



2020 Results Presentation



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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.

2020 Highlights



Health and Safety

Minimal effect of Covid-19

Nyanzvi initiative has reduced injury rates.



Excellent Operational Performance

Record annual production of almost 58,000 ounces

Costs remain well-controlled.



Strong Financial Performance

32% increase in turnover to \$100m

50% increase in gross profit to \$46m

41% increase in adjusted EPS to 204 cents

60% increase in quarterly dividend Jan 2020 to Jan 2021.



Excellent Outlook

Central shaft almost complete – commissioning expected Q1 2021

2021 production target 61-67,000 ounces

2022 production target at 80,000 ounces

Caledonia acquired options over 2 new exploration properties.



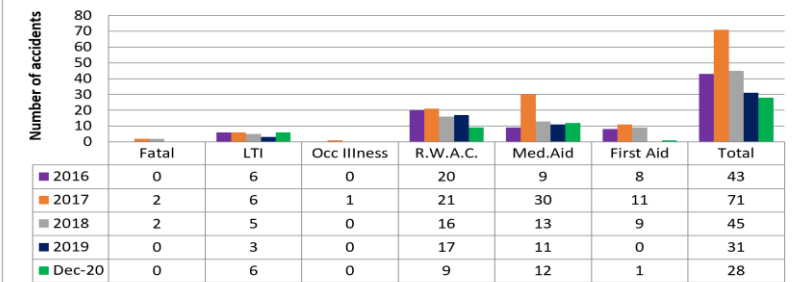
Health and Safety

Safety Performance & Training

- In 2018 the Nyanzvi training initiative was set up to improve the safety at Blanket mine.
- Due to Covid-19, in 2020 126 attendees completed the training, there were 1365 in 2019.
- This increased awareness in safety procedures has led to a 60% reduction in total accidents from 2017 to 2020
- All new employees receive safety training as part of the induction process. To date, 98% have completed the training and the remaining 2% are new employees.



Actual Occupational Injuries by year of occurrence, 2016 to December 2020



Key: (LTI)- Lost Time Injury, (RWAC) – Restricted Work Activity Case, (M/A)-Medical Aid Case



COVID-19

**No Effect on
2020 Production**



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 was 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

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 .

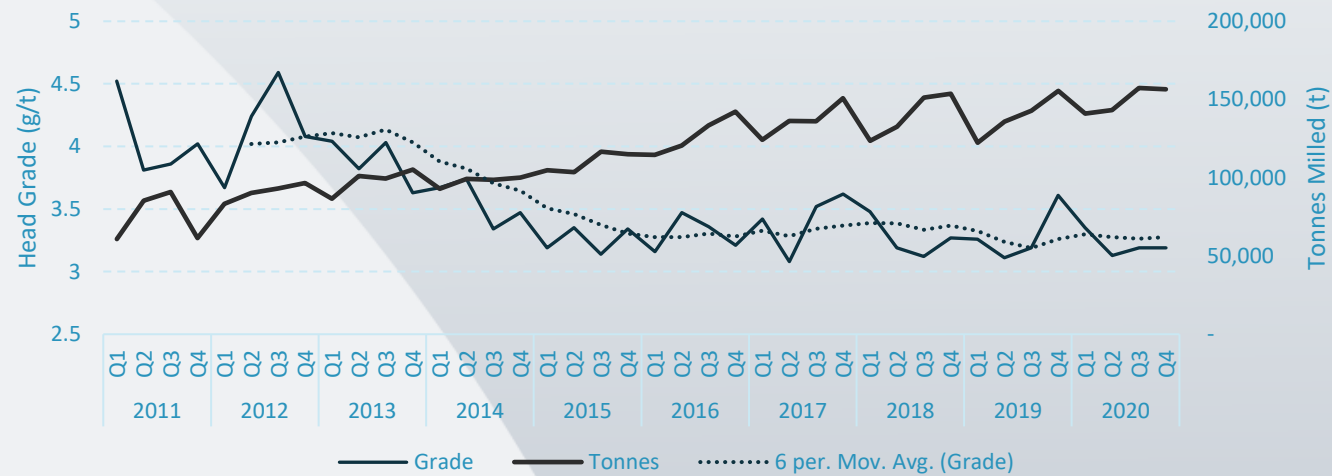




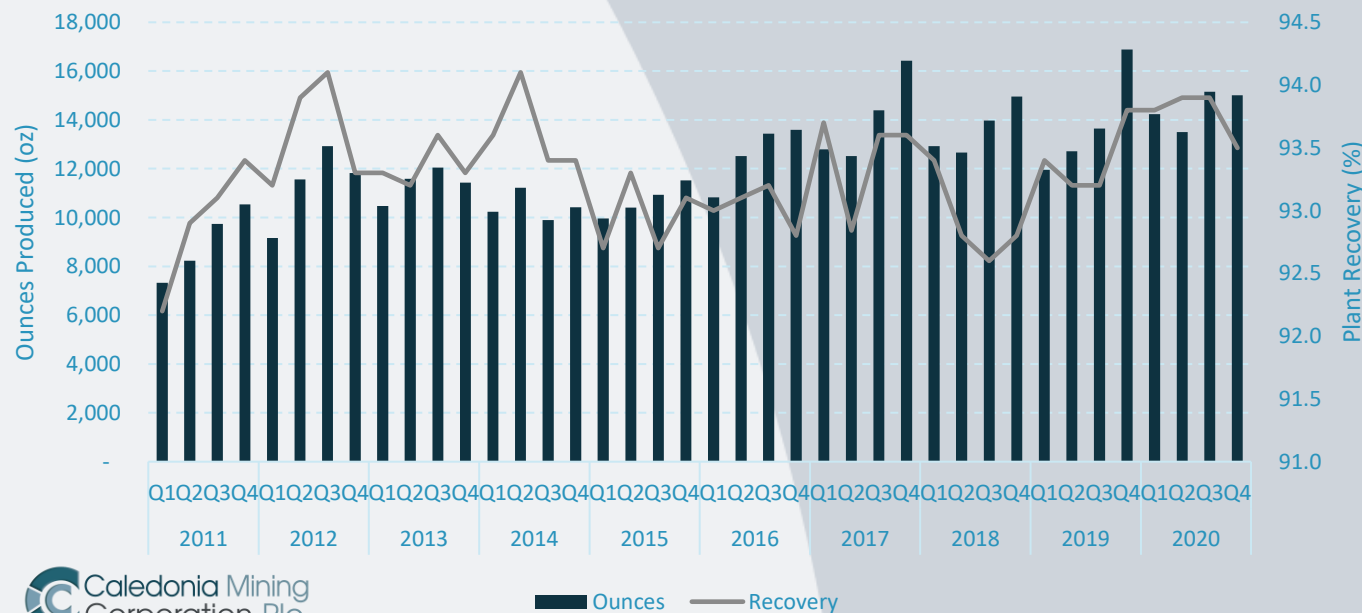
Operating Review

Review of Operations

Tonnes Milled & Grade (2011 – Q4 2020)



Ounces Produced & Recovery (2011 – Q4 2020)



Achieved grade was 3.21g/t

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

Improved recoveries following the commissioning of the new oxygen plant in Q1 2020

Electricity

Our commitment to sustainable development requires us to integrate environmental considerations into business decisions



Blanket Mine currently uses grid power as its primary source of electricity which is subject to interruptions and is unstable



To minimise the adverse effect of power interruptions, Blanket has installed diesel generators with a capacity of 18.4MWac which is sufficient to maintain full production and to continue development and capital projects during power outages



However, diesel generators are not a long-term solution: as well as diesel-generated electricity being expensive and being subject to supply of diesel, it is also environmentally unsustainable.

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
- Expected to provide approximately 27% of Blanket's total daily electricity demand
- 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 should be operational by end of Q1 2022
- Blanket's tropical location and altitude are favourable for Solar PV



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



Financial Review

Results Highlights

Year to December 31	2018	2019	2020	Change 2019 to 2020
Production (ounces)	54,511	55,182	57,899	5%
Average gold price (\$ per ounce) ¹	1,245	1,382	1,749	27%
Revenue (\$'m)	68.4	75.8	100.0	32%
Gross Profit (\$'m) ²	21.6	31.1	46.7	50%
Adjusted profit attributable to shareholders (\$'m) ¹	14.0	15.4	23.8	55%
Adjusted earnings per share (cents) ¹	132	145	204	41%
Dividends per share (cents)	27.5	27.5	33.5	22%

Review of Results

Profit and loss

Year to December 31 (\$'m)	2018	2019	2020	Change	
Revenue	68.4	75.8	100.0	32%	4% higher sales; 27% higher gold price
Royalty	(3.4)	(3.9)	(5.0)	28%	Royalty payable to Zimbabwe Government remains at 5%
Production costs	(39.3)	(36.4)	(43.7)	20%	Includes "non-controlled costs": Covid, generators etc
Depreciation	(4.1)	(4.4)	(4.6)	5%	
Gross Profit (\$'m)	21.6	31.1	46.7	50%	
G&A	(6.5)	(5.6)	(8.0)	43%	Higher insurance and wages and salaries
Net foreign exchange gain	0.2	29.7	4.3	(86%)	Local currency liabilities were written down on 2019
Other income/(expense)	6.8	1.6	(0.6)	(138%)	Export incentive ; COVID donations; impairment of Mascot
Other	(0.9)	3.9	(2.0)	(151%)	\$1.4m of equity settled share based payment
Profit before tax	21.2	60.7	40.4	(33%)	
Tax expense	(7.4)	(10.3)	(15.2)	48%	Refer later discussion
Profit for the period	13.8	50.4	25.2	(50%)	
NCI	(3.0)	(8.4)	(4.5)	(46%)	2020 NCI reduced due to purchase of further 15% of Blanket
Attributable profit	10.8	42.0	20.7	(51%)	
Adjusted eps (cents) ¹	132	145	204	41%	Excludes FX, deferred tax, gains loss on disposals of assets

Review of Results

Production Costs

Year to December 31 (\$'m)	2019	2020	Change	
Wages and salaries ¹	13.9	16.1	16%	12% increase in man-hours worked; new bonus structure
Consumables ¹	13.0	14.9	15%	Increased cost of maintaining trackless equipment
Covid consumables ¹	0.0	0.8	n/a	
Electricity - ZESA ²	5.9	6.5	10%	12% increase in power use; 7% increase in tonnes milled
Electricity – Diesel ²	0.5	1.8	260%	8,500 hours running time (2019 - 3,800 hours)
Safety ¹	0.5	0.7	40%	
On-mine administration ¹	2.2	1.9	(18%)	Some locally denominated costs reduce in US\$ terms
Share-based payment expense (LTIP) ¹	0.1	0.6	500%	Increase largely due to higher Caledonia share price
Pre-feasibility expenses ¹	0.3	0.4	33%	
Total IFRS production costs ¹	36.4	43.7	20%	
“Non-controlled” costs (i.e. Covid consumables, diesel electricity and share-based expense) ³	(1.5)	(3.3)	110%	Solar project should contain the high diesel cost
Total “Controlled” costs	34.9	40.5	16%	
Total controlled cost per tonne (\$/t) ³	62.78	67.61	8%	Controlled costs remain competitive

Review of Results

G&A

Year to December 31 (\$'000's)	2019	2020	Change	
Investor relations	414	353	(15%)	<i>Lower due to covid restrictions on physical events</i>
Audit fee	237	288	22%	<i>Includes non-audit work</i>
Advisory service fees	408	904	122%	<i>Increased activity in 2020: TSX de-listing; SEC F-3 filing; legal work on solar; fees relating to new investment opportunities.</i>
Listing fees	277	448	62%	
Directors fees	271	366	35%	
Wages and salaries	3,030	4,065	34%	<i>Increased headcount (geology, rock mechanics, IR) and higher bonuses</i>
Management liability insurance	86	1,032	1100%	<i>Higher premium for D&O cover due to tighter market conditions</i>
Travel	292	117	(60%)	<i>Lower due to covid restrictions on travel</i>
Eersteling	17	0	n/a	
Other	605	424	(30%)	
Total	5,637	7,997	42%	

Source: note 14 to the Consolidated Financial Statements published on March 22, 2021.

Review of Results

Cost per ounce

Year to December 31 (\$/oz)	2019	2020	Change	
On Mine cost per ounce ¹	651	744	14%	2020 includes \$3.2m of “non-controlled” operating costs ² , equivalent to approx. \$56/oz ³ (2019: “non-controlled” costs of \$0.6m ² – approx. \$11/oz ³)
All-in sustaining cost per ounce (before Export Credit) ¹	856	1,028	20%	2020 includes \$3.2m of non-controlled operating costs (2019; \$0.6m), further \$1.4m of share based expense (2019; \$0.7m) and \$1m of increased insurance cost – aggregate equivalent of approx. \$98/oz (2019 aggregate \$1.3m – approx. \$23/oz)
All-in sustaining cost per ounce (after Export Credit) ¹	820	946	15%	Export credit in 2020 of \$4.7m ⁴ (approx. \$82/oz ⁵) (2019 ECI of \$1.9m ⁴ – approx. \$35/oz ⁵)

1. Source: section 10.1 to the MD&A published on March 22, 2021

2. Total non-controlled costs per section 4.6 of the MD&A

3. Cost per ounce calculated on the basis of sales ounces as set out in section 10.1 of the MD&A published on March 22, 2021 i.e. 57,137 ounces in 2020 and 54,801 ounces in 2019

4. Source: section 10.1 to the MD&A published on March 22, 2021

5. Benefit per ounce of the export credit calculated on the basis of sales ounces as set out in note 3 above

Review of Results

Taxation

	Zimbabwe	South Africa	UK	Total
Income tax	8,153	762	-	8,915
Withholding tax				
- management fees	-	122	-	122
- deemed dividend	209	-	-	209
- div from Zimbabwe to UK	-	-	110	110
- div from S. Africa to UK	-	-	136	136
Deferred tax	5,705	(24)	-	5,681
Total Taxation charge	14,067	860	246	15,173
Cash tax paid				6,656

- Taxation principally arises in Zimbabwe; income tax in South Africa on inter-company profits
- Zimbabwe calculation is opaque: tax computations are done using RTGS\$ accounts and the resultant charge is converted to US\$.
- Zimbabwe income tax and deferred tax charge represents 27% of IFRS gross profit (which approximates to on-mine profit before tax)
- Total effective tax rate of 37% on IFRS profit before tax :
 - No tax relief for G&A costs of \$5.6m incurred in UK and Jersey.
 - \$576 of withholding tax levied by South Africa and Zimbabwe on inter group payments

Source: Section 3 to the MD&A published on March 22, 2021.

Review of Results

Cash Flow

Year to December 31 (\$'m)	2018	2019	2020	
Cash flow before working capital	25.8	28.1	42.5	<i>Robust cash generation</i>
Working capital	(4.7)	(4.2)	(4.5)	<i>Higher inventories and erosion of supplier credit</i>
Net interest	(0.1)	(0.3)	(0.3)	<i>Minimal debt – small working capital facilities only</i>
Tax paid	(3.3)	(5.5)	(6.7)	
Net cash from operating activities	17.7	18.1	31.0	<i>70% year-on-year increase: higher gold price; increased sales</i>
Investing	(20.2)	(19.0)	(28.0)	<i>2020 investing includes \$2.6m on new exploration</i>
Financing (incl. dividends)	0.9	(1.2)	7.3	<i>2020 includes \$12.5m equity raise and \$4.5m dividends paid</i>
Net change	(1.6)	(2.2)	10.3	
Foreign exchange	0.0	(0.1)	(0.1)	
Net cash b/fwd	12.8	11.2	8.9	
Net cash c/fwd	11.2	8.9	19.1	<i>Improved net cash position; excludes approx. \$1m of gold ETF</i>

Review of Results

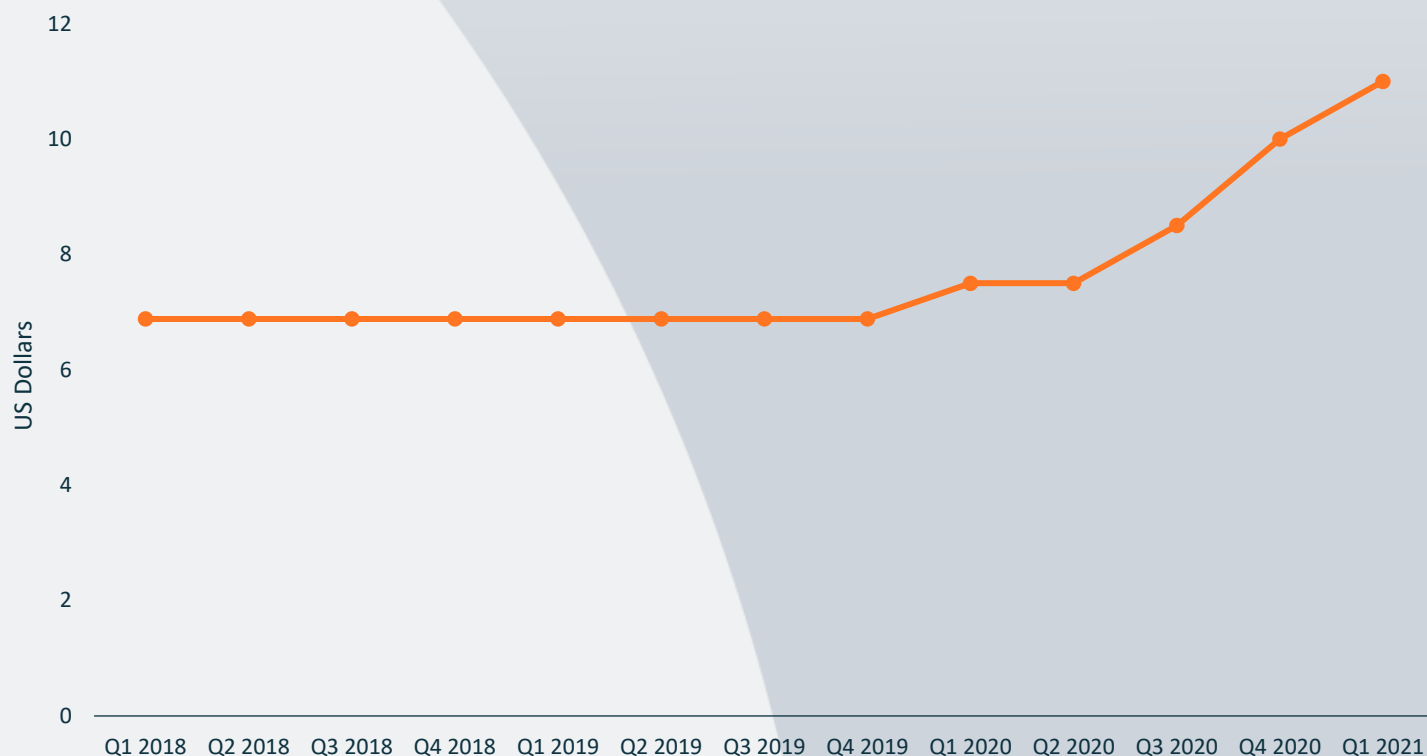
Balance Sheet

As at December 31 (\$'m)	2018	2019	2020	
Non-current assets	97.5	113.7	133.3	Continued investment in the Central Shaft
Current assets (excl. cash)	16.7	20.4	23.8	Higher inventories; reduced receivables
Cash and equivalents	11.2	9.4	19.1	Minimal debt – small working capital facilities only
Derivative financial assets	0.0	0.1	1.2	2020 comprises a gold ETF to hedge Rand exposure
Assets held for sale	0.3	0.0	0.5	2020 comprises a small satellite property
Total assets	125.7	143.6	177.9	70% year-on-year increase: higher gold price; increased sales
Equity attrib. to shareholders	70.5	108.4	141.5	2020 investing includes \$2.6m on new exploration
Non-controlling interests	8.3	16.3	16.5	Purchase of additional 15% of Blanket in Jan 2020
Total equity	78.8	124.7	158.0	
Non-current liabilities	34.7	9.0	9.9	Devaluation of deferred tax creditor since 2018
Current liabilities	12.2	9.9	10.0	
Total equity and liabilities	125.7	143.6	177.9	

Dividend

COMMITTED TO RETURN MONEY TO SHAREHOLDERS

QUARTERLY DIVIDEND PAYMENTS



Jan. 2021 Quarterly dividend of

US\$0.11 (11c)

60% increase in dividend since Oct 2019

Annualised yield of

3.2%

Dividend payer since

2012

Total dividend cost \$1.34m per quarter



Outlook

A COMPANY IN THE ASCENDANCE

Investing in growth to 80,000oz/year from 2022

CONSTRUCTING A NEW MINE BELOW THE CURRENT WORKINGS (2015 TO 2021)



Central Shaft will result in a major improvement in production, costs and flexibility



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



\$67m invested since Jan 2015 fully funded from internal cash flows

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



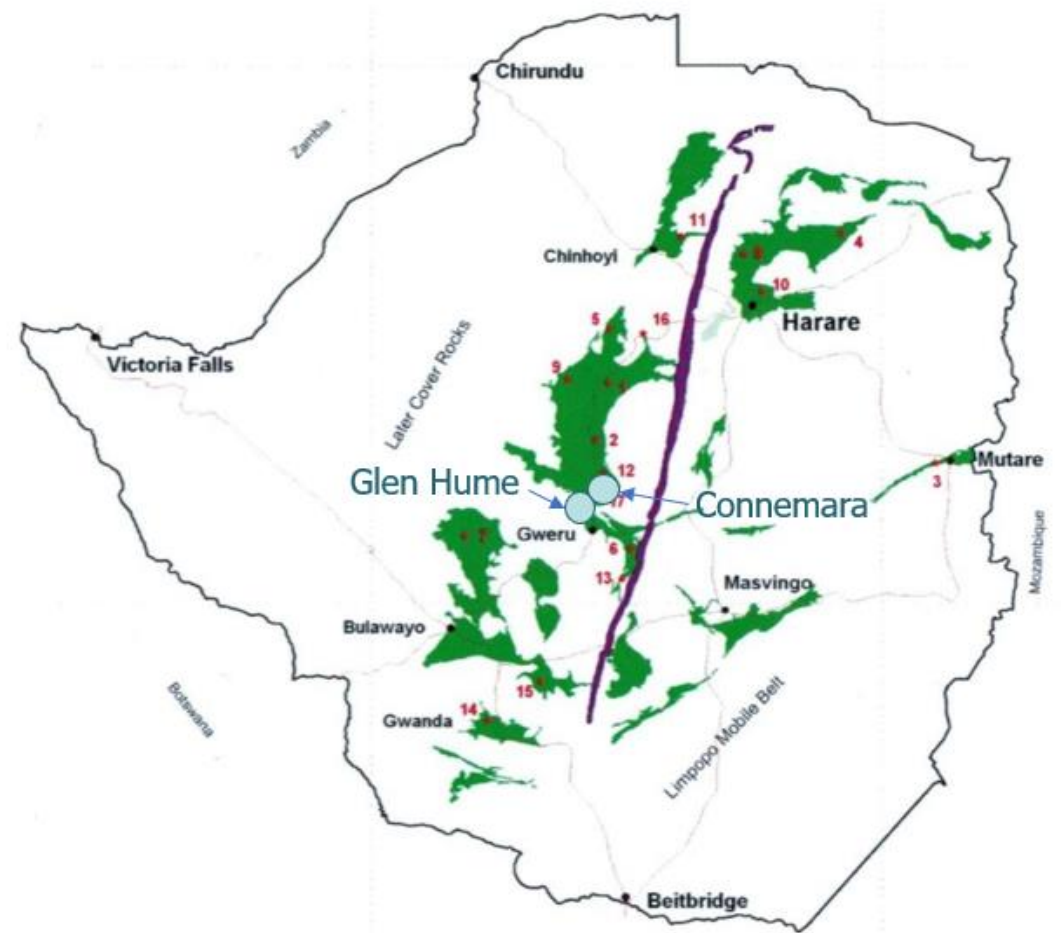
The total consideration would be **\$5.3 million** (payable in cash or shares) and a 1% net smelter royalty



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



Sustainability

A RESPONSIBLE MINER

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 training initiative to improve safety at Blanket
- Have taken active measures in response to COVID-19 to minimise infection rates and safeguard continuity of operations



OUR PEOPLE

- 99% of our employees are Zimbabwean, and our Blanket employees have a 10% ownership of 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%



COMMUNITY RELATIONS

- Involvement of the local community is central to our vision of building a socially responsible business
- The local community has a 10% ownership of 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 into a 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 for 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



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

Corporate Social Responsibility

CALEDONIA IS A SOCIALLY CONSCIOUS RESPONSIBLE BUSINESS

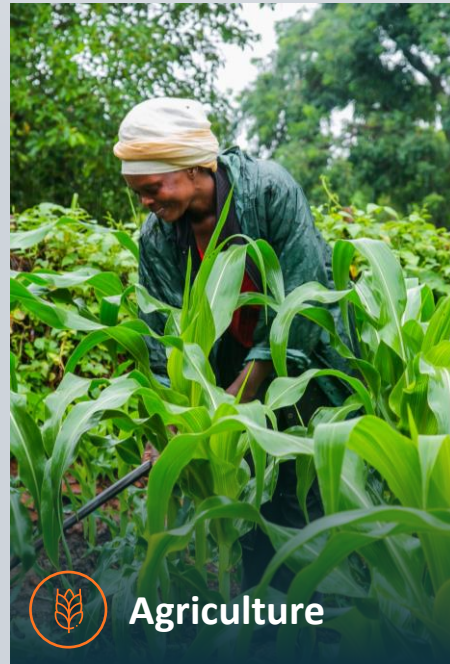
OUR CSR STRATEGY IS DESIGNED TO DELIVER A STRATEGIC, SUSTAINABLE RESPONSE TO SOME COMMUNITY NEEDS.
OUR FOCUS AREAS ARE DEFINED UNDER THE FOLLOWING FIVE SUSTAINABILITY PILLARS:



Education



Health



Agriculture



Environment



Women & Youth
Empowerment

Strategy & Outlook

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



Increase production to **80,000 ounces per annum** from 2022



Increased cash flows due to higher production, lower unit costs and reduced capex from 2022



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** where “surplus” free cash can be deployed

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