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Caracal Gold plc ('Caracal' or the 'Company')
Q3 2021 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 ('Kilimapesa'), where it is advancing a phased mine optimisation and expansion strategy.

HIGHLIGHTS

- Funds raised from a listing on the London Stock Exchange in August 2021 being used to refurbish and upgrade processing plant at Kilimapesa as well as maintenance work plus ramp up underground mine development and purchase new mine equipment
- Underground mining operations during September 2021 focused on development of reef drive and new raises to open up new stoping areas to meet the planned increased level of run-of-mine ('ROM') production and the associated purchase of new underground equipment including rails and box fronts.
- Mining activities continued at the Bull and D Adits with ROM ore transported to the gold processing plant throughout September and work commenced on the re-opening and refurbishment of Adit B to access previously identified ore.
- Ongoing recapitalisation of the underground mining operations is progressing according to budget and remains on schedule to meet the planned increased level of ROM production.
- Gold processing plant feed levels tested at targeted rates and achieved levels of +700 tonnes per day ('tpd') during the month and averaged a record 492 tpd for September 2021.
- Plant availability during September 2021 was reduced as a result of the planned level of increased capital and maintenance work completed on the processing plant during the month.
- Ongoing optimisation of the gold processing plant to achieve steady state throughput of +700 tpd is progressing according to plan and is on schedule to achieve monthly gold production rate of 1,000oz at the end of Q4; these throughput levels will comprise up to 300tpd of high-grade ROM through the mill and up to 400 tpd of additional lower grade tailings through a new dedicated tailings treatment circuit.
- Gold sales of 569 ounces ('oz') achieved in September 2021, a 7.6% and 20.0% increase on gold sales recorded in August and July 2021, respectively.
- Operating costs of US\$985/oz were achieved in September 2021.
- Total costs of US\$1,694/oz were reported in September 2021. This includes the all-in sustaining costs and also the planned capital expenditures at the Company's underground mining operations and gold processing plant and acquisition of new equipment, purchase of increased stores and mine and plant consumables and exploration equipment. During this phase of replenishment, optimisation and capital investment total costs are not considered representative of the budgeted ongoing costs of the operations, which are expected to be more representative at the end of Q4.

- Exploration activities commenced in September 2021 following the appointment of additional new senior exploration personnel and the outright purchase of a reverse-circulation drill and a diamond drill that will be used in the Company's planned drilling programme.
- Exploration activities have already resulted in positive results, especially from the newly targeted Southern Mineralized Zone, where sample results of 40m at 4.85g/t gold including 7m at 7.6g/t from trench CART 0003 were recorded.

OUTLOOK FOR Q4 2021

- The major target for Q4 2021 is to achieve monthly gold production and sales of 1,000 oz.
- ROM production is forecast to continue to increase as the development of reef drive and new raises will open up additional stoping areas for mining.
- Optimisation work on the crushing and screening plant is also planned to be completed.
- Operating and total costs are forecast to reduce further and be in line with the Company's budget as it completes the planned upgrades and recapitalization work and as key developments such as the connection of the processing plant to the mains power grid is completed, which is expected to lower costs by US\$100/oz at current production levels.
- Exploration activities are forecast to increase with the arrival on site of the reverse-circulation drill and a diamond drill later this month.
- The Company's planned listing on the Nairobi Stock Exchange listing is expected to be completed during Q4.
- The Company's planned strategy to expand its gold exploration, development and production base in East Africa is expected to be progressed significantly following ongoing discussions on several potential acquisitions in the region.

Robbie McCrae, CEO of Caracal, said, *"Our successful London Stock Exchange listing and simultaneous capital raise has allowed us to plough ahead with an aggressive development plan at our flagship producing Kilimapesa Mine, which will double gold production to 1,000oz by the end of Q4 and strengthen our resources.*

"Accordingly, we are delighted with our recent achievements, including refurbishment and replacement of plant and equipment, replenishment of inventories, escalating production and increasing sales. We also advanced exploration activities to deliver exciting initial results including peak trench sample of 40m grading 4.85g/t gold including 7m at 7.6g/t. This programme will be ramped up with the arrival of reverse-circulation drill and a diamond drill later this month.

"Our growing team has settled in and getting used to the Company culture of rapid growth acceleration and cost reductions, which is Caracal's modus operandi for building a substantial gold portfolio in East Africa. Elsewhere, we are happy to report significant progress on our grid power conversion, improvements to the assay laboratories, and improved supply chain logistics. We look forward to reporting continued improvements at the end of the current quarter."

DETAILS

Since listing at the end of August 2021, the Company is rapidly progressing its strategy to establish itself as a key East African-focused gold producer by growing both production and resources at its Kilimapesa Gold Mining and Processing Operations and through strategic acquisitions in the region.

The Company believes that at its operating Kilimapesa Gold Mining and Processing Operations in Kenya, there is significant expansion potential and ability to increase gold production to 25,000 oz p.a. and the resource to +2 Moz in the mid-term.

Health and Safety

The Company reported zero Loss Time Injuries ('LTIs') during September 2021 with no LTIs reported since the Company commenced operations at the Kilimapesa Gold Mining and Processing Operations in September 2020.

Mining Operations

During the first month of operations since the Company's listing in London, equity funds were used to support increased underground mine development, purchase new mine equipment and complete further upgrades to underground services.

Underground mining and developments during September 2021 were principally at the established Bull and D Adits, where management recommenced mining in January 2021 having completed upgrades and refurbishment. Development of reef drive and new raises were completed allowing new stoping areas for the increased level of budgeted underground mining. Orders for new underground equipment including rails and box fronts were placed to meet the increased production levels as part of the planned expansion to underground mining activities.

As part of the planned expansion to mining activities, work commenced on the re-opening and refurbishment of Adit B to access previously identified ore. Once completed this will increase the number of production adits from 2 to 3 and will provide further flexibility to the Company's mining plan.

The recapitalisation of the underground mining operations during September 2021 progressed according to budget and remains on schedule to meet the planned increased level of ROM production later this current quarter.

Processing Operations

During the first month of operations since the Company's listing in London, equity funds were used to fund ongoing optimisation of the gold processing plant.

As a result of the increased level of the budgeted capital investment and maintenance work completed on the processing plant during the month, plant availability was reduced. Despite this, throughput levels were tested and able to achieve the targeted rates in excess of 700 tpd and for the month averaged a record 492 tpd through the ball mill and new dedicated tailings treatment circuit.

Work during the month was focused on optimisation and improvements at the crushing and screening plant and also at the elution plant. Additional equipment spares and increased levels of processing plant consumables were also purchased during the month to improve overall plant efficiencies.

During September 2021, the Company signed an agreement to connect grid power to the processing plant. The connection to grid power will significantly reduce diesel consumption at the processing plant. The reduction in diesel consumption is expected to reduce operating costs by approx. US\$100/oz. It will also provide significant ESG benefits given the power generation sector in Kenya is based largely on renewable energy including hydropower and geothermal.

Gold Sales and Costs

During September the Company recorded sales of 569 oz. All gold sales were completed under its refining contract in Switzerland.

Gold sales in September 2021 increased 7.6% and 20.0% increase on gold sales recorded in August and July 2021, respectively, which were achieved despite the high level of capital and maintenance work being undertaken at the Kilimapesa Gold Mining and Processing Operations.

Operating costs of US\$985/oz and total costs of US\$1,694/oz were achieved in September 2021.

The total costs included the all-in sustaining costs and also the planned capital expenditures at the Company's underground mining operations and gold processing plant and acquisition of new equipment, the purchase of increased stores and mine and plant consumables and exploration equipment.

During this phase of major capital investment by the Company, total costs are not considered representative of the budgeted ongoing costs of the operations, which are expected to be more representative at the end of Q4.

The Company has further applied funds raised from the listing to repay legacy and long-term local creditors that it assumed as part of the acquisition from Goldplat plc. This has resulted in an improved financial position for the Company's operations in Kenya.

Exploration

The Company remains committed to implementing its broad gold exploration programmes in Kenya and in East Africa. As part of this focus, during September 2021 the Company further strengthened its geological team with the appointment of a highly experienced exploration geologist, who has extensive gold exploration experience in Kenya.

The Company commenced a new exploration programme during the month on high priority targets on the newly targeted Southern Mineralized Zone ahead of the commencement of its planned reverse circulation and diamond drilling programmes later in the year.

The initial results of this programme were reported by the Company on 8 October 2021 and results included 40m at 4.85g/t gold including 7m at 7.6g/t from trench CART 0003 as well as individual samples of 1m at 15.08g/t; 1m at 14.09g/t and 1m at 12.89g/t in trench CART 0003 and 1m at 5.1g/t gold and 1m at 7.93g/t gold in trench CART 0001 and 1m at 8.24g/t gold in trench CART 0002 .

The initial trench lengths were all extended as intersections of gold mineralisation exceeded expectations and was seen to remain open in all directions. This trenching work is continuing and is planned to expose the southern contact of mineralisation across an initial strike length of 125m out of an approximate 7km of potential strike length

Additionally, the Company confirmed during the month that it had acquired two new drill rigs (a RC - Reverse Circulation - and a DD - Diamond Drill rig), which are due to arrive on site in Kenya later this month. The acquisition 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.

Corporate

The Company opened its representative office in Nairobi in September 2021 from which the majority of the corporate activities will be managed in conjunction with the operations office at the Kilimapesa Gold Mining and Processing Operation in the town of Lolgorien in Narok County.

The Company continues to advance a dual listing on the Nairobi Securities Exchange, with its local broker Faida Investment Bank and this is expected to be completed in the current quarter.

The Company's executive management and Board continued discussions with several parties regarding several possible acquisitions of complementary and strategically located gold mining and development projects in East Africa; the Company hopes to update the market further soon.

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.caracalgold.com or contact the following:

Caracal Gold plc Gerard Kisbey-Green Jason Brewer	info@caracalgold.com
Novum Securities Ltd Joint Broker Colin Rowbury	crowbury@novumsecurities.com

VSA Capital Ltd Financial Adviser and Joint Broker Andrew Raca / James Deathe	ipo@vsacapital.com
St Brides Partners Ltd Financial PR Isabel de Salis / Oonagh Reidy / Isabelle Morris	info@stbridespartners.co.uk
DGWA, the German Institute for Asset and Equity Allocation and Valuation European Investor and Corporate Relations Advisor Stefan Müller / Katharina Löckinger	info@dgwa.org

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.