Caledonia Mining Corporation Plc

Quarterly Results Presentation

Q2 2019

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Introduction

1. Strategy update
2. Q2 2019 Financial Results
3. Operating Review
4. Current operating challenges and planned mitigating actions
5. Outlook

Strategy

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

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

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

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

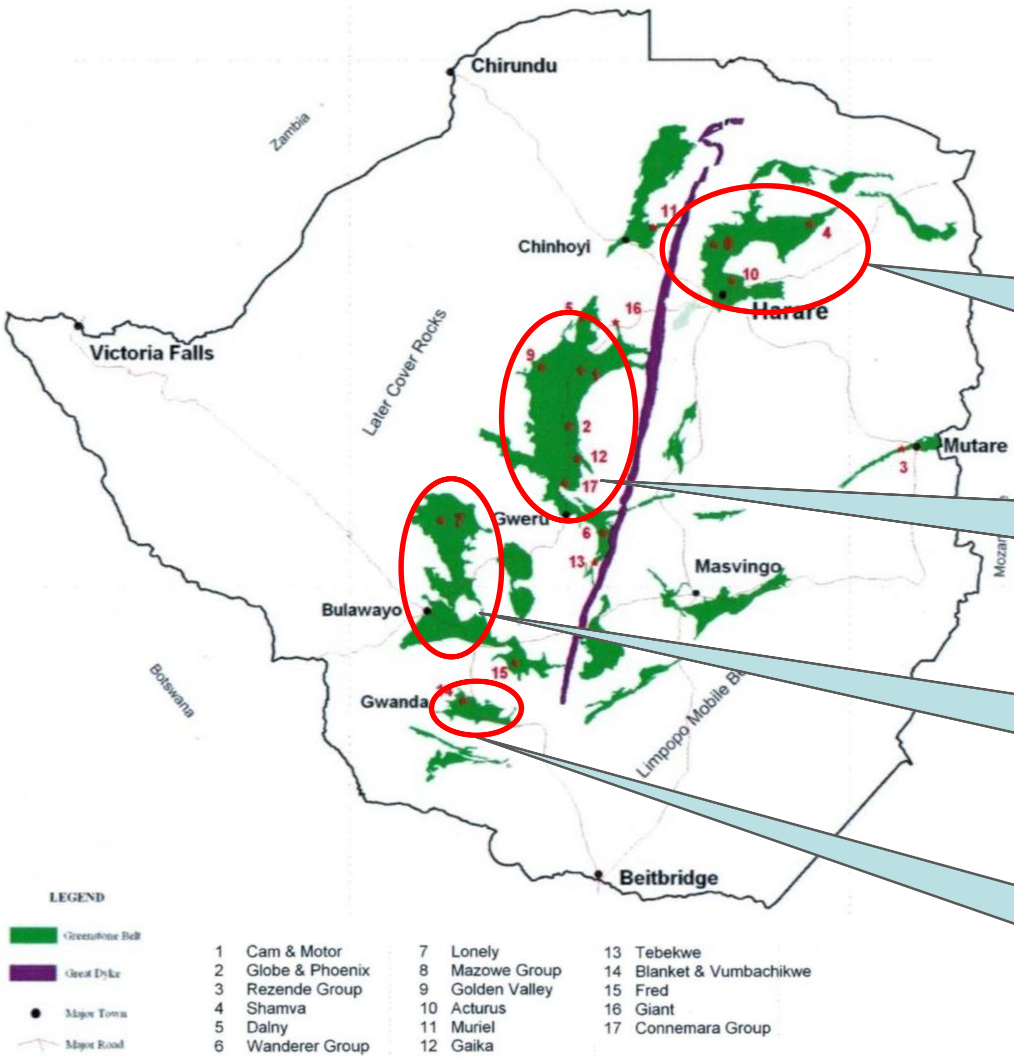
1. Review dividend policy to deliver sustainable growth in dividends consistent with Free Cash Flow (FCF) growth
2. Evaluate new investment opportunities in Zimbabwe where surplus FCF from Blanket could be deployed
3. Typically, these opportunities have modest initial funding requirements - mainly to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

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

Strategy - the Zimbabwe opportunity

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

Historic & current 1Moz+ producers



Significant regional potential

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

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

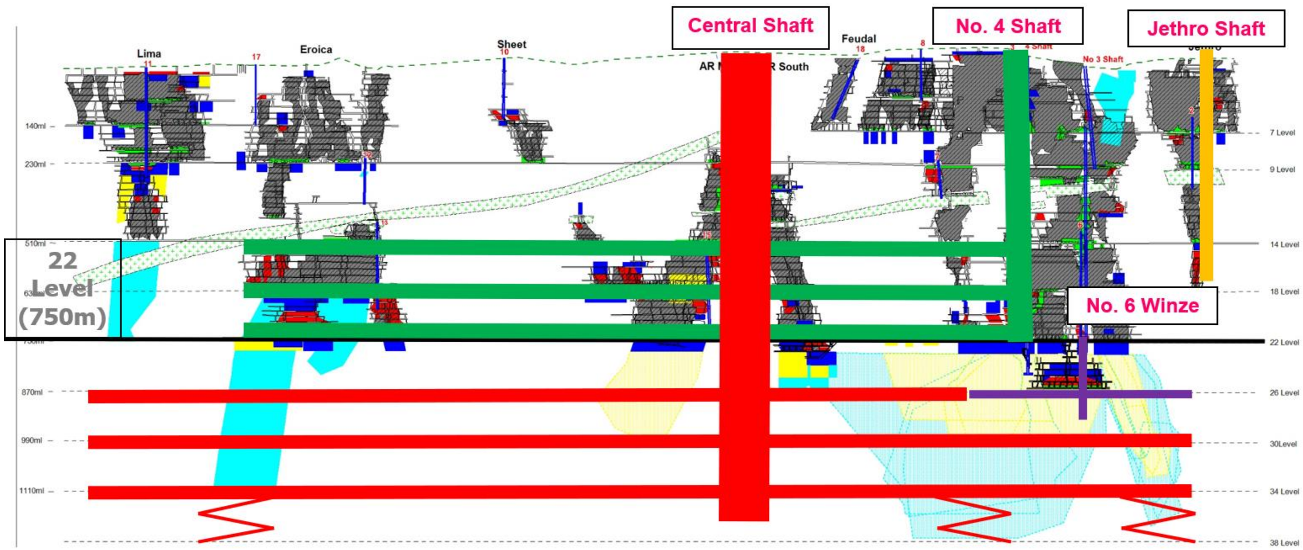
Gweru
Production: >15Moz
Existing Resources: approx. 1.9Moz
Average Grade: approximately 3g/t

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

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

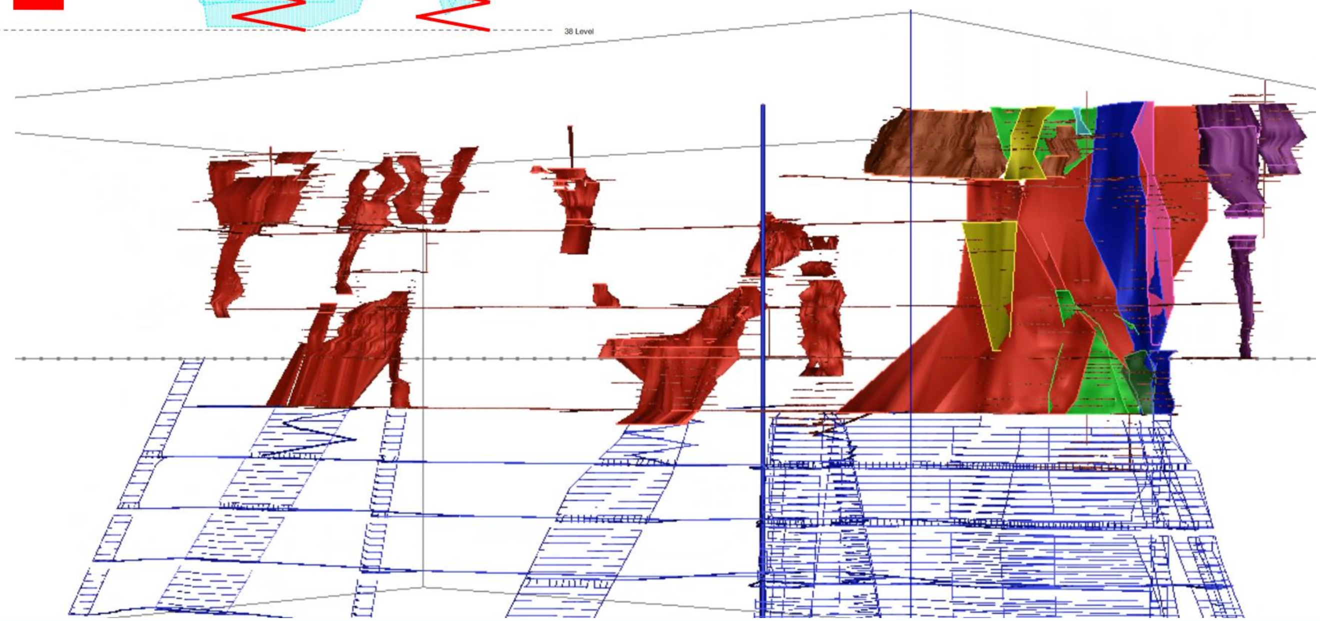
Strategy

Blanket offers significant exploration potential at depth



Section View

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



3D View

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

Financial Results

Q2 2019 Results Summary

	3 Months to June 30			6 Months to June 30			Comment
	2018	**2019**	% Chg	2018	**2019**	% Chg	
Gold produced (oz)	12,657	12,712	0.4%	25,582	24,660	-3.6%	Production was broadly similar, but lower than expected due to lower than expected mine production and grade
On-mine cost per ounce ($/oz)	717	534	-25.5%	702	662	-5.7%	On-mine costs are lower primarily due to lower electricity costs due to the devaluation of the Zimbabwe currency
All-in sustaining cost ($/oz) ("AISC")[1]	856	656	-23.4%	843	797	-5.5%	AISC is lower due to lower on-mine costs and benefits from lower administrative expenses and sustaining capital expenditure.
Average realised gold price ($/oz) [1]	1,278	1,298	1.6%	1,296	1,291	-0.4%	The average realised gold price reflects international spot prices and excludes revenues from the gold support price or the export credit incentive
Gross profit [2]	5,144	7,033	36.7%	11,367	11,317	-0.4%	Gross profit is higher in the Quarter due to lower on-mine costs
Net profit attributable to shareholders	2,604	23,303	794.9%	5,758	32,612	466.4%	Net profit in the Quarter includes net foreign exchange gains of $22.8 million; net profit for the six months to June 30, 2019 also includes profit of $5.4 million arising on the sale of a subsidiary
Adjusted basic earnings per share ("EPS") (cents) [3]	33.3	26.8	-19.5%	72	53.5	-25.7%	Adjusted EPS excludes, inter alia, the foreign exchange gains and related deferred tax implications.
Net cash and cash equivalents	5,308	7,875	48.4%	5,308	7,875	48.4%	Cash excludes term debt (repayable in 2022); cash position remains robust
Cash from operating activities	-1,216	2,138	-275.8%	5,829	8,413	44.3%	Continued robust cash generation

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

Review of Results

Profit and loss

$ 000's	3 months ended June 30			6 months ended June 30		
	2018	**2019**	% Chg	2018	**2019**	
Revenue	16,198	**16,520**	2%	34,257	**32,440**	-5%
Less:						
Royalty	(811)	**(864)**	7%	(1,715)	**(1,683)**	-2%
Production Costs	(9,297)	**(7,571)**	-19%	(19,307)	**(17,340)**	-10%
G&A	(1,660)	**(1,309)**	-21%	(3,202)	**(2,705)**	-16%
EBITDA	4,430	**6,776**	53%	10,033	**10,712**	7%
Depreciation	(946)	**(1,052)**	11%	(1,868)	**(2,100)**	12%
Other Income (ECI)	1,720	**749**	-56%	3,101	**2,038**	-34%
Forex (loss)/gain	89	**21,645**		160	**24,925**	
Share Based Payments	(223)	**(9)**	-96%	(351)	**(370)**	5%
Other	0	**(414)**		0	**4,776**	
Operating Profit	5,070	**27,695**	446%	11,075	**39,981**	261%
Net Finance Cost	(29)	**28**	-197%	(45)	**(20)**	-56%
PBT	5,041	**27,723**	450%	11,030	**39,961**	262%
Taxation	(1,787)	**223**	-112%	(3,897)	**(1,296)**	-67%
Profit After Tax	3,254	**27,946**	759%	7,133	**38,665**	442%
Discontinued Operations	0	**0**		0	**(2,109)**	
Foreign Currency Translation Differences	(648)	**144**		(440)	**0**	
Total Comprehensive Income	2,606	**28,090**	978%	6,693	**36,556**	446%
Non-Controlling Interest	650	**4,643**	614%	1,375	**6,044**	340%
Attributable Profit	1,956	**23,447**	1099%	5,318	**30,512**	474%
IFRS EPS (cents)	24.1	**210.8**	775%	53.3	**299.3**	462%
Adjusted EPS (cents)	33.3	**26.8**	-20%	72	**53.5**	-26%

- Lower production costs were largely due to significant currency devaluations during the period which had the effect of reducing costs in US $ terms
- Lowe G&A costs reflect the result of a sustained effort to reduce G&A costs over the past 12 months. A weaker South African Rand and British £ also contributed to reduced G&A costs in US $ terms
- Lower production costs and G&A costs resulted in increased EBITDA for the quarter and H1 2019
- Substantial one-off items resulted in increased operating profit as a result of foreign exchange gains and profit on the sale of a subsidiary. These items are excluded from adjusted profit
- Taxation charges in Q2 include a significant adjustment to deferred tax charges during the quarter as a result of currency devaluations.

Review of Results

Cash Flow

$ 000's	For the 6 months ended June 30	
	2018	**2019**
Profit Before Tax	11,075	**39,981**
Adjustments for:		
Unrealised foreign exchange gains	(35)	**(25,447)**
Profit on sale of subsidiary	-	**(5,409)**
Share Based Payments	**402**	**440**
Settlement of cash-settled share-based payments	-	**(1,280)**
Other Non cash Adjustments	19	154
Depreciation	1,868	**2,100**
Operating Cash flow before working capital changes	13,329	**10,539**
Working Capital movements	(4,896)	(1,422)
Cash generated from operating activities	8,433	**9,117**
Net interest	(82)	**(96)**
Tax paid	(2,522)	**(608)**
Net cash from/(used in) operating activities	5,829	**8,413**
Cash flows from investing activities		
Acquisition of Property, plant and equipment	(10,776)	**(9,326)**
Proceeds from disposal of subsidiary	-	**1,000**
Net cash used in investing activities	(10,776)	**(8,326)**
Cash flows from financing activities		
Dividend paid	(1,761)	**(1,620)**
Repayments of term-loan facility	(750)	**-**
Net cash used in financing activities	(2,511)	**(1,620)**
Net decrease in cash and cash equivalents	(7,458)	**(1,533)**
Effect of exchange rate fluctuations on cash held	10	**(1,779)**
Net cash and cash equivalents at beginning of period	12,756	**11,187**
Net cash and cash equivalents at end of period	5,308	**7,875**

- Large non cash adjustments include unrealised foreign exchange gains due to currency devaluations resulting in the devaluation of Blanket's deferred tax liability and term loan facilities. Adjustments also include the Non cash profit on the sale of Eersteling
- Working capital movements remain at normal levels
- Net investment in property, plant and equipment remains high as a result of continued investment in the Central Shaft project
- The dividends paid relate to the quarterly dividends paid by Caledonia and the portion of the dividends declared by Blanket which are paid to Blanket's indigenous Zimbabwean shareholders after deduction of the amounts which are used to repay their facilitation loans
- Net cash of $7.9m at end of the period excludes term loan debt of approximately $900k repayable in 2022, reduced from 31 December 2018 as a result of the devaluation of the domestic RTGS currency

Review of Results

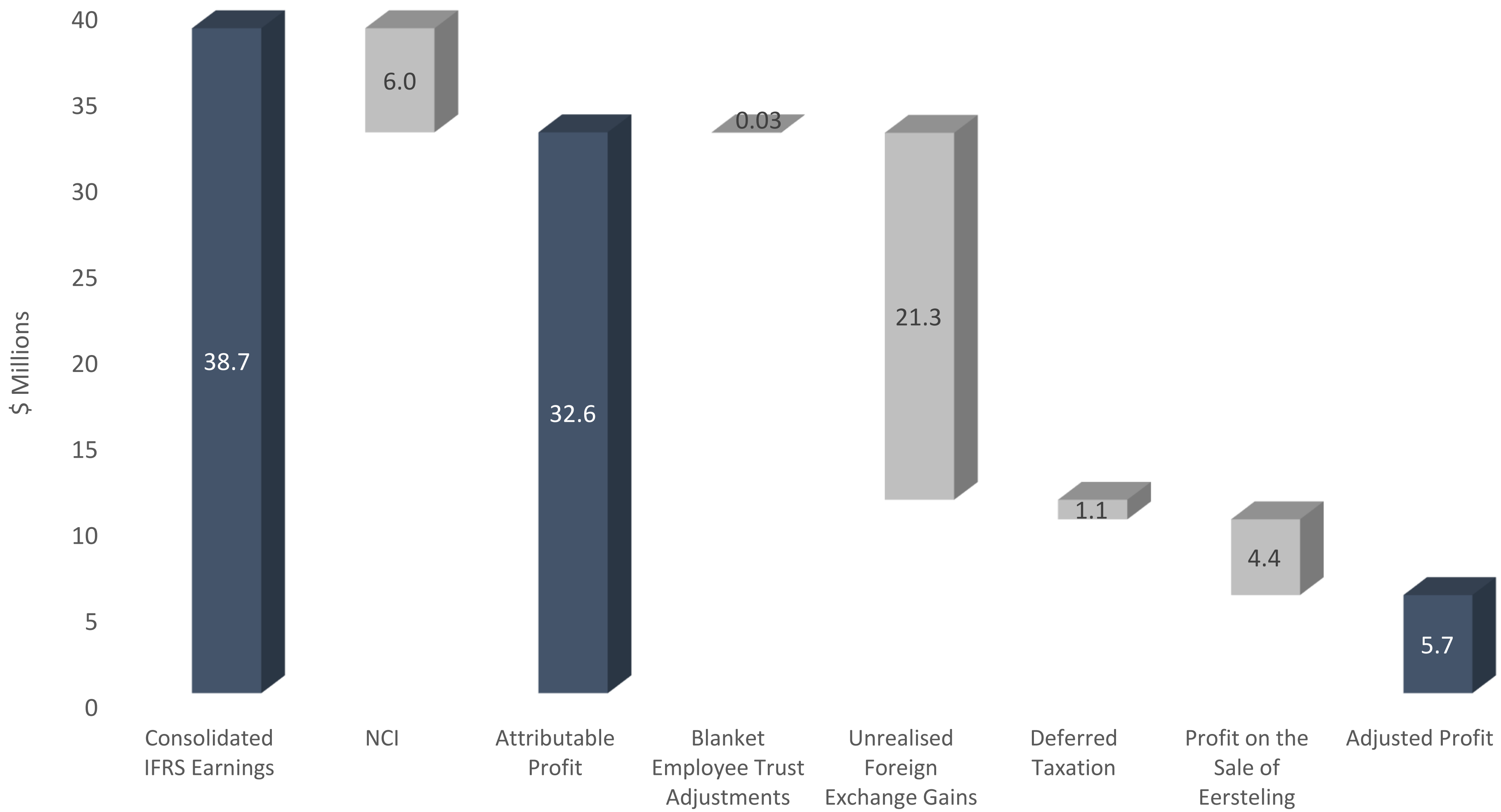
Balance Sheet

$ 000's	December 31 2018	June 30 2019
Fixed Assets	97,525	**105,671**
Current Assets		
Inventories	9,427	**9,729**
Prepayments	866	**1,550**
Trade and other receivables	6,392	**6,492**
Cash and cash equivalents	11,187	**7,875**
Assets held for sale	296	**0**
Total assets	125,693	**131,317**
Total non-current liabilities	34,687	**7,411**
Current Liabilities		
Trade and other payables	10,051	**7,601**
Income tax payable	1,538	**1,598**
Cash Settled Share Based Payments	0	**0**
Liabilities associated with assets held for sale	609	**0**
Total liabilities	46,885	**16,610**
Equity attributable to Shareholders	70,463	**100,460**
Non-controlling interests	8,345	**14,247**
Total equity	78,808	**114,707**
Total equity and liabilities	125,693	**131,317**

- Non-current assets increased due to the continued investment at the Central Shaft project and sustaining capital
- Inventory levels remain elevated following increase in 2018 although have stabilised
- Trade and other receivables includes amounts due from the Government of Zimbabwe for gold deliveries receivable at the end of the period
- Assets and liabilities held for sale relate to Eersteling in South Africa, the sale of which was completed in Q1
- The significant reduction in non current liabilities reflects a devaluation in Blanket's deferred tax liability as a result of the devaluation in the RTGS $ during the period.
- In December 2018 Blanket drew down a $6m (RTGS) three-year facility which is repayable in a single repayment in December 2021; this loan is included in non-current liabilities and has been devalued following the devaluation of the Zimbabwean RTGS $ during H1 2019

Adjusted Earnings

Significant foreign exchange gains boosted IFRS Earnings



Review of Results

Other matters

Changes to Production Guidance	• Below expected production in H1 and July 2019 have resulted in management reducing production guidance for FY 2019 • New FY 2019 guidance range of 50,000 – 53,000 oz (down from 53,000 – 56,000 oz)
Gold Support Price	• The government have announced a gold support price of $1,368 per ounce, a premium to the prevailing average gold price for Q2. This replaced the previous Export Credit Incentive • The increase in the gold price in late June which has continued into Q3 has resulted in the gold support price being exceeded and Blanket is again receiving the spot gold price • Tax treatment and future adjustments to the gold support price remain unknown

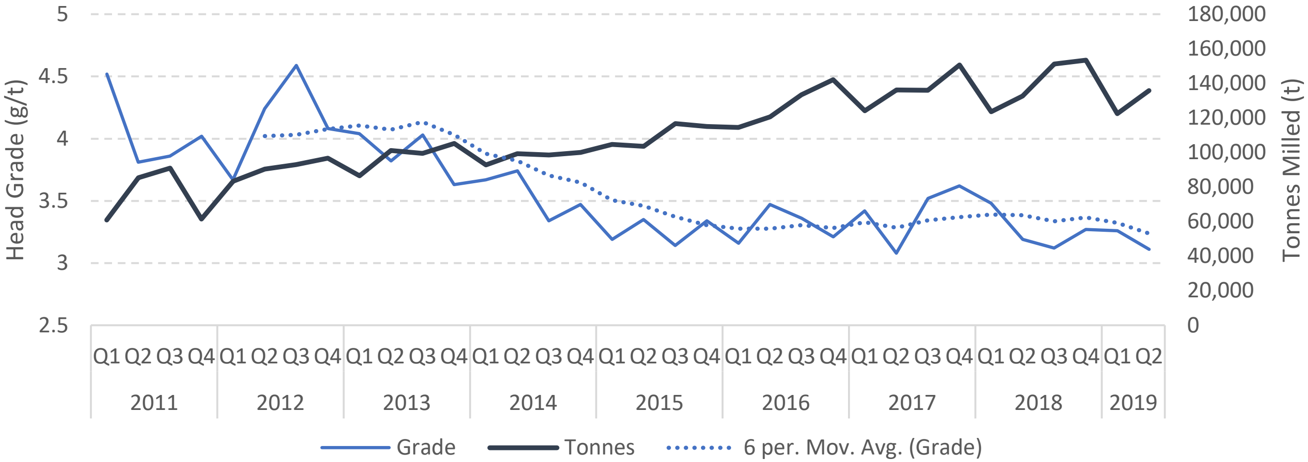
Royalty Adjustments	• The interim budget statement from the Ministry of Finance has announced changes to Royalty rates and the tax treatment of royalty payments
	    • Royalties are now a tax deductible expense
	    • Zimbabwe will introduce a variable rate royalty of 3% for gold prices below $1,200/ounce and 5% for gold prices above this level
	• Caledonia welcomes the administrations continued efforts to promote investment in the sector

Dividends	• Dividends to Caledonia shareholders of 27.5 US cents per share (4.6% yield @ 12/08/2019) • Caledonia will consider an increase dividend distributions following the completion of the central shaft project

Operating Review

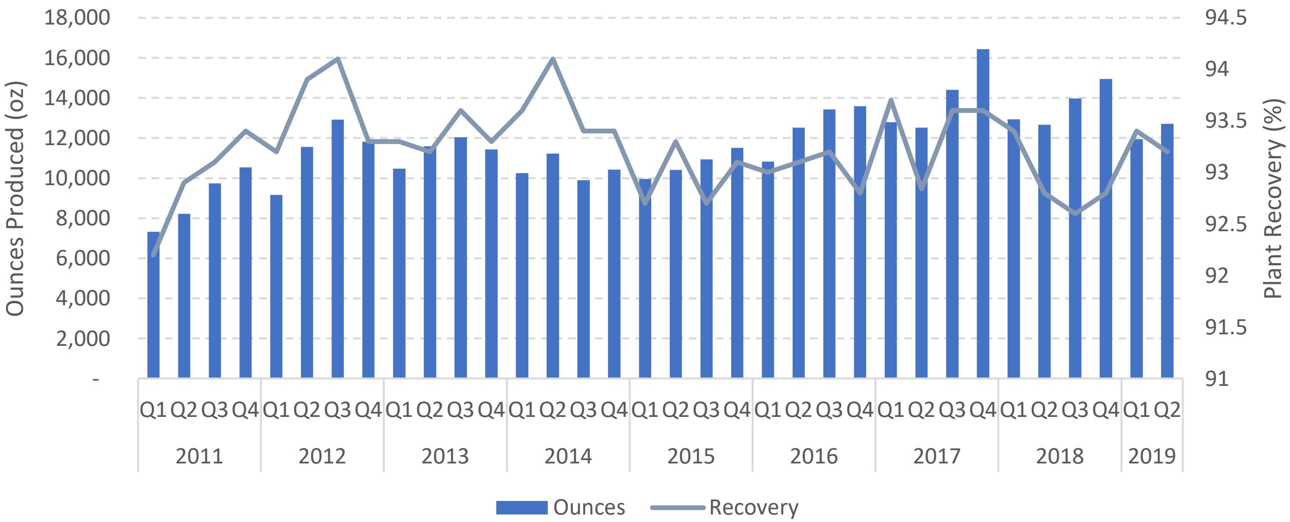
Review of Operations

Tonnes Milled & Grade (2011 – 2019)



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

Ounces Produced & Recovery (2011 – 2019)



- Recoveries expected to improve to an average of 93.5% as the installation of a new oxygen plant is anticipated to improve overall recovery through higher oxygen availability
- Reduced grade has an adverse effect on recovery

Quarterly Operating Metrics

	2017				2018				2019	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Tonnes Milled	124,225	136,163	136,064	150,755	123,628	132,585	151,160	153,540	122,389	**135,847**
Average Grade (g/t)	3.42	3.08	3.52	3.62	3.48	3.19	3.12	3.27	3.26	**3.11**
Average Recovery (%)	93.7	92.8	93.6	93.6	93.4	92.8	92.6	92.8	93.4	**93.2**
Gold Produced (oz)	12,794	12,518	14,396	16,425	12,924	12,657	13,978	14,952	11,948	**12,712**
Gold Price ($/oz)	1,213	1,235	1,265	1,256	1,312	1,278	1,190	1,205	1,284	**1,298**
On Mine Costs ($/oz)	659	696	638	556	687	717	670	688	794	**534**
AISC ($/oz)	857	855	773	901	832	856	754	759	943	**656**
G&A Costs ($m)	1,441	1,493	1,607	1,370	1,542	1,660	1,607	1,628	1,396	**1,309**

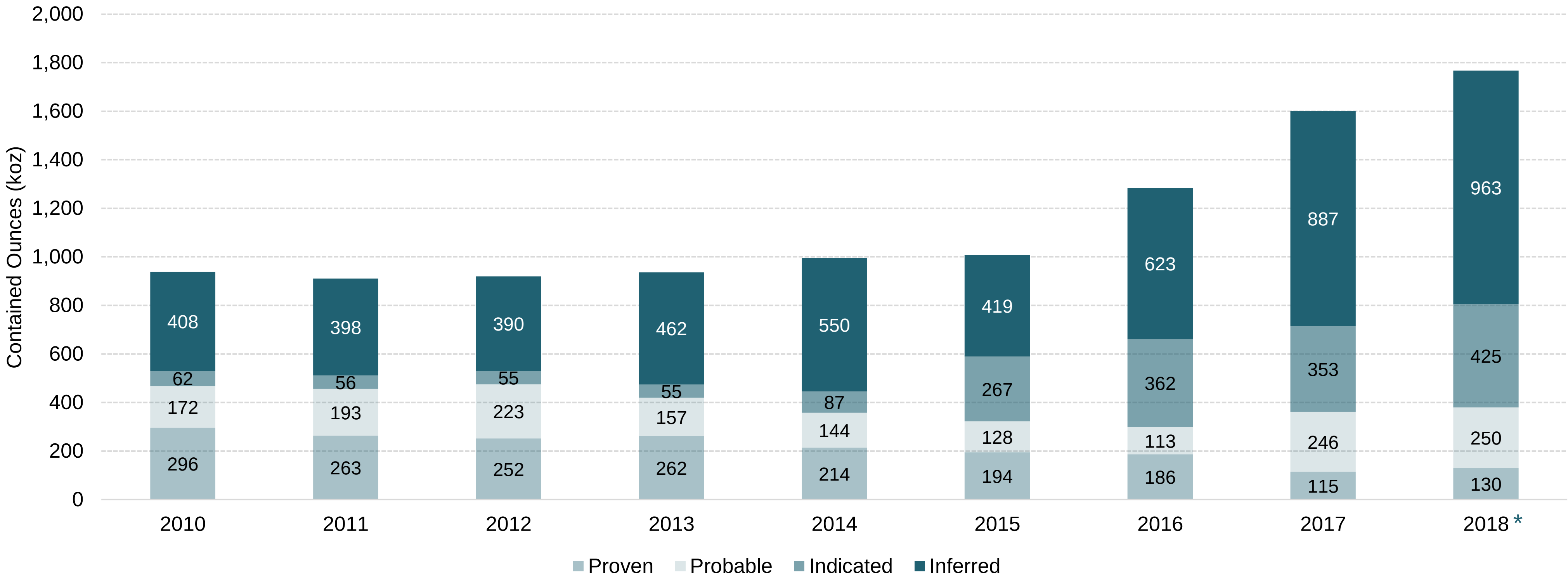
- Grade is expected to increase to approx. M&I Grade of 3.72g/t over the medium term and recovery is expected to average 93.5% in 2019 following the installation of a new oxygen plant in late 2019.
- On-mine costs for Q2 2019 reflect a significant reduction in local currency operating costs as a result of a significant devaluation in the domestic Zimbabwe Dollar which was reintroduced in H1 2019. The most significant of these costs is electricity but also includes locally sourced raw materials and domestic operating costs
- Lower AISC reflects lower on mine costs and also includes the export credit incentive paid by the Zimbabwe government, this was replaced by the a gold support price of $1,368/ounce in February 2019 which was in effect for Q2. As the gold price exceeded this level in June 2019 Blanket receives the spot gold price for deliveries. The policy of maintaining a gold support price remains in place although spot prices currently exceed this level.

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

Resources

Increased exploration expenditure begins to bear fruit

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



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

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Operating Challenges

Operating challenges

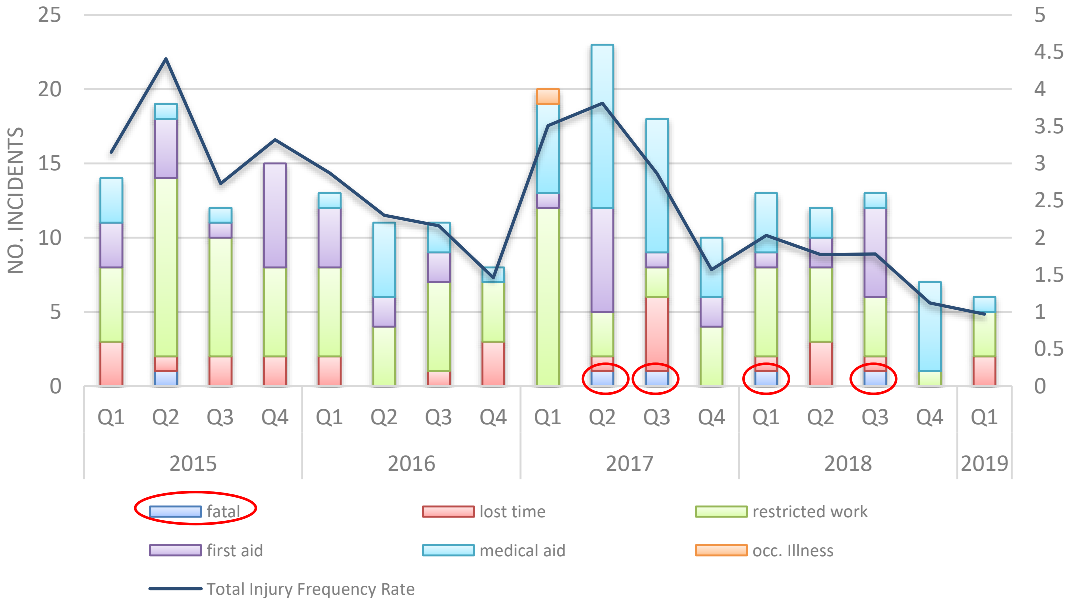
A number of internal and external operating challenges have been encountered

Operating Challenges	Remedial Action
Lower Grade due to mining dilution	• Mining dilution following the introduction of long-hole stoping in narrower reefs for safety reasons • Increased training of drillers • Review of geological model shows no concerns over geology
Unstable electricity supply with adverse production impact and in severe incidences causing damage to equipment	• Surge-protectors have been installed to protect our equipment • Stand-by generators are not the answer: outages are short and frequent – uneconomic to run diesel generators full time • No long-term solution until the grid is stabilised and/or Blanket goes off-grid (e.g. solar)

Safety Performance

Ensuring accident-free production is non-negotiable

Blanket Safety Incident Data (2015 – 2019)

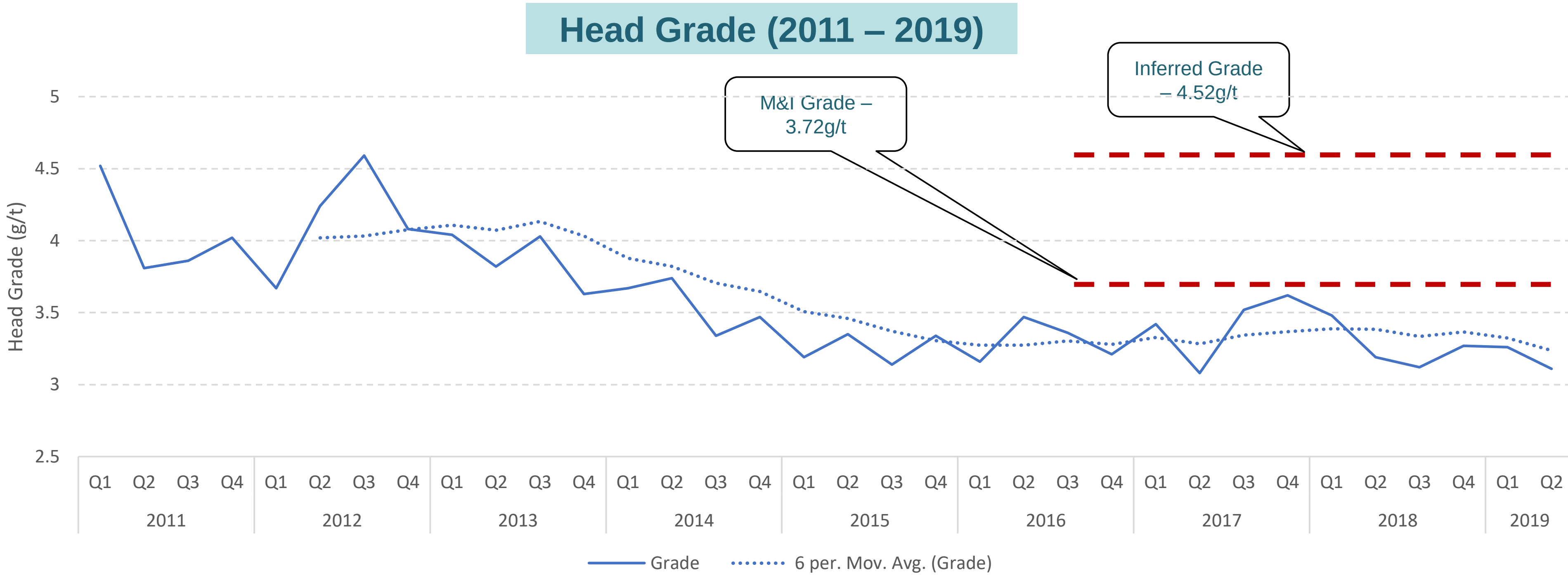


Nyanzvi Safety Transformation Program

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

Grade improvement presents significant opportunities

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



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

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Electricity supply remains unreliable

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

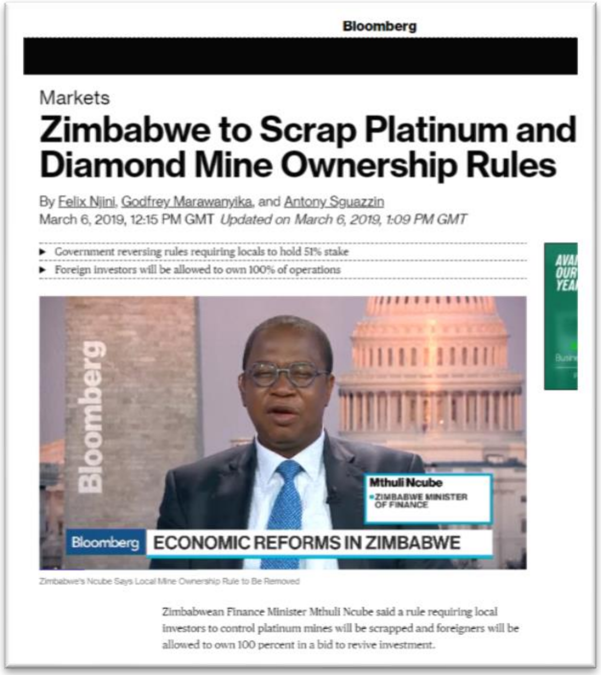
- Unreliable electricity supply presents a significant operating challenge for Blanket
- Blanket pays a higher tariff to avoid load shedding ($0.125/KWh)
- Supply remains unreliable with voltage spikes and power cuts (despite paying an elevated rate for uninterrupted power)
- Electricity supply remained a significant issue in July 2019 with load shedding becoming a regular occurrence, recent monetary events in Zimbabwe have also made it more difficult for Zimbabwe to pay for imported power
- Backup generators are not designed to accommodate the frequent, but very short term effects of power surges
- Blanket's use of diesel for generating electricity increased from approximately 30,000 litres per month in 2018 to 265,000 litres in July 2019.
- Engagement with Zimbabwe Electricity Supply Authority (ZESA) remains constructive but constraints persist
- Recently announced changes to electricity billing rates for the mining industry are expected to improve power availibility
- Whilst Blanket has adequate back up generating capacity to sustain production, capital project progress is slowed by electricity supply interruptions
- Sustainable long term solution involves:
    - ZESA maintaining its equipment and deliver stable supply (but severe budget constraints make this unlikely in the short term); or
    - Blanket develops an "off-grid" solar solution: initial indications are that this solution appears to be economically feasible, but is capital intensive and requires regulatory approval to underpin the economic viability

Zimbabwe

Despite regulatory uncertainty – there are significant grounds for optimism

- Government has a commercial and pragmatic approach with several encouraging policy measures
- Genuine attempts to stimulate investment e.g. the removal of indigenisation requirement in 2018 and recent relaxation of Platinum and Diamond sector requirements
- Government is reducing its spending, increasing its tax base and addressing its offshore debts
  - Modest cuts to domestic spending (e.g. civil service salaries and head-count) and increased taxes has resulted in 4 consecutive months of budget surplus October 2018 to January 2019
  - Fiscal Surplus averaging $100m per month for November 2018 – June 2019, no issuance of treasury bills or use of RBZ overdraft since October 2018
- Recent interim budget measures have improved the tax efficiency of royalty payments and have reduced gold price downside risk through the implementation of reduced royalty rate at a gold price below $1,200 per ounce

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



Outlook

Medium to Long-term Outlook

Vision to build a mid tier gold producer with minimal dilution

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

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