



Caracal Gold – a shiny new star in East Africa

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After a turbulent year for gold so far, many commodity experts are bullish on the long-term outlook for the yellow metal – citing financial and geopolitical uncertainty topped off by the spectre of low interest rates – suggesting the recent price dip presents a ripe opportunity to snap up bullion.

Against this backdrop, an emerging East African-focused gold producer **Caracal Gold (CGAT:AIM)** joined the London Stock Exchange in late August 2021.

With a clear path to grow production and resources both organically and via strategic acquisitions,



Caracal's initial aim is to rapidly increase production to +50,000 ounces per year and build a JORC-compliant resource base of three million ounces within 12-18 months after listing. The company is named after the caracal cat native to Kenya, renowned as supreme and speedy hunters – in case you're wondering.

OFF TO A TIMELY START

To this end, Caracal is off to a very timely start with its first producing asset, the 100% owned Kilimapesa Gold Mine in Kenya, located in a historic gold mining region near Lake Victoria Goldfields. There is significant expansion potential and ability to increase the flagship asset's gold production to 25,000 ounces per year and lift the resource to more than two million ounces in the near term.

Following implementation of a mine optimisation strategy earlier this year, the Caracal team has proven it

possesses the requisite skills to hit these ambitious targets with production delivering steady growth. In addition, Kilimapesa's forecasted low AISC (all-in sustaining costs) plus strong operating margins from sales pay heed to the mine's unique appeal in a nation welcoming mining investment.

However, Kilimapesa is just the starting block; the Caracal team has big plans and is eyeing up several other strategically located operational and development projects in East Africa to build out the portfolio and create a formidable gold player in the region, where major players like Barrick Gold, AngloGold Ashanti and AIM-listed **Shanta Gold (SHG:AIM)** also operate.

EXPERIENCED TEAM

An experienced team on the ground is also key. Led by chief executive Robbie McCrae, the team has proven track records in successfully developing and

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operating mining projects throughout Africa.

Non-executive chairman, Simon Games-Thomas, has over 25 years' experience in trading and financing across a spectrum of commodity markets including metals with stints as managing director at UBS and JP Morgan, while Robbie McCrae has over 20 years' mining experience including the management of exploration, development, and financing of projects across 15 African countries for both private and listed companies.

The team also includes senior mining executives with extensive corporate, technical, and financial backgrounds in publicly listed companies, which should serve to mitigate investor concerns.

ESG is also to the forefront of Caracal's recipe for long-term success in East Africa and, in turn, should be regarded as an attractive proposition for green-leaning investors. Its approach to its flagship asset demonstrates the emerging gold player's commitment to operating transparently and responsibly in the region.

With strong community support and local stakeholder engagement, the operating mine will contribute to inclusive economic growth while operating in an environmentally sustainable

manner – ensuring that Kilimapesa's operations will have no adverse effects on natural resources or biodiversity in the region. It is also investing in community projects include the Mayflower Africa Foundation - helping improve young children's education, health, and wellbeing.

ENVIRONMENTAL INITIATIVES

Other environmental initiatives underway include planting trees in the locality to help capture carbon, prevent floods, and keep soil nutrients rich. Once the trees have grown sufficiently, Caracal also plans to launch a community beekeeping initiative and is working with the Maasai people to help eliminate foot and mouth disease through an extensive cattle dipping



programme. The London-listed company also supplies water and electricity to three local schools, drinking water for livestock at various locations and employs over 200 locals, providing on-the-job and off-training.

Caracal's share register boasts key UK and European institutions and retail investors, which pays heed to its compelling investment opportunity as a fast-growing East African gold player. Whilst its primary listing is in London, Caracal is dual listed on the Frankfurt Stock Exchange (Ticker: FSE: 6IK) and also anticipates listing on the Nairobi cross-listing via an introduction of its shares to the Growth Enterprise Market Segment of the Nairobi Securities Exchange.

This looks set to further enhance its international profile and ensure that it is well positioned to engage with a broad spectrum of UK, European and African-based funds, institutions, and investors.

In addition, funding is not an issue at present with circa £5.5 million already raised in two rounds, placing Caracal in a healthy cash position as it commences its gold producing journey in the heart of East Africa.

Caracal says: 'Given our progress to date and rapid advancements to follow, this fierce new cat on the block looks set to deliver on its golden promises.'

