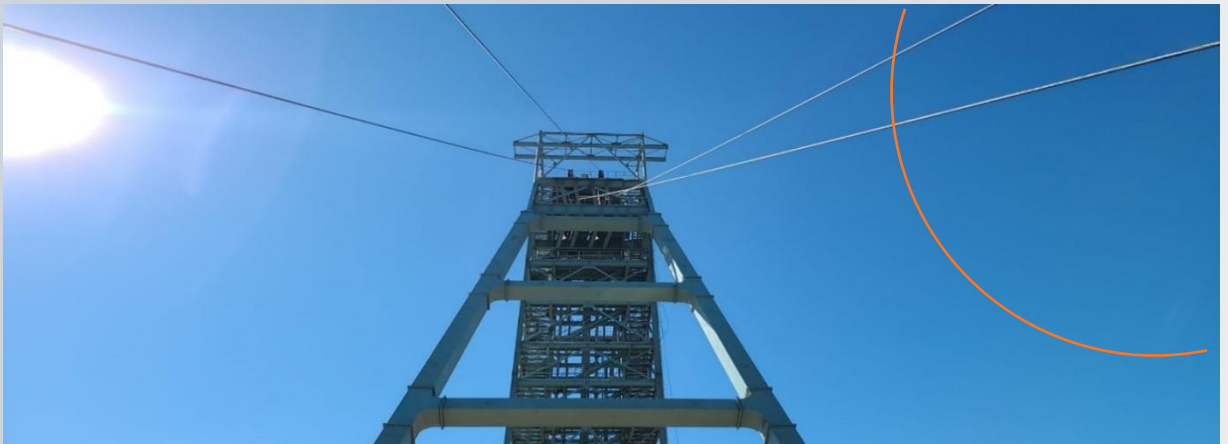


# CEO Newsletter

July 2021

Since my last newsletter in January, I am pleased to say that the Central Shaft is now operational. This has been an owner-funded project built by the Blanket team and I am extremely grateful to everyone for their hard work and especially for achieving the completion of the shaft without any serious accidents, recording only two lost time injuries. This is the deepest shaft of any gold mine in Zimbabwe and was a project that cost almost \$67 million.



## A Socially Responsible Business

In February, we announced the appointment of a new Non-Executive Director, Mrs Gerald Wildschutt. She has significant experience of working in Africa, as well as in the fields of sustainability and community engagement, which are both central to our vision of being a socially responsible business. She will also chair our newly set up ESG Committee where her expertise will prove invaluable in implementing a robust ESG strategy for the Company.

In my last newsletter I mentioned that Caledonia has entered into a contract with Voltalia to construct a 12MWac solar plant at the Blanket Mine. We have now given notice for Voltalia to proceed and 70% of the equipment has been ordered; wherever possible, this has been through local suppliers. We hope to have the project operational by April next year, where it should provide about 27% of Blanket's total electricity demand.



## Our Inaugural ESG & Integrated Reports

In July the Company expects to publish its inaugural ESG report, which is an important step towards improving communications on the Company's approach to ESG topics, as well as providing an update on our performance in this vital area of the business. This reporting mechanism is an ongoing process, and we will endeavour to develop our ESG communications to meet evolving stakeholder requirements. This will include the collection and publication of additional data wherever practical, as well as setting goals and targets, against which we can measure our performance.

We also expect to publish our first Integrated Report later this year, which provides information on our financial performance in 2020, our financial and operational position at the end of 2020 and on our strategy, governance practices and outlook. We see both reports as important developments for the business as we continue to grow.

## Further Dividend Increase

In April, Caledonia also announced a further increase to its quarterly dividend. The most recent dividend increase from 11 to 12 cents a share represents the fifth increase since October 2019 and a cumulative 75% growth. It also reflects our continued confidence in the outlook for our business, with rising production and declining capital investment.

## COVID-19

While there was a marked increase in the number of COVID-19 cases in Zimbabwe and South Africa at end of Q4 2020, Blanket, to date, has only recorded a total of 39 cases, with one requiring hospitalisation and no fatalities as a result of the virus. Blanket has continued to operate with modifications to operating procedures under an exemption granted by the Government of Zimbabwe.

In March 2021 Blanket also committed to procure vaccines for all its employees and their families.



Regular video updates are created by our management team to keep the market up to date with our progress and can be found on our website. You can also follow our progress on Twitter at @CaledoniaMining.

I look forward to updating you again and would welcome any feedback on these newsletters.

Kind regards  
Steve Curtis, CEO

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