

20 July 2021

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

Proposed Acquisition of a 100% interest in the Kilimapesa Gold Mine in the Republic of Kenya

Placing of 638,951,276 Ordinary Shares

Conversion of £1,588,038.03 of debt in Papillon Holdings plc into equity

Admission of 1,448,425,658 Ordinary Shares of £0.001 each to the Official List

(by way of Standard Listing under Chapter 14 of the Listing Rules)

and to trading on the London Stock Exchange's Main Market for listed securities

**Notice of General Meeting including a resolution to
change the name of the Company to Caracal Gold plc**

Papillon Holdings plc is pleased to confirm that its Prospectus (the 'Prospectus') has been approved by the Financial Conduct Authority (the 'FCA') and published today by the Company. The Prospectus relates to the readmission of the Company's ordinary shares to the standard listing segment of the Official List of the FCA and to trading on the Main Market for listed securities of the London Stock Exchange plc ('Readmission'), expected 23 August 2021 and contemporaneous dual listing on the Frankfurt Stock Exchange.

A copy of the Prospectus is available on the Company's website at www.papillonholdings.com or at www.caracalgold.com.

OVERVIEW

New Corporate Strategy – to solidify position as an emerging East African focused gold producer

- The Company aims to rapidly increase production to +50,000ozs per annum ('p.a.') and build a JORC compliant resource base of +3Moz within 12-18 months from readmission.
 - Advance a well-defined mine optimisation strategy at the Kilimapesa Gold Mine, where there is significant expansion potential and ability to increase gold production to 25,000oz p.a. and the resource to +2Moz.
 - Utilise experienced management team to acquire other complementary and strategically located gold mine and development projects in East Africa.

Compelling investment opportunity - revenue generative; robust sector; and strong team

- Raising £2.8 million (before expenses) by way of a Placing to build production at the Kilimapesa Gold Mine, support future growth including the acquisition of strategic assets, working capital and other general corporate purposes.
- The Company will trade under the name of Caracal Gold plc and its new ticker symbol will be GCAT
- Market cap on readmission circa £14.5 million
- Board changes to support new strategy
 - Simon Games-Thomas, Gerard Kisbey-Green and Robert McCrae to join the board whilst Lord Nicholas Monson and Anthony Eastman to step down
- General Meeting to approve the Resolutions in relation to, inter alia, the Acquisition, will be held on 13 August 2021

Charles Tatnall, Papillon CEO, said, *“Today marks another momentous step towards achieving our mission of establishing a strategic portfolio of African gold producing assets focussing on known and geologically proven gold projects and listing on the London Stock Exchange. Gold equities continue to perform, driven by several factors including financial and geopolitical uncertainties and low interest rates. We believe this trend will continue and that our timing to welcome new shareholders to our company is opportune. With a strong growth strategy and significant value-uplift potential, our team is excited to further advance current operations and look to acquire robust new assets to strengthen the portfolio in the months ahead.”*

Background & Transaction Summary

On 3 September 2020, the Company announced that it had signed a binding Heads of Agreement to acquire certain contractual production and exploration rights held by Mayflower Capital Investments Pty Limited (“Mayflower”) in gold assets located in Kenya and Congo Brazzaville. These rights are held by Mayflower through a special purpose vehicle, Mayflower Gold Investments Limited (“MGIL”), incorporated by Mayflower in the United Kingdom on 9 December 2020.

The Company will acquire 100% of the share capital of MGIL and the options that MGIL holds to acquire: (a) 100% of the share capital of KPGL, which holds a 100% interest in Kilimapesa and (b) a 70% joint venture interest in Congo Gold SARL (“CGL”) which holds a 100% interest in the Kakamoeka Gold Project (“Kakamoeka”), as follows:

1. Kilimapesa. Kilimapesa, which uses the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC), is an established gold mine and gold processing operation that offers immediate value to Papillon. Kilimapesa is located in Kenya approximately 230 kilometers west of Nairobi in the historically productive Migori Archaean Greenstone Belt.

Contemporaneously with Readmission, the Company will exercise its newly acquired option to acquire a 100% interest in Kilimapesa and, immediately thereafter, the Company intends to devote substantially all of its resources to the exploration and development of gold in Kilimapesa.

2. Kakamoeka. Kakamoeka, which includes four exploration licences covering over 3,000 square kilometres of the Mayombe Greenstone Belt located in Congo Brazzaville, provides the Company with further gold exploration and development opportunities.

On 6 January 2021 the parties amended their heads of agreement and on 25 March 2021, the Company and Mayflower supplemented their heads of agreement with a formal purchase agreement (the “Purchase Agreement”).

Papillon’s directors believe that securing a near-term gold asset, with significant upside from resource expansion and mine optimisation activities, represents a significant opportunity for Papillon’s stakeholders to gain exposure to the junior gold mining industry.

Strategy and Objectives following Readmission

The Company aims to build a position as an emerging East African focused gold producer with a clear path to grow production and resources both organically and through strategic acquisitions. Following Readmission, it aims to rapidly increase production to +50,000ozs per annum ('p.a.') and build a JORC compliant resource base of +3Moz within 12-18 months from listing.

To this end, the Company's initial focus is on the Kilimapesa Gold Mine where there is the potential to increase gold production to 25,000oz p.a. and the resource to +2Moz. Accordingly, having started mining operations (extraction and processing) in early 2021, a three-phase optimisation programme is underway to reach the full economic potential of Kilimapesa and the region granted by the mineral tenements:

- **Phase 1** – reach a production rate of 5,000oz of gold p.a. and increase the resource statement reported in accordance with the JORC (2012) Code and estimated (or based on documentation prepared) by a Competent Person as defined by the JORC (2012) Code to 1,000,000oz.
- **Phase 2** - increase production rate to over 10,000oz p.a. and utilise cash flow to undertake further exploration. Upgrading the current plant facilities during this phase will also enable steady and consistent production at higher levels. This phase is expected to be completed in a 6- to 12-month timeframe.
- **Phase 3** - explore new resources within the PL/2018/0189 remit as the established Kilimapesa site bears fruit and increase resource to +2Moz; the Directors believe this is achievable given the demonstrable history of the tenement. A feasibility study will also be undertaken to develop a larger mine to support production rates surpassing 25,000oz per annum. The construction and commissioning of a new (third) processing plant is also planned to commence, as well as further underground expansion of the existing mines. Phase 3 is expected to be completed in an 18- to 24-month timeframe.

Additionally, the Company aims to utilise its experience team to acquire other complementary and strategically located gold mine and development projects in East Africa.

Placing

The Company has raised gross proceeds of approximately £5,493,885 through the issue of 638,951,276 Placing Shares. The placing price has been completed in two rounds, comprising first round commitments of £2,686,885 and second round commitments of £2,807,000 that was completed at a placing price of £0.01 per share.

Admission & Dealings

As the Acquisition constitutes a Reverse Takeover under the Listing Rules, the London Stock Exchange will cancel trading in the Existing Ordinary Shares on the Main Market for listed securities, and the FCA will cancel the listing of the Existing Ordinary Shares on the standard listing segment of the Official List by 7.30 a.m. on 23 August 2021.

An application will be made to the FCA and to the London Stock Exchange for the Enlarged Share Capital to be admitted, to trading on the Main Market for listed securities and to listing on the standard listing segment of the Official List. It is expected that Readmission will become effective and that dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. on 23 August 2021.

Directors

On Readmission, the Board will consist of the following directors:

Simon Games-Thomas, Non-Executive Chairman

Simon has over 30 years' experience in the global financial and commodity markets. His career has involved extended periods in running trading operations in precious metals, base metals and agricultural products as well as having set up and run his own futures brokerage.

Simon also has significant experience in the financing of advanced exploration and development projects and mining operations in Africa, Asia and Europe using debt and commodity linked debt instruments. Simon held senior management roles in London, Sydney and Singapore for banks such as UBS, JP Morgan, Merrill Lynch, Rothschild and Lehman Brothers.

Simon is the founder and director of Pegasus. Since leaving banking he has founded a firm offering financing and risk management advice and re-structuring advice to corporates in Africa, South America and Australia. He is also a shareholder in a renewable energy start-up and establishing a commodity lending and trade finance fund.

Gerard-Anthony Kisbey-Green, Executive Director

Gerard has over 34 years of experience in the mining and related financial industry. After graduating as a Mining Engineer in South Africa, Gerard gained experience on South African mines, eventually working in various management positions for several large South African mining companies. During that time, he worked on gold, platinum and coal mines primarily in South Africa but also in Germany and Australia. Gerard then moved into the financial markets where he spent 17 years, the first 5 of which as a mining equity analyst on the Johannesburg Stock Exchange where he was rated amongst the top analysts in the Financial Times; annual rankings. He then moved into mining corporate finance and worked in South Africa for 5 years and England for 7 years for banks including JPMorganChase, Investec and Standard Bank.

Gerard has significant experience in IPO's, including in capital raisings, M&A transactions, and has worked with industry participants such Nomads, broker, and other advisors on deals that cover a diversity of commodities and geographic locations. On leaving the banking industry, Gerard became CEO of Peterstow Aquapower (SA), which is a mining technology company, and Director of Peterstow Holdings. Gerard then held the positions of President and CEO of Aurigin Resources, a Toronto-based private company focused on gold exploration in East Africa, between December 2012 and September 2018. He joined the Board of Goldplat plc in August 2014 as a Non-Executive Director and assumed the role of Chief Executive Officer of Goldplat Plc in February 2015—a position he held until April 2019. Gerard re-joined the Board of Goldplat plc in May 2020 as a non-executive Director. He is currently

working as a private consultant and is the Mining Lead for Sutton International Limited, a private company developing mining projects – primarily in Africa.

Robert Andrew McCrae, Executive Director

Robert has over 25 years' experience in the mining and exploration industry in Africa. Robert qualified with a BCom Economics and Financing from the University of Witwatersrand. He has been involved in the exploration, development and financing of projects in over 15 African countries across a broad range of commodities including precious metals, gemstones, base metal, bulk commodities and industrial minerals. He has managed both the development of these projects for both private and listed companies and has acted in roles of project owner as well as project/construction contractor. Mr McCrae was the founding shareholder of Mining Project Development Ltd, which owned the Zanaga Iron Ore Project in the Republic of Congo prior to its acquisition by Glencore.

Robert has held senior executive management positions with a number of Australian Securities Exchange listed mining and exploration companies, including CEO of Minbos Resources, which had several high-grade phosphate projects in Angola and the Democratic Republic of Congo and COO of Black Mountain Resources which operated a high-grade vermiculite mine and phosphate exploration project located in Uganda. He was also a founder of Luiiri Gold Limited, which explored and developed gold projects in Zambia and where he was also involved on the listing onto the Toronto Stock Exchange. Between 1994 and 2006, Mr McCrae was Director, Business Development of MDM Engineering (Pty) Ltd, an African focused natural resource contracting and process engineering companies in Africa, which was responsible for the construction of processing plants for a number of major gold and copper operations throughout Africa.

James Timothy Chapman Longley, Non-Executive Director

James is a chartered accountant whose career has been focussed on venture capital, private equity and building growth companies. His earlier career was with Arthur Andersen, Creditanstalt-Bankverein Merchant Banking and Touche Ross Corporate Finance. In 1990 he co-led the £10.5m management buy-in of The Wilcox Group, one of the UK's leading aluminium alloy tipping trailer manufacturers. He was also co-founder, director and chief financial officer of BioProgress Technology International, Inc., a VMS and drug delivery system developer using proprietary films, processes and formulations. It was a NASD quoted and regulated company from 1997 to 2002 and was subsequently listed on AIM. Mr Longley was also a co-founder, director and chief financial officer of PhotoBox Limited from 2000 to 2006, a company that then merged with its French counterparts, Photoways to create Europe's leading online photofinishing business. The group acquired Moonpig.com in 2011 which was recently separately listed on the LSE with a valuation in excess of £1.2 billion.

Mr Longley is currently a co-founder, director, chief financial officer and interim CEO of Plutus PowerGen plc, a company listed on AIM. He is also a director of Stranger Holdings plc, a standard listed company on the London Stock Exchange.

Charles Ronald Spencer Tatnall, Non-Executive Director

Charles is primarily involved in advising and raising funds for small and medium sized enterprises with varying business activities ranging from advising investment and family wealth companies to reviewing

investments and business opportunities together with the management of personal investments. Until 2005, he was consultant to Bolton Group plc, a UK-listed investment company, identifying and conducting due diligence on potential investment and acquisition opportunities from a broad range of industry sectors. These included natural resources, both exploration and production, electronic hardware and software, and biotechnology.

General Meeting

The General Meeting is to be held at the offices of MSP Secretaries Limited, Eastcastle House, 27/28 Eastcastle Street, London W1W 8DH on 13 August 2021 at 1.00 p.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing the resolutions contained therein.

Expected Timetable of Principal Events	2021
Publication of Admission Document	19 July
Latest time and date for receipt of votes by Proxy	11 August
General Meeting	13 August
Admission effective and dealings in the Ordinary Shares commence*	23 August
Expected date for CREST accounts to be credited in respect of new Ordinary Shares	23 August
Dispatch of definitive share certificates, where applicable	within 10 business days of Admission

* Assuming the Resolutions are passed at the General Meeting

Defined terms within this announcement shall have the meaning ascribed to them as set out in the Company's Prospectus dated 19 July 2021.

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:

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