Caledonia Mining Corporation Plc

Quarterly Results Presentation

Q1 2019

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Introduction

1. **Strategy update**
2. **Q1 2019 Financial Results**
3. **Operating Review**
4. **Current operating challenges and planned mitigating actions**
5. **Outlook**

Strategy

Increase in free cash flow to grow dividends and invest in further growth

Medium Term (2019 – 2022): Complete the Central Shaft Project

1. Increase annual production capacity to 80,000 ounces per annum*
2. Increased cash flows due to higher production, lower unit costs and reduced capex
3. Continued deep level exploration to extend the life of mine beyond 2034
4. Blanket is expected to be able to generate significant free cash flow from 2021 onwards

Longer term (post 2022): Deploy surplus cash flow to increase dividends and fund growth

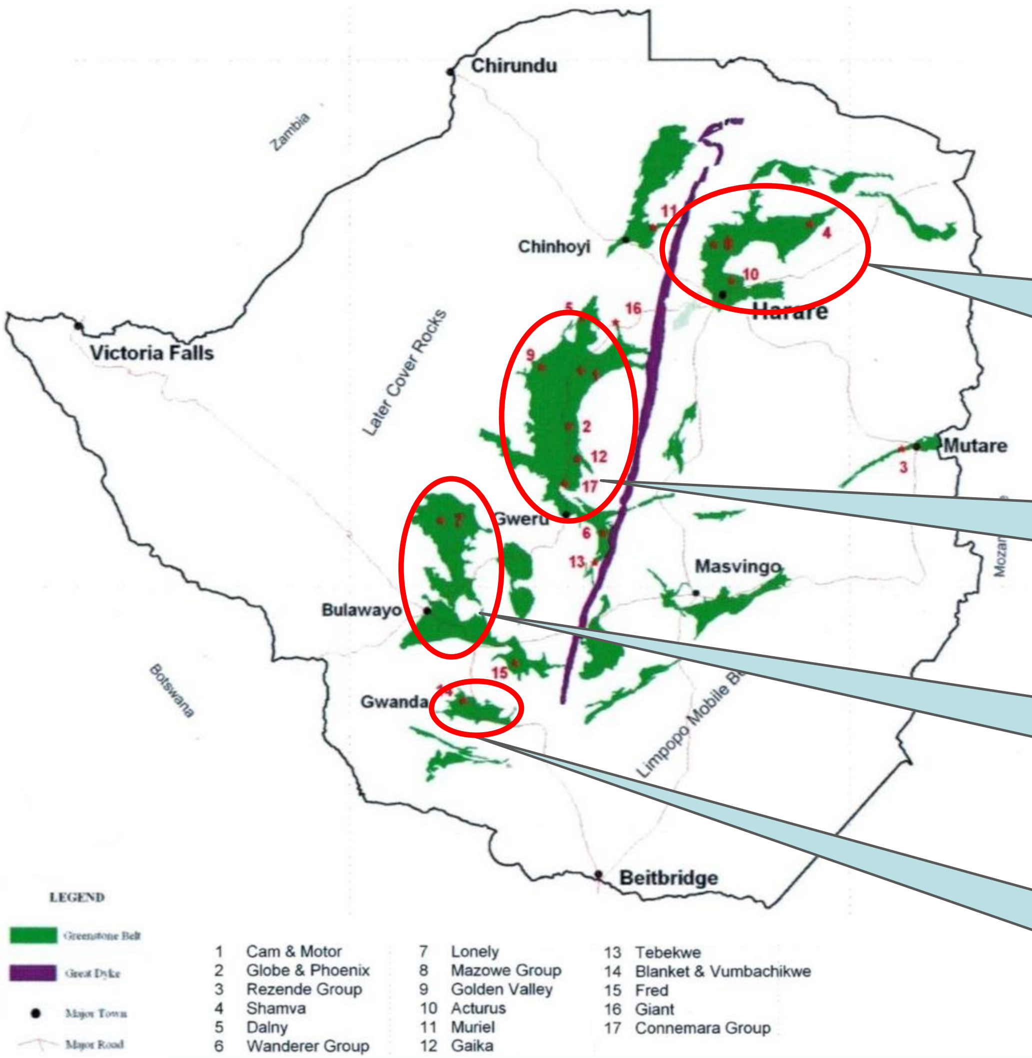
1. Review dividend policy to deliver sustainable growth in dividends consistent with Free Cash Flow (FCF) growth
2. Evaluate new investment opportunities in Zimbabwe where surplus FCF from Blanket could be deployed
3. Typically, these opportunities have modest initial funding requirements - mainly to improve resource definition as a precursor to technical/feasibility studies
4. Zimbabwe is one of the last gold mining frontiers in Africa with a dearth of gold mining exploration for at least the last 20 years and possibly longer
5. Strict evaluation criteria for new projects:
    - Scale: minimum target resource 1Moz; minimum target production of 50,000 ounces per annum
    - NPV per share enhancing and, eventually, dividend per share enhancing

*Note – Increased production to an annual rate of 80,000 ounces per annum is expected to be achieved during 2022 following the commissioning of Central Shaft in 2020. Production in 2021 is expected to be approximately 75,000 ounces due to a slower production ramp-up

Strategy - the Zimbabwe opportunity

World-class gold potential, under-explored and under-capitalized

Historic & current 1Moz+ producers



Significant regional potential

- Zimbabwe has historically produced over **45 million ounces** of gold
- Several prolific multi-million ounce gold belts: substantial potential for further multi-million ounce discoveries
- Prior to 2000, Zimbabwe produced more gold than Mali, Tanzania, Burkina Faso and Guinea, minimal exploration investment since then

Harare
Production: >4Moz
Existing Resources: approx. 1.9Moz
Average Grade: approximately 3g/t

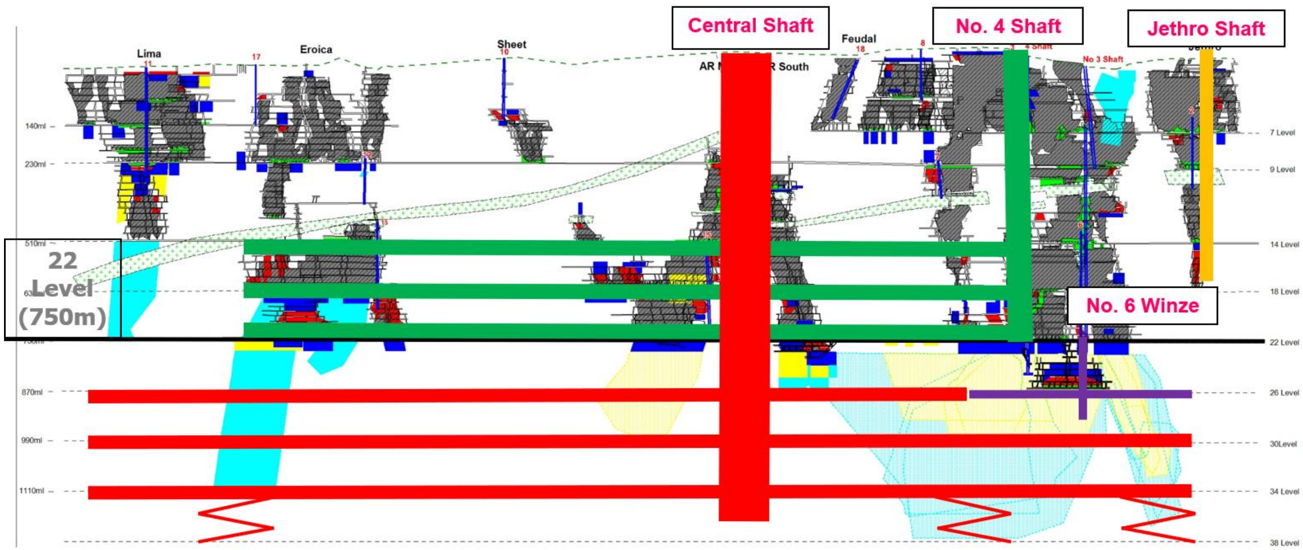
Gweru
Production: >15Moz
Existing Resources: approx. 1.9Moz
Average Grade: approximately 3g/t

Bulawayo
Production: >2.5Moz
Existing Resources: approx. 6.5Moz
Average Grade: 2.5g/t – 5g/t

Gwanda Greenstone Belt – Including Blanket Mine
Production: >2.5Moz
Existing Resources: approx. 2.7Moz
Average Grade: 3.5g/t – 5g/t

Strategy

Blanket offers significant exploration potential at depth

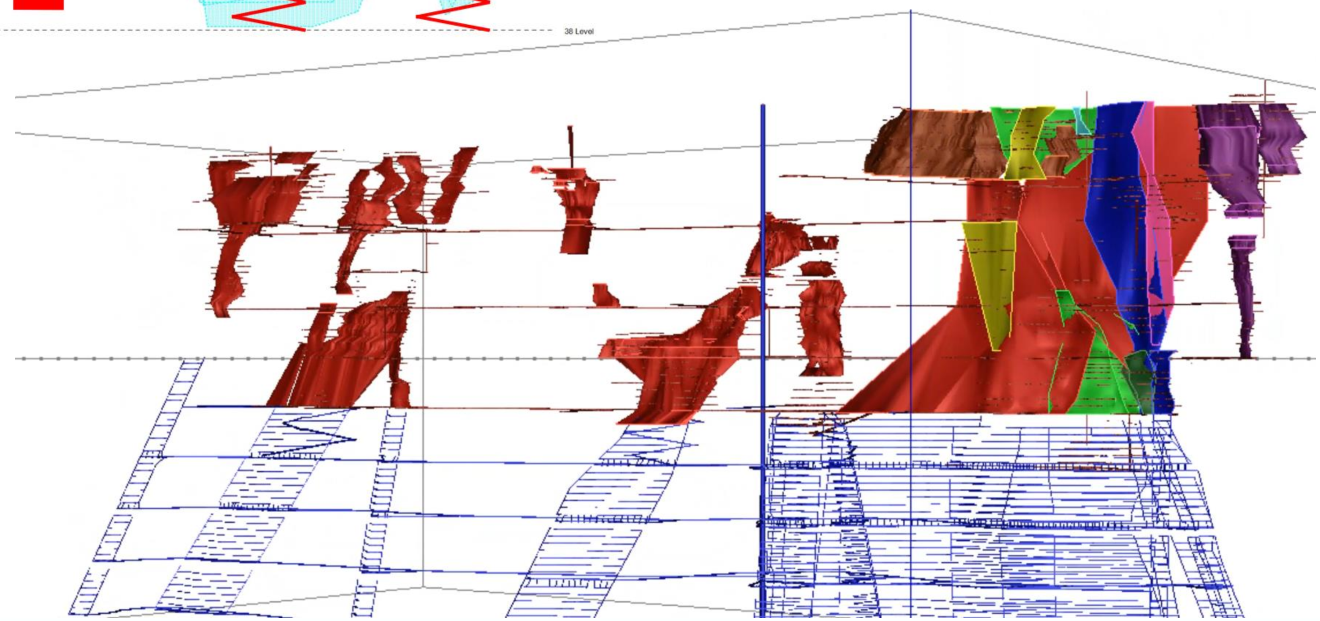


Section View

Central Shaft will begin to replace the current production shaft from mid 2020. Current planned development for Central Shaft is to open up three new operating levels through conventional horizontal development and a fourth operating level accessible via declines

3D View

Planned long term stoping and development levels shown. Development at depth will enable significant deep level exploration at Blanket to prove up extensions to ore bodies at depth



Financial Results

2018 Results Summary

	3 Months to March 31			Comment
	2018	2019	% Chg	
Gold produced (oz)	12,924	**11,948**	-7.6%	Lower gold production was mainly due to lower grade, which was in-line with the mine plan. The grade dilution which was experienced in previous quarters has largely been addressed. Production was less than planned due mainly to lower than planned tonnage
On-mine cost per ounce ($/oz)	687	**794**	15.6%	On-mine costs increased due to Blanket's high fixed costs, which has an adverse effect at low production levels. Labour rates and the costs and consumption rates for certain consumables were also higher, but were as expected
All-in sustaining cost ($/oz) ("AISC")[1]	832	**943**	13.3%	AISC increased due to the higher on-mine cost per ounce the effect of which was partially offset by lower sustaining capital investment and lower administrative expenses
Average realised gold price ($/oz) [1]	1,312	**1,284**	-2.1%	The average realised price of gold reflects the prevailing gold price received: revenues from the export credit incentive ("ECI") and gold price support are accounted as "other income"
Gross profit	6,223	**4,284**	-31.2%	Gross profit was lower due to a reduction in the number of ounces sold and increased on-mine cost per ounce
Net profit attributable to shareholders	3,154	**9,318**	195.4%	Net profit attributable to shareholders increased due to foreign exchange gains and the profit on disposal of a subsidiary, the combined effect of which outweighed lower gross profit
Adjusted basic earnings per share ("EPS") (cents)	40.8	**23.0**	-43.6%	Adjusted basic earnings per share excludes deferred tax, foreign exchange gains and the profit on disposal of a subsidiary
Net cash and cash equivalents	13,380	**9,742**	-27.2%	Net cash remains strong
Cash from operating activities	7,045	**6,275**	-10.9%	Cash from operating activities remains robust and exceeded capital investment in the Quarter

1 - Non-IFRS measures such as "On-mine cost per ounce", "AISC", "average realised gold price" and "Adjusted earnings per share" are used throughout this document. Refer to Section 10 of the MD&A for a discussion of non-IFRS measures.
2 - Gross profit is after deducting royalties, production costs and depreciation but before administrative expenses, other income, interest and finance charges and taxation.
3 - Per share data for current and prior periods has been adjusted to reflect the effective 1-for-5 share consolidation which was effected on June 26, 2017

Review of Results

Profit and loss

$'000's	Q1 2018	**Q1 2019**	YoY Change (%)
Revenue	18,059	**15,920**	-12%
Royalty	(904)	**(819)**	-9%
Production Costs	(10,010)	**(9,769)**	-2%
G&A	(1,542)	**(1,396)**	-9%
EBITDA	5,603	**3,936**	-30%
Depreciation	(922)	**(1,048)**	14%
Other Income (ECI)	1,381	**1,289**	-7%
Forex (loss)/gain	71	**3,280**	
Share Based Payments	(128)	**(361)**	182%
Other (gains on disposals)	0	**5,190**	
Operating Profit	6,005	**12,286**	105%
Net Finance Cost	(16)	**(48)**	200%
PBT	5,989	**12,238**	104%
Taxation	(2,110)	**(1,519)**	-28%
Profit After Tax	3,879	**10,719**	176%
Discontinued Operations	0	**(2,109)**	
Foreign Currency Translation Differences	208	**(144)**	
Total Comprehensive Income	4,087	**8,466**	107%
Non-Controlling Interest	725	**1,401**	93%
Attributable Profit	3,362	**7,065**	110%
IFRS EPS (cents)	29	**89**	207%
Adjusted EPS (cents)	40.8	**23**	-44%

- Higher production costs were largely due to lower grades which reduced the amount of gold extracted from each tonne of material mined and processed, in addition to a higher proportion of production coming from decline mining below 750m
- Increased operating costs and administrative costs resulted in reduced EBITDA for the quarter.
- Substantial one-off items resulted in increased operating profit as a result of foreign exchange gains and profit on the sale of a subsidiary. These items are excluded from adjusted profit
- Adjusted EPS is higher than IFRS EPS as a result of deferred tax adjustment
- Taxation includes significant deferred tax (arising from high levels of capital expenditure at Blanket). Also South African tax on inter-company profits

Review of Results

Cash Flow

$'000's	2017	2018
Profit before tax	5,989	**12,238**
Adjustments for:		
Unrealised foreign exchange gains	(82)	**(3,283)**
Profit on sale of subsidiary (Note 9)	0	**(5,409)**
Net finance cost	16	**48**
Share Based Payments	143	**(792)**
Other Non cash Adjustments	9	**(194)**
Depreciation	922	**1,048**
Cash generated by operations before working capital changes	6,997	**3,656**
Inventories	(418)	**378**
Prepayments	(561)	**(178)**
Trade and other receivables	35	**(307)**
Trade and other payables	1,631	**3,084**
Cash generated by operations	7,684	**6,633**
Net interest paid	(38)	**(112)**
Tax paid	(601)	**(246)**
Net cash from operating activities	7,045	**6,275**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,158)	**(5,140)**
Proceeds from disposal of subsidiary	0	**1,000**
Net cash used in investing activities	(5,158)	**(4,140)**
Cash flows from financing activities		
Dividends paid	(899)	**(738)**
Repayments of term-loan facility	(375)	**0**
Net cash used in financing activities	(1,274)	**(738)**
Net increase in cash and cash equivalents	613	**1,397**
Effect of exchange rate fluctuations on cash held	11	**(2,842)**
Net cash and cash equivalents at beginning of quarter	12,756	**11,187**
Net cash and cash equivalents at quarter end	13,380	**9,742**

- Large non cash adjustments include the foreign exchange gain and the profit on the sale of Eersteling
- Substantial working capital movements experienced in 2018 have largely normalised
- Net investment in property, plant and equipment remains high as a result of continued investment in the Central Shaft project
- The dividends paid relate to the quarterly dividends paid by Caledonia and the portion of the dividends declared by Blanket which are paid to Blanket's indigenous Zimbabwean shareholders after deduction of the amounts which are used to repay their facilitation loans
- Net cash at end of the period includes term loan debt of approximately $2m, reduced from 31 December 2018 as a result of the devaluation of the domestic RTGS currency

Review of Results

Balance Sheet

	December 31 2018	March 31 2019
Fixed Assets	97,525	**102,625**
Current Assets		
Inventories	9,427	**9,068**
Prepayments	866	**1077**
Trade and other receivables	6,392	**5,456**
Gold Hedge	0	**194**
Cash and cash equivalents	11,187	**9,742**
Assets held for sale	296	**0**
Total assets	125,693	**128,162**
Total non-current liabilities	34,687	**29,694**
Current Liabilities		
Trade and other payables	10,051	**9,700**
Income tax payable	1,538	**1,205**
Cash Settled Share Based Payments	0	**134**
Liabilities associated with assets held for sale	609	**0**
Total liabilities	46,885	**40,733**
Equity attributable to Shareholders	70,463	**77,683**
Non-controlling interests	8,345	**9,746**
Total equity	78,808	**87,429**
Total equity and liabilities	125,693	**128,162**

- Non-current assets increased due to the continued investment at the Central Shaft project and sustaining capital
- Inventory levels remain elevated following increase in 2018
- Trade and other receivables includes amounts due from the Government of Zimbabwe for gold deliveries receivable at year end and VAT refunds continue to normalise
- Assets and liabilities held for sale relate to Eersteling in South Africa, the sale of which was completed in Q1
- In December 2018 Blanket drew down a $6m (RTGS) three-year facility which is repayable in a single repayment in December 2021; this loan is included in non-current liabilities and has been devalued following the devaluation of the Zimbabwean RTGS $ during Q1 2019

Review of Results

Other matters

Gold Support Price	• The ECI was cancelled in February 2019 • Monetary policy changes announced in Q1 2019 creating a willing buyer willing seller market, currently very illiquid. • The government have announced a gold support price of $1,368 per ounce, a premium to spot (13 May 2019) of 7% • Tax treatment and future adjustments to the gold support price remain unknown

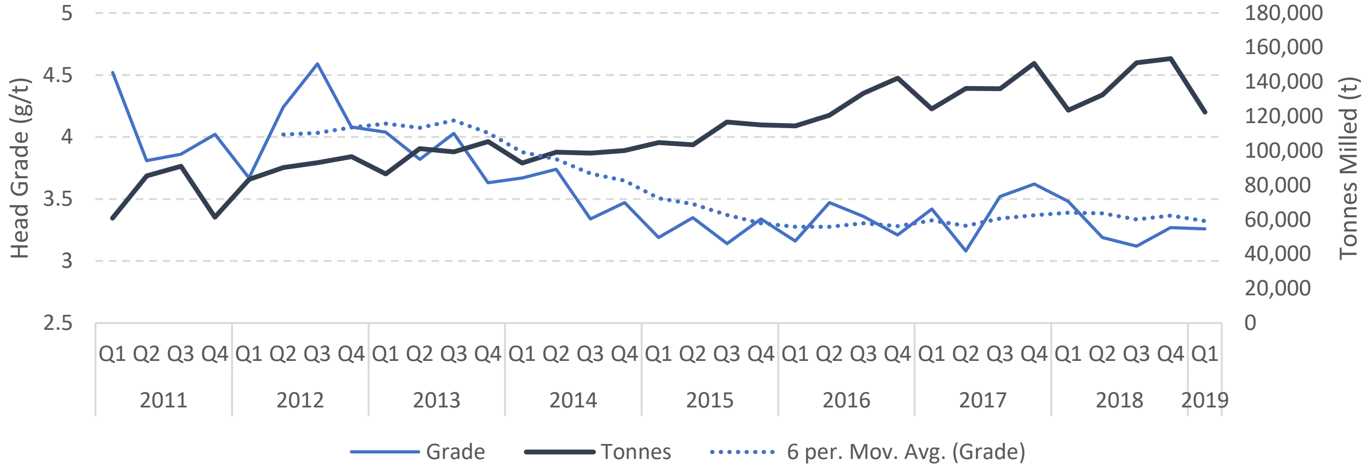
Hedging – 8,000 ounces hedged in 2018 and a further 22,500 ounces hedged in H1 2019
Full upside price participation maintained
	• In January 2019 Caledonia purchased 22,500 ounces of Put options with a strike price of $1,250/oz expiring from February to June 2019
	  • Full price participation above $1,250/ounce
	  • Cost of $320k
	• Hedging will be reviewed for the remainder of 2019 in due course

Dividends	• Dividends to Caledonia shareholders of 27.5 US cents per share (5.1% yield @ 13/05/2019) • Caledonia will consider an increase dividend distributions following the completion of the central shaft project

Operating Review

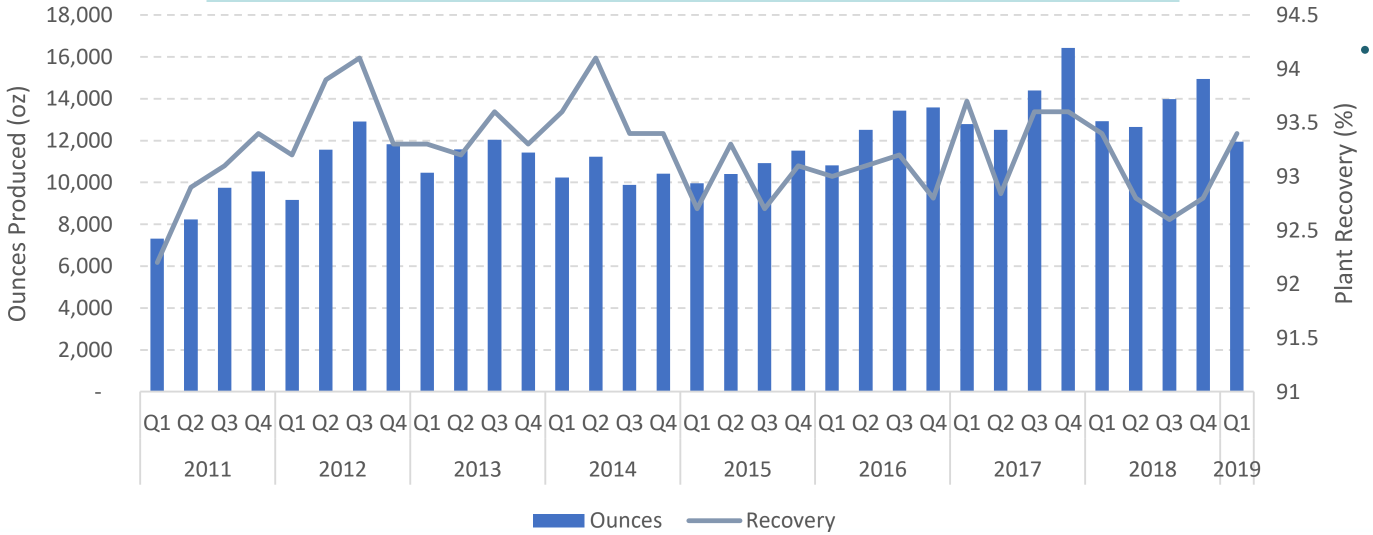
Review of Operations

Tonnes Milled & Grade (2011 – 2019)



- Despite grade difficulties tonnes milled continues on its long term upward trend
- Increasing tonnes milled and an increase in grade to approximately the M&I grade (3.72g/t) as deeper level ore is accessed is expected to deliver the increase in production to 80,000 ounces by 2021
- Increased hoisting capacity with the commissioning of Central Shaft in 2020 will also contribute to an increase in tonnes milled

Ounces Produced & Recovery (2011 – 2019)



- Recoveries continue to improve and are expected to improve to an average of 93.5% as the installation of a new oxygen plant is anticipated to improve overall recovery through higher oxygen availability

Quarterly Operating Metrics

	2017				2018				2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Tonnes Milled	124,225	136,163	136,064	150,755	123,628	132,585	151,160	153,540	**122,389**
Average Grade (g/t)	3.42	3.08	3.52	3.62	3.48	3.19	3.12	3.27	**3.26**
Average Recovery (%)	93.7	92.8	93.6	93.6	93.4	92.8	92.6	92.8	**93.4**
Gold Produced (oz)	12,794	12,518	14,396	16,425	12,924	12,657	13,978	14,952	**11,948**
Gold Price ($/oz)	1,213	1,235	1,265	1,256	1,312	1,278	1,190	1,205	**1,284**
On Mine Costs ($/oz)	659	696	638	556	687	717	670	688	**794**
AISC ($/oz)	857	855	773	901	832	856	754	759	**943**
G&A Costs ($m)	1,441	1,493	1,607	1,370	1,542	1,660	1,607	1,628	**1,396**

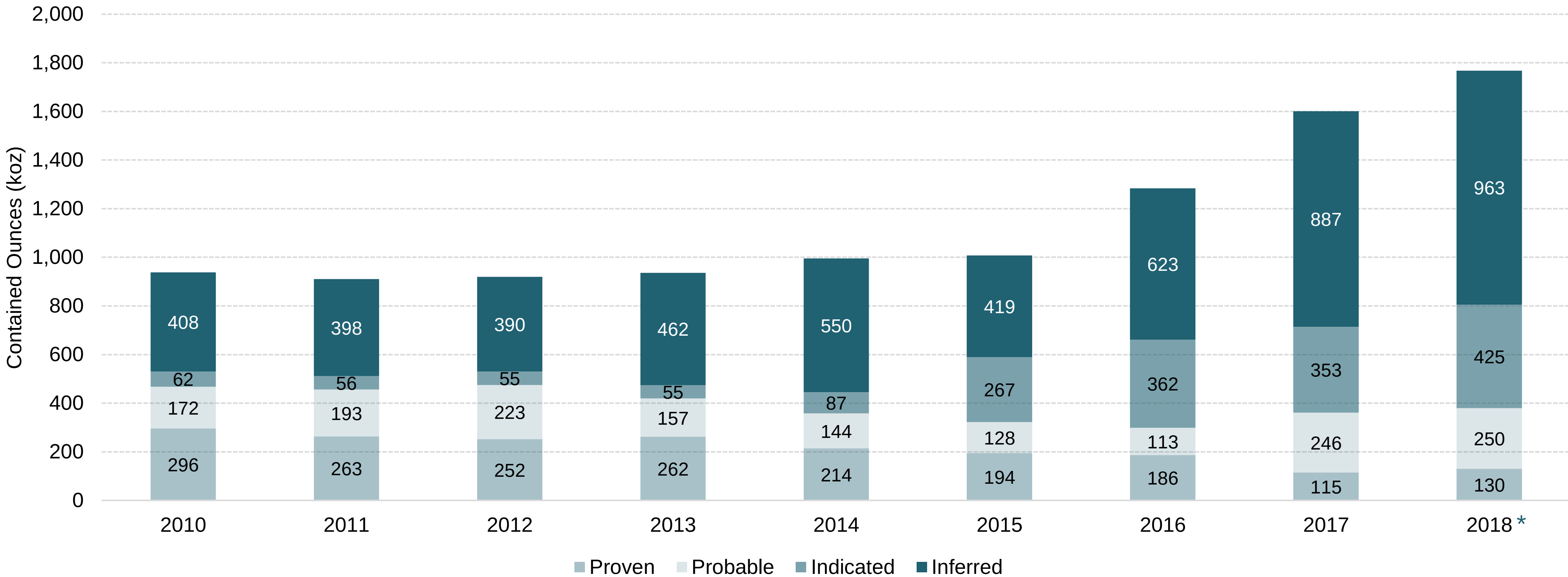
- Grade is expected to increase to approx. M&I Grade of 3.72g/t over the medium term and recovery is expected to average 93.5% in 2019 following the installation of a new oxygen plant in late 2019.
- On-mine costs for Q1 2019 are elevated following lower production tonnage which had an adverse effect on unit costs. Operating costs are also currently higher than expected in the long terms due to the operation of declines which are necessary until the commissioning of the Central shaft in 2020 after which a reduced proportion of production will come from declines as increased tonnage is hauled via central shaft
- AISC includes the export credit incentive paid by the Zimbabwe government which increased from 2.5% to 10% of gold sales with effect from February 2018. From late February 2019, the export credit incentive programme has been terminated although the government has introduced a gold support price of $1,368/ounce, a 7% premium to spot (13 May 2019)

* Refer to Management's Discussion and Analysis dated May 14, 2019 and also the Technical Report dated 13 February 2018 entitled "National Instrument 43-101 Technical Report on the Blanket Mine, Gwanda Area, Zimbabwe (Updated February 2018)", a copy of which was filed by the Company on SEDAR on March 2, 2018, for all key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves and risks that could materially affect the potential development of the mineral resources and mineral reserves.

Resources

Increased exploration expenditure begins to bear fruit

Consistent resource replacement despite growing production (300koz mined since 2011)



- Investment in infrastructure at depth will enable continued exploration drilling and resource delineation
- Grade remains well above mine head grade
  - M&I grade of 3.72g/t & Inferred grade of 4.52g/t vs 2017 head grade of 3.3g/t

* Refer to Management's Discussion and Analysis dated March 20, 2019 and also the Technical Report dated 13 February 2018 entitled "National Instrument 43-101 Technical Report on the Blanket Mine, Gwanda Area, Zimbabwe (Updated February 2018)", a copy of which was filed by the Company on SEDAR on March 2, 2018, for all key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves and risks that could materially affect the potential development of the mineral resources and mineral reserves.

Operating Challenges

Operating challenges

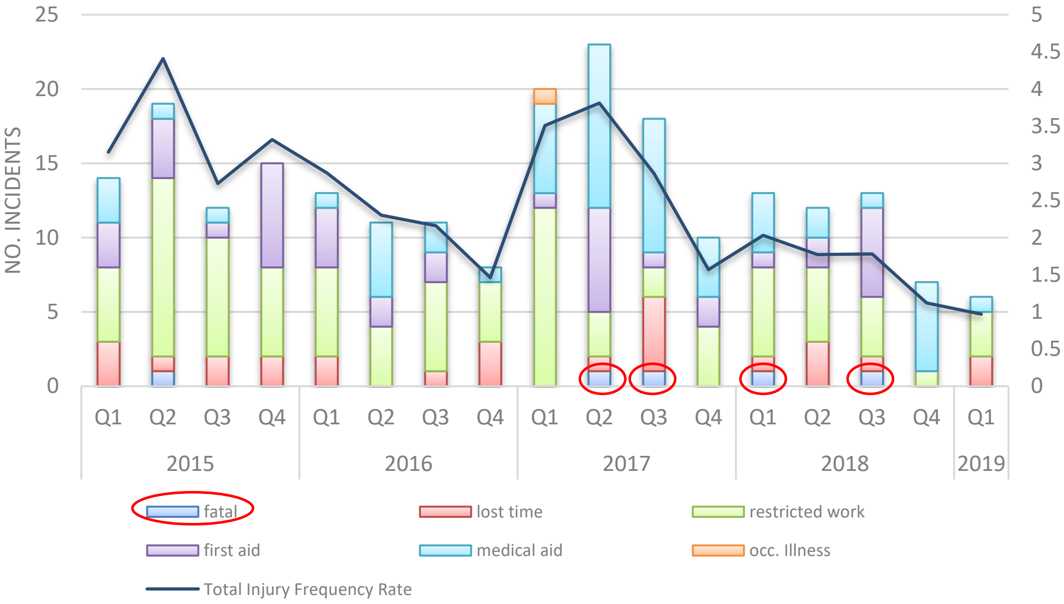
A number of internal and external operating challenges have been encountered

Operating Challenges	Remedial Action
Disappointing safety performance in 2017 and 2018 with 4 fatal accidents	• Increased management focus • **"Nyanzvi Initiative"** – behavioural change initiative • Reduced number of incidents • Ensuring safe operations is a continuous exercise • Long term trend in injury frequency continues to improve
Lower Grade due to mining dilution	• Mining dilution following the introduction of long-hole stoping in narrower reefs for safety reasons • Increased training of drillers • Review of geological model shows no concerns over geology
Unstable electricity supply with adverse production impact and in severe incidences causing damage to equipment	• Surge-protectors have been installed to protect our equipment • Stand-by generators are not the answer: outages are short and frequent – uneconomic to run diesel generators full time • No long-term solution until the grid is stabilised and/or Blanket goes off-grid (e.g. solar)

Safety Performance

Ensuring accident-free production is non-negotiable

Blanket Safety Incident Data (2015 – 2019)

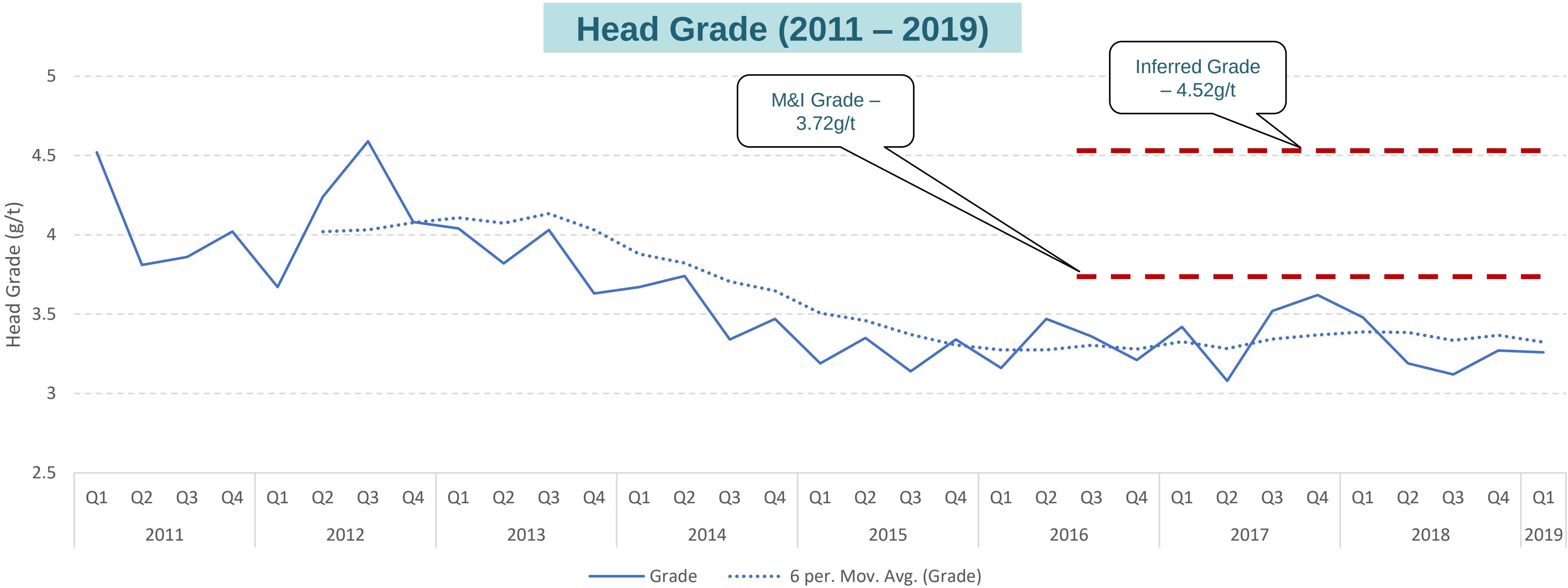


Nyanzvi Safety Transformation Program

- More reportable accidents from 2017: a high proportion of accidents were incurred by younger and less experienced workers
- Management initiatives included a wholesale review of safety procedures and training and rigorous enforcement of safety procedures
- Management has initiated the "**Nyanzvi Initiative**"
  - Entire production crews are withdrawn from operations for 5 days of intensive safety training focussed on behavioural change
  - The programme has dedicated facilities and is run by facilitators from Blanket's workforce: results in a high degree of acceptance and employee ownership of the programme
  - Approximately 45% of workers have been trained – the programme will be rolled out to all employees
  - Initial indications are positive especially considering difficult macroeconomic conditions in Q1 2019

Grade improvement presents significant opportunities

Below target grade results in lower gold production and elevated unit production costs



- Grade has declined steadily from 2014 and more recently in 2018 – Long term target grade is expected to average between M&I and Inferred Grades*
  - Average resources grade of 3.72g/t M&I and 4.52g/t Inferred gives significant scope for improvement*
- Existing low grade is a result of a combination of two key factors
  - Mining Dilution as a result of implementing long hole stoping in certain areas
  - Mining above higher grade virgin rock at depth which contains untapped higher grade

* Refer to Management's Discussion and Analysis dated May 14, 2019 and also the Technical Report dated 13 February 2018 entitled "National Instrument 43-101 Technical Report on the Blanket Mine, Gwanda Area, Zimbabwe (Updated February 2018)", a copy of which was filed by the Company on SEDAR on March 2, 2018, for all key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves and risks that could materially affect the potential development of the mineral resources and mineral reserves.

Electricity supply remains unreliable

Back up generators mitigate production impact but are not a viable long term solution

- Unreliable electricity supply presents a significant operating challenge for Blanket
- Blanket pays a higher tariff to avoid load shedding ($0.125/KWh)
- Supply remains unreliable with voltage spikes and power cuts (not load shedding)
- Backup generators are not designed to accommodate the frequent, but very short term effects of power surges
- Each “spike” results in up to 40 minutes of lost time as equipment is re-set and the compressors re-charge
    - Up to 5 “spikes” in a single shift are a major impediment to normal activity
- Spikes have damaged Blanket’s electrical equipment, with a further effect on production and operational integrity
- Engagement with Zimbabwe Electricity Supply Authority (ZESA) remains constructive but constraints persist
- Whilst Blanket has adequate back up generating capacity to sustain production, capital project progress is slowed by electricity supply interruptions
- Sustainable long term solution involves:
    - ZESA maintaining its equipment and deliver stable supply (but severe budget constraints make this unlikely in the short term); or
    - Blanket develops an “off-grid” solar solution: initial indications are that this solution appears to be economically feasible, but is capital intensive and requires regulatory approval to underpin the economic viability

Zimbabwe

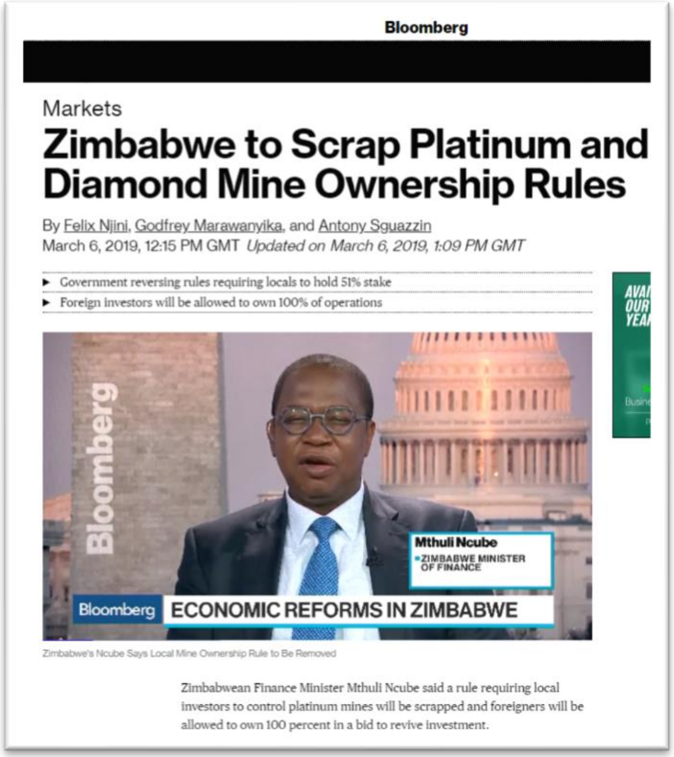
Despite regulatory uncertainty – there are significant grounds for optimism

- Government has a commercial and pragmatic approach with several encouraging policy measures
- Genuine attempts to stimulate investment e.g. the removal of indigenisation requirement in 2018 and recent relaxation of Platinum and Diamond sector requirements
- Government is reducing its spending, increasing its tax base and addressing its offshore debts
    - Modest cuts to domestic spending (e.g. civil service salaries and head-count) and increased taxes has resulted in 4 consecutive months of budget surplus October 2018 to January 2019
    - Fiscal Surplus averaging $100m per month for November 2018 – February 2019, no issuance of treasury bills or use of RBZ overdraft since October 2018

Prof. Mthuli Ncube
@MthuliNcube

Met with IMF Managing Director Christine @Lagarde at IMF Headquarters in Washington DC and provided an update on the progress of #Zimbabwe economic reforms since our last meeting at the IMF Annual Meetings in Bali, Indonesia.

- Proposed repeal the of the Public Order and Security Act (POSA) and Access to Information and Protection of Privacy Act (AIPPA), which are the major obstacles to a normalisation of relations with the USA
- Two factors are of critical importance to create a conducive investment and operating environment
    - A market related RTGS-FCA exchange rate which allows local inflation to be absorbed
    - Continued access to adequate FCA to make payments out of Zimbabwe



Bloomberg

Markets

Zimbabwe to Scrap Platinum and Diamond Mine Ownership Rules

By Felix Njini, Godfrey Marawanyika, and Antony Sguazzin
March 6, 2019, 12:15 PM GMT *Updated on March 6, 2019, 1:09 PM GMT*

- Government reversing rules requiring locals to hold 51% stake
- Foreign investors will be allowed to own 100% of operations

Zimbabwe's Ncube Says Local Mine Ownership Rule to Be Removed

Zimbabwean Finance Minister Mthuli Ncube said a rule requiring local investors to control platinum mines will be scrapped and foreigners will be allowed to own 100 percent in a bid to revive investment.

Outlook

Medium to Long-term Outlook

Vision to build a mid tier gold producer with minimal dilution

18 – 24 Months	• Commission Central Shaft • Increase production capacity to 80,000 ounces per annum by 2022 • Decrease AISC to $700 - $800 per ounce	70,000 – 80,000oz/yr
2 – 4 Years	• Declining CAPEX post Central Shaft delivers increased FCF • Increased FCF will give an opportunity to review dividend policy • Identify exploration of expansion opportunities in Zimbabwe	80,000 – 100,000oz/yr
> 5 Years	• Evaluation of and potential Investment in growth opportunities identified through exploration • Establishment of a strong growth pipeline in one of the world's most prospective gold regions	Mid Tier Producer >250,000oz/yr

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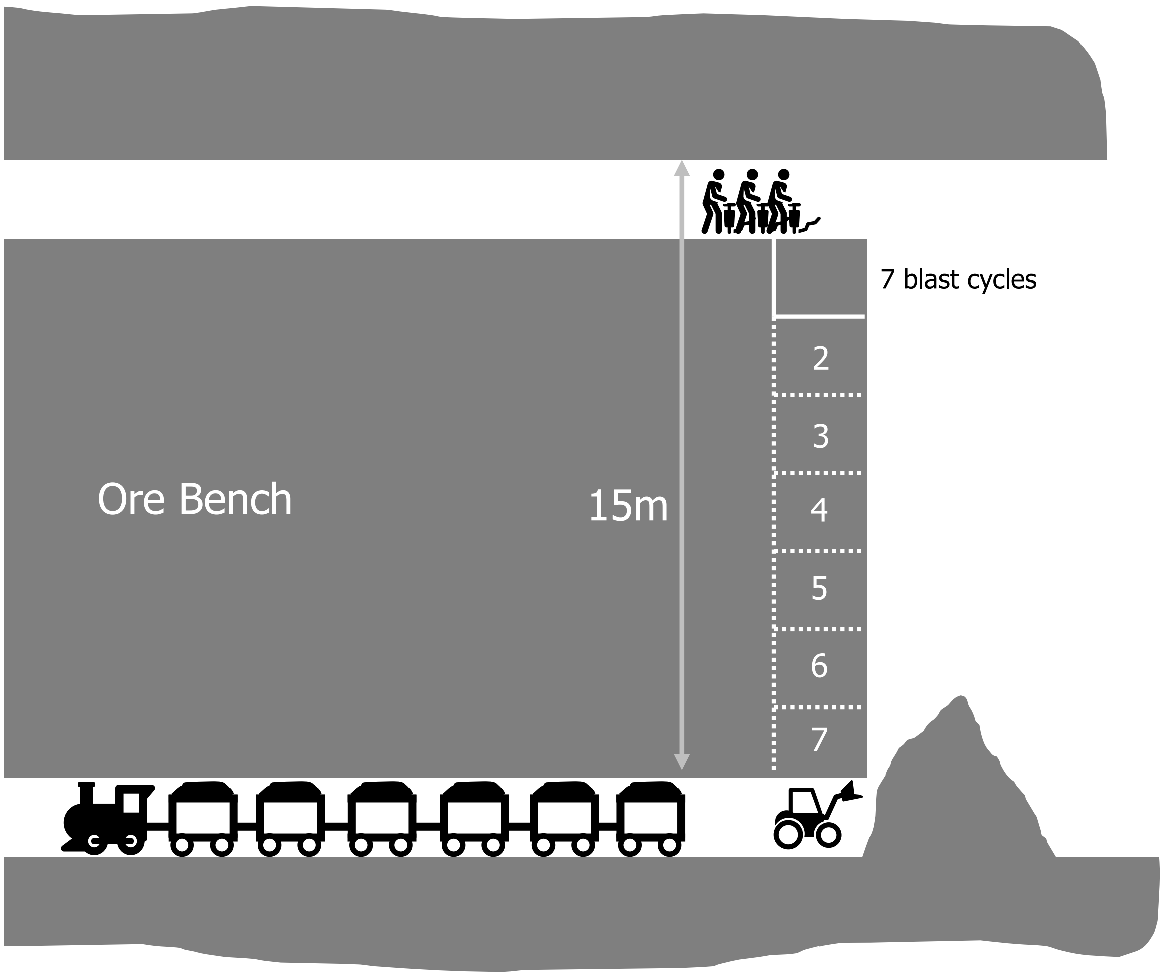
Challenges: low grade

Implementation of Long-hole stoping in certain areas has resulted in grade dilution



- Mine design changed in certain narrow reef areas to convert from conventional underhand stoping to long-hole stoping in order to improve safety
- Multiple blast cycles within a bench exposed workers to the risk of falls of ground from elevated levels
- Long-hole stoping drills the entire bench in one blast cycle
- Drilling a longer hole magnifies the errors of inaccurate drilling and can result in ore dilution
- Long-hole stoping offers the potential for higher production volume and lower unit operating costs but requires significant improvements in drilling accuracy and discipline
- Initial conversion to long-hole stoping in 2018 has presented some operating challenges: changes have been implemented including conversion to 10m benches and additional training and monitoring of drillers. Management is optimistic that issues are in hand