

Papillon Holdings Plc
('Papillon' or the 'Company')

Heads of Agreement Signed to acquire African Gold Assets
Update on Pace Cloud Proposed Investment

Papillon Holdings plc, the London listed investment company, is pleased to announce that it has signed a binding Heads of Agreement (the 'Agreement') with Mayflower Capital Investments Pty Limited ('Mayflower') to acquire certain contractual production and exploration rights held by Mayflower in two gold assets located in Kenya and Congo Brazzaville.

Overview

- Proposed acquisition of:
 - o 100% interest in the Kilimapesa Gold Mine in the Republic of Kenya, a current producing gold mine with an existing 671,446 oz JORC resource and with further exploration potential (Kilimapesa'); and
 - o 70% interest in the Kakamoeka Gold Project, which includes four exploration licences, covering over 3,000km² of the Mayombe Greenstone Belt located in Congo Brazzaville (Kakamoeka') (together, the 'Acquisitions')
- The Acquisitions are expected to provide the Company with near term gold production and considerable value upside potential from resource expansion and mine optimisation at Kilimapesa, in addition to uplift through the delivery of exploration and development milestones at Kakamoeka
- The Acquisitions are intended to be the first phase of a strategy to establish a strategic portfolio of African gold producing assets focussing on known and geologically proven gold projects

Papillon CEO Charles Tatnall said, "Securing a near-term gold asset, which requires limited capex to bring to fruition, and which is partnered with significant upside from resource expansion and mine optimisation activities, is a remarkable find for our investors. When coupled with an additional highly prospective and potentially equally valuable suite of gold discoveries in Congo Brazzaville, I believe we have a truly exceptional and largely de-risked opportunity for shareholders to gain exposure to the junior gold mining industry.

"As investors will know, now is perhaps the perfect time to be developing gold mines and projects. The gold price recently hit all time highs and despite a perceived correction in recent weeks, many commentators remain bullish about a long-term and sustainable gold price holding above US\$2,000/oz. "

Further Information

The Board of Papillon has signed a binding Heads of Agreement with Mayflower to assign to the Company certain contractual rights held by Mayflower to acquire some or all of the interests of two gold assets located in Kenya and Congo Brazzaville.

Mayflower is a global natural resources investment group. It originates, structures and provides principal investment and management services in order to sufficiently de-risk investments and pave the way for other investors. With offices in Perth, Johannesburg and London, Mayflower has a truly global reach to good quality natural resources assets.

Under the Agreement, Papillon has agreed to acquire the contractual rights from Mayflower to acquire a 100% interest in Kilimapesa Gold Pty Limited ('KPG'). KPG is a Kenyan incorporated company which holds a 100% interest in Kilimapesa and the associated mining and exploration licences.

Kilimapesa is an established gold mine offering immediate value to the Company. Kilimapesa is located approximately 230km west of Nairobi in the historically productive Migori Archaean Greenstone Belt, Kenya. Kilimapesa has a current mineral resource of 8,715,291 tonnes at 2.40 g/t Au for 671,446 oz Au at a cut-off of 1 g/t. Production commenced in 2012 with the mine having an established infrastructure including a processing plant commissioned in 2016 with design capacity of 200 tonnes per day. Kilimapesa was put on care and maintenance in 2019, primarily due to insufficient funding.

Mayflower's technical management team is currently on site at Kilimapesa overseeing and implementing plans for the immediate recommencement of gold production using the established processing plant. Further mine and process plant optimisation studies are underway and are to be implemented upon completion of the Acquisitions to further increase annual gold production to an initial rate of 25,000 oz.

The Company has further agreed to acquire the contractual rights from Mayflower to acquire a 70% interest in Congo Gold SARL ('CGS'). CGS is a company

incorporated in Congo-Brazzaville which holds a 100% interest in Kakamoeka which includes four exclusive exploration permits that cover over 3,000km² and extend over 50km of strike length of the Mayombe Greenstone Gold belt from the Angolan border in the south-east to the Gabon border in the north-east.

Gold production on the Kakamoeka license areas dates back to the 1940s and small-scale artisanal mining continues to this day. Modern exploration and development commenced only in 2011, with mapping, soil geochemistry, trenching, and multiple RAB and core drilling completed over multiple gold centres identified at Kakamoeka.

Kakamoeka is considered by the Company as an advanced and highly attractive gold exploration project. Previous drilling has already defined two advanced gold projects, 15km of strike and several zones of near surface gold mineralisation through laboratory assay. These results include 3m at 7.19g/t Au from 7m, 3m at 5.54g/t Au from 1m, 3m at 6.49g/t from 3m, 3m at 4.90g/t from 6m and 3m at 6.95g/t from 4m. In addition, visible gold was recorded in a number of samples from the drill holes.

The Company will complete further drilling in 2020 to define a maiden JORC compliant resource at Kakamoeka with seven drill ready targets already identified and numerous additional targets ready for the Company's earlier stage exploration work to commence.

Going forward, the Company's strategy is to establish a strategic portfolio of gold producing and development assets focussing on existing gold resources and assets in proven and well-established gold mining regions in Africa. The Company is actively working with Mayflower in the identification and further potential acquisition of gold projects which meet these criteria.

The Acquisitions are subject, inter alia, to the completion of due diligence, documentation and compliance with all regulatory requirements, including the Listing and Prospectus Rules and, as required, the Takeover Code. The Acquisitions, if they proceed, will constitute a Reverse Takeover under the Listing Rules and therefore the listing in the Company's ordinary shares will remain suspended pending the re-admission of the Ordinary Shares to the Standard Listing Segment of the London Stock Exchange. The Company is working on the preparation of a prospectus in relation to the Acquisitions which will, in due course, be submitted to UKLA for approval and making application for the enlarged Company to have its Ordinary Shares re-admitted to the Standard Listing Segment of the London Stock Exchange.

The Company will be renamed Gold Mines of Africa PLC on re-admission.

Update on Pace Cloud Limited

On 18 May 2018, the Company reached an agreement via a non-binding head of terms to make an investment in 50% of the issued share capital of a fintech company, Pace Cloud Limited ('Pace Cloud').

Papillon Holdings PLC had fulfilled the terms of its investment of £550k to achieve a 50% equity interest in Pace Cloud, the prospectus was approved by UKLA and the company brokers were ready to proceed with the placing. However, the directors and shareholders of Pace Cloud informed us they no longer wished to proceed with the transaction. Papillon is yet to receive a realistic proposal from Pace Cloud directors and shareholders as to how they intend to fulfil their legal obligations regarding the substantial transaction costs and substantial loan advances to them to date. Further, the Papillon Board of directors has determined that all assets and benefits arising from the terminated relationship with Pace Cloud will be spun off into a separate private entity owned by the existing shareholder base, contemporaneously with the transaction contemplated above.

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For further information visit <http://papillonholdingsplc.com> or contact the following:

Charles plc	Tatnall info@papillonholdingsplc.com	Papillon Holdings
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Susie Limited	Geliher info@stbridespartners.co.uk	St Brides Partners
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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR).

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