

7 December 2021

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

Tanzanian Gold Project Acquisitions: Delivering on East African Gold Strategy

Caracal Gold plc, the gold producer with operations in East Africa, is pleased to announce that it has signed formal agreements to acquire a 100% interest in the advanced Nyakafuru Gold Project ('Nyakafuru') and secure a 75% interest in the Simba Gold Project ('Simba') (together the 'Projects'), both located in the world-class Lake Victoria Gold Fields in Tanzania.

The acquisitions will see the Company's attributable gold resources increase immediately to over 1.5Mozs, based on the addition of these advanced gold projects, which extend over 350km² and include 26 granted mining and prospecting licenses and 5 existing license applications - all of which are located in one of Africa's largest gold producing regions. East Africa is host to multiple +10Moz gold deposits and world class mines including Barrick Gold's Bulyanhulu Gold Mine and AngloGold's Geita Gold Mine.

The acquisitions are firmly in line with the Company's growth strategy of establishing itself as a major gold producer, mine developer and exploration company in East Africa.

HIGHLIGHTS

Nyakafuru Gold Project

- Nyakafuru has proven high-grade shallow gold resources contained within 4 deposits, and subject to extensive exploration and feasibility study work by ASX and LSE-listed Resolute Limited.
- Existing JORC gold resources of 0.7Mozs on 11 granted prospecting licenses with potential to increase to 1.1Mozs on the successful granting of existing mining and prospecting application.
- Resources and mining studies at Nyakafuru based on over 5,500 diamond, RC and DD holes for almost 200,000m of drilling carried out between 1992 and 2017.
- Historical drilling results at Nyakafuru's Voyager-Mentelle, Cullen and Leeuwin deposits include:

• 19m at 16.69g/t	12m at 9.1g/t	3m at 59.72g/t
• 20m at 10.29g/t	14m at 4.71g/t	46m at 3.3g/t
• 25m at 3.41g/t	20m at 3.25g/t	4m at 17.03g/t
• 13m at 29.89g/t	12m at 10.96g/t	16m at 2.07g/t
- Previous positive mine development studies based on the operation of shallow and conventional open-pit mining and gold processing operations.
- Management to fast-track additional resource drilling programs at Nyakafuru; update the JORC resource, reserve estimates and pit optimisations; and appoint a Projects Team to complete updated mine development studies.
- Low acquisition cost of US\$7.12/resource ounce with up-front cash payment of just US\$500,000 and majority of consideration payable in shares - on the achievement of key development milestones including increase of resources and completion of updated feasibility study.

Simba Gold Project

- Simba is located 25km northeast and along strike from the Nyakafuru Project and the Voyager-Mentelle, Cullen and Leeuwin deposits.
- Historical exploration and drilling work by ASX-listed Liontown Resources identified very broad, near-surface gold mineralisation.
- JORC compliant resources of 320,000ozs across 15 granted mining licenses and defined in 4 prospects with potential for a large gold system with multiple parallel lodes.
- Historical drilling results at Simba include:

• 62m at 2.4g/t	21m at 4.7g/t	74m at 1.8g/t
• 23m at 2.9g/t	86m at 1.7g/t	44m at 3.0g/t
• 54m at 2.6g/t	30m at 3.2g/t	27m at 2.8g/t
- Management to now complete additional resource definition drilling as part of a broader and consolidated exploration plan incorporating Simba into the Nyakafuru Project
- Low acquisition cost of US\$3.38/resource ounce with just a US\$275,000 cash payment up-front and majority of consideration then payable in shares and only on satisfaction of key development milestones being achieved including increase of resources to 750,000ozs

Robbie McCrae, CEO of Caracal, said, *“Caracal is committed to growing its gold mining business in East Africa and on the back of our existing gold production and exploration activities at the Kilimapesa Gold Mining and Processing Operations in Kenya, where we continue to look at increasing gold production along with gold reserves and resources.”*

“We are committed to Kenya and the broader East Africa region and as one of the largest gold producing countries in Africa, Tanzania offers many exciting opportunities; we are therefore delighted to have been able to proceed and sign formal agreements on the Nyakafuru and Simba Gold Projects, which have proven high-grade shallow gold resource and historical mining and development studies, that will allow us to accelerate their developments.”

“The previous exploration and development study work at Nyakafuru by Resolute is of a very high standard and the opportunity to rapidly develop the Voyager-Mentelle, Cullen and Leeuwin deposits as shallow conventional open pit operations is one we will be clearly focused on. The potential to increase resources at Nyakafuru with the additional 0.4Mozs, which is under current mining and prospecting license applications, is something we will progress in parallel.”

“Located just 25km north-east of Nyakafuru, the Simba Project is also an exciting gold project with a JORC resource of 320,000ozs with all indications that there is a very broad and shallow gold system with the potential for multiple parallel lodes. We are hoping therefore to incorporate Simba into the broader Nyakafuru development.”

“We are delighted to have made our first new gold project acquisitions as part of our growth strategy in East Africa. The acquisitions are strategically aligned to our existing gold operations in Kenya and our management team is excited by the prospects of accelerating our extended exploration and development activities in the Lake Victoria Gold Fields in Tanzania”

DETAILS

1. Background

The Company's gold strategy is clear and focused on establishing Caracal as a significant gold producer, mine developer and exploration company in East Africa. Management is focused on achieving this growth by increasing production and reserves and resources at its existing Kilimapesa Gold Mining and Processing Operations in Kenya and also through strategic acquisitions.

The Company believes it is well placed to deliver on this strategy with its management team located in East Africa and its existing extensive network throughout Africa identifying new gold project opportunities, seeking capital and partnerships, and a team on the ground that has already demonstrated an ability to re-start and successfully improve the performance of gold mining operations. The strong local presence and relationships that the Company has with stakeholders at all levels regionally provides a unique opportunity to secure access to highly attractive gold project opportunities.

The Company is therefore very pleased to have signed formal agreements to acquire a 100% interest in Nyakafuru and secure a 75% interest in Simba, both located in the Lake Victoria Gold Fields in Tanzania, one of Africa's largest gold producing regions. The Lake Victoria Gold Fields is host to several world-class deposits: Nyakafuru is just 60km from Barrick Gold's 18Moz Bulyanhulu Gold Mine, while Simba is 25km northeast of Nyakafuru and along strike, delivering potential future operational synergies.

JORC COMPLIANT RESOURCES – KILIMAPESA, NYAKAFURU AND SIMBA GOLD PROJECTS (100% BASIS)			
	Tonnes (Mt)	Grade (g/t)	Gold Ounces (ozs)
Kilimapesa Gold			
Measured	0.6	3.05	61,462
Indicated	1.3	2.85	123,190
Inferred	6.8	2.24	486,796
	8.7	2.40	671,446
Nyakafuru Gold (excl Nyakafuru Reefs)			
Indicated	8.1	1.69	435,634
Inferred	4.3	1.64	223,117
	12.3	1.67	658,751
Simba Gold			
Inferred	7.4	1.40	320,000
	7.4	1.40	320,000
TOTAL GOLD RESOURCES	28.4	1.91	1,650,197
Nyakafuru Reefs (under application)			
<i>Nyakafuru Total Resources</i>	3.5	3.56	400,488
TOTAL GOLD RESOURCES (incl Nyakafuru Reefs)	31.9	1.99	2,050,676

The Nyakafuru and Simba Projects have JORC compliant resources of 0.7Mozs and 0.32Mozs, respectively, and comprise of 15 granted mining and 11 granted prospecting licenses and extend over 350km². A further

three mining applications have been made in respect to Simba and one mining and prospecting licence application in respect to the Nyakafuru Reefs deposit at the Nyakafuru Project, which, if granted, would add a further 0.4Mozs - increasing the total resource at Nyakafuru to 1.1Mozs.

The Company will benefit from the extensive historic exploration work, RC and diamond drilling reserve and resource drilling programs plus pre-feasibility and feasibility study work completed on the Projects since the 1990s - predominantly by LSE and ASX-listed Resolute Limited at Nyakafuru and by ASX-listed Liontown Resources at Simba. The Company is also well placed to benefit from the established infrastructure in the Lake Victoria Gold Fields.

The Nyakafuru and Simba Projects will immediately increase the Company's JORC compliant resources to over 1.5Mozs and provide the Company with a very advanced gold development project at Nyakafuru and a significant strategic landholding in one of Africa's major gold mining regions. Total project resources will increase to +2Mozs following the granting of the Nyakafuru Reefs Mining and Prospecting License, currently under application.

2. Nyakafuru Gold Project

Nyakafuru is located in the Lake Victoria Gold Fields in the northern part of Tanzania and 140km by sealed road southwest of Mwanza, Tanzania's second largest city.

The Nyakafuru project benefits from excellent infrastructure and is located 60km from Barrick Gold's 18Mozs Bulyanhulu Gold Mine.

Nyakafuru comprises 11 prospecting licenses and one mining and exploration license that is under application, all of which are located within the Nyanzian System of the Lake Victoria Gold Fields in the northern part of the Archaean Tanzania Craton. The total project area is approx. approximately 280km².

The Nyakafuru Project has been the subject of modern exploration since the 1990s. There are four deposit areas with significant, previously reported high-grade shallow gold resources:

- Voyager - Mentelle
- Cullen
- Leeuwin - Grange
- Nyakafuru Reefs – application for license submitted

In addition, there are multiple other exploration targets, several with significant drill intercepts that have also been identified including:

- Nyakasaluma, Redgate
- Golden Hoe, West Reefs,
- Western Greenstone Contact
- Kakumbi, Mwangi Magi

There is considered to be good potential for further resource increases at Nyakafuru.

The Leeuwin, Grange, Cullen and Voyager and Mentelle deposits are all located on existing granted prospecting licenses, and mining and prospecting licence applications remain in process for the Nyakafuru Reefs deposit, which have not yet been granted.

JORC compliant resources of 658,751oz at 1.67g/t have been defined at the Leeuwin, Grange, Cullen and Voyager and Mentelle deposits and 400,488oz at 3.56g/t at Nyakafuru Reefs.

i. Voyager

Voyager is a shallow high-grade deposit.

Gold mineralisation is located on a north-south oriented shear and is associated with narrow shears, quartz tension veins and breccia zones that host significant amounts of disseminated to semi-massive pyrite and pyrrhotite.

Previous shallow drill results include:

- | | | |
|-------------------|----------------|----------------|
| ▪ 19m at 16.69g/t | 12m at 9.1g/t | 3m at 59.72g/t |
| ▪ 20m at 10.29g/t | 14m at 4.71g/t | 46m at 3.3g/t |
| ▪ 25m at 3.41g/t | 20m at 3.25g/t | 4m at 17.03g/t |

The high-grade gold mineralisation above the base of complete oxidation is hosted within highly weathered, haematitic basalt and clastic sediments with minor sulphide box works.

ii. Mentelle

Mentelle is another shallow and high-grade deposit located immediately west of Voyager.

Gold mineralisation is hosted within and on the contacts between steep NNE dipping basalt, clastic sediments and felsic porphyry units. High-grade oxide mineralisation up to 150m wide at the centre of the deposit is associated with weathered, haematitic basalt and clastic sediments.

Previous shallow drill results include:

- | | | |
|-------------------|-----------------|----------------|
| ▪ 13m at 29.89g/t | 12m at 10.96g/t | 16m at 2.07g/t |
| ▪ 3m at 6.38g/t | 5m at 2.98g/t | 4m at 3.56g/t |
| ▪ 3m at 4.70g/t | 8m at 2.72g/t | 4m at 2.53g/t |

The primary gold mineralisation is associated with stockworks of narrow quartz, calcite and pyrite veins.

iii. Nyakafuru Reefs

Currently under application and has yet to be granted.

Nyakafuru Reefs comprises near surface, multiple high grade veins identified within 11 reef structures with a combined strike length of +11km within an area of 4km². Historically, most of the work has been confined to just three of the reefs - 2E, 2W and 6 - with a combined strike length of approx. 1 km, from which the JORC resources were previously reported.

Previous high grade drill results included:

- | | | |
|-------------------|-----------------|-----------------|
| ▪ 13m at 4.19g/t | 11m at 6.79g/t | 10m at 15.98g/t |
| ▪ 24m at 10.29g/t | 17m at 12.97g/t | 11m at 9.1g/t |
| ▪ 3m at 93.39g/t | 11m at 9.78g/t | 10m at 6.51g/t |

If granted, Nyakafuru Reefs will add a further 400,488ozs of resources to the Nyakafuru Project.

iv. Nyakafuru Next Steps

There has been substantial historical development, mining and feasibility study work already completed on the planned development of Nyakafuru as a conventional open pit and CIL gold processing operation.

The Company has all of the previous technical and feasibility study reports and will look to now accelerate the advancement of the Nyakafuru Project towards development by undertaking the following:

- Additional resource drilling programs at Voyager-Mentelle, Cullen and Nyakasaluma.
- Update JORC resource and reserve estimates and pit optimisations.
- Appointment of Projects Team to complete updated development studies.
- Metallurgical drilling at Voyager-Mentelle, Cullen Leeuwin to provide samples for metallurgical test work including bulk density.
- Updated geotechnical and hydrogeology assessments.
- Commencement of environmental work program for environmental studies to international standards required for project financing.
- Progress application process for the Nyakafuru Reefs license area.
- Detailed engineering work for processing plant.
- Completed updated Development Study.
- Receipt of final regulatory approvals and permits.
- Commence site preparation works and mine construction.

Activities at Nyakafuru will commence in January 2022, following the appointment of Projects Team to complete updated new mine development studies and oversee the additional reserve and resource drilling programs planned.

3. Simba Gold Project

Simba is located 25km northeast and along strike from the Nyakafuru Gold Project.

Simba has a JORC compliant resource of 320,000ozs and the Company considers there to be major exploration upside. Four priority prospects have been identified, where broad, near-surface gold mineralisation has been intersected. The main lodes of mineralisation are over 1,000m strike, 800m width with significant growth potential and which remains open to the northeast.

Previous drill results included:

- | | | |
|-----------------|---------------|---------------|
| ▪ 62m at 2.4g/t | 21m at 4.7g/t | 74m at 1.8g/t |
|-----------------|---------------|---------------|

- | | | |
|-----------------|---------------|---------------|
| ▪ 23m at 2.9g/t | 86m at 1.7g/t | 44m at 3.0g/t |
| ▪ 54m at 2.6g/t | 30m at 3.2g/t | 27m at 2.8g/t |

As part of the Company's next steps at Simba, its geological team will complete additional resource definition drilling as part of a broader and consolidated exploration plan incorporating both the Nyakafuru and Simba Gold Projects.

4. Acquisition Terms

The Company has secured the interests in the Nyakafuru and Simba Projects at an overall cost of US\$5.95/resource ounce, well below typical gold exploration company valuations of between US\$25 and US\$50/resource ounce.

Up-front share and cash-based consideration totalling US\$3.75 million is due for both Projects, with just US\$775,000 payable on settlement of the acquisitions in cash and the US\$3.0M balance in shares, which will be subject to minimum 12-month lock-in provisions.

Further consideration is then only payable on satisfaction of key development milestones being achieved including material increases to project resources and on completion of an updated feasibility study - a consideration which is predominantly share-based.

The existing project owners of Nyakafuru and Simba have elected to accept the majority of the acquisition payments in shares due to their desire to be a part of the broader Caracal Gold Group and see significant value in the shares as both projects are advanced towards production.

i. Nyakafuru Project Acquisition Terms

The Company has now signed a binding Share Sale and Purchase Agreement with Tanzanian company, Tyacks Gold Limited ('Tyacks').

Tyacks is the registered holder of the granted prospecting licenses and licenses under application that make up the Nyakafuru Gold Project with assets also including an established exploration camp and administration offices.

Under the terms of the acquisition, Caracal will acquire 100% of the share capital in Tyacks from the existing Tyacks shareholders in return for an up-front cash payment of US\$500,000 and the issuance of US\$2.5m in ordinary shares in the Company that will be subject to minimum 12-month lock-in provisions.

Further payments will be made on the granting of the Nyakafuru Reefs license and confirmation of a minimum JORC compliant resource (up to US\$1.0m in cash depending on the resource and US\$1.75M in shares) and on completion of a positive updated Bankable Feasibility Study (US\$2.5M in shares). A 0.5% gross net smelter return royalty will also be payable to the existing Tyacks shareholders from future hold production.

The acquisition costs equate to US\$7.12/resource ounce, with cash payments representing only 18% of the total acquisition costs.

Approx. 70% of the acquisition costs are only due on satisfaction of key development milestones being achieved including the granting of the Nyakafuru Reefs license, an increase/confirmation of reserves and resources and on completion of an updated and positive feasibility study.

ii. Simba Gold Project

The Company has signed a binding Commercial Agreement with Tanzanian company, Shangaza Golden Group ('Shangaza').

Shangaza is the registered holder of the granted mining licenses and licenses under application that make up the Simba Gold Project.

Under the terms of the agreement, Caracal has secured a 75% commercial interest in the Simba Gold Project in return for an up-front cash payment of US\$275,000 and the issuance of US\$0.5m in ordinary shares in the Company that will be subject to minimum 12-month lock-in provisions.

A further issuance of US\$500,000 in value in shares will be made once the JORC compliant resource at Simba has increased from 320,000ozs to 750,000ozs and a final issuance of US\$500,000 in value in shares upon the commencement of gold production.

The acquisition costs equate to US\$3.38/resource ounce, with cash payments representing only 15% of the total acquisition costs.

5. Stand-alone Funding for Tanzania

The Company has elected to secure stand-alone funding in order to complete the acquisition of the Nyakafuru Project, secure its interest in the Simba Project and accelerate its planned exploration and mine development work in Tanzania.

The Company is pleased to confirm that it has agreed indicative terms for a £5.0 million secured working capital facility ('Facility') with a London-based institutional investor. The Facility remains subject to final due diligence and documentation and has been structured as an 18-month convertible loan note, with drawings made by the Company upon key milestones being achieved at the Nyakafuru Project. The Facility has terms and conditions that are standard for facilities of this nature and includes rights to convert into equity at a fixed share price.

Execution of documentation is anticipated to occur in early January 2022.

6. Issue of Equity

The Company has issued a total of 166,903,343 new ordinary shares, of which 70,000,000 new ordinary shares have been issued to consultants and service providers in respect to the Nyakafuru and Simba Projects and 96,903,343 for consultants and costs associated with the Kilimapesa Gold Mining and Processing Operations, including the issuance of shares to Goldplat plc, and the purchase of two drill rigs and associated equipment. The Company has also issued 41,725,836 warrants, with a strike price of 2.5pence and an expiry date of 31 December 2022.

7. Admission and Total Voting Rights

Following this issue of 166,903,343 new ordinary shares, which will rank *pari passu* with the Company's existing ordinary shares, the Company's enlarged share capital and total voting rights in the Company will comprise 1,615,332,001. The Company has no shares held in Treasury. This figure of 1,615,332,001 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

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:

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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.