisation would fall on Capital, and it would not be economically viable to invest in the technologies and systems required until carbon markets evolve, and associated costs decrease.

Additionally, we often operate in remote areas with limited access to grid electricity, relying on our clients to provide electricity and diesel. Sourcing reliable renewable energy in these areas is challenging. This reduces our ability to easily switch to renewable energy over the short term and requires partnership and engagement both with customers and governments to transition to more renewable energy supply. Due to the location of many clients' assets, diesel is currently the most reliable energy supply.

Our carbon reduction efforts are also closely linked to the development of sustainably powered equipment by OEM suppliers, other technological advancements and the availability of renewable energy options from governments and clients described above. This means that our efforts are very much tied to their decarbonisation roadmaps. Many suppliers have set goals and are actively working on alternative, low carbon technologies; however, this transition will take time for suppliers to design, test, pilot and manufacture equipment.

We remain committed to achieving Net Zero by 2050 across our Scope 1 and 2 emissions and are updating our decarbonisation pathway and targets to better reflect our business goals and the realities of the global market. Initially, we set an ambitious aim to reduce our Scope 1 emissions by 50% by 2030. However, due to a number of factors including our reliance on our OEM suppliers' timelines to develop, trial and manufacture sustainably powered equipment and the slower than expected progress on this, our reliance on our client's ability to source renewable energy, and in order to expand our business (such as the anticipated increased activity at Reko Diq, Pakistan). In 2025 we will develop more comprehensive decarbonisation plan to identify practical short, medium and long-term targets based on our engagement with clients and suppliers over the last few years.

For the same reason, we have decided not to apply for SBTi endorsement at this stage but will continue to consider science-based methodology and guidance in developing our targets and pathway to Net Zero targets. We take our commitment to addressing climate change seriously, and continue to implement actions within our control and work with suppliers so that we are ready to make a change to sustainably powered equipment as they become available.

We are also committed to being compliant with legal requirements and aligning with best practice disclosures as applicable in this space. We are investigating and preparing ourselves as relevant in light of the ISSB IFRS S2 and the UK Transition Plan Framework.

### Emission reduction and decarbonisation pathways

#### Short term

Due to the nature of our business, a large proportion of our carbon emissions are a result of fossil fuel use in our equipment. Slow progress toward cost-effective and reliable electric / alternative fuel haul trucks and drill rigs means our focus in the short term (less than 3 years) is to ensure that our current fleet is as fuel-efficient as possible. We continually investigate opportunities to reduce the diesel needs of our machines, focussing on areas where technology is already proven, such as:

- Continued fleet replacement programme involving the purchase of smaller electric vehicles,

- Use of mobile solar lighting systems reducing need for small-scale diesel generators to be utilised on site,
- Integration and retrofitting technology to drive enhanced fuel efficiency; and
- Our continued installation of Chrysos PhotonAssay™ technology within our MSALABS business.

In addition to this our partnership with Epiroc for our first electric drill rig also represents an important element of our short-term approach to collaborating with our partners on decarbonisation.

Our customers are increasingly prioritising emissions reduction and minimising environmental impact. By transitioning more quickly than our peers in the short term, we believe Capital's services will become a more attractive choice – maintaining our competitive edge.

#### 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 GHG emissions, as they currently account for a significant portion of our Scope 1 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 a number of opportunities in order to further reduce our footprint.



## TCFD Report continued

This approach allows for the reduction in emissions as we manage fleet replacement, taking age of units, cost etc. into consideration. We are, however, cognisant of the limited influence we play regarding our OEM equipment suppliers and access to low carbon electricity at the operations we are based, 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;
- Collaborate with our suppliers and partners to secure their support and ensure alignment with their commitments, provided their goals reflect our level of ambition;
- Engage with our customers on their Net Zero plans; and
- Offset hard to abate emissions where necessary.

# Corporate Governance

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CHAIR'S  
INTRODUCTION  
TO GOVERNANCE



## Chair's Introduction to Governance

# We remain committed to the highest standards of corporate governance, ethics and integrity

Jamie Boyton  
Executive Chair



### Dear shareholders,

Corporate governance is a key foundation of how we operate, providing the systems and principles that guide our decision-making and ensure accountability, transparency and integrity. With a strong governance framework, supported by clear values and policies, we are committed to delivering excellent services and solutions for our customers, thereby creating long-term value for our shareholders and other stakeholders.

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.

During 2024, 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. An overview of engagement with our key stakeholder groups is provided on pages 60 and 61.

Throughout the year, the Executive Directors and myself made numerous trips to many of our operations providing 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 programmes and sustainability objectives. It also enables the Board to engage directly with our customers, both for the Executive Directors who regularly meet with their counterparts at sites and for the Non-Executive Directors on Board site visits.

Our Board site visit to Nevada in July allowed all Directors to see how operations at our new project were evolving. Spending time with our teams on the ground, the Board was able to deepen its understanding of this new operation and the challenges faced to date.

The HSSE 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, climate change, social and governance matters.

In 2024, each of our Executive Directors held several structured meetings with the workforce on the ground. Workforce engagement is facilitated through the Executive Leadership Team, and the Company fosters a transparent culture with regular staff involvement initiatives and an open reporting line which encourages employee participation. Given the current level of transparency and proactivity from the Executive Directors, along with the size, geographical spread and nature of the business, we believe formalising this into a dedicated workforce engagement scheme is unnecessary at this time. The Board will continue to keep this under review in the coming year.

## Chair's Introduction to Governance continued



### Board site visit

Site visits provide valuable opportunities for members of the Board to directly observe operations, see our safety culture on the ground, receive detailed in situ operational updates and engage with employees and customers 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 2024, the full Board, in addition to a number of senior management, visited the our operations at NGM in Nevada, USA. During the visit, the Directors visited our rigs operating on the Robertson property (Cortez Complex) and the laboratory (under construction) at Carlin. The Board also had the opportunity to engage with the senior client executives.

### Board evaluation

Annually, the Board undertakes an internal evaluation of its own performance, its committees and that of its individual directors. More information on this year's evaluation can be found on page 76.

### Continuing to enhance our sustainability reporting

Demonstrating our ongoing drive to further enhance the transparency and information we provide to our stakeholders, we publish an annual standalone sustainability report. We have always prioritised safety, ethical and responsible practices and sustainability – with a strong focus on local employment and training – and are pleased to share our second sustainability report which will be available in due course on our website.

### UK Corporate Governance Code 2024

The Board is cognisant of the changes to the Code that were published in January 2024, and came into effect on 1 January 2025. We have invested time to prepare for enhancements required so as to be fully compliant with the updated requirements, particularly with regard to reviewing the Group's effectiveness of its risk management and internal control framework.

### Board changes

I would like to take a moment to remember my fellow Board member, Senior Independent Director and Chair of Audit Committee, David Abery, who passed away in September 2024. David was at the heart of our governance framework and played a huge role in enhancing our culture, values and procedures. His wealth of knowledge and expertise including extensive experience of financial, commercial and strategic matters in African and UK corporate environments at both board and operational level, was invaluable.

Demonstrating the effectiveness of our emergency succession plan, Michael Rawlinson stepped in as interim Senior Independent Director as well as interim Chair of the Nomination and Audit & Risk Committees. The Board is grateful for Michael's seamless and swift transition in this regard.

Following an externally-facilitated, comprehensive search process, we were pleased to welcome Mr Graeme Dacomb to the Board, our newly appointed Independent Non-Executive Director and Chair of Audit Committee who joined us on 1 December 2024. His technical skill set as well as his wealth of experience in the mining sector further strengthens our Board capabilities. Further information on Graeme's background can be found on page 68.

Whilst we do not meet the FCA's Listing Rules for 40% female representation on the Board, I am pleased that two of our Committees (including one governance committee) are now chaired by our female Non-Executive Directors, and the Board does meet the FCA's criteria for ethnic representation.

Finally, since the year-end, Capital's CEO, Peter Stokes tendered his resignation which was accepted by the Board on 9 March 2025. I thank Peter for his tireless efforts during this challenging time and we wish him the best of success in his future endeavours. There will be no search for a CEO at this time.

Should any stakeholder like to speak to me or Michael Rawlinson, 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 155 for contact details.

Signed

**Executive Chair**  
27 March 2025



Corporate Governance Report


A robust approach to corporate governance

BOARD OF DIRECTORS


Responsible for the stewardship of the Group, overseeing its conduct and affairs to deliver on our strategic objectives and creating long-term success to generate sustainable value for our shareholders and the interests of other stakeholders. The Chair leads the Board, ensuring it works constructively as a team. The Board has established certain committees to assist it in discharging its responsibilities and delegates day-to-day responsibilities to the Executive Chair or Chief Executive Officer\*.

Non-Executive Directors


**Audit & Risk Committee**  
Oversight of the Company's financial and narrative reporting processes and the integrity of the financial statements as well as supporting the Board by providing the risk management and internal control functions/processes.

 Read more | **Page 70**


**Remuneration Committee**  
Reviewing and recommending to the Board the remuneration packages for the Executive Directors.  
Setting the remuneration structure for the Executive Leadership Team, pat scales and the remuneration package for the wider workforce.

 Read more | **Page 80**


**Nomination Committee**  
Responsible for reviewing the structure, size and composition of the Board and its committees.  
Overseeing the succession planning of the Directors and the Executive Leadership Team. It ensures the Board has the appropriate skills, experience, independence and knowledge, whilst bearing diversity in mind with regards to composition.

 Read more | **Page 75**


**Sustainability Committee**  
Responsible for assisting the Board in developing and making recommendations in connection with the Company's strategy, standards, processes and approach to ESG matters that could affect the business activities, assets, performance and reputation of the Company and for the Company's ongoing sustainable development.

 Read more | **Page 78**

**Health, Safety, Social and Environmental Committee**  
Responsible for formulating and recommending to the Board a policy on health, safety, social and environmental issues related to the Group's operations, in particular, the Committee focuses on compliance with applicable standards to ensure that an effective system of health, safety, social and environmental standard procedures.

 Read more | **Page 95**

**Investment Committee**  
Responsible for both monitoring the Company's existing investments for performance and strategic alignment, as well as evaluating new opportunities.

 Read more | **Page 96**

**Executive Chair or Chief Executive Officer\***  
Responsible for running the business and setting and implementing the Group strategy.

Executive Leadership Team

Corporate Management

Operational Management

\* Following the CEO's resignation, accepted on 9 March 2025, the role of 'Chief Executive Officer' in this framework is to be replaced with 'Executive Chair' until further notice.

## Corporate Governance Report continued

### Board roles and responsibilities

#### Composition of the Board

##### Executive Directors

Jamie Boyton – Executive Chair

Brian Rudd – Executive Director

##### Non-Executive Directors

Michael Rawlinson –  
Senior Independent Director

Graeme Dacomb –  
Independent Director

Catherine (Cassie) Boggs –  
Independent Director

Anu Dhir – Independent Director

Alex Davidson – Director



*The Board is responsible  
for the long-term success  
of the Company.”*

**Michael Rawlinson**

Senior Independent Non-Executive 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 culture, 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 Executive Chair (in light of the resignation of Peter Stokes): 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
- 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
- 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, ethical and responsible Company culture

### The role of Senior Independent Director: Michael Rawlinson

- Supports and 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 & Risk, Nomination and Remuneration (Chair) 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

\* Following the Board's acceptance of the CEO's resignation on 9 March 2025, there is no Chief Executive Officer and the Executive Chair has assumed these responsibilities

## Corporate Governance Report continued

### The role of the NEDs (Graeme Dacomb, 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

### 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 current and 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.

Under Mr Boyton's Chairmanship, Capital has achieved revenue growth for the fifth consecutive year, continuing to deliver a number of strategic milestones during 2024, positioning the Company well for 2025 and beyond. In view of Mr Boyton's long-standing involvement, expertise and depth of knowledge and specific strategic role within the Group, the Board has purposefully considered it appropriate to retain Mr Boyton as Executive Chair for the current time (notwithstanding his non-independence). The Company regularly engages with shareholders who have indicated their existing strong support and preference for Mr Boyton to remain in the role. Moreover, following the Board's acceptance of Peter Stokes' resignation as CEO and Director on 9 March 2025, Mr Boyton has taken over Mr Stokes' responsibilities. It therefore has become even more essential that Mr Boyton remains in his role. The Board of Directors therefore firmly believes that Mr Boyton's continued role of Executive Chair to be in the best interests of the Company.

The Nomination Committee continues to consider and review Mr Boyton's length of tenure and assess whether it is appropriate to set a timeline for his tenure. Capital has a clear emergency succession plan in place, which was triggered during 2024 upon the sudden passing of David Aberly in September 2024 and worked effectively, ensuring a smooth succession process for the Board. Additionally, a talent succession plan has been formulated to ensure smooth transition from junior ranks to the Executive Leadership Team. When the time comes for Mr Boyton to step down, the Board intends to appoint an independent Non-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. Each of the Non-Executive Directors except Alex Davidson 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.

Jamie Boyton and Brian Rudd collectively hold 17.1% 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 70 to 96 for further information on each of the Committees and their reports.

### 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, with an Equity Shares (Commercial Company) category 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 60 and 61.

The Board recognises the importance of effective stakeholder engagement and that stakeholders' views should be considered in its decision making. We see stakeholder engagement as key to the delivery of our purpose and strategy and therefore our long-term sustainable success. Although there are often competing interests and priorities involved, having an understanding of what matters to our stakeholders allows the Board to consider a wide range of factors.

## Corporate Governance Report continued

	What matters to them	How we engaged in 2024	Why we engage	Outcomes of our engagement
<b>Workforce</b>	<ul style="list-style-type: none"> <li>Health, safety and security</li> <li>Capital's purpose, visions and values</li> <li>Capital's Code of Business Conduct and other policies</li> <li>Learning and development</li> <li>Diversity and inclusion</li> <li>Remuneration and benefits</li> <li>Company strategy and operational progress</li> <li>Sustainability and climate-related risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Regular health and safety briefings across the Company</li> <li>Ongoing initiatives to support mental and physical wellbeing</li> <li>Regular digital and in-person communication via emails, intranet, social media, team meetings, town halls and teach-ins</li> <li>Clear communication of policies and procedures</li> <li>Engagement and initiatives to improve diversity and inclusion</li> <li>Learning and development programmes</li> <li>Initiatives to deepen workforce understanding of and involvement in sustainability strategy and addressing climate-related risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>The health and safety, development, diversity and retention of Capital's workforce is essential to the Company's success and execution of its strategy</li> </ul>	<ul style="list-style-type: none"> <li>The Remuneration Committee reviewed the wider workforce remuneration landscape and considered this when setting Director and ELT remuneration, ensuring retention of employees</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Updates on projects</li> <li>Health, safety and security</li> <li>Operational performance (e.g. shift metrics), standby hours: causes, work time hours: causes</li> <li>Any changes in customers' project plans</li> <li>Sustainability initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Regular in person and/or virtual meetings with customers</li> <li>Presentations and emails on status of the project, involving the key team members from both parties</li> <li>For our larger projects, a quarterly Steering Committee Meeting ensures a two-way discussion, keeping us informed of customer developments. Across all customers, our employees engage at every level, from Executive Directors to operational teams</li> <li>Active and ongoing engagement with our customers to understand community needs and collaborate to address</li> <li>Site visits by all Executive Directors, the full Capital Board and senior management meeting with customers on site</li> </ul>	<ul style="list-style-type: none"> <li>Customers expect performance in line with or exceeding contracted KPIs. Honest feedback and regular interaction are essential for fulfilling contracts and aligning with the Company's strategy, fostering a collaborative approach</li> </ul>	<ul style="list-style-type: none"> <li>We have focused on increasing the number of female employees at our operations to align with focus of clients</li> <li>We made the decision to enter countries such as Pakistan, Zambia and the USA based on discussions with our existing clients and the concrete relationships which we have built and nurtured</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Fair and transparent contracting processes</li> <li>Fair payment terms</li> <li>Collaborative approach</li> <li>Code of Business Conduct</li> <li>Consistency of application of business ethics practices</li> <li>Human Rights and Modern Slavery Policy</li> </ul>	<ul style="list-style-type: none"> <li>Supplier due diligence</li> <li>Review of policy and contracts</li> <li>Regular communication</li> </ul>	<ul style="list-style-type: none"> <li>Strong supplier engagement ensures the performance and support needed to deliver our strategy while contributing to a responsible, sustainable supply chain. Building strong partnerships can help foster reliability, ethical practices and long-term success</li> </ul>	<ul style="list-style-type: none"> <li>We have continued to develop our supplier due diligence and audit procedures. We have a zero-tolerance approach to all forms of modern slavery, including servitude, forced, bonded and compulsory labour and human trafficking, and we expect our suppliers to adopt the same approach</li> </ul>



## Corporate Governance Report continued

	What matters to them	How we engaged in 2024	Why we engage	Outcomes of our engagement
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Operational, safety and financial performance</li> <li>Valuation considerations</li> <li>Capital allocation</li> <li>Financing strategy</li> <li>Risk management</li> <li>Shareholder distributions</li> <li>Sustainability strategy and addressing climate-related risks and opportunities</li> <li>Contribution to community development initiatives and environmental performance</li> <li>Technology and innovation solutions, such as our partnership with Epiroc</li> </ul>	<ul style="list-style-type: none"> <li>We manage relationships with institutional investors through a comprehensive investor relations programme, which includes one-to-one conversations, roadshows, group meetings, conferences and industry events</li> <li>Regular meetings with sell-side analysts</li> <li>In person AGM held with open invitation to all shareholders with the ability to submit questions electronically in advance</li> </ul>	<ul style="list-style-type: none"> <li>Effective engagement with investors ensures transparency, builds trust and supports the Company's valuation by keeping stakeholders informed about performance, strategy and risks</li> <li>Considering their views in long-term decisions aligns shareholder expectations with sustainable growth</li> </ul>	<ul style="list-style-type: none"> <li>The Board receives updates regarding the nature and outcome of investor meetings and engagement by Executive Directors and by senior management with the Company's shareholders. This feedback helps the Board to shape the strategy which enables the Company to deliver shareholder returns</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>Health, safety and security</li> <li>Local employment</li> <li>Development of local staff</li> <li>Local community projects and community development initiatives</li> <li>Protection of the environment</li> </ul>	<ul style="list-style-type: none"> <li>Support and funding for local community initiatives</li> <li>Proactive use of local suppliers</li> <li>Training opportunities provided through the International Apprenticeship and Competency Academy (IACA)</li> </ul>	<ul style="list-style-type: none"> <li>Strong community engagement is vital to maintaining our licence to operate and securing local support for both the Company and our customers. By prioritising local employment, we foster economic growth and build lasting relationships, ensuring mutual success</li> </ul>	<ul style="list-style-type: none"> <li>Where our activities are based on our client's sites, our client will take primary responsibility to lead community engagement and identification of community investment initiatives. We support them and will engage community jointly with our clients</li> </ul>

### Company purpose

The Board defines the Company's vision and values and, through its own actions and communication channels, embeds these in the corporate culture across the entire business. This is particularly significant at Capital where we are a global business and operate throughout a number of culturally diverse jurisdictions; ensuring we are unified throughout is paramount. Capital's culture is key in working towards and delivering on our purpose, vision, values and strategy. Our Purpose directs our decisions and actions, shapes our culture and drives our strategy.

We recognise we have an important part to play in shaping the future of our stakeholders and supporting wider society.

### 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

Our values can be found on page 7.

## Corporate Governance Report continued

### Ethics and compliance

We are committed to conducting business responsibly, upholding the highest standards of ethics and compliance wherever we operate. We have a zero-tolerance approach to bribery and corruption and are dedicated to acting professionally, fairly and with integrity in all our business dealings and relationships. To support this, we implement and enforce robust systems to prevent bribery and corruption across our operations.

Capital's Code of Business Conduct and its Guidelines outline key 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 Health, Safety, Environment and Quality (HSEQ). These provide the foundation for transparency and integrity in our relationships with our host governments, suppliers, contractors and local communities. By strictly upholding our standards, we look to ensure we can operate effectively and responsibly, maintain our access to funding, protect our reputation and safeguard our licence to operate.

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

Further information can also be found on pages 32 to 34 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 (when applicable) 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.

Additionally, the Company has further codes for share dealing in: investee companies of Capital Limited, customer/suppliers of MSALABs, and clients of Capital Limited. There are provisions in place designed to ensure employees do not misuse, or place themselves under suspicion of misusing information, which they have as a result of the nature of their roles and responsibilities, which is not public.

### Whistleblowing

Capital has a Whistleblowing Policy which details the steps that any employee can take to raise a concern freely and in confidence; our people are encouraged to "speak up" without fear of reprisal or retaliation. The Board oversees the process, ensuring that all concerns are investigated independently, appropriately, and followed up with necessary action.

Any submissions reported (using a web reporting portal for anonymity or via email) are handled by the Chair of the Audit Committee, Mr Dacomb. The Whistleblowing Policy can be found on the Company's website in the Corporate Governance Section [www.capdrill.com](http://www.capdrill.com).

Any whistleblowing reports are presented at the Audit Committee; please see page 74 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.

### Board effectiveness, succession and evaluation

#### Board commitment

The Board is satisfied that each of the Non-Executive Directors committed sufficient time throughout 2024 for the fulfilment of their duties as members of the Board and of the Board Committees.

#### Induction, training and information

Capital has an induction programme designed to bring new Directors up to speed as quickly as practicable, following their appointment to the Board.

A comprehensive induction process was put in place for Graeme Dacomb following his appointment to the Board – see page 76 for details. Board inductions at Capital 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.

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 on a range of topics such as regulatory developments, key risks and sustainability. Training needs are assessed as part of the annual Board evaluation to ensure that each Board member feels adequately supported. In 2024 the Board received external training from Bird & Bird (law firm) which provided a comprehensive overview of topics including the new UK Listing Rules which came into force on 29 July 2024, the proposed Prospectus Rules (not yet in force) and the revised Corporate Governance Code (2024) effective for periods commencing on or after 1 January 2025. This training ensured that Board members remained well informed and up to date on the latest regulatory and governance matters.

## Corporate Governance Report continued

The Chair, in conjunction with the Chief Financial Officer, with support from the Company Secretary, plans the Board meetings to ensure the effective performance and governance of Capital. Board packs are distributed in good time before the meeting so that the Board has the opportunity to review in full and prepare in advance. Monthly packs are also sent out which include the monthly results for finance and operations, health and safety statistics, business development (drilling & mining), rig and heavy mobile equipment locations and an HR update.

Going forward in 2025, a monthly Board call has been initiated to give the opportunity for the Board to discuss any matter arising from the monthly packs.

### 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 2024 approved the re-appointment of all eight Directors who were directors at that time: Mr Abery, Mr Boyton, Mr Davidson, Mr Rawlinson, Mr Rudd, Ms Boggs and Mr Stokes. All Directors (apart from Mr Abery (deceased) and Mr Stokes who resigned on 8 March 2025) in addition to Mr Dacomb (appointed on 1 December 2024) will submit themselves for re-election at the Annual General Meeting in 2025. Biographies of each of the Directors can be found on pages 67 to 68 of this report.

## Meetings and attendance

Details of attendance by each Director at the principal Board and Committee meetings during the financial year ended 2024 are as follows:

	Board meetings	Committee membership	Audit & Risk Committee (A)	Remuneration Committee (R)	Nominations Committee (N)	Sustainability Committee (S)	HSSE Committee (H)	Investment Committee (I)
Jamie Boyton	9/9	I, S	-	-	-	3/3	-	1/1
Peter Stokes <sup>1</sup>	9/9	H, S	-	-	-	3/3	4/4	-
Brian Rudd <sup>2</sup>	8/9	H	-	-	-	3/3	4/4	-
David Abery <sup>3</sup>	6/6	A, N, R	5/5	3/3	2/2	-	-	-
Michael Rawlinson <sup>4</sup>	9/9	R, A, N	6/6	4/4	3/3	-	-	1/1
Catherine (Cassie) Boggs	9/9	S, A, R, N, H	6/6	4/4	3/3	3/3	4/4	-
Anu Dhir <sup>5</sup>	9/9	A, N, S	6/6	-	3/3	3/3	-	-
Graeme Dacomb <sup>6</sup>	1/1	A, N, R	0/0	0/0	0/0	-	-	-
Alex Davidson <sup>7</sup>	9/9	I, H, S	-	-	-	3/3	4/4	1/1

<sup>1</sup> Peter Stokes resigned on 8 March 2025

<sup>2</sup> Brian Rudd was absent from one Board meeting due to exceptional personal circumstances

<sup>3</sup> David Abery passed away in September 2024, previously Chair of Audit & Risk and Nominations Committees

<sup>4</sup> Michael Rawlinson was appointed acting Senior Independent Director following the death of David Abery in September 2024, and permanently with effect from 1 January 2025. He was also acting Chair of Audit & Risk Committee until the appointment of Graeme Dacomb on 1 December 2024. He stood down as Chair of Investment Committee with effect from 1 January 2025

<sup>5</sup> Anu Dhir was appointed Chair of Nominations Committee with effect from 1 January 2025

<sup>6</sup> Graeme Dacomb was appointed with effect on 1 December 2024 as Independent Non-Executive Director and Chair of Audit & Risk Committee

<sup>7</sup> Alex Davidson was appointed Chair of Investment Committee with effect from 1 January 2025

## Corporate Governance Report continued

### 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 iNEDs challenge the Executive Directors in a constructive way to ensure decisions have been considered comprehensively. The Directors' biographies can be found on pages 67 to 68 of this Report.

### Board evaluation

In November 2024 the Board conducted its annual evaluation of the performance of the Board as a whole and each of its Committees. Performance of the individual Directors was assessed, 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.

### 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 engaged to identify potential candidates.

Read more about the work of the Nomination Committee on pages 75 to 77 of this Report.

### 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 & 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 nine 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. Moreover in 2025, a monthly board call (in addition to the scheduled board meetings) has been scheduled to give the Directors the opportunity to discuss any matters arising from the monthly board reports.

The principal activities undertaken by the Board during the financial year 2024 were as follows:

### Strategy:

- Reviewing a three 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 Nevada Gold Mine in Nevada USA and reviewed and critiqued management's plans to improve performance

### 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:

- Implementing a more structured and strategic approach to HR
- 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 Graeme Dacomb to the Board

### Enterprise Risk Management:

- Ongoing review of the Group's risk management and the Group's internal control network

### ESG:

- Approve 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

### 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.



## Corporate Governance Report continued

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 encourage an organisational culture that is respectful of individual differences and we 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, ELT and senior management levels. Further information can be found on page 76 of this Annual Report.

### Listing Rules and Disclosure Guidance and Transparency Rules

The following tables below provide further information in accordance with UKLR 22.2.30 of the Listing Rules as at 31 December 2024:

### Gender diversity

as at 31 December 2024\*

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

### Ethnic Diversity

as at 31 December 2024\*

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 <sup>1</sup>	Percentage of executive management <sup>1</sup>
White British or other White (including minority-white groups)	7	87.5%	3	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%

The Company collects the above data used for the purposes of making this disclosure from Directors on a voluntary basis. The date of our executive management is captured via the Company's internal HR system on a voluntary basis. 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). The reason for not meeting these targets mainly relates to the historically significantly 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. However, we are committed to improving diversity and are working towards creating more opportunities for women in leadership roles, as demonstrated by the fact that two of the Company's Committees are now chaired by women, being: Sustainability Committee (chaired by Catherine (Cassie) Boggs since 2021); and the Nominations Committee (chaired by Anu Dhir with effect from 1 January 2025).

<sup>1</sup> Executive management includes the Executive Leadership Team and Company Secretary

\* Since this date the statistics have changed following the resignation of Peter Stokes on 8 March 2025

## 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 2024, 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](http://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](http://www.capdrill.com/investors/corporate-governance).

The Company notes the publication of the 2024 Code, applying to financial years beginning on or after 1 January 2025, and is working towards meeting these new requirements and reporting in accordance with them in due course.

### 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: 16 years  
Committee membership: **I** **S**

**Skills, experience, and qualifications:**  
Jamie has extensive experience in strategic and business development, which includes a deep understanding of capital markets requirements and a proven ability to harness 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



**Brian Rudd**  
Executive Director

Appointment date: May 2005  
Tenure: 19 years  
Committee membership: **H**

**Skills, experience, and qualifications:**  
As a founder of the Company, Brian has been instrumental in the successful establishment and development of the Company since 2005 with a focus on business development and client relations. Brian has nearly 40 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.



**Michael Rawlinson**  
Senior Independent  
Non-Executive Director (SID)

Appointment date: August 2018  
Tenure: 6 years  
Committee membership: **R** **A** **N** **I**

**Skills, experience, and qualifications:**  
Michael is a former investment banker with circa 30 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 expertise having advised on a number of IPOs and follow-on offerings.

**External appointments:**  
Senior independent non-executive director of Hochschild Mining plc, Chair of Adriatic Metals plc and is a non-executive director of Andradra Mining Limited.



**Catherine Boggs**  
Independent Non-Executive  
Director

Appointment date: September 2021  
Tenure: 3 years  
Committee membership: **S** **A** **R** **N** **H**

**Skills, experience, and qualifications:**  
Catherine (Cassie) has over 41 years' experience in General Counsel and senior leadership roles for companies in the mining sector. Most recently, she served as interim president and CEO of Hecla Mining Company, where she continues to hold the position of chair. 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 was also 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 and Head of Global Mining Group for global law firm Baker McKenzie. 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.

### Committee Key

- A** Audit & Risk Committee
- N** Nomination Committee
- R** Remuneration Committee

- H** Health, Safety, Social and Environmental Committee
- S** Sustainability Committee

- I** Investment Committee
- Chair** (of that committee)

## Board of Directors continued



**Anu Dhir**  
Independent Non-Executive  
Director

Appointment date: November 2023

Tenure: 1 year

Committee membership: **A** **N** **S**

### Skills, experience, and qualifications:

Anu has over 21 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 focused on the Latin American Region. Prior to ZinQ Mining, Anu was Vice President, Corporate Development and Corporate Secretary at Katanga Mining Limited. She is the chair of privately held Heritage Environmental Services, LLC. 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., non-executive director of Taseko Mines Limited and non-executive director of Mx2 Mining Inc.



**Graeme Dacomb**  
Independent Non-Executive  
Director

Appointment date: 1 December 2024

Tenure: 0 years

Committee membership: **A** **N** **R**

### Skills, experience, and qualifications:

Graeme was a partner at Ernst & Young LLP for 26 years and during the last twelve, he was a lead partner in the extractive industry, responsible for coordinating the provision of a full suite of services to multinational mining and oil and gas clients. In addition to audit services, he provided critical advice for his clients on corporate governance structures, risk management, acquisitions, disposals and financial systems and controls. His previous board positions include being non-executive director and chair of the audit committee of Ferrexpo plc. Graeme was also a member of the Financial Reporting Council's (FRC) financial reporting review panel. Graeme holds a Bachelor of Commerce from the University of Cape Town, is a member of the Institute of Chartered Accountants (ACA) Scotland, South African Institute of Chartered accountants (CA (SA)) and is a Certified Public Accountant (California).

### External appointments:

Non-executive director and chair of audit committee of Ecora Resources plc.



**Alex Davidson**  
Non-Executive Director

Appointment date: May 2010

Tenure: 14 years

Committee membership: **H** **S** **I**

### Skills, experience, and qualifications:

Alex has over 43 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. 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. Previous board positions include chair of Americas Gold C Silver and non-executive director of Pan American Silver.

### External appointments:

Non-executive chair of NuLegacy Gold Corporation, non-executive director of South Pacific Metals Corp and non-executive director of Volta Resources Inc.

### Committee Key

**A** Audit & Risk Committee  
**N** Nomination Committee  
**R** Remuneration Committee

**H** Health, Safety, Social and  
Environmental Committee  
**S** Sustainability Committee

**I** Investment Committee  
**Chair** (of that committee)

## Board Changes in 2024

1. In September 2024, David Aberly passed away. Michael Rawlinson stepped in as interim Senior Independent Director, interim Chair of Audit & Risk Committee and interim Chair of Nomination Committee.
2. On 1 December 2024, Graeme Dacomb joined the Board as Independent Non-Executive Director and Chair of Audit & Risk Committee.
3. At the Board's in-person Board and Committee meetings at the end of November 2024, the following appointments were made, all effective 1 January 2025: Michael Rawlinson confirmed as Senior Independent Director, Anu Dhir confirmed as Chair of Nomination Committee, Alex Davidson confirmed as Chair of Investment Committee (non-governance committee).

## Board Changes in 2025

1. On 9 March 2025, the Board accepted the resignation of Peter Stokes as CEO.



Board of Directors continued

Board Composition as at 31 December 2024

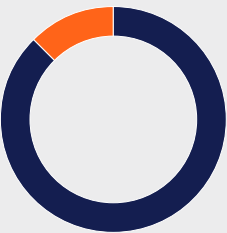
How the composition of our Board positions us to deliver long-term sustainable value for Capital and our stakeholders.

LENGTH OF TENURE



3	0-3 years
1	3-6 years
4	6+ years

ETHNICITY



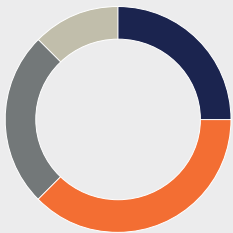
7	White
1	Asian/Asian British/Asian other

BOARD GENDER DIVERSITY



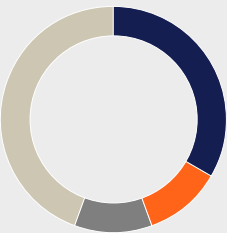
6	Male
2	Female

NATIONALITY



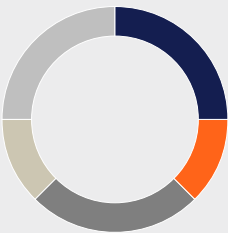
2	United Kingdom
3	Australia
2	Canada
1	USA

COMPOSITION



3	Executives
1	Chair
1	Non-Executive Directors
4	Independent Non-Executive Directors

AGE



2	50-55
1	55-60
2	60-65
1	65-70
2	70-75

Audit & Risk Committee (“ARC”) Report

# Continuing to evolve our approach to Risk Management

Committee membership and attendance

Name	Attendance
Graeme Dacomb (Chair)* <sup>1</sup>	0/0
Catherine (Cassie) Boggs	6/6
Anu Dhir	6/6
Michael Rawlinson	6/6
David Abery <sup>2</sup>	5/5

\* The Chair of the Audit & Risk Committee is deemed to have recent and relevant financial experience in accordance with the UK Corporate Governance Code.

1 Graeme Dacomb was appointed with effect from 1 December 2024.

2 David Abery passed away in September 2024, previously Chair.

Graeme Dacomb  
Chair of Audit & Risk Committee



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 confirmed 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 2024 year-end results
- Evaluated the effectiveness of the external auditors
- 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 & Risk Committee (“ARC”) Report continued

### Chair’s introduction

I am pleased to present the work of the Audit & Risk Committee (“ARC”) for the year. This is my first report as ARC Chair, having joined the Board on 1 December 2024. This report is intended to provide you with an insight into the activities and key areas the Committee considered for the year-ended 2024. But, first of all, I must start by taking this opportunity to acknowledge the significant contribution and efforts of my predecessor, David Abery, who very sadly passed away suddenly in September 2024.

The Committee, on behalf of the Board, monitors the Group’s internal control environment and integrity of financial report reporting. Additionally, we challenge the management team and external auditors on a number of areas, including key accounting judgments and control matters. The Committee’s Charter is available on the Company’s website.

Following the publication of the UK Corporate Governance Code 2024 (the ‘2024 Code’), the Committee has dedicated time during the year preparing for these requirements as well as other proposed legislative and governance changes. We continue to consider the enhancements that will be required in respect of our risk management reporting and will provide information in this report on the steps that we have taken so far to consider the new reporting requirements.

During the year under review, in addition to the Committee present at meetings, other attendees included: representatives from BDO (the Group’s external auditor), the Executive Chair, the CEO, the CFO, the Group Financial

Controller, the Group Finance Manager, the Head of Tax, and other Board members who attend as guests. The Committee meets as necessary and at least three times a year and operates within the framework of a detailed annual work plan. During 2024 the Committee met six times.

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, risk and significant experience relevant to the mining sector. Highlighting the necessary skills, background and financial literacy required to effectively discharge our duties that are available on the Audit Committee, biographies for all members can be found on pages 67 to 68. The secretary of the Committee is the Company Secretary. Attendance of the members is set out on page 63.

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 2024.

Outside of the formal meetings, the Chair of the Committee held discussions with members of management (including the Chief Financial Officer, the Group Financial Controller, the Group Finance Manager, the Company Secretary and the Head of Tax).

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, and 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 2024 in relation to the financial statements and how these were addressed were as follows:

## Audit & Risk Committee (“ARC”) Report continued

### 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, and entered into loans for the purchase of properties in Nevada and Alaska to service new operations that commenced in 2024 in each of these locations. 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.

### Accounting for investment in Eco Detection

In H1 2024 the Group acquired 22% (with Board representation) of Eco Detection Pty Ltd, an Australian company involved in the development of water analysis technology for use in remote operations, critical infrastructure and general water chemical analysis. In accordance with IAS 28, the Group has accounted for this using the equity method, and consequently recognised it separately from other investments on the balance sheet. A 22% share of Eco's annual net losses is also recognised in the Group's consolidated income statement.

### Disposal of stake in Predictive Discovery Limited

In H2 2024 the Group announced an agreement to sell its stake in Predictive Discovery, a company listed on the Australian stock exchange, to Perseus Mining for a total consideration of ~US\$31.2 million. This disposal was structured in such a way as to enable the Group, under certain circumstances, to benefit from a future sale of those shares, or a subsequent takeover of Predictive Discovery. The events required for this contingent income to crystallise are considered too remote to recognise as an asset to the Group at 31 December 2024.

### Revenue recognition

During the year, the Group has secured and extended long-term drilling and laboratory services contracts with high-quality customers. More specifically, the Group entered into material new contracts with Nevada Gold Mines (a joint venture between Barrick Gold Corporation and Newmont Corporation) across both drilling and laboratory services, in addition to drilling contracts with Allied in Côte d'Ivoire, Perseus in Tanzania and Barrick in Zambia. Management performed a detailed analysis of the application of IFRS 15 for each of the new contracts and assessed services provided within them, identified performance obligations, determined the related transaction price and how this should be allocated to performance obligations, and determined when revenue should be recognised. The Group also concluded the Belinga mining contract with Ivindo during the year and assessed this on the same criteria as above. 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 2024.

### 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 considers 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 Côte d'Ivoire and Mali tax authorities.

The Committee is satisfied with management's estimates and assumptions. The Committee takes into account the views 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, with particular consideration of the carrying value of the heavy mining

equipment (“HME”) as well as the carrying value of MSALABS laboratory assets.

During 2024, the Group's mining contracts at Ivindo and Sukari both came to an end. In January 2025, the Group announced a letter of intent with Barrick, the operators of the Reko Diq gold mine in Pakistan, to provide civil engineering and mining services at the mine site. This agreement will see the majority of the Group's HME and related spare parts sent to Pakistan during 2025 to start performing this contract. The remainder of the HME will either be re-deployed or sold once a strategy for it has been defined. Due to the uncertainty around the future of this small portion of the HME fleet, it has been assessed for impairment in accordance with IAS 36 (Impairment of Assets) and certain of these assets were identified as having little prospect of being used going forward and were written down by a total of \$0.9m.

For 2024 financial year, several assets in respect of certain underperforming MSALABS laboratories were identified that were not in use or had little prospect of being used going forward and were written down to nil value resulting in an impairment charge of \$2.8 million being recognised.

The Committee is satisfied with management's estimates and assumptions.

### Recoverability of Trade Receivables

The Group carried trade receivables of \$60.0m (2023: \$49.6m) at year end, net of an expected loss provision of \$4.8m (2023: \$4.7m). The provision for expected credit losses represents management's best estimate at the Balance Sheet date. A number of judgements are made in the



## Audit & Risk Committee (“ARC”) Report continued

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 18 to the financial statements.

### Recoverability of VAT receivables

The Group holds \$6.4 million (2023: \$7.6million) of VAT receivables at year end net of expected loss provisions of \$3.6 million (2023: \$1.1 million) that are owed by fiscal authorities in a number of jurisdictions. In assessing the recoverability of the VAT receivables, the Group assessed the expected credit loss on the VAT amounts owed based on current and historic correspondence with the relevant fiscal authorities and consultations with local tax experts. For the 2024 financial year, the loss provision was increased by \$2.5 million given the aged nature of several of the VAT receivables and the perceived prospect of recovery.

### 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 2024 included management override of controls, fraud in revenue recognition, impairment of the Group’s HME mining assets and related mining inventory, accounting for Ivindo contract termination, recoverability of VAT receivables, impairment of non-current assets in MSALABS, and accounting for

capitalised Enterprise Resource Planning (“ERP”) costs. 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 subsequently reporting back to the Committee. 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 2024 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. In addition, 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 2024.

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.

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 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 26 to 29.

Audit & Risk Committee (“ARC”) Report continued

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.

As the Group’s risk management and internal control systems mature, the Committee will continue to review the adequacy and effectiveness of these systems. In particular, the Committee will oversee an assurance mapping exercise which will reflect a best practice approach to the relevant 2024 Code provision which takes effect from 1 January 2026. In particular, the Code Provision 29 will require the Board to provide various assurances regarding the effectiveness of the Company’s material financial and operational controls in its 2026 Annual Report.

Whistleblowing

As mentioned on page 62 of the Corporate Governance Report, any reports of whistleblowing are handled by the Chair of Audit Committee. There were no reports during the course of 2024.

Fraud prevention and detection processes

With the implementation of the Economic Crime and Transparency Act 2023 (‘ECATA’), work has commenced in terms of understanding how the new legislation specifically applies to Capital (where the majority of the Group’s activity and business is not in the UK), in order to ensure that the Group is compliant with this requirement.

Approval

This report was approved by the Board of Directors on 27 March 2025 and signed on its behalf by:



Graeme Dacomb  
Chair of Audit & Risk Committee

Overview of the process to ensure that the Group’s Annual Report, taken as a whole, is fair, balanced and understandable and provides information necessary for shareholders to assess the Group’s position and performance, business model and strategy

Annual Report Working group	The working group comprised individuals involved in the drafting of the Annual Report. Material disclosure items were discussed by the working group.  The working group members reviewed the sections in light of the ‘fair, balanced and understandable’ requirement.
Key contributors to the Annual Report	A verification process is in place, with key contributors required to confirm the accuracy of the information provided.
External review	h2g Remuneration Advisory, the Remuneration Committee’s independent adviser, reviewed the Directors’ Remuneration report. Digby Wells reviewed the TCFD report and the information on GHG emissions. Feedback was provided by BDO on the overall 2024 Annual Report. All external reviews were undertaken to enhance the quality of our reporting.
Senior Management review and approval	Senior management and Executive Directors reviewed and scrutinised all sections of the Annual Report in light of the ‘fair, balanced and understandable’ requirement.
The Committee and the Board	Drafts of the Annual Report were circulated individually to Board members, the Committee and the full Board for review, providing opportunities for challenge. Once the Committee was satisfied, it provided its recommendation to the Board for approval. Final step was Board review and approval.

Nomination Committee Report

Succession planning was a key discussion point in 2024

Committee membership and attendance

Name	Attendance
Anu Dhir (Chair) <sup>1</sup>	3/3
Cassie (Catherine) Boggs	3/3
Graeme Dacomb <sup>2</sup>	0/0
Michael Rawlinson	3/3
David Abery <sup>3</sup>	2/2

- 1 Anu Dhir was appointed with effect from 1 January 2025.
- 2 Graeme Dacomb was appointed with effect from 1 December 2024.
- 3 David Abery passed away in September 2024, previously Chair.

See my Biography | Page 68



*The Committee was pleased to announce the appointment of Graeme Dacomb as Independent Non-Executive Director.”*

Anu Dhir  
Chair of the Nomination Committee



Chair’s Introduction

Having been appointed as Committee Chair, effective 1 January 2025, I am pleased to report the work of the Nomination Committee (“the Committee”) for 2024 -a year in which I was a member of the Committee. Following the sudden loss of David Abery in September 2024, Michael Rawlinson was appointed acting Committee Chair in line with our emergency succession plan and the Board thanks Michael for stepping in and ensuring a smooth transition in such difficult circumstances.

Since year-end, I report that Peter Stokes tendered his resignation on 8 March 2025. In accordance with the Company’s emergency succession plan, Jamie Boyton has assumed the CEO’s responsibilities as Executive Chair at this time. In 2025, the Committee will re-visit the succession plan in light of these recent changes.

The members of the Committee comprise all the Independent Non-Executive Directors, as stated on this page and 63. The attendance of the Committee is also set out here. 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.

Key activities during the year

- Monitored shareholder feedback from investors and proxy advisers on the shareholder resolutions tabled at the 2024 AGM
- Reviewed Board Committee composition
- Led and managed the externally-facilitated global search for an independent Non-Executive Director, resulting in the appointment of Graeme Dacomb. This involved evaluating a diverse pool of candidates, including women and individuals from ethnic minorities, and conducting interviews while considering the necessary skills and experience required for the Board
- Developed and enhanced the Company’s Succession Plan
- Conducted Board and Committee evaluation

## Nomination Committee Report continued

### 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
- Evaluating and overseeing the balance of skills, knowledge, experience and structure (including gender and diversity) on the Board and its Committees

### Appointment of Graeme Dacomb as an Independent Non-Executive Director

The acting 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 on page 77 summarises the process, the outcome of which culminated in the recommendation to the Board to approve the appointment of Graeme Dacomb.

### Induction process

Upon joining the Board, Mr Dacomb underwent an induction to provide him with a strong understanding of the business, its governance framework and Board responsibilities, helping him in becoming effective in the role as quickly as possible. The Company Secretary compiled an induction pack together 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 the Group structure chart. Mr Dacomb then had a series of introductory meetings, some in person and some virtually, with those Board members he had not met. A series of meetings was also arranged with senior management representatives.

### Annual evaluation

This year's Board evaluation, held at our in-person meetings in November, was led by Michael Rawlinson (SID, who was acting as interim Chair of this Committee) and supported by at the time, the Committee. The evaluation involved a list of topics which shaped the content of the verbal discussion. The Board was given the opportunity in advance of the evaluation to decide which approach would be most appropriate for Capital's Board. The topics were set in advance; Board members agreed that a verbal discussion was the most appropriate forum for Capital. It should be noted that the evaluation took place at the same time as the Board re-structure, and prior to Mr Dacomb's start date. Next year's evaluation will be used to assess the recent changes; see page 68 for the list of changes. The process concluded that the Committee remains effective. Two areas for continued focus highlighted by the evaluation were succession planning and diversity across all levels.

For the Board review, 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.

### Succession planning

We continually assess and evaluate the composition of the Board, with a firm focus on considerations such as skills and experience, breadth of diversity, tenure and balance of the Board.

Alongside the full Board, the Committee is cognisant of the fact that the Company's Chair is Executive, non-Independent, and has remained in the position for more than nine years; thereby not complying with Provisions 9 and 19 of the 2018 Code. Part of our long-term succession plan was implemented when we split the role of Chair and CEO in 2022 in preparation of the next phase of the Group's growth strategy. This had addressed shareholder concerns and proved successful in terms of the governance of the business, but also in reaction to Shareholder opinion that the role should be split.

In his role as Executive Chair, Jamie Boyton is responsible for overseeing the Company's strategic and business development, which includes advising on capital markets requirements and strategic growth opportunities. The Company has achieved revenue growth for the fifth year in a row and has continued to deliver a number of strategic milestones throughout the last year.

In view of Mr Boyton's long-standing involvement and specific strategic role within the Group, the Board has purposefully considered it appropriate to retain Mr Boyton as Executive Chair at this critical stage in the Company's growth trajectory (notwithstanding

his non-independence). The Company is in regular contact with Shareholders who have indicated their continued strong support and preference for Mr Boyton to remain in the role. The Board of Directors firmly believes that Mr Boyton's continued role of Executive Chair to be in the best interests of the Company. This has become even more pertinent following the resignation of Peter Stokes as CEO on 8 March 2025. Since this date, senior management who previously reported to Mr Stokes all now report to Mr Boyton.

Capital has a clear emergency succession plan in place, (which was triggered during 2024 upon the sudden passing of David Abery in September 2024 and worked effectively) ensuring a smooth succession process for the Board. Michael Rawlinson promptly stepped into each of David's roles on a temporary basis and was instrumental in driving the process to recruit a new independent Director and Audit & Risk Chair.

### Diversity

The Committee is aware that the Company does not currently meet the UK Listing Rule requirement for a minimum of 40% women on the Board nor is at least one of the senior Board positions held by a woman. However, I am pleased that we now have a female Chair for both this Committee, and for the Sustainability Committee. It should be noted here that, when recruiting for the role of new Audit Chair, the short list included a diverse pool of candidates – both from a gender and ethnic perspective. Mr Dacomb's skill set and expertise were considered the most ideally suited for the role; however, we were pleased to interview such a range of high-calibre individuals.

## Nomination Committee Report continued

### iNED and ARC Chair 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, ISP Leadership Advisors, has no connection with the Company or any of its Directors.

#### Candidate search

ISP Leadership Advisors 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 an interview process initiated, involving a combination of the acting Senior Independent Director and the Executive Chair. Those invited for a second interview then met other members of the Board and senior management.

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

#### Approval

Due diligence was also carried out with extensive references being sought. Time commitment of the candidate was also considered to ensure sufficient capacity to devote to Capital. The Nomination Committee recommended its preferred candidate of choice to the Board for approval.

The Company Secretary and General Manager - HR were then tasked with the formalities.

#### Induction

A tailored induction programme was provided – see details on page 76.

#### Approval

This report was approved by the Board of Directors on 27 March 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Anu Dhir', with a small question mark to its right.

Anu Dhir

Chair of the Nomination Committee



Sustainability Committee Report

Continuing our commitment to sustainability and responsible business practices

Committee membership and attendance

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

1 Peter Stokes resigned on 9 March 2025

See my Biography | Page 67



*The Committee remains focused on oversight and advancement of the Company's sustainability priorities."*

Catherine (Cassie) Boggs  
Chair of Sustainability Committee



Chair's introduction

The Committee, on behalf of the Board, monitors the Groups sustainability approach and performance. During the year under review the committee met three times considering relevant sustainability matters for the Company. The Committee reviewed the GHG emissions, decarbonisation aims and commitments, discussing the implications for the business and agreeing next steps for the Company.

We received feedback on the sustainability site visits undertaken by the Group's Sustainability Manager to two of our operations in Tanzania, Geita Gold Mine and Bulyunhulu Gold Mine, considering the insights and feedback.

This included a review of the recommendations for strengthening Corporate Social Investment guidance and governance for community initiatives across Capital. The Committee annually reviews the Companies Policies, making recommendations to the Board should changes be considered. The Committee discussed the Companies sustainability focus areas for 2025 and will monitor progress during the committee meetings.

Key activities during the year

Overseeing progress against the 2024 sustainability-related workstreams including:

- Reviewed the draft and final 2024 GHG emissions (scope 1 & 2 GHG emissions for the Group)
- Reviewed the 2024 Corporate Social Investment (CSI) investment and key projects for the year and the proposed recommendations for improved CSR governance
- Reviewed the outcomes of the TCFD scenario analysis for our new material jurisdiction, Pakistan
- Reviewed the TCFD disclosures
- Reviewed and approved the stand-alone 2024 Sustainability Report
- Received feedback on Tanzania sustainability site visits in 2024 and key sustainability insights arising
- Reviewed sustainability priority areas for 2025
- Reviewed charter and policies for recommendation to Board for approval

## Sustainability Committee Report continued

Whilst we are in the early stages of comprehensive external sustainability reporting, we are aiming to lay the groundwork for continuous development – both in our transparency, but importantly in our underlying approaches and the Committee and Company is preparing for the evolving sustainability and climate related regulations.

In 2025 Capital will continue to focus on our sustainability performance, working with our customers and monitoring changes to best practice.

### 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.
- 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.

- Reviewing sustainability sections of the Annual Report including TCFD and the Sustainability Report.
- 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.
- While the Sustainability Committee is expected to make recommendations, the ultimate responsibility for establishing the Group's Sustainability Committee policies remains with the Board.

Sustainability Committee materials are compiled by the Group Sustainability Manager and reviewed by the Chief Financial Officer (CFO), to whom the Sustainability Manager reports. The members of the Committee are stated on page 78 and page 63. The attendance of the Committee is also set out here. 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.

This report was approved by the Board of Directors on 27 March 2025 and signed on its behalf by:



**Catherine (Cassie) Boggs**  
Chair of Sustainability Committee

Remuneration Committee Report

Ensuring remuneration practices present a fair reflection of the Group’s performance

Committee membership and attendance


Name	Attendance
Michael Rawlinson (Chair)	4/4
Catherine (Cassie) Boggs	4/4
Graeme Dacomb <sup>1</sup>	0/0
David Abery <sup>2</sup>	3/3

- 1 Graeme Dacomb was appointed with effect from 1 December 2024.
- 2 David Abery passed away in September 2024.

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.

 See my Biography | Page 67



2024 was a pivotal year of transition.”

Michael Rawlinson  
Chair of the Remuneration Committee



Chair’s Introduction

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 h2g 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.

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

Performance in year 2024

As set out earlier in this Annual Report, 2024 was a pivotal year of transition. The challenges we have faced through this transition of ramping up several new large-scale projects, placed downward pressure on our operating margins for 2024. Full year revenue increased by 9% to \$348.0 million (2023: \$318.4 million), adjusted EBITDA decreased by 13% to \$80.0 million (2023: \$91.8 million) delivering a 23% margin (2023: 29%).

The Remuneration Committee acknowledges it has been a challenging year as we transition the business to the next phase. The Company has simultaneously been ramping up a number of key new projects across drilling and MSALABS, as well as mobilising our equipment fleets to our significant new operation, Reko Diq copper gold-project in Pakistan. Our NGM contracts across drilling and MSALABS commenced during the year, resulting in our entry into the USA and constituting an exciting platform for future growth in the region. Further, we have demonstrated the strengths of our existing relationships through an expanded relationship with Perseus Mining Limited, with new contract awards at its Yaouré Gold Mine in Côte d’Ivoire and its Nyanzaga Gold Project in Tanzania.

\* Peter Stokes, CEO, resigned 8 March 2025

## Remuneration Committee Report continued

### Remuneration Summary of the year

In 2024, the Executive Chair (Jamie Boyton)'s base salary was \$416,000 per year, the base salary of the CEO (Peter Stokes)\* was \$520,000 per year and the Executive Director (Brian Rudd)'s salary was \$374,000 per year.

Reflecting the agreed performance targets achieved relating to EBIT, Return on Capital Employed, Annualised Growth, Capital Management, Safety and Sustainability metrics, the Remuneration Committee determined to award a scheme bonus payment in respect of 2024 of 31% of maximum entitlement to all Executive Directors, being 47% of salary to the Executive Chair and the CEO, and 28% of salary to the Executive Director (Brian Rudd), as detailed later in this report.

LTIP awards granted in 2021 to the Executive Chair and Executive Director (Brian Rudd) vested during 2024. The awards were subject to two three-year performance targets each covering 50% of the award: a TSR compound growth condition and an adjusted EPS compound growth performance condition. As detailed later in this report, EPS target was achieved in full and TSR at 13.8%, and as a result, the awards vested at 84%.

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 2024. The Company intends to make a further grant in the first half of 2025 to the current Executive Directors. 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 2024.

### Remuneration in 2025

Following the resignation of Peter Stokes, CEO, on 8 March 2025, the Executive Chair's remuneration has increased from \$416,000 to \$550,000 per annum, effective 1 March 2025. This reflects the change from 4 to 5 days per week in addition to taking on the responsibilities of CEO role in addition to current role of Executive Chair. The salary of Brian Rudd increased from \$374,000 to \$425,000 also effective 1 March 2025 to reflect his increased responsibilities following the departure of the CEO, Brian Rudd now has a much broader role and is expected to travel significantly more.

### 2024 Annual General Meeting

At our Annual General Meeting on 5 June 2024, 154.6 million shares were voted to approve the resolution on remuneration (98.3% of votes cast) with 2.8 million shares voted against the resolution (1.8%) and no 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.

### 2025 Annual General Meeting

At our 2025 Annual General Meeting, the Company will put its Remuneration Policy, as set out in the section below, to a separate resolution in addition to the resolution to approve the Directors' Remuneration Report.

In taking this decision, the Committee considered the comments made by proxy advisers as well as the UK governance environment. This additional resolution will allow shareholders to vote separately on the remuneration framework as laid out in the Policy as well as on decisions on remuneration in the year as laid out in the

annual report on remuneration. As a Bermuda registered company, Capital is not subject to the 2006 Companies Act which applies to UK main market companies and which enables a shareholder vote on the remuneration policy to be binding. As such, the vote will be advisory. The Committee intends to adopt the cycle applied to UK main market companies and put its Policy to a shareholder resolution every three years unless major changes are proposed in which case the new policy will be put to a resolution earlier.

The Policy outlined below contains two material changes to the Policy laid out in last year's annual report. Firstly, in relation to annual bonus, the Committee may vary the portions of bonus paid out in cash and shares rather than applying a fixed 50:50 approach.

Secondly, the Company is introducing a post employment shareholding provision. Under this provision, Executive Directors are expected to hold the lower of 100% of their actual holding at cessation and 150% of salary (the shareholding guideline) for two years post cessation of employment. Shares which have been or are in future purchased by Executives will not be subject to this provision.

The policy contains additional notes and some amendments to note, including in respect of performance condition choice, employee remuneration, loss of office, change in control, malus and clawback, committee discretion, external appointments, consideration of stakeholder experience and legacy arrangements. It contains further additional information on service contracts and graphs illustrating executive remuneration.

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

We have also included information on CEO historical remuneration in the Annual Report reflecting the disclosure requirements on UK Main Market companies.

In light of the expansion of the responsibilities as outlined above, the maximum bonus opportunity for the short-term incentive plan (STIP) for the Executive Director (Brian Rudd) has increased: for stretch performance, previously from 90% to now 150% of salary; and for on-target performance, previously from 60% to now 100% of salary, both in line with Remuneration Policy limits. For both LTIP awards, the Executive Director's (Brian Rudd) face value percentage of salary has increased from 60% to 100% of salary. This is to reflect the Executive Director's increased responsibilities. To confirm, 100% of Mr Rudd's bonus will now be subject to corporate and financial performance objectives (rather than the previous 80% corporate and financial performance objectives with 20% based on individual performance targets).

The Remuneration Committee welcomes all shareholder feedback on remuneration and will continue with its approach of shareholder consultation where significant changes are considered.



**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 2024 and 2025 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	Core element of remuneration.  To set at a level which is sufficiently competitive to recruit and retain individuals of the appropriate calibre and experience.	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.  May be paid in different currencies as appropriate to reflect their geographic location.	There is no prescribed maximum annual base salary or salary increase.  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.	The Committee considers individual and Company performance when setting base salary.
Other Benefits	To help recruit and retain high performing Executive Directors.  To provide market competitive benefits.	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.	The Executive Director (Brian Rudd) is based in Australia and receives superannuation at 11.5% of salary (capped at A\$27,500) in line with Australian legislation which forms part of the base salary. Executive Director pension arrangements are aligned to those available to the workforce in the relevant country.	N/A



## Remuneration Committee Report continued

Element	Link to remuneration policy/strategy	Operation	Maximum Opportunity	Performance metric
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, or 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. The cash portion of any bonus is settled immediately in cash; the share portion is awarded in shares deferred for one year. The portions of bonus paid in cash and shares may be varied from year to year, as may the share portion deferral terms.</p> <p>Annual bonus awards are subject to malus and clawback provisions.</p>	<p>The maximum bonus opportunity for both Executive Directors is 150 % of salary for stretch performance with 100% 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 150% 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 Directors, 100% of the bonus is subject to corporate and financial performance objectives. For 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>Both 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 both Directors 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 both Directors, 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 five 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> <p>Executive Directors are expected to hold the lower of 100% of their actual holding at cessation and 150% of salary for two years post cessation of employment. Shares which have been or are in future purchased by Executives will not be subject to this provision.</p>		

## Remuneration Committee Report continued

Element	Link to remuneration policy/strategy	Operation	Maximum Opportunity	Performance metric
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>	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.	Fee levels reflect market conditions and are reviewed annually on 1 January each year.	

### 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.

Name	Date of joining	Notice period
Jamie Boyton	1 January 2008	6 months
Brian Rudd	1 October 2004	6 months

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.

## Remuneration Committee Report continued

### 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.

### 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 55 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.

### Explanation of performance conditions

Reflecting the Company's strategic priorities, short-term performance is incentivised with an annual bonus scheme (STIP) which is based on Company (and Individual performance objectives for senior management not on the Board). Company objectives include financial and other objectives such as EBIT, ROCE, Strategic, Growth, HSE, ESG, and working capital management. Individual objectives for senior management are set out in individual action plans supporting the business plan. Long-term performance is incentivised with a performance share plan ("LTIP"), which is typically based on the achievement of three-year Total Shareholder Return and adjusted Earnings Per Share growth targets. Targets are set to align with objectives with pitching of threshold and maximum targets set in light of the Company's outlook, balancing achievability and stretch. Where possible, LTIP targets will be announced at the time awards are made. The Committee retains the discretion to set different performance measures and/or to set different weightings on the performance goals from year to year for STIP and LTIP awards.

### Differences in Remuneration Policy for employees and Executive Directors

The principles behind the Remuneration Policy for Executive Directors are cascaded down through the Group. They aim to attract and retain the best staff and to focus their remuneration on the delivery of long-term sustainable growth by using a mix of salary, benefits, STIP and longer-term incentives. As a result, no element of the Executive Director Remuneration Policy is operated exclusively for Executive Directors other than the two-year post vesting holding period and the post-employment shareholding policy. The STIP for Executive Directors is largely the same as that of the rest of the ELT and Group Senior Managers, as is the LTIP. The main structural difference between pay for Executive Directors and employees is that, for Executive Directors, the variable element of total remuneration is greater and not tied to individual performance while the total remuneration opportunity is also higher to reflect the increased responsibility of the role.

### Committee discretion, flexibility and judgement in operating the incentive plans

In line with market practice and the various scheme rules, the Committee retains discretion relating to operating and administering the STIP and the LTIP in respect of Executive Directors. This discretion for the STIP includes, but is not limited to: scheme participants, review of and setting of annual performance measures and targets, determination and calculation of any STIP payment, including upward or downward adjustment as appropriate, timing of any bonus payments, determination of the proportion of any STIP award that is deferred into a share award, determination of the treatment of leavers depending on the circumstances, determination of bonus for new joiners during the year depending on the circumstances and determination of bonus in the event of a change in control. The discretion for the LTIP includes but is not limited to: scheme participants for recommendation to the Board, form and timing of the grant of an award, size of awards made, setting of appropriate performance measures, determining the treatment of leavers depending on the circumstances, discretion relating to vesting in the event of a change of control of the Company, recommending that the Board substitutes a cash equivalent in place of shares, making appropriate adjustments to awards required in certain circumstances, e.g. demerger, special dividend or other similar event which affects the market price of shares to a material extent, determining that it would be appropriate to amend, waive or replace any performance or other condition applying to an award, provided that any amended or replaced performance or other condition shall not, in the reasonable opinion of the Committee, be materially more difficult to satisfy.

### 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.

## Remuneration Committee Report continued

### 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.

### 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. Salary and annual bonus levels will be set so as to be competitive with comparable roles in companies in similar sectors, and also taking into account the experience, seniority and the scope of responsibility of the appointee coming into the role. New Executive Directors will be able to participate in the annual bonus scheme on a pro-rated basis for the portion of the financial year for which they are in post. New Executive Directors may receive benefits and pension contributions in line with the Company's existing policy. LTIP awards are made on an ongoing basis in line with our policy for Executive Directors and other senior executives. In the year of recruitment, a higher award may be made to the new recruit within the limits of the Remuneration Policy. The approach in respect of compensation for forfeited remuneration from a previous employer will be considered on a case-by-case basis taking into account all relevant factors, such as the form of compensation forfeited, performance achieved or likely to be achieved, and the proportion of the performance period remaining. If any compensation for forfeited remuneration is paid, it may be awarded outside the LTIP and may be made with non-standard performance conditions, or without performance conditions and with a shorter vesting period and without a holding period to reflect the profile of forfeited awards. Any such arrangements would be disclosed in the following year's Annual Report. This discretion reflects that available to Main Market companies under UKLR 9.3. In the case of an internal appointment to an Executive Director role, any variable pay element, annual bonus or LTIP awarded in respect of a prior non-Board role would be allowed to pay out according to its terms. Discretion to vary from policy may also be exercised in the following circumstances: (1) for a short-term/interim appointment; (2) where the Chair or a Non-Executive Director is appointed for a short period; (3) where an Executive Director is appointed mid-year, performance conditions for annual bonus and LTIP may be tailored for this or amounts transferred pro-rata by month to following year; (4) where an Executive Director is hired from a location with different benefits that the Remuneration Committee sees appropriate to buy out (but not variable remuneration which is covered above); (5) relocation expenses – one-off and/or ongoing including tax equalisation; and (6) legal and similar expenses.

### Legacy arrangements

The Company will honour existing awards, incentives, benefits and contractual arrangements made to individuals prior to their promotion to the Board and/or prior to the approval and implementation of this policy. For the avoidance of doubt this includes payments in respect of any award granted under any previous Remuneration Policy. This will last until the existing incentives vest (or lapse) or the benefits or contractual arrangements no longer apply.

### Illustrations of application of the Remuneration Policy

The charts represent estimates under four performance scenarios ("Minimum", "Target", "Maximum" and "Maximum assuming a 50% share price appreciation" between award and vesting under the LTIP) of the potential remuneration outcomes for each Executive Director resulting from the application of the 2025 base salaries to awards made in accordance with the policy for 2025. Peter Stokes is not included given his resignation on 8 March 2025. The majority of Executive Directors' remuneration is delivered through variable pay elements, which are conditional on the achievement of stretching targets. The scenario charts are based on the proposed policy award levels and are calculated on the same basis as the single figures of remuneration (on page 93). The pay scenarios are forward looking and only serve to illustrate the proposed policy. The scenarios are based on the current Executive Director roles.

#### Performance scenarios table

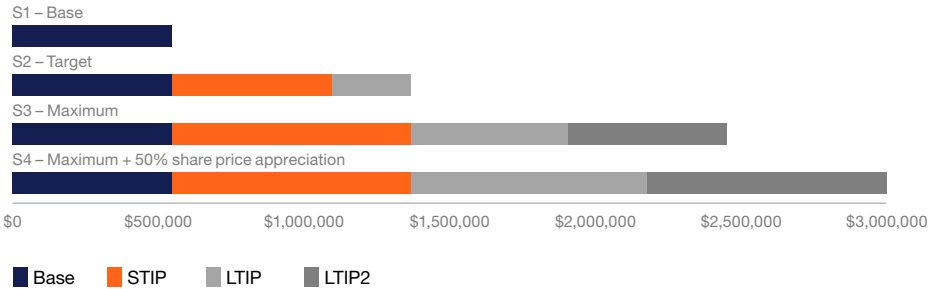
	Minimum	Target	Maximum
Base salary	Yes	Yes	Yes
Benefits	Yes	Yes	Yes
Pension	Part of base	Part of base	Part of base
Bonus	Nil	Set at 67% of maximum opportunity	Maximum opportunity
LTIP1	Nil	Set at 50% vesting as percentage of salary	Maximum opportunity
LTIP2	Nil	Nil	Maximum opportunity

The fourth scenario "Maximum assuming 50% share price appreciation" reflects the assumptions under Maximum above and incorporating 50% share price appreciation between award and vesting under the LTIP scheme. Note that given the stretching LTIP 2 absolute TSR condition there will be nil vesting of LTIP 2 at 50% share price appreciation. Charts do not take account of dividend equivalents which may be applied to LTIP awards.

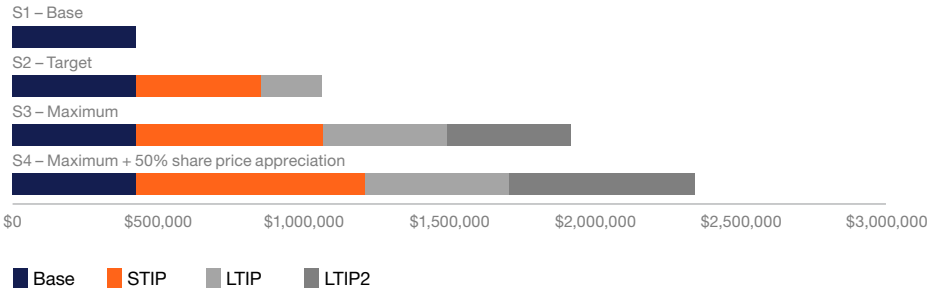


Remuneration Committee Report continued

Jamie Boyton



Brian Rudd



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.

## 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 2024.

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

Figures in \$'000	2024						2023					
	Salary / fees	Bonus in cash	Bonus in shares	LTIP 2021	Total	Percentage change	Salary / fees	Bonus in cash	Bonus in shares	LTIP 2020	Total	Percentage change
<b>Executive Directors for FY 2024</b>												
Jamie Boyton	416	195	–	515	1,126	(25%)	425	201	201	580	1,407	(32%)
Peter Stokes <sup>1</sup>	520	244	–	–	764	(24%)	487	230	230	–	947	323%
Brian Rudd	374	84	–	227	685	(24%)	360	102	102	287	851	(22%)
<b>Non-Executive Directors</b>												
David Abery <sup>2</sup>	77	–	–	–	77	(36%)	105	–	–	–	105	4%
Catherine (Cassie) Boggs	92	–	–	–	92	–	92	–	–	–	92	5%
Alex Davidson	92	–	–	–	92	–	92	–	–	–	92	5%
Michael Rawlinson	112	–	–	–	112	–	112	–	–	–	112	4%
Anu Dhir	72	–	–	–	72	88%	9	–	–	–	9	N/A
Graeme Dacomb <sup>3</sup>	8	–	–	–	8	100%	N/A	N/A	N/A	N/A	N/A	N/A

The value of the LTIP in 2024 relates to the vesting of the 2021 LTIP awards, and the value has been calculated by multiplying the number of awards which vested by the (20-day VWAP) share price of 80.84p as at the vesting date of 31 December 2023. Of the 2021 LTIP value of \$514,880- for Jamie Boyton, \$256,534 is attributable to share price appreciation. Of the LTIP value of \$226,547 for Brian Rudd, \$514,880 is attributable to share price appreciation.

Non-Executive Remuneration is set out below:

Figures in \$'000	2024				2023			
	Basic Fees	Committee Chair	Snr NED	Total	Basic Fees	Committee Chair	Snr NED	Total
David Abery <sup>2</sup>	54	15	8	77	72	20	13	105
Catherine (Cassie) Boggs	72	20	–	92	72	20	–	92
Alex Davidson	72	20	–	92	72	20	–	92
Michael Rawlinson	72	40	–	112	72	40	–	112
Anu Dhir	72	–	–	72	9	–	–	9
Graeme Dacomb	6	2	–	8	N/A	N/A	N/A	N/A

1 On 9 March 2024, the Board accepted the resignation of Peter Stokes as CEO

2 David Abery passed away in September 2024

3 Graeme Dacomb was appointed to the Board on 1 December 2024 and as a result, his fees have been pro-rated.

## Remuneration Committee Report continued

### Salaries

From 1 January 2024, the salary of the Executive Chair was \$416,000, the salary of the Chief Executive Officer was \$520,000 and the salary of the Executive Director (Brian Rudd) was \$374,000.

### Short Term Incentive Plan (STIP)

In 2024, 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 150% of on target bonus.

Of this, for all the Executive Directors, the entire bonus is based on corporate and financial performance objectives.

For 2024, corporate and financial objectives were weighted 40% EBIT, 20% Return on Capital Employed (ROCE), 5% Strategic -Labs (Adjusted EBITDA Margin), 5% Annualised Growth (significant contract award) 20% safety (HSSE TRIFR), 5% Working Capital Management and 5% Sustainability (local employment).

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	40%	\$60.6m	\$63.4m	\$69.7m	\$39.3m	0%
ROCE	20%	15%	18%	20%	14.2%	0%
Strategic: Labs (Adjusted EBITDA Margin)	5%	4%	8%	10%	-5%	0%
Annualised Growth (significant contract award)	5%	\$20.0m	\$25m	\$30m	\$30.0m	100%
HSE TRIFR	20%	1.42	1.00	0.75	0.78	96%
Sustainability (local employment)	5%	92.4%	92.8%	93.2%	93.5%	100%
<b>Working Capital Management:</b>						
Working Capital Days	2.5%	83 days	77 days	75 days	80 days	50%
Monthly Cash Headroom	2.5%	12%	18%	20%	14%	33%
<b>Weighted total – % of maximum entitlement</b>						<b>31%</b>

In light of the current year's performance of the Group during the year, bonuses were awarded to the Executive Chair at 31% of maximum entitlement being 47% of salary, the CEO at 31% of maximum entitlement being 47% of salary and to the Executive Director (Brian Rudd) at 31% of maximum entitlement being 28% of salary. All bonus awards are payable in cash.

## Remuneration Committee Report continued

### Long-term incentives

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 2024. Each individual was granted two separate awards (LTIP 1 and LTIP 2) as detailed in the share awards table below for the performance period of January 2024 to December 2026. 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.

At 31 December 2024, the LTIP awards that had been awarded to each Director were as follows:

	Scheme	Date of award	Vesting date	At 1 Jan 2024	Granted in year	Exercised in year	Lapsed in year	At 31 Dec 2024	Expiry date
<b>Jamie Boyton</b>	LTIP	Jan 2021	31/12/23	455,525		455,525			-
	LTIP 1	Jan 2022	31/12/24	460,766				460,766	31/03/26
	LTIP 2	Jan 2022	31/12/24	460,766				460,766	31/03/26
	LTIP 1	Jan 2023	31/12/25	361,682				361,682	31/03/27
	LTIP 2	Jan 2023	31/12/25	361,682				361,682	31/03/27
	LTIP 1	Jan 2024	31/12/26		421,347			421,347	-
	LTIP 2	Jan 2024	31/12/26		421,347			421,347	-
<b>Total</b>				<b>2,100,421</b>	<b>842,694</b>			<b>2,487,590</b>	
<b>Brian Rudd</b>	LTIP	Jan 2021	31/12/23	200,431		200,431		-	-
	LTIP 1	Jan 2022	31/12/24	199,051				199,051	31/03/26
	LTIP 2	Jan 2022	31/12/24	199,051				199,051	31/03/26
	LTIP 1	Jan 2023	31/12/25	183,819				183,819	31/03/27
	LTIP 2	Jan 2023	31/12/25	183,819				183,819	31/03/27
	LTIP 1	Jan 2024	31/12/26		227,527			227,527	-
	LTIP 2	Jan 2024	31/12/26		227,527			227,527	-
<b>Total</b>				<b>966,171</b>	<b>455,054</b>			<b>1,220,794</b>	
<b>Peter Stokes</b>	LTIP 1	Jan 2023	31/12/25	414,870				414,870	31/03/27
	LTIP 2	Jan 2023	31/12/25	414,870				414,870	31/03/27
	LTIP 1	Jan 2024	31/12/26		526,684			526,684	-
	LTIP 2	Jan 2024	31/12/26		526,684			526,684	-
<b>Total</b>				<b>829,740</b>	<b>1,053,368</b>			<b>1,883,108</b>	

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

## Remuneration Committee Report continued

The Company granted awards under its LTIP to its Executive Chair and Executive Director (Brian Rudd) in 2021. 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 at 84% (EPS: 30.8% CAGR, TSR: 13.8% CAGR) and 455,525 awards vested for the Executive Chair and 200,431 awards for the Executive Director (Brian Rudd).

### Directors' Share Interests

Directors' share interests at 31 December 2024 are set out below:

	Number of beneficially owned shares at 31 December 2024 <sup>1</sup>	Unvested options without performance measures	Total interest held at 31 December 2024	Total interest held at 31 December 2023
<b>Executive</b>				
Jamie Boyton	21,318,886		<b>21,318,886</b>	20,546,295
Brian Rudd	12,295,869		<b>12,295,869</b>	11,958,465
Peter Stokes <sup>2</sup>	100,488		<b>100,488</b>	50,000
<b>Non-Executive:<sup>3</sup></b>				
Catherine (Cassie) Boggs	138,838		<b>138,838</b>	138,838
Alex Davidson	50,000		<b>50,000</b>	50,000
Michael Rawlinson	169,540		<b>169,540</b>	169,540
Anu Dhir	0		<b>0</b>	-
Graeme Dacomb	0		<b>0</b>	N/A

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

2 On 9 March 2024, the Board accepted the resignation of Peter Stokes as CEO

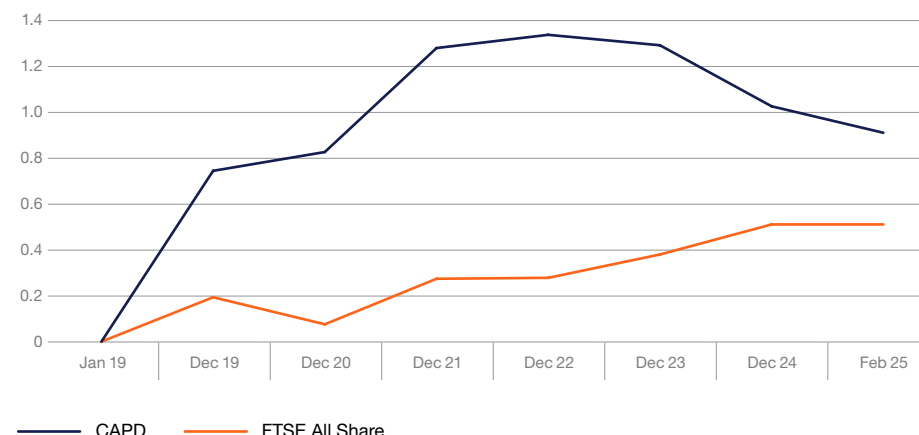
3 Non-Executive shares were acquired through market purchases which complied with the Company's share dealing code, and were not acquired through any option scheme

This table does not include:

- the share portion of Jamie Boyton's 2023 bonus which is expected to be issued in March 2025, totalling 175,180 shares based on the share price of last day of the Company's close period in March 2024.
- the share portion of Brian Rudd's 2023 bonus which is expected to be issued in March 2025, totalling 89,033 shares based on the share price of last day of the Company's close period in March 2024.
- the share portion of Peter Stokes' 2023 bonus which is expected to be issued in March 2025, totalling 200,942 shares based on the share price of last day of the Company's close period in March 2024.

### 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 All Share index. This index was selected as it represents a broad equity index which the Company can be compared against.





## Remuneration Committee Report continued

### Chief Executive's historical remuneration (audited)

The table below sets out the total remuneration of the individual undertaking the role of Chief Executive Officer over the last five years for the period such individual was undertaking the CEO role, valued using the methodology applied to the single total figure remuneration.

#### Jamie Boyton

Year	Salary	STIP	LTIP-\$ value of shares*	Total Earnings	Annual bonus payment level achieved (% of maximum opportunity)	LTIP vesting level achieved (% of maximum opportunity)
2020	400,000	434,000		834,000	72%	
2021	450,000	675,000		1,125,000	100%	
2022	500,000	706,500	862,000	2,068,000	94%	100%
2023	425,000	402,000	580,000	1,407,000	63%	100%
2024	416,000	195,173	514,880	1,126,053	31%	84%

\* The LTIP-\$ value of shares exercised from prior year schemes

#### Peter Stokes

Year	Salary	STIP	LTIP-\$ value of shares	Total Earnings	Annual bonus payment level achieved (% of maximum opportunity)	LTIP vesting level achieved (% of maximum opportunity)
2022	112,000	112,500		224,000	67% (capped pro-rata)	
2023	425,000	460,000		885,000	63%	
2024	520,000	243,966		763,966	31%	

### Information on CEO pay ratio and percentage change in Directors' remuneration compared to employees as a whole

The Company has fewer than 250 UK employees and as such the requirement under the Directors' Remuneration Regulations for information on CEO-employee pay ratios would not apply. Since the Company has operations across many countries and continents the Company considers that this information would not be meaningful or useful compared to companies with UK based operations. For this same reason, the Company is not including information on the change in Directors' remuneration compared to that of the employees as a whole.

### 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.

	2024 \$' m	2023 \$' m	Change %
Total employee costs	111.4	94.2	18%
Operating profit	39.3	60.3	(23%)
Cash capital expenditure	38.5	52.0	(26%)
Dividends	7.7	7.6	1%

### Management of remuneration for 2025

#### Salaries

Effective 1 March 2025, as explained on page 81 the salary of the Executive Chair has increased to \$550,000 per annum to reflect the change in responsibilities to incorporate many of those formerly performed by the CEO and the increase in working from 4 to 5 days. The salary of the Executive Director (Brian Rudd) has increased to \$425,000 per annum to reflect the increased responsibilities and wider scope of role.

#### Annual bonus

The annual bonus scheme for the Executive Directors for 2025 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. We will operate the 2025 annual bonus with a scorecard in line with our normal practice with weightings in line with 2024.

For 2025, the corporate and financial performance objectives will have the following weightings: 40% EBIT, 20% ROCE, 20% HSSE TRIFR, 5% sustainability (local employment/diversity), 5% annualised growth and 10% capital management. For all the Executive Directors, their bonus will be based solely on Group targets.

100% of any bonus amounts for 2024 will be paid in cash.

#### Long-Term Incentives

For LTIP 1, both Executive Directors will receive an award at 100% of salary 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%.

## Remuneration Committee Report continued

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 Committee chair fee remaining at \$20,000. The Senior NED fee has increased from \$13,000 to \$20,000 to reflect the time required in carrying out the responsibilities of this role.

### 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 experienced and skilled executives. The Remuneration Policy operated as intended in 2024 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.

<b>Clarity</b>	The Committee is committed to transparency. Information in this report is intended to be disclosed directly, simply and clearly.
<b>Simplicity</b>	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.
<b>Risk Management</b>	The Committee recognises the risk of target-based plans. It seeks to mitigate risk by imposing limits on variable pay amounts, by having the option to pay 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.
<b>Predictability</b>	Variable pay is subject to normal threshold and maximum value or share amounts.
<b>Proportionality</b>	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.
<b>Alignment to culture</b>	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 has been prepared by the Remuneration Committee and approved by the Board of Directors on 27 March 2025, and signed on its behalf by:



**Michael Rawlinson**  
Chair of Remuneration Committee


Health, Safety, Social and Environmental (HSSE) Committee Report

Capital recorded another year of strong safety performance in 2024

### Committee membership and attendance

Name	Attendance
Alex Davidson (Chair)	4/4
Cassie (Catherine) Boggs	4/4
Brian Rudd	4/4
Peter Stokes <sup>1</sup>	4/4

<sup>1</sup> On 9 March 2024, the Board accepted the resignation of Peter Stokes as CEO

 See my Biography | **Page 68**

Chair’s Introduction

At Capital we have an uncompromising commitment to the occupational health and safety of our employees, where we work. We operate in many diverse, remote and often difficult locations, and our employees’ wellbeing, regardless of where they work, is paramount. I am pleased to present the work of the Health, Safety, Social and Environmental (HSSE) Committee Report for the year.

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, and the CEO of MSALABS. 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 remains with the Board.
- Our Lost Time Injury (LTI) Free Safety Milestones in 2024 included:
- 16 years LTI Free at our Mwanza Facility, Tanzania (January 2024)
  - 6 years LTI Free at our Bamako Facility, Mali (February 2024)
  - 3 years LTI Free at our Sadiola Gold Mine, Mali (January 2024)

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 programmes
  - Security briefings
  - Medical updates
  - HSSE STIP target
  - Group implementation of new and approved PPE
  - Site Health Review – Belinga, Gabon

Investment Committee Report

At 31 December 2024, the portfolio stood at \$30.3 million

Committee membership and attendance

Name	Attendance
Alex Davidson <sup>1</sup> (Chair)	2/2
Michael Rawlinson	2/2
Jamie Boyton	2/2
Conor Rowley <sup>2</sup>	2/2

1 Alex Davidson took over as Committee Chair from Michael Rawlinson with effect from 1 January 2025

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



*The portfolio is comprised on a select few key holdings.”*

Alex Davidson  
Chair of the Investment Committee



Role of the Committee

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](http://capdrill.com/investors/corporate-governance).
- Alex Davidson is Chair of the Committee.
- Conor Rowley, Head of Corporate Development and Investor Relations is the only Non-Board member.

Further information on Capital Investments returns, concentrated portfolio and Investment Strategy can be found on page 21.

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 2024 was largely geared towards some of these holdings namely the sale of Capital’s entire stake in Predictive Discovery to Perseus Mining for a total cash consideration of ~\$31.2 million. The agreement with Perseus also included a call option and profit share arrangement in the event of a takeover or subsequent sale by Perseus Mining. At 31 December 2024 the portfolio stood at \$30.3 million.

The portfolio continues to be focused on a select few companies with our holdings in WIA Gold, Asara Resources and Sanu Gold comprising the majority of our investments.

## 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 the 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 66 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 and CFO's Review on pages 5 to 7 and 23 to 25 respectively. In addition, we describe in Note 34 to the Consolidated Financial Statements on pages 145 to 149 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 30. 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 worst-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

27 March 2025



# Financial Statements

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107	Consolidated Statement of Financial Position
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110	Consolidated Statement of Cash Flows
111	Notes to the Consolidated Financial Statements



## Independent Auditors 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 2024 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 ('IFRSs') issued by the International Accounting Standards Board ('IASB'); 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 2024 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 material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs issued by the IASB.

### 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.

### 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 2024 financial year.

- We obtained the Directors' cash flow forecasts covering the period to 30 June 2026, 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 and extensions of existing contracts, 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 would result in a covenant breach 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 new and revised 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.

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

Independent Auditors Report to the Members of Capital Limited continued

Overview

Key audit matter	1. Appropriateness of revenue recognition – also a key audit matter in the prior year.
Materiality	Group financial statements as a whole  \$2.0m based on 5% of the Group’s 3-year average adjusted profit before tax (2023: \$2.3m based on 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, the applicable financial reporting framework and the Group’s system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the Group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the Group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

From our risk assessment and planning procedures, we determined which of the Group’s components were likely to include risks of material misstatement relevant to the Group’s financial statements. We then determined the type of procedures to be performed at these components, and the extent to which component auditors were required to be involved.

The total number of components within the scope of our work was as follows:

	Number of components	
	2024	2023
Scope 1 – Audit procedures on entire financial information of the component (2023: Significant components due to size and risk)	3	4
Scope 2 – Audit procedures on one or more account balances, classes of transactions or disclosures (2023: specified audit procedures)	24	7

As part of performing our Group audit, we have determined the components in scope as follows:

**Scope 1** – Comprises the Group’s significant operational subsidiaries in Egypt, Tanzania, and Mali (2023: Egypt, Tanzania, Mali, and the Parent Company in Bermuda).

**Scope 2** – Comprises the Group’s subsidiaries in Gabon, Guinea, Cote d’Ivoire, Zambia, Mauritius, Cayman Islands, Tanzania, USA, UK, Australia, Pakistan, Egypt, Democratic Republic of Congo, Ghana, Guyana, Mauritania, Canada, and the Parent Company in Bermuda (2023: Gabon, Guinea, Cote d’Ivoire, Mauritania, Mauritius, Cayman Islands, Canada).

In determining components, we have considered how components are organised within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation associated with individual entities. Whilst there is relative commonality of controls across the Group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the further amalgamation of components.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures; and
- procedures on one or more classes of transactions, account balances or disclosures.

Procedures performed at the component level

**Scope 1** – the audit procedures on these components were performed by BDO network member firms in Egypt, Tanzania, and Kenya (the component audit of Mali was completed by BDO Kenya).

**Scope 2** – the audit procedures on these components were performed by the Group Engagement Team.

Procedures performed centrally

The Group operates a centralised IT function that supports IT processes for its components. This IT function was subject to specified risk-focused audit procedures by the Group Engagement Team, predominantly the testing of the relevant IT General Controls and IT Application Controls.

## Independent Auditors Report to the Members of Capital Limited continued

### Locations

Capital Limited's operations are spread over a number of different geographical locations.

The Group Engagement Team visited the USA operations in the year and conducted procedures at that location. The component audit teams visited and conducted procedures at the Group's operations in Egypt, Tanzania and Mali.

In addition, the Group Engagement Team worked remotely, holding meetings, calls and video conferences with Group management and component management for the in-scope components.

### Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the Group Engagement Team. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the Group audit relevant to the components based on our assessment of the Group risks of material misstatement. We issued our Group audit instructions to component auditors on the nature and extent of their participation and role in the Group audit, and on the Group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, reviewing component auditor working papers remotely and evaluating the appropriateness of the audit procedures performed and the results thereof.

### 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 meeting 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 Director's going concern assessment and viability assessment.

We also assessed the consistency of management's disclosures included as 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 that were materially affected 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 Auditors Report to the Members of Capital Limited continued

### Key audit matter

#### **Appropriateness of revenue recognition**

Refer to Note 1.4.14 for the Group's policy on revenue recognition and Note 3.

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.

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.

Due to the above we considered revenue recognition to be a key audit matter and fraud risk.

### How the scope of our audit addressed the key audit matter

Our specific audit testing in this regard included:

- 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 the invoice amount to 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 agreed the invoice to proof of service delivery, verified the rates used to customer agreements, and agreed the invoice amount to cash receipts.
- We tested journals recorded within revenue, which was selected using specific risk criteria, to appropriate supporting evidence.

#### **Key observations:**

Based on our procedures above, we have not identified any instances where revenue recognition and measurement in the year was inappropriate.



## Independent Auditors Report to the Members of Capital Limited continued

### 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.

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

Group financial statements		
	2024	2023
<b>Materiality</b>	\$2.0m	\$2.3m
<b>Basis for determining materiality</b>	5% of Group's 3-year average adjusted profit before tax	
<b>Rationale for the benchmark applied</b>	We consider the use of 5% of Group's 3-year average adjusted profit before tax to be the most appropriate benchmark since this removes the volatility of the Group's profitability in recent years and the impact of fair value gains and losses on investments on the underlying profits. Adjusted profit before tax is also a key measure for the users of the financial statements.	We consider the use of 5% of Group's adjusted 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.
<b>Performance materiality</b>	\$1.4m	\$1.6m
<b>Basis for determining performance materiality</b>	70% of materiality	
<b>Rationale for the percentage applied for performance materiality</b>	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 performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, based on a percentage of between 17% and 79% (2023: 25% and 69%) of Group performance materiality dependent on a number of factors including size of component and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from \$0.2m to \$1.1m (2023: \$0.4m to \$1.1m).

### Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of \$100k (2023: \$115k). We also agreed to report the amount in aggregate of differences below this threshold but in excess of \$40k (2023: \$46k) 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.

Independent Auditors Report to the Members of Capital Limited continued

Corporate governance statement

The UK 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"><li>• The Directors’ statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 97;</li><li>• The Directors’ explanation as to their assessment of the Group’s prospects, the period this assessment covers and why the period is appropriate set out on page 30; and</li><li>• The Directors’ statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 97.</li></ul>
Other Code provisions	<ul style="list-style-type: none"><li>• Directors’ statement on fair, balanced and understandable set out on page 97;</li><li>• Board’s confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 30;</li><li>• The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 73; and</li><li>• The section describing the work of the audit committee set out on page 71.</li></ul>

Responsibilities of Directors

As explained more fully in the Directors’ responsibilities statement, 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

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 (IFRS-IASB), the Bribery Act 2010, tax legislation, and employment laws.

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 litigations. We identified such laws and regulations to be the tax legislation.

Our procedures in respect of the above included:

- Review of minutes of Board and Audit Committee meetings for 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; and
- Involvement of tax specialists in the audit.

## Independent Auditors Report to the Members of Capital Limited 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 risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of Board and Audit Committee meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

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:

- Engaging BDO Forensics to assist with the fraud risk assessment, including assisting the audit team to determine the risk criteria for journals testing and sufficiency of the audit procedures to address the risk of fraud;
- Performing a detailed review of the Group's year end adjusting entries and investigated any that appear unusual as to nature or amount and agreeing to supporting documentation;
- For a sample of journals entries throughout the year that met the defined risk criteria, we obtained supporting documentation and evidence for the business rationale of these transactions and the sources of financial resources supporting the transactions;
- Testing a sample of revenue entries to supporting documentation, including testing the cut-off of revenue transactions in the period before and after year end;
- Identifying areas at risk of management bias and reviewed significant estimates and judgements applied by management in the financial statements to assess their appropriateness; and
- Agreeing the financial statement disclosures to underlying supporting documentation, review of correspondence with regulators, review of correspondence with legal advisers, enquiries of management, and review of component auditors' working papers in so far as they related to the financial statements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component auditors 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 auditors, we also reviewed the result 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

Our report is made solely to the Parent Company's members, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981. Our audit work will be undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditors' 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 audit report, or for the opinions we have formed.

BDO LLP  
London, UK  
27 March 2025

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 2024

	Note(s)	2024 \$'000	2023 \$'000
<b>Continuing operations</b>			
Revenue	3	348,000	318,424
Cost of sales	4	(203,233)	(171,524)
<b>Gross profit</b>		<b>144,767</b>	<b>146,900</b>
Administration expenses (including exceptional items)	5	(56,945)	(46,852)
Depreciation, amortisation and impairments	6	(48,562)	(39,766)
<b>Operating profit<sup>1</sup></b>		<b>39,260</b>	<b>60,282</b>
Interest income		38	65
Finance costs	7	(16,741)	(13,002)
Realised and unrealised fair value gain on financial assets	8	12,097	2,989
Share of loss of associate	9	(387)	–
<b>Profit before taxation</b>		<b>34,267</b>	<b>50,334</b>
Taxation	10	(15,949)	(11,804)
<b>Profit for the year and other comprehensive income<sup>2</sup></b>		<b>18,318</b>	<b>38,530</b>
<b>Profit and other comprehensive attributable to:</b>			
Owners of the parent		17,315	36,737
Non-controlling interest	26	1,003	1,793
		<b>18,318</b>	<b>38,530</b>
<b>Earnings per share</b>			
Basic earnings per share (c)	11	8.87	19.09
Diluted earnings per share (c)	11	8.85	18.82

1 Including net impairment losses on trade receivables and accrued income of \$0.1 million (2023: \$1.7 million)

2 There was no other comprehensive income for the year (2023: \$ nil)

## Consolidated Statement of Financial Position

As at 31 December 2024

	Note(s)	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	13	240,969	208,657
Right-of-use assets	14	32,062	29,684
Goodwill	15	1,296	1,296
Intangible assets	16	794	572
Other receivables	19	10,790	9,789
Investment in associate	9	6,300	–
<b>Total non-current assets</b>		<b>292,211</b>	<b>249,998</b>
<b>Current Assets</b>			
Inventories	17	61,912	61,922
Trade receivables	18	60,226	49,567
Other receivables	19	26,044	24,055
Investments at fair value	20	30,304	47,154
Current tax receivable	31	505	686
Cash and cash equivalents	21	40,526	34,366
<b>Total current assets</b>		<b>219,517</b>	<b>217,750</b>
<b>Total assets</b>		<b>511,728</b>	<b>467,748</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Equity Attributable to Equity Holders of Parent</b>			
Share capital	22	20	19
Share premium	22	64,719	62,390
Equity-settled employee benefits reserve	24	3,972	5,763
Other reserve	25	190	190
Retained income		202,674	195,515
<b>Equity attributable to owners of the parent</b>		<b>271,575</b>	<b>263,877</b>
Non-controlling interest		11,813	9,270
<b>Total equity</b>		<b>283,388</b>	<b>273,147</b>



## Consolidated Statement of Financial Position continued

As at 31 December 2024

	Note(s)	2024 \$'000	2023 \$'000
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Loans and borrowings	27	86,925	75,521
Lease liabilities	14	22,226	21,109
Deferred tax	28	3,195	34
Trade and other payables	29	7,511	2,057
<b>Total non-current liabilities</b>		<b>119,857</b>	<b>98,721</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	29	57,821	50,685
Provisions	30	203	487
Current tax payable	31	10,640	9,315
Loans and borrowings	27	28,259	27,052
Lease liabilities	14	11,560	8,341
<b>Total current liabilities</b>		<b>108,483</b>	<b>95,880</b>
<b>Total liabilities</b>		<b>228,340</b>	<b>194,601</b>
<b>Total equity and liabilities</b>		<b>511,728</b>	<b>467,748</b>

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	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
<b>Balance at January 1, 2024</b>	<b>19</b>	<b>62,390</b>	<b>–</b>	<b>62,409</b>	<b>190</b>	<b>5,763</b>	<b>5,953</b>	<b>195,515</b>	<b>263,877</b>	<b>9,270</b>	<b>273,147</b>
Profit for the year	–	–	–	–	–	–	–	17,315	17,315	1,003	18,318
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17,315</b>	<b>17,315</b>	<b>1,003</b>	<b>18,318</b>
Issue of shares	1	2,329	–	2,330	–	(2,330)	(2,330)	–	–	–	–
Recognition of share based payments	–	–	–	–	–	539	539	–	539	–	539
Impact on subsidiary rights issue	–	–	–	–	–	–	–	–	–	719	719
Adjustment arising from change in non-controlling interest	–	–	–	–	–	–	–	(2,502)	(2,502)	853	(1,649)
Dividends	–	–	–	–	–	–	–	(7,654)	(7,654)	(32)	(7,686)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>1</b>	<b>2,329</b>	<b>–</b>	<b>2,330</b>	<b>–</b>	<b>(1,791)</b>	<b>(1,791)</b>	<b>(10,156)</b>	<b>(9,617)</b>	<b>1,540</b>	<b>(8,077)</b>
<b>Balance at December 31, 2024</b>	<b>20</b>	<b>64,719</b>	<b>–</b>	<b>64,739</b>	<b>190</b>	<b>3,972</b>	<b>4,162</b>	<b>202,674</b>	<b>271,575</b>	<b>11,813</b>	<b>283,388</b>
<b>Balance at January 1, 2023</b>	<b>19</b>	<b>62,390</b>	<b>(2,475)</b>	<b>59,934</b>	<b>190</b>	<b>4,470</b>	<b>4,660</b>	<b>168,725</b>	<b>233,319</b>	<b>5,573</b>	<b>238,892</b>
Profit for the year	–	–	–	–	–	–	–	36,737	36,737	1,793	38,530
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>36,737</b>	<b>36,737</b>	<b>1,793</b>	<b>38,530</b>
Issue of shares	–	–	2,475	2,475	–	(2,247)	(2,247)	(228)	–	–	–
Recognition of share-based payments	–	–	–	–	–	3,540	3,540	–	3,540	–	3,540
Adjustment arising from change in non-controlling interest	–	–	–	–	–	–	–	(2,100)	(2,100)	1,923	(177)
Dividends	–	–	–	–	–	–	–	(7,619)	(7,619)	(19)	(7,638)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>–</b>	<b>–</b>	<b>2,475</b>	<b>2,475</b>	<b>–</b>	<b>1,293</b>	<b>1,293</b>	<b>(9,947)</b>	<b>(6,179)</b>	<b>1,904</b>	<b>(4,275)</b>
<b>Balance at December 31, 2023</b>	<b>19</b>	<b>62,390</b>	<b>–</b>	<b>62,409</b>	<b>190</b>	<b>5,763</b>	<b>5,953</b>	<b>195,515</b>	<b>263,877</b>	<b>9,270</b>	<b>273,147</b>

## Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note(s)	2024 \$'000	2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	32.1	90,133	92,532
Interest income received		38	65
Finance costs paid		(12,097)	(9,441)
Interest paid on lease liabilities		(3,067)	(2,081)
Tax paid	31	(11,282)	(11,905)
<b>Net cash from operating activities</b>		<b>63,725</b>	<b>69,170</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(34,469)	(47,876)
Proceeds from sale of property, plant and equipment		300	69
Purchase of intangible asset and cloud computing arrangements		(2,352)	(1,777)
Purchase of investments at fair value		(8,480)	(9,258)
Purchase of investment in associate		(6,688)	–
Proceeds from sale of investments at fair value		37,278	4,668
Cash paid in advance for property, plant and equipment		(3,970)	(5,318)
Advance payment on leases		(1,825)	(1,205)
<b>Net cash used in investing activities</b>		<b>(20,206)</b>	<b>(60,697)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans and borrowings	32.2	30,000	38,000
Repayment of loans and borrowings	32.2	(47,262)	(26,732)
Repayment of principle on leases liabilities	14	(10,008)	(6,152)
Arrangement fees paid for new financing		(392)	–
Dividends paid	12	(7,686)	(7,638)
Proceeds from issuance of equity to non-controlling interests	26	719	1,193
Purchase of shares from non-controlling interest		(1,603)	(1,404)
<b>Net cash used in financing activities</b>		<b>(36,232)</b>	<b>(2,733)</b>
<b>Total cash movement for the year</b>		<b>7,287</b>	<b>5,740</b>
Cash at the beginning of the year	21	34,366	28,380
Effect of exchange rate movement on cash balances		(1,127)	246
<b>Total cash at end of the year</b>	21	<b>40,526</b>	<b>34,366</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### CORPORATE INFORMATION

Capital Limited (the “Company”) is incorporated in Bermuda. The Company and its subsidiaries (the “Group”) provide drilling, mining (load and haul), 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 2024, the Group provided a complete range of drilling, mining, maintenance and geochemical laboratory solutions to customers within the global mining industry. The Company’s services include exploration, delineation and production drilling; load and haul services; maintenance; and geochemical analysis. The Group’s corporate headquarters are in the United Kingdom and its registered office is located in Bermuda; and it has established operations in Canada, Côte d’Ivoire, Democratic Republic of Congo, Egypt, Gabon, Ghana, Guinea, Kenya, Mali, Mauritania, Pakistan, Saudi Arabia, Tanzania, United States of America and Zambia.

### 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 2024

The following amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024. See the applicable notes for further details on how the amendments affected the Group.

#### Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

These amendments had no effect on the consolidated financial statements of the Group.

#### Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

On 22 September 2022, the IASB issued amendments to IFRS 16 — Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the consolidated financial statements of the Group.

## Notes to the Consolidated Financial Statements continued

### 1. BASIS OF PREPARATION CONTINUED

#### 1.1 New standards, interpretations and amendments effective from 1 January 2024 continued

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the 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
Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)	January 1, 2025	Unlikely there will be a material impact
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)	January 1, 2026	Unlikely there will be a material impact
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	January 1, 2026	Unlikely there will be a material impact
IFRS18 Presentation and Disclosure in Financial Statements	January 1, 2027	Unlikely there will be a material impact
IFRS19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027	Unlikely there will be a material impact

#### 1.3 Going Concern

As at 31 December 2024, the Group had a robust balance sheet with a low debt gearing with equity of \$283.4 million and loans and borrowings of \$116.3 million. Cash as at 31 December 2024 was \$40.5 million, with net debt of \$75.7 million. As at 31 December 2024, investments at fair value amounted to \$30.3 million of which \$29.1 million are level 1 investments which provides 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 2024 with increased revenue of 9% compared to 2023. Commercially, the Nevada Gold Mines contract should reach its full capacity during the year and we expect MSALABS to continue its strong revenue growth experienced in 2024. Furthermore, the Group continues to leverage its strong relationships across the mining sector with contract extensions at Perseus' Sissingué Gold Mine in Côte d'Ivoire and new contract awards at their Yaouré Gold Mine in Côte d'Ivoire and the Nyanzaga Gold Project in Tanzania. Looking forward, the Group is currently mobilising the majority of our mining equipment fleet to Barrick's world-class Reko Diq copper-gold project in Pakistan, which will involve both early works civils and longer-term tailings storage facility mining services.



## Notes to the Consolidated Financial Statements continued

### 1. BASIS OF PREPARATION CONTINUED

#### 1.3 Going Concern continued

In determining the going concern status of the business, the Board has reviewed the Group's forecasts for the 18 months to June 2026, 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 or other mitigating actions. EBITDA would need to fall by 19% during the period of assessment for going concern to breach the covenant test (interest cover) at June 2025. However, if mitigating actions (in this case, the sale of investments) were undertaken, then EBITDA would need to fall by 34% during the period of assessment for going concern to breach the covenant test (interest cover) at June 2025.

Given the Group's exposure to high-quality mine site operations and strong relationships with blue-chip customers, 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 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 2026. Accordingly, the Board has concluded that the going concern basis of 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 and associates. Subsidiaries are entities (including structured entities) which are controlled by the Group. Associates are entities over which the Group has significant influence.

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 and associates 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.

###### 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.

## Notes to the Consolidated Financial Statements continued

### 1. BASIS OF PREPARATION CONTINUED

#### 1.4 Material Accounting Information continued

##### 1.4.1 Consolidation continued

##### **Business combinations** continued

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.

##### **Investments in associates**

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its associates are recognized only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

##### 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.

## Notes to the Consolidated Financial Statements continued

### 1. BASIS OF PREPARATION CONTINUED

#### 1.4 Material Accounting Information continued

##### 1.4.2 Property, plant and equipment continued

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.

No depreciation is charged on land owned by the Group.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Not depreciated	Indefinite
Buildings	Straight line	25 years
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 2023, management reassessed the residual values and estimated useful lives for drilling rigs, associated drilling equipment and heavy mining equipment. Therefore, this constituted a change in accounting estimate and the effect was accounted for prospectively. During 2024 management assessed these metrics again and concluded that the residual values and estimated useful lives had not changed during the year.

The resulting effect of the lower residual values and updated estimated useful lives on depreciation expense for the current year is \$nil (2023: \$ 0.2 million).

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 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 expected term of the Cloud Arrangement as determined by management.

##### 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 34 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 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 18, other receivables are presented in Note 19 and fair value measurements are presented in Note 35.

##### 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 19.

##### 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 20 and details of the valuation policies and processes are presented in Note 35.

##### 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 21.

##### 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 27 and trade and other payables are presented in Note 29.

##### 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 31.



## Notes to the Consolidated Financial Statements 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 28.

##### 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 10.

##### 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 10.

##### 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 14 Leases.

## Notes to the Consolidated Financial Statements 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 8.

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 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.

Impairment tests are performed on right-of-use assets when there is an indicator that they may be impaired. When the carrying amount of an item of right-of-use asset 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.

##### 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.

## Notes to the Consolidated Financial Statements continued

### 1. BASIS OF PREPARATION CONTINUED

#### 1.4 Material Accounting Information continued

##### 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.

##### 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 these are 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.

## Notes to the Consolidated Financial Statements continued

### 1. BASIS OF PREPARATION CONTINUED

#### 1.4 Material Accounting Information continued

##### 1.4.14 Revenue recognition continued

##### 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 drilling and mining 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 for the early termination of drilling, mining and crushing contracts is accounted for as a contract modification under IFRS 15
  - Revenue where the Group purchases equipment or inventory 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.

##### 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 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.



## Notes to the Consolidated Financial Statements continued

### 1. BASIS OF PREPARATION CONTINUED

#### 1.4 Material Accounting Information continued

##### 1.4.15 Translation of foreign currencies continued

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.

##### 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 may 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 assessment over the period to 30 June 2026;
- 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 and equipment, and right-of-use assets

At the end of every year, management uses judgement to review the indicators of impairment of property, plant and equipment, and right-of-use assets. Depending on those indicators, management will determine if an impairment review needs to be done. Refer to Note 13 and 14 for details on external indicators and management assessment on the impairment of property, plant and equipment, and right-of-use assets.

## Notes to the Consolidated Financial Statements continued

### 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

#### 2.1 Critical judgements in applying accounting policies continued

##### 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 a macro downturn, major political unrest and non-renewal of contracts. Refer to Note 1.3 for the detailed assessment on going concern.

##### Recoverability of trade receivables and accrued income

The Group has material amounts of billed and unbilled services outstanding at 31 December 2024. 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 and accrued income in Note 18.

##### 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. Further details of the Group's uncertain tax positions are provided in Note 39.

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 28, Note 31 and Note 39.

##### 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.

##### Recoverability of 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 19.

### 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, no changes to the useful lives were deemed necessary following the update to these in 2023.

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.

## Notes to the Consolidated Financial Statements continued

### 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

#### 2.2 Key sources of estimation uncertainty continued

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 13.

#### 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 17.

#### 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 17 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 11% (2023: 10.0%). Further details of the Group's loans and borrowing are provided in Note 27.

### 3. REVENUE

Revenue from the rendering of services comprises:

	2024 \$'000	2023 \$'000
Drilling and associated revenue	233,678	211,552
Mining and associated revenue	65,242	64,721
Laboratory services revenue	43,647	38,405
Revenue from surveying	5,433	3,746
<b>Total revenue</b>	<b>348,000</b>	<b>318,424</b>

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 earth moving and equipment rental services provided 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.

## Notes to the Consolidated Financial Statements continued

### 3. REVENUE CONTINUED

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.

Mining revenue includes \$14.0m associated with the completion of the Sukari mining contract and the termination of the Belinga mining contract.

- 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 \$8.5 million (2023: \$5.4 million) on the Statement of Financial Position and amortised \$5.7 million (2023: \$1.8 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.

### 4. COST OF SALES

	2024 \$'000	2023 \$'000
Employee cost (Note 6)	89,074	70,865
Consumables	25,145	24,554
Repairs and maintenance	28,819	23,250
Fuel	3,647	5,531
Camp operational cost	6,054	6,116
Other cost of sales	7,877	9,715
Landed cost – Inventory	11,622	11,757
Equipment hire	4,235	2,245
Travel and accommodation	5,707	5,704
Safety gear and equipment	3,883	3,517
Amortisation of mobilisation costs	7,783	1,434
Chrysos variable costs	2,154	1,754
Insurance – Equipment	2,048	1,294
Others	5,185	3,788
<b>Total cost of sales</b>	<b>203,233</b>	<b>171,524</b>

### 5. ADMINISTRATION EXPENSES

	2024 \$'000	2023 \$'000
Employee cost (Note 6)	22,381	19,809
Professional fees	5,594	3,813
Insurance	2,216	1,986
Rental cost	1,921	1,605
Share based payment expenses (Note 6)	539	3,540
Bad debts written off	258	218
(Decrease) / increase in net expected credit loss provision (Note 18)	(160)	1,717
Travel and accommodation	3,788	3,211
Bank charges	1,606	1,382
Foreign exchange (gain) / loss	2,107	(151)
Software costs	2,039	1,933
ERP implementation costs	2,661	–
Other tax	1,439	557
Provision for VAT recoverable	2,545	–
Other expenses	8,011	7,232
<b>Total administration expenses</b>	<b>56,945</b>	<b>46,852</b>

## Notes to the Consolidated Financial Statements continued

## 6. PROFIT FROM OPERATIONS

The following items have been recognised as expenses in determining profit from operations:

	2024 \$'000	2023 \$'000
<b>Depreciation and amortisation:</b>		
Computer software	9	7
Drilling rigs	10,573	10,521
Associated drilling equipment	6,082	4,900
Vehicles and trucks	4,716	4,493
Camp and associated equipment	3,925	2,594
Land and buildings	231	–
Mining equipment	7,041	9,302
Right-of-use assets	12,025	7,510
<b>Total depreciation</b>	<b>44,602</b>	<b>39,327</b>
<b>Impairments:</b>		
Vehicles and trucks	–	389
Rights of use assets	1,766	–
Drilling rigs	226	–
Heavy mining equipment	907	–
Camp and associated equipment	1,061	50
<b>Total impairments</b>	<b>3,960</b>	<b>439</b>
<b>Total depreciation, amortisation and impairments</b>	<b>48,562</b>	<b>39,766</b>
<b>Operating lease expense</b>		
Short term equipment rental	6,046	3,786
<b>Employee costs</b>		
Salaries, wages, bonuses and other benefits	111,456	90,673
Share based compensation expense	539	3,540
<b>Total employee costs</b>	<b>111,995</b>	<b>94,213</b>
<b>Other</b>		
Loss on disposal of property, plant and equipment	594	946

	2024 \$'000	2023 \$'000
Legal and professional fees	5,594	3,813
Stock write-off	686	691
Provision for inventory obsolescence	385	574
(Decrease) / increase in allowance for credit losses	(160)	1,716
Bad debts written off	258	218
Other taxes	1,439	558
Provision for VAT recoverable	2,545	–
Increase in provisions for other taxes	44	136

## 7. FINANCE COSTS

	2024 \$'000	2023 \$'000
Interest on lease liabilities	3,067	2,081
Interest on bank loans	8,907	7,705
Interest on supplier credit facilities	3,021	1,943
Amortised debt arrangement costs	1,373	1,240
Other interest paid	373	33
<b>Total finance charges</b>	<b>16,741</b>	<b>13,002</b>

## 8. FAIR VALUE GAIN / (LOSS) ON FINANCIAL ASSETS

Fair value gain / (loss) on financial assets recognised during the year consists of:

	2024 \$'000	2023 \$'000
Valuation of equity investments at fair value through profit or loss	13,361	3,513
Valuation of derivative financial assets through profit or loss	–	53
Realised (loss) / gain on disposal of equity investments	(1,413)	347
Valuation of receivables at fair value through profit or loss	149	(924)
<b>Fair value gain on financial assets</b>	<b>12,097</b>	<b>2,989</b>



## Notes to the Consolidated Financial Statements continued

## 9. INVESTMENT IN ASSOCIATE

	2024 \$'000
Additions	6,687
Share of net loss	(387)
Balance at 31 December 2024	6,300

In May 2024, the Group completed an investment of \$ 6.7million in Eco Detection Pty Ltd ("Eco"), acquiring a 22.2% interest. Eco is a company incorporated in Australia, which is also its principal place of business. This interest is accounted for using the equity method. At 31 December 2024, the carrying amount of the investment in the associate was \$6.3 million.

The principal activity of Eco Detection Pty Ltd is the development of water analysis technology for use in remote operations, critical infrastructure and general water chemical analysis.

**Share of profit or loss**

For the year ended 31 December 2024, the Group recognized its share of the loss from the associate, from the date of investment, which amounted to \$0.4 million. This amount has been included within the Group's profit before tax in the consolidated income statement.

**Dividends**

During the period, the Group received \$nil in dividends from the associate.

The following table summarises the financial information of Eco as included in its own financial statements as at 31 December 2024:

	2024 \$'000
Non-current assets	22,853
Current assets	4,702
Current liabilities	(728)
Non-current liabilities	(513)
Net assets	26,314
Revenue	794
Expenses	(3,792)
Other income	611
Net loss	(2,387)

## 10. TAXATION

Major components of the tax expense

	2024 \$'000	2023 \$'000
<b>Current</b>		
Income tax – current period	12,213	11,140
Income tax – recognised in current tax for prior periods	(702)	(363)
Withholding tax – current period	1,277	1,027
<b>Total current taxation</b>	<b>12,788</b>	<b>11,804</b>
<b>Deferred</b>		
Current year	3,157	–
Prior year	4	–
<b>Total deferred taxation</b>	<b>3,161</b>	<b>–</b>
<b>Total taxation</b>	<b>15,949</b>	<b>11,804</b>

**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:

	2024 \$'000	2023 \$'000
Accounting profit before tax	34,267	50,334
Tax at domestic rates applicable to profits and losses in the jurisdictions in which the Group operates	(417)	983
<b>Tax effect of adjustments on taxable income</b>		
Revenue based and other withholding taxes	4,907	4,987
Permanent differences	5,419	4,806
Prior year under provision	(745)	(363)
Losses not recognised	6,785	1,391
<b>Total taxation</b>	<b>15,949</b>	<b>11,804</b>

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, the Middle East and the Americas.

## Notes to the Consolidated Financial Statements continued

## 10. TAXATION CONTINUED

## 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 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.

## 11. 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:

	2024	2023
Earnings for the year, used in the calculation of basic earnings per share (\$'000)	17,315	36,737
Weighted average number of ordinary shares for the purposes of basic earnings per share (No.)	195,112,329	192,451,358
<b>Basic earnings per share (\$c)</b>	<b>8.87</b>	<b>19.09</b>

## 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.

## 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

	2024	2023
Weighted average number of ordinary shares used for basic earnings per share	195,112,329	192,451,358
<b>Adjusted for:</b>		
Effect of STIP and LTIP shares	465,154	2,801,729
<b>Weighted average number of ordinary shares used in the calculation of diluted earnings per share</b>	<b>195,577,483</b>	<b>195,253,087</b>
<b>Diluted earnings per share (\$c)</b>	<b>8.85</b>	<b>18.82</b>

## 12. DIVIDENDS PAID

	2024 \$'000	2023 \$'000
Dividends paid to owners of the parent	7,654	7,619

During the 12 months ended 31 December 2024, a dividend of 2.6 cents (2023: 2.6 cents) per ordinary share, totalling to \$5.1 million (2023: \$5.0 million) was declared as the final dividend for 2023. This dividend was paid to the shareholders on 15 May 2024 (2023: 9 May 2023), followed by a further dividend of 1.3 cents (2023: 1.3 cents) per share which was declared as interim dividend for 2024 totalling \$ 2.6 million (2023: \$2.5 million) and paid on 3 October 2024 (2023: 3 October 2023). The total dividend paid is \$ 7.7 million (2023: \$7.6 million).

In respect of the year ended 31 December 2024, the Directors propose that a final dividend of 1.3 cents (2023: 2.6 cents) per share be paid to shareholders on 15 May 2025 (2023: 15 May 2024). 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 22 April 2025 (2023: 19 April 2024). The total estimated final dividend to be paid is \$2.6 million (2023: \$5.0 million). The payment of this final dividend will not have any tax consequences for the Group.

## Notes to the Consolidated Financial Statements continued

## 13. 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	Land and Buildings \$'000	Computer software \$'000	Leasehold improvements \$'000	Total \$'000
<b>At 1 January 2023</b>	<b>139,370</b>	<b>71,444</b>	<b>31,399</b>	<b>37,786</b>	<b>18,170</b>	–	<b>38</b>	<b>1,654</b>	<b>299,860</b>
Additions	27,061	10,416	11,884	10,491	9,404	–	14	–	69,270
Disposal	(18,189)	–	(1,906)	(1,259)	(531)	–	–	–	(21,884)
<b>At 31 December 2023</b>	<b>148,242</b>	<b>81,860</b>	<b>41,377</b>	<b>47,018</b>	<b>27,043</b>	–	<b>52</b>	<b>1,654</b>	<b>347,246</b>
Additions	35,785	4,350	1,672	9,895	9,906	6,348	20	–	67,976
Disposal	(4,034)	–	(4,328)	(2,029)	(1,865)	–	–	–	(12,256)
<b>At 31 December 2024</b>	<b>179,993</b>	<b>86,210</b>	<b>38,721</b>	<b>54,884</b>	<b>35,084</b>	<b>6,348</b>	<b>72</b>	<b>1,654</b>	<b>402,966</b>

Accumulated Depreciation	Drilling Rigs \$'000	Heavy mining equipment \$'000	Associated drilling equipment \$'000	Vehicles and trucks \$'000	Camp and associated equipment \$'000	Land and Buildings \$'000	Computer software \$'000	Leasehold improvements \$'000	Total \$'000
<b>At 1 January 2023</b>	<b>79,788</b>	<b>16,776</b>	<b>6,743</b>	<b>15,696</b>	<b>8,088</b>	–	<b>13</b>	<b>97</b>	<b>127,202</b>
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)
<b>At 31 December 2023</b>	<b>72,897</b>	<b>26,078</b>	<b>9,860</b>	<b>19,421</b>	<b>10,215</b>	–	<b>20</b>	<b>97</b>	<b>138,588</b>
Depreciation	10,573	7,041	6,082	4,716	3,925	231	9	–	32,577
Impairment	226	907	–	–	1,061	–	–	–	2,194
Disposal	(3,754)	–	(4,100)	(1,653)	(1,855)	–	–	–	(11,362)
<b>At 31 December 2024</b>	<b>79,942</b>	<b>34,026</b>	<b>11,842</b>	<b>22,484</b>	<b>13,346</b>	<b>231</b>	<b>29</b>	<b>97</b>	<b>161,997</b>
<b>Carrying amount at 31 December 2023</b>	<b>75,345</b>	<b>55,782</b>	<b>31,517</b>	<b>27,598</b>	<b>16,828</b>	–	<b>32</b>	<b>1,557</b>	<b>208,657</b>
<b>Carrying amount at 31 December 2024</b>	<b>100,051</b>	<b>52,184</b>	<b>26,879</b>	<b>32,400</b>	<b>21,738</b>	<b>6,117</b>	<b>43</b>	<b>1,557</b>	<b>240,969</b>

Bank borrowings are secured on the Group's drilling and mining fleet – see Note 27.

The Group's property plant and equipment includes assets not yet commissioned totalling \$45.0 million (2023: \$41.8 million). The assets will be depreciated once commissioned and available for use.

## Notes to the Consolidated Financial Statements continued

## 13. 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.

In accordance with IAS 36, indicators of impairment were considered, taking into account 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

Impairment indicators were noted in certain assets that were not in use or were not going to be in use going forward, and impairment loss totalling \$2.2 million was recognised against them.

In 2023, the Group recognised an impairment loss of \$0.4 million.

## 14. LEASES

Details pertaining to leasing arrangements, where the Group is lessee are presented below:

	Machinery \$'000	Land & Buildings \$'000	Total \$'000
<b>Right-of-use assets</b>			
At 1 January 2023	13,087	3,565	16,652
Additions	17,712	2,830	20,542
Depreciation	(6,220)	(1,290)	(7,510)
<b>At 31 December 2023</b>	<b>24,579</b>	<b>5,105</b>	<b>29,684</b>
Additions	15,391	778	16,169
Depreciation	(10,407)	(1,618)	(12,025)
Impairment	(1,766)	–	(1,766)
<b>At 31 December 2024</b>	<b>27,797</b>	<b>4,265</b>	<b>32,062</b>
<b>Lease liabilities</b>			
At 1 January 2023	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)
<b>At 31 December 2023</b>	<b>24,266</b>	<b>5,184</b>	<b>29,450</b>
Additions	13,567	777	14,344
Interest expense	2,645	422	3,067
Lease payments	(11,253)	(1,822)	(13,075)
<b>At 31 December 2024</b>	<b>29,225</b>	<b>4,561</b>	<b>33,786</b>

In accordance with IAS 36, indicators of impairment were considered (as described in Note 13) for right-of-use assets. Certain assets were identified that were not in use or were not going to be used going forward, and these assets were written down to a nil value.

The weighted average incremental borrowing rate applied to new lease liabilities during the year was 10% (2023: 10%).

## Notes to the Consolidated Financial Statements continued

## 14. LEASES CONTINUED

## Lease liabilities

The maturity analysis of lease liabilities is as follows:

	2024 \$'000	2023 \$'000
Within one year	11,560	8,341
Two to five years	22,226	21,109
	<b>33,786</b>	<b>29,450</b>
Current liabilities	11,560	8,341
Non-current liabilities	22,226	21,109
	<b>33,786</b>	<b>29,450</b>

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 2024, three Chrysos units were commissioned (2023: five units).

## 15. GOODWILL

Group	2024			2023		
	Cost \$'000	Accumulated impairment \$'000	Carrying value \$'000	Cost \$'000	Accumulated impairment \$'000	Carrying value \$'000
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 26).

At 31 December 2024, the Group owns 91.4% (2023: 81.9%) of the share capital in MSALABS and 75% (2023: 75%) of the share capital in IACA.

## Goodwill Impairment

The Group is required to test on an annual basis whether goodwill has suffered any impairments. Management has assessed the goodwill from indicators of impairment by looking at the profitability of the underlying CGUs and concluded that there were none that warranted a detailed impairment analysis.

## 16. INTANGIBLE ASSETS

## Reconciliation of intangible assets

	2024 \$'000	2023 \$'000
<b>Cost</b>		
<b>At 1 January</b>	<b>572</b>	<b>1,916</b>
Additions	222	128
Reclassified to prepayments (Note 19)	–	(1,472)
<b>At 31 December</b>	<b>794</b>	<b>572</b>

The Group's intangible assets consist 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 was reclassified to Prepayments in the prior year as the costs do not meet the definition and criteria for 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.

## 17. INVENTORIES

	2024 \$'000	2023 \$'000
Consumables	63,845	61,859
Goods in transit	254	1,865
Gross carrying value of inventory	64,099	63,724
Less: provision for inventory obsolescence	(2,187)	(1,802)
	<b>61,912</b>	<b>61,922</b>

The cost of inventories recognised as an expense in the current year amounts to \$22.7 million (2023: \$21.3 million). During the year, the Group wrote off \$0.7 million (2023: \$0.7 million) of inventory. A provision of \$0.4 million (2023: \$0.6 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.



## Notes to the Consolidated Financial Statements continued

## 18. TRADE RECEIVABLES

	2024 \$'000	2023 \$'000
Trade receivables	64,762	54,264
Less: allowance for credit losses	(4,536)	(4,697)
<b>Total trade receivables</b>	<b>60,226</b>	<b>49,567</b>

Trade receivables have credit periods of between 30 to 45 days. The ageing of trade receivables is detailed below:

	2024 \$'000	2023 \$'000
Current	43,627	26,139
Past due 1 – 30 days	6,293	6,583
Past due 31 – 60 days	5,746	12,913
Past due over 61 days	9,096	8,629
	<b>64,762</b>	<b>54,264</b>

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.

The lifetime expected loss provision for trade receivables is as follows:

	Current \$'000	More than 30 days past due \$'000	More than 60 days past due \$'000	More than 90 days past due \$'000	Total \$'000
<b>31 December 2024</b>					
Expected loss rate	0.21%	0.32%	0.08%	49.44%	7.12%
Gross carrying amount	43,627	6,293	5,746	9,096	64,762
Loss provision	124	20	8	4,384	4,536

Movements in the impairment allowance for trade receivables are as follows:

	2024 \$'000	2023 \$'000
Opening provision for impairment of trade receivables	4,697	2,981
Increase during the year	97	1,934
Receivables written off during the year as uncollectible	(258)	(218)
<b>At 31 December 2024</b>	<b>4,536</b>	<b>4,697</b>

The Directors consider that the carrying amount of trade and other receivables approximate their fair values.

## Notes to the Consolidated Financial Statements continued

## 19. OTHER RECEIVABLES

	2024 \$'000	2023 \$'000
Prepayments	10,474	7,529
Capitalised contract costs	7,082	3,783
VAT recoverable	6,410	7,561
Amounts due from non-controlling interest	5,685	5,536
Accounts receivable – Sundry	2,948	4,025
Prepayment for fixed assets	3,970	5,318
Others	265	92
	<b>36,834</b>	<b>33,844</b>
Current	26,044	24,055
Non-current	10,790	9,789
	<b>36,834</b>	<b>33,844</b>

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 receivable to be immaterial.

The configuration and customisation of the ERP software is expected to complete during 2025. The costs will be expensed over the seven year term of the cloud computing contract. These costs are included in prepayments.

The Group expects to realise the prepayment for fixed assets within 12 months through receipt of the underlying property, plant and equipment.

VAT recoverable at the balance sheet date is recorded net of an \$3.6 million expected loss provision (2023: \$1.1 million).

## 20. INVESTMENTS AT FAIR VALUE

Equity investments at fair value through profit or loss

	2024 \$'000	2023 \$'000
<b>Mandatorily at fair value through profit or loss:</b>		
Level 1 shares	29,121	44,756
Level 3 shares	1,183	2,398
	<b>30,304</b>	<b>47,154</b>

The reconciliation of the investment valuations from 1 January to 31 December is as follows:

	Level 1 \$'000	Level 3 \$'000	Total \$'000
<b>At 1 January 2024</b>	<b>44,756</b>	<b>2,398</b>	<b>47,154</b>
Additions	8,420	60	8,480
Disposal	(36,942)	(336)	(37,278)
Fair value gain/(loss)	12,887	(939)	11,948
<b>At 31 December 2024</b>	<b>29,121</b>	<b>1,183</b>	<b>30,304</b>
	Level 1 \$'000	Level 3 \$'000	Total \$'000
<b>At 1 January 2023</b>	<b>30,435</b>	<b>8,292</b>	<b>38,727</b>
Additions	7,238	2,020	9,258
Disposal	(3,313)	(1,083)	(4,396)
Fair value gain	3,512	53	3,565
Transfers	6,884	(6,884)	–
<b>At 31 December 2023</b>	<b>44,756</b>	<b>2,398</b>	<b>47,154</b>

## Notes to the Consolidated Financial Statements continued

## 20. INVESTMENTS AT FAIR VALUE CONTINUED

## 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 2024 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 2024 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.

## 21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2024 \$'000	2023 \$'000
Cash on hand	145	1,183
Bank balances	40,381	33,183
<b>Total cash and cash equivalents</b>	<b>40,526</b>	<b>34,366</b>

## 22. SHARE CAPITAL AND PREMIUM

	2024 \$'000	2023 \$'000
Authorised		
2,000,000,000 (2023: 2,000,000,000)		
Ordinary shares of \$0.0001 (2023: \$0.0001) each	200	200
<b>Number of ordinary shares</b>		
Balance at beginning of period	193,696,920	192,864,738
Number of shares issued	2,560,204	832,182
<b>Balance at end of period</b>	<b>196,257,124</b>	<b>193,696,920</b>

In March 2024, the Group issued 2,560,204 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 have a par value of 0.01 cents, carry one vote per share and carry rights to dividends.

	2024 \$'000	2023 \$'000
<b>Issued share capital</b>		
Balance at beginning of period	19	19
Shares issued	1	–
<b>Balance at end of period</b>	<b>20</b>	<b>19</b>

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.

	2024 \$'000	2023 \$'000
<b>Share premium</b>		
Balance at beginning of period	62,390	62,390
Shares issued	2,329	–
<b>Balance at end of period</b>	<b>64,719</b>	<b>62,390</b>

## Notes to the Consolidated Financial Statements continued

## 23. TREASURY SHARES

	2024 \$'000	2023 \$'000
Balance at 1 January	–	2,475
Reissued in the year	–	(2,475)
<b>Balance at 31 December</b>	<b>–</b>	<b>–</b>

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 2024 was nil (2023: nil).

## 24. 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:

## 2023 &amp; 2024 Short Term Incentive Plans (STIP)

Share awards were granted under the 2023 STIP. The total value of the grant in shares was \$1.6 million. The total number of shares granted was 1,249,506 and the share price used in the calculation was GBP 0.92 which was the quoted price of the shares as at 17 March 2023. Vesting date is 31 March 2025 and vesting is contingent on continued employment to that date. The Group has recognised a reversal of previously recognised expense of \$0.1 million in 2024 (2023: expense of \$0.7 million)

Share awards were granted under the 2024 STIP. The total value of the grant in shares was \$0.6 million. The total number of shares to be awarded will be based upon the closing share price after the March 2025 closing period. Vesting date is 31 March 2026 and vesting is contingent on continued employment to that date. The Group has expensed \$0.3 million in 2024 (2023: \$nil).

Vesting conditions for 2022, 2023 and 2024 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 continued

## 24. EQUITY-SETTLED EMPLOYEE BENEFITS RESERVE CONTINUED

## 2022, 2023 &amp; 2024 Long-Term Incentive Plans (LTIP)

## Condition 2: (TSR)

The second condition utilised a binomial model with the following inputs for the 2022, 2023 and 2024 LTIP:

	2022 LTIP 1	2022 LTIP 2	2023 LTIP 1	2023 LTIP 2	2024 LTIP 1	2024 LTIP 2
Volatility	39.80%	39.80%	39.59%	39.59%	33.91%	33.91%
Fair value at grant date	GBP 0.4404	GBP 0.2979	GBP 0.8133	GBP 0.4947	GBP 0.4947	GBP 0.5213
Share price at grant date	GBP 0.8036	GBP 0.8036	GBP 1.2175	GBP 1.2175	GBP 1.2736	GBP 1.2736
Risk Free Rate	1.52%	1.52%	3.88%	3.88%	3.88%	3.88%
Dividend yield	4.39%	4.39%	4.02%	4.02%	3.40%	3.40%
Exercise price	\$ 0.0001	\$ 0.0001	\$ 0.0001	\$ 0.0001	\$ 0.0001	\$ 0.0001
Volatility periods*	1,261	1,261	1,263	1,263	1,262	1,262
Vesting date	31 Dec 2024	31 Dec 2024	31 Dec 2025	31 Dec 2025	31 Dec 2026	31 Dec 2026

\* 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 2024 No.	Remaining Options 2023 No.	Expected total expense 2024 \$'000	Expected total expense 2023 \$'000
2022 LTIP 1	31/12/2024	–	916,513	(453)	404
2022 LTIP 2	31/12/2024	–	1,113,232	184	415
2023 LTIP 1	31/12/2025	2,561,941	1,741,561	(217)	1,609
2023 LTIP 2	31/12/2025	1,431,562	1,431,562	325	901
2024 LTIP 1	31/12/2026	3,413,445	–	381	–
2024 LTIP 2	31/12/2026	1,557,930	–	348	–

During the year, 497,611 options were forfeited (2023: 115,666).

The charge to the Statement of Comprehensive Income during the year for LTIPs was \$0.5million (2023: \$1.9 million) and for STIPs was \$nil (2023: \$1.6 million).

The weighted average share price at the date of issue of share awards during the year was GBP0.82 (2023: GBP0.92) per share.

The weighted average remaining contractual life of share options outstanding at the end of the period was 1.15 years.



## Notes to the Consolidated Financial Statements continued

## 25. OTHER RESERVES

Other reserves consist of \$0.2 million (2023: \$0.2 million) which arose upon the acquisition of shares in MSALABS in 2019.

## 26. NON-CONTROLLING INTEREST

## MSALABS Ltd

MSALABS Ltd, an 91.4% (2023: 81.9%) 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Assets</b>				
Non-current assets	64,262	44,433	93,366	47,896
Current assets	22,993	19,943	49,302	35,065
<b>Total assets</b>	<b>87,255</b>	<b>64,376</b>	<b>142,668</b>	<b>82,961</b>
<b>Liabilities</b>				
Non-current liabilities	55	352	12	7,273
Current liabilities	45,782	43,061	16,227	17,014
<b>Total liabilities</b>	<b>45,837</b>	<b>43,413</b>	<b>16,239</b>	<b>24,287</b>
<b>Total net assets</b>	<b>41,418</b>	<b>20,963</b>	<b>126,429</b>	<b>58,674</b>
<b>Carrying amount of non-controlling interest</b>	<b>3,172</b>	<b>3,292</b>	<b>8,607</b>	<b>5,988</b>

## Summarised Statement of Profit or Loss and Other Comprehensive Income

	MSALABS Ltd		CMS (Tanzania) Ltd	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Revenue</b>	<b>43,647</b>	<b>38,405</b>	<b>86,351</b>	<b>86,200</b>
Other income and expenses	(50,101)	(43,629)	(57,996)	(52,933)
<b>Profit/(Loss) before tax</b>	<b>(6,454)</b>	<b>(5,224)</b>	<b>28,355</b>	<b>33,267</b>
Tax expense	(1,173)	(1,340)	(2,682)	(2,908)
<b>(Loss)/ profit for the year</b>	<b>(7,627)</b>	<b>(6,564)</b>	<b>25,673</b>	<b>30,359</b>
<b>Total comprehensive (loss)/ income for the year</b>	<b>(7,627)</b>	<b>(6,564)</b>	<b>25,673</b>	<b>30,359</b>
<b>(Loss)/ profit allocated to non-controlling interest</b>	<b>(1,660)</b>	<b>(1,301)</b>	<b>2,619</b>	<b>3,097</b>

## Notes to the Consolidated Financial Statements continued

## 26. NON-CONTROLLING INTEREST CONTINUED

## CMS (Tanzania) Ltd continued

## Summarised Statement of Profit or Loss and Other Comprehensive Income continued

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
<b>Balance at 1 January 2024</b>	<b>3,292</b>	<b>5,988</b>	<b>(10)</b>	<b>9,270</b>
Profit or (loss)	(1,660)	2,619	44	1,003
Change in ownership	1,572	–	–	1,572
Dividends paid	(32)	–	–	(32)
<b>Balance at 31 December 2024</b>	<b>3,172</b>	<b>8,607</b>	<b>34</b>	<b>11,813</b>

	MSALABS Ltd \$'000	CMS (Tanzania) Ltd \$'000	International Apprenticeship & Competency Academy Limited \$'000	Total \$'000
<b>Balance at 1 January 2023</b>	<b>2,689</b>	<b>2,891</b>	<b>(7)</b>	<b>5,573</b>
Profit or (loss)	(1,301)	3,097	(3)	1,793
Change in ownership	1,923	–	–	1,923
Dividends paid	(19)	–	–	(19)
<b>Balance at 31 December 2023</b>	<b>3,292</b>	<b>5,988</b>	<b>(10)</b>	<b>9,270</b>

During the year, MSALABS completed a \$25 million (2023: \$12 million) equity raise with \$24.3 million coming from the Group and \$0.7 million from non-controlling interest. These funds will be used to finance the construction of new laboratories to support the continued rollout of both Chryso PhotonAssay™ laboratories and the traditional geochemistry business.

The Group agreed to fund any shareholder not willing to participate and as a result purchased \$3.2 million (2023: \$1.4 million) from non-controlling interests.

## 27. LOANS AND BORROWINGS

	2024 \$'000	2023 \$'000
Bank loans	76,388	78,385
Supplier credit facilities	36,288	25,813
Vendor financed mortgage	3,599	–
	116,275	104,198
Less: Unamortised debt arrangement costs	(1,091)	(1,625)
<b>Total loans and borrowings</b>	<b>115,184</b>	<b>102,573</b>
Current	28,259	27,052
Non-current	86,925	75,521
<b>Total loans and borrowings</b>	<b>115,184</b>	<b>102,573</b>

Long-term liabilities consist of:

**(a) \$75 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 full accordion of \$25m was exercised and completed 26 April 2024. The total available amount of the facility is currently \$75m. 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 1.925% per annum is charged on any undrawn balances. The amount utilised on the RCF was \$60 million as at 31 December 2024 (2023: \$45 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.

## Notes to the Consolidated Financial Statements continued

### 27. LOANS AND BORROWINGS CONTINUED

#### (a) \$75 million revolving credit facility ("RCF") provided by Standard Bank (Mauritius) Limited and Nedbank Limited continued

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 \$8.0 million in 2023. As at 31 December 2024, the amount outstanding on the term loan was \$13.1 million (2023: \$32 million).

During the year under review, the Group has complied with all covenants (same as RCF) 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% and 9.50%. As at 31 December 2024, the total drawn under these credit agreements was \$24 million (2023: \$16.5 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. As at 31 December 2024 the balance outstanding was \$2.5 million (2023: \$4.2 million) and the facility is no longer available to be drawn.

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 2024, the balance outstanding was \$6.3 million (2023: Undrawn).

No covenants are attached to these facilities.

#### (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 2024, the balance outstanding was \$3.2 million (2023: \$ 5.0 million).

During the year under review, the Group has complied with all covenants (same as RCF) attached to the facility.

#### (f) \$3.7m Mortgage with Byington Family Trust

The Group entered into a \$3.7m mortgage with Byington Family Trust on 8 January 2024. The property in Elko serves as collateral for the mortgage. The rate of interest is fixed at 7.50% until maturity on 31 December 2034. As at 31 December 2024, the balance outstanding was \$3.6 million.

No covenants are attached to this facility.

#### (g) \$1.6m Business Loan Facility Agreement with Northrim Bank

The Group entered into a \$1.6m Loan Facility Agreement with Northrim Bank on 27 August 2024. The property in Fairbanks, Alaska serves as collateral for this loan. The rate of interest is three-month SOFR plus a margin of 3%. As at 31 December 2024, the balance outstanding was \$0.7 million.

During the period under review, the Group has complied with all covenants (same as RCF) attached to the facility.

## Notes to the Consolidated Financial Statements continued

## 28. DEFERRED TAX

	2024 \$'000	2023 \$'000
<b>Deferred tax liability</b>		
Fair value movements and excess of capital allowances over depreciation	(34)	(34)
Right-of-use lease assets	(2,709)	(1,985)
Timing of taxation on accrued income	(3,172)	–
<b>Total deferred tax liability</b>	<b>(5,915)</b>	<b>(2,019)</b>
<b>Deferred tax asset</b>		
Tax losses	–	4
Right-of-use lease liabilities	2,720	1,981
<b>Total deferred tax asset</b>	<b>2,720</b>	<b>1,985</b>
The summarised position is as per below: Deferred tax liability	(5,915)	(2,019)
Deferred tax asset	2,720	1,985
<b>Total net deferred tax liability</b>	<b>(3,195)</b>	<b>(34)</b>
<b>Reconciliation of deferred tax liability</b>		
At beginning of year	(34)	(34)
Initial recognition of right-of-use lease arrangements	11	(4)
Timing of taxation on accrued income	(3,172)	–
Tax losses	–	4
<b>At end of year</b>	<b>(3,195)</b>	<b>(34)</b>

At the reporting date, the Group has estimated tax losses carried forward of \$26.5 million (2023: \$9.8 million) with a tax value of \$6.8 million (2023: \$2.5 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.

## 29. TRADE AND OTHER PAYABLES

	2024 \$'000	2023 \$'000
<b>Financial instruments:</b>		
Trade payables	26,829	27,502
Other payables – Accrued expenses	10,909	8,982
Other payables – Employee related liabilities	14,227	9,649
VAT	4,175	3,181
<b>Non-financial instruments:</b>		
Deferred income	9,192	3,428
<b>Total trade and other payables</b>	<b>65,332</b>	<b>52,742</b>
Current	57,821	50,685
Non-current	7,511	2,057
<b>Total trade and other payables</b>	<b>65,332</b>	<b>52,742</b>

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 amounts received in advance from several projects with Reko Diq being the major contributor.

## 30. PROVISIONS

	2024 \$'000	2023 \$'000
<b>Current</b>		
<b>At 1 January</b>	<b>487</b>	<b>2,637</b>
Release to profit or loss	(284)	(2,150)
<b>At 31 December</b>	<b>203</b>	<b>487</b>

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 2025. The provisions represent management's best estimate of the Group's liability as at 31 December 2024.

## Notes to the Consolidated Financial Statements continued

## 31. CURRENT TAX PAYABLE / RECEIVABLE

	2024 \$'000	2023 \$'000
<b>Current tax receivable</b>		
Normal tax	421	388
Withholding tax	84	298
<b>Total current tax receivable</b>	<b>505</b>	<b>686</b>
<b>Current tax payable</b>		
Normal tax	8,553	7,216
Withholding tax payable	2,087	2,099
<b>Total current tax payable</b>	<b>10,640</b>	<b>9,315</b>

The taxation paid for the period under review can be reconciled as follows:

Net amount payable at the beginning of the year	8,629	8,730
Amounts charged to the Statement of Comprehensive Income (excluding deferred tax)	12,788	11,804
Net amount (payable) / receivable at the end of the year	(10,135)	(8,629)
<b>Total taxation paid</b>	<b>11,282</b>	<b>11,905</b>

## 32. NOTES SUPPORTING STATEMENT OF CASH FLOWS

## 32.1 Cash Generated from Operations

	2024 \$'000	2023 \$'000
Profit before taxation	34,267	50,334
<b>Adjustments for:</b>		
Depreciation, amortisation and impairments	34,771	32,256
ERP costs expensed	676	–
Share of loss in associate	387	–
Loss on disposals	594	946
Depreciation and impairment of right-of-use assets	13,791	7,510
Share-based payment	539	3,540
Fair value gain on financial assets	(12,097)	(2,914)
Interest income	(38)	(65)
Finance costs	16,741	13,002
Other non-cash items	339	34
Unrealised foreign exchange (gain) / loss	1,623	(246)
(Decrease) / increase in expected credit loss provision	(160)	1,716
Bad debt write-offs	258	218
<b>Changes in working capital:</b>		
Increase in inventories	(375)	(3,227)
Increase in trade and other receivables	(13,671)	(15,568)
Increase in trade and other payables	12,771	7,146
Decrease in provisions	(283)	(2,150)
<b>Cash generated from operations</b>	<b>90,133</b>	<b>92,532</b>



## Notes to the Consolidated Financial Statements continued

## 32. NOTES SUPPORTING STATEMENT OF CASH FLOWS CONTINUED

## 32.2 Reconciliation of Borrowings and Leases

	Loans and borrowings \$'000	Leases liabilities \$'000	Total \$'000
<b>At 1 January 2024</b>	<b>102,573</b>	<b>29,450</b>	<b>132,023</b>
Cash flows:			
– Drawdowns	30,000		30,000
– Interest paid	(11,387)	(3,067)	(14,454)
– Principal repayments	(47,262)	(10,008)	(57,270)
Non-cash flows:			
– Supplier credit facility received	25,008	–	25,008
– Interest expensed during the year	12,038	3,067	15,105
– Vendor financed mortgage	3,680	–	3,680
– Unamortised debt arrangement costs	534	–	534
– Additions to leases	–	14,344	14,344
<b>At 31 December 2024</b>	<b>115,184</b>	<b>33,786</b>	<b>148,970</b>

	Loans and borrowings \$'000	Leases liabilities \$'000	Total \$'000
<b>At 1 January 2023</b>	<b>74,901</b>	<b>16,267</b>	<b>91,168</b>
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
<b>At 31 December 2023</b>	<b>102,573</b>	<b>29,450</b>	<b>132,023</b>

## 33. SEGMENTAL INFORMATION

Operating segments are identified on the basis of internal management reports regarding components of the Group. These are regularly reviewed by the Chair 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 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 in jurisdictions such as Pakistan, USA, Saudi Arabia and Canada.

## Segmental revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

2024	Africa \$'000	Rest of world \$'000	Consolidated \$'000
<b>External revenue:</b>			
Drilling services	207,493	26,185	233,678
Mining services	65,242	–	65,242
Laboratory services	22,885	20,762	43,648
Surveying services	4,084	1,349	5,433
<b>Total external revenue</b>	<b>299,704</b>	<b>48,297</b>	<b>348,000</b>
Segment profit (loss)	100,226	(28,649)	71,577
Central administration costs and depreciation			(32,317)
<b>Profit from operations</b>			<b>39,260</b>
Interest income			38
Finance charges			(16,741)
Fair value loss on investments at fair value			12,097
Share of loss in associate			(387)
<b>Profit before tax</b>			<b>34,267</b>

## Notes to the Consolidated Financial Statements continued

## 33. SEGMENTAL INFORMATION CONTINUED

## Segmental revenue and results continued

The following customers from the Africa segment contributed 10% or more to the Group's revenue.

2023	Africa \$'000	Rest of world \$'000	Consolidated \$'000
<b>External revenue:</b>			
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
<b>Total external revenue</b>	<b>287,619</b>	<b>30,805</b>	<b>318,424</b>
Segmental profit (loss) <sup>4</sup>	108,359	(17,771)	90,588
Central administration costs and depreciation			(30,306)
<b>Profit from operations</b>			<b>60,282</b>
Interest income			65
Finance charges			(13,002)
Fair value gain on investments at fair value			2,989
<b>Profit before tax</b>			<b>50,334</b>

	2024 %	2023 %
Customer A	16	16
Customer B	26	33

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:

	2024 \$'000	2023 \$'000
<b>Segmental assets:</b>		
Africa	621,903	567,699
Rest of world	270,174	92,454
Total segmental assets	892,077	660,153
Head Office companies	445,062	338,507
	1,337,139	998,660
Eliminations	(825,411)	(530,912)
<b>Total Assets</b>	<b>511,728</b>	<b>467,748</b>
<b>Segmental liabilities:</b>		
Africa	267,097	257,526
Rest of world	124,697	61,173
Total segmental liabilities	391,794	318,699
Head Office companies	440,679	373,103
	832,473	691,802
Eliminations	(604,133)	(497,201)
<b>Total Liabilities</b>	<b>228,340</b>	<b>194,601</b>

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 \$16.8 million (2023: \$19.9 million) included in other receivables and \$6.0 million (2023: \$2.5 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 \$77 million (2023: \$74.7 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 continued

## 33. SEGMENTAL INFORMATION CONTINUED

## Other segmental information

Non-Cash items included in profit or loss:

	2024 \$'000	2023 \$'000
<b>Depreciation and Impairment on property, plant and equipment</b>		
Africa	40,346	36,165
Rest of world	7,506	3,123
<b>Total segmental depreciation and impairment</b>	<b>47,852</b>	<b>39,288</b>
Head Office companies	711	477
<b>Total depreciation and impairment</b>	<b>48,562</b>	<b>39,765</b>
<b>Taxation expense</b>		
Africa	14,726	10,461
Rest of world	566	1,048
<b>Total segmental expense</b>	<b>15,292</b>	<b>11,509</b>
Head Office companies	657	295
	<b>15,949</b>	<b>11,804</b>
<b>Impairment on Inventory</b>		
<b>Africa</b>		
Stock Provision	358	556
Stock Write Offs	650	731
<b>Rest of world</b>		
Stock Write Offs	27	17
Stock Provision	36	(39)
<b>Total segmental impairment</b>	<b>1,071</b>	<b>1,265</b>
Head Office companies	–	–
	<b>1,071</b>	<b>1,265</b>

## 34. 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 2023.

The capital structure of the Group consists of debt (refer to Note 27), cash and cash equivalents (refer to Note 21) 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, the financing facility provided by Caterpillar and the term loans provided by Macquarie Bank Limited and Northrim, 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 continued

## 34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

## Gearing

The gearing ratio at the end of the reporting period was as follows:

	Note(s)	2024 \$'000	2023 \$'000
Lease liabilities	14	33,786	29,450
Total loans and borrowings	27	116,275	104,198
<b>Total debt</b>		<b>150,061</b>	<b>133,648</b>
Cash & cash equivalents	21	(40,526)	(34,366)
<b>Net debt</b>		<b>109,535</b>	<b>99,282</b>
<b>Less: lease liabilities</b>		<b>(33,786)</b>	<b>(29,450)</b>
<b>Adjusted net debt</b>		<b>75,749</b>	<b>69,832</b>
Equity		283,388	273,147
Adjusted debt to equity ratio		26.6%	25.6%

## 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

2024	Note(s)	Fair value through profit or loss – Mandatory \$'000	Amortised cost \$'000	Total \$'000
Investments at fair value	20	30,304	–	30,304
Trade receivables	18	–	60,226	60,226
Non-current receivables	19	5,685	–	5,685
Cash and cash equivalents	21	–	40,526	40,526
		<b>35,989</b>	<b>100,752</b>	<b>136,741</b>

2023	Note(s)	Fair value through profit or loss – Mandatory \$'000	Amortised cost \$'000	Total \$'000
Investments at fair value	20	47,154	–	47,154
Trade receivables	18	–	49,567	49,567
Non-current receivables	19	5,536	–	5,536
Cash and cash equivalents	21	–	34,366	34,366
		<b>52,690</b>	<b>83,933</b>	<b>136,623</b>

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.

## Categories of financial liabilities

	Note(s)	Amortised cost \$'000	Total \$'000
<b>2024</b>			
Trade and other payables	29	57,821	57,821
Loans and borrowings	27	116,275	116,275
		<b>174,096</b>	<b>174,096</b>
<b>2023</b>			
Trade and other payables	29	49,314	49,314
Loans and borrowings	27	104,198	104,198
		<b>153,512</b>	<b>153,512</b>

At 31 December 2024, the Group did not have any financial liabilities measured at fair value through profit or loss or other comprehensive income (2023: \$ nil).

The carrying values of financial assets and financial liabilities in the Statement of Financial Position for the Group approximate their fair values.

## Notes to the Consolidated Financial Statements continued

## 34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

## 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 2024 are as follows:

	2024 \$'000	2023 \$'000
<b>Financial assets</b>		
Australian Dollar (2024: AUD 3.6 million; 2023: AUD 1.3 million)	2,225	858
Euro (2024: EUR 0.9 million; 2023: EUR 1.2 million)	987	1,273
Mauritanian Ouguiya (2024: MRU 34.5 million; 2023: MRU 34.2 million)	865	859
West African CFA (2024: XOF 8,085 million; 2023: XOF 8,325.8 million)	12,419	13,560
West African CFA (2024: XAF 5,027 million; 2023: XAF 4,802.4 million)	7,999	8,087
West African CFA (2024: XOS 4,564 million; 2023: XOS 1,047.6 million)	7,089	1,682
Guinea Franc (2024: GNF 33,757 million; 2023: GNF 29,358.6 million)	3,925	3,448
All other currencies	2,729	2,704
	<b>41,391</b>	<b>32,471</b>

	2024 \$'000	2023 \$'000
<b>Financial liabilities</b>		
Australian Dollar (2024: AUD 1.8 million; 2023: AUD 2.8 million)	1,121	1,899
Canadian Dollar (2024: CAD 1.7 million; 2023: CAD 1.0 million)	1,156	725
Egyptian Pound (2024: EGP 21.7 million; 2023: EGP 18.3 million)	427	591
Euro (2024: EUR 1.7 million; 2023: EUR 0.7 million)	1,731	771
Guinea Franc (2024: GNF 2,950 million; 2023: GNF 1,570 million)	343	184
Tanzanian Shillings (2024: TZS 2,279 million; 2023: TZS 3,636.0 million)	952	1,450
British Pound (2024: GBP 0.4 million; 2023: GBP 0.2 million)	497	234
Pakistan Rupee (2024: PKR 32.4 million; 2023: PKR 20.6 million)	116	73
South African Rands (2024: ZAR 9.1 million; 2023: ZAR 10.0 million)	484	543
West African CFA (2024: XOF 320.6 million; 2023: XOF 517.4million)	492	843
West African CFA (2024: XAF 365.8 million; 2023: XAF 640.5 million)	582	1,079
West African CFA (2024: XOS 136.1 million; 2023: XOS 50.2 million)	211	81
All other currencies	437	48
	<b>8,549</b>	<b>8,521</b>



## Notes to the Consolidated Financial Statements continued

### 34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

#### Financial risk management continued

##### Foreign currency risk continued

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.

	2024 \$'000	2023 \$'000
Australian Dollar	(100)	95
Canadian Dollar	34	(66)
Euro	68	(45)
Guinea Franc	(326)	(297)
Mauritanian Ouguiya	(74)	(76)
Pakistan Rupee	(276)	4
Tanzanian Shillings	22	114
West African CFA – XOF	(1,084)	(1,156)
West African CFA – XAF	(674)	(637)
West African CFA – XOS	(625)	(146)
All other currencies	51	33
	<b>(2,984)</b>	<b>(2,177)</b>

##### 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 (2023: 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 2024 would decrease by \$2.3 million (2023: \$1.7 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 2024 would increase by \$1.5 million (2023: \$2.2 million).

##### 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 2024, 3 customers individually contributed 10% or more to the Group's trade receivables (2023: 3 customers).

There was a significant increase in the credit risk that has been identified in respect of the Group's customers during 2023 and as at 31 December 2024, an expected credit loss allowance of \$4.5 million has been recognised (2023: \$4.7 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.

## Notes to the Consolidated Financial Statements continued

## 34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

## Financial risk management continued

## 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:

2024	1 month \$'000	1 – 3 months \$'000	3 months – 1 year \$'000	1 – 5 years \$'000
<b>Financial assets</b>				
Financial Assets under Amortised Cost	38,719	12,394	3,604	5,509
	<b>38,719</b>	<b>12,394</b>	<b>3,604</b>	<b>5,509</b>
<b>Financial liabilities</b>				
Non-interest bearing – Financial Liabilities at Amortised Cost	25,948	21,982	7,053	1,156
Variable interest rate instruments	4,500	7,141	16,623	86,920
Lease liabilities	950	1,920	8,690	22,226
<b>2023</b>	<b>1 month \$'000</b>	<b>1 – 3 months \$'000</b>	<b>3 months – 1 year \$'000</b>	<b>1 – 5 years \$'000</b>
<b>Financial assets</b>				
Financial Assets under Amortised Cost	26,214	15,811	2,434	5,108
<b>Financial liabilities</b>				
Non-interest bearing – Financial Liabilities at Amortised Cost	23,372	21,982	7,053	1,156
Variable interest rate instruments	4,500	7,141	16,623	86,920
Lease liabilities	688	1,317	6,335	21,109
	<b>30,026</b>	<b>23,395</b>	<b>30,780</b>	<b>97,134</b>

## Financing facilities

The following table details the Group's secured loan facilities (undiscounted) at the reporting date.

	2024 \$'000	2023 \$'000
Available amount	193,200	145,400
Unutilised amount	(18,000)	(15,000)
<b>Utilised amount</b>	<b>175,200</b>	<b>130,400</b>

## 35. FAIR VALUE MEASUREMENTS

## Fair value adjustment on financial assets through profit or loss (investments)

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 \$30.3 million (2023: \$47.2 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.

## Notes to the Consolidated Financial Statements continued

## 36. 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.

	2024 \$'000	2023 \$'000
<b>Fees paid to the Group's auditor</b>		
The audit of the Group's Annual Financial Statements	688	738
Non-audit services – Group	100	96
<b>Fees paid to associates of the Group's auditor</b>		
The audit of the Group's subsidiaries	135	140
Non-audit services – BDO Egypt and BDO DRC	26	4
	<b>949</b>	<b>978</b>

## 37. 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.

	2024 \$'000	2023 \$'000
<b>Directors' emoluments</b>		
Short Term Benefits	2,249	2,215
Share Based Payments	1,066	1,181
	<b>3,315</b>	<b>3,396</b>

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.

## 38. COMMITMENTS

The Group has the following commitments:

	2024 \$'000	2023 \$'000
Committed capital expenditure	12,074	36,083

The Group had outstanding purchase orders amounting to \$15.4 million (2023: \$39.5 million) at the end of the reporting period of which \$12.1 million (2023: \$36.1 million) were for capital expenditure.

## 39. 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.

## 40. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events affecting the Group since the year end.

## 41. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Annual Financial Statements set out on pages 106 to 150 were approved by the Board of Directors on 27 March 2025 in London.

# Supplementary Information

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Measures

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## 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 2024.

ARPOR	Average revenue per operating rig
EBITDA	Earnings before interest, taxes, depreciation, amortisation, impairments, share of associates, net loss and fair value gain/loss on investments
EBIT	Earnings before interest, taxes and fair value gain/loss on investments
OPERATIONAL EARNINGS	Profit for the year attributable to the owners of the parent before fair value gain or loss on investments
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:

	2024	2023
Revenue per financial statements (\$'000)	348,000	318,424
Non-drilling revenue (\$'000)	(123,671)	(114,249)
Revenue used in the calculation of ARPOR (\$'000)	224,329	204,175
Monthly Average active operating Rigs (No. of Rigs)	92	92
Monthly Average operating Rigs (No. of Rigs)	126	125
ARPOR (\$'000 per Rig)	<b>204</b>	186

EBITDA can be reconciled from the financial statements as per the below:

	2024 \$'000	2023 \$'000
Profit for the year	18,318	38,530
Depreciation, amortisation and impairments	48,562	39,765
Taxation	15,949	11,804
Interest income	(38)	(65)
Finance charges	16,741	13,002
Share of loss in associates	387	–
Fair value adjustments on financial assets	(12,097)	(2,989)
<b>EBITDA</b>	<b>87,822</b>	<b>100,047</b>



## Alternative Performance Measures continued

## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES TO THE FINANCIAL STATEMENTS CONTINUED

	2024 \$'000	2023 \$'000
EBITDA can be reconciled from the financial statements as per the below:		
Operating profit (EBIT)	39,260	60,282
Depreciation, amortisation and impairments	48,562	39,765
<b>EBITDA</b>	<b>87,822</b>	<b>100,047</b>
EBITDA Margin	25.2%	31.4%
Adjusted EBITDA can be reconciled from the financial statements as per the below:		
Operating profit (EBIT)	39,260	60,282
Depreciation, amortisation and impairments	48,562	39,765
Cash cost of IFRS 16 leases (Note 14)	(13,075)	(8,234)
Exceptional items (ERP costs, provision for VAT receivables)	5,206	–
Adjusted EBITDA	79,953	91,813
Adjusted EBITDA Margin	23.0%	28.8%
Adjusted cash from operations can be reconciled from the financial statements as per the below:		
Cash generated from operations	90,133	92,532
Cash cost of IFRS 16 leases (Note 14)	(13,075)	(8,234)
Adjusted Cash from operations	77,058	84,298

	2024 \$'000	2023 \$'000
Adjusted net cash (debt) can be reconciled from the financial statements as per the below:		
Cash and cash equivalents	40,526	34,366
Long-term borrowings	(87,268)	(76,328)
Current portion of long-term borrowings	(29,007)	(27,870)
Adjusted net (debt) / cash	(75,749)	(69,832)
The Adjusted EBIT used in the Adjusted ROCE can be reconciled from the financial statements as per the below:		
Operating profit (EBIT)	39,260	60,282
Depreciation on IFRS 16 leases	12,025	7,510
Cash cost of IFRS 16 leases (Note 14)	(13,075)	(8,234)
Exceptional items (ERP costs, provision for VAT receivables, impairment of laboratory assets)	8,032	–
Adjusted EBIT	46,242	59,558

## 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.

## Alternative Performance Measures continued

### 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, impairment, share of associate net loss, 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 and exceptional items (ERP cost and provision for VAT receivables).

### ADJUSTED CASH FROM OPERATIONS

Adjusted cash from operations is a non-GAAP measured 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 CASH (DEBT)

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.

### ADJUSTED NET CASH (DEBT)

Adjusted net cash (debt) is defined as cash and cash equivalents less short term and long-term debt, excluding IFRS 16 lease liabilities.

### ADJUSTED RETURN ON CAPITAL EMPLOYED

Adjusted return on capital employed is defined as trailing 12 month adjusted EBIT over the average capital employed. Adjusted EBIT is defined as Operating Profit adjusted to reflect the full cash cost of the IFRS 16 leases less exceptional items (ERP cost, provision for VAT receivables, impairment of laboratory assets). Capital employed is defined as total assets (excluding investments at fair value and right-of-use assets) less current liabilities (excluding current portion of right-of-use liabilities).

## 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

### Broker

Tamesis Partners LLP, 125 Old Broad Street, London, EC2N 1AR  
Stifel Nicolaus Europe Limited, 150 Cheapside, London, EC2V 6FT

### PR

FTI Consulting

### Standard financial calendar

Accounting period end	31 December
Annual Report published	March
Annual General Meeting	May
Interim accounting period end	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 2024 of 1.3 cents per share.

### Substantial shareholdings

The interests in the table below reflect TR-1 notifications received by the Company as at 31 December 2024, indicating shareholdings of more than 3% of the issued share capital of the Company.

Shareholder	Percentage of voting rights held (%)
Jamie Boyton	10.86
Aberforth Partners	10.54
Fidelity International	9.84
Aegis Financial Corporation	6.35
Brian Rudd	6.27
Allianz Global Investors	5.22
Premier Miton Investors	4.85
James Edward Armitage	4.80
River Global Investors	4.10
Ruffer	3.72

## Shareholder Information continued

### Shares in issue

There was a total of 196,257,124 Common Shares in issue at 31 December 2024.

### 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](http://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 22 to the Financial Statements.

### Power to issue shares

At the AGM held on 5 June 2024 (the 2024 AGM), authority was given to the Directors to allot:

- i) Equity Securities up to a maximum aggregate nominal amount of \$6,541.90 (being 65,419,041) 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 \$981.28, 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](mailto: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.





