

# Capital USA

355 W River Street, Elko, NV 89801

James Brown, Director of Tax

Date: May 23, 2024

## Application Facts:

|             |                               |
|-------------|-------------------------------|
| Industry    | <b>Agriculture and Mining</b> |
| NAICS       | <b>213114</b>                 |
| Type of App | <b>New</b>                    |
| Location    | <b>Elko County</b>            |
| RDA         | NNRDA, Sheldon Mudd           |

## Company Profile

Capital Mining Services, a global entity offering comprehensive drilling and mining services across more than 30 locations worldwide, has chosen to establish its presence in the United States under the banner of Capital USA (Capital) in Elko, NV. The Elko facility will comprise geochemical analysis and mine drilling operations. The company deploys groundbreaking X-ray assay technology, known as Chryso PhotonAssay, an environmentally-friendly replacement for fire assay on-site and in the laboratory. Physical core samples will be sent, by customers to the lab, a portion of the customers are Nevada based, but the initial customer list would also include customers in Arizona, Colorado, and Utah. Once the samples are received, the lab then assays those samples using various analytical techniques including the Chryso photon assay process (a new technology focused on sustainable results that produces 50% less emissions, uses 50% less energy, and creates zero hazard waste). The results of the assays are provided back to the customer detailing the level of gold, copper, etc. content as well as impurities. Prioritization of local employment is a core pillar of Capital's strategy, with Capital's workforce historically comprising more than 90% local employees. Local employees would undergo training courses conducted by Capital's joint venture partnership with the International Apprenticeship and Competency Academy. The company also considered Quebec and Yukon regions, of Canada, as potential locations for the project. *Source: Capital USA*

| Tax Abatement Requirements: | Statutory | Company Application | Meeting Requirements |
|-----------------------------|-----------|---------------------|----------------------|
| Job Creation                | 10        | <b>164</b>          | <b>Yes</b>           |
| Average Wage                | \$29.28   | <b>\$38.92</b>      | <b>Yes</b>           |
| Equipment Capex (SU & MBT)  | \$250,000 | <b>\$14,975,322</b> | <b>Yes</b>           |
| Equipment Capex (PP)        |           |                     |                      |

## Additional Requirements:

|                               |   |                                  |                                      |
|-------------------------------|---|----------------------------------|--------------------------------------|
| Health Insurance              | 65%   | <b>80%</b>                       | <b>Yes</b>                           |
| Revenues generated outside NV | 51%   | <b>55%</b>                       | <b>Yes</b>                           |
| Business License              | <input checked="" type="checkbox"/> Current | <input type="checkbox"/> Pending | <input type="checkbox"/> Will comply |

| Total Tax Liability (without tax abatements) | Direct (company)   | Total               |
|--|--------------------|---------------------|
|  | <b>\$3,016,346</b> | <b>\$15,060,505</b> |

| Tax Abatements                                    | Contract Terms   | Estimated Tax Abatement |
|---|------------------|-------------------------|
| Sales Tax Abmt.                                   | 2% for 2 years   | \$763,741               |
| Modified Business Tax Abmt.                       | 50% for 4 years  | \$360,561               |
| Personal Property Tax Abmt.                       | 50% for 10 years | \$615,988               |
| <b>Total Estimated Tax Abatement over 10 yrs.</b> |                  | <b>\$1,740,290</b>      |

| Net New Tax Revenues                                | Direct             | Indirect            | Taxes after Abatements |
|---|--------------------|---------------------|------------------------|
| <b>Local Taxes</b>                                  |                    |                     |                        |
| Property  | \$1,093,077        | \$4,332,604         | \$5,425,681            |
| Sales   | \$0                | \$2,896,253         | \$2,896,253            |
| Lodging   | \$0                | \$423,416           | \$423,416              |
| <b>State Taxes</b>                                  |                    |                     |                        |
| Property  | \$53,244           | \$293,117           | \$346,361              |
| Sales   | \$299,506          | \$1,577,480         | \$1,876,986            |
| Modified Business                                   | \$1,598,775        | \$741,089           | \$2,339,864            |
| Lodging   | \$0                | \$11,654            | \$11,654               |
| <b>Total Estimated New Tax Revenue over 10 yrs.</b> | <b>\$3,044,602</b> | <b>\$10,275,613</b> | <b>\$13,320,215</b>    |

| Economic Impact over 10 yrs. | Economic        | Construction | Total           |
|------------------------------|-----------------|--------------|-----------------|
| Total Jobs Supported         | 227             | 0            | 227             |
| Total Payroll Supported      | \$254,432,249   | \$0          | \$254,432,249   |
| Total Economic Value         | \$1,315,521,710 | \$0          | \$1,315,521,710 |

**Economic Impact Output per Abatement Dollar**

**\$756**

**New Total Tax per Abated Dollar**

**\$7.65**

## IMPORTANT TERMS & INFORMATION

Tax Abatements are **reduction or discount of tax liability** and companies do not receive any form of payment.

**Total Estimated Tax Abatement** is a tax reduction estimate. This estimated amount will be discounted from total tax liability.

**Estimated New Tax Revenue** is amount of tax revenues local and state government will collect after the abatement was given to applying company.

**Economic Impact** is economic effect or benefits that this company and it's operations will have on the community and state economy measured by total number of jobs, payroll and created output.



Northeastern Nevada Regional Development Authority  
1500 College Pkwy, McMullen Hall #103 · Elko, NV 89801  
775-738-2100 · [www.nnrda.com](http://www.nnrda.com)

March 20, 2024

Mr. Thomas Burns  
Executive Director  
Nevada Governor's Office of Economic Development  
1 State of Nevada Way  
Las Vegas, NV 89119

Dear Director Burns:

The Northeastern Nevada Regional Development Authority (NNRDA), entrusted with fostering the continual and diversified economic growth spanning 40,000 square miles of Nevada, is thrilled to endorse Capital USA as a worthy recipient for Nevada State Business Incentives.

Capital Mining Services, a global entity offering comprehensive drilling and mining services across more than 30 locations worldwide, has chosen to establish its presence in the United States under the banner of Capital USA, right here in the Silver State. Their substantial investment in Nevada is set to exceed \$24 million and will result in the creation of approximately 150 new full-time positions, each offering an impressive average wage of \$38.92 per employee.

As Nevada's mining industry continues to evolve and thrive, it is pivotal for companies like Capital USA to contribute to our growth by providing crucial supply chain support and services. Their presence signifies a significant step towards realizing our full potential as a leading mineral extraction jurisdiction.

We are pleased to confirm that Capital USA has pledged to fulfill all statutory requirements for Nevada State Tax Abatements, thus earning the unwavering support of the Northeastern Nevada Regional Development Authority.

Thank you for considering Capital USA as a partner in Nevada's economic development journey. Should you require any further information or assistance, please do not hesitate to contact us.

Sincere Regards,

Sheldon Mudd  
Executive Director

## Capital USA

Office Address  
355 W River St,  
Elko, NV 89801,  
USA

NV Contractor License #0091713

info@capdrill.com



12 March 2024

**Mr. Thomas Burns**  
**Executive Director**  
**Nevada Governor's Office of Economic Development**  
**1 State of Nevada Way**  
**Las Vegas, NV 89119**

Capital Limited, a global leader in the mining and exploration industry, has five core business segments: Capital Drilling, Capital Mining, Capital Investments, Capital Innovation and MSALABS (collectively "Capital"). What sets Capital apart is its strategic focus on innovation, sustainability, and contract selection. The Company firmly believes that a focus on sustainability is the right thing to do and is integral to its Vision: "To be regarded as the most dynamic provider of exploration and mining services in the sector, offering comprehensive solutions that are safe, compliant, and sustainable."

### Request for Incentives

The cost offsets provided by Nevada's tax abatement programs are a significant factor in Capital's location and expansion decisions.

Return on Investment is a critical component in Capital's decision-making process on where to deploy strategic growth. The Company's investment decisions have a defined mandate and must satisfy several criteria including a stand-alone investment case, a focus on low-cost assets that will sustain consistent operations through volatile commodity markets, and selection of contracts that allow for operations to extend, where possible, to maximize the contract period and return on capital.

As part of the Company's long-term footprint within the Americas, both the United States and Canada remain under scrutiny as investment options. Nevada offers the potential for explosive growth for Capital's MSALABS operation, strategic partnerships, and an opportunity for a US-based headquarters. Canada offers a stable, proven, and well-established market for Capital operations and geopolitical proximity to the headquarters of major Canadian based partners including Barrick Gold and B2Gold.

### Operational Plans

The current project proposal and operational plan is as follow:

- Creating approximately 150 new jobs within the Elko region of Nevada;
- Providing an average annual salary of approximately \$110,000 per year plus health benefits;
- The training of high-skilled jobs in geochemical analysis services for exploration and mining companies, as well as drilling outsourcing services; and
- Undertaking an initial capital expenditure in excess of \$20M.

Activities are anticipated to begin mid-year 2024 and projected to be fully operational by 2025.

Prioritization of local employment is a core pillar of Capital's strategy, with Capital's workforce historically comprising more than 90% local employees. Local employees would undergo training courses conducted by Capital's joint venture partnership with the International Apprenticeship and Competency Academy.

### Major Markets

The metal commodities that would be distributed from the Nevada facility are sold into a vast array of markets across the world. Gold is used in the manufacturing of jewelry, electronics, and other industrial products, as well as held by buyers including central banks as a source of liquidity and valuable reserve asset. Copper's critical role in battery development for electric vehicles and the electrical grid needed to support such vehicles, is destined to become as strategically valuable as gold and will be exported to buyers both domestic and international.



**CAPITAL**

Environmental Policy

One of the most exciting aspects of the project is the Company's development and introduction into the United States of its PhotonAssay technology. MSALABS is the leading Company in driving end-user uptake of the technology. This is critical element of the Company's commitment to sustainability, as the PhotonAssay technology creates 50% less CO2 emissions, creates zero hazardous waste, and uses 50% less energy, as compared to the traditional fire assay method of analysis. This is just one of many endeavors the Company is taking to meet its commitment to be Net Zero by 2050. The Elko facility will represent the first commercial application of this technology in the United States

Capital looks forward to partnering with Nevada in both creating high skilled jobs within the Elko region and showcasing a greener, more sustainable, geochemical lab analysis service. The tax abatements being applied for under Nevada's program are a critical component in bringing that vision to life. Accordingly, the Company submits, in addition to this letter, GOED's Incentive Application form as provided by the Northeastern Nevada Regional Development Authority.

Sincerely,

A handwritten signature in blue ink, consisting of a horizontal line followed by a stylized, cursive flourish.

**Capital USA**

Capital USA

Office Address  
355 W River St,  
Elko, NV 89801,  
USA

NV Contractor License #0091713

info@capdrill.com



**CAPITAL**

1 May 2024

Thomas J. Burns  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington Avenue  
Suite 5400  
Las Vegas, NV 89101

RE: APPLICATION FOR INCENTIVES – REQUEST FOR CONFIDENTIALITY OF RECORDS AND DOCUMENTS – NRS 231.069

Dear Director Burns,

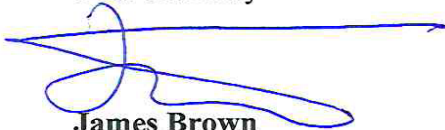
On March 20, 2024, Capital USA submitted an application to you as the Executive Director of the State of Nevada Governor's Office of Economic Development ("GOED") requesting approval of economic incentives for the new operation in Elko County, Nevada. The purpose of this letter is to request that any and all records and other documents in GOED's possession concerning initial contact with, research and planning for Capital USA, including but not limited to certain information in that application, and if amended, all be kept confidential pursuant to Section 4 of Assembly Bill No. 17 (2015 Regular Session) as codified in NRS 231.069.

Please be advised that Capital USA specifically deems the following information proprietary and confidential:

1. Incentive Application Equipment List -Schedule 5 (A)
2. Incentive Application Employment List -Schedule 5 (B)

Thank you for your consideration. If you have any questions or require any further information, please do not hesitate to contact me.

Your sincerely



**James Brown**  
*Head of Tax*  
*Capital USA*

## REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to NRS 231.069, and upon the request of applicant, Capital USA, the Executive Director of the Office has determined the:

- (i) The detailed schedule of Capital Equipment List, 5(A)
- (ii) The detailed schedule of Employment List, 5(B)

are confidential proprietary information of the business, are not public records, and shall be redacted in its entirety from the copy of the application that is disclosed to the public.



Thomas J. Burns  
Executive Director

5/3/2024  
Date



**ECONOMIC DEVELOPMENT**

**Incentive Application**

Company Name: Capital USA  
 Date of Application: February 27, 2024

Company is an / a: (check one)  
 New location in Nevada  
 Expansion of a Nevada company

**Section 1 - Type of Incentives**

Please check all that the company is applying for on this application:

- Sales & Use Tax Abatement
- Modified Business Tax Abatement
- Personal Property Tax Abatement
- Recycling Real Property Tax Abatement
- Other: \_\_\_\_\_

**Section 2 - Corporate Information**

|   |  |                               |                     |
|---|--|-------------------------------|---------------------|
| COMPANY NAME (Legal name under which business will be transacted in Nevada)<br><u>Capital USA</u> |  |                               | FEDERAL TAX ID #    |
| CORPORATE ADDRESS<br><u>355 W River Street</u>  | CITY / TOWN<br><u>Elko</u>   | STATE / PROVINCE<br><u>NV</u> | ZIP<br><u>89801</u> |
| MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)                                    | CITY / TOWN  | STATE / PROVINCE              | ZIP                 |
| TELEPHONE NUMBER  | WEBSITE<br><a href="https://www.capdrill.com/">https://www.capdrill.com/</a> |                               |                     |
| COMPANY CONTACT NAME<br><u>James Brown</u>  | COMPANY CONTACT TITLE<br><u>Director of Tax</u>                              |                               |                     |
| E-MAIL ADDRESS<br><a href="mailto:james.brown@capdrill.com">james.brown@capdrill.com</a>          | PREFERRED PHONE NUMBER   |                               |                     |

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development?  Yes  No

If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

**Section 3 - Program Requirements**

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of \$1,000,000 in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is applicable to new businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase the number of employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- In both urban and rural areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage.

Note: Criteria is different depending on whether the business is in a county where the population is 100,000 or more or a city where the population is 60,000 or more "urban" area), or if the business is in a county where the population is less than 100,000 or a city where the population is less than 60,000 (i.e., "rural" area).

**Section 4 - Nevada Facility**

Type of Facility:

- Headquarters
- Technology
- Back Office Operations
- Research & Development / Intellectual Property
- Service Provider
- Distribution / Fulfillment
- Manufacturing
- Other: \_\_\_\_\_

|   |  |                              |                     |
|---|--|------------------------------|---------------------|
| PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA<br><u>55%</u>   | EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR)<br><u>Jun-2024</u> |                              |                     |
| NAICS CODE / SIC<br><u>213114</u>   | INDUSTRY TYPE<br><u>Mining &amp; Exploration</u>                             |                              |                     |
| DESCRIPTION OF COMPANY'S NEVADA OPERATIONS<br><u>Geochemical analysis and mine drilling operations</u>  |  |                              |                     |
| PROPOSED / ACTUAL NEVADA FACILITY ADDRESS<br><u>355 W River Street</u>  | CITY / TOWN<br><u>Elko</u>   | COUNTY<br><u>Elko County</u> | ZIP<br><u>89801</u> |
| WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?<br><u>Quebec and Yukon regions of Canada</u> |  |                              |                     |

**Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)**

Check the applicable box when form has been completed.

- 5 (A)  Equipment List
- 5 (B)  Employment Schedule
- 5 (C)  Evaluation of Health Plan, with supporting documents to show the employer paid portion of plan meets the minimum of 65%.
- 5 (D)  Company Information Form

**Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)**

| New Operations / Start Up - Plans Over the Next <u>Ten</u> Years  | Expansions - Plans Over the Next <u>10</u> Years  |
|---|---|
| <p>Part 1. Are you currently/planning on leasing space in Nevada? <u>    No    </u></p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p>What year(s)? _____</p> <p>How much space (sq. ft.)? _____</p> <p>Annual lease cost of space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><b>If No, skip to Part 2. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? <u>    Yes    </u></p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>Purchase date, if buying (month, year): <u>    January, 2024    </u></p> <p>How much space (sq. ft.)? <u>    34,000    </u></p> <p>Do you plan on making building improvements? <u>    Yes    </u></p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? <u>    TBD    </u></p> <hr/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? <u>    No    </u></p> <p><b>If Yes *, continue below:</b></p> <p>When to break ground, if building (month, year)? _____</p> <p>Estimated completion date, if building (month, year): _____</p> <p>How much space (sq. ft.)? _____</p> | <p>Part 1. Are you currently leasing space in Nevada? _____</p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p>What year(s)? _____</p> <p>How much space (sq. ft.)? _____</p> <p>Annual lease cost at current space: _____</p> <p>Due to expansion, will you lease additional space? _____</p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p>Expanding at the current facility or a new facility? _____</p> <p>What year(s)? _____</p> <p>How much expanded space (sq. ft.)? _____</p> <p>Annual lease cost of expanded space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? _____</p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p>How much space (sq. ft.)? _____</p> <p>Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? _____</p> <p><b>If Yes *, continue below:</b></p> <p>Purchase date, if buying (month, year): _____</p> <p>When to break ground, if building (month, year)? _____</p> <p>Estimated completion date, if building (month, year): _____</p> <p>How much space (sq. ft.)? _____</p> |
| <p><b>* Please complete Section 7 - Capital Investment for New Operations / Startup.</b></p>  | <p><b>* Please complete Section 7 - Capital Investment for Expansions below.</b></p>  |

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):  
 Please see attached cover letter



**Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)**

| New Operations / Start Up                                 | Expansions   |
|---|--|
| How much capital investment is planned? (Breakout below): | How much capital investment is planned? (Breakout below):                          |
| Building Purchase (if buying): <u>\$4,600,000</u>         | Building Purchase (if buying): _____   |
| Building Costs (if building / making improvements): _____ | Building Costs (if building / making improvements): _____                          |
| Land: _____   | Land: _____  |
| Equipment Cost: <u>\$14,975,322</u>                       | Equipment Cost: _____  |
| <b>Total: <u>\$19,575,322</u></b>                         | <b>Total: _____</b>  |
|   | Is the equipment purchase for replacement<br>of existing equipment? _____          |
|   | Current assessed value of personal property in NV: _____                           |
|   | (Must <b>attach</b> the most recent assessment from the County Assessor's Office.) |

**Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)**

| New Operations / Start Up  | Expansions   |
|--|--|
| How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: <u>164</u> | How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: _____ |
| Average hourly wage of these <u>new</u> employees: <u>\$38.92</u>  | Average hourly wage of these <u>new</u> employees: _____   |
|  | How many FTE employees prior to expansion?: _____  |
|  | Average hourly wage of these <u>existing</u> employees: _____  |
|  | Total number of employees after expansion: _____   |

\* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that apply):

- |   |  |   |   |
|---|--|---|---|
| <input checked="" type="checkbox"/> Overtime              | <input checked="" type="checkbox"/> Merit increases  | <input type="checkbox"/> Tuition assistance                                   | <input checked="" type="checkbox"/> Bonus |
| <input checked="" type="checkbox"/> PTO / Sick / Vacation | <input checked="" type="checkbox"/> COLA adjustments | <input checked="" type="checkbox"/> Retirement Plan / Profit Sharing / 401(k) | <input type="checkbox"/> Other: _____     |

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

**Section 9 - Employee Health Insurance Benefit Program**

Is health insurance for employees and is an option for dependents offered?:  Yes (**attach health plan and quote or invoice**)  No

Package includes (check all that apply):

- Medical       Vision       Dental       Other: Life & Disability

Qualified after (check one):

- Upon employment       Three months after hire date       Six months after hire date       Other: \_\_\_\_\_

| Health Insurance Costs:  | Percentage of health insurance premium by (min 65%): |
|--|--|
| Plan Type: <u>2 PPO options and 1 High Deductible Health Plan Option</u> |  |
| Employer Contribution (annual premium per employee): <u>\$ 21,313</u>    | Company: <u>80%</u>                                  |
| Employee Contribution (annual premium per employee): <u>\$ 5,328</u>     | Employee: <u>20%</u>                                 |
| <b>Total Annual Premium:</b> <u>\$ 26,641</u>                            |  |

[SIGNATURE PAGE FOLLOWS]

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**Section 10 - Certification**

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I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and /or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

|   |  |
|---|--|
| <u>JAMES BROWN</u>                      |  |
| Name of person authorized for signature | Signature  |
| <u>HEAD OF TAX</u>                      | <u>12 MARCH 2024</u>   |
| Title                                   | Date   |

**Nevada Governor's Office of Economic Development**  
555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • [www.diversifynevada.com](http://www.diversifynevada.com)

## Site Selection Factors

Company Name: Capital USA

County: Elko

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### Section I - Site Selection Ratings

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Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

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|                                      |          |   |          |
|--------------------------------------|----------|---|----------|
| Availability of qualified workforce: | <u>5</u> | Transportation infrastructure:              | <u>4</u> |
| Labor costs:                         | <u>5</u> | Transportation costs:                       | <u>4</u> |
| Real estate availability:            | <u>5</u> | State and local tax structure:              | <u>4</u> |
| Real estate costs:                   | <u>5</u> | State and local incentives:                 | <u>5</u> |
| Utility infrastructure:              | <u>5</u> | Business permitting & regulatory structure: | <u>5</u> |
| Utility costs:                       | <u>5</u> | Access to higher education resources:       | <u>5</u> |

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Please summarize the importance of the abatement program to your decision (please include at least a paragraph summary):

[Please see attached cover letter](#)

## **Equipment Schedule, Detailed**

**The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of Capital USA, and is not a public record.**

## **Employment Schedule, Detailed**

**The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of Capital USA, and is not a public record.**

# 5(C) Evaluation of Health Plans Offered by Companies

Company Name: Capital USA

County: Elko

Total Number of Full-Time Employees: 164  
 Average Hourly Wage per Employee \$38.92  
 Average Annual Wage per Employee (implied) \$80,961

### COST OF HELATH INSURANCE

Annual Health Insurance Premium Cost: \$26,641  
 Percentage of Premium Covered by:  
     Company 80%  
     Employee 20%

### HEALTH INSURANCE PLANS:

| Base Health Insurance Plan*:       | United Health Care - \$500 PPO |
|------------------------------------|--------------------------------|
| Deductible - per employee          | \$ 500                         |
| Coinsurance                        | 80% / 20%                      |
| Out-of-Pocket Maximum per employee | \$ 4,500                       |

| Additional Health Insurance Plan*: | United Health Care - \$1,500 PPO |
|------------------------------------|----------------------------------|
| Deductible - per employee          | \$ 1,500                         |
| Coinsurance                        | 80% / 20%                        |
| Out-of-Pocket Maximum per employee | \$ 7,000                         |

| Additional Health Insurance Plan*: | United Health Care - \$1,750 CDHP |
|------------------------------------|-----------------------------------|
| Deductible - per employee          | \$ 1,750                          |
| Coinsurance                        | 80% / 20%                         |
| Out-of-Pocket Maximum per employee | \$ 3,500                          |

\*Note: *Please list only "In Network" for deducatable and out of the pocket amounts .*

### Generalized Criteria for Essential Health Benefits (EHB)

*[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]*

|  |         |     |
|--|---------|-----|
| Covered employee's premium not to exceed 9.5% of annual wage | 8.2%    | MEC |
| Annual Out-of-Pocket Maximum not to exceed \$9,450 (2024)    | \$4,500 | MEC |

Minimum essential health benefits covered (Company offers PPO):

- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached a qualified plan with information highlighting where our plan reflects meeting the 65% minimum threshold for the employee paid portion of the plan for GOED to independently confirm the same.

JAMES BROWN

Name of person authorized for signature

[Signature]

Signature

HEAD OF TAX

Title

12 MARCH 2024

Date



## 5(D) Paid Family and Medical Leave (PFML)

Company Name: Capital USA

County: Elko

*After October 1, 2023, if the business will have at least 50 full-time employees on the payroll of the business by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective the business, by the earlier of the eighth calendar quarter following the calendar quarter in which the abatement becomes effective or the date on which the business has at least 50 full-time employees on the payroll of the business, has a policy for paid family and medical leave and agrees that all employees who have been employed by the business for at least 1 year will be eligible for at least 12 weeks of paid family and medical leave at a rate of at least 55 percent of the regular wage of the employee.*

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that the Applicant will meet this threshold for PFML.

JAMES BROWN

Name of person authorized for signature

HEAD OF TAX

Title



Signature

12 MARCH 2024

Date

## 5(E) Company Information

Company Name: Capital USA

County: Elko

### Section 1 - Company Interest List

Directions: Please provide a detailed list of owners and/or members of the company. *The Governor's Office of Economic Development strives to maintain the highest standards of integrity, and it is vital that the public be confident of our commitment. Accordingly, any conflict or appearance of a conflict must be avoided. To maintain our integrity and credibility, the applicant is required to provide a detailed list of owners, members, equity holders and Board members of the company.*

| (a)<br>Name    | (b)<br>Title       |
|----------------|--------------------|
| James Brown    | Director of Tax    |
| Peter Stokes   | CEO                |
| Rick Robson    | CFO                |
| Aaron Austin   | CEO - Americas     |
| Jodie North    | COO - Drilling     |
| Stuart Thomson | CEO - MSALABS      |
| Lucy Mauro     | CFO - MSALABS      |
| Jamie Boyton   | Chair of the Board |
|                |                    |
|                |                    |
|                |                    |

### Section 2 - Company Affiliates and/or Subsidiaries

Are there any subsidiary or affiliate companies sharing tax liability with the applicant company? No  Yes

#### If Yes, continue below:

Directions: In order to include affiliates/subsidiaries, under the exemption letter, they must to be added to the Contract. Per standard practice GOED requires a corporate schematic to understand the exact relationships between the companies. Please populate the below table to show the exact relationships between the companies and include:

1. The names as they would read on the tax exemption letter.
2. Which entity(ies) will do the hiring?
3. Which entity(ies) will be purchasing the equipment?

| Name of Subsidiary or Affiliate Entity, Role and Legal Control Relationship   |
|---|
| MSALABS USA, a wholly owned subsidiary of Capital Limited will include both hiring and equipment purchase activities. |
| Capital Leasing USA, a wholly owned subsidiary of Capital Limited will include equipment purchase activities.         |
|   |

Please include any additional details below:

# SECRETARY OF STATE



## DOMESTIC CORPORATION (78) CHARTER

I, FRANCISCO V. AGUILAR, the duly qualified and elected Nevada Secretary of State, do hereby certify that **Capital USA** did, on 06/27/2023, file in this office the original Articles of Incorporation-For-Profit that said document is now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said document contains all the provisions required by the law of the State of Nevada.



Certificate  
Number: B202306273765266  
You may verify this certificate  
online at <http://www.nvsos.gov>

IN WITNESS WHEREOF, I have hereunto set my  
hand and affixed the Great Seal of State, at my  
office on 06/27/2023.

A handwritten signature in black ink that reads "FV Aguilar".

FRANCISCO V. AGUILAR  
Secretary of State

# SECRETARY OF STATE



## NEVADA STATE BUSINESS LICENSE

Capital USA

**Nevada Business Identification # NV20232832875**

**Expiration Date: 06/30/2024**

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.

**License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which, by law, cannot be waived.**



Certificate Number: B202306273765267

You may verify this certificate  
online at <http://www.nvsos.gov>

IN WITNESS WHEREOF, I have hereunto set my  
hand and affixed the Great Seal of State, at my  
office on 06/27/2023.

FRANCISCO V. AGUILAR  
Secretary of State





November 2023



# Integrated Provider - Five Key Pillars



- End-to-end drilling services for exploration and production projects
- Diversified rig fleet of 129 rigs, largest in Africa
- Focus on mine-site based drilling contracts



- Load and Haul services for mining operations
- Fleet of 37 Heavy Mining Equipment (HME)
- New business stream since 2019
- Commenced major contract at Sukari in 2021
- Commenced major contract at Ivindo in 2023



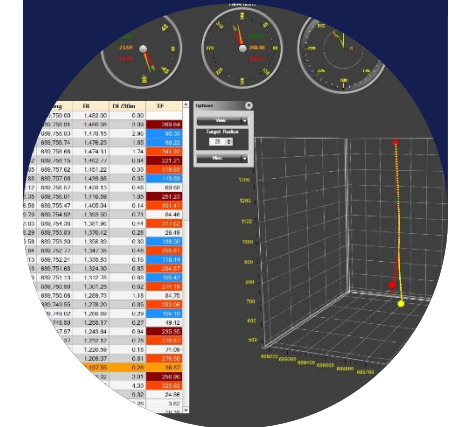
- Full range of geochemical analysis services
- Strategic partnership with Chryso PhotonAssay™ technology
- Undergoing rapid expansion



- Investments in African exploration and mining companies
- Developed as a complementary funding option in addition to existing services

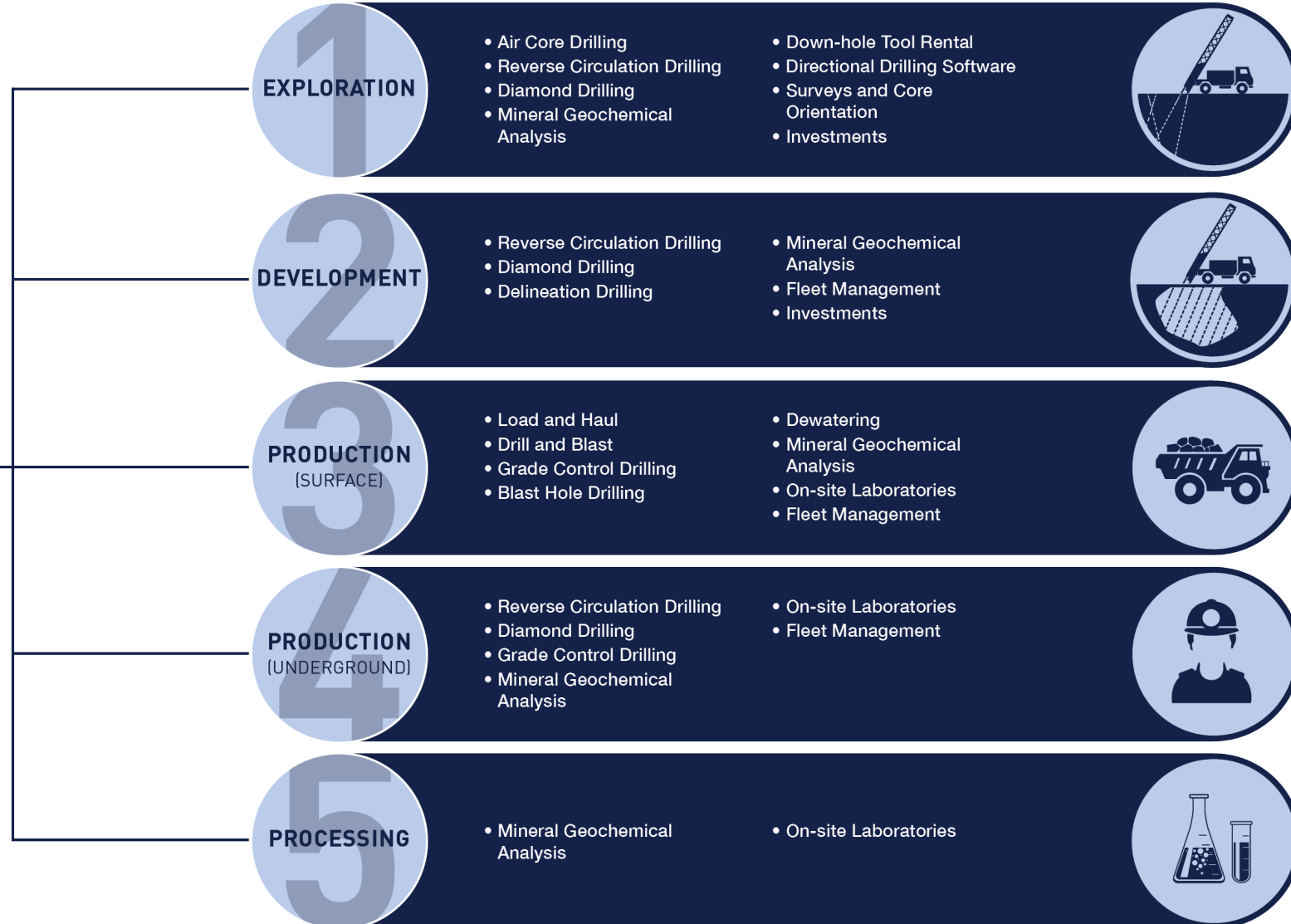


- Forefront of technology in the sector
- Allocated budget
- Appointed Innovation manager



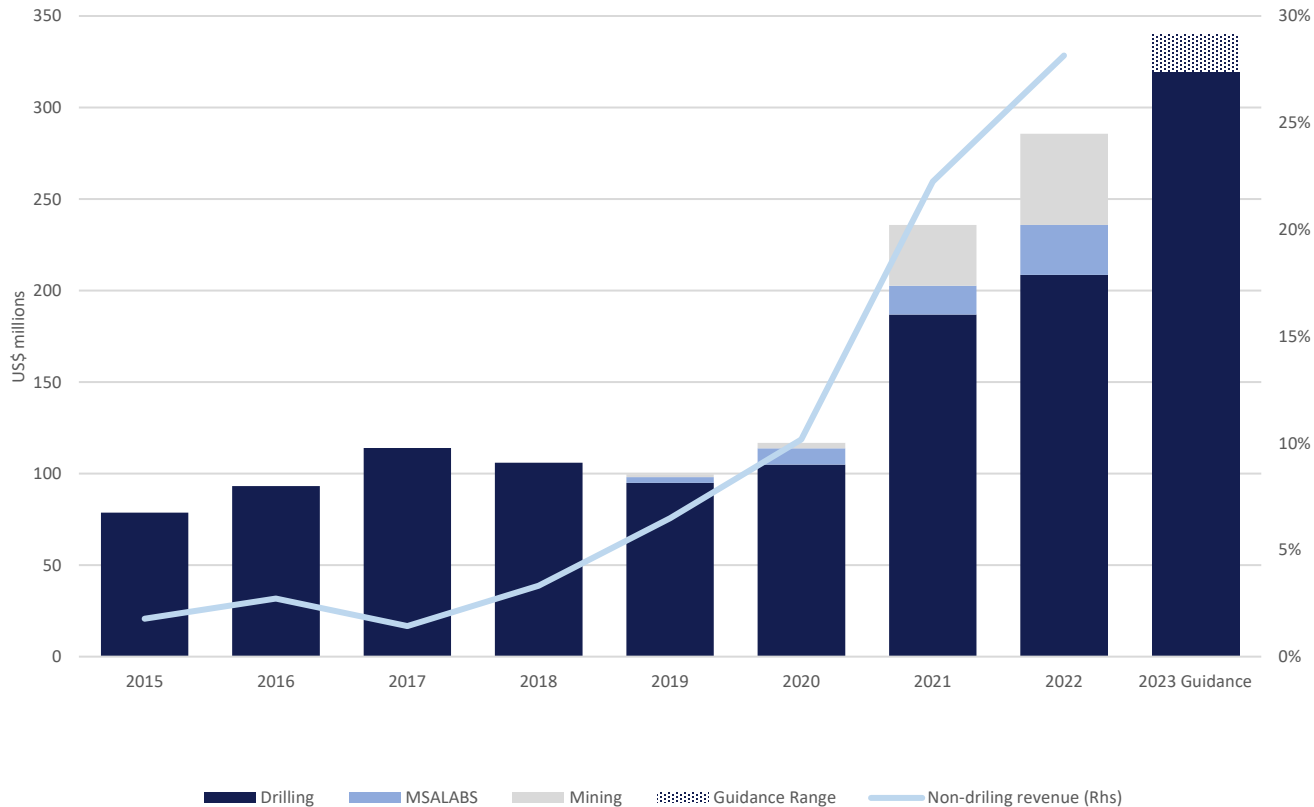


# Services Across the Mining Cycle



# Historical Growth

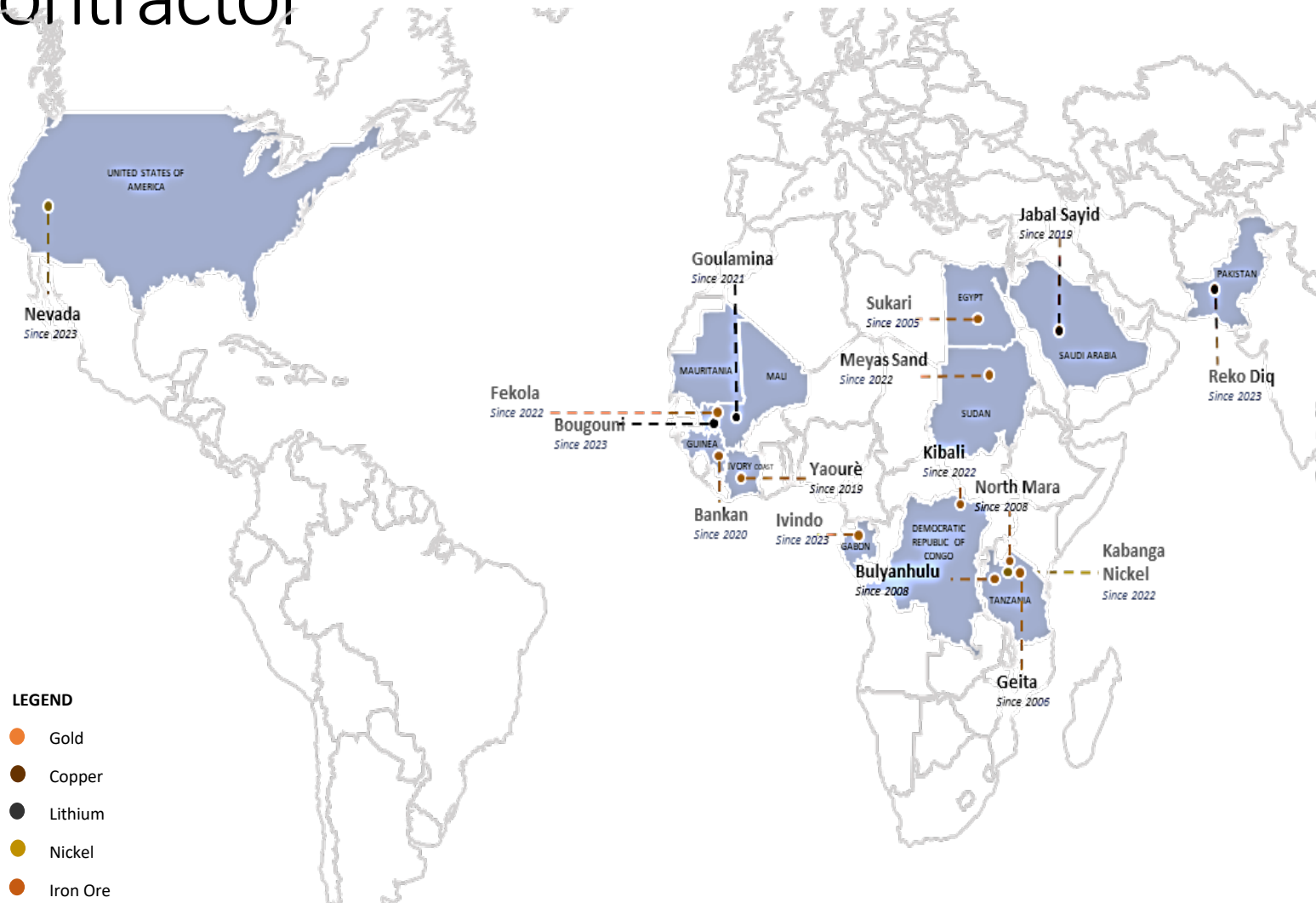
## Annual Revenue (\$M)



## Strong Track Record and Transformative Growth in Revenue

- Capital has a diverse service offering including laboratories (MSALABS) and mining services (Capital Mining) in addition to its historical drilling offering
- Addition of services has driven significant scale
  - Share of non-drilling revenue has grown significantly since 2020
- Diverse service offerings help decouple our growth trajectory from commodity prices
- Diversification of our geographical footprint helps reduce region specific risks

# Background to Capital – Global, Full-Service Mining Contractor



High quality contract mix of large-scale mines and world class projects **demonstrating our quality offering and trusted status**

Commodity exposure across **gold and battery transition metals**

Strong track record of **repeat revenue as a result of building long-term relationships**

Contracts focused on **blue-chip customers and Tier-1 assets**



# MSALABS

- Full range of geochemical analysis services
- Global network of laboratories
- Strategic partnership with Chryso<sup>™</sup> Corporation to deliver its **revolutionary** PhotonAssay<sup>™</sup> technology of which MSALABS has the **largest global network** of PhotonAssay<sup>™</sup> units
- PhotonAssay<sup>™</sup> provides rapid analysis results within hours while minimizing environmental impact by **eliminating hazardous waste** and **reducing emissions** compared to traditional fire assay methods.
- PhotonAssay<sup>™</sup> utilizes a much larger sample size of 500g, up to **10 times** more than traditional methods, contributing to more representative results.



# MSALABS Growing Global Footprint



**MSALABS  
LABORATORIES**

**30**

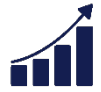
**Including  
6 x Franchises**

- Hub
- Gold/Fire Assay
- Prep
- Franchise / JV
- Chrysos

\*In 2023



# Capital Innovation: Providing enhanced services



## Addition to service offering:

Complimentary service offering with capacity to contribute materially to revenue



Forefront of adopting new technology to the mining industry



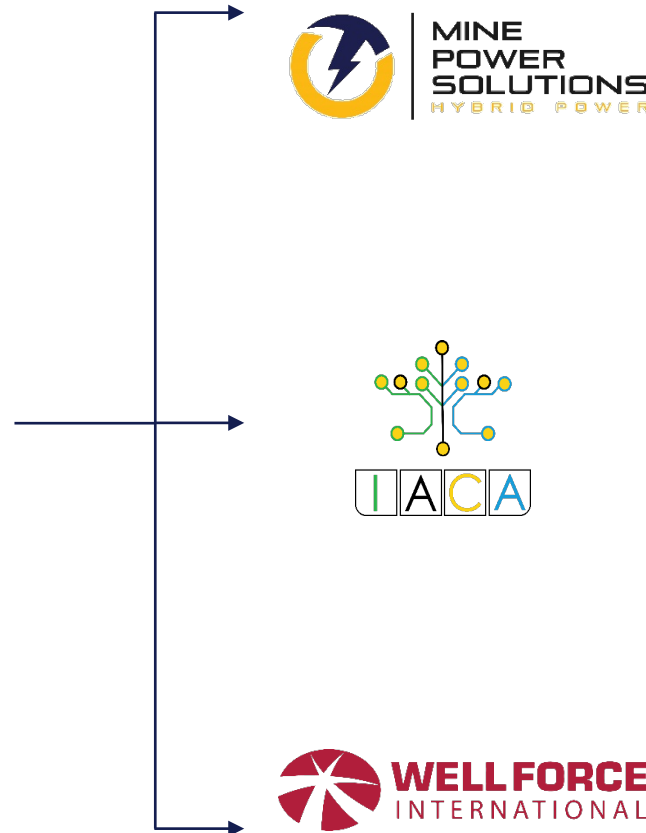
## Sustainability contribution:

Decarbonisation and energy transition



Local community engagement

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



## Current Initiatives

### • Mine Power Solutions:

- 50:50 JV with Enerwhere, focusing on solar hybrid power solutions with the aim to reduce the Scope 1 eCO2 footprint of operations and that of our clients
- Completed first solar installation at Capital's Menankoto exploration camp in Mali and have delivered 25% savings in fossil fuel usage to date

### • International Apprenticeship and Competency Academy (IACA):

- JV providing internationally recognised trade skill training
- **H1 2023 highlights:** Health & Safety Passport Schemes for over 200 workers
- **Outlook:** Strong pipeline of training opportunities

### • WellForce International:

- Providing complete rig site solutions with advanced equipment and software solutions
- **H1 2023 highlights:** Precision drilling tools sent to Ivindo, Gabon
- **Outlook:** Strong demand for various services. Rollout of HiTT2 3D deep directional drilling software later this year



# Nevada Contract Overview

| Contract breakdown          |   |
|-----------------------------|---|
| Client                      | Nevada Gold Mines LLC (“NGM”) a joint venture between Barrick (61.5% ownership) and Newmont (38.5% ownership) |
| Drilling contract term      | 3 years   |
| Drilling contract revenue   | ~\$30 million per annum   |
| Commencement date           | 2024  |
| Initial Capital Expenditure | ~20 million   |
| Drill rig count             | 9   |
| Premium equipment included  | Sandvik DU431-RC x3<br>Epiroc 6M Mobile x4<br>Epiroc CT20 x2  |
| Employee count              | 150   |
| Laboratory revenue          | \$20 – 30 million per annum   |

| Employee breakdown             |  |
|--------------------------------|--|
| Employee breakdown             | Total employee count of 150 with 100 employees hired by Capital and 50 employees hired by MSALABS  |
| Job titles included            | Project Manager, Drillers, Drill Supervisor, Fitters, Drivers, Offsiders, HR, Chemists, Lab Manager, Lab Technicians and more                                |
| Proportion of skilled labour   | Assumed ~75% of the labour force will be skilled   |
| Training                       | Employees will undergo training courses carried out by our joint venture partnership with International Apprenticeship and Competency Academy Limited (IACA) |
| Average employee annual salary | Average employee annual salary of ~\$110,000 plus benefits including health care   |

# Significant US expansion potential

## Appointment of CEO of Americas to drive growth in US operations:

- We have employed a CEO of our American operations who will focus initially on the establishment of both Capital and MSALABS operations at Nevada and strategically drive future growth in the North American region

## Objectives:

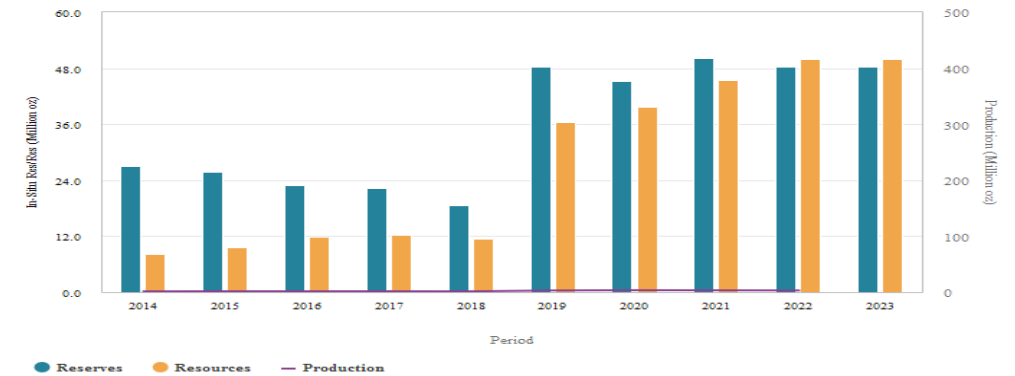
- Pursue development opportunities within the existing portfolio and client base:**
  - Barrick currently operates 20 mines in the state of Nevada. There are various expansion possibilities with Barrick with ongoing tendering surrounding additional drilling and laboratory opportunities
  - Over the past decade, there has been a remarkable expansion in gold mining operations in Nevada, underscoring the increasing demand and the promising prospects for our services
  - The presence of established clients engaged in North American operations, including companies like Barrick, AngloGold and B2Gold, indicates the presence of multiple opportunities for cross-selling our products and services.
- Pursue other tendering possibilities with other companies with operations in the region.**
- Pursue other active mining operations within the United States**

## US entity incorporated with site acquired as headquarters for US operations

- We have incorporated a US entity under the name Capital USA which will be headquartered at our recently acquired Elko site. This site may act as the hub of our US operations

## Growth in Nevada Gold mining activity

Reserves/Resources & Production - Gold

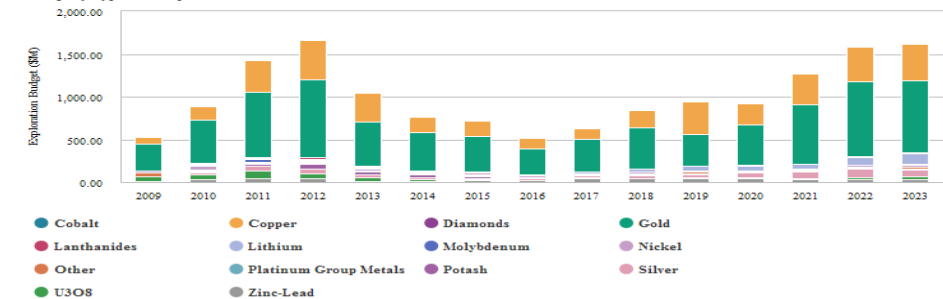


Source: S&P Global Market Intelligence

## Growth in USA exploration spending

Exploration Budget Trends

Stage(s): Grassroots, Late Stage & Feasibility, Minesite  
Company Type(s): Major, Intermediate, Junior, Government, Other



Source: S&P Global Market Intelligence