

29 October 2021

Caracal Gold plc ('Caracal' or the 'Company')
Half Year Report

Caracal Gold plc, the gold producer with operations in East Africa, is pleased to announce its results for the six months ended 30 June 2021.

Chairman's Report

Caracal Gold PLC has achieved a full transformation in the first half of 2021, following the agreement by Papillon Holdings plc, the London listed investment company, to acquire the Kilimapesa Gold Mine in Kenya from Mayflower Capital Investments Limited during the period.

This 100% acquisition agreement paved the way for Papillon Holdings to delist from the London Stock Exchange (LSE) and planned re-admission to the Official List by way of a Reverse Take Over and trading on the Standard Segment of the Main Market of the LSE as Caracal Gold, which occurred post period in August, as did a contemporaneous dual listing on the Frankfurt Stock Exchange.

The transaction also allowed the newly formed Caracal to activate phase one of our strategy, namely, to become an established and profitable gold producer with multiple mining operations across East Africa, producing in excess of 50,000oz per annum with JORC Compliant reserves and resources of over 2Moz.

The matrix of benefits attached to our first gold acquisition are clear. Kilimapesa is an established, operating gold mine with current gold sales and successive gold pours in 2021. It comprises of the Kilimapesa Hill and the Red Ray deposits, both located close to the Kilimapesa Gold Processing Plant.

The mine restarted operations in 2020, operating at 2.5-3 times that of previous levels. Located on the historically producing Migori Archaean Greenstone Belt, Kilimapesa has a 671,446oz JORC Compliant resource and a well-defined mining optimisation strategy which is currently advancing.

It is also critical to note that the gold mine has significant expansion potential and underscoring the potential to increase gold production. With all the necessary mining permits and licences already in place, Caracal has a clear path to fast-track production at Kilimapesa and continue gold sales under existing gold refining agreements in Europe.

The acquisition of Kilimapesa, which is Caracal's flagship gold asset, allows the Company to not only gain a foothold into the highly prospective, yet underexplored, East African gold region but also build the starting block of our gold portfolio, which in the future, will include multiple assets located across the region, also home to Barrick Gold and AngloGold Ashanti.

With the stable gold price, forecasted low ASIC costs and strong operating margins, I look forward to updating the market again on the progress at Kilimapesa and on our wider portfolio strategy in East Africa.

Results for the period

For the period to 30 June 2021, the Company's results included the ongoing running costs of the Company including listing fees on the London Stock Exchange and other advisory costs.

Risks and uncertainties

The key risks that are specific to the enlarged group, that is, the Company together with MGIL and KPGL (which operates Kilimapesa), and the industry in which the group operates include:

- KPGL's current exploration and/or mining operations are dependent upon the grant, renewal or continuance in force of appropriate surface and/or subsurface use contracts, licences, permits and regulatory approvals and consents which may be valid only for a defined time period, may be subject to limitations and may provide for withdrawal in certain circumstances
- Changes to the current political and regulatory environment in Kenya or any other markets in which the group operates in the future may adversely affect the group
- the profitability of KPGL's operations and the cash flows generated by these operations are significantly affected by changes in the market price for gold as well as fluctuations in currency exchange rates
- KPGL's reported mineral resources and mineral reserves are reported in accordance with the Australasian Joint Ore Reserves Committee Code (JORC). There are numerous uncertainties inherent in estimating mineral resources, including factors beyond the control of the group. The estimation of mineral resources and mineral reserves, including the estimation of gold in particular, is a statistical process and the accuracy of any such estimation is a function of the quality of available data and of engineering and geological interpretation and judgement.
- KPGL contracts or leases services and capital equipment from third party providers. Such equipment and services can be scarce and may not be readily available at times and places required.

Going Concern

As stated in Note 1 to the condensed financial statements, the directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Responsibility Statement

We confirm that to the best of our knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year; and
- (c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Cautionary statement

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

Simon Games Thomas
Chairman

29 October 2021

CARACAL GOLD PLC
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Period ended 30 June 2021 GBP ('000) (unaudited)	Period ended 30 June 2020 GBP ('000) (unaudited)	Year ended 31 December 2020 GBP ('000) (audited)
Continuing operations		-	
Administrative expenses	(280)	(74)	(862)
Finance costs	(22)	(91)	(176)
Listing costs	(60)	(12)	(68)
Other income: interest received	-	12	32
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Loss before taxation	(362)	(165)	(1,074)
Taxation	-	-	-
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Loss for the period	(362)	(165)	(1,074)
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Loss per share – basic and diluted (pence)	(0.27p)	(0.125p)	(0.811p)
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CARACAL GOLD PLC
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share premium	Loan Note Equity Reserve	Retained earnings	Total
	GBP ('000)	GBP ('000)	GBP ('000)	GBP ('000)	GBP ('000)
Equity at 31 December 2019	132	602	22	(1,453)	(697)
Loss for the Period				(165)	(165)
Equity element of 10% convertible loan notes			(22)		(22)
Equity at 30 June 2020	<u>132</u>	<u>602</u>	<u>-</u>	<u>(1,618)</u>	<u>(884)</u>
Loss for period				(977)	(977)
Equity at 31 December 2020	<u>132</u>	<u>602</u>	<u>-</u>	<u>(2,595)</u>	<u>(1,861)</u>
Loss for period				(362)	(362)
Equity at 30 June 2021	<u><u>132</u></u>	<u><u>602</u></u>	<u><u>-</u></u>	<u><u>(2,957)</u></u>	<u><u>(2,223)</u></u>

CARACAL GOLD PLC
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2021 GBP ('000) (unaudited)	As at 30 June 2020 GBP ('000) (unaudited)	As at 31 December 2020 GBP ('000) (audited)
Assets				
Current assets				
Prepayments & other receivables	3	5	542	12
Cash and cash equivalents		15	10	-
Total Assets		<u>20</u>	<u>552</u>	<u>12</u>
Equity and Liabilities				
Share capital		132	132	132
Share premium		602	602	602
Loan Note reserve		-	-	-
Retained earnings		(2,957)	(1,618)	(2,595)
Total Equity		<u>(2,223)</u>	<u>(884)</u>	<u>(1,861)</u>
Current Liabilities				
Trade and other payables		1,798	936	1,423
Convertible loan notes		450	500	450
Total Liabilities		<u>2,243</u>	<u>1,436</u>	<u>1,873</u>
Total Equity and Liabilities		<u>20</u>	<u>552</u>	<u>12</u>

CARACAL GOLD PLC
INTERIM CONDENSED CASH FLOW STATEMENT

	Period ended 30 June 2021 GBP ('000) (unaudited)	Period ended 30 June 2020 GBP ('000) (unaudited)	Year ended 31 December 2020 GBP ('000) (audited)
Cash flows from operating activities			
Operating loss	(362)	(165)	(1,074)
(Increase)/decrease in trade and other receivables	7	(62)	468
Increase/(decrease) in trade and other payables	392	237	631
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Net cash flows from operating activities	37	10	25
Net cash flows from investing activities			
Interest			
Net cash flows from financing activities			
Interest paid on Loan Notes	(22)		
10% Convertible Loan Notes cash repayments	-	-	(25)
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Net increase in cash and cash equivalents	15	10	(25)
Cash and cash equivalents at the beginning of the period	-	-	-
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Cash and cash equivalents at the end of the period	15	10	-
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CARACAL GOLD PLC
NOTES TO THE UNAUDITED INTERIM CONDENSED REPORT

1. General Information

Caracal Gold Plc ('the company') is an operating gold mine and exploration company based in Kenya. The address of the registered office is 27-28 Eastcastle Street London W1E 8DN. The Company was incorporated and registered in England and Wales on 19 October 2015 as a private limited company and re-registered on 24 June 2016 as a public limited company.

2. Basis of preparation

This announcement was approved and authorised to issue by the Board of directors on 29 October 2021.

The financial information in this interim report has been prepared in accordance with the International Financial Reporting Standards. IFRS comprises standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU).

There are no IFRS, or IFRIC interpretations that are effective for the first time in this period that would be expected to have a material impact on the company.

The financial information has been prepared under the historical cost convention, as modified by the accounting standard for financial instruments at fair value.

The Directors are of the opinion that the financial information should be prepared on a going concern basis, in the light of the Company's financial resources.

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied by the Company in its audited financial statements for the period ended 31 December 2020 except as detailed below.

These condensed interim financial statements for the six months ended 30 June 2021 and 30 June 2020 have been prepared in accordance with International Accounting Standard No. 34, 'Interim Financial Reporting', are unaudited and do not constitute full accounts. The comparative figures for the period ended 31 December 2020 are extracted from the 2020 audited financial statements. The independent auditor's report on the 2020 financial statements was not qualified.

CARACAL GOLD PLC
NOTES TO THE UNAUDITED INTERIM CONDENSED REPORT

No taxation charge has arisen for the period and the Directors have not declared an interim dividend.

Copies of the interim report can be found on the Company's website at www.papillonholdingsplc.com.

Going concern

The directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

3. Prepayments and other receivables

	Period ended 30 June 2021 GBP('000) (unaudited)	Period ended 30 June 2019 GBP ('000) (unaudited)	Year ended 31 December 2020 GBP ('000) (audited)
Prepayments and other receivables	5	32	12
Other receivables – Pace Cloud Limited	-	510	-
	<u>5</u>	<u>542</u>	<u>12</u>

4. Earnings per share

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The calculation of basic and diluted earnings per share is based on the following figures:-

	Period ended 30 June 2021 GBP (unaudited)	Period ended 30 June 2020 GBP (unaudited)	Year ended 31 December 2020 GBP (audited)
Loss for the period	(361,928)	(164,927)	(1,074,311)
Weighted average number of shares – basic and diluted	132,400,000	132,400,000	132,400,000
Basic and Diluted earnings per share	<u>(0.273p)</u>	<u>(0.125p)</u>	<u>(0.811p)</u>

CARACAL GOLD PLC

NOTES TO THE UNAUDITED INTERIM CONDENSED REPORT

The basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation.

5. Share Capital

	As at 30 June 2021 GBP ('000) (unaudited)	As at 30 June 2020 GBP ('000) (unaudited)	As at 31 December 2020 GBP ('000) (audited)
132,400,000 Ordinary shares of £0.001 each	(132)	(132)	(132)

6. Reports

A copy of this announcement will be mailed to shareholders and copies will be available for members of the public at the Company's Registered Office 27-28 Eastcastle Street London W1E 8DN