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LETTER FROM THE CHAIRMAN OF CARACAL GOLD PLC

(Incorporated in England and Wales with registered number 09829720)

Directors

Simon Grant-Rennick

Robbie McCrae

Stefan Muller

Registered Office:

27/28 Eastcastle Street

London

W1W 8DH

11 September 2023

Dear Shareholder,

1. Introduction and background

On 15 May 2023 the Company announced that it submitted the first draft of the prospectus to the FCA for approval on 18 April 2023. On 4 August 2023 we confirmed that the Company was working with its advisers to seek approval of the prospectus by the FCA and proposed to update the market in due course.

I am writing to you to tell you that we are seeking your permission to renew the Directors' authority to allot shares in the Company, as set out in further detail below.

We consider this necessary to allow the Company to raise further funds to support its operations and also, should the Board think it necessary, to issue the shares in lieu of cash payments to creditors which will allow the Company to preserve its cash position.

2. General Meeting

The following resolutions shall be proposed (the "Resolutions"):

- Resolution 1, the purpose of this Resolution is to renew the Directors' authority to allot shares. Section 551 of the Companies Act 2006 provides that the Directors may not allot new shares (other than for employee share schemes) without shareholder approval. This Resolution proposes that new authority be granted in substitution of all other existing authorities, to allot securities up to an aggregate nominal amount of £1,068,376.08.

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- Resolution 2, This resolution will, if passed, give the directors power, pursuant to the authority granted by resolution 1, to allot equity securities (as defined by section 560 of the Act) or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings in relation to pre-emptive offers and offers to holders of other equity securities if required by the rights of those securities.

You will find set out at the end of this document a Notice convening the Annual General Meeting to be held at the offices of 4.45pm on Friday, 6 October 2023 at DMH Stallard LLP, 6 New St Square, New Fetter Ln, London EC4A 3BF. Resolution 1 and 2 to be proposed at the General Meeting will be proposed as ordinary and special resolutions respectively and, in order to be passed, will require the approval of more than 50 per cent and 75 per cent. or more respectively of Members entitled to vote, by proportion of holdings, at the General Meeting, whether in person or by proxy. All Shareholders are entitled to attend and vote at the General Meeting.

A summary of the action you should take is set out in the Form of Proxy that accompanies this letter.

Any Shareholder needing assistance with the completion of his/her Form of Proxy or transmission of a CREST Proxy Voting Instruction should contact the Registrar on 01252 821390 or, if calling from overseas, on +44 (0) 1252 821390. Lines are open 9.00 a.m. to 5.00 p.m. (London time), Monday to Friday (except UK public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Registrar cannot provide advice on the merits of the Resolutions or give any financial, legal or tax advice.

3. **Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting

Simon Grant-Rennick
Chairman