

18 February 2021

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

Transaction Update, Prospectus Submitted to FCA & Name Change Appointment of Broker & Appointment of European Financial Consultant

Papillon Holdings plc, the London listed investment company, is pleased to provide an update relating to the Company's agreement with Mayflower Capital Investments Pty Limited ('Mayflower') on the purchase of the Kilimapesa Gold Mine in Kenya ('Kilimapesa' or the 'Mine') (the 'Transaction') in addition to other corporate developments.

Highlights

- Prospectus submitted to the FCA relating to the application for re-admission of the Company's ordinary shares to the Official List by way of a Reverse Take Over and to trading on the Standard Segment of the Main Market of the London Stock Exchange (the 'RTO');
- Name change to Caracal Gold plc ('Caracal') to become effective on successful completion of the Transaction and RTO;
- Contemporaneous dual listing on the Frankfurt Stock Exchange and appointment of Deutsche Gesellschaft für Wertpapieranalyse GmbH ('DGWA'), a mining and resource focused European investment banking boutique, as European Lead Manager during the RTO process;
- Appointment of London-based Novum Securities as broker, bookrunner and placing agent to the Company in regards to the RTO and Transaction with immediate effect;
- Significant progress regarding approvals and due diligence for completion of the Transaction with Mayflower and between Mayflower and Goldplat plc;
- Approval processes for the acquisition of the Kilimapesa Gold Mine are also progressing well in Kenya, and;
- Strategy continues to advance as the Company seeks to become an established and profitable gold production company with multiple gold mining operations located in East Africa producing in excess of 50,000oz per annum and with JORC Compliant reserves and resources of +2Moz.

Papillon's executive director Charles Tatnall comments: *"As a team we are very pleased with the progress being made on the Transaction as well as the developments in the RTO*

process. The combined management teams of Papillon and Mayflower have worked extremely hard during the difficult conditions presented by the COVID-19 pandemic to assemble the documentation and submit a prospectus to the FCA and we expect that this process will be concluded in a timely manner in order for us to move forward with the RTO. We are excited to commence our journey as a London listed gold producing company, with a clear strategy to optimise operations and expand mineable resources at the operating Kilimapesa Gold Mine. I am pleased to report that the Mayflower team has achieved several gold pours at Kilimapesa in late 2020 and already in 2021, and we have an exceptional opportunity to materially enhance the Mine's production profile in the near term.

"Furthermore, we are delighted to be working with Novum Securities and DGWA to attract UK, European and German speaking investors to bring the future Caracal Gold investment opportunity to the UK and European capital markets. I was pleased to discover that Germany's gold demand per person is one the highest worldwide according to the World Gold Council and this has reinforced our decision to contemporaneously dual list on the Frankfurt Stock Exchange, to diversify our investor base and affirm our position as an emerging African gold producer with tangible output and expandable production capacity.

"The name Caracal Gold will be adopted upon completion of the RTO process and we feel fully reflects the Africa centric, gold focused approach we will be adopting as a company moving forward. I very much look forward to updating the market with updates regarding the Transaction and our upcoming RTO."

Further Information

Kilimapesa Gold Mine

Kilimapesa is an established, permitted and operating gold mine with current gold sales and successive gold pours in 2021. Operations recommenced in 2020 after a period of 18 months on care and maintenance following the remedy of several historic issues and the plant is now operating at record levels of two and a half to three times previous levels. Additionally, we have commenced underground mine operations which have resulted in higher grade ore now feeding the plant. Upon completion of the Transaction and the RTO, Caracal will hold an 100% interest in the producing Kilimapesa Gold Mine in Kenya which currently has a 671,446oz JORC Compliant resource and a well-defined mining optimisation strategy in process.

Novum Securities Limited

Novum acts as Corporate Broker to AIM-traded and Standard-listed companies. Novum have experience in acting for entities with market capitalisations of up to £250million and the firm is a private client broker to individuals seeking exposure to smaller capitalised growth companies.

Novum specialises in effectively and efficiently raising equity and debt capital from £250,000 to £25million from professional investors and institutions and also provides sales and trading services. The team is able to create a bespoke broking and funding package for every corporate client and takes pride in finding solutions within its network of PCBs, professional investors, VCTs, EIS funds, family offices and institutions.

DGWA

DGWA, the German Institute for Asset and Equity Allocation and Valuation, is a European investment banking boutique and financial markets consulting firm based in Frankfurt and Berlin, Germany. The management team have a 25-year track record in trading, investing and analysing SMEs around the world. DGWA has been involved in over 250 IPOs, financings, bond issues, dual listings, and corporate finance transactions as well as corresponding road shows and awareness campaigns.

DGWA will act as European Lead Manager during the RTO process to help facilitate dissemination into the German speaking markets, to diversify the Company's investor base in these markets and to generate interest within an investor base with a keen appetite for gold investments. Upon completion of the RTO and dual listing on the Frankfurt Stock Exchange, DGWA will operate as Papillon's Investor and Corporate Relations advisor in Europe.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

**** ENDS ****

For further information visit www.papillonholdings.com or contact the following:

Papillon Holdings plc Charles Tatnall / James Longley	info@papillonholdingsplc.com
Mayflower Capital Investments Pty Limited Gerard Kisbey-Green / Jason Brewer	info@mayflowercapinvest.com
Novum Securities Ltd (Broker) Colin Rowbury	crowbury@novumsecurities.com

St Brides Partners Ltd (Financial PR) Isabel de Salis / Charlotte Hollinshead / Cosima Akerman	info@stbridespartners.co.uk
DGWA, the German Institute for Asset and Equity Allocation and Valuation (European Investor and Corporate Relations Advisor) Stefan Müller / Katharina Löckinger	info@dgwa.org

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