Caledonia Mining Corporation Plc

Corporate Presentation 2021

PROFITABLE GOLD PRODUCTION,
FUTURE GROWTH

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The projected gold production figures in this presentation for 2021 and 2022 are explained in the management discussion and analysis ("MD&A") dated November 12, 2020. Refer to 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 Dana Roets, the Company's qualified person, supervised the preparation of the technical information in the technical report, and has approved all scientific and technical information in this presentation.

A Strategy Focused on Genuine Returns for our Shareholders

Central Shaft: near-term, low-risk growth

Significant increase in production by 2022

Committed to **return money** to shareholders

Attractive **new opportunities** in Zimbabwe

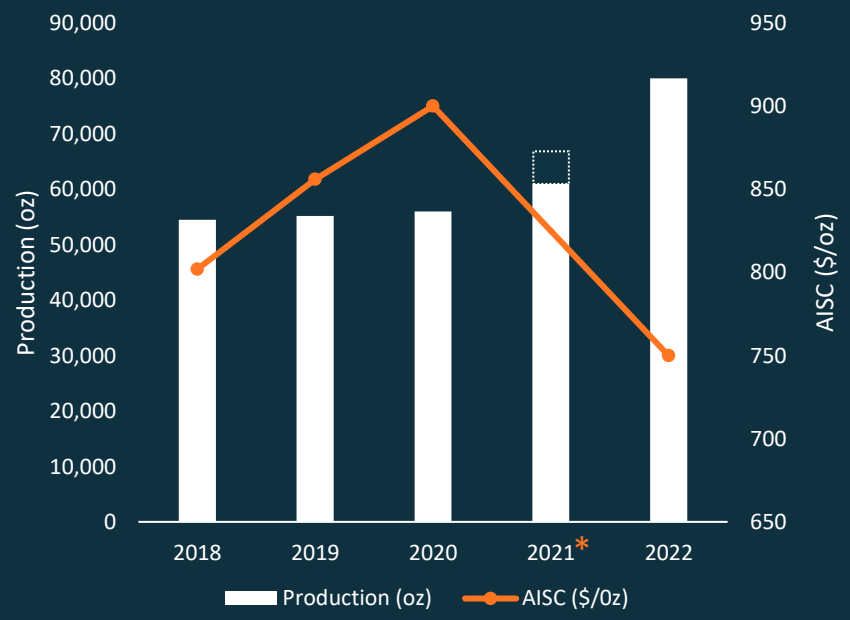
Caledonia Mining

AN OVERVIEW

A HIGHLY PROFITABLE CASH GENERATIVE GOLD PRODUCER WITH A STRONG GROWTH PROFILE

- Established, profitable gold producer expanding production from the Blanket Mine in the Gwanda Greenstone Belt, Zimbabwe
- Two exploration option agreements in Gweru mining district, an area that has historically produced significant quantities of gold.
- Jersey domiciled company; listed on NYSE and AIM
- US$21.56m in cash at 30 September 2020
- P/E of 12.5x on adjusted Q3 2020 annualised earnings
- 2021 production guidance of between 61,000 – 67,000 ounces

AN ESTABLISHED MINE WITH SUBSTANTIAL PLANNED PRODUCTION GROWTH AND COST REDUCTION



*Caledonia Mining does not give AISC costs for 2021.

M&I Resources of 805koz (6.74Mt) at 3.72g/t, Inferred resources of 963koz (6.63Mt) at 4.52g/t

Fully funded investment program supporting a 13-year life of mine

Significant on-mine and regional exploration upside

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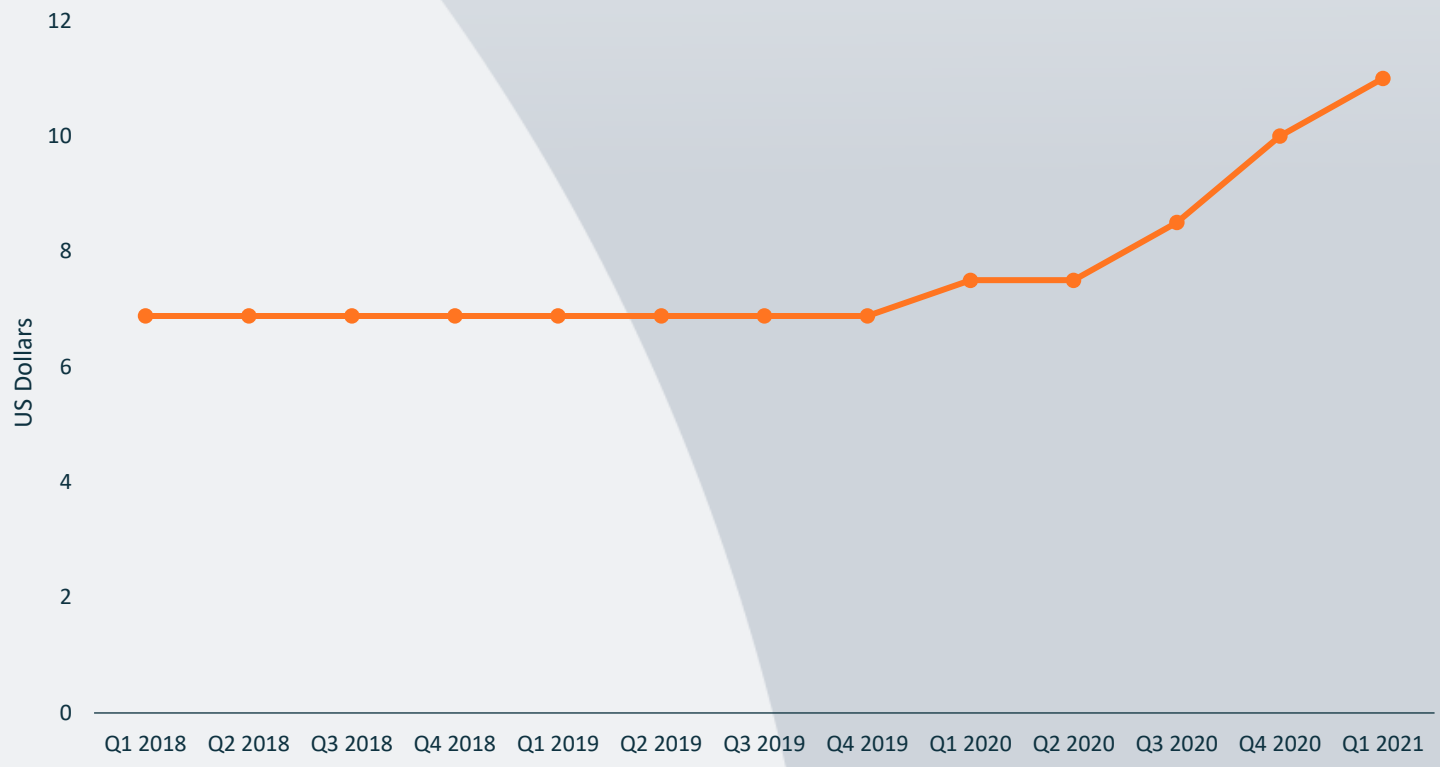
*2022 target AISC is C3-On-mine cost per the Technical Report published in Feb 2018 after adjustment for head office expenses and removal of intercompany margin. No account taken of export incentive credits or potential savings arising from increased efficiency of the central shaft

Dividend

COMMITTED TO RETURN MONEY TO SHAREHOLDERS

QUARTERLY DIVIDEND PAYMENTS



Quarterly dividend of

US$0.11 (11c)

60% increase in dividend since Oct 2019

Annualised yield of

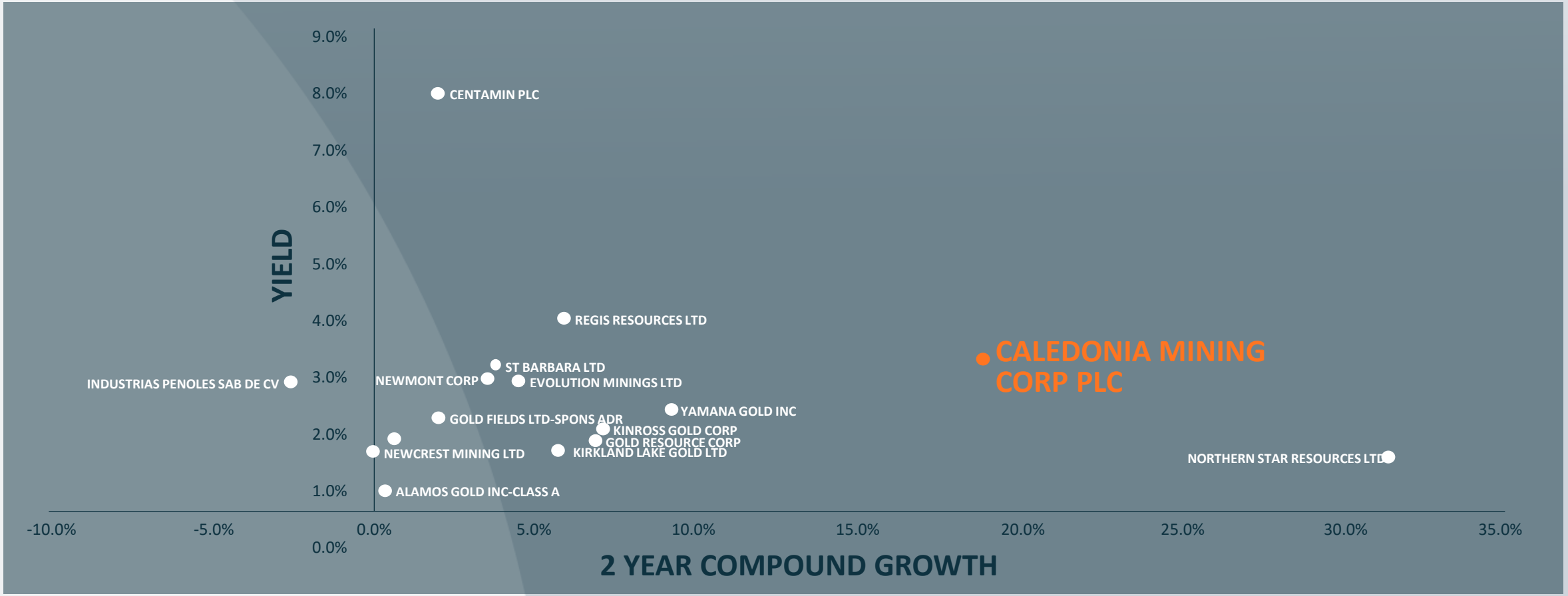
3.2%

Dividend payer since

2012

Growth Potential v Dividend Yield

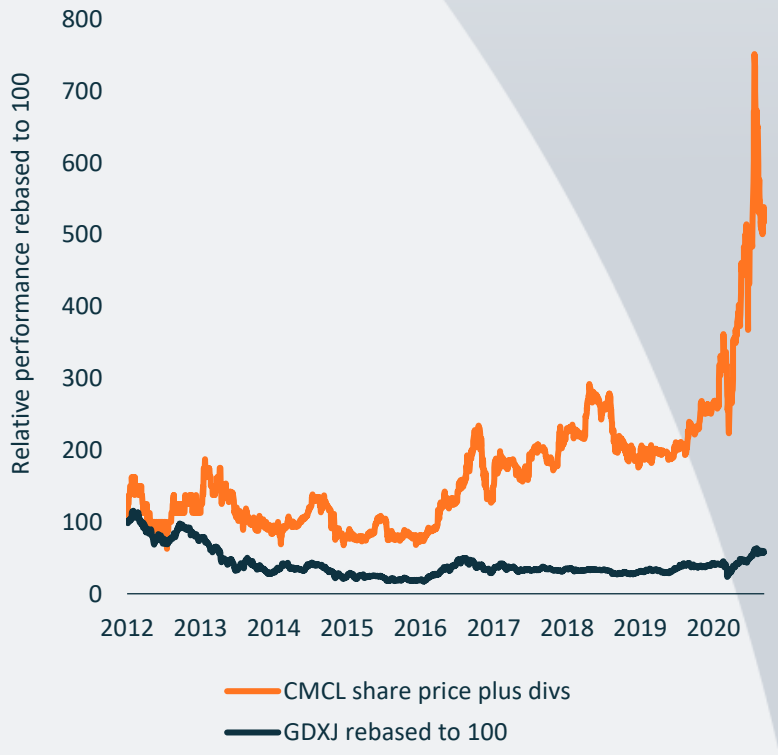
CALEDONIA HAS HUGE GROWTH POTENTIAL WHEN COMPARED TO ITS DIVIDEND PAYING PEERS



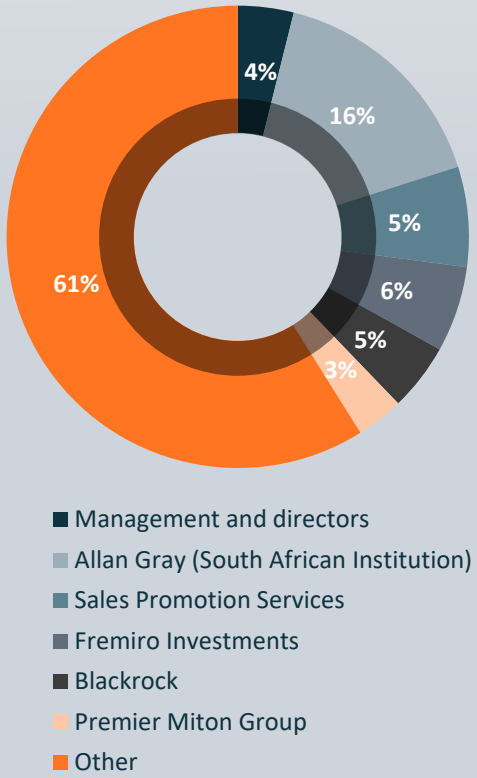
Corporate Overview

STRONG, EXPERIENCED MANAGEMENT TEAM AND BOARD OF DIRECTORS

RELATIVE PERFORMANCE VS GDXJ



SHAREHOLDERS



LISTING AND TRADING

Share price (3rd March 2021)	$14.36
Market Cap (3rd March 2021)	$174m
52 week low/high (US$)	6.51– 29.39
12M Avg. daily liquidity (shares/day)	70,654

CAPITAL STRUCTURE

Shares in issue (11th September 2020)	12.1m
Options	28,000
Cash (30th September 2020*)	$21.6m
Net Assets (30th September 2020*)	$154m

*Cash as disclosed at the end of Q3 2020, additional $13m raised to fund the construction of a solar PV plant on September 4, 2020

Environment, Social & Governance

CALEDONIA IS A SOCIALLY CONSCIOUS & RESPONSIBLE BUSINESS

CORPORATE GOVERNANCE & ETHICS

- We operate on **Honesty, Integrity, Respect & Trust,** and our **Code of Business Conduct, Ethics and Anti-Bribery Policy** is the foundation for how we conduct our business.
- Adopted QCA guidelines in 2020
- We are proud to have had no whistleblowing incidents.

HEALTH & SAFETY

- We aim for a **zero-harm work environment** with a LTIFR of zero
- We set-up the Nyanzvi initiative to improve safety at Blanket
- Have taken active measures in response to COVID-19 to minimise infection rise and safeguard continuity of operations

OUR PEOPLE

- 99% of our employees are Zimbabwean, and our Blanket employees have a 10% interest in the mine
- Our hiring practises include consideration of diversity across a number of areas including gender, and we are pleased to maintain a low employee turnover throughout the business – turnover at the Blanket Mine in 2020 was 0.42%

Sustainability is key to our business model, and we aim to deliver a strategic, environmentally sound response to some community needs under the following five sustainability pillars

COMMUNITY RELATIONS

- Involvement of the local community is central to our vision of building a socially responsible business
- The local community holds a 10% interest in the Blanket Mine
- Our CSR Strategy is defined under the following six pillars: **Education, Health, Women & Youth Empowerment, Agriculture, Environment & Charity**

ENVIRONMENT

- Blanket operates an **Environmental Management Plan** to ensure the application of the best management practises to protect the environment, and we have entered in contract to construct a 12MW solar plant at the mine
- Water is recycled from the lower levels of unused workings, and we plan to construct a storage pond from water pumped from current workings
- We are proud to have had zero reported environmental incidents in 2020
- Information on website regarding tailings management in response to requests from the Church of England Pensions Board and Council on Ethics and the Swedish National Pension Funds

COVID-19

No Effect on 2020 Production

Minor Delay to the Central Shaft

Donations to the Chamber of Mines and communities in 2020 to assist with the Covid-19 pandemic

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

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 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

Zimbabwe has recently come out of second **national lockdown**

Case Study

Phakama Clinic

The outbreak of COVID-19 precipitated the need for increased support to the community. We have responded with significant investment in healthcare facilities throughout 2020

For the Gwanda Community, Blanket built and equipped two isolation wards, ablution facilities and a kitchen at Phakama Clinic in anticipation of an increased number of Covid-19 patients during the pandemic at a cost of $462,000 .

Solar PV Project

OUR DRIVE TOWARDS A MORE SUSTAINABLE FUTURE

APPROVED THE CONSTRUCTION OF A 12MW SOLAR PLANT AT A COST OF APPROXIMATELY $12 MILLION

- Expected to reduce Blanket's dependence on grid power and improve the quality and security of Blanket's electricity supply
- Funding has been secured through the issue of equity via an ATM fundraise on the NYSE American
- Voltalia, a major player in the renewables energy sector, has been appointed
- Plant will take approximately 12 months to construct
- Blanket's tropical location and altitude are favourable for Solar PV
- Expected to provide approximately 27% of Blanket's total daily electricity demand

The project is expected to reduce Caledonia's GHG emissions, improve reliability and provide a modest increase in shareholder returns

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Central Shaft

NEAR-TERM GROWTH

Investing in growth to 80koz/year from 2022

CONSTRUCTING A NEW MINE BELOW THE CURRENT WORKINGS (2015 TO 2022)

6m diameter, 4-compartment shaft from surface to 1,200m **Commissioning on track for Q1 2021**

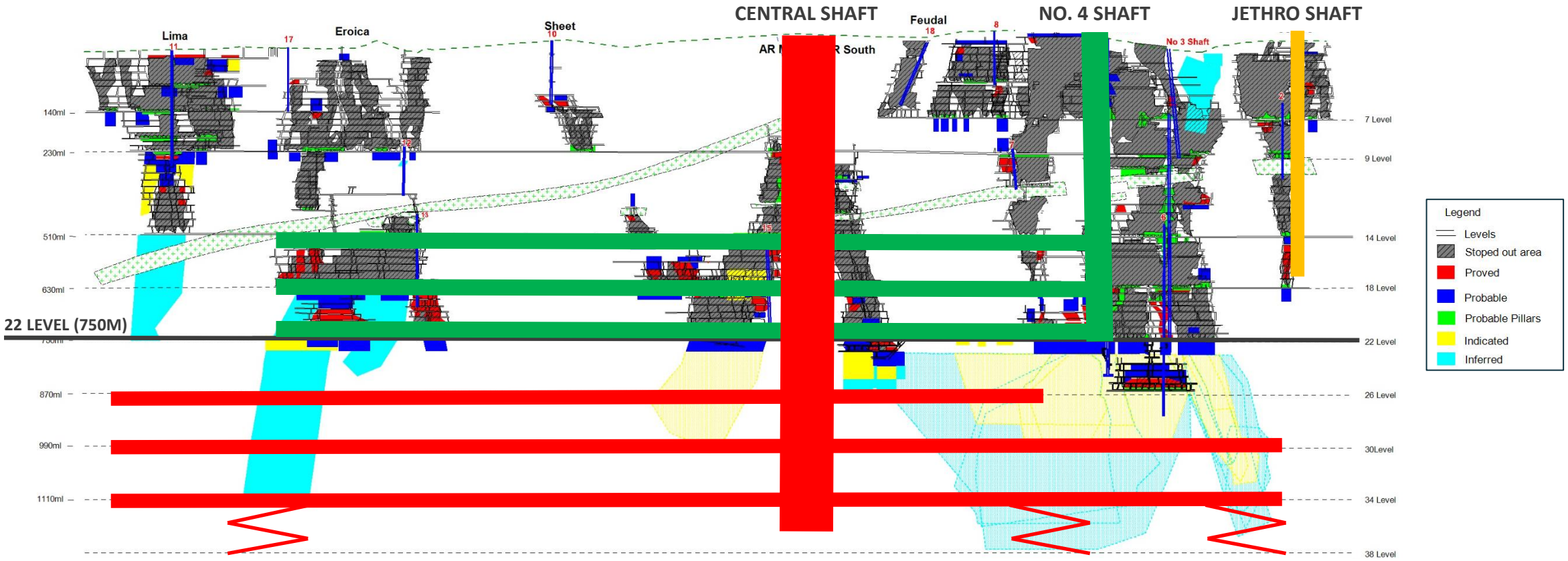
Shaft sinking completed in July 2019; **shaft equipping completed November 2020**

Mining and exploration access below 750m; **improve operational efficiency;** secure mine life to 2034

$63m invested since Jan 2015 fully funded from internal cash flows

New Central Shaft drives development of sub-750m zones

CONSTRUCTING A NEW MINE BELOW THE CURRENT WORKINGS



Plan illustrative and not to scale

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Zimbabwe

ATTRACTIVE NEW OPPORTUNITIES

The Zimbabwe Opportunity

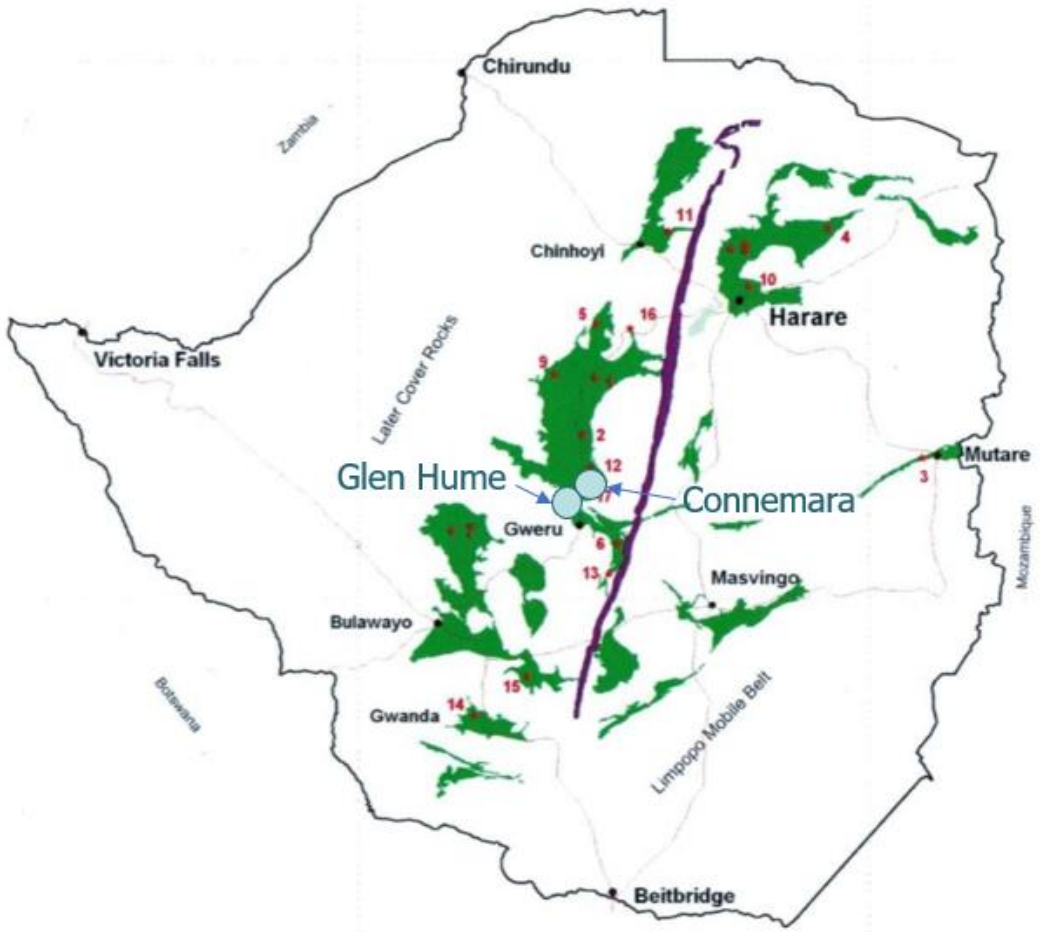
CONNEMARA NORTH

Acquired an option for the northern section of the property, for a period of **18 months** with the right to explore and to subsequently acquire the mining claims

The total consideration would be **$5.3 million** (payable in cash or shares) and a 1% net smelter royalty

Previously owned by First Quantum Minerals and was placed on care and maintenance in 2001 and subsequently disposed of in 2003

Before 2001 Connemara Mine (located on the southern section) produced approximately **20,000 ounces of gold per annum** from an open pit heap leach operation



The Zimbabwe Opportunity

GLEN HUME

Option agreement with right to explore for up to **15 months** and subsequently to acquire the mining claims over the area

The total consideration would be **$5 million** and a **1%** net smelter royalty

Attractive grass roots exploration project covering approximately **350 hectares**. Airborne geophysics indicates attractive exploration targets

Exploration drilling has already commenced using contract drillers who were already in-situ

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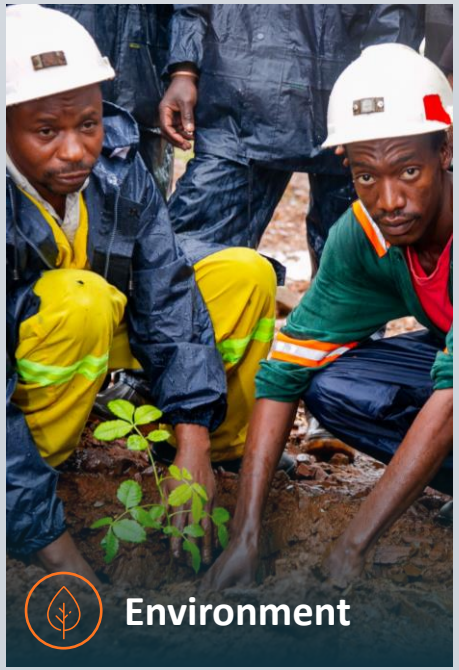
CSR

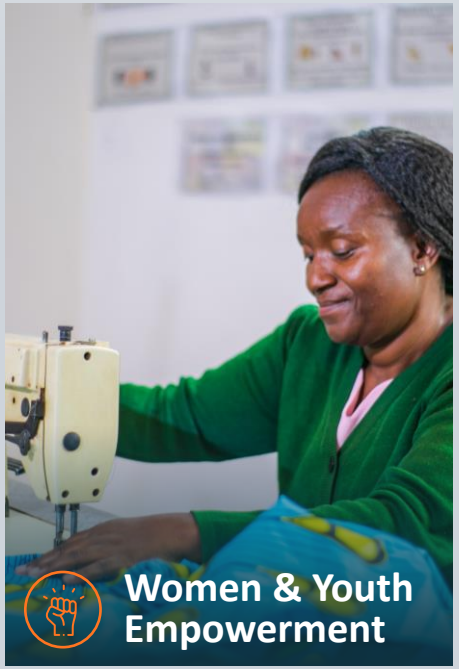
A RESPONSIBLE MINER

Corporate Social Responsibility

CALEDONIA IS A SOCIALLY CONSCIOUS RESPONSIBLE BUSINESS

OUR CSR STRATEGY IS DESIGNED TO DELIVER A STRATEGIC, SUSTAINABLE RESPONSE TO SOME COMMUNITY NEEDS.
OUR FOCUS AREAS ARE DEFINED UNDER THE FOLLOWING FIVE SUSTAINABILITY PILLARS:





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Outlook

A COMPANY IN THE ASCENDANCE

Strategy & Outlook

INCREASED FREE CASH FLOW TO GROW DIVIDENDS AND INVEST FOR FURTHER PRODUCTION

Significant increase in production from 2022

Increased cash flows due to higher production, lower unit costs and reduced capex from 2021

Continued **deep level exploration** to extend the life of mine beyond 2034

Review dividend to deliver **sustainable dividend growth** consistent with increasing free cash flow:
10% dividend increase in January 2021 to 11 cents per share; 60% cumulative increase since October 2019

Start to explore **Glen Hume** and **Connemara North,** with the right to acquire the mining claims over the area

Continue to **evaluate investment opportunities** in Zimbabwe where "surplus" free cash can be deployed

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