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Caracal Gold plc ('Caracal' or the 'Company')
Move to Accelerate Expansion at Kilimapesa Gold Mine

Caracal Gold plc, the gold producer with operations in East Africa, is pleased to update the market on the Board's decision to now accelerate implementation of the final phase of its' initial three-phase operational plan to further increase gold production and improve efficiencies at its flagship Kilimapesa Gold Mining and Processing Operations in Kenya.

The decision to accelerate the third phase development activities at the Kilimapesa Gold Mining and Processing Operations and increase production to approx. 24,000ozs p.a. follows the successful completion of the first two phases of operational improvements and developments since listing in August 2021, and the Board's decision to implement further operational improvements to the mining, processing and administrative aspects of its gold producing operations.

Key highlights

- Accelerated development plan at the Kilimapesa Gold Mine and Processing Operations to now commence and implemented over the next 6-months.
- Run-of-mine (ROM) production from the existing open pit and underground mining operations already at levels to support a 100% increase in the milling circuit capacity from 500tpd to 1,000tpd.
- Further expansion to open pit and underground mining and development activities to commence to support the increased long-term sustainable production levels.
- Milling circuit expansion to be achieved through installation of the second ball mill (currently in Nairobi to be refurbished), the addition of new crushing and screening plant and upgrades to the thickeners, cyclones and installation of additional CIL tanks.
- Commencement of construction of a new heap leach plant operation, which will initially be loaded with approx. 40,000t of currently stockpiled low-grade material, and thereafter treat up to 10,000t of ore monthly from low-grade open pit and low-grade underground ROM feed.
- Upgrade, refurbishment and optimisation of the tailings retreatment plant from the current throughput levels of 500tpd to up to 1,000tpd and with a focus of increasing both gold recoveries and plant availability.
- Decoupling of the milling and the tailings retreatment plants to allow independent operation and optimisation work.
- Procurement and installation of a new gold elution plant to allow the increased levels of gold production to be smelted on site and the gold dore bars to be sold under the existing gold refining agreements.
- As part of the third phase operational plan further improvements in infrastructure and engineering services will be completed to support the greatly increased plant throughput and gold production levels.

- These changes and improvements follow experience gained from the initial two phases of expansion and optimisation work completed. ROM throughput, gold recoveries and production are forecast to create a much improved balanced production circuit, aimed at improving not only absolute production, minimising waste but also recovery levels and costs.
- Work on the detailed engineering design for the accelerated development plan has already commenced, with the appointment of an experienced engineering company to implement the works programs to be made following final site inspections to be undertaken later this week with the Company's newly appointed General Manager, Mr Riaan Lombard.

Chief executive of Caracal Gold Plc, Robbie McCrae, said:

"We are both encouraged and excited to move very quickly to the next phase of development and operational activities at our flagship project, which once completed, will see gold production achieve the targeted levels of approx 24,000oz pa.

"The decision to move to this next phase of development has been made significantly ahead of schedule and within the first 6-months of our stock exchange listing in London.

"The Board has supported and approved the accelerated development plan for our Kilimapesa Gold Mining and Processing Mine after having seen the successful implementation of the first two phases which have already delivered a significant increase in production from the open pit and underground mining operations and record levels of throughput through the processing plant.

"The next phase of development will be completed over approx. 6-months and will be completed by an experienced and competent engineering company overseen by our recently appointed new General Manger.

"We want to thank shareholders for their ongoing support and look forward to hitting the next milestones in our bid to become a major gold producer and new mine developer in East Africa."

DETAIL AND FURTHER BACKGROUND

1. 2022 – A Year of Planned Major Growth in Kenya

The Company has now embarked on an accelerated development plan for its Kilimapesa Gold Mining and Processing Operations.

The aim of this is to achieve monthly gold production to over 2,000ozs and annual production to approx. 24,000ozs. This increased level of gold production is largely already supported by the current ROM production from the underground mining operations and the shallow open pit operations that commenced in late 2021, which has justified the planned doubling in capacity in the milling circuit. The optimisation and refurbishment of the tailings retreatment plant and construction of new heap leach plant will further assist in increasing gold production levels.

It is proposed that the process plant upgrades and expansion works will implemented by an experienced and highly capable engineering company over a 6-month period. Final site inspections

are to commence this week in Kenya by the shortlisted engineering group and has been arranged to coincide with the arrival of the Company's new General Manager on site at the Kilimapesa Gold Mining and Processing Operations.

2. Milling Circuit

A 100% increase in the milling circuit capacity is now proposed with capacity increasing from the current from 500tpd levels to up to 1,000tpd.

This will be achieved through the installation of a second ball mill. This ball mill is already in Nairobi and refurbishment work will be completed. In addition, a new crushing and screening plant will be installed to feed the increased twin-ball mill capacity. Further upgrading work will be required to be completed on the thickeners and additional CIL tanks are to be installed.

Metallurgical testwork is ongoing in Germany to optimise the milling circuit.

3. Heap Leach Plant Construction

Construction of a new heap leach plant to treat up to 10,000tpm of lower grade material is to now commence. This follows preliminary design work and metallurgical testing completed in 2021.

Further metallurgical testing to allow recoveries to be optimised is currently underway in Germany.

An initial load of approx. 40,000t of low-grade material that is already stockpiled on site will commence in the next 4-months, and after which, up to 10,000t of ore monthly from low-grade open pit and underground ROM feed will be processed through the heap leach plant.

4. Tailings Retreatment Plant

It is proposed to complete a major upgrade and refurbishment of the tailings retreatment plant that is currently treating approx. 500tpd of material.

The upgrades were being completed to increase throughput at the tailings plant to up to 1,000tpd.

As a result of the refurbishment work, plant availability and gold recoveries are forecast to increase significantly.

5. New Elution Plant

The current elution plant at the Kilimapesa Gold Mining and Processing Operations will be unable to treat the increased levels of loaded carbon from the processing plant. As a result, a new more modern and more efficient gold elution plant is to be constructed on site.

The new elution plant will allow the planned increased levels of gold production to be smelted on site.

6. Infrastructure and Engineering Services

With the substantial increase in processing plant and tailings retreatment throughput, as well as the new heap leach plant, there is a requirement to substantially increase the Company's supporting engineering and infrastructure works. This will be completed in parallel with the expanded mining and processing plant construction activities.

7. Detailed Engineering Work and Site Inspections

Detailed engineering design for the work associated with the accelerated third phase of the development plan at the Kilimapesa Gold Mining and Processing Operations has already commenced and will be completed following the appointment of an experienced engineering company to implement the planned works programs. This appointment will be completed later this month.

This detailed engineering work will be advanced in the coming weeks and will include final site inspections of the process plant, underground and open pit mining operations and tailings storage facility and the associated mine and plant infrastructure.

The Company's newly appointed General Manager, Mr Riaan Lombard will oversee the implementation of the development operational plan, immediately following his arrival on site later this week.

SUMMARY

The Company is now accelerating the implementation of the final phase of its' initial three phase operational plan at its Kilimapesa Gold Mining and Processing Operations in Kenya.

The development and operational activities are forecast to increase annual gold production to approx. 24,000ozs and also improve operational efficiencies throughout the gold mining operation. The Company has strengthened its executive management team to support the increased level of activities and now looks forward to delivering on key production, costs and earnings milestones in 2022.

****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.