

26 April 2021

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

Acquisition of the Kilimapesa Gold Mine – Transaction Update

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'). The completion of the Transaction is a key component of the Company's planned re-admission to the Official List by way of a Reverse Take Over ('RTO') and to trading on the Standard Segment of the Main Market of the London Stock Exchange and contemporaneous dual listing on the Frankfurt Stock Exchange.

Further to the announcement dated 26 March 2021, Papillon has been advised that Mayflower has now completed the acquisition of Kilimapesa Gold Pty Limited from Gold Mineral Resources ('GMR'), the AIM listed subsidiary of Goldplat plc ('Goldplat') (the 'Acquisition'). The Acquisition has been completed through Mayflower's wholly owned and UK incorporated subsidiary Mayflower Gold Limited ('Mayflower Gold') and has been brought forward ahead of completion of the planned RTO between the Company and Mayflower, and with the aim of reducing the overall transaction risk for Papillon's shareholders and the need for any additional extensions to the Transaction with Goldplat. Moving forward, the Acquisition allows Mayflower to proceed with planned capital investment activities and operational changes at Kilimapesa ahead of completing the RTO, that will further benefit Papillon shareholders through accelerated development and production timelines.

The Acquisition follows Mayflower completing a capital raising in early April 2021 of approx. US\$2.0m from European investors introduced through DGWA, the German Institute for Asset and Equity Allocation and Valuation, a mining and resource focused European investment banking boutique, which, upon completion of the RTO and dual listing on the Frankfurt Stock Exchange will operate as Papillon's Investor and Corporate Relations advisor in Europe (see announcement dated 18 February 2021). These funds are to be applied by Mayflower to the planned capital and working capital costs at Kilimapesa. As part of the RTO and Papillon's reinstatement, a further GBP2.5m is to be advanced from investors in the UK and Europe under the Company's existing mandates with DGWA, as European Lead Manager, and London-based Novum Securities as broker, bookrunner and placing agent in regard to the RTO.

Additionally, as part of the Acquisition, Mayflower has repaid the US\$150,000 advance made by GMR to Kilimapesa in September 2020, which was used along with an initial US\$350,000 of funding from Mayflower to recommence gold mining and processing operations at the mine.

Goldplat and Mayflower have confirmed to the Company that that all conditions precedent in respect of the Acquisition of Kilimapesa by Mayflower Gold have been either met or waived and that the sale of Kilimapesa is now complete.

Mayflower and Goldplat have specifically agreed to waive completion of the RTO as a condition to complete the Acquisition with the cash and share based consideration due to be made on the earlier of completion of the RTO and Papillon's reinstatement to trading on the London Stock Exchange under the proposed new name of Caracal Gold plc, or by 30 September 2021.

The Company continues to advance the RTO with its legal advisors and is looking to finalise the Prospectus which has been submitted to the FCA for review and which relates to the application for re-admission of the Company's ordinary shares to the Official List by way of the RTO and to trading on the Standard Segment of the Main Market of the London Stock Exchange.

Papillon's executive director Charles Tatnall comments: *"We are delighted with the excellent progress made including the accelerated acquisition of Kilimapesa, which significantly de-risks the Transaction for our shareholders. This progress is down to the efficiency of both teams' collaboration and takes us another step forward towards completing the RTO process. The focus for all parties is now on investment activities and operational changes on site at Kilimapesa given the accelerated development and production timelines. We look forward to providing shareholders with further updates on developments in due course regarding advancing the remaining necessary approvals ahead of finalising the Transaction and completing the RTO."*

Further Information

The Kenyan based Kilimapesa Gold Mine 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 continues to operate and gold sales are continuing under existing gold refining agreements in Europe. Additionally, underground mine operations have commenced, which have resulted in higher grade ore now feeding the plant. Upon completion of the Transaction and the RTO, Caracal Gold plc will hold an 100% interest in the Mine, which currently has a 671,446oz JORC Compliant resource and a well-defined mining optimisation strategy in process.

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.

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