

CEO Newsletter

January 2021

This is our first newsletter, which summarises the last six months of operations at Caledonia and Blanket Mine. We see this as an important step in communicating with our stakeholders, as well as providing an update on our performance and other vital areas of the business, in a less formal way.

Central Shaft

Operationally the last six months have been transformational for the business. Central Shaft has been a five-year project costing \$63 million, all funded through internal cash flow and I am delighted that the sinking and equipping stages have been completed and commissioning is on track to be completed in the first quarter of this year.



Equipping at Central Shaft



Commissioning at Central Shaft

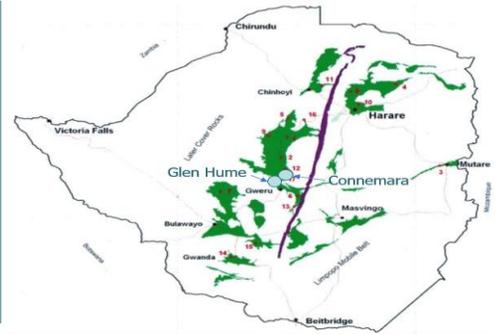
Solar Project at Blanket

In trying to minimise the impacts of our operations on the natural environment and in a general drive towards a more sustainable future for our business, the Company has entered into a contract to construct a 12MW solar plant at the Blanket Mine.

Once completed, it is expected to reduce the Mine's dependence on grid and diesel power and to improve the quality and security of electricity supply. Around 27% of the Mine's daily electricity demand is expected to be provided by the new solar plant, thereby significantly decreasing our reliance on non-renewable energy sources.

Glen Hume and Connemara North

In December we also announced that we had entered into option agreements on two properties in the Gweru mining district in the Zimbabwe Midlands that has historically produced significant quantities of gold, delivering on our strategy of organic growth and our vision of becoming a multi asset gold producer in what we believe to be one of the last gold frontiers in Africa.



Covid-19

As I write this, Zimbabwe is in its second national lockdown due to COVID-19, a pandemic that has wreaked havoc throughout the world disrupting many people's lives and livelihoods. I am pleased that the business was quick to respond, implementing restrictions of movement in and out of the Mine and local community, as well as making investments in personal protective equipment to protect our employees and their families, with our priority always being the safety of our people. We have also made various donations to the Chamber of Mines and local communities and are pleased to be able to support and play our part during these challenging times.

I would like to thank all our employee and their families for the high level of cooperation during this period, which enables management to monitor the infection rate both inside and outside the mine.



PPE Donations

Donations of personal protective equipment, sanitisers and other materials for the fight against Covid-19 were made to Gwanda Provincial Hospital, Sabiwa Primary school, Sabiwa High School, Jahunda Primary School and Gwakwe gardens.



Phakama Clinic

In response to the covid-19 pandemic, the mine committed to building two new isolation wards, ablution facilities and a kitchen at a clinic for the benefit of the Gwanda community in anticipation of an increase in numbers of Covid-19 infections during the pandemic.

Regular video updates are done by our management team to keep the market up to date with our progress and can be found on our website <https://www.caledoniamining.com/media/>. You can also follow our progress on Twitter at @CaledoniaMining. Further details on the above news can be found at: <https://www.caledoniamining.com/investors/regulatory-news-alerts/>

I look forward to updating you again and would welcome any feedback on this first newsletter.

Kind regards

A handwritten signature in black ink, appearing to read "S. Curtis".

Steve Curtis, CEO

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