

9 February 2022

Caracal Gold plc ('Caracal' or the 'Company')
Q4 2021 Operations Update

Caracal Gold plc, the gold producer with operations in East Africa, is pleased to announce an update on its operations and exploration activities in East Africa for the quarter ended 31 December 2021 - specifically at its producing Kilimapesa Gold Mining and Processing Operations in Kenya and recently acquired Nyakafuru and Simba advanced gold projects in Tanzania.

HIGHLIGHTS

Corporate Highlights

- Exceptional health and safety record continues with zero Lost Time Injuries ('LTI's') during the quarter and no LTI's since the Company commenced operations at the Kilimapesa Gold Mining and Processing Operations ('Kilimapesa') in September 2020.
- Prospecting Licence PL/2018/0189, which surrounds the Company's Mining Licence and current gold production facilities at Kilimapesa was renewed during the quarter for a further three years by Kenya's Ministry of Petroleum and Mining.
- The Prospecting License forms part of the Company's broader exploration and development activities at Kilimapesa, and totals 55.3km² - 62 times larger than Kilimapesa's Mining Licence and is integral to the Company's long-term exploration and development plans in Kenya and key to increasing current resources to +2-3Mozs over the next 18 months.
- Formal agreements were signed by the Company during the quarter to acquire a 100% interest in the advanced Nyakafuru Gold Project ('Nyakafuru') and secure a 75% interest in the Simba Gold Project ('Simba') - both located in the world-class Lake Victoria Gold Fields in Tanzania.
- The acquisitions saw the Company's attributable gold resources increase to over 1.5Mozs during the quarter, based on the addition of the two advanced gold projects to the Company portfolio, which extend over 350km² and includes 26 granted mining and prospecting licenses and 5 existing license applications.
- Previous positive mine development studies already completed at Nyakafuru 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 and update the JORC resource, reserve estimates and pit optimisations; and appoint a Projects Team in 2022 to complete updated mine development studies.
- Low acquisition cost of US\$5.95/resource ounce for both the Nyakafuru and Simba Gold Projects with low up-front cash payment with the majority of the acquisition costs payable in shares on the achievement of key development milestones, including boosting resources and completing updated feasibility study.
- Post quarter, the Company announced (refer RNS dated 13 January 2022) the strengthening of its executive management team with the appointment of Mr Riaan Lombard as General Manager of Kilimapesa and Project Director of Tanzania, and Mr Paul Reeves as Chief Financial Officer.

Gold Operations Highlights

- Record ROM ore production achieved at Kilimapesa for the quarter, with 38,351t of ore produced from both the underground operations and open pit operations.
- Monthly ROM ore production at Kilimapesa increased by 34% over the October to December quarter as the mine expansion program continued to be implemented, and primarily as a result of the commencement of open pit operations, contributing almost 50% of total ROM production.
- A record 51,732t of ore was processed through both the CIL Plant and the Tailings Retreatment Plant at Kilimapesa during the quarter.
- Monthly tonnes processed through the CIL Plant and the Tailings Retreatment Plant increased by 55% and 66%, respectively, in Q4 - as a direct result of the continued expansion and optimisation work program being implemented.
- Record ROM production of 24,733t was processed through the CIL Plant during the quarter, with the balance of 18,500t of low-grade material stockpiled on site in preparation of processing through a new Heap Leach Plant Operation, due to start production in 2022.
- As quarter end, low-grade ROM stockpiles stood at 25,746t at 1.5g/t and the mill skats stockpile at 5,547t at 2.30g/t, both of which are to be treated in the new Heap Leach Plant.
- A further approx. 6,000t of stockpiled material in wood chips grading 6.30g/t was also recorded at the end of the quarter and is to be treated during Q2 2022. This stockpile is to increase by approx. 600t per month.
- Total gold in stockpiles at the end of the quarter was reported at 2,919ozs.
- Average grade of material treated through the CIL Plant of 2.19g/t, and through the Tailings Retreatment Plant of 1.21g/t, was achieved during the quarter.
- Gold on carbon of 2,088ozs was achieved in Q4 (570ozs October, 646ozs November and 872ozs December) and increased by 86% quarter-on-quarter - as a direct result of the increase in tonnes mined and processed at Kilimapesa.
- Average gold recoveries for the CIL Plant and Tailings Retreatment Plant during the quarter were 80% and 52%, respectively.
- The Company successfully demonstrated its ability to operate Kilimapesa at the production, throughput, grade and recovery levels necessary to achieve the Phase 2 operational monthly gold production target rates of 1,000ozs per month, achieved in December 2021.
- Gold sales during the quarter totalled 1,047ozs, with the Company electing to hold back on smelting of gold dore late in the quarter, as a result of its gold refinery being closed in late December and to complete further upgrades and expansion work to the gold elution plant to enable the smelting of a significant increase in gold production.
- Operating costs of US\$960/oz were achieved in the final quarter - marking a 3% reduction in operating costs of US\$985/oz, achieved in September 2021.
- The Company completed the switching over of power supply at the processing plant from diesel power generation to national grid power. The transition is anticipated to provide major costs savings at Kilimapesa, estimated at US\$100/oz at current production rates.
- Post quarter end, the Company announced (refer RNS dated 3 February 2022) its decision to accelerate implementation of the final phase of its' initial three-phase operational plan to increase monthly gold production by 100% to 2,000ozs and improve efficiencies at Kilimapesa.

- The decision to accelerate the third phase development activities at Kilimapesa followed the strong operating performance during the quarter and the demonstration of Kilimapesa's capability to deliver and process ore at rates in excess of that required to meet monthly gold production rates of 1,000ozs.

Gold Exploration Highlights

- During the quarter, the Company provided an update on initial shallow trenching program on high priority targets on the newly targeted Southern Mineralized Zone, which reported a peak trench sample result of 40m at 4.85g/t gold, including 7m at 7.6g/t from trench CART 0003.
- Trenching work continued in the first half of the quarter and exposed the southern contact of mineralisation in the trenches across an initial strike length of 125m out of an approximate 7km of potential strike length of the Southern Mineralized Zone.
- The Company commenced an initial 3,000m diamond drilling ('DD') and 10,000m reverse circulation drilling ('RC') program at Kilimapesa during the quarter. This followed the arrival of the Company's two drill rigs in Kenya early in the quarter.
- The drilling programs have continued through the quarter, which are ongoing and focused on rapidly increasing the current JORC compliant resource of approx. 670,000oz to +1.5Moz at Kilimapesa.
- Results from the drilling programs are expected to be announced during the current quarter and an updated Reserve and Resource statement to be released later in 2022.

OUTLOOK FOR THE NEXT QUARTER

- The Company will commence the accelerated development plan at Kilimapesa in the current Q1 2022 (refer RNS dated 3 February 2022).
- As part of this plan, further expansion to the open pit and underground mining and mine development activities will commence to ensure the ROM production can support a 100% increase in the milling circuit capacity from 500tpd to 1,000tpd.
- Work on the milling circuit expansion will also commence through installation of the second ball mill, which is currently in Nairobi and scheduled to be refurbished. In addition, work on the new crushing and screening plant and upgrades to the thickeners, cyclones and installation of additional CIL tanks will also commence.
- Following further metallurgical testwork in Germany, which is ongoing, the Company will commence construction of a new heap leach plant operation. Approx 40,000t of stockpiled low-grade material will be the initial feed to this operation, after which approx. 10,000t of low-grade material ROM production is proposed to be processed monthly.
- The Tailings Retreatment Plant will also be subject to further upgrades and refurbishment work to increase throughput to up to 1,000tpd, and will be further decoupled from the milling circuit, to allow further optimisation work to be completed.
- Procurement of a new gold elution plant will commence and installation later in Q2 2022, which will allow the increased levels of gold production to be smelted on-site.
- Detailed engineering design work for the accelerated development plan has commenced and will continue through Q1 2022.
- The appointment of an experienced engineering company to implement the works programs of the accelerated development plan will be made in Q2 2022.

- Initial assay results from the DD and RC drilling at Kilimapesa are also to be released in Q1 2022 from the DD drilling, which has commenced 400m to the east of active underground mining and opencast pit operation at Kilimapesa, and intended to confirm the mineralization strike extent.
- Work is also to continue on the Company's planned listing on the Nairobi Stock Exchange listing, expected to be completed during Q2 2022.
- The Company expects to receive further regulatory approvals in respect to its acquisition of the advanced Nyakafuru and Simba Gold Projects in Tanzania, and management will be on site later this quarter to commence activities in country.

Robbie McCrae, CEO of Caracal, said,

"Caracal is 100% committed to growing its gold mining business in East Africa and the past quarter has been one of us walking the walk as we fulfil our East African growth ambitions.

"We have successfully demonstrated our ability during this past quarter to upgrade and improve our existing gold production and mine expansion activities at Kilimapesa in Kenya. At the same time, we have acquired game-changing gold projects in Tanzania, the Nyakafuru and Simba Gold Projects, which have proven high-grade shallow gold resources and historical mining and development studies, allowing us to accelerate their developments.

"Our gold strategy is firmly focused on establishing Caracal as a significant gold producer, mine developer and exploration company in East Africa. Our recently strengthened 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 through strategic acquisitions, as evidenced with our recent transactions in Tanzania.

"Operationally, at Kilimapesa we have reported record ROM production and plant throughputs, and demonstrated that the operation has the ability to achieve targeted gold production rates of 1,000ozs per month, achieved in December 2021. As a result of this, I was very pleased to recently announce our decision to accelerate the implementation of the final phase of our initial three-phase operational plan, to further increase monthly gold production by 100% to 2,000ozs.

"The next phase of our expansion at Kilimapesa will require further investment into our operation and into the almost 500 employees currently on site and I look forward to working with the expanded team and with all our stakeholders and shareholders in growing this business further and achieving the growth and returns we are all looking for."

DETAILS

During the Quarter the Company continued to focus on 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.

Mining Operations

Key mining statistics for the Quarter included:

| | |
|---|---------|
| ▪ Underground ore tonnes blasted | 31,656t |
| ▪ Underground ore trammed | 32,232t |
| ▪ Underground development metres advanced | 667.4m |
| ▪ Underground ore delivered to processing plant | 21,182t |
| ▪ Open pit ore delivered to processing plant | 17,169t |
| ▪ Total ROM ore delivered to processing plant | 38,351t |

Over the quarter, monthly ROM ore production at Kilimapesa increased by 34%, with ROM production in October of 11,467t increasing to 15,350t in December. The increase and record levels of ROM production is attributable to the ongoing mine expansion program and commencement of open pit mining operations.

Processing Operations

Key processing statistics for the Quarter included:

| | |
|--|--------------------|
| ▪ CIL Plant material processed | 31,656t |
| ▪ Average CIL Plant gold recovery | 80% |
| ▪ Tailings Retreatment Plant material processed | 32,232t |
| ▪ Average Tailings Retreatment Plant gold recovery | 52% |
| ▪ Total gold recovered | 2,088ozs |
| ▪ Low-grade ore stockpiles | 25,746t at 1.50g/t |
| ▪ Wood chip stockpiles | 6,000t at 6.30g/t |
| ▪ Mill skat stockpiles | 5,547t at 2.30g/t |
| ▪ Total gold in stockpiles | 2,919ozs |

Gold Sales and Costs

During the Quarter the Company recorded sales of 1,047ozs. All gold sales were completed under the Company's gold refining contract with its refiner in Switzerland.

Gold sales during the quarter were limited as a result of deliveries to the gold refinery impacted by the holiday season and the further upgrade and optimisation work completed on the gold elution plant during the final quarter. This work on the gold elution plant was required given the significant increase in gold on carbon being delivered from the processing plant and planned going forward.

Gold sales in the current quarter and throughout H1 2022 will benefit from increased levels of gold elutions and gold sales, as a result of the high levels of gold-in-circuit at the end of the quarter.

Key cost statistics for the quarter included:

| | |
|--|----------------------------------|
| ▪ Mining costs (incl. tailings purchase/ delivery) | US\$42.72/tonne of ore |
| ▪ Processing Plant costs | US\$23.87/tonne of ore processed |

- Total operating costs US\$960/oz

The Company continues to use its existing cash balances and cashflow from operations to fund its ongoing mine and processing plant expansion and optimisation programs and additional exploration and reserve and resource expansion drilling programs at Kilimapesa.

Exploration

The Company has committed to a major gold exploration program in Kenya to increase reserves and resources at Kilimapesa in order to support its planned major increase in gold production.

During the quarter the Company commenced an initial 16 hole, 3,000m DD program on the Mining License at Kilimapesa and a more regional 10,000m RC program on the broader Prospecting License, on the recently identified Southern Mineralised Zone and other identified targets. The aim of the drilling programs is to rapidly increase the current JORC compliant resource at Kilimapesa from the approx. 670,000oz to +1.5Moz, in order to support and a significantly larger gold mining operation.

Initial assay results from the drilling programs are expected to be announced in the current quarter and the Company is proposing to release an updated Reserve and Resource statement later in 2022.

Corporate

The Company achieved a number of major corporate milestones during the Quarter.

a. Tanzania Gold Project Acquisitions

The Company announced during the quarter (refer RNS dated 7 December 2021) that it had signed formal agreements to acquire a 100% interest in the advanced Nyakafuru Gold Project and a 75% interest in the Simba Gold Project, both of which are located in neighbouring Tanzania and in the world-class Lake Victoria Gold Fields which is host to multiple +10Moz gold deposits and major gold mines including Barrick Gold's Bulyanhulu Gold Mine and AngloGold's Geita Gold Mine. The acquisitions of these gold projects is 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.

As a result of the two acquisitions, the Company's attributable gold resources increase immediately to over 1.5Mozs, and extending the Company's strategic landholding to over 350km² and included 26 granted mining and prospecting licenses and 5 existing license applications.

The Company's Board believes that these acquisitions will add significant value to the Company and its shareholders.

b. Kilimapesa Prospecting License Renewal and Extension

During the quarter, the Company also announced that its Prospecting Licence, PL/2018/0189, which surrounds the Company's Mining Licence at Kilimapesa, renewed during for a further three years by Kenya's Ministry of Petroleum and Mining.

c. Strengthening of Executive Management

Post quarter end, the Company announced (refer RNS dated 13 January 2022) the strengthening of its executive management team with the appointment of Mr Riaan Lombard as General Manager of Kilimapesa and Project Director of Tanzania and Mr Paul Reeves as Chief Financial Officer.

The Company believes that these two key appointments further strengthen the management capabilities at Kilimapesa and at the corporate level as it continues to implement and deliver on its growth strategy in East Africa.

d. Dual Listing on the Nairobi Securities Exchange

The Company continues to advance a dual listing on the Nairobi Securities Exchange, with its local broker Faida Investment Bank. A Listing Statement, to be approved by the Nairobi Securities Exchange, is being prepared to allow the dual listing to proceed and which is expected to be completed in the next quarter.

e. Option to Acquire Kakamoeka Gold Project

As a result of the acquisitions during the quarter of the Nyakafuru and Simba Gold Projects in Tanzania, the Company has elected not to exercise its option to acquire the Kakamoeka Godk Project in the Republic of Congo.

f. Broker Research

Broker research was released by VSA Capital Limited during the Quarter and included an update following the Company's announcement on the acquisition of the Nyakafuru and Simba Gold Projects in Tanzania.

Post quarter end, further research on the Company was published by Align Research Limited.

All broker and research reports can be accessed from the Company's website:

<https://caracalgold.com/investors/brokers-research/>

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/ Pascal Wiese | +44 (0)20 3005 5000 |
| 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.