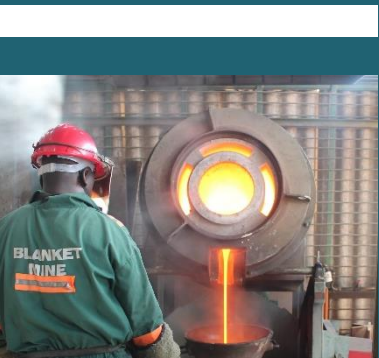




Q3 2020 Results Presentation

November 2020





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The projected gold production figures in this document for 2021 and 2022 are explained in the management discussion and analysis (“MD&A”) dated August 14, 2020. Refer to the technical report dated February 13, 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 the key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves from which such planned gold production is to be derived and risks that could materially affect the potential development of the mineral resources or mineral reserves. Refer to Resource Upgrade at the Blanket Mine, Zimbabwe as announced by the Company on September 20, 2018 for the resources as stated in this document. Mr Paul Matthews, the Company's qualified person and Group Mineral Resource Manager, supervised the preparation of the technical information in the technical report, and supervised the preparation of the technical information supporting the production figures and the resources.



Introduction

1. Strategy update
2. Review of operations
3. Review of financial results for Q3 2020
4. Outlook





Strategy

Increased free cash flow to grow dividends and invest for further production

Short-Medium Term (2021 – 2022): Complete the Central Shaft project and ramp-up production

1. Increase production to 61-67,000 ounces in 2021 and 80,000 ounces per annum from 2022
 - 45% production increase 2019 to 2022 increase
2. Anticipated increase in cash flows due to higher production, lower unit costs and reduced capex from 2021
3. Continued deep level exploration to extend the life of mine beyond 2034
4. Review dividend policy to deliver sustainable dividend growth consistent with increasing free cash flow: 45% dividend increase in 2020 from 6.875 cents/share to 10.0 cents/share
5. Obtain access to new investment opportunities and commence evaluations

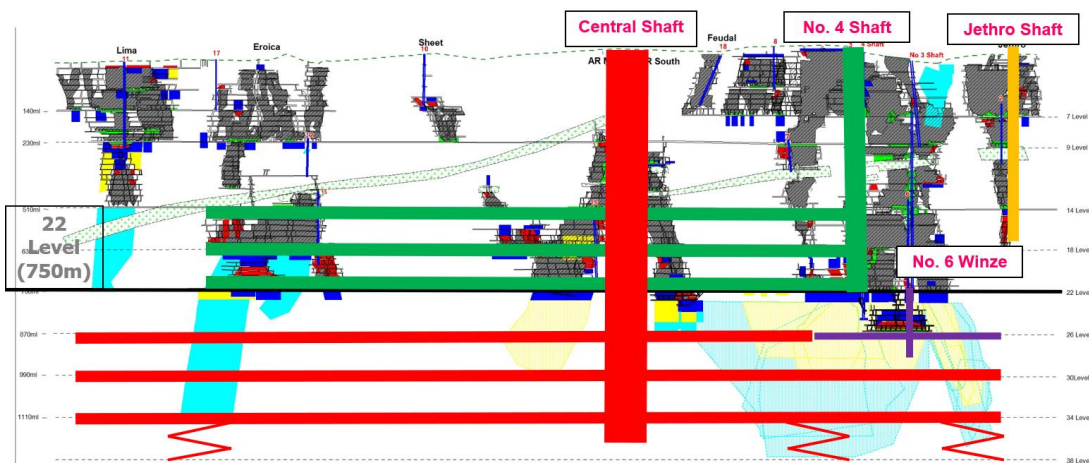
Longer term (2022 and Beyond): Deploy surplus cash flow to increase dividends and fund growth

1. Evaluate new investment opportunities in Zimbabwe where “surplus” free cash can be deployed
 - Typically, new opportunities have modest initial funding requirements - mainly to improve resource definition as a precursor to technical/feasibility studies
2. Very little gold mining exploration in Zimbabwe in the last 20 years: one of the last gold mining frontiers in Africa
3. Project evaluation criteria:
 - Scale: minimum target resource 1 million oz; minimum target production of 50,000 ounces per annum
 - NPV per share enhancing and, eventually, dividend per share enhancing



Strategy

Blanket offers significant exploration potential at depth

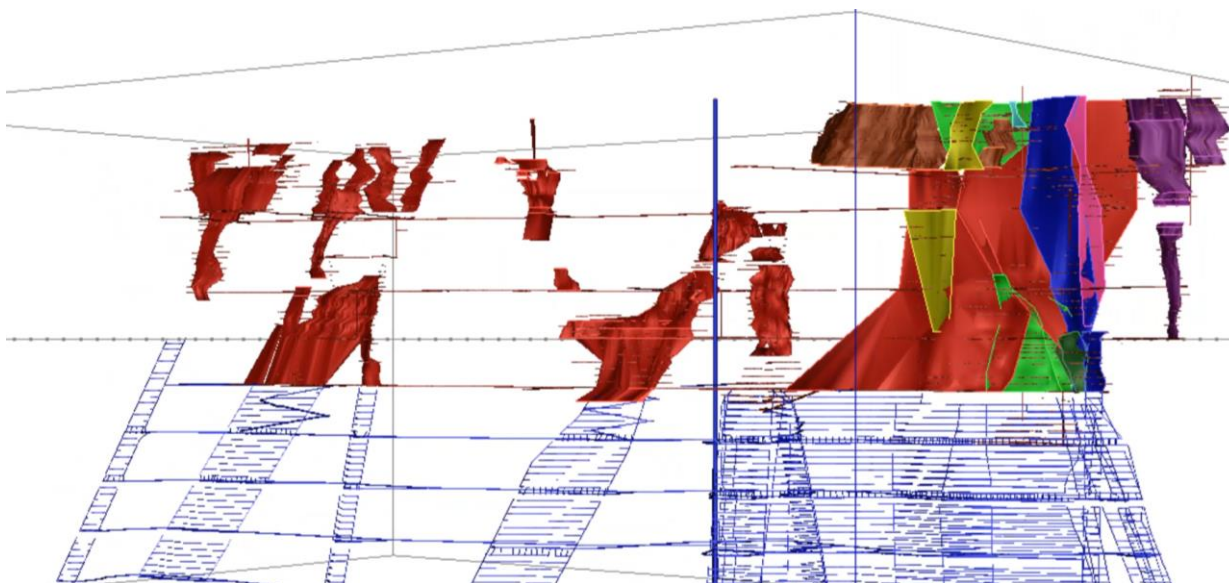


Section View

Central Shaft will replace the current production shaft by 2021. Current planned development for Central Shaft is to open three new operating levels through conventional horizontal development and a fourth operating level accessible via declines

3D View

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





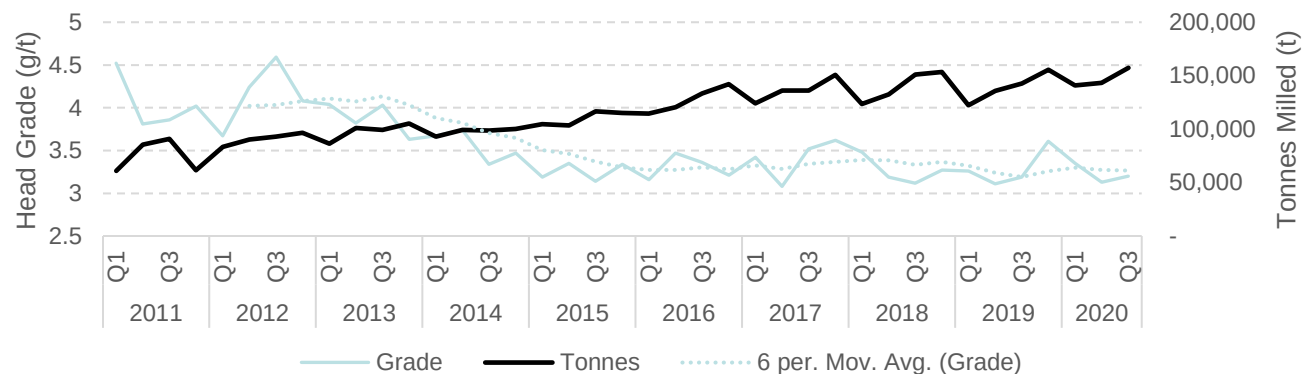
Operating Review





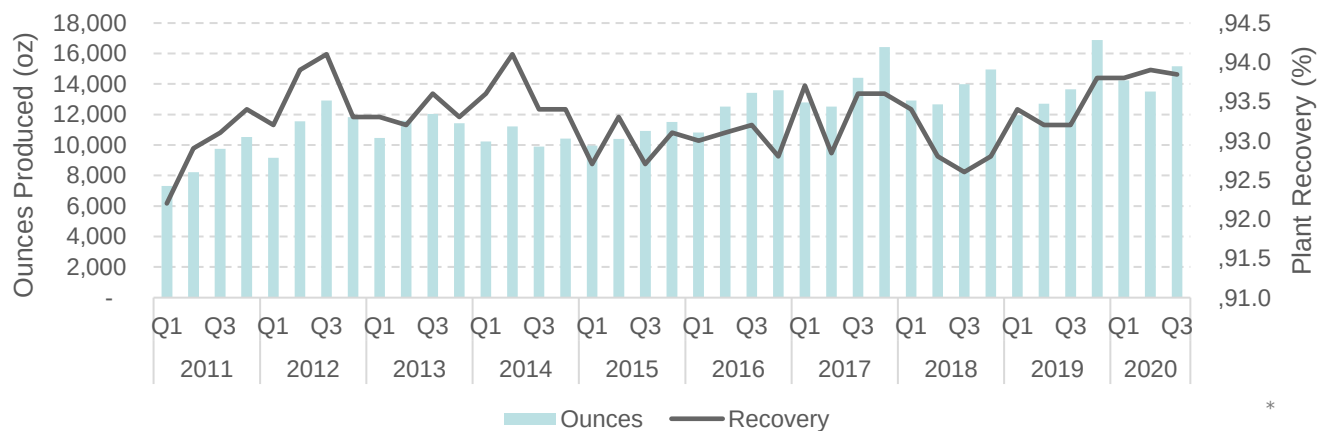
Review of Operations

Tonnes Milled & Grade (2011 – Q3 2020)



- Tonnes milled improved on Q3 2019 due to management initiatives e.g. the Nyanzvi initiative and revisions to the bonus structure.

Ounces Produced & Recovery (2011 – Q3 2020)



- Recoveries have improved to approx. 93.8% following the installation of a new oxygen plant in October 2019 and the Goldox system at the end of March 2020

*



COVID-19

No effect on production; minor delay to Central Shaft

- \$331,000 of incremental operating costs in Q3 relating to COVID-19 (approx. \$24/oz)
- Donations to the Chamber of Mines and communities of \$1 million to assist with Covid-19
- Operations during the 3-week lockdown (in early April) ran at 93% of planned production and production in the whole of Q2 was only 1.2% below plan; Q3 production was a record for any third quarter.
- COVID-19 restrictions had an adverse effect on capital projects:
 - Slower progress on equipping the Central Shaft and restrictions on the cross-border movement of specialised personnel and equipment resulted in a three-month delay: shaft equipping to be completed in Q4 2020; commissioning to be completed in Q1 2021
 - Restrictions on the number of underground personnel resulted in slower underground development which is required to support future production – including production from the Central Shaft
 - Blanket's mine plan has been re-formulated
 - Target production for 2021: 61,000 - 67,000 ounces
 - Target production of 80,000 ounces from 2022 onwards is unchanged



Financial Results



Results Summary Information

	3 months ended September 30			9 month ended September 30			Comment
	2019	2020	% Change	2019	2020	% Change	
Gold produced (oz)	13,646	15,155	11%	38,306	42,887	12%	Higher gold production due to increased tonnes milled. Production includes 1,803 ounces of work-in-progress, which is not reflected in Q3 sales.
On-mine cost per ounce (\$/oz) ¹	686	758	10%	671	755	13%	Increased on-mine costs due to costs arising from COVID-19, a share-based payment expense and increased generator usage (approx. \$73/oz)
All-in sustaining cost (\$/oz) ¹ ("AISC")	872	1,119	28%	824	915	11%	Higher AISC due to higher on-mine costs, increased insurance premium (approx. \$75/oz) and higher royalty
Average realised gold price (\$/oz) ¹	1,461	1,898	30%	1,351	1,714	27%	The average realised gold price reflects international spot prices
Gross profit ²	8,485	12,456	47%	19,802	32,281	63%	Gross profit is higher in the Quarter due to higher gold price; sales virtually unchanged
Net profit attributable to shareholders	7,007	4,433	(37%)	39,628	17,807	(55%)	Net profit in 2020 does not benefit from very large FX gains in prior periods (Q3 difference - \$2.4m; 9-month difference - \$23.6m). 9 months 2019 also benefitted from \$5.4m profit on sale of a subsidiary
Basic IFRS earnings per share ("EPS") (cents)	63.4	36.6	(42%)	360.5	150.4	(58%)	Broadly reflects movement in attributable profit and increased shares in issue
Adjusted EPS ¹	15.8	34.1	116%	67.0	128.2	91%	Adjusted EPS excludes, inter alia, the foreign exchange gains and related deferred tax implications and profits on sale of subsidiary.
Net cash and cash equivalents	8,893	21,562	142%	8,893	21,562	142%	Cash includes the proceeds of \$13m equity issue and is after continued capital spending and re-stocking.
Net cash from operating activities	4,853	5,271	9%	13,266	19,345	46%	Continued robust cash generation.

1. Non-IFRS measures such as "On-mine cost per ounce", "AISC" and "average realised gold price" and "adjusted EPS" are used throughout this document. Refer to section 10 of this 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.



Review of Results

Profit and loss

	3 months ended September 30			9 month ended September 30			
	2019	2020	% Chg	2019	2020	% Chg	
Revenue	19,953	25,359	27%	52,393	71,874	37%	2% decrease in gold sold; 27% higher average realised gold price Royalty at 5%.
Royalties	(999)	(1,271)	27%	(2,682)	(3,599)	34%	
Production costs	(9,410)	(10,399)	11%	(26,750)	(32,537)	22%	Production costs in the Quarter include approx. \$0.8m of COVID-19 costs and increased generator usage
Depreciation	(1,059)	(1,143)	8%	(3,159)	(3,457)	9%	
Gross profit	8,485	12,546	48%	19,802	32,281	63%	Other income in the 9-months in 2020 includes income from the export incentive scheme
Other income/(expenses)	(168)	(251)	65%	(1,561)	2,909		
Administrative expenses	(1,246)	(2,539)	105%	(3,951)	(5,361)	36%	\$1 million increase in D&O insurance
Profit on sale of subsidiary	-	-	-	5,409	-	(100%)	
Net fx gain	3,345	985	(71%)	28,270	4,694	(83%)	FX gains due to the devaluation of the Zimbabwean currency. Large gains in prior periods relate to devaluation of loans and deferred tax liabilities
Cash-settled share-based payment	(36)	(231)	431%	(406)	(1,177)	180%	
Operating Profit	10,380	10,510	1%	50,361	33,225	(34%)	The expense reflects factors including the increased share price and more LTIPs issued.
Net finance income/(cost)	(16)	(87)	444%	(36)	(354)	883%	
Profit before tax	10,364	10,423	1%	50,325	32,871	(35%)	Tax includes tax on inter-company profits and movements of cash
Tax expense	(1,858)	(4,993)	169%	(3,154)	(11,410)	262%	
Profit for the period	8,506	5,430	(36%)	47,171	21,461	(54%)	
Non-controlling interests	1,499	997	(33%)	7,543	3,654	(52%)	
Attributable profit	7,007	4,433	(34%)	37,166	16,661	(55%)	
Basic EPC (cents)	63.4	36.6	(40%)	360.5	150.4	(58%)	
Adjusted EPS (cents)	15.8	34.1	117%	67.0	128.2	91%	



Review of Results

Production costs

	3 Months ended September 30		% Change	Comment
	2019	2020		
Salaries and wages	2,912	3,099	6%	Increased production bonuses
Consumable materials	4,033	4,234	5%	Includes \$331k of COVID-costs
Electricity costs	1,885	2,238	19%	Includes \$544k of genset use (quarterly average \$384k)
Site restoration	10	-		
Safety	193	180	(7%)	
Cash-settled share-based expense	3	289		LTIP's awarded to senior mine personnel
On mine administration	320	254	(54%)	
Pre-feasibility exploration costs	54	105		
Production cost (IFRS)	9,410	10,399	11%	
Cash-settled share-based expense	(3)	(289)		
Less exploration and site restoration costs	(193)	(8)		
Other cost and intercompany adjustments	153	20		
On-mine production cost	9,367	10,122	8%	
Gold sales (oz)	13,646	13,352	(2%)	
On-mine costs per ounce (\$/oz)	686	758	10%	2020 includes \$37/oz of COVID costs and higher genset use
Royalty	999	1,271	27%	Higher royalty reflects the higher gold price
Exploration, remediation and permitting cost	97	99	2%	
Sustaining capital expenditure	164	417	154%	
Administrative expenses	1,246	2,539	105%	\$1m increase in D&O insurance; \$400k increase due to technical staff hires in Johannesburg
Silver by-product credit	(17)	(24)	41%	
Share-based payment expense	39	520	2,528%	LTIP's awarded to non-production staff
All in sustaining cost	11,895	14,944	25%	
Gold sales (oz)	13,646	13,352	(2%)	
All-in sustaining costs per ounce (\$/oz)	872	1,119	28%	



Review of Results

Cash Flow

	3 months ended September 30			
	2019	2020	Change	
Cash generated by operations before working capital	5,597	8,970	60%	
Working capital	(711)	(1,577)	108%	Rebuild inventories and critical spares to increase resilience
Cash generated from operations	4,886	7,393	51%	
Net interest paid	(33)	(74)	124%	
Tax paid	-	(2,048)	9%	Increased profitability in Zimbabwe
Net cash from operating activities	4,853	5,271		
Cash flows used in investing activities				
Acquisition of property, plant and equipment	(5,583)	(8,007)	43	High capex to catch-up underspend on Central Shaft in previous quarters due to Covid-19
Net cash used in investing activities	(5,583)	(8,007)	43%	
Cash flows from financing activities				
Dividends paid	(883)	(1,129)	28%	increased dividend per share and increased number of shares in issue following equity raise
Payment of lease liabilities	-	(30)	(100%)	
Proceeds from share issue	-	12,538	-	Approx 600k shares issued to raise funds for solar project
Net cash used in financing activities	(883)	11,379	(1,389%)	
Net (decrease)/increase in cash and cash equivalents	(1,613)	8,643	(636%)	
Effect of exchange rate fluctuations on cash held	1,063	1,280	20%	
Net cash and cash equivalents at the beginning of the period	9,742	11,639	19%	
Net cash and cash equivalents at the end of the period	9,192	21,562	135%	



Review of Results

Balance Sheet

<u>Balance Sheet</u>	September 30 2020	December 31 2019	
Fixed Assets	124,028	113,714	Continued expenditure at Central Shaft
Current Assets			
Inventories	14,280	11,092	Rebuild inventories for resilience
Prepayments	4,254	2,350	Prepayments for consumables and capital items
Trade and other receivables	6,839	6,912	
Cash and cash equivalents	21,562	9,383	
Derivative financial assets	1,160	102	Gold ETF held in South Africa
Total assets	172,123	143,553	
Total non-current liabilities	7,013	8,957	
Current Liabilities			
Short-term portion of term loan facility	322	529	
Trade and other payables	7,895	8,697	
Income tax payable	1,902	163	
Cash-settled share-based payments	285	-	
Bank overdraft	-	490	
Total liabilities	17,417	18,836	
Equity			
Equity Attributable to Shareholders	138,793	108,415	
Non-controlling Interests	15,913	16,302	
Total equity	154,706	124,717	
Total equity and liabilities	172,123	143,553	



Review of Results

Other matters

Solar

- In the Q2 2020 the Caledonia Board approved a 12 Mwac solar plant project to supplement the current power from Gensets and the local power utility.
- The plant is expected to supply Blanket with 27% of future power requirements during the daylight.
- Estimated cost of approximately \$12m
- Funded through an “At the market” equity raise (raised gross amount of \$13m)
- EPC contractor bid awarded in Q3 2020 to Voltalia.
- Completion targeted for Q4 2021
- Modest NPV per share enhancement (including dilution of equity to fund the project)

Dividends

- Quarterly dividend increased in January 2020 by 9% from 6.875 cents to 7.5 cents; in June 2020 by 13% from 7.5 cents to 8.5 cents and in October 2020 by 18% from 8.5 cents to 10 cents.
- Total dividend cost per quarter at current rate of 10 cents/share is \$1.2 million
- Cash available for distribution is expected to grow due to increased production, lower unit costs and lower capital expenditure when the investment in Central Shaft tails off
- The Board will consider future increases in the dividend as appropriate in line with its prudent approach to financial management and alternative investment opportunities.



Outlook



Medium to Long-term Goals

Build a mid tier gold producer with minimal dilution

2021

- Commission Central Shaft
- Increase production to 61-67,000 ounces per annum
- Review dividend policy
- In-country acquisitions and investment in exploration projects

61,000 – 67,000oz/yr

2022

- Central Shaft fully operational
- Declining CAPEX post Central Shaft delivers increased FCF
- Exploration results from new projects

80,000/yr

4 – 6
Years

- Convert opportunities identified through exploration into producing assets
- Multi asset producer

100,000 – 150,000oz/yr

6 – 8
Years

- Substantial production and exploration portfolio in one of the worlds most prospective gold regions
- Strong growth pipeline with cash flow to fund expansion

>200,000oz/yr



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