UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 193**
Date of event requiring this shell company report ……

For the transition period from …… to ……

Commission file number 001-38164

Caledonia Mining Corporation Plc
(Exact name of Registrant as specified in its charter)

Jersey, Channel Islands
(Jurisdiction of incorporation or organization)

Caledonia Mining Corporation Plc
B006 Millais House, Castle Quay, St Helier, Jersey, JE2 3EF
(Address of principal executive offices)

Mark Learmonth, +44 1534 679 800, mlearmonth@caledoniamining.com, B006 Millais House, Castle Quay, St Helier, Jersey Channel Islands, JE2 3EF.

(Name, telephone, email and/or facsimile number and address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Shares, no par value	CMCL	NYSE American LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or stock as of the closing of the period covered by the annual report:

12,756,606 ("**Common shares**" or "**shares**")

Indicate by check mark if the registration is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, and/or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐
Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP	☐
International Financial Reporting Standards as issued by the International Accounting Standards	☒
Other	☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 20-F ("**Annual Report**") and the exhibits attached hereto contain "forward-looking information" and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation that involve risks and uncertainties relating, but not limited to, the Company's current expectations, intentions, plans, and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "target", "intend", "estimate", "could", "should", "may" and "will" or the negative of these terms or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Examples of forward-looking information in this Annual Report include: our reserve calculations with underlying assumptions, production guidance, estimates of future/targeted production rates, planned mill capacity increases, estimates of future metallurgical recovery rates and the ability to maintain high metallurgical recovery rates, Caledonia Mining Corporation Plc and subsidiaries ("**Caledonia**" or "**Company**" or "**Group**") plans and timing regarding further exploration, drilling and development, the prospective nature of exploration and development targets, the ability to upgrade and convert mineral reserves, capital costs, our intentions with respect to financial position and third party financing and future dividend payments. This forward-looking information is based, in part, on assumptions and factors that may change or prove to be incorrect, thus causing actual results, performance or achievements to be materially different from those expressed or implied by forward-looking information. Such factors and assumptions include, but are not limited to: failure to establish estimated reserves, the grade and recovery of ore which is mined varying from estimates, success of future exploration and drilling programs, reliability of drilling, sampling and assay data, assumptions regarding the representativeness of mineralization being inaccurate, success of planned metallurgical test-work, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, changes in government regulations, legislation and rates of taxation, inflation, changes in exchange rates and the availability of foreign exchange, fluctuations in commodity prices, delays in the development of projects and other factors.

Shareholders, potential shareholders and other prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Such factors include, but are not limited to: risks relating to estimates of mineral reserves proving to be inaccurate, fluctuations in gold price, risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected geological or structural formations, pressures, power outages, explosions, landslides, cave-ins and flooding), risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom the Company does business; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards, employee relations; relationships with and claims by local communities and indigenous populations; political risk; risks related to natural disasters, terrorism, civil unrest, public health concerns (including health epidemics or outbreaks of communicable diseases such as the coronavirus); availability and increasing costs associated with mining inputs and labor; the speculative nature of mineral exploration and development, including the risks of obtaining or maintaining necessary licenses and permits, diminishing quantities or grades of mineral reserves as mining occurs; global financial condition, the actual results of current exploration activities, changes to conclusions of economic evaluations, and changes in project parameters to deal with un-anticipated economic or other factors, risks of increased capital and operating costs, environmental, safety or regulatory risks, expropriation, the Company's title to properties including ownership thereof, increased competition in the mining industry for properties, equipment, qualified personnel and their costs, risks relating to the uncertainty of timing of events including targeted production rate increase and currency fluctuations. Shareholders, potential shareholders and other prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Caledonia reviews forward-looking information for the purposes of preparing each annual report, however Caledonia undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law. **For the reasons set forth above, investors should not place undue reliance on forward-looking statements**.

STATUS AS AN EMERGING GROWTH COMPANY

We are an “emerging growth company” as defined in Section 3(a) of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) by the Jumpstart Our Business Startups Act of 2012 (the "**JOBS Act**"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. We will continue to qualify as an "emerging growth company" until the earliest to occur of: (a) the last day of the fiscal year during which we had total annual gross revenues of US$1,070,000,000 (as such amount is indexed for inflation every 5 years by the United States Securities and Exchange Commission (“**SEC**”)) or more; (b) the last day of our fiscal year following the fifth anniversary of the date of the first sale of equity securities pursuant to an effective registration statement under the United States Securities Act of 1933, as amended (the “**Securities Act**”); (c) the date on which we have, during the previous 3-year period, issued more than US$1,000,000,000 in non-convertible debt; or (d) the date on which we are deemed to be a "large accelerated filer", as defined in Exchange Act Rule 12b-2. We expect to continue to be an emerging growth company for the immediate future. During 2020 Caledonia completed the first sale of equity securities under the Securities Act and may no longer qualify as an emerging growth company in 2026. Refer to note 25 in the Consolidated Financial Statements for detail on the sale of this equity and subsequent sales of equity securities.

Generally, a registrant that registers any class of its securities under Section 12 of the Exchange Act is required to include in the second and all subsequent annual reports filed by it under the Exchange Act a management report on internal control over financial reporting and, subject to an exemption available to registrants that are neither an "accelerated filer" or a "larger accelerated filer" (as those terms are defined in Exchange Act Rule 12b-2), an auditor attestation report on management's assessment of internal control over financial reporting. However, for so long as we continue to qualify as an emerging growth company, we will be exempt from the requirement to include an auditor attestation report on management’s assessment of internal controls over financial reporting in its annual reports filed under the Exchange Act, even if we were to qualify as an "accelerated filer" or a "larger accelerated filer". In addition, Section 103(a)(3) of the Sarbanes-Oxley Act of 2002 (the “**Sarbanes-Oxley Act**”) has been amended by the JOBS Act to provide that, among other things, auditors of an emerging growth company are exempt from any rules of the Public Company Accounting Oversight Board requiring a supplement to the auditor’s report in which the auditor would be required to provide additional information about the audit and the financial statements of the company.

SPECIAL NOTE REGARDING LINKS TO EXTERNAL WEBSITES

Links to external, or third-party websites, are provided solely for convenience. We take no responsibility whatsoever for any third-party information contained in such third-party websites, and we specifically disclaim adoption or incorporation by reference of such information into this report.

NON-IFRS FINANCIAL INFORMATION

This Annual Report contains financial statements of the Company prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS**”). In addition, this Annual Report also contains non-IFRS financial measures (“**Non-IFRS Measures**”) including “on-mine cost per ounce”, “all-in sustaining cost per ounce”, “all-in cost per ounce”, “average realized gold price” and “adjusted earnings per share” as we believe these are useful metrics for measuring our performance. However, these Non-IFRS Measures do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS.

CURRENCY

Unless otherwise indicated, all references to “$”, “US dollars”. “USD”, or "US$" are to United States of America dollars.

FOREIGN PRIVATE ISSUER FILINGS

We are considered a “foreign private issuer” pursuant to Rule 405 promulgated under the Securities Act. In our capacity as a foreign private issuer, we are exempt from certain rules under the Exchange Act that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our shares. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as United States companies whose securities are registered under the Exchange Act. In addition, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information.

For as long as we are a “foreign private issuer” we intend to file our annual financial statements on Form 20-F and furnish our quarterly financial statements on Form 6-K to the SEC for so long as we are subject to the reporting requirements of Section 13(g) or 15(d) of the Exchange Act. However, the information we file or furnish may not be the same as the information that is required in annual and quarterly reports on Form 10-K or Form 10-Q for U.S. domestic issuers. Accordingly, there may be less information publicly available concerning us than there is for a company that files as a domestic issuer.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We are required to determine our status as a foreign private issuer on an annual basis at the end of our second fiscal quarter. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by United States residents and any of the following three circumstances applies: (1) the majority of our executive officers or directors are United States citizens or residents; (2) more than 50% of our assets are located in the United States; or (3) our business is administered principally in the United States. If we lose our “foreign private issuer status” we would be required to comply with Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirement for “foreign private issuers”.

PART I

ITEM 1 - IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2 - OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3 - KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

D. Risk Factors

An investment in our shares involves a high degree of risk and should be considered speculative. You should carefully consider the following risks set out below and other information before investing in our shares. If any event arising from these risks occurs, our business, prospects, financial condition, results of operations or cash flows could be adversely affected, the trading price of our shares could decline and all or part of any investment may be lost.

Our operations are highly speculative due to the high-risk nature of our business, which include the acquisition, financing, exploration, development of mineral infrastructure and operation of mines. The risks and uncertainties set out below are not the only ones we face. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also impair our operations. If any of the risks actually occur, our business, financial condition and operating results could be adversely affected. As a result, the trading price of our shares could decline and investors could lose part or all of their investment. Our business is subject to significant risks and past performance is no guarantee of future performance.

Our shares may not continue to be listed on the NYSE American LLC ("NYSE American")

Failure to meet the applicable maintenance requirements of the NYSE American could result in our shares being delisted from the NYSE American. If we are delisted from the NYSE American, our shares may be eligible for trading on an over-the-counter market in the United States. In the event that we are not able to obtain a listing on another U.S. stock exchange or quotation service for our shares, it may be extremely difficult or impossible for shareholders to sell their shares in the United States. Moreover, if we are delisted from the NYSE American, but obtain a substitute listing for our shares in the United States, it may be on a market with less liquidity, and therefore potentially more price volatility, than the NYSE American. Shareholders may not be able to sell their shares on any such substitute U.S. market in the quantities, at the times, or at the prices that could potentially be available on a more liquid trading market. As a result of these factors, if our shares are delisted from the NYSE American, the price of our shares is likely to decline. In addition, a decline in the price of our shares will impair our ability to obtain financing in the future.

Future sales of our shares into the public market by holders of our options may lower the market price, which may result in losses to our shareholders.

As of May 17, 2022, we had 12,833,126 shares issued and outstanding. In addition, as of May 17, 2022, 10,000 shares were issuable upon exercise of outstanding stock options, all of which may be exercised in the future resulting in dilution to our shareholders. Awards under the incentive plan made to executives and certain other senior members of management on January 24, 2022, consisting of a target of 130,380 performance units ("PUs"), are only to be settled in shares. The PUs that vest will be subject to a performance multiplier and a maximum amount of 150% of target PUs could vest. Accordingly, providing for such a maximum amount, Caledonia could grant options on a further 1,077,742 shares as at the date of this annual report on the assumption that all other outstanding awards (other than the options mentioned above) are settled in cash at the request of the holders. As of May 17, 2022, our senior officers and directors beneficially owned, as a group, 543,420 shares (4.2% of our issued share capital). Sales of substantial amounts of our shares into the public market, by our officers or directors or pursuant to the exercise of options, or even the perception by the market that such sales may occur, may lower the market price of our shares.

The price of gold is subject to volatility and may have a significant effect on our future activities and profitability.

The economic viability of our revenues, operations and exploration and development projects is, and is expected to be, heavily dependent on the price of gold, which is particularly subject to fluctuation and has fluctuated significantly in recent years. The price of gold is affected by numerous factors beyond our control including, but not limited to: international economic and political conditions; expectations of inflation; international currency exchange rates; interest rates; global or regional consumption patterns; speculative activities; levels of supply and demand; increased production due to new mine developments and improved mining and production methods; availability and costs of metal substitutes; and inventory carrying costs. The effect of these factors on the price of gold, and therefore the economic viability of our operations, cannot be accurately predicted. Blanket Mine (1983) (Private) Limited ("**Blanket**"), the company which owns the Blanket mine ("**Blanket Mine**"), continues to sell all of its gold production from the Blanket Mine to Fidelity Printers and Refiners Limited ("**Fidelity**"), as required by Zimbabwean legislation, and received the spot price of gold less an early settlement discount of 1.25% (2.5% from October 1, 2018 to January 11, 2019).

On February 17, 2022, the Company entered into a zero cost contract by way of call options to hedge approximately 25% of 2022 target gold production at Blanket through a cap and collar hedge for 20,000 ounces of gold over a period of 5 months from March 2022 to July 2022. The hedging contract has a cap of $1,940 and a collar of $1,825 over 4,000 ounces of gold per month, expiring at the end of each month over the 5-month period.

On March 9, 2022, in response to a very volatile gold price the Company purchased a matching quantity of call options at: a strike price above the cap at a total cost of $796,000 over 4,000 ounces of gold per month at strike prices of $2,100 per ounce from March 2022 to May 2022 and $2,200 per ounce from June 2022 to July 2022 in order to limit margin exposure and reinstate gold price upside above the strike price. The future impact of the hedges are undeterminable at the date of issue of this report and will be quantified in the Condensed Consolidated Interim Financial Statements as at March 31, 2022. Refer to note 14 and 41.1 of the Consolidated Financial Statements for more detail on the hedging agreements.

Our Business Operations and/or Activities could be impacted by the spread of contagious diseases, such as the Coronavirus.

Our business could be significantly adversely affected by the effects of a widespread global outbreak of contagious diseases, including the recent outbreak of respiratory illness caused by a novel coronavirus ("**COVID-19**"). We cannot accurately predict the impact that contagious diseases, such as COVID-19, will have on third parties', including our employees' ability to fulfil their obligations to the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries (including those countries we rely on to conduct our business operations), resulting in an economic downturn that could negatively impact our operating results.

Our supply chain has continued to function at a level that is adequate to augment our inventories, sufficient to maintain normal production without interruption during times when regular lockdowns were implemented by the Government of Zimbabwe and the Government of South Africa in 2020 and 2021. The supply chain situation bears no impact on management's going concern assumption.

Further, management had to incur additional costs to ensure the wellbeing of its employees and made donations to stakeholders in Zimbabwe to assist in curbing the effects of COVID-19. Refer to notes 8 and 10 of the Consolidated Financial Statements for the cost related to these expenditures.

In response to these COVID-19 risks, management has maximised the inventory of consumable stock; engaged closely with its customer, Fidelity, regarding access to refiners and the eventual route to market for Blanket's production; and management regularly reviews its financial status and projections.

Work on the Central Shaft project from April 2020 was delayed by restrictions on the movement of specialised personnel and the transport of equipment due to the COVID-19 pandemic. The Central Shaft was commissioned in the first quarter of 2021 instead of the fourth quarter of 2020. The delay in commissioning reduced targeted production for 2021 from 75,000 ounces to between 65,000 to 67,000. The target production for 2022 is between 73,000 to 80,000 ounces, and 80,000 ounces from 2023 onwards.

Currently there are no concerns over the valuation of our assets as disclosed in the Consolidated Financial Statements and the Company does not foresee any changes in the cost of capital, cash requirements or any covenant defaults in our credit agreements. At the date of the authorisation of this document management is of the opinion that the effects of COVID-19 have been considered in making significant judgements and estimates, valuations and evaluating our going concern principle. However, it must be recognised that the duration and effects of the COVID-19 pandemic are uncertain and can affect our forecasting accuracy. As of the date of this Annual Report, the severity of the effects of COVID-19 appear to be diminishing in the jurisdictions where the Company operates.

We cannot guarantee that there will not be an increase in input costs affecting our results of operations and financial performance.

Mining companies could experience higher costs of steel, reagents, labor, electricity, government levies, fees, royalties and other direct and indirect taxes. Our planned growth at Blanket Mine should allow the fixed cost component to be absorbed over increased production, thereby helping to alleviate to some extent the net cash effect of any further cost increases and increase revenue cash flows. However, there can be no assurance that we will be able to control such input costs and any increase in input costs above our expectations may have a negative result on our results of operations and financial performance.

Our operations may be subject to increased costs or even suspended or terminated as a result of any loss of required infrastructure in our operations.

Infrastructure, including water and electricity supplies, that is currently available and used by us may, as a result of adverse climatic conditions, natural disaster, incorrect or inadequate maintenance, sabotage or for other reasons, be destroyed or made unavailable or available in a reduced capacity. Were this to occur, operations at our properties may become more costly or have to be curtailed or even terminated, potentially having serious adverse consequences to our financial condition and viability that could, in turn, have a material adverse effect on our business, results of operations or financial performance.

Our operations may be subject to inadequate water supply.

Blanket uses water in the metallurgical process, some of which is pumped from the deeper levels of the mine but most of which is obtained from the "Blanket dam" (which, despite its name, is neither owned nor managed by Blanket Mine) which also supplies water to the nearby town of Gwanda. Blanket is situated in a semi-arid region and rainfall typically only occurs in the period November to February. Management believes that there is enough water in the Blanket dam to maintain normal operations until the next rainy season. During dry periods as a precautionary measure, Blanket intends to resuscitate existing boreholes and determine their yield; conduct hydrological surveys to identify potential new boreholes; recycle water from the lower levels of unused workings and construct a pond to store water that is pumped from current workings. If, however, there is inadequate water supply, operations at Blanket Mine may become more costly or have to be curtailed, suspended or even terminated which may have serious adverse consequences to the viability of gold production from Blanket Mine that could, in turn, have a material adverse effect on our business, results of operations or financial performance.

Our operations may be subject to inadequate electricity supply.

Zimbabwe's electricity generation is mainly from the Kariba hydro station on the Zambezi river, the Hwange coal-fired station and several other much smaller coal-fired power stations. Even if Zimbabwe's installed generating capacity is fully operational, it cannot generate enough electricity to meet its requirements and therefore Zimbabwe imports electricity from Mozambique and South Africa. Blanket Mine has a supply agreement with the Zimbabwe Electricity Supply Authority ("**ZESA**") in terms of which it pays a premium rate in return for uninterrupted power.

The generating capacity at the Kariba hydro generating station fluctuates at times when the water levels are low. In addition, the export of electricity from South Africa to Zimbabwe is also interrupted due to a lack of generating capacity in South Africa and therefore interruptions to the Blanket supply do occur. The combined effect of these are severe electricity shortages that lead to "load-shedding" or low voltage occurrences. As a result of load-shedding and low voltage occurrences, Blanket's use of diesel for generating electricity increased from approximately 1,903,000 liters for the year in 2020 to 3,311,000 liters in 2021.

Power surges as experienced at Blanket, if not controlled, can cause severe damage to Blanket's electrical equipment. Blanket has installed its own equipment to regulate the incoming power; however, this equipment was itself damaged by the incoming supply. Power surges are regulated by Autotap transformers that are installed to normalise fluctuations up to 10MVA; current fluctuations vary to 12MVA. In December 2021 Blanket finalised the commissioning of an additional 10 MVA Autotap transformed to the existing 10 MVA Autotap transformer at Shaft No. 4. Blanket suffered failure of two generators during the fourth quarter of 2021. New replacement generators were commissioned during the first quarter of 2022.

Blanket has addressed the issue of interrupted power supply by installing stand-by generators. These generators can supply the whole mine with electricity but is a costly and environmentally unfriendly electricity source that is reliant on fuel imports that may from time to time be in shortage in Zimbabwe.

To mitigate against the current electricity situation, Caledonia has entered into a contract for the construction of a 12MWac solar plant at a cost of approximately $12 million. Total costs to design, construct, evaluate, licence and structure the project are expected to be approximately $14.1 million. Refer to Item 4.B – "Business Overview", for more detail regarding the proposed solar plant and its financing.

If an electricity shortage or outage persists, operations at Blanket Mine may become more costly or have to be curtailed, suspended or even terminated which may have serious adverse consequences to the viability of production from Blanket Mine that could, in turn, have a material adverse effect on our business, results of operations or financial performance.

We do business in countries and jurisdictions outside of the United States where different economic, cultural, regulatory, monetary and political environments could adversely impact our business, results of operations and financial condition.

The jurisdictions in which we operate are unpredictable. Assets and investments in these foreign jurisdictions are subject to risks that are usually associated with operating in a foreign country and any of these could result in a material adverse effect on our business, results of operations or financial performance. These risks include, but are not limited to, access to assets, labor disputes and unrest; arbitrary revocation of government orders, approvals, licenses and permits; corruption; uncertain political and economic environments; bribery; war; civil disturbances and terrorist actions; sudden and arbitrary changes to laws and regulations; delays in obtaining government permits; limitations on foreign ownership; more onerous foreign exchange controls; currency devaluations; import and export regulations; inadequate, damaged or poorly maintained infrastructure; and endemic illnesses. There can be no guarantee that governments in these jurisdictions will not unilaterally expropriate the property of companies that are involved in mining.

Caledonia's mining operations are conducted in Zimbabwe and, as such, these operations are exposed to various levels of political, economic and other risks and uncertainties in addition to those set out above. These risks and uncertainties include, but are not limited to, expropriation and nationalization, or mandatory levels of Zimbabwean ownership beyond currently mandated levels; renegotiation, nullification or partisan terms of existing concessions, licenses, permits and contracts; illegal mining; changes in monetary and taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

The current monetary situation in Zimbabwe can be summarized as follows:

- There was a shortage of foreign currency in Zimbabwe in 2021 and as of the date of this Annual Report, although Blanket has had satisfactory access to foreign exchange.
- The local currency (known as "RTGS" or "RTGS$") rate of annual inflation increased from 5% in September 2018 to approximately 500% by December 2019. The rate of inflation appears to have moderated to an annual rate of 52% for the twelve months ending December 2021. A high rate of RTGS inflation has little effect on Blanket's operations as employee remuneration is now in US Dollars.
- Since October 2018, bank accounts in Zimbabwe have been bifurcated between Foreign Currency Accounts ("**FCA**"), which can be used to make international payments, and RTGS accounts which can only be used for domestic transactions.
- On February 20, 2019 the Reserve Bank of Zimbabwe ("**RBZ**") allowed inter-bank trading between currency held in the RTGS$ system and the FCA system. Prior to this, the RBZ had stipulated that a Dollar in the RTGS system was worth 1 US Dollar in the FCA system. The interbank exchange rate at each quarter-end since the introduction of the interbank rate in February 2019 is set out below.

Interbank Exchange Rates

(RTGS$: US$1)

February 20, 2019	2.500
March 31, 2019	3.003
June 30, 2019	6.543
September 30, 2019	15.090
December 31, 2019	16.773
March 31, 2020	25.000
June 30, 2020	57.358
September 30, 2020	81.444
December 31, 2020	81.787
March 31, 2021	84.400
June 30, 2021	85.423
September 31, 2021	87.665
December 31, 2021	108.666
March 31, 2022	142.42
May 5, 2022	165.994

- The interbank trading mechanism addressed the most pressing difficulty that emerged after the October 2018 policy implementation, being the erosion of the purchasing power of Blanket's employees due to rapidly increasing retail prices, which had an adverse effect on employee morale. Management increased RTGS$-denominated remuneration so that it remained more closely aligned to the US Dollar value using the interbank rate. This alleviated some of the financial distress experienced by Blanket employees. Blanket employees are now paid in US Dollars.

- In February 2020, the RBZ announced its intention to further liberalise the interbank market with the objective of increasing liquidity and transparency. However, in response to the COVID-19 pandemic, the Minister of Finance reversed this policy and re-established a fixed exchange rate of ZWL$25:US$1 with effect from March 26, 2020. Despite the fixed exchange rate, the local currency continued to devalue on the informal exchange markets. On June 23, 2020, the RBZ introduced an "auction system" whereby, on a weekly basis, buyers and sellers of local currency and foreign exchange submit tenders which the RBZ uses to determine a revised interbank rate.

- Zimbabwean gold producers, including Blanket, are required to sell their gold to Fidelity. Prior to May 26, 2020, 55% of the sale proceeds were received in FCA and the balance was received in RTGS$. From May 26, 2020 to January 6, 2021 gold producers received 70% of their sale proceeds in FCA and the balance in RTGS$. With effect from January 7, 2021, gold producers receive 60% of their revenues in FCA and the balance in RTGS$. Blanket uses the FCA component to pay for imported goods, services, electricity, dividends and a portion of the wages and salaries at Blanket; the RTGS$ component is used to pay for goods and services procured in Zimbabwe, payroll taxes, and a proportion of Blanket's income tax. At prevailing gold prices and the current rate of production the 60% FCA allocation is sufficient for Blanket to continue mining operations, to fully implement the investment plan as scheduled and allow Caledonia to remit dividends from Zimbabwe. However, the revised 60% FCA allocation meant that Blanket could potentially build up a balance of RTGS$ for which there would be no commercial use. To avoid this eventuality, Blanket participated in the weekly auction until June 15, 2021 to sell RTGS$ for FCA which provided an adequate mechanism to manage Blanket's treasury. With effect from April 1, 2021, payments to ZESA are to be made in the ratio of 60% in USD Dollars and 40% in RTGS$. From February 4, 2022 mining royalties are payable in RTGS$ up to a limit of 50% of royalties due.

- In June 2021 the RBZ announced that companies that are listed on the Victoria Falls Stock Exchange ("**VFEX**") will receive 100% of the revenue arising from incremental production in US Dollars. Blanket has subsequently received confirmation that the "baseline" level of production for the purposes of calculating incremental production is 148.38 Kg per month (approximately 57,000 ounces per annum). The payment of the increased US Dollars proceeds for incremental production was applied from July 1, 2021 and Blanket has received all amounts due in terms of this revised policy up to the date of approval of these financial statements. As Blanket intends to increase its production from approximately 58,000 ounces of gold in 2020 to between 73,000 to 80,000 ounces of gold in 2022, and to 80,000 ounces of gold thereafter. The Company's listing on the VFEX in December 2021 should mean that Blanket will receive approximately 71.5% of its total revenues in US Dollars and the balance in RTGS$.

- Throughout the above and to the date of the issue of the Consolidated Financial Statements the US Dollar has remained the primary currency in which the Group's Zimbabwean entities operate and the functional currency of these entities

Investors should recognize that Blanket's ability to implement its investment plan and Caledonia's ability to sustain its operations outside Zimbabwe and pay future dividends depends, inter alia, on the ability to continue to externalize cash from Zimbabwe.

Our operations are subject to various government approvals, permits, licenses and legal regulation for which no assurance can be provided that such approvals, permits or licenses will be obtained or if obtained will not be revoked or suspended.

Government approvals, permits and licenses are required in connection with a number of our activities and additional approvals, permits and licenses may be required in the future. The duration and success of our efforts to obtain approvals, permits and licenses are contingent upon many variables outside of our control. Obtaining governmental approvals, permits and licenses can increase costs and cause delays depending on the nature of the activity and the interpretation of applicable requirements implemented by the relevant authority. While we and our affiliates currently hold the necessary licenses to conduct operations there can be no assurance that all necessary approvals, permits and licenses will be maintained or obtained or that the costs involved will not exceed our estimates or that we will be able to maintain such permits or licenses. To the extent such approvals, permits and licenses are not obtained or maintained, we may be prohibited from proceeding with planned drilling, exploration, development or operation of properties which could have a material adverse effect on our business, results of operations and financial performance.

In addition, failure to comply with applicable laws, regulations and requirements in the countries in which we operate may result in enforcement action, including orders calling for the curtailment or termination of operations on our property, or calling for corrective or remedial measures requiring considerable capital investment. Although we believe that our activities are currently carried out in all material respects in accordance with applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of our properties or otherwise have a material adverse effect on our business, results of operations and financial performance.

We face risks related to mining, exploration and mine construction on potential properties.

Our level of profitability, if any, in future years will depend on whether the Blanket Mine produces at forecasted rates and whether any exploration stage properties can be brought into production. The mining, exploration and development of mineral deposits involves significant risks. It is impossible to ensure that any current and future exploration programs will establish reserves. Whether a mineral ore body will be commercially viable depends on several factors, and the exact effect of these factors cannot be accurately predicted. The exploration, development and production activities are subject to political, economic and other risks, including:

- cancellation or renegotiation of contracts;
- changes in local and foreign laws and regulations;
- changes in tax laws;
- delays or refusal in granting prospecting permissions, mining authorizations and work permits for foreign management staff;
- environmental controls and permitting;
- expropriation or nationalization of property or assets;
- foreign exchange controls and the availability of foreign exchange;
- government mandated social expenditures;
- import and export regulation, including restrictions on the sale of production in foreign currencies;
- industrial relations and the associated stability thereof;
- inflation of costs that is not compensated for by a currency devaluation;
- requirement that a foreign subsidiary or operating unit has a domestic joint venture partner, which, possibly, the foreign company must subsidize;
- restrictions on the ability of local operating companies to hold foreign currencies in offshore and/or local bank accounts;
- restrictions on the ability of a foreign company to have management control of exploration and/or development and/or mining operations;
- restrictions on the remittance of dividend and interest payments offshore;
- retroactive tax or royalty claims;
- risks of loss due to civil strife, acts of war, guerrilla activities, insurrection and terrorism;
- royalties and tax increases or claims by governmental entities;
- unreliable local infrastructure and services such as power, water, communications and transport links;
- demands or actions by native or indigenous groups;
- other risks arising out of foreign sovereignty over the areas in which operations are conducted; and
- lack of investment funding.

Such risks could potentially arise in any country in which we operate.

As a result of the foregoing, our exploration, development and production activities in Zimbabwe may be substantially affected by factors beyond our control, any of which could materially adversely affect our financial position or results from operations. Furthermore, in the event of a dispute arising from such activities, we may be subject to exclusive jurisdiction of courts outside North America or may not be successful in subjecting persons to the jurisdiction of the courts in North America, which could adversely affect the outcome of a dispute.

We will need to identify new reserves to replace mineral reserves that have been depleted by mining activities and to commence new projects. No assurance can be given that exploration activities by us will be successful in identifying sufficient mineral reserves of an adequate grade and suitable metallurgical characteristics suitable for further development or production.

Blanket Mine is our principal mining asset. In addition, Blanket Mine has title to numerous but smaller satellite properties in the surrounding Gwanda greenstone terrain. These satellite properties are in the exploration stage and are without any known bodies of commercial ore.

On September 23, 2021, Caledonia announced that it had entered into an agreement to purchase the mining claims over the Maligreen project ("**Maligreen**"), a property situated in the Gweru mining district in the Zimbabwe Midlands, from Pan African Mining (Private) Limited, a privately-owned Zimbabwean company, for a total cash consideration of US$4 million. On November 3, 2021 the transfer of the claims to Caledonia and the payment of the purchase price was completed.

Maligreen is a substantial brownfield exploration opportunity with significant historical exploration and evaluation work having been conducted on the property over the last 30 years including:

- An estimated 60,000 meters of diamond core and percussion drilling
- 3.5 tonnes of bulk metallurgical test work
- Aeromagnetic and ground geophysical surveys

As at August 31, 2021 the property is estimated to contain a NI 43-101 compliant inferred mineral resource of approximately 940,000 ounces of gold in 15.6 million tonnes at a grade of 1.88g/t. Of the inferred mineral resource 76% (approximately 712,000 ounces) is shallower than 220m indicating the potential for an open pit mining operation. The inferred mineral resource has been estimated using a cut-off grade of 0.4g/t for a potential open pit and 1.5g/t for a potential underground mine (further information on the assumptions used is set out in the news release dated September 23, 2021 and in the technical report dated November 5, 2021 filed on SEDAR (www.sedar.com)).

Initial assessments of the inferred mineral resource indicate by grade tonnage curve that by applying a higher cut-off grade of 1.0g/t, the total estimated inferred mineral resource reduces by 12% to approximately 827,000 ounces at a grade of 2.79g/t, a 48% higher grade. These favourable grade-tonnage dynamics offer a high level of flexibility in the evaluation of a future mining operation.

The total land area of Maligreen is approximately 550 hectares comprising two historic open pit mining operations which produced approximately 20,000 oz of gold mined from oxides between 2000 and 2002 after which the operation was closed. Caledonia expects to drill an initial 4,800 meters at an estimated cost of US$1.6 million over a period of 18 to 24 months to improve its understanding of the existing resource and assess the potential for a mining operation. Further exploration opportunities exist within the claims area and a subsequent exploration programme is under consideration to explore for continuations of the existing inferred mineral resource at depth to the north-west and the strike extension in the northern part of the property.

The Eagle Vulture, Mascot and Penzance satellite properties were sold in 2021. During the fourth quarter of 2020 the Company entered into option agreements that gave the Company the exclusive right to explore the Glen Hume and Connemara North properties. On conclusion of the drilling programme it was decided not to exercise the option over the Glen Hume property, resulting in an impairment of $3.8 million. After further evaluations, in March 2022 Caledonia decided that the Connemara North property does not meet the Company's criteria for further investment and accordingly the option to acquire the mining clams will not be exercised. The accumulated expenditure on the Connemara North property of $163,000 will be impaired in the first quarter of 2022.

Refer to notes 19 and 23 of the Consolidated Financial Statements and Item 4.A – "History and Development of the Company" for more detail on the sale of the satellite properties and the newly acquired options and mining claims over exploration properties. There is no assurance that our mineral exploration activities will result in any discoveries of commercial bodies of mineral reserves. The long-term profitability of our operations will, in part, be directly related to the costs and success of our exploration programs, which may be affected by several factors.

There can be no assurance, even when an economic deposit of minerals is located, that any of our property interests can be commercially mined. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period which a combination of careful evaluation, experience and knowledge of management may not eliminate. While the discovery of additional ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that our current exploration programs will result in profitable commercial mining operations. The profitability of our operations will be, in part, directly related to the cost and success of its exploration and development programs which may be affected by several factors. Additional expenditures are required to establish reserves that are sufficient to commercially mine and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

Further development and commercial production at Blanket Mine, satellite properties and newly acquired explorations options cannot be assured.

We are engaged in further development activities at Blanket Mine and its satellite properties and have started our exploration program at Maligreen during November 2021. Estimates for future production, at Blanket Mine, are based on mining plans and are subject to change. Production estimates are subject to risk and no assurance can be given that future production estimates will be achieved. Actual production may vary from estimated production for a variety of reasons including un-anticipated variations in grades, mined tonnages and geological conditions, accident and equipment breakdown, changes in metal prices and the cost and supply of inputs and changes to government regulations. Construction and development of projects are subject to numerous risks including, but not limited to: obtaining equipment, permits and services; changes in regulations; currency rate changes; labor shortages; fluctuations in metal prices; and the loss of community support.

Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract gold from ore and to develop the mining, processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be capable of economic extraction by metallurgical process, or discovered in sufficient quantities or grades, or the estimated operating costs of the mining venture are sufficient, to justify development of the deposit, or that the funds required for development can be obtained on a timely and economically acceptable basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond our control and which cannot be predicted, such as metal price and market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is not commercially feasible to commence or continue commercial production.

Refer to capital investments under Item 4.A – "History and Development of the Company", for detail on development activities at Blanket and surrounding areas.

We face credit risk exposure from counterparties to certain contractual obligations and there is no assurance that any such counterparty may not default in such obligation causing us to incur a financial loss.

Credit risk is the risk that a party with a contractual obligation with us will default causing a loss. New regulations introduced by the Zimbabwean Ministry of Finance in January 2014 require that all gold produced in Zimbabwe must be sold to Fidelity, a company which is controlled by the Zimbabwean authorities. Accordingly, all of our production from Blanket Mine is sold to Fidelity. At the date of approval of this document, Blanket has received all payments due from Fidelity in full and on time. This arrangement introduces a credit risk, beyond our control, that receivables and contractual performance due from Fidelity will not be paid or performed in a timely manner, or at all. If Fidelity or the Zimbabwean government were unable or unwilling to conduct business with us, or satisfy obligations to us, we could experience a material adverse effect upon our operations and financial performance.

The mining industry is highly competitive and there is no guarantee we will always be able to compete effectively.

The mining industry is a highly diverse and competitive international business. The selection of geographic areas of interest are only limited by the degree of risk a company is willing to accept by the acquisition of properties in emerging or developed markets and/or prospecting in explored or virgin territory. Mining, by its nature, is a competitive business with the search for fresh ground with good exploration potential and the raising of the requisite capital to move projects forward to production. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. We will compete with other interests, many of which have greater financial resources than we will have, for the opportunity to participate in promising projects. Such competition may have better access to potential resources, more developed infrastructure, more available capital, have better access to necessary financing, and more knowledgeable and available employees than us. We may encounter competition in acquiring mineral properties, hiring mining professionals, obtaining mining resources, such as manpower, drill rigs, and other mining equipment. Such competitors could outbid us for potential projects or produce gold at lower costs. Increased competition could also affect our ability to attract necessary capital funding or acquire suitable properties or prospects for gold exploration or production in the future. Significant capital investment is required to achieve commercial production from successful exploration and development efforts. Globally, the mining industry is prone to cyclical variations in the price of the commodities produced by it, as dictated by supply and demand factors, speculative factors and industry-controlled marketing cartels. Nature provides the ultimate uncertainty with geological and occasionally climatic surprises. Commensurate with the acceptance of this risk profile is the potential for high rewards. If we are unable to successfully compete for properties, capital, customers or employees it could have a materially adverse effect on our results of operations.

We were required to facilitate the economic participation of certain indigenous groups in our business and there can be no assurance that such required participation was at fair market value or that the terms of the agreements can be amended.

The government of Zimbabwe introduced legislation in 2012 requiring companies to facilitate participation in their shareholdings and business enterprises by the indigenous population (typically referred to as indigenization). It is not assured that such interests were paid for at full fair value. As reported, Blanket Mine complied with the requirements of the Indigenization and Economic Empowerment Act in Zimbabwe whereby indigenous shareholders legally owned 51% of Blanket Mine since September 2012 (until 2020 – see below).

Pronouncements from the Zimbabwe Government following the appointment of the new President in late 2017 announced a relaxation in the indigenization policy which, amongst other things, included the removal of an indigenization requirement for gold mining companies. These pronouncements were passed into law in March 2018.

On November 6, 2018, the Company announced that it had entered into a sale agreement with Fremiro Investments (Private) Limited ("**Fremiro**") to purchase Femiro's 15% shareholding in Blanket for a gross consideration of $16.7 million to be settled through a combination of the cancellation of the loan between the two entities which stood at $11.5 million as at June 30, 2018 and the issue of 727,266 new shares in Caledonia at an issue price of $7.15 per share. On completion of the transaction on January 20, 2020, Caledonia owned 64% in Blanket and Fremiro held approximately 6.3% of Caledonia's shares.

We currently do not depend on our ability to successfully access the capital and financial markets. However, should our financial position change any inability to access the capital or financial markets may limit our ability to execute our business plan or pursue investments that we may rely on for future growth.

Depending on our ability to generate income from our operations, we may require further financing for current and future exploration and development. Should our projections for fiscal years 2022 through to 2024 prove incorrect, to finance our working capital needs, we may have to raise funds through the issuance of additional equity or debt securities. Depending on the type and the terms of any financing we pursue, shareholders' rights and the value of their investment in our shares could be reduced. Any additional equity financing will dilute shareholdings, and new or additional debt financing, if available, may involve restrictions on financing and operating activities. In addition, if we issue secured debt securities, the holders of the debt would have a claim to our assets that would be prior to the rights of shareholders until the debt is paid. Interest on these debt securities would increase costs and negatively impact operating results.

If we are unable to obtain additional financing, as needed, at competitive rates, our ability to implement our business plan and strategy may be affected, and we may be required to reduce the scope of our operations and scale back our exploration and development programs as the case may be. There is, however, no guarantee that we will be able to secure any additional funding or be able to secure funding which will provide us with sufficient funds to meet our objectives, which may adversely affect our business and financial position.

Our share price has been and is likely to continue to be volatile and an investment in our shares could suffer a decline in value.

Market prices for mining company securities, by their nature, are volatile. Factors, such as rapidly changing commodity prices, political unrest globally and in countries where we operate, speculative interest in mining stocks etc. are but a few factors affecting the volatility of the share price. Our shares are listed in the U.S. on the NYSE American, depositary interests representing our shares are admitted to trading on AIM of the London Stock Exchange ("**AIM**"), and depositary receipts representing our shares were listed on the VFEX in December 2021 raising gross proceeds of approximately $7.8m (the use of the term "share" in this Annual Report also, where the context requires, extends to a depositary interest or depositary receipt representing a share). The Company voluntarily delisted its shares from the Toronto Stock Exchange ("**TSX**") on June 19, 2020. After the delisting the Company remains a Canadian reporting issuer and has to comply with Canadian securities laws unless and until it can demonstrate that less than 2% of its beneficial shareholders are Canadian residents.

The market price of our shares may be highly volatile and subject to wide fluctuations. In addition, the trading volume of our shares may fluctuate and cause significant price variations to occur. If the market price of our shares declines significantly, you may be unable to resell your shares at or above the purchase price, if at all. We cannot assure you that the market price of our shares will not fluctuate or significantly decline in the future. Factors affecting our share price include but are not limited to:

- actual or expected fluctuations in our operating results;
- actual or expected changes in our growth rates or our competitors' growth rates;
- changes in the market price of gold;
- changes in the demand for gold;
- high extraction costs;
- accidents;
- changes in market valuations of similar companies;
- additions to or departures of our key personnel;
- actual or anticipated fluctuations in our quarterly operating results or those of our competitors;
- publication of research reports by securities analysts about us or our competitors in the industry;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- fluctuations of exchange rates between the USD, GBP, CAD, RTGS$ and ZAR;
- changes or proposed changes in laws and regulations affecting the gold mining industry;
- changes in trading volume of our shares on the NYSE American, AIM or VFEX;
- sales or perceived potential sales of our shares by us, our directors, senior management or our shareholders in the future;
- short selling or other market manipulation activities;
- announcement or expectation of additional financing efforts;
- terrorist acts, acts of war or periods of widespread civil unrest;
- natural disasters and other calamities;
- litigation involving us, including: shareholder litigation, investigations or audits by regulators into our operations; or proceedings initiated by our competitors or clients;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the passage of legislation or other regulatory developments affecting us or our industry;
- fluctuations in the valuation of companies perceived by investors to be comparable to us; and
- conditions in the U.S., United Kingdom and Zimbabwe financial markets or changes in general economic conditions.

We are dependent on key management employees.

Our success depends (i) on the continued contributions of our directors, executive officers, management and consultants; and (ii) on our ability to attract new personnel whenever we seek to implement our business strategy. The loss of the services of any of these persons could have a materially adverse effect on our business, prospects, results of operations and financial performance. The limited availability of mining and other technical skills and experience in Zimbabwe and the difficulty of attracting appropriately skilled employees to Zimbabwe creates a risk that appropriate skills may not be available if, for whatever reason, the current skills base at the Blanket Mine is depleted. There is no assurance that we will always be able to locate and hire all the personnel that we may require. Where appropriate, we engage with consulting and service companies to undertake some of the work functions.

Our mineral rights may be subject to defects in title.

We are not currently aware of any significant competing ownership claims or encumbrances respecting title to our properties. However, the ownership and validity or title of unpatented mining claims and concessions are often uncertain and may be contested. We also may not have, or may not be able to obtain, all necessary surface rights to develop a property. Although we have taken reasonable measures to ensure proper title to our properties, there is no guarantee of title to our properties or that competing ownership claims or encumbrances respecting our properties will not be made in the future. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained secure claims to individual mineral properties or mining concessions may be severely constrained. Our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. We may incur significant costs related to defending the title to our properties. A successful claim contesting our title to a property may cause us to compensate other persons or perhaps reduce our interest in the affected property or lose our rights to explore and, if warranted, develop that property. This could result in us not being compensated for our prior expenditures relating to the property. Also, in any such case, the investigation and resolution of title issues would divert our management's time from ongoing exploration and, if warranted, development programs. Any impairment or defect in title could have a negative impact on us.

We are subject to operational hazards and risks that could have a material adverse effect on our business, results of operations and financial performance.

We are subject to risks typical in the mining business. These include, but are not limited to, operational issues such as unexpected geological conditions or earthquakes causing unanticipated increases in the costs of extraction or leading to falls of ground and rock bursts, particularly as mining moves into deeper levels. Major cave-ins, flooding or fires could also occur under extreme conditions. Although equipment is monitored and maintained and all staff receive safety training, accidents caused by equipment failure or human error could occur. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. As a result, we may incur significant liabilities and costs that could have a material adverse effect upon our business, results of operations and financial performance.

Lawsuits may be filed against us and an adverse ruling in any such lawsuit could have a material adverse effect on our business, results of operations and financial performance.

We may become party to legal claims arising in the ordinary course of business. There can be no assurance that unforeseen circumstances resulting in legal claims will not result in significant costs or losses. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to us and as a result, could have a material adverse effect on our assets, liabilities, business, financial condition and results of operations. Even if we prevail in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from our business operations, which could adversely affect our financial condition. In the event of a dispute arising in respect of our foreign operations, we may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in the United States of America, South Africa, Zimbabwe, Canada, the United Kingdom, Jersey Channel Islands or international arbitration. The legal and political environments in which we operate may make it more likely that laws will not be enforced and that judgments will not be upheld. If we are unsuccessful in enforcing our rights under the agreements to which we are party to or judgments that have been granted, or if laws are not appropriately enforced, it could have a material adverse effect on our business, results of operations and financial performance.

We face risks related to illegal mining at Blanket Mine and no assurance can be provided that such illegal mining will not have an adverse effect on our business, results of operations and financial performance.

Illegal mining activities on properties controlled by Blanket have been identified. This gives rise to increased security costs and an increased risk of theft and damage to equipment. Blanket has received adequate support and assistance from the Zimbabwean police in investigating such cases but there can be no guarantee that the support from the Zimbabwean police will continue and whether their support will stop illegal mining activities.

Most of our employees are members of the Associated Mine Workers Union of Zimbabwe and any work stoppage or industrial action implemented by the union may affect our business, results of operations and financial performance.

Most of the employees are members of the Associated Mine Workers Union of Zimbabwe. Pay rates for all wage-earning staff are negotiated on a Zimbabwe industry-wide basis between the union and representatives of the mine owners. Any industrial action called by the union may affect our operations even though our operations may not be at the root cause of the action. Strikes, lockouts or other work stoppages could have a material adverse effect on our business, results of operations and financial performance. In addition, any work stoppage or labor disruption at key customers or service providers could impede our ability to supply products, to receive critical equipment and supplies for our operations or to collect payment from customers encountering labor disruptions. Work stoppages or other labor disruptions could increase our costs or impede our ability to operate.

There can be no assurance that changes to any environmental, health and safety laws to which we are currently subject would not adversely affect our exploration and development programs.

Our exploration, development and operations are subject to environment, health and safety ("**EH&S**") laws and regulations in the countries in which the relevant activity is being conducted.

In 2018, a training facility (called the Nyanzvi initiative) was established at Blanket using dedicated facilities and specially trained facilitators. The entire Blanket workforce participated in the programme which resulted in the general improvement in safety in the first two quarters of 2020. The Nyanzvi programme was suspended from late March 2020 due to the need to observe social distancing because of COVID-19 which contributed to the increase in reportable events. The Nyanzvi safety training initiative was resumed in the last quarter of 2021 as COVID-19 restrictions were relaxed; management believes this will help to increase general safety awareness.

Safety training is an ongoing exercise and it will remain an area of focus for the Company. There is no assurance, however, that future changes in EH&S, if any, will not adversely affect our exploration and development programs or our operations. There are no assurances that regulatory and environmental approvals required under EH&S will be obtained on a timely basis or if at all. A breach of EH&S may result in the temporary suspension of operations, the imposition of fines, other penalties (including administrative penalties and regulatory prosecution), and government orders, which could potentially have a material adverse effect on operations.

Due to the nature of our business, our operations face extensive EH&S risks.

Gold mining is exposed to numerous risks and events, the occurrence of which may result in the death of, or personal injury, to employees. EH&S legislation applicable to us could suspend part or all of our operations. EH&S incidents could therefore lead to increased unit production costs or lower production which could negatively affect our business, operating and/or financial results.

In response to the COVID-19 pandemic, measures were introduced to safeguard our employees; e.g. protective equipment and guidelines - clothing, sanitizers, stricter safety protocols, etc. One case of COVID-19 was recorded at Blanket during 2020; 232 cases of COVID-19 were detected in 2021 of which there was, regrettably, two deaths of an employee and a dependent. Further cases have been detected at the Company's offices in Harare, Johannesburg and St Helier. Blanket procured sufficient doses of an approved vaccine for all adult employees and their spouses; as at December 31, 2021, 1,077 of Blanket's employees and 620 of the Blanket employee dependents living on the Blanket site have been vaccinated on site.

Unfortunately, on February 21, 2022, there was a fatal accident in a development haulage involving a LHD loader. The board of directors of Caledonia ("**Board**") and management of Caledonia extended their condolences to the family and colleagues of the deceased.

We may enter into acquisitions or other material transactions at any time.

We continually seek to replace and expand our reserves through the exploration of our existing properties and may expand through acquisitions of interests in new properties or of interests in companies that own such properties. Acquisitions involve a number of risks, including: the possibility that we, as a successor owner, may be legally and financially responsible for liabilities of prior owners; the possibility that we may pay more than the acquired company or assets are worth; the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets; the difficulty of integrating the operations and personnel of an acquired business; the challenge of implementing uniform standards, controls, procedures and policies throughout an acquired business; the inability to integrate, train, retain and motivate key personnel of an acquired business; and the potential disruption of our ongoing business and the distraction of management from its day-to-day operations. These risks and difficulties, if they materialize, could disrupt our ongoing business, distract management, result in the loss of key personnel, increase expenses and may have a material adverse effect on our business, results of operations and financial performance.

On November 3, 2021 the mining claims over Maligreen were transferred to one of the Company's Zimbabwe subsidiaries. Refer to note 19 of the Consolidated Financial Statements and Item 4.A - "History and Development of the Company" for more detail on this acquisition.

As a foreign private issuer, we are permitted to file less information with the SEC than a company that is not a foreign private issuer or that files as a domestic issuer.

As a foreign private issuer, we are exempt from certain rules under the Exchange Act that impose disclosure requirements as well as procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as a company that files as a domestic issuer whose securities are registered under the Exchange Act, nor are we generally required to comply with the SEC's Regulation FD, which restricts the selective disclosure of material non-public information. For as long as we are a "foreign private issuer" we intend to file our annual financial statements on Form 20-F and furnish our quarterly financial statements on Form 6-K to the SEC for so long as we are subject to the reporting requirements of Section 13(g) or 15(d) of the Exchange Act. However, the information we file or furnish is not the same as the information that is required in annual and quarterly reports on Form 10-K or Form 10-Q for U.S. domestic issuers. Accordingly, there may be less information publicly available concerning us than there is for a company that files as a domestic issuer.

We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur additional legal, accounting and other expenses.

We are required to determine our status as a foreign private issuer on an annual basis at the end of our second fiscal quarter. In order to maintain our current status as a foreign private issuer, either (1) a majority of our shares must be either directly or indirectly owned of record by non-residents of the United States or (2) (a) a majority of our executive officers or directors must not be U.S. citizens or residents, (b) more than 50 percent of our assets cannot be located in the United States and (c) our business must be administered principally outside the United States. If we lost this status, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. We would also be subject to additional restrictions on offers and sales of securities outside the United States and would have to comply with the generally more restrictive Regulation S requirements under the Securities Act that apply to U.S. domestic issuers, which could limit our ability to access capital markets in the future. The regulatory and compliance costs to us under U.S. securities laws if we are required to comply with the reporting requirements applicable to a U.S. domestic issuer may be higher than the cost we would incur as a foreign private issuer. As a result, we expect that a loss of foreign private issuer status would increase our legal and financial compliance costs.

We are an emerging growth company and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies may make our shares less attractive to investors and, as a result, adversely affect the price of our shares and result in a less active trading market for our shares.

We are an "emerging growth company" as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that apply to other public companies that are not emerging growth companies. For example, we have qualified for an exemption from the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act relating to internal control over financial reporting, and we will not require such an attestation from our auditors.

We may avail ourselves of these disclosure exemptions until we are no longer an emerging growth company. We cannot predict whether investors will find our shares less attractive because of our reliance on some or all these exemptions. If investors find our shares less attractive, it may adversely impact the price of our shares and there may be a less active trading market for our shares.

We will cease to be an emerging growth company upon the earliest of:

- the last day of the fiscal year during which we have total annual gross revenues of $1,070,000,000 (as such amount is indexed for inflation every five years by the SEC or more);
- the last day of our fiscal year following the fifth anniversary of the completion of our first sale of equity securities pursuant to an effective registration statement under the Securities Act;

- the date on which we have, during the previous three-year period, issued more than $1,000,000,000 in non- convertible debt; or
- the date on which we are deemed to be a "large accelerated filer", as defined in Rule 12b–2 of the Exchange Act, which would occur if the market value of our shares that are held by non-affiliates exceeds $700,000,000 as of the last day of our most recently-completed second fiscal quarter.

During 2020, the Company sold its first equity securities under the Securities Act. This means that the Company may no longer qualify as an emerging growth company following the fifth anniversary of the completion of the equity raise. The Company may instead thereafter have to comply with Section 404(b) of the Sarbanes-Oxley Act where our registered public accountant will be required to attest to management's assessment of its internal controls over financial reporting as presented under Item 15B of Form 20-F.

If we fail to establish and maintain proper internal controls, our ability to produce accurate financial statements or comply with applicable regulations could be impaired.

Section 404(a) of the Sarbanes-Oxley Act requires that our management assess and report annually on the effectiveness of our internal controls over financial reporting and identify any material weaknesses in our internal controls over financial reporting. Although Section 404(b) of the Sarbanes-Oxley Act requires our independent registered public accounting firm to issue an annual report that addresses the effectiveness of our internal controls over financial reporting, we have opted to rely on the exemptions provided to us by virtue of being a foreign private issuer and an emerging growth company, and consequently will not be required to comply with SEC rules that implement Section 404(b) of the Sarbanes-Oxley Act until we lose our emerging growth company status.

If either we are unable to conclude that we have effective internal controls over financial reporting or, at the appropriate time, our independent auditors are unwilling or unable to provide us with an unqualified report on the effectiveness of our internal controls over financial reporting as required by Section 404(b) of the Sarbanes-Oxley Act, investors may lose confidence in our operating results, the price of our shares could decline and we may be subject to litigation or regulatory enforcement actions.

There is uncertainty with our Mineral Reserve and Mineral Resource estimates.

Our mineral reserve and mineral resource estimates described in this document are management's best estimates and are a maiden report in accordance with the requirements of Subpart 1300 of Regulation S-K ("**Subpart 1300**") and align with Canada's National Instrument 43-101 ("**NI 43-101**") for which original estimates were prepared. These estimates may not reflect actual mineral reserves and mineral resources, or future production. Should we encounter mineralization or formations different from those predicted by past drilling, sampling and similar examinations, mineral reserve and mineral resource estimates may have to be adjusted and mining plans may have to be altered in a way that might ultimately cause our mineral reserve and mineral resource estimates to decline. Our mineral resource estimates may never be upgraded to mineral reserves. Moreover, if the gold price declines, or if our labor, consumable, electricity and other production costs increase or recovery rates decrease, it may become uneconomical to recover our mineral reserves. Under these circumstances, we would be required to re-evaluate our mineral reserves and mineral resources. Mineral reserve and mineral resource estimates are based on drilling results and because unforeseen conditions may occur, the actual results may vary from the initial estimates. These factors could result in reductions in our mineral reserve and mineral resource estimates, which could in turn adversely impact the total value of our business.

U.S. investors may not be able to enforce their civil liabilities against us or our directors and officers.

It may be difficult to bring and enforce suits against us, because we were amalgamated and exist under the laws of Jersey, Channel Islands and are situated in Jersey, Channel Islands and do not have assets located in the United States.

All our assets are located outside the United States and most of our directors and all of our officers are residents of countries other than the United States. As a result, it may be difficult for investors to effect service of process on us or these non-United States resident persons within the United States or to rely in the United States upon judgments obtained in the United States based on the civil liability provisions of the U.S. federal securities laws against us or our officers and non-United States resident directors. In addition, our U.S. shareholders should not assume that the courts of Jersey, Channel Islands (i) would enforce judgments of U.S. courts obtained in actions against us, our officers or directors predicated upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States, or (ii) would enforce, in original actions, liabilities against us, our officers or directors predicated upon the U.S. federal securities laws or other laws of the United States.

We are incorporated under the laws of Jersey, Channel Islands and our principal offices are located outside of the United States which could have negative tax consequences for U.S. investors.

We are incorporated under the laws of Jersey, Channel Islands and are located outside of the United States. Accordingly, U.S. investors could be subject to negative tax consequences. If we choose to make an offering of securities in the United States, the applicable prospectus is expected to include a discussion of the material United States tax consequences relating to the purchase, ownership and disposition of any securities offered thereby, to the extent not set out in this Annual Report; however, investors should consult their own tax advisors as to the consequences of investing in Caledonia.

There is uncertainty as a result of the conflict in Ukraine

The recent outbreak of hostilities in Ukraine, and the accompanying international response including economic sanctions, has been extremely disruptive to the world economy, with increased volatility in commodity markets, including higher oil and gasoline prices, international trade and financial markets, all of which have a trickle-down effect on supply chains, equipment and construction. There is substantial uncertainty about the extent to which this conflict will continue to impact economic and financial affairs, as the numerous issues arising from the conflict are in flux and there is the potential for escalation of the conflict both within Europe and globally. There is a risk of substantial market and financial turmoil arising from the conflict which could have a material adverse effect on the economics of the Company's projects, and the Company's ability to operate its business and advance project development.

ITEM 4 - INFORMATION ON THE COMPANY

A. History and Development of the Company

Caledonia Mining Corporation Plc (previously Caledonia Mining Corporation) was incorporated, effective February 5, 1992, by the amalgamation of three predecessor companies and was registered at the time under the Canada Business Corporations Act.

Following the creation of Caledonia its shares were listed on the TSX and quoted on the NASDAQ small caps market. On October 16, 1998, Caledonia announced that NASDAQ would no longer quote its securities for trading. Caledonia's stock commenced trading on the OTCQX in June 2005.

Effective April 1, 2006 the Company purchased 100% of the issued shares of the Zimbabwean company, Caledonia Holdings Zimbabwe (Private) Ltd ("**CHZ**") that held 100% of the shares of Blanket Mine. The purchase consideration was $1,000,000 and 20,000,000 shares of Caledonia. The Company acquired all the assets and assumed all the liabilities of CHZ.

The Company re-domiciled from Canada to Jersey using a legal process called "Continuance" on March 19, 2016. The Company operates under the Companies (Jersey) Law 1991, as amended, (the "**Companies Law**"). The Continuance had no effect on the Company's listing on the TSX or on the trading facilities on AIM in London or on the OTCQX in the United States of America.

On July 24, 2017, the Company announced that its shares would be listed on the NYSE American and trading began on July 27, 2017. The trading of the Company's shares on the OTCQX ceased upon the commencement of trading on the NYSE American.

Caledonia voluntary delisted its shares from the TSX on June 19, 2020. After the delisting, the Company remains a Canadian reporting issuer and has to comply with Canadian securities laws unless and until it can demonstrate that less than 2% of its beneficial shareholders are Canadian residents. On December 2, 2021, Caledonia issued and listed 619,783 depositary receipts representing an equivalent number of shares on the VFEX raising gross proceeds of $7.8 million.

As at the date of this report Caledonia's securities trade on the NYSE American, AIM and VFEX under the ticker "CMCL".

The addresses and telephone numbers of Caledonia's principal offices are:

Registered and Head Office	**African Office - South African Subsidiaries**
Caledonia Mining Corporation Plc	Caledonia Mining South Africa Proprietary Limited
B006 Millais House, Castle Quay, St Helier	4th Floor, 1 Quadrum office park
Jersey, Channel Islands	Johannesburg, Gauteng, 2198
JE2 3EF	South Africa
(44) 1534 679 800	(27) 11 447 2499

Indigenization of Blanket Mine

On February 20, 2012 certain companies within Caledonia's group of companies (the "**Group**") announced that they had signed a Memorandum of Understanding ("**MoU**") with the Minister of Youth, Development, Indigenization and Empowerment of the Government of Zimbabwe pursuant to which the Group agreed that indigenous Zimbabweans would acquire an effective 51% ownership interest in the Blanket Mine for a transactional value of $30.09 million. Pursuant to the above, the Group entered into agreements with each indigenous shareholder to transfer 51% of the Group's ownership interest in Blanket Mine whereby it:

- sold a 16% interest to the National Indigenisation and Economic Empowerment Fund ("**NIEEF**") for $11.74 million;
- sold a 15% interest to Fremiro, which is owned by indigenous Zimbabweans, for $11.01 million;
- sold a 10% interest to Blanket Employee Trust Services (Private) Limited ("**BETS**") for the benefit of present and future managers and employees for $7.34 million. The shares in BETS are held by the Blanket Mine Employee Trust ("**Employee Trust**") with Blanket Mine's employees holding participation units in the Employee Trust; and
- donated a 10% ownership interest to the Gwanda Community Share Ownership Trust ("**Community Trust**"). In addition, Blanket Mine paid a non-refundable donation of $1 million to the Community Trust.

Following completion of the underlying subscription agreements, advances were made to NIEEF and the Community Trust against their rights to receive dividends declared by Blanket Mine on their shareholdings as follows:

- a $1.8 million payment to NIEEF on or about June 21, 2012;
- a $2 million payment to the Community Trust on or before September 30, 2012;
- a $1 million payment to the Community Trust on or before February 28, 2013; and
- a $1 million payment to the Community Trust on or before April 30, 2013.

Advances made to NIEEF as an advanced dividend loan were settled through dividend repayments in 2014. Refer to note 5 of the Consolidated Financial Statements for the outstanding balance of the advanced dividend loan with the Community Trust. The final payment to settle the advance dividend loan to the Community Trust was made on September 22, 2021. Future dividends to the Community Trust will be unencumbered.

The Group facilitated the vendor funding of these transactions and the advanced dividend loans which were repaid by way of dividends from Blanket Mine. 100% of dividends declared by Blanket Mine as payable to the Community Trust were used to repay its advanced dividend loan until the beginning of 2020 when Blanket agreed that 80% of dividends declared by Blanket Mine would be used to repay such loan and the remaining 20% would unconditionally accrue to the Community Trust, which was the same arrangement that applied to the other indigenous shareholders (see below). The timing of the repayment of the loans depends on the future financial performance of Blanket Mine and the extent of future dividends declared by Blanket Mine. Subsequent to the indigenization transactions the facilitation loans relating to the Group were transferred as a dividend in specie to the Company.

On June 23, 2017, the Group, Blanket Mine and the indigenous shareholders of Blanket Mine reached agreement to change the interest terms of the facilitation and advanced dividend loan agreements. The agreements changed the interest rate from the previously agreed 12-month LIBOR + 10% to the lower of a fixed 7.25% per annum, payable quarterly or 80% of the Blanket Mine dividend in the quarter. The modification was considered beneficial to the indigenous shareholders and gave rise to an equity-settled share-based expense of $806,000 on June 23, 2017 when all parties reached agreement to modify the interest charged. It was agreed that the interest change was to be applied to the facilitation and advanced dividend loan balances from January 1, 2017.

Pronouncements from the Zimbabwe Government following the appointment of the new President in late 2017 declared a relaxation in the indigenization policy which, amongst other things, included the removal of an indigenization requirement for gold mining companies. These pronouncements were passed into law in March 2018. In light of the changed legislation, on November 6, 2018, the Company announced that it had entered into a sale agreement with Fremiro to purchase Femiro's 15% shareholding in Blanket for a gross consideration of $16.667 million to be settled through a combination of the cancellation of the loan between the two entities (which stood at $11.467 million as at June 30, 2018) and the issue of 727,266 new shares in Caledonia at an issue price of $7.15 per share. On completion of the transaction on January 20, 2020, Caledonia owned 64% in Blanket and Fremiro held approximately 6.3% of Caledonia's shares.

On February 27, 2020, the Company, Blanket Mine and the indigenous shareholders of Blanket Mine reached an agreement to change the repayment terms of the advance dividend loan to the Community Trust. The amendment allowed that 20% of the Community Trust's share of the Blanket dividend would accrue to it on declaration of the dividend and that the remaining 80% be applied to the advance dividend loan from February 27, 2020. The modification was not considered beneficial to the other indigenous shareholders.

Blanket Mine - Capital Investment

The main capital development project is the central shaft at the Blanket Mine ("**Central Shaft**") which will allow for three new production levels below the current operations; a fourth level is intended to be added in due course through a decline construction. Shaft sinking commenced in early 2015 and the shaft reached its target depth of 1,204 metres (approx. 4,000 feet) in July 2019. Work on equipping the shaft commenced in early January 2020, it was commissioned at the end of March 2021 and commercial operations commenced in April 2021. Central Shaft is currently being used to hoist development waste, men and material – thereby freeing up capacity at No. 4 Shaft to hoist ore.

Central Shaft was commissioned in March 2021, approximately 6 months later than planned due to delays arising from COVID-19 and poor electricity supply. The combined effect of these factors was that the horizontal infrastructure development around Central Shaft on 30 and 34 levels was delayed by 7 months.

To minimise the effects of the delays to Central Shaft, approximately 2,000 meters of development on 26 level was completed before Central Shaft was commissioned using mid-shaft loading, a decline at AR South and the No. 6 Winze. The AR South decline and two further declines from 22 Level provide access to production areas that were scheduled to be accessed via Central Shaft. These declines allow production to achieve planned levels and the build-up in production to 80,000 ounces to continue, despite the delay to Central Shaft. However, the longer than expected use of the declines (which were extended to one production level more than had initially been planned) has added approximately 3,000 meters of additional development across the three declines which has increased planned capital expenditure for 2022 by approximately $3.5m. In addition, the cost of the capital development in 2022 (before taking into account the delays to Central Shaft) is approximately $0.8 million higher than originally planned, mainly due to the higher cost of operating the trackless equipment.

Development from Central Shaft has commenced northwards and southwards on 30 and 34 levels towards AR South and Eroica and is proceeding better than planned. The development southwards towards AR South has been completed, which is important to ensure that Blanket can achieve its production target of 80,000 ounces per annum from 2022 onwards. This development will also provide platforms for further deep-level exploration which is critical for upgrading the mineral resources.

In addition to the Central Shaft, work continued on the following developments:

- Eroica Decline 3: this decline will continue down to the 30 and 34 levels (990m and 1,110m below collar, respectively) and will connect to the haulages from Central Shaft. Progress in the last quarter of 2021 has been good: sinking paused to allow development to open the orebody strike at 825m. Sinking has since resumed and the decline has advanced a further 133 meters to 840m;

- Decline 4: this decline has reached 930m where an intermediate haulage has been cut to facilitate early production in 2022. This haulage will cover the high-grade areas of the Blanket No.3 orebody and the Blanket Quartz Reef and will continue south to open the extensive strike of Blanket No.2 orebody; and

- Decline 5: the decline branches from Decline 4 at 885m and heads towards the high-grade AR South east-west limb. This decline reached 915m in the previous quarter; and has reached its destination at 930m.

In total, 810m of capital development were achieved in the last quarter of 2021 compared to a plan of 907m; 3,224m were achieved in 2021 against a plan of 2,864m.

In late 2019, Caledonia initiated a tender process to identify parties to make proposals for a solar project that would reduce Blanket's reliance on grid and generator power. After careful consideration, Caledonia's board approved the construction of a 12MWac solar plant at a construction cost of approximately $12 million although the projected cost is now $14.1 million. The plant is expected to provide all of Blanket's minimum electricity demand during daylight hours; Blanket will continue to rely on the grid and generators to provide additional power during daylight hours and at night. It is estimated that the solar plant will provide approximately 27% of Blanket's total daily electricity requirement. Battery power is currently too expensive to justify their use to augment the solar project, but the Company will continue to monitor this situation as battery technology develops. The Company will also evaluate a further phase for the solar project to provide Blanket's peak demand during daylight hours, but this will require an agreement between the Company and the Zimbabwe authorities regarding the treatment of power that will be generated by a second phase that is surplus to Blanket's requirements.

In 2020, the Company raised $13 million (before commission and expenses) through the sale of 597,963 shares at an average price of $21.74 per share.

The status of the project is as follows:

- the 40-hectare site for the project has been cleared and fenced;
- Caledonia has obtained the necessary licences and permits for the project;
- Voltalia Portugal S.A. an international renewable energy provider, has been appointed as contractor for the project under an engineering, procurement and construction contract;
- Caledonia provided Voltalia with a notice to proceed in March 2021 and has made an advance payment of $1.8 million for long lead time items that are required to construct the plant;
- orders have been placed for approximately 80% of the solar equipment required to build the plant;
- civil works on the internal roads, drainage, foundations for equipment and the operations and maintenance building have commenced; and
- the majority of the equipment to construct the project is now en route to the site.

On October 15 and October 21, 2021, the Company received notices from Voltalia advising that due to the rationing of power supply imposed against the Chinese manufacturers of certain components, implementation of the solar project may now be subject to an indeterminate delay. It is now expected that the plant will be commissioned in June 2022.

The Company has commenced the evaluation of a further phase for the solar project to provide Blanket's peak demand during daylight hours. This will require an agreement between the Company and the Zimbabwe authorities regarding the treatment of power that will be generated by a second phase that is surplus to Blanket's requirements and/or the installation of storage capacity.

Total cash capital expenditure in 2021 increased to $37,829,000 (2020: $27,840,000; 2019: $20,240,000). Significant projects on which capital expenditures were incurred in 2021 included:

- Central shaft – $13.0 million
- Capital development - $8.2 million
- Sustainable mechanical engineering capex - $4.2 million
- Autotap transformer (10 MVA) - $0.9 million
- Solar plant - $1.6 million
- Maligreen claims acquisition - $4 million
- Exploration and evaluation assets - $1.7 million

Capital projects and expenditures are further analyzed in notes 18 and 19 of the Consolidated Financial Statements and under Item 4.B – "Business Overview".

Available Information

The SEC maintains an internet site (http://www.sec.gov) that contains report, proxy and information statements and other information regarding issuers that file electronically with the SEC. Such information can also be found on the Company's website (http://www.caledoniamining.com).

B. Business Overview

Description of Our Business

Blanket Mine

Caledonia's primary focus is the operation of a gold mine and the exploration and development of mineral properties for precious metals. Caledonia's activities are focused on Zimbabwe. The Company's business during the last three completed fiscal years has been focused primarily on increasing production to 80,000 oz. of gold from 2022 through its investment plan at Blanket Mine.

Total gold production at Blanket Mine for 2021 was 67,476 oz. (2020: 57,899 oz.; 2019: 55,182 oz.). In terms of regulations introduced by the Zimbabwean Ministry of Finance in January 2014, all gold produced in Zimbabwe must be sold to Fidelity, a company which is controlled by the Zimbabwean authorities. Gold producers compete globally based on their operating and capital costs. Certain gold producers benefit from their ability to produce other minerals in commercial quantities as by-products. Caledonia derives approximately 0.1% of its revenues from silver, which is insignificant. 100% of Blanket's revenues over the last three years was derived from its operations in Zimbabwe.

Maligreen

On September 23, 2021, Caledonia announced that it had entered into an agreement to purchase the mining claims over Maligreen, a property situated in the Gweru mining district in the Zimbabwe Midlands, from Pan African Mining (Private) Limited, a privately-owned Zimbabwean company, for a total cash consideration of US$4 million. The transfer of the claims to Caledonia and the payment of the purchase price was completed during the fourth quarter of 2021.

Maligreen is a brownfield gold exploration project situated on the Nkayi-Silobela Greenstone Belt that has historically been exploited via open pit mining. The total land area of Maligreen is approximately 550 hectares comprising two historic open pit mining operations that produced approximately 20,000 ounces of gold mined from oxides between 2000 and 2002 after which the operation was closed.

Significant historical exploration and evaluation work has been conducted on the property over the last 30 years including regional geochemical and geophysical (aeromagnetic and ground) surveys and 5 tonnes of bulk metallurgical test work. A total of 755 holes, of which 113 were diamond holes, have been drilled at the property over a combined 63,463 metres. These were completed in the period 1995 to 2001.

No new exploration activities are currently active at the project, but the Company is planning to undertake additional exploration to fully understand the strike and depth extension potential as well as improve the confidence in the mineral resource and assess the potential for a mining operation. Initial focus is to re-log and where possible re-sample previously drilled core to satisfy the QAQC requirements to upgrade the current inferred mineral resource to at least an indicated status.

A Tribute Agreement is in place with Silobela Youth in Mining Syndicate for the Maligreen claims from 1 October 2020 to 30 September 2023, in terms of which Silobela Youth in Mining Syndicate may undertake mining activities over the claims. Silobela Youth in Mining Syndicate must pay to CHZ 5% of the value of minerals mined or a rental amount. The Silobela Youth in Mining Syndicate is actively mining as per the Tribute Agreement with royalty payments made as per the agreement.

Connemara North

In December 2020 Caledonia announced it had entered into an option agreement which gives the Company the exclusive right to explore the Connemara North property. Refer to note 19 of the Consolidated Financial Statements for more detail on the agreement.

Connemara North is the northern section of the currently closed Connemara mine which was previously owned by First Quantum Minerals ("**First Quantum**"); it was placed on care and maintenance in 2001 and subsequently disposed of in 2003. It has not been commercially mined since this time but before being placed on care and maintenance the Connemara mine produced approximately 20,000 ounces of gold per annum from an open pit heap leach operation. Previous public disclosures made by First Quantum in 2001 indicated that they had plans to expand the existing open pit operations at Connemara mine, when gold prices were approximately $300/oz.

On conclusion of management's assessments it was decided not to exercise the option over the Connemara North claims as the results of the work indicated that the property does not meet Caledonia's strategic objectives. The decision to not exercise the option will not have an impact on the Consolidated Financial Statements as the information required to make the decision was not available as at December 31, 2021. The decision will impair the Exploration and evaluation assets and increase the impairment expense by $463,000 in the Condensed Consolidated Interim Financial Statements as at March 31, 2022.

Glen Hume

On November 19, 2020 the Company concluded an option agreement ("**Glen Hume option**") with the representatives of Glen Hume, whereby they granted the Company an option for the right to carry out legal due diligence and conduct drilling and/or other exploratory work over a period of 15 months from the conclusion date to understand the orebody of the Glen Hume property, situated in Gweru, Zimbabwe.

After concluding drilling and exploration to the value of $1.3 million the Company decided not to exercise the option over the Glen Hume property as the results of the exploration work indicated that the property does not meet Caledonia's strategic objectives. This gave rise to an impairment of $3.8 million. No further costs or impairments in respect of Glen Hume are anticipated.

Eagle Vulture, Mascot and Penzance held for sale

Farvic Consolidated Mines (Pvt) Ltd ("**Farvic**") requested permission from the Company to perform drilling on the Eagle Vulture, Mascot and Penzance orebodies to obtain an understanding of the technical feasibility and commercial viability of Eagle Vulture, Mascot and Penzance in 2019. Farvic later expressed their interest in buying the claims over Eagle Vulture, Mascot and Penzance in late 2020. Management evaluated the proposition and a price was determined in November of 2020. On February 24, 2021 Farvic and the Group concluded the sale contract at $500,000 and Blanket relinquished all rights to the properties. Accordingly, in the third quarter of 2021 Blanket completed the sale of Mascot, Eagle Vulture and Penzance properties for a cash consideration of $500,000. Refer to note 23.1 of the Consolidated Financial Statements for more detail on the sale of the exploration properties.

Eersteling Gold Mining Company Limited

On May 31, 2018 the Group entered into an amended share sale agreement with SH Mineral Investments Proprietary Limited ("**SH Minerals**") to sell the shares and claims of Eersteling Gold Mining Company Limited ("**Eersteling**"), a South African subsidiary previously consolidated as part of the Group, that has been on care and maintenance since 1997. The amended share sale agreement allowed for a purchase price of $3 million which would be settled by three payments of $1 million payable on the completion date, 12 and 18 months after the completion date. On January 31, 2019 all conditions for the sale were met and the Group transferred the registered and beneficial ownership of Eersteling to SH Minerals.

During 2021, the ZAR equivalent of approximately $0.34 million (2020: $0.9 million) was received. SH minerals was unable to make the final payment outstanding due to the closure of the operation during the South African lock-down period and the death of two of the purchaser's principals. Operations at Eersteling appear to have been suspended again in late 2021. As it was no longer clear that the receivable of $761,000 can be recovered, it has been impaired. Refer to note 23.2 and 24 of the Consolidated Financial Statements.

Blanket Mine and Maligreen's available mineral resources and reserves are disclosed under Item 4.D – "Property, Plant and Equipment" under the subheading of "Mineral Resource and Mineral Reserve Estimates".

Mining Operations

Blanket Mine

On November 3, 2014 Caledonia announced the investment plan and production projections for the Blanket Mine. The objectives of the investment plan are to improve the underground infrastructure and logistics to allow efficient and sustainable production build-up.

Caledonia's exploration activities are focused on the growth and development of Blanket Mine and on the Maligreen exploration property in respect of which Caledonia acquired mining claims during the last quarter of 2021.

There was no deep exploration drilling in the year 2021 as all the available drilling sites had been exhausted during \Central Shaft establishment and commissioning. Deep level exploration drilling will re-commence after the Central Shaft and related development has been completed and drilling platforms have been established to allow for drilling at depth.

Exploration at Blanket's portfolio of satellite properties has been suspended since 2016 so that resources could be re-deployed at Blanket. Since then, the Company has evaluated other investment opportunities in Zimbabwe and has concluded that the satellite properties in the Gwanda area, other than GG, are unattractive due to their relatively small size, low grade, limited exploration potential, operating complexity and metallurgical incompatibility with the existing Blanket plant. Accordingly, Blanket has entered into an agreement with Farvic to sell the claims over Mascot, Eagle Vulture and Penzance properties for a cash consideration of $500,000. This transaction entails an impairment of the carrying value of these assets of $2,930,000 which is classified as "Other expense" in the Statement of Profit of Loss and Other Comprehensive Income and is a non-cash item. Accordingly, in the third quarter of 2021, Blanket completed the sale of Mascot, Eagle Vulture and Penzance properties for a cash consideration of $500,000.

The GG satellite property remains on care and maintenance. Limited surface drilling was undertaken during 2021 to test for parallel zones to the south of the existing mineralised zone. Preliminary results are being considered along with additional metallurgical studies. The Lima pilot plant, which could be used to process any material from GG, is being upgraded to accommodate 200 tonnes per day.

Metallurgical Process

Metallurgical plant – Blanket Mine

The Blanket Gold Plant established on the Blanket Mine site consists of crushing, milling, carbon-in-leach and batch elution electro-winning circuits. The processing rate could be increased once planned milling upgrade has been completed. Average plant recovery was 93.9% for 2021, compared to 93.8% in 2020 (2019: 93.4%). The improved recovery was due to the improved grade and the increased proportion of free gold in the ore.

Also, contributing to the improved recoveries are the commissioning of the new oxygen plant in October 2019 and the commissioning of an upgraded oxygen sparging system in the first quarter of 2020. The new oxygen plant has also reduced cyanide consumption by approximately 15%. In the last quarter of 2020 work commenced on installing an additional mill which should increase milling capacity from 75 to 100 tonnes per hour which will be required to achieve target production of 80,000 ounces per annum.

An additional re-grind mill will be installed before the end of the second quarter of 2022 to achieve the required daily throughput at a consistently fine grind.

Planning of a new tailings storage facility is underway and is expected to be completed in 2022 to enable uninterrupted production.

Safety, Health and Environment

The following safety statistics have been recorded for the year 2021 and the preceding two years.

Classification	2019	2020	**2021**
Fatal	-	-	**-**
Lost time injury	3	6	**3**
Restricted work activity	17	9	**6**
First aid	-	1	**1**
Medical aid	11	12	**21**
Occupational illness	-	-	**-**
Total	31	28	**31**
Incidents	54	59	**62**
Near misses	22	24	**22**
Disability Injury Frequency Rate	0.12	0.52	**0.26**
Total Injury Frequency Rate	1.2	0.97	**1.05**
Man-hours worked (thousands)	5,174	5,789	**6,199**

In 2018 a training facility (called the Nyanzvi initiative) was established at Blanket using dedicated facilities and specially trained facilitators. The Nyanzvi programme was suspended from late March 2020 due to the need to observe social distancing because of COVID-19 which contributed to the increase in reportable events in the second half of 2020. The Nyanzvi safety training initiative was resumed in the fourth quarter of 2021 as COVID-19 restrictions were relaxed; management believes this will help to increase general safety awareness. Safety training is an ongoing exercise and it will remain an area of focus for management. Blanket's headcount increased in 2021 and, despite intensive training for new employees, they appear to have lower safety awareness.

Unfortunately, on February 21, 2022 there was a fatal accident in a development haulage involving an LHD vehicle. The board and management of Caledonia extended their condolences to the family and colleagues of the deceased.

The Group takes the safety of its employees very seriously and, accordingly, measures have been taken to instill adherence to prescribed safety procedures.

Exchange Controls, Social Investment and Contribution to the Zimbabwean Economy

Exchange control approvals from the RBZ and the Reserve Bank of South Africa are required on the flow of funds in and out of Zimbabwe and South Africa. The Company obtained necessary approvals from both the RBZ and the Reserve Bank of South Africa to transfer foreign currency during the fiscal year ended December 31, 2021.

Additionally, Blanket Mine's investment in community and social projects which are not directly related to the operation of the mine or the welfare of Blanket Mine's employees, the payments made to the Community Trust in terms of Blanket Mine's indigenization, and payments of royalties, taxation and other non-taxation charges to the Zimbabwe government and its agencies are set out in the table below.

Payments to the Community and the Zimbabwe Government ($'000's)				
	Community and Social Investment	**Payments to GCSOT**	**Payments to Zimbabwe Government**	**Total**
Year 2019	47	-	10,357	10,404
Year 2020	1,689	184	12,526	14,399
Year 2021	**1,163**	**948**	**16,426**	**18,537**

General Comments

Caledonia's activities are centered on Zimbabwe and occur year-round. Caledonia is not dependent, to any material extent, on patents, licenses, contracts, specialized equipment or new manufacturing processes at this time. However, there may be occasions that Caledonia may wish to adopt such patents, licenses, specialized equipment, etc. if these are economically beneficial to its operations. All mining and exploration activities are conducted under the various economic, mining and environmental regulations of the country where the operations are being carried out. It is always Caledonia's standard that these regulations are complied with by Blanket Mine. Caledonia has not experienced a shortage of availability of raw materials or significant price volatility.

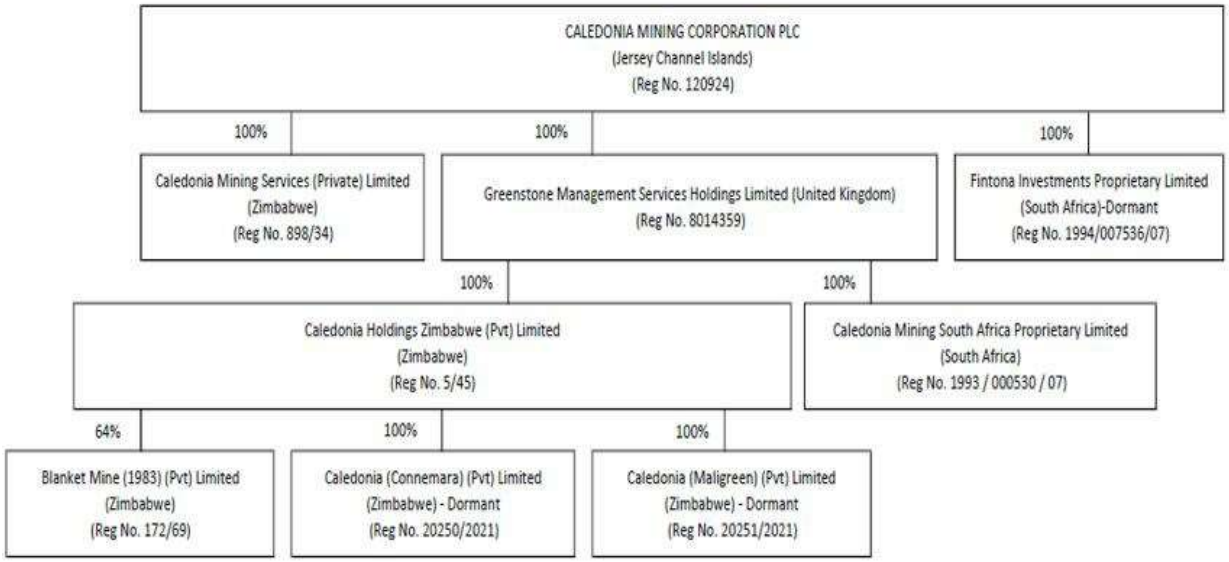
Refer to note 4(b)(ii) of the Consolidated Financial Statements and Item 3.D – "Risk Factors", under the subheading "We do business in countries and jurisdictions outside of the United States where different economic, cultural, regulatory, monetary and political environments could adversely impact our business, results of operations and financial condition" where the material effects of government regulations of the Company's business are disclosed.

Investors should recognize that Blanket's ability to implement its investment programme and Caledonia's ability to sustain its operations outside Zimbabwe and pay future dividends depends, inter alia, on the ability to externalise cash from Zimbabwe.

The sale of precious metals is recognized as revenue when the metal is accepted at the refinery by Fidelity ("Lodgement date"). Control is transferred and the receipt of proceeds is substantially assured at point of delivery. Revenue for each delivery is measured at the London Base Metal Association Tuesday PM price post-delivery less 1.25%, being the fair value receivable at the date of the transaction. On average settlement occurs within 14 days of delivery.

C. Organizational Structure

The Company has the following organizational structure as at May 17, 2022:



D. Property, Plant and Equipment and Exploration and evaluation assets

Overview

The Company is engaged in the exploration, development and production of gold and other precious metals from its mineral properties. The Company's two material mineral properties, both located in Zimbabwe, are:

- the production-stage Blanket gold mine (64% interest); and
- the exploration-stage Maligreen project (100% interest).

The Blanket Mine operation is located in the Matabeleland South Province, while the Maligreen project is located in the Midlands Province as illustrated below.



The Company does not have interests in any other mineral properties, following the disposition of the Company's interests in Connemara North, Glen Hume, Eagle Vulture, Mascot and Penzance, and Eersteling.

Certain of the information set forth in this annual report is derived from the following:

- For the Blanket Mine, the Subpart 1300 technical report summary entitled "S-K 1300 Technical Report Summary on the Blanket Gold Mine, Zimbabwe", with an effective date of December 31, 2021, prepared by Qualified Persons Uwe Engelmann and Daniel (Daan) van Heerden, each of which is employed by Minxcon (Pty) Ltd, and the NI 43-101 technical report entitled "NI 43-101 Technical Report on the Blanket Gold Mine, Zimbabwe", with an effective date of January 1, 2020, also prepared by Messrs. Engelmann and van Heerden; and
- For the Maligreen project, the Subpart 1300 technical report summary entitled "S-K 1300 Technical Report Summary on the Maligreen Gold Project, Zimbabwe", with an effective date of December 31, 2021, prepared by Mr. Engelmann, and the NI 43-101 technical report entitled "NI 43-101 Mineral Resource Report on the Maligreen Gold Project, Zimbabwe", with an effective date of August 31, 2021, also prepared by Mr. Engelmann.

Neither Mr. Engelmann or Mr. van Heerden is an employee of the Company and both are Qualified Persons as defined in accordance with both Subpart 1300 and NI 43-101. Each is an employee of Minxcon (Pty) Ltd. None of Messrs. Engelmann or van Heerden or Minxcon (Pty) Ltd is an affiliate of the Company or any other company that has, nor do any of them have, any ownership, royalty or other interest in the Blanket Mine or the Maligreen project.

The Blanket Mine is the Company's only production stage property. Annual production information for the previous three years is provided below, under "Material Properties – Blanket Mine".

Mineral Resources

Mineral resources are stated as exclusive of mineral reserves and as attributed values. Ordinary kriging was employed for all estimates and confined to the property boundaries to which we have legal rights to explore and mine.

The Blanket Mine mineral resources occur as underground resources and estimates have been depleted for mining. Measured, indicated and inferred mineral resources are declared due to the continuity of the geology and grade as well as a history of proven historical mining. The inferred mineral resources show geological continuity, while grade continuity requires improvement through additional drilling. A cut-off of 1.5 g/t was utilised for Blanket Mine based on a gold price of USD1,600/oz. No geological losses were applied to the Blanket Mine measured mineral resources, while 5% discount was applied to the indicated and inferred categories.

The mineral resources for Maligreen are reported at surface (all resources <220 m from surface) and underground (>220 m from surface). Owing to the lack of confidence in the data, only an inferred mineral resource was defined. A cut-off of 0.4 g/t was applied to the surface resources, while a cut-off of 1.5 g/t was applied to the underground portion based on a gold price of USD1,800/oz. A 15% geological loss discount was applied to the inferred mineral resources to account for geological, data and estimation uncertainty.

Mineral Resources Exclusive of Mineral Reserves

			Tonnes (Mt)	Grade (g/t)	Gold (koz)
Zimbabwe	**Blanket**	Measured	0.6	2.80	48
	Underground	Indicated	1.6	2.78	142
	(64%	**Measured + Indicated**	**2.1**	**2.77**	**190**
	attributable)	Inferred	5.4	3.17	552
	Maligreen	Measured	-	-	-
	Surface	Indicated	-	-	-
	(100%	**Measured + Indicated**	**-**	**-**	**-**
	attributable)	Inferred	13.6	1.63	712
	Maligreen	Measured	-	-	-
	Underground	Indicated	-	-	-
	(100%	**Measured + Indicated**	**-**	**-**	**-**
	attributable)	Inferred	2.0	3.60	228
Total Measured + Indicated			**2.1**	**1.80**	**190**
Grand total			**23.1**	**2.26**	**1,683**

Mineral Reserves

Zimbabwe	**Blanket**	Proven	0.7	3.11	66
	Underground	Probable	1.8	3.30	186
	(64% attributable)	**Total**	**2.4**	**3.25**	**251**

Notes for mineral reserves:

1. Mineral reserve cut-off of 2.1 g/t applied.
2. The gold price that has been utilised in the economic analysis to convert diluted measured and indicated mineral resources in Blanket's life-of-mine plan ("LoMP") to mineral reserves is an average real term price of USD1,622/oz over the LoMP, using the forecast prices as per economic analysis.
3. The mineral reserve estimation utilises the depleted 2022 mineral resource estimation and the 2020 mine design and LoMP.
4. Mineral reserves are reported as 64% attributable to Caledonia Mining Corporation Plc.

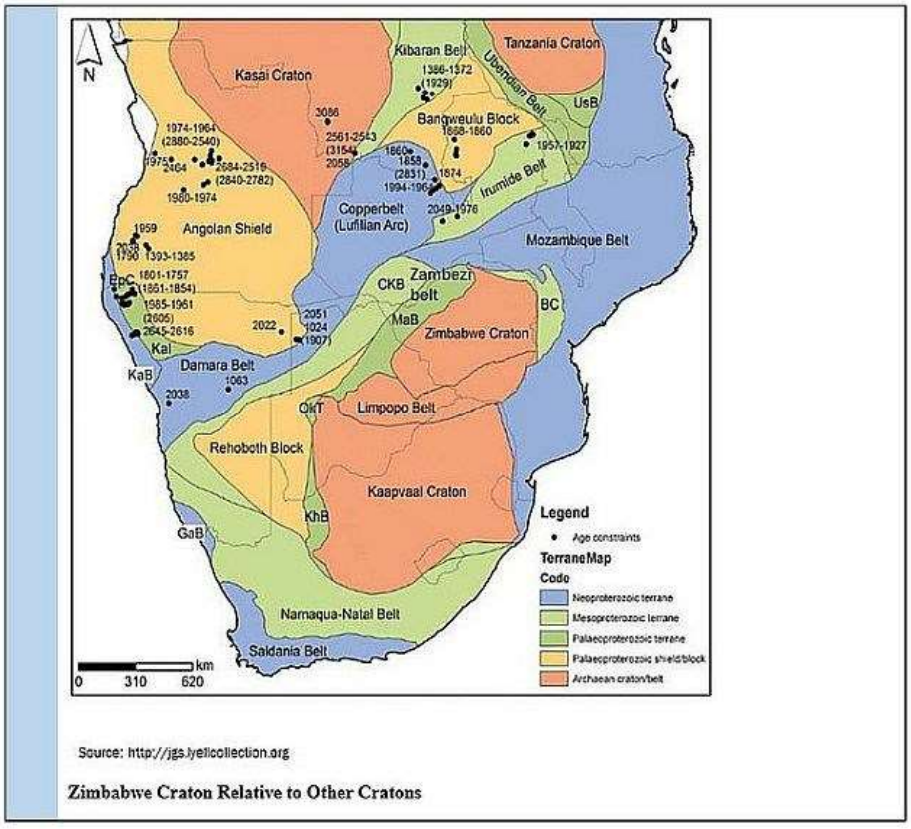
Regional Geological Setting

Zimbabwe's known gold mineralisation occurs in host rocks of the Zimbabwe Craton, which is made up of Archaean rocks. The geology of the Craton is characterised by deformed and metamorphosed rocks which include high-grade metamorphic rocks, gneisses, older granitoids, greenstone belts, intrusive complexes, younger granites and the Great Dyke. The Chingezi gneiss, Mashaba tonalite and Shabani gneiss form part of a variety of tonalities and gneisses of varying ages. Three major sequences of slightly younger gold-bearing greenstone belt supracrustal rocks exist:

- Older greenstones called the Sebakwian Group, which are mostly metamorphosed to amphibolite facies. They comprise komatiitic and basaltic volcanic rocks, some banded iron formation ("**BIF**"), as well as clastic sediments.
- The Lower Bulawayan Group, which comprises basalts, high-Mg basalts, felsic volcanic rocks and mixed chemical and clastic sediments. The Lower Bulawayan Group forms the Belingwe (Mberengwa) greenstones.
- The Upper Bulawayan (upper greenstones) and Shamvaian groups, which comprise a succession of sedimentary and komatiitic to tholeiitic to calc-alkaline rocks.

Three metamorphic belts surround the Zimbabwe Craton:

- Archaean Limpopo Mobile Belt to the south;
- Magondi Mobile Belt on the north-western margin of the Craton; and
- Zambezi Mobile Belt to the north and northeast of the Zimbabwe Craton.



Zimbabwe Craton Relative to Other Cratons

Material Properties

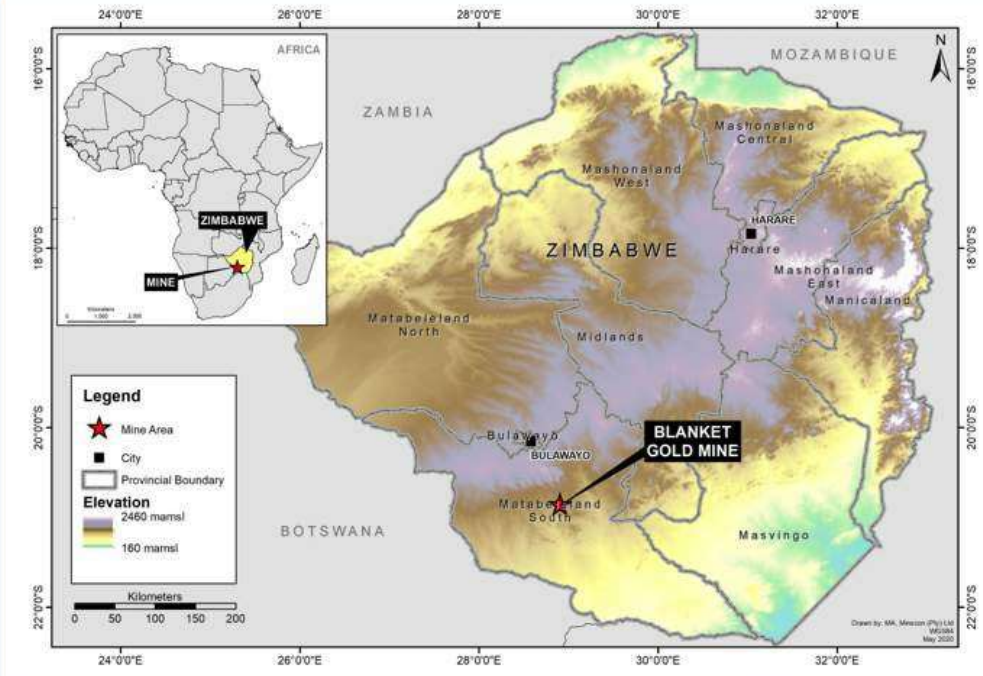
Blanket Mine

Property Description and Ownership

The Blanket Mine is an operating underground gold mine situated on the Gwanda Greenstone Belt ("GGB") targeting shear zone hosted gold mineralisation. The Mine complex comprises a cluster of mines extending from Lima in the north, through Eroica, Sheet, AR Main, AR South, the currently defunct Feudal, Blanket Section (Blanket 1 to Blanket 6) and Jethro over a total strike length of some 3 km. Gold has been commercially mined at the Project Area from several closely-spaced orebodies defining a mineralised trend via several shafts since the early 1900s. The Mine covers the operating claims of Jethro, Blanket, Feudal, Harvard, Mbudzane Rock, Oqueil, Sabiwa, Sheet, Eroica and Lima, largely encompassed in a 2,120ha Mining Lease. Ore is processed at an on-site plant.

The Company indirectly owns 64% of the shares of Blanket Mine, the operator of which is Blanket Mine (1983) (Private) Limited, after the purchase of Fremiro's 15% shareholding became effective in January of 2020. The Blanket Mine is fully equipped with all the necessary plant and equipment to conduct mining operations and the production of gold from the ore mined from the mine.

As illustrated below, the Mine is located in the southwest of Zimbabwe, approximately 15 km northwest of Gwanda, the provincial capital of Matabeleland South. Gwanda is located 120 km southeast of Bulawayo, 200 km northwest of the Beitbridge Border post with South Africa, and 560 km from Harare, Zimbabwe's capital city. The Mine is centred on the coordinates (WGS84 system) 20°52' S, 28°54' E.



General Location of Blanket Mine *(Source Minxcon)* | December 2021

The table below indicates the aggregate annual production from Blanket in the last three fiscal years:

Blanket Mine Production Statistics				
Year	Tonnes Milled (t)	Gold Head (Feed) Grade (g/t Au)	Gold Recovery (%)	Gold Produced (oz)
2019	556,331	3.31	93.4	55,182
2020	597,962	3.21	93.8	57,899
2021	665,628	3.36	93.9	67,476

Blanket Mine employs two mining methods, namely long-hole stoping and underhand stoping, determined mainly by the width of the mineral deposit. Infrastructure as well as power and water supply are well-established infrastructure to support and sustain mining and processing operations. To date in excess of 1 million ounces of gold have been produced from the property.

The Blanket Gold Plant established on the Blanket Mine site consists of crushing, milling, carbon-in-leach and batch elution electro-winning circuits. The plant treats an average of 55,000 tonnes per month at a recovery of approximately 94%. The recovery performance is expected to continue, while the processing rate could be increased once planned milling upgrade has been completed. Construction of a new tailings storage facility is under investigation. Initially planned for late 2022, the design is under review to ensure international best practice is met whilst enabling uninterrupted production.

For a detailed breakdown of the property, plant and equipment and encumbrances thereon refer to note 18 of the Consolidated Financial Statements. The property, plant and equipment of the Group is predominantly held in Zimbabwe and the continued implementation of the investment plan is expected to increase the property, plant and equipment of the Group. Refer to note 19 of the Consolidated Financial Statements for a detailed breakdown on the exploration and evaluation properties of the Company and encumbrances thereon, as well as Item 4.A - "History and Development of the Company".

The issuing and control of mineral rights in Zimbabwe is regulated by the Mines and Minerals Act (Chapter 21:05) of 1961 (MMA), administered by the Mining Commissioner of the regional mining district. The mineral resources are vested in the State through the President of Zimbabwe.

The Government of Zimbabwe does not participate in managing the projects of local or foreign firms in the private sector. Presently, government participation in mining is through Zimbabwe Mining Development Corporation (ZMDC) and through the Minerals Marketing Corporation of Zimbabwe (MMCZ). The ZMDC was formed in 1982 for government to participate in the mining sector and to save companies that were being threatened to close. It is active in exploration, mining and giving assistance to cooperatives and small-scale miners. The MMCZ was formed in 1992 and is responsible for marketing all the country's minerals and metal products except gold and silver which are sold through the Reserve Bank. It finances its operations by a commission charge of 0.875% on sales conducted for its clients.

In Zimbabwe, mining and mine development may be conducted with a mining claim, mining lease, special mining lease and special grant. A mining claim covers a small area, thus usually several claims are grouped to form a block of claims. The claim confers on the holder the exclusive right to mine the mineral resource for which the claim was registered. Mining claims are dependent on the claim holder applying to the Mining Commissioner for and obtaining an inspection certificate on an annual basis; failure to do so may result in the forfeiture of the relevant claim. A block of claims may be transformed into a mining lease for simplicity of administration.

The Blanket Mine's interests in Zimbabwe include a mining lease, operating claims (i.e., on-mine), non-operating claims and a portfolio of brownfields exploration projects (satellite projects). Blanket Mine operates under a mining lease issued by the Mining Affairs Board of Zimbabwe with registered number 40 (ML40) which was issued under the MMA to Blanket Mine (1983) (Private) Ltd, a 64% held indirect subsidiary of the Company, on May 24, 2019 and is annually renewed. The mine's claims under the lease cover an area of 2,120 ha.

A copy of ML40 is attached hereto as Exhibit 4.9.

Blanket Mine also has several registered claims, not incorporated under the lease. The 59 claims contiguous to the mining lease comprise a total area of approximately 994 ha. Blanket Mine provided a separate list of non-operating claims located away from ML40 and the adjoining claims described above, that form a portion of their Gwanda portfolio. These non-producing claims ("**satellite projects**") consist of 217 blocks of registered base metal (Ni, Cu and As) and precious metal claims covering a total area of 2,672 ha. A number of claims are subject to active tribute agreements between the mine and local small scale miners.

History

The Blanket Mine is part of the Sabiwa group of mines within the Gwanda Greenstone Belt from which gold was first extracted in the 19th century. The Blanket Mine is a cluster of mines extending some 3 km from Jethro in the south through Blanket itself, Feudal, AR South, AR Main, Sheet, and Eroica, to Lima in the north. Blanket Mine has produced over a million ounces of gold during its lifetime.

Following sporadic artisanal working, the Blanket Mine was acquired in 1904 by the Matabele Reefs and Estate Company. Mining and metallurgical operations commenced in 1906 and between then and 1911, 128,000 t were mined. From 1912 to 1916 mining was conducted by the Forbes Rhodesia Syndicate who achieved 23,000 t. There are no reliable records of mining for the period between 1917 and 1941 and it is possible that operations were adversely affected by political instability during World Wars I and II. In 1941 F.D.A. Payne produced some 214,000 t before selling the property to Falconbridge in 1964 (Blanket Mine, 2009). Under Falconbridge, production increased to 45 kg per month and the property yielded some 4 Mt of ore up until September 1993. Kinross Gold Corporation ("**Kinross**") then took over the property and constructed a larger Carbon-in-Leach plant with a capacity of 3,800 tpd. This was designed to treat both run of mine ("**RoM**") ore and an old tailings dump.

The Blanket Mine is currently 64% indirectly owned and operated by Caledonia, which initially completed the purchase of the mine from Kinross on 1 April 2006. The Blanket Mine re-started production in April 2009 after a temporary shut-down due to the economic difficulties in Zimbabwe.

Present Condition and Infrastructure

The Blanket Mine consists of a series of small shafts providing access to the underground workings of the various orebodies that are being mined. The main access and draw points are accessed by the shafts indicated in the table below.

Name	Description
Jethro Shaft	The shaft has dimensions of 3 m x 2 m and is mainly utilised for the transport of men and material from surface to 7 and 9 Level. The shaft is equipped with a single drum winder with a 19 mm rope and capacity of 10 men.
5 Winze (Sub-Shaft)	5 Winze has dimensions of 3 m x 2 m and is a sub-shaft and is mainly used to transport men and materials between 9 Level and 22 Level. This shaft is similarly to Jethro shaft equipped with a single drum winder with a 19 mm rope and a capacity of 10 men.
6 Winze (Sub-Shaft)	6 Winze has dimensions of 3 m x 2 m and is a sub-shaft used mainly for the hoisting of ore from 26 Level to 22 Level from where ore is transported to No. 4 Shaft for hoisting to surface. This shaft is equipped with a 112 kW single drum winder with a 22 mm rope and a capacity of 3 t per skip or 500 tpd. At the bottom of 6 Winze shaft is a 12 kW spillage winder equipped with a 13 mm diameter winding rope.
Blanket Shaft (No. 4 Shaft)	No. 4 Shaft was historically the main production shaft of Blanket Mine. No. 4 Shaft has dimensions of 4 m x 2 m with two compartments. This shaft is mainly used for the hoisting of ore and waste rock from 22 Level to surface. The shaft is equipped with a 560 kW thyristor driven double drum winder with a 34 mm rope and capacity of 6 t per skip or 3,000 tpd.

The Blanket Mine is an underground mine in the production stage, and a number of expansion projects have either been completed or are planned for the Blanket mining operations in order to increase production. The majority of the expansion projects will consist of the below 750 m Level (22 Level) expansion projects. The first project includes the sinking and construction of the new Central Shaft (CMS) in-between the AR Main and AR South / Blanket orebodies from surface to 1,204 m (just above 38 Level) and its associated infrastructure. Sinking and equipping of the shaft has been completed with the development of the associated orepass system and loading station development is currently in progress.

Further projects include the development of various decline shaft infrastructure targeting specific mining areas in order to increase production.

Surface infrastructure comprises mine offices, change houses, mine headgears, workshops, storerooms, a processing plant, hospital, tailings facility and an assay laboratory. Production shafts on surface consist of the No. 4 Shaft and the Jethro Shaft. Sub-shaft infrastructure in the form of the No 5 Winze connects Jethro to the underground workings. Other shafts and raise bore holes on surface, primarily used for ventilation purposes, include Lima, Eroica and Sheet. A total of 11 hoists are installed at the mine, three of which are used for ore handling (No. 2 incline shaft, the sub-vertical shaft and 6 Winze shaft).

The existing infrastructure at Blanket will be utilised in parallel with new infrastructure which is specifically aimed at targeting the below 22 Level mining areas. The extensions entail the sinking of the new CMS (currently completed with the exception of the loading station and orepass system) from surface down to 1,204 m (just above 38 Level). 6 Winze sub-shaft located close to 5 Winze sub-shaft is used to access the Blanket complex below 22 Level and will provide secondary access to the new CMS.

The new CMS is not lined and has a four-compartment, 6 m diameter layout, equipped with a 2 x 3,642 kW double-drum winders, one for rock and the other for men and material. Once fully equipped and commissioned, this shaft will be used as the main route for the transport of men, material and rock.

On surface, a 900 mm wide, 50 m long overland waste conveyor will transport waste rock to a rock dump. Additional supporting surface infrastructure will include shaft offices, change rooms, lamp rooms, etc. New housing for both senior and junior staff is also planned in anticipation of the increased production profile.

A tailing storage facility is also located in close proximity to the mining area. The labour force and their families reside within a kilometre of the mine in accommodation provided by the mine.

Underground drilling is conducted with Seco 23, Seco 25, Seco 215 rock drills and Seco 36 (Konkola) drifters. The rock drills are used mainly for development and the drifters for production, *i.e.* long-hole drilling.

Similar to the underground rail-bound fleet, the same mining equipment utilised at the operational sections of Blanket Mine will be utilised once the expansion projects of the CMS have been completed with some additional quantities to allow for the planned increase in production.

ZESA supplies power to Blanket Mine from their main substation in Gwanda. The main supplies are the 33 kV and the 11 kV overhead lines. The 33 kV supply feeds Lima, Reclamation and the main substation at No. 4 Shaft, adjacent to the processing plant. The 11 kV supply feeds Jethro shaft, slimes dam, Smiler shaft and the village.

The Company has approved a 12 MW ac solar power plant to supplement existing power supply to the Blanket Mine. A further phase to the solar plant is being considered. The solar plant, the ZESA supply and the 18MVA generators work in combination to supply Blanket Mine with an economical hybrid power solution.

Caledonia's approach to its electricity requirements is threefold:

i. continue to engage constructively with ZESA with the objective of securing cheap, reliable and stable power from the grid. This includes agreeing a realistic electricity pricing formula in the context of the current monetary conditions; assisting ZESA to repair and maintain its equipment and participating in an industry-wide scheme to import power. On August 9, 2019 Blanket signed a new power supply agreement in terms of which Blanket will receive uninterrupted power in return for a US Dollar-denominated tariff which, although cheaper than the tariff which prevailed until December 31, 2018, is still sufficient to allow ZESA to import power so that (subject to the availability of power in neighboring countries) it can keep its supply commitment to the participants in the scheme. This arrangement has worked reasonably well, although Blanket continues to experience less severe outages during periods when South Africa's electricity system has come under pressure;

ii. utilize Blanket's standby diesel generating capacity. Diesel generators are not a long-term solution to the electricity problem: diesel power is expensive and requires large quantities of diesel which is environmentally damaging and is not always easily available; and

iii. install a 12MWac solar power plant to supply some of Blanket's requirements.

The status of the project is as follows:

- the 40-hectare site for the project has been cleared and fenced;
- Caledonia has obtained the necessary licences and permits for the project;
- Voltalia has been appointed as contractor for the project under an engineering, procurement and construction contract;
- Caledonia provided Voltalia with a notice to proceed in March 2021 and has made an advance payment of $1.8 million for long lead time items that are required to construct the plant;
- orders have been placed for approximately 95% of the solar equipment required to build the plant;
- civil works on the internal roads, drainage, foundations for equipment and the operations and maintenance building have commenced and nears completion;
- the majority of the equipment to construct the project has either been delivered or is en route to the site and final assembly has commenced;Approximately 4,300 holes have been drilled and filled for the ground mounting structure to be constructed; and
- the mounting structure has been constructed for one of the four main blocks and 7,728 panels have been installed of the 25,760. 15,770 meters of LV cabling has been installed of the total 15,932 metres.

The district is serviced by telecommunication services, and Blanket Mine provides its own Wi-Fi and communication systems.

The A6 highway, forming part of the Trans-African Highway network, is orientated roughly northwest-southeast and links Bulawayo with the Beitbridge border post and Musina in South Africa. The highway runs through the town of Gwanda. A major sealed road, the Old Gwanda Road, branches off from the A6 in Gwanda and runs directly through the ML 40 area to Bulawayo. Blanket's mining claims are all located along these major roads and are thus easily accessible. The roads are sealed and although potholing is frequent, the surfaces are navigable by all vehicles. The Beitbridge Bulawayo Railway runs roughly parallel to the A6 through Gwanda Town.

An airstrip and informal airport building are located in Gwanda along the A6. The Joshua Mqabuko Nkomo International Airport is located in Bulawayo. The mine can be accessed either via the Beitbridge-Bulawayo road, or by flying into Bulawayo and driving two hours via the Old Gwanda Road or the A6 to the site.

Permitting, Licenses and Encumbrances

The mine is compliant in terms of authorisations and adheres to all government protocols and regulations as required.

Water for the operations is sourced from the Blanket Dam that is situated on the Mtshabezi River and owned by the Zimbabwe National Water Authority ("ZINWA"). The use of this water is authorised through a contract agreement between Blanket and ZINWA in terms of the Zimbabwe National Water Authority Act (Chapter 20:251). In terms of this agreement, Blanket is allowed to extract 1,200,000 m^3 of water for the period 1 April 2020 to 31 March 2021. The agreement is valid for one-year periods and is renewed annually. ZINWA annually send to Blanket the renewable agreement for signing. Blanket continues to extract water in the interim at a rate of ZWL18.00/m^3.

In accordance with paragraph 178(2)(a)(b)(c) of the MMA, the owners of claims possess the right to use of any surface within the boundaries for all necessary mining purposes; the right to use, free of charge, soil, waste rock or indigenous grass situated within the claims boundaries for all necessary mining purposes; and the right to sell or dispose of recovered waste rock. The MMA Amendment Bill makes instruction for landowner compensation in case of land loss due to mining activities in the form of land reallocation or outright purchase. The activities of the Company have not triggered this compensation.

The Indigenisation and Economic Empowerment Act, which was enacted in 2007, required that 51% of the equity of all commercial enterprises in Zimbabwe must be owned by indigenous Zimbabweans. Following the implementation of indigenisation, Caledonia received the Certificate of Compliance from the Government of Zimbabwe which confirmed that Blanket Mine 1983 (Pvt) Ltd was fully compliant with the Indigenisation and Economic Empowerment Act. The requirement for gold mining companies to be indigenised was removed by a change in legislation with effect from March 2018. A 36% share of Blanket Mine 1983 (Pvt) Ltd is currently held by indigenous parties.

In Zimbabwean mining legislation, an Environmental Impact Assessment ("EIA") is not required in order to issue a mining claims and in terms of the Environmental Management Act and its First Schedule is only required prior to commencement of mining and forms part of the planning process. Blanket Mine was established in the early 1900s, long prior to the implementation of governing mining and environmental laws. As such, it appears that an EIA is not required for the Blanket Mine. However, the mine is in constant communication with the Environmental Management Agency ("EMA") regarding environmental permitting requirements and an EIA was completed for the mine in 1995. Should the EMA communicate that an EIA certificate for the mine be obtained, the mine will submit all relevant and associated applications to obtain such and remain fully compliant.

In order for operations to continue, the EMA has issued a number of additional environmental licences to Blanket as listed in the table below. The certificates are valid for 1 year and renewed annually. Applications for hazardous waste generation (oils, chemicals, etc.) licences have been submitted and are pending EMA review. New environmental disturbances will require additional permits further to those listed below, and currently no further disturbances have been identified.

Environmental Permits

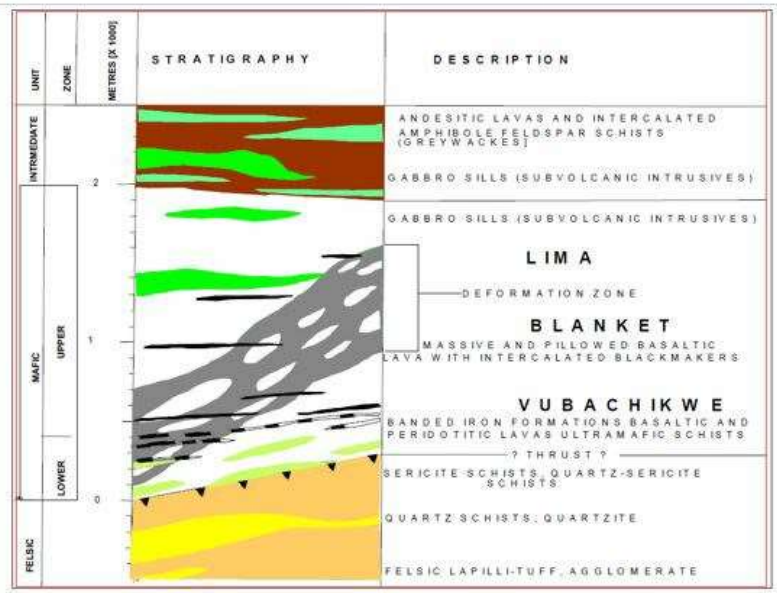
Licence Type	Licence Number	Activity	Validity
Air Emissions	8000103302	Diesel generator emission	22 April 2022 – 31 Dec 2022
Air Emissions	8000103303	Clinic incinerator	29 Mar 2022 -31 Dec 2022
Air Emissions	8000102171	Blacksmith	29 Mar 2022 -31 Dec 2022
Air Emissions	8000102170	Assay laboratory	29 Mar 2022 -31 Dec 2022
Air Emissions	8000102172	Smelter	29 Mar 2022 -31 Dec 2022
Effluent Disposal	8000102176	Car wash	29 Mar 2022 -31 Dec 2022
Effluent Disposal	8000102175	Ablution facilities (sewage, 15 kLpm, disposal : irrigation)	29 Mar 2022 -31 Dec 2022
Hazardous Substance Importation	8000098441	Sodium cyanide, sodium hydroxide, acids	18 May 2021 – 17 May 2022
Hazardous Substance Storage and Use	8000102234	Sodium cyanide, diesel, acids, caustic soda	29 Mar 2022 -31 Dec 2022
Hazardous Substance Transportation	8000103299	Sodium cyanide, caustic soda, acids, diesel	15 May 2022 – 17 May 2023
Hazardous Waste Generation	8000102243	Used oils, clinical waste (0.5 t, salvage yard)	29 Mar 2022 -31 Dec 2022
Solid Waste Disposal	8000102241	Domestic waste (land filling, 1,500 t)	29 Mar 2022 -31 Dec 2022
Solid Waste Disposal	8000102173	Tailings storage facility (24,453 kL)	29 Mar 2022 -31 Dec 2022
Waste Management- Sanitary Landfill	8000092448	Blanket Mine Sanitary Landfill	07 Aug 2020 -06 Aug 2022
Energy-Solar	8000101044	Blanket Mine Solar PV Plant	08 Sept 2021 – 07 Sept 2022

Geological Setting, Mineralization and Deposit

The Blanket Mine is situated on the north-western limb of the Archaean Gwanda Greenstone Belt. Several other gold deposits are situated along the same general strike as the mine. Approximately 268 mines operated in this greenstone belt at one stage; however, the Blanket Mine is one of the few remaining operational mines. At Blanket Mine, the rock units strike north−south, and generally dip steeply to the west.

The local geology consists of the Felsic Unit made up of, largely, quartz and quartz-sericite schists overlain by the Mafic Unit. The lower zone of the Mafic Unit comprises ultramafics and banded iron formations which host the orebodies of the Vubachikwe mine, that is located south of Blanket. The upper zone of the Mafic Unit is made up of massive to pillowed basaltic lavas with intercalations of interflow sediments now showing as cherty argillites (locally commonly referred to as Black Markers) and this hosts the Blanket complex orebodies. The Blanket orebodies are in an orogenic setting with hydrothermal mineralization hosted in selected shears of country basaltic metavolcanics. This package is intruded by a younger and seemingly barren olivine-gabbro sheet. The sequence is capped by an Intermediate Unit comprising andesitic lavas with amphibole feldspar schists.

The generalised stratigraphic column for the area is shown below.

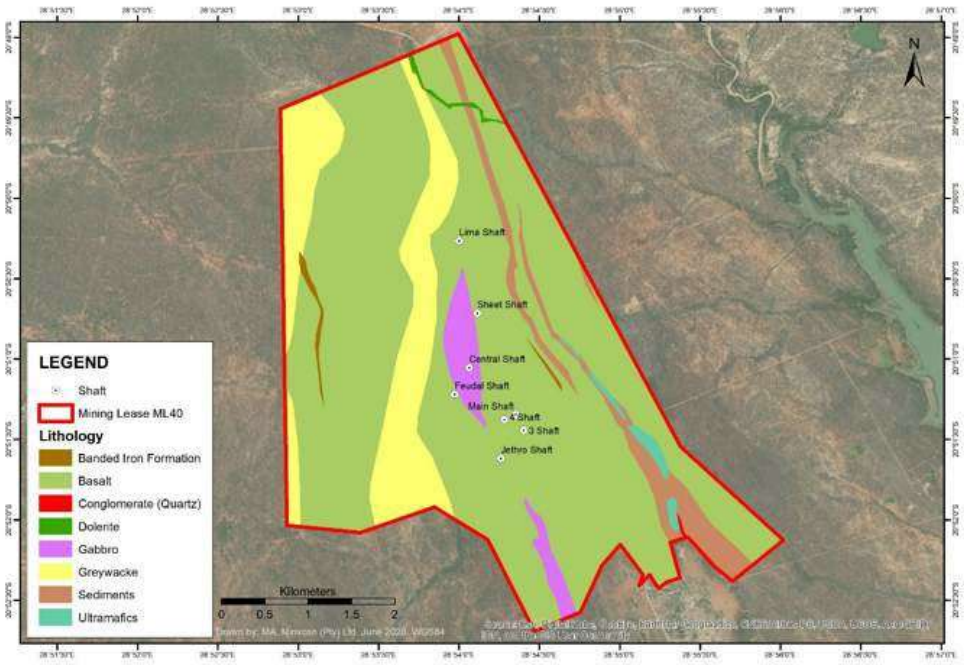


Source: AGS (2006)

Stratigraphic Column of the Blanket Mine Area | December 2021

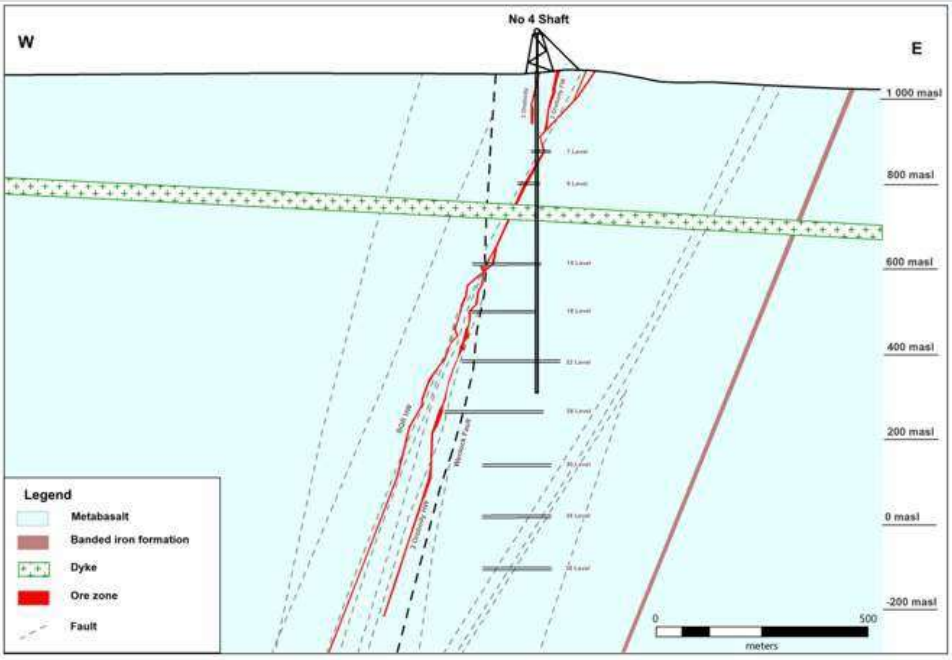
The Blanket complex orebodies together with those of the Vubachikwe complex comprise the north-western Mining Camp, also called the Sabiwa group of mines. Blanket Mine complex is a cluster of deposits that extend from Jethro in the south, through Blanket, Feudal, AR South, AR Main, Sheet, Eroica and Lima to the north.

The local geology at Blanket Mine is depicted below including the infrastructure locations.



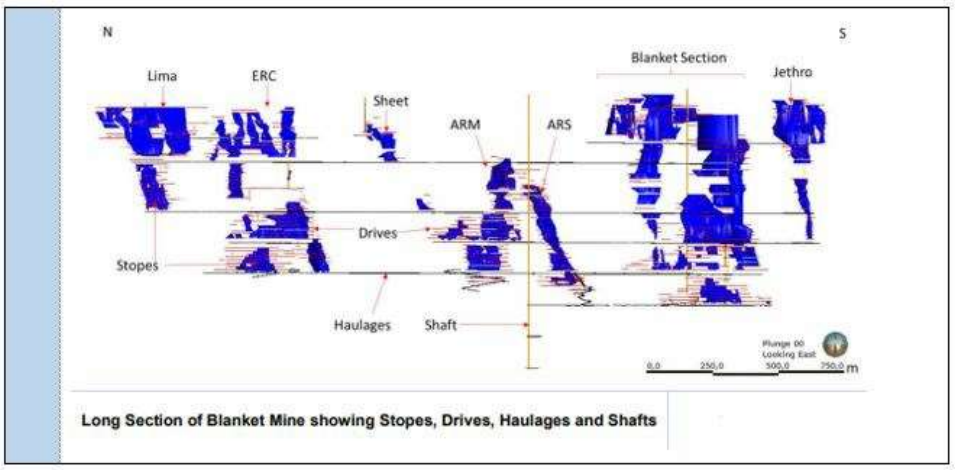
Local Geology of Blanket Mine *(Source Minxcon)* | December 2021

The depiction of a cross section W-E through the orebody and No 4 Shaft infrastructure is shown below.



Geological Cross Section of Blanket Mine at No4 Shaft | December 2021

The Longitudinal Section of Blanket Mine depicting Orebodies and Infrastructure is shown below.



Two main types of mineralisation are recognised at Blanket, namely DSR and quartz-filled reefs and shears. A third type of mineralisation may be evidenced in the form of auriferous sulphide minerals as a replacement of the iron-rich minerals along the hinges of the folds in BIF, as is present at the neighbouring Vubachikwe Mine.

Disseminated Sulphide Replacement Reefs

DSRs host the best grades and comprise the majority of the ore shoots. The zones have a silicified core with finely-disseminated arsenopyrite. Relatively high grades are found in a package of silicified biotite chlorite schist with irregular quartz stringers and disseminated and stringer arsenopyrite in the fabric planes. Due to lesser silicification, abundant biotite characterises the margins of these mineralised zones and as a result they have a lower gold content. Disseminated sulphide-replacement orebodies range up to 50 m in width with a strike of 60 m to 90 m. Free-milling gold constitutes up to 50% of the total metal content with the remainder locked in the arsenopyrite. The ore is not refractory despite its association with arsenopyrite. Generally, plant recoveries of 85% to 90% are achieved.

Quartz-Filled Reefs and Shears

Two quartz shears are mined at the Blanket Mine, namely the BQR and the Eroica Reef. These reefs have long strikes; however, they are not uniformly mineralised. Continuous pay shoots of over 100 m on strike are present. The Quartz Reef has a surface strike of approximately 500 m, but economic mineralisation is restricted to three 90 m long shoots.

Quartz-filled reefs display a much wider grade range compared to the DSR deposits. On average, these shears are of a higher grade and are used in blending the ore to the mill. Dominant ore minerals are native gold and galena although arsenopyrite becomes more prevalent below 470 m. Increasing levels of arsenopyrite association with depth confirm that the quartz shears represent higher level offshoots and splays with brittle deformation relative to the more ductile DSR-type core zone mineralised bodies.

Mineral Resource and Mineral Reserve Estimates

Mineral resource estimates were not included in the Company's prior Form 20-F annual ,report as the SEC's Industry Guide 7 ("**IG7**") did not allow for the inclusion of mineral resources. The mineral resources reported here are updated from Blanket's 2020 estimation of mineral resources as presented in other disclosures, taking depletion into account for the period 1 January 2020 until 31 December 2021. They do not account for any internal conversions in the same period as an internal update and conversion to digital methodology for the 2022 fiscal year is underway. Refer to Exhibit 15.4 or the technical report summary titled "S-K 1300 Technical Report Summary on the Blanket Gold Mine, Zimbabwe", with an effective date of December 31, 2021, for key assumptions, parameters, and methods used to estimate the mineral resources and risks that could materially affect the mineral resource. Because this is the first year in which the Annual Report was permitted to present mineral resources, the Company has not included a tabular comparison of prior year versus current year mineral resources.

The measured and indicated mineral resource estimates for 2021 are reported in compliance with Subpart 1300, in situ as at 31 December 2021 and exclusive of mineral reserves.

Mineral Resource Classification	Orebody	Tonnes t	Au g/t	Content Oz
Measured	ARM	85 823	2.31	6 383
	ARS	219 056	3.10	20 392
	BF	6 455	2.46	511
	BLK1	1 922	5.76	356
	BLK2	16 209	2.73	1 421
	BLK3	44 794	2.17	3 120
	BLK4	1 502	4.75	230
	BLK6	1 751	2.92	165
	BQR	108 753	2.57	8 988
	ERC	7 104	3.93	898
	Jethro	5 198	3.99	666
	Lima	49 394	2.94	4 664
	Sheet	5 989	3.40	654
Measured Total		**553 949**	**2.80**	**48 447**
Indicated	ARM	286 136	2.12	19 515
	ARS	262 126	2.63	22 173
	BF	14 119	1.74	790
	BLK1	106 991	2.52	8 668
	BLK2	95 915	2.95	9 102
	BLK3	109 187	2.55	8 948
	BLK4	12 507	2.63	1 057
	BLK6	20 748	2.85	1 903
	BQR	327 854	2.98	31 439
	ERC	224 200	3.35	24 159
	Jethro	16 428	3.90	2 060
	Lima	24 479	3.29	1 465
	Sheet	84 310	3.87	10 477
Indicated Total		**1 585 001**	**2.78**	**141 757**
M&I Total		**2 138 950**	**2.77**	**190 203**

Notes:

1. * Manual mineral resource estimate from block plans only
2. Cut-off applied 1.5 g/t.
3. No geological loss applied for measured, 5% for indicated and inferred.
4. Commodity price utilised: USD1,600/oz.
5. Mineral resources are stated exclusive of mineral reserves.
6. Mineral resources are reported as 64% attributable to Caledonia.
7. All orebodies are depleted for mining.

In Situ Inferred Mineral Resource Tabulation for Blanket Mine as at 31 December 2021 (exclusive of mineral reserves)

Mineral Resource Classifiaction	Orebody	Tonnes t	Au g/t	Content Oz
Inferred	ARM	331 425	1.89	20 120
	ARS	278 380	2.68	23 975
	BF	297 519	2.60	24 836
	BLK1	879 307	2.64	74 747
	BLK2	974 983	4.05	126 908
	BLK3	412 612	3.36	44 637
	BLK6	252 085	2.95	23 899
	BQR	1 500 405	3.20	154 499
	ERC	313 242	3.71	37 351
	Lima	178 869	3.73	21 478
Inferred Total		**5 418 826**	**3.17**	**552 450**

Notes:

1. Cut-off applied 1.5 g/t.
2. No geological loss applied for measured, 5% for indicated and inferred.
3. Commodity price utilised: USD1,600/oz.
4. Mineral resources are stated exclusive of mineral reserves.
5. Mineral resources are reported as 64% attributable to Caledonia.
6. All orebodies are depleted for mining.

Mineral reserves as reported in the Company's prior Form 20-F annual report vary substantially to the mineral reserves reported herein as at 31 December 2021. The reasons for this are as follows:

- 2020 reserves were reported in line with IG7 guidelines and were not Subpart 1300 compliant
- 2020 reserves were given with an effective date of 1 January 2020
- 2021 reserves are Subpart 1300 compliant and are thus reported at 64% attributable and as at 31 December 2021

Due to the lack of comparability, the Company has not included a tabular comparison of current year versus prior year mineral reserves.

Mineral reserve estimates in this Annual Report are reported in accordance with the requirements of Subpart 1300. Accordingly mineral resources in the measured and indicated categories have been converted to proven and probable mineral reserves respectively, by applying applicable modifying factors and are planned to be mined out under the life of mine plan within the period of our existing rights to mine, or within the time period of assured renewal periods of our rights to mine.

In addition, as of the date of this Annual Report, all mineral reserves are covered by required permits and governmental approvals.

Mineral Reserve Classification	Tonnes	Grade	Au Content	
	kt	g/t	kg	oz
Proven	656	3.11	2,042	65,651
Probable	1,751	3.30	5,774	185,652
Total	**2,408**	**3.25**	**7,816**	**251,304**

Notes:

1. Mineral reserve cut-off of 2.1 g/t applied.
2. The gold price that has been utilised in the economic analysis to convert diluted measured and indicated mineral resources in the LoMP to mineral reserves is an average real term price of USD1,622/oz over the LOMP, using the forecast prices as per economic analysis.
3. The mineral reserve estimation utilises the depleted 2022 mineral resource estimation and the 2020 mine design and LoMP.
4. Mineral reserves are reported as 64% attributable to Caledonia Mining Corporation Plc.

An uneconomical tail containing 25.90 koz of gold has been excluded from the mineral reserve, since it is not economical on its own.

The mineral reserves information is from Blanket's current life-of-mine plan, using depletion for the period 1 January 2020 until 31 December 2021. They do not account for any internal conversions in the same period as an internal update and conversion to digital methodology for the 2022 fiscal year is underway. Refer to Exhibit 15.4 or the technical report summary titled "S-K 1300 Technical Report Summary on the Blanket Gold Mine, Zimbabwe", with an effective date of December 31, 2021 for key assumptions, parameters, and methods used to estimate the mineral reserves and risks that could materially affect the potential development of the mineral reserves.

Our mineral reserve figures are estimates, which may not reflect actual reserves or future production. These figures are prepared in accordance with industry practice, converting mineral deposits to reserves through the preparation of a mining plan. The mineral reserve estimates contained herein inherently include a degree of uncertainty and depend to some extent on statistical inferences. Reserve estimates require revisions based on actual production experience or new information. Should we encounter mineralization or formations different from those predicted by past drilling, sampling and similar examinations, mineral reserve estimates may have to be adjusted and mining plans may have to be altered in a way that might adversely affect our operations. Moreover, if the price of gold declines, stabilizes at a price that is lower than break-even level, if our production costs increase or recovery rates decrease, it may become uneconomical to recover mineral reserves with lower grades of mineralization.

Exploration and Planned Work

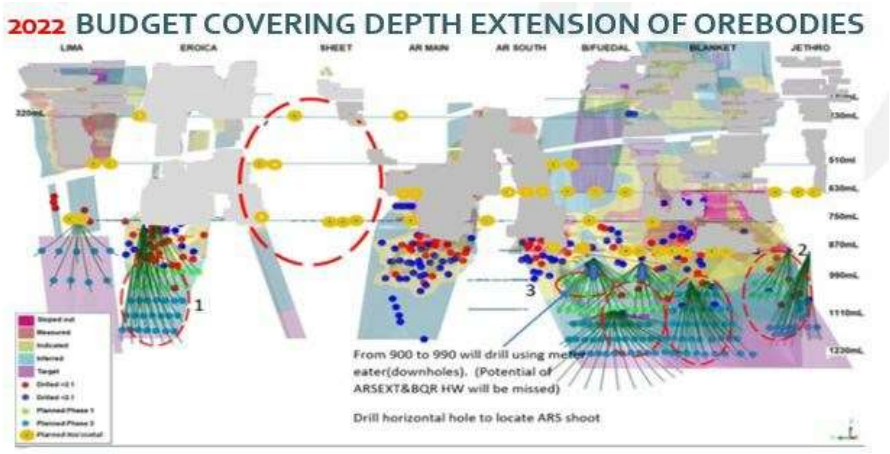
The Blanket Mine is a producing operation. Ordinarily, exploration activities are carried out both on and off the mine. Mine exploration takes place mostly underground on the producing claims and is aimed at expanding the lateral and depth extension of the known ore bodies which are being mined, as well as searching for potential additional orebodies. Available exploration platforms have been exhausted underground at Blanket Mine. Equipping the Central Shaft is expected to enable the establishment of new exploration platforms to be restored.

This drilling may confirm and improve the down-dip inferred mineral resource. An electromagnetic survey may be considered; potentially delineating additional surface structural features and targets, which can be used in conjunction with and refinement of the geological concept being proposed.

The combination of the exploration drilling, geophysical survey and conceptual geological model (based on the sampling database) may increase the exploration targets and ultimately assist in increasing the mineral resource.

No underground exploration drilling was budgeted for the year 2021 and 2020 on Blanket Mine due to the unavailability of drilling platforms, unlike in the year, 2019, when 9,824 metres were drilled. A total of 1,910 metres were drilled from surface at GG and Valentine satellite prospects.

Future exploration work will be focused primarily on the depth extensions of Blanket orebodies as per below. For the 2022 fiscal year this amounts to the establishment of drilling platforms and approximately 13,000 metres of core drilling amounting to $1.3million.



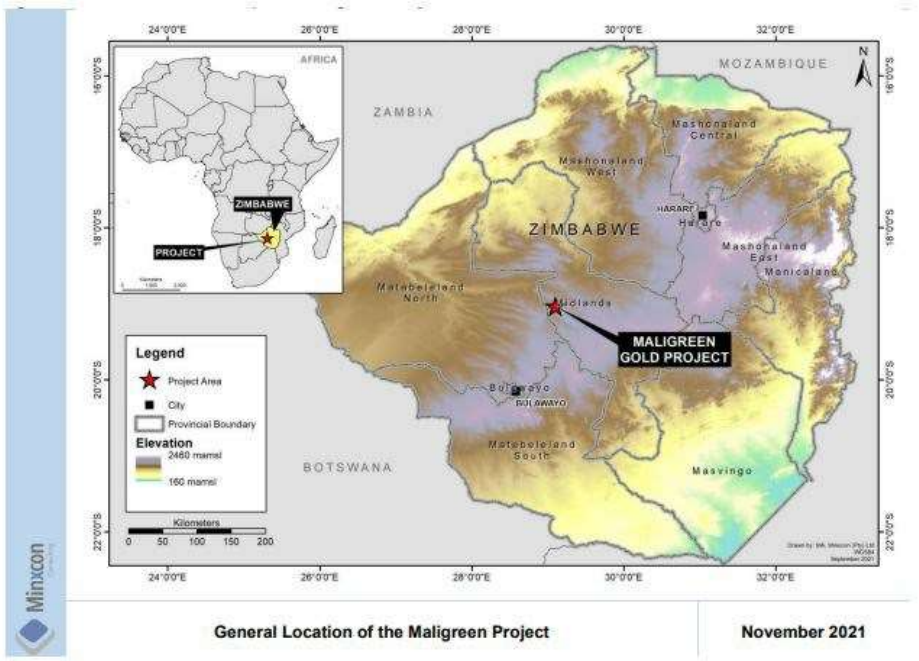
The appropriate QAQC procedures were applied to satisfy best practice guidelines including the use of blanks, standards and duplicates. These procedures with respect to sample preparation, analyses, security and data validation and verification are detailed in exhibit 15.4 titled "S-K 1300 Technical Report Summary on the Blanket Gold Mine, Zimbabwe", with an effective date of December 31, 2021.

Maligreen Project

Property Description and Ownership

On September 23, 2021, Caledonia announced that it had entered into an agreement to purchase 100% ownership of mining claims over Maligreen, a property situated in the Gweru mining district in the Zimbabwe Midlands, for a total cash consideration of US$4 million. The claims were purchased to further explore and the exploration and evaluation asset is disclosed in note 14 of the Consolidated Financial Statements. No production activities have taken place while under the control of the Company. The Maligreen Project is a brownfield gold exploration project situated on the Nkayi-Silobela Greenstone Belt that has historically been exploited via open pit mining. The Maligreen property is envisioned as a combination open pit and underground operation. Appropriate work has to be completed to determine the extent and economic viability of an underground operation. This will be informed by future exploration drilling.

The Project is located in central Zimbabwe, approximately 73 km due west-southwest of Kwekwe, Midlands Province. Zimbabwe's capital city, Harare, lies 235 km northeast of Maligreen. The town of Nkayi lies 25 km west of the Project along the Kwekwe-Lupane Highway. The location of the project is indicated below.



The Project is centred on the following coordinates:

- Latitude 19°1'51"S
- Longitude 29°6'5"E

The Maligreen project is held under a portfolio of 41 adjacent mining claims in the Midlands Mining District. Of these, 40 encompass an area of 10 ha each and are issued for gold. Claim AMT 97 (claim number 11219BM) encompasses 150 ha and is issued for copper. This latter claim has not been the focus of exploration to date. Should future exploration reveal substantial gold mineralisation, application will be made to include gold ore in the claim. The claims are all up to date, with next inspections due in 2022. The claims were all held in the name of Maligreen Mining Company (Pvt) Ltd, which entered into an Agreement of Sale with |CHZ on September 22, 2021 to acquire the claims.

The total land area of Maligreen is approximately 550 hectares comprising two historic open pit mining operations that produced approximately 20,000 ounces of gold mined from oxides between 2000 and 2002 after which the operation was closed. No exploration activities are currently active at the project, but the Company is planning to undertake additional exploration to fully understand the strike extension and depth extension potential.

History

The Maligreen deposit was discovered by Reunion Mining (Zimbabwe) Limited ("Reunion") in October 1995 over a number of Exclusive Prospecting Orders. The property was purchased by Cluff Mineral Resources Limited ("Cluff") in April 1998. In December 1999, Pan African (Pvt) Ltd ("Pan African") entered into an agreement with Cluff to acquire a 50% interest in the Project. The acquisition was completed in April 2000 and a new joint-venture company MMC was registered (Trashliev, 2007).

As described by Trashliev (2007), four years of integrated regional geochemical and geophysical exploration led to the discovery of the Maligreen mineralisation by Reunion in 1995. A north-south, 3.3 km long geochemical signature along structural targets was identified. For the next two and a half years, Reunion drilled 107 diamond drillholes over 28,272 m and 526 percussion drillholes over 29,110 m, the results of which were utilised to define a gold mineral resource. Only the southern 1 km of the geochemical anomaly has been drilled. Limited geochemical data is however available. The area has been mapped and geological data relogged. No further exploration work was undertaken under Cluff ownership, but the company did revise the mineral resources to quantify the potential and guide mine planning.

Work commenced in January 2000 under MMC ownership to develop two open pits (North Pit and South Pit; Figure 5 and Figure 6) to exploit the orebody. A crushing, sizing and floatation plant was also constructed. Pan African completed 35 reverse circulation ("RC") drillholes over 1,038 m to guide mine planning at North Pit. The first bullion was poured in July 2000. All available data for the project area was consolidated in 2003 and all 107 diamond drillholes were relogged. Mining ceased in September 2002, but the reason for this is uncertain. It is however assumed that they were targeting the oxides only.

Present Condition and Infrastructure

Infrastructure on site is minimal. There are two open pits, namely North Pit and South Pit, that were historically mined, as well as the heap leach pad and possible elution room that serviced the operations. An office block is occupied and maintains the care and maintenance of the historic operation. A basic process plant is erected and utilised by the Syndicate for their mining activities. All required infrastructure for exploration activities is in place.

The Maligreen project is in the exploration phase and the area is accessible by car via the Kwekwe-Lupane Road, approximately 80 km west of Kwekwe. From this road, the Mahlathini Road can be taken southwards for some 3.8 km, from which point a westwards gravel road provides direct access to the project area after 1.8 km. The journey from Kwekwe takes approximately 2 hours by car.

Permitting, Licensing, and Encumbrances

The Maligreen mineral resource occurs within a claims area covering a total of 550 ha. The Project is held under a portfolio of 41 adjacent mining claims in the Midlands Mining District. Of these, 40 encompass an area of 10 ha each and are issued for gold. Claim AMT 97 (claim number 11219BM) encompasses 150 ha and is issued for copper. This latter claim has not been the focus of exploration to date. Should future exploration reveal substantial gold mineralisation, application will be made to include gold ore in the claim. The claims are all up to date, with next inspections due in 2022.

In 2022, an EIA and EMP will be devised as well as application made to convert the existing claims to a mining license.

Location of the existing claims are shown below.



Notes: "Correct" claims boundaries are as per boundary coordinates verified by the Ministry. "Estimated" claims boundaries are as traced from regional maps provided by the Client.

Location of the Maligreen Claims	December 2021

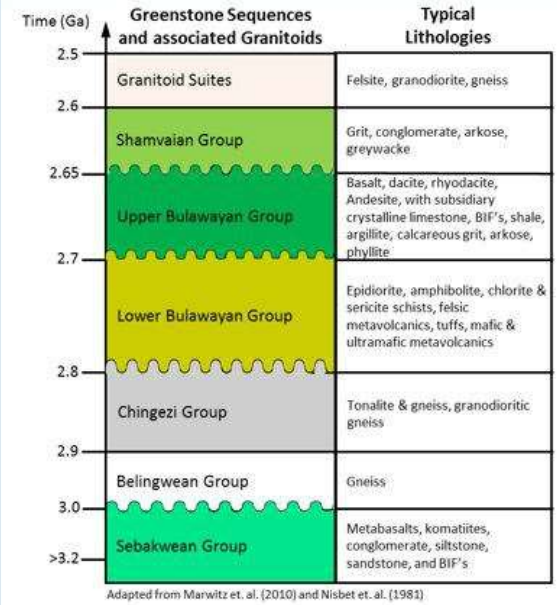
Geological Setting, Mineralization and Deposit

The Maligreen gold deposit occurs in a northeast trending section of greenstone near the convergence (triple junction) of the Midlands, Bubi and Silobela greenstone belts. The Maligreen deposit is hosted in rocks assigned to the Maliyami Formation of the Upper Bulawayan Group. The regional structural trend around Maligreen is northeast, parallel to the contact between the greenstone pile and the Shangani granite-gneiss terrain to the southeast.

The country rocks at Maligreen consists of metamorphosed andesitic pyroclastics (grading from lapilli tuff to agglomerate), intermediate lavas (dacite/andesite) and mafic lavas (basalt/gabbro). The pyroclastics are interbedded with quartz-eye-porphyry (or QEP) and intruded by feldspar porphyry (or FP) dykes. Andesitic volcanics are porphyritic and amygdaloidal in places. A mafic (or marker) dyke has intruded along the contact between pyroclastics and dacitic volcanics, within a broad shear zone. The strongly altered and sheared zone known as the quartz-sericite-zone (or QSZ), forms the core of deformation and alteration at Maligreen.

Gold mineralisation at Maligreen is generally associated with pyrite. Both stockwork and breccia pipe-type mineralisation have been recognized. The breccia type is very limited and consists of rock fragments cemented with silicates and ore minerals. Geological, petrological and structural studies suggest that the Maligreen gold deposit is a partially reworked porphyry style gold deposit. There is evidence of an early exhalative mineralisation within the Pyroclastic Unit. The possible mechanism for the Maligreen gold deposition is likely a fluid flow, aided and abetted by high level rhyolitic intrusions, and redistributed through permeable secondary shear zones due to late dextral duplex-like segmentation.

A generic stratigraphic column is depicted below.

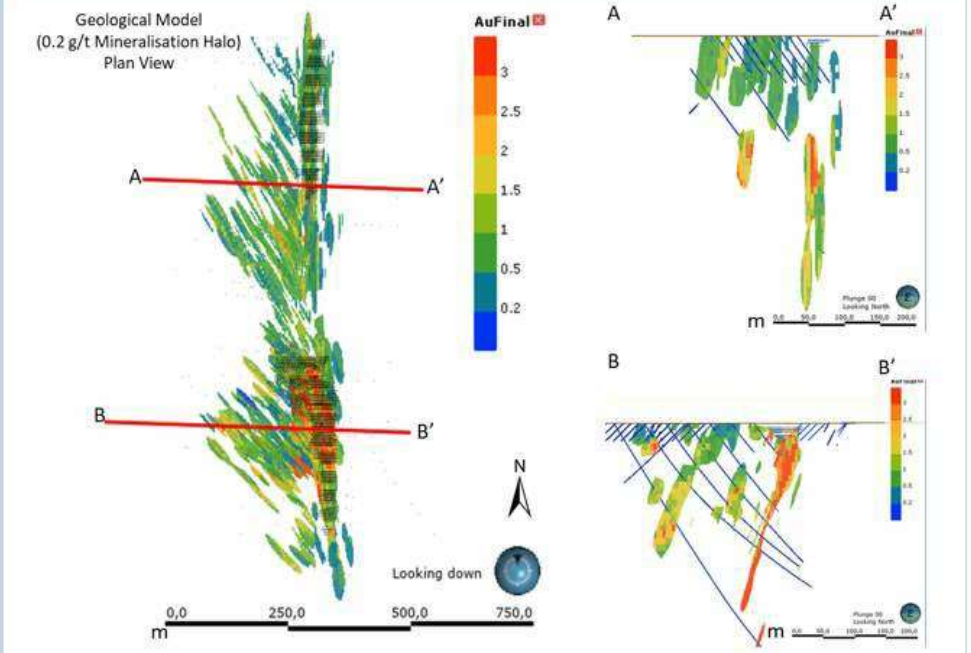


Generic Stratigraphic Column for the Greenstone Belts on the Zimbabwe Craton | December 2021

Based on previous work done on the deposit, as well as a detailed analysis of all the data available, a dominant north-south orientation is observed hosting mineralisation. These north-south mineralised trends are what has been mined in the existing surface pits. Additional mineralisation is seen trending northeast from these pits, in what has been termed the splays. Mineralisation at Maligreen is hosted by multiple lithologies, with specific lithologies dominant in different structural domains. An Indicator Interpolant function within Leapfrog was utilised to generate a grade halo showing all grades ≥0.2 g/t. This is believed to best represent the available data as well as enable an accurate representation of what is available for consideration in the mine plan.

The possible mechanism for the Maligreen gold deposition is likely a fluid flow, aided and abetted by high level rhyolitic intrusions, and redistributed through permeable secondary shear zones due to late dextral duplex-like segmentation.

A depiction of the mineralisation associated with a predominant North-South structure and associated splays is shown in plan and section for the North (A-A') and South (B-B') pits below.



Geological Cross Sections at the Project *(Source Minxcon)* | December 2021

Mineral Resources Estimate

An ordinary kriged estimation was performed on the Maligreen deposit. Maligreen having been acquired in 2021 is a new including in this annual report.

Owing to the lack of confidence in the data due to not complying with latest QAQC best practice, only an inferred mineral resource was defined. The mineral resources reported at surface, which are all resources <220 m from surface and underground (>220 m from surface) are shown below. No mineral reserves are stated.

Surface inferred mineral resource for Maligreen project in situ as at December 31, 2021

Mineral Resource Category	Domain	Tonnes (Less Geological Loss)	Gold Grade	Gold Content
		Mt	g/t	koz
Inferred	North	4.42	1.27	181.3
	South	2.71	3.70	323.0
	SplayN	4.31	0.84	116.8
	SplayS	2.18	1.29	90.8
Total Inferred		**13.62**	**1.63**	**711.9**

Notes:

1. Mineral resource cut-off of 0.4 g/t Au applied.
2. A gold price of USD1,800/oz was used for the cut-offs.
3. Columns may not add up due to rounding.
4. Mineral resources are reported as total mineral resources and 100% attributable to Caledonia.

Underground inferred mineral resource for Maligreen project in situ as at December 31, 2021

Mineral Resource Category	Domain	Tonnes (Less Geological Loss)	Gold Grade	Gold Content
		Mt	g/t	koz
Inferred	North	1.32	2.45	104.2
	South	0.40	8.21	106.3
	SplayN	0.21	2.30	15.3
	SplayS	0.04	1.91	2.3
Total Inferred		**1.97**	**3.60**	**228.1**

Notes:

1. Mineral resource cut-off of 1.5 g/t Au applied.
2. A gold price of USD1,800/oz was used for the cut-offs.
3. Columns may not add up due to rounding.
4. Mineral resources are reported as total mineral resources and 100% attributable to Caledonia.

Total inferred mineral resource for Maligreen project in situ as at December 31, 2021

Mineral Resource Category	Domain	Tonnes (Less Geological Loss)	Gold Grade	Gold Content
		Mt	g/t	koz
Inferred	North	5.75	1.55	285.5
	South	3.12	4.29	429.3
	SplayN	4.51	0.91	132.1
	SplayS	2.22	1.31	93.1
Total Inferred		**15.59**	**1.88**	**940.0**

Notes:

1. Mineral resource cut-off of 0.4 g/t Au for surface and 1.5 g/t Au for underground applied.
2. A gold price of USD1,800/oz was used for the cut-offs.
3. Columns may not add up due to rounding.
4. Mineral resources are reported as total mineral resources and 100% attributable to Caledonia.

Sufficient data is available to define a weathering profile, lithological model, as well as estimate a mineral resource for the Maligreen deposit. Lack of QAQC during sampling and low confidence in the data due to the historical nature means that only an inferred mineral resource can be defined.

The model utilises grade trends determined in Seequent Leapfrog Geo software as well as structural geological interpretations and mapping. This has resulted in a fairly robust geological model on which to base a revised mineral resource estimation. Based on this new revised model and the quantity of historical drillhole data available, a conversion from inferred to measured and indicated mineral resource should be fairly cost effective. It is estimated that the budget required for this conversion is between USD1.5 million and USD2 million. This translates into a low USD/oz “discovery” or conversion rate, to measured and indicated mineral resources, estimated to be in the region of USD3/oz to USD5/oz.

The Maligreen project lends itself to open pit mining with low grade stockpiling with the possibility of underground mining beneath the open pit.

Limited historical metallurgical testwork suggests that the ore is not that refractory with metal recovery rates above 80%.

To take the Maligreen project closer to operational status the inferred mineral resource will be upgraded by applying QAQC best practice to available core and database followed by updating the resource estimation and then re-assessing in particular the exploration drilling for infill and confirmatory drilling along with a programme to determine strike and depth extents of the orebody.

Further, independent metallurgical test work will be undertaken.

Exploration and Planned Work

Exploration activities at Maligreen are focused on establishing a camp at the Maligreen site, as well as applying appropriate QAQC best practice by re-logging and sampling of borehole core which has been stored at a local coreyard. The aim of this project is to satisfy QP requirements to allow for conversion of the existing inferred resource to indicated and even measured categories where data allows and estimation conditions are met.

On completion of this work, a project revision will determine next steps and budget requirements for infill drilling as well as determining the depth and strike extension by further phased drilling.

There are limitations to the QAQC performed during the drilling campaigns and concerns with respect to the results of the QAQC. QAQC procedures generally are a combination of blanks, CRMs and duplicates to verify the precision and accuracy of the sampling procedures and laboratory processes. In the case of the Maligreen Project not all these QAQC sample types were included and the ones that were did not show good correlation or the information was not available. This is one of the reasons that the data was deemed of sufficient quality for an inferred mineral resource classification only.

The QP completed data verification in terms of overlaps, gaps and location as much as possible. Any errors observed were rectified.

The data supplied is sufficient to generate a geological model. The percussion and diamond drillholes are of a sufficient quality and quantity to run a resource estimate over the project area. However due to the lack of QAQC and the use of the percussion drillholes, a maximum of inferred mineral resource will be defined over the project area.

Future work will be conducted in line with QAQC protocols as described in the Technical Report Summary for Blanket Mine, Exhibit 15.4.

ITEM 4A - UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5 - OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following Operating and Financial Review and Prospects section is intended to help the reader understand the factors that have affected the Company's financial condition and results of operations for the historical period covered by the financial statements and management's assessment of factors and trends which are anticipated to have a material effect on the Company's financial condition and results in future periods. This section is provided as a supplement to, and should be read in conjunction with, our Consolidated Financial Statements and the other financial information contained elsewhere in this document. Our Consolidated Financial Statements have been prepared in accordance with IFRS. Our discussion contains forward-looking information based on current expectations that involve risks and uncertainties, such as our plans, objectives and intentions. Our actual results may differ from those indicated in such forward-looking statements.

A. Operating Results

The key drivers of our operating results and principal activities are:

- revenue, which is influenced by:
    - the price of gold, which fluctuates in terms of the realized USD gold price obtained; and
    - our production tonnages and gold content thereof, impacting on the amount of gold we produce at our operation;
- our cost of producing gold; and
- other significant matters affecting profitability.

Revenue

Revenue increased to $121,329,000 in fiscal year 2021 from $100,002,000 in fiscal year 2020 (2019: $75,826,000). Gold produced was 67,476 oz. (2020: 57,899 oz.; 2019: 55,182). The increase in revenue was due to an increase in the average realized gold price received to $1,766 per oz. (2020: $1,749 per oz.; 2019: $1,382 per oz.) and increase in quantity of gold sold (see below).

Gold price

Average realized gold price per ounce is a non-IFRS measure which management believes assists the stakeholders in understanding the average price obtained for an ounce of gold.

Our revenues are derived from the sale of gold produced by the Blanket Mine. As a result, our revenues are directly influenced by the average realized gold price obtained from the sale of gold. The gold prices obtained may fluctuate widely and are influenced by factors beyond the control of the Company. The table below indicates the average realized gold price per ounce obtained for the 2021, 2020 and 2019 fiscal years.

$'000	2019	2020	**2021**
Revenue (IFRS)	75,826	100,002	**121,329**
Revenue from silver sales	(64)	(86)	**(122)**
Revenue from gold sales	75,762	99,916	**121,207**
Gold ounces sold	54,801	57,137	**68,617**
Average realized gold price per ounce	1,382	1,749	**1,766**

Gold produced

Tonnes milled, average grades, recoveries and gold produced are shown in the table below.

Blanket Mine Production Statistics					
	Year	**Tonnes Milled (t)**	**Gold Head (Feed) Grade (g/t Au)**	**Gold Recovery (%)**	**Gold Produced (oz.)**
Quarter 1	2019	122,389	3.26	93.4	11,948
Quarter 2	2019	136,262	3.11	93.2	12,712
Quarter 3	2019	142,706	3.19	93.2	13,646
Quarter 4	2019	155,389	3.61	93.8	16,876
Year	**2019**	**556,746**	**3.26**	**93.4**	**55,182**
Quarter 1	2020	140,922	3.35	93.8	14,233
Quarter 2	2020	143,210	3.13	93.9	13,499
Quarter 3	2020	157,343	3.19	93.9	15,155
Quarter 4	2020	156,487	3.19	93.5	15,012
Year	**2020**	**597,962**	**3.21**	**93.8**	**57,899**
Quarter 1	2021	148,513	2.98	93.0	13,197
Quarter 2	2021	165,760	3.34	93.8	16,710
Quarter 3	2021	179,577	3.48	94.2	18,965
Quarter 4	2021	171,778	3.57	94.3	18,604
Year	**2021**	**665,628**	**3.36**	**93.9**	**67,476**

Ounces produced increased by 17% mostly due to the increased tonnes milled, higher recovery and higher grade. Tonnes milled in the year were 11% higher than 2020. Production for 2021 was a new record and exceeded the Company's revised guidance for 2021.

Production in January and February was adversely affected by lower tonnes milled due to a delay in the installation of an additional mill because of COVID-19-related production delays at the manufacturer. The new mill is expected to be installed in the second quarter of 2022; in the meantime, unprocessed ore is being stockpiled.

Production cost

Production cost includes salaries and wages, on mine administration, consumable materials and electricity and other related costs incurred in the production of gold. Production cost for 2021, 2020 and 2019 is summarized below.

$ '000	2019	2020	**2021**
Salaries and wages	13,782	15,811	**20,515**
Consumable materials – Operations	12,850	14,358	**17,288**
Consumable materials – COVID-19	–	824	**297**
Electricity costs	6,319	8,071	**10,363**
Safety	525	708	**774**
Cash-settled share-based expense (note 12.1(a))	107	634	**692**
Gold work in progress	376	1,166	**243**
On mine administration	2,140	1,766	**2,650**
Pre-feasibility exploration costs	301	373	**304**
	36,400	43,711	**53,126**

On-mine cost, all-in sustaining cost ("AISC") and all-in cost per ounce

On-mine cost, AISC and all-in cost per ounce are non-IFRS cost measures which managements believes assist the stakeholders in understanding the cost structures of the Company. The table below reconciles production cost as stated in terms of IFRS to these cost measures.

A narrow focus on the direct costs of production (mainly labour, electricity and consumables) does not fully reflect the total cost of gold production. Accordingly, cost per ounce data for the fiscal year and previous fiscal years has been prepared in accordance with the Guidance Note issued by the World Gold Council on June 23, 2013 and is set out in the table below on the following bases:

i. **On-mine cost per ounce**, which shows the on-mine costs of producing an ounce of gold and includes direct labour, electricity, consumables and other costs that are incurred at the mine including insurance, security and on-mine administration;

ii. **All-in sustaining cost ("AISC") per ounce**, which shows the on-mine cost per ounce *plus* royalty paid, additional costs incurred outside the mine (i.e. at offices in Harare, Johannesburg, London and Jersey), costs associated with maintaining the operating infrastructure and reserve base that are required to maintain production at the current levels (sustaining capital investment), the share-based expense (or credit) arising from the long-term incentive plan awards (the "**LTIPs**") less silver by-product revenue. The all-in sustaining cost also includes as a credit (i.e. as a deduction from costs) any revenue from the gold support price (or its predecessor); and

iii. **All-in cost per ounce**, which shows AISC per ounce *plus* the additional costs associated with activities that are undertaken to increase production (expansion capital investment).

($'000's unless otherwise indicated)	2019	2020	**2021**
Production cost (IFRS)	36,400	43,711	**53,126**
Less exploration and site restoration costs	(826)	(708)	**(774)**
Cash-settled share-based payment expense - allocated to production cost	(107)	(634)	**(692)**
COVID-19 expenses included in operating cost	-	(1,038)	**(297)**
Other cost	212	1,201	**(453)**
On-mine production cost*	35,679	42,532	**50,910**
Gold sales (oz.)	54,801	57,137	**68,617**
On-mine cost per ounce ($/oz.)	*651*	*744*	***742***
Royalty	3,854	5,007	**6,083**
ECI	(1,930)	(4,695)	**-**
Exploration, remediation and permitting cost	416	468	**155**
Sustaining capital development	565	760	**619**
Administrative expenses	5,637	7,997	**9,091**
Silver by-product credit	(64)	(86)	**(122)**
Cash-settled share-based payment expense	689	1,413	**477**
Cash-settled share-based payments expense - allocated to production cost	107	634	**692**
Procurement margin included in on-mine cost*	(2,400)	(3,501)	**(2,401)**
All in sustaining cost	42,553	50,529	**65,504**
Gold sales (oz.)	54,801	57,137	**68,617**
AISC per ounce ($/oz.)	*777*	*884*	***955***
Solar expenses	160	230	**-**
COVID-19 donations	-	1,322	**74**
COVID-19 expenses	-	1,038	**297**
Permitting and exploration expenses	132	373	**74**
Non-sustaining capital expenses	20,030	24,018	**30,650**
Total all in cost	62,875	77,510	**96,599**
Gold sales (oz.)	54,801	57,137	**68,617**
All-in cost per ounce ($/oz.)	*1,147*	*1,356*	***1,408***

* The on-mine cost reflects the cost incurred on-mine to produce gold. The procurement margin on consumable sales between Cledonia Mining South Africa Proprietary Limited ("**CMSA**") and Blanket is not deducted from On-mine cost as the cost represent a fair value that Blanket would pay for consumables if they were sourced from a third party. The procurement margin on these sales is deducted from All-in sustaining costs and All-in costs as these numbers represent the consolidated costs at a group level excluding intercompany profit margins.

On-Mine cost

On-mine cost comprises labour, electricity, consumables and other costs such as security and insurance. Production costs are detailed in note 8 to the Consolidated Financial Statements. On-mine costs per ounce for the year were lower than the prior year due to the increased production which meant that fixed costs were spread over more production ounces and good control of costs that are subject to management control. On-mine costs in 2021 include $1.3 million and $2.9 million respectively of costs that are outside management control which include the effects of the collective wage negotiations on direct and indirect labour costs, increased cost of consumables and services that are denominated in local currency and higher than anticipated use of the diesel generators due to an increased incidence of power interruptions. On-mine costs include the procurement margin paid to CMSA on the grounds that this cost represents a fair value that Blanket would pay for consumables if they were sourced from a third party.

Wage negotiations in local currency (which take place every three or six months) reflect the very high rate of inflation in Zimbabwe but this is not compensated for by a reciprocal movement in the RTGS$/US$ exchange rate, which is managed by the RBZ. Thus, the higher RTGS$ wages that followed from the collective bargaining process result in substantially higher wages in US Dollar terms when translated at the official exchange rate. To avoid a repetition of this outcome, in late 2021, the remuneration of all Blanket's employees was changed to 100% in US Dollars whereas previously it had been a combination of RTGS$ and US Dollars. Henceforth wage negotiations with Blanket employees will reference inflation in US Dollar terms which is expected to result in more subdued annual increases.

The installation of a further auto-tap changer at the end of 2021 reduced the frequency of power interruptions resulting from power surges on the incoming grid power and has significantly reduced the generator use and diesel expense from January 2022.

On-mine cost per ounce for 2021 was within the guidance range of between $740 and $815 per ounce.

All-in sustaining cost

All-in sustaining cost for the year was 2.4% higher than 2020. The increase was due to the higher on-mine cost per ounce as discussed above, higher administrative costs and variations in the intercompany procurement margin. Refer below and to note 11 of the Consolidated Financial Statements for details on administrative expenses.

All-in cost

All-in cost includes investment in expansion projects which remained at a high level due to the continued investment at Blanket. All-in cost does not include pre-feasibility investment in exploration and evaluation projects.

Other significant matters affecting profitability

Administrative expenses

Administrative expenses increased by 14% from the previous year, principally due to increased higher wages and salaries because of an increased headcount in Johannesburg and London, higher bonus payments reflecting the strong performance of the business in 2021, and the outcome of a benchmarking exercise to align the Company's performance payments with comparable companies.

Administrative expenses are further analyzed in note 11 of the Consolidated Financial Statements.

Other expenses

Other expenses increased by 34% in 2021 compared to 2020. Other expenditures in 2021 included $1,167,000 on CSR projects by Blanket (2020: $382,000), an impairment of $3,837,000 on the accumulated expenditure on the Glen Hume exploration project and an impairment of $761,000 on the outstanding amount due in respect of the sale of Eersteling. Additional expenses are detailed in note 10 to the Consolidated Financial Statements.

Foreign exchange gains

On October 1, 2018 the RBZ issued a directive to Zimbabwean banks to separate foreign currency from local currency on the accounts held by their clients and pegged the RTGS$ at 1:1 to the US Dollar. On February 20, 2019 the RBZ issued a further monetary policy statement, which allowed inter-bank trading between RTGS$ and foreign currency. The interbank rate was introduced at 2.5 RTGS$ to 1 US Dollar and traded at 108.67 RTGS$ to 1 US Dollar as at December 31, 2021 (December 31, 2020: 81.79 RTGS$). On June 24, 2019 the Government issued S.I. 142 which stated "RTGS$ is to be the sole currency for legal tender purposes for any transactions in Zimbabwe". Throughout these announcements and to the date of issue of the Consolidated Financial Statements the US Dollar has remained the primary currency in which the Group's Zimbabwean entities operate and the functional currency of these entities.

Previously there was uncertainty as to what currency would be used to settle amounts owed to the Zimbabwe Government. S.I. 142 clarified the Zimbabwean Government's intentions that these liabilities were always denominated in RTGS$ and that RTGS$ would be the currency in which they would be settled. The devaluation of the deferred tax and electricity liabilities contributed the largest portion of the foreign exchange gain set out below. Further, the Company participated in the foreign currency auction introduced by the Zimbabwean Government to exchange RTGS$ for US Dollars during part of 2021 and accordingly obtained allotments from the RBZ.

In June 2021 the RBZ announced that companies that are listed on the VFEX will receive 100% of the revenue arising from incremental production in US Dollars. Blanket has subsequently received confirmation that the "baseline" level of production for the purposes of calculating incremental production is 148.38 Kg per month (approximately 57,000 ounces per annum). The payment of the increased US Dollars proceeds for incremental production was applied from July 1, 2021 and Blanket has received all amounts due in terms of this revised policy up to the date of approval of these financial statements. As Blanket intends to increase its production from approximately 58,000 ounces of gold in 2020 to 73,000 to 80,000 ounces of gold in 2022 and 80,000 ounces thereafter, the listing of depositary receipts representing Caledonia's shares on the VFEX should mean that Blanket will receive approximately 71.5% of its total revenues in US Dollars and the balance in RTGS$ going forwards.

The table below illustrates the effect that the weakening of the RTGS$ and other non-RTGS$ currencies had, against the US Dollar, on the statement of profit or loss and other comprehensive income.

	2019	2020	**2021**
Unrealized Foreign exchange (loss)/gain	31,411	8,367	**2,755**
Realised foreign exchange (loss)	(1,750)	(4,062)	**(1,571)**
Net foreign exchange (loss)/gain	29,661	4,305	**1,184**

Gold Loan and Call Option

The Company received $3 million (less transaction costs) in the form of a gold loan and call option which will be repaid by two deliveries of 925 ounces of gold in May 2022 and June 2022 but which will be financially settled. In addition, the Company granted the lender call options over 6,000 ounces of gold at a strike price of $2,000 per ounce expiring monthly in equal tranches from June 30, 2022 to November 30, 2022. The proceeds of the gold loan will be used in part to fund the solar project. Refer to note 14.2 of the Consolidated Financial Statements for more information on the Gold Loan and Call option.

Gold ETF

In April 2020, the South African subsidiary, CMSA, purchased a Gold ETF through Standard Bank Limited, utilized to invest excess short-term Rands on hand at the South African subsidiary. On May 5, 2021 the Gold ETF was realized. Refer to note 14.1 of the Consolidated Financial Statements for more information on the Gold ETF.

Share-based payment awards

Certain management and employees within the Group are granted Restricted Share Units ("**RSUs**") and Performance Units ("PUs") pursuant to provisions of the 2015 Omnibus Equity Incentive Compensation Plan ("**OEICP**"). All RSUs and PUs were granted and approved at the discretion of the Compensation Committee of the Board of Directors.

RSUs vest three years after grant date given that the service condition of the relevant employees have been fulfilled. The value of the vested RSUs is the number of RSUs vested (which includes dividend reinvestments into further RSUs) multiplied by the fair market value of the Company's shares, as specified by the OEICP, on the date of settlement.

PUs have a performance condition based on gold production and a performance period of three years, with most unitholders' PUs vesting in equal tranches over each of the three years (whereas senior executives' PUs all vest on the third anniversary). The number of PUs that vest will be the relevant PUs multiplied by the performance multiplier, which will reflect the actual performance in terms of the performance conditions compared to expectations on the date of the award.

RSU holders are entitled to receive dividends over the vesting period. Such dividends will be reinvested in additional RSUs at the then applicable share price. PUs have rights to dividends only after they have vested.

RSUs and PUs allow for settlement of the vesting date value in cash or shares issuable at fair market value or a combination of both at the discretion of the unitholder.

Refer to note 12.1 of the Consolidated Financial Statements for more information on the share-based payment awards.

During 2019 and 2021 a total of 17,585 RSUs and an aggregate of 373,979 PUs were awarded respectively to executives as well as to certain senior management and certain employees within the companies in the Group. On January 11, 2022, 226,739 PUs were granted to certain employees within the Group. An example of the award agreements are attached hereto as Exhibits 4.6, 4.7 and 4.8. Refer to note 12.1(a) of the Consolidated Financial Statement for a further analysis of cash-settled share-based payments granted and vested.

Caledonia Mining South Africa employee incentive scheme

From July 2017, Caledonia Mining South Africa Proprietary Limited granted 52,282 awards respectively to certain of its employees that entitle them to a cash pay-out at the Company's share price on November 30 each year over a 3-year period from the grant date. All awards were fully vested or terminated by November 30, 2021. No new awards were granted. Refer to note 12.1(b) of the Consolidated Financial Statements for more information on the awards.

Government grant – Gold sale export credit incentive

From May 2016 the RBZ announced an export credit incentive ("**ECI**") on the gold proceeds received for all largescale gold producers. On January 1, 2018 the ECI decreased from 3.5% to 2.5%, on February 1, 2018 it increased to 10% and on March 10, 2020 it increased to 25%. All incentives granted by the Zimbabwean Government were included in other income when determined receivable. All receipts were received in Blanket Mine's RTGS$ account. The ECI was cancelled after June 26, 2020. Refer to note 9 of the Consolidated Financial Statements for amounts received.

Adjusted earnings per share

"Adjusted earnings per share" is a Non-IFRS Measure which management believes assists investors in understanding the Company's cash-based performance of core business activities. The table below reconciles "adjusted earnings per share" to the Profit/Loss attributable to Owners of the Company shown in the Consolidated Financial Statements which have been prepared under IFRS and adjusts for deferred tax and non-core business activities.

Subsequent events

Connemara North

On conclusion of management's assessments it was decided not to exercise the option over the Connemara North claims as the results of the work indicated that the property does not meet Caledonia's strategic objectives. The decision to not exercise the option will not have an impact on the Consolidated Financial Statements as the information required to make the decision was not available by December 31, 2021. The decision will impair the Exploration and evaluation assets and increase the impairment expense by $463,000 in the Condensed Consolidated Interim Financial Statements as at March 31, 2022.

Cap and collar hedge

On February 17, 2022 the Company entered into a zero cost contract by way of call options to hedge approximately 25% of 2022 target gold production at Blanket via a cap and collar hedge for 20,000 ounces of gold over a period of 5 months from March 2022 to July 2022. The hedging contract has a cap of $1,940 and a collar of $1,825 over 4,000 ounces of gold per month expiring at the end of each month over the 5-month period.

On March 9, 2022 in response to a very volatile gold price the Company purchased a matching quantity of call options at a strike price above the cap at a total cost of $796,000 over 4,000 ounces of gold per month at strike prices of $2,100 per ounce from March 2022 to May 2022 and $2,200 per ounce from June 2022 to July 2022 in order to limit margin exposure and reinstate gold price upside above the strike price.

The future impact of the hedges are undeterminable at the date of issue of this document and will be quantified in the Condensed Consolidated Interim Financial Statements as at March 31, 2022. Refer to note 14 and 41.1 of the Consolidated Financial Statements for more detail on the hedging agreements.

Reconciliation of Adjusted Earnings per Share ("Adjusted EPS") to IFRS Profit Attributable to Owners of the Company
($'000's unless otherwise indicated)

	2019	2020	**2021**
Profit for the year (IFRS)	50,401	25,257	**23,142**
Profit for the year attributable to non-controlling interests	(8,383)	(4,477)	**(4,737)**
Profit attributable to owners of the Company	42,018	20,780	**18,405**
Blanket Mine Employee Trust adjustment	(986)	(485)	**(326)**
Earnings (IFRS)	41,032	20,295	**18,079**
Weighted average shares in issue	*10,742*	*11,704*	***12,170***
IFRS EPS (cents)	*382*	*173*	***149***
Add back/(deduct) amounts in respect of foreign exchange gains and losses:			
Realised net foreign exchange losses	1,648	4,062	**1,571**
- less tax	(414)	(1,006)	**(381)**
- less non-controlling interest	(198)	(383)	**(153)**
Unrealized net foreign exchange losses/(gains)	(31,309)	(8,369)	**(2,755)**
- less tax	519	2,158	**567**
- less non-controlling interest	5,000	836	**270**
Adjusted IFRS profit excl. foreign exchange	16,278	17,593	**17,198**
Weighted average shares in issue	*10,742*	*11,704*	***12,170***
Adjusted IFRS EPS excl foreign exchange (cents)	*152*	*150*	***141***
Add back/(deduct) amounts in respect of:			
Reversal of Blanket Mine Employee Trust adjustment	986	485	**326**
Impairment of property, plant and equipment	-	-	**497**
Impairment of E&E assets	-	2,930	**3,837**
Impairment of Eersteling receivable	-	-	**761**
Deferred tax	2,460	3,523	**5,240**
Deferred tax net of non-controlling interest	(477)	(900)	**(602)**
Hedge loss	601	266	**240**
Equity-settled share-based expense	-	-	**-**
Profit on sale of subsidiary	(4,409)	-	**-**
Adjusted profit	15,439	23,897	**27,497**
Weighted average shares in issue (m)	*10,742*	*11,704*	***12,170***
Adjusted EPS (cents)	*144*	*204*	***226***

B. Liquidity and Capital Resources

Cash and cash equivalents

$'000	2020	**2021**
Bank balances	19,092	**17,152**
Cash and cash equivalents in the statements of financial position	19,092	**17,152**
Bank overdraft used for cash management purposes	-	**(887)**
Cash and cash equivalents in the statements of cash flows	19,092	**16,265**

Blanket Mine has arranged unsecured overdraft facilities with the following banks and terms.

Overdraft facilities		**Interest rate**
Stanbic Bank – RTGS$ denomination	112,000,000	32%
First Capital Bank – USD denomination	1,000,000	10%

As at year end, Caledonia's cash was held in the following jurisdictions:

$'000	2020	**2021**
Jersey, Channel Islands	11,243	**13,045**
United Kingdom	1	**4**
South Africa	2,732	**633**
Zimbabwe (net of overdraft)	5,116	**2,583**
Total	19,092	**16,265**

An analysis of the sources and uses of Caledonia's cash is set out in the Consolidated Statements of Cash Flows in the Consolidated Financial Statements.

As of December 31, 2021, Caledonia had a working capital surplus of $35,245,000 (2020: $34,622,000; 2019: $19,960,000). As of December 31, 2021, Caledonia had potential liabilities for rehabilitation work on Blanket (2021 and prior) – if and when those mines permanently close – at an estimated present value cost of $3,294,000 ($3,567,000; 2019: $3,346,000). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its mining operations and exploration activities.

The Company's primary objective with respect to its capital management is to ensure that it has enough cash resources to maintain its ongoing operations, to provide returns for shareholders, complete the investment plan and accommodate any asset retirement obligation. Refer to note 33 of the Consolidated Financial Statements for information on the type of financial instruments used and the maturity profiles thereof. Management believes that the current working capital and future production cash proceeds will be enough to meet its capital requirements.

As at December 31, 2021, the Company had the following contractual obligations:

Payments due by Period $'000	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Trade and other payables	9,957	-	-	-
Provisions	-	500	685	2,109
Capital expenditure commitments	3,493	-	-	-
Derivative financial liabilities	3,095	-	-	-
Lease liabilities	134	331	-	-
Cash-settled share-based payments	2,053	974	-	-
Total	**18,732**	**1,805**	**685**	**2,109**

Except for capital expenditure commitments, the contractual obligations in the table above are based on the classification requirements under IFRS.

The capital expenditure commitments relate to materials and equipment which have been ordered by CMSA and which will be sold on to Blanket. In addition to the committed purchase obligations set out above:

- Blanket currently intends to invest approximately $27 million in 2022; and
- Caledonia intends to pay $10.2 million for the solar project in 2022.

Blanket foreign exchange approval requirements

Approval from the RBZ is required for the remittance of dividends declared from Zimbabwe, for the repayment of loans and advances from Blanket Mine to Caledonia and the repayment of capital and consumables purchased from CMSA. During 2021 Caledonia obtained the necessary approvals from the RBZ to obtain foreign currency to conduct normal business operations.

C. Research and development, patents and licenses, etc.

The Company is an exploration, development and mining company and does not carry on any research and development activities.

D. Trend Information

Production Guidance

Production for 2021 was 67,476 ounces, which was over the upper end of the revised guidance range of 65,000 to 67,000 ounces. Refer to Item 5.A – "Operating Results", for further discussion and detail of actual production.

Production guidance for 2022 is between 73,000 and 80,000 ounces.

Cost Guidance

The estimated on-mine cost for 2021 was in the range of $740 to $815 per ounce and the estimated AISC for 2021 was a range of $985 to $1,080 per ounce. The actual on-mine cost per ounce for 2021 was $742 and actual AISC per ounce for 2021 was $990 – within the guidance range.

On-mine cost guidance for 2022 is in the range of $669 to $736 per ounce; guidance for AISC is $880 to $970 per ounce.

E. Critical Accounting Estimates

Not applicable.

ITEM 6 - DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following is a list of our current directors and the Group's senior management as of May 17, 2022.

Name, Office Held and Municipality of Residence	**Principal Occupations During Past Five Years**	**Company position(s) held Since**	**Number of Shares Beneficially Owned, Controlled or Directed as of May 17, 2022**
Steven Curtis Chief Executive Officer & Director Johannesburg, South Africa	Chief Executive Officer and director over certain subsidiary companies.	Director since 2008 Chief Executive Officer since 2014	189,566

Leigh Wilson Non-Executive Director & Chairman Stuart, Florida, USA	Chairman of the Victory Portfolios	Director since 2012	40,000
Nick Clarke Non-Executive Director East Molesey, United Kingdom	Chairman and former Chief Executive Officer of Central Asia Metals Plc.	Director since 2019	Nil
John Kelly Non-Executive Director New Canan, Connecticut	Managing Partner of Active Capital Partners LLC (From January 2018) Independent Trustee, The Victory Funds (From February 2015). Non-Executive Member of CrossRoad LLC (From May 2009). Partner, McCarvill Capital Partners (September 2016 to September 2017).	Director since 2012	16,330
Johan Holtzhausen Non-Executive Director Cape Town, South Africa	Business consultant and Independent Director of DRDGOLD Limited.	Director since 2013	21,025
Dana Roets Chief Operating Officer Johannesburg, South Africa	Chief Operating Officer and director of the Company and certain subsidiary companies.	Chief Operating Officer since 2013 Director since 2022	Nil
Mark Learmonth Chief Financial Officer & Director Jersey, Channel Islands	Chief Financial Officer and director of certain subsidiary companies.	Chief Financial Officer since 2014, Director since 2015 and formerly Vice-President, Business Development since 2008	168,262
Geralda Wildschutt Non-Executive Director Johannesburg, South Africa	Founder and CEO of Maisha Social Solutions Pty Ltd Board member of SAICA ED Pty Ltd Board member of The Hope Factory Trustee of the Anglo American Namibia Foundation Sustainability Consultant Gold Fields (2017, 2018)	Director since 2021	Nil
Adam Chester General Counsel, Company Secretary and Head of Risk and Compliance Jersey, Channel Islands	Solicitor of the Supreme Court of England and Wales. Partner at Walkers and advocate of the Royal Court of Jersey.	General Counsel, Company Secretary and Head of Risk and Compliance since 2017	36,789
Caxton Mangezi Vice-president Zimbabwe operations Gwanda, Zimbabwe	Vice-president Zimbabwe operations	General Manager of Blanket Mine 1993-2021; Vice-president Zimbabwe operations since 2021	Nil
Gordon Wylie Non-Executive Director Malta, Europe	Non-executive director of Chaarat Gold Holdings Limited, which is listed on AIM (symbol: CGH), and a non-executive director of Silverton Metals Corp., which is listed on TSX-V (symbol: SVTN). The former chairman of Lydian International Limited and a former non-executive director of Avocet Mining Plc.	Director since 2022	Nil

No family relationships exist between any of the Directors or senior management.

John McGloin resigned in February 2022 as a director.

A brief profile of each of the Directors and senior managers is given below:

Steven Curtis, CA (SA) – *Director and Chief Executive Officer*

Mr. Steven Roy Curtis is a Chartered Accountant with over 36 years of experience and has held a number of senior financial positions in the manufacturing industry. Before joining Caledonia in April 2006, he was Director Finance and Supply Chain for Avery Dennison SA and, prior to this, Financial Director and then Managing Director of Jackstadt GmbH South African operation. Mr. Curtis is a member of the South African Institute of Chartered Accountants and graduated from the University of Cape Town.

Mr. Curtis was appointed Vice-President Finance and Chief Financial Officer in April 2006 and served in the position until Dec 2014 when he was appointed as President and Chief Executive Officer.

Leigh Wilson - *Non-Executive Director and Chairman*

Mr. Leigh Alan Wilson has been a senior executive in international business and financial services and held positions with Union Bank of Switzerland (Securities) Ltd. in London and with the Paribas Group in Paris and New York where he served as CEO of Paribas North America between 1984 and 1990.

Mr. Wilson has served on the Board of Trustees of a mutual fund complex managed by Victory Capital Management since 1993. He currently serves as Independent Chairman of the Board.

The mutual fund complex is the largest client of Victory Capital Management high of Trustees of the mutual fund complex managed by Victory Capital Management, an independent investment management firm with total assets and advisement as of December 31, 2019 of $61.8 billion.

In March 2006, Mr. Wilson received the Mutual Fund Trustee of the Year Award from Institutional Investor Magazine. Between March 2008 and October 2008, Mr. Wilson was an independent non-executive director of the Company.

Mr. Wilson was re-appointed to the Caledonia board as an independent non-executive director in May 2012 and was appointed Chairman in May 2013.

Nick Clarke - *Non-Executive Director*

Mr. Nick Clarke joined the Company's board as a Non-Executive Director on September 23, 2019. Mr. Clarke, who is Chairman of Central Asia Metals PLC (AIM: CAML), is a highly experienced Chartered Engineer (CEng) with 46 years in the mining industry. He has held senior positions in several resource companies and is well known as a successful executive in the sector having been involved in the construction of major mining projects and conducted several fundraisings on AIM and TSX.

He has an extensive background in managing AIM and TSX listed minerals companies including his current position as Chairman of Central Asia Metals PLC, where he was CEO from 2009 until 2016. Between 2004 and 2008 he was Managing Director of Oriel Resources plc (AIM: ORI) and from 2006 to 2008 he was President and CEO of Lero Gold Corporation (TSX: LER). Mr. Clarke has significant experience as a non-executive director of a number of AIM and TSX listed resource companies having previously held non-executive directorships on the boards of Afcan Mining Corp. (TSX: AFK), Caledon Resources plc (AIM: CDN), Obtala Resources plc (AIM: OBT), Columbus Copper Corp (TSX: CCU) and Sunkar Resources plc (AIM: SKR).

Mr. Clarke is an Associate of Camborne School of Mines (ACSM). He is a trustee of the Camborne School of Mines Trust and is a member of the Institution of Materials Minerals & Mining (MIMMM).

John Kelly - *Non-Executive Director*

Mr. John Lawson Kelly has over 37 years of experience in the financial services industry in the U.S.A and international markets including emerging markets in Asia. Mr. Kelly is currently Managing Partner of Active Capital Partners LLC, an Independent Trustee of the Victory Funds and a non-executive Member of CrossRoad LLC. Within the last five years, Mr. Kelly has also been a partner of McCarvill Capital Partners and adviser to EndGate Commodities LLC. Mr. Kelly is a graduate of Yale University and the Yale School of Management.

Mr. Kelly was appointed to the Caledonia board as an independent non-executive director in May 2012.

Johan Holtzhausen - *Non-Executive Director*

Mr. Johan Andries Holtzhausen is a retired partner of KPMG South Africa with 42 years of audit experience, of which 36 years were as a partner focused on the mining sector. Mr. Holtzhausen chaired the Mining Interest Group at KPMG South Africa and his clients included major listed mining companies operating in Africa and elsewhere, which operated across a broad range of commodities. In addition to his professional qualifications, Mr. Holtzhausen holds a B.Sc. from the University of Stellenbosch, majoring in chemistry and geology.

Mr. Holtzhausen is chairman of the Audit and Risk Committees and a member of the Remuneration and Nomination Committee of DRD Gold Limited.

Dana Roets – *Chief Operating Officer*

Mr. Dana Roets is a qualified Mining Engineer and holds a B.Sc. Mining Engineering degree from Pretoria University (1986) and an MBA from the University of Cape Town (1995). Mr. Roets is a South African national with over 25 years of operational and managerial experience in the South African gold and platinum industries. He started his career with Gold Fields at the St Helena Gold Mine as a graduate trainee and progressed via various operational roles from being an underground shift boss to become Vice President and Head of Operations at Kloof Gold Mine in January 1999 at which time Kloof produced over 1,000,000 ounces of gold per annum. More recently, Mr. Roets was the COO at Great Basin Gold which had gold mining operations in the United States of America and South Africa.

Mr. Roets was appointed Caledonia's Chief Operating Officer in 2013 and appointed to the Caledonia board in January 2022.

Mark Learmonth – *Director and Chief Financial Officer*

Mr. John Mark Learmonth joined Caledonia in July 2008. Prior to this, he was a Division Director of Investment Banking at Macquarie First South in South Africa and has over 17 years of experience in corporate finance and investment banking, predominantly in the resources sector. Mr. Learmonth graduated from Oxford University and is a chartered accountant. He is a member of the Executive Committee of the Chamber of Mines, Zimbabwe and is also a member of the Gold Producers Sub-Committee.

Mr. Learmonth was appointed Vice-President Finance, Chief Financial Officer of the Company in November 2014. Mr. Learmonth was responsible for Investor Relations and Corporate Development of the Company until the appointments of Mr. Maurice Mason (VP Corporate Development) and Mrs. Camilla Horsfall (VP Investor Relations) in 2016 and 2020, respectively.

Geralda Wildschutt – *Non-Executive Director*

Geralda has over 25 years' experience in stakeholder engagement, corporate social responsibility, community development and social performance across mining, renewable energy, banking and the social sector. She has worked across Africa, Latin America, Australia and Canada.

In mining, she has been a consultant to Anglo American, Gold Fields, Ivanhoe Mines and South32 on a range of ESG topics. She has held senior positions at Anglo American, Gold Fields, ABSA/ Barclays Group and Ashoka: Innovators for the Public. Geralda hold a Masters degree in Psychology from the University of Cape Town, an MBA from the Business School of the Netherlands and a post-graduate Certificate in Cross-sector Partnerships from Cambridge University.

Adam Chester – *General Counsel, Company Secretary and Head of Risk and Compliance*

In January 2017 Mr. Adam Chester joined the management team as General Counsel, Company Secretary and Head of Risk and Compliance. Mr. Chester is a dual qualified lawyer (England and Jersey, Channel Islands) and previously worked as a solicitor of the Supreme Court of England and Wales at international law firms in the City of London and, more recently, as an advocate of the Royal Court of Jersey at an international offshore law firm in which he was a partner. He has over 20 years' experience advising businesses and individuals on a variety of commercial and corporate legal issues.

Caxton Mangezi – *Vice-president Zimbabwe operations*

Mr. Caxton Mangezi is a qualified miner and mine manager. He has worked at Blanket since 1969 in a range of roles including geological technician, overseer miner and underground manager.

Mr. Mangezi has been General Manager of Blanket Mine since 1993, with full responsibility for day-to-day operations. Mr. Mangezi was appointed as the Vice President Zimbabwe Operations during 2021. Mr. Mangezi also serves as director on certain Zimbabwean subsidiary companies.

Gordon Wylie – *Non-Executive Director*

Mr. Wylie holds a bachelor's degree with Honours in Geology from the University of Glasgow, a Management Diploma from UNISA South Africa and a Postgraduate Diploma in Mining Engineering and Mineral Economics from Wits University, South Africa.

Mr. Wylie has over 46 years' experience in the mining industry in both mining and exploration geology. Between 1997 and 2005, Mr Wylie was part of AngloGold Ashanti Limited's senior management team where he was responsible for the company's global exploration programs, mining geology and associated technical services, covering around 40 countries and 5 continents.

Since leaving AngloGold Ashanti, Gordon has accumulated 16 years' board experience as a non- executive director, of which 12 were as chairman at Lydian International Limited. He is currently a non-executive director of Chaarat Gold Holdings Limited, which is listed on AIM (symbol: CGH), and a non-executive director of Silverton Metals Corp., which is listed on TSX-V (symbol: SVTN).

Arrangements, Understandings, etc.

Caledonia has no arrangements or understanding with any major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as a director or member of senior management.

B. Compensation

Summary Compensation Table

Name and principal position (a)	Year (b)	Salary ($) (c)	Share-based awards ($)(1) (d)	Option-based awards (e)	Non-equity incentive plan compensation ($) (f)		Pension value ($) (g)	All other compensation ($) (h)(2) (3)	Total compensation ($) (i)
					Annual incentive plans (1)	Long term incentive plans			
Steven Curtis	2021	517,525	127,836	-	-	-	-	240,000	885,362
Chief Executive	2020	470,478	380,477	-	-	-	-	235,239	1,086,194
Officer	2019	459,900	200,391	-	-	-	-	70,000	730,291
Dana Roets	2021	489,590	80,564	-	-	-	-	170,000	740,154
Chief Operating	2020	445,082	239,641	-	-	-	-	222,541	907,263
Officer	2019	442,602	128,217	-	-	-	-	65,000	662,292
Mark Learmonth	2021	480,011	89,645	-	-	-	-	235,000	804,656
Chief Financial	2020	436,373	231,660	-	-	-	-	218,187	886,220
Officer	2019	433,942	163,350	-	-	-	-	65,000	662,292
Caxton Mangezi	2021	429,478	123,250	-	-	-	-	263,180	815,908
General Manager	2020	374,817	294,512	-	-	-	-	187,409	856,738
and Director of the Blanket Mine	2019	450,377	107,050	-	-	-	-	63,771	621,198
Adam Chester	2021	316,996	119,103	-	-	-	-	158,498	594,597
General Counsel,	2020	286,952	133,840	-	-	-	-	38,510	459,302
Company Secretary and Head of Risk and Compliance	2019	281,744	73,046	-	-	-	-	29,773	384,563

(1) Awards are considered to be share based awards. The amounts stated are the expenses for the year to revalue the liability to the amount that is expected to vest at the applicable year end. Refer to table below for the awards outstanding as at December 31, 2021.
(2) The amounts shown in (h) relate to bonuses paid to NEOs. No fees for acting as a Director were paid to NEOs.
(3) The amounts shown in (h) for Steve Curtis, Dana Roets, Mark Learmonth and Caxton Mangezi relates to bonuses provided for in 2021, but were only paid in January 2022.

Non-executive director fees were paid in equal quarterly instalments in arrears during 2021. From January 1, 2021 to December 31, 2021 the approved non-executive director fees amounted to $90,000 p.a. payable to each non-executive director other than Mrs. Geralda Wildschutt who received a pro-rata amount of $76,936 for her services in 2021.

Long term incentive plan

The following key management members were granted RSUs and PUs, pursuant to the provisions of the OEICP. The outstanding RSUs and PUs as at December 31, 2021 were as follows:

Key management member	Vesting date	RSUs	PUs
Steve Curtis	2022/01/11	-	44,309
	2023/01/11	-	16,547
	2024/01/11	-	8,769
Dana Roets	2022/01/11	-	27,898
	2023/01/11	-	10,436
	2024/01/11		5,530
Mark Learmonth	2022/01/11	-	28,287
	2023/01/11	-	10,231
	2024/01/11		5,422
Caxton Mangezi	2022/01/11	17,971	23,533
	2023/01/11	-	8,788
	2024/01/11		4,657
Adam Chester	2022/01/11	-	13,692
	2023/01/11	-	7,103
	2024/01/11		3,509
Total		**17,971**	**218,711**

For further detail on the RSUs and PUs refer to note 12.1 (a) of the Consolidated Financial Statements.

No director equity options were outstanding at December 31, 2021.

Caledonia does not have a pension, retirement or similar benefits scheme for directors.

C. Board Practices

The directors all hold their positions for an indefinite term, subject to re-election at each annual general meeting of the shareholders. The officers hold their positions subject to being removed by resolution of the board of directors. The term of office of each director expires as of the date that an annual general meeting of the shareholders is held, subject to the re-election of a director at such annual general meeting. The following persons comprise the following committees:

Audit	**Compensation**	**Governance**	**Nomination**	**Disclosure**
J Holtzhausen	L Wilson	L Wilson	L Wilson	M Learmonth
J Kelly	J Kelly	J Kelly	J Holtzhausen	S Curtis
G Wildschutt	J Holtzhausen	G Wildschutt	N Clarke	D Roets
			J Kelly	C Horsfall
			G Wildschutt	A Chester
			G Wylie	

Technical	**Strategic Planning**	**ESG**
J Holtzhausen	L Wilson	L Wilson
D Roets	J Kelly	J Kelly
S Curtis	S Curtis	S Curtis
N Clarke	M Learmonth	D Roets
G Wylie	D Roets	G Wildschutt
	J Holtzhausen	A Chester
	M Mason	C Horsfall
	N Clarke	
	G Wildschutt	
	G Wylie	

The Audit Committee is comprised of the following directors: (i) Johan Holtzhausen (Chairperson), (ii) John Kelly, and (iii) Geralda Wildschutt. Each member of the Audit Committee is considered independent as defined under Canadian National Instrument 52-110 and as defined pursuant to Section 803 of the NYSE American LLC Company Guide (as such definition may be modified or supplemented) and considered to be financially literate as such terms are defined under Canadian National Instrument 52-110 Audit Committees.

The purpose of the Audit Committee is to discharge the Board's responsibilities relating to:

1. Opening an avenue of communication between Caledonia's management, the independent auditors and the Board and to assist the Board in its oversight of the:
   - integrity, adequacy and timeliness of Caledonia's financial reporting and disclosure practices;
   - processes for identifying the principal financial risks of Caledonia and the control systems in place to monitor them;
   - compliance with legal and regulatory requirements related to financial reporting;
   - independence and performance of the independent auditors;
   - processes implemented by management to ensure effective internal controls over financial reporting;
   - enterprise risk management;

- fraud risks related to financial reporting;
- risks related to financial reporting; and
- integrated reporting.

2. Performing any other activities consistent with the charter of the Audit Committee to ensure that Caledonia's articles of association, governing and regulatory laws as required by the SEC, Sarbanes-Oxley Act and NYSE American LLC and AIM requirements are monitored by management.
3. The role of oversight. The financial statements are the responsibility of management. The Auditors are responsible for performing an audit and expressing an opinion on the fair presentation of Caledonia's financial statements in accordance with IFRS.
4. Ensuring that a combined assurance model is developed and implemented to provide a co-ordinated approach to all assurance activities.

The purpose of the Compensation Committee is to discharge the Board's responsibilities relating to:

1. Compensation of the Corporation's executive officers and the directors of the Corporation;
2. Establishment and administration of policies, programs and procedures for compensating and incentivising its executive officers;
3. Oversight of the compensation structure and benefit plans and programs of the Corporation; and
4. Executive compensation disclosure and compliance with the Executive Compensation Policy.

Terms of reference of the Audit Committee are given in the charter of the Audit Committee, and the terms of reference of the Compensation Committee are given in the charter of the Compensation Committee. All charters of committees are available on the Company's website (www.caledoniamining.com) or, on request, from the Company's offices listed in this report.

Benefits upon termination are disclosed in note 36 of the Consolidated Financial Statements and an example contract is disclosed in Exhibit 4.2.

D. Employees

The average, approximate number of employees, their categories and geographic locations for each of the last 3 years are summarized in the table below:

Geographic Location and Number of Employees:

Employee Location	2019	2020	**2021**
Total Employees			
London, United Kingdom - Management and administration	1	2	**2**
Jersey, Channel Islands - Management and administration	3	3	**3**
South Africa - Management, procurement, administration and technical	13	16	**21**
Zimbabwe - Mine operations (i)	1,569	1,697	**1,923**
Total Employees at all Locations	1,586	1,718	**1,949**

Management and Administration:

Employee Locations:	2019	2020	**2021**
London, United Kingdom - Management and administration	1	2	**2**
Jersey, Channel Islands - Management and administration	3	3	**3**
Zimbabwe - Mine operations	44	46	**55**
South Africa - Management, procurement, administration and technical	12	15	**20**
Total Management and Administration	60	66	**80**

E. Share Ownership

(a) The direct and indirect shareholdings of the Company's directors, officers and senior management as at May 17, 2022 were as follows:

	Number of shares	Percentage share holding
L Wilson	40,000	0.31%
S Curtis	189,566	1.48%
M Learmonth	168,262	1.31%
J Kelly	16,330	0.13%
J Holtzhausen	21,025	0.16%
A Chester	36,789	0.29%
N Clarke	-	0.00%
D Roets	-	0.00%
G Wildschutt	-	0.00%
C Mangezi	-	0.00%
G Wylie	-	0.00%
Total	**471,972**	**3.68%**

Refer to Item 6.A for a list of the Company's directors, officers and senior management and number of shares held.
All of the shares held above are voting shares and do not have any different voting or other rights than the other outstanding shares of the Company.

The information as to shares beneficially owned or controlled or directed, not being within the knowledge of the Company, has been furnished by the respective directors, officers and senior management members individually.

(b) Share purchase options outstanding as of May 17, 2022:

Name		Exercise Price CAD	Expiry Date	Number of Options
P Chidley	Advisor	*9.30	August 25, 2024	5,000
P Durham	Advisor	*9.30	August 25, 2024	5,000
TOTAL				10,000

*The exercise price of CAD$9.30 per share was converted into a USD amount of $7.35 at the prevailing USD/CAD exchange rate at the date of grant (August 25, 2017).

In terms of the OEICP, the expiry of the options that expire in a closed period will be extended by 10 days from the cessation of the closed period.

ITEM 7 - MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

To the best of Caledonia's knowledge, as at May 17, 2022, we are aware of the following beneficial owners that directly or indirectly exercise control or direction over more than 5% of the voting rights to our shares.

Beneficial owner name	2019		2020		**2021**	
	Number of Shares Held	Percentage of Issued Shares	Number of Shares Held	Percentage of Issued Shares	**Number of Shares Held**	**Percentage of Issued Shares**
Allan Gray (through two of its funds)	2,070,348	17.98%	1,957,391	16.15%	**1,957,391**	**15.34%**
Sales promotion Services S.A./ Heinrich Auwärter	848,773	7.37%	663,773	5.48%	**663,773**	**5.20%**
Fremiro Investments (Private) Limited	727,266	6.32%	727,266	6.00%	**727,266**	**5.70%**
TD Ameritrade	884,647	7.68%	-	-	-	-

All shareholders have the same voting rights as all other shareholders of Caledonia.

According to our share register and information received from our registrar on May 4, 2022 the shares of Caledonia (including those represented by depositary interests) were held in the following geographic locations:

Geographic Location based on the share register only	Number of Shares Held	Percentage of Issued Shares
United Kingdom	4,294	0.03%
USA	11,471,117	89.39%
Canada	4,819	0.04%
Zimbabwe	1,347,996	10.50%
Other	4,900	0.04%
	12,833,126	100%

12,833,126 shares of the Company, as on May 4, 2022, are held by a total of 80 registered shareholders.

Caledonia is not aware of any arrangement which may at some subsequent date result in a change of control of Caledonia.

B. Related Party Transactions

No related party transactions exist, other than disclosed in note 36 of the Consolidated Financial Statements.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8 - FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

This Annual Report contains the audited Consolidated Financial Statements which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020 and the related consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2021, December 31, 2020 and December 31, 2019.

Reference is made to the Consolidated Financial Statements that are filed as part of this Annual Report on pages F1 – F67

Legal Proceedings and Regulatory Actions

To our knowledge, there are no legal proceedings material to us to which we are or were a party to or of which any of our properties are or were the subject of during the financial year ended December 31, 2021 nor are there any such proceedings known to us to be contemplated which would materially impact our financial position or ability to continue as a going concern.

During the twelve months ended December 31, 2021, there were no (i) penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority; (ii) penalties or sanctions imposed by a court or regulatory body against us that would likely be considered important to a reasonable investor in making an investment decision, or (iii) settlement agreements we entered into before a court relating to securities legislation or with a securities regulatory authority.

Dividend policy

From 2014, the Company has paid a quarterly dividend (payable at the end of January, April, July and October each year, except for the dividend expected to be paid in April 2020 which was delayed by a month due to uncertainties related to the COVID-19 pandemic). The quarterly dividend declared was 6.875 cents per share in 2019 and was increased on several dates during 2020 and 2021 as set out below:

Declaration date	cents per share
January 10, 2019	6.875
April 11, 2019	6.875
July 11, 2019	6.875
October 10, 2019	6.875
January 16, 2020	7.5
May 14, 2020	7.5
July 16, 2020	8.5
October 15, 2020	10.0
January 14, 2021	11.0
April 15, 2021	12.00
July 15, 2021	13.00
October 14, 2021	14.00
January 13, 2022	14.00
April 4, 2022	14.00

B. Significant Changes

We have not experienced any significant changes since the date of the Consolidated Financial Statements included with this Annual Report except as disclosed in this Annual Report.

ITEM 9 - THE OFFERING AND LISTING

A. Offering and Listing Details

The Company's shares trade on the NYSE American, AIM (in the form of depositary interests) and VFEX (in the form of depositary receipts) under the trading symbol "CMCL". Caledonia voluntary delisted its shares from the TSX on June 19, 2020. After the delisting the Company remains a Canadian reporting issuer and has to comply with Canadian securities laws unless and until it can demonstrate that less than 2% of its beneficial shareholders are Canadian residents.

B. Plan of Distribution

Not applicable.

C. Markets

The Company's shares trade on the NYSE American, AIM (in the form of depositary interests) and VFEX (in the form of depositary receipts) under the trading symbol "CMCL". Caledonia voluntary delisted its shares from the TSX on June 19, 2020. After the delisting the Company remains a Canadian reporting issuer and has to comply with Canadian securities laws unless and until it can demonstrate that less than 2% of its beneficial shareholders are Canadian residents.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10 - ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Securities Registrar

Computershare Inc. is the transfer agent and registrar for the shares at its principal office in Massachusetts. Computershare Investor Services PLC at its principal office in Bristol, United Kingdom is the transfer agent for the depositary interests.

Director's power to vote on a proposal, arrangement or contract in which the director is materially interested.

An interested director must disclose to the Company the nature and extent of any interest in a transaction with the Company, or one of its subsidiaries, which to a material extent conflicts or may conflict with its interests and of which the director is aware. Failure to disclose an interest entitles the Company or a shareholder to apply to the court for an order setting aside the transaction concerned and directing that the director account to the Company for any profit.

A transaction is not voidable and a director is not accountable notwithstanding a failure to disclose an interest if the transaction is confirmed by special resolution and the nature and extent of the director's interest in the transaction are disclosed in reasonable detail in the notice calling the meeting at which the resolution is passed.

Although it may still order that a director account for any profit, a court will not set aside a transaction unless it is satisfied that the interests of third parties who have acted in good faith would not thereby be unfairly prejudiced and the transaction was not reasonable and fair in the Company's interests at the time it was entered into.

Except as otherwise provided in the Articles (as defined below) and save in respect of a limited number of instances as set out in the Articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the board or of a committee of the board concerning any matter in which he has to his knowledge, directly or indirectly, an interest (other than his interest in shares or debentures or other securities of, or otherwise in or through, the Company) or duty which (together with any interest of a person connected with him) is material and, if he shall do so, his vote shall not be counted.

Directors' power, in the absence of an independent quorum, to vote compensation to themselves or any members of their body.

The compensation of the directors is decided by the directors unless the board of directors specifically requests approval of the compensation from the shareholders. If the issuance of compensation to the directors is decided by the directors, a quorum is the majority of the directors in office. The Articles do not require that the compensation of any director be approved by disinterested directors.

The Company has a compensation committee that is currently composed of three independent directors. The compensation committee makes recommendations to the board with respect to compensation, including bonuses, incentive stock options and securities of directors and executive officers.

Borrowing powers exercisable by the directors and how such borrowing powers may be varied.

The board may exercise all the Company's powers to borrow money, to guarantee, to indemnify and to mortgage or charge all or any part of the Company's undertaking, property and assets (present and future) and uncalled capital and, subject to the Companies Law to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

The board shall restrict the Company's borrowings and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) to secure (but as regards subsidiary undertakings only in so far as by the exercise of such rights or powers of control the board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the Company's group (exclusive of borrowings owing by one member of the Company's group to another member of the Company's group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to three times the Adjusted Capital and Reserves (as defined in the Articles). The borrowing powers may be varied by amendment to the Articles which requires approval of the Company's shareholders by special resolution, being a resolution passed by at least 2/3 majority of the votes cast on the resolution.

Retirement and non-retirement of directors under an age limit requirement.

There are no such provisions applicable to the Company under the Articles or the Companies Law.

Number of shares required for a director's qualification.

Under the Articles, the directors are not required to hold any shares as qualification for service on the board.

Place of Incorporation and Purpose

The Company was incorporated, effective February 5, 1992, by the amalgamation of three predecessor companies. It was registered in terms of the Canada Business Corporations Act. The company re-domiciled to Jersey, Channel Islands, effective March 19, 2016 through the Continuance process. The Continuance had no appreciable effect on the Company's listing in Toronto, the admission of its depositary interests to trading on AIM in London or the trading facility on the OTCQX (from July 27, 2017 the OTCQX trading ceased and shares commenced trading on NYSE American) and the Company's securities continued to be traded on these listing and trading platforms after the Continuance process was completed. Caledonia voluntary delisted its shares from the TSX on June 19, 2020.

Neither the Company's memorandum of association nor the Articles stipulate any objects or purposes of the Company and no objects or purposes are required to be stated by the Companies Law.

Articles of Association

At a special meeting of shareholders held on February 18, 2016, Caledonia's shareholders voted in favor of a resolution to approve the Continuance. This resolution, inter alia, included provisions to replace Caledonia's by-laws with new articles of association (the "**Articles**"). The Articles do not place any restrictions on the Company's business.

The holders of the shares are entitled to one vote per share at all meetings of the shareholders of the Company. The holders of shares are also entitled to dividends, if and when declared, and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company. The Company's shares do not have pre-emptive rights to purchase additional shares.

No preference shares are currently issued and outstanding. Preference shares may be issued from time to time in one or more series composed of such number of shares with such preference, deferred or other special rights, privileges, restrictions and conditions as specified in the Articles or as fixed before such issuance by a resolution passed by the directors and confirmed and declared by shareholders by a special resolution. The preference shares shall be entitled to preference over shares in respect of the payment of dividends and shall have priority over other shares in the event of a distribution of residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company. The rights attaching to the shares or the preference shares can only be modified by the affirmative vote of at least two-thirds of the votes cast at a meeting of the relevant shareholders called for that purpose.

Meetings of Shareholders

The Articles require the Company to call an annual general meeting of shareholders within 13 months after holding the last preceding annual general meeting and permits the Company to call any other meeting of shareholders at any time. The Company is required to mail a notice of meeting and management information circular to registered shareholders not less than 21 clear days and not more than 60 days prior to the date of any annual or other general meeting of shareholders, although it currently utilizes the notice and access method under Canadian law. These materials must also be filed with Canadian securities regulatory authorities. The Articles provide that a quorum of two shareholders in person or represented by proxy holding or representing by proxy not less than 5% of the Company's issued shares carrying the right to vote at the meeting is required to transact business at a general meeting. Shareholders, and their duly appointed proxies and corporate representatives, as well as the Company's auditors, are entitled to be admitted to the Company's annual and other general meetings of shareholders.

Limitations on the Right to Own Securities

There are no limitations on the rights to own securities in the Company.

Limitations on Restructuring

There is no provision in the Articles that would have the effect of placing any limitations on any corporate restructuring in addition to what would otherwise be required by applicable law.

Disclosure of Share Ownership

The Articles permit the Company to give a disclosure notice to any person that the Company has reasonable cause to believe is/was interested in the Company's shares within the preceding three years; such notice may require the person to inform the Company whether that person holds/has held an interest in the Company's shares. The Articles also incorporate by reference certain of the disclosure guidance and transparency rules ("**DTR**") published by the UK's Financial Conduct Authority. The DTR include, inter alia, a requirement that a shareholder must notify the Company of the percentage of its voting rights (held directly and indirectly) if the percentage of those voting rights reaches, exceeds or falls below 3% of the Company's issued voting securities and each 1% threshold above 3%.

Differences in Corporate Law between United States (Delaware) and Jersey, Channel Islands

Set forth below is a comparison of certain shareholder rights and corporate governance matters under Delaware law and Jersey law:

Corporate Law Issue	**Delaware Law**	**Jersey Law**
Special Meetings of Shareholders	Shareholders generally do not have the right to call meetings of shareholders unless that right is granted in the certificate of incorporation or by-laws. However, if a corporation fails to hold its annual meeting within a period of 30 days after the date designated for the annual meeting, or if no date has been designated for a period of 13 months after its last annual meeting, the Delaware Court of Chancery may order a meeting to be held upon the application of a shareholder.	Shareholders holding 10% or more of the company's voting rights and entitled to vote at the relevant meeting may legally require directors to call a meeting of shareholders. Under the Articles, the percentage required to requisition a meeting is reduced to 5%. The Jersey Financial Services Commission, or JFSC, may, at the request of any officer, secretary or shareholder, call or direct the calling of an annual general meeting. Failure to call an annual general meeting in accordance with the requirements of the Companies Law is a criminal offense on the part of a Jersey company and its directors and secretary.
Interested Director Transactions	Interested director transactions are permissible and may not be legally voided if: • either a majority of disinterested directors, or a majority in interest of holders of shares of the corporation's capital stock entitled to vote upon the matter, approves the transaction upon disclosure of all material facts; or • the transaction is determined to have been fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee thereof or the shareholders.	An interested director must disclose to the company the nature and extent of any interest in a transaction with the company, or one of its subsidiaries, which to a material extent conflicts or may conflict with the interests of the company and of which the director is aware. Failure to disclose an interest entitles the company or a shareholder to apply to the court for an order setting aside the transaction concerned and directing that the director account to the company for any profit. A transaction is not voidable and a director is not accountable notwithstanding a failure to disclose an interest if the transaction is confirmed by special resolution and the nature and extent of the director's interest in the transaction are disclosed in reasonable detail in the notice calling the meeting at which the resolution is passed. Although it may still order that a director account for any profit, a court will not set aside a transaction unless it is satisfied that the interests of third parties who have acted in good faith would not thereby be unfairly prejudiced and the transaction was not reasonable and fair in the interests of the company at the time it was entered into. The Articles set out a limited number of transactions and matters in which a director may be interested and in which he may vote and be counted in the quorum in relation to a resolution on the matter.

Cumulative Voting	The certificate of incorporation of a Delaware corporation may provide that shareholders of any class or classes or of any series may vote cumulatively either at all elections or at elections under specified circumstances.	There are no provisions in the Companies Law relating to cumulative voting.
Approval of Corporate Matters by Written Consent	Unless otherwise specified in a corporation's certificate of incorporation, shareholders may take action permitted to be taken at an annual or special meeting, without a meeting, notice or a vote, if consents, in writing, setting forth the action, are signed by shareholders with not less than the minimum number of votes that would be necessary to authorize the action at a meeting. All consents must be dated and are only effective if the requisite signatures are collected within 60 days of the earliest dated consent delivered.	If permitted by the articles of association of a company, a written consent signed and passed by the specified majority of members may affect any matter that otherwise may be brought before a shareholders' meeting, except for the removal of a company's auditors. Such consent shall be deemed effective when the instrument, or the last of several instruments, is signed by the specified majority of members or on such later date as is specified in the resolution. The Articles do not contain provisions regarding shareholder resolutions in writing.
Business Combinations	With certain exceptions, a merger, consolidation or sale of all or substantially all of the assets of a Delaware corporation must be approved by the board of directors and a majority of the outstanding shares entitled to vote thereon.	A sale or disposal of all or substantially all the assets of a Jersey company must be approved by the board of directors and, only if the articles of association of the company require, by the shareholders in general meeting. A merger involving a Jersey company must be generally documented in a merger agreement which must be approved by special resolution of that company.
Limitations on Director's Liability and Indemnification of Directors and Officers	A Delaware corporation may indemnify a director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of an action, suit or proceeding by reason of his or her position if (i) the director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and (ii) with respect to any criminal action or proceeding, the director or officer had no reasonable cause to believe his or her conduct was unlawful.	The Companies Law does not contain any provision permitting Jersey companies to limit the liabilities of directors for breach of fiduciary duty. However, a Jersey company may exempt from liability, and indemnify directors and officers, for liabilities: • incurred in defending any civil or criminal legal proceedings where: - the person is either acquitted or receives a judgment in their favor; - where the proceedings are discontinued other than by reason of such person (or someone on their behalf) giving some benefit or suffering some detriment; or - where the proceedings are settled on terms that such person (or someone on their behalf) gives some benefit or suffers some detriment but in the opinion of a majority of the disinterested directors, the person was substantially successful on the merits in the person's resistance to the proceedings; • incurred to anyone other than to the company if the person acted in good faith with a view to the best interests of the company; • incurred in connection with an application made to the court for relief from liability for negligence, default, breach of duty or breach of trust under Article 212 of the Companies Law in which relief is granted to the person by the court; or • incurred in a case in which the company normally maintains insurance for persons other than directors.

Appraisal Rights	A shareholder of a Delaware corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights under which the shareholder may receive cash in the amount of the fair value of the shares held by that shareholder (as determined by a court) in lieu of the consideration the shareholder would otherwise receive in the transaction.	There are no appraisal rights under the Companies Law but the Articles include dissent rights of shareholders, based on Canadian law, whereby shareholders who dissent to certain transactions of the Company may apply to have the Company buy their shares for fair value.
Shareholder Suits	Class actions and derivative actions generally are available to the shareholders of a Delaware corporation for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.	Under Article 141 of the Companies Law, a shareholder may apply to court for relief on the ground that the conduct of a company's affairs, including a proposed or actual act or omission by a company, is "unfairly prejudicial" to the interests of shareholders generally or of some part of shareholders, including at least the shareholder making the application. There may also be customary law personal actions available to shareholders. Under Article 143 of the Companies Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the Companies Law), the court may make an order regulating the affairs of a company, requiring a company to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by a company or by any of its other shareholders.

Inspection of Books and Records	All shareholders of a Delaware corporation have the right, upon written demand, to inspect or obtain copies of the corporation's shares ledger and its other books and records for any purpose reasonably related to such person's interest as a shareholder.	The register of shareholders and books containing the minutes of general meetings or of meetings of any class of shareholders of a Jersey company must during business hours be open to the inspection of a shareholder of the company without charge. The register of directors and secretaries must during business hours (subject to such reasonable restrictions as the company may by its articles of association or in general meeting impose, but so that not less than two hours in each business day be allowed for inspection) be open to the inspection of a shareholder or director of the company without charge.
Amendments to Charter	Amendments to the certificate of incorporation of a Delaware corporation require the affirmative vote of the holders of a majority of the outstanding shares entitled to vote thereon or such greater vote as is provided for in the certificate of incorporation. A provision in the certificate of incorporation requiring the vote of a greater number or proportion of the directors or of the holders of any class of shares than is required by Delaware corporate law may not be amended, altered or repealed except by such greater vote.	The memorandum of association and the articles of association of a Jersey company may only be amended by special resolution (being a two-thirds majority if the articles of association of the company do not specify a greater majority) passed by shareholders in general meeting or by written resolution signed by all the shareholders entitled to vote.
Blank Check Preferred Stock/Shares	Under Delaware law, the certificate of incorporation of a corporation may give the board the right to issue new classes of preferred shares with voting, conversion, dividend distribution, and other rights to be determined by the board at the time of issuance, which could prevent a takeover attempt and thereby preclude shareholders from realizing a potential premium over the market value of their shares. In addition, Delaware law does not prohibit a corporation from adopting a shareholder rights plan, or "poison pill," which could prevent a takeover attempt and also preclude shareholders from realizing a potential premium over the market value of their shares.	The UK's Takeover Code requires a target company shareholders' consent in general meeting before the target company can take any action (other than seeking alternative bids) that may result in the frustration of a takeover bid. Moreover, the Takeover Code provides that the board of directors of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of a takeover bid.

Distributions and Dividends; Repurchases and Redemptions	Under Delaware law, subject to any restrictions contained in the certificate of incorporation, a corporation may pay dividends out of capital surplus or, if there is no surplus, out of net profits for the current and/or the preceding fiscal year in which the dividend is declared, as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by issued and outstanding shares having a preference upon the distribution of assets. Surplus is defined in Delaware law as the excess of the net assets over capital, as such capital may be adjusted by the board. A Delaware corporation may purchase or redeem shares of any class except when its capital is impaired or would be impaired by the purchase or redemption, and it may not purchase, for more than the price at which they may be redeemed, any of its shares which are redeemable at the option of the corporation. A corporation may, however, purchase or redeem out of capital shares that are entitled upon any distribution of its assets to a preference over another class or series of its shares if the shares are to be retired and the capital reduced.	Under the Companies Law, a Jersey company may make a distribution at any time and out of any source provided that the directors of the company who authorize the distribution make an immediate and 12 month forward looking cash-flow solvency statement. Likewise, authorizing directors must also make a solvency statement in the event of redeeming or purchasing the company's shares. The Companies Law allows a Jersey company to purchase its own shares, whether they are redeemable or not, provided that the purchase is sanctioned by a special resolution. The monies payable on the redemption of redeemable shares or on the purchase of its own shares by a Jersey company may be funded from any source, including capital, provided that such shares are fully paid. If shares are to be purchased other than on a stock exchange, they may only be purchased pursuant to a contract approved in advance by an ordinary resolution of the company and they shall not carry the right to vote on the resolution sanctioning the purchase or approving the contract. If shares are to be purchased on a stock exchange, the resolution authorizing the purchase must specify the maximum number of shares to be purchased; the maximum and minimum prices which may be paid; and the date (not being later than 5 years after the passing of the resolution) on which the authority to purchase is to expire.

C. Material Contracts

Not applicable.

D. Exchange Controls

There are no governmental laws, decrees or regulations existing in Jersey, Channel Islands, which restrict the export or import of capital, or the remittance of dividends, interest or other payments to non-resident holders of Caledonia's securities, nor does Jersey, Channel Islands have foreign exchange currency controls. Exchange control approvals from the RBZ and the Reserve Bank of South Africa are required on the flow of funds in and out of Zimbabwe and South Africa; Caledonia obtained the necessary approvals from the RBZ and the Reserve Bank of South Africa to transfer foreign currency during 2021.

E. Taxation

Certain United States Federal Income Tax Considerations

The following is a general summary of certain material U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership, and disposition of shares. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder arising from and relating to the acquisition, ownership, and disposition of shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including without limitation specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. This summary does not address the U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences to U.S. Holders of the acquisition, ownership, and disposition of shares. In addition, except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. Each prospective U.S. Holder should consult its own tax advisor regarding the U.S. federal, U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the acquisition, ownership, and disposition of shares. No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the "**IRS**") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary are based is subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the conclusions described in this summary.

Scope of this Summary

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive, current or prospective basis.

U.S. Holders

For purposes of this summary, the term "**U.S. Holder**" means a beneficial owner of shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations applicable to U.S. Holders that are subject to special provisions under the Code, including, but not limited to, the following U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) have a "functional currency" other than the USD; (e) own shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other integrated transaction; (f) acquired shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) hold shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); (h) are subject to taxing jurisdictions other than, or in addition to, the United States; (i) are partnerships and other pass-through entities (and investors in such partnerships and entities); (j) are S corporations (and shareholders or investors in such S corporations); (k) own, have owned or will own (directly, indirectly, or by attribution) 10% or more of the total combined voting power or value of the outstanding shares of the Company; (l) U.S. expatriates or former long-term residents of the U.S., or (m) are subject to special tax accounting rules with respect to shares. U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders described immediately above, should consult their own tax advisor regarding the U.S. federal, U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the acquisition, ownership and disposition of shares.

If an entity or arrangement that is classified as a partnership (or other "pass-through" entity) for U.S. federal income tax purposes holds shares, the U.S. federal income tax consequences to such entity and the partners (or other owners) of such entity generally will depend on the activities of the entity and the status of such partners (or owners). This summary does not address the tax consequences to any such owner. Partners (or other owners) of entities or arrangements that are classified as partnerships or as "pass-through" entities for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences arising from and relating to the acquisition, ownership, and disposition of shares.

Ownership and Disposition of shares

The following discussion is subject to the rules described below under the heading "Passive Foreign Investment Company Rules".

Taxation of Distributions

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any foreign income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of the Company, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of the Company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the shares and thereafter as gain from the sale or exchange of such shares (see "Sale or Other Taxable Disposition of shares" below). However, the Company may not maintain the calculations of its earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder may have to assume that any distribution by the Company with respect to the shares will constitute ordinary dividend income. Dividends received on shares by corporate U.S. Holders generally will not be eligible for the "dividends received deduction". Subject to applicable limitations and provided the shares are readily tradable on a United States securities market, dividends paid by the Company to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that the Company not be classified as a PFIC (as defined below) in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Shares

A U.S. Holder will generally recognize gain or loss on the sale or other taxable disposition of shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's tax basis in such shares sold or otherwise disposed of. Any such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if, at the time of the sale or other disposition, such shares are held for more than one year.

Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Passive Foreign Investment Company ("PFIC") Rules

If the Company were to constitute a PFIC for any year during a U.S. Holder's holding period, then certain potentially adverse rules would affect the U.S. federal income tax consequences to a U.S. Holder resulting from the acquisition, ownership and disposition of shares. The Company believes that it was not a PFIC for the tax year ended December 31, 2021 No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. However, PFIC classification is fundamentally factual in nature, generally cannot be determined until the close of the tax year in question and is determined annually. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurance that the Company has never been and will not become a PFIC for any tax year during which U.S. Holders hold shares.

In addition, in any year in which the Company is classified as a PFIC, a U.S. Holder will be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. A failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621 annually.

The Company generally will be a PFIC under Section 1297 of the Code if, after the application of certain "look-through" rules with respect to subsidiaries in which the Company holds at least 25% of the value of such subsidiary, for a tax year, (a) 75% or more of the gross income of the Company for such tax year is passive income (the "income test") or (b) 50% or more of the value of the Company's assets either produce passive income or are held for the production of passive income (the "asset test"), based on the quarterly average of the fair market value of such assets. "Gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all of a foreign corporation's commodities are stock in trade or inventory, depreciable property used in a trade or business or supplies regularly used or consumed in the ordinary course of its trade or business, and certain other requirements are satisfied.

If the Company were a PFIC in any tax year during which a U.S. Holder held shares, such holder generally would be subject to special rules with respect to "excess distributions" made by the Company on the shares and with respect to gain from the disposition of shares. An "excess distribution" generally is defined as the excess of distributions with respect to the shares received by a U.S Holder in any tax year over 125% of the average annual distributions such U.S. Holder has received from the Company during the shorter of the three preceding tax years, or such U.S. Holder's holding period for the shares. Generally, a U.S. Holder would be required to allocate any excess distribution or gain from the disposition of the shares ratably over its holding period for the shares. Such amounts allocated to the year of the disposition or excess distribution would be taxed as ordinary income, and amounts allocated to prior tax years would be taxed as ordinary income at the highest tax rate in effect for each such year and an interest charge at a rate applicable to underpayments of tax would apply.

While there are U.S. federal income tax elections that sometimes can be made to mitigate these adverse tax consequences (including the "**QEF Election**" under Section 1295 of the Code and the "**Mark-to-Market Election**" under Section 1296 of the Code), such elections are available in limited circumstances and must be made in a timely manner.

U.S. Holders should be aware that, for each tax year, if any, that the Company is a PFIC, the Company can provide no assurances that it will satisfy the record-keeping requirements of a PFIC, or that it will make available to U.S. Holders the information such U.S. Holders require to make a QEF Election with respect to the Company or any subsidiary that also is classified as a PFIC.

Certain additional adverse rules may apply with respect to a U.S. Holder if the Company is a PFIC, regardless of whether the U.S. Holder makes a QEF Election. These rules include special rules that apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to these special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. U.S. Holders should consult their own tax advisors regarding the potential application of the PFIC rules to the ownership and disposition of shares, and the availability of certain U.S. tax elections under the PFIC rules.

Additional Considerations

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or payment received on the sale, exchange or other taxable disposition of shares, generally will be equal to the USD value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into USD at that time). A U.S. Holder will have a basis in the foreign currency equal to its USD value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method with respect to foreign currency received upon the sale, exchange or other taxable disposition of the shares. Each U.S. Holder should consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder that pays (whether directly or through withholding) foreign income tax with respect to dividends paid on the shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such foreign income tax. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year. The foreign tax credit rules are complex and involve the application of rules that depend on a U.S. Holder's particular circumstances. Each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

Backup Withholding and Information Reporting

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the U.S. or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, shares will generally be subject to information reporting and backup withholding tax, at the rate of 24%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

Any statement in this Annual Report about any of our contracts or other documents is not necessarily complete. If the contract or document is filed as an exhibit to this Annual Report, the contract or document is deemed to modify the description contained in this Annual Report. Readers must review the exhibits themselves for a complete description of the contract or document.

We are subject to the informational requirements of the U.S. Exchange Act and file reports and other information with the SEC. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at http://www.sec.gov.

We are required to file reports and other information with the securities commissions in Canada. You are invited to read and copy any reports, statements or other information, other than confidential filings, that we file with the provincial securities commissions. These filings are also electronically available from the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") (www.sedar.com), the Canadian equivalent of the SEC's electronic document gathering and retrieval system.

Copies of our material contracts are kept at our registered office.

I. Subsidiary Information

Not applicable.

ITEM 11 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The board of directors of the Company has a responsibility to ensure that an adequate financial risk management policy is established and to approve the policy. The Company's Audit Committee oversees management's compliance with the Company's financial risk management policy.

The fair value of the Company's financial instruments approximates their carrying value unless otherwise noted. The types of risk exposure and the way in which such exposures are managed are as follows:

A. Currency Risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currency that it transacts in and the functional currency. The results of the Group's operations are subject to currency transaction risk and currency translation risk. The operating results and financial position of the Group are reported in USD in the Consolidated Financial Statements.

The availability of foreign exchange and the fluctuation of the USD in relation to other currencies that entities, within the Group, may transact in will consequently have an impact upon the profitability of the Group and may also affect the value of the Group's assets and liabilities. As noted below, the Group has certain financial assets and liabilities denominated in currencies other than the functional currency of the Company. To reduce exposure to currency transaction risk, the Group regularly reviews the currency in which it spends its cash to identify and avoid specific expenditures in currencies that experience inflationary pressures. Further the Group aims to maintain cash and cash equivalents in USD to avoid foreign exchange exposure and to meet short-term liquidity requirements.

B. Sensitivity Analysis

As a result of the Group's monetary assets and liabilities denominated in foreign currencies which is different to the functional currency of the underlying entities, the profit or loss and equity in the underlying entities could be affected by movements between the functional currency and the foreign currency. The table below indicates consolidated monetary assets/ (liabilities) in the Group that have a different functional currency and foreign currency.

	2021 USD'000 Functional currency		2020 USD'000 Functional currency		2019 USD'000 Functional currency	
	ZAR	**USD**	ZAR	USD	ZAR	USD
Cash and cash equivalents	**59**	**259**	59	1,959	57	4,176
Trade and other receivables	**-**	**2,293**	-	249	-	1,735
Trade and other payables	**-**	**(166)**	-	(174)	-	(179)
Term loan	-	-	-	408	-	(2,471)
Overdraft	**-**	**(887)**	-	-	-	(490)
	59	**1,499**	59	2,442	57	2,771

A reasonably possible strengthening or weakening of 5% of the various functional currencies against the foreign currencies would have the following equal or opposite effect on profit or loss before tax for the Group:

	2021 USD'000 Functional currency		2020 USD'000 Functional currency		2019 USD'000 Functional currency	
	ZAR	**USD**	ZAR	USD	ZAR	USD
Cash and cash equivalents	**3**	**40**	3	103	3	199
Trade and other receivables	**-**	**109**	-	12	-	82
Trade and other payables	**-**	**(8)**	-	(8)	-	9
Term loan	-	-	-	19	-	(117)
Overdraft	**-**	**(42)**	-	-	-	(23)
	3	**99**	3	126	3	150

C. Interest Rate Risk

The Group's interest rate risk arises from loans and borrowings, overdraft facility and cash held. The loans and borrowings, overdraft facility and cash held have variable interest rate borrowings. Variable-rate borrowings expose the Group to cash flow interest rate risk. The Group has not entered into interest rate swap agreements.

The Group's assets and (liabilities) exposed to interest rate fluctuations as at year-end are summarized as follows:

	2021	2020	2019
Term loan	**-**	(408)	(2,471)
Cash and cash equivalents	**17,152**	19,092	9,383
Overdraft	**(887)**	**-**	(490)

Interest rate risk arising is offset by available cash and cash equivalents. The table below summarizes the effect of a change in finance cost on the Group's profit or loss and equity for the year, had the rates charged differed.

Sensitivity analysis – cash and cash equivalents

	2021	2020	2019
Increase in 100 basis points	**172**	191	94
Decrease in 100 basis points	**(172)**	(191)	(94)
Sensitivity analysis – term loan			
Increase in 100 basis points	**-**	4	(25)
Decrease in 100 basis points	**-**	(4)	25
Sensitivity analysis – overdraft			
Increase in 100 basis points	**9**	**-**	**(5)**
Decrease in 100 basis points	**(9)**	**-**	**5**

D. Concentration of Credit Risk

Credit risk is the risk of a financial loss to the Company if a debtor fails to meet its contractual obligation. From 2014, gold sales were made to Fidelity in Zimbabwe and the payment terms stipulated in the service delivery contract have been adhered to in all instances. Trade and other receivables are analysed in note 24 to the Consolidated Financial Statements and include $4.5 million (2020: $1.3 million; 2019: $3.0 million) due from Fidelity in respect of gold deliveries immediately prior to the close of business at the end of 2021 and $3.2 million (2020: $2.3 million; 2019: $1.8 million) due from the Zimbabwe Government in respect of VAT refunds. The amount due from Fidelity was paid in full after year-end; the outstanding balance at December 31, 2021 reflects a normal balance in the context of the timing of bullion shipments to Fidelity and payments from Fidelity for bullion received. The amount due in respect of the longer-outstanding VAT refunds were within the agreed terms and a portion was also received after year-end.

E. Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its liquidity risk by ensuring that there is enough cash to meet its likely cash requirements, after taking into account cash flows from operations and the Group's holdings of cash and cash equivalents. The Group believes that these sources will be enough to cover the anticipated cash requirements. Senior management is also actively involved in the review and approval of planned expenditures by regularly monitoring cash flows from operations and anticipated investing and financing activities.

F. Market Risk – Gold Price

The value of the Company's mineral properties is related to the price of gold and the outlook for these minerals. In addition, adverse changes in the price of certain key or high cost operating consumables can significantly impair the Company's cash flows.

Gold prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and macro-economic variables, and certain other factors related specifically to gold.

The Group regularly monitors its market risk and evaluates the options available. Post year end management entered into a cap and collar hedge to hedge its exposure to the gold price and on December 13, 2021 into a gold loan and call option. Refer to note 14.2 of the Consolidated Financial Statements for more detail.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the gold price will have an impact on the revenue of the Group and the fair value of the gold loan and call option at December 31, 2021. This would have affected the measurement of financial instruments by the amounts as indicated below. This analysis assumes that all other variables remain constant.

As at December 31, 2021 an increase or decrease of 5% of the gold price would have the following equal or opposite effect on the:

Consolidated statement of financial position:

	Increase	Decrease
Derivative financial liabilities - gold loan	**143**	(143)
Derivative financial liabilities - call option	**11**	(11)
	154	(154)

Consolidated statement of profit or loss and other comprehensive income:

	Increase	Decrease
Fair value loss on derivative financial instruments - gold loan	**143**	(143)
Fair value loss on derivative financial instruments - call option	**11**	(11)
	154	(154)

The Group's revenues had full exposure to the gold price up to December 13, 2021 when the gold loan and call option agreement was concluded (refer note 14.2 of the Consolidated Financial Statements).

ITEM 12 - DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13 - DEFAULTS, DIVIDEND ARREARS AND DELINQUENCIES

There has not been a material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within thirty days, relating to indebtedness of the Company or any of its significant subsidiaries. There are no payments of dividends by the Company in arrears, nor has there been any other material delinquency relating to any class of preference shares of the Company.

ITEM 14 - MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. to D.

None.

E. Use of Proceeds

Not applicable.

ITEM 15 - CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

The Company's Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures, and assessed the design of the Company's internal control over financial reporting as of December 31, 2021. As required by Rule 13(a)-15 under the Exchange Act, in connection with this Annual Report on Form 20-F, under the direction of our CEO and CFO, we have evaluated our disclosure controls and procedures as of December 31, 2021, and we have concluded our disclosure controls and procedures were effective as at December 31, 2021.

B. Management's annual report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting has been designed to provide reasonable assurance with respect to the reliability of financial reporting and the presentation of financial statements for external purposes in accordance with IFRS. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

As of the date of this filing, we have in place controls and procedures to maintain appropriate segregation of duties in our manual and computer-based business processes that we believe are appropriate for a company of our size and extent of business transactions. Under the supervision and with the participation of the CEO and CFO, management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. In making their assessment, management used the control objectives established in the 2013 Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") framework. Based upon that assessment and those criteria, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2021.

C. Attestation report of registered public accounting firm

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm as we qualify as an "emerging growth company" under section 3(a) of the Exchange Act (as amended by the JOBS Act, enacted on April 5, 2012), and are therefore exempt from the attestation requirement.

D. Changes in internal controls over financial reporting

There were no changes in the Company's internal controls over financial reporting identified in connection with the evaluation required by paragraph (d) of 17 CFR 240.13a-15 or 240.15d-15 that occurred during the period covered by this Annual Report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

ITEM 16 - [RESERVED]

ITEM 16A - AUDIT COMMITTEE FINANCIAL EXPERT

Caledonia's board of directors has determined that the three members of its Audit Committee are considered independent as defined under Canadian National Instrument 52-110 and as defined pursuant to Section 803 of the NYSE American LLC Company Guide (as such definition may be modified or supplemented) and considered to be financially literate as such terms are defined under Canadian National Instrument 52-110, and one of the members can be considered to be a financial expert as defined in Item 407(d)(5) of Regulation S-K under the Exchange Act. The financial expert serving on the Audit Committee is Mr. J. Holtzhausen, whose experience is disclosed in this Annual Report under Item 6.A "Directors and Senior Management". Messrs. J. Holtzhausen, J. Kelly and G. Wildschutt are all independent directors under the applicable rules.

The SEC has indicated that the designation of an audit committee financial expert does not make that person an "expert" for any purpose, impose any duties, obligations, or liability on that person that are greater than those imposed on members of the Audit Committee and board of directors who do not carry this designation, or affect the duties, obligations, or liabilities of any other member of the Audit Committee.

ITEM 16B - CODE OF ETHICS

On November 8, 2016 the registrant's board of directors approved in principle, and the Company formally adopted on March 7, 2017, a revised code of business conduct, ethics and anti-bribery policy that applies to the registrant's directors, CEO, CFO, principal accounting officer or controller, or persons performing similar functions, and all other employees and contractors. The code was further revised and the most recent updated version was adopted on November 10, 2020.

The text of this code is available on the Company's website (www.caledoniamining.com/index.php/aboutus/corporate-governance).

The Company has not granted any waiver from the Code of Ethics to the CEO, CFO, principal accounting officer or controller, or persons performing similar functions during the fiscal year ended December 31, 2021.

ITEM 16C - PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees billed by our external auditors, BDO South Africa Incorporated, Johannesburg, Gauteng, South Africa (PCAOB ID 1368), unless stated otherwise, for the years indicated:

	(1)(2)2021	(1)(2)2020
Audit fees	**282,888**	255,553
Audit – related fees	**-**	-
Tax fees	**-**	-
All other fees	**12,715**	38,191
TOTAL	**295,603**	293,744

Notes:

(1) Prior to the start of the audit process, Caledonia's Audit Committee receives an estimate of the costs from its auditors and reviews such costs for their reasonableness. After their review and pre-approval of the fees, the Audit Committee recommends to the board of directors whether to accept the estimated audit fees given by the auditors.

(2) Represents fees billed by BDO South Africa Incorporated

ITEM 16D - EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E - PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F - CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G - CORPORATE GOVERNANCE

Because our securities are listed on NYSE American, being a national securities exchange in the United States, we are subject to the corporate governance requirements set out in the NYSE American LLC Company Guide. We are also subject to a variety of corporate governance guidelines and requirements enacted by the jurisdictions and exchanges in which we operate our business and on which our securities are traded. We incorporate a mix of corporate governance best practices to ensure that our corporate governance complies in all material respects with the requirements of the jurisdictions in which we operate and the exchanges on which our securities are traded. The Company has also adopted the UK's Quoted Companies Alliance Corporate Governance Code and discloses on its website how it satisfies the ten principles of the Code.

Section 110 of the NYSE American Company Guide permits NYSE American to consider the laws, customs and practices of foreign issuers, and to grant exemptions from NYSE American listing criteria based on these considerations. A company seeking relief under these provisions is required to provide a written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to NYSE American standards is as follows:

> *Shareholder Meeting Quorum Requirement*: the NYSE American Company Guide specifies a quorum requirement of at least 33-1/3% of the shares issued and outstanding and entitled to vote for meetings of a listed company's shareholders. The Company's quorum requirements for shareholder meetings, as set forth in the Articles, are two members entitled to vote at the meeting present in person or by proxy together holding or representing by proxy not less than five percent of the issued shares of the Company. The Company's quorum requirement as set forth in the Articles is not prohibited by, and does not contravene, the Companies Law.
>
> *Proxy Delivery Requirement*: the NYSE American requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings and requires that these proxies be solicited pursuant to a proxy statement that conforms to SEC proxy rules. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Company are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company complies with the applicable rules and regulations in Jersey.

In addition, the Company may from time-to-time seek relief from NYSE American corporate governance requirements on specific transactions under Section 110 of the NYSE American Company Guide by providing written certification from independent local counsel that the non-complying practice is not prohibited by our home country law, in which case, the Company shall make the disclosure of such transactions available on its website at http://www.caledoniamining.com. Information contained on the Company's website is not part of this Form 20-F.

ITEM 16H - MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities with respect to mining operations and properties in the United States that are subject to regulation by the Federal Mine Safety and Health Administration ("**MSHA**") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). During the year ended December 31, 2021, the Company had no mines in the United States that were subject to regulation by the MSHA under the Mine Act.

ITEM 16I - DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 17 - FINANCIAL STATEMENTS

See Item 18.

ITEM 18 - FINANCIAL STATEMENTS

The Consolidated Financial Statements and schedules appear on pages F-1 through F-67 of this Annual Report and are incorporated herein by reference. Our audited financial statements as prepared by our management and approved by the board of directors include:

Consolidated Statements of Profit or Loss and Other Comprehensive Income
Consolidated Statements of Financial Position
Consolidated Statements of Changes in Equity
Consolidated Statements of Cash Flows
Notes to the Consolidated Financial Statements

All the above statements are available on the Company's website at www.caledoniamining.com or under the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com

ITEM 19 - EXHIBITS

Financial Statements

Description	Page
Consolidated Financial Statements and Notes	F-1- F-67

Exhibit List

Exhibit No.	Name
1.1	Articles of Association (incorporated herein by reference to Exhibit 1.1 to the Registrant's Annual Report on Form 20-F filed with the SEC on March 31, 2016)
2.1	Description of Registered Securities (incorporated herein by reference as Exhibit 2.1 of the Registrant's Annual Report on Form 20-F filed with the SEC on March 29, 2021)
4.1	OEICP (revised 2020) (incorporated herein by reference as Exhibit 2.1 of the Registrant's Annual Report on Form 20-F filed with the SEC on March 29, 2021)
4.2	Employment contracts/executive employment agreements (incorporated herein by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 20-F filed with the SEC on March 31, 2017)
4.3	Share Subscription Agreements – Blanket Mine (incorporated herein by reference to Exhibit 15.4 to the Registrant's Annual Report on Form 20-F filed with the SEC on March 31, 2015)
4.4	Addendum to share subscription agreements – FREMIRO, GCSOT, NIEEF, BETS (incorporated herein by reference to Exhibit 4.4 of the Registrant's Annual Report on Form 20-F filed with the SEC on April 2, 2018)
4.5	Share Purchase Agreement by and between the Company and Fremiro, dated November 6, 2018 (incorporated herein by reference to Exhibit 4.5 of the Registrant's Annual Report on Form 20-F filed with the SEC on March 28, 2019)
4.6	January 11, 2019 PU award agreement and addendum example (incorporated herein by reference as Exhibit 4.6 of the Registrant's Annual Report on Form 20-F filed with the SEC on March 28, 2019)
4.7	January 19, 2020 RSU and PU award agreement example (incorporated herein by reference as Exhibit 4.7 of the Registrant's Annual Report on Form 20-F filed with the SEC on March 31, 2020)
4.8	January 11, 2021 PU award agreement example (incorporated herein by reference as Exhibit 4.8 of the Registrant's Annual Report on Form 20-F filed with the SEC on March 29, 2021)
4.9	Mining Lease (incorporated herein by reference to Exhibit 4.9 of the registrant's Annual Report on Form 20-F filed with the SEC on March 31, 2020)

Exhibit No.	Name
4.10	January 24, 2022 PU award agreement example
4.11	Addendum to Award Agreement dated January 24, 2022
4.12	Agreement of Sale – Maligreen Mining Claims
8.1	List of Caledonia Mining Corporation Plc group entities
12.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1	Consent of BDO South Africa Incorporated
15.2	Consent of Uwe Engelmann
15.3	Consent of Daniel (Daan) van Heerden
15.4	S-K 1300 Technical Report Summary on the Blanket Gold Mine, Zimbabwe, with an effective date of December 31, 2021
15.5	S-K 1300 Technical Report Summary on the Maligreen Gold Project, Zimbabwe, with an effective date of December 31, 2021
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File

SIGNATURES

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and has duly caused and authorized the undersigned to sight this Annual Report on its behalf.

CALEDONIA MINING CORPORATION PLC.

Date: May 17, 2022

By: /s/ *Mark Learmonth*
Name: Mark Learmonth
Title: Chief Financial Officer

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Illovo, 2196

Private Bag X60500
Houghton, 2041
South Africa

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Caledonia Mining Corporation Plc
St Helier, Jersey Channel Islands

Opinion on the Consolidated Financial Statements

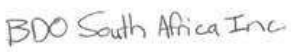
We have audited the accompanying consolidated statement of financial position of Caledonia Mining Corporation Plc (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of profit or loss and other comprehensive income, statements of changes in equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.



BDO South Africa Inc.

We have served as the Group's auditor since year 2018.
BDO South Africa Incorporated
Wanderers Office Park
52 Corlett Drive
Illovo, 2196

May 17, 2022
(date of signing consent)

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: B Mokoena

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at 22 Wellington Road, Parktown, Johannesburg, where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Caledonia Mining Corporation Plc

Consolidated statements of profit or loss and other comprehensive income

(in thousands of United States Dollars, unless indicated otherwise)

For the years ended December 31	***Note***	**2021**	2020	2019
Revenue	*7*	**121,329**	100,002	75,826
Less: Royalty		**(6,083)**	(5,007)	(3,854)
Production costs	*8*	**(53,126)**	(43,711)	(36,400)
Depreciation	*18*	**(8,046)**	(4,628)	(4,434)
Gross profit		**54,074**	46,656	31,138
Other income	*9*	**46**	4,765	2,274
Other expenses	*10*	**(7,136)**	(5,315)	(666)
Administrative expenses	*11*	**(9,091)**	(7,997)	(5,637)
Cash-settled share-based expense	*12.1*	**(477)**	(1,413)	(689)
Net foreign exchange gain	*13*	**1,184**	4,305	29,661
Profit on sale of subsidiary	*23.2*	**–**	–	5,409
Fair value losses on derivative instruments	*14.1*	**(240)**	(266)	(601)
Operating profit		**38,360**	40,735	60,889
Finance income	*16*	**14**	62	146
Finance cost	*16*	**(375)**	(367)	(344)
Profit before tax		**37,999**	40,430	60,691
Tax expense	*17*	**(14,857)**	(15,173)	(10,290)
Profit for the year		**23,142**	25,257	50,401
Other comprehensive income				
Items that are or may be reclassified to profit or loss				
Exchange differences on translation of foreign operations		**(531)**	(173)	49
Reclassification of accumulated exchange differences on the sale of subsidiary		**–**	–	(2,109)
Total comprehensive income for the year		**22,611**	25,084	48,341
Profit attributable to:				
Owners of the Company		**18,405**	20,780	42,018
Non-controlling interests	*28*	**4,737**	4,477	8,383
Profit for the year		**23,142**	25,257	50,401
Total comprehensive income attributable to:				
Owners of the Company		**17,874**	20,607	39,958
Non-controlling interests	*28*	**4,737**	4,477	8,383
Total comprehensive income for the year		**22,611**	25,084	48,341
Earnings per share				
Basic earnings per share ($)	*27*	**1.49**	1.73	3.82
Diluted earnings per share ($)	*27*	**1.48**	1.73	3.81

The accompanying notes on pages 10 to 70 are an integral part of these consolidated financial statements.

On behalf of the Board: “S.R. Curtis”- Chief Executive Officer and “J.M. Learmonth”- Chief Financial Officer.

Caledonia Mining Corporation Plc

Consolidated statements of financial position

(in thousands of United States Dollars, unless indicated otherwise)

Unaudited

As at December 31	*Note*	**2021**	2020
Assets			
Property, plant and equipment	*18*	**149,102**	126,479
Exploration and evaluation asset	*19*	**8,648**	6,768
Deferred tax asset	*17*	**194**	87
Total non-current assets		**157,944**	133,334
Inventories	*20*	**20,812**	16,798
Prepayments	*21*	**6,930**	1,974
Trade and other receivables	*24*	**7,938**	4,962
Income tax receivable	*17*	**101**	76
Derivative financial assets	*14.1*	**–**	1,184
Cash and cash equivalents	*22*	**17,152**	19,092
Assets held for sale	*23*	**–**	500
Total current assets		**52,933**	44,586
Total assets		**210,877**	177,920
Equity and liabilities			
Share capital	*25*	**82,667**	74,696
Reserves	*26*	**137,779**	138,310
Retained loss		**(59,150)**	(71,487)
Equity attributable to shareholders		**161,296**	141,519
Non-controlling interests	*28*	**19,260**	16,524
Total equity		**180,556**	158,043
Liabilities			
Provisions	*29*	**3,294**	3,567
Deferred tax liabilities	*17*	**8,034**	4,234
Loans and borrowings - long term portion	*30*	**–**	–
Cash-settled share-based payment - long term portion	*12.1*	**974**	1,934
Lease liabilities - long term portion	*15*	**331**	178
Total non-current liabilities		**12,633**	9,913
Loans and borrowings - short term portion	*30*	**–**	408
Cash-settled share-based payment - short term portion	*12.1*	**2,053**	336
Lease liabilities - short term portion	*15*	**134**	61
Derivative financial liabilities	*14.2*	**3,095**	–
Income taxes payable	*17*	**1,562**	495
Trade and other payables	*31*	**9,957**	8,664
Overdraft	*22*	**887**	–
Total current liabilities		**17,688**	9,964
Total liabilities		**30,321**	19,877
Total equity and liabilities		**210,877**	177,920

The accompanying notes on pages 10 to 70 are an integral part of these consolidated financial statements.

Caledonia Mining Corporation Plc

Consolidated statements of changes in equity

(in thousands of United States Dollars, unless indicated otherwise)

	Note	**Share capital**	**Foreign currency translation reserve**	**Contributed surplus**	**Equity-settled share-based payment reserve**	**Retained loss**	**Total**	**Non-controlling interests (NCI)**	**Total equity**
Balance January 1, 2019		55,102	(6,561)	132,591	16,760	(127,429)	70,463	8,345	78,808
Transactions with owners:									
Dividends declared	*34*	-	-	-	-	(2,969)	(2,969)	(426)	(3,395)
Equity-settled share-based payment		963	-	-	-	-	963	-	963
Total comprehensive income:									
Profit for the year		-	-	-	-	42,018	42,018	8,383	50,401
Other comprehensive income for the year		-	(2,060)	-	-	-	(2,060)	-	(2,060)
Balance December 31, 2019		56,065	(8,621)	132,591	16,760	(88,380)	108,415	16,302	124,717
Transactions with owners:									
Dividends declared	*34*	-	-	-	-	(3,887)	(3,887)	(655)	(4,542)
Shares issued:									
- Share-based payment	*12.1*	216	-	-	-	-	216	-	216
- Options exercised	*25*	30	-	-	-	-	30	-	30
- Equity raise (net of transaction cost)	*25*	12,538	-	-	-	-	12,538	-	12,538
- Blanket shares purchased from Fremiro	*5*	5,847	-	-	(2,247)	-	3,600	(3,600)	-
Total comprehensive income:									
Profit for the year		-	-	-	-	20,780	20,780	4,477	25,257
Other comprehensive income for the year		-	(173)	-	-	-	(173)	-	(173)
Balance at December 31, 2020		74,696	(8,794)	132,591	14,513	(71,487)	141,519	16,524	158,043
Transactions with owners:									
Dividends declared	*34*	**-**	**-**	**-**	**-**	**(6,068)**	**(6,068)**	**(2,001)**	**(8,069)**
Shares issued:									
- Options exercised	*25*	**165**	**-**	**-**	**-**	**-**	**165**	**-**	**165**
- Equity raise (net of transaction cost)	*25*	**7,806**	**-**	**-**	**-**	**-**	**7,806**	**-**	**7,806**
Total comprehensive income:									
Profit for the year		**-**	**-**	**-**	**-**	**18,405**	**18,405**	**4,737**	**23,142**
Other comprehensive income for the year		**-**	**(531)**	**-**	**-**	**-**	**(531)**	**-**	**(531)**
Balance at December 31, 2021		**82,667**	**(9,325)**	**132,591**	**14,513**	**(59,150)**	**161,296**	**19,260**	**180,556**
	Note	25	26	26	26			28	

The accompanying notes on pages 10 to 70 are an integral part of these consolidated financial statements.

Caledonia Mining Corporation Plc
Consolidated statements of cash flows
For the years ended December 31,
(in thousands of United States Dollars, unless indicated otherwise)

	Note	**2021**	2020	2019
Cash generated from operations	32	**38,703**	37,967	23,885
Interest received		**14**	56	146
Interest paid		**(388)**	(405)	(454)
Tax paid	17	**(7,426)**	(6,656)	(5,517)
Net cash from operating activities		**30,903**	30,962	18,060
Cash flows used in investing activities				
Acquisition of property, plant and equipment		**(32,112)**	(25,081)	(19,852)
Acquisition of exploration and evaluation assets		**(5,717)**	(2,759)	(172)
Proceeds from sale of assets held for sale	23.1	**500**	–	–
Realisation (purchase) of Gold ETF	14.1	**1,066**	(1,058)	–
Proceeds from disposal of subsidiary	23.2	**340**	900	1,000
Net cash used in investing activities		**(35,923)**	(27,998)	(19,024)
Cash flows from financing activities				
Dividends paid		**(8,069)**	(4,542)	(3,395)
Term loan proceeds (net of transaction cost)	30	**–**	–	2,294
Term loan repayments	30	**(361)**	(574)	–
Proceeds from gold loan	14.2	**2,752**	–	–
Proceeds from call option	14.2	**208**	–	–
Payment of lease liabilities	15	**(129)**	(118)	(124)
Shares issued – equity raise (net of transaction cost)	25	**7,806**	12,538	–
Proceeds from share options exercised	25	**165**	30	–
Net cash from (used in) financing activities		**2,372**	7,334	(1,225)
Net (decrease) / increase in cash and cash equivalents		**(2,648)**	10,298	(2,189)
Effect of exchange rate fluctuations on cash and cash equivalents		**(179)**	(99)	(105)
Net cash and cash equivalents at the beginning of the year		**19,092**	8,893	11,187
Net cash and cash equivalents at the end of the year	22	**16,265**	19,092	8,893

The accompanying notes on pages 10 to 70 are an integral part of these consolidated financial statements.

1 Reporting entity

Caledonia Mining Corporation Plc ("Caledonia" or the "Company") is a company domiciled in Jersey, Channel Islands. The Company's registered office address is B006 Millais House, Castle Quay, St Helier, Jersey, Channel Islands.

These consolidated financial statements of the Company and its subsidiaries (the "Group") comprise the consolidated statements of financial position as at December 31, 2021 and 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the years ended December 31, 2021, 2020 and 2019, notes, significant accounting policies and other explanatory information. The Group's primary involvement is in the operation of a gold mine and the exploration and development of mineral properties for precious metals.

Caledonia's shares are listed on the NYSE American LLC stock exchange (symbol – "CMCL"). Depository interests in Caledonia's shares are admitted to trading on AIM of the London Stock Exchange plc (symbol – "CMCL"). Caledonia listed on the Victoria Falls Stock Exchange ("VFEX") (symbol – "CMCL") on December 2, 2021. Caledonia voluntary delisted from the Toronto Stock Exchange (the "TSX") on June 19, 2020. After the delisting the Company remains a Canadian reporting issuer and has to comply with Canadian securities laws until it demonstrates that Canadian shareholders represent less than 2% of issued share capital.

2 Basis of preparation

i) Statement of compliance

The consolidated financial statements have been prepared on a going concern basis, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were approved for issue by the Board of Directors on March 17, 2022.

ii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for:

- cash-settled share-based payment arrangements measured at fair value on grant and re-measurement dates;
- equity-settled share-based payment arrangements measured at fair value on the grant date; and
- derivative financial assets and derivative financial liabilities measured at fair value.

iii) Functional currency

These consolidated financial statements are presented in United States Dollars ("$" or "US Dollars" or "USD"), which is also the functional currency of the Company. All financial information presented in US Dollars has been rounded to the nearest thousand, unless indicated otherwise. Refer to note 13 for changes to Zimbabwean real-time gross settlement, bond notes or bond coins ("RTGS$") and its effect on the consolidated statement of profit or loss and other comprehensive income.

3 Use of accounting assumptions, estimates and judgements

In preparing these consolidated financial statements, management has made accounting assumptions, estimates and judgements that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are recognised prospectively.

(a) Estimation uncertainties

i) Depreciation of property, plant and equipment

Depreciation on mine development, infrastructure and other assets in the production phase is computed on the units-of-production method over the life-of-mine based on the estimated quantities of reserves (proven and probable) and resources (measured, indicated and inferred), which are planned to be extracted in the future from known mineral deposits. Where items have a shorter useful life than the life-of-mine, the mine development, infrastructure and other assets are depreciated over their useful life. Confidence in the existence, commercial viability and economical recovery of reserves and resources included in the life-of-mine may be based on historical experience and available geological information. This is in addition to the drilling results obtained by the Group and management's knowledge of the geological setting of the surrounding areas, which would enable simulations and extrapolations to be done with a sufficient degree of accuracy. In instances where management is able to demonstrate the economic recovery of resources with a high level of confidence, such additional resources, are included in the calculation of depreciation.

Other items of property, plant and equipment are depreciated as described in note 4(g)(iii).

ii) Mineral reserves and resources

Mineral reserves and resources are estimates of the amount of product that can be economically and legally extracted. In order to calculate the reserves and resources, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity prices and exchange rates. Estimating the quantity and grade of mineral reserves and resources requires the size, shape and depth of orebodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological assumptions and calculations to interpret the data. Estimates of mineral reserves and resources may change due to the change in economic assumptions used to estimate mineral reserves and resources and due to additional geological data becoming available during the course of operations.

The Group estimates its reserves (proven and probable) and resources (measured, indicated and inferred) based on information compiled by a Qualified Person in terms of the Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") relating to geological and technical data of the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires geological and engineering assumptions to interpret the data. These assumptions include:

- correlation between drill-holes intersections where multiple reefs are intersected;
- continuity of mineralisation between drill-hole intersections within recognised reefs; and
- appropriateness of the planned mining methods.

3 Use of accounting assumptions, estimates and judgements (continued)

(a) Assumptions and estimation uncertainties (continued)
ii) Mineral reserves and resources (continued)

The Group estimates and reports reserves and resources in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") – CIM Definition Standards for Mineral Resources and Mineral Reserves. Complying with the CIM code, NI 43-101 requires the use of reasonable assumptions to calculate the recoverable resources. These assumptions include:

- the gold price based on current market price and the Group's assessment of future prices;
- estimated future on-mine costs, sustaining and non-sustaining capital expenditures;
- cut-off grade;
- dimensions and extent, determined both from drilling and mine development, of ore bodies; and
- planned future production from measured, indicated and inferred resources.

Changes in reported reserves and resources may affect the Group's financial results and position in several ways, including the following:

- asset carrying values may be affected due to changes in the estimated cash flows (i.e. Impairment);
- depreciation and amortisation charges to profit or loss may change as these are calculated on the unit-of production method or where useful lives of an asset change; and
- decommissioning, site restoration and environmental provisions and resources which may affect expectations about the timing or cost of these activities.

iii) Blanket mine's indigenisation transaction

The initial indigenisation transaction and modifications to the indigenisation transaction of Blanket Mine (1983) (Private) Limited ("Blanket Mine") required management to make significant assumptions and estimates which are explained in note 5.

iv) Site restoration provision

The site restoration provision has been calculated for the Blanket Mine based on an independent analysis of the rehabilitation costs as performed in 2021. Assumptions and estimates are made when determining the inflationary effect on current restoration costs and the discount rate to be applied in arriving at the present value of the provision where the time value of money effect is significant. Assumptions, based on the current economic environment, have been made that management believes are a reasonable basis for estimating the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to the provision from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation. The final cost of the currently recognised site rehabilitation provision may be higher or lower than currently provided for (refer to note 29).

3 Use of accounting assumptions, estimates and judgements (continued)

(a) Assumptions and estimation uncertainties (continued)
v) Exploration and evaluation ("E&E") assets

The Group also makes assumptions and estimates regarding the possible impairment of E&E assets by evaluating whether it is likely that future economic benefits will flow to the Group, which may be based on assumptions about future events or circumstances. Assumptions and estimates made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalised is written off in profit or loss in the period the new information becomes available. The recoverability of the carrying amount of exploration and evaluation assets depends on the availability of sufficient funding to bring the properties into commercial production, the price of the products to be recovered and the undertaking of profitable mining operations. As a result of these uncertainties, the actual amount recovered may vary significantly from the carrying amount.

vi) Taxes

Significant assumptions and estimates are required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. In 2019 the Zimbabwe Revenue Authority ("ZIMRA") issued Public Notice 26 ("PN26") effective from February 22, 2019. PN26 provided clarity on the interpretation of Section 4 (a) of the Finance Act [Chapter 23.04] of Zimbabwe, which requires a company earning taxable income to pay tax in the same or other specified currency that the income is earned. PN 26 clarifies that the calculation of taxable income be expressed in RTGS$ and that the payment of the tax payable, determined in RTGS$, be paid in the ratio of turnover earned. The application of PN26 resulted in a significant reduction in the deferred tax liability and the Group recorded the best estimate of the tax liability. The clarification of PN26 was applied prospectively from the 2019 year.

Management believes they have adequately provided for the probable outcome of tax related matters; however, the final outcome or future outcomes anticipated in calculating the tax liabilities may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Group further makes assumptions and estimates when recognising deferred tax assets relating to tax losses carried forward to the extent that there are sufficient future taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses may be utilised or sufficient estimated future taxable income against which the losses can be utilised.

vii) Share-based payment transactions

Equity-settled share-based payment arrangements

The Group measures the cost of equity-settled share-based payment transactions with employees, directors and Blanket's indigenous shareholders (refer to note 5) by reference to the fair value of the equity instruments on the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the appropriate valuation model and considering the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield.

3 Use of accounting assumptions, estimates and judgements (continued)

(a) Assumptions and estimation uncertainties (continued)
vii) Share-based payment transactions (continued)

Where the Company granted the counterparty to a share-based payment award the choice of settlement in cash or shares, the equity component is measured as the difference between the fair value of the goods and services and the fair value of the cash-settled share-based payment liability at the date when the goods and services are received at the measurement date. For transactions with employees, the equity component is zero.

Option pricing models require the input of assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. Therefore, the existing models may not necessarily provide a reliable single measure of the fair value of the Group's share options.

Cash-settled share-based payment arrangements

The fair value of the amount payable to employees regarding share-based awards that will be settled in cash is recognised as an expense with a corresponding increase in liabilities over the period over which the employee becomes unconditionally entitled to payment. The liability is re-measured at each reporting date. Any change in the fair value of the liability is recognised in profit or loss.

Additional information about significant assumptions and estimates used to determine the fair value of cash settled share-based payment transactions are disclosed in note 12.1.

viii) Impairment

Non-financial assets

At each reporting date, the Group determines if impairment indicators exist, and if present, performs an impairment review of the non-financial assets held in the Group. The exercise is subject to various assumptions and estimates.

Non-derivative financial assets

The Group uses a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(b) Judgements

Judgement is required when assessing whether the Group controls an entity or not. Controlled entities are consolidated. Further information is given in notes 4(a) and 5.

Refer to note 4(b)(ii) for judgement applied to determine functional currency of entities in the Group and the use of the interbank rate of exchange to translate RTGS$.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. In addition, the accounting policies have been applied consistently by the Group.

a) Basis of consolidation
i) Subsidiaries and structured entities

Subsidiaries and certain structured entities are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variability in returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling interests ("NCI") and other components of equity. Any gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iii) Non-controlling interests

NCI is measured at their proportionate share of the carrying amounts of the acquiree's identifiable net assets at fair value at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

iv) Transactions eliminated on consolidation

Intra-group balances and transactions arising from intra-group transactions are eliminated.

(a) Foreign currency
i) Foreign operations

As stated in note 2(iii) the presentation currency of the Group is the US Dollars. The functional currency of the Company and all its subsidiaries is the US Dollars except for the South African subsidiary that uses the South African Rand ("ZAR") as its functional currency. Subsidiary financial statements have been translated to the presentation currency as follows:

- assets and liabilities are translated using the exchange rate at year end; and
- income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from the item are considered to form part of the net investment in a foreign operation and are recognised in Other Comprehensive Income ("OCI").

4 Significant accounting policies (continued)

(b) Foreign currency (continued)
i) Foreign operations (continued)

If settlement is planned or likely in the foreseeable future, foreign exchange gains and losses are included in profit or loss. When settlement occurs, the settlement will not be regarded as a partial disposal and accordingly the foreign exchange gain or loss previously recognised in OCI is not reclassified to profit or loss/reallocated to NCI.

When the Group disposes of its entire interest in a foreign operation or loses control over a foreign operation, the foreign currency gains or losses accumulated in OCI related to the foreign operation are reclassified to profit or loss. If the Group disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in OCI related to the subsidiary are reattributed between controlling and non-controlling interests.

All resulting translation differences are reported in OCI and accumulated in the foreign currency translation reserve.

ii) Foreign currency translation

In preparing the financial statements of the Group entities, transactions in currencies other than the functional currency (foreign currencies) of these Group entities are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities are translated using the current foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in profit or loss for the year.

On October 1, 2018 the Reserve Bank of Zimbabwe ("RBZ) pegged the Zimbabwe dollar ("RTGS$") at 1:1 to the US Dollar and on February 20, 2019 issued a further monetary policy statement, which allowed inter-bank trading between RTGS$ and foreign currency. The interbank rate was introduced at 2.5 RTGS$ to 1 US Dollar and traded at 108.67 RTGS$ (2020: 81.79 RTGS$, 2019: 16.77 RTGS$) to 1 US Dollar as at December 31, 2021.

Further, the RBZ issued a directive to Zimbabwean banks to separate foreign currency ("Foreign currency") and RTGS$ for bank accounts held by clients on October 1, 2018. Subsequent to the directive, the RBZ announced that 30% of Blanket Mine's gold proceeds will be received in Foreign currency (i.e., US Dollars) and the remainder received as RTGS$. From November 12, 2018 the RBZ increased the Foreign currency allocation from 30% to 55%, with the remainder received as RTGS$. The RBZ increased the Foreign currency allocation with effect from May 26, 2020 from 55% to 70% and decreased the Foreign currency allocation with effect from January 8, 2021 from 70% to 60% with the remainder received as RTGS$. The allocation percentages remained in effect up to the date of approval of these financial statements. Further, the Company participated in the Foreign currency auction introduced by the Zimbabwean Government to exchange RTGS$ for US Dollars up to June 15, 2021.

4 Significant accounting policies (continued)

(b) Foreign currency (continued)
ii) Foreign currency translation (continued)

In June 2021 the RBZ announced that companies that are listed on the VFEX will receive 100% of the revenue arising from incremental production in US Dollars. Blanket has subsequently received confirmation that the "baseline" level of production for the purposes of calculating incremental production is 148.38 Kg per month (approximately 57,000 ounces per annum). The payment of the increased US Dollars proceeds for incremental production was applied from July 1, 2021 and Blanket has received all amounts due in terms of this revised policy up to the date of approval of these financial statements. Blanket intends to increase its production from approximately 67,000 ounces of gold in 2021 to a range of 73,000 to 80,000 ounces in 2022 and 80,000 ounces of gold from 2023 onwards. The CMCL listing on the VFEX should mean that Blanket will receive approximately 71.5% of its total revenues in US Dollars and the balance in RTGS$.

In applying IAS 21, management determined that the US Dollars remained the primary currency in which the Group's Zimbabwean entities operate, as:

- the majority of revenue is received in US Dollars;
- the gold price receivable was calculated in US Dollars;
- the majority of costs are calculated by reference to the US Dollars if denominated in RTGS$ or is paid in US Dollars; and
- Income tax liabilities calculated in RTGS$ are settled predominantly in US Dollars.

The application of IAS 21, the advent of Statutory Instrument 142 (issued by Zimbabwean Government) and the devaluation of the RTGS$ against the US Dollars had an impact on the US Dollars value of RTGS$ denominated monetary assets and liabilities such as income and deferred tax liabilities, loans and borrowings, trade and other payables and to a lesser extent monetary asset such as cash held in RTGS$.

(c) Leases

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of use asset reflects that the Group will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as property, plant and equipment. Also, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

4 Significant accounting policies (continued)

(c) Leases (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if the lease agreement changes in substance in terms of payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group presents the right of use assets as property, plant and equipment. Lease liabilities are presented separately in the statement of financial position as current- and non-current Lease liabilities.

The Group has elected not to recognise the right of use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(d) Financial instruments
i) Financial assets

The Group had the following financial assets:

Financial assets at amortised cost

Financial assets at amortised cost comprise loans and receivables included in Trade and other receivables. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses. A trade receivable without a significant financing component is initially measured at the transaction price. Refer to note 5(j)(i) for the impairment of receivables. Finance income was recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4 Significant accounting policies (continued)

(d) Financial instruments (continued)
i) Financial assets (continued)

Fair value through profit or loss

This category comprises the Gold ETF, Bank balances and Gold hedge. These instruments are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement profit or loss and other comprehensive income as Fair value losses on derivative financial instruments. Transaction cost are recognized in profit or loss in in the consolidated statement profit or loss and other comprehensive income immediately when incurred. The Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

ii) Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Fair value through profit or loss

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value. This category comprises the Gold loan and the Call options, estimations made and further information is referred to in note 14.2. All changes in the fair value of derivative instruments are accounted for in profit or loss.

Financial liabilities at amortised cost

Non-derivative financial liabilities are recognised initially on the date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Non-derivative financial liabilities consist of bank overdrafts, loans and borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

iv) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts are repayable on demand and form an integral part of the Group's cash management process. The bank overdraft is included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

4 Significant accounting policies (continued)

(f) Share capital

Share capital is classified as equity. Incremental costs directly attributable to the issue, consolidation and repurchase of fractional items of shares and share options are recognised as a deduction from equity, net of any tax effects.

(g) Property, plant and equipment
i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, borrowing costs on qualifying assets, the costs of dismantling and removing the items and restoring the site on which they are located. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. Refer to note 4(j)(ii) for the impairment of non-financial assets.

ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii) Depreciation

Depreciation is calculated to write off the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. On commencement of commercial production, depreciation of mine development, infrastructure and other assets is calculated on the unit-of-production method using the Measured, Indicated and Inferred Mineral Resources of which the diluted Measured and Indicated Mineral Resources are converted to Mineral Reserves for extraction in Blanket's life-of-mine plan ("LoMP"). Resources that are not included in the LoMP are not included in the calculation of depreciation.

For other categories, depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

All Mineral Resources and Reserves are categorised and reported in compliance with the definitions embodied in the CIM Definition Standards as incorporated into the NI 43-101, and Mineral Resources are reported inclusive of Mineral Reserves. Inferred Mineral Resources are not converted to Mineral Reserves.

Inferred Mineral Resources are considered in the LoMP to the extent that they are required in accessing, by development infrastructure, the Measured and Indicated Mineral Resources. In addition geological continuity is modelled, whilst grade continuity is continually upgraded by drilling of the Inferred Mineral Resources at depth, and where these Mineral Resources are above the cut-off, economically viable and of sufficient confidence, will be upgraded and form part of eventual extraction and as a result are included in the calculation of depreciation. Refer to note 18 for the evaluation of the cut-off.

4 Significant accounting policies (continued)

(g) Property, plant and equipment
iii) Depreciation (continued)

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

Mineral Resources in the Measured and Indicated Mineral Resource classifications have been converted into Proven and Probable Mineral Reserves respectively, by applying the applicable modifying factors and reasonable prospects of economic extraction.

Land is not depreciated.

The calculation of the production rate units could be affected to the extent that actual production in the future is different from the current forecast production. This would generally result from the extent to which there are significant changes in any of the factors or assumptions used in estimating mineral reserves and resources.

These factors include:

- changes in mineral reserves and resources;
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites; and
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

The estimated useful lives for the current and comparative years are as follows:

- buildings 10 to 15 years (2020: 10 to 15 years; 2019: 10 to 15 years);
- plant and equipment 10 years (2020: 10 years; 2019: 10 years);
- fixtures and fittings including computers 4 to 10 years (2020: 4 to 10 years; 2019: 4 to 10 years);
- motor vehicles 4 years (2020: 4 years; 2019: 4 years);
- right of use assets 3 to 6 years (determined by lease term); and
- mine development, infrastructure and other assets in production, units-of-production method.

Depreciation methods, useful lives and residual values are reviewed each financial year and adjusted if appropriate. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Assets under construction's useful life and residual values will be assessed once the asset is available for use.

(h) Exploration and evaluation assets

Qualifying exploration costs are capitalised as incurred. Costs incurred before the legal rights to explore are obtained are recognised in profit or loss. The costs related to speculative drilling on unestablished orebodies at the Blanket Mine, general administrative or overhead costs are expensed as incurred. Exploration and evaluation costs capitalised are disclosed under Exploration and evaluation assets. Qualifying direct expenditures include such costs as mineral rights, options to acquire mineral rights, materials used, surveying costs, drilling costs, payments made to contractors, direct administrative costs and depreciation on property, plant and equipment during the exploration phase.

4 Significant accounting policies (continued)

(h) Exploration and evaluation assets (continued)

Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year they occur.

Once the technical feasibility and commercial viability of extracting the mineral resource have been determined, the property is considered to be a mine under development and moved to the mine development, infrastructure and other asset category within property, plant and equipment. Capitalised direct costs related to the acquisition, exploration and development of mineral properties remain capitalized, at their initial cost, until the properties to which they relate are ready for their intended use, sold, abandoned or management has determined there to be impairment. Exploration and evaluation assets are tested for impairment before the assets are transferred to mine development, infrastructure and other assets or when an indicator of impairment is identified.

Exploration and evaluations assets are not depreciated.

(i) Inventories

Consumable stores are measured at the lower of cost and net realisable value. The cost of consumable stores is based on the weighted average cost principle. It includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Gold in process is measured at the lower of cost and net realisable value. The cost of gold in process includes an appropriate share of production overheads based on normal operating capacity and is valued on the weighted average cost principle. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(j) Impairment
i) Non-derivative financial assets (including receivables)

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed individually as they possess different credit risk characteristics. Trade receivables have been assessed based on the days past due. The expected loss rates are based on the payment profile for gold sales over the past 48 months prior to December 31, of each year reported. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk the impact of these factors has not been considered significant. Failure to make payments within 90 days from lodgement date with Fidelity Printers and Refiners Limited ("Fidelity") and failure to engage with the Group on alternative payment arrangement, amongst others, are considered indicators of no reasonable expectation of recovery. Trade and other receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery.

ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

4 Significant accounting policies (continued)

(j) Impairment (continued)
ii) Non-financial assets (continued)

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The Group's corporate assets do not generate separate cash inflows. If there is an indication that a CGU to which a corporate asset is allocated may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of assets in the unit (group of units) on a pro rata basis. Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been an indication of reversal and a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

iii) Impairment of Exploration and evaluation ("E&E") assets

The test for impairment of E&E assets can combine several CGUs as long as the combination is not larger than a segment. The definition of a CGU does, however, change once development activities have begun. There are specific impairment triggers for E&E assets. Despite certain relief in respect of impairment triggers and the level of aggregation, the impairment standard is applied in measuring the impairment of E&E assets. Reversals of impairment losses are required in the event that the circumstances that resulted in impairment have changed.

E&E assets are assessed for impairment only when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. Indicators of impairment include the following:

- The entity's right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further E&E activities in the specific area is neither budgeted nor planned in future.
- The entity has not discovered commercially viable quantities of mineral resources as a result of E&E activities in the area to date and has decided to discontinue such activities in the specific area.
- Even if development is likely to proceed, the entity has sufficient data indicating that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

(k) Employee benefits
i) Short-term employee benefits

Short-term employee benefits are expensed when the related services are provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4 Significant accounting policies (continued)

(k) Employee benefits (continued)
ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(l) Share-based payment transactions
i) Equity-settled share-based payments to employees and directors

The grant date fair value of equity-settled share-based payment awards granted to employees and directors is recognised as an expense, with a corresponding increase in equity, over the vesting period of the award. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market vesting conditions at the vesting date.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss.

ii) Cash-settled share-based payments to employees and directors

The grant date fair value of cash-settled awards granted to employees and directors is recognised as an expense, with a corresponding increase in the liability, over the vesting period of the awards. At each reporting date the fair value of the awards is re-measured with a corresponding adjustment to profit or loss. Additional information about significant judgements, estimates and the assumptions used to estimate the fair value of cash-settled share-based payment transactions are disclosed in note 12.1.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability if the time value of money is considered significant. The unwinding of the discount is recognised as a finance cost.

4 Significant accounting policies (continued)

(n) Site restoration

The Group recognises liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of these assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalised to mineral properties along with a corresponding increase in the rehabilitation provision in the period incurred. Future rehabilitation costs are discounted using a pre-tax risk-free rate that reflects the time-value of money. The Group's estimates of rehabilitation costs, which are reviewed annually, could change as a result of changes in regulatory requirements, discount rates, effects of inflation and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mineral properties with a corresponding entry to the rehabilitation provision.

(o) Revenue

Revenue from the sale of precious metals is recognized when the metal is accepted at the refinery by Fidelity ("Lodgment date"). Control is transferred and the receipt of proceeds is substantially assured at point of delivery. Revenue for each delivery is measured at the London Base Metal Association Tuesday PM price post-delivery less 1.25% and the quantities are determined on Lodgment date. The revenue amount calculated represents the fair value of the receivable at the date of the transaction. On average settlement occurs within 14 days of delivery.

(p) Finance income and finance cost

Finance income comprises interest income on funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method. Finance cost comprise interest expense on the rehabilitation provisions, interest on bank overdraft balances, effective interest on leases, loans and borrowings and also includes commitment costs on overdraft facilities. Finance cost is recognised in profit or loss using the effective interest rate method and excludes borrowing costs capitalised.

(q) Taxes
i) Income tax

Tax expense comprises current and deferred tax. These expenses are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

ii) Current tax

Current tax is the tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date. Current tax includes withholding tax on management fees and dividends paid between companies within the Group.

4 Significant accounting policies (continued)

(q) Taxes (continued)
iii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is a monetary item measured at the tax rates and in the currency that are expected to be applied when temporary differences reverse. The tax and exchange rates are based on the laws that have been enacted, substantively enacted or the interbank exchange rates that prevail at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(r) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its shares. Basic EPS is calculated by dividing the adjusted profit or loss attributable to shareholders of the Group (see note 27) by the weighted average number of shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding, adjusted for own shares held, for the effects of all dilutive potential shares, which comprise share options granted to employees and directors as well as any dilution in Group earnings originating from dilutive partially recognised non-controlling interests at a subsidiary level.

(s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred and recognised as finance cost.

(t) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount or fair value less costs to sell. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale property, plant and equipment are no longer depreciated.

4 Significant accounting policies (continued)

(u) The following standards, amendments to standards and interpretations to existing standards may possibly have an impact on the Group:

Standard/ Interpretation		**Effective date and expected adoption date***
IAS 1	In response to feedback and enquiries from stakeholders, in December 2020, the IFRS Interpretations Committee (IFRIC) issued a Tentative Agenda Decision, analysing the applicability of the amendments to three scenarios. However, given the comments received and concerns raised on some aspects of the amendments, in April 2021, IFRIC decided not to finalise the agenda decision and referred the matter to the IASB. In its June 2021 meeting, the IASB tentatively decided to amend the requirements of IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year.	January 1, 2023
IAS 16	The amendment to IAS 16 *Property, Plant and Equipment* ("PPE") prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. The amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities must be disclosed separately.	January 1, 2022
IAS 37	Amendments to IAS 37 *Provision, Contingent Liabilities and Contingent Assets* clarifies the Onerous contracts – Cost of Fulfilling a Contract. The amendments specify which costs an entity includes in determining the cost of fulfilling a contract to assess whether the contract is onerous. The amendments apply to contracts existing at the date when the amendments are first applied. At the initial application date, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate.	January 1, 2022

4 Significant accounting policies (continued)

(u) The following standards, amendments to standards and interpretations to existing standards may possibly have an impact on the Group: (continued)

Standard/ Interpretation		**Effective date and expected adoption date***
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: ● IFRS 9 *Financial Instruments* – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. ● IFRS 16 *Leases* – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.	January 1, 2022
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	January 1, 2023

4 Significant accounting policies (continued)

(u) The following standards, amendments to standards and interpretations to existing standards may possibly have an impact on the Group: (continued)

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12	The amendments to IAS 12 *Income Taxes* require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable.	January 1, 2023

* Annual periods ending on or after.

The Group has completed its assessment of the impact of the above standards and concluded that the standard amendments would not have a material impact on the consolidated financial statements.

New standards, amendments to standards and interpretations adopted from 1 January 2021 had no significant effect on the Group's accounting policies.

5 Blanket Zimbabwe Indigenisation Transaction

On February 20, 2012 the Group announced it had signed a Memorandum of Understanding ("MoU") with the Minister of Youth, Development, Indigenisation and Empowerment of the Government of Zimbabwe pursuant to which the Group agreed that indigenous Zimbabweans would acquire an effective 51% ownership interest in the Zimbabwean company owning the Blanket Mine (also referred to herein as "Blanket" or "Blanket Mine" as the context requires) for a paid transactional value of $30.09 million. Pursuant to the above, members of the Group entered into agreements with each indigenous shareholder to transfer 51% of the Group's ownership interest in Blanket Mine whereby it:

- sold a 16% interest to the National Indigenisation and Economic Empowerment Fund ("NIEEF") for $11.74 million;
- sold a 15% interest to Fremiro Investments (Private) Limited ("Fremiro"), which is owned by indigenous Zimbabweans, for $11.01 million;
- sold a 10% interest to Blanket Employee Trust Services (Private) Limited ("BETS") for the benefit of present and future managers and employees for $7.34 million. The shares in BETS are held by the Blanket Mine Employee Trust ("Employee Trust") with Blanket Mine's employees holding participation units in the Employee Trust; and
- donated a 10% ownership interest to the Gwanda Community Share Ownership Trust ("Community Trust"). In addition, Blanket Mine paid a non-refundable donation of $1 million to the Community Trust.

The Group facilitated the vendor funding of these transactions which is repaid by way of dividends from Blanket Mine. 80% of dividends declared by Blanket Mine are used to repay such loans and the remaining 20% unconditionally accrues to the respective indigenous shareholders. Following a modification to the interest rate on June 23, 2017, outstanding balances on these facilitation loans attract interest at a rate of the lower of a fixed 7.25% per annum payable quarterly or 80% of the Blanket Mine dividend in the quarter. The timing of the loan repayments depends on the future financial performance of Blanket Mine and the extent of future dividends declared by Blanket Mine. The Group related facilitation loans were transferred as dividends in specie intra-group and now the loans and most of the interest thereon is payable to the Company.

Accounting treatment

The directors of Caledonia Holdings Zimbabwe (Private) Limited ("CHZ"), a wholly-owned subsidiary of the Company, performed a reassessment using the requirements of IFRS 10: Consolidated Financial Statements (IFRS 10). It was concluded that CHZ should continue to consolidate Blanket Mine after the indigenisation. The subscription agreements with the indigenous shareholders have been accounted for accordingly as a transaction with non-controlling interests and as a share-based payment transaction.

5 Blanket Zimbabwe Indigenisation Transaction (continued)

Accounting treatment (continued)

The subscription agreements, concluded on February 20, 2012, were accounted for as follows:

- Non-controlling interests ("NCI") were recognised on the portion of shareholding upon which dividends declared by Blanket Mine will accrue unconditionally to equity holders as follows:
  (a) 20% of the 16% shareholding of NIEEF;
  (b) 20% of the 15% shareholding of Fremiro; and
  (c) 100% of the 10% shareholding of the Community Trust.
- This effectively means that NCI was initially recognised at 16.2% of the net assets of Blanket Mine, until the completion of the transaction with Fremiro, whereby the NCI reduced to 13.2% (see below).
- The remaining 80% of the shareholding of NIEEF and Fremiro was recognised as NCI to the extent that their attributable share of the net asset value of Blanket Mine exceeds the balance on the facilitation loans, including interest. At December 31, 2021 the attributable net asset value did not exceed the balance on the respective loan account and thus no additional NCI was recognised.
- The transaction with BETS is accounted for in accordance with IAS 19 *Employee Benefits* (profit sharing arrangement) as the ownership of the shares does not ultimately pass to the employees. The employees are entitled to participate in 20% of the dividends accruing to the 10% shareholding in Blanket Mine if they are employed at the date of such distribution. To the extent that 80% of the attributable dividends exceeds the balance on the BETS facilitation loan, they will accrue to the employees at the date of such declaration.
- BETS is an entity effectively controlled and consolidated by Blanket Mine. Accordingly, the shares held by BETS are effectively treated as treasury shares in Blanket Mine and no NCI is recognised.

Fremiro purchase agreement

On November 5, 2018 the Company and Fremiro entered into a sale agreement for Caledonia to purchase Fremiro's 15% shareholding in Blanket Mine. On January 20, 2020 all substantive conditions to the transaction were satisfied. The Company issued 727,266 shares to Fremiro for the cancellation of their facilitation loan and purchase of Fremiro's 15% shareholding in Blanket Mine. The transaction was accounted for as a repurchase of a previously vested equity instrument. As a result, the Fremiro share of the NCI of $3,600 was derecognised, shares were issued at fair value, the share-based payment reserve was reduced by $2,247 and the Company's shareholding in Blanket Mine increased to 64% on the effective date.

Blanket Mine's indigenisation shareholding percentages and facilitation loan balances

		Effective interest &	NCI subject to	Balance of facilitation loan #	
USD	Shareholding	NCI recognised	facilitation loan	**December 31, 2021**	December 31, 2020
NIEEF	16%	3.2%	12.8%	**10,359**	11,728
Community Trust	10%	10.0%	0.0%	–	–
BETS ~	10%	2.0%	0.0%	**6,353**	7,447
	36%	15.2%	12.8%	**16,712**	19,175

* The shares held by BETS are effectively treated as treasury shares (see above).
~ Accounted for under IAS19 *Employee Benefits.*
Facilitation loans are accounted for as equity instruments and are accordingly not recognised as loans receivable.

5 Blanket Zimbabwe Indigenisation Transaction (continued)

Blanket Mine's indigenisation shareholding percentages and facilitation loan balances (continued)

The balance on the facilitation loans is reconciled as follows:

	2021	2020
Balance at January 1	**19,175**	30,974
Cancellation of Fremiro loan	**–**	(11,458)
Finance cost accrued	**1,313**	1,396
Dividends used to repay loan	**(3,776)**	(1,737)
Balance at December 31	**16,712**	19,175

Advance dividend loans and balances

In anticipation of completing the underlying subscription agreements, Blanket Mine agreed to advance dividend arrangements with NIEEF and the Community Trust. Advances made to the Community Trust against their right to receive dividends declared by Blanket Mine on their shareholding were as follows:

- a $2 million payment on or before September 30, 2012;
- a $1 million payment on or before February 28, 2013; and
- a $1 million payment on or before April 30, 2013.

These advance payments were debited to a loan account bearing interest at a rate at the lower of a fixed 7.25% per annum, payable quarterly or the Blanket Mine dividend in the quarter to the advanced dividend loan holder. The loan is repayable by way of set-off of future dividends on the Blanket Mine shares owned by the Community Trust. Advances made to NIEEF as an advanced dividend loan before 2013 have been settled through Blanket Mine dividend repayments in 2014. The advance dividend payments were recognised as distributions to shareholders and they are classified as equity instruments. The loans arising are not recognised as loans receivables, because repayment is by way of uncertain future dividends. The final payment to settle the advance dividend loan to the Community Trust was made on September 22, 2021. Future dividends to the Community Trust will be unencumbered.

Amendments to advanced dividend loan agreements

Advance dividend loan modification - Community Trust

On February 27, 2020, the Group, Blanket Mine and the indigenous shareholders of Blanket Mine reached an agreement to change the repayment terms of the advance dividend loan to the Community Trust. The amendment allowed that 20% of the Community Trust share of the Blanket dividend accrues on declaration of the dividend and that the remaining 80% be applied to the advance dividend loan from February 27, 2020. The modification was not considered beneficial to the indigenous shareholders.

The movement in the advance dividend loan to the Community Trust is reconciled as follows:

	2021	2020
Balance at January 1	**994**	1,632
Finance cost accrued	**29**	98
Dividends used to repay advance dividend loan	**(1,023)**	(736)
Balance at December 31	**–**	994

6 Capital management

When managing capital, the Group's objectives are to safeguard its ability to continue as a going concern in order to pursue the mining operations and exploration potential of the mineral properties. The Group's capital includes shareholders' equity, comprising issued share capital, reserves, accumulated other comprehensive income, accumulated deficit, bank financing (refer to notes 22 and 30) and non-controlling interests.

	2021	2020
Total equity	**180,556**	158,043

The Group's primary objective regarding its capital management is to ensure that it has sufficient cash resources to maintain its on-going operations, provide returns for shareholders, accommodate any rehabilitation provisions and pursue growth opportunities. It assesses its short term needs and funds these by available cash, overdrafts and short to medium term loans. Capital requirements for future project are evaluated on a case-by-case basis. As at December 31, 2021, there has been no change with respect to the overall capital risk management strategy.

7 Revenue

	2021	2020	2019
Revenue	**121,329**	100,002	75,826
Total ounces sold	**68,617**	57,137	54,801
Work in progress and refinery	**(1,141)**	762	381
Gold produced (oz)	**67,476**	57,899	55,182
Tonnes milled	**665,628**	597,962	556,331
Grade	**3.36**	3.21	3.31
Recovery	**93.9**	93.8	93.4
Realised gold price ($/oz)	**1,766**	1,749	1,382

8 Production costs

	2021	2020	2019
Salaries and wages	**20,515**	15,811	13,782
Consumable materials – Operations	**17,288**	14,358	12,850
Consumable materials – COVID-19	**297**	824	–
Electricity costs	**10,363**	8,071	6,319
Safety	**774**	708	525
Cash-settled share-based expense (note 12.1(a))	**692**	634	107
Gold work in progress	**243**	1,166	376
On mine administration	**2,650**	1,766	2,140
Pre-feasibility exploration costs	**304**	373	301
	53,126	43,711	36,400

9 Other income

	2021	2020	2019
Government grant – Gold sale export credit incentive	**-**	4,695	866
Government grant – Gold support price	**-**	-	1,064
Other	**46**	70	94
Greenstone Retirement Fund pay-out	-	-	250
	46	4,765	2,274

Government grant – Gold sale export credit incentive

The Reserve Bank of Zimbabwe ("RBZ") first announced an export credit incentive ("ECI") on the gold proceeds received for all large-scale gold mine producers during 2016. The ECI is calculated as a percentage of the gold proceeds less the charges of Fidelity.

The below table indicates when the ECI was applicable and the percentages granted, as announced by the Zimbabwean Government:

ECI applicable periods	**Percentage**
May 1, 2016 – December 31, 2017	3.5%
January 1, 2018 – January 31, 2018	2.5%
February 1, 2018 – February 20, 2019	10%
February 21, 2019 – March 9, 2020	0%
March 10, 2020 – June 26, 2020	25%

All incentives granted by the Zimbabwean Government were included in other income when determined receivable. Incentives were received in Blanket Mine's RTGS$ account. The ECI fell away after June 26, 2020.

10 Other expenses

	2021	2020	2019
Intermediated Money Transaction Tax	**799**	451	354
Solar evaluation cost *	–	230	160
COVID-19 donations	**74**	1,322	–
Community and social responsibility cost	**1,167**	382	–
Other	–	–	8
Impairment of property, plant and equipment - plant and equipment (note 18)	**498**	–	144
Impairment of exploration and evaluation assets (note 19)	**3,837**	2,930	–
Expected credit losses on deferred consideration on the disposal of subsidiary (notes 23.2 and 24)	**761**	–	–
	7,136	5,315	666

* Capitalised from July 6, 2020, refer to note 18.

11 Administrative expenses

	2021	2020	2019
Investor relations	**439**	353	414
Audit fee	**267**	288	237
Advisory services fees	**622**	904	408
Listing fees	**609**	448	277
Directors fees – Company	**527**	323	240
Directors fees – Blanket	**51**	43	31
Employee costs	**5,462**	4,065	3,030
Other office administration cost	**347**	424	605
Management liability insurance	**551**	1,032	86
Travel costs	**216**	117	292
Eersteling Gold Mine administration costs	**–**	–	17
	9,091	7,997	5,637

12 Share-based payments

12.1 Cash-settled share-based payments

The Group has expensed the following cash-settled share-based expense arrangements for the twelve months ended December 31:

	Note	**2021**	2020	2019
Restricted Share Units and Performance Units	12.1(a)	**515**	1,299	616
Caledonia Mining South Africa employee incentive scheme	12.1(b)	**(38)**	114	73
		477	1,413	689

(a) Restricted Share Units and Performance Units

Certain management and employees within the Group are granted Restricted Share Units ("RSUs") and Performance Units ("PUs") pursuant to provisions of the 2015 Omnibus Equity Incentive Compensation Plan ("OEICP"). All RSUs and PUs were granted and approved at the discretion of the Compensation Committee of the Board of Directors.

RSUs vest three years after grant date given that the service conditions of the relevant employees have been fulfilled. The value of the vested RSUs is the number of RSUs vested multiplied by the fair market value of the Company's shares, as specified by the OEICP, on the date of settlement.

PUs have a performance condition based on gold production and a performance period of one up to three years. The number of PUs that vest will be the relevant portion of the PUs granted multiplied by the performance multiplier, which will reflect the actual performance in terms of the performance conditions compared to expectations on the date of the award.

RSU holders are entitled to receive dividends over the vesting period. Such dividends will be reinvested in additional RSUs at the then applicable share price. PUs have rights to dividends only after they have vested.

RSUs and PUs allow for settlement of the vesting date value in cash or, subject to conditions, shares issuable at fair market value or a combination of both at the discretion of the unitholder.

12 Share-based payments (continued)

12.1 Cash-settled share-based payments (continued)
(a) Restricted Share Units and Performance Units (continued)

The fair value of the RSUs at the reporting date was based on the Black Scholes option valuation model less the fair value of the expected dividends during the vesting period multiplied by the performance multiplier expectation. At the reporting date it was assumed that there is a 93%-100% probability that the performance conditions will be met and therefore a 93%-100% (2020: 93%-100%) average performance multiplier was used in calculating the estimated liability. The fair value of the PUs at the reporting date was based on the Black Scholes option valuation model. The liability as at December 31, 2021 amounted to $3,027 (2020: $2,240). Included in the liability as at December 31, 2021 is an amount of $692 (2020: $634; 2019: $107) that was expensed and classified as production costs; refer to note 8. During the year PUs to the value of $420 vested and were settled in cash (2020: $216 issued as share capital).

The following assumptions were used in estimating the fair value of the cash-settled share-based payment liability on:

	December 31, 2021		December 31, 2020	
	RSUs	**PUs**	RSUs	PUs
Risk free rate	**1.52%**	**1.52%**	0.93%	0.93%
Fair value (USD)	**12.06**	**11.63**	15.88	15.51
Share price (USD)	**11.71**	**11.71**	15.88	15.88
Performance multiplier percentage	–	**93-100%**	–	93-100%
Volatility	**1.20**	**1.06**	1.00	1.06

Share units granted:	**RSUs**	**PUs**	**RSUs**	**PUs**
Grant - January 11, 2019	–	**95,740**	–	95,740
Grant - March 23, 2019	–	**28,287**	–	28,287
Grant - June 8, 2019	–	**14,672**	–	14,672
Grant - January 11, 2020	**17,585**	**114,668**	17,585	114,668
Grant - March 31, 2020	–	**1,971**	–	1,971
Grant - June 1, 2020	–	**1,740**	–	1,740
Grant - September 9, 2020	–	**1,611**	–	1,611
Grant - September 14, 2020	–	**20,686**	–	20,686
Grant - October 5, 2020	–	**514**	–	514
Grant - January 11, 2021	–	**78,875**	–	–
Grant -April 1, 2021	–	**770**	–	–
Grant - May 14, 2021	–	**2,389**	–	–
Grant - June 1, 2021	–	**1,692**	–	–
Grant - June 14, 2021	–	**507**	–	–
Grant - August 13, 2021	–	**2,283**	–	–
Grant - September 1, 2021	–	**553**	–	–
Grant - September 6, 2021	–	**531**	–	–
Grant - September 20, 2021	–	**526**	–	–
Grant - October 1, 2021	–	**2,530**	–	–
Grant - October 11, 2021	–	**500**	–	–
Grant - November 12, 2021	–	**1,998**	–	–
Grant - December 1, 2021	–	**936**	–	–
RSU dividends reinvested	**1,066**	–	386	–
Settlements/ terminations	**-**	**(30,600)**	–	–
Total awards	**18,651**	**343,379**	17,971	279,889

12 Share-based payments (continued)

12.1 Cash-settled share-based payments (continued)
(b) Caledonia Mining South Africa employee incentive scheme

From 2017 until 2019 Caledonia Mining South Africa Proprietary Limited granted awards to certain of its employees that entitles them to a cash pay-out at the Company's share price on November 30 of each year over a 3-year period from the grant date. The cash-settled share-based payment liability was calculated based on the number of awards expected to vest multiplied by the Company's Black Scholes option valuation fair value of £8.90 at the reporting date and apportioned for the quantity vested over the total vesting period. The liability relating to these cash-settled share-based payment awards amounted to $Nil (December 31, 2020: $30) and the fair value adjustment included in the consolidated financial statements of profit or loss and other comprehensive income amounted to ($38) (2020: $114) for the twelve months ended December 31, 2021.

During September 2020 it was communicated to employees of Caledonia Mining South Africa Proprietary Limited that going forwards they will receive awards of PUs under the OEICP, and so a discretionary 10% cash bonus scheme would gradually replace the current cash-settled share-based scheme and no more awards would be made under the cash-settled share-based scheme. To the extent their cash-settled share-based payments fall short of the cash bonus, they would receive the amount equal to the awards. All awards vested or expired by year-end. No new awards were granted.

The following assumptions were used in estimating the fair value of the cash-settled share-based payment liability for the year ended December 31.

	2021	2020
	Awards	
Grant – August 2018 (3-year term)	**5,918**	5,918
Grant - August 2019 (3-year term)	**9,034**	9,034
Awards paid out/ expired	**(14,952)**	(11,941)
Total awards outstanding	–	3,011
Estimated awards expected to vest	**100%**	100%

13 Net foreign exchange gain

On October 1, 2018 the RBZ issued a directive to Zimbabwean banks to separate foreign currency from RTGS$ in the accounts held by their clients and pegged the RTGS$ at 1:1 to the US Dollars. On February 20, 2019 the RBZ issued a further monetary policy statement, which allowed inter-bank trading between RTGS$ and foreign currency. The interbank rate was introduced at 2.5 RTGS$ to 1 US Dollars and traded at 108.67 RTGS$ to 1 US Dollars as at December 31, 2021 (December 31, 2020: 81.79 RTGS$). On June 24, 2019 the Government issued S.I. 142 which stated, "Zimbabwe dollar ("RTGS$") to be the sole currency for legal tender purposes for any transactions in Zimbabwe". Throughout these announcements and to the date of issue of these financial statements the US dollar has remained the primary currency in which the Group's Zimbabwean entities operate and the functional currency of these entities.

Previously there was uncertainty as to what currency would be used to settle amounts owed to the Zimbabwe Government. The announcement of S.I. 142 clarified the Zimbabwean Government's intentions that these liabilities were always denominated in RTGS$ and that RTGS$ would be the currency in which they would be settled. The devaluation of the deferred tax and electricity liabilities contributed the largest portion of the foreign exchange gain set out below.

13 Net foreign exchange gain (continued)

In June 2021 the RBZ announced that companies that are listed on the VFEX will receive 100% of the revenue arising from incremental production in US Dollars. Blanket has subsequently received confirmation that the "baseline" level of production for the purposes of calculating incremental production is 148.38 Kg per month (approximately 57,000 ounces per annum). The payment of the increased US Dollars proceeds for incremental production was applied from July 1, 2021 and Blanket has received all amounts due in terms of this revised policy up to the date of approval of these financial statements. The CMCL listing on the VFEX should mean that Blanket will receive approximately 71.5% of its total revenues in US Dollars and the balance in RTGS$.

The table below illustrates the effect the weakening of the RTGS$ and other foreign currencies had on the consolidated statement of profit or loss and other comprehensive income.

	2021	2020	2019
Unrealised foreign exchange gain	**2,755**	8,367	31,411
Realised foreign exchange loss	**(1,571)**	(4,062)	(1,750)
Net foreign exchange gain	**1,184**	4,305	29,661

14 Derivative financial instruments

The fair value of derivative financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where available. The company did not apply hedge accounting to the derivative financial instruments and all fair value losses were recorded in the consolidated statement of profit or loss and other comprehensive income.

		2021	2020	2019
Fair value losses on derivative financial assets	14.1			
Gold ETF		**105**	164	–
Gold hedge		**–**	102	601
		105	266	601
Fair value losses on derivative financial liabilities	*14.2*			
Gold loan		**114**	–	–
Call option		**21**	–	–
		135	–	–
Fair value losses on derivative financial instruments		**240**	266	601

14.1 Derivative financial assets

	2021	2020
Derivatives assets:		
Gold exchange-traded fund ("Gold ETF")	**–**	1,184
Gold hedge	**–**	–
	–	1,184

14 Derivative financial instruments (continued)

14.1 Derivative financial assets (continued)

Gold ETF

In April 2020 the South African subsidiary, Caledonia Mining South Africa Proprietary Limited, purchased a Gold ETF from Standard Bank Limited at a cost of $1,058. The Gold ETF is denominated in South African Rand and the instrument is utilised to invest excess short-term Rands on hand at the South African subsidiary. The Gold ETF's value tracks the US Dollars spot gold price and was entered into to offset fluctuations in the South African Rand against the US Dollars. The total expense, representing the change in the Rand tracked USD spot gold price, amounted to $105 (2020: $164) for the twelve months ended December 31, 2021. Foreign currency translation gains, due to the fluctuations in the Rand against the US Dollars on the translation of the foreign subsidiary, amounted to ($14) (2020: $100). On May 5, 2021 the Gold ETF was realised for $1,066.

Gold hedge

The Company entered into a hedge in November 2019 at a cost of $379. The hedge was in the form of put options in respect of 4,600 ounces of gold per month for the period January to June 2020 exercisable at a strike price of $1,400 per ounce. At December 31, 2020 the mark-to-market valuation, that represents the fair value of the hedge, amounted to $102. The put options were entered into by the Company for economic hedging purposes to ensure sufficient cash availability for Blanket Mine's capital investment plan, rather than as a speculative investment. The hedge expired on June 30, 2020.

The Gold ETF and Gold hedge were classified under level 1 of the fair value hierarchy.

14.2 Derivative financial liabilities

Changes in fair value are recorded on a mark to market basis and recorded as financial liabilities. The table below summarizes the fair value movements in derivative liabilities:

	2021	2020	2019
Gold loan – increase in liability	**114**	–	–
Call option – increase in liability	**21**	–	–
	135	–	–

The table below summarizes the derivative financial liabilities balances as at December 31:

	2021	2020
Derivative liabilities:		
Gold loan	**2,866**	–
Call option	**229**	–
	3,095	–

14 Derivative financial instruments (continued)

14.2 Derivative financial liabilities (continued)

Gold loan and call option

On December 13, 2021 the Company entered into two separate gold loan and option agreements with Auramet International LLC ("Auramet").

In terms of the agreements the Group:

- received $3 million less transaction costs from Auramet at inception of the Gold loan agreement;
- is required to make two deliveries of 925 ounces each on May 31, 2022 and June 30, 2022 in repayment of the Gold loan or pay the equivalent in cash; and
- granted call options on 6,000 ounces to Auramet with a strike price of $2,000 per ounce, expiring monthly in equal monthly tranches from June 30, 2022 to November 30,2022.

Accounting for the Gold loan and the Call option transactions:

- At inception the fair value of the Gold loan was calculated at the amount received less the fair value of the Call option.
- As at December 31, 2021 the fair value of the gold loan was calculated by discounting the fair value of the gold deliveries at a forward rate of $1,833 due by a market related discount rate.
- At inception and at December 31, 2021 the Call options were valued at the quoted prices available from the CME Group Inc. at each respective date.
- Differences in the fair values were accounted for as Fair value losses on derivative financial instruments in the consolidated statement of profit or loss and other comprehensive income.
- The Call option was classified as level 1 in the fair value hierarchy and the Gold loan as level 2.
- Derivative liabilities are not designated as hedging instruments.

Proceeds received under the Gold loan and Option agreements were allocated as follows:

December 13, 2021	
Gross proceeds	3,000
Transaction cost	(40)
Net proceeds received	2,960
Fair value of Call options	208
Fair value of Gold loan	2,752

December 31, 2021	
Fair value of Call options	229
Fair value of Gold loan	2,866

15 Leases

Leases as lessee

The Group leases administrative offices. The leases, which the Group normally enters into, typically run for a period of 3 to 6 years, with an option to renew the lease after that date. Two leases for the administrative offices expire in 2024 and one lease in 2025.

Information about leases for which the Group is a lessee is presented below.

i) Amounts recognised in the statement of financial position

Right of use assets

Right of use assets related to leased properties are presented as part of property, plant and equipment (refer note 18).

	2021	2020
Balance at January 1	**229**	337
Depreciation	**(115)**	(99)
Additions to right of use assets	**527**	**-**
Derecognition of right of use assets	**(172)**	-
Foreign currency movement	**(22)**	(9)
Balance at December 31	**447**	229

Lease liabilities

	2021	2020
Balance at January 1	**239**	349
Additions to lease liability	**527**	**-**
Finance cost	**24**	15
Lease payments	**(129)**	(118)
Foreign currency movement	**(23)**	(7)
Derecognition of lease liability	**(173)**	-
Balance at December 31	**465**	239

ii) Amounts recognised in profit or loss

	2021	2020	2019
Finance cost on lease liabilities	**24**	15	17
Unrealised foreign exchange gain	**1**	(2)	4
Depreciation	**115**	99	112
	140	112	133

iii) Amounts recognised in statement of cash flows

	2021	2020	2019
Total cash outflow for leases - principal	**129**	118	124
Total cash outflow for leases - finance cost	**(24)**	(15)	(17)

15 Leases (continued)

iv) Lease payments

Lease payments payable on leases of right of use assets are as follows:

	2021	2020
Less than one year	**158**	61
One to two years	**165**	46
Two to three years	**163**	46
Three to four years	**46**	46
Four to five years	**–**	40
	532	239

16 Finance income and finance cost

	2021	2020	2019
Finance income received - Bank	**14**	62	146
Finance cost - Term loan (note 30)	**56**	386	165
Finance cost - Capitalised to property, plant and equipment (note 18)	**(17)**	(53)	(165)
Unwinding of rehabilitation provision (note 29)	**–**	2	20
Finance cost - Leases (note 15)	**24**	15	17
Finance cost - Overdraft	**86**	17	307
ZESA interest *	**226**	–	–
	375	367	344

* During the period from January 2021 to March 2021 it was unclear in what currency the monthly payments to the Zimbabwe Electricity Supply Authority ("ZESA") had to be made. In April 2021 Blanket was advised that the payments had to be paid on a 60/40 basis USD/RTGS$. Interest was charged on the outstanding amounts to ZESA during the period January 2021 to March 2021 when payments were withheld.

17 Tax expense

	2021	2020	2019
Tax recognised in profit or loss			
Current tax	**9,051**	9,492	7,311
Income tax - current year	**8,769**	8,969	6,802
Income tax - change in tax estimates	**(168)**	(54)	29
Withholding tax - current year	**450**	577	480
Deferred tax expense	**5,806**	5,681	2,979
Origination and reversal of temporary differences	**5,806**	5,681	2,979
Tax expense – recognised in profit or loss	**14,857**	15,173	10,290
Tax recognised in other comprehensive income			
Income tax - current year	**-**	-	-
Tax expense	**14,857**	15,173	10,290

Unrecognised deferred tax assets

	2021	2020	2019
Caledonia Holdings Zimbabwe (Private) Limited	**1,800**	593	421
Greenstone Management Services Holdings Limited	**516**	376	276
Tax losses carried forward	**2,316**	969	697

Taxable losses do not expire for the entities incurring taxable losses within the Group, unless the entities cease trading. Tax losses carried forward relate to Greenstone Management Services Holdings Limited (UK) and Caledonia Holdings Zimbabwe (Private) Limited. Deferred tax assets have not been recognised in these entities as future taxable income is not deemed probable to utilise these losses against.

Tax paid	**2021**	2020	2019
Net income tax payable at January 1	**(419)**	(163)	(1,538)
Current tax expense	**(9,051)**	(9,492)	(7,310)
Foreign currency movement	**583**	2,580	3,168
Tax paid	**7,426**	6,656	5,517
Net income tax payable at December 31	**(1,461)**	(419)	(163)

17 Tax expense (continued)

Reconciliation of tax rate	**2021**	2020	2019
Profit for the year	**23,142**	25,257	50,401
Total tax expense	**14,857**	15,173	10,290
Profit before tax	**37,999**	40,430	60,691
Income tax at Company's domestic tax rate (1)	**-**	-	-
Tax rate differences in foreign jurisdictions (2)	**11,847**	12,405	16,232
Effect of income tax calculated in RTGS$ as required by PN26 (3)	**590**	2,004	(8,526)
Management fee – withholding tax on deemed dividend portion	**342**	209	224
Management fee – non-deductible deemed dividend	**611**	570	652
Management fee – withholding tax - current year	**148**	123	129
Withholding tax on intercompany dividends	**-**	245	128
Non-deductible expenditure			
- Royalty expenses (4)	**-**	-	933
- Donations	**311**	107	18
- Other non-deductible expenditure	**(170)**	177	21
Credit export incentive income exemption	**-**	(598)	(124)
Change in income tax rate (5)	**-**	(287)	**-**
Change in tax estimates			
- Zimbabwean income tax	**(166)**	-	29
- South African income tax	**(2)**	(54)	63
Change in unrecognised deferred tax losses	**1,346**	272	511
Tax expense - recognised in profit or loss	**14,857**	15,173	10,290

(1) The tax rate in Jersey, Channel Islands is 0% (2020: 0%, 2019: 0%).

(2) The effective tax rate of 39.10% (2020: 37.52%) exceeds the statutory tax rates of subsidiaries of the Company, as certain expenditures are incurred by the Company that is not tax-deductible against taxable income in Zimbabwe and South Africa, where the enacted tax rates are 24.72% (2020: 25.75%) and 28.00% respectively. Further, Zimbabwean legislation requires the Blanket income taxation calculation to be performed in RTGS$ whereas the functional currency in which the profit before tax is calculated in these consolidated financial statements is in US Dollar; the requirement is further described in point 3 below.

(3) In 2019 ZIMRA issued PN26 that was affected retrospectively from February 22, 2019. The public notice provided clarity on Section 4 (a) of the Finance Act [Chapter 23.04] of Zimbabwe, which requires a company earning taxable income to pay tax in the same or other specified currency in which taxable income and revenue is earned. PN 26 clarifies that the calculation of taxable income be performed in RTGS$ and that the payment of the tax be in the ratio of the currency that the taxable income and revenue is earned. The reconciling item reconciles the profit before tax calculated using US Dollars as the functional currency of the Zimbabwean entities to taxable income calculated in RTGS$.

(4) On August 1, 2019 the Zimbabwean Government announced in the mid-term budget speech that mining royalties will be deductible for income tax purposes. The change came into effect on January 1, 2020.

(5) On November 26, 2020 the Zimbabwean Government announced in the 2021 National Budget Statement that the income tax rate will be reduced from 25.75% to 24.72% and will take effect in the 2021 fiscal tax year. This resulted in a change in the estimated deferred tax liability.

17 Tax expense (continued)

Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2021	2020	**2021**	2020	**2021**	2020
Property, plant and equipment	**-**	-	**(9,328)**	(5,380)	**(9,328)**	(5,380)
Exploration and evaluation assets	**-**	-	**(47)**	(29)	**(47)**	(29)
Allowance for obsolete stock	**3**	13	**-**	-	**3**	13
Prepayments	**-**	-	**(10)**	(3)	**(10)**	(3)
Unrealised foreign exchange	**499**	530	**-**	-	**499**	530
Trade and other payables	**989**	636	**-**	-	**989**	636
Cash-settled share-based payments	**-**	8	**-**	-	**-**	8
Provisions	**54**	60	**-**	-	**54**	60
Other	**-**	18	**-**	-	**-**	18
Tax assets/ (liabilities)	**1,545**	1,265	**(9,385)**	(5,412)	***(7,840)**	*(4,147)

* The net deferred tax liability consists of a deferred tax asset of $194 (2020: $87, January 1, 2020: $63) from the South African operation and a net deferred tax liability of $8,034 (2020: $4,234, January 1, 2020: $3,129) due to the Zimbabwean operation. The amounts are in different tax jurisdictions and cannot be offset. The amounts are presented as part of Non-current assets and Non-current liabilities in the Statements of financial position. The deferred tax asset recognised is supported by evidence of probable future taxable income.

Movement in recognised deferred tax assets and liabilities

	Balance January 1, 2021	**Recognised in profit or loss**	**Foreign exchange movement**	**Balance December 31, 2021**
Property, plant and equipment	**(5,380)**	**(6,439)**	**2,491**	**(9,328)**
Exploration and evaluation assets	**(29)**	**(31)**	**13**	**(47)**
Allowance for obsolete stock	**13**	**3**	**(13)**	**3**
Prepayments	**(3)**	**(8)**	**1**	**(10)**
Unrealised foreign exchange	**530**	**344**	**(375)**	**499**
Trade and other payables	**639**	**235**	**115**	**989**
Cash-settled share-based payments	**8**	**(8)**	**-**	**-**
Provisions	**60**	**123**	**(129)**	**54**
Other	**15**	**(15)**	**-**	**-**
Tax (liabilities)/ assets	**(4,147)**	**(5,796)**	**2,103**	**(7,840)**

	Balance January 1, 2020	**Recognised in profit or loss**	**Foreign exchange movement**	**Balance December 31, 2020**
Property, plant and equipment	(4,117)	(7,174)	5,911	(5,380)
Exploration and evaluation assets	(78)	(21)	70	(29)
Allowance for obsolete stock	22	14	(23)	13
Prepayments	(4)	-	1	(3)
Unrealised foreign exchange	309	742	(521)	530
Trade and other payables	739	674	(774)	639
Cash-settled share-based payments	5	3	-	8
Provisions	58	76	(74)	60
Other	-	15	-	15
Tax (liabilities)/ assets	(3,066)	(5,671)	4,590	(4,147)

18 Property, plant and equipment

Cost	Land and Buildings	Mine development, infrastructure and other	Plant and equipment	Furniture and fittings	Motor vehicles	Solar Plant ~	Total
Balance at January 1, 2020	10,833	90,542	36,395	1,018	2,538	–	141,326
Additions*	1	19,507	4,221	219	458	372	24,778
Derecognised plant and equipment	–	–	(238)	–	–	–	(238)
Reallocations between asset classes	930	(1,210)	280	–	–	–	–
Foreign exchange movement	(7)	–	(14)	(2)	(1)	20	(4)
Balance at December 31, 2020	11,757	108,839	40,644	1,235	2,995	392	165,862
Balance at January 1, 2021	11,757	108,839	40,644	1,235	2,995	392	**165,862**
Additions*	**318**	**25,529**	**3,531**	**134**	**176**	**1,581**	**31,269**
Impairments@	–	**(65)**	**(1,565)**	–	–	–	**(1,630)**
Derecognised plant and equipment	**(192)**	–	–	–	–	–	**(192)**
Reallocations between asset classes #	**3,120**	**(24,913)**	**21,785**	**8**	–	–	–
Foreign exchange movement	**(25)**	–	**(76)**	**(35)**	**(2)**	**(33)**	**(171)**
Balance at December 31, 2021	**14,978**	**109,390**	**64,319**	**1,342**	**3,169**	**1,940**	**195,138**

* Included in additions is an amount of $19,413 (2020: $6,476) relating to capital work in progress ("CWIP") and contains $17 (December 31, 2020: $53) of borrowing costs capitalised from the term loan. As at year end $42,145 of CWIP was included in the cost closing balance (2020: $85,479).

~ On July 6, 2020 the Board appointed Voltalia as the contractor for the engineering, procuring and constructing of a solar plant to be owned by a subsidiary of the Company and supply Blanket Mine with power. All solar costs that were incurred before July 6, 2020 were accounted for as other expenses and accounted through profit or loss. Solar costs incurred after approval by the Board are accounted for as Property, plant and equipment as it became clear and probable that future economic benefits will flow to the project. The 40-hectare site for the project has been cleared and fenced and is ready for civil work to commence. Construction of the 12MWac solar plant is expected to be completed in the second quarter of 2022.
Included in Prepayments is an advance payment to Voltalia to the amount of $1,821 in terms of the EPC agreement and $704 for equipment. These items were delivered at the date of approval of these consolidated financial statements. Also included in Prepayments is an amount of $426 to entities in Zimbabwe for civil and construction work related to the solar plant. Refer to note 21.

@ Included in impairments are Gensets at a cost of $1,001 and Guide ropes at a total cost of $310. These assets were impaired as they are no longer in a working conditions as intended for the use in production or day to day operations.

Included in the reallocation between asset classes is an amount of $18,509 for the Central Shaft.

18 Property, plant and equipment (continued)

Accumulated depreciation and Impairment losses	Land and Buildings	Mine development, infrastructure and other	Plant and equipment	Furniture and fittings	Motor vehicles	Solar Plant	Total
Balance at January 1, 2020	5,413	6,325	20,050	753	2,273	–	34,814
Depreciation for the year	1,030	648	2,691	102	157	–	4,628
Accumulated depreciation for derecognised plant and equipment	–	–	(56)	–	–	–	(56)
Foreign exchange movement	3	–	–	(6)	–	–	(3)
Balance at December 31, 2020	6,446	6,973	22,685	849	2,430	–	39,383
Balance at January 1, 2021	**6,446**	**6,973**	**22,685**	**849**	**2,430**	–	**39,383**
Depreciation for the year	**1,217**	**2,537**	**3,953**	**136**	**203**	–	**8,046**
Accumulated depreciation for derecognised plant and equipment	**(230)**	–	–	–	–	–	**(230)**
Accumulated depreciation for impairments	–	–	**(1,133)**	–	–	–	**(1,133)**
Foreign exchange movement	**(1)**	–	–	**(27)**	**(2)**	–	**(30)**
Balance at December 31, 2021	**7,432**	**9,510**	**25,505**	**958**	**2,631**	–	**46,036**
Carrying amounts							
At December 31, 2020	5,311	101,866	17,959	386	565	392	126,479
At December 31, 2021	**7,546**	**99,880**	**38,814**	**384**	**538**	**1,940**	**149,102**

18 Property, plant and equipment (continued)

Economic recovery

Items of property, plant and equipment are depreciated over the LoMP, which includes planned production from inferred resources. These inferred resources are included in the calculation when the economic recovery thereof is demonstrated by the achieved recovered grade relative to the mine's pay limit for the period 2006 to 2018. The pay limit is 2.10 g/t (2020: 2.10 g/t) while the recovered grade has ranged from 3.38 g/t to 3.36 g/t over the period. All-in-sustaining-cost# has remained consistently below the gold price received over this period resulting in economic recovery of the inferred resources.

All-in sustaining cost ("AISC") per ounce is calculated as the on-mine cost per ounce to produce gold (which includes production costs before intercompany eliminations and exploration costs) plus royalty paid, additional costs incurred outside the mine (i.e. at offices in Harare, Johannesburg, London and Jersey), costs associated with maintaining the operating infrastructure and resource base that are required to maintain production at the current levels (sustaining capital investment), the share-based expense arising from the LTIP less silver by-product revenue and the export credit incentive.

19 Exploration and evaluation assets

	Glen Hume	Connemara North	Maligreen	GG	Eagle Vulture, Mascot & Penzance	Sabiwa	Abercorn	Valentine	Total
Balance at January 1, 2020	–	–	–	3,441	3,416	282	–	–	7,139
Acquisition costs:									
- Option payments	2,500	300	–	–	–	–	–	–	2,800
Exploration costs:									
- Consumables and drilling	161	–	–	28	–	–	–	–	189
- Labour	–	–	–	35	11	–	–	–	46
- Power	–	–	–	19	3	2	–	–	24
Reallocate to assets held for sale *	–	–	–	–	(500)	–	–	–	(500)
Impairment *	–	–	–	–	(2,930)	–	–	–	(2,930)
Balance at December 31, 2020	2,661	300	–	3,523	–	284	–	–	6,768
Balance at January 1, 2021	**2,661**	**300**	–	**3,523**	–	**284**	–	–	**6,768**
- Mining claims acquired	–	–	**4,000**	–	–	–	–	–	**4,000**
Decommissioning asset acquired	–	–	**135**	–	–	–	–	–	**135**
Exploration costs:									
- Consumables and drilling	**1,074**	**71**	**14**	**16**	–	–	**12**	**31**	**1,218**
- Contractor	**42**	**51**	–	–	–	–	–	**24**	**117**
- Labour	**60**	**41**	**47**	**46**	–	–	**4**	**10**	**208**
- Power	–	–	–	**33**	–	**6**	–	–	**39**
Impairment ~	**(3,837)**	–	–	–	–	–	–	–	**(3,837)**
Balance at December 31, 2021	–	**463**	**4,196**	**3,618**	–	**290**	**16**	**65**	**8,648**

* Management determined the fair value of Eagle Vulture, Mascot and Penzance as the future sale price as agreed by independent parties in the sale contract that amounted to $500. The carrying amount of Eagle Vulture, Mascot and Penzance before the impairment was $3,430 and the write down resulted in an impairment expense of $2,930. The $500 carrying value was reallocated to Assets held for sale in December, 2020. The sale was completed on July 27, 2021.

~ Caledonia has completed sufficient work to establish that the potential orebody at the Glen Hume property will not meet Caledonia's requirements in terms of size, grade and width. Accordingly, Caledonia will not exercise the option to acquire this property.

The Group voluntarily changed its disclosure policy for exploration and evaluation assets to be disclosed separately as Exploration and evaluation assets rather than as part of Property, plant and equipment (refer to note 4(h)).

19 Exploration and evaluation assets (continued)

(a) Maligreen

On November 3, 2021 the mining claims had been transferred to Caledonia over the Maligreen project ("Maligreen"), a property situated in the Gweru mining district in the Zimbabwe Midlands, for a total cash consideration of US$4 million. The property is estimated to contain a NI 43-101 compliant inferred mineral resource of approximately 940,000 ounces of gold.

Maligreen is a substantial brownfield exploration opportunity with significant historical exploration and evaluation work having been conducted on the property over the last 30 years including:

- An estimated 60,000 meters of diamond core and percussion drilling
- 3.5 tonnes of bulk metallurgical test work
- Aeromagnetic and ground geophysical surveys

As at August 31, 2021, Maligreen is estimated to host a NI 43-101 compliant inferred mineral resource of approximately 940,000 ounces of gold in 15.6 million tonnes at a grade of 1.88g/t. Of the inferred mineral resource 76% (approximately 712,000 ounces) is shallower than 220m indicating the potential for an open pit mining operation. The inferred mineral resource has been estimated using a cut-off grade of 0.4g/t for a potential open pit and 1.5g/t for a potential underground mine (further information on the assumptions used is set out in the news release dated September 23, 2021 and in the technical report dated November 5, 2021 filed on SEDAR (www.sedar.com)). Initial assessments of the inferred mineral resource indicate a favourable grade tonnage curve; by applying a higher cut-off grade of 1.0g/t, the total estimated inferred mineral resource reduces by 12% to approximately 827,000 ounces at a grade of 2.79g/t, a 48% higher grade. These favourable grade tonnage dynamics offer a high level of flexibility in the evaluation of a future mining operation.

The total land area of Maligreen is approximately 550 hectares comprising two historic open pit mining operations which produced approximately 20,000 oz of gold mined from oxides between 2000 and 2002 after which the operation was closed. Caledonia expects to drill an initial 4,800 meters at an estimated cost of US$1.6 million over a period of 18 to 24 months to improve its understanding of the existing resource assess the potential for a mining operation. Further exploration opportunities exist within the claims area and a subsequent exploration programme is under consideration to explore for continuations of the existing inferred mineral resource at depth to the north-west and the strike extension in the northern part of the property.

(b) Connemara North

On December 16, 2020 the Company concluded an option agreement (“Connemara North option”) with the representatives of Connemara North to purchase the claims over the Connemara North mining properties situated in Gweru, Zimbabwe. The exercise of the option will be exercisable at the discretion of the Company until May 17, 2022.

An amount of $300 is payable for the Connemara North option and remained outstanding at the date of approval of the consolidated financial statements. The outstanding amount was accounted for as Trade and other payables (Refer note 31).

The Connemara North option gives the Company the right to carry out legal due diligence and conduct drilling and/or other exploratory work over a period of 18 months from the conclusion date to understand the resource body.

19 Exploration and evaluation assets (continued)

(c) Connemara North (continued)

If the Company elects to exercise the option, $600 becomes payable to the Connemara representatives within 7 days of the submission of the transfer documents to the Ministry of Mines and a further $4.4 million within 7 days from confirmation of transfer of ownership by the Ministry of Mines. The first payment of $600 will remain refundable subject to the Ministry of Mines approval. After the purchase, the Connemara representatives will retain a 1% NSR payable quarterly in arrears on the net sale proceeds from the Connemara gold deposits.

(d) Glen Hume

On November 19, 2020 the Company concluded an option agreement ("Glen Hume option") with the representatives of Glen Hume, whereby they granted the Company an option for the right to carry out legal due diligence and conduct drilling and/or other exploratory work over a period of 15 months from the conclusion date to understand the resource body of the Glen Hume property, situated in Gweru, Zimbabwe.

After concluding drilling and exploration to the value of $3.8 million the Company decided not to exercise the option over the Glen Hume property as the results of the exploration work indicated that the property does not meet Caledonia's strategic objectives. This gave rise to an impairment of $3.8 million. No further costs or impairments in respect of Glen Hume are anticipated.

20 Inventories

	2021	2020
Consumable stores	**21,516**	16,543
Gold in progress	**243**	1,166
Provision for obsolete stock	**(947)**	(911)
	20,812	16,798

Consumable stores at December 31, 2021 from December 31, 2020 increased due to increases to safety stock accumulated during 2021. Additional safety stock were purchased due to potential supply line disruptions in South Africa as a result of the riots and looting that occurred in 2021.

21 Prepayments

	2021	2020
Suppliers - South Africa	**1,552**	846
- Zimbabwe	**1,766**	1,073
Solar (note 18)	**2,951**	–
Other prepayments	**661**	55
	6,930	1,974

22 Cash and cash equivalents

	2021	2020
Bank balances	**17,152**	19,092
Cash and cash equivalents	**17,152**	19,092
Bank overdrafts used for cash management purposes	**(887)**	–
Net cash and cash equivalents at year end	**16,265**	19,092

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 33.

		Interest rate
Overdraft facilities		
Stanbic Bank - RTGS$ denomination	112,000,000	32%
Stanbic Bank - USD denomination	1,000,000	10%

23 Assets held for sale

	Note	2021	2020
Non-current assets held for sale			
Eagle Vulture, Mascot & Penzance	23.1	–	500
Sale of subsidiary	23.2	–	–

23.1 Eagle Vulture, Mascot and Penzance

Farvic Consolidated Mines (Pvt) Ltd ("Farvic") requested permission from the Company to perform drilling on the Eagle Vulture, Mascot and Penzance orebodies to obtain an understanding of the technical feasibility and commercial viability of Eagle Vulture, Mascot and Penzance in 2019. Farvic later expressed their interest in buying Eagle Vulture, Mascot and Penzance in late 2020. Management evaluated the proposition and a price was determined in November of 2020. During February 2021 Farvic and the Group concluded the sale contract at $500 and Blanket relinquished all rights to the properties.

The assets were available for sale as at December 31, 2020 and therefore met the criteria to be classified as held for sale.

Management determined the fair value of these assets at $500 on December 31, 2020, as this was the lower of the fair value less cost to sell and the carrying amount. The carrying amount of Eagle Vulture, Mascot and Penzance, before impairment, at December 31, 2020 was $3,430 and it was classified as an Exploration and evaluation asset. The write down resulted in an impairment expense $2,930 during 2020. The sale was completed on July 27, 2021.

23.2 Sale of subsidiary

On May 31, 2018 the Group entered into an amended share sale agreement with SH Mineral Investments Proprietary Limited ("SH Minerals") to sell the shares and claims of Eersteling Gold Mining Company Limited ("Eersteling"), a South African subsidiary previously consolidated as part of the Group, that has been on care and maintenance since 1997. The amended share sale agreement allowed for a purchase price of $3,000 which would be settled by three payments of $1,000 payable on the completion date, 12 and 18 months after the completion date. On January 31, 2019 all suspensive conditions for the sale were met and the Group transferred the registered and beneficial ownership of Eersteling to SH Minerals. During 2021 $340 (2020: $900) was received as payment towards the purchase price. SH minerals was unable to make the final payment outstanding due to the closure of the operation during the South African lock-down period and the death of two of the purchaser's principals. Operations at Eersteling appear to have been suspended again in late 2021. As it was no longer clear that the receivable of $761 can be recovered, it was impaired.

23 Assets held for Sale (continued)

23.2 Sale of subsidiary (continued)

Details of the disposal are as follows:

	2019
Carrying amounts of net assets over which control was lost:	
Non-current assets	
Property, plant and equipment	227
Current assets	
Trade and other receivables	84
Total assets	311
Non-current liabilities	
Rehabilitation provision	650
Current liabilities	
Trade and other payables	8
Total liabilities	658
Consideration receivable:	
Cash received	1,000
Deferred consideration (at January 31, 2019)	1,953
Total consideration	2,953
Profit on sale of subsidiary:	
Net liabilities derecognised	347
Cumulative exchange differences in respect of the net liabilities of the subsidiary reclassified from equity on loss of control of subsidiary	2,109
Fair value consideration receivable (at January 31, 2019)	2,953
Profit on sale of subsidiary	5,409

24 Trade and other receivables

	2021	2020
Bullion sales receivable	**4,528**	1,311
VAT receivables	**3,162**	2,278
Deferred consideration on the disposal of subsidiary (Note 23.2)	**–**	1,100
Deposits for stores, equipment and other receivables	**248**	273
	7,938	4,962

The Group's exposure to credit and currency risks, and impairment losses related to trade and other receivables are disclosed in note 33. The net carrying value of trade receivables was considered a reasonable approximation of fair value and are short-term in nature. No provision for expected credit losses were recognised as all scheduled payments were received as expected up to the date of approval of these financial statements, except for the deferred consideration on the disposal of subsidiary. The deferred consideration on the disposal of subsidiary was impaired (refer to note 23.2). The Bullion sales receivable and part of the VAT receivable were received after year-end

25 Share capital

Authorised

Unlimited number of ordinary shares of no par value.
Unlimited number of preference shares of no par value.

Issued ordinary shares

	Number of fully paid shares	Amount
January 1, 2020	10,763,041	56,065
Shares issued:		
- share-based payment - employees (note 1(a))	25,553	216
- options exercised	5,000	30
- equity raise*	597,963	12,538
- Blanket shares purchased from Fremiro (note 5)	727,266	5,847
December 31, 2020	12,118,823	74,696
Shares issued:		
- options exercised	**18,000**	**165**
- equity raise#	**619,783**	**7,806**
December 31, 2021	**12,756,606**	**82,667**

* The Company raised equity for the construction of the solar plant by way of an At The Market ("ATM") equity offer on the NYSE American. Gross proceeds of $13,000 were raised pursuant to the ATM sales agreement with Cantor Fitzgerald & Co. at a transaction cost of $462.
\# Gross proceeds of $7,834 with a transaction cost of $28 were raised by issuing depository receipts on the VFEX in December 2021.

26 Reserves

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations with functional currencies that differ from the presentation currency.

Share-based payment reserve
The share-based payment reserve comprises the fair value of equity instruments granted to employees, directors and service providers under share option plans (refer to note 12) and equity instruments issued to Blanket's indigenous shareholders under Blanket Mine's Indigenisation Transaction (refer note 5).

Contributed surplus

The contributed surplus reserve comprises the reduction in stated capital as approved by shareholders at the special general meeting on January 24, 2013 to be able to commence dividend payments.

Reserves

	2021	2020
Foreign currency translation reserve	**(9,325)**	(8,794)
Equity-settled share-based payment reserve	**14,513**	14,513
Contributed surplus	**132,591**	132,591
Total	**137,779**	138,310

27 Earnings per share

Weighted average number of shares – Basic earnings per share

(in number of shares)	**2021**	2020	2019
Issued shares at the beginning of year (note 25)	**12,118,823**	10,763,041	10,603,153
Weighted average shares issued	**51,462**	940,489	138,736
Weighted average number of shares at December 31	**12,170,285**	11,703,530	10,741,889

Weighted average number of shares - Diluted earnings per share

(in number of shares)	**2021**	2020	2019
Weighted average at December 31	**12,170,285**	11,703,530	10,741,889
Effect of dilutive options	**6,933**	13,173	5,229
Weighted average number of shares (diluted) at December 31	**12,177,218**	11,716,703	10,747,118

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding. Options of 18,842 (2020: 14,827, 2019: 32,771) were excluded from the dilutive earnings per share calculation as these options were anti-dilutive.

The quantity of options outstanding as at year end that were out of the money amounted to Nil (2020: Nil, 2019: 18,000) options.

The calculation of total basic and diluted earnings per share for the year ended December 31, 2021 was based on the adjusted profit attributable to shareholders as follows:

	2021	2020	2019
Profit for the year attributable to owners of the Company (basic and diluted)	**18,405**	20,780	42,018
Blanket Mine Employee Trust Adjustment	**(326)**	(485)	(986)
Profit attributable to ordinary shareholders (basic and diluted)	**18,079**	20,295	41,032
Basic earnings per share - $	**1.49**	1.73	3.82
Diluted earnings per share - $	**1.48**	1.73	3.81

Basic earnings are adjusted for the amounts that accrue to other equity holders of subsidiaries upon the full distribution of post-acquisition earnings to shareholders.

Diluted earnings are calculated on the basis that the unpaid ownership interests of Blanket Mine's indigenous shareholders are effectively treated as options whereby the weighted average fair value for the period of the Blanket Mine shares issued to the indigenous shareholders and which are subject to settlement of the loan accounts is compared to the balance of the loan accounts and any excess portion is regarded as dilutive. The difference between the number of Blanket Mine shares subject to the settlement of the loan accounts and the number of Blanket Mine shares that would have been issued at the average fair value, is treated as the issue of shares for no consideration and regarded as dilutive shares. The calculated dilution is taken into account with additional earnings attributable to the dilutive shares in Blanket Mine, if any. The interest of the NIEEF shareholding was anti-dilutive (i.e., the value of the options was less than the outstanding loan balance). Accordingly, there was no adjustment to fully diluted earnings attributable to shareholders.

28 Non-controlling interests

Blanket Mine's NCI share recognised at an effective share of 13.2% (2020: 13.2%, 2019: 16.2%)

	2021	2020	2019
Current assets	**33,634**	24,864	21,386
Non-current assets	**154,003**	133,908	115,610
Current liabilities	**(17,261)**	(7,339)	(8,630)
Non-current liabilities	**(11,535)**	(8,065)	(9,085)
Net assets of Blanket Mine (100%)	**158,841**	143,368	119,281
Carrying amount of NCI of 13.2% (2020: 13.2%, 2019: 16.2%)	**19,260**	16,524	16,302
Revenue	**121,329**	100,002	75,826
Profit after tax	**35,911**	33,361	51,746
Total comprehensive income of Blanket Mine (100%)	**35,911**	33,361	51,746
Profit allocated to NCI of 13.2% (2020: 13.2%, 2019: 16.2%)	**4,737**	4,477	8,383
Dividend allocated to NCI of 13.2% (2020: 13.2%, 2019: 16.2%)	**(2,001)**	(655)	(426)

29 Provisions

Site restoration

Site restoration relates to the estimated cost of closing down the mines and represents the site and environmental restoration costs, estimated to be paid throughout the period up until closure due to areas of environmental disturbance present at the reporting date as a result of mining activities. Regarding Blanket Mine the costs of site restoration are discounted based on the estimated life of mine. Site restoration costs at Blanket Mine are capitalised to mineral properties on initial recognition and depreciated systematically over the estimated life of the mine.

Reconciliation of site restoration provision	**2021**	2020
Balance January 1	**3,567**	3,346
Unwinding of discount	**–**	2
Change in estimate - adjustment capitalised in Property, plant and equipment	**(408)**	219
Acquisition - Maligreen	**135**	–
Balance December 31	**3,294**	3,567

The discount rates currently applied in calculating the present value of the Blanket Mine provision is 1.94% (2020: 1.45%), based on a risk-free rate and cash flows estimated at an average 2.26% inflation (2020: 2.05%). The gross rehabilitation costs, before discounting, amounted to $3,087 (2020: $3,389) for Blanket Mine as at December 31, 2021.

30 Loans and borrowings

	2021	2020
Balance at January 1	**408**	2,471
Cash flows		
Repayment		
- Capital	**(361)**	(574)
- Finance cost	**(69)**	(388)
Unrealised foreign exchange	**(34)**	(1,487)
Non-cash flow		
Finance cost	**56**	386
Balance at December 31	**-**	408
Short-term portion of loan facility	**-**	408

Finance cost are accounted for in note 16 on the effective interest rate method.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows on December 31:

				2021		2020	
	Currency	Nominal interest rate	Year of maturity	**Face value**	**Carrying value**	Face value	Carrying value
Unsecured bank loan - Stanbic	RTGS$	50%	2021	**-**	**-**	87	87
Unsecured bank loan - First Capital	RTGS$	55%	2021	**-**	**-**	321	321
Total				**-**	**-**	408	408

The Stanbic loan was repaid as a single bullet payment in December 2021 and the First Capital loan in September 2021.

31 Trade and other payables

	2021	2020
Trade payables and accruals	**2,503**	1,897
Electricity accrual	**888**	735
Audit fee	**260**	273
Shareholders for dividend (Non-controlling interest)	**–**	208
Other payables	**749**	1,209
Connemara North - exploration option	**–**	300
Financial liabilities	**4,400**	4,622
Production and management bonus accrual - Blanket Mine	**899**	467
Other employee benefits	**657**	794
Leave pay	**2,410**	2,098
Bonus provision	**645**	–
Accruals	**946**	683
Non-financial liabilities	**5,557**	4,042
Total	**9,957**	8,664

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 33.

The Group voluntarily changed the disclosure policy for lease liabilities to be disclosed separately rather than under Trade and other payables. The new disclosure policy was adopted from December, 2020 and has been applied retrospectively. Refer to note 15.

32 Cash flow information

Non-cash items and information presented separately on the cash flow statement:

	2021	2020	2019
Operating profit	**38,360**	40,735	60,889
Adjustments for:			
Impairment of property, plant and equipment	**497**	–	144
Impairment of exploration and evaluation assets - Glen Hume (note 19)	**3,837**	2,930	–
Expected credit losses on deferred consideration on the disposal of subsidiary (notes 23.2 and 24)	**761**	–	–
Profit on sale of subsidiary	–	–	(5,409)
Unrealised foreign exchange gains (note 13)	**(2,754)**	(8,367)	(31,307)
Cash-settled share-based expense (note 12.1)	**477**	1,413	689
Cash-settled share-based expense included in production costs (note 8)	**692**	634	107
Non-cash portion of cash-settled share-based expense	**(420)**	(1)	(1,384)
Depreciation	**8,046**	4,628	4,434
Fair value loss on derivative assets (note 14.1)	**105**	266	(102)
Fair value loss on derivative liabilities (note 14.1)	**135**	–	–
Disposal of property, plant and equipment	–	–	63
Derecognition of property, plant and equipment	**(38)**	182	–
Cash generated from operations before working capital changes	**49,698**	42,420	28,124
Inventories	**(4,016)**	(5,707)	(1,655)
Prepayments	**(4,272)**	816	(2,099)
Trade and other receivables	**(4,746)**	539	393
Trade and other payables	**2,039**	(101)	(878)
Cash generated from operations	**38,703**	37,967	23,885

33 Financial Instruments and risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Currency risk;
- Interest rate risk; and
- Market risk

This note present information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements. The Group is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on the preservation of capital and protecting current and future Group assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

33 Financial Instruments and risk management (continued)

The Board of Directors has the responsibility to ensure that an adequate financial risk management policy is established and to approve the policy. The Group's Audit Committee oversees management's compliance with the Group's financial risk management policy.

Gold price hedges were entered into to manage the possible effect of gold price fluctuations. The derivative financial instrument was entered into by the Company for economic hedging purposes and not as a speculative investment. The fair value of the Group's financial instruments approximates their carrying value due to the short period to maturity.

The types of risk exposure and the way in which such exposures are managed are described below:

(a) Credit risk

Exposure to credit risk

Credit risk includes the risk of a financial loss to the Group if a gold sales customer fails to meet its contractual obligation. Gold sales were made to Fidelity in Zimbabwe during the year.

The carrying amount of financial assets as disclosed in the statements of financial position and related notes represents the maximum credit exposure. The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

Carrying amount	**2021**	2020
Zimbabwe	**4,753**	1,581
Jersey, Channel Islands	**–**	1,100
Other regions	**23**	3
	4,776	2,684

The maximum exposure to credit risk for cash and cash equivalents at the reporting date by geographic region was:

	2021	2020
Zimbabwe	**3,470**	5,116
Jersey, Channel Islands	**13,045**	11,244
Other regions	**637**	2,732
	17,152	19,092

(b) Liquidity risk

Liquidity risk is the risk that will not enable the Group to meet its financial obligations as they fall due. The Group manages its liquidity risk by ensuring sufficient cash availability to meet its likely cash requirements, after taking into account cash flows from operations and the Group's holdings of cash and cash equivalents. The Group believes that these sources will be sufficient to cover the anticipated cash requirements. Senior management is also actively involved in the reviewing and approving of planned expenditures by regularly monitoring cash flows from operations and anticipated investing and financing activities.

The following are the contractual maturities of financial liabilities, including contractual interest payments and excluding the impact of netting agreements.

33 Financial Instruments and risk management (continued)

(b) Liquidity risk (continued)

Non-derivative financial liabilities

December 31, 2021	**Carrying amount**	**12 months or less**
Trade and other payables	**4,400**	**4,400**
Term loan facility	**-**	**-**
	4,400	**4,400**

December 31, 2020	Carrying amount	12 months or less
Trade and other payables	4,622	4,622
Term loan facility	408	408
	5,030	5,030

(c) Currency risk

The Group is exposed to currency risk on inter-company sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The Group does not use financial instruments to hedge its exposure to currency risk. To reduce exposure to currency transaction risk, the Group regularly reviews the currency (i.e. RTGS$ or Foreign currency) in which it spends its cash to identify and avoid specific expenditures in currencies that experience inflationary pressures. The Group aims to maintain cash and cash equivalents in US Dollars to manage foreign exchange exposure. In 2020 the Group invested in a Gold ETF to avoid fluctuations in South African Rand (refer to note 14.1) where cash spend is held in anticipation of South African Rand based expenses. Management consider the need for any financial instrument on a forward going basis to hedge risk.

The fluctuation of the US Dollar in relation to other currencies that entities within the Group may transact in will consequently have an effect upon the profitability of the Group and may also effect the value of the Group's assets and liabilities. As noted below, the Group has certain financial assets and liabilities denominated in currencies other than the functional currency of the Company. To reduce exposure to currency transaction risk, the Group regularly reviews the currency in which it spends its cash to identify and avoid specific expenditures in currencies that experience inflationary pressures. The Group invested in a Gold ETF to avoid fluctuations in South African Rands. Further, the Group aims to maintain cash and cash equivalents in US Dollar to avoid foreign exchange exposure and to meet short-term liquidity requirements.

33 Financial Instruments and risk management (continued)

(c) Currency risk (continued)

Sensitivity analysis

As a result of the Group's monetary assets and liabilities denominated in foreign currencies which is different to the functional currency of the underlying entities, the profit or loss and equity in the underlying entities could be affected by movements between the functional currency and the foreign currency. The table below indicates consolidated monetary assets/(liabilities) in the Group that have a different functional currency and foreign currency.

	2021	**$'000**	2020	$'000
	Functional currency		Functional currency	
	ZAR		ZAR	
Cash and cash equivalents	**59**	**259**	59	1,959
Trade and other receivables	**-**	**2,293**	-	249
Trade and other payables	**-**	**(166)**	-	(174)
Term loan	-	-	-	408
Overdraft	**-**	**(887)**	-	-
	59	**1,499**	59	2,442

A reasonably possible strengthening or weakening of 5% of the various functional currencies against the foreign currencies would have the following equal or opposite effect on profit or loss and equity for the Group:

	2021	**$'000**	2020	$'000
	Functional currency		Functional currency	
	ZAR		ZAR	
Cash and cash equivalents	**3**	**40**	3	103
Trade and other receivables	**-**	**109**	-	12
Trade and other payables	**-**	**(8)**	-	(8)
Term loan	-	-	-	19
Overdraft	**-**	**(42)**	-	-
	3	**99**	3	126

(d) Interest rate risk

The Group's interest rate risk arises from Loans and borrowings, overdraft facility and cash held. The Loans and borrowings, overdraft facility and cash held have variable interest rates. Variable rates expose the Group to cash flow interest rate risk. The Group has not entered into interest rate swap agreements and mitigates the interest rate risk by remaining in a positive consolidated net cash position.

The Group's assets and liabilities exposed to interest rate fluctuations as at year end is summarised as follows:

	2021	2020
Cash and cash equivalents	**17,152**	19,092
Term loan	–	(408)
Overdraft	**887**	–

33 Financial Instruments and risk management (continued)

(d) Interest rate risk (continued)

Interest rate risk arising from borrowings is offset by interest from available cash and cash equivalents. The table below summarises the effect of a change in finance cost on the Group's profit or loss and equity, had the rates charged differed.

Sensitivity analysis - Cash and cash equivalents	**2021**	2020
Increase by 100 basis points	**172**	191
Decrease by 100 basis points	**(172)**	(191)
Sensitivity analysis - Term loan		
Increase by 100 basis points	**-**	4
Decrease by 100 basis points	**-**	(4)
Sensitivity analysis - Overdraft		
Increase by 100 basis points	**9**	**-**
Decrease by 100 basis points	**(9)**	**-**

(e) Market risk

Market risk is the risk that changes in the gold price will affect the Group's consolidated statements of financial position and statements of profit or loss and other comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group regularly monitors its market risk and evaluates the options available. Post year end management entered into a cap and collar hedge to hedge its exposure to the gold price, refer to note 41.1 and on December 13, 2021 into a call option (refer to note 14.2).

Sensitivity analysis

A reasonably possible strengthening (weakening) of the gold price will have an impact on the revenue of the Group and the fair value of the gold loan and call option at December 31, 2021. This would have affected the measurement of financial instruments by the amounts as indicated below. This analysis assumes that all other variables remain constant.

As at December 31, 2021 an increase or decrease of 5% of the gold price would have the following equal or opposite effect on the:

Consolidated statement of financial position:

	Increase	Decrease
Derivative financial liabilities - Gold loan	**143**	(143)
Derivative financial liabilities - Call option	**11**	(11)
	154	(154)

Consolidated statement of profit or loss and other comprehensive income:

	Increase	Decrease
Fair value loss on derivative financial instruments - Gold loan	**143**	(143)
Fair value loss on derivative financial instruments - Call option	**11**	(11)
	154	(154)

33 Financial Instruments and risk management (continued)

(f) Market risk (continued)

The Group's revenues had full exposure to the gold price up to December 13, 2021 when the Gold call option agreement was concluded (refer note 14.2).

34 Dividends

	2021	2020	2019
Dividends paid to owners of the Company (excluding NCI)	**6,068**	3,887	2,969

Quarterly dividend per share history:

Declaration date	**cents per share**
January 10, 2019	6.875
April 11, 2019	6.875
July 11, 2019	6.875
October 10, 2019	6.875
January 16, 2020	7.5
May 14, 2020	7.5
July 16, 2020	8.5
October 15, 2020	10.0
January 14, 2021	11.00
April 15, 2021	12.00
July 15, 2021	13.00
October 14, 2021	14.00

35 Contingencies

The Group may be subject to various claims that arise in the normal course of business. Management believes there are no contingent liabilities to report.

36 Related parties

Directors of the company, as well as certain executives, are considered key management. For entities within the Group refer to note 37.

Employee contracts between Caledonia Mining South Africa Proprietary Limited, the Company and key management, include an option for respective key management to terminate such employee contract in the event of a change in control of the Company and to receive a severance payment equal to two years' compensation. If this was triggered as at December 31, 2021 the severance payment would have amounted to $8,214 (2020: $8,338, 2019: $6,259). A change in control would constitute:

- the acquisition of more than 50% of the shares; or
- the acquisition of right to exercise the majority of the voting rights of shares; or
- the acquisition of the right to appoint the majority of the board of directors; or
- the acquisition of more than 50% of the assets of the Group.

Key management personnel and director transactions:

A number of related parties transacted with the Group in the reporting period. The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	2021	2020	2019
Key management salaries and bonuses	**3,245**	2,915	2,362
Cash-settled share-based expense*	**540**	1,280	723
	3,785	4,195	3,085

Employees, officers, directors, consultants and other service providers also participate in the OEICP (see note 12.1(a)). Group entities are set out in note 37.

Refer to note 5 and note 28 for transactions with non-controlling interests. Refer to note 38 for management fees between Caledonia Mining South Africa Proprietary Limited and Blanket Mine (1983) (Private) Limited.

** Amount inclusive of $123 (2020: $295, 2019: $107) classified as production costs.*

37 Group entities

	Functional currency	Country of incorporation	Legal shareholding		Intercompany balances with holding company	
			2021	2020	**2021**	2020
Caledonia Holdings Zimbabwe (Private) Limited	$	Zimbabwe	**100**	100	**-**	-
Caledonia Mining Services (Private) Limited	$	Zimbabwe	**100**	100	**-**	-
Fintona Investments Proprietary Limited	ZAR	South Africa	**100**	100	**(14,859)**	(14,859)
Caledonia Mining South Africa Proprietary Limited	ZAR	South Africa	**100**	100	**1,406**	612
Greenstone Management Services Holdings Limited	$	United Kingdom	**100**	100	**22,916**	20,818
Blanket Mine (1983) (Private) Limited (2)	$	Zimbabwe	**64**	64	**5,765**	3,980
Blanket Employee Trust Services (Private) Limited (BETS) (1)	$	Zimbabwe	**-**	-	**-**	-

(1) BETS and the Community Trust are consolidated as structured entities.
(2) Refer to note 5 for the effective shareholding. NCI has a 13.2% (2020: 13.2%, 2019: 16.2%) interest in cash flows of Blanket only.

38 Operating Segments

The Group's operating segments have been identified based on geographic areas. The strategic business units are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis. Zimbabwe and South Africa describe the operations of the Group's reportable segments. The Zimbabwe operating segment comprises Caledonia Holdings Zimbabwe (Private) Limited and subsidiaries Blanket Mine (1983) (Private) Limited and Caledonia Mining Services (Private) Limited. The South African geographical segment comprises a gold mine that is on care and maintenance (and now sold), as well as sales made by Caledonia Mining South Africa Proprietary Limited to the Blanket Mine. The holding company (Caledonia Mining Corporation Plc) and Greenstone Management Services Holdings Limited (a UK company) responsible for administrative functions within the Group are taken into consideration in the strategic decision-making process of the CEO and are therefore included in the disclosure below. Reconciling amounts do not represent a separate segment. Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management report that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

38 Operating Segments (continued)

Information about reportable segments

For the twelve months ended December 31, 2021	Zimbabwe	South Africa	Inter-group eliminations adjustments	Corporate and other reconciling amounts	Total
Revenue	**121,329**	–	–	–	**121,329**
Inter-segmental revenue	–	**21,662**	**(21,662)**	–	–
Royalty	**(6,083)**	–	–	–	**(6,083)**
Production costs	**(53,117)**	**(19,902)**	**19,893**	–	**(53,126)**
Depreciation	**(8,348)**	**(120)**	**466**	**(44)**	**(8,046)**
Other income	**47**	**(1)**	–	–	**46**
Other expenses	**(3,241)**	–	–	**(3,895)**	**(7,136)**
Administrative expenses	**(128)**	**(2,867)**	**(2)**	**(6,094)**	**(9,091)**
Management fee	**(2,908)**	**2,908**	–	–	–
Cash-settled share-based expense	–	**29**	**691**	**(1,197)**	**(477)**
Net foreign exchange gain (loss)	**1,182**	**(295)**	**(92)**	**389**	**1,184**
Fair value loss on derivative assets and liabilities	–	**(105)**	–	**(135)**	**(240)**
Net finance cost	**(1,614)**	**(2)**	–	**1,255**	**(361)**
Profit before tax	**47,119**	**1,307**	**(706)**	**(9,721)**	**37,999**
Tax expense	**(14,356)**	**(652)**	**151**	–	**(14,857)**
Profit after tax	**32,763**	**655**	**(555)**	**(9,721)**	**23,142**

As at December 31, 2021	Zimbabwe	South Africa	Inter-group eliminations adjustments	Corporate and other reconciling amounts	Total
Geographic segment assets:					
Current (excluding intercompany)	**34,440**	**2,457**	**(162)**	**16,198**	**52,933**
Non-Current (excluding intercompany)	**159,612**	**2,315**	**(4,880)**	**897**	**157,944**
Expenditure on property, plant and equipment (note 18)	**30,575**	**1,713**	**(1,019)**	–	**31,269**
Expenditure on evaluation and exploration assets (note 19)	**5,554**	–	–	**163**	**5,717**
Intercompany balances	**34,512**	**9,131**	**(91,697)**	**48,054**	–
Geographic segment liabilities:					
Current (excluding intercompany)	**(10,042)**	**(1,606)**	–	**(6,040)**	**(17,688)**
Non-current (excluding intercompany)	**(11,535)**	**(313)**	**322**	**(1,107)**	**(12,633)**
Intercompany balances	**(12,414)**	**(35,467)**	**91,697**	**(43,816)**	–

38 Operating Segments (continued)

For the twelve months ended December 31, 2020	Zimbabwe	South Africa	Inter-group eliminations adjustments	Corporate and other reconciling amounts	Total
Revenue	100,002	–	–	–	100,002
Inter-segmental revenue	–	23,214	(23,214)	–	–
Royalty	(5,007)	–	–	–	(5,007)
Production costs	(44,032)	(20,318)	20,639	–	(43,711)
Depreciation	(4,920)	(91)	424	(41)	(4,628)
Other income	4,751	14	–	–	4,765
Other expenses	(5,180)	(114)	–	(21)	(5,315)
Administrative expenses	(156)	(2,237)	10	(5,614)	(7,997)
Management fee	(2,492)	2,492	–	–	–
Cash-settled share-based expense	–	(114)	634	(1,933)	(1,413)
Net foreign exchange gain (loss)	4,618	132	(272)	(173)	4,305
Fair value loss on derivative assets and liabilities	–	(164)	–	(102)	(266)
Net finance cost	(352)	47	–	–	(305)
Dividends (paid) received	(2,198)	(1,355)	–	3,553	–
Profit before tax	45,034	1,506	(1,779)	(4,331)	40,430
Tax expense	(14,446)	(854)	380	(253)	(15,173)
Profit after tax	30,588	652	(1,399)	(4,584)	25,257

As at December 31, 2020	Zimbabwe	South Africa	Inter-group eliminations adjustments	Corporate and other reconciling amounts	Total
Geographic segment assets:					
Current (excluding intercompany)	27,070	5,320	(194)	12,390	44,586
Non-Current (excluding intercompany)	133,568	716	(4,237)	3,287	133,334
Expenditure on property, plant and equipment (note 18)	26,391	151	(1,887)	123	24,778
Expenditure on evaluation and exploration assets (note 19)	98	–	–	2,961	3,059
Intercompany balances	17,482	6,752	(69,144)	44,910	–
Geographic segment liabilities:					
Current (excluding intercompany)	(6,831)	(1,797)	–	(1,336)	(9,964)
Non-current (excluding intercompany)	(8,065)	–	264	(2,112)	(9,913)
Intercompany balances	–	(34,020)	69,144	(35,124)	–

Major customer

Revenues from Fidelity amounted to $121,329 (2020: $100,002) for the twelve months ended December 31, 2021. Refer to note 7.

39 Defined Contribution Plan

Under the terms of the Mining Industry Pension Fund ("Fund") in Zimbabwe, eligible employees contribute a fixed percentage of their eligible earnings to the Fund. Blanket Mine makes a matching contribution plus an inflation levy as a fixed percentage of eligible earnings of these employees. The total contribution by Blanket Mine for the year ended December 31, 2021 was $898 (2020: $796, 2019: $506).

40 COVID-19

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. This may affect Management's accuracy of predicting the impact that COVID-19 may have on:

- global gold prices;
- demand for gold and the ability to refine and sell gold produced;
- the severity and the length of potential measures taken by governments to manage the spread of the disease, and their effect on labour availability and supply lines;
- availability of government supplies, such as water and electricity;
- local currency purchasing power; or
- ability to obtain funding.

With potential lockdowns by Governments across the globe the Group's supply chain has continued to function at a level that is adequate to augment the Group's inventories, which management believes are sufficient to maintain normal production without interruption and accordingly the current situation bears no impact on management's going concern assumption.

Further management had to incur additional costs to ensure the wellbeing of its employees and made donations to stakeholders in Zimbabwe to assist in curbing the effects of COVID-19. The cost related to these expenditures are disclosed in notes 9 and 13.

Work on the Central Shaft project from April 2020 was delayed by restrictions on the movement of specialised personnel and the transport of equipment due to the coronavirus pandemic. The Central Shaft was commissioned in the first quarter of 2021 instead of the fourth quarter of 2020. The delay in commissioning affected production for 2021and is expected to result in higher planned capital expenditure for 2022. There is no change to the target production rate of 80,000 ounces in from 2022 onwards and at the date of approval of the consolidated financial statements the severity of the effects of COVID-19 appears to be diminishing in the jurisdictions where the Company operates.

At the date of the authorisation of the financial statements management is of the opinion that the effects of COVID-19 have been considered in making significant judgements and estimates, valuations and evaluating our going concern principle.

41 Subsequent events

41.1 Cap and collar hedge

On February 17, 2022 the Company entered into a zero cost contract to hedge 20,000 ounces of gold over a period of 5 months from March to July 2022. The hedging contract has a cap of $1,940 and a collar of $1,825 over 4,000 ounces of gold per month expiring at the end of each month over the 5-month period.

On March 9, 2022 in response to a very volatile gold price the Company purchased a matching quantity of call options at a strike price above the cap at a total cost of $796,000 over 4,000 ounces of gold per month at strike prices of $2,100 per ounce from March 2022 to May 2022 and $2,200 per ounce from June 2022 to July 2022 in order to limit margin exposure and reinstate gold price upside above the strike price. The future impact of the hedges is indeterminable at the date of issue of these consolidated financial statements and will be quantified in the condensed consolidated interim financial statements as at March 31, 2022.

41.2 Connemara North

On conclusion of management's drilling program it was decided not to exercise the option over the Connemara North claims as the results of the exploration work indicated that the property does not meet Caledonia's strategic objectives. The decision to not exercise the option won't have an impact on theses consolidated financial statements as the information required to make the decision was not available by December 31, 2021. The decision will impair the Exploration and evaluation assets and increase the impairment expense by $463 in the consolidated financial statements as at March 31, 2022.

The financial effects of the above and the results of the first quarter of 2022 are available on Caledonia's website (www.caledoniamining.com).

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Date May 17, 2022

CALEDONIA MINING CORPORATION PLC

By: */s/ Mark Learmonth*
Mark Learmonth
Chief Financial Officer

THE AWARD HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS SUCH SECURITIES ARE REGISTERED UNDER THE ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT ARE AVAILABLE. THE TERMS "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATION S UNDER THE ACT.

2015 OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

Award Agreement

Caledonia Mining Corporation Plc (the "**Company**") hereby grants the following Performance Units ("**PUs**") to the Participant named below (the "**Recipient**"), in accordance with and subject to the terms, conditions and restrictions of this Agreement, together with the provisions of the 2015 Omnibus Equity Incentive Compensation Plan (the "**Plan**") of the Company for services rendered to the Company and its subsidiaries:

Name of Recipient: _____

Grant of PUs:

Date of Grant:	
Value of PUs at Date of Grant:	
Price Per Share at Date of Grant:	
Target Number of PUs:	
Vesting Date of PUs:	Subject to any reduction, cancellation, forfeiture or acceleration in vesting as provided in the Plan or this Award Agreement, 100% of the PUs granted pursuant to this Award Agreement will vest on January 11, 2025 ("**PUs Vesting Date**").
Performance Measures:	The number of PUs which will vest on the PUs Vesting Date (including an increase or decrease in the Target PUs) will be equal to the Target PUs multiplied by the score determined in accordance with Appendix A (the "**Performance Multiplier**") which shall be appended to this Award Agreement by way of an addendum.
Performance Period:	January 1, 2022 to December 31, 2024.
Dividend Reinvestment:	The Recipient will be entitled to receive, from and after the PUs Vesting Date until settlement of the PUs, for each vested PU held at the time of payment of a dividend by the Company, the cash equivalent of such dividend declared by the Company on one Share. Such cash equivalents paid by the Company shall, with respect to each vested PU, be automatically reinvested in additional PUs at a price per PU equal to the then applicable PU Share Price. For the avoidance of doubt, all additional PUs accrued to the Recipient through dividend reinvestment shall be subject to the terms, conditions and restrictions of this Agreement and the Plan. No PUs accrued to the Recipient through dividend reinvestment shall be subject to adjustment, either upwards or downwards, by the Performance Multiplier.

[1] The Fair Market Value of a Share underlying a PU shall be equal to the greater of (i) the volume weighted average trading price of the Shares on the NYSE American for the five trading days preceding the relevant date in which such valuation occurs or (ii) the closing price of the Shares on the NYSE American on the trading day immediately prior to such valuation date (i.e., grant date, dividend payment date, settlement date) (the "**PU Share Price**").

Settlement:	The settlement value of the PUs shall be an amount equal to the Target Number of PUs (after application of the Performance Multiplier) multiplied by the PU Share Price. Such settlement value shall, except in the event of a Change of Control whereby the value will be paid in cash, be paid in the form of Shares at a value equal to the then applicable PU Share Price at the date of settlement (in other words, equal to the number of vesting PUs) and in accordance with all applicable law and regulations (including, but not limited to, any restrictions on the issue of securities pursuant to the Plan and the Company's share dealing code in force from time to time and the requirements of any securities exchange upon which the Shares or securities respecting them are then listed) and otherwise on such terms and conditions as the Committee may determine.
Death of the Recipient:	If the Recipient dies while an Employee of the Company or an Affiliate, any PUs held by the Recipient that have not vested will immediately vest and will be settled with the estate of the Recipient as soon as practicable. The Performance Multiplier will be applied to determine the number of PUs that vest as if the applicable Performance Period has been completed. If a Performance Period is in progress at the time of the Recipient's death or for future Performance Periods, the Performance Multiplier will be calculated on the basis of the Performance Measures achieved at the end of the immediately preceding interim period. The determination of the foregoing will be in the sole and unfettered discretion of the Committee.
Minimum Holding Period and Forfeiture:	The Recipient shall hold any Shares or securities representing them issued pursuant to this Award Agreement until at least the first anniversary of the PUs Vesting Date. During that period, if the Committee exercises its discretion pursuant to article 18.1 of the Plan (and in such an instance "within 45 days" shall instead read "before the first anniversary of the PUs Vesting Date" in article 18.1) and resolves that the Recipient's award pursuant to this Award Agreement shall be reduced, cancelled or forfeited, the Recipient hereby appoints the Company's broker to sell such number of Shares or securities representing them as the Committee decides is appropriate to fully or partially compensate the Company for the action or omission of the Recipient or other event which resulted in the Committee's decision to reduce, cancel or forfeit the award. A cash amount equal to the funds raised shall be paid over to the Company. Should the amount generated from the sale of Shares or securities representing them not be enough to fully compensate the Company in the amount the Committee decides is appropriate, the Recipient shall account to the Company for the remainder in cash by such date as the Committee shall determine, PROVIDED THAT the amount of cash payable by the Recipient, including that realised from the sale of Shares or securities representing them, shall not exceed the gross (i.e. before tax) amount receivable by the Recipient upon settlement. These provisions are without prejudice to article 18.1, other than the amendment referred to herein.

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Award Agreement and all capitalized terms used in this Award Agreement, unless expressly defined in a different manner, have the meanings given to them in the Plan. Except where the terms and provisions of this Award Agreement specifically state that they supersede the terms or provisions of the Plan, in the event of a conflict between any term or provision contained in this Award Agreement and a term or provision of the Plan, all terms and provisions of the Plan will govern and prevail.

2. The Awards granted pursuant to this Award Agreement are recorded in a notional account held by the Company in your name, to which you may refer at any time.

3. Nothing contained in this Award Agreement or the Plan will give the Recipient or any other Person any interest or title in or to any Share or any rights as a shareholder of the Company (including, without limitation, any right to receive dividends or other distributions from the Company, voting rights, warrants or rights under any rights offering) or any other legal or equitable right against the Company whatsoever, other than as set forth in this Award Agreement and in the Plan.

4. If the Recipient voluntarily Retires, the Committee may, in its sole discretion but will have no obligation to, accelerate the vesting of any unvested Awards granted pursuant to this Award Agreement. In exercising its discretion, the Committee will consider the nature of the Recipient's withdrawal from employment or office with the Company or Affiliate, including without limitation the notice period given by the Recipient, the transition responsibilities carried out by the Recipient and the Recipient's adherence to any applicable restrictive covenants.

5. The Recipient will not be obligated to settle any Awards granted pursuant to this Award Agreement on the vesting date of such Awards but may elect to settle at any time after such vesting date.

6. Nothing in the Plan or in this Award Agreement will affect the Company's right, or that of an Affiliate, to terminate the employment or term of office or engagement of a Recipient at any time for any reason whatsoever. Upon such termination, the Recipient's rights in respect of the Awards granted under this Award Agreement will be subject to restrictions and time limits, the complete details of which are set out in the Plan.

7. Without restriction, and for the avoidance of doubt, the Recipient agrees that the Recipient will not be entitled to any rights to accrue, vest or exercise any Awards during or in respect of any termination notice or severance period under the Recipient's employment agreement or employment arrangements.

8. Each notice relating to the Awards must be in writing. All notices to the Company must be delivered personally or by prepaid registered mail and must be addressed to the Chief Financial Officer of the Company with a copy to the Company Secretary of the Company. All notices to the Recipient will be addressed to the principal address of the Recipient on file with the Company. Either the Company or the Recipient may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally, on the date of delivery, and if sent by prepaid, registered mail, on the fifth business day following the date of mailing. Any notice given by either the Recipient or the Company is not binding on the recipient of such notice until received.

9. Subject to 8.3 or 10.7 of the Plan, as applicable, any Award granted pursuant to this Award Agreement may only be held during the lifetime of the Recipient by the Recipient personally and no assignment or transfer of an Award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Award whatsoever in any assignee or transferee, and immediately upon any assignment or transfer or any attempt to make such assignment or transfer, the Award granted under this Award Agreement terminates and is of no further force or effect. Complete details of this restriction are set out in the Plan.

10. In the event of a Change of Control, all PUs granted pursuant to this Award Agreement shall immediately vest and the value of such PUs shall be paid out in cash within 30 days subsequent to the Change of Control in an amount based on the Change of Control Price. For the avoidance of doubt, the Committee shall have no discretion regarding the form of payment and there shall be no Alternative Awards as described in Article 14 of the Plan.

11. The Recipient hereby acknowledges and agrees that:

    (a) any rule, regulation or determination, including the interpretation by the Committee, with respect to the Awards granted under this Award Agreement and, if applicable, its exercise, is final and conclusive for all purposes and binding on all Persons, including the Company and the Recipient;

    (b) the participation of the Recipient in the Plan is entirely voluntary; and

    (c) the Recipient has been advised to obtain independent legal and tax advice prior to entering into this Award Agreement and by entering this Agreement the Recipient represents that he or she did obtain whatever independent legal and tax advice he or she considered appropriate and sufficient.

12. By signing this Award Agreement, the Recipient represents and warrants that (i) under the terms and conditions of the Plan he is an Eligible Participant (as defined in the Plan) entitled to receive the Award, and (ii) he is not in the United States or a U.S. person, nor is he acquiring the Award for the benefit of a person in the United States or a U.S. person. Furthermore, the Recipient understands that the Award may not be exercised in the United States or by or on behalf of a U.S. person unless the Award has been registered under the Act or is exempt from registration thereunder. The Company may condition the Award upon receiving from the Recipient such representations and warranties and such evidence of registration or exemption under the Act as is satisfactory to the Company, acting in its sole discretion.

13. This Award Agreement has been made in and is to be construed under and in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

CALEDONIA MINING CORPORATION PLC

By: _____
Authorised Signatory

I have read the foregoing Award Agreement and hereby accept the Award in accordance with and subject to the terms and conditions of this Award Agreement and the Plan. I understand that I may review the complete text of the Plan by contacting the Company Secretary. I agree to be bound by the terms and conditions of the Plan governing the Award.

_____
Date Accepted

_____
Recipient's Signature

_____
Recipient's Name
(Please Print)

2015 OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

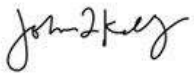
Addendum to Award Agreement dated January 24, 2022 (the "Award")
under the 2015 Omnibus Equity Incentive Compensation Plan (the "Plan")
of Caledonia Mining Corporation Plc (the "Company") in favour of
[ ] (the "Recipient")

The Company hereby amends the Award pursuant to Article 15 of the Plan by the incorporation as Appendix A of the Award of Appendix A hereto.

All other terms and conditions of the Award are hereby confirmed and the Award, as amended hereby, shall continue in full force and effect in accordance with its terms.

DATED: March 22, 2022.

CALEDONIA MINING CORPORATION PLC

By: 

Name: John L Kelly
Title: Director

I have read the foregoing Addendum and hereby accept the Award as amended by the Addendum.

Date Accepted		Recipient's Signature
		Recipient's Name (Please Print)

APPENDIX A
PERFORMANCE MULTIPLIER

The Performance Multiplier will be based on the following metrics and weightings. The number of PUs to vest on the PUs Vesting Date will be determined based on the Performance Multiplier and scorecard, calculated as follows:

Metric	Weighting	Description	Threshold	Below Threshold	Threshold Met	Target	Target Met	Stretch	Max (Stretch outcome)
Gold Production (oz) over 3 years	50%	Aggregate vs. guidance gold production	220,000	Below Threshold 0% (no PU's vest)	50% of PUs vest	240,000 (aggregate total for 3 years)	100% of PUs vest	264,000	150% of PUs vest if stretch or more is achieved
Average Normalised Controllable Cost / Oz* ($/oz)	50%	Average Normalised Controllable Cost per ounce of gold produced vs. budgeted number for each Financial Year. Averaged over the 3-year vesting period.	105% of Target	Below Threshold 0% (no PU's vest)	50% of PUs vest	816 for 2022 (1/3 2022; 1/3 2023; 1/3 2024)	100% of PUs vest	95% of target	150% of PUs vest if stretch or more is achieved

* Average Normalised Controllable Cost definition: AISC as reported in financial statements less (Royalty Costs + Share Based Payment Expenses + Foreign Exchange Gains and Losses + Hedging gains and losses including hedging premiums/costs + Fair Value gains and losses on derivative assets) less any other items that the Compensation Committee deems to be extraordinary in a year in question.

Notes: Linear interpolation will be applied to vesting between Threshold and Target. Stepped vesting will be applied to vesting between Target and the midpoint between Target and Stretch ("Midpoint"). Linear interpolation will then be applied between the Midpoint and Stretch. The number of PUs vesting at Stretch and above will be capped at 150%. As shown below:

	Performance attained							
	Less than Threshold	**Threshold**	**Between Threshold and Target**	**Target**	**Between Target and Midpoint**	**Midpoint**	**Between Midpoint and Stretch**	**Stretch or more**
No. of PUs that will vest	0%	50%	Linear vesting from 50% to 100%	100%	100%	125%	Linear vesting from 125% to 150%	150% maximum

Further Notes:

(1) For the purposes of determining whether a target has been met, reported financial statements will be used.

(2) As per the table above, a performance score less than Threshold will result in zero PUs vesting, and if Threshold is met (220k oz of gold production and 5% higher average normalised cost per ounce), 50% of the PUs will vest. Linear interpolation will be applied to vesting between Threshold and Target; for example, if 230k oz of gold is produced at an average normalised controllable cost that is 2.5% higher on average then 75% of the PUs will vest (up to Target achievement where 100% of PUs will vest). Any achievement greater than Target but less than the Midpoint will result in 100% of the PUs vesting. Achievement at the Midpoint will result in 125% of the PUs vesting. Linear interpolation applies between the Midpoint and Stretch, where a maximum of 150% of PUs vest.

AGREEMENT OF SALE

made and entered into by and between

CALEDONIA HOLDINGS ZIMBABWE (PRIVATE) LIMITED (a company duly registered in accordance with the laws of Zimbabwe, with limited liability, under registration number 5/45, of 6th Floor Red Bridge, NE Eastgate, 3rd Street & R. Mugabe Road Harare, P.O Box CY1277, Causeway, Harare, herein represented by STEVE CURTIS, he being duly authorized thereto) ("the Purchaser");

and

MALIGREEN MINING COMPANY (PRIVATE) LIMITED (a company duly registered in accordance with the laws of Zimbabwe, with limited liability, under registration number 1475/86 of 15 Harare Drive, Chisipite, Harare and herein represented by VICTOR GAPARE, he being duly authorized thereto) ("the Seller"),

(the Purchaser and Seller together referred to as "the Parties" and individually as "a Party").

RECITALS

WHEREAS:

1. The Seller is the registered owner of the mining claims ("the Claims") as set out in the Annexure hereto.

2. The Seller wishes to sell and the Purchaser is desirous of purchasing the Claims subject to the following terms and conditions.

OPERATIVE PROVISIONS

NOW THEREFORE it is agreed:-

1. **Sale and Purchase**
   The Seller hereby sells to the Purchaser who purchases the Claims.

2. **Price**
   The purchase price of the Claims shall be the sum of US$4,000,000 (Four Million United States Dollars), payable in cash.

3. **Payment**
   3.1 The Purchaser shall pay the Seller the purchase price within 7 days of the Purchaser's legal practitioners, Gill, Godlonton & Gerrans, receiving the Claims transferred into the Purchaser's name by the Mining Commissioner's Office.

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3.2 The Purchaser shall pay all costs of transfer in respect of the Claims which are due and payable to the Mining Commissioner's Office, together with any taxes payable on the transfer.

4. **Tender of Transfer**
The Seller shall facilitate and tender transfer of the Claims to the Purchaser, or its nominee, within 14 days of the signing of this agreement.

5. **Voetstoets**
The Claims are sold *voetstoets* and as they stand and the Seller shall not be responsible for any defects whatsoever, whether patent or latent nor in any area in description or defect in area. The Purchaser hereby acknowledges that it has made itself fully acquainted with the Claims, with any loss or servitude to which they are supplied including that there is a tribute agreement over the Claims in favour of Silobela Youth In Mining Syndicate from the 1st day of October 2020 to the 30th day of September 2023 (the "Tribute"), with their nature, extent, boundaries, beacons and locality and all the terms and conditions contained in the Claims.

6. **Risk and Profit**
The risk and profit of the Claims shall pass from the Seller to the Purchaser on the date on which transfer of the Claims is registered by the Mining Commissioner's office and from that date the Purchaser shall be entitled to the rent and other profit accruing from the Claims (including but not limited to those derived under the Tribute) and shall be liable for the rates and taxes and other imposts levied thereon and all other expenses of whatsoever nature in respect of the Claims. The Seller undertakes to instruct the holder of the Tribute as soon as reasonably practicable that from the registration of the transfer of the Claims in the Purchaser's name all monies payable by the holder of the Tribute to the Seller shall thereafter be payable to the Purchaser.

7. **Reservation of Rights**
The rights of the Seller in this Agreement are hereby reserved and shall not be prejudiced by any extensions of time or any other indulgence or any other concession, which he may grant to the Purchaser in respect of the performance of any of the Purchaser's obligations herein.

8. **Notices and Domicilia Citandi**
The parties respectively choose *domicilium citandi et executandi* for all purposes of and in connection with this Agreement as:
8.1 Seller: The directors, MALIGREEN MINING COMPANY (PRIVATE) LIMITED, 15 Harare Drive, Chisipite, Harare
8.2 Purchaser: The directors, CALEDONIA HOLDINGS ZIMBABWE (PRIVATE) LIMITED, 6th Floor Red Bridge, NE Eastgate, 3rd Street & R. Mugabe Road Harare, P.O Box CY1277, Causeway, Harare

NAME

9. **Variations**

This agreement contains the whole of the agreement between the parties and any other terms, provisions and conditions whether express or implied are excluded here from and any variations, alterations or additions to this agreement shall not be of any force or effect or legal validity unless reduced to writing and signed by the Seller and the Purchaser.

10. **Warranties**

10.1 The Seller acknowledges that the Purchaser is entering into this agreement on the basis of, and in reliance on, the warranties set out in this clause.

10.2 The Seller warrants on the date of this agreement and on the date upon which the Seller tenders transfer of the Claims to the Purchaser in accordance with Clause 4 that each of the following warranties is true, accurate and not misleading:

10.2.1 It is wholly and solely legally and beneficially owned by Pan African Mining (Private) Limited.

10.2.2 The Claims are legally and beneficially owned solely by the Seller and no person has a claim or right over them other than the Seller.

10.2.3 The Claims are duly registered in accordance with Zimbabwe law;

10.2.4 The Claims have been duly inspected and maintained in accordance with Zimbabwe law.

10.2.5 The Claims are currently in good standing, as per the information set out in the Annexure, and there are no outstanding fees payable in respect of them.

10.2.6 The Claims have not been sold or ceded or in any other way disposed of or mortgaged to any other party, except in relation to the Tribute referred to in Clause 5.

10.2.7 The Sellers' title to the Claims is valid and has not expired.

10.2.8 The transfer of the Claims to the Purchaser as contemplated by this agreement shall not result in the de-registration or loss in any way of the Claims.

10.3 Each warranty is separate and, unless otherwise specifically provided, is not limited by reference to any other warranty or any other provision in this agreement.

11. **Costs**

The costs of, and incidental to, the transfer of the Claims from the Seller to the Purchaser including all transfer duty and the costs of and incidental to the preparation of this agreement shall be paid by the Purchaser.

12. **Confidentiality**

12.1 In this Clause 12, "Confidential Information" means all information of a confidential nature disclosed (whether in writing, orally or by another means and whether directly or indirectly) by one party (the "Disclosing Party") to the other party (the "Receiving Party") whether before or after the date of this agreement including, without limitation, information relating to the Claims or the business affairs of the Disclosing Party or a member of the Disclosing Party's group.

12.2 Each party undertakes that it shall not at any time during this agreement and for a period of five years after termination of this agreement, disclose to any person any Confidential Information, except as provided by Clause 12.3.

12.3 Each party may disclose the other party's confidential information:

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12.3.1 to those of its employees, officers, representatives or advisers who need to know such information for the purpose of carrying out the party's obligations under this agreement (a "Recipient"). Each party shall ensure that each Recipient complies with this Clause 12; and

12.3.2 as may be required by law, court order or any governmental or regulatory authority.

12.4 The Receiving Party shall ensure that each Recipient is made aware of and complies with all the Receiving Party's obligations of confidentiality under this agreement as if the Recipient was a party to this agreement.

12.5 Clauses 12.2, Clause 12.3 and Clause 12.4 do not apply to Confidential Information which:

12.5.1 is at the date of this agreement or at any time after the date of this agreement comes into the public domain other than through breach of this agreement by the Receiving Party or a Recipient;

12.5.2 can be shown by the Receiving Party to the Disclosing Party's reasonable satisfaction to have been known by the Receiving Party before disclosure by the Disclosing Party to the Receiving Party; or

12.5.3 subsequently comes lawfully into the possession of the Receiving Party from another.

12.6 No party shall use any other party's Confidential Information for any purpose other than to perform its obligations under this agreement.

13. **Announcements**

No party shall make, or permit any person to make, any public announcement concerning this agreement without the prior written consent of the other parties (such consent not to be unreasonably withheld or delayed), except as required by law, any governmental or regulatory authority (including, without limitation, any relevant securities exchange), any court or other authority of competent jurisdiction.

14. **Assignment and Other Dealings**

This agreement is personal to the parties and neither party shall assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of its rights and obligations under this agreement.

15. **Freedom to Contract**

The parties declare that they each have the right, power and authority and have taken all action necessary to execute and deliver and to exercise their rights and perform their obligations under this agreement.

16. **Further assurance**

At its own expense, the Seller shall (and shall use reasonable endeavours to procure that any relevant third party shall) promptly execute and deliver such documents and perform such acts as the Purchaser may require from time to time for the purpose of giving full effect to this agreement.

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17. **Entire Agreement**

17.1 This agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

17.2 Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation based on any statement in this agreement.

18. **Waiver**

18.1 No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy.

18.2 No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

19. **Severance**

19.1 If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this agreement.

19.2 If any provision or part-provision of this agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

20. **Counterparts**

20.1 This agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

20.2 No counterpart shall be effective until each party has executed at least one counterpart.

21. **Rights and Remedies**

The rights and remedies provided under this agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

22. **Governing Law**

The entire provisions of this agreement shall be governed by and construed in accordance the laws of Zimbabwe.

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23. **Breach**

23.1 Should one Party ("the Defaulting Party") commit a breach of any of the provisions hereof, then the other Party ("the Aggrieved Party") shall, if it wishes to enforce its rights hereunder, be obliged to give the Defaulting Party seven (7) days' written notice to remedy the breach.

23.2 If the Defaulting Party fails to comply with such notice, the Aggrieved Party shall be entitled to cancel this Agreement against the Defaulting Party or to claim immediate payment and/or performance by the Defaulting Party of all of the Defaulting Party's obligations, whether or not the due date for payment and/or performance shall have arrived, in either event without prejudice to the Aggrieved Party's rights to claim damages.

23.3 The aforegoing is without prejudice to such other rights as the Aggrieved Party may have at law; provided always that, notwithstanding anything to the contrary contained in this Agreement, the Aggrieved Party shall not be entitled to cancel this Agreement on any breach by the Defaulting Party unless such breach is a material breach going to the root of this Agreement and is incapable of being remedied by payment of damages or compensation in money or, if it is capable of being remedied by a payment in money, the Defaulting Party fails to pay the amount concerned within seven (7) days after such amount has been demanded.

24. **Arbitration**

24.1 If a dispute arises out of or in connection with this agreement or the performance, validity or enforceability of it, then such dispute shall be decided by arbitration in the manner set out in this clause

24.2 The seat of the arbitration shall be in Harare and the arbitration shall be governed by the Arbitration Act (Chapter 7:15) of Zimbabwe as amended from time to time. In relation to any such arbitration, it is agreed that:

24.2.1 the arbitration award shall be final and binding on the parties and shall be entered in any court having jurisdiction thereof;

24.2.2 the arbitration award shall be in lieu of any other remedy which might otherwise be available to the parties; and

24.2.3 nothing in this clause shall however prevent any party from approaching a court of competent jurisdiction for urgent or interlocutory relief;

24.3 The arbitrator shall be an independent person agreed upon between the parties. In the event that the parties cannot agree upon a particular arbitrator within 7 (seven) business days after the arbitration has been demanded by notice in writing addressed by any party to the other party, the nomination of the arbitrator, shall be made by the Commercial Arbitration Centre in Harare.

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THUS DONE AND SIGNED AT HARARE THIS 22ND DAY OF SEPTEMBER 2021.

SELLER

AS WITNESS:

.....

THUS DONE AND SIGNED AT BRYANSTON THIS 17TH DAY OF SEPTEMBER 2021.

PURCHASER

AS WITNESS:

N A A .....

Annexure

	Claim No	Claim Name	Area (Ha)	Type	Date of Registration	Next Inspection Date	Mining District
1	22041	AMT 136	10	Gold	16 January, 1997	16-Jan-22	Midlands
2	22042	AMT 139	10	Gold	16 January, 1997	16-Jan-22	Midlands
3	22043	AMT 140	10	Gold	16 January, 1997	16-Jan-22	Midlands
4	22044	AMT 141	10	Gold	16 January, 1997	16-Jan-22	Midlands
5	21871	AMT 45	10	Gold	23 May, 1996	23-May-22	Midlands
6	21872	AMT 46	10	Gold	23 May, 1996	23-May-22	Midlands
7	21873	AMT 47	10	Gold	23 May, 1996	23-May-22	Midlands
8	21874	AMT 48	10	Gold	23 May, 1996	23-May-22	Midlands
9	21875	AMT 49	10	Gold	23 May, 1996	23-May-22	Midlands
10	21876	AMT 50	10	Gold	23 May, 1996	23-May-22	Midlands
11	21877	AMT 51	10	Gold	23 May, 1996	23-May-22	Midlands
12	21923	AMT 53	10	Gold	26 July, 1996	26-Jul-22	Midlands
13	21924	AMT 54	10	Gold	26 July, 1996	26-Jul-22	Midlands
14	21925	AMT 55	10	Gold	26 July, 1996	26-Jul-22	Midlands
15	21927	AMT 57	10	Gold	26 July, 1996	26-Jul-22	Midlands
16	21928	AMT 58	10	Gold	26 July, 1996	26-Jul-22	Midlands
17	21930	AMT 60	10	Gold	26 July, 1996	26-Jul-22	Midlands
18	23213	AMT 155	10	Gold	09 August, 2000	09-Aug-22	Midlands
19	23214	AMT 156	10	Gold	09 August, 2000	09-Aug-22	Midlands
20	23215	AMT 157	10	Gold	09 August, 2000	09-Aug-22	Midlands
21	23216	AMT 158	10	Gold	09 August, 2000	09-Aug-22	Midlands
22	23217	AMT 159	10	Gold	09 August, 2000	09-Aug-22	Midlands
23	23218	AMT 160	10	Gold	09 August, 2000	09-Aug-22	Midlands
24	21994	AMT 73	10	Gold	31 October, 1996	31-Oct-22	Midlands
25	21995	AMT 74	10	Gold	21 October, 1996	21-Oct-22	Midlands
26	21996	AMT 75	10	Gold	21 October, 1996	21-Oct-22	Midlands
27	21997	AMT 76	10	Gold	31 October, 1996	31-Oct-22	Midlands
28	21998	AMT 77	10	Gold	31 October, 1996	31-Oct-22	Midlands
29	21999	AMT 78	10	Gold	31 October, 1996	31-Oct-22	Midlands
30	22000	AMT 79	10	Gold	31 October, 1996	31-Oct-22	Midlands
31	22001	AMT 80	10	Gold	31 October, 1996	31-Oct-22	Midlands
32	22002	AMT 81	10	Gold	31 October, 1996	31-Oct-22	Midlands
33	22007	AMT 86	10	Gold	31 October, 1996	31-Oct-22	Midlands
34	22008	AMT 87	10	Gold	31 October, 1996	31-Oct-22	Midlands
35	22009	AMT 88	10	Gold	31 October, 1996	31-Oct-22	Midlands
36	11219BM	AMT 97	150	Copper	31 October, 1996	31-Oct-22	Midlands
37	22012	AMT 120	10	Gold	16 December, 1996	16-Dec-22	Midlands
38	22013	AMT 121	10	Gold	16 December, 1996	16-Dec-22	Midlands
39	22014	AMT 122	10	Gold	16 December, 1996	16-Dec-22	Midlands
40	22015	AMT 123	10	Gold	16 December, 1996	16-Dec-22	Midlands
41	22016	AMT 124	10	Gold	16 December, 1996	16-Dec-22	Midlands
	Totals		550				

NAAC.

Exhibit 8.1
List of Caledonia Mining Corporation Plc group entities

	Country of incorporation	Legal shareholding (year end)		
		2021	2020	2019
Subsidiaries within the Caledonia Mining Corporation Plc Group		**%**	%	%
Caledonia Holdings Zimbabwe (Private) Limited (1)	Zimbabwe	**100**	100	100
Caledonia Mining Services (Private) Limited (2)	Zimbabwe	**100**	100	100
Eersteling Gold Mining Corporation Limited	South Africa	**-**	-	100
Fintona Investments Proprietary Limited	South Africa	**100**	100	100
Caledonia Mining South Africa Proprietary Limited (1)	South Africa	**100**	100	100
Greenstone Management Services Holdings Limited	United Kingdom	**100**	100	100
Blanket Mine (1983) (Private) Limited (2)	Zimbabwe	**64**	64	49
Caledonia (Connemara) (Pvt) Limited (2)	Zimbabwe	**100**	-	-
Caledonia (Maligreen) (Pvt) Limited (2)	Zimbabwe	**100**	-	-

(1) Direct subsidiary of Greenstone Management Services Holdings Limited (United Kingdom)
(2) Direct subsidiary of Caledonia Holdings Zimbabwe (Private) Limited until 2020

Exhibit 12.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, **Steven Curtis**, certify that:

1. I have reviewed this annual report on Form 20-F of Caledonia Mining Corporation Plc (the "Company").

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company, and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is likely to materially affect, the Company's internal control over financial reporting.

5. The Company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the Audit Committee of the Company's board of directors (or persons performing the equivalent function);

   a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b. Any, fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 17, 2022

(signed) Steven Curtis
Chief Executive Officer

Exhibit 12.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I **Mark Learmonth,** certify that:

1. I have reviewed this annual report on Form 20-F of Caledonia Mining Corporation Plc (the "Company").

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the Company, and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is likely to materially affect, the Company's internal control over financial reporting.

5. The Company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function);

   a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   b. Any, fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 17, 2022

(signed) Mark Learmonth
Chief Financial Officer

Exhibit 13.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 20-F of Caledonia Mining Corporation Plc (the "Company") for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), that I, Steven Curtis, Chief Executive Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code 18 U.S.C.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Rule 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

By: (signed) **Steven Curtis .**
Steven Curtis, Chief Executive Officer
Caledonia Mining Corporation Plc

Date: May 17, 2022

A signed original of this written statement required by Section 906 has been provided by Steven Curtis and will be retained by Caledonia Mining Corporation Plc and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 13.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 20-F of Caledonia Mining Corporation Plc (the "Company") for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), that I, Mark Learmonth, Chief Financial Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code 18 U.S.C.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1 The Report fully complies with the requirements of Rule 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

By: (signed) **Mark Learmonth**
Mark Learmonth, Chief Financial Officer
Caledonia Mining Corporation Plc

Date: May 17, 2022

A signed original of this written statement required by Section 906 has been provided by Mark Learmonth and will be retained by Caledonia Mining Corporation Plc and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 15.1

Tel: +27 011 488 1700
Fax: +27 010 060 7000
www.bdo.co.za

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Private Bag X60500
Houghton, 2041
South Africa

The Director

May 17, 2022

Accountants' Consents

Consent of Independent Registered Public Accounting Firm

Caledonia Mining Corporation, Plc.

We hereby consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-224784) of Caledonia Mining Corporation Plc of our report dated May 17, 2022 relating to the consolidated financial statements, which appears in this Annual Report on Form 20-F.

BDO South Africa Inc.

BDO South Africa Incorporated
Wanderers Office Park
52 Corlett Drive
Illovo, 2196

May 17, 2022
(*date of signing consent*)

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: ME Stewart

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg, where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Exhibit 15.2

Minxcon Consulting
Suite 5, Coldstream Office Park, 2 Coldstream Street, Little Falls, Roodepoort, Gauteng, South Africa,
Tel: +27 (11) 958 2899 | Fax: +27 (11) 958 2105 | www.minxcon.co.za

CONSENT OF UWE ENGELMANN

I consent to the use of my name, or any quotation from, or summarization of, the technical report summaries entitled "S-K 1300 Technical Report Summary on the Blanket Gold Mine, Zimbabwe", dated December 31, 2021, and "S-K 1300 Technical Report Summary on the Maligreen Gold Project, Zimbabwe", dated December 31, 2021, both prepared by me, and included or incorporated by reference in:

(i) the Annual Report on Form 20-F for the period ended December 31, 2021 (the "20-F") of Caledonia Mining Corporation Plc being filed with the United States Securities and Exchange Commission, and any amendments or supplements thereto; and

(ii) the Company's Form F-3 Registration Statement (File No. 333-255500), and any amendments or supplements thereto.

I further consent to the filing of the technical report summaries as exhibits to the 20-F.



Uwe Engelmann, BSc (Zoo. & Bot.), BSc Hons
(Geol.), Pr.Sci.Nat., MGSSA

Date: May 17, 2022

Exhibit 15.3

Minxcon Consulting
Suite 5, Coldstream Office Park, 2 Coldstream Street, Little Falls, Roodepoort, Gauteng, South Africa,
Tel: +27 (11) 958 2899 | Fax: +27 (11) 958 2105 | www.minxcon.co.za

CONSENT OF DANIEL VAN HEERDEN

I consent to the use of my name, or any quotation from, or summarization of, the technical report summary entitled "S-K 1300 Technical Report Summary on the Blanket Gold Mine, Zimbabwe", dated December 31, 2021, prepared by me, and included or incorporated by reference in:

(i) the Annual Report on Form 20-F for the period ended December 31, 2021 (the "20-F") of Caledonia Mining Corporation Plc being filed with the United States Securities and Exchange Commission, and any amendments or supplements thereto; and

(ii) the Company's Form F-3 Registration Statement (File No. 333-255500), and any amendments or supplements thereto.

I further consent to the filing of the technical report summaries as exhibits to the 20-F.

Daniel van Heerden, B Eng (Min.), MCom
(Bus. Admin.), MMC, Pr. Eng., FSAIMM, AMMSA

Date: May 17, 2022

RESOURCE | RESERVE | VALUE

Minxcon Consulting

Caledonia Mining Corporation

Caledonia Mining Corporation Plc

S-K 1300 Technical Report Summary on the Blanket Gold Mine, Zimbabwe





www.minxcon.co.za

QUALIFIED PERSONS:
Mr. U Engelmann
BSc (Zoo. & Bot.), BSc Hons (Geol.)
Pr.Sci.Nat., MGSSA

Mr. D van Heerden
B Eng (Min.), MCom (Bus. Admin.), MMC,
Pr.Eng., FSAIMM, AMMSA

Minxcon Reference: M2022-005a Blanket
Effective Date: 31 December 2021
Version: Final
Issue Date: 13 May 2022

Prepared by Minxcon (Pty) Ltd
Suite 5 Coldstream Office Park,
Little Falls, Roodepoort, South Africa
Tel: +2711 958 2899

Directors: D v Heerden, NJ Odendaal, U Engelmann
Company Registration No.: 2004/029587/07

DATE AND SIGNATURE PAGE

This Report titled "S-K 1300 Technical Report Summary on the Blanket Gold Mine, Zimbabwe" was prepared for Caledonia Mining Corporation Plc. The Report is compiled in accordance with the United States Securities and Exchange Commission Part 229 Standard Instructions for Filing Forms Regulation S-K subpart 1300. The effective date of this Report is 31 December 2021.

The Qualified Persons ("QPs") responsible for this Report are Mr. Uwe Engelmann (Geology and Mineral Resources) and Mr. Daniel (Daan) van Heerden (Mineral Processing, Mineral Extraction and Mineral Reserves).



U ENGELMANN
BSc (Zoo. & Bot.), BSc Hons (Geol.)
Pr.Sci.Nat., MGSSA
DIRECTOR, MINXCON (PTY) LTD



D VAN HEERDEN
B Eng (Min.), MCom (Bus. Admin.), MMC
Pr.Eng., FSAIMM, AMMSA
DIRECTOR, MINXCON (PTY) LTD

Signed at Little Falls, Gauteng, South Africa, on 13 May 2022.

INFORMATION RISK

This Report was prepared by Uwe Engelmann and Daniel van Heerden (the QPs) of Minxcon (Pty) Ltd ("Minxcon"). In the preparation of the Report, the QPs utilised information relating to operational methods and expectations provided to them by various sources. Where possible, the QPs have verified this information from independent sources after making due enquiry of all material issues that are required in order to comply with the requirements of the United States Securities and Exchange Commission Part 229 Standard Instructions for Filing Forms Regulation S-K subpart 1300. The authors of this report are not qualified to provide extensive commentary on legal issues associated with rights to the mineral properties and relied on the information provided to them by the issuer. No warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects of this document.

OPERATIONAL RISKS

The business of mining and mineral exploration, development and production by their nature contain significant operational risks. The business depends upon, amongst other things, successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues.

POLITICAL AND ECONOMIC RISK

Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on future operations, and potential revenue streams can also be affected by these factors. The majority of these factors are, and will be, beyond the control of any operating entity.

FORWARD LOOKING STATEMENTS

Certain statements contained in this document other than statements of historical fact, contain forward-looking statements regarding the operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding commodity prices, exchange rates, production, cash costs and other operating results, growth prospects and the outlook of operations, including the completion and commencement of commercial operations of specific production projects, its liquidity and capital resources and expenditure, and the outcome and consequences of any pending litigation or enforcement proceedings.

Although the QPs believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other State actions, success of business and operating initiatives, fluctuations in commodity prices and exchange rates, and business and potential risk management.

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LIST OF UNITS AND ABBREVIATIONS

Units: The following units were used in this Report, and are in metric terms:-

Unit	Definition
%	Per cent
/	Per
± or ~	Approximately
°	Degrees
°C	Degrees Celsius
a	Year
cm	Centimetre
d	Day
g	Grammes
g/cm³	Grammes per cubic centimetre
g/t	Grammes per tonne
Ga	Billion years (1,000,000,000 years)
ha	Hectares
hr	Hour
kg	Kilogram (1,000 g)
kL	Kilolitres (1,000 l)
km	Kilometre (1,000 m)
km²	Square kilometres
koz	Kilo ounces (1,000 oz)
kt	Kilotonnes (1,000 t)

ktpm	Kilo tonnes per month
kV	Kilovolt (1,000 volts)
kVA	Kilovolt ampere
kW	Kilowatt (1,000 W)
l	Litre
m	Metre
m²	Square metres
m³	Cubic metres
mm	Millimetre
Moz	Million ounces (1,000,000 oz)
Mt	Million tonnes (1,000,000 t)
Mtpa	Million tonnes per annum
MVA	Megavolt ampere
oz	Troy Ounces
t	Tonne
t/m³	Tonnes per cubic meter
tpd	Tonnes per day
V	Volts
x	By / Multiplied by

Computation: It is noted that throughout the Report, tables may not compute due to rounding.

Abbreviations: The following abbreviations were used in this Report:-

Abbreviation	Description
AC	Asbestos Cement
amsl	Above Mean Sea Level
Au	Gold
BIF	Banded Iron Formation
Blanket Mine Company	Blanket Mine (1983) (Pvt) Ltd
Blanket or the Mine	Blanket Gold Mine
BQR	Blanket Quartz Reef
Caledonia or the Company	Caledonia Mining Corporation Plc
CAPM	Capital Asset Pricing Model
CBDZ	Colleen Bawn Deformation Zone
CIL	Carbon-in-Leach
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
CMS	Central Main Shaft
CPI	Consumer Price Indices
CRM	Certified Reference Material
DCF	Discounted Cash Flow
DSR	Disseminated Sulphide Reefs
DSR	Disseminated Sulphide Reefs
EIA	Environmental Impact Assessment
EM Act	Environmental Management Act (Chapter 20:27) No. 13/2002
EMA	Environmental Management Agency
Epoch	Epoch Resources (Pty) Ltd
FCFE	Free Cash Flow to Equity
FCFF	Free Cash Flow to Firm
Fidelity	Fidelity Printers and Refiners Limited
FW	Footwall
G&A	General and Administrative
GGB	Gwanda Greenstone Belt
GMS	Greenstone Management Services (Pty) Limited
HG	High Grade
HW	Hanging Wall
IL	Intensive Leach
Kinross	Kinross Gold Corporation
KNA	Kriging Neighbourhood Analysis
LG	Low Grade
LIMS	Laboratory Information Management System
LoM	Life of Mine

Abbreviation	Description
Minxcon	Minxcon (Pty) Ltd
ML40	Mining Lease with registered number 40
MMA	Mines and Minerals Act (Chapter 21:05) of 1961
MMCZ	Minerals Marketing Corporation of Zimbabwe
MSO	Geovia Stope Shape Optimiser
NIEEF	National Indigenisation and Economic Empowerment Fund
NIR	Not-In-Reserve
NMD	Nominal Maximum Demand
NPV	Net Present Value
NSR	Net Smelter Royalty
NWGDZ	North West Gwanda Deformation Zone
OHL	Overhead Powerlines
PEM	Prospectivity Enhancement Multiplier
PPE	Personal Protective Equipment
PSA	Pressure Swing Absorption
QAQC	Quality Assurance and Quality Control
QP	Qualified Person
RoM	Run of Mine
RoR	Rate of Rise
SG	Specific Gravity
SGDZ	South Gwanda Deformation Zone
S-K 1300	United States Securities and Exchange Commission Part 229 Standard Instructions for Filing Forms Regulation S-K subpart 1300
SoR	Slope of Regression
The Act	Indigenisation and Economic Empowerment Act
TRS	Technical Report Summary
TSF	Tailings Storage Facility
WACC	Weighted Average Cost of Capital
ZESA	Zimbabwe Electricity Supply Authority
ZINWA	Zimbabwe National Water Authority
ZMDC	Zimbabwe Mining Development Corporation

ITEM 1 - EXECUTIVE SUMMARY

The Blanket Mine is an operating underground gold mine situated on the Gwanda Greenstone Belt targeting shear zone hosted gold mineralisation. It is located in the southwest of Zimbabwe, approximately 15 km northwest of Gwanda, the provincial capital of Matabeleland South. Gwanda is located 120 km southeast of Bulawayo, 200 km northwest of the Beitbridge Border post with South Africa, and 560 km from Harare.

The Mine complex comprises a cluster of mines extending from Lima in the north, through Eroica, Sheet, AR Main, AR South, the currently defunct Feudal, Blanket Section (Blanket 1 to Blanket 6) and Jethro over a total strike length of some 3 km. Gold has been commercially mined at the Project Area from several closely-spaced orebodies defining a mineralised trend via several shafts since the early 1900s. The Mine covers the operating claims of Jethro, Blanket, Feudal, Harvard, Mbudzane Rock, Oqueil, Sabiwa, Sheet, Eroica and Lima, largely encompassed in a 2,120 ha Mining Lease. Ore is processed at an on-site plant.

The Blanket Mine operates under a mining lease ML40 issued to Blanket Mine (1983) (Pvt) Ltd, which is incorporated in Zimbabwe and a 64% owned, indirect subsidiary of Caledonia Mining Corporation Plc. The mine's claims under the lease cover an area of 2,120 ha.

I. GEOLOGY AND MINERAL DEPOSIT

The Blanket Mine is situated on the north-western limb of the Archaean Gwanda Greenstone Belt along strike from several other gold deposits. In the Blanket Mine area, lithologies comprise non-mineralised basal felsic schists of igneous or sedimentary origin in the east. The felsics are overlain by a metabasaltic ultramafic to mafic unit with pillow basalts remnants.

Mining at Blanket occurs over a 3 km strike that includes from north to south, the deposits of Lima, Eroica, Sheet, AR Main, AR South, Feudal, Blanket Section (Blanket 1 to Blanket 6) and Jethro. The main Blanket underground workings are connected to Lima by a 2 km long haulage which follows the strike of the main fabric. Mineralisation occurs in near vertical shoots aligned along an approximately N-S axis. The ore shoots vary in shape from the tabular-lensoidal quartz reefs to the massive to pipe-like disseminated sulphide reefs (or DSR). Gold is deposited at crustal levels within and near the brittle-ductile transition zone. The deposits may have a vertical extent of up to 2 km, demonstrate extensive down-plunge continuity, and lack pronounced zoning. The ore mineralogy is dominated by gold, pyrite and arsenopyrite.

Two quartz-filled shear zones are mined, namely the Blanket Quartz Reef (or BQR) and the Eroica Reef, which have long strike lengths but are not uniformly mineralised although continuous pay shoots of over 100 m on strike are seen. Gold grade fluctuations are more extreme in the quartz reefs than in the DSR type reefs but on average these quartz shears have higher grades.

II. STATUS OF EXPLORATION

Blanket Mine is planning on continuing with the down-dip exploration drilling (below 750 m Level) as soon as the underground infrastructure / development is in place. This drilling will confirm and improve the down-dip Inferred Mineral Resource. An electromagnetic survey may be considered; potentially delineating additional surface structural features and targets, which can be used in conjunction with and refinement of the geological concept being proposed.

The combination of the exploration drilling, geophysical survey and conceptual geological model (based on the sampling database) may increase the exploration targets and ultimately assist in increasing the Mineral Resource.

III. MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Measured, Indicated and Inferred Mineral Resources, based on ordinary kriging, can be declared for Blanket Mine due to the continuity of the geology and grade as well as a history of proven historical mining. The Inferred resources show geological continuity, while grade continuity requires improvement through additional drilling. The 2020 estimate includes a larger proportion of 3D digital estimates than the 2018 estimate; however, manual blocks are still considered in this estimate within stoped out areas. The in situ Measured, Indicated and Inferred Mineral Resources are shown in the table to follow.

In Situ Measured and Indicated Mineral Resource Tabulation for Blanket Mine as at 31 December 2021 (inclusive of Mineral Reserves)

Mineral Resource Classification	Orebody	Tonnes	Au	Content
		t	g/t	Oz
Measured	ARM	190 283	2.83	17 304
	ARS	386 663	3.12	38 770
	BF	10 786	2.90	1 006
	BLK1	1 922	5.76	356
	BLK2	88 397	3.29	9 351
	BLK3	107 125	2.63	9 052
	BLK4	6 365	3.82	782
	BLK6	7 799	3.55	889
	BQR	298 805	3.03	29 138
	ERC	13 130	3.69	1 557
	Jethro	5 198	3.99	666
	Lima	93 037	3.31	9 893
	Sheet	5 989	3.40	654
Measured Total		**1 215 498**	**3.06**	**119 418**
Indicated	ARM	786 707	2.72	68 825
	ARS	315 179	2.71	27 501
	BF	44 360	3.02	4 310
	BLK1	128 300	2.79	11 490
	BLK2	286 026	3.34	30 711
	BLK3	139 802	2.57	11 563
	BLK4	71 891	3.61	8 349
	BLK6	95 190	3.58	10 949
	BQR	741 269	3.40	81 104
	ERC	574 653	3.71	68 483
	Jethro	16 428	3.90	2 060
	Lima	62 712	3.19	6 433
	Sheet	84 310	3.87	10 477
Indicated Total		**3 346 827**	**3.18**	**342 255**
M&I Total		**4 562 325**	**3.15**	**461 673**

Notes:

1. * Manual Mineral Resource estimate from Block Plans only.
2. Cut-off applied 1.5 g/t.
3. No Geological loss applied for Measured, 5% for Indicated and Inferred.
4. Commodity price utilised: USD1,600/oz.
5. Mineral Resources are stated inclusive of Mineral Reserves.
6. Mineral Resources are reported as 64% attributable to Caledonia.
7. All orebodies are depleted for mining.

In Situ Inferred Mineral Resource Tabulation for Blanket Mine as at 31 December 2021 (inclusive of Mineral Reserves)

Mineral Resource Classification	Orebody	Tonnes	Au	Content
		t	g/t	Oz
Inferred	ARM	331 425	1.89	20 120
	ARS	278 380	2.68	23 975
	BF	297 519	2.60	24 836
	BLK1	879 307	2.64	74 747
	BLK2	974 983	4.05	126 908
	BLK3	412 612	3.36	44 637
	BLK6	252 085	2.95	23 899
	BQR	1 500 405	3.20	154 499
	ERC	313 242	3.71	37 351
	Lima	178 869	3.73	21 478
Inferred Total		**5 418 826**	**3.17**	**552 450**

Notes:
1. Cut-off applied 1.5 g/t.
2. No Geological loss applied for Measured, 5% for Indicated and Inferred.
3. Commodity price utilised: USD1,600/oz.
4. Mineral Resources are stated inclusive of Mineral Reserves.
5. Mineral Resources are reported as 64% attributable to Caledonia.
6. All orebodies are depleted for mining.

In Situ Measured and Indicated Mineral Resource Tabulation for Blanket Mine as at 31 December 2021 (exclusive of Mineral Reserves)

Mineral Resource Classification	Orebody	Tonnes	Au	Content
		t	g/t	Oz
Measured	ARM	85 823	2.31	6 383
	ARS	219 056	3.10	20 392
	BF	6 455	2.46	511
	BLK1	1 922	5.76	356
	BLK2	16 209	2.73	1 421
	BLK3	44 794	2.17	3 120
	BLK4	1 502	4.75	230
	BLK6	1 751	2.92	165
	BQR	108 753	2.57	8 988
	ERC	7 104	3.93	898
	Jethro	5 198	3.99	666
	Lima	49 394	2.94	4 664
	Sheet	5 989	3.40	654
Measured Total		**553 949**	**2.80**	**48 447**
Indicated	ARM	286 136	2.12	19 515
	ARS	262 126	2.63	22 173
	BF	14 119	1.74	790
	BLK1	106 991	2.52	8 668
	BLK2	95 915	2.95	9 102
	BLK3	109 187	2.55	8 948
	BLK4	12 507	2.63	1 057
	BLK6	20 748	2.85	1 903
	BQR	327 854	2.98	31 439
	ERC	224 200	3.35	24 159
	Jethro	16 428	3.90	2 060
	Lima	24 479	3.29	1 465
	Sheet	84 310	3.87	10 477
Indicated Total		**1 585 001**	**2.78**	**141 757**
M&I Total		**2 138 950**	**2.77**	**190 203**

Notes:
1. * Manual Mineral Resource estimate from Block Plans only.
2. Cut-off applied 1.5 g/t.
3. No Geological loss applied for Measured, 5% for Indicated and Inferred.
4. Commodity price utilised: USD1,600/oz.
5. Mineral Resources are stated exclusive of Mineral Reserves.
6. Mineral Resources are reported as 64% attributable to Caledonia.
7. All orebodies are depleted for mining.

Inferred Mineral Resources inclusive and exclusive of Mineral Reserves are the same as there are no inferred Mineral Resources in the Mineral Reserve.

In Situ Inferred Mineral Resource Tabulation for Blanket Mine as at 31 December 2021 (exclusive of Mineral Reserves)

Mineral Resource Classifiaction	Orebody	Tonnes	Au	Content
		t	g/t	Oz
Inferred	ARM	331 425	1.89	20 120
	ARS	278 380	2.68	23 975
	BF	297 519	2.60	24 836
	BLK1	879 307	2.64	74 747
	BLK2	974 983	4.05	126 908
	BLK3	412 612	3.36	44 637
	BLK6	252 085	2.95	23 899
	BQR	1 500 405	3.20	154 499
	ERC	313 242	3.71	37 351
	Lima	178 869	3.73	21 478
Inferred Total		**5 418 826**	**3.17**	**552 450**

Notes:

1. Cut-off applied 1.5 g/t.
2. No Geological loss applied for Measured, 5% for Indicated and Inferred.
3. Commodity price utilised: USD1,600/oz.
4. Mineral Resources are stated exclusive of Mineral Reserves.
5. Mineral Resources are reported as 64% attributable to Caledonia.
6. All orebodies are depleted for mining.

Mineral Resources in the Measured and Indicated Mineral Resource classifications have been converted into Proven and Probable Mineral Reserves respectively, by applying the applicable modifying factors.

The updated Mineral Reserve estimation as at 31 December 2021, is detailed in the table below. Mineral Reserves are stated as delivered to plant. Life of Mine (or LoM) as referred to in this TRS is remaining at 31 December 2021.

Blanket Mine Mineral Reserve Estimate as at 31 December 2021

Mineral Reserve Classification	Tonnes	Grade	Au Content	
	kt	g/t	kg	oz
Proven	656	3.11	2,042	65,651
Probable	1,751	3.30	5,774	185,652
Total	**2,408**	**3.25**	**7,816**	**251,304**

Notes:

1. Mineral Reserve cut-off of 2.1 g/t applied.
2. The gold price that has been utilised in the economic analysis to convert diluted Measured and Indicated Mineral Resources in the LoM plan to Mineral Reserves is an average real term price of USD1,622/oz over the LoM, using the forecast prices as per Economic Analysis.
3. The Mineral Reserve estimation utilises the depleted 2022 Mineral Resource estimation and the 2020 mine design and LoM plan
4. Mineral Reserves are reported as 64% attributable to Caledonia Mining Corporation PLC.

An uneconomical tail containing 25.90 koz of gold has been excluded from the Mineral Reserve, since it is not economical on its own.

IV. DEVELOPMENT AND OPERATIONS

Blanket Mine employs two mining methods that are well suited to the nature of the of the mineral deposits. The extreme variation within the Blanket Mine mineral deposits necessitates modification of the exact mining methods that suit the specific characteristics of each deposit. The general practice on the Mine is to

implement one of two tailored mining methods, determined mainly by the width of the mineral deposit. Long-hole stoping is utilised in wider mineral deposits (orebody widths generally more than 3 m), and underhand stoping is utilised in narrow mineral deposits (orebody widths generally less than 3 m).

The planned thrust in development is aimed at opening up ground below 750 m Level which will be the primary production areas, as well as create the necessary exploration drilling platforms. In the Lima, ARS, Blanket and Blanket Feudal areas some mining activities will take place above 750 m Level. Blanket Mine plans to produce 80 koz (recovered) of gold per year.

Blanket Mine is an operational mine with well-established infrastructure and no major modifications or upgrades - with the exception of the Central Main Shaft expansion project - are necessary to sustain mining and processing operations. Sufficient capital has been allowed for the Central Main Shaft as well as the associated development, equipment and infrastructure. An upgrade of the ore handling infrastructure between Central Shaft and the Blanket Gold Plant is planned. Power and water supply allocation to the total Blanket operation, including the Central Main Shaft expansion project, is deemed to be sufficient.

The Blanket Gold Plant consists of crushing, milling, carbon-in-leach and batch elution electro-winning circuits. The plant has been treating an average of 55 ktpm at a recovery of 93.6% for the past 12 months. The recovery performance is expected to continue, while the processing rate could be increased when the milling upgrade has been completed. Construction of a new TSF should be completed in 2022 to enable uninterrupted production. A cost estimate for the new TSF has been completed at USD2.6 million.

V. ECONOMIC ANALYSIS

The evaluator performed an independent mineral asset economic analysis on the Blanket Mine and the diluted Indicated and Measured Resources in the LoM plan, for conversion to Mineral Reserves. The Discounted Cash Flow, or DCF, is based on the production schedule and all costs and capital associated to develop, mine and process the orebody. Relevant taxation and other operating factors, such as recoveries and stay-in-business costs were incorporated into the economic analysis to produce a cash flow over the life cycle of the Mine. The effective date of the economic analysis is 31 December 2021.

USD commodity prices for the period 2022-2024 have been converted from nominal to real terms. The table below illustrates the forecasts for these three years as well as the long-term forecast used in the financial model. The price forecasts are based on the median of various banks, brokers and analyst forecasts and are in real-terms throughout the life of mine. The long-term gold price was estimated as the real term average between the high and low gold price trading range over the past 10 years, USD1,650/oz. The average price over the LoM equates to USD1,622/oz. The inflation rate was sourced from the International Monetary Fund.

Macro-economic Forecasts (Real Terms)

Item	Unit	Year			
		2022	2023	2024	Long-Term
		1	2	3	
US Inflation Rate	%	3.50%	2.70%	2.60%	2.30%
Gold	USD/oz	1,716	1,567	1,525	1,650

Source: Median of various Banks and Broker forecasts (Minxcon) (Jan 2022)

Costs reported for the Blanket Mine, which consists of mining, plant and other operating costs, as well as government royalty payments are displayed in the table to follow. Other costs in the Adjusted Operating Costs category include the central and technical services, general and administration, human resources, and other services costs. Other costs for the AISC category include the corporate management costs. The costs are displayed per milled tonne as well as per recovered gold ounce. Budget costs for 2022 were considered for the financial analysis.

Project Cost Indicators

Item	Unit	Blanket Mine
Net Turnover	**USD/Feed tonne**	**156**
Mine Cost	USD/Feed tonne	23
Plant Costs	USD/Feed tonne	12
Other Costs	USD/Feed tonne	37
Royalties	USD/Feed tonne	8
Operating Costs	**USD/Feed tonne**	**80**
SIB	USD/Feed tonne	17
Reclamation	USD/Feed tonne	0
Other Costs	USD/Feed tonne	6
All-in Sustaining Costs (AISC)	**USD/Feed tonne**	**103**
Capital	USD/Feed tonne	1
Other Cash Costs	USD/Feed tonne	0
All-in Costs (AIC)	**USD/Feed tonne**	**104**
All-in Cost Margin	**%**	**33%**
EBITDA[1]	USD/Feed tonne	70
EBITDA Margin	%	45%
Gold Recovered	oz	367,140
Average Gold Price	**USD/Gold oz**	**1,622**
Payability - Off-take Agreement	%	98.5%
Net Turnover[2]	**USD/Gold oz**	**1,596**
Mine Cost	USD/Gold oz	237
Plant Costs	USD/Gold oz	124
Other Costs	USD/Gold oz	374
Royalties	USD/Gold oz	80
Operating Costs	**USD/Gold oz**	**815**
SIB Capex	USD/Gold oz	177
Reclamation	USD/Gold oz	2
Other Costs	USD/Gold oz	58
All-in Sustaining Costs (AISC)	**USD/Gold oz**	**1,053**
Capital	USD/Gold oz	11
Other Cash Costs	USD/Gold oz	0
All-in Costs (AIC)	**USD/Gold oz**	**1,063**
EBITDA*	USD/Gold oz	721

Notes:

1. *Earnings before interest, tax, depreciation and amortisation (excludes CAPEX).
2. Net turnover will be the realised income per produced gold oz, after 98.5% payability has been applied.

The total capital including the sustaining capital and contingencies amounts to USD69.1 million over the mine life. The Mine has no funding requirement as it has long been in operation. The cash flow dips in the final year when the current Mineral Reserve tonnes are depleted.

For the DCF, the gold price and grade have the most significant impact on the sensitivity of the Mine followed by the operating costs. The Mine is least sensitive to capital.

The value derived for the income approach only reflects the diluted Indicated and Measured Resources in the LoM plan, for conversion to Mineral Reserves. The Mineral Reserve is economically viable with a best estimated NPV of USD116 million at a real discount rate of 10.75%. No IRR could be calculated as Blanket is already in operation and no initial investment is required. The following table shows a summary of the economic analysis.

Blanket Mine Economic Analysis Summary - Real Terms

Item	Unit	Blanket Mine	Caledonia Attributable
NPV @ 0%	USDm	150	96
NPV @ 2.5%	USDm	141	90
NPV @ 5%	USDm	132	85
NPV @ 7.5%	USDm	125	80
NPV @ 10%	USDm	118	75
NPV @ 10.8%	**USDm**	**116**	**74**
NPV @ 12.5%	USDm	111	71
NPV @ 15%	USDm	106	68
IRR	%	N/A	N/A
All-in Cost Margin	%	33%	33%
Break-even Gold Price (AIC)	USD/oz.	1,063	1,063

VI. CONCLUSIONS

Over the past few years Blanket Mine have been in the process of upgrading their Mineral Resource estimation system from historical manual block listing methodology and to digital estimation processes. The historical sampling database has been captured and can be used for more sophisticated estimation methodologies in the 3D environment. In addition to this, the historical mining voids and development have been captured and can be utilised for the Mineral Resource depletions and mine planning for Mineral Reserve purposes. In time Blanket Mine will entirely eliminate use of manually estimated block Mineral Resources and only utilise the 3D environment to investigate potential in new as well as previously mined areas.

The 3D digital environment allows for the scrutiny and review of the geological data in a holistic fashion that was previously not possible. By doing so, geological trends and patterns can be identified for the development of geological concepts that can be utilised in the exploration targeting and the planning of drilling programmes.

This change in Mineral Resource estimation and management systems will result in some fluctuations in the Mineral Resource in the short term but will likely result in an increase in the Blanket Mine Mineral Resources due to improved geological understanding, geological modelling, estimation processes, and management and planning systems.

The life of mine plan is logical and the planned production rates are achievable. The mining strategy is focused on a thrust in development to open up ground for planned mining areas below 750 m Level in line with the planned production targets. Blanket mine plans to produce 80 koz (recovered) of gold per annum.

Existing and planned infrastructure at the Blanket Mine and Central Main Shaft extension projects are sufficient to sustain the current production profile and the planned increased production.

The process plant has been operating at a consistent recovery of 93.5%. Since the new oxygen plant was installed during the first quarter of 2020, the average recovery for 2020 went up to 93.8% - this is expected to continue. The plant has demonstrated a throughput of 55 ktpm for the past 12 months, and there are indications that higher throughputs are possible. Operating cost has been consistent at USD12/t ore treated.

The Blanket Mine plan including only the diluted Indicated and Measured Resources in the LoM plan, for conversion to Mineral Reserves is financially feasible. The updated Mineral Reserve can therefore be declared. The DCF value of USD116 million for the Blanket Mine (USD74 million attributable to Caledonia) was calculated at a real discount rate of 10.75%. No IRR could be calculated since the mine is in operation and no initial investment is required.

Blanket Mine financials are most sensitive to commodity prices, and grade. The Mine financials are least sensitive to capital expenditure.

The all-in sustaining costs for the Blanket Mine amount to USD103/milled t, which equates to USD1,053/oz. The all-in costs for the Blanket Mine was calculated as USD104/milled t, which equates to USD1,063/oz. The Mine therefore has a break-even gold price of USD1,063/oz including capital with an all-in cost margin of 33%, which is comparable to similar mines.

VII. RECOMMENDATIONS

It is recommended that Blanket Mine continue with enhancements to the Mineral Resource estimation process in order to investigate potential increases in the Mineral Resources in areas above current infrastructure and enhance the planning down-dip. These digital modelling systems should be incorporated into the monthly planning system to ensure the Mineral Resource remains active and updated.

The QAQC data indicates an improvement in the QAQC of the sampling database but still requires additional focus on immediate remedial action if required, especially for the exploration drilling as this directs the Mineral Resources and thus requires the highest integrity.

It is recommended that additional drilling be conducted to determine the upside potential of Inferred Mineral Resources and Exploration Targets. A geotechnical study should be conducted to determine the geotechnical parameters for pillar extraction.

A new TSF needs to be designed and construction is anticipated be completed by the end of 2023.

ITEM 2 - INTRODUCTION

Item 2 (a) - Issuer Receiving the Report; Authors

Minxcon (Pty) Ltd ("Minxcon") was commissioned by Caledonia Mining Corporation Plc ("Caledonia" or "the Company") to compile Technical Report Summary ("TRS") on behalf of Blanket Mine (1983) (Pvt) Ltd ("Blanket Mine Company"), on the Blanket Gold Mine ("Blanket" or the "Mine"), situated in the Gwanda area, Zimbabwe.

The authors of this TRS are Uwe Engelmann and Daniel van Heerden, each of which is a Qualified Person ("QP"). Mr. Engelmann was responsible for Sections 1-11 and jointly for 20-25 of this TRS, while Mr. van Heerden was responsible for Sections 12-19 and jointly for 20-25 of this TRS.

Item 2 (b) - Terms of Reference and Purpose of the Report

Minxcon was commissioned to prepare the TRS on the Mine in accordance with the United States Securities and Exchange Commission Part 229 Standard Instructions for Filing Forms Regulation S-K subpart 1300 ("S-K 1300"). This TRS follows the guidelines as prescribed by S-K 1300, and only such terms as defined in §229.1300-1305 have been utilised. The TRS is structured in accordance with the format prescribed in §229.601(b)(96).

Blanket is an operating underground mine with ore processed at an on-site plant. The purpose of this TRS is to present the Mineral Resources and Mineral Reserves of the Mine as at the Company financial year end 31 December 2021. The Mineral Resources and Mineral Reserves are stated at the effective date of 31 December 2021.

The basis for the Mineral Reserves stated in this TRS is a life of mine plan, which constitutes a study with detail and accuracy levels better than the requirements for a pre-feasibility study. The QP has reviewed the life of mine plan and is satisfied that it has demonstrated that, at the time of reporting, the extraction of the Mineral Reserve is economically viable under reasonable investment and market assumptions. The life of mine plan is technically achievable and is the basis of determining the Mineral Reserve.

No TRS has previously been filed by Caledonia for Blanket Mine in terms of S-K 1300.

All monetary figures in this TRS are expressed in United States Dollars ("USD").

Item 2 (c) - Sources of Information and Data Contained in the Report

The following sources of information, all from Caledonia, were used to compile this TRS:-

- Legal aspects and tenure: Messers Paul Matthews and Patrick Hill;
- The life of mine ("LoM") plan and supporting information that forms the basis of the revised plan: Mr Dana Roets, Ms Janet Hobkirk and Mr Caxton Mangezi;
- Metallurgical information: Mr Gibson Kadzikano;
- Engineering information: Mr Deon Niemand; and
- Financial information: Mr Chester Goodburn.

Additional information was sourced from those references listed in Item 24 and is duly referenced in the text where appropriate.

Item 2 (d) - Qualified Persons' Personal Inspection of the Property

The Qualified Person ("QP", as such term is defined S-K 1300) for this TRS are Mr U. Engelmann and Mr D. van Heerden.

Mr Engelmann has visited the operation on several occasions with the most recent being 2 to 3 November 2021 to review the progress in the upgrading of the Mineral Resource systems on the operation which included a visit to the on-site laboratory. In addition to Mr Engelmann's visit, Mr Keith Osburn, Senior Resource Geologist at Minxcon, also visited the Geology Department at the Blanket operation from 9 to 11 March 2020 to review the geological modelling, estimation process (digital and manual), QAQC as well as inspecting some of the exploration core. The mine laboratory was also inspected during the site visit.

Mr van Heerden visited the Mine property on 22 on 24 October 2014 during which the mine, treatment plant, waste dumps, sample assay laboratory and data management sections were investigated. A site visit for completion of this TRS was deferred due to international travel restrictions imposed by government in response to the COVID-19 pandemic.

ITEM 3 - PROPERTY DESCRIPTION AND LOCATION

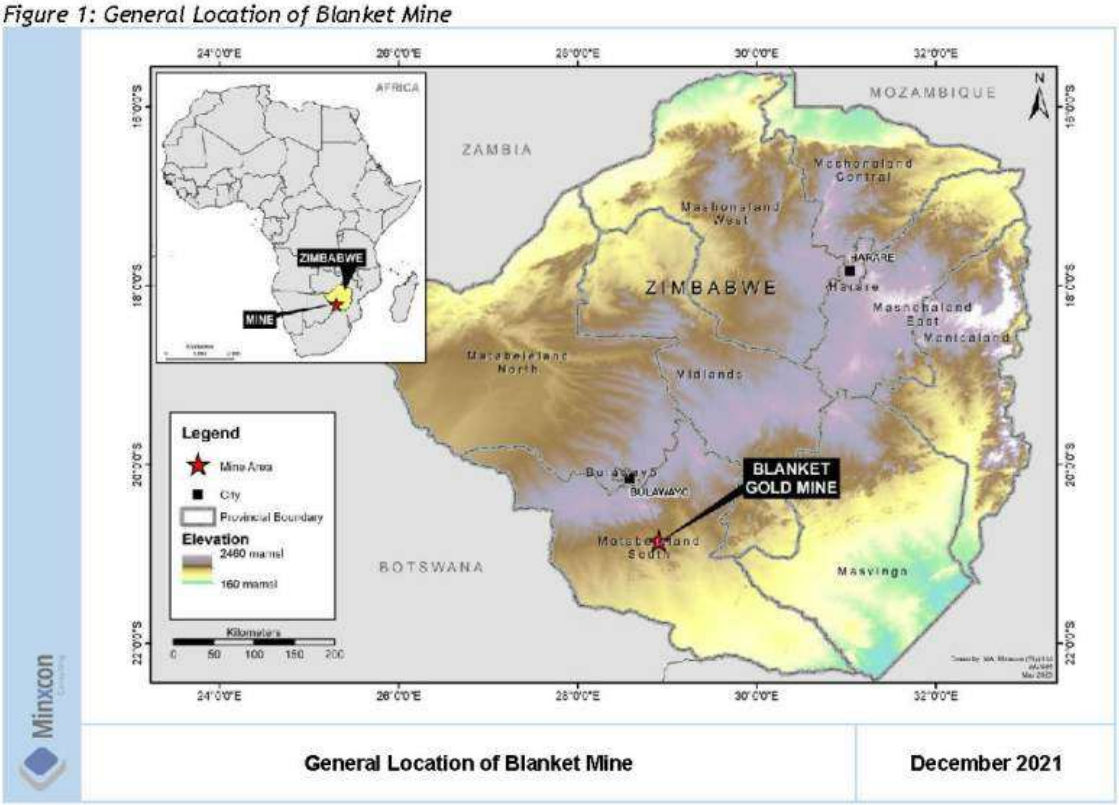
Item 3 (a) - AREA OF THE PROPERTY

The Blanket Mine is an operating underground gold mine situated on the Gwanda Greenstone Belt ("GGB") targeting shear zone hosted gold mineralisation. The Mine complex comprises a cluster of mines extending from Lima in the north, through Eroica, Sheet, AR Main, AR South, the currently defunct Feudal, Blanket Section (Blanket 1 to Blanket 6) and Jethro over a total strike length of some 3 km. Gold has been commercially mined at the Project Area from several closely-spaced orebodies defining a mineralised trend via several shafts since the early 1900s. The Mine covers the operating claims of Jethro, Blanket, Feudal, Harvard, Mbudzane Rock, Oqueil, Sabiwa, Sheet, Eroica and Lima, largely encompassed in a 2,120 ha Mining Lease. Ore is processed at an on-site plant.

Item 3 (b) - LOCATION OF THE PROPERTY

As illustrated in Figure 1, the Mine is located in the southwest of Zimbabwe, approximately 15 km northwest of Gwanda, the provincial capital of Matabeleland South. Gwanda is located 120 km southeast of Bulawayo, 200 km northwest of the Beitbridge Border post with South Africa, and 560 km from Harare, Zimbabwe's capital city. The Mine is centred on the coordinates (WGS84 system) 20° 52' S, 28° 54' E.

Figure 1: General Location of Blanket Mine



Item 3 (c) – Mineral Deposit Tenure

The Blanket Mine's interests in Zimbabwe include a Mining Lease, operating claims (*i.e.*, on-mine), non-operating claims and a portfolio of brownfields exploration projects (satellite projects), as illustrated in Figure 2 as blocks of claims.

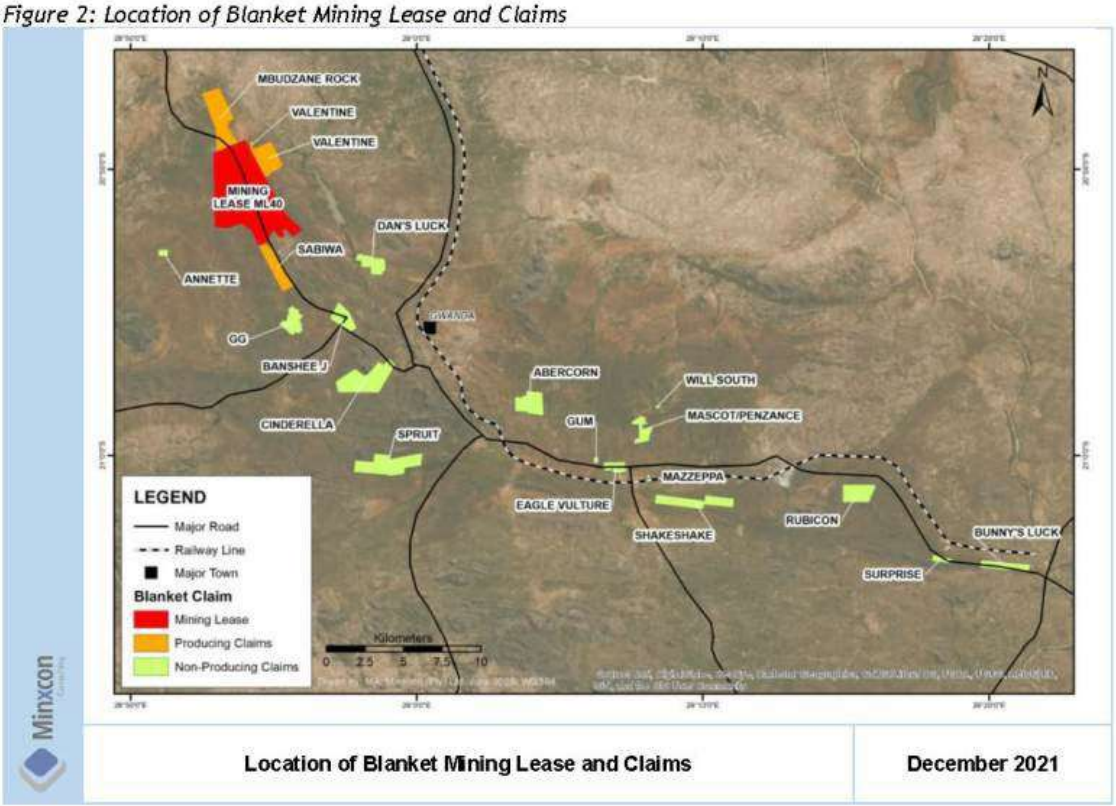
The Blanket Mine operates under a mining lease with registered number 40 ("ML40") which was issued under the Mines and Minerals Act (Chapter 21:05) of 1961 ("MMA") as detailed in Table 1. The mine's claims under the lease cover an area of 2,120 ha, and include Lima, Sheet, Oqueil, Feudal, Sabiwa, Jethro, Harvard and Blanket claims. The ML40, in which boundaries all current mining activities occur, is issued to Blanket Mine Company.

Table 1: Mining Lease Details

Mining Lease Number	Holder	Mining District	Area ha	Principal Mineral	Other Minerals	Date of Issue	Validity Period
ML40	Blanket Mine (1983) (Pvt) Ltd	Matabeleland South	2,120.00	Gold	Silver, Copper, Arsenic	24 May 2019	1 year, renewable. Renewed annually by the Company.

Blanket Mine also has several registered claims, not incorporated under the lease. The 59 claims contiguous to the mining lease comprise a total area of approximately 994 ha. Blanket Mine provided a separate list of non-operating claims located away from ML40 and the adjoining claims described above, that form a portion of their Gwanda portfolio. These non-producing claims (satellite projects) consist of 217 blocks of registered base metal (Ni, Cu and As) and precious metal claims covering a total area of 2,672 ha.

Figure 2: Location of Blanket Mining Lease and Claims



A summary of the Blanket mineral titles is provided in Table 2 and corresponds to the Figure 2.

Table 2: Blanket Mineral Title Areas and Status

Claim Block	Status
ML40	**Operating**
Valentine	Operating
Sabiwa	Operating
Mbudzane Rock	Operating
GG	Non-operating (was under development for gold mining, currently on hold)
Mascot	Non-operating (was under development for gold mining, currently on hold)
Penzance	Non-operating
Annette	Non-operating
Cinderella	Non-operating
Dan's Luck	Non-operating
Eagle Vulture	Non-operating

Claim Block	Status
Gum	Non-operating
Banshee J	Non-operating
Mazeppa	Non-operating
Will South	Non-operating
Spruit	Non-operating
Shakeshake	Non-operating
Rubicon	Non-operating
Surprise	Non-operating
Bunny's Luck	Non-operating
Abercorn	Non-operating

A number of claims are subject to active tribute agreements between the Mine and local small scale miners as part of the Company's Corporate Social Responsibility. This is further discussed in Item 17 (d).

Annual payments (non-material) are due to government authorities for each of the claims and lease areas in order to continue the validity of the licences.

In accordance with paragraph 178(2)(a)(b)(c) of the MMA, the owners of the claims of this project possess the following respective surface rights:-

- use of any surface within the boundaries for all necessary mining purposes;
- the right to use, free of charge, soil, waste rock or indigenous grass situated within the claims boundaries for all necessary mining purposes;
- the right to sell or dispose of recovered waste rock.

The QPs believe that this clause provides sufficient rights to use the surfaces of the claim blocks that have been consolidated into the ML40. The MMA Amendment Bill makes instruction for landowner compensation in case of land loss due to mining activities in the form of land reallocation or outright purchase. Blanket Mine activities have not triggered this compensation and are not foreseen to do so.

Blanket Mine (1983) (Pvt) Ltd is held 64% by Caledonia Holdings Zimbabwe (Pvt) Ltd, which is a wholly owned subsidiary of Greenstone Management Services Holdings Limited ("GMS"), which in turn is wholly owned by Caledonia. Blanket Mine Company is incorporated in Zimbabwe and is the owner and operator of the Blanket Mine. 16% Share in Blanket Mine Company is held by the National Indigenisation and Economic Empowerment Fund, 10% by Gwanda Community Share Ownership Trust, and 10% by an Employee Trust for the benefit of the present and future employees of Blanket Mine.

Pursuant to an arrangement agreed in February 2020, the Gwanda Community Share Ownership Trust receives 20% of its dividends declared by Blanket and the remaining 80% is set off against the advance dividends. Previously, all dividends were applied against the advanced dividends.

Item 3 (d) - Royalties and Payments

I. Government Royalties

Mining royalties are charged in terms of the Mines and Minerals Act (Chapter 21:05). The royalties are collectable from all the minerals or mineral-bearing products obtained from any mining location and disposed of by a miner or on his behalf. The royalties are chargeable whether the disposal is made within or outside Zimbabwe.

Zimbabwean tax laws and international pricing have pushed deliveries in the gold sector to decline by 26% within the first-half of 2014. A decision was made by the Government of Zimbabwe in its 2014 Mid-Year Fiscal Policy Review Statement to reduce the royalty on Zimbabwean gold producers from 7% to 5%, effective 1 October 2014. The royalty rate was further reduced to 3% only if the gold price is below USD1,200/oz effective 1 August 2019, with the rate remaining at 5% if the gold price exceeds USD1,200/oz. The royalty of 3% - 5% is also tax deductible, with the tax rate applied on the earnings after royalty deductions.

II. Net Smelter Royalties

Blanket Mine does not have any net smelter royalties applicable to its current operations.

A number of claims were held under option agreements between Blanket Mine Company and the claim holders. Blanket Mine Company has exercised all its options and purchased the claims under conditions outlined in the option agreements. Each of these has a net smelter royalty ("NSR") associated with it. The remainder of claims are 100% held by Blanket Mine Company. A summary of the ownership of each claims area is provided in Table 3.

Table 3: Blanket Mineral Title Areas and Ownership

Claim Block	Ownership	Royalty Condition
ML40	Blanket Mine (1983) (Pvt) Ltd	
Valentine	Blanket Mine (1983) (Pvt) Ltd – Option exercised	3.0% NSR
Sabiwa	Blanket Mine (1983) (Pvt) Ltd	
Mbudzane Rock	Blanket Mine (1983) (Pvt) Ltd	
GG	Blanket Mine (1983) (Pvt) Ltd – Option exercised	2.5% NSR
Mascot	Blanket Mine (1983) (Pvt) Ltd – Option exercised	2.5% NSR
Penzance	Blanket Mine (1983) (Pvt) Ltd – Option exercised	2.5% NSR
Annette	Blanket Mine (1983) (Pvt) Ltd – Option exercised	3.0% NSR
Cinderella	Blanket Mine (1983) (Pvt) Ltd – Option exercised	3.0% NSR
Dan's Luck	Blanket Mine (1983) (Pvt) Ltd – Option exercised	2.5% NSR
Eagle Vulture	Blanket Mine (1983) (Pvt) Ltd – Option exercised	3.0% NSR
Gum	Blanket Mine (1983) (Pvt) Ltd – Option exercised	3.0% NSR
Banshee J	Blanket Mine (1983) (Pvt) Ltd – Option exercised	3.0% NSR
Mazeppa	Blanket Mine (1983) (Pvt) Ltd – Option exercised	2.5% NSR
Will South	Blanket Mine (1983) (Pvt) Ltd – Option exercised	2.5% NSR
Spruit	Blanket Mine (1983) (Pvt) Ltd	
Shakeshake	Blanket Mine (1983) (Pvt) Ltd	
Rubicon	Blanket Mine (1983) (Pvt) Ltd	
Surprise	Blanket Mine (1983) (Pvt) Ltd	
Bunny's Luck	Blanket Mine (1983) (Pvt) Ltd	
Abercorn	Blanket Mine (1983) (Pvt) Ltd	

Item 3 (e) – Environmental Liabilities

Operating mines in Zimbabwe are required to set aside money as part of the closure plan and fulfilment of the provisions of the MMA and Environmental Management Act (Chapter 20:27) No. 13/2002 ("EM Act"). The Ministry of Mines is working on amendments to the MMA in which there will be conditions for protection of the environment through the Safety, Health and Rehabilitation Fund.

As far as the QPs are aware, no statutory instrument has been gazetted implementing an environmental fund as yet, thus so no fees are currently due. In addition, The QPs are not aware of any requests being made to Blanket Mine Company by the Minister to implement an environmental fund. As such, no environmental rehabilitation trusts and guarantees have been established for Blanket. In addition, the author is not aware that the liabilities have been calculated or budgeted for. However, a closure liability has been calculated (although not currently provided for) and is presented in Item 17 (e).

Item 3 (f) – Permits to Conduct Work

The Mine is compliant in terms of authorisations and adheres to all government protocols and regulations as required.

I. Water Agreement

Water for the operations is sourced from the Blanket Dam that is situated on the Mtshabezi River and owned by the Zimbabwe National Water Authority ("ZINWA"). The use of this water is authorised through a contract agreement between Blanket Mine Company and ZINWA in terms of the Zimbabwe National Water Authority Act (Chapter 20:251). In terms of this agreement, Blanket Mine Company is allowed to extract 1,200,000 m^3 of water for the period 1 April 2020 to 31 March 2021. The agreement is valid for one-year periods and is renewed annually. ZINWA annually send to Blanket the renewable agreement for signing. Blanket continues to extract water in the interim at a rate of ZWL18.00/m^3.

II. Environmental Impact Assessment Certificates

In Zimbabwean mining legislation, an Environmental Impact Assessment ("EIA") is not required in order to issue a mining licence, and in terms of the EM Act and its First Schedule is only required prior to

commencement of mining and forms part of the planning process. Blanket Mine was established in the early 1900s, long prior to the implementation of governing mining and environmental laws. As such, it appears that an EIA is not required for the Blanket Mine. However, the Company is in constant communication with the Environmental Management Agency ("EMA") regarding environmental permitting requirements and an EIA was completed for the Mine in 1995. Should the EMA communicate that an EIA certificate for the Mine be obtained, the Company will submit all relevant and associated applications to obtain such and remain fully compliant.

III. Additional Environmental Permits

In order for operations to continue, the EMA has issued a number of additional environmental licences to Blanket Mining Company as listed in Table 4 - dates and licence numbers have been supplied by the Client. The certificates are valid for 1 year and renewed annually. Applications for hazardous waste generation (oils, chemicals, etc.) licences have been submitted and are pending EMA review. New environmental disturbances will require additional permits further to those listed in Table 4, and currently no further disturbances have been identified.

Table 4: Environmental Permits

Licence Type	Licence Number	Activity	Validity
Air Emissions	8000097040	Diesel generator emission	04 Mar 2021– 31 Dec 2021
Air Emissions	8000097042	Clinic incinerator	04Mar 2021 – 31 Dec 2021
Air Emissions	8000097044	Blacksmith	04 Mar 2021 – 31 Dec 2021
Air Emissions	8000097043	Assay laboratory	04 Mar 2021 – 31 Dec 2021
Air Emissions	8000097038	Smelter	04 Mar 2021 – 31 Dec 2021
Effluent Disposal	8000095834	Car wash	04 Mar 2021 – 31 Dec 2021
Effluent Disposal	8000095832	Ablution facilities (sewage, 15 kLpm, disposal : irrigation)	04 Mar 2021 – 31 Dec 2021
Hazardous Substance Importation	8000098441	Sodium cyanide, sodium hydroxide, acids	18 May 2021 – 17 May 2022
Hazardous Substance Storage and Use	8000098442	Sodium cyanide, diesel, acids, caustic soda	18 May 2021 – 17 May 2022
Hazardous Substance Transportation	8000098443	Sodium cyanide, caustic soda, acids, diesel	18 May 2021 – 17 May 2022
Hazardous Waste Generation	8000089162	Used oils, clinical waste (0.5 t, salvage yard)	21 May 2020 – 17 May 2021
Solid Waste Disposal	8000095839	Domestic waste (land filling, 1,500 t)	04 Mar 2021 – 31 Dec 2021
Solid Waste Disposal	8000095838	Tailings storage facility (24,453 kL)	04 Mar 2021 – 31 Dec 2021
Waste Management-Sanitary Landfill	8000092448	Blanket Mine Sanitary Landfill	07 Aug 2021 – 06 Aug 2022
Energy-Solar	8000101044	Blanket Mine Solar PV Plant	07 Sep 2021 – 06 Sep 2022

The QPs are not aware of any past material violations or fines.

Item 3 (g) - Other Significant Factors and Risks

The QPs are not aware of any factors or risks that may affect access, title or right or the ability to perform work on the property.

ITEM 4 - ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Item 4 (a) - Topography, Elevation and Vegetation

The area around the Blanket Mine is hilly and lies at an altitude of about 1,000 m to 1,300 m above mean sea level ("amsl"). Drainage is to the northeast, into the Mtshabezi River on which the Sheet Dam and the Blanket Dam are located (some 5 km to the east of the Mine). The main natural water sources include the Tuli River, with its main tributaries (in the east bank running in a north-south direction) being the Mnyabetsi River in the Dibilashaba Communal Area, the Sengezane River in the Garanyemba Communal Area, and the Ntswangu and Pelele Rivers in the Gwanda Bolamba Communal Area.

The indigenous vegetation is dominated by savannah with Marula (Sclerocarya birrea), a variety of Combretum species, Terminalia sericea, Mopane groves and patches of grassland. Around the mine and local settlements, vegetation has been cut down and invaded by secondary thorny scrub dominated by Dichrostachys cinerea. Agriculture is limited to subsistence farming of maize and vegetables.

Item 4 (b) - Access to the Property

Access to the Blanket Mine is by an all-weather single lane tarred road from Gwanda. Gwanda is linked by national highways to Bulawayo, Harare and the Beitbridge Border post. Earlier, Zimbabwe had good road infrastructure. However, lack of investment over the past ten to fifteen years resulted in its deterioration; substantial investment is required country-wide. The railway line connecting the Zimbabwean national network to South Africa passes through Gwanda.

Gwanda Town is the provincial capital of Matabeleland South Province and district capital of Gwanda District. The village of Vubachikwe lies immediately adjacent to the southeast of ML 40. Blanket Mine labourers and their families are accommodated in a mine village about 1 km from the Mine. Gwanda offers a number of lodges and alternative accommodation options. Gwanda offers limited hospitals and medical services, business and financial services, educational facilities, shops, recreational facilities and amenities. Larger hospitals and establishments are offered in Bulawayo, in addition to more skilled service industries. Neighbouring towns and villages to the Mine provide skilled and unskilled labour.

Major economic activities in the district include gold mining, cement production, livestock production, game ranching and tourism. A number of dams and irrigation schemes are established. The population in the district is mostly rural, with the majority of employed people servicing the agriculture and related industries.

The district is serviced by telecommunication services, and Blanket Mine provides its own Wi-Fi and communication systems.

The A6 highway, forming part of the Trans-African Highway network, is orientated roughly northwest-southeast and links Bulawayo with the Beitbridge border post and Musina in South Africa. The highway runs through the town of Gwanda. A major sealed road, the Old Gwanda Road, branches off from the A6 in Gwanda and runs directly through the ML 40 to Bulawayo. The Blanket claims are all located along these major roads and are thus easily accessible. The roads are sealed and although potholing is frequent, the surfaces are navigable by all vehicles. The Beitbridge Bulawayo Railway runs roughly parallel to the A6 through Gwanda Town.

An airstrip and informal airport building are located in Gwanda along the A6. The Joshua Mqabuko Nkomo International Airport is located in Bulawayo. The Mine can be accessed either via the Beitbridge-Bulawayo road, or by flying into Bulawayo and driving two hours via the Old Gwanda Road or the A6 to the site.

Item 4 (c) - Climate and Length of Operating Season

The climate in Gwanda is hot and semi-arid, classified as *BSh* type (extremely hot summers and warm to cool winters, with minimal precipitation) by the Köppen climate classification system. Temperatures are as high as 40°C during summer months of November to February and average 13°C during winter (May to August). The climatic conditions make the area vulnerable to meteorological hazards such as droughts, floods, gusty winds, as well as lightening during the wet and hot season.

The region experiences short, variable rainfall seasons (averaging generally below 400 mm per year), and long, dry winter periods. Rainfall is usually associated with thunderstorms, producing rainfall of short duration and high intensity. The rainfall, in general, is less than half of the potential evaporation which has necessitated irrigation development and infield rainwater harvesting to improve crop production which complements animal husbandry as well as reclaims open access areas such as grazing lands. It also induces underground water recharge as part of improving the environment.

No appreciable mine production downtime is expected owing to unfavourable climatic or weather conditions. The mine is able to operate year-round.

Item 4 (d) - Infrastructure

I. Regional Infrastructure

The Blanket mine area is supplied with power through the national grid operated by the Zimbabwe Electricity Transmission and Distribution Company. Power is supplied from the grid to the operations via two overhead powerlines ("OHLs") energized at 11 kV and 33 kV respectively. The Zimbabwe Electricity Supply Authority ("ZESA") currently allocates a capacity of 10 MVA to the operations.

Water supply to the Blanket Mine area is sourced from the Blanket Dam located 5 km east of the Mine, as well as groundwater. The Blanket Dam has a capacity of 15 Mm^3 and all water rights are held by ZINWA. Water users including Blanket Mine purchase all service and domestic / potable water from ZINWA.

Logistics infrastructure in the Blanket Mine area consists mainly of the local road network, national rail network and an airstrip located northwest of the town of Gwanda. All of the above-mentioned infrastructure is easily accessible from Blanket Mine.

II. Mine Infrastructure

Mine infrastructure comprises of underground workings, various shaft with head gear and hoisting facilities, a process plant, workshops and a tailings storage facility ("TSF"). Stores, workshops and offices, as well as an assay laboratory, are located adjacent to the mine shafts. There is adequate surface area for any potential future expansion.

With regards to the accessibility to personnel, services and supporting industries refer to Item 4 (b).

ITEM 5 - HISTORY

Item 5 (a) - Prior Ownership and Ownership Changes

The Blanket Mine is part of the Sabiwa group of mines within the GGB from which gold was first extracted in the 19th century. The Blanket Mine is a cluster of mines extending some 3 km from Jethro in the south through Blanket itself, Feudal, AR South, AR Main, Sheet, and Eroica, to Lima in the north. Blanket Mine has produced over a million ounces of gold during its lifetime.

Following sporadic artisanal working, the Blanket Mine was acquired in 1904 by the Matabele Reefs and Estate Company. Mining and metallurgical operations commenced in 1906 and between then and 1911, 128,000 t were mined. From 1912 to 1916 mining was conducted by the Forbes Rhodesia Syndicate who achieved 23,000 t. There are no reliable records of mining for the period between 1917 and 1941 and it is possible that operations were adversely affected by political instability during World Wars I and II. In 1941 F.D.A. Payne produced some 214,000 t before selling the property to Falconbridge in 1964 (Blanket Mine, 2009). Under Falconbridge, production increased to 45 kg per month and the property yielded some 4 Mt of ore up until September 1993. Kinross Gold Corporation ("Kinross") then took over the property and constructed a larger Carbon-in-Leach ("CIL") plant with a capacity of 3,800 tpd. This was designed to treat both run of mine ("RoM") ore and an old TSF.

Caledonia completed purchase of the mine from Kinross on 1 April 2006. The Blanket Mine re-started production in April 2009 after a temporary shut-down due to the economic difficulties in Zimbabwe. In late 2010, Blanket Mine successfully completed an expansion project which increased production capacity from 24 koz of gold per annum to 40 koz of gold per annum.

Item 5 (b) - Historical Exploration and Development

Exploration was conducted between 1997 and 2006 around the GG and Mascot areas with follow-up exploration drilling in 2013 around these same areas. Currently, there are exploration shafts at these two sites.

Production from Blanket Mine was first recorded in 1906. Over its life to December 2019, the Mine produced some 1.4 Moz gold from 11.42 Mt ore milled.

ITEM 6 - GEOLOGICAL SETTING, MINERALISATION AND DEPOSIT

Item 6 (a) - Regional Geology

The majority of Zimbabwe's known gold mineralisation occurs in host rocks of the Zimbabwe Craton, which is comprised of Archaean-aged basement lithologies. The Archaean basement consists of supracrustal greenstone belts surrounded by granitoid rocks of various ages. The greenstones consist dominantly of meta-basalts with smaller proportions of ultramafic and felsic extrusives and intrusives, and sedimentary rocks. Various combinations of these rock types often occur in association with adjacent granitoid or internal granitoid bodies (Kalbskopf and Nutt, 2003). The Craton is flanked along the northern, eastern and southern sides by mobile belts of varying ages.

The Blanket Mine is situated on the north-western limb of the Archaean GGB in south-western Zimbabwe, along strike from several other gold deposits. The GGB is approximately 70 km in length (west to east) and 15 km wide (north to south). The belt is typical of greenstone belts of the Zimbabwe Craton consisting of mafic to felsic volcanics with intercalated sedimentary units.

Repeated strong deformation affected all lithologies. Structurally, the GGB is dominated by a major periclinal synform, plunging 60° NW in the western half of the belt. It is flanked on both sides by two major deformation zones, namely the North West Gwanda Deformation Zone ("NWGDZ") on the north-western limb and the South Gwanda Deformation Zone ("SGDZ") along the southern limb. The SDGZ forms part of a regional structure bounding the southern margin of the belt. In the convergence zone of the NWGDZ and the SGDZ, the Colleen Bawn Deformation Zone ("CBDZ") splays off the SGDZ eastwards, following the north-eastern arm of the belt. The NWGDZ is approximately 2 km wide and 18 km long with a general northwest to north-northwest trend, from the town of Gwanda to the north-western extremity of the belt (Campbell and Pitfield, 1994).

Four phases of deformation have been defined by Fuchter (1990). Repetition of lithological units, particularly in the north-west, is interpreted as evidence of D1 thrusting. The D2 event produced wide zones of intense schistose deformation, considered to be associated with the gold mineralisation. The D1 thrust phase has a coincident trend and may be an early part of the D2 event (AGS, 2006).

The large fold structures of the D3 deformation event dominate the eastern and western ends of the GGB. Blanket Mine mineralisation the lies on the northern limb of the large western fold (the North West Mineralised Camp). The final D4 deformation event produced major lineaments which dominate the southern margin of the GGB (Fuchter, 1990). Owing to the close proximity of the GGB to the high-grade metamorphic Limpopo Mobile Belt, GGB metamorphism reaches upper greenschist to amphibolite facies and is higher than in the typical Zimbabwean greenstone belts.

Item 6 (b) - Local and Property Geology

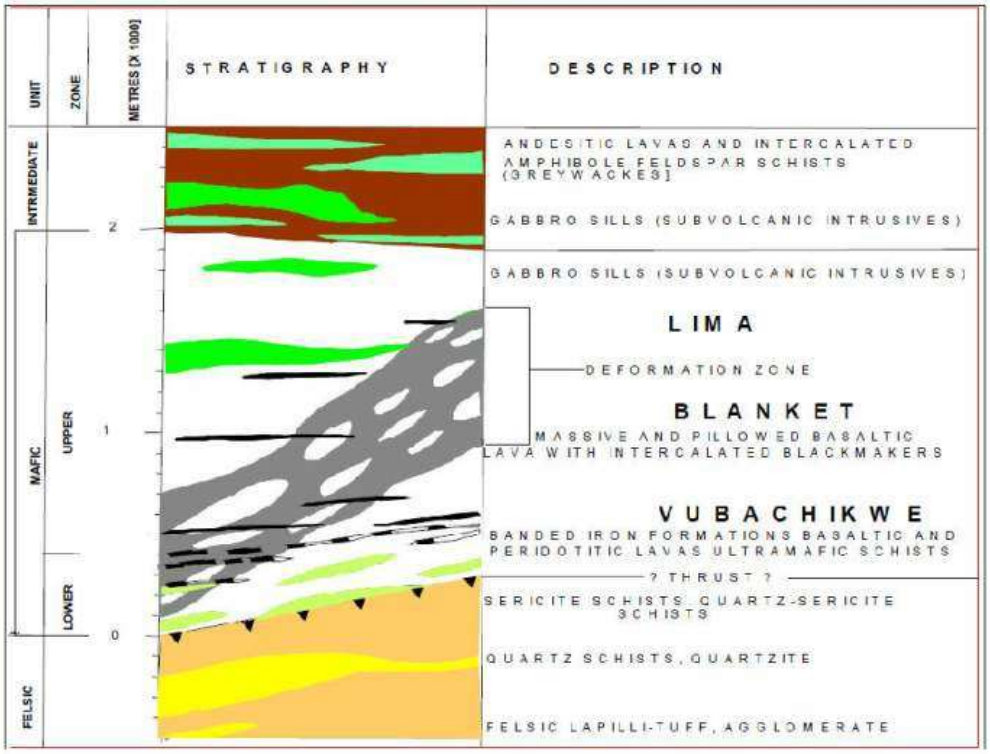
As described by AGS (2006), in the Blanket Mine area, lithologies comprise non-mineralised basal felsic schists of igneous or sedimentary origin in the east. Tailings facilities are generally sited on this Felsic Unit.

The felsics are overlain by a metabasaltic ultramafic to mafic unit with pillow basalts remnants. This Mafic Unit is subdivided into a lower zone and upper zone. Ultramafics and BIFs comprise the lower zone, while massive to pillowed lavas with intercalated interflow sediments (cherty argillites) comprise the upper zone (or Black Markers; MSA, 2011). Mineralisation at the adjacent Vubachikwe Mine is hosted in the BIF unit, while Blanket mineralisation occurs in the overlying mafics. Regionally, the rock is a fine-grained massive amphibolite with localised shear planes. A low angle transgressive shear zone characterised by biotite and a well-developed fabric, cuts through the mafic zone is the locus of the gold ore shoots. The shear zone may be up to 50 m wide (AGS, 2006).

Intruding this package is a younger, barren olivine-gabbro sheet. The entire sequence is capped by andesitic lavas with amphibolite feldspar schists of the Intermediate Unit (MSA, 2011).

The generalised stratigraphic column for the area is shown in Figure 3.

Figure 3: Stratigraphic Column of the Blanket Mine Area



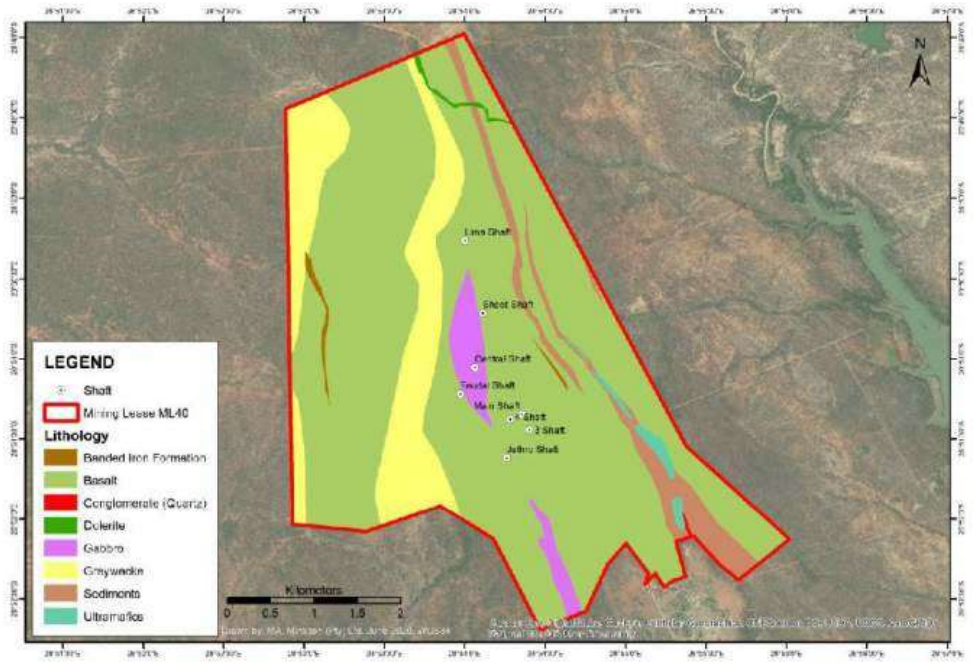
Source: AGS (2006)

Stratigraphic Column of the Blanket Mine Area	December 2021

The entire sequence is cut by a regional dolerite sill from the south at Vubachikwe, through the Blanket Mine, to the Smiler deposit which lies approximately 3 km north of the Blanket Mine. Although no significant displacement is caused by the sill, it truncates all the ore shoots, but below the sill continuity of mineralisation is observed (AGS, 2006).

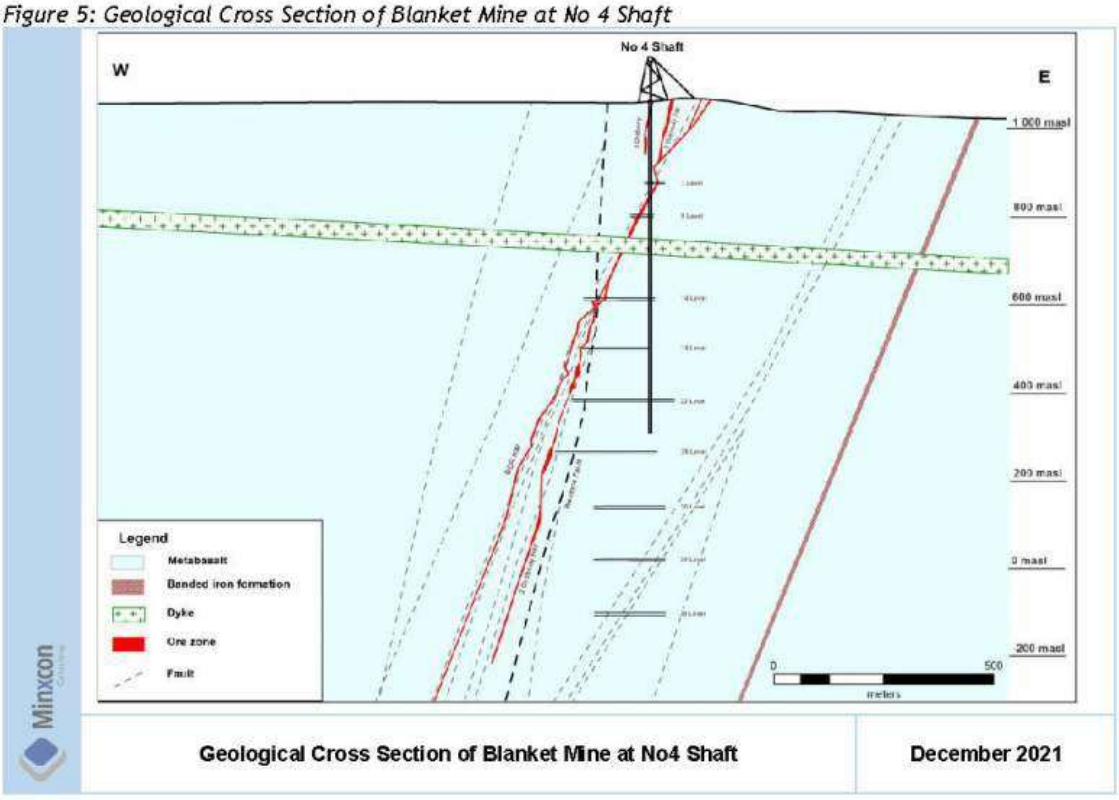
The geology at the Blanket Mine, including the shaft locations, is illustrated in Figure 4. A geological cross section at No 4 shaft is presented in Figure 5.

Figure 4: Local Geology of Blanket Mine



Local Geology of Blanket Mine	December 2021

Figure 5: Geological Cross Section of Blanket Mine at No 4 Shaft



Item 6 (c) - Mineralisation and Deposit Type

Mining at Blanket occurs over a 3 km strike that includes from north to south, the deposits of Lima, Eroica, Sheet, AR Main, AR South, Feudal, Blanket Section (Blanket 1 to Blanket 6) and Jethro. The main Blanket underground workings are connected to Lima by a 2 km long haulage which follows the strike of the main fabric.

Varying strikes are recorded for the deposits. As described by AGS (2006), mineralisation occurs in near vertical shoots aligned along an approximately N-S axis. The ore shoots vary in shape from the tabular-lensoidal quartz reefs to the massive to pipe-like disseminated sulphide reefs ("DSR").

Wall rock alteration typically comprises silica–pyrite–muscovite within a broader carbonate alteration halo. Quartz-carbonate altered rock forms the most commonly recognised alteration assemblage. Gold is deposited at crustal levels within and near the brittle-ductile transition zone.

The deposits may have a vertical extent of up to 2 km, demonstrate extensive down-plunge continuity, and lack pronounced zoning. The ore mineralogy is dominated by gold, pyrite and arsenopyrite. Subordinate minerals such as galena, chalcopyrite, pyrrhotite, sphalerite, tellurides, scheelite, bismuth and stibnite also occur. Sulphide mineralogy commonly reflects the litho-geochemistry of the host rock with arsenopyrite being the most common sulphide mineral in metasedimentary host rocks and pyrite or pyrrhotite being more typical in metamorphosed igneous hosts. The gangue and alteration mineralogy are dominated by quartz and carbonate (ferroan dolomite, ankerite, siderite, calcite) with subordinate albite, fuchsite, sericite, muscovite, chlorite and tourmaline.

Two quartz-filled shear zones are mined, namely the Blanket Quartz Reef ("BQR") and the Eroica Reef, which have long strike lengths but are not uniformly mineralised although continuous pay shoots of over 100 m on strike are seen. Gold grade fluctuations are more extreme in the quartz reefs than in the DSR type reefs but on average these quartz shears have higher grades and are used as a sweetener of ore to the mill (MSA, 2011).

Table 5 provides a description of the mineralised sections at Blanket.

Table 5: Description of Deposits at Blanket Mine (after MSA, 2011)

Name	Description
Blanket Quartz Reef	The BQR strikes some 500 m on surface and is up to 5 m wide, diminishing with depth, dipping 55°W. It displaces the DSR type orebodies with an apparent reverse movement of up to 250 m. The reef texture varies from typical quartz reef at depth through sheeted and boudinaged veinlets to ankeritic carbonate in schist and a sulphide replacement ore zone. This is interpreted as a transition from brittle ductile to a more ductile regime with depth. Towards the north of the reef outcrop, a Z-shaped inflection forms the thickest part of the reef, up to 5 m, compared to less than 1 m on the limbs. Similar inflections are found elsewhere in the Northwest Gwanda Shear Zone. Subsequent to mineralisation the reef was displaced by the north-striking vertical Wenlock Fault which has a dextral strike-slip component of about 60 m. Mineralisation in the BQR is not uniform and comprises native gold with galena. Arsenopyrite is more dominant down-dip. Economic mineralisation is restricted to three 90 m pay shoots.
Lima	Lima is situated 2 km north of the Blanket Section and an underground haulage links the two mines. Like the Blanket Section orebodies, the Lima orebodies developed in very high-strain areas. The main shoots are the Hanging Wall and Interlimb. Mineralisation in the Hanging Wall limb comprises pyrite with subordinate arsenopyrite in cleavage planes within pervasive biotite/chlorite alteration. The Interlimb is characterised by a centrally silicified core with pyrite and arsenopyrite constituting the main sulphides.
Eroica	The Eroica orebody lies approximately 1,300 m north of the Blanket Section orebodies and renowned for its high native gold content. It dips at 65°W and has a strike length of 300 m in a northerly direction. The Eroica orebody is hosted in a high-strain area where the shear is up to 15 m wide. Brown carbonate alteration characterises the shear in strong association with biotite development. The orebody is defined by thin silicified stringers that develop into swells of up to 5 m in width. The silicification shows pinch and swell both on strike and down-dip, resulting in a series of dismembered silicified pods developed within a particular shear. The biotite and carbonate alteration, together with the silicified stringers, form marker links between the dismembered pods. Finely-disseminated arsenopyrite, pyrite and pyrrhotite are associated with the gold mineralisation.
Sheet	The Sheet orebody lies about 500 m south of Eroica and is a typical example of a fault controlled mineralisation. It comprises of at least three stepped-out, sinistrally displaced and highly silicified hornblende-chlorite schist fault blocks. The orebody was subjected to both strike and "east-west" dip faulting, resulting in major bifurcation of the orebody up-dip into highly fractured North and South orebodies with variable dips. As with the other DSR orebodies at Blanket Mine, the less disturbed Sheet orebody down-dip extension has a 60-65°W dip and a fabric that is sympathetic to the north-northwest regional shear. The orebody can attain widths and strike lengths of up to 15 m and 60 m respectively. Mineralisation is associated with finely disseminated arsenopyrite. Pyrite and pyrrhotite occur as accessory minerals and are generally indicative of poor mineralisation. The orebody is encompassed within a ductile metabasalt country rock. The orebody was mined between 230 m Level and 870 m Level on separate dismembered shear zones. Further exploration is ongoing to assess the resource growth potential of the down-dip extension.
AR Orebodies	AR is a "Z"-shaped mineralised zone and consists of two separate orebodies (AR Main and AR South) with widths up to 30 m as a result of tectonic thickening from faulting and folding. The mineralised zone has no known surface expression and appears to form a 'peak' under the regional dolerite sill just above 9 Level some 500 m north of the Blanket Section orebodies. From this point the body splits into two the ore shoots of AR Main and AR South, which plunge 55°W and 58°SW respectively. ***AR Main*** AR Main is a DSR-type orebody and occurs within a broad shear envelope in pillowed metabasalts, which is generally irregular in plan and bounded by shears that assist in defining the limits of the mineralisation. At 750 m Level, a shear disrupts the bodies causing the plunge to flatten to the west. The orebody strikes between 40 m and 60 m with an average width of 30 m at the centre of the envelope. The ore is a silicified amphibolite predominantly comprised of quartz with minor carbonate and chlorite minerals. Gold mineralisation is associated with arsenopyrite and to a much lesser extent pyrrhotite and pyrite. Finely-disseminated arsenopyrite occurs within the orebody which form the high grade areas. Sulphide minerals seldom amount to more than 5% of the rock by volume. The orebody is massive and is exploited using the long-hole open stoping method. ***AR South*** AR South plunges southwest, trending towards the Blanket 2 orebody at depth. AR South is also developed within a broad shear zone and is more pipe-like than AR Main. Its maximum thickness is approximately 50 m and high grade sections are defined by silicification and arsenopyrite.
Feudal	Occurring in the hanging wall of the Blanket-Lima strike about 900 m northwest of Jethro is the almost mined out "outlier" Feudal orebody. The orebody is interpreted to be located at the focal point of two Blanket-Lima strike transgressing shears, namely the Blanket-Feudal and Jethro-Feudal shears. The rocks consist of intermediate to meta-basalt with hornblende chlorite schist hosting the mineralised quartz- sulphide (disseminated arsenopyrite and pyrrhotite) shear zones.

Name	Description
	The known orebody (surface outcrop to 7 Level for a 200 m lift) is now mined out. Geological models are being pursued to re-establish the reef down-dip.
Blanket Section	The Blanket Section comprises six orebodies, namely Blanket 1 to Blanket 6, which occur some 500 m south of the AR orebodies. On average, the orebodies dip 80°SW. Blanket 1 and Blanket 4 are parallel and occur in north-south trending shear segments. Blanket 2 and Blanket 5, which are also parallel, strike northwest-southeast. Blanket 3 is cylindrical and lies in a shear segment parallel to Blanket 2 and Blanket 5. On surface, the BQR lies in the footwall of the DSR type orebodies. The reef has a shallower dip than the DSR bodies, but plunges in the same direction so that it progressively advances towards them with depth, displacing Blanket 2, 3, 1, 4. Blanket 2 reappears on the footwall of the BQR and is established on the 630 m Level through to the 870 m Level.
Jethro	The Jethro orebody is located some 400 m south of the Blanket Section. The north-south striking Jethro orebody dips near vertical in a westerly direction and tends to roll over locally.

In greenstone belts, gold mineralisation occurs mainly as vein type or shear zone hosted disseminations. Most of the larger deposits are found within the greenstone belts or their contacts with the granitoids. All mineralisation is hydrothermally emplaced and associated with the regionally developed D2 deformation characterised (at the Blanket Mine) by areas of high strain wrapping around relatively undeformed remnants of the original basaltic flows. It is within the more ductile tensional high strain areas that the wider of the orebodies are located.

These orogenic gold deposits are commonly associated with late syntectonic intermediate to felsic magmatism. Vein systems occur as a system of echelon veins on all scales. The Blanket orebodies comprise up to 10% of precious metals (AGS, 2006), so that the gold-rich model is applicable. The Blanket mineralisation is hydrothermally emplaced and associated with the regionally developed D2 deformation characterised by areas of high strain wrapping around relatively undeformed remnants of the original basaltic flows. Wider orebodies occur within the more ductile tensional high strain areas. The localisation of the mineralised shears conforms to a Riedel pattern (AGS, 2006).

Two main types of mineralisation are recognised at Blanket, namely DSR and quartz-filled reefs and shears. A third type of mineralisation may be evidenced in the form of auriferous sulphide minerals as a replacement of the iron-rich minerals along the hinges of the folds in BIF, as is present at the neighbouring Vubachikwe Mine.

Disseminated Sulphide Replacement Reefs

DSRs host the best grades and comprise the majority of the ore shoots. The zones have a silicified core with finely-disseminated arsenopyrite. Relatively high grades are found in a package of silicified biotite chlorite schist with irregular quartz stringers and disseminated and stringer arsenopyrite in the fabric planes. Due to lesser silicification, abundant biotite characterises the margins of these mineralised zones and as a result they have a lower gold content. Disseminated sulphide-replacement orebodies range up to 50 m in width with a strike of 60 m to 90 m. Free-milling gold constitutes up to 50% of the total metal content with the remainder locked in the arsenopyrite. The ore is not refractory despite its association with arsenopyrite. Generally, plant recoveries of 85% to 90% are achieved.

Quartz-Filled Reefs and Shears

Two quartz shears are mined at the Blanket Mine, namely the BQR and the Eroica Reef. These reefs have long strikes; however, they are not uniformly mineralised. Continuous pay shoots of over 100 m on strike are present. The Quartz Reef has a surface strike of approximately 500 m, but economic mineralisation is restricted to three 90 m long shoots.

Quartz-filled reefs display a much wider grade range compared to the DSR deposits. On average, these shears are of a higher grade and are used in blending the ore to the mill. Dominant ore minerals are native gold and galena although arsenopyrite becomes more prevalent below 470 m. Increasing levels of arsenopyrite association with depth confirm that the quartz shears represent higher level offshoots and splays with brittle deformation relative to the more ductile DSR-type core zone mineralised bodies.

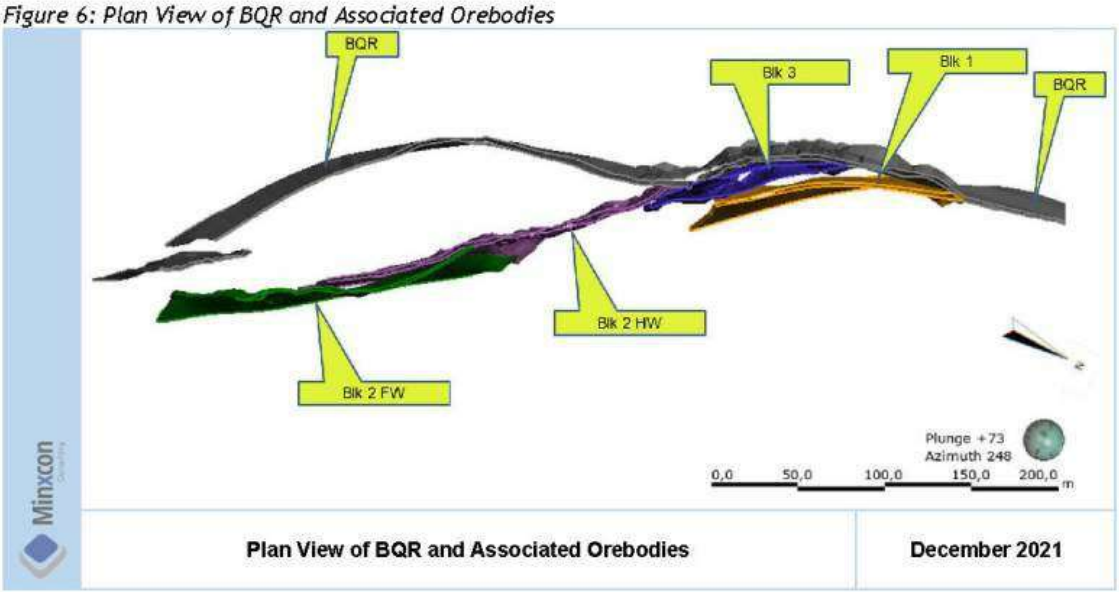
Item 6 (d) - GEOLOGICAL MODEL

The individual models were constructed by Blanket mine to honour the same 2.1 g/t cut-off that has been historically utilised for reporting Mineral Resources. The wireframes are constructed explicitly by manually honouring drillhole intersections and in stope sampling data in Surpac software. The process of manually creating the wireframes is subjective and can differ based on the user.

As part of this work, the QPs reconstructed Blanket 1, 2, 3 and created the new ARS extension utilising trends observed in the sampling database to honour the new 1.5 g/t cut-off that is being applied and test the influence of updating the wireframes based on updated cut-offs. The orebodies remained well constrained, with grade confined to specific narrow veins, and as a result, the change in cut-off had a minimal change to the extents of the wireframes, with local changes only to include new samples. During the QPs' work, it was observed that there was a consistent trend in Blanket 2 hanging wall ("HW"), Blanket 2 footwall ("FW") and Blanket 3. All these orebodies can also be interpreted to splay off of the BQR orebody. Typically, the higher-grade areas of BQR can be correlated to areas where other orebodies occur and may guide where potential orebodies join/splay off BQR such as Blanket 1 and ARS extension. Lithological descriptions are not present in the drillhole database; thus, all modelling is done performed on grade intersections. Geological modelling was performed from the known into the unknown, where mining activities assist to positively identify orebody intersections, trend and thickness that can be used as a guide for identifying and connecting that same orebody in grade intersections at depth.

Blanket 1, 2, 3, 4, 6, BQR, Feudal, ARS, ARM, Lima and Eroica have 3D geological models; all other orebodies currently do not have a 3D model or 3D estimation generated.

Figure 6: Plan View of BQR and Associated Orebodies



Blanket 1 was reconstructed by the QPs to honour the updated geological understanding. The trend of the previous Blanket 1 orebody was inconsistent with the local trends that are seen in other Blanket orebodies, the QPs updated Blanket 1 to reflect this. The previous versions of Blanket 1 have shown a large variance before the 2020 remodelling. During the course of the QPs' work it was interpreted that some of the intersections previously attributed to Blanket 1 are on a different trend that can be better associated with ARS - this led to the interpretation of the ARS extension, which will be discussed separately.

Blanket 2HW and Blanket 2FW was updated to include all 1.5 g/t samples. The orebodies remain tightly constrained and changing cut-off has only minor local changes to the wireframes where additional samples are included. The upper portions of the orebody remain very similar to previous interpretations, while to depth some intersections were changed to honour intersections that are more representative of the trend and dip that can be inferred from the upper well-informed areas. In addition, despite some pinching and swelling in thickness that is seen throughout all orebodies, the middling between these orebodies (particularly Blanket 1, 2 and 3 does remain fairly consistent and can be used as a guide to geological modelling, and assist when assigning intersections to the various orebodies. An additional update was performed for Blanket 2FW, previously interpreted as a standalone orebody, however by viewing grade intersections and following the same trends, the FW can be linked and interpreted to splay from Blanket 2HW (Figure 7). Orebodies are shown with a thick clipping of 10 m.

Blanket 3 was re-interpreted based on the updated geological understanding. The previous versions of Blanket 3 had been interchanged with Blanket 1 intersections as the Blanket 1 intersections had been reinterpreted from year to year. The upper portion of Blanket 3 where mining occurs remains consistent year to year, however the lower portion has varied significantly. The 2020 Model from Minxcon has attempted to follow the geological understanding from these well-informed areas into the poorer informed areas. As with the other orebodies, the trend and middling remain consistent and can be used with confidence in assigning intersections. It is for this reason that Blanket 1 and Blanket 3 were reinterpreted and remodelled, as Blanket 3 intersections have typically been assigned to Blanket 1 (Figure 8). The previous interpretations versus the updated 2020 model are shown in Figure 8. It must also be noted that for the Blanket 1 2020 model in this image, the drillhole intersections had not been honoured at this stage of wireframe creation and the wireframe generated is based only on the applied trend. By using the correct trend alone, it can be observed that corresponding drillhole intersections can be interpreted very easily.

Blanket 4 and Blanket 6 were generated by Blanket Mine. These two orebodies are interpreted to lie within a structurally disturbed area and Blanket 6 is separated into a HW and FW unit displaced by the Wenlock fault. A cross section is taken at an elevation of 206 amsl to show Blanket 4 and 6 in relation to neighbouring orebodies. Blanket 4 and 6 have not been updated at this stage, but it is recommended that they be re-interpreted using the same trends being observed.

Blanket Feudal is interpreted in the upper levels only of the Blanket section. This was not remodelled in 2020. This orebody occurs to the west of the BQR while Blanket 1, 2 and 3 all occur to the east (Figure 10). BQR is a continuous unit running through the Blanket section. It has been interpreted that all other Blanket orebodies are closely associated with the BQR and that grade in all orebodies can be correlated. This has not been remodelled in 2020. It is, however, recommended that Blanket Feudal be remodelled using the same principle as that applied to the Blanket models.

Lima and Eroica were modelled in 2019. It is recommended that these be remodelled using the same principle as that applied to the Blanket models. Eroica consists of ERCS and ERCN, while Lima consists of the main orebody (transparent in Figure 11), as well as a smaller inter reef orebody and a smaller FW body.

ARM and ARS occur to the north of the Blanket section. These orebodies have not been remodelled in 2020. It is however recommended that these be remodelled using the same principle as that applied to the Blanket models. An additional extension to ARS has been modelled that shows a continuous trend with the existing ARS. ARS and ARM are separated by a dyke, the structural controls of this dyke as well as the possible extension of the BQR into the ARM and ARS sections need to be tested (Figure 12). The samples used to generate ARS extension show a good correlation of the trend that is interpreted to exist over Blanket Mine.

Figure 7: Plan View of Updated Interpretation at Blanket 2

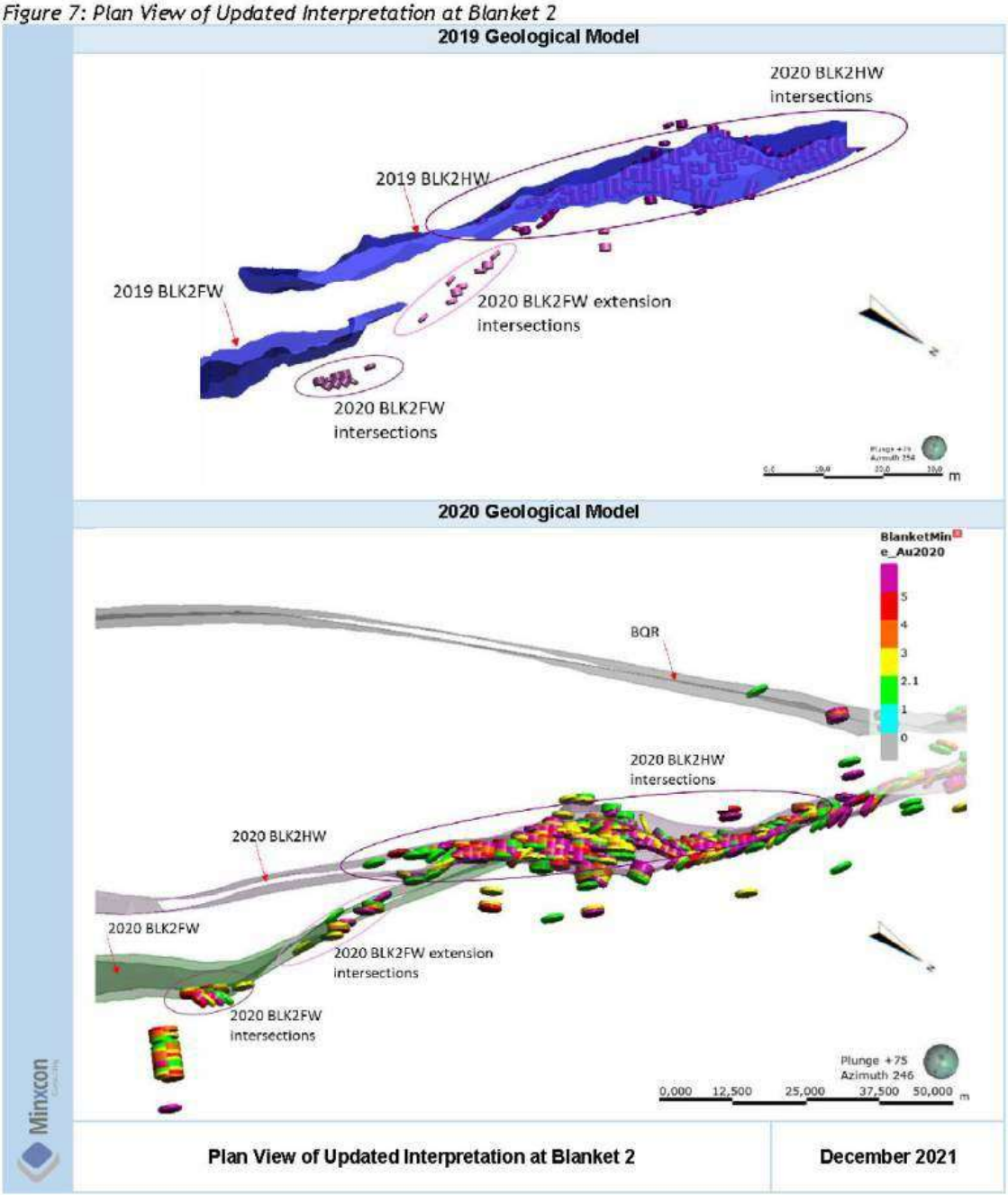


Figure 8: Cross Section of Updated Interpretation at Blanket 1, 2 and 3

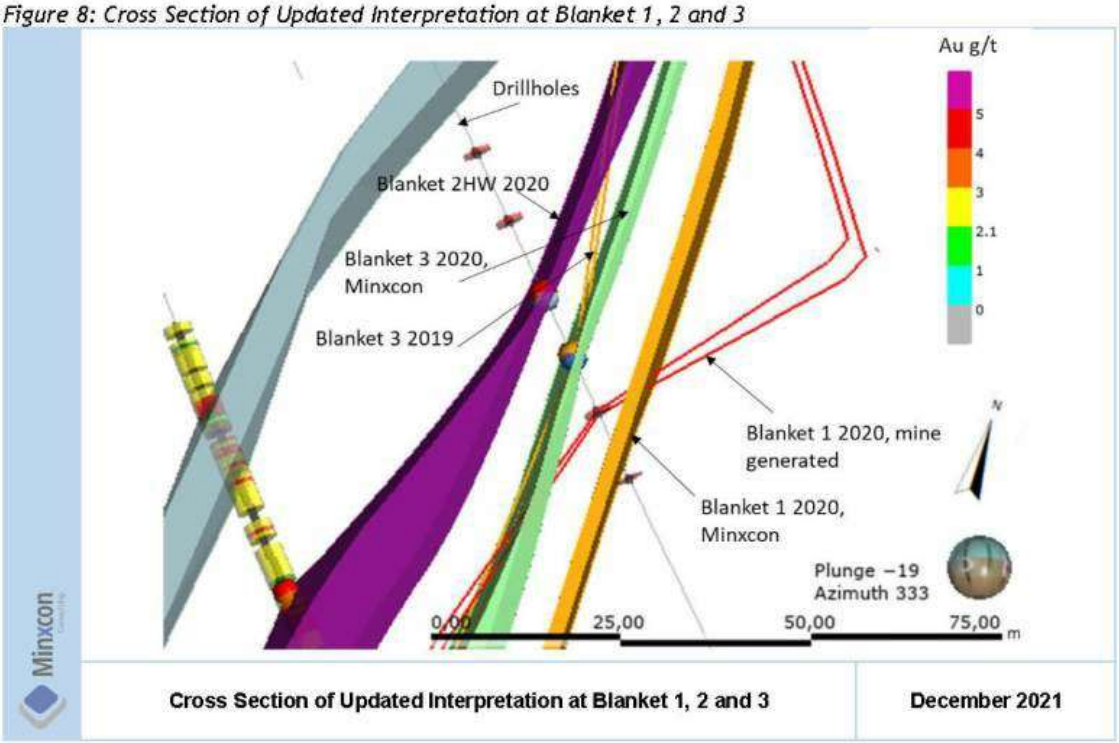


Figure 9: Plan View of Blanket 6 and Blanket 4 and Associated Orebodies

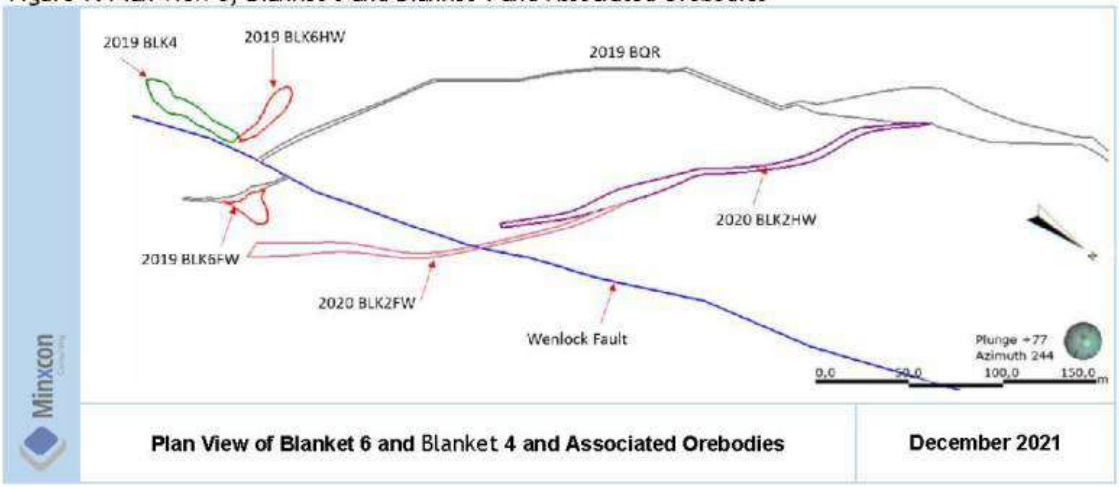


Figure 10: Plan View of Section of BF and BQR



Figure 11: Section View of Lima and Eroica Orebodies

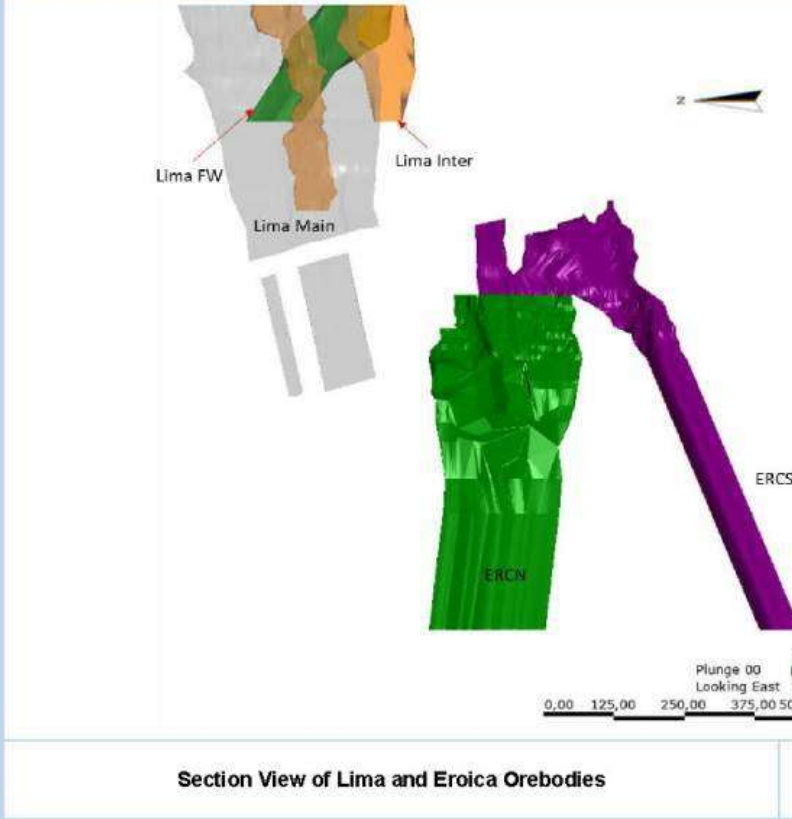
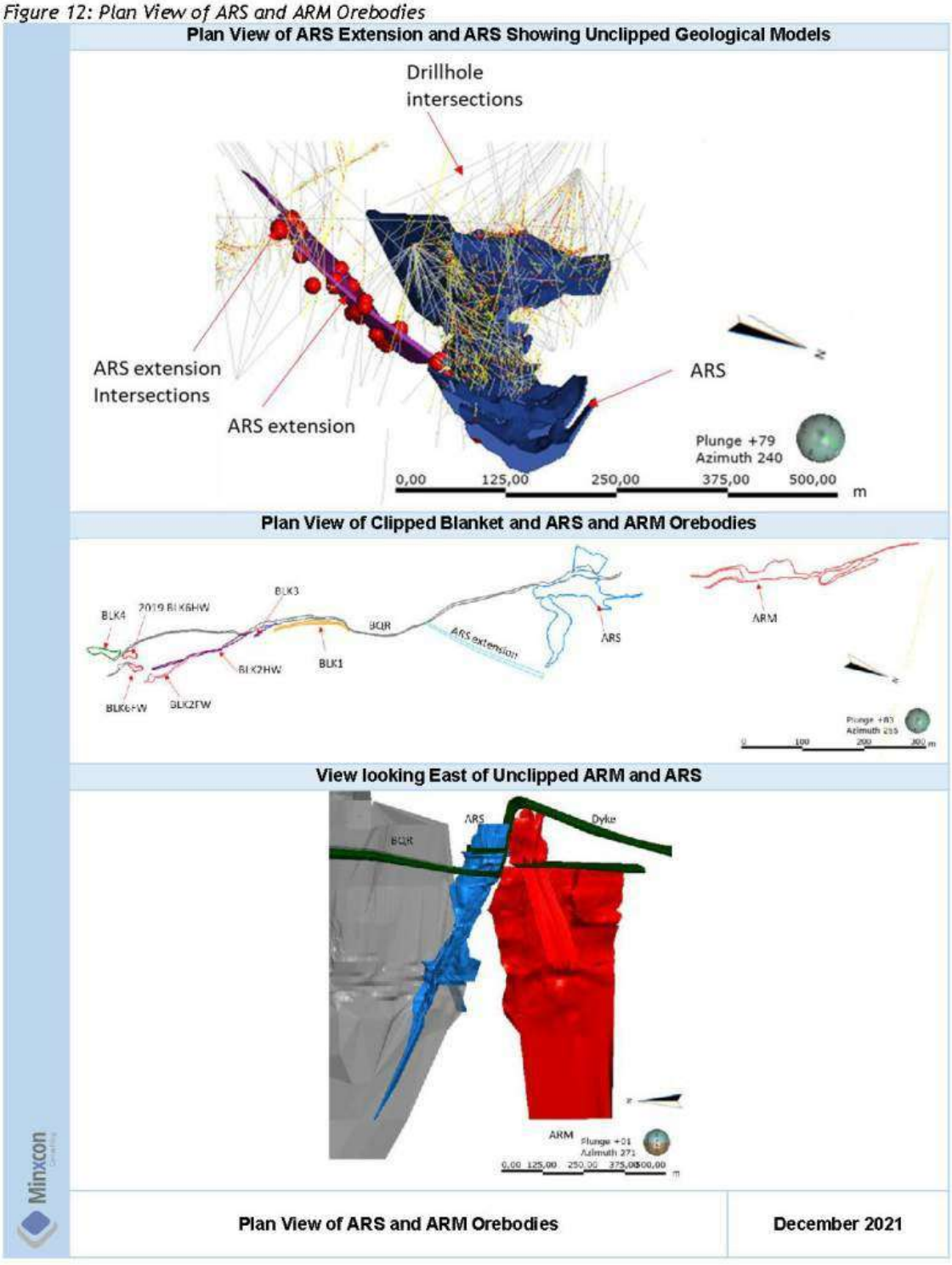


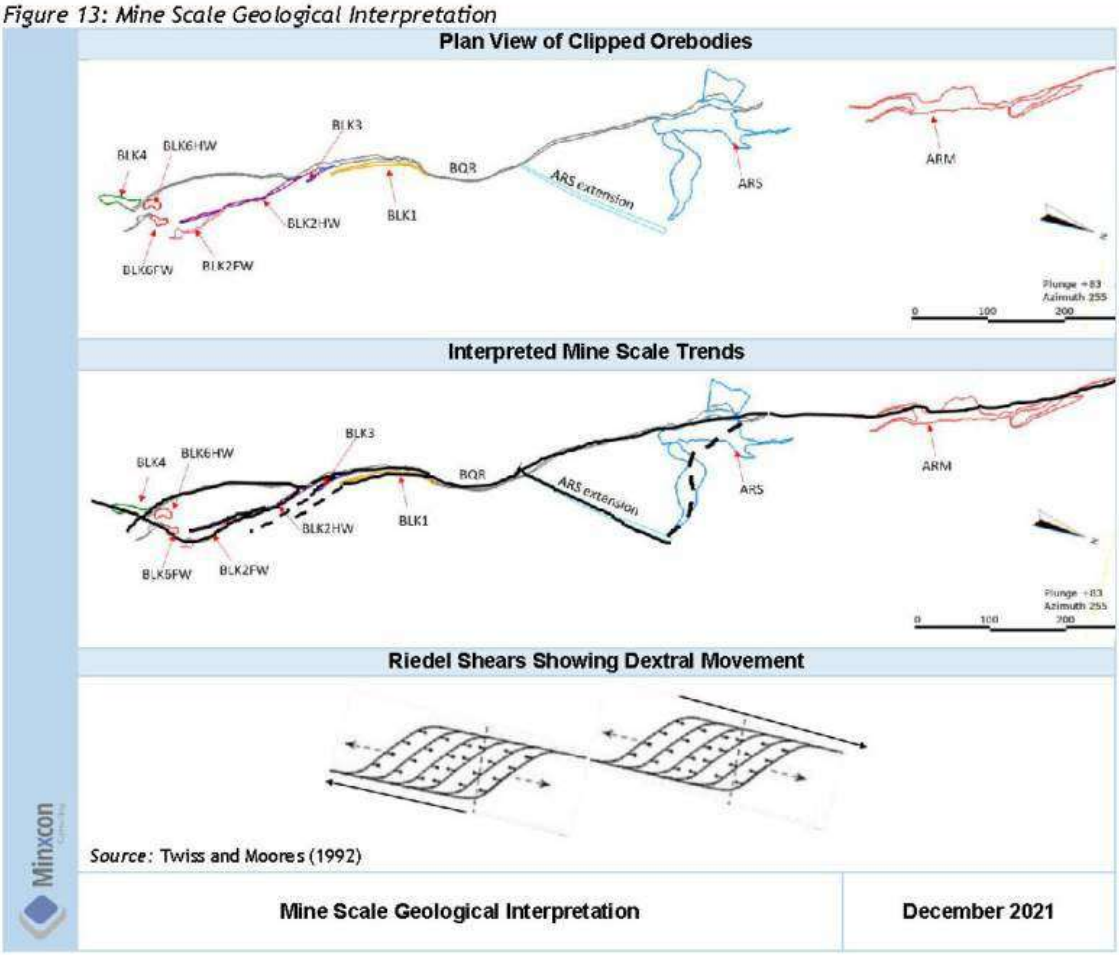
Figure 12: Plan View of ARS and ARM Orebodies



Based on the geological modelling performed on Blanket 1, 2, 3 and ARS extension the need for a mine scale geological model has become necessary as the basis of defining economic orebodies. Often what is seen on a regional or larger scale will be repeated in fractals on a smaller or orebody scale. In this case the trend

and associations seen between orebodies is consistently seen between all orebodies. The trend of the mineralisation seen at Blanket is likely resulting from dextral shear, opening up fractures (extensional gashes) for vein and mineralisation emplacement. This zone of shear fractures has also been described as an extensional or contractional duplex by other authors. These Riedel shears along with the expected structures can be seen in Figure 13. This could potentially explain why the BQR and Eroica reefs are different to the ARM and ARS orebodies, *i.e.*, the more tabular-lensoidal quartz reefs (BQR), which could be the main shear, to the massive pipe-like disseminated sulphide reefs ("DSR") of ARM, ARS and Jethro, which could be zones of Riedel shears.

Figure 13: Mine Scale Geological Interpretation



Further modelling of the remainder of the Blanket orebodies is required to confirm the trend and association of all other orebodies, in addition, modelling with a mine scale view of these expected Riedel shears will assist with modelling, and infer continuity that may aid in the generation of exploration targets. An additional focus with future geological modelling should be on identifying the continuation of the orebodies and structures even where it is not mineralised to create a comprehensive geological model. Domaining prior to Mineral Resource estimation must then be used to separate out high grade and low-grade domains.

ITEM 7 - EXPLORATION

Item 7 (a) - NON-DRILLING WORK

I. SURVEY PROCEDURES AND PARAMETERS

No recent trench or soil sampling or geophysics is available or considered during geological modelling or Mineral Resource Estimation.

Channel Sampling and Sludges

Underground channel/chip sampling and sludge sampling procedures are outlined as follows:-

- The distance from a known survey peg to the first sample section is noted. Subsequent sample sections are marked at 2 m intervals on the roof of the drives along strike. Jethro and Blanket Feudal sample sections are taken at 1.5 m intervals along strike.
- Sample sections are taken using a chisel and collection dish starting from the hanging wall to the footwall. Samples are generally taken in 0.6 m lengths but may vary depending on geology or the width to be sampled.
- In wider mineralised zones where not all the mineralisation is exposed by the primary development, sidewall sludge holes are drilled to a depth of 1.2 m. Sludge holes are drilled into the hanging wall and footwall along the same section line as the channel samples. Drill discharge water is collected in cloth bags and the water seeps out leaving a sludge sample. Samples are taken every 0.6 m. The hole is flushed between each sample to reduce contamination.
- A sample weight of about 2 kg is collected in each instance.
- A ticket tagging system is used with sketches drawn at the face showing the ticket numbers corresponding to the samples taken. This assists the data capture in that on receipt from the laboratory, results are plotted on the assay plan against the corresponding ticket numbers.
- Blanks and CRMs are inserted into the sample sequence.
- On receipt of assays, QAQC is carried out. Information for channel and sludge samples is both processed digitally (incorporation of all channel and sludge data into database, plotting in Surpac, 3D modelling, evaluation) and plotted manually on the level plans.
- 1:250 scale survey plans are generated as 'base plans' for assay, stope assay and geology plans for each 15 m sub-level.

Channel and sludge assay information is plotted manually on 1:250 scale assay plans for every 15 m sub-level. Within all of the mineralised zones, except the AR Main and AR South wider bodies, only 4.2 m is normally sampled (includes 1.8 m wide drive and 1.2 m of sludge sampling into both the hanging wall and the footwall) across the strike and any mineralisation beyond these limits is not included in the Mineral Resource. The unsampled payable sections outside of this width are mined but reported as coming from not-in-reserve ("NIR") blocks. While the accuracy of sludge sampling is debatable, it is considered to give a reliable indication of mineralisation. By the nature of the sampling methodologies the roof chip sampling and sampling of the evaluation drillholes would appear to have a higher confidence than the sludge sampling. However, an analysis of the different sample types has shown a minor decrease in grade (per orebody) with the inclusion of the sludge samples. This is expected as the sludge samples are taken at the periphery of the orebodies to tests the limits of the orebody of acceptable grade. Exclusion of these sludge samples would result in local over estimation as these sludge samples often record the transition from high grade to low grade. In the case of the underground chip sampling the high volume of samples reduces the impact of isolated sampling inaccuracies.

Sampling is undertaken underground, thus a plan view of sampling points is not appropriate for Blanket Mine.

II. Sampling Methods and Sample Quality

Blanket is an operational mine. Only underground Mineral Resource and exploration drilling are currently undertaken.

III. Sample Data

Only ongoing underground drilling is currently undertaken at Blanket Mine.

IV. Results and Interpretation of Exploration Information

The results of the exploration drillholes as described in the section to follow - once checked and validated - were included into the existing database to inform the geological modelling process as well as Mineral Resource estimation.

Item 7 (b) - Drilling

I. Type and Extent of Drilling

Blanket is an operating mine. Underground long-hole exploration drilling and evaluation drilling are undertaken to respectively investigate orebody depth extensions and delineate width of the mineralised body. To this end, a plan view of drilling collars is not appropriate for Blanket Mine. However, Figure 15 illustrates the distribution of the database.

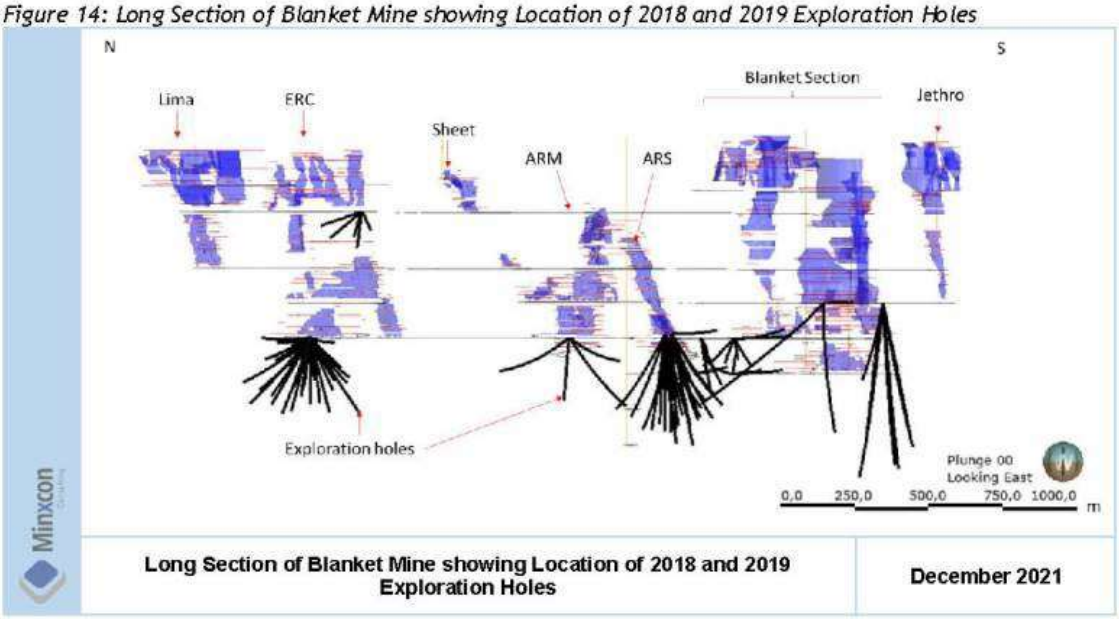
Long-hole Exploration Drilling

The current programme of down-dip drilling from underground crosscuts to test depth extensions of the various orebodies has been underway since 2013. To date 297 holes have been drilled comprising 94,389 m (Table 6). The exploration holes drilled in 2018 and 2019 are shown in Figure 14. The reduction of meters drilled in 2019 is directly related to the new Central Main Shaft ("CMS") progress and the need to create future drilling platforms.

Table 6: Exploration Holes and Meters by Year

Year	Number of Holes	Meters Drilled
2013	10	4,228
2014	25	8,685
2015	40	14,948
2016	58	19,768
2017	54	19,035
2018	68	18,269
2019	42	9,456
Total	**297**	**94,389**

Figure 14: Long Section of Blanket Mine showing Location of 2018 and 2019 Exploration Holes



The current (post 2013) phase of drilling has been focused on down-dip extensions to Blanket Section, AR Main and Eroica South orebodies with commencement of down-dip drilling at AR South orebodies in early 2017. While the programme commenced in 2013 with two refurbished rigs, productivity was significantly increased in 2015 with the introduction of additional rigs. Five Kempe "K600" rigs are now employed at Blanket Mine. Currently three rigs are drilling in high priority areas concurrently six days a week on day and night shifts. The other two rigs (when one of the rigs is not on surface for a major service) are kept in position on holes in lower priority areas on standby for times of breakdown or rig movement for the three 'priority' rigs in order to optimise overall production. Drilling coverage has been planned to initially scope out the wider area below 22 Level to bring areas to Inferred Mineral Resource category at a spacing of approximately 60 m along strike by 100 m down-dip. Once the areas are adequately covered at this spacing infill drilling is planned at a spacing of approximately 30 m along strike by 50 m down-dip to bring Mineral Resources to Indicated status.

Further upgrade to Measured Mineral Resource category using the down-dip exploration drilling is not practical because of the amount of drilling that would be required to reach the required intersection spacing of 7.5 m along strike by 15 m vertical. Measured Mineral Resource status from down-dip exploration drilling will only be achieved where holes inadvertently deviate so that their spacing is much closer than planned. Measured Mineral Resource status is achieved by development of sub-levels within the orebody at 15 m vertical distance with channel and sludge sampling along strike and evaluation drilling every 7.5 m along strike. Current exploration drilling coverage is limited by available drilling chambers. Drilling is conducted from chambers on crosscuts developed into the hanging wall. Development to new chambers at AR South and Eroica is ongoing.

Directional drilling techniques are not employed but holes are planned to incorporate a deviation based on knowledge from previous drilling. While this does not result in a perfectly regular intersection spacing due to irregular and unexpected deviations of holes, the areas are drilled until they are adequately covered. Drilling coverage to Indicated Resource category spacing is only practical for hole lengths of up to 300 m due to unpredictable hole deviations, with further upgrades of Inferred to Indicated only possible once drilling positions have been developed in the hanging wall on the deeper levels. Drilling is carried out

primarily by Blanket personnel but with a Contractor managing and overseeing the operation. The Contractor supplies key staff comprising Supervisors and trained drillers and provides ongoing maintenance requirements to ensure the smooth running of the operation. All drilling is currently being carried out by BQ (36.5 mm diameter) core.

The management of the drilling process rests with the responsible geologist. A summary of drilling procedures for exploration drilling is outlined as follows:-

- Planned hole collar set up information is provided by geologist.
- Hole azimuth is set up by surveyor. Hole dip is set up using built in rig clinometer. Set up is checked by Blanket Mine geologist or geotechnician. Hole collar is surveyed when rig is established in position and drilling.
- Drilling and core are monitored by geologist and geotechnician with checking to ensure core obtained attains a recovery of at least 95%. Hole is stopped based on geological observations.
- Downhole survey is carried out using Icefield Multi-shot MI3 instrument. Survey readings are downloaded and checked for validity using quality assurance and quality control ("QAQC") procedure. If not acceptable, request for resurvey.
- Hole is capped with hole number clearly marked on cap.

Core handling procedures are as follows:-

- The drillhole identification number and box number are clearly marked onto the upper left side and face of each core tray.
- All core is packed into core trays as it is recovered from the hole with blocks indicating the depth placed at the end of each 'run' for each 3 m drill rod. Core trays are kept secure and guarded against possible mixing. All core boxes are transported to the core yard at the end of the drilling shift where their receipt is entered into a logbook.
- Core boxes are laid out in the correct sequence.
- Drill core is checked as orientated and assembled to ensure that all pieces fit, and that orientation lines are consistent.
- Core recoveries are measured between drill depth markings by the geologist or geotechnician to record the core recovery. The complete length of the hole is metre marked.
- RQD measurements are recorded by the geotechnician.
- Core is photographed dry and wet.
- Logging of core is carried out by the geologist.
- Mineralised zones are identified and selected for sampling. Sample boundaries are marked at 0.6 m intervals in nearly homogeneous mineralised zones. Selective sampling intervals are employed on mineralised units with unique features, e.g. colour, concentration of mineralisation, alteration, and mineralogy.
- The core is split into two equal halves with a diamond saw. One half is retained in the core tray.
- Specific Gravity ("SG") measurements are carried out for each sample prior to bagging and submission to mine laboratory for sample preparation and assay (Blanks and Certified Reference Material ("CRMs") are inserted into the sample sequence at this point).
- Split intersections retained in the core tray are photographed wet.
- On receipt of assays, QAQC is carried out. Drilling data is incorporated into the database. Plotting in Surpac, 3D modelling and evaluation are carried out.

Evaluation Drilling

In addition to exploration drilling, evaluation drilling is performed within stope. Underground mining infrastructure in the form of development drives at 15 m vertical intervals within the orebody is required in order to achieve the required spacing of 7.5 m along strike by 15 m down-dip for the Measured Mineral Resource category. Evaluation drilling is normally only applicable to wider DSR orebodies, while Quartz Reef orebodies are either fully exposed by the actual development drives or can be fully evaluated with sludge holes where required to check for mineralisation in the immediate hanging wall or footwall.

A summary of evaluation drilling parameters and procedures is as follows:-

- Sub-level drives are mined within the orebodies along strike at 15 m vertical intervals. Drill cubbies are developed every 7.5 m for evaluation drilling.
- Planned hole collar set up information is provided by the geologist. Holes are drilled into the hanging wall and footwall of the development drive to establish the extent of the mineralisation. Holes are normally horizontal and drilled perpendicular to strike. Holes are drilled using an air driven "meter eater" machine with AXT (30.5 mm diameter) core.
- Drilling and core are monitored by the geologist and geotechnician with checking to ensure core obtained attains a recovery of at least 95%. Hole is stopped based on geological observations.
- Hole collar coordinates, azimuth and dip is surveyed (usually when hole is completed, and rig is off
- the hole using a drill rod inserted into the hole). Hole number is recorded by painting on sidewall.
- Handling and processing of core follows a similar procedure as for exploration core as detailed above. However, for evaluation holes whole core is sampled.
- Core is packed into 1 m long closable core trays as it is recovered from the hole with blocks indicating the depth placed at the end of each 'run' for each 3 m drill rod. Core trays are kept secure and guarded against possible mixing.
- All core boxes are transported to the core yard at the end of the drilling shift where their receipt is entered into a log book.
- Core is carefully repacked into 1.5 m long core trays. Drill core is checked as orientated and assembled to ensure that all pieces fit, and that orientation lines are consistent. The drillhole identification number and box number are clearly marked onto the upper left side and face of each core tray.
- Core boxes are laid out in the correct sequence.
- Core recoveries are measured between drill depth markings by the geologist or geotechnician to record the core recovery. The complete length of the hole is metre marked.
- RQD measurements are recorded by the geotechnician.
- Core is photographed dry and wet.
- Logging of core is carried out by the geologist.
- Mineralised zones are identified and selected for sampling. Sample boundaries are marked at 0.6 m intervals in nearly homogeneous mineralised zones. Selective sampling intervals are employed on mineralised units with unique features, e.g. colour, concentration of mineralisation, alteration and mineralogy.
- Whole core is sampled. SG measurements are carried out for each sample prior to bagging and submission to mine laboratory for sample preparation and assay (blanks and CRMs are inserted into the sample sequence at this point).
- On receipt of assays, QAQC is carried out. Information for evaluation holes is both processed digitally (incorporation of all drilling data into database, plotting in Surpac, 3D modelling, evaluation) and plotted manually on the level plans.

- 1:250 scale survey plans are generated as 'base plans' for assay, stope assay and geology plans for each 15 m sub-level.
- Drill assay information is plotted manually on 1:250 scale assay plans for every 15 m sub-level. Assay plans also record the chip and sludge sampling on the surveyed development and are the basis for orebody delineation in conjunction with the geology plans (stope assay plans are generated to show stoping progress and stope assays).
- Geological information for evaluation holes is plotted manually on 1:250 scale geology plans for every 15 m level. Geological plans provide the context of the mineralisation and validation of orebody shapes and structural discontinuities.

II. Factors Influencing the Accuracy of Results

QAQC data prior to 2014 is not available, and thus data from before this period is subject to some degree of uncertainty. However, more recent samples do cover the areas being considered adequately, thus higher confidence samples are also informing the areas informed by lower confidence samples, this assists in reducing the uncertainty in the database.

III. Exploration Properties - Drill Hole Details

This section is not applicable to the Blanket Mine as it is an operating gold mine with sufficient drillhole data and underground sampling to declare a Measured and Indicated Mineral Resource and Mineral Reserve.

Item 7 (c) - Hydrogeology

According to the Blanket Mine geological personnel no hydrogeological studies have been completed at the Blanket Mine.

Item 7 (d) - Geotechnical

Prior to 2020, no previous geotechnical work was completed at the Blanket Mine. An investigation into rock strengths was completed, where core of the different rock types was sent to Rock Lab SA for UCS Brazilian disc test, in order to determine the geomechanical properties of various lithologies and the parameters to be applied in the geotechnical model and mine design going forward.

Subsequently, Point Load index (PLi) assessments were introduced on mine, where core from exploration or run-of-mine drilling can be tested to determine the UCS of the rock and an index that will be used to classify geotechnical areas based on the rock PLi.

Rock Quality Designation (RQD) is being determined to assess the quality of the rock and is used as a criterium in the rock mass classification for mine design and blast designs. No specific joint analyses were done on current core and this is an area of improvement that could form part of the analysis going forward where joint orientation, joint spacing, joint roughness and infilling would be used for Rock mass classification.

Blanket Mine has employed a rock engineering consultant as of February 2020 for the required geotechnical inspections and designs of the underground workings. All legal appointments pertaining to rock engineering requirements are in place. The geotechnical model for Blanket Mine is being revised and with this in mind support standards are continually reviewed and rock mechanics recommendations for the current mining operations are in place.

No new geotechnical, or rock engineering work has been conducted for the newly targeted mining areas below 750 m Level. The studies and work associated with these parameters will be addressed by the rock

engineering consultant as data is generated and access is obtained through development. This will further inform the geotechnical model.

ITEM 8 - SAMPLE PREPARATION, ANALYSES AND SECURITY

Item 8 (a) Sample Handling Prior to Dispatch

All sample submissions to the laboratory are accompanied with clear instructions on a Sample Submission Sheet regarding sample preparation and assay methodology. The sample submission sheet contains spaces and selections to accommodate all necessary instructions for the laboratory. Each of the items on the Sample Submission Sheet is discussed below. QAQC procedures are constantly reviewed to ensure the best practices are followed. The sample preparation and analysis procedures outlined below describe the current information handling. All sampling and QAQC data are currently captured into access and excel. Samples are not released by the Geology department to the assay laboratory that do not satisfy all the required procedures. Each Section Geologist is responsible for ensuring that this is done for drilling, channel or sludge samples originating from their underground section. Samples are not accepted for assay by the laboratory if they do not satisfy the QAQC requirements. In the event of such an occurrence, it is reported to the Geology Manager or the Mineral Resource Manager.

Item 8 (b) - Sample Preparation and Analysis Procedures

All samples are analysed by the Blanket Mine on-site Assay laboratory which is not accredited. The process is broadly as follows:-

- The sample is crushed to -10 mm and riffle split to produce a portion of approximately 400 g.
- The 400 g portion is pulverised in a Rocklabs ring mill. Blank samples are run in the pulveriser after every 10 samples for channel chip and sludge samples as per normal laboratory procedure. For evaluation holes after every five samples and for exploration holes after every sample.
- Pulp is measured into a crucible. For drill core samples, a new crucible is used for every sample. For other samples, it is acceptable for crucibles to be used multiple times but discarded when cracked or showing signs of absorbed impurities.
- A 50 g aliquot is used for all drill core samples. A 25 g aliquot is used for channel chip samples and sludge hole samples.
- All samples currently undergo Fire Assay analysis with gravimetric finish.

Item 8 (c) - Quality Assurance and Quality Control

Blanks

Blanks are inserted according to the sample type. For exploration drilling samples, two blanks are inserted for every 36 samples (the number of samples processed in a "batch" at one time in the laboratory). Exploration holes include deep drillholes but also include other surface drillholes. Evaluation Holes are holes which are used to define the limits of the orebody, generally at 7.5 m spacing along strike. The mass of a blank sample needs to be only slightly higher than the weight of the aliquot (50 g for drill core samples and 25 g for all other samples). Blanks are prepared in advance in sealable card packets to avoid any contamination. Blanks are inserted into the batch in random positions in the sequence within a mineralised zone. For samples submitted directly to the laboratory by the samplers (sludge and chip samples for both grade control and evaluation), blanks are currently inserted by the laboratory until a new procedure is in place. The blanks utilised are either a sourced form a local granite or from certified AMIS blank standards. The results for the blanks and standards are monitored on a batch by batch basis with the blanks treated separately from the standards.

Standards

Standards are inserted according to the sample type. For exploration drilling samples, three standards are inserted for every 36 samples (the number of samples processed at one time in the laboratory). The mass of the standard needs to be only slightly higher than the weight of the aliquot (50 g for drilling samples and 25 g for all other samples). Standards are prepared in advance in sealable card packets to avoid contamination. The main purpose of Standards is to check the accuracy of the assay procedure. There are generally three groups of standards - very low grade (±0.41 g/t), low grade (±1.74 g/t) and high grade (±2.44 g/t). All three types of standards are used and are inserted into the batch in logical positions in the sequence within a mineralised zone. The standard is included in the number sequence, is not labelled as a standard and is not recorded as a standard on the sample submission sheet. For sludge and chip samples which are submitted directly to the laboratory by the samplers (samples for both grade control and evaluation), standards are currently inserted by the laboratory. Standards for Drillholes are inserted by the samplers. The results for the standards are monitored on a batch by batch basis and on a standard by standard basis.

Duplicates

Duplicates are split by the laboratory from pulps as per instructions on the Sample Submission Sheet completed by the geologist. Duplicates are requested for exploration drilling samples only. On the sample submission sheet, the "Sample No." is the sequential number for the duplicate and there will be a gap in the sequence of samples submitted for this duplicate. In the Sample Source column, the number of the sample from which the duplicate is sourced, is recorded. The splitting of a sample is carried out by the laboratory and the split fraction allocated the new sample number for the duplicate.

I. Assessment Of Results

A QAQC report for each batch is completed and saved (with the name of the batch) on the server. This report includes graphs showing the results for blanks, standards and duplicates and a short statement concluding whether the results are satisfactory or whether a re-assay is required. QAQC sample data is monitored on a monthly basis to ensure that sample batches with control sample data outside of acceptable limits are re-submitted for analysis in a timely manner.

Blanks

All blanks with values greater than the detection limit are flagged. A decision is then made by the Geology Manager as to whether to re-assay or not. Results for blanks for all batches are compiled into one table on an ongoing basis, so that the general blank results can be monitored. This is done on a quarterly basis and finalised at the end of every quarter. This is done in MS Excel and includes a table indicating Batch No., Sample No. and Grade (Au g/t), together with a graph depicting the results for all the blanks. If more than one type of blank is used, then this is done separately for each blank. The report is given the name of the particular blank in question followed by the year and the quarter number (e.g. AMIS0439_2016Q3) and saved on the Mine's computer server.

Sample blank material is comprised of un-mineralised granite sourced from the local area. A threshold of ten times the analytical detection limit (i.e. a threshold of 0.08 g/t) was used to discriminate samples showing evidence of cross-contamination. For 2018 and 2019 31 blanks failed out of 317 total blank samples for this standard. Although some instances of mislabelling of Blanks or Standards has been identified in the past, these poorly performing blanks returned values that did not match any of those of the certified reference material. It was therefore assumed that they were either a result of mix-up between Blanks and mineralised material or resulted from cross-contamination. In addition to the granite, blank standards from Amis have also been utilised for 2018 and 2019.

Standards

Standards with values greater than two standard deviations are flagged. A decision can then be made by the Geology Manager as to whether to re-assay or not. For all batches, the results for each standard are compiled into one table on an ongoing basis, so that the trend and accuracy of each standard can be monitored over time. This is done on a quarterly basis and finalised at the end of every quarter. This is done in MS Excel and includes a table together with a graph depicting all the results for that particular standard. A separate report is done for each standard. The report is given the name of the standard in question followed by the year and the quarter number (e.g., AMIS0335_2016Q3) and saved on the Mine's computer server. During the period 2018 to 2019, eight different standards were utilised (Table 7), the standards used are representative of the grade identified at Blanket and are thus suitable for QAQC purposes. The standards are sourced from Greenstone belts in South Africa and Tanzania. Care must be taken when selecting samples to ensure the standards relevant to the expected grade is used, particularly as the grade will differ slightly between orebodies.

Table 7: Standards Utilised at Blanket Mine from 2018 to 2019

Standards	Expected value	Count
AMIS359	3.89	5
AMIS420	0.41	13
AMIS440	1.74	695
AMIS441	2.44	607
AMIS473	0.41	223
AMIS492	4	160
AMIS526	1.03	216
AMIS558	5.45	27
AMIS681	0.005	45
AMIS439	0.005	580

The three most used standards for this period are addressed in more detail. For AMIS 526 versus the expected value and 2 and 3 standard deviations, it is recommended that 2 standard deviation be used as a flag to check certain results, while 3 standard deviations constitutes a failure of the batch and requires re-analyses. Significant failures are seen in this standard, this was only utilised in 2018 and not 2019. For these types of results, the batches with failures >3 standard deviations must be rerun, and possibly submitted to an umpire laboratory including the same standard to verify results. This will assist in confirming if this is an inconsistency with the standard or systemic error within the laboratory. For AMIS 526, 43% of the standards passed during 2018.

For AMIS 441 a fair number of failures are also observed. 77% of the samples analysed in 2018 and 2019 for AMIS 441 passed. It is recommended that this is followed up to ascertain the cause of these failures. It must be noted that 2018 had the bulk of the failures for this standard. For 2018 there was a 67% pass rate, and for 2019 an 87% pass rate is seen.

Many failures are seen in 2018 AMIS 440 samples as well. With 34% passed in 2018 and 62% passed in 2019. An improvement is seen with 2019 as with the other standards.

It is recommended that follow up activities are undertaken to identify the source of these failures in the standards and if this results from laboratory procedures or sampling activities. In addition, duplicates of the various stages of the sampling and analyses process can be taken. Field duplicates (in the core yard), course duplicates (following crushing) as well as pulp duplicates (following pulverisation), this will eliminate any sources of contamination or identify the potential problem areas. A bias is seen in 2018 with numerous failures in standards, 2019 results are an improvement with acceptable pass rates of standards. However, 2018 results are still included in the database. Where dense sampling exists (Reserve areas), the effect of this is minimised. However, where a larger area is informed by only one or two drillholes (Inferred or Target

areas), any uncertainty would have a larger influence. For this reason, QAQC procedures should be stricter for exploration holes and any failures in QAQC followed up with re-assays as well as umpire assays. The mine procedures with regards to inclusion or exclusion of samples due to QAQC results must be implemented to ensure these failures are considered during the course of QAQC.

Due to the high sample density the effects of these inconsistencies in results will be minimised, however this accuracy and repeatability of results and standards is most important for exploration areas where one drillhole informs a large area. A focussed study of the QAQC of these exploration holes is recommended.

Duplicates

Duplicate results are plotted against each other and poor correlations are flagged by the QAQC geologist. Appropriate action is then taken when failures are identified. Results for all duplicates for all batches are compiled into one table on an ongoing basis, so that the overall repeatability of duplicates can be monitored. This is done on a quarterly basis and finalised at the end of every quarter. This is done in MS Excel and includes a table indicating Batch No., Sample No. and Grade (Au g/t), Duplicate No. and Duplicate Au g/t, together with a XY correlation graph showing all of the results for all the duplicates. The report is given the name "Duplicates" followed by the year and the quarter number and saved on the Mine's computer server. A good reproducibility of results is seen between the lower grade samples (<4 g/t), with some outliers and a bias towards a higher grade in the original samples above 4 g/t.

Umpire Analyses

For exploration drillholes only, 20% of samples from the mineralised zone are resubmitted to a second accredited laboratory, which is currently Performance Laboratory in Harare. Blanks, standards and duplicates are submitted with the batch as per designated allocation for exploration drill core. Duplicates are prepared by the mine laboratory from the pulps prior to dispatch. Samples retain their original number. Duplicates are given a new number but a record is kept linking the duplicate number to the original sample. A report is prepared for each batch showing the results for blanks, standards and duplicates, as well as a report showing the correlation between the results for Blanket Mine laboratory and Performance laboratory.

Separate reports are compiled to assess the results for each of the blanks, standards and duplicates for Performance Laboratory as described above. The results of re-assays by Performance laboratory against Blanket assay laboratory's original assay are scattered and show better performance below 4 g/t.

Of the three standards analysed, one standard passed consistently with both laboratories, while with the other two standards the blanket laboratory plotted outside 3 standard deviations while Performance laboratory plotted within 3 standard deviations, with some failures. Both laboratories performed better with the higher-grade standard and less with the lower grade standards.

It is recommended that due to the number of failures seen in the standards and scatter seen in the duplicates that additional submissions are sent to umpire laboratories of evaluation holes as well. It is also recommended that the Umpire laboratory checks are run more regularly and with a higher number of samples, particularly where a batch fails the second re-analyses in the Blanket laboratory.

Storage of Pulps

According to mine procedure, pulps are retained for all drill core samples (both evaluation holes and exploration holes). They are collected by Geology and stored at the facility at the Exploration department offices. Pulps are stored in strong, sealed boxes clearly labelled with the drillhole name, batch number and sample numbers.

Storage of Coarse Rejects

Mine procedure is to retain all coarse rejects for all exploration drill core samples. They are collected by Geology and stored at the facility at the Exploration department offices.

Item 8 (d) - Adequacy of Sample Preparation, Security and Analytical Procedures

This section sets out the opinion of the QPs regarding the adequacy of sample preparation, security, and analytical procedures.

The mine laboratory was inspected by Mr Keith Osburn of Minxcon in 2020 and even though the mine laboratory is not accredited, a high standard is maintained with good level of housekeeping apparent. Standards and blanks are run as part of the routine procedures. Blind checks are done within a batch of a single sample. If any internal laboratory QC fails, the batch is repeated automatically.

In addition, as part of its external verification process the mine laboratory sends samples away to Duration gold laboratory, Zimlabs, Turk mine laboratory and Performance Laboratories (accredited), to test their precision and accuracy. The results of the internal laboratory standards were viewed and are within acceptable limits, with minor failures. An in-house system for sample receipt and sample tracking has been implemented on the mine in 2019. This significantly improves the analytical system and improves accuracy and tracking of samples in the laboratory. The sample preparation methodology is considered adequate for Mineral Resource estimation purposes given the good correlation between planned production grades and actual recovered grades in the plant. A further inspection of the mine laboratory by an independent consultant Mr Jeremy Eliot was conducted in June 2016. Conclusions were similar in that improvements could be made, but, overall, the facilities and processes were of a satisfactory standard.

The analytical procedures employed are appropriate for the orebodies.

ITEM 9 - DATA VERIFICATION

Item 9 (a) - Data Verification Procedures

The QPs have reviewed all data types from the sampling stage through to the resource block listing stage for the Mineral Resource manual and electronic data used for digital estimates which feed into the Mineral Resource statement.

Orebody interpretation for active areas (mostly above 22 Level) for Mineral Resource estimation purposes is carried out manually while digital models for the down-dip exploration areas (mostly below 22 Level) are being progressed to the standard required for digital Mineral Resource estimation. This is a phased approach, as for the 2018 estimate, only AR Main and Blanket Sections had Digital Mineral Resource Estimates. For 2020, all orebodies except Sheet and Jethro are estimated digitally (below 22 Level), while the manual proportion is still retained above 22 Level, except for Lima, which is digital in the upper levels as well. Proceeding sections cover this in more detail.

A representative portion of the manual block listings were compared to the original sample sheets and average grade calculation and area and volume calculations were successfully replicated.

In general, there are five types of samples considered at Blanket:-

- channel "chip" samples (evaluation and grade control);
- sludge hole samples (evaluation and grade control);
- grab samples (grade control);
- evaluation drill core samples; and

- exploration drill core samples.

Evaluation Holes are holes which are used to define the limits of the orebody, generally at 7.5 m spacing along strike. All other holes are defined as Exploration Holes. Exploration holes can be what are currently deep drillholes but will also include other drillholes.

Database Validation

The database validations and checks were performed on all data received to identify and remove errors where identified. The database per year is summarised in Table 8. The Database summarised by sample type is in Table 9.

Table 8: Sample Database Summarised by Year

Year	Drillhole Count
<1960	36,638
1960-1970	150
1970-1980	61
1980-1990	60
1990-2000	305
2000-2010	518
2010-2020	5,440
Total	**43,172**

Table 9: Sample Database Summarised by Drillhole Type

Hole Type	Drillhole Count
Channel	27,132
Evaluation	4,098
Exploration	673
Sludge	11,070
Stope	174
Trench	25
Grand Total	**43,172**

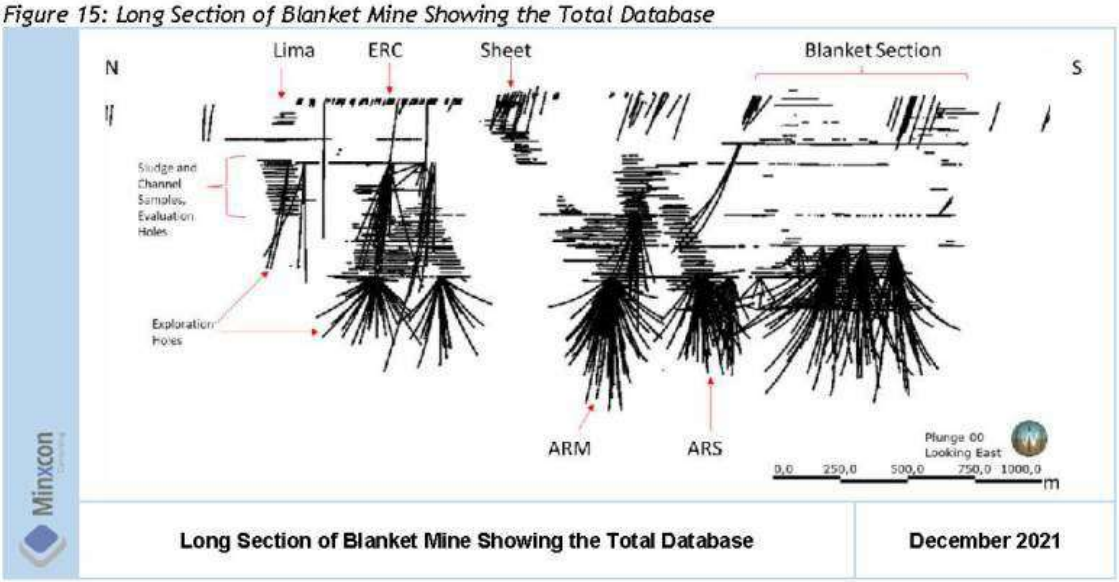
For the purposes of estimation, stope and trench samples were excluded from the database. All other hole types were used. For the assay results, some absent, 0 and -99 values were present. For Mineral Resource estimation purposes, all were assigned as half trace 0.0025 g/t. These all result from illegible entries during data capture (-99), absent or missing samples when capturing (0, absent). Assigning 0.0025 g/t is a conservative approach as it is assigned a low grade that will still form part of the database, leaving the values as absent or missing will allow estimation to occur over this samples position, possibly from a neighbouring high grade sample.

All samples noted here include the total database within and outside the orebodies. The individual samples used and clipped per domain is addressed in proceeding sections. The total database is shown in Table 10, all errors identified could be rectified. The total database for Blanket Mine is shown in Figure 15. Sludge and channel samples as well as Evaluation drillhole are typically in the mining areas, while exploration hole are the longer drillholes used to inform new areas.

Table 10: Hole and Sample Count

Item	BHID	Entries	Errors	Not Usable
Collar	43,172	43,172	-	-
Survey	43,172	11,314	2	-
Assay	36,583	279,903	98	-

Figure 15: Long Section of Blanket Mine Showing the Total Database



Item 9 (b) - Limitations on/Failure to Conduct Data Verification

The data capturing process has not been reviewed. The original drillhole logs were not compared to the final access drillhole database due to the historical nature of the database from the various companies. The data as received from Blanket was accepted as received that all available drillholes have been captured and on-site checks pertaining to data capture on the database were performed. However, it is the QP's opinion that the database is reliable for Mineral Resource estimation due to the significant size of the database and the fact that the Blanket Mine has been operating successfully for many years and achieving the expected grades. All relevant QAQC procedures and error checks were performed on the data that was available. Also, the more recent drilling and sampling processes are being conducted using industry best practices.

Item 9 (c) - Adequacy of Data

The QPs deem the data to be adequate for the purposes of conducting meaningful Mineral Resource estimations with appropriate Mineral Resource classification as presented in this TRS. Proof of this statement is validated by the fact that the Mine has operated successfully for a number of years using the current Mineral Resource estimation systems with good historical conversion rates for Inferred Mineral Resources to Indicated and then on to Measured. The QP is of the opinion that the sampling database is acceptable for the Mineral Resource estimation methodology being utilised at the Blanket Mine and for the purposes used in the TRS because of the volume of sampling data from the mining operation as well as the historical reconciliation between the gold called for and the recovered gold which indicates a good correlation.

ITEM 10 - MINERAL PROCESSING AND METALLURGICAL TESTING

Item 10 (a) - Nature and Extent of Testing and Analytical Procedures

The plant currently treats RoM from the main orebodies. The ore is free milling, and the mineralogy has not changed to a significant degree. Sufficient information from historic production is required to determine the expected production performance with reasonable confidence.

Item 10 (b) - Basis of Assumptions Regarding Recovery Estimates

The expected processing efficiencies are based on historic production, and these are well in line with the budget. The budgeted recovery of 93.5% for 2020 can be assumed to continue and was used for the financial analysis.

Item 10 (c) - Representativeness of Samples and Adequacy of Data

The samples measured from historic production are considered reliable and representative. As a result, they can be used to adequately predict future performance.

The QPs are of the opinion the Blanket Mine plant recoveries are well understood as they are based on the actual historical production figures.

Item 10 (d) - Deleterious Elements for Extraction

The arsenopyrite content of RoM material currently being treated from Blanket Mine is sufficiently low enough not to pose a risk to economic extraction and deposition of tailings.

Blanket ores are free milling in that 93% of the gold is recovered via direct cyanidation with a further 1% achievable with the use of oxygen pre-treatment injection methods. Arsenic therefore reports to the mine residue deposit in the form of undecomposed arsenopyrite, constituting less than 1% of the ore. The ore contains approximately 35% carbonate minerals which results in the tailings having an alkaline chemistry which inhibits the decomposition of arsenopyrite which is not exposed to the atmosphere. Rainwater run-off from the tailings dam is channelled within bund walls to a sump from where it is returned to the plant as makeup water.

Blanket will be undertaking a pilot plant test work programme on the other more-refractory Mineral Deposits not currently being mined which may have a higher arsenopyrite content. Continuous testing and analysing of arsenic and other potential deleterious elements will be conducted as part of this test programme. Appropriate neutralisation steps will be included in the process design as required.

ITEM 11 - MINERAL RESOURCE ESTIMATES

The Mineral Resources were estimated by the QP as at 1 January 2020 based on drilling and sampling data, as well as the mining faces received for the Mine as at that date. The QP has depleted the 1 January 2020 Mineral Resources with updated mining faces to the period ending 31 December 2021. In addition, the Mineral Resource was also depleted with the Mineral Reserve as at 31 December 2021. No new exploration drilling was undertaken during the period; however, underground chip sampling has been undertaken but in well-informed Measured and Indicated areas. The QP deems that this will not have a significant effect on the Mineral Resource grade, and thus deems the depletion to be appropriate.

Manual Mineral Resources are in the process of being converted into 3D digital format.

Item 11 (a) - Assumptions, Parameters and Methods Used for Resource Estimates

I. Mineral Resource Estimation Procedures

i. Geological Modelling

The construction of the geological models is comprehensively discussed in Item 6 (d) of this TRS.

ii. Statistical Analysis

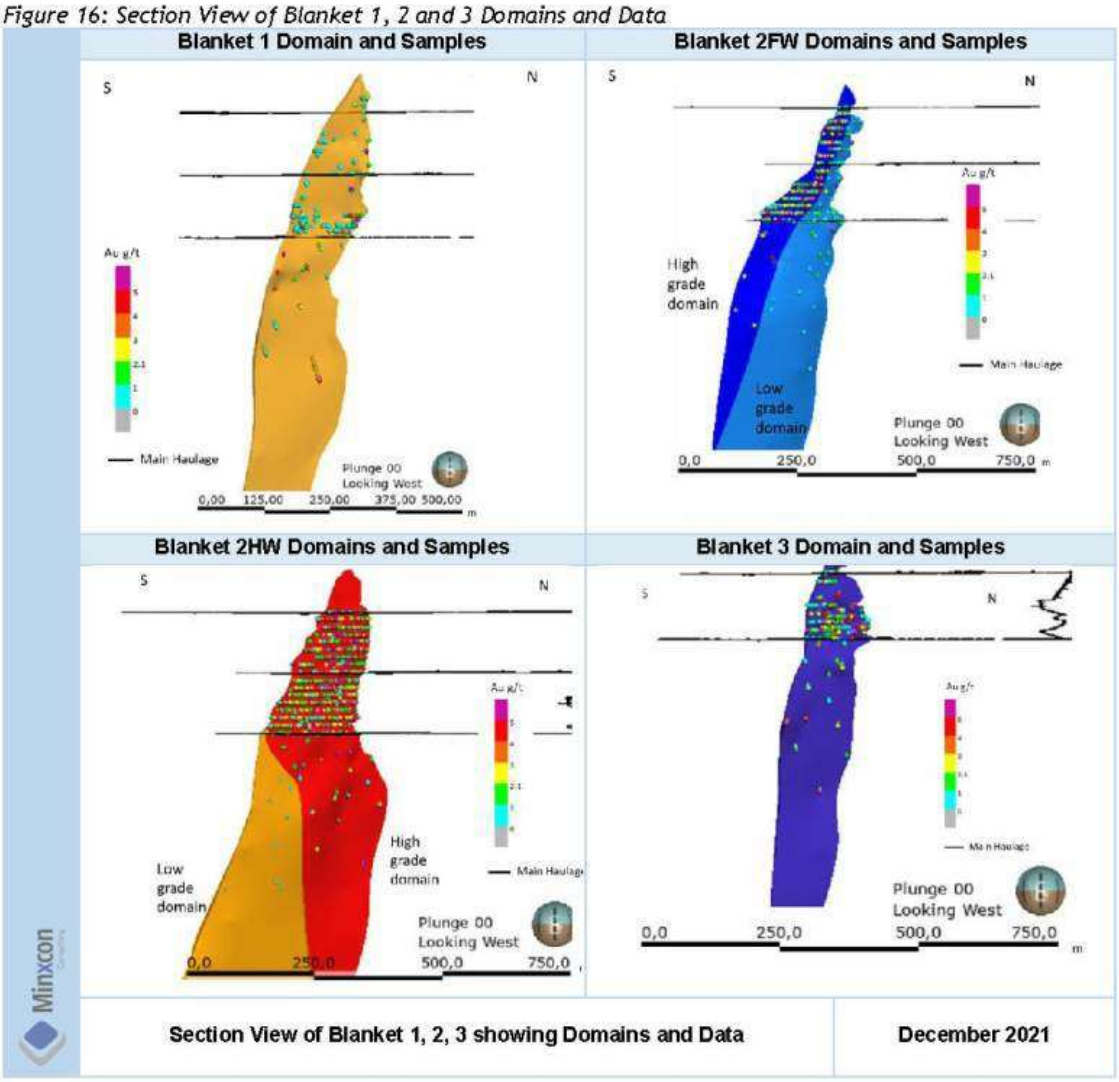
As part of the import into Leapfrog the samples and associated grade inside wireframes and grade outside is compared to display how closely the wireframes honour the data and shows where any possible grade exclusions occur.

iii. Domaining

The wireframes were checked and imported into Leapfrog for estimation in Leapfrog Edge, a requirement for Leapfrog is that the wireframes are closed and have no cross overs. As part of this exercise all wireframes were verified and corrected so they were closed surfaces in Leapfrog. The domains applied per orebody is detailed below.

Blanket 1 and Blanket 3 have single domains. While Blanket 2 has a FW and a HW orebody both with two domains. These are separated into High grade ("HG") and Low grade ("LG") domains (Figure 16).

Figure 16: Section View of Blanket 1, 2 and 3 Domains and Data



Blanket 4 and Blanket 6 occur around the Wenlock fault. Blanket 4 has one domain and Blanket 6 a HW and FW domain (Figure 17). Blanket Feudal occurs in the upper levels of the Blanket section. BQR is divided into a FW and HW unit, and the HW is further divided into a Northern and southern domain based on grade (Figure 18).

Figure 17: Section View of Blanket 4 and 6 Showing Domains and Data

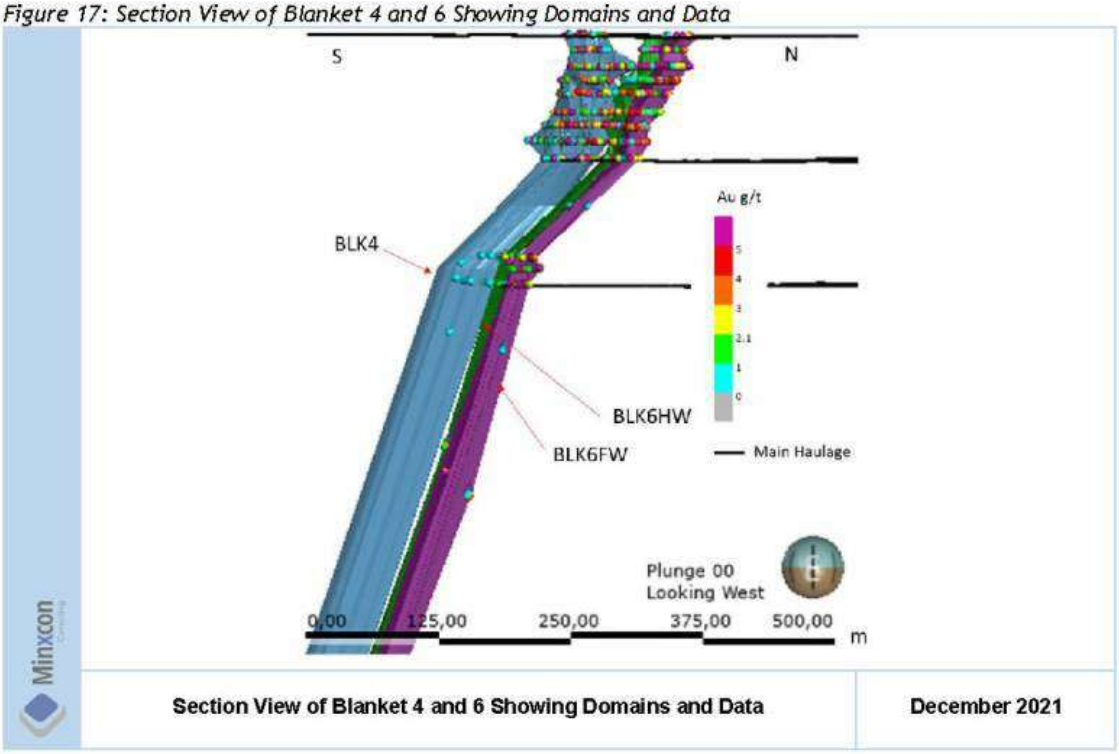
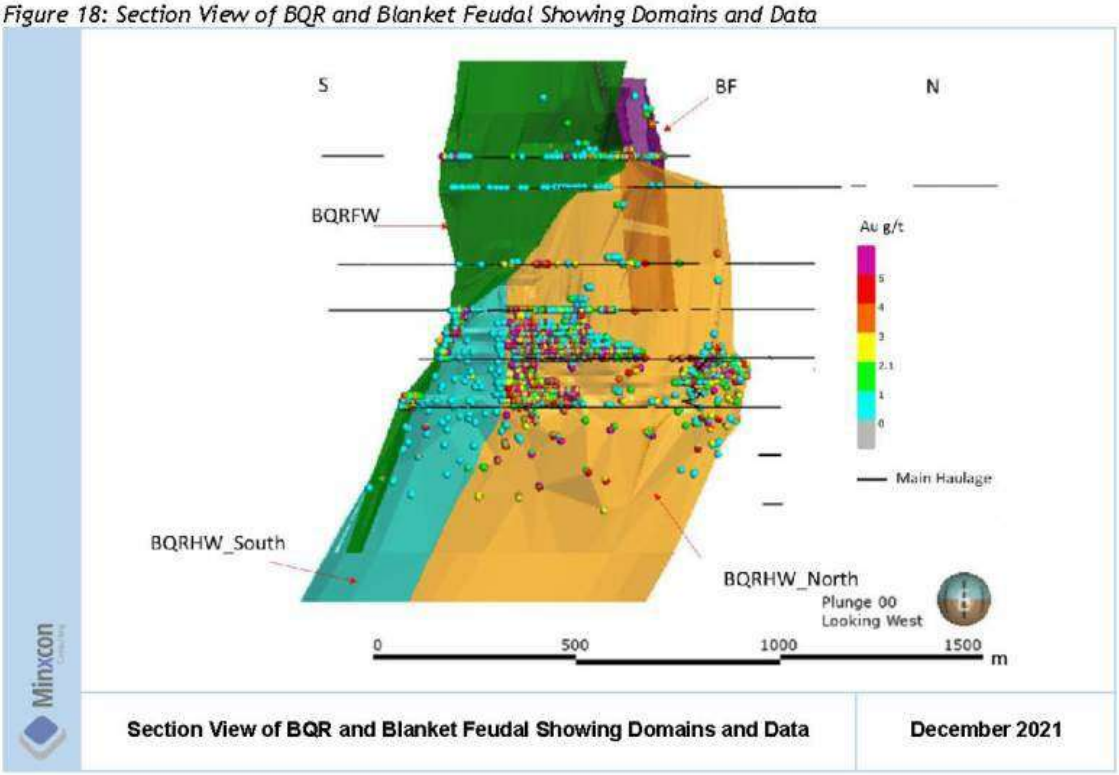
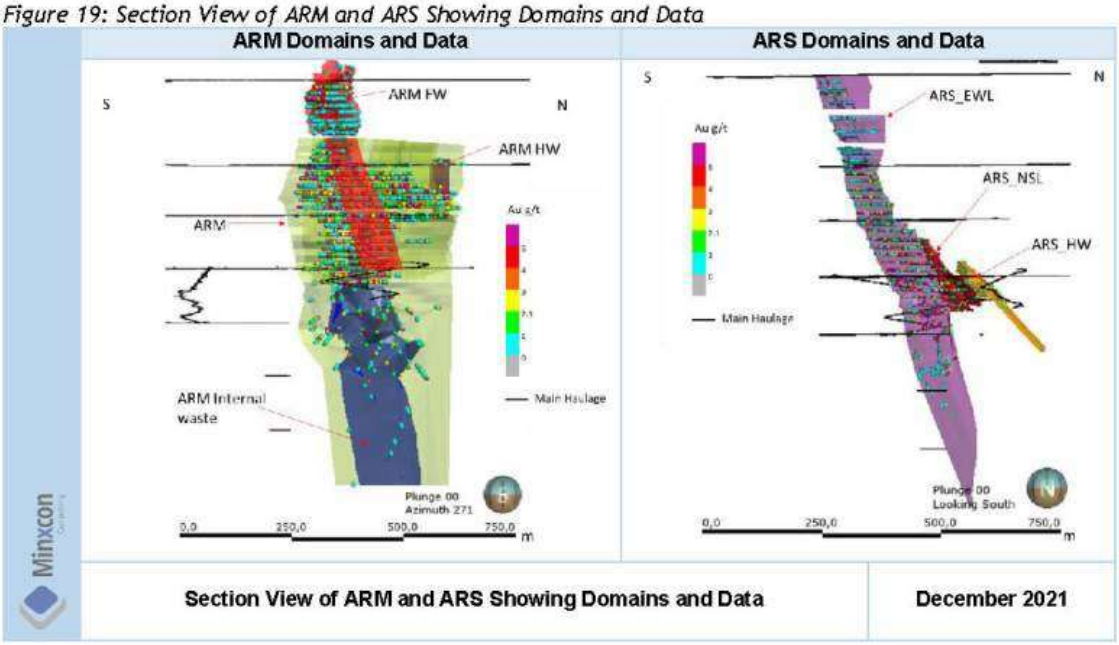


Figure 18: Section View of BQR and Blanket Feudal Showing Domains and Data



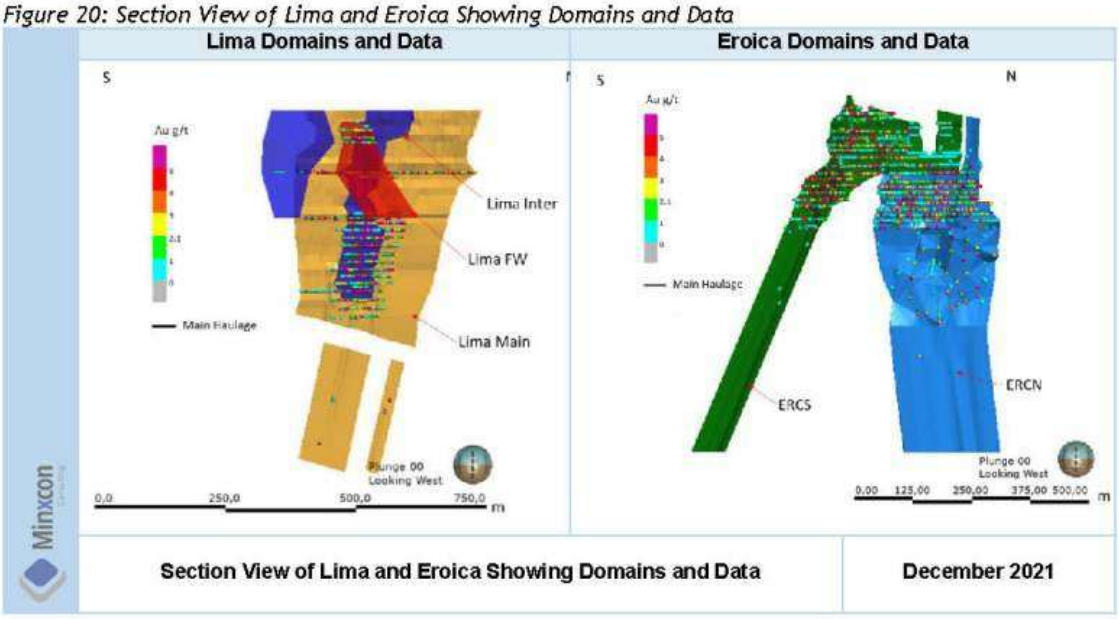
ARM contains multiple domains, however due to the digital limit applied to the 3D estimates, only ARM main has been estimated and reported, everything above this reverts to manual estimates. Both the manual estimates and digital limits applied will be discussed in proceeding sections (Figure 19). For the main ARM orebody, an internal waste unit is present, this is clipped out and excluded from the ARM estimate. ARS has three domains, EWL, NSL and HW, all three are estimated separately (Figure 19).

Figure 19: Section View of ARM and ARS Showing Domains and Data



Lima is divided into three domains, Main, Inter-reef and FW, all three domains were estimated (Figure 20). Eroica is divided into two domains, ERCN and ERCS (Figure 20).

Figure 20: Section View of Lima and Eroica Showing Domains and Data



iv. Outlier Analysis

Capping is carried out during the kriging stage to limit the influence that the ultra-high grades may have on the estimation of the surrounding areas. Top cuts were applied during the variography stage to prevent the excessive variances of the anomalously high grade from skewing the distribution away from the representative variance of the data distribution. Leapfrog Edge applied a top cut to estimation and a top

cap for variography. For this estimation the same value was utilised for both. In addition, cutting curves are utilised as a test for the value applied for capping / cutting to check the effect the applied sample would have on the total metal within the dataset. Likewise, applying a large percentage of the value to 1-2 samples will guide the definition of the limit applied.

v. Data Compositing

Compositing is performed for all orebodies based on the most common sample length. The QPs agree with the compositing strategy employed for the resource estimation dataset. The composite applied was 0.6 m.

vi. Geostatistical Analysis and Variography

All variography was carried out in Leapfrog Edge. For ERCN and BQR HW a vertical pitch was specified by the mine geologists, the data continuity as suggested by the data suggested a more inclined pitch, however testing various options showed this change in pitch had a minimal effect on the estimate.

Kriging neighbourhood analysis ("KNA") was undertaken to assess the optimal parameters for estimation in each of the separate domains. Different scenarios of minimum and maximum samples are run and the results plotted to define the estimation parameters for which the highest quality result can be kriged, this quality is measured by Slope of Regression ("SoR"), and kriging variance. The block sizes utilised for parent cell estimation were 3 m in x, 10 m in y and 10 m in z. This block size was chosen based on the requirements to enable an accurate representation of the data. The smaller block size in x was chosen to capture the variability in the shortest orientation of the orebodies. Sub-celling to 1 m was performed on the block models.

At lower search volumes, more samples are available (typically mining areas) and a higher minimum and maximum can be used, while further from the well informed areas, the minimum and maximum samples will decrease to ensure more weighting is applied to nearby samples. An ordinary krige was employed were possible. Where the estimate did not inform the block model due to an increasing distance from sample data, a simple krige was employed. A de-clustered mean run with a shifting origin was utilised to determine the mean value per domain where required. The distance from samples and search volume used to inform the block model is reflected in the Mineral Resource Classification.

vii. Block Model Creation and Grade Interpolation

Parent cell estimation with sub-celling was applied. The parent cell estimate size was 3 m(x) X 10 m(y) X 10 m(z). With sub-celling down to 1 m to capture the resolution that exists in the geological models. The Y direction is along strike and the Z direction is down-dip, the smallest parent cell size in the X direction (3 m) is orientated along the thinnest direction of the orebody.

For all domains estimated, a variogram could be generated thus ordinary kriging was performed for all estimates. Where the estimate needed to extend far beyond the range of the data a simple krige was employed. This is detailed per domain along with the estimation parameters employed. Domained estimation with hard boundaries was used for estimation, where only samples falling within the wireframe's extents were utilised in estimation. The QPs utilised of Leapfrog Edge software for running the estimates of all domains.

viii. Bulk Density

Between May 2016 and February 2020 32,633 SG samples were taken for Blanket Mine. Only the orebodies under review and valid samples (totalling 25,260) were considered. The average for all orebodies is 2.88 and this was applied in tonnage calculations for all orebodies.

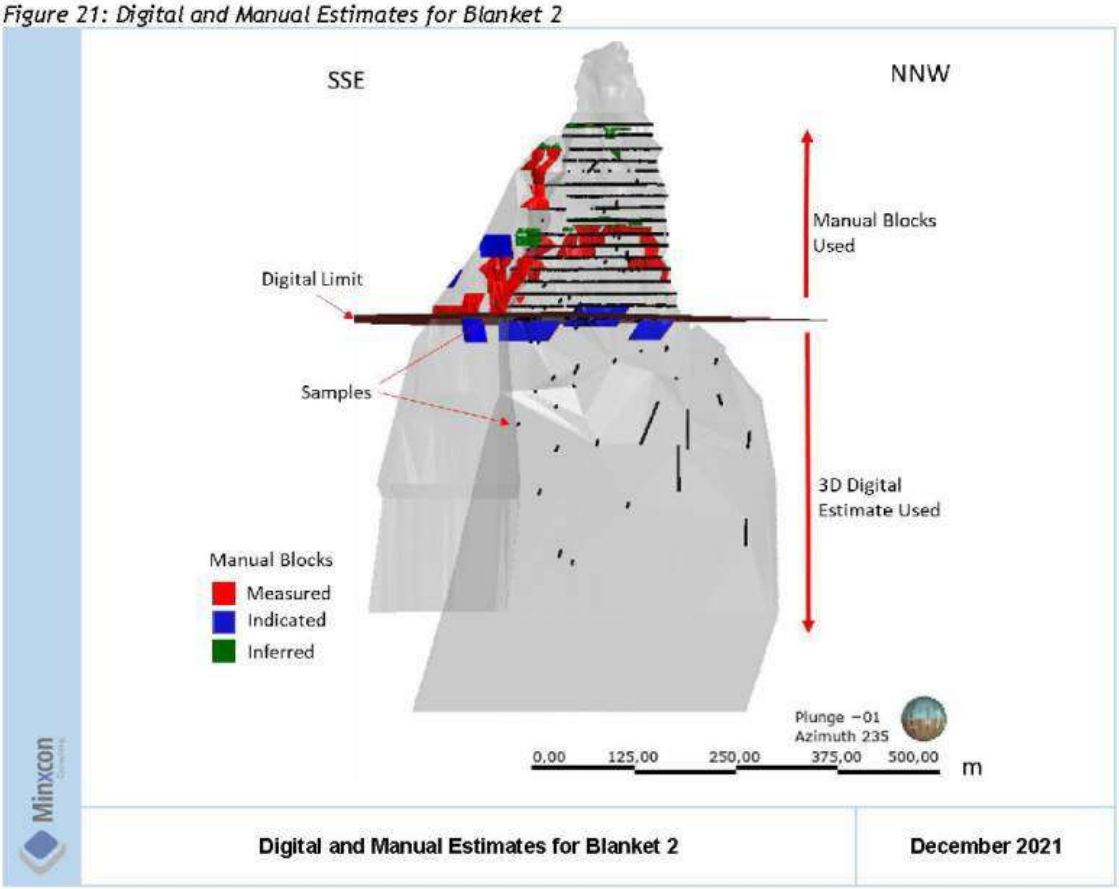
ix. Grade Estimation

Digital Estimation in 3D was performed using Leapfrog, in addition manual estimation in some areas was used. The Manual block listing were utilised for the older areas where mining has already occurred, with the exception of Lima, while digital estimates are for the new areas down-dip, typically beyond current mining areas. The level at which digital estimates begin is detailed in Table 11. During the course of 2020, the block listings were digitised and brought into 3D space, this assisted to verify no overlaps were occurring with the digital estimate, as well as no internal overlaps of manual blocks were occurring (Figure 21). The current manual blocks are correct as up to July 2020.

Table 11: Dimensions of Each Orebody Along with Depth from which the Digital Estimate Occurs

Orebody	Strike	Width	Depth	Digital from Level Down	Digital from Elevation down (amsl)
	m	m	m		
Blanket 1	173	3	-215	22 Level	389
Blanket 2HW	351	3.5	-214	26 Level	269
Blanket 2FW	244	2.7	-215	22 Level	389
Blanket 3	165	3.8	-215	22 Level	389
Blanket 4	35	7	-93	22 Level	389
Blanket 6HW	35	8.2	-91	22 Level	389
Blanket 6FW	34	10.5	-94	22 Level	389
BQR HW	880	3	-215	22 Level - manually edited limit	389- manually edited limit
BQR FW	520	2.5	-94	22 Level	389
BF	390	2.6	508	7 Level	878
ARS NSL	174	15	312	22 Level	389
ARS EWL	147	15	-95	22 Level	389
ARS HW	60	15	229	22 Level	389
ARS Ext	210	4.5	-215	22 Level	389
ARM Main	395	12	-97	22 Level	389
ARM HW	45	12	497	22 Level	389
ARM FW	94	12	383	22 Level	389
Lima Main	285	2	324	Total Digital	
Lima FW	98	2	814	Total Digital	
Lima Inter	235	2	654	Total Digital	
ERCS	105	5	-91	22 Level	389
ERCN	255	5	-92	22 Level	389

Figure 21: Digital and Manual Estimates for Blanket 2



Utilising the assay plans, the grade of each block was calculated by averaging the length weighted grades of all the samples in the bottom and top drives of the block. The area is then measured to get the area per level. The upper and lower level is then averaged and the perpendicular distance between the levels is used to determine the volume. The SG was then used to get the tonnes for the block.

Due to the use of averages, the physical volumes created in 3D differ to the volumes calculated manually. At this stage, the digitally created manual blocks are qualitative only and serve as a check to ensure only relevant blocks are included in tabulations.

In future estimations it is recommended that digital estimates replace all manual blocks. It is possible to estimate the same area covered by all manual estimates in 3D. The potential for errors and overlaps is minimised if all estimates are in the same format. In addition, the lengthy process of checking and comparing all individual manual blocks to the digital estimate will be eliminated. Especially if there is increased confidence in the 3D depletion solids, there is reduced risk in performing digital estimates and accurately depleting the result. Due to the manual blocks being generated as a separate exercise to the 3D depletion solids, there is some minor overlap with the mined-out areas. This is not a significant error, however converting the total estimate to 3D will eliminate any of these overlaps. In addition, mine planning can easily use 3D digital estimates to run mining optimisation, however having separate 3D manual blocks means that a separate exercise needs to be performed to consider these individual blocks for mine planning.

The estimation results were compared visually to the data to confirm continuity between the data and model. All images shown are of the un-depleted models with no additional filters applied. The Lima and

Eroica estimates are shown in Figure 22 and reflect the data well. ARS and ARM orebodies are also shown in Figure 22. The individual orebodies for ARS are shown in more detail in Figure 23.

Figure 22: ERC, Lima, ARM and ARS Estimations

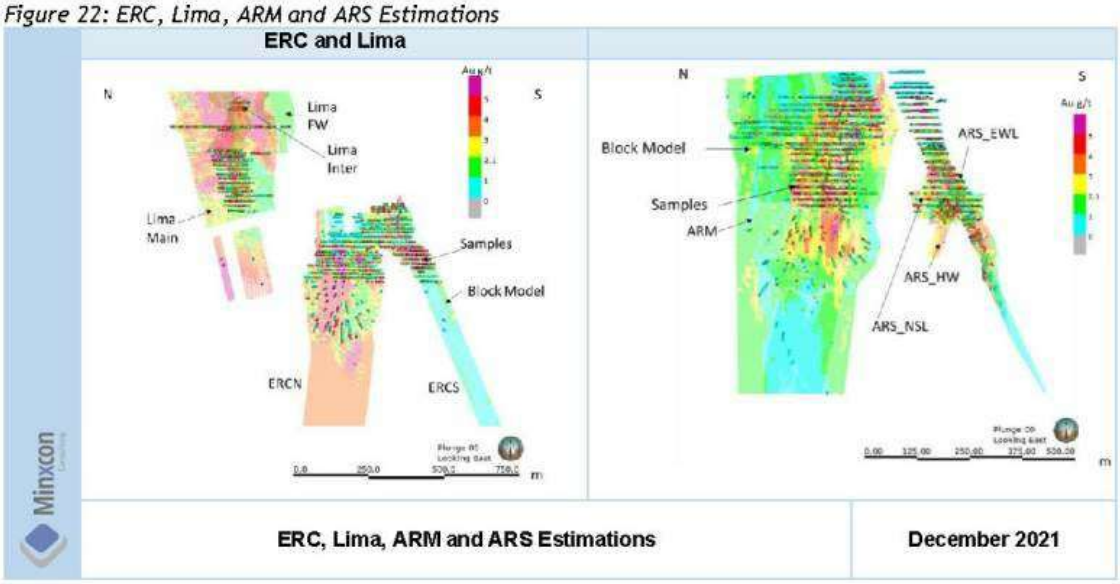
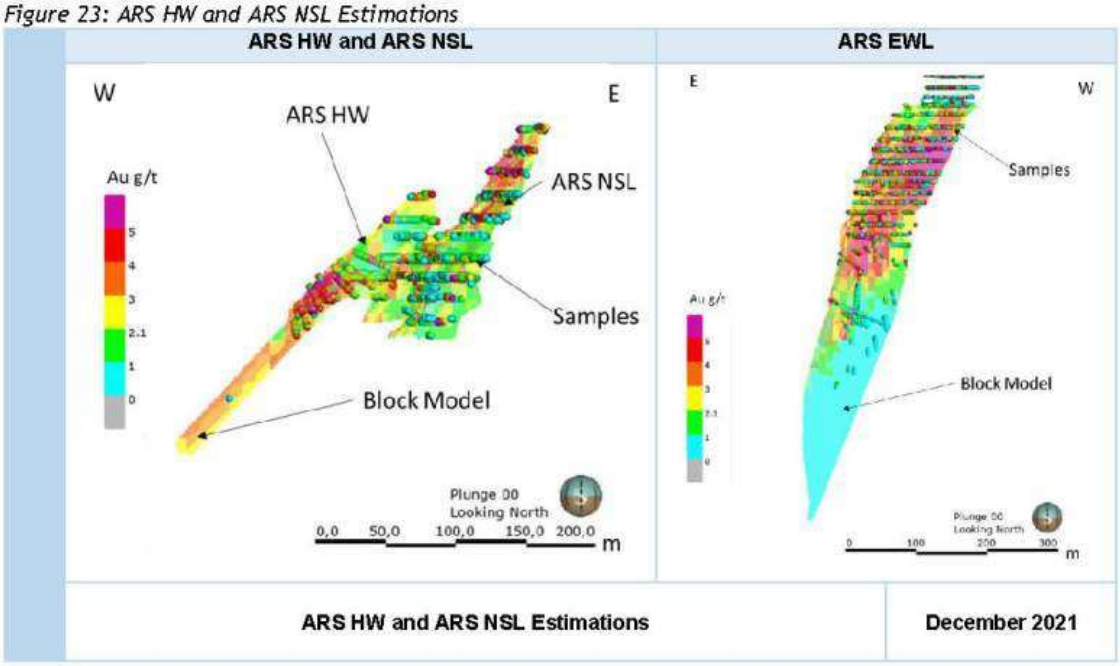


Figure 23: ARS HW and ARS NSL Estimations



The estimations for ARS extension and Blanket 1 are shown in Figure 24. Blanket 2HW and Blanket 2FW estimations are shown in Figure 25.

Figure 24: ARS Extension and Blanket 1 Estimations

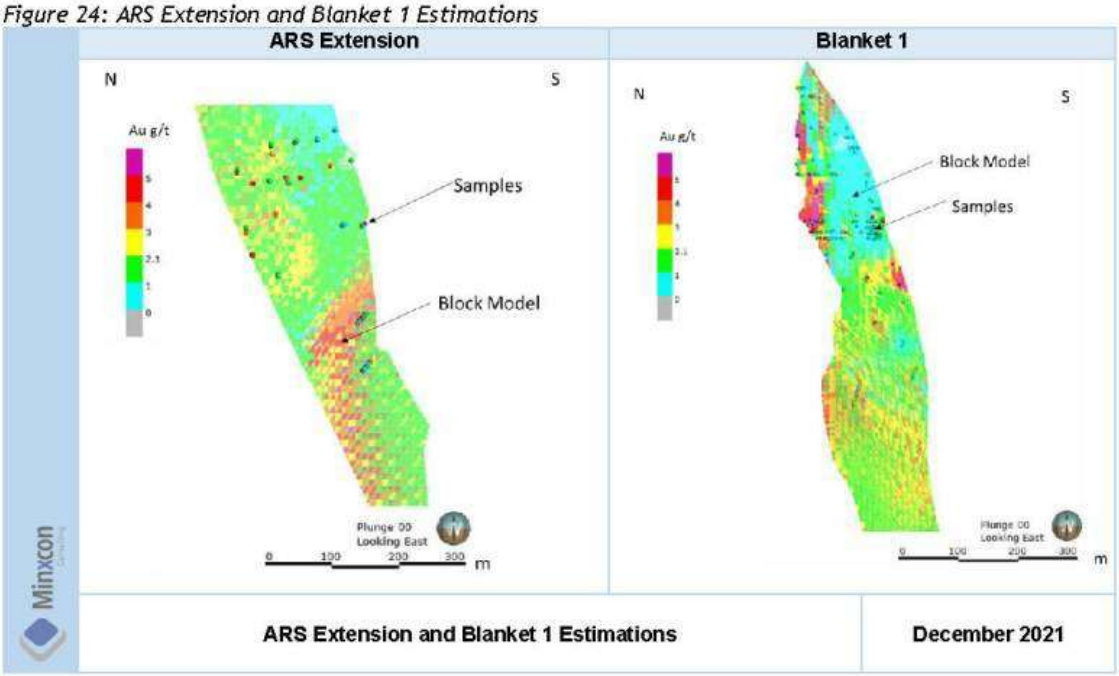
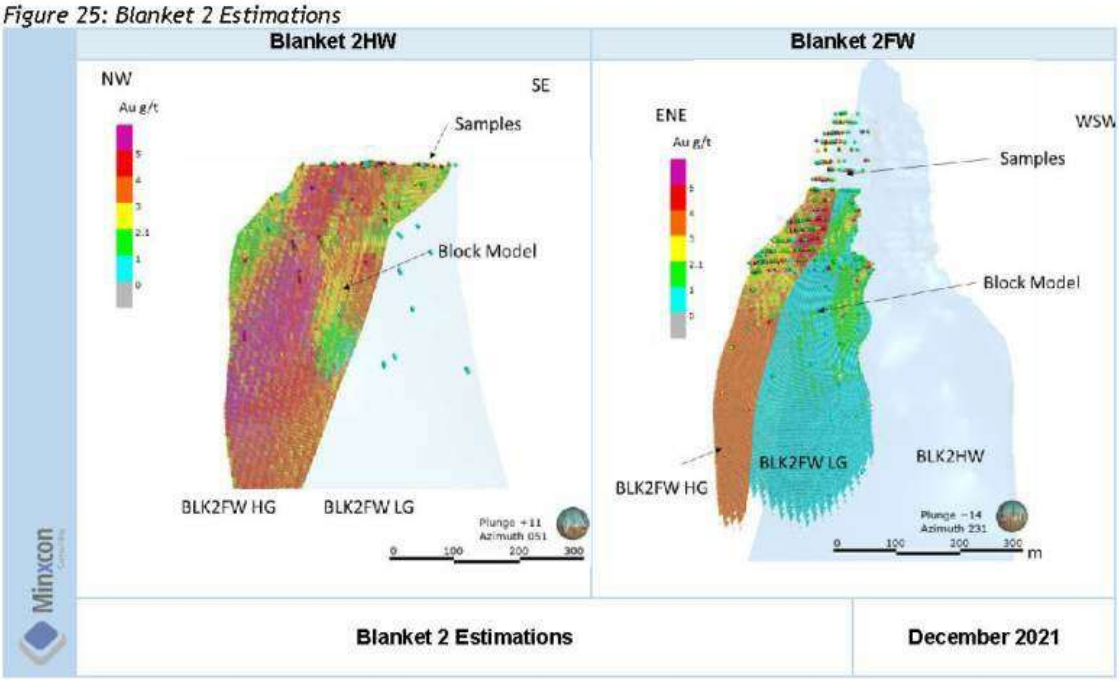
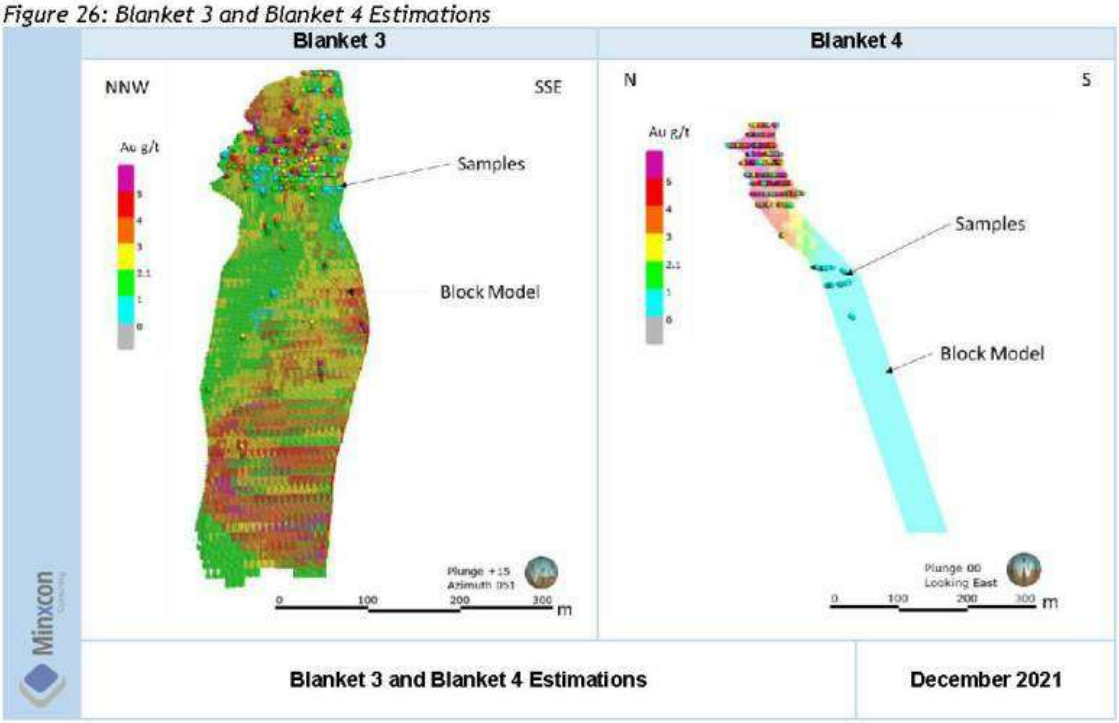


Figure 25: Blanket 2 Estimations



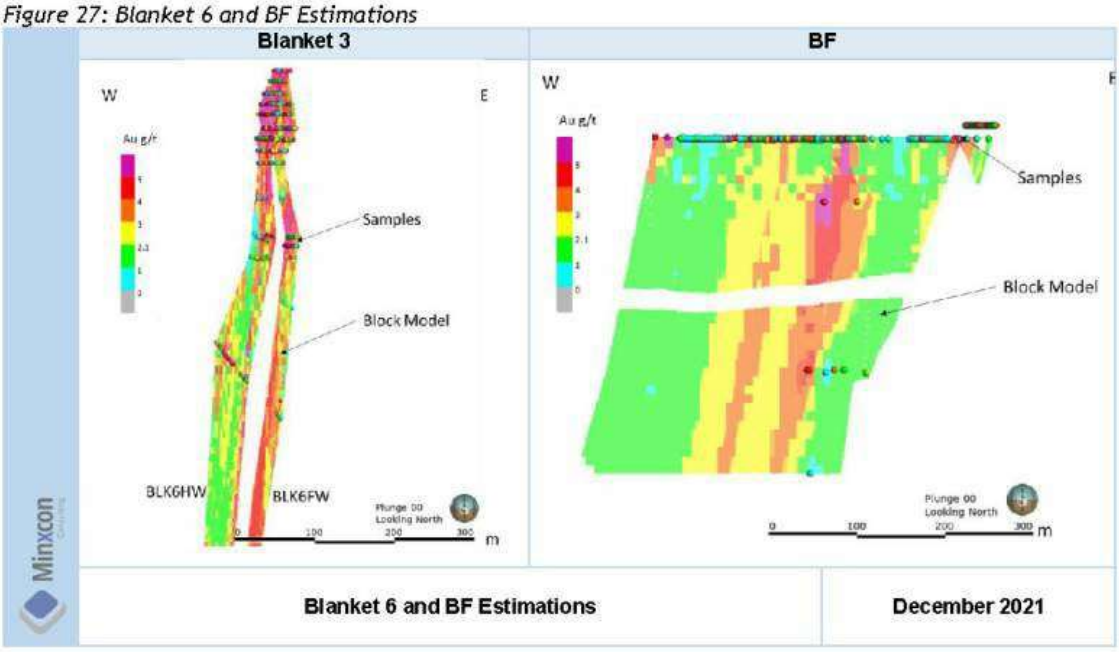
Blanket 3 estimation is shown in Figure 26, with some high-grade intersections down-dip. Blanket 4 is also shown in Figure 26, with lower grades intersected to depth.

Figure 26: Blanket 3 and Blanket 4 Estimations



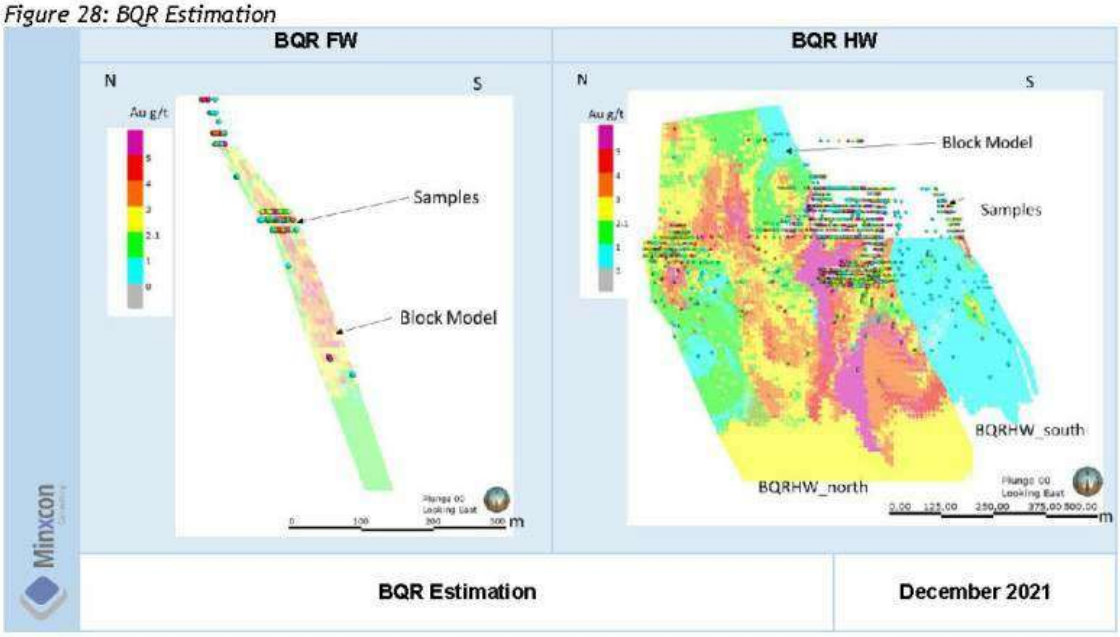
Blanket 6 is shown in Figure 27, Blanket 4 and BQR are closely associated with Blanket 6. The BF estimate is also shown in Figure 27, the domain has many samples higher in the domain and very few at depth.

Figure 27: Blanket 6 and BF Estimations



The BQR estimates are shown in Figure 28. The domaining in BQR HW shows are clear separation into high-grade and low-grade domains.

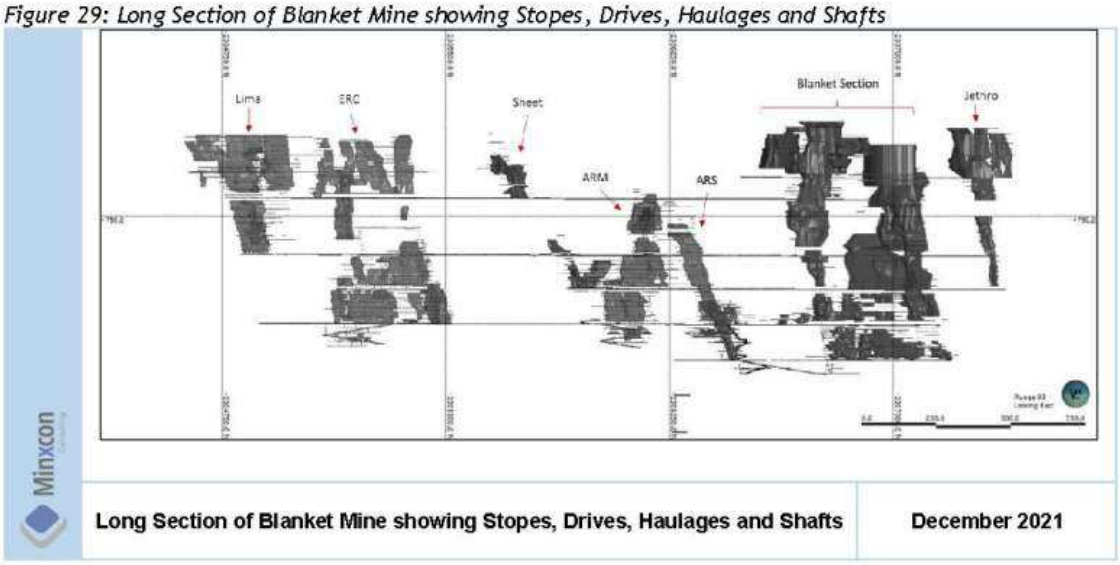
Figure 28: BQR Estimation



x. *Mining Depletions*

Depletions are correct as at 31 December 2021. All haulages, development and stoping is accounted for in the block models and the Resource excluding mining is presented in Mineral Resource tabulations. An image of all stoping and development is shown in Figure 29.

Figure 29: Long Section of Blanket Mine showing Stopes, Drives, Haulages and Shafts



xi. *Block Model Validation*

The purpose of swath plots is to verify the estimate versus the original input data. This is also displayed typically with an additional estimation technique (Inverse distance in this instance), this aids in determining if any variance is due to the estimation technique. Swath plots show the average of the samples versus the

average of the estimate within the same perimeter (swath) that is spaced a regular distance apart. This is repeated in X, Y and Z to get a representative view of the correlation in all orientations of the orebody. For Blanket, swaths in Y are generally across strike and swaths in X are along strike, swaths in Z show down-dip. An inverse distance weighting estimate is compared to show the effect kriging and spatial variability may have had. In all instances the inverse distance weighting and ordinary kriging estimates compare well.

The following are reflected on the swath plot analysis:-

- For ERCN the swaths accurately reflect the data, with good correlation in X and Y directions. For ERCS, very good correlation is seen with the data.
- Lima main shows some smoothing relative to the data, however with good correlation where data is dense. Lima FW shows a good correlation with data, with some underestimation to the edges of the block model.
- The swaths for Lima Inter show a strong correlation in the Z direction, with some smoothing in the other orientations.
- The ARS HW shows a very good correlation with data. The swath plots for ARS extension shows a very good correlation to the data, with some smoothing to the edges of the estimate. In the swath plots for ARS NSL, a very strong correlation to data is seen.
- The swaths for Blanket 1 show some underestimation and smoothing relative to the data, it is noted there are some significant high grades which skew the average for the data, while kriging serves to smooth the effects of these outliers.
- The swath plots for Blanket 2HW HG show a very strong correlation to data in the Y and Z direction. The swath plots for Blanket 2FW LG show some smoothing relative to data, this is due to some higher grades within the low grade domain that skew the data average serves the more smoothed kriged. Swath plots for Blanket 2FW Hg show good correlation in all directions, with some smoothing to the edges of the block model.
- Blanket 3 swath plots show a strong correlation to data.
- The swath plots for Blanket 4 show under estimation in X, however Y and Z are more representative of the direction of continuity and show good correlation.
- Swath plot of Blanket 6HW shows good correlation in Y and Z and some smoothing relative to the data, however good correlation is seen in Y and Z directions.
- Swath plots for BQR FW show some smoothing relative to data, due to some higher grade outliers increasing the average of the grade for the samples. Swath plots for BQR HW north show good correlation in X and Z.
- The swath plots for BQR HW south show good correlation, however where grades in the samples are particularly high, the estimate is smoother.
- The swath plots for BF show good correlation with data, where outliers of grade are seen, the kriged estimate is more smoothed.
- In the swath plot for ARS extension some under-estimation is seen relative to data, however this is due to the small number of data points in the domain, where individual sample points and higher grade would have a greater influence on the average of the samples.

II. Initial Assessment

The QP undertook an initial assessment of the mineralised body to determine the reasonable prospects of eventual economic extraction ("RPEEE").

Economic, metallurgical and mining parameters were used to derive the cut-offs. The parameters are tabulated in Table 12. The gold price used is the 90th percentile of the real term gold price since 1980 while

the total operating cost is the cost supplied by Blanket Mine (USD76/t) with a 10% improvement, for potential operational improvements, for reasonable prospects of eventual economic extraction. The plant recovery and mine call factor are also based on the Blanket Mine historical production figures. Reasonable prospects of eventual economic extraction are based on a 10 to 15 year view for precious metals.

Table 12: Cut-off Derivation Factors

Parameter	Unit	Quantity
Metal price	USD/oz	1 600
Total operating cost (Mining and Processing)	USD/t	68
Dilution	%	8
Plant recovery factor	%	95
Mine call factor	%	100

All underground Mineral Resources are stated at a cut-off grade 1.5 g/t. The QP deems the total Mineral Resource as stated in this TRS to have RPEEE.

III. Mineral Resource Classification

Mineral Resources have been reported separately in the Measured, Indicated and Inferred Mineral Resource categories. Inferred Mineral Resources have been reported separately and have not been incorporated with the Measured and Indicated Mineral Resources. Inferred Mineral Resources have a low level of confidence and while it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will occur.

For classification of Mineral Resources, variogram ranges and density of sampling were used to define Mineral Resource classification. The standardised classification criteria are summarised in Table 13.

Table 13: Mineral Resource Classification Criteria for Blanket Mine

Mineral Resource Category	Criteria
Measured	Within 1 variogram range, Minimum distance to samples ≤20
Indicated	Within 1.5 X variogram range, Minimum distance to samples ≤40
Inferred	Within 3 X variogram range

The minimum distance to samples measures the minimum distance to the nearest samples for a block being estimated. In mined areas this will be very low typically <5-10 m. With this distance to samples increasing outwards from the mining areas. SoR and kriging efficiency were considered together with the other parameters, however for the purposes of standardisation of classification for Blanket Mine were not employed. It was also observed where Slope of regression was suitable for Measured, the density of samples and variogram range corresponded and yield a similar definition of confidence. For the Inferred estimates, the classification was extended to 3X the variogram range, this is suitable for Blanket as down-dip continuity has been proven in mined areas and down-dip in exploration drillholes and continuity is known to continue at depth in Greenstone Gold environments. Confidence in geological continuity is thus suitable for Inferred. All classification results are manually smoothed to create connectivity between blocks and exclude outliers, like an isolated Measured block occurring within an Inferred area.

The Mineral Resource classification for Eroica and Lima is shown in Figure 30. The ARS and ARM classifications are also shown in Figure 30. The classification of the individual ARS orebodies is shown in more detail in Figure 31.

Figure 30: ERC, Lima, ARM and ARS Mineral Resource Classification

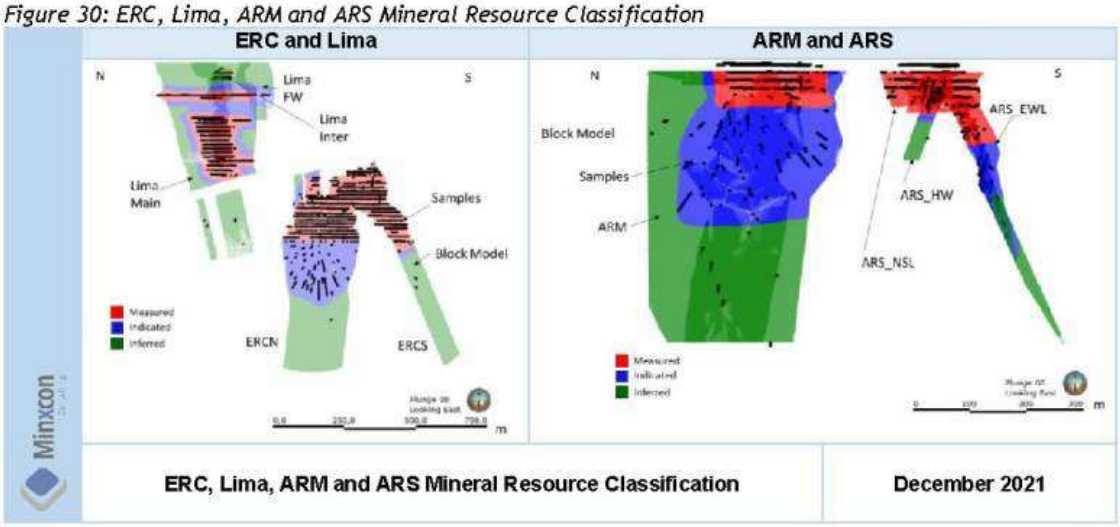
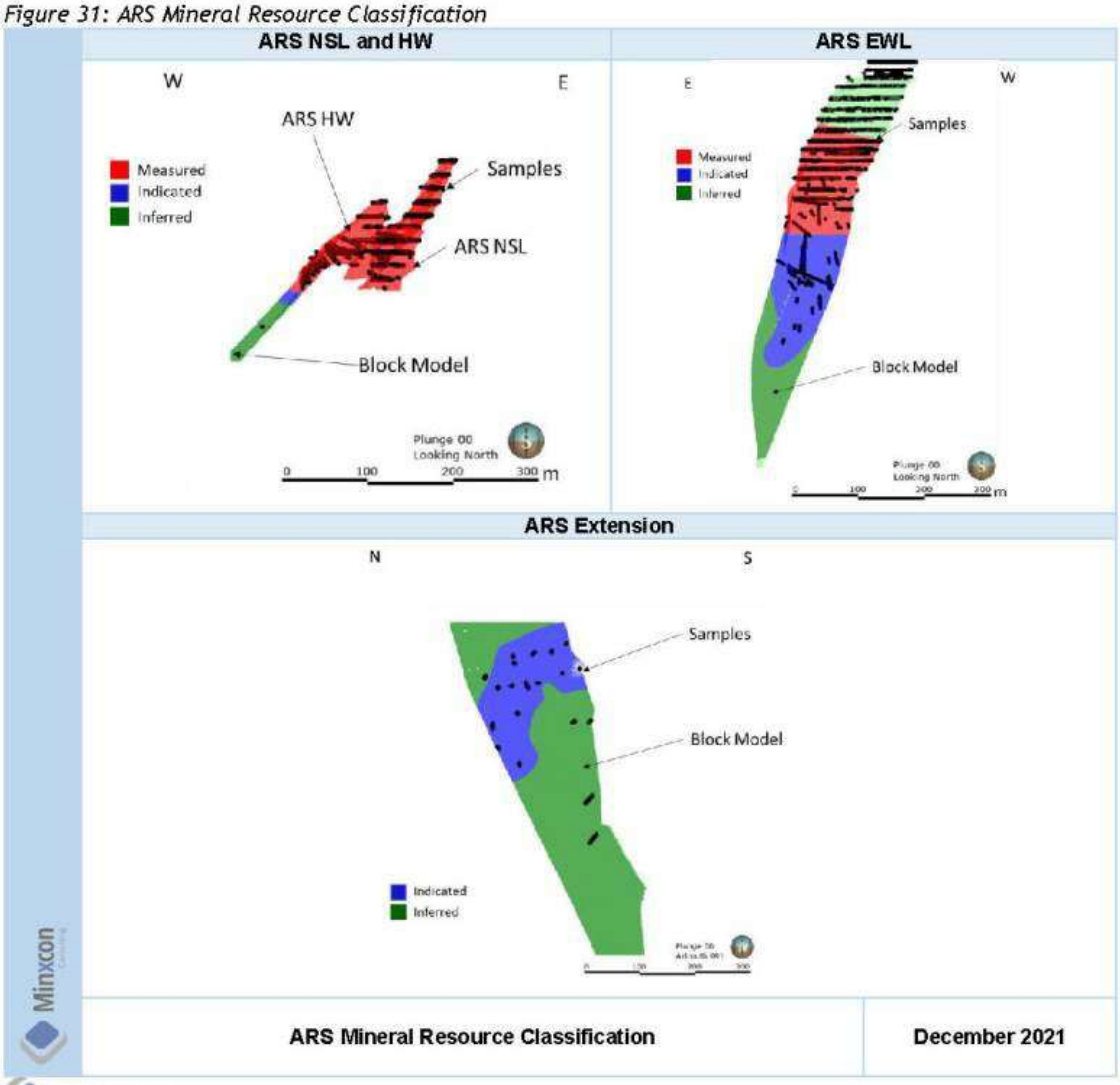


Figure 31: ARS Mineral Resource Classification



The classification applied for Blanket 1 is shown in Figure 32 and for Blanket 2 in Figure 33 .

Figure 32: Blanket 1 Mineral Resource Classification

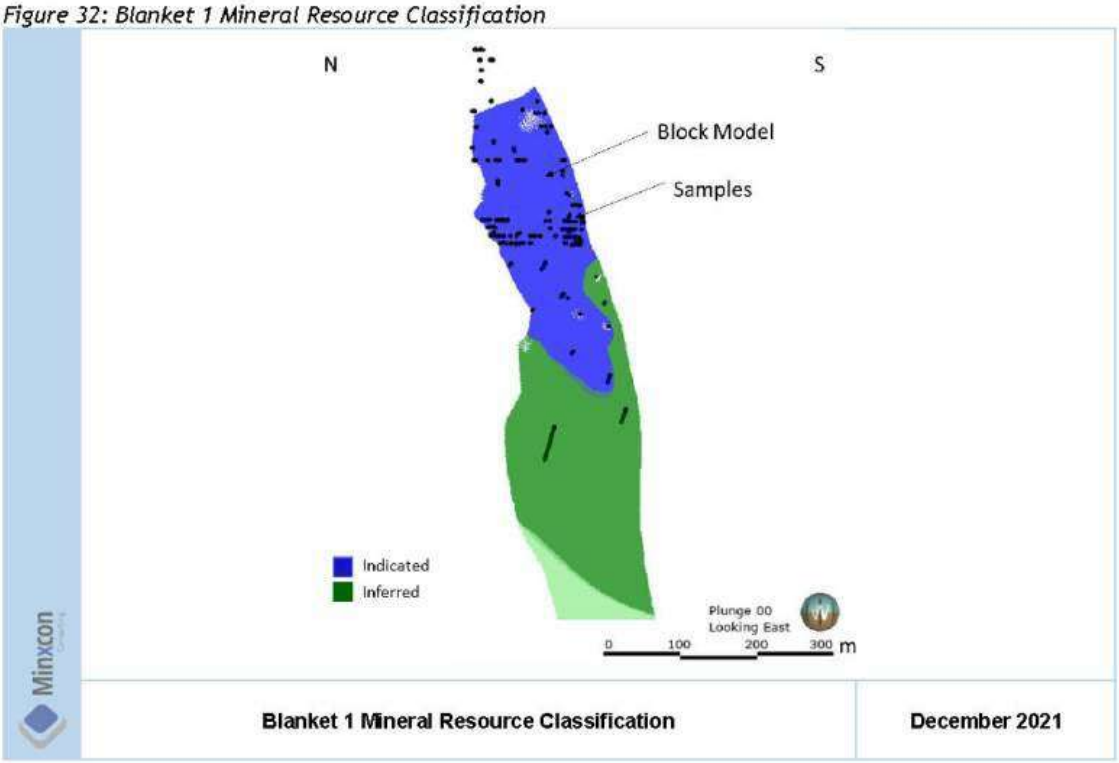
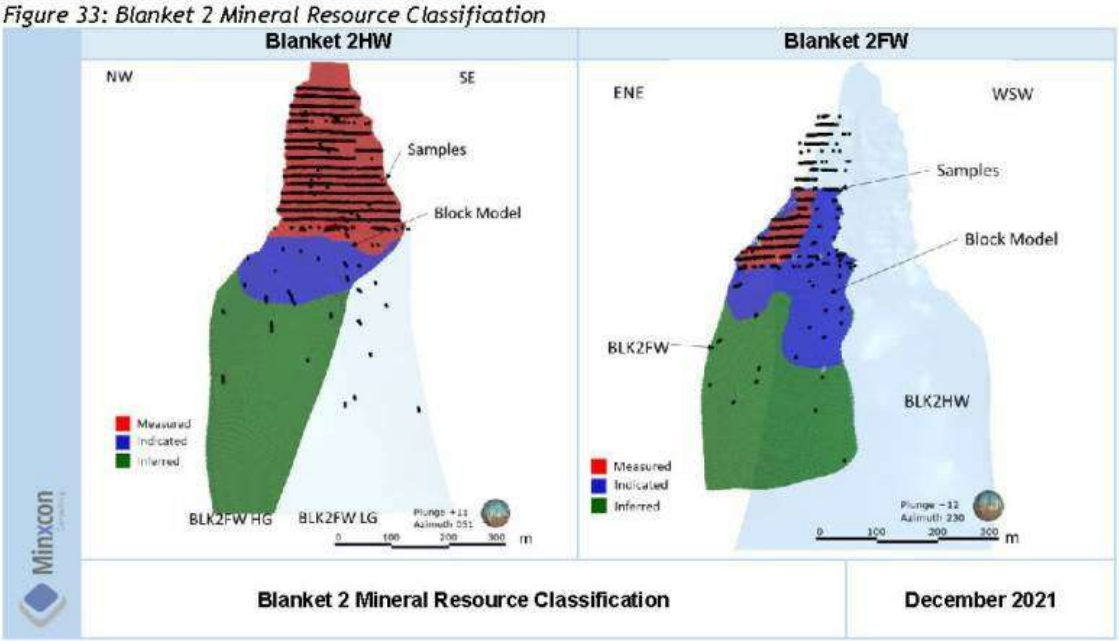
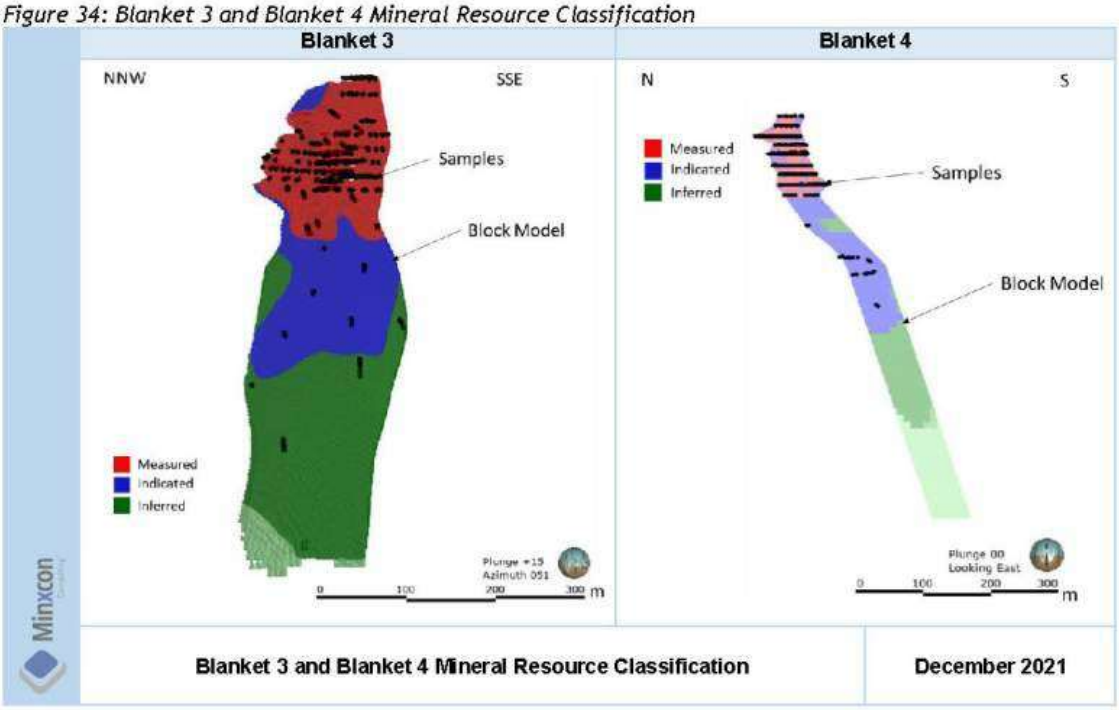


Figure 33: Blanket 2 Mineral Resource Classification



Blanket 3 and Blanket 4 classification are shown in Figure 34.

Figure 34: Blanket 3 and Blanket 4 Mineral Resource Classification



The applied classification for Blanket 6 is shown in Figure 35, and the classification for BQR FW and BQR HW is shown in Figure 36. The classification for BF is shown in Figure 37.

Figure 35: Blanket 6 Mineral Resource Classification

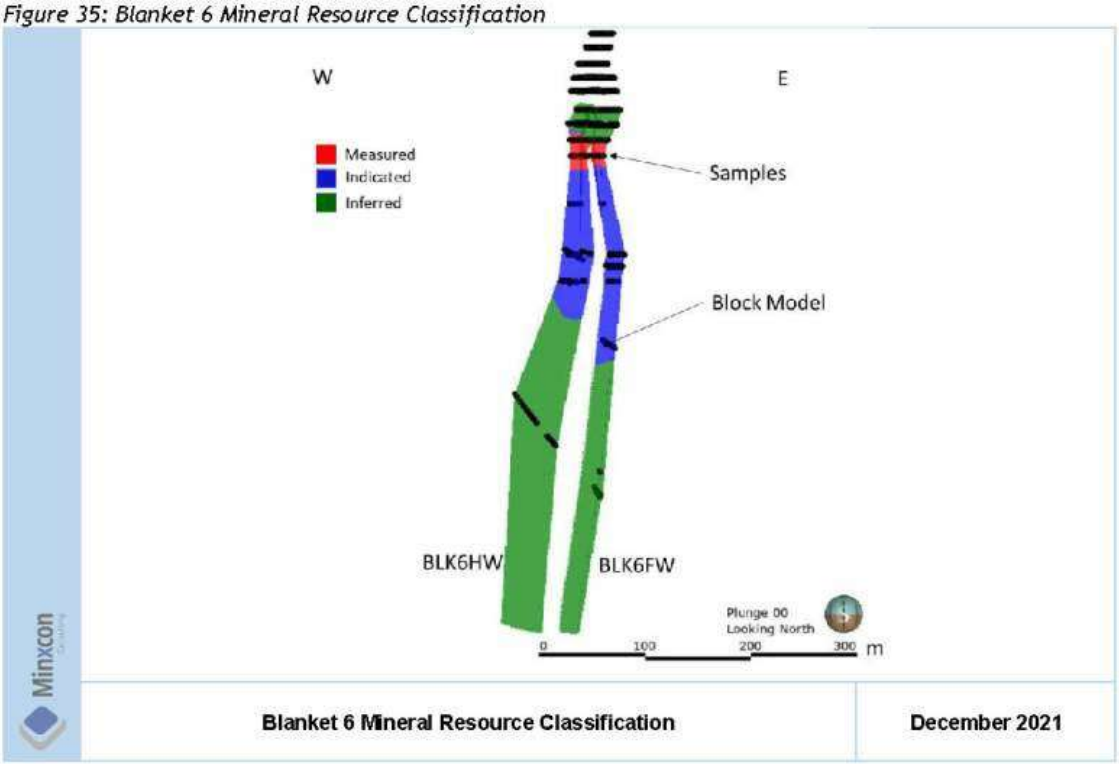


Figure 36: BQR Mineral Resource Classification

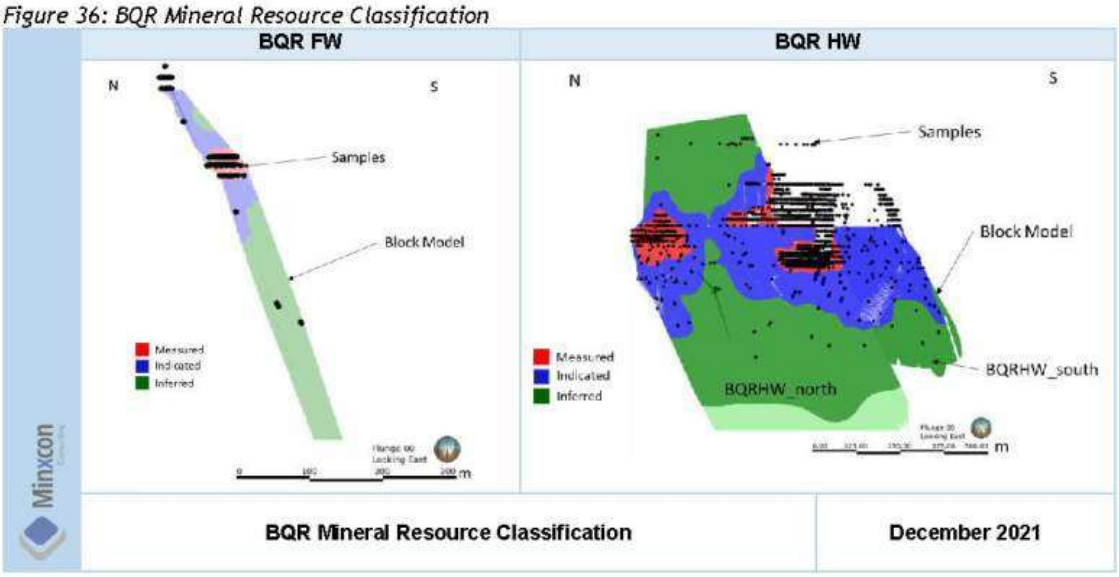
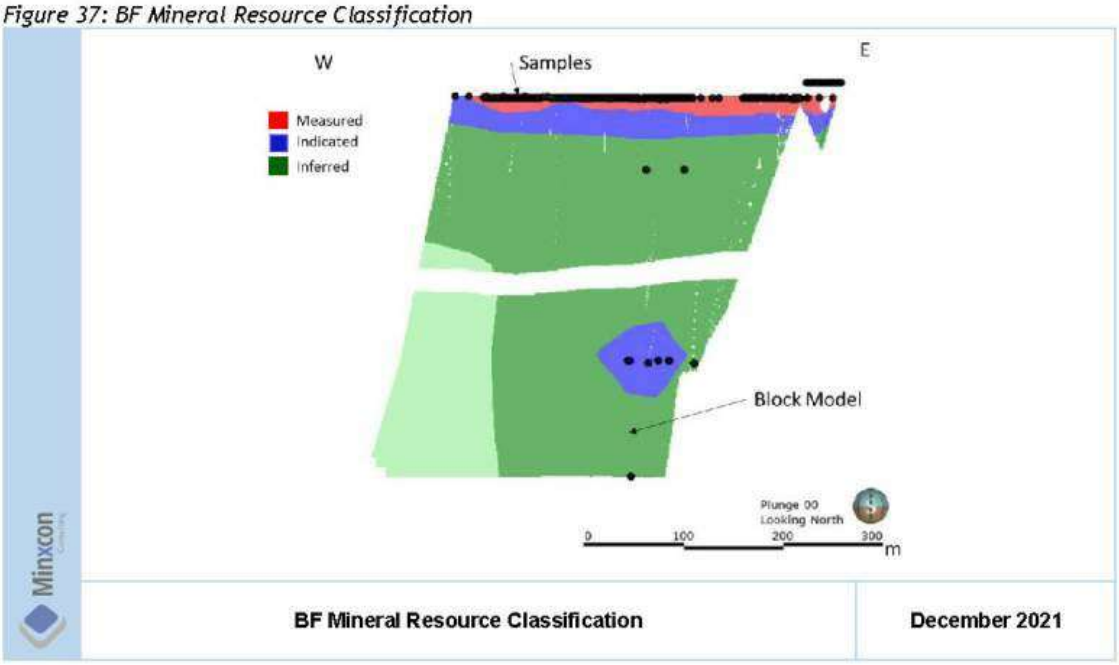


Figure 37: BF Mineral Resource Classification



IV. Mineral Resource Statement

The Combined Measured and Indicated Mineral Resources, inclusive of Mineral Reserves, declared for the Blanket operations are shown in Table 14. The Inferred Resources, inclusive of Mineral Reserves, are shown in Table 15. Mineral Resources are stated as *in situ*.

A cut-off of 1.5 g/t is utilised for all Resource declarations. A geological loss of 0% for Measured and 5% for Indicated and Inferred, in line with the current Blanket Mine practices, has been applied. It is recommended that the geological loss is changed to reflect the respective confidence levels that are reflected by the classification category. The QPs suggest 5%, 10% and 15% for Measured, Indicated and Inferred respectively.

Manual estimates/block listings are included in these tabulations for Measured and Indicated only. The manual Mineral Resources, in terms of content, make up approximately 20% of the Measured and Indicted Mineral Resource.

The mine depletions are based on the mine faces as at 31 December 2021.

Table 14: In Situ Measured and Indicated Mineral Resources for Blanket Mine as at 31 December 2021 (Inclusive of Mineral Reserves)

Mineral Resource Classification	Orebody	Tonnes	Au	Content
		t	g/t	Oz
Measured	ARM	190 283	2.83	17 304
	ARS	386 663	3.12	38 770
	BF	10 786	2.90	1 006
	BLK1	1 922	5.76	356
	BLK2	88 397	3.29	9 351
	BLK3	107 125	2.63	9 052
	BLK4	6 365	3.82	782
	BLK6	7 799	3.55	889
	BQR	298 805	3.03	29 138
	ERC	13 130	3.69	1 557
	Jethro	5 198	3.99	666
	Lima	93 037	3.31	9 893
	Sheet	5 989	3.40	654
Measured Total		**1 215 498**	**3.06**	**119 418**
Indicated	ARM	786 707	2.72	68 825
	ARS	315 179	2.71	27 501
	BF	44 360	3.02	4 310
	BLK1	128 300	2.79	11 490
	BLK2	286 026	3.34	30 711
	BLK3	139 802	2.57	11 563
	BLK4	71 891	3.61	8 349
	BLK6	95 190	3.58	10 949
	BQR	741 269	3.40	81 104
	ERC	574 653	3.71	68 483
	Jethro	16 428	3.90	2 060
	Lima	62 712	3.19	6 433
	Sheet	84 310	3.87	10 477
Indicated Total		**3 346 827**	**3.18**	**342 255**
M&I Total		**4 562 325**	**3.15**	**461 673**

Notes:

1. * Manual Mineral Resource estimate from Block Plans only.
2. Cut-off applied 1.5 g/t.
3. No Geological loss applied for Measured, 5% for Indicated and Inferred.
4. Gold price: USD1,600/oz.
5. Mineral Resources are stated inclusive of Mineral Reserves.
6. Mineral Resources are reported as 64% attributable to Caledonia.
7. All orebodies are depleted for mining.

Table 15: In Situ Inferred Mineral Resources for Blanket Mine as at 31 December 2021 (Inclusive of Mineral Reserves)

Mineral Resource Classification	Orebody	Tonnes	Au	Content
		t	g/t	Oz
Inferred	ARM	331 425	1.89	20 120
	ARS	278 380	2.68	23 975
	BF	297 519	2.60	24 836
	BLK1	879 307	2.64	74 747
	BLK2	974 983	4.05	126 908
	BLK3	412 612	3.36	44 637
	BLK6	252 085	2.95	23 899
	BQR	1 500 405	3.20	154 499
	ERC	313 242	3.71	37 351
	Lima	178 869	3.73	21 478
Inferred Total		**5 418 826**	**3.17**	**552 450**

Notes:
1. Cut-off applied 1.5 g/t.
2. No Geological loss applied for Measured, 5% for Indicated and Inferred.
3. Gold price: USD1,600/oz. This price was selected for purposes of estimating Mineral Resources based on the consensus long-term forecast gold price. See Item 16.
4. Mineral Resources are stated inclusive of Mineral Reserves.
5. Mineral Resources are reported as 64% attributable to Caledonia.
6. All orebodies are depleted for mining.

The Combined Measured and Indicated Mineral Resources, exclusive of Mineral Reserves, declared for the Blanket operations are shown in Table 16. The Inferred Resources, exclusive of Mineral Reserves, are shown in Table 17.

Table 16: In Situ Measured and Indicated Mineral Resources for Blanket Mine as at 31 December 2021 (Exclusive of Mineral Reserves)

Mineral Resource Classification	Orebody	Tonnes	Au	Content
		t	g/t	Oz
Measured	ARM	85 823	2.31	6 383
	ARS	219 056	3.10	20 392
	BF	6 455	2.46	511
	BLK1	1 922	5.76	356
	BLK2	16 209	2.73	1 421
	BLK3	44 794	2.17	3 120
	BLK4	1 502	4.75	230
	BLK6	1 751	2.92	165
	BQR	108 753	2.57	8 988
	ERC	7 104	3.93	898
	Jethro	5 198	3.99	666
	Lima	49 394	2.94	4 664
	Sheet	5 989	3.40	654
Measured Total		**553 949**	**2.80**	**48 447**
Indicated	ARM	286 136	2.12	19 515
	ARS	262 126	2.63	22 173
	BF	14 119	1.74	790
	BLK1	106 991	2.52	8 668
	BLK2	95 915	2.95	9 102
	BLK3	109 187	2.55	8 948
	BLK4	12 507	2.63	1 057
	BLK6	20 748	2.85	1 903
	BQR	327 854	2.98	31 439
	ERC	224 200	3.35	24 159
	Jethro	16 428	3.90	2 060
	Lima	24 479	3.29	1 465
	Sheet	84 310	3.87	10 477
Indicated Total		**1 585 001**	**2.78**	**141 757**
M&I Total		**2 138 950**	**2.77**	**190 203**

Notes:
1. Cut-off applied 1.5 g/t.
2. No Geological loss applied for Measured, 5% for Indicated and Inferred.
3. Gold price: USD1,600/oz.
4. Mineral Resources are stated exclusive of Mineral Reserves.
5. Mineral Resources are reported as 64% attributable to Caledonia.
6. All orebodies are depleted for mining.

Inferred Mineral Resource inclusive and exclusive of Mineral Reserves remain the same as there are no inferred Mineral Resources included in the Mineral Reserve.

Table 17: In Situ Inferred Mineral Resources for Blanket Mine as at 31 December 2021 (Exclusive of Mineral Reserves)

Mineral Resource Classification	Orebody	Tonnes	Au	Content
		t	g/t	Oz
Inferred	ARM	331 425	1.89	20 120
	ARS	278 380	2.68	23 975
	BF	297 519	2.60	24 836
	BLK1	879 307	2.64	74 747
	BLK2	974 983	4.05	126 908
	BLK3	412 612	3.36	44 637
	BLK6	252 085	2.95	23 899
	BQR	1 500 405	3.20	154 499
	ERC	313 242	3.71	37 351
	Lima	178 869	3.73	21 478
Inferred Total		**5 418 826**	**3.17**	**552 450**

Notes:

1. Cut-off applied 1.5 g/t.
2. No Geological loss applied for Measured, 5% for Indicated and Inferred.
3. Gold price: USD1,600/oz.
4. Mineral Resources are stated exclusive of Mineral Reserves.
5. Mineral Resources are reported as 64% attributable to Caledonia.
6. All orebodies are depleted for mining.

Item 11 (b) - Individual Grade of Metals

Mineral Resources for gold have been estimated for the Blanket Gold Mine. No other metals or minerals have been estimated for the Project.

Item 11 (c) - Factors Affecting Mineral Resource Estimates

No socio-economic, legal or political modifying factors have been taken into account in the estimation of Mineral Resources for Blanket Mine. The QPs are not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other factors that will materially affect the Mineral Resource estimates.

Caledonia has operated the Blanket Mine successfully for several years and understands the Zimbabwean mining environment and as such eliminated any risk to a large degree and hence the QPs are of the opinion that the factors affecting the Mineral Resource have been considered.

All underground *in situ* Mineral Resources are stated at a cut-off grade 1.5 g/t. Current gold price, of circa USD1,950/oz, is substantially higher than the 90th percentile of USD1,600/oz used for the cut-off grade. Therefore, there is potential for a lower Mineral Resource cut-off grade which could increase the Mineral Resource.

It is imperative that Blanket Mine proceed with resource conversion drilling to replace the higher grade measured and indicated Mineral Resources that have converted to Mineral Reserves by converting the higher grade inferred Mineral Resources to indicated Mineral Resources.

ITEM 12 - MINERAL RESERVE ESTIMATES

Item 12 (a) - Key Assumptions, Parameters and Methods

The LoM planning was completed in line with current operational planning to produce 80 koz of gold per year. Only diluted Indicated and Measured Resources in the LoM plan were considered for conversion to Mineral Reserves. LoM as referred to in this TRS is remaining at 31 December 2021.

Inferred Mineral Resources have been excluded from the economic assessment for Mineral Reserve estimates. The LoM plan aims to produce 80 koz of gold per year from Measured and Indicated Mineral Resources only.

The LoM plan was developed utilising the 3D Mineral Resource model, estimates as reviewed and updated by the QPs (Item 11 (a)). The Mineral Resource classifications were incorporated from the 2017 Mineral Resource estimate. The mine design and scheduling utilise the updated 2020 Mineral Resource model.

I. Stope Shape Optimiser

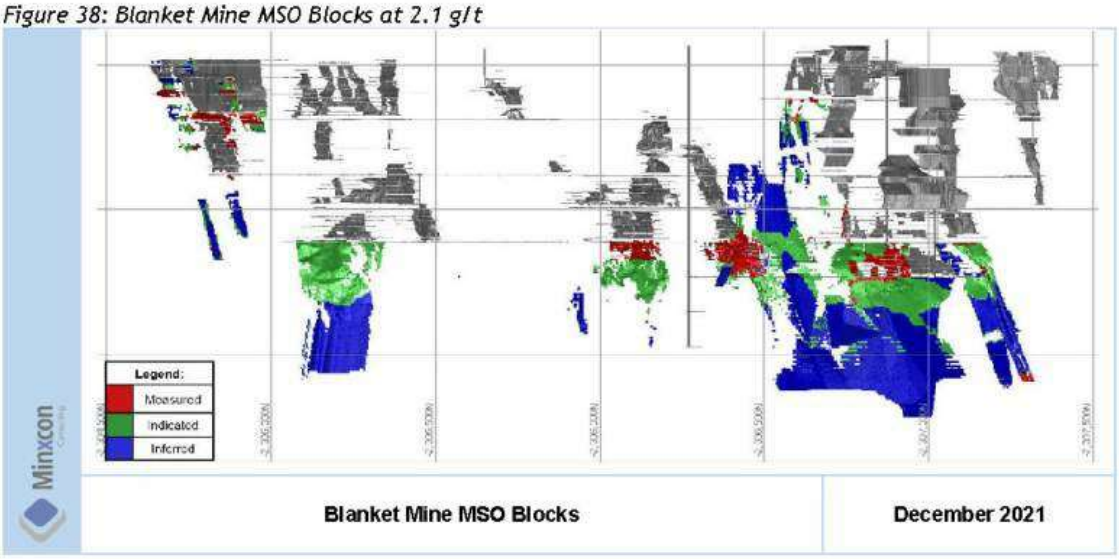
The QPs utilised the Geovia Stope Shape Optimiser ("MSO") tool which automatically produces optimised stope shapes for a range of underground stoping methods. By providing a set of constraints that detail the mining method and design parameters, MSO provides the optimal stope shape designs to maximise orebody value.

MSO runs were initially performed at a range of cut-off grades from 1.5 g/t to 3.0 g/t in 0.3 g/t increments. The purpose of performing runs at a range of cut-offs is to provide an estimation of the *in situ* stope grade, tonnes and content at the specific cut-off grade. The purpose of the MSO exercise was to establish a basis for comparison between the optimised MSO blocks at a 2.1 g/t cut-off, and the current operational planning of the Blanket Mine.

The outputs produced by MSO were deemed suitable for use in the strategic and tactical planning for the project. The MSO results were used with the objective to determine the economically mineable stope blocks which provide the highest value for the individual orebodies. The mine design has been aligned to the MSO blocks.

The MSO blocks at a cut-off grade of 2.1 g/t is illustrated in Figure 38.

Figure 38: Blanket Mine MSO Blocks at 2.1 g/t



II. Cut- Off Grade

The cut-off grade calculation for the Blanket Mine is detailed in Table 18.

Table 18: Cut-Off Grade Calculation

Description	Unit	Blanket Mine
Gold Price	USD/oz	1300
Dilution	%	8
Mine Call Factor	%	100
Recovery	%	94
Metal price	USD/g	41.80
Total Operating Cost	USD/t	76
Cut-off Grade in Place	g/t	1.94
Reserve Cut-off Grade	g/t	**2.10**

Blanket Mine utilises a 2.1 g/t planning cut-off grade. The mine design and schedule were completed using the accepted 2.1 g/t cut-off grade.

III. Modifying Factors

Mineral Reserve conversion factors are the consideration of mining factors used to convert Mineral Resources to Mineral Reserves. These factors are applied to adjust the *in situ* Mineral Resources in the LoM planning to realistic and accurate mill feed, volumes, and grade. The Mineral Reserve conversion factors applied to the Mineral Resources in the LoM plan, are detailed in Table 19.

Table 19: Mineral Reserve Conversion Factors Summary

Description	Unit	Value
Geological Losses		
Measured	%	0
Indicated	%	5
Inferred	%	5
Exploration Target	%	15
Other Dilution Factors		
Pillar Loss	%	23
Pillar Extraction	%	50
Dilution	%	8
Mine Call Factor	%	100

The following additional factors were considered:-

- Processing and Metallurgical: The conventional CIL recovery method is well proven and has been used consistently on this orebody. The recovery used was 93.5% and no other metallurgical factors are known that may impact the Mineral Reserve.
- Infrastructure: Infrastructure required for the planned production is either in place or planned for. Sufficient capital provision has been made for all planned infrastructure required for the planned production.
- Economic and Marketing: The gold price that has been utilised for the Mineral Reserve estimate is a real term forecast taken as the median of various bank and analyst forecasts. The average gold price over the LoM is USD1,622/oz. An uneconomical tail has been cut from the first negative cashflow year and has been excluded from the Mineral Reserve. The tail contains 25.90 koz of gold but is not economically viable on its own.
- Legal, Environmental, Social and Governmental: There are no legal, environmental, social or governmental factors that are deemed to be classified as modifying factors applied to the Mineral Reserves.

IV. Mineral Resource to Mineral Reserve Conversion

All Mineral Reserves have been categorised and reported in accordance with the guidelines of §229.1302(e)(2) of S-K 1300. Only Indicated and Measured Resources in the LoM plan were considered for conversion to Mineral Reserves. Inferred Mineral Resources have been excluded from the LoM plan for economic assessment for Mineral Reserve estimates. Only diluted Measured and Indicated Mineral Resources have been converted into Proven and Probable Mineral Reserves, respectively. Mineral Reserves have been reported separately in the Proven and Probable Mineral Reserve categories. Inferred Mineral Resources have not been incorporated with the Proven and Probable Mineral Reserves.

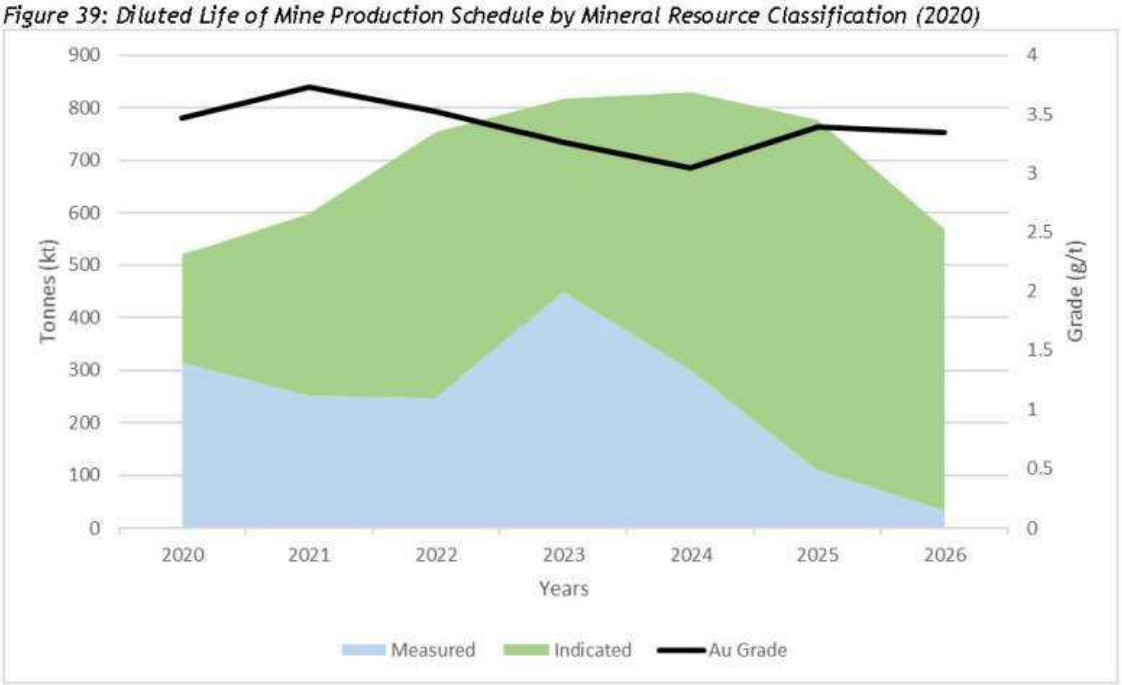
The Mineral Resources as estimated by the QP as at 1 January 2020 were utilised for the updated 2022 Mineral Reserve estimation. The QP has depleted the 1 January 2020 Mineral Resources with updated mining faces to the period ending 31 December 2021.

The depleted Mineral Resources as at 31 December 2021, was utilised with the 2020 LoM plan as detailed in Item 13 (b). The QP utilised the 2020 LoM plan with the depleted Mineral Resources to conduct an updated Mineral Reserve estimation, which accounts for the mining depletions from 1 January 2020 to 31 December 2021.

The 2020 LoM design and mine plan has remained unchanged. No new mine design and schedule was conducted for the Mineral Reserve estimation as at 31 December 2021. Where deviations from the 2020 LoM plan occurred, the schedule was adjusted by manually re-aligning the planned production volumes to the 2020 LoM plan.

The 2020 LoM plan is illustrated in Figure 39.

Figure 39: Diluted Life of Mine Production Schedule by Mineral Resource Classification (2020)



The January 2020 to December 2021 Mineral Reserve depletion is detailed in Table 20.

Table 20: January 2020 to December 2021 Mineral Reserve Depletions

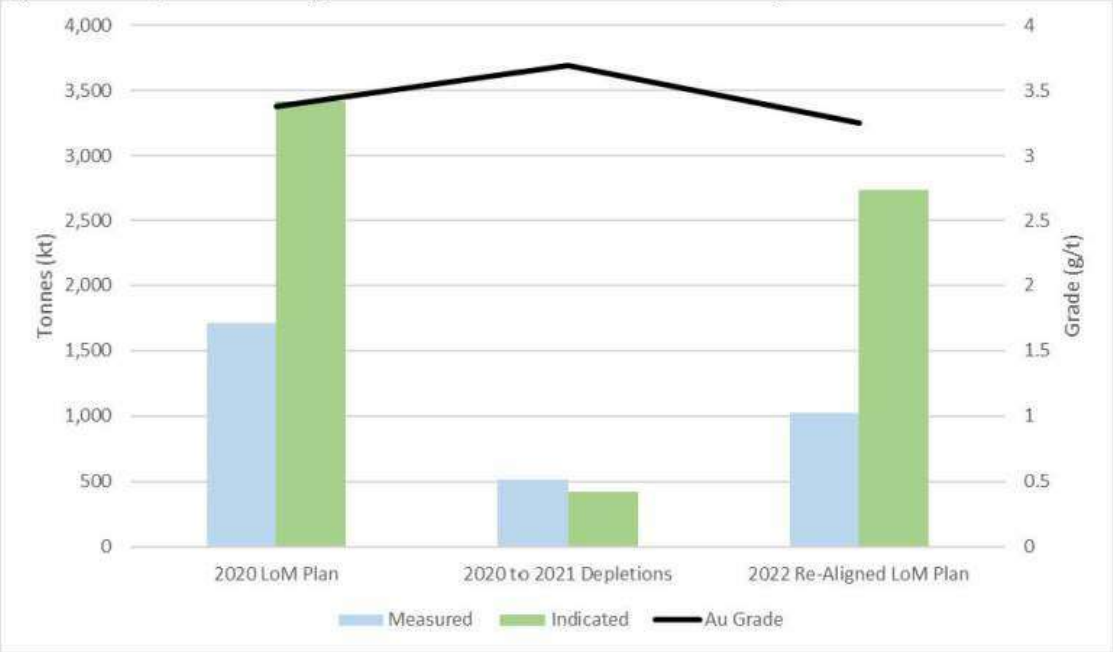
Mineral Reserve Classification	Tonnes	Grade	Au Content	
	kt	g/t	kg	oz
Proven	522	3.41	1,778	57,158
Probable	428	4.03	1,725	55,447
Total	**949**	**3.69**	**3,502**	**112,605**

Notes:

1. The depletions represent all Proven and Probable Mineral Reserves which have been depleted for the period 1 January 2020 to 31 December 2021.

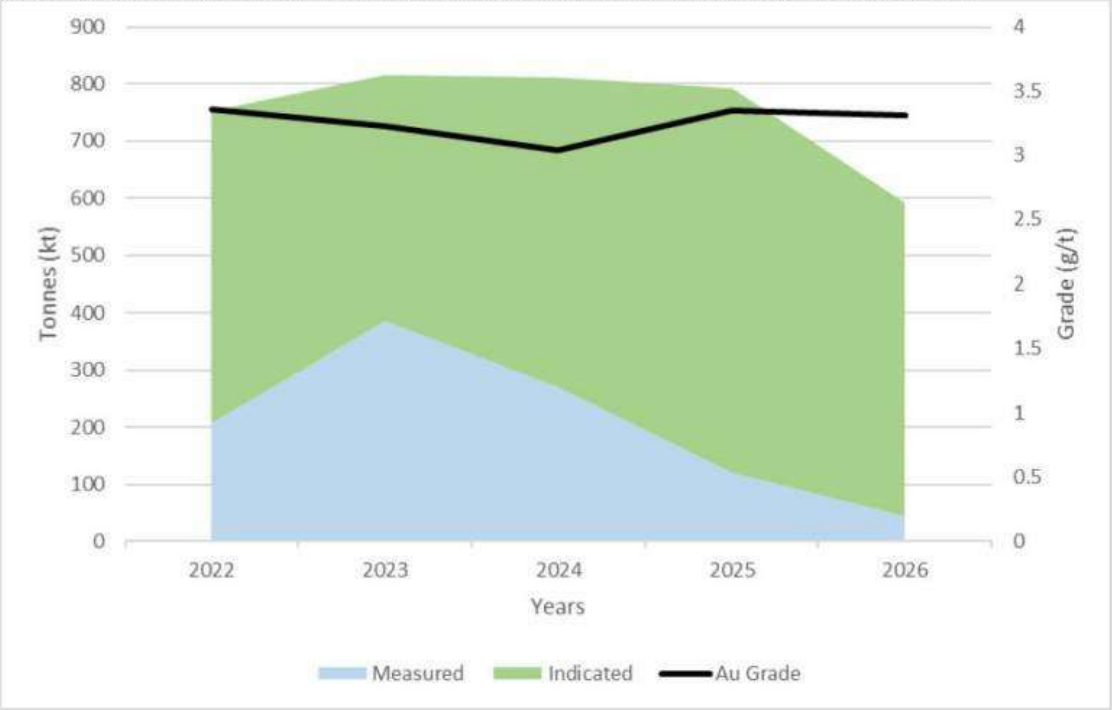
The comparison showing the 2020 LoM plan versus the depletions versus the re-aligned LoM plan, is illustrated in Figure 43.

Figure 40: Comparison Showing 2020 LoM Plan Tonnes and Grade vs Re-Aligned 2022 LoM Plan



The re-aligned LoM plan, excluding the January 2020 to December 2021 depletions, is illustrated in Figure 44.

Figure 41: Diluted Life of Mine Production Schedule by Mineral Resource Classification (2022)



The updated Mineral Reserve estimation as at 31 December 2021, is detailed in Table 21. Mineral Reserves are stated as delivered to plant.

Table 21: Blanket Mine Mineral Reserve Estimate as at 31 December 2021

Mineral Reserve Classification	Tonnes	Grade	Au Content	
	kt	g/t	kg	oz
Proven	656	3.11	2,042	65,651
Probable	1,751	3.30	5,774	185,652
Total	**2,408**	**3.25**	**7,816**	**251,304**

Notes:

1. Mineral Reserve cut-off of 2.1 g/t applied.
2. The gold price that has been utilised in the economic analysis to convert diluted Measured and Indicated Mineral Resources in the LoM plan to Mineral Reserves is an average real term price of USD1,622/oz over the LoM, using the forecast prices as per Economic Analysis.
3. The Mineral Reserve estimation utilises the depleted 2022 Mineral Resource estimation and the 2020 mine design and LoM plan.
4. Mineral Reserves are reported as 64% attributable to Caledonia Mining Corporation PLC.

Mineral Resources from the Measured and Indicated Mineral Resource Classifications were converted into Proven and Probable Mineral Reserves. The attributable Blanket Mine Mineral Reserve estimate consists of 27% Proven and 73% Probable Mineral Reserves.

Item 12 (b) - Multiple Commodity Reserve

Gold is the only commodity within the Blanket mining areas that is present in significant concentrations.

Item 12 (c) - Factors Affecting Mineral Reserve Estimation

No socio-economic, legal or political modifying factors have been taken into account in the estimation of Mineral Reserves for the Blanket Mine. The QPs are not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other factors that will materially affect the Mineral Reserve estimates. No material issues have been identified for the Blanket Mine.

The Mineral Reserve conversion factors detailed in Table 19 have been applied to the Mineral Resource for conversion to Mineral Reserves. The classification of Mineral Reserves can be affected by changes in the status of the factors. In particular, the gold price will affect the viability of the mineralised target.

An uneconomical tail has been cut from the first negative cashflow year and has been excluded from the Mineral Reserve. The tail contains 25.90 koz of gold but is not economically viable on its own.

ITEM 13 - MINING METHODS

Blanket Mine uses two mining methods which are well suited to the nature of the greenstone belt deposits. The orebodies range from generally steeply dipping sheet-like deposits of a few meters in width, to pipe-shaped and massive deposits with widths more than 50 m. The extreme variation within the Blanket Mine mineral deposits, necessitates modification of the exact mining methods that suits the specific characteristics of each mineral deposit The general practice on Blanket Mine is to implement one of two tailored mining methods, determined mainly by the width of the mineral deposit.

The two mining methods utilised are:-

- Long-hole stoping in wider mineral deposits (orebody widths generally more than 3 m); and
- Underhand stoping in narrow mineral deposits (orebody widths generally less than 3 m).

I. LONG-HOLE STOPING

Long-hole stoping is used in the orebodies with a width greater than 3 m. Long-hole stoping is a selective and highly productive mining method that provides good ore recovery. The method is flexible and allows for practical modifications to the mining sequence and configuration to suit the characteristics of the orebody. It is an overhand, vertical stoping method utilising drifter machines for long-hole drilling and blasting carried out from sub-levels. Mining the orebody creates a void or "open-stope" that is unsupported, however sill pillars are usually left between the stopes.

To access the orebody, crosscuts are developed from the tramming haulage to the extraction haulage which is located approximately 15 m from the orebody. Drawpoint crosscuts are developed at 15 m intervals along the extraction haulage which provide access to the drawpoints. A twin raise system is developed upwards to establish a sliping point for the development of the sub-drive. One raise serves as an access raise, while the other serves as an orepass to handle ore from the sub-drive development. The twin raise system is developed from one sub-drive to the next for the entire 120 m lift.

Drawpoint raises are established at 15 m intervals along the width of the orebody. A lead angle of 45 degrees is always maintained for the sub-drive development, with the bottom most sub-drive (lead drive) leading. Production faces have a lead angle of 72 degrees with the bottom most production face leading. Mining of the orebody is done in retreat from the one extreme end of the orebody to the other along its width.

Coning is done from the coning level and can only commence once sufficient raises for access and ore handling have been developed and holed into the sub-drive. Once coning starts, the raise can no longer be used as an access way. As a rule of thumb, four cones are established before any production may commence.

Production drilling is done in a retreat fashion from the orebody limit and drilling is done top down with Seco S 36 drifter machines. Depending on production requirements, multiple sub-levels may be mined simultaneously. The orebody width will ultimately determine the width of the stoping panel. Ore will then be extracted from the stope drawpoints via the lower extraction haulage using mechanical loaders. The ore is then loaded onto granby cars for transportation to the station orepasses.

II. Underhand Stoping

Conventional underhand stoping is used in orebodies with a width less than 3 m This mining method implies that the block of ore is mined. Underhand stoping is particularly suitable for steeply dipping, narrow orebodies and allows for better control of the stoping width and dilution. Stoping preparations commence by mining slot raises at 15 m intervals along the extraction haulage from the footwall of the orebody. Development within the orebody is the same as in the long-hole stoping sections, with the difference being that boxes are mined instead of drawpoints.

Upon establishment of sufficient slot raises, production commences with sliping around the slot raise to establish faces. Mining is done in both directions on strike with one face leading the other. Extreme end raises are equipped to serve as access raises for men and material. The lower level is equipped with boxes at set intervals from which ore will be drawn.

The sequence is repeated and as the stope grows horizontally and progresses downwards, additional raises are developed, and new stopes established to maintain the required production rates. The stope is mined up to the limits of the sill pillars.

Item 13 (a) - Parameters Relevant to Mine Design

I. Geotechnical and Hydrological Parameters

Blanket Mine has employed a rock engineering consultant as of February 2020 for the required geotechnical inspections and designs of the underground workings. All legal appointments pertaining to rock engineering requirements are in place. The geotechnical model for Blanket Mine is being revised & with this in mind support standards are continually reviewed and rock mechanics recommendations for the current mining operations are in place.

No new geotechnical, hydrological, or rock engineering work has been conducted for the newly targeted mining areas below 750 m Level. The studies and work associated with these parameters will be addressed by the rock engineering consultant as data is generated & access is obtained through development. This will further inform the geotechnical model.

II. Underground Access, Ore Flow and Material Handling

The Mine consists of several small shafts that provide access to the various orebodies in which mining operations take place. With CMS being completed and providing access to Mineral Resources from 750 m Level up to 1,110 m Level and beyond, mining activities will be focused on Mineral Resources below 750 m Level. Production below 750 m Level is planned to be accessed through declines from the respective mining areas. The hoisting capacity and current utilisation of the shafts are detailed in Table 22. The Blanket Mine shaft infrastructure is illustrated in Figure 42.

Figure 42: Blanket Mine Shaft Infrastructure

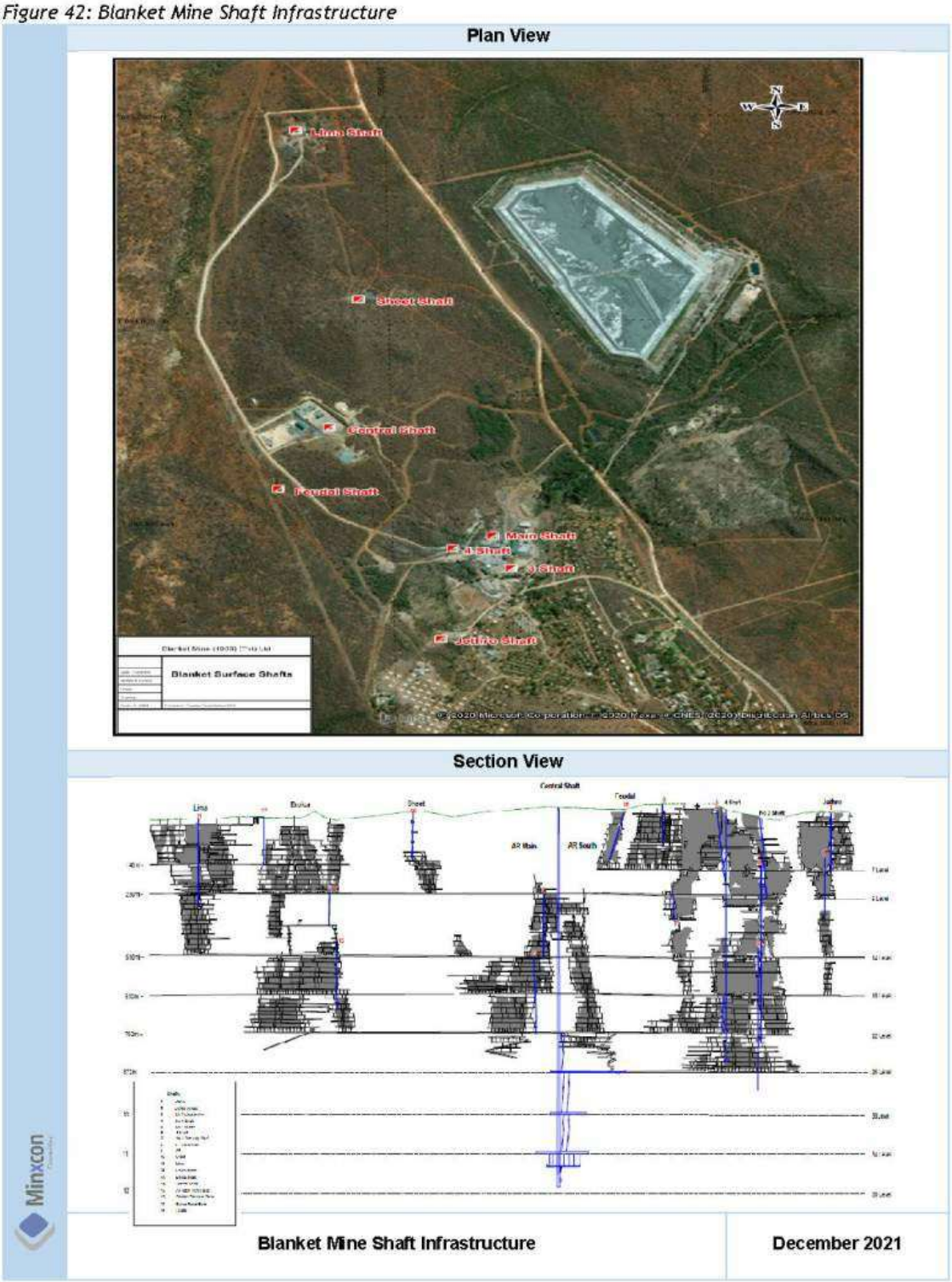


Table 22: Shaft Utilisation and Hoisting Capacity

Shaft	Access Description	Utilisation	Hoisting Capacity
Central Shaft	Surface to 35 Level	Ore, men and material	2 x 10 tonne skips
No. 4 Shaft	Surface to 825 m Level	Ore and material	2 x 6 tonne skips
Jethro Shaft	Surface to 7 Level	Men and material	Single deck cage
Lima Shaft	Surface to 8 Level	Ore, men and material	1 x 1 tonne skip
Incline Shaft	Surface to 7 Level	Ore	1 x 2 tonne skip
5 Winze	7 Level to 22 Level	Men and material	Double deck cage
Eroica Shaft	14 Level to 675 m Level	Ore, men and material	1 x 1.5 tonne skip
No. 6 Shaft	22 Level to 900 m Level	Ore, men and material	2 x 3 tonne skip

III. VENTILATION

The Blanket Mine is ventilated by an ascensional ventilation system. In an ascensional ventilation system, intake air is directed to the lowest active mining level and the air then ascends along the working faces to the main returns by means of fans.

The ventilation intakes are located in the southern part of the Mine and consist of the Jethro, Number 4, Main and Feudal Shafts. The air is directed to the respective ventilation districts by means of fans and is returned in the northern part of the mine via the Sheet, Eroica 1 and 2, Eroica Raise Bore, Lima and Lima North Shafts.

Central shaft is currently isolated from the rest of the mine with respect to ventilation. Significant changes to the ventilation layout and air quantities are expected when CMS will be connected to the Mine. The connection of Central Shaft to other mining areas will require a new ventilation strategy which also allows for the planned expansion in mechanisation.

Blanket Mine employs a ventilation consultant to advise on changes in the ventilation strategy and design.

Item 13 (b) - PRODUCTION RATES, EXPECTED MINE LIFE, MINING UNIT DIMENSIONS, AND MINING DILUTION

I. SHIFT CYCLE

The Blanket Mine operates on a planned 29-day average production cycle. The actual production days may vary from month to month and are mainly dictated by the public holidays in each month. Drilling and blasting operations are conducted on dayshift (8 hours) while nightshift (12 hours) conducts cleaning operations. Tramming is conducted on both morning and night shift.

II. PRODUCTION RATES

The planned development rates for the Blanket Mine is detailed in Table 23.

Table 23: Blanket Mine Development Rates

Development Type	Unit	Value
Conventional	m/month/crew	50
Mechanised	m/month/rig	60

Concurrent development on 30 Level and 34 Level has been planned. Development from the shaft towards the various orebodies on 30 Level will be done with drill rigs drilling two ends per rig per day, while development on 34 Level will be done conventionally.

Blanket Mine plans to produce 80 koz of gold per year. The LoM plan reflects 80 koz of gold production from Mineral Reserves only. The planned production rates from the different orebodies are detailed in Table 24.

Table 24: Blanket Mine Production Rates

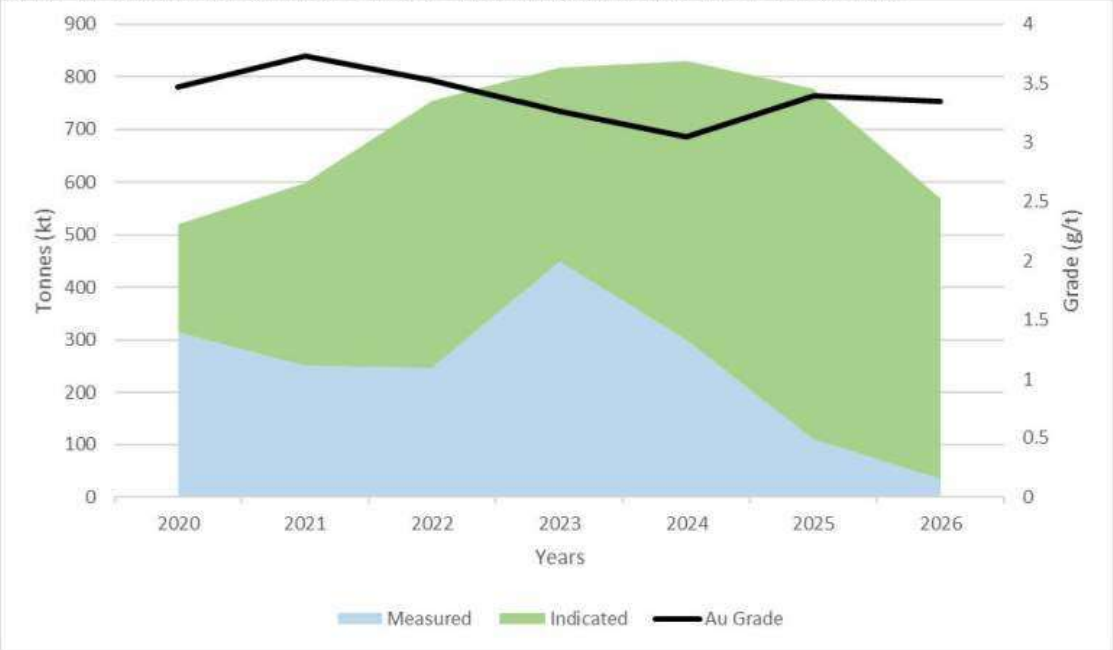
Orebody	Unit	Value
Blanket	tpd	490
ARM	tpd	540
ARS	tpd	480
Eroica	tpd	280
Lima	tpd	280

III. LIFE OF MINE PLAN

The Blanket LoM plan commences in 2020. The LoM plan includes Measured, Indicated and Inferred Mineral Resources, however only diluted Measured and Indicated Mineral Resources in the LoM plan were considered for conversion to Mineral Reserves. A LoM of seven years from the beginning of 2020 is expected for the Blanket Mine.

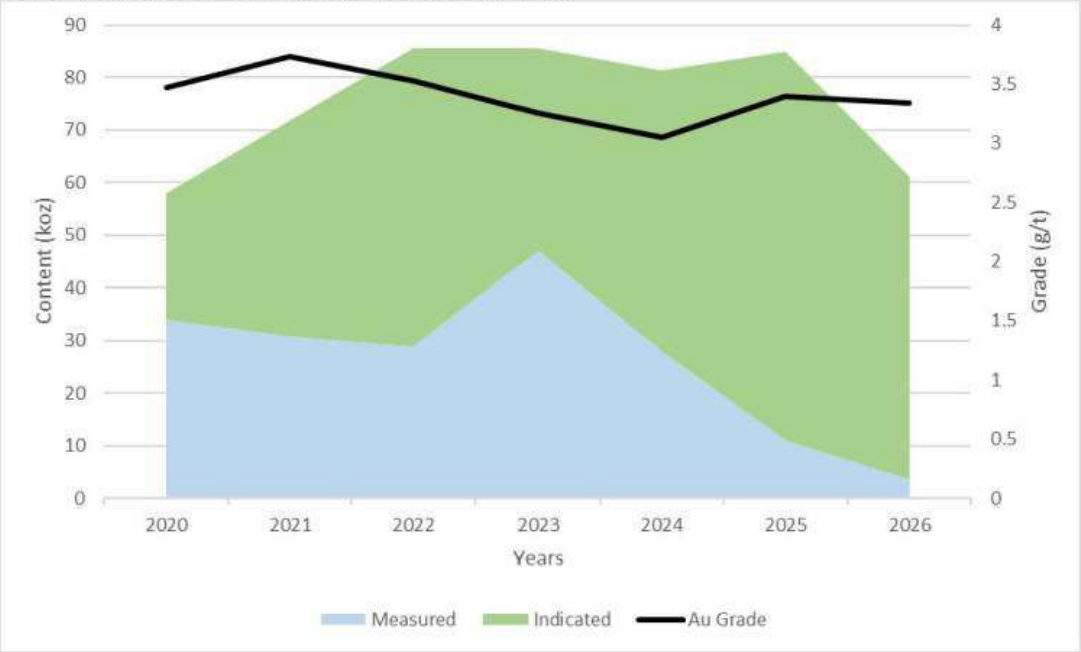
The mining strategy targets primarily the Mineral Resources below 750 m Level. Mining in the Lima orebody targets Mineral Resources above 750 m Level. In the ARS East West Limb, Blanket and Blanket Feudal orebodies, some mining will take place above 630 m Level. The diluted production schedule for the Blanket Mine is illustrated in Figure 43.

Figure 43: Diluted Life of Mine Production Schedule by Mineral Resource Classification



A total of 1,704 kt Measured Mineral Resources at a grade of 3.34 g/t and 3,158 kt Indicated Mineral Resources at a grade of 3.39 g/t is included in the LoM plan. The content delivered to the plant from the Blanket Mine is illustrated in Figure 44.

Figure 44: Blanket Mine Content Delivered to the Plant



The LoM plan includes a total of 183 koz and 345 koz of gold from the Measured and Indicated Mineral Resource Classifications, respectively. The monthly ore tonne production is illustrated in Figure 45 and Figure 46.

Figure 45: Monthly Stope Ore Tonne Production

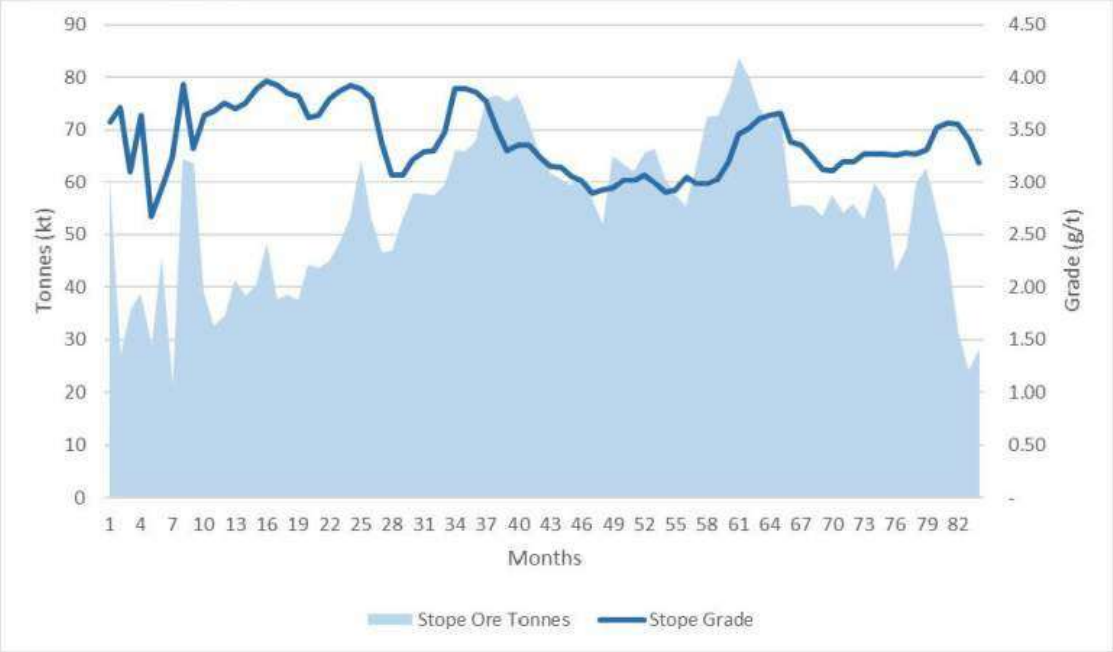
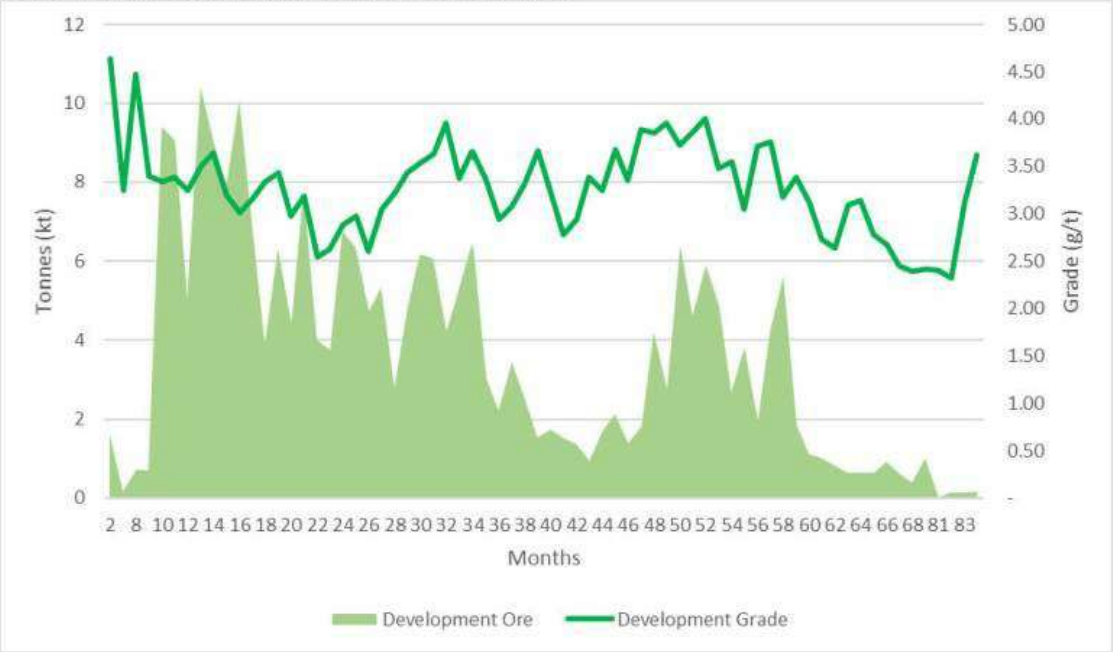


Figure 46: Monthly Development Ore Tonne Production



Development ore tonnes are produced from on reef development including leader drives, raises, strike drives, drawpoint raises and drawpoint cones.

IV. Mining Unit Dimensions

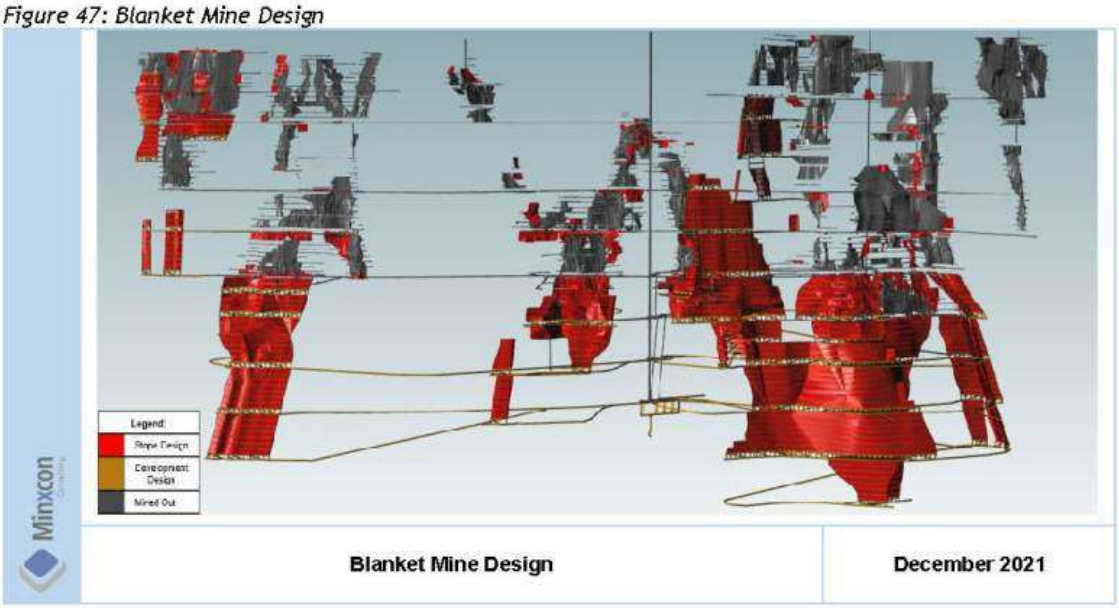
The mine design criteria for the Blanket Mine is detailed in Table 25.

Table 25: Mine Design Criteria for Blanket Mine

	Unit	Unit
Level Parameters		
Main Level Spacing	m	120
Sub-level Spacing (Middling)	m	15
Drawpoint Crosscut Spacing	m	15
Diamond Drilling Crosscut Spacing (Along extraction haulage)	m	7.5
Extraction Haulage Spacing from Orebody	m	15
Development Lead Angle	Degrees	45
Production Lead Angle	Degrees	72
Pillars		
Sill Pillar Thickness	m	30
Sill Pillar Spacing	m	90

The Blanket Mine design is illustrated in Figure 47.

Figure 47: Blanket Mine Design



V. Mineral Reserve Conversion Factors

Mineral Reserve conversion factors are applied to convert the Mineral Resources to Mineral Reserves. The applied Mineral Reserve conversion factors are detailed as follows:-

- Geological Losses: Geological loss is applied to account for geological uncertainty associated with different Mineral Resource categories. The mine plan includes Inferred Mineral Resources, Indicated Mineral Resources and Measured Mineral Resources. Geological losses of 0% was applied to Measured Mineral Resources, 5% to Indicated and Inferred Mineral Resources and 15% to Exploration Target Mineral Resources.
- Pillar Loss: Pillar loss is applied to the different orebodies as a percentage factor of material that is left in situ as pillars for support purposes. The pillar losses applied to the Blanket Mine were calculated from the specific pillar sizes as required for support purposes suited to the mining method. The pillar loss calculation of 23.2% is supported by the 80% extraction rate which has previously been applied by Blanket Mine which accounts for material that is left in situ as pillars.
- Pillar Extraction: A pillar extraction of 50% has been applied to account for pillars which will be extracted on retreat when a block has been mined out. The pillar extraction accounts for the extraction of sill pillars (including pillars between drawpoints) which will be extracted. A detailed rock engineering recommendation is required to determine which pillars are eligible for partial or total extraction.
- Ore Losses: Ore losses occur when mined material containing grade, is mixed with waste material, and can be attributed to several different causes. Different ore losses have been applied to account for ore to waste losses during mining of the various orebodies. It was assumed that the entire thickness of the reef is taken out, with negligible ore lost to waste.
- Dilution: Dilution is defined as a percentage value representing a certain amount of waste material that is mixed with the ore during the mining process. This results in increased ore tonnages, but due to waste material containing no or very little grade, the overall grade delivered to the plant is decreased. The thickness of the orebodies mined at the Blanket Mine vary significantly and are in some instances very irregularly shaped. The Blanket Mine applies an accepted dilution of 8%, derived

from actual production figures. Dilution of 15 cm in the hanging wall and footwall was applied to orebodies which are mined using the conventional underhand mining method and dilution of 30 cm was applied to orebodies which are mined using long-hole stoping. It has been assumed that drilling with shorter drill steels in conventional mining results in less overbreak than drilling with long drill steels used in long-hole stoping. The average dilution calculation is detailed in Table 26.

Table 26: Blanket Mine Average Dilution Calculation

Orebody	Mining Method	Average Orebody Thickness	HW and FW Dilution	Dilution
		cm	cm	%
Blanket 1	Underhand	300	30	10.00
Blanket 2FW	Underhand	270	30	11.11
Blanket 2HW	Underhand	350	30	8.57
Blanket 3	Underhand	380	30	7.89
Blanket 4	Underhand	700	30	4.29
Blanket 6FW	Underhand	1050	30	2.86
Blanket 6HW	Underhand	820	30	3.66
ARS	Long-hole	1500	60	4.00
ARS EXTENSION	Long-hole	450	60	13.33
ARM	Long-hole	1200	60	5.00
Lima	Underhand	200	30	15.00
Eroica	Underhand	500	30	6.00
Average Dilution				**8.00**

- Mine Call Factor: MCF is the ratio, expressed as a percentage, which the specific product accounted for in recovery plus residues bears to the corresponding product called for by, the Mine's measuring methods. The MCF was calculated from historic and current figures. The MCF calculation from 2015 to 2020 is detailed in Table 27. A MCF of 100% has been used for the Blanket Mine, derived from the actual MCF calculations from 2015 to 2020.

Table 27: Blanket Mine - Mine Call Factor Calculation 2015 to 2020

Year	Milled Tonnes	Gold Recovered	Gold in Tails	Gold Accounted For	Total Mined Tonnes	Mined Grade	Gold Called For	MCF
	t	oz	oz	oz	t	g/t	oz	%
2015	440,057	42,804	3,243	46,047	440,057	3.22	42,574	108%
2016	510,662	50,351	3,794	54,145	510,662	3.28	50,903	106%
2017	547,060	56,133	3,941	60,074	547,060	3.42	56,826	106%
2018	560,913	54,512	4,166	58,678	545,267	3.26	56,626	104%
2019	556,746	55,182	3,902	59,084	556,440	3.31	57,248	103%
2020	398,854	38,042	2,552	40,594	381,559	3.22	39,501	103%

Note: Figures for 2020 are as at 31 August 2020.

Item 13 (c) - Requirements for Stripping, Underground Development and Backfilling

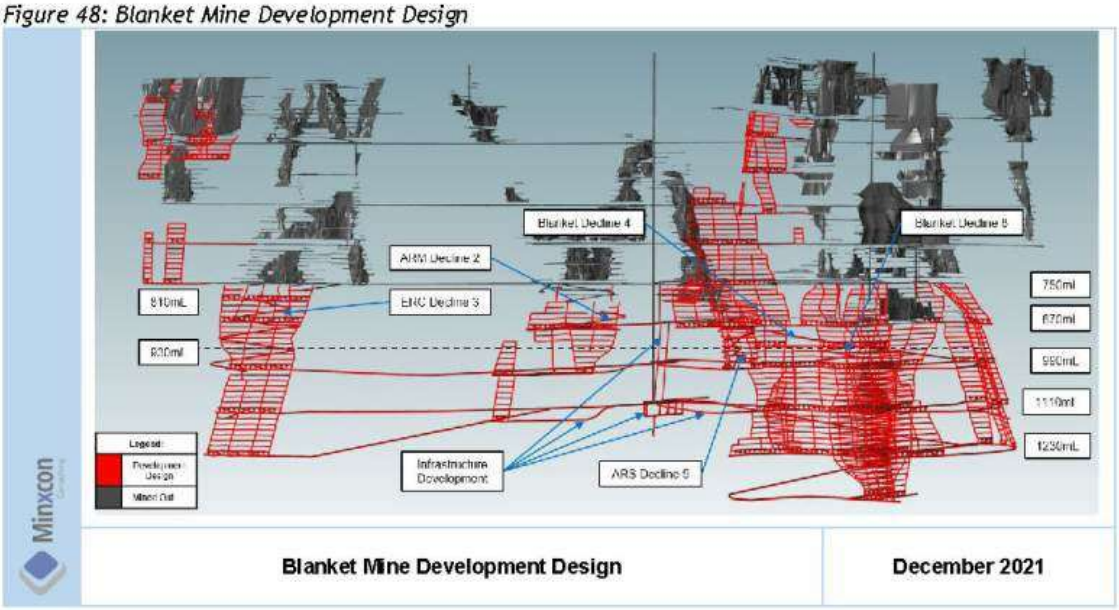
I. Underground Development

The existing development forms part of the mine plan to provide access to the underground workings and the targeted mining areas. Additional development is required for opening up sufficient ground and to provide access to the mining areas below 750 m Level. Different development requirements exist for the orebodies included in this study.

Blanket Mine will focus on increased development, focusing on key development ends to open up ground below 750 m Level. The planned capital development is in line with the No. 4 Shaft and Central Shaft capacity constraints. The Blanket Mine development design is illustrated Figure 48. The planned capital development consists of:-

- Eroica decline 3 from 750 m Level to 990 m Level with an intermediate level on 810 m Level which is halfway between 750 m Level and 870 m Level;
- ARM decline 2 from 750 m Level to 870 m Level, planned to commence in 2022;
- ARS decline 4 from 870 m Level to 930 m Level to serve the Blanket orebody;
- ARS decline 5 from 885 m Level to 930 m Level;
- Blanket decline 6 from 930 m Level to 990 m Level; and
- 930 ARS extraction haulage to serve as an intermediate production level for the ARS 990 and Blanket 990 blocks.

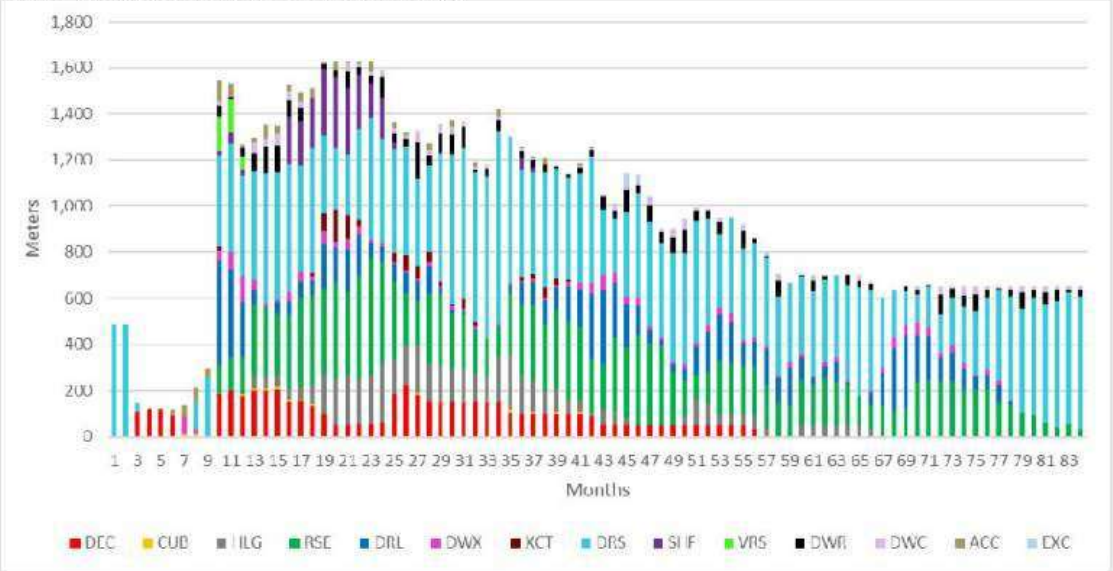
Figure 48: Blanket Mine Development Design



Central Shaft development has been split into infrastructure development and 30 Level and 34 Level capital development. Infrastructure development consists of the Western and Eastern Drive haulages, station tips and crosscuts, workshops, laydown areas and load level development.

The capital development consists of the 30 Level and 34 Level North and South haulages, re-muck bays, tipping bays, cubbies and exploration crosscuts. The development profile for the Blanket Mine is illustrated in Figure 49.

Figure 49: Blanket Mine Development Profile



Development meters are high in the first two years of the LoM plan with the focus on opening up Mineral Resources below 870 m Level and to establish the intermediate production levels on 810 m Level to serve the Eroica orebody and on 930 m Level to serve the ARS and Blanket orebodies.

II. Backfilling

The Blanket Mine currently does not have any requirements for backfilling within any of the mining areas. If future depth extensions are planned, it may require an investigation into backfill requirements.

Item 13 (d) - Required Mining Fleet, Machinery and Personnel

I. Mining Fleet and Machinery

The underground mining fleet consists of rail-bound and trackless equipment. Mining below 750 m Level is planned to be mainly mechanised mining. Production and development drilling is done by using a combination of Seco 25 jackhammers in conventional underhand mining areas while Seco 36 drifters are used in long-hole stoping areas. The underground rail-bound and trackless fleet is detailed in Table 28. A revision of the current mining fleet is required to determine the equipment requirements for the planned future increase in mechanised sections.

Table 28: Blanket Mine Current Mining Fleet

Rail-bound Fleet	Quantity	Trackless Fleet	Quantity
Air loaders	17	Dump trucks	7
Battery operated locomotives	21	LHDs	12
Cars (Material & Hoppers)	122	Bobcat	1
		Utility vehicles	1
		Rock breakers	1 installed, 2 to be installed

Underground tramming is done by the aid of compressed air operated loaders, granby cars, hoppers and battery-operated locomotives, which tip the ore or waste into grizzlies which lead to ore or waste passes. Developments ends and draw point lashing is done by LM56/57 air loaders which load onto different sizes of hoppers and granby cars. In main levels loading is done from steel boxes into granby cars. In addition to this infrastructure, bin chutes and conveyors fed by vibrating feeders have been allowed for on 765 m Level to

assist in the transport of reef and waste from the bins to the shaft for hoisting. The current fleet utilised at the operational sections of Blanket Mine will be utilised once the expansion projects of CMS is completed with some additional quantities to allow for the planned increase in production. In addition to the rail bound fleet of the Blanket Mine selected areas of CMS will be mined with trackless machinery. These areas mainly consist of development ends that are drilled and blasted conventionally but loaded and trammed with trackless equipment.

II. PERSONNEL

The mining personnel for the Blanket mine is detailed in Table 29.

Table 29: Blanket Mine Mining Personnel

Positions	Capital Project	Run Of Mine	Total
Heavy Vehicle Driver	1		1
Assistant Boilermaker	4		4
Assistant Drillers		2	2
Assistant Fitter	15		15
Assistant Loco Driver	3	2	5
Assistant Machine Operator	40	58	98
Asst Auto-Electrician	1		1
Asst Diesel Plant Fitter	6	3	9
Auto Electrician Class 2	1		1
Bellman	7	28	35
Brickmoulder's Assistant	2		2
Compressor Attendants	3		3
Construction Assistants	9	6	15
Conveyor Attendants	1		1
Crane Operator	1		1
Crusher Attendants		11	11
Diesel Plant Fitter	4		4
Drifter Operator	3	19	22
Drifter/Assistant		7	7
Drill Assistant		3	3
Drillers		1	1
Dump Truck Drivers	2	9	11
Electrical Assistants	6		6
Electrician	2		2
Excavator Operator	1		1
Fitter	3		3
Foreman	1		1
Gang-Leader	32	62	94
Gangleaders	3	6	9
Graded Boilermaker	1		1
Hoist Driver	10	1	11
Lamp Attendants	3		3
Lasher	125	328	453
LHD Driver	24	18	42
Loader Driver	9	21	30
Loco Driver	12	39	51
Machine Assistants	13	7	20
Machine Operator	97	97	194
Magazine Attendants	2	10	12
Mahewu Brewers		1	1
Mill Attendants	1	2	3
Overseer Miner	5	7	12
Projects Vehicle Drivers	2		2
PTV Assistant	4	3	7
Public Toilet Cleaners	1		1
Pump-Men	2		2
R/D Fitters Assistant	1	1	2
Raise Riggers	2	10	12
Rigger's Assistant		3	3

Positions	Capital Project	Run Of Mine	Total
Rockbreaker Operators	1	1	2
Sanitation Attendant	1	2	3
Section Surveyor	1		1
Senior G/Leader	6	9	15
Senior LHD Driver		1	1
Senior Overseer Miner	2	4	6
Shaft Clerk	1	3	4
Shaft Timberman	2		2
Shaft Timberman Assistant	7	4	11
Stand-By Vehicle Driver	1		1
Strata Control Officer		1	1
Tractor Drivers	1		1
Trammer	17	17	34
U/Graded Electricians	1		1
U/Graded Mechanics		1	1
Upgraded Boilermaker	1		1
Grand Total	**507**	**808**	**1315**

ITEM 14 - RECOVERY METHODS

Item 14 (a) - Flow Sheets and Process Recovery Methods

The Blanket gold plant consists of a conventional crushing, milling, CIL, batch elution and smelting configuration current running at 55 ktpm. The crushing and milling circuits are designed to process RoM. However, the CIL and downstream circuits were designed to treat tailings dam material at a rate of about 110 ktpm (or 3,800 tpd). The CIL is currently used exclusively for treatment of RoM at a rate of up to 55 ktpm. A process flow diagram is depicted in Figure 50 and Figure 51. The technology utilised is well tested and widely applied for processing of similar materials.

The plant consists of the following circuits: -

- Primary crushing - jaw crushing
- Secondary crushing - cone crushing in closed circuit with a screen
- Primary Milling - rod mills in open circuit
- Regrind - ball mill in closed circuit with cyclones
- Gravity Concentration - Knelson concentrators and Gemini table
- Intensive leach for gravity concentrate
- Thickening - Dewatering cyclones
- Leaching - Carbon in Leach (CIL)
- Elution and electrowinning - Combined in batch mode
- Casting - smelt house
- Carbon regeneration - Re-activation kiln
- Reagent make-up and dosing circuits
- Water recycling and storage.

Figure 50: Crushing and Milling Process Flow Diagram

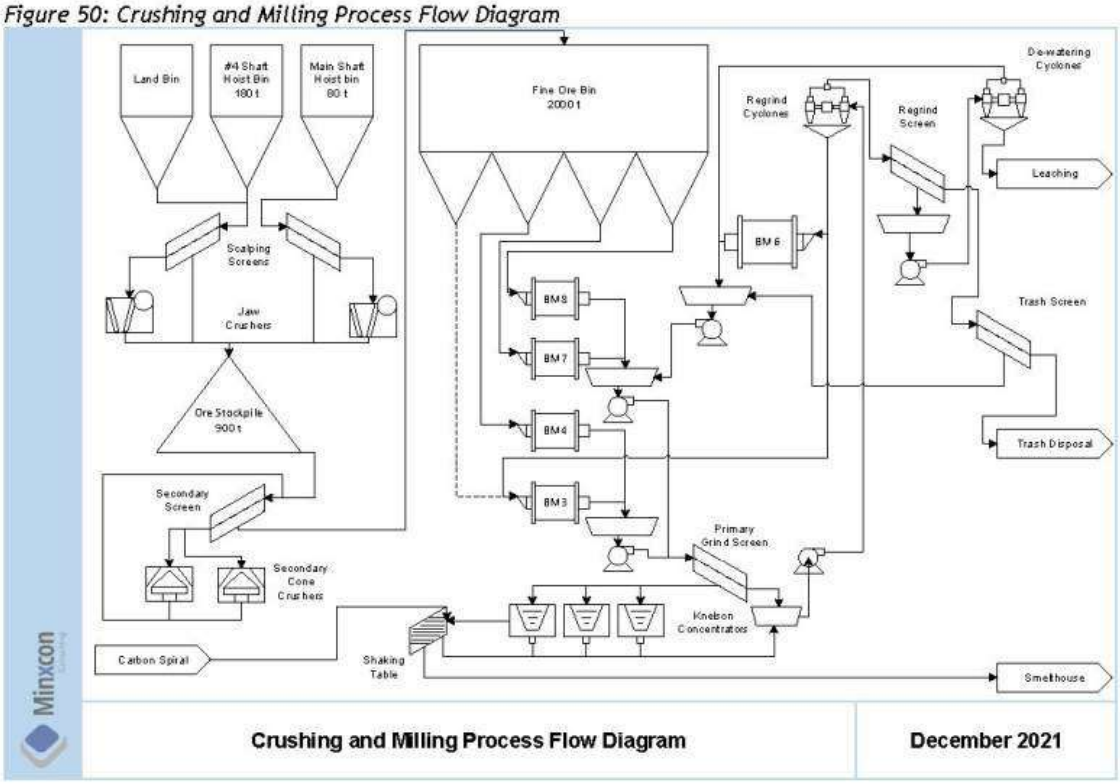
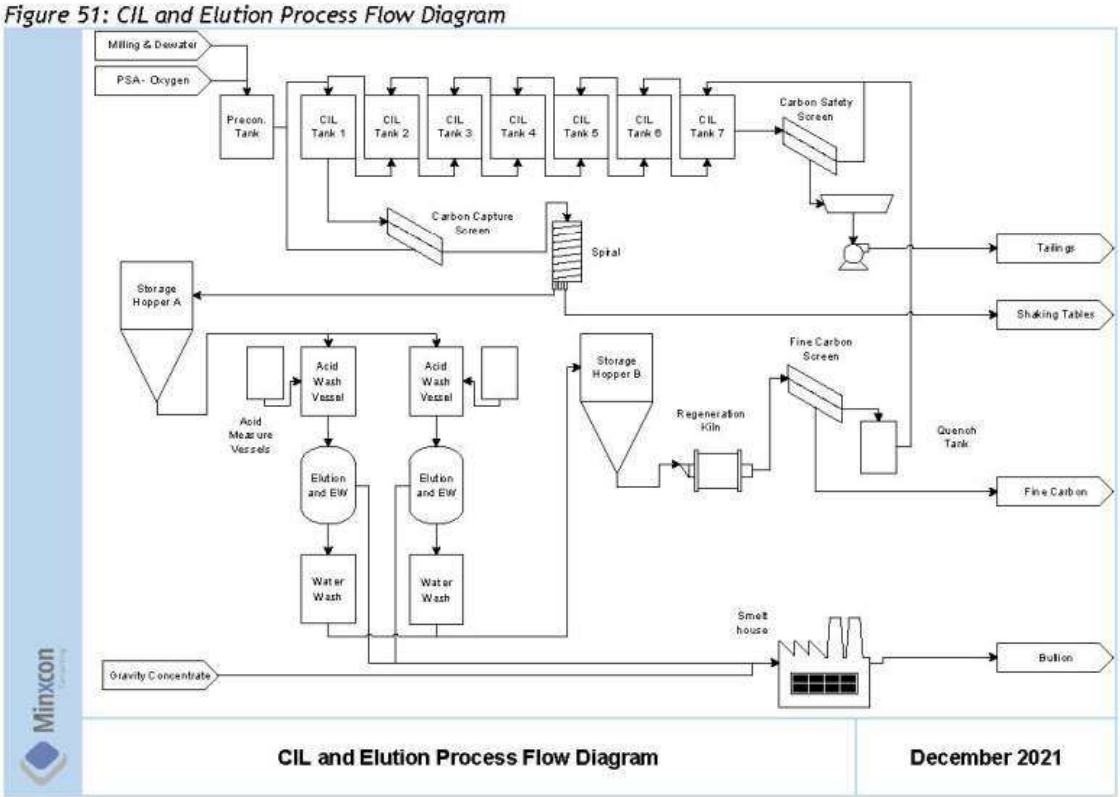


Figure 51: CIL and Elution Process Flow Diagram



From June 2019 to May 2020 the milled tonnes varied between 44 ktpm and 55 ktpm with an average of 49 ktpm. The overall recoveries varied between 92.4% and 94.5% with an average of 93.6%. The gravity gold recovery varies between 50% and 61% with an average of 54%. The CIL circuit gold recovery is also very steady with an average of 84.5%. It is worth noting that the use of oxygen improved CIL recovery from an average of 82.6% to 85.4% for the period June 2019 to May 2020. This has led to an increased overall recovery to 93.8% in the year 2020. The plant is expected to achieve a similar recovery in future when treating current Blanket RoM material. RoM material from other sources may be more refractory and will have to be tested before being treated in the Blanket plant.

There is a fully equipped assay laboratory which is located 200 m from plant offices. The mine laboratory was inspected by Mr Dario Clemente and even though the mine laboratory is not accredited, it does have the necessary equipment required to prepare and analyse mine and plant samples. The sample preparation areas are demarcated for low grade and high-grade areas, especially where cross-contamination is a risk.

Good housekeeping standards are applied in the sample crushing and preparation and fire assay areas. As part of its external verification process the mine laboratory sends samples away to Duration, Met Solution and Performance Laboratories (accredited according to the mine personnel), to test their precision and accuracy. The QPs were supplied with figures for January, April, July and August 2014 which (apart from April) had a good correlation coefficient. In addition, the laboratory makes use of standard reference material which it sources from Geostats in Australia or AMIS from South Africa. Graphs, which show a good correlation, were supplied to the QPs. The laboratory does not have an electronic tracking system. The implementation of a Laboratory Information Management system ("LIMS") will reduce human error.

The current TSF will support deposition until 2023, after which a new TSF must be commissioned. An Engineer of Records will be appointed to confirm this estimate as per latest Global Industry Standards of TSF Management. The new TSF will be designed by another TSF specialist and the current estimate for design work and construction is USD0.2 million and USD2.6 million, respectively.

Item 14 (b) - Plant Design, Equipment Characteristics and Specifications

The plant was designed and constructed by Kinross Mining Company to treat RoM ore from the Blanket mine. The ore is fed over 14" x 24" jaw crushers to reduce the top size from -300 mm to less than 80 mm. The ore from No. 4 Shaft is crushed to -135 mm underground. Tramp iron magnets (located ahead of the crushers) remove scrap iron before it enters the cone crushers. The crushed ore is stored on a 900 t open stockpile from where material is fed to the cone crushers

The cone crushers were upgraded recently and replaced with two 38" hydraulically adjusted Nordberg crushers. The crushers can operate independently and feed Osborn vibrating screens. The screened product which is smaller than 10 mm is delivered to the mill feed bin. The equipment quality is good and good maintenance is applied (an observation made during the site visit).

There are three 6.5 ft. x 12 ft. rod mills which operate in parallel. Each feed belt has a mill feed mass meter which is used to control and measure the mill feed rate. The foundations of the previous mills were in the process of being demolished which leaves adequate space for future expansion. The rod mill feed bin live capacity is small which, in turn, requires that the crushers operate on a three-shift cycle to ensure that the rod mills have adequate feed for continuous operation.

The regrind duty is performed by BM6 (12 ft x 16 ft) and BM3 (6.5 ft x 12 ft) which are operated in parallel and closed circuit. BM3 was originally configured for primary duty in parallel with the primary mills (BM4, BM7 and BM8) but was reconfigured for as a regrind mill early in 2019. Another 12 ft x 16 ft mill has been

Approximately 50% to 60% of the gold production is recovered as gravity gold. Knelson Gravity Concentrators are fed from the primary mills and their concentrate is stored and processed further on a Gemini shaking table every 24 hours with the tailings recycled back into the circuit. Gemini table concentrates are taken for direct smelting whilst the tailings are sent to an Intensive Leach ("IL") circuit. The tails from the IL are sent back to milling.

The tails of the Knelson gravity concentrator are pumped to a cyclone cluster with the coarse product (U/F) going for regrind and the fine product (O/F) sent to the Carbon in Leach (CIL) plant. The CIL consists of one pre-aeration tank and seven leach tanks where alkaline-cyanide leaching and simultaneous absorption of dissolved gold onto granular activated carbon takes place.

Oxygen generated from a Pressure Swing Absorption ("PSA") oxygen plant is added into the first CIL tank; liquid oxygen is also available in the event of the oxygen plant being out of circuit for maintenance or breakdowns. There is a TAC 1000 cyanide online analyser which measures and controls cyanide addition. This process control system, in conjunction with oxygen injection, has reduced cyanide consumption.

Elution of the gold from the loaded carbon and subsequent electro-winning is done on site. There are two 2.5 tonne elution columns which operate in parallel. The design of the columns is unique in that the elution and the electro-winning processes take place in the same pressurised vessel. The advantage of this is that there is no circulation of solution outside the vessel which requires heat exchangers for heating and cooling. The overall effect is that the system is very energy efficient and cost effective.

During electrowinning the gold is deposited on steel wool cathodes within the elution column, and the loaded cathodes are removed on a planned cycle and acid-digested. The resultant gold solids from acid digestion and the re-dressed gold concentrate from Knelson Concentrators are smelted into bars. The granular activated carbon is regenerated in a kiln before it is recirculated back to the CIL section. Loaded carbon is not acid treated to reduce reagent costs. Carbon reactivation has remained acceptable although the acid treatment can be re-introduced if required. The gold bullion, in the form of doré bars, is delivered, as required by Zimbabwean gold-mining law, to the Government-operated Fidelity Printers and Refiners for sampling and refining.

Power is supplied from the national grid, but a fully-automated diesel driven power plant is available when power trips occur. The diesel power generation sets have a capacity of 10 Megawatts and can service both the mine and the plant when required.

The plant tailings from CIL are reduced in cyanide content and deposited on two licensed tailing impoundment areas located close to the plant. The maximum amount of tailings water is pumped back to the metallurgical plant for re-use. Daily management and operation of the tailing deposition area is contracted out to the Zimbabwean subsidiary of Fraser Alexander.

Item 14 (c) - Energy, Water and Process Materials Requirements

I. Labour Requirements

Table 30 summarises the current labour complement for the Blanket Gold Plant. The Electrical Engineer is not included in the above table as he is shared between the plant and the Mine. All the plant employees are adequately trained and from observation around the plant, as well as the condition of equipment, it is clear that management is of a high standard. The higher labour complement is in part due to the manual control

nature of the plant. The laboratory personnel account for an additional ten people. The laboratory is used for plant analysis as well as management of mine and exploration samples. The plant does not have a central process control system, but there are local controls in the important areas such as mill feed control cyanide addition and level controls in relevant areas.

Table 30: Plant Labour Complement

Section	Number
Plant Senior Staff	2
Plant Staff	10
Primary Crusher	15
Secondary Crusher	10
Milling	14
Elution	6
Tailings	7
CIL	11
Water	4
Metallurgical Lab and Sample preparation	6
Wet Assay	2
Engineering	27
Total	**114**

Source: Blanket Mine

II. Reagents and Consumables

The reagent and consumable consumptions are shown in Table 31. The forecasted consumptions are not expected to change significantly.

Table 31: Reagent and Consumable Consumptions

Item	Unit	Average Past Year
Grinding Media and CIL Reagents		
Rods	kg/t	0.68
Balls- 40 mm	kg/t	0.89
Total Steel Media	kg/t	1.57
Lime	kg/t	1.68
Carbon	kg/t	0.07
Sodium Cyanide	kg/t	0.85
PSA Oxygen	kg/t	3.42
Elution Consumables		
Steel Wool	kg/t C	0.244
Caustic Soda	kg/t C	42.91

Source: Blanket Mine

Some of the higher consumptions of reagents was due to the high retention times of approximately 72 hours in the CIL circuit. This mainly affects carbon consumption due to the long exposure to agitation and abrasion in the CIL tanks, as well as cyanide consumption.

ITEM 15 - PROJECT INFRASTRUCTURE

Item 15 (a) - Mine Layout and Operations

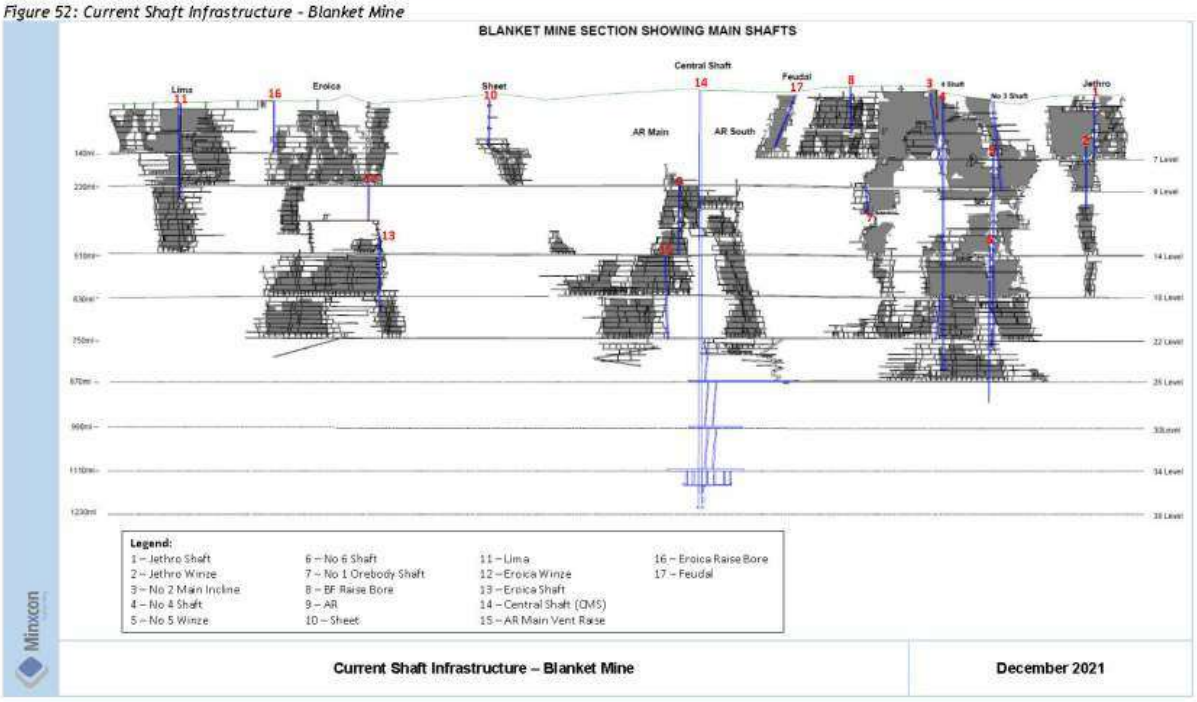
The Blanket Mine consists of a series of small shafts (Table 32) providing access to the underground workings of the various orebodies that are being mined.

Table 32: Blanket Mine Shaft Access

Name	Description
Jethro Shaft	The shaft has dimensions of 3 m x 2 m and is mainly utilised for the transport of men and material from surface to 7 and 9 Level. The shaft is equipped with a single drum winder with a 19 mm rope and capacity of 10 men.
5 Winze (Sub-Shaft)	5 Winze has dimensions of 3 m x 2 m and is a sub-shaft and is mainly used to transport men and materials between 9 Level and 22 Level. This shaft is similarly to Jethro shaft equipped with a single drum winder with a 19 mm rope and a capacity of 10 men.
6 Winze (Sub-Shaft)	6 Winze has dimensions of 3 m x 2 m and is a sub-shaft used mainly for the hoisting of ore from 26 Level to 22 Level from where ore is transported to No. 4 Shaft for hoisting to surface. This shaft is equipped with a 112 kW single drum winder with a 22 mm rope and a capacity of 3 t skip or 500 tpd. At the bottom of 6 Winze shaft is a 12 kW spillage winder equipped with a 13 mm diameter winding rope.
Blanket Shaft (No. 4 Shaft)	No. 4 Shaft was historically the main production shaft of Blanket Mine. No. 4 Shaft has dimensions of 4 m x 2 m with two compartments. This shaft is mainly used for the hoisting of ore and waste rock from 22 Level to surface. The shaft is equipped with a 560 kW thyristor driven double drum winder with a 34 mm rope and capacity of 6 t per skip or 3,000 tpd.

The current access infrastructure is detailed in Figure 52.

Figure 52: Current Shaft Infrastructure - Blanket Mine



A number of expansion projects have either been completed or are planned for the Blanket mining operations in order to increase production. The majority of the expansion projects will consist of the Below 750 m Level (22 Level) expansion projects. The first project includes the sinking and construction of the new CMS in-between the AR Main and AR South / Blanket orebodies from surface to below 1,203 m Level (just above 38 Level) and its associated infrastructure. Sinking and equipping of the shaft has been completed with the development of the associated orepass system and loading station development currently in progress.

Further projects include the development of various decline shaft infrastructure targeting specific mining areas in order to increase production. The planned shaft infrastructure development declines planned are listed in Table 33.

Table 33: Planned Shaft Infrastructure Development

Description	Target Area	From (Level / Area)	To (Level / Area)
Decline 2	AR Main	750 mL / ARM	Below 870 mL / ARM
Decline 3	Eroica	750 mL / Eroica	990 mL / Eroica
Decline 4	AR South / Blanket	870 mL / ARS(Blanket)	930 mL / ARS(Blanket)
Decline 5	AR South / Blanket	885 mL / ARS(BL Blanket)	930 mL / ARS(Blanket)
Decline 6	AR South / Blanket	930 mL / ARS(Blanket)	990 ml / ARS(Blanket)

Item 15 (b) - INFRASTRUCTURE

I. SURFACE INFRASTRUCTURE

Surface infrastructure comprises mine offices, change houses, mine headgears, workshops, storerooms, a processing plant, hospital, tailings facility and an assay laboratory. Production shafts on surface consist of the No. 4 Shaft and the Jethro Shaft. Sub-shaft infrastructure in the form of the No 5 Winze connects Jethro to the underground workings. Other shafts and raise bore holes on surface, primarily used for ventilation purposes, include Lima, Eroica and Sheet. A total of 11 hoists are installed at the mine, three of which are used for ore handling (No. 2 incline shaft, the sub-vertical shaft and 6 Winze shaft). The surface infrastructure at the Blanket Mine is illustrated in Figure 53.

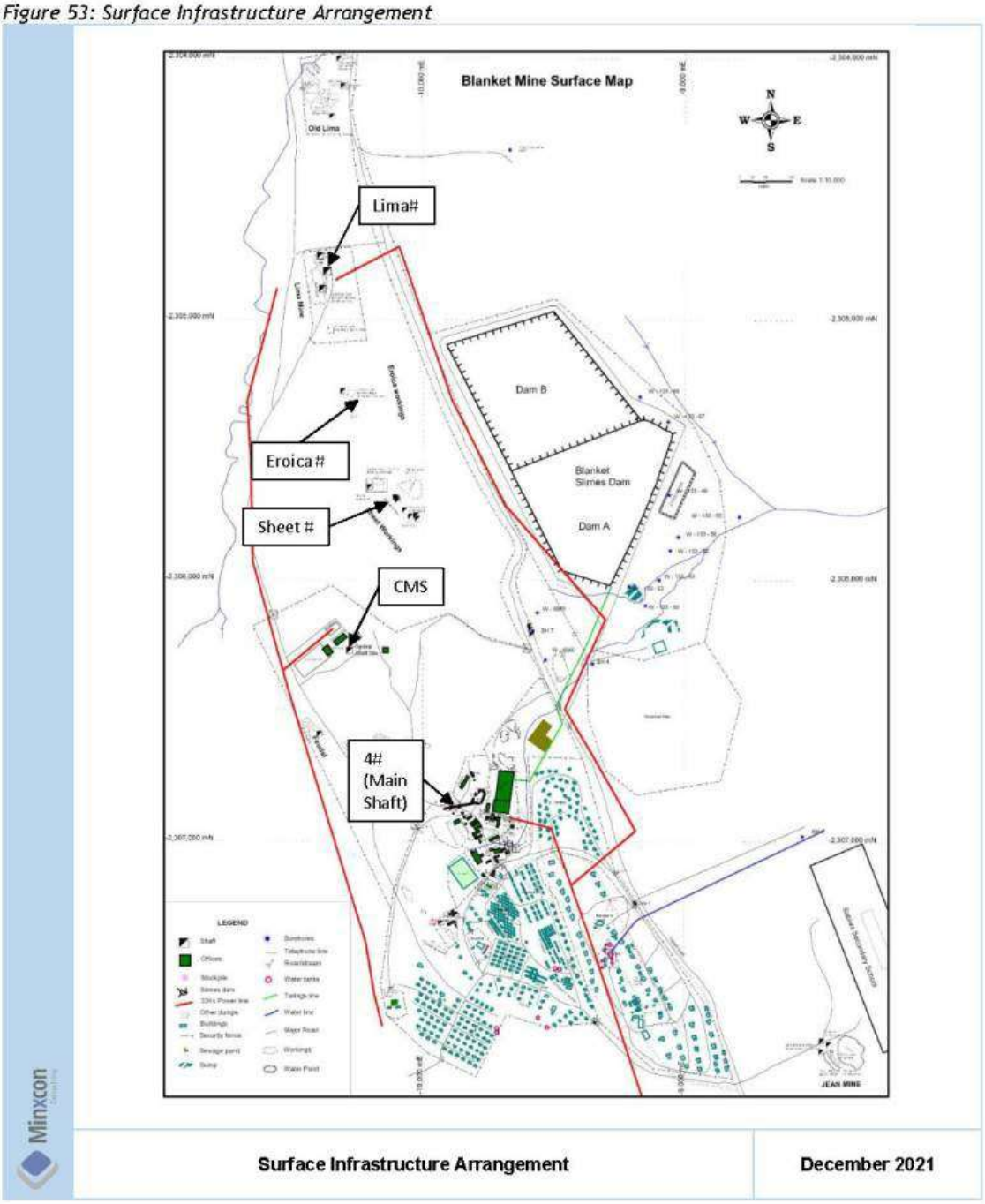
The existing infrastructure at Blanket will be utilised in parallel with new infrastructure which is specifically aimed at targeting the Below 750 m Level mining areas. The extensions entail the sinking of the new CMS (currently completed with the exception of the loading station and orepass system) from surface down to 1,203 m Level (just above 38 Level). 6 Winze sub-shaft located close to 5 Winze sub-shaft is used to access the Blanket complex below 750 m Level and will provide secondary access to the new CMS.

The new CMS is not lined and has a four-compartment, 6 m diameter layout, equipped with a 2 x 3,642 kW double-drum winders one rock and the other men and material. Once fully equipped and commissioned, this shaft will be used as the main route for the transport of men, material and rock.

On surface, a 900 mm wide, 50 m long overland waste conveyor will transport waste rock to a rock dump. Additional supporting surface infrastructure will include shaft offices, change rooms, lamp rooms, etc. New housing for both senior and junior staff is also planned in anticipation of the increased production profile.

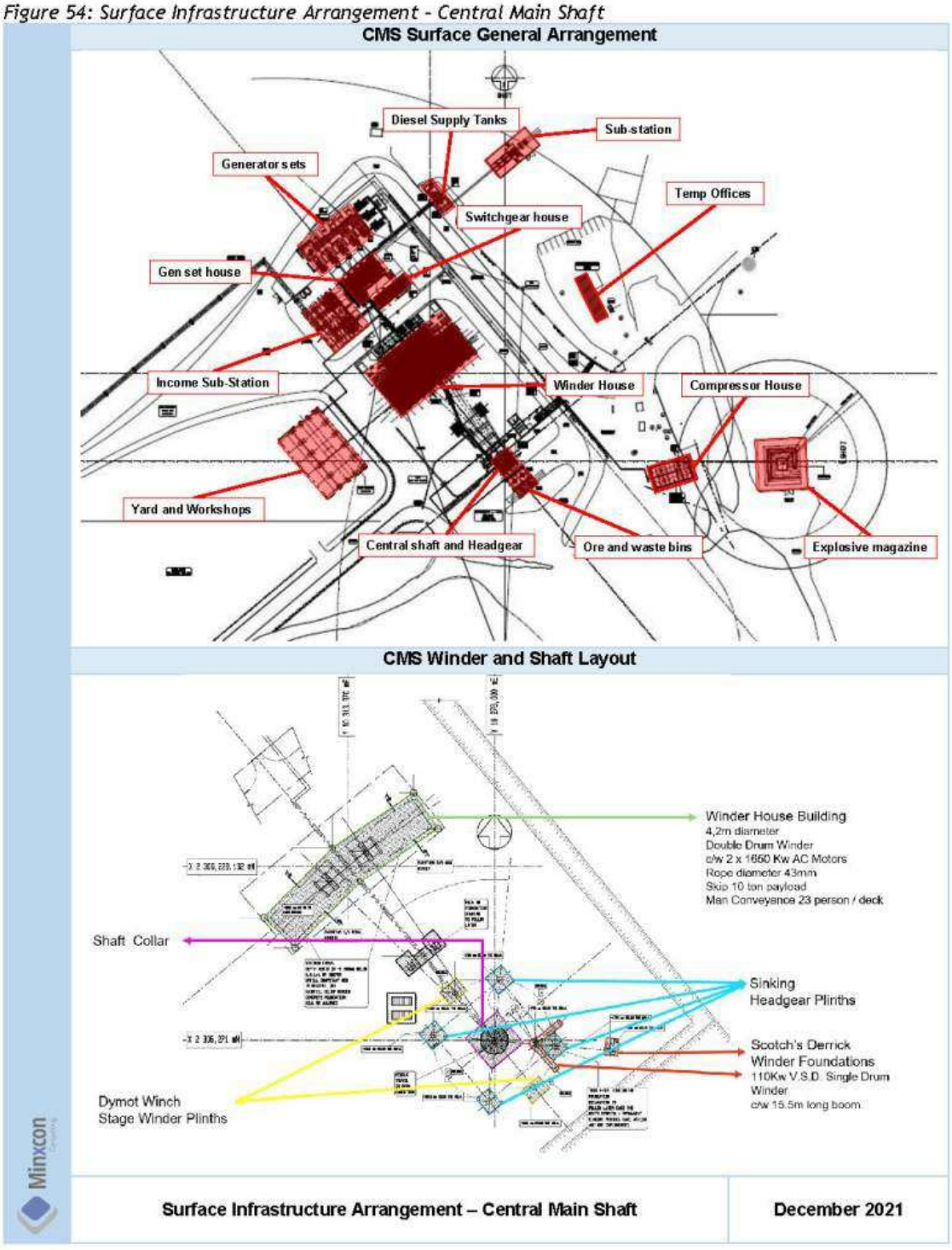
A TSF is also located in close proximity to the Project Area. The labour force and their families reside within a kilometre of the mine in accommodation provided by the Mine.

Figure 53: Surface Infrastructure Arrangement



The planned surface infrastructure layout and general arrangement of the CMS is illustrated in Figure 54.

Figure 54: Surface Infrastructure Arrangement - Central Main Shaft



The 5 Winze currently extends from 140 m Level down to the 750 m Level, while 6 Winze currently extends down to 870 m Level. Men and materials are hoisted via the Jethro vertical shaft, 5 Winze and 6 Winze to the new underground mining areas in the interim until the CMS is fully commissioned.

Development waste and ore are hoisted with two 6 t at No. 4 Shaft and two 10 t auto discharging rock skips through the CMS after it is commissioned. The loading level at CMS will be equipped with a loading station as well as ore bins. The loading arrangement will be equipped with automated loading flasks and spillage bins similar to the current arrangement at 765 m Level at No. 4 Shaft.

The CMS loading station (currently being developed) will include three silos, 1 x waste and 2 x reef with bulkheads on Load and Pump level feeding into the loading bin utilising a 1,200 mm conveyor belt. CMS is equipped with 2 x 3,642 kW double drum winders the on a rock winder with two 10 t skips attached to 44 mm diameter rope. The other a men/material winder with a double deck cage and 44 mm diameter rope. The cage has a capacity of 40 persons per deck.

II. Mining Section

Underground drilling is conducted with Seco 23, Seco 25, Seco 215 rock drills and Seco 36 (Konkola) drifters. The rock drills are used mainly for development and the drifters for production, *i.e.* long-hole drilling.

Similar to the underground rail-bound fleet, the same mining equipment utilised at the operational sections of Blanket Mine will be utilised once the expansion projects of CMS have been completed with some additional quantities to allow for the planned increase in production.

III. Dewatering

Currently, underground water is pumped to surface from the 7 Level pump station at a rate of between 40 m^3 and 60 m^3 per hour. The pump station has a maximum pumping capacity of 150 m^3 per hour to handle excessive water inflow (especially during the rainy seasons). Pumping is done in stages on five different levels, 7, 9, 14, 19 and 22 Levels. A submersible 2125 flyght pump is at the bottom of 6 Winze shaft, the deepest point on the mine, and pumps to 22 Level pump station.

The CMS main pump station located just below 34 Level (belt and pump level) will be equipped with a 5 m diameter high rate clarifier settler as well as a 7 m diameter vertical dam with a capacity of 1.5 Ml. Clear water will overflow from the settling arrangement into the clear water dam and the settler underflow will be pumped directly to surface with a positive displacement pump.

Item 15 (c) - Services

I. Power Supply and Reticulation

ZESA supplies power to Blanket Mine from their main substation in Gwanda. The main supplies are the 33 kV and the 11 kV overhead lines. The 33 kV supply feeds Lima, Reclamation and the main substation at No. 4 Shaft, adjacent to the processing plant. The 11 kV supply feeds Jethro shaft, slimes dam, Smiler shaft and the village. The 11 kV is further transformed to 550 V supply at Jethro and Smiler and at Slimes dam. The ZESA power allocation to No. 4 Shaft, Jethro Shaft, 5 Winze and 6 Winze Complex is 10 MVA with a current nominal maximum demand ("NMD") of 7.6 MVA.

The Blanket Mine has investigated and approved the option of employing a solar power plant to supplement existing power supply to the Blanket Mine. Commencement of the project is planned for March 2021. The solar plant will potentially add 12 MW of capacity to the Blanket Mine power supply.

Blanket also has 4 x 2.5 MVA generators at No. 4 Shaft and with total installed capacity of 10 MVA. Additional standalone diesel generators with suitable switchgear, transformers, and controls were also installed at CMS

to ensure that the mine can stay operational during power interruptions. This additional installation has a total installed capacity of 8 MVA. Total installed generator capacity at Blanket is 18 MVA.

At the Blanket main substation, the 33 kV line terminates into 4 x 3 MVA 33 kV/2.2 kV transformers, of which only 3 are active. The 2.2 kV supply from one transformer feeds the main Blanket compressors and the underground reticulation feeder through an 800 A vacuum circuit breaker. The other 2.2 kV supply from the second transformer feeds the RoM section of the processing plant (on 2.2 kV and 550 V supply) through a 600 A vacuum circuit breaker.

The third transformer feeds the 2.2 kV No. 6 Ball Mill, CIL section and elution plant which operates on 400 V supply. The main substation has a maximum demand of 6,000 kVA at a calculated power factor of 0.85. The acquisition and installation of a power factor correction unit to increase the power factor to the required 0.99 is currently underway.

All equipment underground, *i.e.* winders, pumps and fans operate on 550 V. The 2.2 kV underground feeder is therefore transformed at different levels so as to run the relevant equipment on those levels.

The 33 kV ZESA supply at Lima terminates into a 1 MVA 33 kV/550 V transformer which supplies mainly the Lima hoist, 2 x GA250 and 1 x GA160 screw compressors. A power factor correction unit has been installed in this substation. The 33 kV supply at reclamation terminates into a 1 MVA 33 kV/400 V transformer, which feeds the raw water supply pumps for the Process Water Pond. No power factor correction unit has been installed in this section.

Power to the new shaft complex will be supplied via a 2.5 km 33 kV overland powerline leading to the shaft sub-station. Power will be distributed through 3 x 3 MVA 33 kV/ 6.6 kV/525 V transformers and its associated switchgear. For the underground environment 250 kVA 6.6 kV/550 V transformers will be used to drive larger components such as conveyors and larger portions of the production sections. 50 kVA 550 V/110 V transformers will be used to step power down from 550 V for lighting purposes.

The expected NMD during Phase 1 of the Blanket Mine extension project is 5 MVA. Metering of the actual NMD is only 3.9 MVA. The NMD during phase 2 of the extension project will increase to 6.3 MVA while the current ZESA allocation to the total extension project is 5 MVA. This indicates that application might be required to an increase of the allocation for the CMS project by 1.3 MVA.

There are no material risks associated with the power supply to Blanket.

II. Water Supply and Reticulation

ZIMWA holds all water rights in Zimbabwe and Blanket subsequently purchases process and domestic water from ZIMWA. Water for the mine, metallurgical plant and the mine village is obtained from the Blanket dam which is located 5 km east of the Mine. The Blanket Dam has a total capacity of 15 Mm^3. In addition to this water source, the mine has equipped several boreholes to alleviate water shortages during the dry season and droughts.

An average of 80,000 m^3 per month is pumped from the dam using 2 x 80/250 CEN stork pumps which are installed at the dam.

Two x 80/250 CEN stork pumps are also installed half way between the dam and the mine. One of the pumps supplies water to the domestic water tanks where the water treatment plant is installed and the other pumps to the processing plant. The domestic water is purified at the water treatment plant, pumped to storage tanks and then gravitated to all the houses on the mine.

Most of the processing plant water is recycled from the slimes dam. However, besides additional water from the Blanket dam, as stated above, five boreholes have been drilled to augment the processing plant supply.

Capital is allowed for new pumps, valves and pipelines to be used for the reticulation of water on surface. Service water will be transported through these pipelines separate from potable water. Water on surface will be used for fire suppression and will service the ablution facilities of the shaft offices and change houses. New 80/250 single stage stork pumps will service the dams and water will be pumped through a 250 mm Asbestos Cement ("AC") pipeline system to the new shaft complex. The CMS will include a 7 ML dam on surface that will be the main storage facility for the complex.

There are no material risks associated with the water supply to Blanket.

III. VENTILATION

Ventilation at the Blanket Mine is largely natural with the No. 2 incline shaft, Jethro shaft, 5 Winze shaft and 6 Winze sub-vertical shaft down-casting. Shafts such as Lima, Sheet and Jethro Winze are used for up-casting ventilation. A single booster fan as well as several other fans are installed at development ends to aid ventilation.

Once mining operations expand to the below 750 m Level the operation will remain naturally ventilated with the assistance of a number of booster fans, specifically in development ends. Ventilation throughout the workings is deemed to be sufficient for the current and planned production rates.

IV. COMPRESSED AIR

Underground drilling and lashing is aided by compressed air. This creates a significant compressed air demand and subsequently a total compressed air capacity of 30,100 cfm is installed on the mine. Compressed air is fed underground at Blanket via an 8" pipeline with an additional 4" line feeding the plant. The air supply at Lima is fed underground via a 6" pipeline.

In conjunction with CMS, a new compressor house, complete with a 15 t overhead gantry crane has been constructed on surface. This compressor houses two GA 250 and tow GA 160 compressor units capable of combined capacity of 5,000 cfm at a pressure of 7 bar. This additional compressed air supply will complement the existing compressed air infrastructure in order to sustain the increased tonnage profile and subsequent increase in drilling equipment.

V. LOGISTICS

For details on logistics infrastructure (road, rail and means of transport) refer to Item 4 (b) and Item 4 (d).

ITEM 16 - MARKET STUDIES

Item 16 (a) - COMMODITY MARKET ASSESSMENT

The following sections provide an overview of the gold market. The QPs have reviewed these studies and analyses and are satisfied that the results support the assumptions in the TRS.

The following gold market conditions for the third quarter of 2021 have been identified by the World Gold Council, as extracted from their Gold Demand Trends report:-

- While gold demand for jewellery, technology and bar and coin were significantly higher than in 2020, the demand fell by 7% year-on-year ("y-o-y") in 2021 primarily due reduced inflows of exchange traded finds ("ETFs").
- Global central bank reserves grew by 400 t.

- Total gold supply declined by 3% y-o-y primarily attributed to a significant drop in recycling.
- The gold price averaged USD1,770/oz in 2020, and in August 2020 broke the USD2,000/oz barrier for the first time driven largely by global uncertainty and investors looking for safe-haven assets. The gold price ended the year at USD1,883/oz, and over quarter 3 of 2021, the price declined to an average of USD1,790/oz.
- The average global All-In Sustaining Costs rose to approximately USD1,067/oz over the second quarter of 2021.

I. World Gold Deposits and Reserves

The global minable gold reserves, however, are dominated by Australia, Russia and South Africa due to the higher-grade deposits found in these regions, with averages generally well above the global average of 1.01 g/t. Africa continues to be home to some of the highest grade (and highest risk) projects in the world. The average grade differs significantly (33%) between producing and undeveloped deposits. This has important implications on future gold production, and at a gold price reaching low levels, many of these projects will simply not be economically feasible. Gold reserves are distributed globally totalling 53 Bt (rounded) for some 1,648 Moz Au.

II. Gold Supply and Demand Fundamentals

Gold supply declined in Q3 2021 as increased mine production has been offset by a significant decline in recycling:-

- Mine Production: Mine production dropped by a total of 3.4% in 2020 due to many countries imposing COVID-19 lockdown restrictions that prevented mines from operating or restricted operations from ramping up to full production. Following the lifting of these restrictions, mine production has increased by 4% y-o-y. While gold mining costs continued to increase, some 2,679 t was produced in the first three quarters of 2021, just below the 2018 record, elevated by ramped up output from Indonesian and Mongolian operations in particular (World Gold Council, 2021a). In the years 2019 and 2020, significant production decline was recorded in countries such as Mali and Papua New Guinea. China the largest producer followed by Russia and Australia. South Africa dropped from eighth to 11th position.
- Net Producer Hedging: The first three quarters of 2021 saw net de-hedging of 25 t, a total 77 t reduction since January 2020. With prices hitting record-levels in many currencies through 2020, miners accelerated deliveries and winding up of hedge books. Marginally lower quarterly gold prices will likely not induce major new hedging with producers preferring to keep production exposed to the spot gold price (World Gold Council, 2021a).
- Recycling: While recycling saw a significant jump in the third quarter of 2020 with prices reaching record levels and many lockdown restrictions relaxed, the World Gold Council reports that recycling was weak through the first three quarters of 2021, down 22% y-o-y, driven in part by a lower gold price.

Gold demand fell by 7% y-o-y primarily due to the change from large inflows of exchange traded funds ("ETFs") in 2020 to modest outflows in 2021 (World Gold Council, 2021a). Investment demand for gold in 2020 was supported by high risk and uncertainty, low opportunity cost and positive price momentum. The economic contraction resulted in lower consumer demand, especially for jewellery, historically the largest segment of gold demand.

III. Gold Pricing

Gold was one of the best performing assets in 2020. Early in 2020 gold traded at around USD1,560/oz and started increasing in April, reaching a December average price of USD1,857/oz, 26% higher than the

December 2019 price. The gains were primarily driven by investors turning to gold as a safe-haven investment amid the COVID-19 pandemic uncertainties as well as a very low interest rate environment. As economies have started recuperating, gold prices have declined while still remaining relatively high. Into 2021, the price was volatile, dropping to USD1,718/oz in March and rising again to USD1,808/oz by May before declining again to the USD1,777/oz level in September despite rising inflation.

Consensus opinion has the real gold price remaining relatively constant (and high) over the short term and reducing over the medium to long term.

Table 34: Gold Price Forecast (Nominal Terms)

	Unit	2021	2022	2023	2024	Long-Term (Real)
Gold	USD/oz	1,748	1,683	1,638	1,604	1,600

Source: Consensus (Sep 2021)

IV. GOLD OUTLOOK

High levels of uncertainty related to the COVID-19 pandemic and the low-interest rate environment supported strong investment in safe haven commodities such as gold in 2020. Gold specifically benefited from investors' need to reduce risk.

According to the Australian Office of the Chief Economist (2021), as vaccination rollouts increase and economies recover, global gold consumption is expected to rise 5.7% annually in 2022 and 2023, to some 4,535 t in 2023. This will be driven largely by an expected rise in jewellery demand particularly from China, as well as improved gold retail and central bank investment.

World gold supply is also expecting to increase over 2022 and 2023 at an average 1.1% annually to 4,942 t due mainly to both recovering and enhanced mine production (Australian Office of the Chief Economist, 2021). A number of large mines in South Africa have been mothballed due to the deep nature of the orebodies and thus high running costs and increased risk. Significantly less funds have been spent on gold exploration in recent years, and less major gold discoveries are being made. Notwithstanding, Australia, Canada and Chile have a number of pipeline projects set to come into operation over the period, offsetting mine closures in China due to stricter environmental and safety regulations. Supply from recycling is forecast to decline as gold prices fall.

As global economies recover from the 2020 aftermath, pandemic-related restrictions are reduced, and interest rate environments are higher, 2021 has been precarious for gold, and pricing forecasts mirror this trend. Into 2022, prices are forecast to fall by 4.3% annually to around the USD1,630 mark by 2023. As described by the Australian Office of the Chief Economist (2021), rising real bond yields will restrict institutional gold investment demand. However, uncertainties regarding new strains of COVID-19 may again show intermittent enhanced support of gold as a safe haven asset. Geopolitical relations such as between the US and Russia may become volatile, and tensions in the Middle East are likely to continue in the short to medium term, which may support a drive to higher gold prices.

Item 16 (b) - CONTRACTS

On January 28, 2014 Caledonia announced that as a result of new regulations introduced by the Zimbabwe Ministry of Finance, all gold produced in Zimbabwe must now be sold to Fidelity Printers and Refiners Limited ("Fidelity"), a company which is controlled by the Zimbabwean authorities and which is now responsible for the final refining and marketing of all gold produced in Zimbabwe. Accordingly, all of Blanket's production has subsequently been sold to Fidelity, effective March 2014. According to the agreement, Blanket should

receive 98.5% of the value of the gold (LMBA pm fix discounted by 1.5%) within a maximum of 9 days of a sale to Fidelity.

ITEM 17 - ENVIRONMENTAL STUDIES, PERMITTING AND PLANS, NEGOTIATIONS, OR AGREEMENTS WITH LOCAL INDIVIDUALS OR GROUPS

Item 17 (a) - Relevant Environmental Issues and Results of Studies Done

Information regarding environmental consideration is taken largely from AGS (2006), Fraser Alexander Zimbabwe (Pty) Ltd (March 2010) and Blanket Mine (November 2009).

SRK completed a full EIA in 1995 to identify the major detrimental aspects of the mining operation and recommend remedial measures. It was identified that there is potential to pollute groundwater from the TSF. Per MSA (2011), a risk assessment of the TSF complex was completed in 2002 including safety and environmental aspects of deposition and stability analysis. The dam was not lined prior to deposition, and MSA stated that seepage will decline as the slime level rises. An additional mitigating factor is that the seepage waters are not acidic and established dewatering holes lower the pollution to more acceptable levels.

No further significant detrimental environmental impacts were identified by that study. No further environmental studies or assessments have been provided to the QPs. The QPs are not aware of environmental issues that could materially impact the issuer's ability to extract the Mineral Resources or Mineral Reserves.

Caledonia, the owners of the mine from June 2006 to date, developed an Environment Management Plan, which describes the plan followed by the mine staff to ensure continuous environmental improvement and management An updated Environment Management Plan was registered with the EMA in 2020. This serves as the guideline for all environmental issues at Blanket Mine and deals with new environmental disturbances that requires additional permits and authorisations further to those described in Table 4.

Caledonia endeavours to address any newly identified potential environmental impacts through appropriate study work, and remain transparent and complaint in terms of required authorisations.

Item 17 (b) - Waste Disposal, Site Monitoring and Water Management

The Blanket Mine tailings operation is a gold tailings operation, comprising two TSFs/compartments adjacent to one another. These TSFs, namely A & B, were combined in 2015 to make one TSF. All tailings effluent is now being decanted via the previously TSF A penstock. The TSF is operated as a paddock (or day wall) operation. Decanting of the TSF occurs through the penstock, with Dam A having an elevated penstock installed in 2005/2006. TSF A is the initial TSF with TSF B having been constructed subsequently and adjacent to Dam A. The TSF has very current annual survey which is done by an external consultant and the information is available at the survey office. The TSFs are operated by Frazer Alexander Zimbabwe.

The unresolved issue of the hard naturally occurring groundwater is an outstanding concern for the closure plan of Blanket. A letter was written in December 2012 to the EMA requesting:-

1. Oxygen absorbed to be removed from the sampling parameters because it has limited relevance to groundwater.
2. The TDS Limit Value increased to ≤2,500 blue band to reflect the naturally occurring groundwater.
3. In response to EMA suggesting the sewage pond outflows be used to irrigate the TSF vegetation which is being done; the sewage outflow should be removed from the sampling parameters as the "end of pipe" will reflect in the TSF unsaturated zone monitoring.

4. In terms of the current tailings disposal permit, Blanket Mine is required to measure parameters including pH, conductivity, sulphates, nitrate, TDS, zinc, iron, manganese, free cyanide and turbidity. Generally, all results have been within acceptable limits except for manganese and conductivity, which are apparent in the control borehole.

Similar monitoring of the sewage disposal area shows that all holes are in the acceptable green category. The sewerage ponds are now classified in the red category under the EMA as they are not lined. In March of 2020 Blanket Mine engaged Epoch Resources (Pty) Ltd ("Epoch") to undertake an audit review of the tailings operation at the Blanket Mine. The audit review identified no significant operational or design risks associated with the dam.

The TSF is audited annually by Fraser Alexander, however there is a requirement for an audit to be done by an independent auditor once every third year, as was the case during the 2020 audit. Tonnages are recorded monthly by the contractor to facilitate the determination of the rate of rise ("RoR"). However, at a production rate of 1,710 tpd the RoR is 0.54 m per year based on the final design area of 28 ha, which is well below the legal maximum of 2 m per year. The following practices are being carried out on the TSF maintenances:-

- The annual dam survey is carried out annually by an external survey consultant in the last quarter of the year
- All monitoring tools are in place and well documented and Fraser Alexander is providing monthly reports.
- A minimum vertical freeboard of 2.0 m for the dam is maintained at all times.
- Piezometers are checked by carrying out Upset Tests to confirm that they are fully operational. This is currently being done once per month.
- An updated comprehensive survey be carried out on the entire TSF, including the dam basins, position of drains, penstock outlets and piezometers. This is now being done every October.
- During the audit of the TSF the stability assessment is undertaken.

Environmental monitoring or sampling requirements are stipulated for the environmental permits issued (Table 4). The requirement for the majority of these is quarterly. Air emissions sampling exercises are completed annually. Blanket Mine Company has informed the QP that EMA conduct quarterly site inspections and are satisfied with these procedures.

The TSF borehole monitoring, sewage ponds and car wash monitoring are done quarterly. The domestic waste has no monitoring facilities and Blanket are in the process of obtaining an EIA to construct a lined landfill with monitoring boreholes.

Item 17 (c) - Permit Requirements

Permit requirements for the Mine are detailed in Item 3 (f). A number of licence are renewed annually; renewal periods are not expected to hinder operations. Blanket Mine remains compliant with legislation and all regulations applicable to the mine site.

Item 17 (d) - Social and Community-Related Requirements

In 2012, 10% of Blanket Mine was donated to Gwanda Community Share Ownership Trust and 10% is held by Blanket Employee Trust. Blanket's investment in community and social projects is not limited to the operation of the mine and the welfare of its employees but includes payments to the Gwanda Community Share Ownership Trust in terms of Blankets dividends as well as certain ex gratia project related payments.

In December 2019 Blanket Mine launched a formal Corporate Social Responsibility Programme which will see the Mine making a greater, more visible, investment in corporate social giving. The five key pillars of focus are Education, Health, Environment, Agriculture and Women and Youth Empowerment. In the first quarter of 2020, under the Agriculture pillar, Blanket Mine re-equipped a four-hectare irrigation plot that supports 20 families in Gwakwe Communal lands. A new perimeter fence was erected around the plot and the farmers were provided with seed and farming tools. Under the Education pillar, work commenced on the renovation of two primary schools which were in a state of disrepair. One school is in Gwanda South, the other is situated close to Blanket Mine. During the same period another school received a donation of school desks.

When the COVID-19 pandemic became a major issue of concern in Zimbabwe, Blanket Mine responded by embarking on an awareness campaign, distributing informative flyers and putting up awareness posters at schools around the mine, in the surrounding communal lands and in Gwanda town. Cash donations amounting to ZWL21 million were made towards the Chamber of Mines' COVID-19 response initiative while the Mine committed to further weekly contributions. A donation of hygiene consumables and personal protective equipment ("PPE") was made to the Gwanda Prison. A consignment of PPE was procured for donation to Gwanda Provincial Hospital. In addition, Blanket Mine committed to renovating and extending Phakama Polyclinic in preparation for the imminent arrival of COVID-19 in Gwanda.

Several more projects are planned for the upcoming financial year and plans are well underway to complete these.

Small scale and artisanal gold miners are present within the Project Area. Satellite projects deemed to have limited exploration potential are viewed in terms of their potential to generate goodwill by making them available to local small scale miners and artisanal groups through 3-year renewable Tribute Agreements as part of the Company's Corporate Social Responsibility. The claims that are being tribute are Mbudzane Rock, Annette, Dan's Luck, Banshee J, Cinderella, Gum, Mascot, Mazeppa, Spruit, Rubicon and Bunny's Luck. Other than for the purpose of the Company's Corporate's Social Responsibility, tributing claims provides Blanket Mine with security of tenure against the "Use it or Lose it" principle. The tribute agreements do not have any effect on Blanket Mine's exploration/mining plans.

Item 17 (e) - Mine Closure Costs and Requirements

In January 2019 Blanket Mine contracted Knight Piésold to update the mine closure plan, which is required to be updated regularly, including estimate the costs of decommissioning and closure of the mine. This study included all aspects of the mining operation such as open workings, waste dumps and infrastructure. An updated decommissioning and reclamation cost estimate was undertaken by Blanket Mine and reported in December 2019.

There are a number of Government of Zimbabwe regulations and guidelines including the Mining General Regulations, the EM Act and the Waste Disposal Regulations which cover a mine's closure obligations. These are all addressed and costed in the Knight Piésold report. The closure plan aims to ensure site stability and safety from both a physical and chemical perspective, allowing for a post-closure environment that suits current land uses. The plan envisages concurrent closure obligations being carried out, where possible, with mining operations. Focus is placed on minimisation of environmental damage, protection of stream water quality, decrease in public health and safety hazards and provision for domestic livestock use.

The closure cost estimate was calculated at USD2.7 million by Knight Piésold, including a 13.8% contingency. The mine is not required to post a guarantee for this amount, but has reached an agreement with government that the break-up value of the plant and mine infrastructure be pledged as a guarantee for the closure cost. It is the intention of Blanket to continue self-funded small scale operations for five years after

closure, during which time salvaged material and equipment will be sold off and operations will be wound down.

Item 17 (f) - Adequacy of Current Plans

It is the opinion of the QPs that Blanket Mine has adequate plans, protocols and execution strategies in place to remain compliant with social and environmental obligations. No risks have been identified.

Item 17 (g) - Local Procurement and Hiring

The main priority of Blanket Mine Company with respect to procurement of goods and services is to procure such goods and services from within Zimbabwe. However, the cost, quality, and availability of goods and services is considered when a procurement decision is being made. If goods or services are not available within Zimbabwe or there is a significant benefit to buying outside of Zimbabwe, the blanket mine company would buy elsewhere.

All of Blanket Mine Company's employees at Blanket are Zimbabwean nationals and the company recruits Zimbabwe people with the level of skill and experience required of the relevant position.

ITEM 18 - CAPITAL AND OPERATING COSTS

Item 18 (a) - Capital Costs

The total Blanket operation mining and infrastructure project and sustaining capital budget (excluding capital development and sustaining capital) for the years 2022 is listed in Table 35. Renewals and replacements capital expenditure are capital expenditures resulting from improvements to and major renewals of existing assets. Such expenditures serve to maintain existing operations, but do not generate additional revenue. Renewals and replacement capital for the operation from 2023 has been allowed for and is based on 12% of total OPEX per annum.

Table 35: Blanket Operation Project Capital Budget 2022

Description	Unit	Total
Mechanical Engineering	USDm	6.48
Electrical Engineering	USDm	4.37
Deep drilling	USDm	1.27
Mill Engineering	USDm	1.25
Milling	USDm	0.25
TSF Capital	USDm	1.50
Technical (Planning & Survey)	USDm	0.03
Technical (Geology & Assay)	USDm	0.03
Safety, Health & Environment	USDm	0.02
Total Excl. Dev	**USDm**	**15.20**

Off-reef development and infrastructure development has been capitalised from the mining operating cost and is reported as capital development. The capital development is undertaken throughout the LoM and consists mainly of opening-up development and 30 Level and 34 Level infrastructure development. The QPs applied the capital development rates provided by Caledonia. The capital development is detailed in Table 36.

Table 36: Capital and Infrastructure Development Costs

Capital and Infrastructure Development	Unit	Cost
Decline	USDm	2,400
Haulage	USDm	870
Drawpoint Crosscut	USDm	870
Crosscut	USDm	870
Shaft	USDm	870
Ventilation Raise	USDm	450
Access Crosscut	USDm	750

Notes: Other development costs have been included in the development operating costs.

The current TSF is nearing the end of its life and provision has been made for the construction of a new one. The capital estimate is USD2.8 million that would be spent over the two-year construction period. Construction would need to start in 2022 so that it is completed by the end of 2023 at which time the current TSF would have reached its capacity.

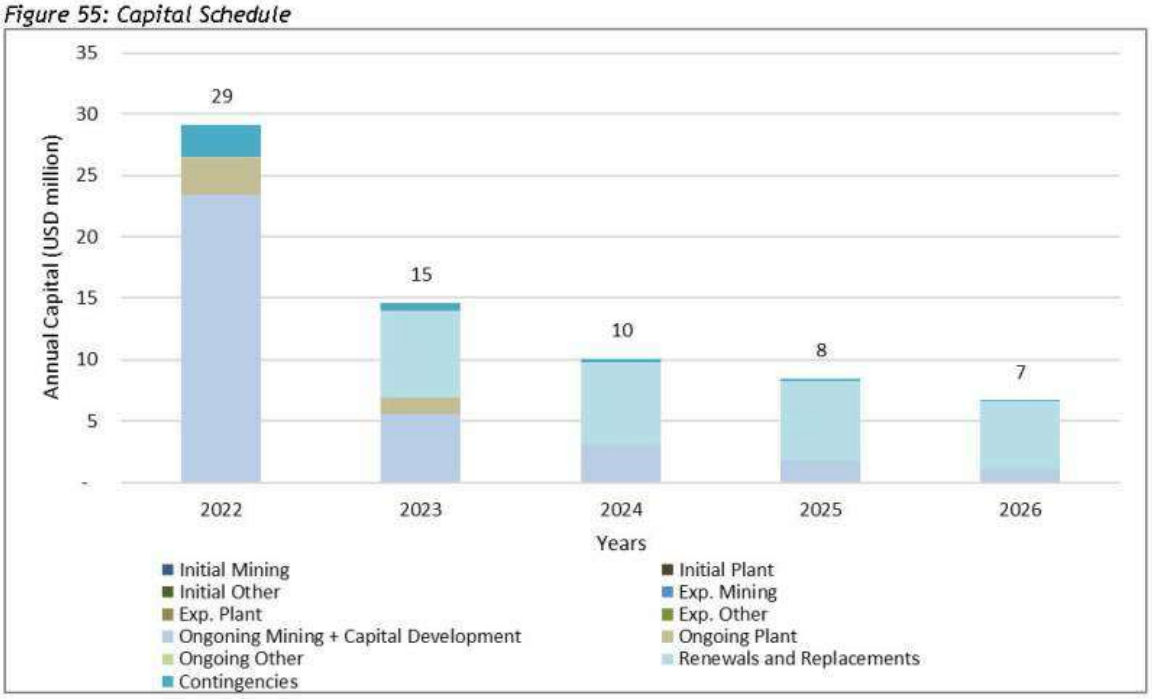
Table 37 details the total capital expenditure over the LoM. Capital expenditure totals USD69.6 million over the LoM, of which USD22.9 million is capital development and USD26.3 million is renewals and replacement expenditure. A conservative 10% contingency has been applied to the budgeted capital expenditure and not renewals and replacement capital, as these are calculated as a percentage of operating costs.

Table 37: Capital Summary

Capital Expenditure	Over LoM	Blanket Mine
Mining Capital	**Unit**	
Mechanical Engineering	USDm	6.48
Electrical Engineering	USDm	4.37
Deep drilling	USDm	1.27
Capitalised Development	USDm	22.83
Renewals and Replacements	USDm	8.17
Sub-Total Sustaining Mining Capital	**USDm**	**43.11**
Mining Capital Contingency	**USDm**	**3.49**
Total Mining Capital	**USDm**	**46.60**
Plant Capital		
Mill Engineering	USDm	1.25
Milling	USDm	0.25
TSF Capital	USDm	2.80
Renewals and Replacements	USDm	4.38
Sub-Total Sustaining Plant Capital	**USDm**	**8.67**
Plant Capital Contingency	**USDm**	**0.43**
Total Plant Capital	**USDm**	**9.10**
Other Non-Direct Capital		
Technical (Planning & Survey)	USDm	0.03
Technical (Geology & Assay)	USDm	0.03
Safety, Health & Environment	USDm	0.02
Renewals and Replacements	USDm	13.27
Sub-Total Sustaining Other Capital	**USDm**	**13.35**
Other Capital Contingency	**USDm**	**0.01**
Total Other Capital	**USDm**	**13.36**
Total Sustaining Capital	**USDm**	**65.13**
Total Capital Contingencies	**USDm**	**3.93**
Total Capital	**USDm**	**69.06**

Figure 55 illustrates the capital schedule over the LoM.

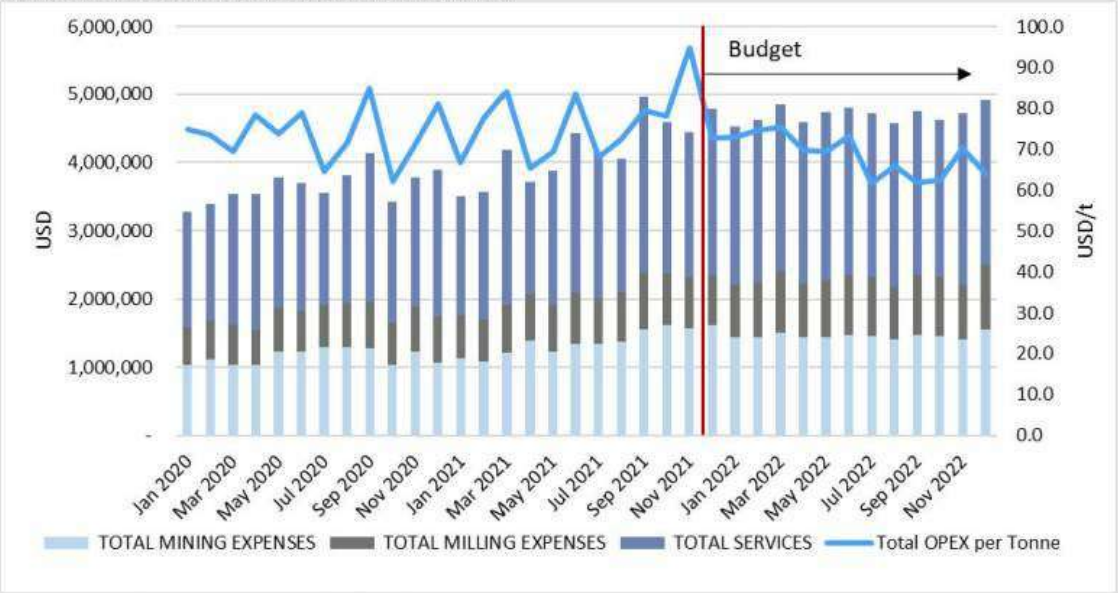
Figure 55: Capital Schedule



Item 18 (b) - Operating Cost

The Blanket operating costs were updated to a 31 December 2021 effective date using the 2022 budget costs from the mine. The QPs reviewed Blanket Mine's actual historic costs since 2020. Figure 56 illustrates the actual operating costs from 2020 to 2021 along with the budget operating costs for 2022, exclusive of management and head office costs. The nominal costs have been on an upward trend over the period from 2020 to 2021, while cost per tonne trend has been relatively consistent. The budget costs, although in-line with the actual costs, are actually lower per ore tonne as the budgeted tonnes are higher. The mining costs are expected to increase with the increased throughput, but the budget does not reflect this. Minxcon therefore included an additional 10% contingency to the budgeted mining costs.

Figure 56: Historic OPEX vs Budget (2021 Update)



Note: **Excluding management and head office costs**

Management and Head Office costs as per the 2022 Blanket budget were also considered for the financial analysis. These costs are detailed in Table 38.

Table 38: Management and Head Office Costs

Area	Description	Unit	Cost
Corporate	CSR	USD/month	93,000
Corporate	Directors Fees	USD/month	3,333
Corporate	Management Fees	USD/month	240,302
Head Office	Salaries	USD/month	68,600
Head Office	G&A	USD/month	8,900
Exploration & Business Development	Exploration - Salaries-on-cost	USD/month	20,000
Exploration & Business Development	Salaries	USD/month	5,400
Exploration & Business Development	General Costs	USD/month	8,200

A sensitivity to the operating cost applied is included in Item 19 (d).

I. FINANCIAL COSTS INDICATORS

The operating costs in the financial model were reported into different categories as defined by the World Gold Council. The Adjusted Operating Cost represents the cash cost incurred at each processing stage, from mining through to recoverable metal delivered to market, and, if any, less net by-product credits. In addition, royalty taxes are included in Adjusted Operating Costs. Costs are reported as "per oz" of gold. The operating margin is defined as metal price received minus Adjusted Operating Costs. AISC is the sum of net Adjusted Operating Costs (Operating), Sustaining Capital, reclamation costs and other non-direct operating costs. The AISC margin is defined as metal price received per ore tonne or gold ounce minus the AISC, over the metal price received. AIC is the sum of the AISC, all non-sustaining capital costs and non-current operational costs. The AIC margin is defined as metal price received per ore tonne or gold ounce minus the AIC, over the metal price received.

Costs reported for the Mine on this basis are displayed per plant feed tonne as well as per recovered gold ounce in Table 39. It should be noted that no contingencies have been applied to the operating costs as most of these costs are based on contracts or actuals. A 10% contingency has been applied to all mining

operating costs as described above. A conservative 10% contingency has been applied to the budgeted capital expenditure and not renewals and replacement capital, as these are calculated as a percentage of operating costs. A sensitivity analysis to increase in OPEX and CAPEX is included in Item 19 (d).

Table 39: Project Cost Indicators

Item	Unit	Blanket Mine
Net Turnover	**USD/Feed tonne**	**156**
Mine Cost	USD/Feed tonne	23
Plant Costs	USD/Feed tonne	12
Other Costs	USD/Feed tonne	37
Royalties	USD/Feed tonne	8
Operating Costs	**USD/Feed tonne**	**80**
SIB	USD/Feed tonne	17
Reclamation	USD/Feed tonne	0
Other Costs	USD/Feed tonne	6
All-in Sustaining Costs (AISC)	**USD/Feed tonne**	**103**
Capital	USD/Feed tonne	1
Other Cash Costs	USD/Feed tonne	0
All-in Costs (AIC)	**USD/Feed tonne**	**104**
All-in Cost Margin	**%**	**33%**
EBITDA[1]	USD/Feed tonne	70
EBITDA Margin	%	45%
Gold Recovered	oz	367,140
Average Gold Price	**USD/Gold oz**	**1,622**
Payability - Off-take Agreement	%	98.5%
Net Turnover[2]	**USD/Gold oz**	**1,596**
Mine Cost	USD/Gold oz	237
Plant Costs	USD/Gold oz	124
Other Costs	USD/Gold oz	374
Royalties	USD/Gold oz	80
Operating Costs	**USD/Gold oz**	**815**
SIB Capex	USD/Gold oz	177
Reclamation	USD/Gold oz	2
Other Costs	USD/Gold oz	58
All-in Sustaining Costs (AISC)	**USD/Gold oz**	**1,053**
Capital	USD/Gold oz	11
Other Cash Costs	USD/Gold oz	0
All-in Costs (AIC)	**USD/Gold oz**	**1,063**
EBITDA	USD/Gold oz	721

Notes:

1. Earnings before interest, tax, depreciation and amortisation (excludes CAPEX).
2. Net turnover will be the realised income per produced gold oz, after 98.5% payability has been applied.

The net turnover indicates the net realised income received per produced gold oz after applying the 98.5% payability as per the Fidelity agreement. Blanket Mine has an all-in sustaining cost of USD103/milled t, which equates to USD1,053/oz. The all-in costs for the Blanket Mine amount to USD104/milled t, which equates to USD1,063/oz.

Figure 57 illustrates the annual operating cost per plant feed tonne against the feed tonnes. The increase in costs towards the end of life is due to the depletion of the potential Mineral Reserves.

Figure 57: Operating Costs vs. Feed Tonnes

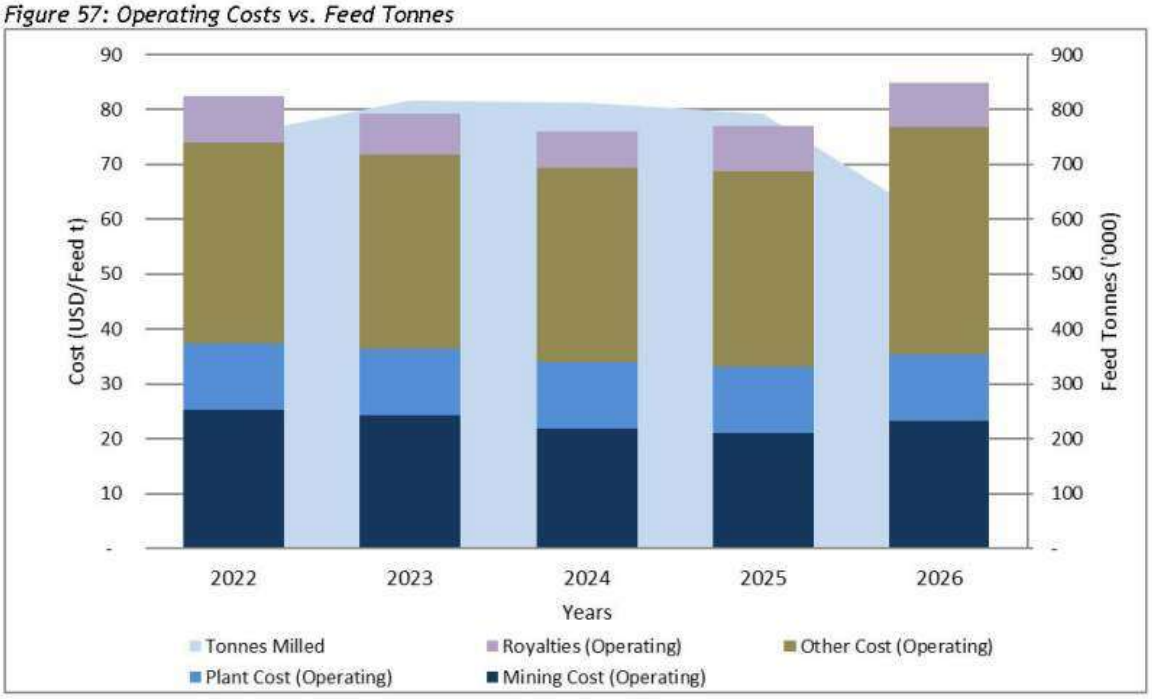
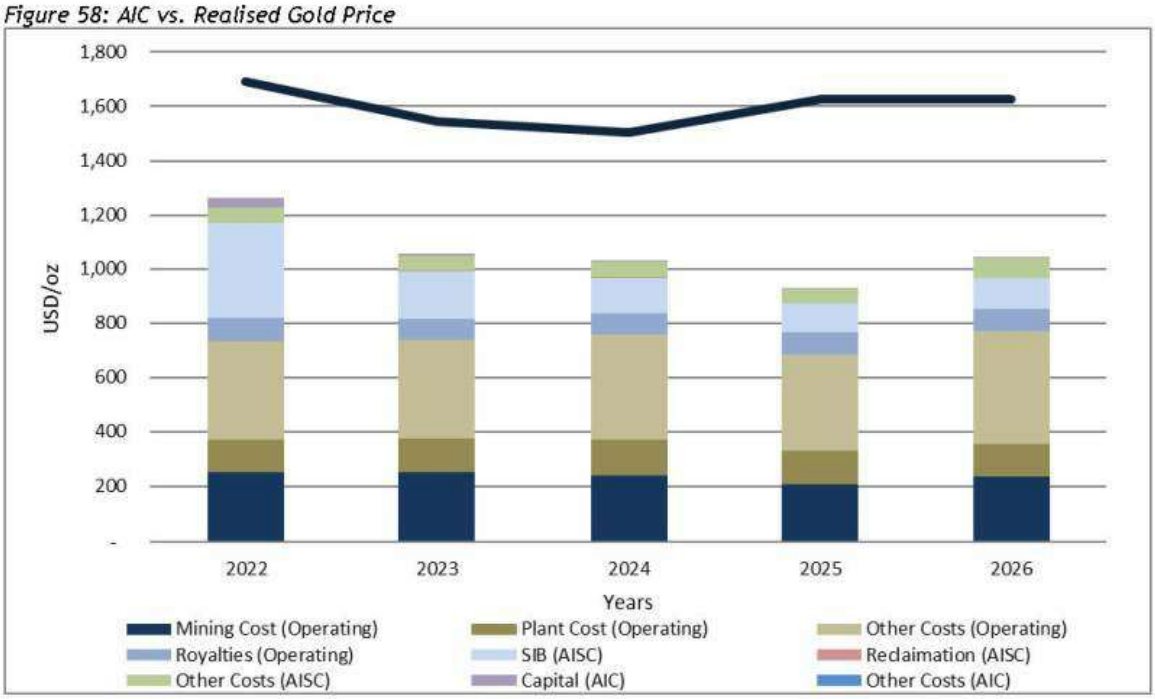


Figure 58 illustrates the all-in costs of the operation along with the realised gold price after applying the 98.5% payability.

Figure 58: AIC vs. Realised Gold Price



Item 18 (c) - Accuracy of Estimates

Blanket Mine is an operating mine. Costs are based on actual rates and are deemed accurate to within a 15% range. The basis of this TRS is a life of mine plan, which is of sufficient detail to support declaration of Mineral Reserves. A conservative 10% contingency has been applied to budgeted capital expenditure. A 10% contingency has been applied to the mining operating costs only, as the QP is of the opinion that the mining cost budget is underestimated. The mining costs are expected to increase with the increased throughput, but the budget does not reflect this.

ITEM 19 - ECONOMIC ANALYSIS

The purpose of this section is to demonstrate the economic viability of the Mine Plan in order to declare updated Mineral Reserves.

Value relates to a specific point in time. The effective date for the economic analysis is 31 December 2021.

The evaluator performed an independent economic analysis on the Mine's diluted Indicated and Measured Mineral Resources for conversion to Mineral Reserves. Owing to the fact that the Mine has a budget plan based on a compliant mine plan with Indicated and Measured Resources, the income approach was applied on the total mineable reserve incorporated in a detailed mine plan as the primary economic analysis methodology in determining the economic viability for conversion to Mineral Reserves.

Item 19 (a) - Principal Assumptions

The scope of this economic analysis exercise was to determine the financial viability of the diluted Indicated and Measured Resources in the LoM plan, for conversion to Mineral Reserves. This is illustrated by using the DCF method on a Free cash flow to firm ("FCFF") basis, to calculate the net present value ("NPV") and subsequently, the intrinsic value of the Mine in real terms. The NPV is derived from post-royalties and tax, pre-debt real cash flows, after taking into account operating costs, capital expenditures for the mining operations and the processing plant and using forecast macro-economic parameters.

I. Basis of Evaluation of the Mining Assets

In generating the financial model and deriving the economic analysis, the following were considered:-

- Only diluted Indicated and Measured Resources in the LoM plan were considered for conversion to Mineral Reserves.
- Any Inferred Mineral Resources in the LoM plan have been excluded from the economic analysis.
- This TRS details the optimised cash flow model with economic input parameters.
- The cash flow model is in constant money terms and completed in USD.
- The DCF economic analysis was set up in calendar years from January to December with the mine plan starting in January 2022.
- A hurdle rate of 10.75% (in real terms) was calculated for the discount factor, with an NPV sensitivity to the discount rate also included in the analysis.
- The impact of the Mineral Royalties Act as per the Zimbabwean Mining Regulation.
- Sensitivity analyses were performed to ascertain the impact of discount factors, commodity prices, grade, working costs and capital expenditures.
- Economic analysis of the tax entity was performed on a stand-alone basis.
- The full value of the operation was reported for Blanket Mine - no attributable values were calculated - therefore 100%.

II. MACRO-ECONOMIC FORECASTS

The following section includes the macro-economic and commodity price forecasts for the operation over the LoM. Forecast data is based on projections for the different commodity prices and the country-specific macro-economic parameters and is in calendar years from January to December starting January 2022.

USD commodity prices for the period 2022-2024 have been converted from nominal to real terms. Table 40 illustrates the forecasts for these three years as well as the long-term forecast used in the financial model. The price forecasts are based on the median of various banks, brokers and analyst forecasts and are in real-terms throughout the life of mine. The average price over the LoM equates to USD1,622/oz. The inflation rate was sourced from the International Monetary Fund.

Table 40: Macro-economic Forecasts (Real Terms)

Item	Unit	Year			
		2022	2023	2024	Long-Term
		1	2	3	
US Inflation Rate	%	3.50%	2.70%	2.60%	2.30%
Gold	USD/oz	1,716	1,567	1,525	1,650

Source: Median of various Banks and Broker forecasts (Minxcon) (Jan 2022)

Figure 59 illustrates the 20-year real-terms historic gold price. For the past ten years, the gold price has been staying in a band between USD1,300/oz and USD2,000/oz. The long-term gold price was estimated as the real term average between the high and low gold price trading range over the past 10 years, USD1,650/oz.

Figure 59: Real-term Historic Gold Price



III. WORKING CAPITAL

The creditors and debtors days were sourced from the client and are based on historic actual numbers. The creditors' days were calculated at 90 days and debtors days at 14 days, which is slightly longer than the off-take agreement stipulates.

IV. RECOVERIES

The ore from the Blanket Mine operation is treated at the existing Blanket Plant; the expected recovery is 93.5%. The recovery is detailed in the processing Section of this TRS.

V. DISCOUNT RATE

To test the appropriateness of the discount rate for the specific Mine, the QPs used the Capital Asset Pricing Model ("CAPM") to calculate the discount rate. The company has negligible debt, hence the use of CAPM over Weighted Average Cost of Capital ("WACC"). An additional country risk premium for Zimbabwe was included. The following were considered:-

- The US Risk Free Rate (10 years) at 1.51% was considered as an acceptable risk-free rate at the time of the analysis.
- The market risk premium of 6.0%, a rate generally considered as being the investor's expectation for investing in equity above the risk-free government bond.
- The beta of a stock is normally used to reflect the stock price's volatility over and above other general equity investments in the country of listing - the Beta was calculated at 0.74 as described below.
- A Zimbabwe country risk premium of 7.41% as calculated by Aswath Damodaran from the Stern School of Business at New York University.
- By using the CAPM, the QPs calculated a nominal discount rate of 13.36% which translates in a real discount rate of 10.75%.

Table 41: Capital Asset Pricing Model Discount Rate Calculation

Cost of Equity	Discount Rate
US Risk free rate	1.51%
Risk premium of market	6.00%
Country Risk Premium	7.41%
Operational Risk (Base Beta)	0.74
Nominal Cost of equity (CAPM)	13.36%
Real Cost of equity (CAPM)	10.75%

Beta is a measure of the volatility or systematic risk of a security or a portfolio in comparison to the market as a whole. The QPs analysed the betas of a number of major gold mining companies listed on the Johannesburg Stock Exchange (JSE) to serve as a comparison for Caledonia. Although not directly comparable because it is on different stock exchanges it does provide some indication of volatility. The unlevered Betas of the South African gold mining companies on the Johannesburg Securities Exchange were found to range between 0.32 (Pan African Resources) and 1.01 (Gold Fields). Caledonia's shares are listed on the NYSE American LLC (CMCL) and depositary interests in the shares are traded on AIM of the London Stock Exchange plc (CMCL). The levered Beta of 0.74(unlevered Beta is the same since debt is negligible) which falls within this range and is closest to AngloGold Ashanti, with a Beta of 0.89. The listed Beta of 0.74 is therefore deemed appropriate. Table 42 shows the Betas of the gold mining companies considered.

Table 42: Table 43: Southern African Gold Mining Companies' Beta Values

Gold Company	Unlevered Betas	Levered Betas	Exchange
AngloGold Ashanti	0.89	0.94	JSE
Gold Fields	1.01	1.04	JSE
Harmony	0.96	0.96	JSE
Sibanye Stillwater	N/A	1.85	JSE
Pan African Resources	0.32	0.34	JSE
Mean	**0.72**	**0.87**	
Median	**0.89**	**0.95**	
Caledonia	0.74	0.74	NYSE

Source: InfrontAnalytics (March 2022), Reuters (March 2022)

VI. CASH FLOW FORECAST

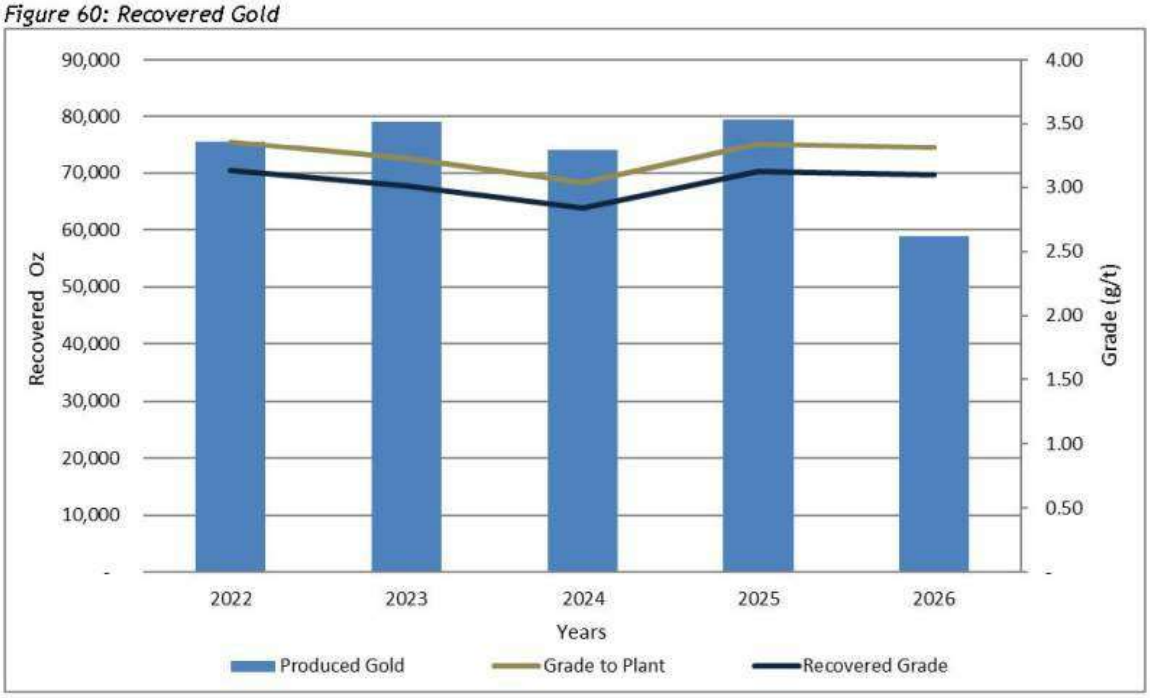
The saleable product tonnes and ounces are displayed in Table 44. The current mine plan includes 3,913 kt of ore containing 393 koz of gold at an average grade of 3.25 g/t. A total of 367 koz of gold is recovered over the remaining 5-year LoM.

Table 44: Production Breakdown in Life of Mine

Item	Mine	Blanket Gold Mine
Ore Tonnes Mined	kt	3,761.78
Average Mined Grade	g/t	3.25
Total Oz in Mine Plan	oz	392,662
Grade Delivered to Plant	g/t	3.25
Recovered grade	g/t	3.04
Yield/Recovery	%	93.5%
Total Oz Recovered	oz	367,140

The gold ounces produced along with the mined and recovered grades are illustrated in Figure 60. The gold production start decreasing after 2025 as to the current available Measured and Indicated Mineral Resources are depleted.

Figure 60: Recovered Gold



The annual cash flow before capital expenditure, total capital expenditure and cumulative cash flow forecast for the mine over the LoM is illustrated in Figure 61. Table 45 and Table 46 illustrate the detailed annual cash flow for the Mine in real terms.

Figure 61: Undiscounted Cash Flow

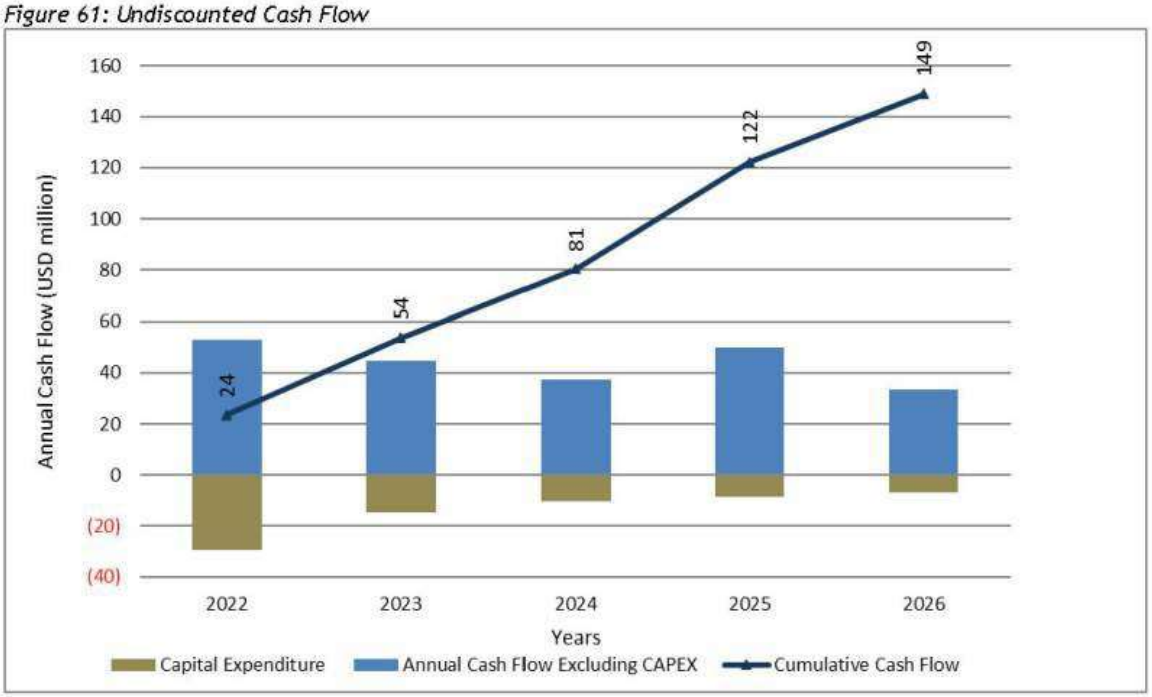


Table 45: Annual Cash Flow - Techno-economic Inputs

Minxcon

Project Title: **Blanket Mine**
Client: Caledonia
Project Code: M22-005

Project Valuation Schedule	
Project Valuation Date (Base Date)	01-Jan-22
Financial Year End (month and year)	31-Dec-22
First Year	1
Days remaining	364

Commodity Price	100%	Mining Opex	100%
Exchange Rate	100%	Plant Opex	100%
Grade	100%	Mining Capex	100%
Other Opex	100%	Plant Capex	100%

Project Duration		Unit	Totals					
Calendar Years				2022	2023	2024	2025	2026
Financial Years		years	5	1	2	3	4	5
Macro-Economic Factors (Real Terms)								
Currency		USD /USD	1.00	1.000	1.000	1.000	1.000	1.000
Inflation	USD Inflation Rate	%	2.72%	3.50%	2.70%	2.60%	2.50%	2.30%
Commodities								
Commodity prices	Gold	USD/oz	1,622	1,716	1,567	1,525	1,650	1,650
Operating Statistics								
Tonnes Produced								
Development Waste		tonnes	212,866	88,756	34,837	14,494	38,625	26,255
Waste to ROM Ratio		Ratio	0.06	0.13	0.04	0.02	0.05	0.04
ROM		tonnes	3,761,780	750,980	815,418	811,503	791,433	592,446
ROM	(Max)	tonnes/mnth	67,952	61,694	67,952	67,625	65,953	49,371
Mill Head grade	Gold Grade	g/t	3.25	3.35	3.22	3.09	3.34	3.31
Tonnes to mill		tonnes	3,761,780	750,980	815,418	811,503	791,433	592,446
Recovered Grade			392,662	80,970	84,513	79,114	85,022	63,045
Recovered grade	Precious Metals	g/t	3.04	3.14	3.01	2.84	3.12	3.09
Metal recovered								
Metal recovered	Gold	kg	11,419	2,355	2,457.8	2,301	2,473	1,833
Metal recovered	Gold	oz	367,140	75,707	79,019	73,971	79,495	58,947

Table 46: Annual Real Cash Flow

Minxcon

Project Title: **Blanket Mine**
Client: Caledonia
Project Code: M22-005

Project Valuation Schedule	
Project Valuation Date (Base Date)	01-Jan-22
Financial Year End (month and year)	31-Dec-22
First Year	1
Days remaining	364

Commodity Price	100%	Mining Opex	100%
Exchange Rate	100%	Plant Opex	100%
Grade	100%	Mining Capex	100%
Other Opex	100%	Plant Capex	100%

Project Duration		Unit	Totals					
Calendar Years				2022	2023	2024	2025	2026
Financial Years		years	5	1	2	3	4	5
Financial								
Revenue		**USD**	**586,045,914**	**127,991,931**	**121,929,276**	**111,121,624**	**129,199,673**	**95,803,410**
Revenue	Gold	USD	586,045,914	127,991,931	121,929,276	111,121,624	129,199,673	95,803,410
Mining cost			**(87,048,596)**	**(18,584,203)**	**(19,853,738)**	**(17,730,583)**	**(16,630,563)**	**(13,849,509)**
Direct Cash Costs	Variable Cost	USD	(79,135,088)	(17,258,367)	(18,048,828)	(16,121,439)	(15,118,693)	(12,587,736)
Direct Cash Costs	Contingency	USD	(7,913,509)	(1,725,837)	(1,804,910)	(1,612,144)	(1,511,869)	(1,258,774)
Plant cost			**(45,568,041)**	**(9,096,943)**	**(9,877,505)**	**(9,830,081)**	**(9,566,960)**	**(7,176,552)**
Direct Cash Costs	Variable Cost	USD	(45,568,041)	(9,096,943)	(9,877,505)	(9,830,081)	(9,566,960)	(7,176,552)
Other Costs			**(138,149,404)**	**(27,605,529)**	**(28,817,964)**	**(28,741,135)**	**(28,367,781)**	**(24,616,996)**
Direct Cash Costs	Other Cost Fixed	USD	(66,506,551)	(13,301,310)	(13,301,310)	(13,301,310)	(13,301,310)	(13,301,310)
Direct Cash Costs	Other Costs Variable	USD	(70,893,584)	(14,154,365)	(15,366,800)	(15,289,971)	(14,916,617)	(11,165,832)
Direct Cash Costs	Rehabilitation	USD	(749,269)	(149,854)	(149,854)	(149,854)	(149,854)	(149,854)
Direct Cash Costs			**(279,768,041)**	**(55,696,675)**	**(58,549,206)**	**(56,304,799)**	**(54,585,303)**	**(45,640,059)**
Production Costs	Contingency	USD	(3,901,881)	(2,650,737)	(689,820)	(305,004)	(173,207)	(113,053)
Production Costs	Sustaining Capital	USD	(65,128,330)	(26,587,372)	(13,924,100)	(9,906,812)	(8,282,385)	(6,827,738)
Production Costs		**USD**	**(309,826,252)**	**(84,844,783)**	**(73,163,129)**	**(66,416,636)**	**(63,040,815)**	**(52,360,890)**
Fully Allocated Costs	Revenue Royalty 1	USD	(29,302,296)	(6,399,597)	(6,096,464)	(5,556,081)	(6,459,984)	(4,790,170)
Fully Allocated Costs	Other Fixed Costs	USD	(21,284,113)	(4,256,823)	(4,256,823)	(4,256,823)	(4,256,823)	(4,256,823)
Fully Allocated Costs		**USD**	**(390,412,661)**	**(95,501,203)**	**(83,516,416)**	**(76,229,539)**	**(73,757,621)**	**(61,407,883)**
EBITDA		**USD**	**264,693,464**	**61,648,837**	**53,026,784**	**45,003,921**	**63,897,563**	**41,116,368**
EBIT		**USD**	**195,633,253**	**32,490,729**	**38,412,861**	**34,892,085**	**55,442,052**	**34,396,527**
Taxation		USD	(45,636,677)	(7,348,537)	(6,881,096)	(8,151,227)	(13,009,750)	(8,246,067)
Income after tax		USD	149,996,577	25,142,192	29,531,765	26,740,859	42,432,302	26,149,460
Working capital changes		USD	1	(1,579,717)	461,320	245,910	(626,491)	566,529
Cash Flow								
Net Cash Flow	Annual cash flow	USD	**149,996,577**	23,562,474	29,993,085	26,986,769	41,805,810	26,715,989

Item 19 (b) - Net Present Value

Minxcon's in-house DCF model was employed to illustrate the NPV for the Mine in real terms. The NPV was derived from post Government royalties and tax, pre-debt real cash flows, using the techno-economic parameters, commodity price and macro-economic projections. This economic analysis is based on a free cash flow and measures the economic viability of the diluted Indicated and Measured Resources in the LoM plan, for conversion to Mineral Reserves under a defined set of realistically assumed modifying factors.

Table 47 illustrates the Mine NPV at various discount rates with a best estimated value of USD116 million (USD74 million attributable to Caledonia) at a real calculated discount rate of 10.75%. The mine plan is therefore economically viable indicating that an updated Mineral Reserve can be declared on the mine plan.

Table 47: Blanket Mine NPV Summary - Real Terms

Real Discount Rate	Unit	Blanket Mine	Caledonia Attributable
NPV @ 0%	USDm	150	96
NPV @ 2.5%	USDm	141	90
NPV @ 5%	USDm	132	85
NPV @ 7.5%	USDm	125	80
NPV @ 10%	USDm	118	75
NPV @ 10.8%	**USDm**	**116**	**74**
NPV @ 12.5%	USDm	111	71
NPV @ 15%	USDm	106	68

Table 48 illustrates the Mine profitability ratios. The mine has a break-even gold price of USD1,063/oz. No IRR could be calculated as the mine is already operating with no upfront investment required.

Table 48: Profitability Ratios

Item	Profitability Ratios	Blanket Mine
Internal Rate of Return (IRR)	%	N/A
Total ounces in Mine plan	oz	392,662
NPV $_{7.9\%}$ per oz in Mine Plan	USD/oz	295
LoM (remaining as at 31 December 2021)	Years	5
Present Value of Income flow*	USDm	210
Break-even Feed Grade (Excluding Capex)	g/t	1.78
Break-even Feed Grade (Including Capex)	g/t	2.16
Break-even Gold Price (Excluding Capex)	USD/oz	875
Break-even Gold Price (Including Capex)	USD/oz	1,063

Note: *Calculated on an EBITDA basis.

Item 19 (c) - Regulatory Items

I. Government Royalties

As described in Item 3 (d) mining royalties are charged in terms of the MMA. With the gold price exceeding USD1,200/oz, the applicable royalty rate will be 5% of the gross revenue from gold mining. The royalty will be tax deductible, with the tax rate applied on the earnings after royalty deductions.

II. Corporate Taxes

The prevailing taxation regime for mining companies in Zimbabwe includes the following provisions:-

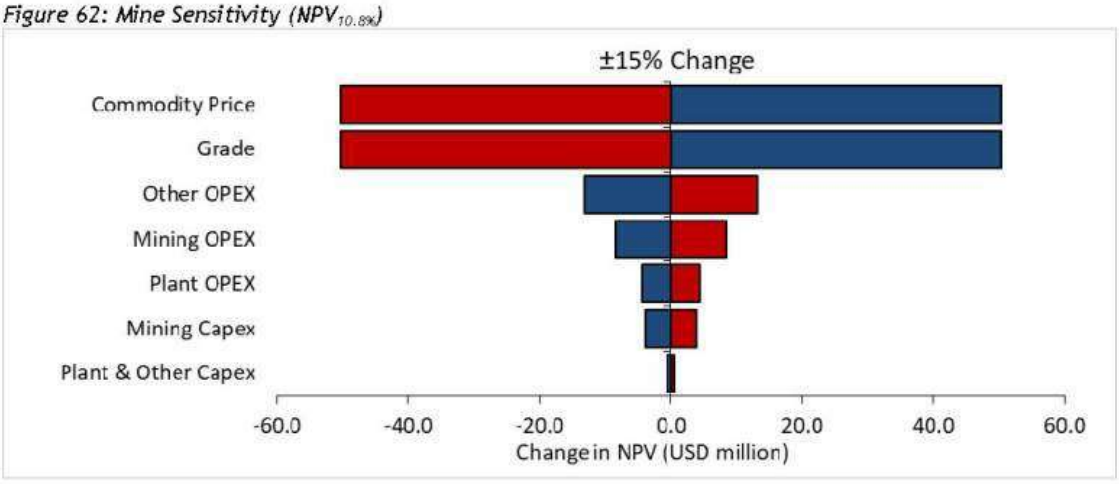
- Corporate Income tax at 24.72%. This includes an AIDS levy of 3% on the 24% corporate tax for an effective 24.72% tax rate.
- Exploration, development, and capital costs can be expensed against profit in the year incurred or carried forward to be expensed against the first year of production.

- Tangible and intangible property included in definition of capital expenditure to allow the inclusion of computer software used by the taxpayer in connection with the mining operations.
- Exemptions on customs duty and import taxes on capital items during exploration and development phases.
- Government Royalties are tax deductible from January 2020.
- Deductions for management and general administration expenses is limited based on such expenses exceeding 1% and 0.75%, respectively, of total tax-deductible expenses.
- Withholding tax on dividend payments to non-Zimbabweans and on services provided by foreign suppliers at a rate of 5% to 15%, depending on the location of the payee.

Item 19 (d) - Sensitivity Analysis

Based on the real cash flow calculated in the financial model, the QPs performed single-parameter sensitivity analyses to ascertain the impact on the NPV. The bars represent various inputs into the model; each being increased or decreased by 15%. The left-hand side of the graph indicates a negative 15% change in the input while the right-hand side of the graph indicating a positive 15% change in the input. A negative effect to the NPVs represented by red bars and a positive effect represented by blue bars. For the DCF, the gold price and grade have the biggest impact on the sensitivity of the Mine followed by the operating costs. The Mine is least sensitive to capital.

Figure 62: Mine Sensitivity ($NPV_{10.8\%}$)



A sensitivity analysis was also conducted on the exchange rate and the commodity prices to better indicate the effect these two factors have on the NPV as well as the total costs and the grade. This is displayed in Table 49 and Table 50.

Table 49: Sensitivity Analysis of Commodity Prices and Grade to $NPV_{10.75\%}$ (USDm)

	Grade (g/t)	2.27	2.43	2.60	2.76	2.92	3.08	**3.25**	3.41	3.57	3.73	3.90	4.06	4.22
Average Gold Price (USD/oz)	**Change %**	-30%	-25%	-20%	-15%	-10%	-5%		5%	10%	15%	20%	25%	30%
1,100	-33.7%	-79	-64	-50	-35	-20	-5	7	19	31	42	53	65	76
1,200	-27.7%	-60	-44	-28	-12	3	16	28	41	53	66	78	90	103
1,300	-21.7%	-41	-24	-6	8	22	36	49	63	76	89	103	116	130
1,400	-15.7%	-22	-4	12	26	41	55	70	84	99	113	128	142	157
1,500	-9.6%	-4	13	28	44	60	75	91	106	122	137	153	168	184
1,600	-3.6%	12	29	45	62	78	95	111	128	144	161	177	194	210
1,622	0.0%	15	32	49	65	82	99	**116**	132	149	166	183	199	216
1,700	2.4%	26	44	62	79	97	114	132	149	167	185	202	220	237
1,800	8.4%	41	60	78	97	115	134	153	171	190	208	227	246	264
1,900	14.5%	55	75	95	114	134	154	173	193	212	232	252	271	291
2,000	20.5%	70	91	111	132	153	173	194	215	235	256	277	297	318
2,100	26.5%	84	106	128	149	171	193	215	236	258	280	301	323	345
2,200	32.5%	99	122	144	167	190	213	235	258	281	303	326	349	372

Note: Sensitivity illustrates average gold prices and not constant gold prices.

Table 50: Sensitivity Analysis of Cash Operating Costs and Grade to $NPV_{10.75\%}$ (USDm)

	Capital (USDm)	56.2	54.1	51.9	49.7	47.6	45.4	**43.3**	41.1	38.9	36.8	34.6	32.4	30.3
OPEX (USD/Milled t)	**Change %**	30.0%	25.0%	20.0%	15.0%	10.0%	5.0%		-5.0%	-10.0%	-15.0%	-20.0%	-25.0%	-30.0%
94	30%	55	56	58	59	61	62	64	65	67	68	70	71	72
90	25%	64	65	66	68	69	71	72	74	75	77	78	80	81
86	20%	72	74	75	77	78	80	81	82	84	85	87	88	90
83	15%	81	82	84	85	87	88	90	91	93	94	96	97	98
79	10%	90	91	92	94	95	97	98	100	101	103	104	106	107
76	5%	98	100	101	103	104	106	107	108	110	111	113	114	116
72		107	108	110	111	113	114	**116**	117	119	120	122	123	124
68	-5%	116	117	118	120	121	123	124	126	127	129	130	132	133
65	-10%	124	126	127	129	130	132	133	134	136	137	139	140	142
61	-15%	133	134	136	137	139	140	142	143	145	146	147	149	150
58	-20%	142	143	144	146	147	149	150	152	153	155	156	158	159
54	-25%	150	152	153	155	156	157	159	160	162	163	165	166	168
50	-30%	159	160	162	163	165	166	168	169	171	172	173	175	176

Note: OPEX excludes Royalties in Sensitivity Analysis as the Royalties are dependent on operating margins. Capital excludes renewals and replacement capital as this is dependent on OPEX.

Item 19 (e) - Economic Analysis Conclusions

The value derived for the income approach only reflects the diluted Indicated and Measured Resources in the LoM plan, for conversion to Mineral Reserves. It is noted that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Mineral Reserve is economically viable with a best estimated NPV of USD116 million (USD74 million attributable to Caledonia) at a real discount rate of 10.75%. No IRR could be calculated as Blanket is already in operation and no initial investment is required. The all-in cost margin is 33% with a break-even gold price of USD1,063/oz. Table 51 shows a summary of the economic analysis.

Table 51: Blanket Mine Economic Analysis Summary - Real Terms

Item	Unit	Blanket Mine	Caledonia Attributable
NPV @ 0%	USDm	150	96
NPV @ 2.5%	USDm	141	90
NPV @ 5%	USDm	132	85
NPV @ 7.5%	USDm	125	80
NPV @ 10%	USDm	118	75
NPV @ 10.8%	**USDm**	**116**	**74**
NPV @ 12.5%	USDm	111	71
NPV @ 15%	USDm	106	68
IRR	%	N/A	N/A
All-in Cost Margin	%	33%	33%
Break-even Gold Price (AIC)	USD/oz.	1,063	1,063

ITEM 20 - ADJACENT PROPERTIES

The GGB is host to numerous gold occurrences, the majority of which have been worked by large-scale or artisanal miners. At least 268 mines have been operational across the geological terrain, of which only three are currently active. These include Blanket Mine, the adjacent Vubachikwe Mine and Jessie Mine at the south-eastern end of the belt near West Nicholson. At the western end of the belt some 22 km west of Gwanda, Freda is mined out. Blanket and Vubachikwe are sometimes referred to as the Sabiwa group of mines or the North Western Mining Camp.

Vubachikwe Mine of Forbes and Thompson (Pvt) Ltd is an operating, underground mine located on the northern limb of a plunging syncline and has reached a depth of 1,155 m. Gold mineralisation is hosted in mafic and ultramafic greenstones and BIF (MSA, 2011). Ore occurs in 5-40 m thick lenses and up to 200 m down-dip, and are hosted mainly in northwest-plunging, north-south striking BIF which dips 75° SW. Gold occurs as free gold and inclusions in arsenopyrite, as well as disseminated carbonate replacements in the BIF (Spilpunt, 2001; MSA, 2011). The mineralised bodies are folded and boudinaged (Spilpunt, 2001).

Vubachikwe Mine produced almost 21,744 kg of gold to the end of 1991 at an average of 7 g/t (MSA, 2011). Underground workings have reached depths of 1,000 m (AGS, 2006). Blanket Mine purchased the Vubachikwe dump material between 2000 and 2005 treated it through the Blanket metallurgical plant.

Auriferous quartz veins at the underground Jessie Mine are hosted in hornblende schist dipping steeply to the southwest Erratically distributed pyrite, pyrrhotite, chalcopyrite and galena are observed. Ore grades reach up to 10.5 g/t, with production pre-2001 recorded by Spilpunt (2001) at some 11.5 t Au with minor copper. The mine is operated as an underground mine by FA Stewart (Pvt) Ltd.

The Freda Mine commenced production in 1919 targeting surficial oxidised ore as well as underlying ore containing pyrrhotite, pyrite and arsenopyrite, with minor amounts of tetradymite. The vein-type ores are hosted in epidiorite surrounded by grits and quartz-mica schist with the mined-out bodies reaching

thicknesses of up to 30 m, striking 115° and inclining steeply to the southwest. Spilpunt (2001) reports that the deposit is mined out, with workings reaching a depth of 1,100 m with 7,550 kg Au recovered at a recovered grade of about 0.8 g/t Au.

The QPs have relied on the information as is presented by the referenced sources. Verification has been limited to that data which is made available publicly and has been limited to cross-referencing information presented by the individual sources.

The only nearby property of significance is Vubachikwe Mine. Blanket and Vubachikwe target different gold orebodies but the mineralisation style is similar, implying a structural relationship (AGS, 2006). Economic mineralisation also continues to similar depths. However, although the style of gold mineralisation is similar, the mineralisation of adjacent property is not necessarily indicative of that at Blanket.

The QPs have been unable to verify the information, and the information is not necessarily indicative of the mineralization on the Blanket property .

ITEM 21 - OTHER RELEVANT DATA AND INFORMATION

Item 21 (a) - Upside Potential

Based on the updated geological model, there are numerous targets that have been identified that would fit in with the trends identified in the geological model. These targets would also assist in proving or disproving and refining the proposed geological model. The focus should be on confirming the continuity of the BQR, as it is very likely this continues throughout Blanket Mine, albeit locally at lower grades. A targeted drilling campaign can be proposed to confirm the continuity (Figure 13). At Blanket 4, a very strong trend is observed from the upper levels of Blanket all the way into future mine areas, to the south, Jethro falls along the same trend. Connectivity could be established between these two orebodies which could result in potential additional resources close to existing infrastructure. In addition, another trend in the data is seen linking Jethro and Feudal that is running subparallel to BQR which also needs to be understood.

Additional targets would include considering the optimisation of existing wireframes, and trends used to define these wireframes. An example of this is Eroica, where a very strong trend is seen at 70-65°. By inferring this beyond the boundary of the wireframe there is potential to extend the domain as well as providing additional targets, if these down-dip extensions are seen not to be informed by any samples.

Item 21 (b) - Risk Assessment

A risk assessment to consider and quantify risks associated with the Mine was conducted by the QPs based on a simplified approach. The result is not designed to be a definitive assessment of the risks, but is rather a tool to articulate and evaluate those risks as identified by persons present at the risk assessment session. All items were reviewed and assessed using the risk severity criteria shown below:-

- Green - Low risk (score 1-5);
- Yellow - Medium risk (score 6-12);
- Orange - Significant risk (score 13-20); and
- Red - High risk (score greater than 21).

Once a high risk is identified, the project team is required to take remedial action to either resolve or mitigate the risk. The identification and recording of corrective and remedial measures was beyond the scope of this particular risk assessment exercise.

The outcome of the risk assessment is provided in Table 52. No major risks have been identified relating to the Blanket Mine operations.

Table 52: Risk Assessment

Risk Category	Risk	Description / Cause	Risk Likelihood	Impact	Risk Rating	Mitigation/ Control	Risk Likelihood	Impact	Residual Risk Rating
Metallurgy / Processing	Limited tailings storage capacity	The existing TSF is nearing the end of its life.	1	3	6	A new TSF facility should be designed and built.	1	1	1
Mining	Potential delay in newly planned mining areas	Detailed ventilation work has not been completed, which may require new ventilation layouts and infrastructure to be established and thus delay mining.	1	2	3	A detailed ventilation study should be completed.	1	1	1
Mining	Potential increase in pillar loss	Pillar extraction factor may be reduced to less than 50%.	2	2	5	Geotechnical work required to confirm pillar extraction factor.	1	1	1

ITEM 22 - INTERPRETATION AND CONCLUSIONS

Mineral Resources

All data sources have been verified to be suitable for the establishment of a 3D geological model and Mineral Resource Estimation. A new conceptual geological model has been proposed and as a result Blanket 1, 2 and 3 have been remodelled. ARS extension has also been modelled as a result. This geological model can be used as a framework for additional target generation as well as targeted exploration programs.

The estimates generally show good reconciliation to data; however, scope exists to further domain a number of the orebodies and improve the quality of the estimates.

Measured, Indicated and Inferred Mineral Resources can be declared for Blanket Mine due to the continuity of the geology and grade as well as a history of proven historical mining. The Inferred resources show geological continuity, while grade continuity still needs to be improved by additional drilling.

Mining

The LoM plan includes Measured, Indicated and Inferred Mineral Resources; however, only diluted Measured and Indicated Mineral Resources have been considered for economic assessment for Mineral Reserve estimates and have been converted into Proven and Probable Mineral Reserves respectively. A significant portion of Inferred Mineral Resources has been included in the LoM plan for mining practicality.

The mining strategy is focused on opening up ground below 870 m Level and is in line with the planned capital and infrastructure development thrust on 30 Level and 34 Level. Mining targets the Mineral Resources below 870 m Level with less mining above 750 m Level in the Blanket, ARS and Blanket Feudal orebodies.

An uneconomical tail containing 25.90 koz of gold has been excluded from the Mineral Reserve since it is not viable on its own.

Engineering and Infrastructure

Existing and planned infrastructure at the Blanket Mine and CMS extension projects are sufficient to sustain the current production profile and the planned increased production.

Processing

The process plant has been operating at a very consistent recovery of 93.5%, and this can be expected to continue as long as the ore mineralogy does not change.

The average processing rate for the past 12 months was 55 ktpm, and there are indications that slightly higher processing rates can be achieve with operational improvements. Operating cost has been consistent at USD12/t ore treated.

A new TSF is planned to allow for deposition towards the end of 2023 at a total cost of USD2.8 million.

Economic Analysis

The Blanket Mine plan including only the diluted Indicated and Measured Resources in the LoM plan, for conversion to Mineral Reserves is financially feasible at an 10.75% real discount rate, and therefore the Mineral Reserve can be declared.

The DCF value of USD116 million for the Blanket Mine (USD74 million attributable to Caledonia) was calculated at a real discount rate of 10.75%. No IRR could be calculated since the Mine is in operation and no initial investment is required. Blanket Mine has an all-in cost margin of 33%, which is comparable to similar mines.

The Mine is most sensitive to commodity prices, and grade. The Mine has a break-even gold price of USD1,063/oz including capital.

All-in sustaining costs for the Blanket Mine amount to USD103/milled t, which equates to USD1,053/oz. All-in costs for the Blanket Mine amount to USD104/milled t, which equates to USD1,063/oz.

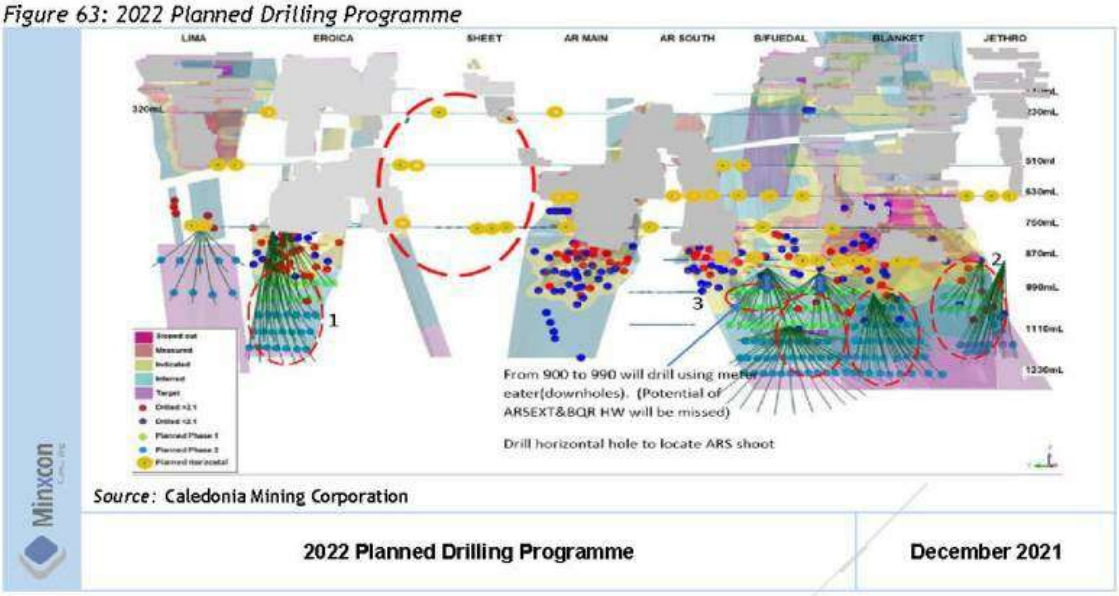
ITEM 23 - RECOMMENDATIONS

Further Exploration Work

Planned exploration drilling for 2022 is approximately 13,000m. This drilling is focused on converting the deeper inferred Mineral Resource to indicated Mineral Resources for the depth extensions of the various orebodies. Figure 63 illustrates the planned drilling programme with a budget of USD 1.26 million. This is for the drilling and assay related costs but excludes any underground development that might be required to establish drilling platforms. The focus will be on Lima, Eroica, Blanket and ARS.

An additional long-term budget of USD 2.5 million has been planned for further exploration on these orebodies.

Figure 63: 2022 Planned Drilling Programme



Source: Caledonia Mining Corporation

Mineral Resources

The remainder of the orebodies at Blanket need to be remodelled to consider a 1.5 g/t cut-off as well as reconsidered to include the new geological model, focussing on continuity between the orebodies. As a result, larger geological models will be generated (beyond high grade), additional domains will be required to separate well mineralised and poorly mineralised portions of the orebody.

Upside potential does exist due to the new geological interpretations, this can be used in targeted exploration drilling, in many cases close to existing infrastructure.

Future estimations should be completely digital and manual block listings excluded. Data does exist over the areas where manual blocks are created, thus digital estimates can be performed with confidence. In addition, depletions are available in 3D, thus digital estimates can be accurately depleted in the stoped out areas.

A geological loss of 5% for Indicated and Inferred only is applied. It is recommended that a geological loss reflective of the relative confidence is applied. Typically, 5% Measured, 10% Indicated, 15% Inferred is applied. It is proposed that future estimates consider applying this geological loss.

It is recommended that follow up activities are undertaken for QAQC to identify the source of the failures in the standards and if laboratory procedures are the result or sampling activities. In addition, duplicates of the various stages of the sampling and analyses process can be taken. Field duplicates (in the core yard), course duplicates (following crushing) as well as pulp duplicates (following pulverisation), this will assist with eliminating any sources of contamination or identify the potential problem areas. A bias is seen in 2018 with numerous failures in standards, 2019 results are an improvement with acceptable pass rates of standards. However, 2018 results are still included in the database. A validation exercise of these results (with re-assays where required) should be performed to see if results are suitable for estimation purposes. The mine procedures with regards to inclusion or exclusion of samples due to QAQC results must be implemented to ensure these failures are considered during the course of QAQC.

Due to the high sample density the effects of these inconsistencies in results will be minimised, however this accuracy and repeatability of results and standards is most important for exploration areas where one drillhole informs a large area. A focussed study of the QAQC of these holes is recommended.

The exploration drilling should consider orientating the core so that the structural information can be collected and utilised to assist in the construction of the geological model / wireframes, of the various mineralised orebodies, and confirm the geological model. Further exploration drilling samples for assaying should be sent to an independent accredited laboratory.

Predictive mineralisation mapping should be introduced, based on the conceptual geological model, to assist in exploration drilling planning.

Mining

To determine the upside potential of the Inferred and Exploration Target Mineral Resources, it is recommended to do additional drilling to increase the level of confidence of the Mineral Resources from the Inferred Classification to Indicated Classification for conversion to Probable Mineral Reserves.

It is recommended that a rock engineering study be completed to determine the recommended strategy for pillar extraction.

Processing

The TSF design study should be completed so that the construction can be completed in 2023.

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ITEM 25 - RELIANCE ON INFORMATION PROVIDED BY THE REGISTRANT

The QPs have accepted information supplied by Caledonia regarding the permits and licences as valid and complete, which is included in Item 3 of this TRS. The QPs consider such reliance reasonable because the information constitutes legal and environmental matters outside the expertise of the QPs.

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Caledonia Mining Corporation

Caledonia Mining Corporation Plc

S-K 1300 Technical Report Summary on the Maligreen Gold Project, Zimbabwe

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This Report titled "S-K 1300 Technical Report Summary on the Maligreen Gold Project, Zimbabwe - Mineral Resource Report" was prepared for Caledonia Mining Corporation Plc. The Report is compiled in accordance with the United States Securities and Exchange Commission Part 229 Standard Instructions for Filing Forms Regulation S-K subpart 1300. The effective date of this Report is 31 December 2021.

The Qualified Person ("QP") responsible for this Report is Mr. Uwe Engelmann and signed:-



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Signed at Little Falls, Gauteng, South Africa, on 22 April 2022.

INFORMATION RISK

This Report was prepared by Uwe Engelmann (the "QP") of Minxcon (Pty) Ltd ("Minxcon"). In the preparation of the Report, the QP utilised information relating to operational methods and expectations provided to them by various sources. Where possible, the QP has verified this information from independent sources after making due enquiry of all material issues that are required in order to comply with the requirements of the United States Securities and Exchange Commission Part 229 Standard Instructions for Filing Forms Regulation S-K subpart 1300. The QP is not qualified to provide extensive commentary on legal issues associated with rights to the mineral properties and relied on the information provided to them by the issuer. No warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects of this document.

OPERATIONAL RISKS

The business of mining and mineral exploration, development and production by their nature contain significant operational risks. The business depends upon, amongst other things, successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues.

POLITICAL AND ECONOMIC RISK

Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on future operations, and potential revenue streams can also be affected by these factors. The majority of these factors are, and will be, beyond the control of any operating entity.

FORWARD LOOKING STATEMENTS

Certain statements contained in this document other than statements of historical fact, contain forward-looking statements regarding the operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding commodity prices, exchange rates, production, cash costs and other operating results, growth prospects and the outlook of operations, including the completion and commencement of commercial operations of specific production projects, its liquidity and capital resources and expenditure, and the outcome and consequences of any pending litigation or enforcement proceedings.

Although the QP believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other State actions, success of business and operating initiatives, fluctuations in commodity prices and exchange rates, and business and potential risk management.

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LIST OF UNITS AND ABBREVIATIONS

Units: The following units were used in this Report, and are in metric terms:-

Unit	Definition
%	Per cent
/	Per
± or ~	Approximately
°	Degrees
°C	Degrees Celsius
cm	Centimetre
g	Grammes
g/t	Grammes per tonne
ha	Hectares
kg	Kilogram (1,000 g)
km	Kilometre (1,000 m)
km²	Square kilometres

Unit	Definition
koz	Kilo ounces (1,000 oz)
m	Metre
m²	Square metres
m³	Cubic metres
mbs	Metres below sea level
mm	Millimetre
Mt	Million tonnes (1,000,000 t)
oz	Troy Ounces
ppb	Parts per billion
t	Tonne
t/m³	Tonnes per cubic metre
x	By / Multiplied by

Computation: It is noted that throughout the Report, tables may not compute due to rounding.

Abbreviations: The following abbreviations were used in this Report:-

Abbreviation	Description
AAS	Atomic Absorption Spectrophotometry
BIOX®	Biological Oxidation
Caledonia or the Company	Caledonia Mining Corporation Plc
Caledonia Zimbabwe	Caledonia Holdings Zimbabwe (Pvt) Ltd
CIDA	Canadian International Development Agency
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
Cluff	Cluff Mineral Resources Limited
DIBK	Di-Isobutyl-Ketone
DMS	Digital Mining Services
EM Act	Environmental Management Act (Chapter 20:27) No. 13/2002
FP	Feldspar Porphyry
Geosearch	Geosearch (Pty) Ltd
HLEM	horizontal loop electromagnetic
IP	Induced Polarisation
KNA	Kriging Neighbourhood Analysis
Maligreen or the Project	Maligreen Gold Project
Mintek	Mintek Analytical Services Division
Mintek	Mintek Analytical Services Division
Minxcon	Minxcon (Pty) Ltd
MMA	Mines and Minerals Act (Chapter 21.05) of 1961
MMC	Maligreen Mining Company (Pvt) Ltd
MMCZ	Minerals Marketing Corporation of Zimbabwe
NSGB	Nkayi-Silobela Greenstone Belt
Pan African	Pan African (Pvt) Ltd
QAQC	Quality Assurance and Quality Control
QEP	Quartz-Eye-Porphyry
QP	Qualified Person
QSZ	Quartz-Sericite-Zone
RC	Reverse Circulation
Reunion	Reunion Mining (Zimbabwe) Limited
SADCA	Southern African Development Community Cooperation in Accreditation
Sale Agreement	Agreement of Sale between Caledonia Zimbabwe and Maligreen Mining Company (Pvt) Ltd dated 22 September 2021 to acquire the claims
SANAS	South African National Accreditation System
SEC	Securities and Exchange Commission
SGS	SGS Zimlab (Pty) Ltd
S-K 1300	United States Securities and Exchange Commission Part 229 Standard Instructions for Filing Forms Regulation S-K subpart 1300
SoR	Slope of Regression
TRS	Technical Report Summary
UTM	Universal Transverse Mercator
ZMDC	Zimbabwe Mining Development Corporation

ITEM 1 - EXECUTIVE SUMMARY

Maligreen is a gold exploration project situated on the Nkayi-Silobela Greenstone Belt that has historically been exploited via open pit mining. The Project is located in central Zimbabwe, approximately 73 km due west-southwest of Kwekwe, Midlands Province. Zimbabwe's capital city, Harare, lies 235 km northeast of Maligreen. The town of Nkayi lies 25 km west of the Project along the Kwekwe-Lupane Highway.

The Project Area was historically explored and limited exploitation of the orebody from two open pits was done from 2000 to 2002. The operation is currently on care and maintenance. No further exploration or development work has been undertaken at the site.

The Mineral Resource occurs within a claims area covering a total of 550 ha. The Project is held under a portfolio of 41 adjacent mining claims in the Midlands Mining District.

The Maligreen gold deposit occurs in a northeast trending section of greenstone near the convergence (triple junction) of the Midlands, Bubi and Silobela greenstone belts. The Maligreen deposit is hosted in rocks assigned to the Maliyami Formation of the Upper Bulawayan Group. The regional structural trend around Maligreen is northeast, parallel to the contact between the greenstone pile and the Shangani granite-gneiss terrain to the southeast.

The country rocks consist of metamorphosed andesitic pyroclastics (grading from lapilli tuff to agglomerate), intermediate lavas (dacite/andesite) and mafic lavas (basalt/gabbro). The pyroclastics are interbedded with quartz-eye-porphyry (or QEP) and intruded by feldspar porphyry (or FP) dykes. Andesitic volcanics are porphyritic and amygdaloidal in places. A mafic (or marker) dyke has intruded along the contact between pyroclastics and dacitic volcanics, within a broad shear zone. The strongly altered and sheared zone known as the quartz-sericite-zone (or QSZ), forms the core of deformation and alteration at Maligreen.

Gold mineralisation at Maligreen is generally associated with pyrite. Both stockwork and breccia pipe-type mineralisation have been recognised. A dominant north-south orientation is observed hosting mineralisation. These north-south mineralised trends are what has been mined in the existing surface pits. Additional mineralisation is seen trending northwest from these pits, in what has been termed the splays. Mineralisation at Maligreen is hosted by multiple lithologies, with specific lithologies dominant in different structural domains.

An ordinary kriged estimation was performed on the Maligreen deposit. Owing to the lack of confidence in the data, an Inferred Mineral Resource only was defined. The Mineral Resources reported at surface, which are all resources <220 m from surface and underground (>220 m from surface) are shown below. No Mineral Reserves are stated.

Surface Inferred Mineral Resource for Maligreen Gold Mine as at 31 December 2021

Mineral Resource Category	Domain	Tonnes (Less Geological Loss)	Gold Grade	Gold Content
		Mt	g/t	koz
Inferred	North	4.42	1.27	181.3
	South	2.71	3.70	323.0
	SplayN	4.31	0.84	116.8
	SplayS	2.18	1.29	90.8
Total Inferred		**13.62**	**1.63**	**711.9**

Notes:

1. Mineral Resource Cut-off of 0.4 g/t Au applied.
2. A gold price of USD1,800/oz was used for the cut-offs.
3. Columns may not add up due to rounding.
4. Mineral Resources are reported as total Mineral Resources and 100% attributable to Caledonia.

Underground Inferred Mineral Resource for Maligreen Gold Mine as at 31 December 2021

Mineral Resource Category	Domain	Tonnes (Less Geological Loss)	Gold Grade	Gold Content
		Mt	g/t	koz
Inferred	North	1.32	2.45	104.2
	South	0.40	8.21	106.3
	SplayN	0.21	2.30	15.3
	SplayS	0.04	1.91	2.3
Total Inferred		**1.97**	**3.60**	**228.1**

Notes:

1. Mineral Resource Cut-off of 1.5 g/t Au applied.
2. A gold price of USD1,800/oz was used for the cut-offs.
3. Columns may not add up due to rounding.
4. Mineral Resources are reported as total Mineral Resources and 100% attributable to Caledonia.

Total Inferred Mineral Resource for Maligreen Gold Mine as at 31 December 2021

Mineral Resource Category	Domain	Tonnes (Less Geological Loss)	Gold Grade	Gold Content
		Mt	g/t	koz
Inferred	North	5.75	1.55	285.5
	South	3.12	4.29	429.3
	SplayN	4.51	0.91	132.1
	SplayS	2.22	1.31	93.1
Total Inferred		**15.59**	**1.88**	**940.0**

Notes:

1. Mineral Resource Cut-off of 0.4 g/t Au for surface and 1.5 g/t Au for underground applied.
2. A gold price of USD1,800/oz was used for the cut-offs.
3. Columns may not add up due to rounding.
4. Mineral Resources are reported as total Mineral Resources and 100% attributable to Caledonia.

Sufficient data is available to define a weathering profile, lithological model, as well as estimate a Mineral Resource for the Maligreen Deposit. Lack of QAQC during sampling and low confidence in the data due to the historical nature means that an Inferred Mineral Resource only can be defined.

The model utilises grade trends determined in Seequent Leapfrog Geo software as well as structural geological interpretations and mapping. This has resulted in a fairly robust geological model on which to base the revised Mineral Resource estimation. Based on this new revised model and the quantity of historical drillhole data available, the conversion from Inferred to Measured and Indicated Mineral Resource should be fairly cost effective. It is estimated that the budget required for this conversion is between USD1.5 million and USD2 million. This translates into a low USD/oz "discovery" or conversion rate, to Measured and Indicated Mineral Resources, estimated to be in the region of USD3/oz to USD5/oz.

The Maligreen Project lends itself to open pit mining with low grade stockpiling with the possibility of underground mining beneath the open pit.

Limited historical metallurgical testwork suggests that the ore is not that refractory with metal recovery rates above 80%.

To take the Maligreen Project up the value curve and closer to operational status it is recommended that the Mineral Resource be converted from the Inferred category to a Measured and Indicated Mineral Resource. It is therefore recommended that the infill confirmatory drilling programme along with a detailed QAQC

programme is perused to increase the confidence in the database and enable the definition of at least an Indicated Mineral Resource.

In addition to this the historical core that is available in the core yard be catalogued (possibly relogged) and resampled to verify the historical drillhole database grades.

Additional exploration is recommended to fully understand what the strike extension and depth extension potential is. This would be a combination of geophysics, possibly soil geochemical surveys (depending on the Kalahari surface cover), trenching and drilling.

Further, it is recommended to undertake Independent metallurgical testwork.

ITEM 2 - INTRODUCTION

Item 2 (a) - Issuer Receiving the Report; Author

Minxcon (Pty) Ltd ("Minxcon") was commissioned by Caledonia Mining Corporation Plc ("Caledonia" or "the Company") to compile Technical Report Summary ("TRS") on the Maligreen Gold Project ("Maligreen" or the "Project"), situated in the Silobela area, Midlands Province, Zimbabwe.

The author of this TRS is Uwe Engelmann who is a Qualified Person ("QP"). Mr. Engelmann was responsible for all Sections of this TRS.

Item 2 (b) - Terms of Reference and Purpose of the Report

Minxcon was commissioned to prepare the TRS on the Project in accordance with the United States Securities and Exchange Commission Part 229 Standard Instructions for Filing Forms Regulation S-K subpart 1300 ("S-K 1300"). This TRS follows the guidelines as prescribed by S-K 1300, and only such terms as defined in §229.1300 have been utilised. The TRS is structured in accordance with the format prescribed in §229.601(b)(96). This TRS constitutes an initial assessment under S-K 1300.

The purpose of this TRS is to present the Mineral Resources of the Project as at the Company financial year end 31 December 2021. Maligreen is an advanced exploration project with historical mining. The Mineral Resources were initially estimated at the effective date of 31 August 2021. No significant developments material to the exploration project and Mineral Resources occurred in the period to 31 December 2021; thus, the estimates are considered as valid as at the date of 31 December 2021, *i.e.*, the date of this TRS.

No TRS has previously been filed by Caledonia for the Maligreen Project in terms of S-K 1300.

Item 2 (c) - Sources of Information and Data Contained in the Technical Report Summary

In the compilation of this Report, the QP utilised information as provided by the Client. This includes internal company reports, historical reports and information, technical correspondence and maps, as received from the Client. Additional information was sourced from those references listed in Item 24 and is duly referenced in the text where appropriate.

Item 2 (d) - Qualified Persons' Personal Inspection of the Property

The QP, as such term is defined S-K 1300, is Mr U. Engelmann. A site visit to Maligreen was undertaken by Mr Engelmann on 12 October 2021. He was accompanied by Ms Janet Hobkirk, Mr Wilbert Mugomo and Mr Lovemore Mauled from Caledonia. During the site visit, the available infrastructure, historical heap leach pad and open pits were inspected. The location of some of the historical drillholes were confirmed and the surface geology in the open pits was observed and confirmed the geological model constructed.

ITEM 3 - PROPERTY DESCRIPTION

Item 3 (a) - Area of the Property

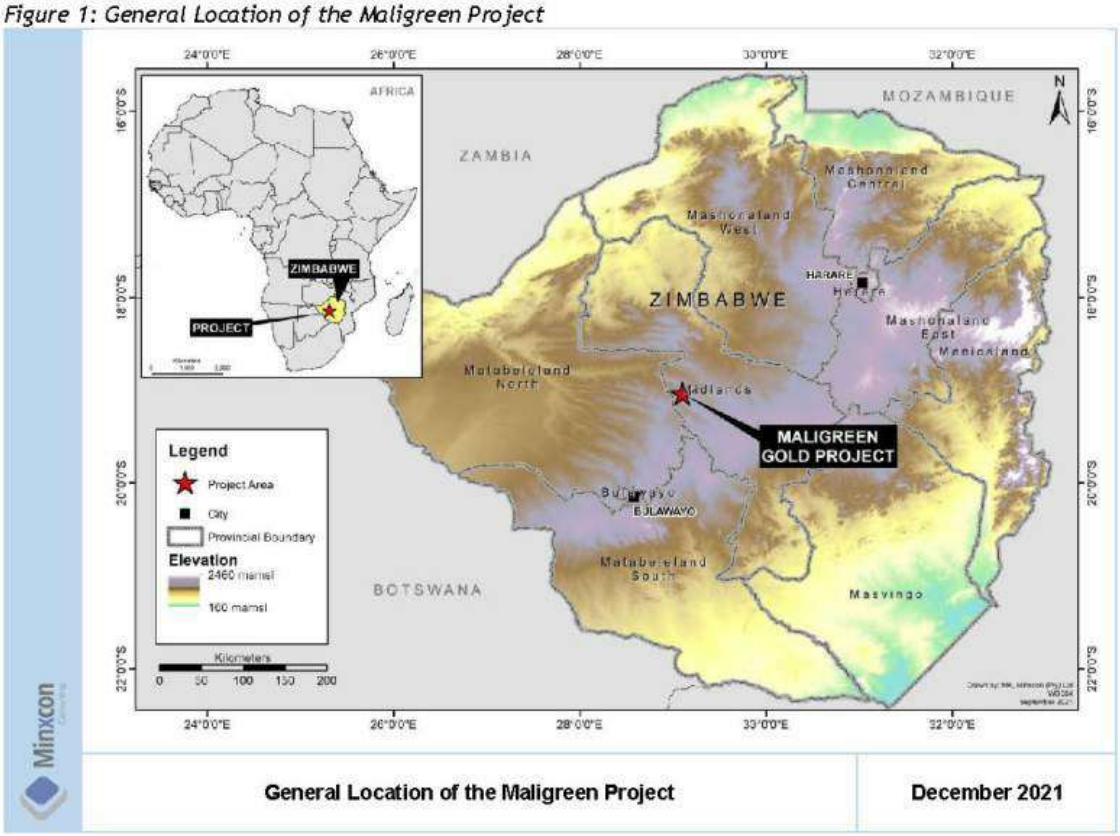
Maligreen is a gold exploration project situated on the Nkayi-Silobela Greenstone Belt ("NSGB") that has historically been exploited via open pit mining. The Mineral Resource occurs within a claims area covering a total of 550 ha.

Item 3 (b) - Location of the Property

As illustrated in Figure 1, the Project is located in central Zimbabwe, approximately 73 km west-southwest of Kwekwe, Midlands Province. Zimbabwe's capital city Harare lies 235 km northeast of Maligreen. Nkayi

Town lies 25 km west of the Project along the Kwekwe-Lupane Highway. The Project is centred on the coordinates (WGS84 system) 19° 1'51"S, 29° 6'5"E.

Figure 1: General Location of the Maligreen Project



Item 3 (c) - Mineral Deposit Tenure

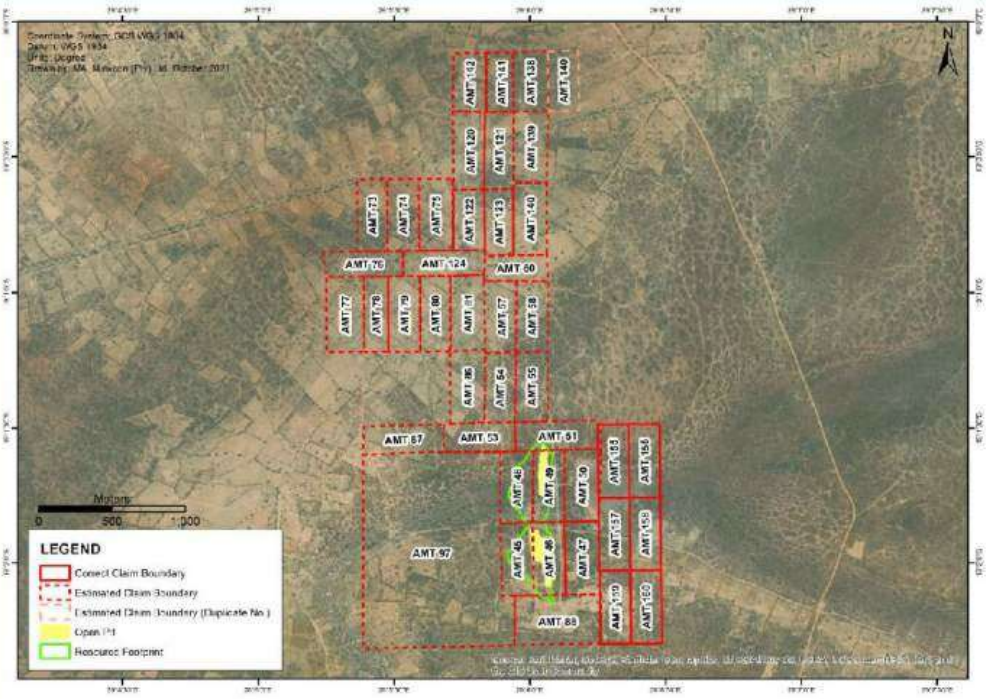
The Project is held under a portfolio of 41 adjacent mining claims (Figure 2) in the Midlands Mining District. Of these, 40 encompass an area of 10 ha each and are issued for gold. Claim AMT 97 (claim number 11219BM) encompasses 150 ha and is issued for copper. This latter claim has not been the focus of exploration to date. Should future exploration reveal substantial gold mineralisation, application will be made to include gold ore in the claim. The claims are all up to date, with next inspections due in 2022.

The claims are all held in the name of Maligreen Mining Company (Pvt) Ltd ("MMC"). Caledonia Zimbabwe entered into an Agreement of Sale ("Sale Agreement") with MMC on 22 September 2021 to acquire the claims. The process to transfer the claims into the name of Caledonia Zimbabwe is underway. Caledonia Zimbabwe is a 100% held indirect subsidiary of Caledonia through Greenstone Management Services Holdings Limited.

Annual payments are required to be made for each claim to government authorities in order to maintain validity.

The QP is not aware of further permits required to undertake exploration activities at the claims.

Figure 2: Location of the Maligreen Claims



Notes: "Correct" claims boundaries are as per boundary coordinates verified by the Ministry. "Estimated" claims boundaries are as traced from regional maps provided by the Client.

Location of the Maligreen Claims	December 2021

The QP is not aware of any material violations or fines associated with the property.

Item 3 (d) - Royalties and Payments

Mining royalties are charged in terms of the Mines and Minerals Act (Chapter 21:05). Maligreen is not in production and is not subject to these government royalties.

A Tribute Agreement is in place with Silobela Youth in Mining Syndicate for the claims from 1 October 2020 to 30 September 2023. In terms of this Tribute Agreement, Silobela Youth in Mining Syndicate may undertake mining activities over the claims. In terms of the Tribute Agreement, Silobela Youth in Mining Syndicate must pay to the Grantor (now Caledonia Zimbabwe through the Sale Agreement) 5% of the value of minerals mined or a rental amount. The Syndicate is mining as per the Tribute Agreement with royalty payment made as per the agreement to MCC.

Payments are due annually to the Provincial Mining Directorin order to keep the claims registered.

Operating mines in Zimbabwe are required to set aside money as part of the closure plan and fulfilment of the provisions of the Mines and Minerals Act (Chapter 21:05) of 1961 ("MMA") and Environmental Management Act (Chapter 20:27) No. 13/2002 ("EM Act"). As far as the QP is aware, no statutory instrument has been gazetted implementing an environmental fund as yet, thus so no fees are currently due. Environmental liabilities have not yet been calculated or budgeted for and are not currently due.

Item 3 (e) - Other Significant Factors and Risks

The QP is not aware of any significant factors or risks prevalent to the Project that may affect access, , title, or the right or ability to perform work on the property.

ITEM 4 - ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Item 4 (a) - Topography, Elevation and Vegetation

The topography at the Maligreen Project Area is flat with an even elevation of some 1,212 m above mean sea level. The northwest flowing Shangani River is located some 11 km due west of the Maligreen Project Area. The area is rural with scattered farming landholdings. The current land use at the claims includes previous mining operation, scattered subsistence farming and some villages and settlements. The area is largely bushveld and wooded.

Item 4 (b) - Access to the Property

The Maligreen Project area is accessible by car via the Kwekwe-Lupane Road, approximately 80 km west of Kwekwe. From this road, the Mahlathini Road can be taken southwards for some 3.8 km, from which point a westwards gravel road provides direct access to the Project Area after 1.8 km. The journey from Kwekwe takes approximately 2 hours by car.

Maligreen lies immediately south of the Kwekwe-Lupane Road that connects the mining town of Kwekwe in the east and Lupane and the A8 national road in the west. The Project Area can be accessed from Kwekwe via this road and through Silobela Town over 91 km by car. The Kwekwe-Lupane Road is currently being upgraded. Silobela lies 22 km east-northeast by road from the Project Area.

Kwekwe Town hosts an aerodrome, schools, medical services and a hospital, accommodation, shops, religious facilities, museums, and mining services. An airport is also available at Nkayi, as is accommodation, a district hospital and limited shops.

Item 4 (c) - Climate and Length of Operating Season

The climate in Kwekwe is hot and semi-arid, classified as *BSh* type (extremely hot summers and warm to cool winters, with minimal precipitation) by the Köppen climate classification system. According to climate-data.org, annual temperatures average 21°C. October is the hottest month of the year at an average temperature of 24°C, while July is the coldest month averaging 16°C. Annual rainfall averages 640 mm, falling mainly in December with little to no precipitation occurring in August. Relative humidity peaks in January at 66%, and is lowest in September at 32%.

No appreciable exploration downtime is expected owing to unfavourable climatic or weather conditions. Activities can be conducted year-round.

Item 4 (d) - Infrastructure

Infrastructure on site is minimal. There are two open pits, namely North Pit and South Pit, that were historically mined, as well as the heap leach pad and possible elution room that serviced the operations. An office block is occupied and maintains the care and maintenance of the historic operation. A basic process plant is erected and utilised by the Syndicate for their mining activities. All required infrastructure for exploration activities is in place.

ITEM 5 - HISTORY

Item 5 (a) - PRIOR OWNERSHIP

The Maligreen deposit was discovered by Reunion Mining (Zimbabwe) Limited ("Reunion") in October 1995 over a number of Exclusive Prospecting Orders. The property was purchased by Cluff Mineral Resources Limited ("Cluff") in April 1998. In December 1999, Pan African (Pvt) Ltd ("Pan African") entered into an agreement with Cluff to acquire a 50% interest in the Project. The acquisition was completed in April 2000 and a new joint-venture company MMC was registered (Trashliev, 2007).

The Sale Agreement between MMC and Caledonia Zimbabwe was entered into on 22 September 2021.

Item 5 (b) - HISTORICAL EXPLORATION AND DEVELOPMENT

As described by Trashliev (2007), four years of integrated regional geochemical and geophysical exploration led to the discovery of the Maligreen mineralisation by Reunion in 1995. A north-south, 3.3 km long geochemical signature along structural targets was identified.

For the next two and a half years, Reunion drilled 107 diamond drillholes over 28,272 m and 526 percussion drillholes over 29,110 m, the results of which were utilised to define a gold Mineral Resource. Only the southern 1 km of the geochemical anomaly has been drilled. Limited geochemical data is however available. The area has been mapped and geological data relogged.

No further exploration work was undertaken under Cluff ownership, but the company did revise the Mineral Resources to quantify the potential and guide mine planning.

Work commenced in January 2000 under MMC ownership to develop two open pits (North Pit and South Pit;) to exploit the orebody. A crushing, sizing and floatation plant was also constructed. Pan African completed 35 reverse circulation ("RC") drillholes over 1,038 m to guide mine planning at North Pit. The first bullion was poured in July 2000.

All available data for the Project Area was consolidated in 2003 and all 107 diamond drillholes were relogged.

The upper oxide horizon was mined to its base via the North Pit and South Pit. Some 22.5 koz of gold was recovered from August 2000 to September 2002 by heap leaching. Mining ceased in September 2002, but the reason for this is uncertain. It is however assumed that they were targeting the oxides only. The operation is currently on care and maintenance.

ITEM 6 - GEOLOGICAL SETTING, MINERALISATION AND DEPOSIT

Item 6 (a) - REGIONAL GEOLOGY

The Maligreen gold deposit occurs in a northeast-trending section of greenstone near the convergence (triple junction) of the Midlands, Bubi and Silobela greenstone belts. The Shangani granite-gneiss terrain occurs to the southeast of the Project.

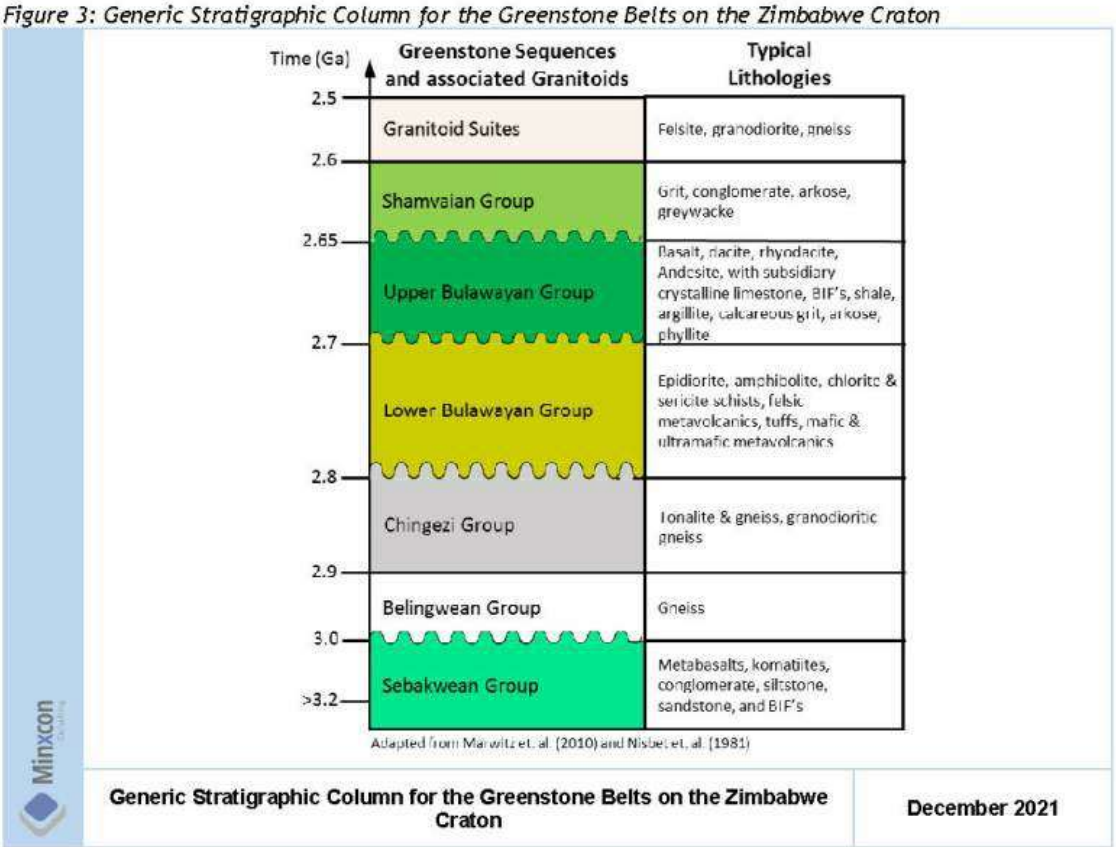
Although the Project Area and its immediate surroundings are covered by a thin layer (0-40 m) of surface deposits that include Kalahari sands, the position of the mine within the regional stratigraphy and structure can be deduced from aeromagnetic data linked to outcrops SW and NE of the mine. On this basis it is assumed that the Maligreen deposit is hosted in rocks assigned to the Maliyami Formation of the Upper Bulawayan Group (Harrison, 1981).

Maliyami Formation rocks comprise andesitic lava flows that are locally amygdaloidal or porphyritic, and interbedded with basalt, volcaniclastic rocks (tuff, agglomerate, ignimbrite), felsic volcanic material and porphyry intrusions, as well as phyllitic rocks and chert. All units have been intruded by metadolerite and gabbro bodies (Harrison, 1981). To the southeast the Maliyami Formation rocks are assumed to stratigraphically overlie older rocks belonging to the Upper Bulawayan Group (Leo Hurst Formation andesitic and dacitic flows; Ntobe Formation basalt) and Lower Bulawayan and Sebakwean Groups (dacite and serpentinite). Contacts between most units are strongly sheared. The greenstone pile in the Maligreen area was intruded by a number of tonalitic bodies with narrow contact metamorphic aureoles, assigned to the Sesombi Suite.

The regional structural trend around Maligreen is northeast, parallel to the contact between the greenstone pile and the Shangani granite-gneiss terrain to the southeast. Two major northeast trending shear zones have been described to the southeast of the Project using Landsat TM data (Campbell and Pitfield, 1994). These shears are positioned near formational contacts between the Leo Hurst and Ntobe Formations (the Leo Hurst shear zone) and the Ntobe Formation and Lower Bulawayan rocks respectively. They have been interpreted as large dextral shear systems and linked to the Munyati Shear Zone in the Midlands Greenstone Belt (Campbell and Pitfield, 1994).

A stratigraphic column depicting the regional lithological units is provided in Figure 3.

Figure 3: Generic Stratigraphic Column for the Greenstone Belts on the Zimbabwe Craton



Numerous small gold workings occur in the area around Maligreen. Larger mines (>500 kg production) include the Jena Group of mines to the north-northeast of Maligreen and the Turtle Mine and associated reefs to the northwest.

Item 6 (b) - Local and Property Geology

The country rocks at Maligreen consist of metamorphosed andesitic pyroclastics (grading from lapilli tuff to agglomerate), intermediate lavas (dacite/andesite) and mafic lavas (basalt/gabbro). The pyroclastics are interbedded with quartz-eye-porphyry ("QEP") and intruded by feldspar porphyry ("FP") dykes. Andesitic volcanics are porphyritic and amygdaloidal in places. A mafic ("marker") dyke has intruded along the contact between pyroclastics and dacitic volcanics, within a broad shear zone. The strongly altered and sheared zone known as the quartz-sericite-zone ("QSZ"), forms the core of deformation and alteration at Maligreen (Mtetwa, 2007).

The andesitic-dacitic lava is a fine to medium grained, grey green rock. Amygdaloidal and porphyroidal textures are found in places. Quartz-porphyry is characterised by sparse, whitish calcite (after feldspar) amygdales with rectangular (feldspar pseudomorph) shape, in fine grained siliceous matrix. Pyroclastics grade from very fine grained, grey green lapilli tuff to coarse grained agglomerates with large, usually felsic, bombs up to a few centimetres across. The bombs are often amygdaloidal. Quartz and carbonate veining is common. QEP is massive, brittle, grey green (seldom pink) rock with siliceous matrix and spheroidal quartz porphyroblasts, usually 2-3 mm across. It is sericitised and deformed into strongly developed S-C fabric and mineralised in places pressure shadows around the quartz porphyroblasts often indicate the sense of movement during deformation. QSZ is a strongly deformed and intensely altered unit composed of white quartz with yellow sericite and/or green chlorite bands usually forming S-C fabric along the chlorite/sericite bands. When the chlorite rather than sericite is dominant, it is called the quartz-chlorite-zone. Fuchsite and epidote are sometimes present.

The mafic dyke has a green medium grained matrix with dark green hornblende phenocrysts up to 5mm across. It has chilled margins and is found within or on the margin of the QSZ. The FP is pale grey to pink felsic unit with white subhedral to euhedral feldspar phenocrysts up to 5mm across. It is often intensely sheared, altered (sericite after feldspar) and mineralised. The FP in the main shear zone, to the north, has QSZ xenoliths in it, suggesting that it is post Phase 1 deformation. In addition, the FP is often found unsheared within the QSZ. The same applies to the mafic dyke. Basalt is fine grained green to dark green and fairly brittle. It has black magnetite rich patches which are very magnetic. Patchy siliceous and epidote alteration associated with specks of pyrite is common. Dolerite is medium to coarse gained rock with a pale green matrix and dark green hornblende phenocrysts. It is weak to strongly magnetic. The gabbro has very pale green matrix with large dark green phenocrysts which give it a coarse-grained texture. Minor sericite alteration is found in places. Kalahari sands, Karoo sediments and black hydromorphic clays 3m to 7m thick cover the Maligreen deposit.

The low-grade greenschist facies metamorphism of the country rock is marked by the assemblage of chlorite-epidote-actinolite-plagioclase. Three different types of alteration are recognised. The first type of alteration is observed in the intensely sericitised and silicified QSZ and is related to the phase 1 deformation. Epidote and minor fuchsite are also present. Low temperature Na-micas (illite and paragonite) were picked up by Pima spectral analysis. The second type of alteration (related to phase 2 deformation) is found in gold mineralised zones, which are also intensely sericitised and silicified. Other alteration minerals present are carbonate, tourmaline, chlorite and leucoxene. Fuchsite and epidote are seldom present. The Pima spectral analysis on core from diamond drill hole MG45 suggests that gold mineralisation is associated with K-mica (muscovite) introduced by "high" temperature hydrothermal fluids. The third type of alteration is pervasive silicification and carbonatization of the country rock. It has a bleaching effect on the wall rocks, forming a

broad envelope to mineralisation (Mtetwa, 2007). The alteration minerals are usually associated with shear zones and pyrite mineralisation.

The deposit lies in a major north-south structure interpreted from the aeromagnetic data and observed in the core as the 50 m wide QSZ. This dominant structure (phase 1 deformation) is usually barren of gold. Narrow shears splay-off the QSZ (phase 2) deformation and are associated with gold mineralisation. A NW oblique trend appears to belong to phase 2 deformation as it has brittle fractures and hosts grey sulphide with gold mineralisation. Silicified ENE trending faults are barren of gold and are probably post mineralisation.

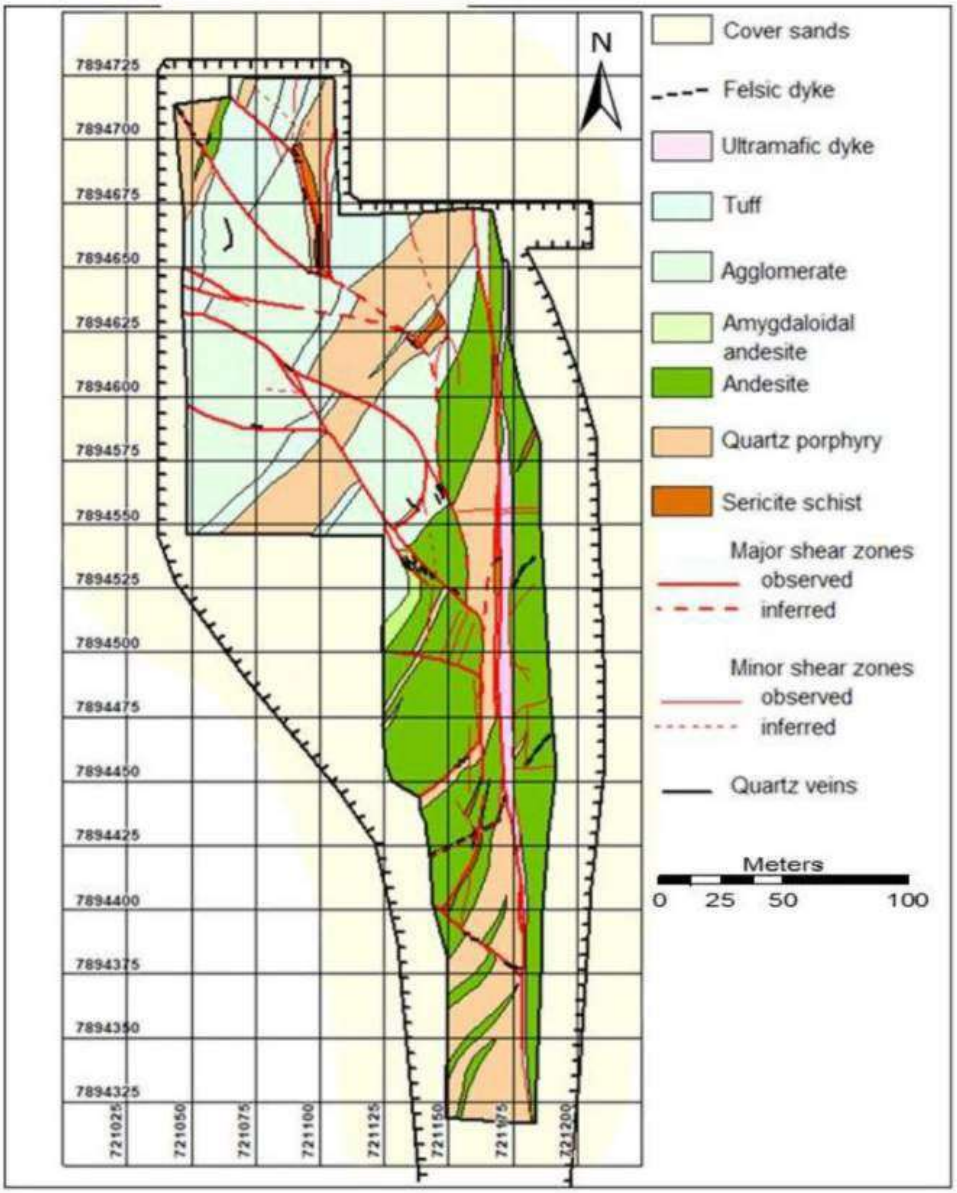
Detailed mapping and structural measurements were taken by Professor Paul Dirks (2001).
The calculated stress field indicates that during the formation of the shear zones;

- WNW and NW trending sinistral shears formed within a tensional field,
- NE trending dextral shears formed in a compressional field,
- N trending sinistral shears formed close to the boundary of the compressional and tensional fields.

This suggests that maximum fluid infiltration can be expected along the NW and WNW trending shears, and especially along the intersections of WNW, NW and N trending shears. The intensity of infiltration is partly dependent on the fluid pressure at the time of mineralisation.

The widest zones of wall rock alteration in the South Pit occur in areas where NW, WNW and N shear zones merge into each other. Where such zones coincide with quartz porphyry rock, extensive stock works of quartz-sulphide veinlets have developed within the porphyry. This is especially the case along the massive porphyry exposed at the bottom of the South Pit (Figure 4).

Figure 4: Local Geology of the Maligreen South Area



Source: Dirks, 2001

Local Geology of the Maligreen South Area	December 2021

N-S trending shears away from intersections with NW trending shears, and SW trending shears parallel to S1 show less alteration and are not associated with significant mineralisation although a narrow mineralised zone can be traced along the main N-trending shear zone to the N of the pit.

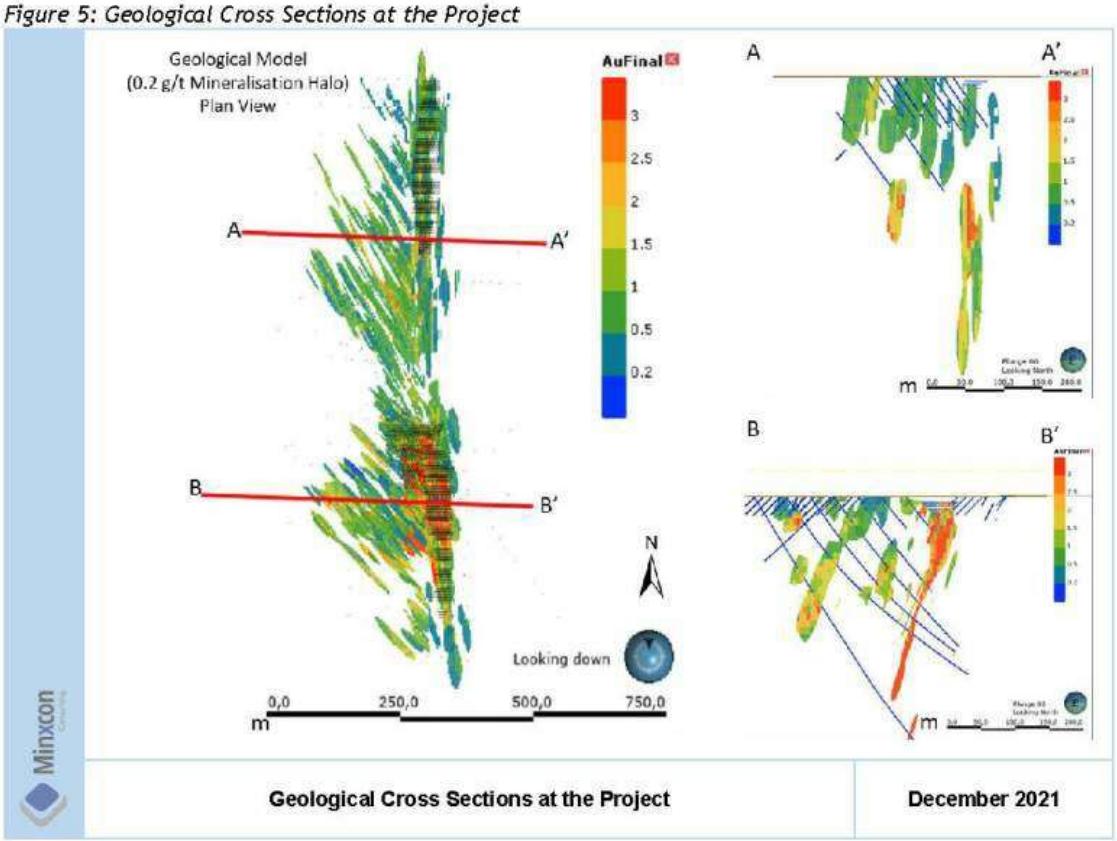
It is clear that the main zones of fluid infiltration occur along the intersection points of N-, NW- and WNW-trending shears within a sinistral shear system. Within such a system, these areas are clearly dilatant allowing more effective fluid impregnation. The intersection lineation between the three shear zone sets plunges steeply to the south. This orientation is near parallel to the L1 mineral lineation, this suggests that the mineralisation plunges steeply S to SSW.

Where fault intersections coincide with quartz porphyry rocks, better mineralisation occurs. This appears to happen because, the porphyry undergoes extensive, stock-work like fracturing with associated sulphide impregnation, a feature not observed to be as well developed in other lithologies. All quartz porphyries in the South Pit contain S1 and therefore were emplaced before gold was introduced along the younger brittle-ductile shear zones. A direct genetic relationship between the porphyries and mineralisation is therefore not expected.

The feldspar porphyry observed in drill core below the N-pit intruded after the development of D1 and before or during the mineralising events in an N-S trend and may have a genetic relationship with the gold. The same may be true for the mafic dyke that has intruded into the main shear zone after D1, but before shearing associated with mineralisation, which locally affects the dyke.

Figure 5 shows a schematic cross section of the geology at the Project.

Figure 5: Geological Cross Sections at the Project



Item 6 (c) - MINERALISATION

Gold mineralisation at Maligreen is generally associated with pyrite. Pyrite occurs mainly in association with argillic and quartz-sericite hydrothermal alteration and occasionally with propylitic and mylonitic style of hydrothermal alteration. Although the pyrite content increases towards the ore channel, gold and pyrite are not sympathetically related. Both stockwork and breccia pipe-type mineralisation have been recognised. The breccia type is very limited and consists of rock fragments cemented with silicates and ore minerals.

Pyrite generally occurs as fracture filling, or as vein, veinlets, and dissemination. Dissemination of pyrite with visible fractures and healed micro cracks implies that some of the mineralisation is a result of wall rock alteration by permeating fluids.

Based on the textural appearance, early clean pyrite and late "dirty" pyrite are the two dominant pyrite at Maligreen Project. The dirty pyrite is most likely "contaminated" by abundant magnetite due to the superimposed deep argillic alteration. However, the black colour could also be a result of the presence of molybdenite, arsenopyrite or sphalerite. Nevertheless, it is believed that the dirty pyrite is a result of late supergene enrichment due to the pervasive argillic alteration marked by the introduction of clay and magnetite (Mtetwa, 2007).

The relative proportion of dirty pyrite and clean pyrite varies significantly, but total pyrite content within the ore zones can reach 20-25%. Pyritized zones within the pyroclastic unit show clean pyrite as veins and veinlets which are always parallel to the bedding of the bedded tuff. Some of them are auriferous but generally do not show extreme grades. This could represent the formation of an early exhalative mineralisation (Mtetwa, 2007).

The possible mechanism for the Maligreen gold deposition is likely a fluid flow, aided and abetted by high level rhyolitic intrusions, and redistributed through permeable secondary shear zones due to late dextral duplex-like segmentation.

Item 6 (d) - GEOLOGICAL MODEL

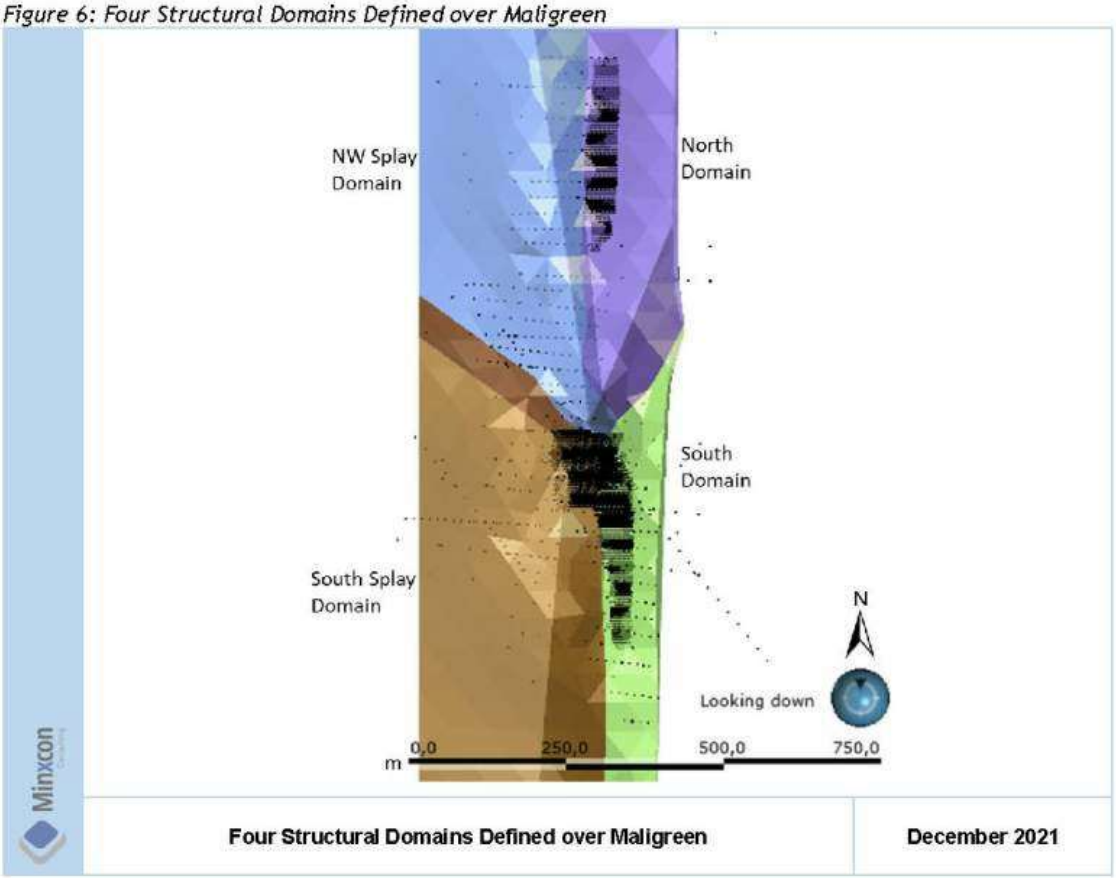
A structural model was defined to delineate separate structural domains and enable the separation of these zones for evaluation.

I. STRUCTURAL BOUNDARY CONSTRUCTION

The work done by Dirks (2001) considered primarily the southern area and southern pit, making use of mapping as well as stereonets to summarise the structure over Maligreen. Observation and trends seen in the data does seem to coincide well with the observation seen by Dirks (2001).

The major structures identified were digitised and utilised as a guide in the orientation of the orebody trends. In addition, major structures aligning with those observed by Dirks (2001) were utilised as structural domain boundaries enabling the division of the project area into four distinct domains that were characterised by the trend of mineralisation (Figure 6).

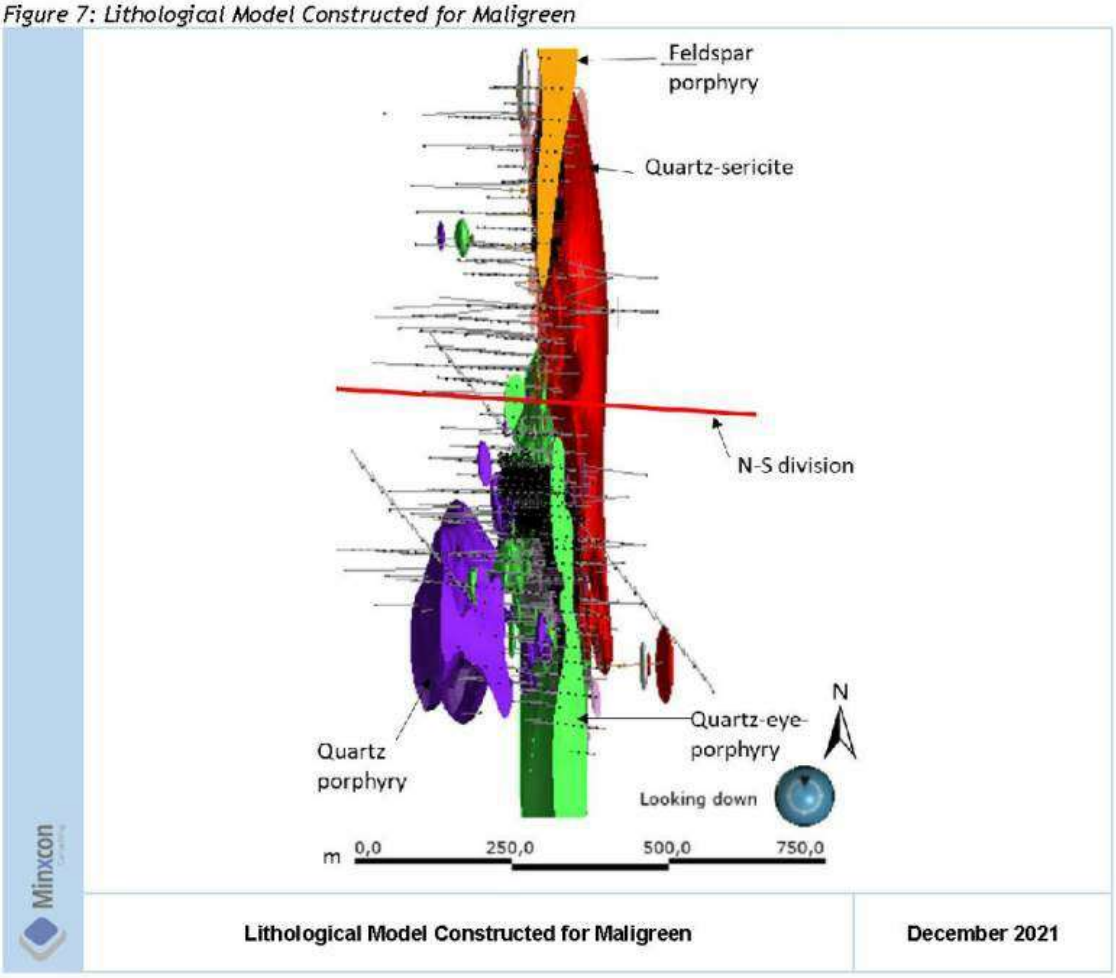
Figure 6: Four Structural Domains Defined over Maligreen



II. LITHOLOGICAL MODEL

A basic lithological model was constructed in Leapfrog Geo to assess what lithologies may host mineralisation and the association of these lithologies within the various structural domains. Previous authors have described the porphyry occurring to the southwest of the deposit as the primary heat source to channel mineralising fluids, with a quartz-sericite occurring along a north- south orientated shear zone as a pathway for these fluids. The primary lithologies as recorded in drillhole logs were utilised to construct a geological model (Figure 7).

Figure 7: Lithological Model Constructed for Maligreen

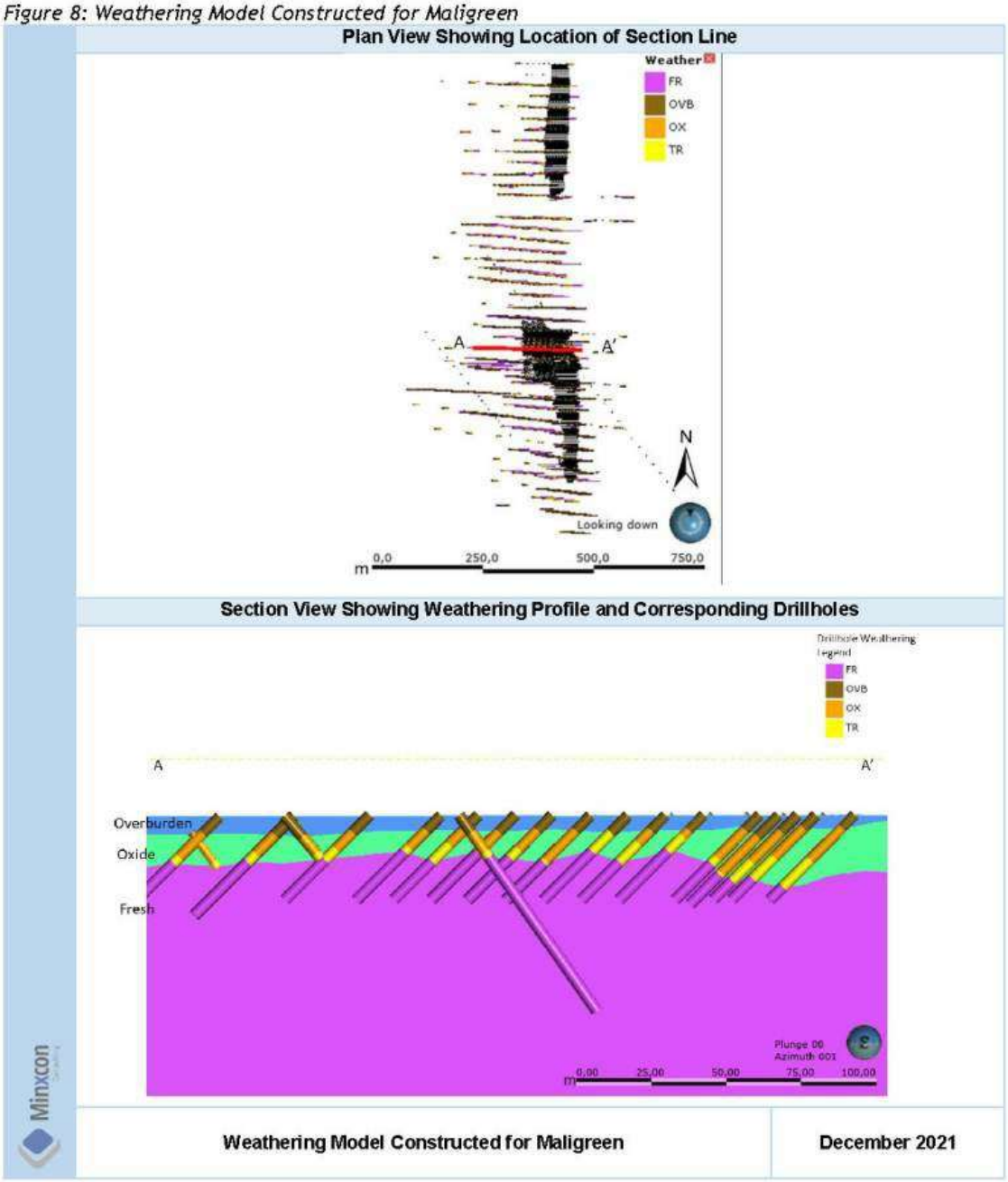


The Quartz-eye porphyry is the host of mineralisation in the south, and as the mineralisation thickens to the south, reduced mineralisation and grade is seen, this is also visual when modelled (Figure 7). To the north, the feldspar porphyry dykes are the main host to mineralisation. In the south, grade drops off as the mineralisation thickens. To the west, into the splay north and splay south domains, the primary host rocks are andesite, agglomerate, tuff, basalt and dolerite. For the north and south domains, mineralisation is also seen in multiple host rocks aside from the main porphyries.

III. Weathering Model

As part of the modelling, the data available for the weathering degree of the rock was utilised to establish a weathering profile (Figure 8). The Kalahari sand, and top of sulphide zone can be established by available information. A transitional zone may be possible between the oxide and sulphide zones, however this is poorly defined and previous workers have combined the oxide and transitional data together. For Maligreen the oxide and transitional zones are combined. In addition, splitting up into oxide and transitional zones does decrease the samples available per domain for estimation, not allowing for the creation of variograms in some domains. The geological model generated for the weathering profile was utilised to populate the densities into the block model, as density measurements have been specified per weathering zone.

Figure 8: Weathering Model Constructed for Maligreen



IV. Mineralisation Halo Construction

Due to mineralisation not being hosted by individual lithologies, grade halos were utilised to model the mineralisation observed at Maligreen. An Indicator Interpolant Numeric Function in Leapfrog Geo was utilised to delineate the mineralisation at Maligreen. As observed with the lithological model, the four structural domains can be characterised by distinct host lithologies (Figure 9), as well as distinct orientations of mineralisation. The constructed grade halos can be seen in Figure 9.

Various setups and orientations were tested during the generation of the grade halos to get the result to best reflect the data. The structural orientations were guided by the work by Dirks (2001) as well as the trends that were obtained directly from the data, allowing the delineation of a north trending north and south domain, as well as two northwest trending Splay domains (Figure 9). Sections through the Maligreen grade halos are shown in Figure 10.

Figure 9: Grade Halos per Domain (left) Compared to Lithological Model (Right) Constructed for Maligreen

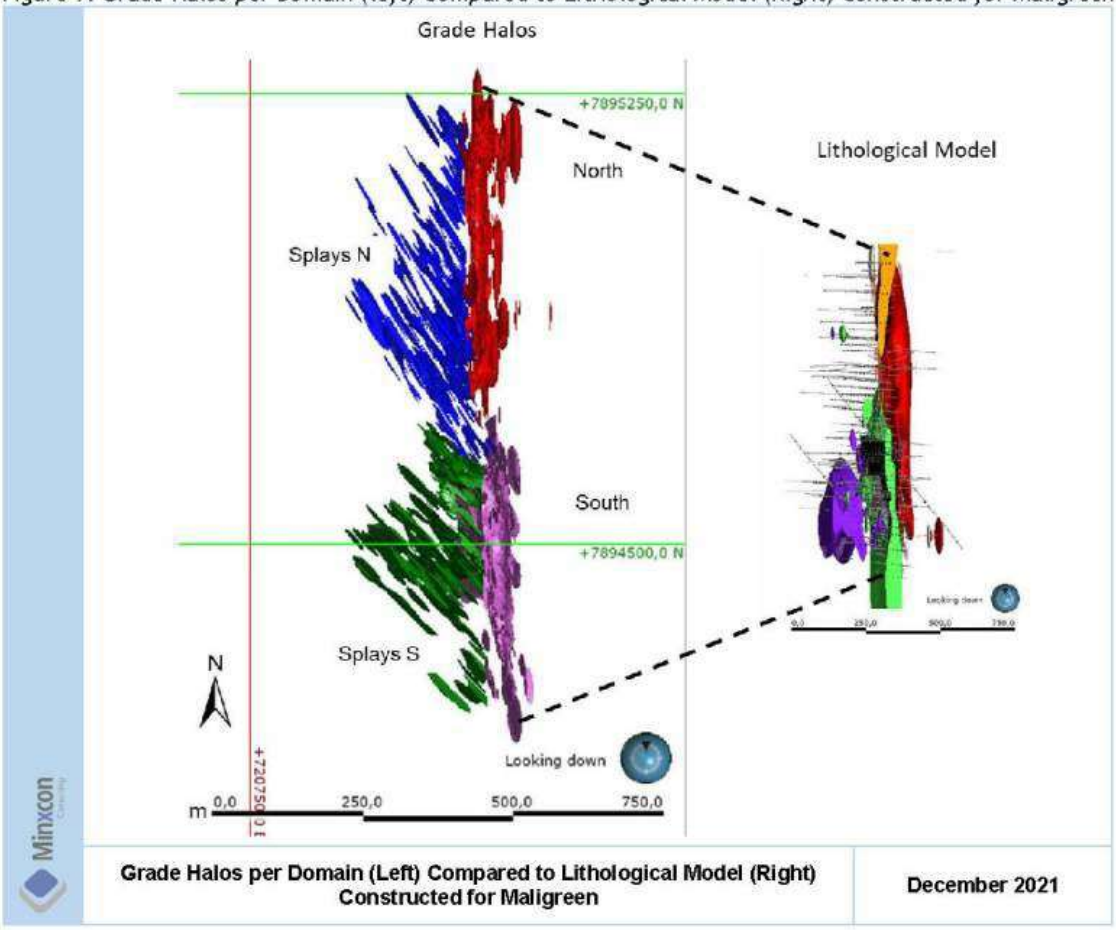
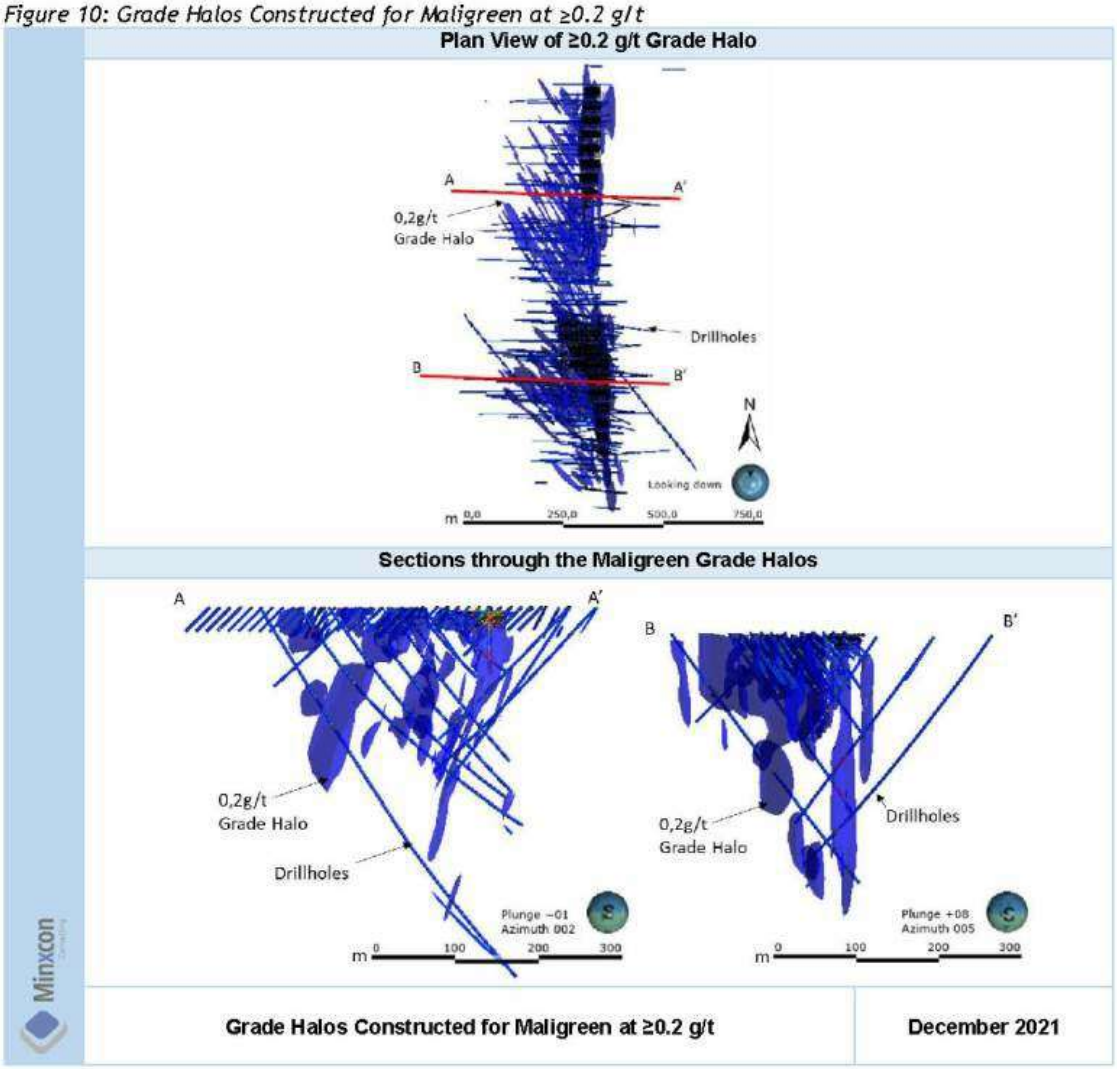


Figure 10: Grade Halos Constructed for Maligreen at ≥0.2 g/t



Previous versions of the geological model were available for comparison, during the construction of the grade halos, all other models were consulted to confirm trends and view change in interpretation. When viewing the previous versions, it was apparent that there were vast differences in interpretation between the different versions, particularly into the splay domains. The original 1998 model shows the closest correlation with the amount of mineralisation and grade that is seen by the 2021 grade halos, although it has been interpreted in 2021 that the splays are more continuous, in line with the directions seen in the work by Dirks (2004). In all images the 2021 geological model is shown semi-transparent for ease of comparison.

ITEM 7 - EXPLORATION

Item 7 (a) - NON-DRILLING WORK

I. PROCEDURES AND PARAMETERS

Regional Surveys

Regional aeromagnetic and ground geophysics surveys were conducted prior to discovery of the target.

Geodass (Pty) Ltd of South Africa flew a helicopter-borne survey over the sand-covered areas at a line spacing of 150 m and a mean flight height of 80 m. The first derivative maps of the Canadian International Development Agency ("CIDA") and Geodass survey were linked together to enable regional interpretation. The geological data derived from the detailed aeromagnetic surveys became the basis for ground exploration.

Ground magnetics was utilised to identify aeromagnetic anomalies on the ground. The horizontal loop electromagnetic ("HLEM") and induced polarisation ("IP") methods were utilised on selected areas in search of massive and disseminated sulphides. During this programme, several drilling targets were generated.

Surveys Leading to Discovery

More localised ground magnetic, electromagnetic and induced polarisation ("IP") surveys were undertaken the led to the discovery of the Maligreen target.

Total field magnetic readings were recorded on a 50 m x 12.5 m grid to map out geology and structures. This was also used to locate aeromagnetic anomalies on the ground (Reunion, 1998).

The horizontal Loop Electromagnetic survey was carried out at a line spacing of 100 m and readings at 25 m interval. Two frequencies of 444 Hz and 1,777 Hz readings were recorded with an Apex MaxMin II instrument at 150 m coil separation. Numerous weak conductors trending north and northeast were identified as shear zones.

A 7.5 kW IPC7 Scintrex Transmitter and an IPR10A receiver were utilised to survey lines at 100 m intervals for the IP survey. A pole-dipole array was utilised at a dipole spacing of 50 m, n = 1 to 4. A long formational, high apparent chargeability zone was defined trending east - west, south of Maligreen gold soil anomalies. The anomaly splays onto the south zone of the Maligreen deposit.

Surveys Post-Discovery

Once the Maligreen target was identified, targeted ground magnetic, electromagnetic and surveys were undertaken.

Total ground magnetic field readings were recorded over the entire 8 km long grid, at 5 m intervals on lines 25 m apart over lines 0 to 1400N and at 5 m line intervals elsewhere. A base station method was used to correct for diurnal variation. The most intense magnetic anomalies in the north zone are due to magnetite rich basalts. Lying just west of the south zone (L275N) is an east-west orientated weaker magnetic anomaly due to a porphyritic andesite (Quartz Porphyry), (Mtetwa, 2007).

Geophysics GPR (Pvt) Ltd undertook the electromagnetic HLEM surveys and coverage is over 2.4 km of the base line (line 0 to 2400N) and extends 400 m west and 300 m east of the base line. A Max-Min II HLEM unit

was used at a 150 m coil separation and readings were recorded at frequencies of 444 Hz and 1777 Hz at 12.5 m station intervals.

IP surveys were carried out at a line spacing of 50 m over the Maligreen deposit and 100 m over the rest of the grid. A 25 m pole-dipole array was used for n=1 to 6. The IP response is generally weak to moderate and follows the known mineralisation as well as the main zone. Resistivity highs coincide with the quartz sericite zone and the quartz-eye-porphyries intersected in the drillholes.

II. Sampling Methods and Sample Quality

Exposed areas were explored by systematic -20 mesh bottle roll soil gold geochemistry on a grid of 400 m x 50 m. Additional zinc and copper assays were carried out on selected areas.

Regional Spiral Concentrate

A large 40 kg to 50 kg soil samples which were collected on a grid of 400 m x 50 m g were panned and spiral concentrated. Fire assay followed by atomic absorption spectrometric reading was carried out on the residual heavy minerals to enhance gold anomalies in sand cover areas.

Soil Geochemistry - Leading to Discovery

A bottle roll gold in soil sampling survey was carried out on a grid of 100 m x 25 m over the spiral concentrate anomaly. Three distinct anomalies emerged, representing the Maligreen deposit, Mkhomo (east of Maligreen deposit) and Khozi targets (southeast of Maligreen deposit). Khozi is the most intense anomaly, followed by Mkhomo, then Maligreen. Maligreen deposit is the weakest due to thicker Kalahari sand cover.

Pitting - Leading to Discovery

Pitting was carried out to verify selected geophysics and gold in soil anomalies. The best assay was 2.64 g/t Au in altered and gossanous quartz-eye-porphyry at the bottom of a pit. This is located about 150 m south and on strike with the Maligreen main zone.

Trenching - Post Discovery

Four trenches were dug using a mechanised digger. These trenches were dug to establish the orientation of the mineralisation and investigate the underlying geology. Gossanous zones were exposed in these trenches; however, trenching was abandoned due to sandy walls starting to collapse.

Pitting - Post Discovery

Initially, limited pitting was carried out to investigate geology and mineralisation and later for geochemical research and bulk oxide sampling. The pit was dug to a depth of 14.5 m deep in the south and 8 m deep in the north to investigate, collect and test the oxide orebodies.

High Sensitivity Soil Geochemistry - Post Discovery

A "high sensitivity" soil sampling technique was developed by Reunion specifically to test for gold mineralisation beneath Karoo/Kalahari sediments. The technique involves deflation layer sampling and sieving to -53 micron, followed by gold extraction by aqua regia digestion. The gold is concentrated by Di-Isobutyl-Ketone ("DIBK") and analysed by graphite furnace to ppb level. Sampling was done at 100 m by 25 m centres. The soil anomaly closely defines the Maligreen main gold mineralisation, peaking at 1,300 ppb.

The anomalous "high sensitivity" gold geochemistry trend stretches for 3.3 km, with several parallels and cross cutting trends. The gold anomaly amplitude fades to the north due to increasing overburden thickness and probable leaching of gold in the weathered horizon. Trial profile soil sampling at 10 m interval, to resolve individual gold zones within the broader grid anomalies, has limited success in optimising the drilling (Reunion, 1998).

Pit Floor Sampling

Below is an extract from Pit Floor Sampling Procedure followed during Pit Sampling:-

- *A base line is established in the area by the survey department. The line is orientated northwest - southeast direction, which is parallel to the strike of the orebodies. The rip lines are perpendicular to the base line and are fixed on the Universal Transverse Mercator ("UTM") coordinate system.*
- *The rip lines are spaced 5 m apart across the strike of the orebody.*
- *Sample spacing along each rip line is 1 m. Each sample is a 1 m long channel.*
- *The rip lines are now accurately marked on the floor of the pit with paint or lime.*
- *The line is cleaned of all rubble and rubbish leaving uncontaminated in-situ weathered bedrock in a long zone about 30 to 40 centimetres wide.*
- *The samples are marked accurately at 1 metre intervals in preparation for channel sampling.*
- *New sample bags are appropriately labelled and placed on the corresponding channel ready to receive the sample. A sample ticket is also placed in the bag in case the markings are rubbed off the outside of the bag.*
- *The actual channel sampling is carried out using a hammer, chisel and catch pan. A channel cut 5 cm wide and 2 cm to 3 cm deep will be representative and generate about 2 kg to 3 kg of sample. All sampling equipment is cleaned between each sample.*
- *The channels in the oxide zones are no longer dug by an excavator. All rip line sampling is carried as above.*

III. Sample Data

Data pertaining to soil geochemistry was not available at the time of reporting.

IV. Results and Interpretation of Exploration Information

Geochemical Research - Post Discovery

After a successful application of the "high sensitivity" soil geochemistry, Dr Charles Okujeni (then of the University of Zimbabwe, Geology Department) was contracted to research the nature and causes of anomalous concentrations of gold in soil anomalies over the Karoo and Kalahari sediments covering Maligreen and surrounding areas. The area of study was about 11 km x 10 km and covers Maligreen deposit. Soil and pit profile, percussion drill chip and diamond drill core were logged and analysed, thereafter it was concluded that Anomalous god in the Kalahari sands was introduced by the laterisation of the Karoo sandstone enriched with gold in the ferruginised zone followed by degradation and homogenisation of this old lateritic surface with the Kalahari sand deposited later. The gold is associated with Fe-Mn oxides and hydroxides and secondly, the gold is enriched in the "stone line" near surface and can be sampled by drilling shallow holes into it. The -32-micron fraction (compared -63 micron) enhances gold anomalies due to the removal of coarse Aeolian quartz (Mtetwa, 2007).

Item 7 (b) - DRILLING

I. TYPE AND EXTENT OF DRILLING

Between 1995 and 1998, three types of drilling were undertaken on behalf of Reunion at Maligreen, namely percussion, RC and diamond drilling.

Percussion drilling was conducted in two phases. In August 1995, the initial percussion drilling phase was undertaken by Drillwell (Pvt) Ltd. A total of 369 drillholes totalling 15,385 m were drilled during the initial phase. These drillholes were drilled at an inclination of -45° to a depth of between 40 m and 50 m.

An additional 231 percussion drillholes totalling 17,299 m were drilled during phase 2 percussion drilling. Drilling was undertaken by Resource Drilling (Pty) Ltd. The percussion drillholes were drilled with a 6.5-inch hammer to a depth of approximately 24 m and then reduced to 4.5-inch hammer thereafter till the end of drillhole. During this phase, R.A. Longstaff (Pty) Ltd drilled seven RC drillholes totalling 815 m. The RC drillholes were drilled to a depth between 110 m and 175 m towards the 104.5° magnetic bearing. An attempt to drill RC drillholes to a depth of 200 m was unsuccessful and three RC drillholes were utilised to pre-collar diamond drillholes, but this was abandoned due to expensive delays in setting up a diamond drill rig over the RC drillhole. Details pertaining to the diameter of the RC drillholes was not available at the time of reporting. A total a total 607 percussion and RC drillholes totalling 33,499 m were drilled between 1 August 1995 and 21 November 1997.

Diamond drilling at Maligreen Project were conducted in three phases. The first diamond drilling phase was drilled by R.A. Longstaff (Pty) Ltd. A total of 23 drillholes totalling 3,851.83 m were drilled during the first phase of diamond drilling. R.A. Longstaff (Pty) Ltd drilled conventional TBW core size (42 mm), using Sullivan 22HW drill rig. All drillholes were drilled towards the west at -45° dip.

During phase 2 diamond drilling, a total of 57 diamond drillholes totalling 18,076.92 m and two deflections totalling 119.60 m were drilled using BQ core size diameter (36.4 mm). Additional three diamond drillholes totalling 237.06 m were drilled during this phase and this drillholes were collared with HQ core size (63.5 mm) and the NQ core size (47.6 mm) to the end of drillhole.

A total of 18 diamond drillholes totalling 5,119.52 m and one deflection totalling 48.62 m were drilled using BQ core size diameter during phase 3 diamond drilling. Additional six diamond drillholes totalling 410.31 m were drilled and these drillholes were collared with HQ core size and then NQ core size to the end of drillhole. Six more drillholes totalling 1,230 m were drilled and these drillholes were drilled with NQ3 (45 mm) and NQ core size diameter (five drillholes). A grand total of 113 diamond drillholes totalling 28,925.64 m and three deflections totalling 168.22 m were drilled between 1 October 1995 and 10 February 1998. Phase 2 and phase 3 diamond drillholes were drilled by Geosearch (Pty) Ltd ("Geosearch").

Between 21 and 30 March 2001, Drillwell Partnership was commissioned by Pan African to undertake RC drilling programme at Maligreen Project. During this period, a total of 19 RC drillholes totalling 558 m were drilled. The depth of the drillholes varied from 20 m to 36 m. All drillholes were angled from -45° to -90° and drilled on an azimuth of either 90° or 270°.

The second RC drilling phase commenced on the 22 May 2001 and was completed on the 30 May 2001. During this period, a total of 16 RC drillholes totalling 480 m, averaging 30 m each were drilled. During this phase, all drillholes were drilled by Drillwell Partnership. Details pertaining to the RC diameter was not available at the time of reporting. Table 1 below presents a summary table of all the drilling campaigns at Maligreen Project.

Table 1: Summary of Drilling Campaigns at Maligreen Project

Type	Phase	Year	Contractor	Core Size	No. of Drillholes	Metres Drilled m	No. of Deflections	Metres Drilled m
Percussion	1	1995 - 1997	Drill Well	-	369	15,385.00	-	-
Percussion	2	1995 - 1997	Source	-	231	17,299.00	-	-
RC	2	1995 - 1997	RA Longstaff	-	7	815.00	-	-
Diamond	1	1995 - 1998	RA Longstaff	TBW	23	3,851.83	-	-
Diamond	2	1995 - 1998	Geosearch	BQ	57	18,076.92	2	119.60
Diamond	2	1995 - 1998	Geosearch	HQ, NQ	3	237.06	-	-
Diamond	3	1995 - 1998	Geosearch	BQ	18	5,119.52	1	48.62
Diamond	3	1995 - 1998	Geosearch	HQ,NQ	6	410.31	-	-
Diamond	3	1995 - 1998	Geosearch	NQ3, NQ	6	1,230.00	-	-
RC	1	2001	Drillwell Partnership	-	19	558.00	-	-
RC	2	2001	Drillwell Partnership	-	16	480.00	-	-
Total Percussion Drillholes					**600**	**32,684.00**	**-**	**-**
Total RC Drillholes					**42**	**1,853.00**	**-**	**-**
Total Diamond Drillholes					**113**	**28,925.64**	**-**	**-**
Total Drillholes					**755**	**63,462.64**	**3**	**168.22**

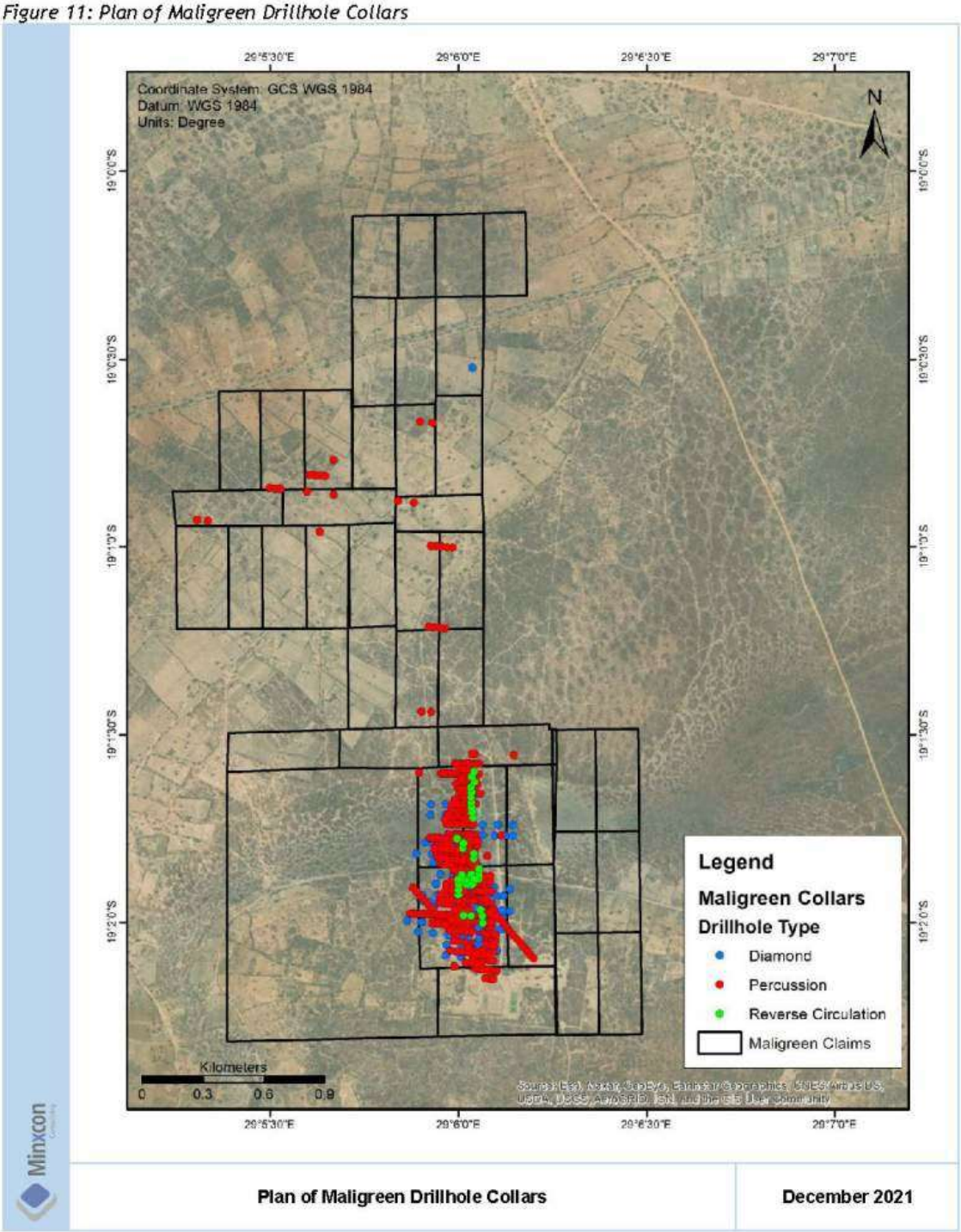
Between 1995 and 1998 drilling, drillhole collars were survey by qualified contractor, Advanced Positioning Systems using a differential global positioning system. The accuracy of the differential GPS is within 5 cm. RC drillholes drilled in 2001 were surveyed, however details pertaining to the collar survey instrument was not available at the time of reporting.

R.A. Longstaff (Pty) Ltd surveyed diamond drillhole MG1 to MG25 (excluding MG23) on completion and at 50 m interval using acid bottle. Geosearch also downhole surveyed their drillhole on completion at 50 m interval using a Sperry-Sun instrument. However, due to severe deflections in some drillholes, it was decided to survey the drillholes as they were being drilled.

BPB Wireline Services Ltd was commissioned to undertake downhole survey on selected drillholes. BPB Wireline Services Ltd utilised a "verticality" in conjunction with a "dipmeter" probe to survey the trace of drillholes. The verticality measures the orientation of the drillholes and the dipmeter measures the orientation of the plane (foliation and shears) within the hole. A total of 27 percussion drillholes within the main mineralised zones were selected for survey. All RC drillholes were surveyed as they were long and deflected significantly. Most of the percussion drillholes were drilled to an average depth of 40 m and were quite straight, so only few drillholes were selected for survey. All diamond drillholes were resurveyed by BPB Wireline Services Ltd, except for those that were found to be blocked. These surveys were more accurate since the readings were taken at 10 cm interval (Reunion, 1998).

A plan view of the drilling distribution by drilling type is provided in Figure 11.

Figure 11: Plan of Maligreen Drillhole Collars



II. Factors Influencing the Accuracy of Results

Owing to unavailability of the drillhole recovery data, the QP could not assess the drillhole recoveries. Beside drillhole recoveries and quality assurance and quality control ("QAQC") data, the QP is not aware of

any drilling or sampling factors that could materially impact the accuracy and reliability of the exploration results with respect to percussion, RC and diamond drilling. The QP however downgraded the Mineral Resource classification to Inferred due to the lack of QAQC data and the historical nature of the data. Confirmatory drilling is recommended to improve the confidence in the drilling data.

III. Exploration Properties - Drill Hole Details

This section is not applicable to the Maligreen Project as it is an advanced exploration property with extensive drilling data within the limits of the project area (755 drillholes) to declare the Mineral Resource estimation. Table 1 summaries the number of percussion, RC and diamond drillholes that were drilled within the limits of the Maligreen Project. Table 1 also presents the number and type of the drillholes drilled per company as well as the year in which the respective drilling metres were drilled.

Item 7 (c) - Hydrogeology

No hydrogeological investigations have been undertaken for the subject property.

Item 7 (d) - Geotechnical

No geotechnical investigations have been undertaken for the subject property.

ITEM 8 - SAMPLE PREPARATION, ANALYSES AND SECURITY

The sampling information has been sourced from the Reunion Mining report (1998) and pertains to the Reunion Mining period.

Item 8 (a) Sample Handling Prior to Dispatch

I. 1995 - 1998 Percussion, RC and Diamond Drilling

RC samples were collected at 1 m interval through a cyclone into a 280 mm by 480 mm, 100-micron thick polyweave bags. The chip samples from each drilled 1 m interval were thoroughly mixed by hand. A riffle splitter or cone and quartering was used to split the samples into three 2 kg, and another portion of the mixed samples was washed, and handful placed in a compartmentalised wooden box on a metre basis for logging purpose. On the completion of the hole, one of the three 2 kg sample collected from each metre drilled was dispatched to a laboratory for analysis and the rest was stored for future reference. A geologist logged the washed chips for overburden thickness, depth of weathering, alteration, lithology, and mineralisation. The chips were stored in their compartmentalised wooden boxes for future reference. The project geologist would then re-examine the chips to verify the logging and to digitise the geology for the Surpac database.

During diamond drilling, drill core was logged as it was drilled. Diamond drill core logging included overburden thickness, depth of weathering, lithology, lineation, contacts, degree of shearing, alteration, and mineralisation. Geotechnical logging was also carried out on selected drillholes. Geotechnical logging included RQD, fracture analysis, matrix type, weathering, hardness, joint fracture condition, in-filling type, and joint wall alteration. Mineralised or altered drill core was cut in half using a diamond saw. During the initial diamond drilling phase, sampling intervals were up to 1 m and reflected the style of mineralisation as well as the lithological boundaries. During the second phase, sample intervals were standardised to 1 m interval without crossing lithological boundaries. The samples were placed in a sample plastic bag with a unique sample number for each sample and the dispatched to the laboratory for analysis. Field duplicates were taken every sixth sample by quartering the sample. On completion of the drillhole, the project

geologist would then re-examine the core to check the geological logging and to capture the geology in the Surpac database.

II. 2001 RC Drilling Programme

Samples were collected every 1 m from a cyclone down the drillhole. At the end of each metre, the drillhole was quickly blown out before the next sample was drilled, this was done to minimise sample contamination from one sample to the other. The samples were collected in 50 kg poly-sacs through a cyclone. Approximately 15 kg to 30 kg of sample was achieved from each metre drilled depending on the dryness and rock type encountered. More sample weight was recovered in fresh sulphide ore. Each one metre sample was riffle split in the field to approximately a quarter to an eighth of the original volume of the sample. Sample was then packed into a plastic bag and then sent to laboratory. A portion of the sample was washed in water using a flour strainer and examined with a geological hand lens (10x loupe). The RC chip logging included rock type, alteration, structure, and mineralisation.

Item 8 (b) - Sample Preparation and Analysis Procedures

Drilling at Maligreen Project was conducted in four phases or campaigns and during the first three campaigns (1995 - 1998 Percussion, RC and diamond Drilling by Reunion), samples were analysed for gold by fire assay with atomic absorption spectrometer at the primary SGS Zimlab (Pty) Ltd ("SGS"). SGS's accreditation status is unknown. SGS is located at Unit 4 Steven Drive, Msasa, Harare, Zimbabwe. Mintek Analytical Services Division ("Mintek") and Gencor Process Research (then trading as Billiton Process Research) laboratories in Johannesburg, South Africa were utilised to check the SGS assay results. Gencor Process Research's accreditation status is unknown. Mintek is located at 200 Malibongwe Drive, Randburg, South Africa. Mintek is South African National Accreditation System ("SANAS") accredited testing laboratory (facility accreditation number: T0042), and the laboratory operates a quality system according to the ISO/IEC 17025:2017.

Sample preparation at SGS laboratory was as follows:-

- The entire sample received was dried and crushed in a jaw crusher to 6 mm.
- 500 g of the above crush was split out and pulverised to -75 µm in a C1000 labtechnics homogenising mill.
- 30 g of pulverised material was mixed with appropriate flux containing litharge, soda ash, borax and a reducing agent (usually flour). Silver is added as a co-collector.
- The fluxed sample was fused at 1,050° C for approximately 45 minutes, until the melt was still, and then poured into conical steel moulds.
- The elemental lead containing the precious metal cools at the bottom of the mould, while other constituents form a boro-silicate glass or slag, which may be easily removed after cooling.
- The lead "button" is cleaned of remains of slag and placed in a cupellation muffle at 950° C where lead is absorbed into a cupel, leaving a silver/gold prill or doré.
- At SGS Zimlab, this prill is digested with Aqua Regia (3:1 HCL/HNO3) and gold in the solution determined by atomic absorption spectrometry (Reunion, 1998).

The +6 mm coarse crushed and pulverised diamond drill core samples from significant intersection returned from SGS as well as additional quartered core from the remaining half core were dispatched to Glencore Process Research. A total of 315 core samples were dispatched to Glencore Process Research for metallurgical test works, however prior to the metallurgical test work, all samples were fire assayed for gold.

Sample preparation at Glencore Process Research was as follows:-

- On arrival to the laboratory, samples were emptied into metal pans and dried overnight at 105°C (at 50°C if sulphur analyses were required)
- Samples were milled in LM-2 mills (made by Labtechnics, Australia) to nominal -75-micron fraction.
- Sample was spread, matted and a 50 g dip sample removed for fire assay with a gravimetric finish. 10% duplicates as well as standard material (as checks) were incorporated.
- The sample was mixed in a handheld mixer, placed in a No. 4 crucible with 205 g flux, adjusted for matrix, and 0.2 mg silver added as a carrier and fused for 40 minutes at a temperature of 1,050°C.
- The fluid fusion was poured into an iron mould, cooled, inverted and the lead button (approximately 50 g - 60 g) was removed and cleaned by hammering. The lead button was placed in a pre-armed cupel (made from magnesite) in a muffle set at 960°C - 980°C.
- After cupellation, the prill remaining was flattened, and the silver removed by HNO3 leaching in a porcelain crucible.
- After decantation of the leach solution, the remainder of the prill consisting of gold only was dried, annealed and weighed
- The mass recovered was reconciled with the original mass and reported as g/t Au (Reunion, 1998).

During the 2001 RC drilling campaign, samples were collected and dispatched to non-accredited Pan African Laboratory located in Kwekwe. At Pan African Laboratory, the samples are dried before being pulverised in an old disc pulveriser. To obtain a maximum benefit of the digestion, pulverised sample should be 90% passing -75µm, but a sieve analysis of selected samples showed that material from Kwekwe sample preparation seldom reach 90% and could be as bad as 34% passing -75µm. A 20 g subsample of pulverised sample was the split off and dissolved in an aqua regia followed by atomic absorption spectrophotometry ("AAS") aspiration. A total of 122 duplicate samples were assayed at non-accredited Antech Laboratory (during the time of drilling) over the two drilling programmes (Mawson, 2001). Antech Laboratory is located at 6 KM PEG, Mvuma Road, Kwekwe, Zimbabwe. Antech Laboratory is a Southern African Development Community Cooperation in Accreditation ("SADCA") accredited testing laboratory (facility accreditation number TEST-5 0030), and the laboratory operates a quality system according to the ISO/IEC 17025:2017. Note that Antech laboratory's original date of accreditation is 1 December 2017.

Item 8 (c) - Quality Assurance and Quality Control

I. 1995 - 1998 QAQC Programme

Limited data is available pertaining to the QAQC undertaken during 1995-1998 and 2001 drilling programmes.

A total of 47,790 percussion, RC and diamond drillhole samples including checks, controls and repeats were assayed. The QAQC protocol which was implemented during 1995 - 1998 drilling programme was that, routinely, one in 25 percussion samples and one in every six diamond drill core samples were duplicate samples. The core duplicates were produced by means of quartering the drill core. The duplicate samples were given a separate ticket number and submitted for assay to SGS. The duplicate repeats are known as RMZ1. RMZ2 were the laboratory repeats on the RMZ1 samples.

A total of 2,382 chip and core duplicate samples were analysed for gold at SGS laboratory. The results of the initial duplicate repeats show poor correlation with correlation coefficient ("R") of 0.7301. The average original gold assay was 10% higher than the average repeat gold assay. The results of the second duplicate repeats (475 samples) showed average correlation with correlation coefficient of 0.7763. The average original gold assay was 8% higher than the average second repeat gold assay.

The following are additional applicable procedures and results of the 1995-1998 QAQC programme:-

- Four control/standard samples were locally prepared from compositing of percussion samples from various mineralised drillhole, usually several hundred kilograms. The whole sample was mixed thoroughly in drums, placed on a concrete surface, and then mixed again by hand. 20, approximately 2 kg, representative samples were collected and dispatched for fire assay with AA finish, to determine the average grade of the control sample. Once the assay value of the control sample was known, it was then given a number and could then be used. Five control samples (CMG1 - CMG4) and fifth one known as "control" were utilised during the sampling. The "control" sample was a composite of CMG1 to CMG4 controls (Reunion, 1998).
- The control samples were place one in every 35 percussion samples and no control samples were inserted in the diamond core samples. The control samples were bagged and ticketed and submitted to SGS Zimlab along with the percussion drill sample.
- The standard value and the standard deviation of the control samples was not available at the time of reporting.
- A total of 93 CMG1 standard samples were analysed for gold at SGS laboratory. The results of the initial standard repeats show average correlation with correlation coefficient of 0.7101. The average original CMG1 gold assay was 2% higher than the average initial CMG1 repeat gold assay.
- There was no correlation between the original CMG1 and second CMG1 repeat assay (R = 0.1166). The average original CMG1 gold assay was 15% higher than the average second CMG1 repeat gold assay.
- A total of 33 CMG2 standard samples were analysed for gold at SGS laboratory. The results of the initial standard repeats show average correlation with correlation coefficient of 0.8391. The average original CMG2 gold assay was 22% lower than the average initial CMG2 repeat gold assay.
- The average original CMG2 gold assay was 82% lower than the average second CMG2 repeat gold assay.
- A total of 16 CMG3 standard samples were analysed for gold at SGS laboratory. The results of the initial standard repeats show average correlation with correlation coefficient of 0.8600. The average original CMG3 gold assay was 7% higher than the average initial CMG3 repeat gold assay.
- The results of the initial CMG4 standard repeats shows average correlation with correlation coefficient of 0.8081. The average original CMG4 gold assay was 2% lower than the average initial CMG4 repeat gold assay.
- There was no correlation between the original CMG4 and second CMG4 repeat assay (R = 0.3831). The average original CMG4 gold assay was 4% lower than the average second CMG4 repeat gold assay.
- The results of the initial control standard repeat show good correlation with R of 0.9506. The average original control gold assay was 9% higher than the average initial control repeat gold assay. There was no correlation between the original control and second control repeat assay (R = 0.4621). The average original control gold assay was 24% higher than the average second control repeat gold assay.
- Laboratory repeats were done at SGS when the laboratory was not satisfied with an assay value, especially anomalous assay value > 0.5 g/t two assay repeats were done to obtain a satisfactory assay result.
- The results of the initial sample repeats show reasonable correlation with R of 0.9082. The average original gold assay was 3% higher than the average initial sample repeat gold assay. A total of 5,877 samples were repeated.
- A total of 1,247 samples were re-assayed for the second time. The results of the second sample repeat show average correlation with correlation coefficient of 0.8258. The average original sample gold assay was 11% higher than the average second sample repeat gold assay.

- A total of 38 significant gold intersections were submitted to Mintek for check assay. Of these 38 samples, five samples were RC chips, and 38 samples were diamond drill core samples. However, data pertaining to the umpire samples submitted to Mintek were not available at the time of reporting, hence the QP could not generate the umpire QAQC graph for Mintek.
- The +6 mm coarse crushed and pulverised diamond drill core samples from significant intersection returned from SGS as well as additional quartered core form the remaining half core were dispatched to Glencore Process Research. A total of 315 core samples were dispatched to Glencore Process Research for metallurgical test works, however prior to the metallurgical test works, all samples were fire assayed for gold. The umpire samples presented average correlation with correlation R of 0.7972. The average gold assay grade at SGS laboratory was 6% lower than the average gold grade at Glencor Process Research.

II. 2001 Drilling

No blanks nor standards were submitted for assay during the 2001 drilling programme. During this phase, the QAQC procedure was differed from the 1995-1998 QAQC procedure: the first assayed sample was reported and then the duplicate was requested from the pulp split. A total of 122 duplicate samples were assayed over the two drilling programmes.

High grade oxide and sulphide RC chip samples were selected for umpire samples and dispatched to Antech laboratory for gold analysis by fire assay. A total of 52 high grade pulp samples were submitted for umpire samples at the Antech Laboratory. The umpire samples presented a good correlation with R of 0.9336. The average gold assay grade at Kwekwe laboratory was 8% lower than the average gold grade at Antech laboratory.

Item 8 (d) - Adequacy of Sample Preparation

This section sets out the opinion of the QP regarding the adequacy of sample preparation, security, and analytical procedures. The repeat QAQC graphs shows that there generally was poor correlation between the original assays and the repeat assay, this is assumed to have been due to sampling preparation procedure and the use of different analytical methods at the primary laboratory and umpire laboratory. During 2001 drilling, aqua-regia was utilised at the primary Kwekwe laboratory and fire assay with AAS finish was utilised at the Antech laboratory.

The limited QAQC data available has highlighted shortcomings in the QAQC procedure and concerns about the accuracy of the analysis. Generally, the original assays returned higher grades than the umpire samples (approximately 10% higher). The QAQC concerns contribute to the Mineral Resource only declared as an Inferred category. A confirmatory drilling programme is necessary to improve the confidence of the historical drilling assay results to improve the Mineral Resource classification to either an Indicated or Measured Mineral Resource.

It is further recommended to re-assay the historical core that is available in the core yard after it has been catalogued and photographed and possibly relogged. This would also assist in improving the confidence in the historical database.

ITEM 9 - DATA VERIFICATION

Item 9 (a) - Data Verification Procedures

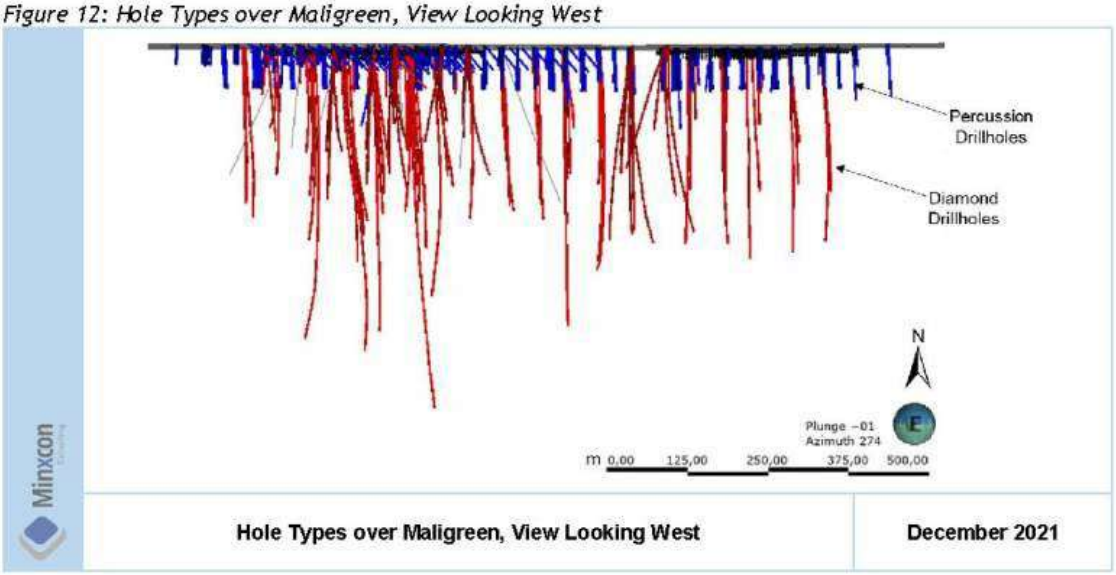
The various data types were compared to each other to determine if the datatypes were comparable and could be used for geological modelling or resource estimation. Percentile-percentile and quantile-quantile

plots were generated to compare the datasets. Utilising data from multiple data sources could result in issues such as sample support, differences in sampling and analytical procedures and varying quality of sample and analytical procedures, all which could introduce conditional bias to the estimate. The PP and QQ plots will be able to show if these data sources display similar data distributions. Due to the minor RC component in the database, only percussion and diamond drillholes were compared. The plots show that the percussion and diamond drillholes are comparable, with slightly higher grades seen in the percussion holes. Percussion and diamond drillholes were utilised for geological modelling and Mineral Resource estimation. A visual inspection of the data bases and holes of both sources plotting within the same areas does also reveal that grades of the two data types are comparable.

It is also noted that the percussion holes are shallow holes (<80 m on average), while diamond drillholes are deeper and account for informing the bulk of the deposit (Figure 12). The areas informed by percussion drillholes are also informed by diamond drillholes. For future work where a higher Mineral Resource Category is pursued (Measured, Indicated), an exercise can be performed to separate areas based on density of the difference hole types, and their relative confidence as an input into Mineral Resource Category definition.

The RC holes drilled as part of the 2001 campaign were not available digitally at the time of compiling the database and creating a geological model. Viewing the collars only shows that these holes cover the areas that are already well informed by existing drilling. These holes were also not included in either the 2007 or 2012 geological models or Mineral Resource estimation.

Figure 12: Hole Types over Maligreen, View Looking West



Item 9 (b) - Limitations on/Failure to Conduct Data Verification

There are limitations to the QAQC performed during the drilling campaigns and concerns with respect to the results of the QAQC. QAQC procedures generally are a combination of blanks, CRMs and duplicates to verify the precision and accuracy of the sampling procedures and laboratory processes. In the case of the Maligreen Project not all these QAQC sample types were included and the ones that were did not show good correlation or the information was not available. This is one of the reasons that the data was deemed of sufficient quality for an Inferred Mineral Resource classification only.

The QP completed data verification in terms of overlaps, gaps and location as much as possible. Any errors observed were rectified.

Item 9 (c) - Adequacy of Data

The data supplied is sufficient to generate a geological model. The percussion and diamond drillholes are of a sufficient quality and quantity to run a resource estimate over the project area. However due to the lack of QAQC and the use of the percussion drillholes, a maximum of Inferred Mineral Resource will be defined over the Project Area.

ITEM 10 - MINERAL PROCESSING AND METALLURGICAL TESTING

Item 10 (a) - Nature and Extent of Testing and Analytical Procedures

Historically, laboratory floatation tests were done, by Billiton Laboratories located in Springs, South Africa, (details of accreditation are unknown), on drill core sample. The goal was to show that the ore can produce a sulphide concentrate from which gold can be extracted with cyanide leaching after biological oxidation.

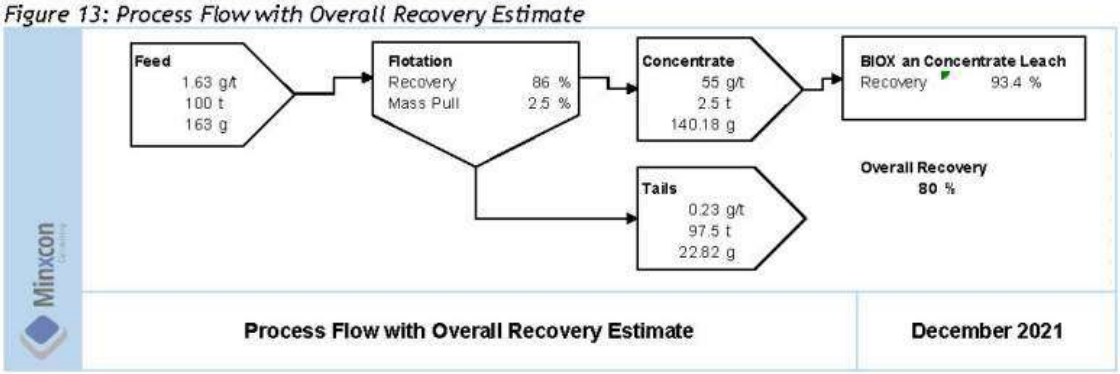
Testwork started with crushing and preparation of composites. Diagnostic leach was done to determine the gold deportment. Floatation tests were done to determine optimal conditions, and the optimal conditions were used in a bulk floatation concentrate test. This bulk concentrate was analysed and was also used for Biological oxidation ("BIOX®") tests. The flotation tailings were leached with cyanide.

The diagnostic leach tests showed that a significant portion of the gold is locked in sulphide minerals. Flotation produced a gold recovery of 95% for a range of 6 g/t to 14 g/t. The floatation concentrate grade was 55 g/t to 75 g/t. BIOX® of the concentrate was done over a period of 20 days to produce the extraction. The extraction achieved was as high as 98%, but a good extraction of 94% was already achieved after 7 days.

Item 10 (b) - Basis of Assumptions Regarding Recovery Estimates

The Mineral Resource grade is lower than those tested during the flotation tests, and although no loss of recovery was seen from 14 g/t to 6 g/t, the 1.63 g/t of the resource may well give lower flotation recoveries. A flotation recovery of 86% was therefore assumed. The average recovery for the two data points at 7 days residence time was used for the BIOX® recovery. This combination would give an overall recovery of 80% as seen in Figure 13.

Figure 13: Process Flow with Overall Recovery Estimate



Item 10 (c) - Representativeness of Samples and Adequacy of Data

Samples used in the floatation testwork came from 348 drill core samples which was crushed and assayed. The drill core samples were combined into 22 kg composites which was used for further testwork. The drill

cores are deemed to be representative of the orebody. Good practises were followed in the sample preparation and splitting process.

The data procedures and analyses carried out are considered adequate for the determination of Mineral Resources as presented in this TRS.

Item 10 (d) - Deleterious Elements for Extraction

No pre-robbing effect was seen during the diagnostic leach tests. Arsenic present in the ore was sufficiently oxidised in the BIOX® process to a stable ferric arsenate precipitate.

ITEM 11 - MINERAL RESOURCE ESTIMATES

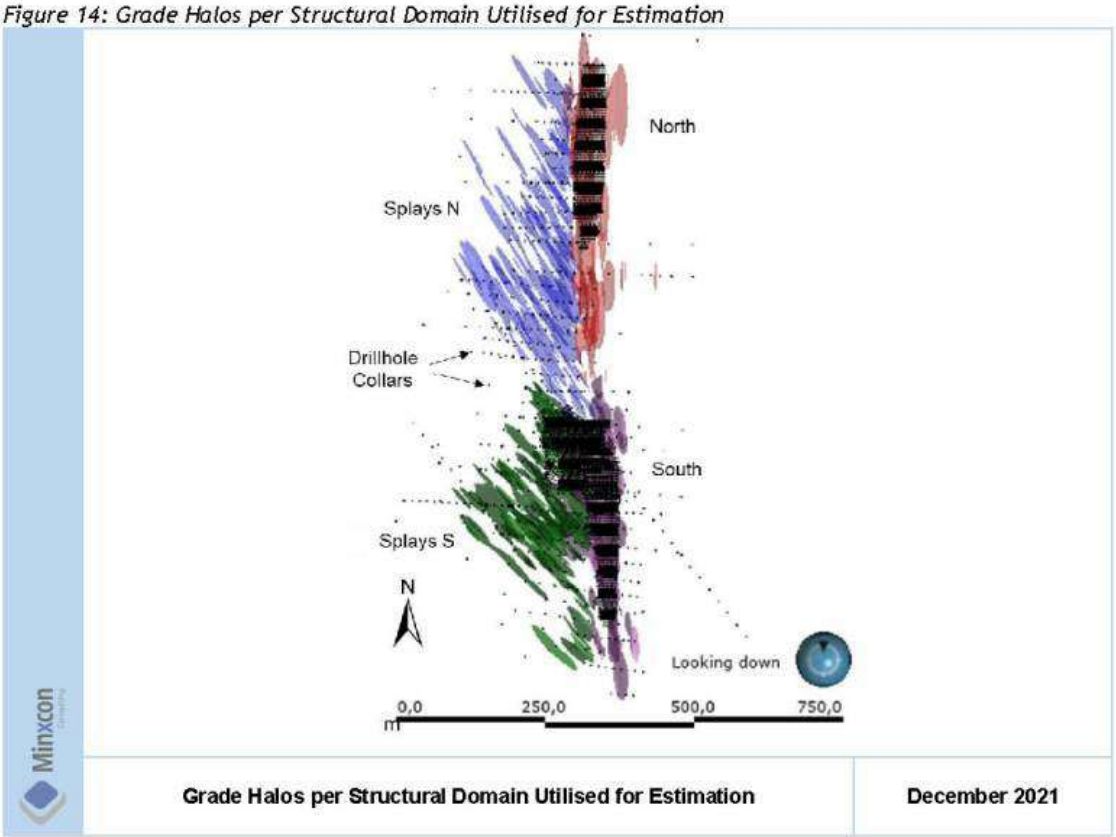
Item 11 (a) - Assumptions, Parameters and Methods Used for Resource Estimates

I. Mineral Resource Estimation Procedures

i. Domain and Data

The structural domains as defined under geological modelling (Figure 14), were utilised as geostatistical domains. These four domains were utilised with hard boundaries. Due to the comparable data distribution of the two datasets, both percussion and diamond drillholes were used.

Figure 14: Grade Halos per Structural Domain Utilised for Estimation



The weathering profile was also tested to assess its usefulness in defining additional domains and estimating each weathering zone per structural domain separately. Testing of sampling statistics and variography revealed little to no change in the statistics, however there were resulting poorer variogram ranges and decreased quality of estimation when utilising the weathering domains. This is likely the result of decreased samples available per domain, and disrupted continuity brought about by additional domains being utilised. The weathering zones were thus not used for defining geostatistical domains.

ii. Data Compositing and Statistical Analysis

All samples were composited to 1 m as it was the most common sample length. Compositing has had a minimal effect on the domain statistics.

iii. Outlier Analysis

Outlier analysis or capping is carried out during the variography and kriging stage to limit the influence that the ultra-high grades may have on the estimation of the surrounding areas. Top cuts were applied during the variography stage to prevent the excessive variances of the anomalously high grade from skewing the distribution away from the representative variance of the data distribution. Probability plots were utilised to identify anomalous grade values. Leapfrog Edge applied a top cut to estimation and a top cap for variography. For this estimation the same value was utilised for both. In addition, cutting curves are utilised as a test for the value applied for capping / cutting to check the effect the applied sample would have on the total metal within the dataset.

iv. Geostatistical Analysis and Variography

All variography was carried out in Leapfrog Edge.

v. Kriging Neighbourhood Analysis

Kriging neighbourhood analysis ("KNA") was undertaken to assess the optimal parameters for estimation in each of the separate domains. Different scenarios of minimum and maximum samples were run and the results plotted to define the estimation parameters for which the highest quality result can be kriged, this quality is measured by Slope of Regression ("SoR"), and kriging variance. The block sizes utilised for parent cell estimation were 5 m in x, 10 m in y and 10 m in z. This block size was chosen based on the requirements to enable an accurate representation of the data. The smaller block size in x was chosen to capture the variability in the shortest orientation of the orebodies. Sub-celling to 1 m was performed on the block models.

At lower search volumes, more samples are available (typically mining areas) a higher minimum and maximum can be used, while further from the well informed, the minimum and maximum samples will decrease to ensure more weighting is applied to nearby samples. An ordinary krig was employed for all estimates. The distance from samples and search volume used to inform the block model is reflected in the Mineral Resource classification.

vi. Grade Estimation

Ordinary kriging was run for all domains for all search volumes.

vii. Bulk Density

Density measurements were available for the different weathering zones. The QP utilised the same densities utilised during 1998 and 2012. It is noted that despite transitional and oxide being differentiated, oxide and transitional was often combined and considered together in previous estimates. For the 2021 estimate, due

to high variability in the data separating oxide and transitional, both were considered together with a single density (Table 2).

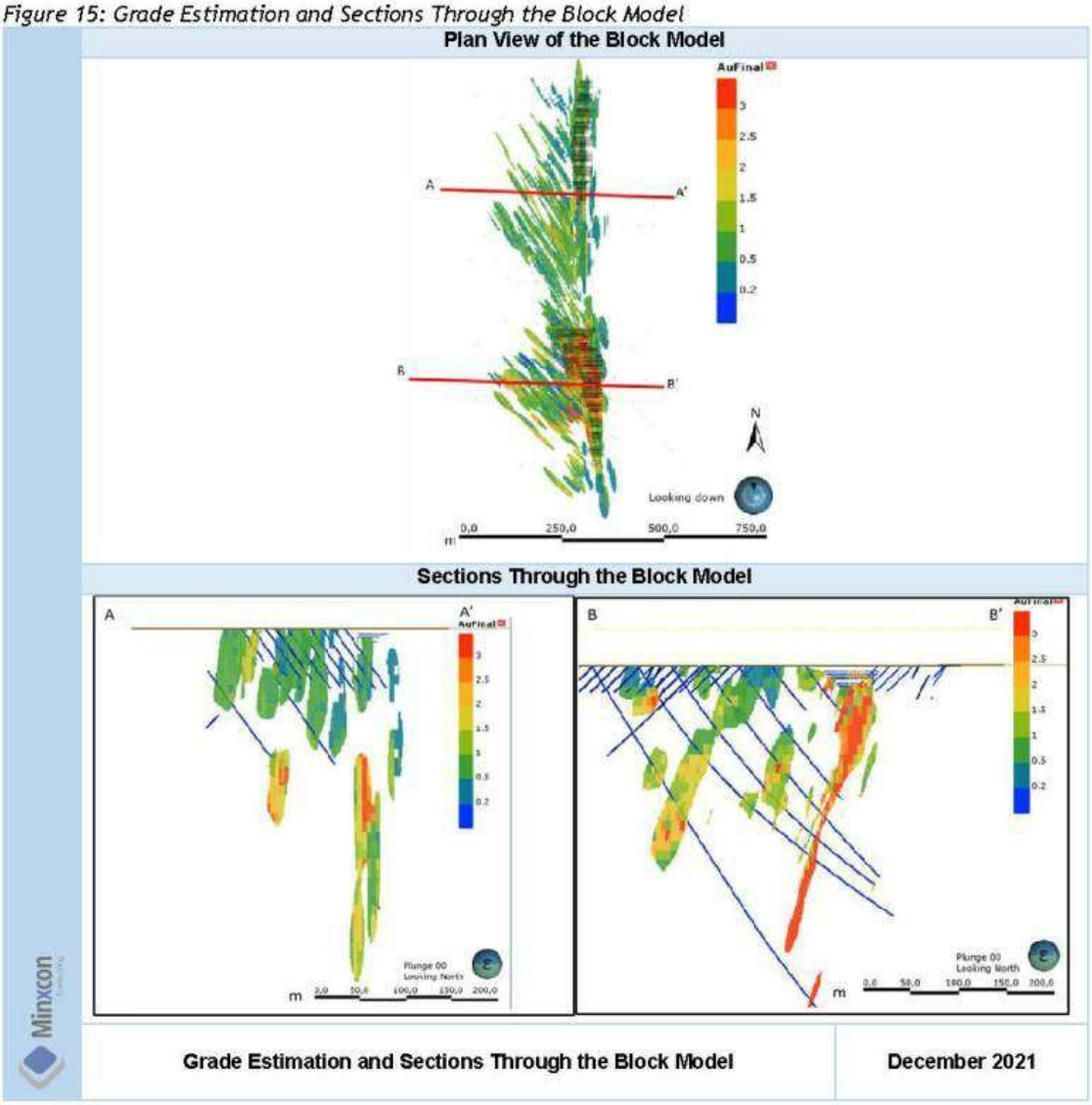
Table 2: Densities Utilised for Maligreen Mineral Resource Estimation

Model	Kalahari Sand	Oxide	Transitional	Sulphide
Reunion 1998	1.6	2.44	2.67	2.86
PAM 2007	Unknown	2.33	2.33	Main - 2.74 - Main FW and HW reefs
				Propylite - 2.82 - Middle reef in altered basalts
				Rhyolite - 2.64 - North Reef
				Splays - 2.74 - Silicified mylonitic shear zones
DMS 2012	1.6	2.44	2.67	2.86
Minxcon 2021	1.6		2.44	2.86

viii. Estimation Results

The estimation results were compared visually to the data to confirm continuity between the data and model. All images shown are of the un-depleted models with no additional filters applied. The estimates are shown in Figure 15 and reflect the data well. The highest grades are seen in the southern domain with limited continuity of grade downdip. The northern domain has a slightly lower grade, but the mineralisation is open down dip. The splays have slightly lower grade than the southern domain but locally show high grades.

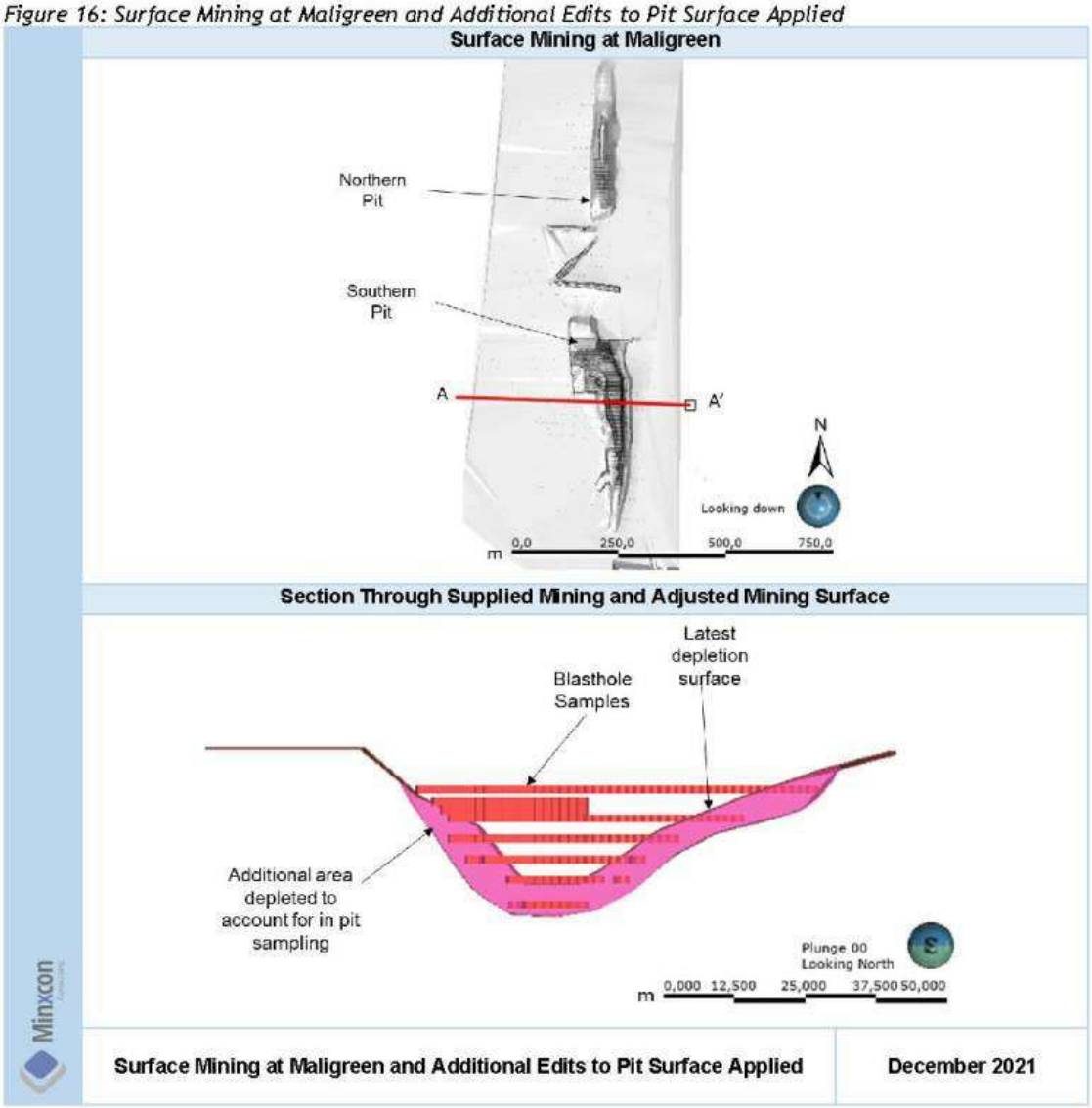
Figure 15: Grade Estimation and Sections Through the Block Model



ix. Mining Depletions

Surface mining has taken place over Maligreen in a separate northern and southern pit (Figure 16). It was observed that some blasthole samples occur outside the pit and correspond with the deepest sampled portion of mining. This indicated that additional mining took place since the last survey as represented by the blasthole samples. Additional depletions were edited to include these sampled areas. It is not believed that an elevation error has occurred with the blasthole samples as even with a translation to match the pit floor, the extent of sampling is larger than the depletion surface, this is also seen in Figure 16.

Figure 16: Surface Mining at Maligreen and Additional Edits to Pit Surface Applied



x. Block Model Validation

Visual validation of data versus estimation was conducted to confirm accuracy of estimate applied. In addition, swath plots were conducted to compare the data to the estimate. Swaths take the grade average within a redefined grid moving in X (west to east), Y (north to south) and Z (to depth). The swaths compare well to data showing best correlation moving north to south, with some smoothing relative to data.

The estimate shows some smoothing relative to data, this may be due to the swaths being taken oblique to the direction of the domain and not representing the direction of continuity.

The data compares very well to the estimate for the north domain - the data is very dense in the north domain and the samples used in the estimate are limited to reduce smearing, thus the estimate reflects the data locally very well.

The north splay domain shows good correlation to the data with some smoothing evident. As with the north splay, this may be due to the swaths being taken oblique to the domain's orientation.

II. INITIAL ASSESSMENT

The QP undertook an initial assessment of the mineralised body to determine the reasonable prospects of eventual economic extraction ("RPEEE"). A pit optimisation analysis was undertaken.

The open pit cut-off grade applied to the Mineral Resource is 0.4 g/t which is a cut-off assuming that the upper Mineral Resource will be mined by means of open pit mining methodology. From the Mineral Resource pit optimisation runs the depth cut-off for the open pit resource is 220 m (Figure 17). For reporting an underground Mineral Resource, a 1.5 g/t cut-off was utilised for the remaining Mineral Resource below the pit. The cut-off parameters used for the cut-off calculation and the resource pit shell are shown in Table 3. The QP generally uses the 90th percentile of the historical real term gold price since 1980 which currently is USD1,650/oz. However, in this case the QP used USD1,800/oz as it was the gold spot price at the time of reporting. The mining and operating costs used are costs benchmarked against similar operations.

Figure 17: Mineral Resource Pit for Reasonable Prospects of Eventual Economic Extraction

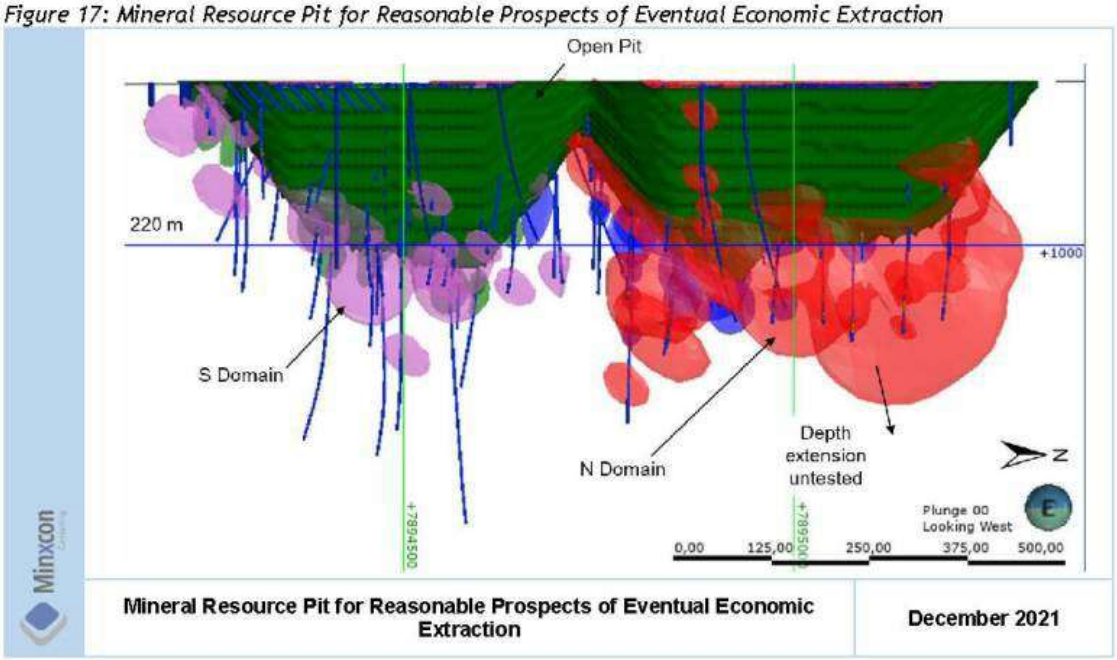


Table 3: Cut-off Parameters

Parameter		Unit	Value
Mining (open pit)	Mine Cost	USD/t	2.18
	Mining Recovery	%	100
	Mining Dilution	%	0
	Slop Angle	degrees	55
Plant	Processing Cost	USD/t	20.5
	Plant Recovery - Au	%	80
Financial	Metal Price - Au	USD/g	57.87
	Metal Price - Au	USD/oz	1,800

All Mineral Resources have been stated as either surface (limited to 220 m depth) or underground mining resources at specific cut-off grades of 0.4 g/t and 1.5 g/t respectively. The QP thus deems the total Mineral Resource as stated in this TRS to have RPEEE.

III. Mineral Resource Classification

For the Maligreen project, due to the lack of QAQC data there is a decreased confidence in the data. For this reason, the historical nature of the data and the fact that percussion drillholes were utilised, only Inferred Mineral Resources are defined over Maligreen. An assessment of the sample spacing as well as outputs that reflect the quality of the estimate reveals that it is possible that Measured and Indicated Mineral Resources can be defined for Maligreen with an increase in the confidence in the data. Therefore, the confirmatory drilling programme and the re-assay programme of the historical core is recommended. Mineral Resources have been reported separately as Inferred Mineral Resource categories. Inferred Mineral Resources have been reported separately and have not been incorporated with the Measured and Indicated Mineral Resources

IV. Mineral Resource Statement

The Mineral Resources have been depleted by means of the topography and mining voids. Discounts applied to the Mineral Resources include geological losses of 15% for Inferred Mineral Resources to account for geological, data as well as estimation uncertainty. The gold content conversion calculations utilise a conversion of 1 kg = 32.15076 oz and all tonnages are reported in metric tonnes. Inferred Mineral Resources have a low level of confidence and while it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will occur.

The Mineral Resources are declared as *in situ*, and as the portion of the Mineral Resource that is potentially mineable from open pit as well as from underground, as part of the reasonable prospects for eventual economic extraction. An optimised pit was generated to evaluate the depth to which surface mining can occur. Based on this analysis a depth of 220 m was defined as the level to which surface mining can occur and is reported at a 0.4 g/t cut-off (Table 4). Below this all Mineral Resources are declared as underground, with a 1.5 g/t cut-off (Table 5). No Mineral Reserves have been estimated for the Project.

Table 4: Surface Inferred Mineral Resource for Maligreen Gold Mine as at 31 December 2021

Mineral Resource Category	Domain	Tonnes (Less Geological Loss)	Gold Grade	Gold Content
		Mt	g/t	koz
Inferred	North	4.42	1.27	181.3
	South	2.71	3.70	323.0
	SplayN	4.31	0.84	116.8
	SplayS	2.18	1.29	90.8
Total Inferred		**13.62**	**1.63**	**711.9**

Notes:

1. Mineral Resource Cut-off of 0.4 g/t Au applied.
2. A gold price of USD1,800/oz was used for the cut-offs.
3. Columns may not add up due to rounding.
4. Mineral Resources are reported as total Mineral Resources and 100% attributable to Caledonia.

Table 5: Underground Inferred Mineral Resource for Maligreen Gold Mine as at 31 December 2021

Mineral Resource Category	Domain	Tonnes (Less Geological Loss)	Gold Grade	Gold Content
		Mt	g/t	koz
Inferred	North	1.32	2.45	104.2
	South	0.40	8.21	106.3
	SplayN	0.21	2.30	15.3
	SplayS	0.04	1.91	2.3
Total Inferred		**1.97**	**3.60**	**228.1**

Notes:

1. Mineral Resource Cut-off of 1.5 g/t Au applied.
2. A gold price of USD1,800/oz was used for the cut-offs.
3. Columns may not add up due to rounding.
4. Mineral Resources are reported as total Mineral Resources and 100% attributable to Caledonia.

The combined surface and underground Mineral Resource is shown in Table 6, this shown at 0.4 g/t and 1.5 g/t for surface and underground respectively.

Table 6: Total Inferred Mineral Resource for Maligreen Gold Mine as at 31 December 2021

Mineral Resource Category	Domain	Tonnes (Less Geological Loss)	Gold Grade	Gold Content
		Mt	g/t	koz
Inferred	North	5.75	1.55	285.5
	South	3.12	4.29	429.3
	SplayN	4.51	0.91	132.1
	SplayS	2.22	1.31	93.1
Total Inferred		**15.59**	**1.88**	**940.0**

Notes:

1. Mineral Resource Cut-off of 0.4 g/t Au for surface and 1.5 g/t Au for underground applied.
2. A gold price of USD1,800/oz was used for the cut-offs.
3. Columns may not add up due to rounding.
4. Mineral Resources are reported as total Mineral Resources and 100% attributable to Caledonia.

A weathering profile was defined for Maligreen that separated oxide and fresh portions of the orebody. This is represented in Table 7.

Table 7: Total Inferred Mineral Resource Separated by Weathering Zone for Maligreen Gold Mine as at 31 December 2021

Weathering Zone	Domain	Tonnes (Less Geological Loss)	Gold Grade	Gold Content
		Mt	g/t	koz
Oxide	North	0.24	0.80	6.1
	South	0.07	1.55	3.3
	SplayN	0.39	0.81	10.2
	SplayS	0.16	0.99	5.0
Total Oxide		**0.85**	**0.90**	**24.6**
Fresh	North	5.51	1.58	279.4
	South	3.05	4.34	426.0
	SplayN	4.12	0.92	122.0
	SplayS	2.06	1.33	88.1
Total Fresh		**14.74**	**1.93**	**915.5**
Total Inferred		**15.59**	**1.88**	**940.0**

Notes:

1. Mineral Resource Cut-off of 0.4 g/t Au for surface and 1.5 g/t Au for underground applied.
2. A gold price of USD1,800/oz was used for the cut-offs.
3. Columns may not add up due to rounding.
4. Mineral Resources are reported as total Mineral Resources and 100% attributable to Caledonia.

A table summarising the content and grade for various cut-offs is shown in Table 8.

Table 8: Total Mineral Resources at Maligreen for Various Cut-offs

Cut-off	Tonnes	Gold Grade	Gold Content
g/t	Mt	g/t	koz
-	20.68	1.57	1,041.1
0.20	20.64	1.57	1,041.0
0.40	17.85	1.76	1,012.7
0.60	14.46	2.06	958.4
0.80	11.50	2.41	892.6
1.00	9.24	2.79	827.2
1.20	7.59	3.15	769.5
1.40	6.30	3.53	715.2
1.60	5.23	3.95	664.2
1.80	4.38	4.39	617.7
2.00	3.78	4.78	581.0
2.20	3.33	5.15	550.7

Item 11 (b) - Individual Grade of Metals

Mineral Resources for gold have been estimated for the Maligreen Mine. No other metals or minerals have been estimated for the Project.

Item 11 (c) - Factors Affecting Mineral Resource Estimates

It is the QP's view that based upon the information provided to Minxcon by Caledonia, no undue material risks pertaining to metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, and other relevant issues are applicable to the Mineral Resource estimates as at 31 December 2021. The QP's opinion is that all issues relating to all relevant technical and economic factors likely to influence the prospect of economic extraction can be resolved with further work.

ITEM 12 - MINERAL RESERVE ESTIMATES

Mineral Reserve estimation has not been conducted as yet.

ITEM 13 - MINING METHODS

The Project is currently still in exploration phase. No advanced technical studies investigating potential extraction methods have been undertaken as yet.

ITEM 14 - PROCESSING AND RECOVERY METHODS

This TRS is presented as a Mineral Resource report; thus, recovery methods are not described.

ITEM 15 - INFRASTRUCTURE

This TRS is presented as a Mineral Resource report. Infrastructure requirements for project development have not been assessed.

ITEM 16 - MARKET STUDIES

Market studies and contracts are not required to be investigated and presented in a Mineral Resource report.

ITEM 17 - ENVIRONMENTAL STUDIES, PERMITTING AND PLANS, NEGOTIATIONS, OR AGREEMENTS WITH LOCAL INDIVIDUALS OR GROUPS

To the knowledge of the Client, there have been no environmental or social studies conducted over the property. An environmental consultant has been engaged by Caledonia.

Should development activities for mining commence, communities north of North Pit will need to be resettled elsewhere, as they are currently within the claims area.

ITEM 18 - CAPITAL AND OPERATING COSTS

No advanced technical studies that describe project development and capital and operating costs have been undertaken as yet.

ITEM 19 - ECONOMIC ANALYSIS

An economic analysis has not been undertaken at the stage of the Project.

ITEM 20 - ADJACENT PROPERTIES

A number of gold deposits and historic mines occur in the vicinity of Maligreen. All deposits occur as shear-zone hosted deposits.

The Peace-Turtle Mine claims, worked by illegal miners, occur immediately northwest of the Maligreen claims and are owned by the Silobela Community Development Trust. No further public technical information is available for these areas.

The operational underground Jena Mine, held under Jena Mines (Pvt) Ltd acquired in 2020 by Kuvimba Mining House, occurs some 12 km due northeast of Maligreen. Jena is the largest gold producer in the region and is comprised of a number of shafts including Termite, Stump, Wankie, Lion and Lioness. According to ZMDC (2018), the mine can treat 450 tonnes per day of ore, extracted through underhand benching long hole open stoping and shrink stoping. The Sunday Mail (2016) reports that Jena hosts 546 kt ore at a grade of 4.2 g/t gold. Kuvimba Mining House has commenced plant and underground mine expansion optimisation and exploration to a depth of 500 m. Production will be ramped up from 8 ktpm to 30 ktpm over 24 months (NewZimbabwe, 2021).

The QP has relied on the information as is presented by the referenced sources. Verification has been limited to that data which is made available publicly and has been limited to cross-referencing information presented by the individual sources.

Although the deposits occur as similar styles, the mineralisation on surrounding properties is not necessarily indicative of mineralisation or extractive potential at Maligreen. The QP has been unable to verify the information and it is not necessarily indicative of the mineralization on the Maligreen property.

ITEM 21 - OTHER RELEVANT DATA AND INFORMATION

Item 21 (a) - Upside Potential

There is additional upside to the Maligreen deposit that is currently not fully covered by the existing drillhole database. The following drilling programmes can be pursued to explore the upside potential at Maligreen:-

1. target extensions to the northwest of the splays;
2. target extensions to the main north-south domains; and
3. target additional northern areas outside the existing defined Mineral Resources.

The extensions of the north splays have untested extensions to the northwest (along strike and down dip), and the southern splays have drillholes that suggest a lack of continuation of mineralisation down dip. A section through the northern area suggests that mineralisation continues to depth as well.

Other authors discussing Maligreen have observed that to the north and south of the currently modelled orebodies, the mineralisation does not continue. This is assigned to the fact that the QEP to the south and the FP to the north both thicken to the outer extents of the domain, with a drop off in mineralisation and grade continuity with the thickening of these porphyries. It must also be noted that the north and south domains have the same extents in the previous as well as updated ore shells.

For this reason, limited continuity is expected to the immediate north and south of the existing domains. In addition, the extents of the southern domain at depth does not show continuity due to drill holes at depth showing a drop off in grade. However, drillholes in the northern domain suggest the orebody is open to depth as the last drillhole intersections show good mineralisation and grade continuity. Drilling can thus also be planned to target the downdip extension primarily to the north domain.

Further continuity has not been proven along strike to the north and south of the current resource. However, the existing drillhole database to the north has not been drilled on the same trends seen to the south; additional targeted drilling on the same trends along with mapping to target similar lithologies as seen in Maligreen to the south would aid in identifying continuity.

ITEM 22 - INTERPRETATION AND CONCLUSIONS

Sufficient data is available to define a geological model and Mineral Resource over Maligreen. Due to limited QAQC and confidence in data, an Inferred Mineral Resource is defined. Due to data density and quality of estimate, a Measured and Indicated Resource could be defined with an increase in data confidence. Ore grade halos have been generated at a 0.2 g/t cut-off and are believed to be an accurate representation of the grade and geological continuity over Maligreen. Based on the available data, a weathering profile and lithological model can also be defined.

ITEM 23 - RECOMMENDATIONS

It is recommended that an infill drilling programme, along with a detailed QAQC programme is followed to prove the existing drillhole database that is currently lacking QAQC data and reduces the confidence that can be assigned to the Resource.

In addition to the confirmatory drilling programme, it is recommended that the available historical core located in the core yard be catalogued, possibly relogged, photographed and then re-sampled to help verify the historical grades in the current database.

It is further recommended that additional drilling campaigns are perused to delineate downdip and along strike continuity of the orebody.

Independent metallurgical testwork is also recommended.

It is estimated that the confirmatory drilling programme and re-sampling exercise would require a budget between USD1.5 million to USD2 million.

ITEM 24 - REFERENCES

- Climate-data.org (2021). Climate Kwekwe (Zimbabwe). Accessed on 11 October 2021 via https://en.climate-data.org/africa/zimbabwe/midlands-province/kwekwe-25753/.
- Dirks (2001). Structural geological mapping of the Maligreen Gold mine, and a review of the existing 3-D block model. SRK Zimbabwe, Compiled for Pan-African Mining Pvt. Ltd. November 2001. 38 pp.
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- Reunion Mining (Zimbabwe) Limited. (1998). Maligreen Gold Project Report, Part One, Volume 1. Geology and Exploration Text.
- Trashliev, V.S. (2003). Pan African Mining (Pvt) Ltd. Maligreen Mine, Overview of the Geology Metallogeny, Structure and Revised Resource Estimate.
- Trashliev, V.S. (2007). Pan African Mining (Pvt) Ltd, Overview of the Maligreen Deposit. Internal report. April 2007. 11 pp.

ITEM 25 - RELIANCE ON INFORMATION PROVIDED BY THE REGISTRANT

The QP has accepted information supplied by Caledonia regarding the permits and licences as valid and complete, which is included in Item 3 of this TRS. The QP considers such reliance reasonable because the information constitutes legal and environmental matters outside the expertise of the QP.