



Caledonia Mining
Corporation Plc

Q2 Results Presentation 2021



Disclaimer

This presentation does not constitute, or form part of, any offer to sell or issue or any solicitation of any offer to purchase or subscribe for, any shares in Caledonia Mining Corporation Plc (“Caledonia”), nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, or act as an inducement to enter into any contract or agreement thereto.

Certain forward-looking statements may be contained in the presentation which include, without limitation, expectations regarding metal prices, estimates of production, operating expenditure, capital expenditure and projections regarding the completion of capital projects as well as the financial position of the Company. Although Caledonia believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be accurate. Accordingly, results could differ from those projected as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks.

Accordingly, neither Caledonia, nor any of its directors, officers, employees, advisers, associated persons or subsidiary undertakings shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying upon this presentation or any future communications in connection with this presentation and any such liabilities are expressly disclaimed.

Refer to the technical report entitled “Caledonia Mining Corporation Plc NI 43-101 Technical Report on the Blanket Gold Mine, Zimbabwe” dated May 17, 2021 prepared by Minxcon (Pty) Ltd and filed by the Company on SEDAR on May 26, 2021 for resources and reserves and planned production as stated in this presentation. Mr Dana Roets (B Eng (Min.), MBA, Pr.Eng., FSAIMM, AMMSA), Chief Operating Officer, is the Company's qualified person as defined by Canada's National Instrument 43-101 and has approved any scientific or technical information contained in this document.

A Strategy Focused on Genuine Returns for our Shareholders



Central Shaft:
near-term,
low-risk growth



**Significant
increase**
in production
by 2022



Committed to
return money
to shareholders



**New
opportunities**

Results Highlights

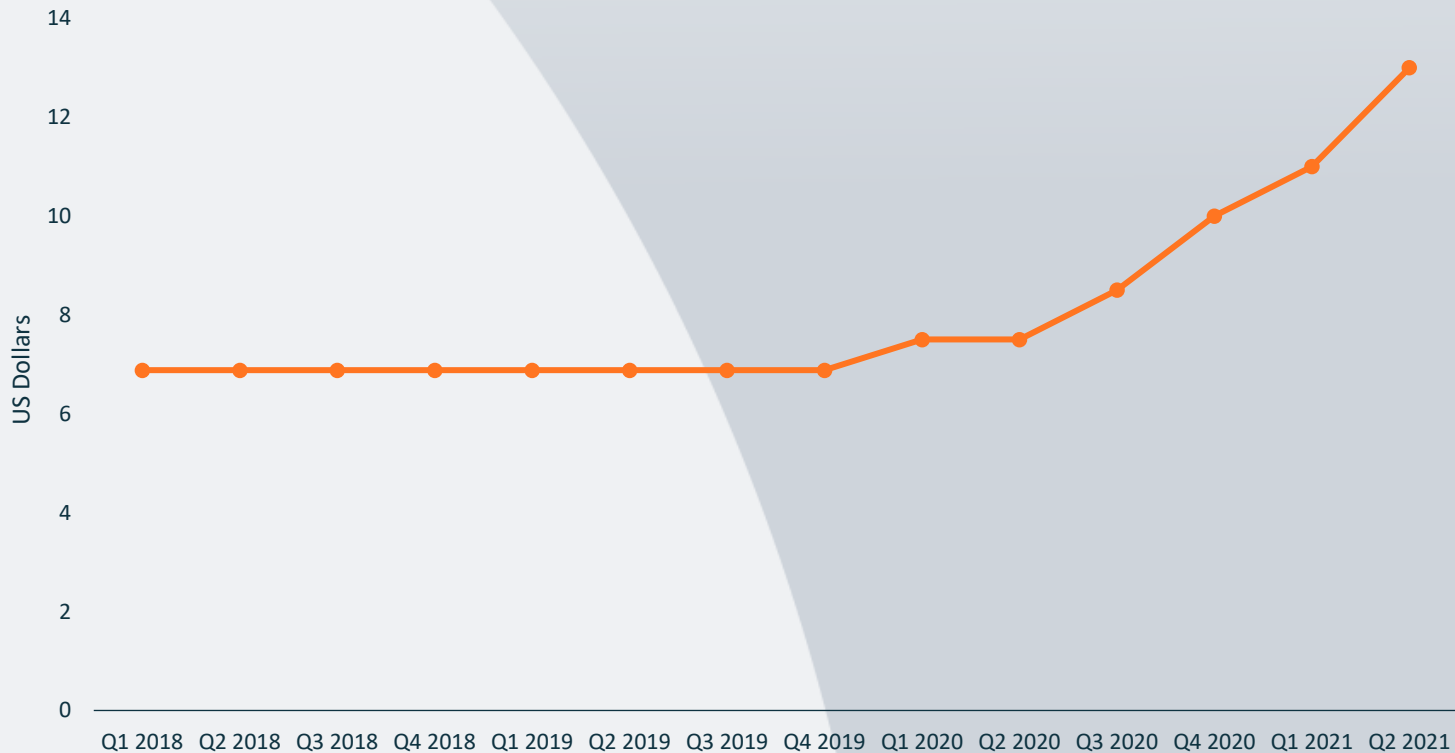
	3 months ended June 30			6 months ended June 30		
	2020	2021	Change	2020	2021	Change
Production (ounces)	13,499	16,710	24%	27,732	29,907	8%
Average gold price (\$ per ounce) ¹	1,696	1,792	6%	1,628	1,767	9%
Revenue (\$'m)	22.9	30.0	31%	46.5	55.7	20%
Gross Profit (\$'m) ²	9.2	13.9	51%	19.7	24.3	23%
EBITDA ³	6.9	14.0	103%	16.7	23.5	41%
Adjusted profit attributable to shareholders (\$'m) ¹	4.2	7.6	81%	10.7	13.8	29%
Adjusted earnings per share (cents) ¹	36.8	62.6	70%	93.5	114.2	22%
Dividends declared per share (cents)	7.5	12.0	60%	23.5	23.0	-2%
Net cash from operating activities (\$'m)	4.0	12.7	218%	14.1	14.7	4%

1. Non-IFRS measures such as “On-mine cost per ounce”, “AISC”, “average realised gold price”, “adjusted profit attributable to shareholders” and “adjusted EPS” are used throughout this document. Refer to section 10 of the MD&As published on 12 August 2021 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. Earnings before depreciation and amortisation, foreign exchange gains and losses, export credit incentive and asset impairments

Dividend

COMMITTED TO RETURN MONEY TO SHAREHOLDERS

QUARTERLY DIVIDEND PAYMENTS



Quarterly dividend of
US\$0.13 (13c)

Dividend payer since

2012

Dividend yield

4.1%

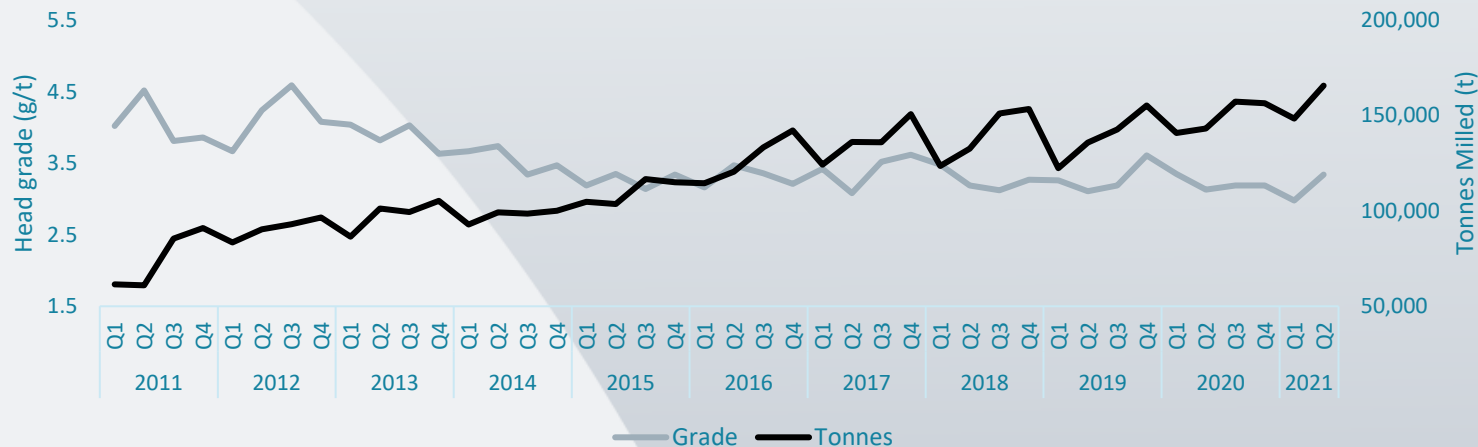
*as at 5 August 2021

89% Increase

in quarterly dividend since October 2019

Review of Operations

Tonnes Milled & Grade (2011 – Q2 2021)



Ounces Produced & Recovery (2011 – Q2 2021)



Record tonnes milled in the Quarter following the commissioning of Central Shaft.

July production of almost 6,000 ounces shows further progress towards achieving an annual production rate of 80,000 ounces per annum

Review of Results

Summary profit and loss

		3 months to 30 June		6 months to 30 June		
	(\$'m)	2020	2021	2020	2021	
Revenue		22.9	30.0	46.5	55.7	Higher production and higher gold price
Royalty		(1.1)	(1.5)	(2.3)	(2.8)	Royalty payable to Zimbabwe Government remains at 5%
Production costs		(11.5)	(12.4)	(22.1)	(25.2)	Higher cost of diesel generators
Depreciation		(1.1)	(2.2)	(2.3)	(3.4)	Central shaft assets now being depreciated
Gross Profit (\$'m)		9.2	13.9	19.7	24.3	
G&A		(1.3)	(1.7)	(2.8)	(3.4)	Higher wages and salaries
Net fx gain/(loss)		1.5	(0.3)	3.7	(0.1)	Reduced rate of RTGS\$ devaluation
Net other income/(expense)		1.5	(3.9)	3.2	(4.1)	Impairment of exploration asset in 2021; 2020 includes export incentives
Other		(1.0)	(0.3)	(1.4)	(0.6)	Lower cash-settled share-based payments expense
Profit before tax		9.9	7.7	22.4	16.1	
Tax expense		(3.5)	(3.9)	(6.4)	(6.9)	High effective tax rate in Q2 2021 due to impairment of exploration asset
IFRS Profit for the period		6.4	3.8	16.0	9.2	
NCI		1.2	1.1	2.7	2.0	Reflects 34% local ownership in Blanket
Attributable profit		5.1	2.7	13.4	7.2	
Adjusted eps (cents) ¹		36.8	62.6	93.5	114.2	Excludes FX, deferred tax and asset impairments

Review of Results

Production Costs

		3 months to June 30		6 months to June 30		
	(\$'m)	2020	2021	2020	2021	
Wages and salaries	4.9	3.3	8.4	8.9	Salary increases, higher bonus provisions, additional senior staff.	
Consumables	3.7	5.3	7.2	8.3		
Covid consumables	0.3	0.1	0.3	0.0		
Electricity	2.1	2.7	4.0	4.9	Increase due to higher usage of diesel generators	
Safety	0.2	0.2	0.4	0.3		
On-mine administration	0.3	0.7	1.0	1.2		
Share-based payment expense	0.2	0.0	0.2	0.3		
Gold work in progress	-	-	0.4	1.2		
Pre-feasibility expenses	0.3	0.0	0.2	0.1		
Total IFRS production costs	11.5	12.4	22.1	25.2		

Review of Results

G&A

	3 months to June 30		6 months to June 30		
(\$'m)	2020	2021	2020	2021	
Investor relations	0.1	0.1	0.2	0.2	Remains at a low level due to continued travel restrictions
Audit fee	0.1	0.1	0.1	0.1	
Advisory service fees	0.1	0.1	0.3	0.2	
Listing fees	0.1	0.1	0.2	0.2	
Directors fees	0.1	0.1	0.2	0.3	Increase in annual fee
Employee costs	0.7	1.1	1.6	2.1	increase in headcount and annual salary increases
Travel	-	-	0.1	0.0	
Other	0.1	0.1	0.2	0.3	
Total	1.3	1.7	2.8	3.4	

Review of Results

Cost per ounce

	3 months to June 30		6 months to June 30		
(\$/oz)	2020	2021	2020	2021	
On-mine cost per ounce	811	715	741	772	Below/within guidance range of \$740-\$815 per ounce
All-in sustaining cost per ounce	1,075	933	972	1,000	Below/within guidance range of \$985-\$1,080 per ounce

- 2020 AISC *excludes* export credit incentives to ensure accurate comparison
- Q1 2021 and H1 2021 costs per ounce were adversely affected by lower Q1 2021 production as fixed costs spread over fewer production ounces

Review of Results

Taxation

Q2 2021 Taxation

	(\$'000's)	Zimbabwe	South Africa	Total
Income tax		2,417	204	2,621
Withholding tax				
- management fees		-	32	32
- deemed dividend		75	-	75
Deferred tax		1,195	(30)	1,165
Total Taxation charge		3,687	206	3,893
Cash tax paid		1,818	316	2,134

- Total effective tax rate of 51% on IFRS profit before tax :
 - No tax deduction for Glen Hume impairment
 - No tax deduction for G&A costs incurred in UK and Jersey.
 - withholding tax levied by South Africa and Zimbabwe on inter group payments
- Taxation principally arises in Zimbabwe; income tax in South Africa on inter-company profits
- Zimbabwe calculation is opaque: tax computations are done using RTGS\$ accounts and the resultant charge is converted to US\$.
- Zimbabwe income tax and deferred tax charge represents 26% of IFRS gross profit (which approximates to On-mine profit before tax)

Review of Results

Cash Flow

		3 months to June 30		6 months to June 30		
	(\$'m)	2020	2021	2020	2021	
Cash flow before working capital		9.5	13.7	21.2	23.6	<i>Substantial increase in Q2 cashflows at higher production level</i>
Working capital		(4.1)	1.3	(4.8)	(6.0)	<i>Normalisation of gold receivable in Q2 2021</i>
Net interest		(0.1)	(0.1)	(0.3)	(0.3)	
Tax paid		(1.3)	(2.1)	(2.0)	(2.6)	
Net cash from operating activities		4.0	12.7	14.1	14.7	
Investing		(4.3)	(7.1)	(8.1)	(13.3)	<i>Primarily at Blanket; Q2 2021 is net of ETF realisation</i>
Financing (incl. dividends)		(1.0)	(1.9)	(2.0)	(3.8)	<i>Dividends paid to Blanket minorities and Caledonia shareholders</i>
Net change		(1.3)	3.7	4.0	(2.4)	
Foreign exchange		(0.9)	(0.0)	(1.3)	(0.0)	
Net cash b/fwd		13.8	13.0	8.9	19.1	
Net cash c/fwd		11.6	16.7	11.6	16.7	

Review of Results

Balance Sheet

	(\$'m)	Dec 31 2020	June 30 2021	
Non-current assets		133.3	140.9	
Other current assets		23.8	29.9	
Cash and equivalents		19.1	16.7	
Derivative financial assets		1.2	-	<i>Gold ETF sold in the Quarter</i>
Assets held for sale		0.5	0.5	<i>Mascot exploration asset: sale finalised and proceeds received in Q3</i>
Total assets		177.9	188.0	
Equity attrib. to shareholders		141.5	146.1	
Non-controlling interests		16.5	17.8	
Total equity		158.0	163.9	
Non-current liabilities		9.9	11.8	<i>Deferred tax and rehab provisions. No debt</i>
Current liabilities		10.0	12.3	<i>Mainly trade payables: less than \$200k of debt</i>
Total equity and liabilities		177.9	188.0	

The Zimbabwe Opportunity

CONNEMARA NORTH



Acquired an option for the northern section of the property, for a period of **18 months** with the right to explore and to subsequently acquire the mining claims



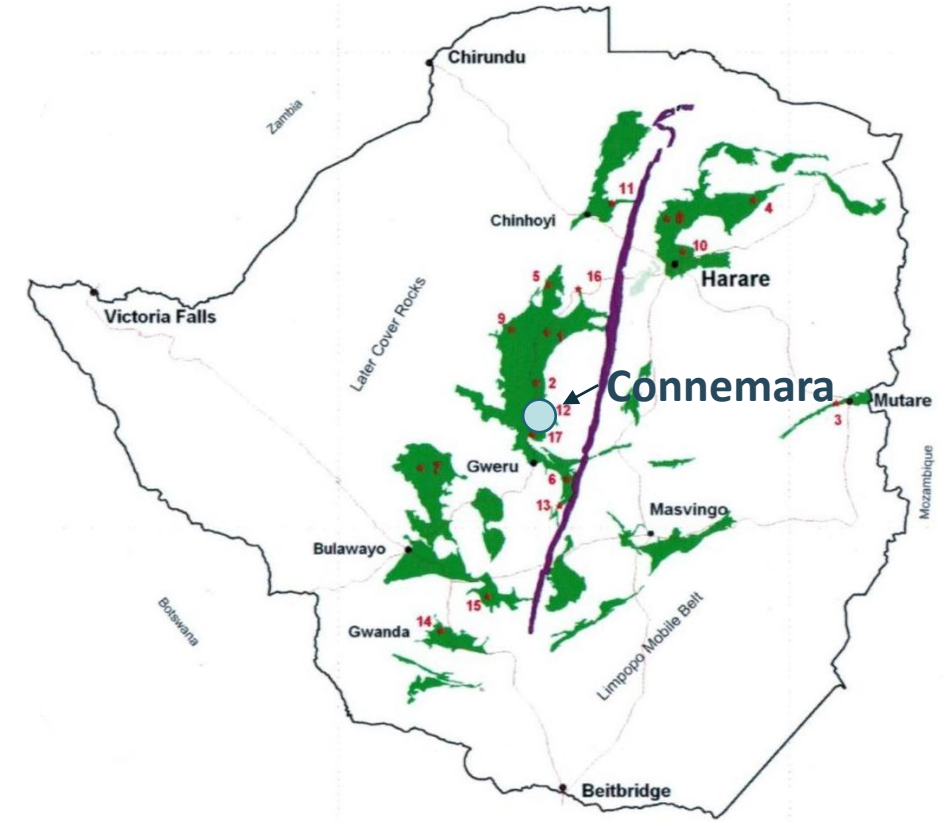
The total consideration would be **\$5.3 million** (payable in cash or shares) and a 1% net smelter royalty



Previously owned by First Quantum Minerals and was placed on care and maintenance in 2001 and subsequently disposed of in 2003



Before 2001 Connemara Mine (located on the southern section) produced approximately **20,000 ounces of gold per annum** from an open pit heap leach operation



Caledonia will not exercise the Glen Hume option but continues to look for new opportunities in Zimbabwe and elsewhere

Environment, Social & Governance

CALEDONIA IS A SOCIALLY CONSCIOUS & RESPONSIBLE BUSINESS

CORPORATE GOVERNANCE & ETHICS

- We operate on **Honesty, Integrity, Respect & Trust**, and our **Code of Business Conduct, Ethics and Anti-Bribery Policy** is the foundation for how we conduct our business.
- Adopted QCA guidelines in 2020
- We are proud to have had no whistleblowing incidents.



HEALTH & SAFETY

- We aim for a **zero-harm work environment** with a LTIFR of zero
- We set-up the Nyanzvi training initiative to improve safety at Blanket
- Have taken active measures in response to COVID-19 to minimise infection rise and safeguard continuity of operations



OUR PEOPLE

- 99% of our employees are Zimbabwean, and our Blanket employees have a 10% interest in the mine
- Our hiring practices include consideration of diversity across a number of areas including gender, and we are pleased to maintain a low employee turnover throughout the business – turnover at the Blanket Mine in 2020 was 0.42%
- Appointed an NED to sit on Caledonia Board with a specific focus on ESG & CSR



COMMUNITY RELATIONS

- Involvement of the local community is central to our vision of building a socially responsible business
- The local community holds a 10% interest in the Blanket Mine
- Our CSR Strategy is defined under the following six pillars: **Education, Health, Women & Youth Empowerment, Agriculture, Environment & Charity**



ENVIRONMENT

- Blanket operates an **Environmental Management Plan** to ensure the application of the best management practices to protect the environment, and we have entered into a contract to construct a 12MW solar plant at the mine
- Water is recycled from the lower levels of unused workings, and we plan to construct a storage pond from water pumped from current workings
- We are proud to have had zero reported environmental incidents in 2020
- Information on website regarding tailings management in response to requests from the Church of England Pensions Board and Council on Ethics and the Swedish National Pension Funds



In July 2021 Caledonia published its inaugural ESG Report

COVID-19



Donations to the Chamber of Mines and communities in 2020 to assist with the Covid-19 pandemic



Operations continued during the two national lockdowns



Management has re-introduced **strict access controls** to the mine and the mine village to limit the rate of transmission of the virus.



Blanket had recorded a total of 142 cases, with one requiring hospitalisation and one fatality as a result of the virus.



Caledonia has procured **vaccines** for its employees and their families

Contacts

Website: www.caledoniamining.com

Twitter: @CaledoniaMining

Share Codes: NYSE American – CMCL / AIM – CMCL

Caledonia Mining

Mark Learmonth, CFO

Tel: +44 (0) 1534 679800

Email: marklearmonth@caledoniamining.com

Camilla Horsfall, VP Investor Relations

Tel: +44 (0) 7817 841793

Email: camillahorsfall@caledoniamining.com

North America IR: 3ppb LLC

Patrick Chidley

Tel: +1 917 991 7701

Paul Durham

Tel: +1 203 940 2538

Investment Research

WH Ireland: www.whirelandplc.com

Cantor Fitzgerald: www.cantor.com

European IR: Swiss Resource Capital

Jochen Staiger

Tel: +41 71 354 8501

London Financial PR: Blytheweigh

Tim Blythe

Tel: +44 (0) 207 138 3205

Megan Ray

Tel: +44 (0) 207 138 3222

AIM Broker/Nomad: WH Ireland

Adrian Hadden

Tel: +44 (0) 207 220 1666

Email: adrian.hadden@wh-ireland.co.uk