

CEO Newsletter

January 2022

2021 was a truly transformational year for the Company; 4 increased dividends, commissioning of Central Shaft, record production in two quarters, exceeding our increased annual production guidance, acquiring the Maligreen project and a continued commitment to safety with 2.4 million fatality free shifts since 2018. This all in the midst of the Covid-19 pandemic and I am pleased that our vaccination programme continues with over 50% of our employees at Blanket now fully vaccinated. Our success has been a tremendous team effort, and I am grateful to our employees for their hard work.



Sabiwa High School

At Caledonia we believe that investment in our local communities and employees is key to a successful business. Over the last 6 months, Blanket Mine has refurbished Sabiwa High School; this included a new, fully equipped, computer room, a science laboratory and new ablution facilities. There will be more details on this project and other CSR initiatives taken throughout 2021 in our ESG report which will be published later this year.



Gwanda Community Share Ownership Trust

I was also delighted that, in October, the advance dividend loan account due from the Gwanda Community Share Ownership Trust ("GCSOT"), a 10 per cent shareholder in Blanket, was repaid and in future the GCSOT will receive its full entitlement to 10 per cent of dividends paid by Blanket.

VFEX Listing

Caledonia listed on the VFEX in Zimbabwe in December and, due to extremely positive local investor response, we decided to raise more funds upon listing than originally anticipated.

This support from Zimbabwe investors was extremely encouraging and reinforced our belief that the listing is an important initiative, welcoming local shareholders with a mutual desire for investment in Zimbabwe and who have not, until now, been able to participate in Caledonia's growth journey.

The VFEX listing should also enable Caledonia to access 100% of its revenue in USD for incremental gold sales at Blanket, and therefore at any other new mine that we develop. We anticipate that this important government policy will attract new investors who can be confident that Zimbabwe is a competitive investment environment capable of delivering attractive returns.



Change In Leadership

Last year I also made the difficult decision to step down as CEO of the Company. I will be succeeded by my long-term colleague Mark Learmonth. Mark has been Caledonia's CFO since November 2014, the same time as I became CEO, and we have therefore worked together for many years, and I believe him to be the right leader to take the Company forward into its next chapter. I will continue to act for the Company in a non-executive role, from the end of this year, and look forward to seeing Caledonia achieve its growth strategy to become a multi-asset gold producer.

Regular video updates, including drone footage of Central Shaft and a 3D model of Blanket Mine, 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 and LinkedIn.

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

Kind regards

Steve Curtis, CEO

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