

10 September 2021

Caracal Gold plc ('Caracal' or the 'Company')
Operations Update

Caracal Gold plc, the gold producer with operations in East Africa, is pleased to announce an update on operations at its producing Kilimapesa Gold Mining and Processing Operations in Kenya, where it is advancing a phased mine optimisation strategy.

HIGHLIGHTS

- Connecting mains power to the processing plant within the next eight weeks, dramatically reducing operating costs by approx. US\$100/oz and providing significant ESG benefits
- Continuing to increase processing plant throughput, with the redesigned plant operating more efficiently and at increased rates
- New Mine Plan being successfully implemented and supported by a strengthened geological team, which is gaining a deeper understanding of the structural geology
- Appointment of additional exploration geologist, who is expediting the Company's broader exploration plans at Kilimapesa, including commencement of an extended trenching programme ahead of two new RC and DD drills that have been acquired by the Company and are due to arrive on site this quarter
- Corporate Office opened in Nairobi and listing on the Nairobi Securities Exchange progressing
- Advanced negotiations on the potential acquisition of several previously identified, complementary and strategically located gold mine and development projects in East Africa

Robbie McCrae, CEO of Caracal, said, *"Having listed at the end of August 2021, we've hit the ground running across every aspect of our gold mining and exploration business. Excellent progress is being made at our flagship asset, the Kilimapesa Gold Mine in Kenya, where we are fast-tracking a mid-term optimisation plan focused on increasing gold production to 25,000oz p.a.*

"A key accomplishment has been the agreement to connect the plant to the grid power; not only does this deliver major cost savings and improved economics, but it also strengthens our ESG credentials given Kenya's advanced stance on the use of renewable energy. Additionally, our exploration programmes aimed at increasing our JORC compliant resources to +2Moz are also making headway, with initial trenching of shallow open pit areas initiated, the acquisition of our own RC and DD drills, and in-house drilling teams established to allow us to accelerate our exploration activities. Furthermore, discussions regarding the potential acquisition of previously identified major gold assets in East Africa are progressing at pace.

"We are delighted with the market reception since listing at the end of August and look forward to proactive engagement with shareholders as we rapidly advance our strategy of becoming a +50,000oz p.a. producer and building a JORC compliant resource base of +3Moz within 12-18 months across our East African focussed gold mining and exploration activities."

DETAILS

Since listing at the end of August 2021, the Company continues to build on its position as an emerging East African-focused gold producer, growing both production and resources organically and through strategic acquisitions. To this end, it is advancing a phased mine optimisation strategy at its first asset, the Kilimapesa Gold Mining and Processing Operations, where there is significant expansion potential and ability to increase gold production to 25,000oz p.a. and the resource to +2Moz in the mid-term.

As part of its optimisation strategy, the Company has signed an agreement to connect grid power to the processing plant; this is expected to be completed within the next eight weeks. Not only will this dramatically reduce its diesel consumption and operating costs by approximately US\$100/oz, but the connection will also provide significant ESG benefits given the electric power sector in Kenya relies largely on renewable energy sources such as hydropower and geothermal sources of energy.

Throughput at the mine is continuing to increase, with the redesigned plant operating more efficiently and at increased rates. Activities include:

- The commissioning of the screening plant in July, which is operating efficiently and is successfully screening previously low-grade material into 3 size fractions with the smaller 2 size fractions, which carry most of the grade, being processed directly through the mill;
- The commencement of construction of a test heap leach pad, following the successful recovery of gold from low-grade material in laboratory test work; a decision on construction of a full-scale heap leach pad will be made within next 90 days based on results from the test pad; and
- The completion of substantial improvements/upgrades to the mine laboratory, which can now handle all the assay work from sampling from the mine, the process plant and can complete all the sample prep for the samples that will come from the soon to be commenced drilling programme.

The Kilimapesa Underground Mine and the implementation of a new Mine Plan is also operating well, and is supported by the Company's strengthened geological team, which is gaining a deeper understanding of the structural geology and controls.

The Company remains committed to implementing its broad gold exploration programmes in Kenya and has further strengthened its geological team with the appointment of a highly experienced exploration geologist, who has extensive gold exploration experience in Kenya and is now expediting a new exploration programme. An initial trenching programme has begun across various targets within the Company's exploration licence and at the Kilimapesa Mine on the Company's Mining License. Additionally, the Company has acquired two new drill rigs (a RC - Reverse Circulation - and a DD - Diamond Drill rig), which will be shipped shortly to site with drilling expected to commence in Q1 2022. The acquisition of both of these drill rigs provides the Company with much increased flexibility and significant costs savings as it looks to accelerate its gold exploration activities in East Africa.

On the corporate front, the Company has opened an office in Nairobi and continues to advance a listing on the Nairobi Securities Exchange with its local broker, Faida Investment Bank. Furthermore,

discussions regarding several complementary and strategically located gold mining and development projects in East Africa, which the Company previously identified, are underway; further details will be disclosed as these advance.

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

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Notes

Caracal Gold plc is an emerging East African focused gold producer with a clear path to grow production and resources both organically and through strategic acquisitions. Its aim is to rapidly increase production to +50,000ozs p.a. and build a JORC compliant resource base of +3Moz within 12-18 months from its listing in August 2021. To this end, it is progressing a well-defined mine optimisation strategy at its 100% owned Kilimapesa Gold Mine in Kenya, where there is significant mid-term expansion potential and ability to increase gold production to 25,000oz p.a. and the resource to +2Moz (current JORC compliant resources of approx. 671,000oz). Additionally, its experienced team, with proven track record in successfully developing and operating mining projects throughout Africa, is reviewing other complementary and strategically located gold mine and development projects in East Africa.

Caracal is a responsible mining and exploration company and supports the positive social and economic change that it contributes to the communities in the regions that it operates. It is a proudly East African-focused company: it buys locally, employs locally, and protects the environment and its employees and their families' health, safety, and wellbeing.

Caracal's shares are quoted on the Main Market of the London Stock Exchange (LON: GCAT) and on the Frankfurt Stock Exchange (FSE: 6IK); a listing on the Nairobi Securities Exchange is underway.