Caledonia Mining Corporation Plc

INVEST DEVELOP GROW

INTEGRATED REPORT 2022



CONTENTS

About Caledonia Mining

Caledonia Mining Corporation Plc ("Caledonia" or the "Company") is a Zimbabwean focused exploration, development and mining corporation. Caledonia owns a 64% stake in the gold-producing Blanket Mine ("Blanket"), 100% stakes in the Bilboes oxide mine, the Bilboes sulphide project and the Motapa and Maligreen gold mining claims, all situated in Zimbabwe. After increasing the production at Blanket to 80,000oz in 2022 our main focus areas are to maintain production at 80,000oz at Blanket, complete the Bilboes feasibility study and become a multi-asset gold producer in Zimbabwe.

Visit our website for more information

Scan the QR Code below to access the website using your cellphone:

www.caledoniamining.com



Using this report

This report is interactive, look out for these icons which aid navigation or link to additional information:

- Click to return to the contents page
- Click to return to the previous page
- Click to view the following page
- Click to return to the previously viewed page, handy to return from a cross reference link

ABOUT CALEDONIA	pg 2
About Caledonia	pg 2
Investment case	pg 4
Our history	pg 7
Scope of this report	pg 8
Highlights 2022	pg 10
Five-year overview	pg 11
CEO's review	pg 12
Our business and strategy	pg 14
Our business model – how we create value	pg 15
Key performance indicators	pg 21

OPERATIONAL REVIEW AND OUTLOOK	pg 22
COO's review	pg 23
Operations at Blanket	pg 25
Operational performance at Blanket	pg 33
Solar plant project	pg 36
Bilboes project	pg 37
Motapa project	pg 41
Operational outlook	pg 43

FINANCIAL REVIEW	pg 44
CFO's review	pg 45
Financial performance	pg 48

GOVERNANCE	pg 60
Chairman of the Board's review	pg 61
Caledonia's corporate governance structure	pg 63
Board and Board Committees	pg 64
Risk identification and mitigation	pg 78
Compensation overview	pg 83

SUPPLEMENTARY INFORMATION	pg 89
Mineral resources and reserves statements	pg 90
Shareholders' information	pg 92
Annual general meeting	pg 94
Glossary	pg 95
Disclaimer	pg 97
Corporate information and administration	pg 98

Highlights 2022 pg 10

How we create value pg 15

Financial performance pg 48

Risk identification and mitigation pg 78

WHO WE ARE

Caledonia has a strong, experienced management team and board of directors ("the Board") with diverse expertise in gold mining, exploration, mine and infrastructure development, finance, marketing and environmental, social and governance ("ESG"). The group's management team is based in Jersey, Channel Islands, in Johannesburg, South Africa, in London, United Kingdom and in Harare, Zimbabwe.

Our strategic focus

Caledonia's immediate strategic focus is to:

- Maintain the higher production, lower cost per ounce and increase cash generation at Blanket
- Complete the feasibility study at the newly acquired Bilboes sulphides project
- Balance returning money to shareholders and investing in the Company's growth
- Become a multi-asset gold producer in Zimbabwe

Caledonia shares are listed on the NYSE American LLC ("NYSE American") and depositary interests in the shares are traded on the AIM of the London Stock Exchange plc (symbol: CMCL). Caledonia listed depositary receipts on the Victoria Falls Stock Exchange ("VFEX"), a subsidiary of the Zimbabwe Stock Exchange, on December 2, 2021. Caledonia voluntarily delisted its shares from the Toronto Stock Exchange (the "TSX") on June 19, 2020.

Caledonia owns 64% in Blanket, which is located in the south-west of Zimbabwe approximately 15km west of Gwanda.

In 2015, Caledonia embarked on an investment plan at Blanket that entailed sinking the Central Shaft to a depth of over 1,200 metres, upgrading the metallurgical plant and performing substantial underground development. The investment plan achieved its goal of producing 80,000 ounces in 2022 and plans to maintain production in the range of 75,000 and 80,000 ounces in 2023 and onwards over the Blanket life of mine.

On January 6, 2023 Caledonia acquired Bilboes for 5,123,044 shares and a 1 % net smelter royalty. Bilboes is a large, high-grade gold (sulphide and oxide) deposit located approximately 75km north of Bulawayo, Zimbabwe. Bilboes has Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43- 101") compliant measured and indicated mineral resources of 2.56 million ounces of gold in 35.18 million tonnes at a grade of 2.26g/t and inferred mineral resources of 577,000 ounces of gold in 9.48 million tonnes at a grade of 1.89g/t. The NI 43-101 had proven and probable mineral reserves of 1.96 million ounces of gold in 26.64 million tonnes at a grade of 2.29g/t. The main objective at Bilboes is to construct a large, open-pit operation to extract sulphide mineralisation. In addition to the vendor feasibility study performed, Caledonia has commissioned its own feasibility study that is planned for completion in 2023. The new feasibility study will update the vendor feasibility study for prevailing economic environment and to identify the most judicious way to commercialise the project in terms of maximising the increase in value for Caledonia shareholders.

The exploration programme at Motapa is aimed to commence later in 2023 as well as further exploration to continue at Blanket mine.

Market capitalisation

May 31, 2023:
$232.8 million

Dec 31, 2022:
$159.1 million

Budgeted solar production during 2023

29,517,396KWh

Growth in production ounces from 2016 to 2023

58.9%

Annual production in 2022

80,775oz

Record annual tonnes milled in 2022

752,033

Bilboes Gold acquisition on January 6, 2023

$65.7 million

Equity raise in 2023 of approximately

$16.6 million

Acquisition of Motapa on November 2, 2022

$8.7 million

GROUP STRUCTURE

Group structure

CALEDONIA MINING CORPORATION PLC
(Jersey Channel Islands) (Reg No. 120924)

100%
Caledonia Mining Services (Private) Limited (Zimbabwe)
(Reg No. 898/34)

100%
Greenstone Management Services Holdings Limited (United Kingdom)
(Reg No. 898/34)

100%
Motapa Mining Company UK Limited (United Kingdom)
(Reg No. 13178541)

100%
Bilboes Gold Limited (Mauritius)
(Reg No. C078630)

100%
Caledonia Holdings Zimbabwe Private Limited (Zimbabwe)
(Reg No. 5/45)

100%
Blanket Mine (1983) Private Limited (Zimbabwe)
(Reg No. 172/69)

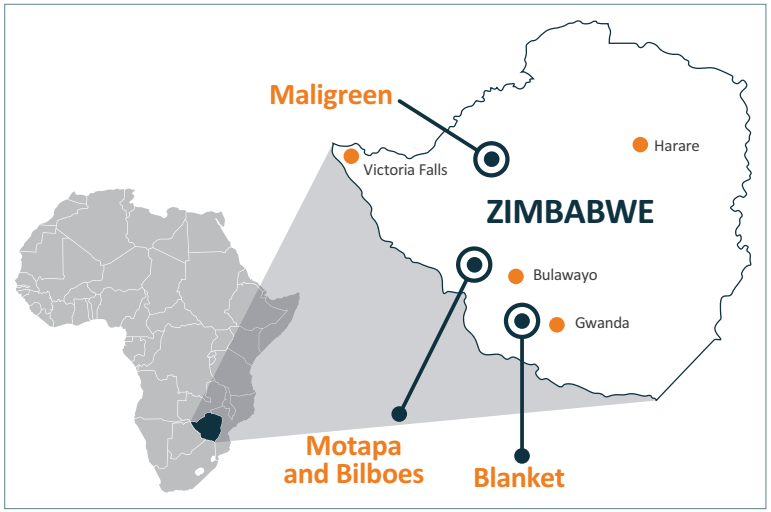
100%
Caledonia Mining South Africa Proprietary Limited (South Africa)
(Reg No. 1993 / 000530 / 07)

100%
Caledonia Mining FZCO (Dubai)
(Reg No. DSO-FZCO-24280)

100%
Arraskar Investments (Private) Limited (Zimbabwe)
(Reg No. 5030/2016)

100%
Bilboes Holdings (Private) Limited (Zimbabwe)
(Reg No. 113/82)

** The above structure only presents active companies within the Group.*





INVESTMENT CASE

Substantial production growth:

- Targeting approximately 80,000 ounces from 2023 onwards
- Increased cash flows due to higher production, lower unit costs and foreseeable declining capex
- Strong future cash generation leaves resources available for reinvestment in newly acquired assets



High-margin operations

- Low all-in sustaining cost
- Capital investment to decrease increasing cash availability for reinvestment in future

Strong management team

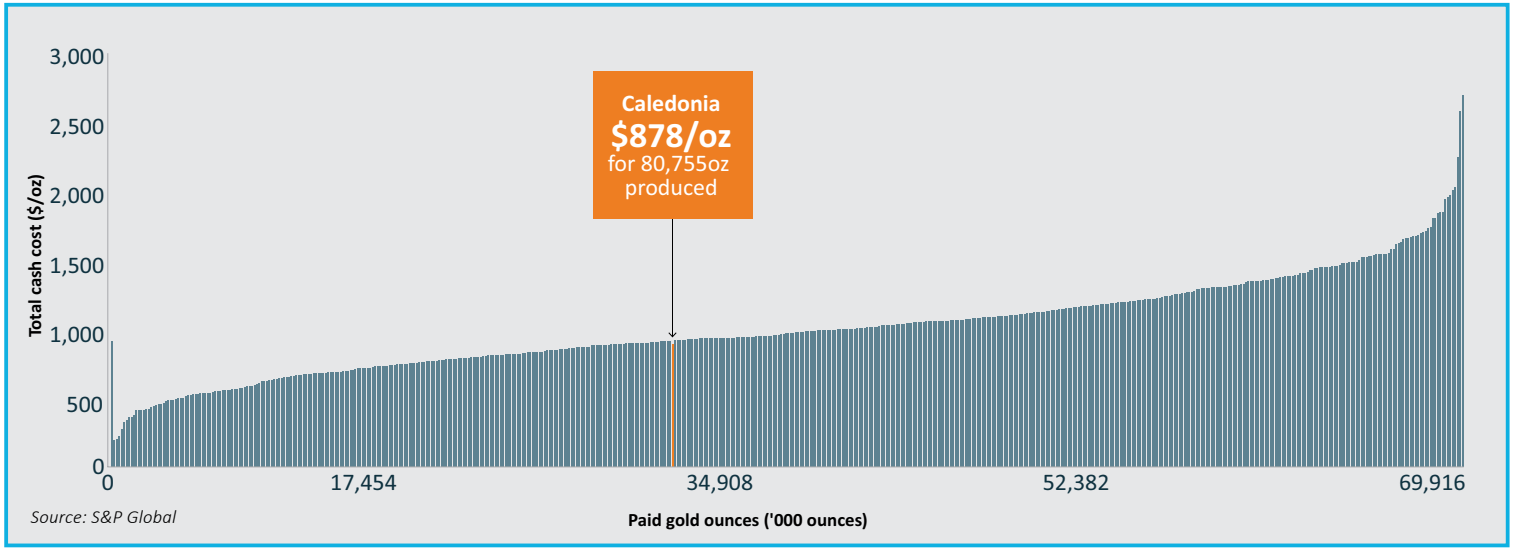
- Excellent in-country relations
- Proven track record of operating reliably and profitably in Zimbabwe
- Strong, well established, indigenous mine management team

Attractive growth potential

- Blanket mine cash generation to increase with lower capital investments
- Bilboes resources of 168,000oz of gold per annum with feasibility study planned to be completed in H1 of 2024
- Total resources in the Group of 6.724Moz and 98.79Mt acquired in 2021-2023
- Attractive exploration potential at Motapa, adjacent to Bilboes
- Outlook to become a multi-asset producer in Zimbabwe

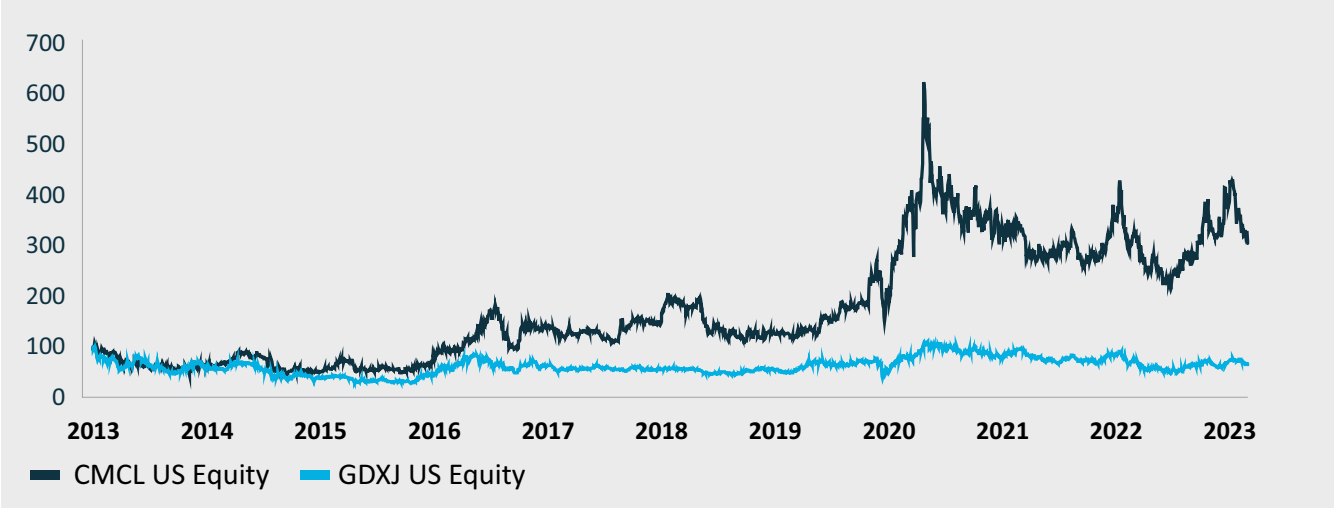
All-in sustaining cost of Caledonia compared to other companies in global gold industry

(December 31, 2022)



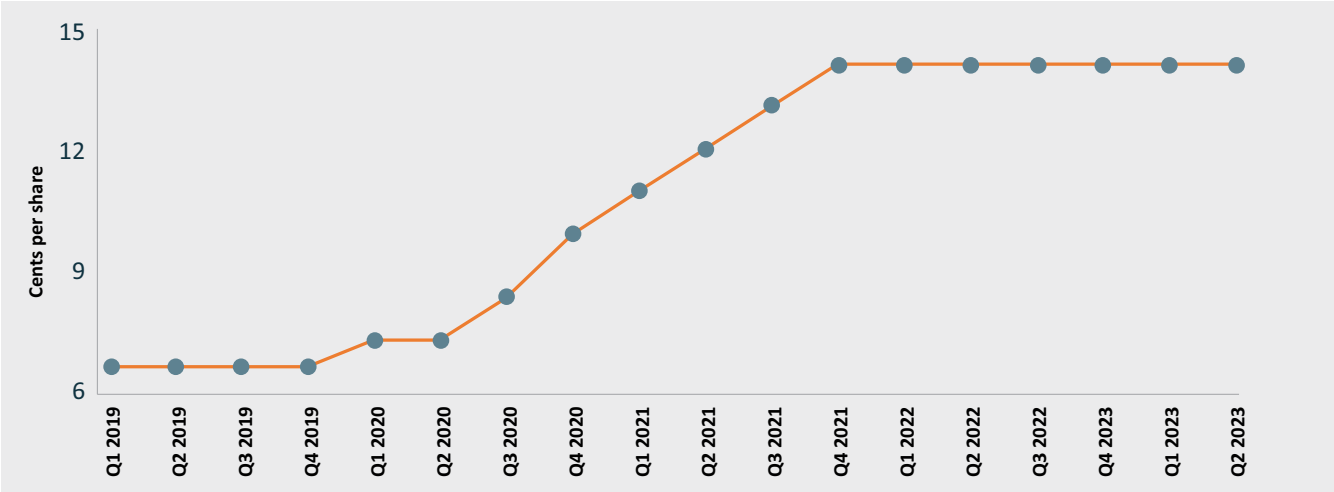
INVESTMENT CASE *continued*

Caledonia US equity vs GDXJ total return index up to May 31, 2023 (Rebased to 100)



Source: Bloomberg

Quarterly dividend payments

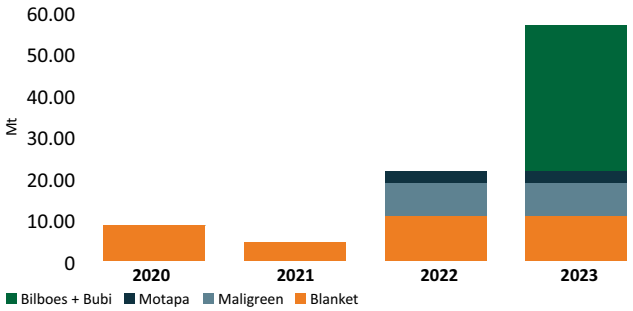


Source: Bloomberg

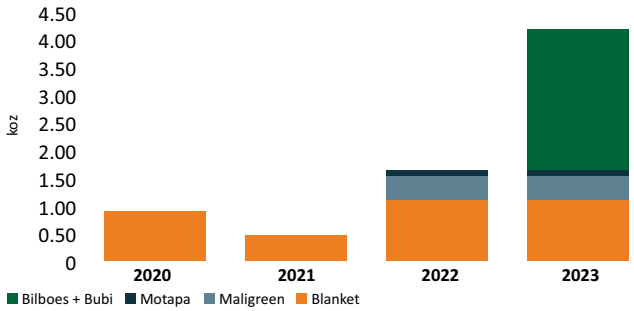


INVESTMENT CASE *continued*

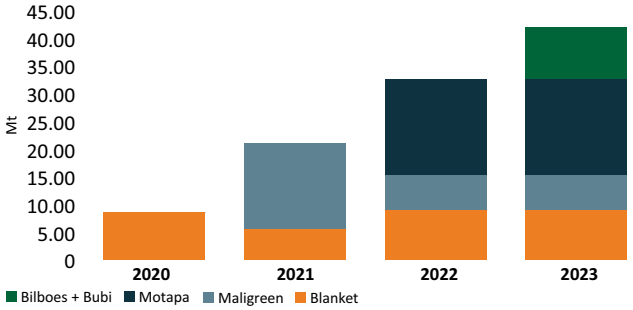
Total Measured and Indicated Resources



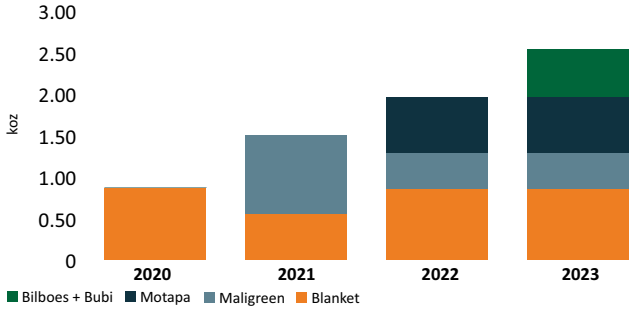
Total Measured and Indicated Resources (AU content)



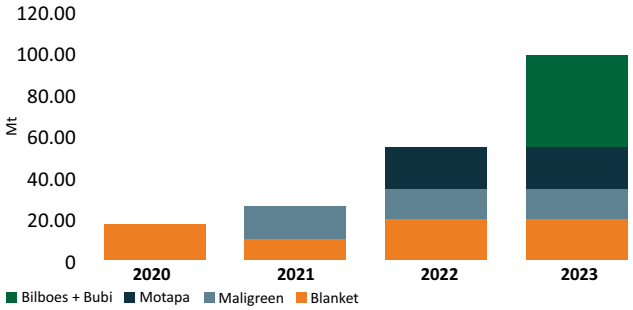
Total Inferred Resources



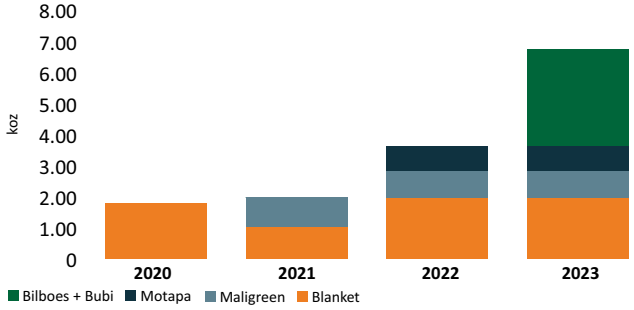
Total Inferred Resources (AU content)



Grand Total Resources



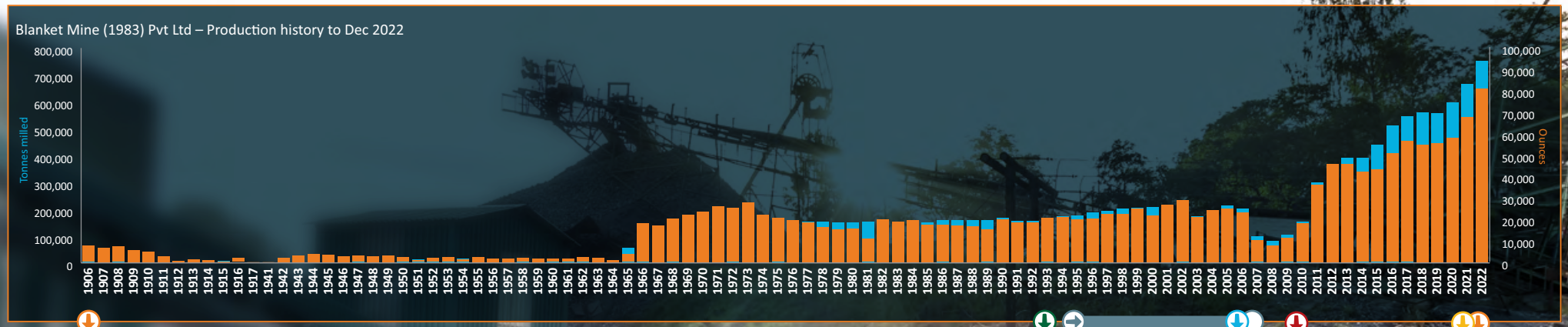
Grand Total Resources (AU content)



A total of 6.72Moz and 98.79Mt resources acquired in the Group from 2021 to 2023

OUR HISTORY

Between 2007 and 2022, Caledonia milled approximately 6.5 million tonnes and produced 0.7 million ounces of gold



1904-1906

7,413oz

- Production started

1993

20,396oz

- Kinross purchased Blanket
- Between 1993 and 2006, Kinross milled 2.4 million tonnes and produced 0.4 million ounces of gold

1995-2007

57,899oz

- Blanket tailings dam construction and treatment of previous tailings dam

2006

22,985oz

- Caledonia purchased Blanket

2010

17,793oz

- Commissioning of No 4 Shaft expansion project

2021

67,476oz

- Central Shaft commissioned

2022

80,775oz

- Record annual gold production

SCOPE OF THIS REPORT

This integrated report ("IR") provides information on how we create value through our business, operating environment and performance. The IR gives a clear overall picture on how we maintain and sustain our growth profile.

Framework of report and governance structure

Our IR is based on the principles contained in the Integrated Reporting Framework which now falls under the umbrella of and is endorsed by the IFRS Foundation. We also ensure that we comply with the laws and regulations of the Companies (Jersey) Law 1991, as amended, the Sarbanes-Oxley Act ("SOX"), the Securities Exchange Act of 1934, the NYSE American and AIM. After the delisting from the TSX the Company remains a Canadian reporting issuer, due to having a material number of Canadian shareholders, and is therefore subject to Canadian securities and reporting laws. We have also adopted the Quoted Companies Alliance ("QCA") Corporate Governance Code.

Reporting period

The IR covers the period from January 1, 2022 to December 31, 2022. Any material events up to the date of this report have also been included. This report should be read in conjunction with our Consolidated Financial Statements.

Reporting boundaries

This IR covers Caledonia and its subsidiaries. All references to Caledonia, the group or the Company refer to Caledonia and its subsidiaries as the context requires. The financial information contained in this report was extracted from the Consolidated Financial Statements.

Consolidated Financial Statements can be found at:
www.caledoniamining.com/investors/reports-presentations/

Operating businesses

The IR includes a review of our operating and financial performance during the reporting period.

Materiality

Materiality determines the context and extent of disclosure of any material issues relating to the group. Caledonia considers materiality from a quantitative and qualitative perspective in preparing the IR.

Refer to ***page 78*** of this report where Caledonia's material risks are identified, and the mitigation thereof discussed.

Forward-looking statements

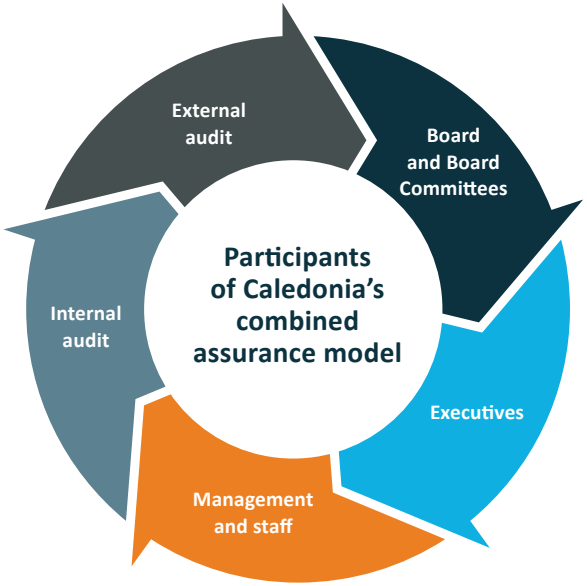
Refer to ***page 97*** of this report for the Disclaimer where the forward-looking statements within the meaning of section 27A of the US Securities Act of 1933, as amended, or the Securities Act, and section 21E of the US Securities Exchange Act of 1934, as amended, or the Exchange Act, with respect to Caledonia's financial position, production and cost targets, project target, operating performance and other matters are discussed.

Combined assurance

Caledonia's combined assurance model ensures that proper assurance is obtained in preparing the IR. This is achieved by using the appropriate resources to provide the ultimate benefit for Caledonia and its stakeholders, being an enhancement of controls, better management of risks and/or cost-efficiency.

This IR is not audited but has been reviewed and approved by the Caledonia Board and reviewed by management.

Contributions from management and other internal sources of the combined assurance structure have been used to gather information to complete this report.



Board statement

The Board is ultimately responsible for ensuring the integrity of the IR and is satisfied that the internal controls implemented by management are effective. We confirm that the IR addresses all material issues and matters, and fairly represents the group's integrated performance.

On behalf of the Caledonia Board:

John Kelly
Non-executive Chairman
September 28, 2023

Mark Learmonth
Chief Executive Officer
September 28, 2023

SCOPE OF THIS REPORT *continued*

Caledonia's suite of reports is as follows:



INTEGRATED REPORT ("IR")

Review of the Company's performance, financial condition, and future prospects by linking the business model and stakeholders' interests.

www.caledoniamining.com/investors/integrated- report/



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT ("ESG")

Review of Caledonia's environmental, social and governance performance.

www.caledoniamining.com/esg/esg-reports/



MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

Required by Canadian regulations and filed on SEDAR; this accompanies quarterly financial statements and provides a narrative explanation of Caledonia's financial statements and other statistical data that give a better understanding of our financial performance, changes in financial condition and results of operations.

www.caledoniamining.com/investors/reports-presentations/



ANNUAL REPORT ON FORM 20-F ("20-F")

Caledonia's Annual Report which is filed with the United States Securities and Exchange Commission ("SEC").

www.caledoniamining.com/investors/reports-presentations/



CONSOLIDATED FINANCIAL STATEMENTS ("FS")

Caledonia's Consolidated Financial Statements contain the financial results for the year ended December 31, 2022.

www.caledoniamining.com/investors/reports-presentations/



MANAGEMENT INFORMATION CIRCULAR ("MIC")

A disclosure document containing prescribed information in connection with the solicitation of proxies to be used at the annual general meeting of shareholders.

https://www.caledoniamining.com/investors/shareholder-information/#shareholder-meeting-documents



TECHNICAL REPORTS ("TR")

Reports pursuant to the National Instrument 43 101 Standards of Disclosure for Minerals Projects developed by the Canadian Securities Administrators that specifically applies to mineral projects.

Reports pursuant to the SEC's Regulation S-K subpart 1300.

https://www.caledoniamining.com/investors/technical-reports/

Our suite of reports complies and/or is mapped with the following reporting standards and frameworks:

	IR	ESG	MD&A	20-F	FS	MIC	TR
Integrated Reporting Framework [1]	•						
International Financial Reporting Standards ("IFRS") [1]			•	•	•		
Global Reporting Initiative ("GRI") [2]		•					
United Nations ("UN") Sustainable Development Goals ("SDGs") [2]		•					
SEC rules and regulations [1]				•			•
Sarbanes-Oxley Act of 2002 [1]				•	•	•	
National instruments (Canada) [1]			•			•	•

[1] Complies [2] Mapped



HIGHLIGHTS 2022

19.7%

Gold produced

80,755oz

2021: 67,476oz

Record annual gold production – gold ounces produced were higher due to increased tonnes milled.

0.9%

On-mine cost per ounce[1]

$735/oz

2021: $742/oz

On-mine cost per ounce was lower due to the spreading of costs over more production ounces.

2.6%

All-in sustaining cost ("AISC")[1]

$878/oz

2021: $856/oz

The AISC per ounce increased due to higher advisory services fees of $1.1 million incurred to complete the acquisitions of Bilboes and Motapa. Increased Johannesburg based technical services were appointed due to the increase in production at Blanket and to build up the skills required to perform the Caledonia feasibility study for the Bilboes sulphides project.

0.3%

Average realised gold price

$1,772/oz

2021: $1,766/oz

The increased average realised gold price reflects international spot prices.

14.2%

Gross profit[2]

$61.8 million

2021: $54.1 million

Gross profit increased due to higher production, a higher realised gold price and lower on-mine cost per ounce.

2.7%

Net profit attributable to shareholders

$17.9 million

2021: $18.4 million

Net profit decreased predominantly due to higher taxes as a result of non-deductible expenditure incurred at a Group level.

8.8%

Basic IFRS earnings per share ("EPS")

135.5 cents

2021: 148.6 cents

IFRS EPS reflects the movement in IFRS profit attributable to shareholders.

2.7%

Adjusted EPS[1]

219.9 cents

2021: 225.9 cents

Adjusted EPS decreased largely due to the impairment on property, plant and equipment of $8.2 million in 2022.

90.8%

Net cash and cash equivalents

$1.5 million

2021: $16.3 million

Net cash has reduced due to the high level of investment at Blanket and investment and expenditure on other projects. Solar plant payments were also coming through during 2022.

37.9%

Net cash from operating activities

$42.6 million

2021: $30.9 million

Net cash from operating activities increased predominantly due to a positive net working capital inflow.

40.0%

Dividends paid (per share)

56.0 cents

2021: $50.0 cents

Slightly higher dividends paid to shareholders during 2022.

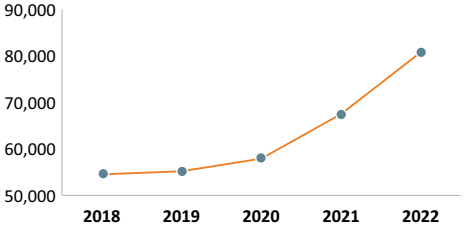
[1] Non-IFRS measures such as "On-mine cost per ounce", "AISC", "average realised gold price"* and "adjusted EPS"* are used throughout this report*

** Please refer to page 53 and page 58 for full explanations*

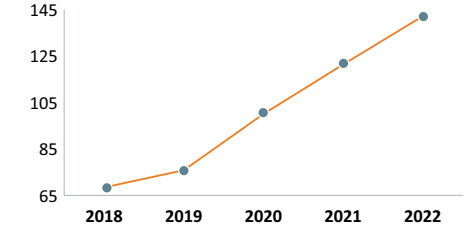
[2] Gross profit is after deducting royalties, production costs and depreciation but before administrative expenses and other income

FIVE-YEAR OVERVIEW

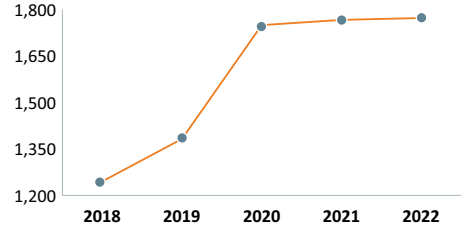
Gold produced
(oz)



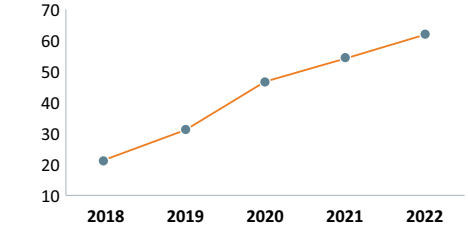
Revenue
($ million)



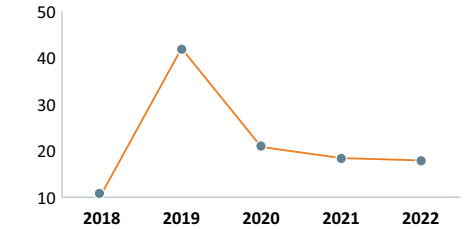
Average realised gold price
($/oz)



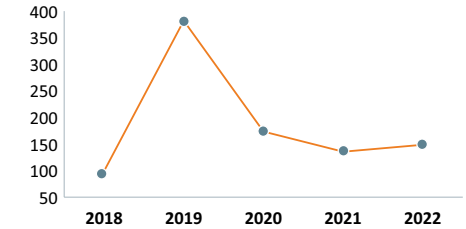
Gross profit
($ million)



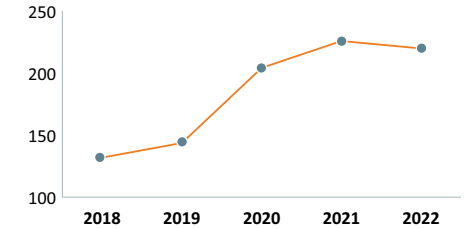
Net profit attributable to shareholders
($ million)



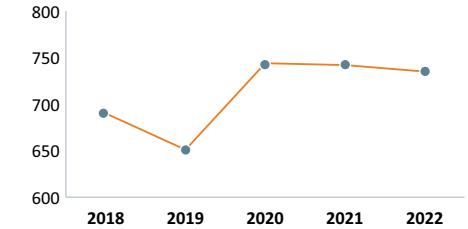
Basic EPS
(cents)



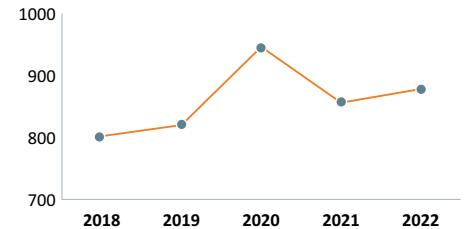
Adjusted EPS
(cents)



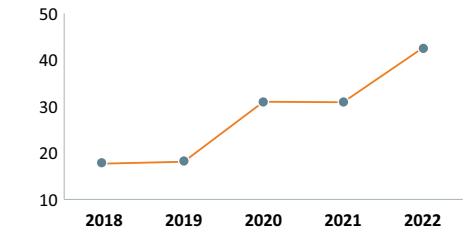
On-mine cost per ounce ($/oz)
($/oz)



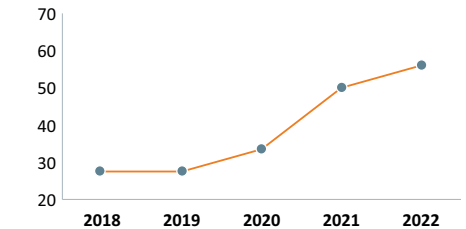
AISC (excludes the export credit incentive) ("ECI") ($/oz)



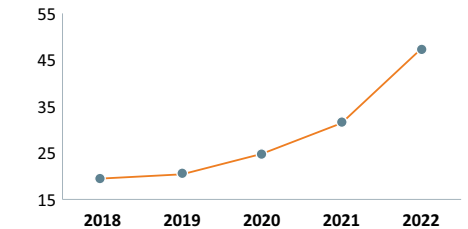
Net cash from operating activities
($ million)



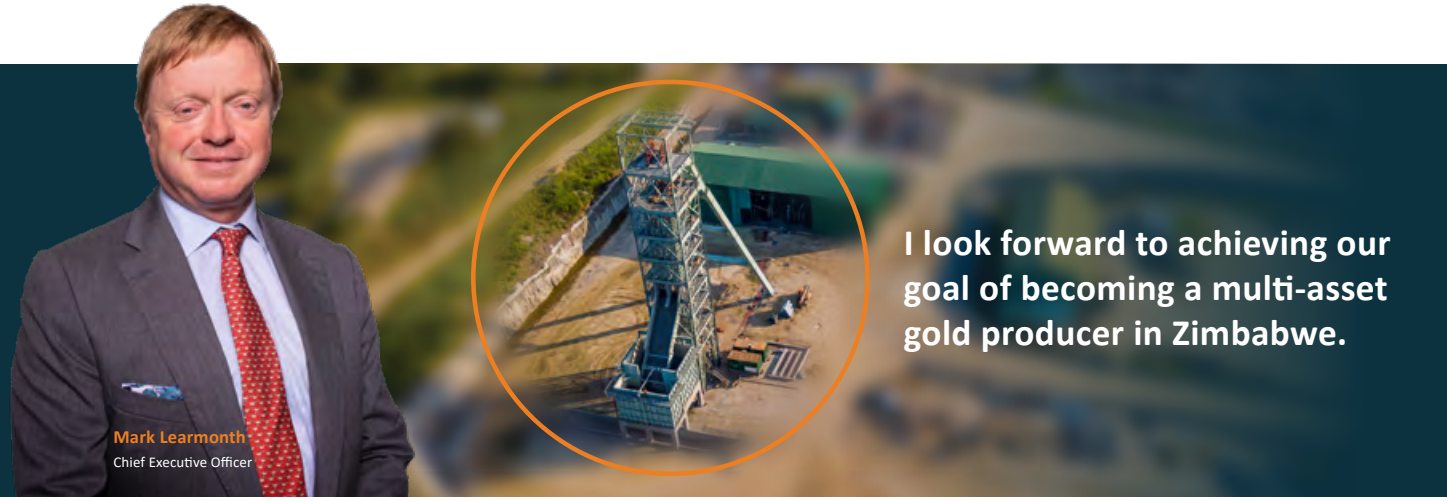
Dividends paid
(cents)



Total investment in property, plant and equipment ($ million)



CEO'S REVIEW



In July 2022 I succeeded Steve Curtis as CEO of Caledonia.

Operationally, 2022 marked a turning point for the business, and I was delighted that at year-end we had hit our long-term target of just over 80,000 ounces, a 19.7% increase from the prior year which exceeded our expectations and represents a new annual production record. The last couple of years have seen a tremendous amount of change for Caledonia:

- We increased production from 57,889 ounces in 2020 to over 80,000 ounces in 2022 due to completion of the Central Shaft
- We acquired three attractive exploration and development assets, pivoting the strategic direction of the business towards becoming a multi-asset gold producer in Zimbabwe

Safety

We take the safety of our employees very seriously. Sadly, in the first quarter of 2022 an accident resulted in the death of a Blanket employee, Andrew Clydon Phiri. I join with my colleagues in expressing our sincere condolences to the family, friends and colleagues of the deceased. The COO's report discusses health and safety in more detail, but management continues to increase its focus in this area to ensure that we maintain a safe working environment.

Our people

Our people are our most important asset, and they are central to our Company's ongoing success. We aim to attract, train and develop a skilled and committed workforce and have programmes in place that facilitate this.

Blanket Mine is one of the largest employers in the region of Zimbabwe in which we operate, where employment opportunities in the local Gwanda area are scarce. Most of Blanket's employees and their dependents live at the mine village which accommodates nearly 5,000 people and represents 15% of the wider local community.

We also believe that our people should share in the long-term prosperity and sustainability of the business; accordingly, an employee trust holds a 10% shareholding in Blanket.

Completion of Central Shaft

Although slightly delayed due to COVID-19, in November 2022 we held the official opening of the Central Shaft project, where we welcomed the President of Zimbabwe and some of his government officials to Blanket. The Central Shaft represents a significant step-up in our operations and is one of Zimbabwe's deepest gold mine shafts, descending to 1,200 metres from surface and increasing production in 2022 beyond the targeted 80,000 ounces. Our record annual production reflects the increased capacity and efficiency of the operation and is a great achievement by the team.

Central Shaft also gives us the operational flexibility to resume exploration for deeper extensions of the existing ore bodies. If successful, this exploration will allow us to further extend the life of the mine and leverage the mine infrastructure which has already been put in place.

Strategic development

Our focus currently is on Zimbabwe. We see huge geological potential in the country and are very excited about the portfolio of attractive new assets that we have acquired.

Bilboes project

In July 2022 we agreed on the acquisition of the Bilboes project and on January 6, 2023 we were delighted to announce that the Company had satisfied the conditions precedent to purchase Bilboes Gold, the parent company of Bilboes Holdings.

Refer to the Bilboes project on ***page 37*** and the mineral resources and reserves statements on ***page 90*** for more information on Bilboes.

Motapa project

In November 2022, we acquired the Motapa project, a large exploration property which is contiguous to the Bilboes project and approximately 75km north of Bulawayo. Motapa was formerly owned and explored by Anglo American Zimbabwe prior to its exit from the Zimbabwean gold sector in the late 1990s and has a mining lease covering approximately 2,200 hectares. Motapa was mined throughout most of the second half of the 20th century. Caledonia understands that during this period the region produced as much as 300,000 ounces of gold. Whilst none of the mining infrastructure remains, the evidence of historical mining will provide guidance to our exploration team in best understanding the prospectivity of the region.

CEO'S REVIEW *continued*

We believe Motapa's proximity to Bilboes will result in synergies in the evaluation of the geological potential for Motapa and, in due course, gold processing operations in the mining areas. In due course, we believe Motapa and Bilboes could prove to be world-class assets.

Maligreen project

In the 2021 report, I mentioned that we had acquired the Maligreen project for US$4 million in November 2021.

We have successfully upgraded a substantial proportion of the inferred resource and on November 7, 2022 the company published an updated technical report updating the estimated mineral resources at Maligreen. The report has an effective date of September 30, 2022 and estimates:

- Measured and indicated mineral resources of 8.03 million tonnes at a grade of 1.71g/t containing approximately 442,000 ounces of gold
- Inferred mineral resources of 6.17 million tonnes at a grade of 2.12g/t containing approximately 420,000 ounces of gold

The upgrade to the mineral resources at Maligreen improves the geological confidence of approximately half the mineral resources from inferred to measured and indicated mineral resources from the previous mineral resources statement.

These new assets underpin our strategic objective to become a mid-tier, multi-asset, Zimbabwe-focused gold producer.

Social investment

Blanket has a Corporate Social Responsibility ("CSR") programme with initiatives that fall under the six pillars of:

- Education
- Health
- Women empowerment and agriculture
- Environment
- Charity
- Youth empowerment

All our social investment activities for the period are described in the ESG report 2022 which can be found on the Caledonia website: ***www.caledoniamining.com/esg/esg-reports/***

Our combined investment in the economy of Zimbabwe based on taxes, dividends, CSR and royalties for 2022 was $28.4 million – this will continue to grow as the business develops.

In addition to Blanket's direct CSR activities, investments in community and social projects which are not directly related to the operation of the mine or the welfare of Blanket's employees, include those by the Gwanda Community Share Ownership Trust ("GCSOT"), which owns 10% of Blanket which was donated by Caledonia to the trust in 2012. GCSOT was paid $1.2 million in dividends during 2022. Blanket and Caledonia exercise no control over the projects undertaken by GSCOT, although Blanket has a representative on the GCSOT board of trustees.

Solar plant project

As mentioned in the 2021 report, the main operational challenge that the business faces is access to a stable power supply from the Zimbabwe grid. To address this problem, in 2020 we started the construction of a 12.2 MWac solar plant which in November 2022 was connected to the Blanket Mine which has since been receiving about a quarter of its average daily electricity requirements from solar. The solar power reduces the electricity required from the grid and from the diesel generators and is expected to reduce Caledonia's consolidated cost per ounce of gold produced this year by approximately US$37, fully justifying our investment in solar power and reducing our carbon footprint.

Tailings management

In the first quarter of 2022, we also began construction of a new tailings storage facility at Blanket Mine which will be compliant with the Global Industry Standard on Tailings Management. We understand the environmental and social negative impacts related to poorly constructed and managed tailings storage facilities and are committed to building ours according to international best practice.

This will be another substantial investment, costing approximately $25 million over 2023 and 2024. Once complete, the new facility will have an estimated life of approximately 14 years at the current production rate of 2,400 tonnes per day.

Zimbabwe

Zimbabwe benefits from a highly educated workforce with strong commercial and technical experience which means that our onsite employees are all Zimbabweans. From a capital markets perspective there are often concerns around inflation; however, the majority of our revenue is denominated in US$, and the local currency we receive we spend easily in-country at the official exchange rate. Although there continue to be administrative complexities in operating in Zimbabwe, we are confident in operating there and believe in its under-explored geological potential – we have continued to invest in the country with the acquisitions of Bilboes, Motapa and Maligreen.

In May 2023, Caledonia started the direct sale of gold produced from the Blanket Mine to a refiner outside Zimbabwe. This was a big milestone for the Company and further demonstrates the pragmatic approach of the Zimbabwe authorities. This new arrangement should make it easier for Caledonia to arrange debt facilities with funders outside Zimbabwe which may be used to support the construction of our new mines. This arrangement is outlined in more detail in the CFO's review on ***page 45***

I look forward to achieving our goal of becoming a multi-asset gold producer in Zimbabwe.

Dividends

We maintained successful operations and conducted exploration in 2022 while continuing to pay a quarterly dividend of 14 cents a share, providing a healthy yield to our shareholders.

OUR BUSINESS AND STRATEGY

STRATEGY

Our purpose

Create sustainable benefits for all stakeholders, improve the livelihoods of our workforce and contribute to the economies of our host countries.

Our vision

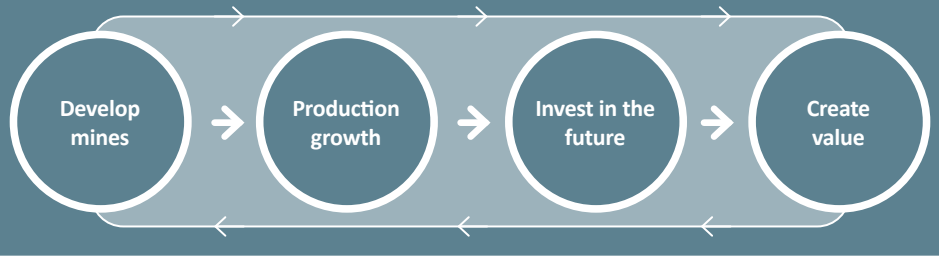
- Low cost
- Responsible
- Mid-tier gold producer
- Producing 300,000oz to 500,000oz

Continue 80,000 ounce target per annum from Blanket Mine	Complete feasibility study at Bilboes and explore and develop new assets	Balance returning money to shareholders and investing in the Company's growth	Become a multi-asset gold producer in Zimbabwe

Our strategy

Caledonia's immediate strategic focus is to:

- Achieve production at Blanket at the targeted range of 75,000 to 80,000 ounces in 2023
- Re-commence deep level drilling at Blanket with the objective of further upgrading inferred mineral resources, thereby extending the life of mine
- Complete the Caledonia feasibility study on the Bilboes sulphide project to determine the best implementation strategy and estimate the funding requirements and commence development of the larger sulphides project
- Begin an exploration programme at Motapa
- Caledonia will continue geological evaluations at Maligreen



Focus areas

Optimise and increase investor return

- Pursue value-accretive growth
- Embrace ESG as the core of doing business
- Create a strong value-based ethical culture of excellence
- Manage risks and opportunities to prosper within the external environment
- Continuous improvement of organizational capacity

Embrace ESG and safe production

- Maintain our licence to operate – both social and regulatory
- Maintain a strong investment rating – ESG performance is increasingly critical in how companies are evaluated

Optimise capital management

- Enhance assets by exploration of existing mining assets to extend life of mine
- Business development by evaluating exploration opportunities and identifying new mining opportunities

Credible leaders/management and skilled productive people

- Ensure leadership and management principles are in place
- Provide strong training and coaching

Ethical value-based corporate governance and a strong culture of excellence

- Ensure a strong value-based, ethical organisational culture is designed and continuously improved from within
- Provide behavioral-based team intervention (Nyanzvi training)

World-class operations

- Use our operating knowledge to optimise the performance of our assets
- Establish a diversified footprint
- Ensure sustainable change and improvement that will ensure safe responsible operational excellence

Strong internal business processes and systems

- Ensure planning and control systems are in place

Manage risks and opportunities within the external environment

- Understand the culture, socio-economic and political climate and risks of the areas we operate in

THE SIX UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ALIGNED TO OUR PURPOSE, VISION AND STRATEGY



Our stakeholders

- Shareholders
- Employees
- Communities
- Suppliers, contractors and service providers
- Governments

OUR BUSINESS MODEL – HOW WE CREATE VALUE

Operating environment

The political and monetary environments, global economic growth, financial market conditions, regulatory changes and supply chain all have an impact on our business model and ability to create value.

These factors are monitored closely to ensure that risks are mitigated, and opportunities are managed.

Stakeholder relationships

It is very important for us to maintain sustainable relationships with our stakeholders as they have a big impact on our business model and value creation. Ensuring continuous and effective feedback will help us to better understand what our stakeholders expect from us and manage potential risks that may affect our ability to sustain and grow our business.



1 Transparency

Being open and honest with all stakeholders, sharing relevant information and communicating clearly in order to create a shared understanding.

2 Agility

Caledonia's agility is best seen as a continuous and systematic evolution of strategy, culture, people, structures, systems, technology and skills, in order to be responsive to market, socio-economic, political and technological changes, enabling the sustained achievement of strategic delivery in the jurisdictions we operate.

3 Equality and diversity

Employment opportunities are freely available to all citizens irrespective of a person's ethnic origin, political association, religion, sex, race, colour, gender, pregnancy, spirituality, beliefs, disability, military status, genetic information and age that has no bearing on their qualification, performance and ability, within an environment where a diverse variety of people from different backgrounds can work together.

4 Caring

Taking responsibility for the impact of our decisions and activities on all stakeholders and the environment, resulting in ethical behaviour and transparency which contributes to sustainable development, including the health and wellbeing of society and our employees. Sharing the benefits of the operations with the community and employees by allocating part of the Company's returns through ownership in the mine.

5 Credibility

Credibility earned from all stakeholders is the reward of responsible delivery on what we said we are going to do, which is the ultimate measurement of our success.

6 Excellence

People will do what you allow them to do. We demand excellence in our business.

OUR BUSINESS MODEL – HOW WE CREATE VALUE *continued*

Capital inputs

Human Capital
- Our employees are specialised, experienced, knowledgeable and skilful
- Continue with risk-awareness raising and training, which are essential to ensuring the safety of our employees
- We believe in gender equality

Manufactured Capital
- Caledonia optimised Blanket's and Bilboes' property, plant and equipment to grow production and achieve operational flexibility at the mines

Financial Capital
- Our current business and development at existing operations are funded predominantly from operating cash flows
- Future projects will be funded by internal cash generation, debt and equity with the aim to maximise net present value per share
- Caledonia has paid dividends since 2013
- From April 2023, Caledonia commenced the direct export and sale of gold to a refiner outside Zimbabwe. This reduces credit risk and may allow Caledonia to raise debt against offshore gold sales

Social and Relationship Capital
- Maintain good, sustainable relationships with our stakeholders
- Invest in our communities through CSR initiatives
- 36% local ownership in Blanket facilitated by Caledonia

Intellectual Capital
- Mining systems, mining processes, mining licences, generation licences, internal controls and safety procedures within Caledonia allow us to produce at optimum levels

Natural Capital
- Minimising the environmental footprint by upfront planning of rehabilitation and commissioning of the solar plant

Our business process

Exploration
We focus on exploration to expand our existing resources at Blanket and extend the life of the mine. We also explore new properties to identify economically viable resource bodies to develop potential new mines in Zimbabwe.

Development
We invest in the development of our current business to decrease costs and increase cash flows, productivity and gold production.

Mining
We extract gold bearing ore from Blanket in a safe, efficient and environmentally sustainable manner.

Processing
Our focus is to continuously improve our methods of processing gold-bearing ore to reduce our environmental footprint, obtain cost efficiencies and maximise the gold ounces recovered.

Finance
Our focus is on being a cash generative business offering significant investment possibilities. We allocate capital on a disciplined basis to maximise shareholder returns either by reinvesting for growth or paying dividends.

Rehabilitation
We minimise our footprint on the environment through rehabilitation planning and limiting the effect of our operations on the nearby communities and the environment.

continued on pg 17

OUR BUSINESS MODEL – HOW WE CREATE VALUE *continued*

Outputs 2022

Revenue
$142.1 million

Gross profit
$61.8 million

Dividends paid to Caledonia shareholders
$9.0 million

Dividends paid to workers, community and Zimbabwean government fund
$2.1 million

Tonnes milled
752,033

Gold produced
80,775oz

Adjusted EPS
219.9 cents

Cash from operations
$49.7 million

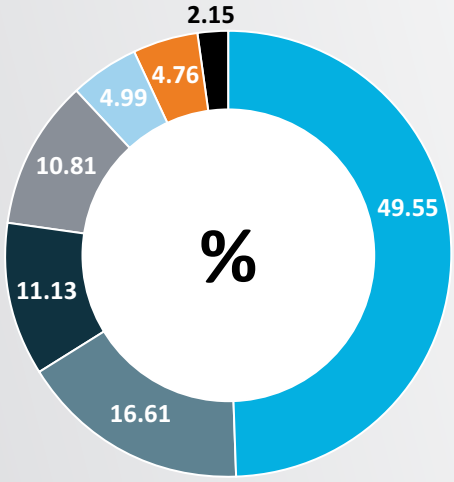
Payment to Zimbabwean government (excluding royalties)
$19.2 million

AISC per ounce
$878

Salaries and bonuses
$28.9 million

Motapa claims acquired
$8.3 million

Revenue disaggregation by stakeholder (%)





continued on pg 18

OUR BUSINESS MODEL – HOW WE CREATE VALUE *continued*

Capital outcomes 2022

Human Capital

- Experienced Board with a good track record and implementation of good corporate governance practices
- Implementation of world-class safety and mining practices
- Retention of key personnel with appropriate skills, knowledge and experience
- Blanket employees own 10% of the mine through a trust
- Low staff turnover
- Employees with a strong culture of excellence

Manufactured Capital

- Completion of the construction of a conveyor and crushing system to feed ore from the Central Shaft to a primary crusher from which it will be transported to the metallurgical plant which is located approximately 800 metres away, close to the No 4 Shaft
- Commissioning of the new ball mill (BM10) and the repair of BM7
- Total capital cash spend amounted to $44.1 million (includes Central Shaft capex of $9.7 million, capital development of $5.7 million and power development of $5.6 million)
- Sustaining capital cash spend amounted to $21.8 million, non-sustaining capital cash spend amounted to $22.3 million
- Gold production of 80,775oz

Financial Capital

- Dividends paid of 56 cents per share
- Adjusted earnings per share of 219.9 cents
- 17.1% increase in revenue
- 7.2% increase in net asset value
- 50.4% increase in total property, plant and equipment investment
- 64.4% increase in total exploration and evaluation assets investment

Social and Relationship Capital

- $19.2 million paid to the Zimbabwean government, excluding royalties. Find out more on ***page 34***
- $0.9 million paid to the community and social investment projects (excluding dividends and facilitation loans repayments)
- $4.3 million paid to indigenous shareholders ($2.2 million facilitation loan repayments and $2.1 million as cash dividends)

Intellectual Capital

- The solar plant was connected to the Blanket grid in November 2022 and it is estimated that the solar plant will provide approximately 25% of Blanket's total daily electricity requirement
- We successfully operate in a highly complex Zimbabwe environment which is subject to frequent changes

Natural Capital

- Water usage – 3,617,525m^3
- Industrial waste (landfill) – 2,185m^3
- Power usage (ZESA)* – 63,613,300kWh
- Diesel generator consumption – 1,420,296 litres
- Tailings – 756,064t
- Environmental rehabilitation provision – $3.0 million

** Zimbabwe Electricity Supply Authority ("ZESA")*

OUR BUSINESS MODEL – HOW WE CREATE VALUE *continued*

Strategy implementation

A timeline indicating how Caledonia implemented its strategy during 2022 and up to the date of this report.



Record quarterly production of 21,120oz
September 30, 2022



Solar plant connected to the Blanket grid
November 2022



Bilboes Gold acquired
January 6, 2023



Solar plant commissioned
February 2, 2023



$7 million bonds in issue to refinance the solar plant
April 4, 2023



1,936oz of gold sold to offshore refiner
April 28, 2023

July 21, 2022
Caledonia entered into a Share Purchase Agreement to acquire Bilboes Gold



November 1, 2022
Acquired Motapa



December 31, 2022
Record quarterly tonnes milled of 208,444t



February 1, 2023
Foreign currency allocation changed from 60% to 75% with the remainder received as RTGS*



March 30, 2023
781,749 depository interest at a total price of $10.7 million placed on the AIM

London Stock Exchange
AIM

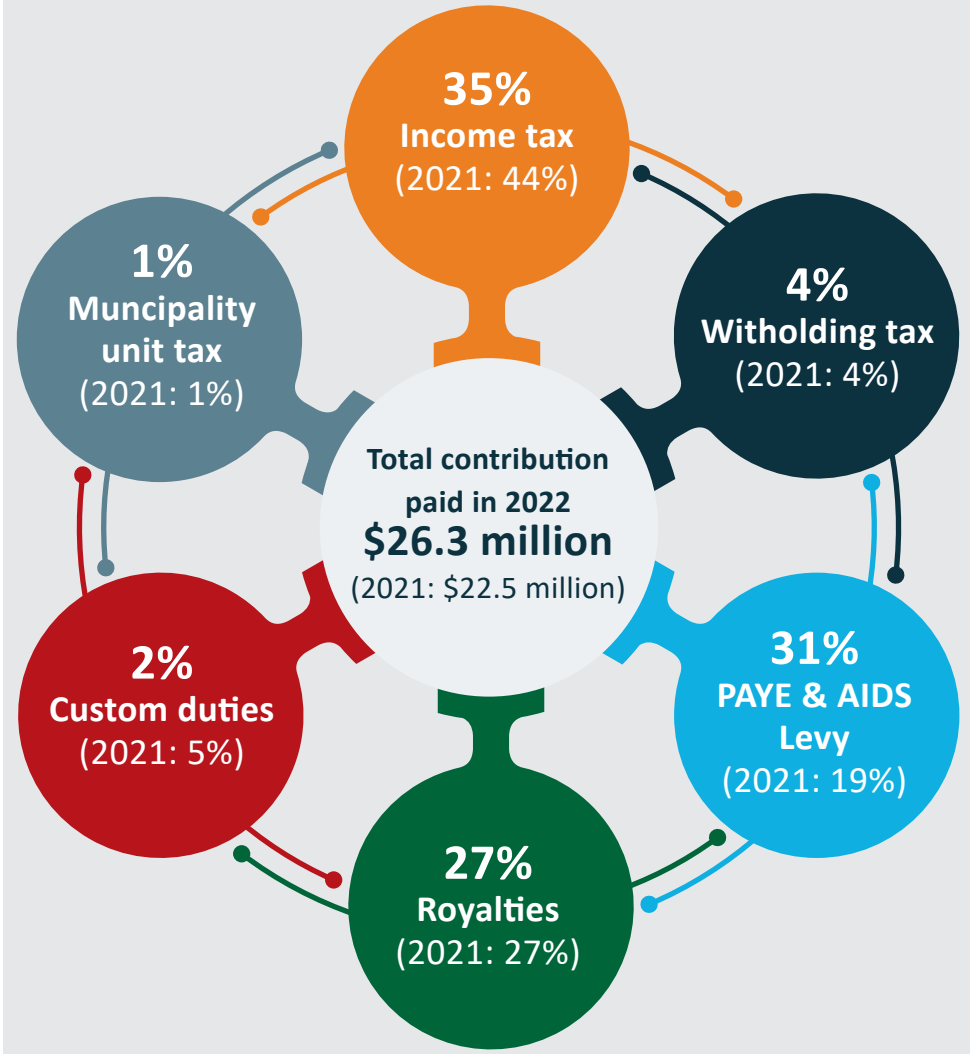
April 14, 2023
425,765 depository receipts at a total price of $5.9 million placed on the VEFX

VICTORIA FALLS STOCK EXCHANGE

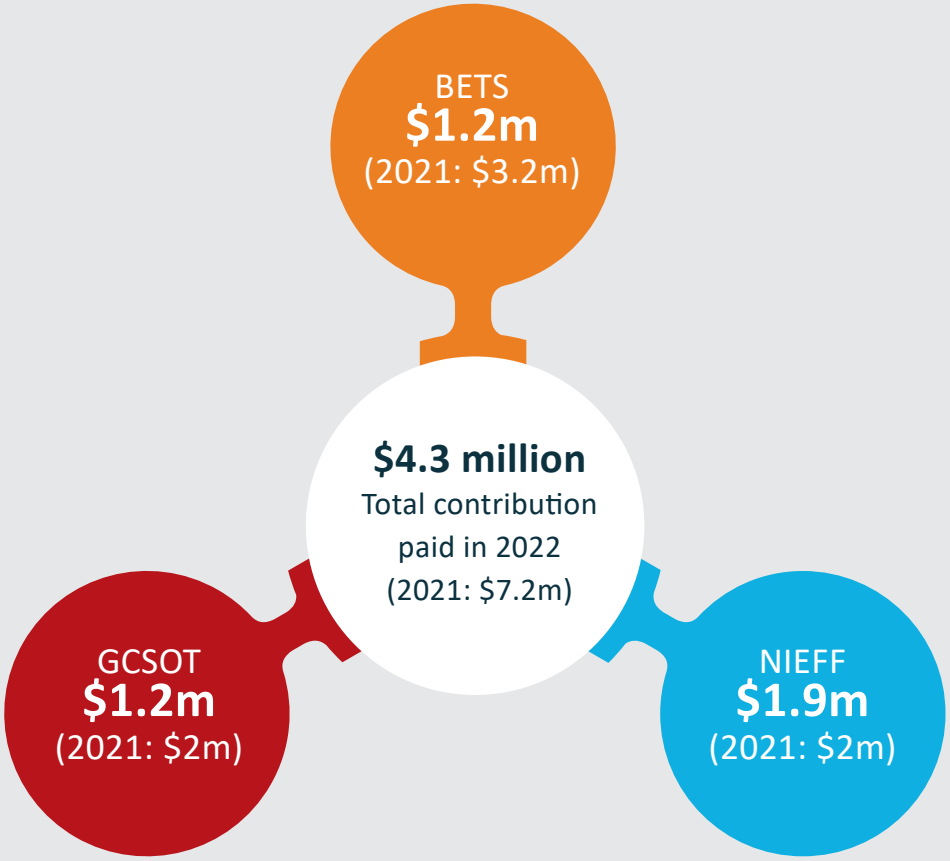
** RTGS: Real-time gross settlement*

OUR BUSINESS MODEL – HOW WE CREATE VALUE *continued*

Value created for Zimbabwe government and regulators



Value created for Blanket's indigenous shareholders



Refer to the ESG report for value created for society

www.caledoniamining.com/ esg/esg-reports/

KEY PERFORMANCE INDICATORS

Assurance and target indicators:

Y Target met | P In progress | N Target not met | Increase | Decrease

Capital	Key performance indicator ("KPI")	Target	2022	2021	Target achieved	Type of assurance
Human	Safety performance	Reduction in total work-related injuries	**9 incidents**	9 incidents	Y No change	M MD&A
	Employee bonuses	A Company goal aligned remuneration strategy	**$5.7 million**	$5.1 million	Y ↑ 11.8%	M AFS
	Blanket Employee Trust Services (Private) Limited ("BETS") dividends	Increase in BETS' gross dividend (facilitation loan) from the prior year	**[1] $1.2 million**	$2 million	N ↓ 40%	M AFS
Manufactured	Gold produced	Meeting production guidance	**80,775oz**	67,476oz	Y 2022 guidance 73,000oz and 80,000oz	MD&A
	On-mine cost per ounce	Meeting cost guidance	**$735/oz**	$742/oz	Y 2022 guidance: $669 to $736 ($/oz)	MD&A
	Capital projects	Completion of Central Shaft development	**Completion of the construction of a conveyor and crushing system to feed ore from the Central Shaft to a primary crusher**	Commissioned in the second quarter	Y	M MD&A
Financial	Gross profit	Increase from the prior year	**$61.8 million**	$54.1 million	Y ↑ 14.2%	AFS
	Net cash from operating activities	Improved cash generation	**$42.6 million**	$30.9 million	Y ↑ 37.9%	AFS
	Adjusted EPS (cents)	Increase profitability per share	**[2] 219.9**	225.9	N ↓ 2.7%	AFS MD&A
Social and Relationship	Investment in the community and social contribution	Sustainable community and social investment aligned with the performance of the Company	**[3] $0.9 million**	$1.2 million	N ↓ 25%	M MD&A
	Dividends to GCSOT and National Indigenisation and Economic Empowerment Fund ("NIEEF")	Increased returns to Blanket's indigenous shareholders	**[4] $3.1 million**	$5.2 million	N ↓ 40.4%	M AFS
	Facilitation loans	Decrease in the facilitation loan balances	**$15.0 million**	$16.7 million	Y ↓ 10.2%	M AFS
Intellectual	Mining systems	Installation of new and more efficient equipment and processes to increase recoveries and reduce costs	**Commissioning of the new ball mill (BM10)**	Commissioning of a fourth primary rod mill (BM9)	Y	M MD&A
			Construction of a conveyor and crushing system to feed ore from the Central Shaft to a primary crusher	Installation of an additional re-grind mill		M MD&A
			Installation of two 10MVA auto tap transformers at the Central Shaft	Installation of a 10MVA auto tap transformer		M MD&A
Natural	Water management	Decrease in m^3/t usage per tonnes milled from the prior year	**[5] 2.5m^3/t**	4.19m^3/t	Y ↓ 40%	M
	Waste management	Decrease in m^3/t industrial waste as production increases	**[5] 0.002m^3/t**	0.003m^3/t	Y ↓ 33%	M
	Fires and slurry spills	Decrease in fires and slurry spills	**Six fires and three spills**	Eight fires and three spills	Y ↓ Fires 25% No changes in spills	M

[1] *The dividends declared by Blanket decreased in 2022 due to the available cash spend on capital investments rather than paid out in dividends*

[2] *Adjusted EPS decreased from 2021 to 2022 due to the high 2022 unrealised foreign exchange gain of $12.7 million added back*
The interbank rate traded at 684.33 RTGS$ to 1 US Dollar as at December 31, 2022 (December 31, 2021: 108.67 RTGS$)

[3] *CSR spend in 2022 was lower than in 2021 as COVID-19 related donations were made in 2021*

[4] *Available cash was used for capital investment rather than paying out dividends*

[5] *The increase in water usage and industrial waste in 2022 is due to the increased production in 2022*

M = Management assurance
AFS = Financial information extracted from the Consolidated Financial Statements 2022
MD&A = Extracted from Caledonia's 2022 MD&A

OPERATIONAL REVIEW AND OUTLOOK



In this section

COO's review	pg 23
Operations at Blanket	pg 25
Operational performance at Blanket	pg 33
Solar plant project	pg 36
Bilboes project	pg 37
Motapa project	pg 41
Operational outlook	pg 43

COO'S REVIEW



Highlights for 2022

Record annual gold production of 80,775 ounces for 2022, a 19.7% increase on 2021
The AISC per ounce for 2022 increased by 2.6% from the prior year due to higher production and administrative costs and increased sustaining capital expenditure
Gross profit for 2022 increased from $54.1m to $61.8m due to higher production, a higher realised gold price and lower on-mine cost per ounce
A 12.2MWac solar plant has been constructed and connected to the Blanket grid providing a quarter of its average electricity demand
Commenced construction of a **new tailings storage facility**

Safety

Maintaining safe operations at a deep-level underground mine brings many challenges, especially in recent years as the number of our employees at Blanket has grown as we have increased production to over 80,000 ounces in 2022.

Safety is our first priority at Caledonia. We work hard to create a strong safety culture at Blanket, which is underpinned by our policies and systems, and reinforced by regular training and safety-awareness courses. To demonstrate our commitment to this priority, safety targets are set as a qualifier for our employee bonus scheme. Variable incentive payments to Group senior management reflect a holistic consideration by the Compensation Committee of the overall safety performance.

We have a formal safety management system in place at Blanket based on the South African National Occupational Safety Association system. We believe that people will support systems and initiatives that they have a role in designing and therefore it is important to us that our employees contribute to the development and evaluation of our safety management system.

As I discussed in the 2021 report, Blanket's Nyanzvi safety training initiative is an internal training process which is carried out to increase awareness of safety issues, to empower employees to act in a responsible and appropriate manner in the workplace and to manage risk effectively by identifying work-related hazards.

The Nyanzvi initiative is the primary way that Caledonia aims to maintain high safety standards at Blanket. It was designed to facilitate cultural change at Blanket. At its core is a culture that ensures that it is every employee's responsibility to safeguard their own safety and that of their fellow employees. The Nyanzvi initiative is compulsory for all mine employees and 505 employees were trained under the initiative in 2022.

The overriding objective of Nyanzvi is to co-create a unique employee development programme to ensure a fully compliant team that works together and adheres to the highest safety standards.

Employees

- **2,147** employees as at December 31, 2022
- **505** employees trained under the Nyanzvi initiative in 2022
- **100%** local employment at Blanket
- **0.43%** employee turnover
- **100%** of salaries payable in US$ to insulate employees from local currency devaluation
- **113** employees belong to the Caledonia Omnibus Equity Incentive Compensation Plan with participants in Jersey, the UK, South Africa and Zimbabwe

Central Shaft allows for increased production

In 2022 we achieved production of 80,775 ounces- a 19.7% increase from 2021. Production for 2022 exceeded the top end of our expectations and represents a new annual production record. Production is now expected to be maintained between 75,000 and 80,000 ounces per annum onwards.

The Central Shaft completion also creates the operational flexibility to establish drilling platforms and resume deep-level exploration drilling with the objective of improving the confidence level of existing resources and identifying new resources.

COO'S REVIEW *continued*

On February 6, 2023 Caledonia announced that the total measured and indicated mineral resources estimate at Blanket, inclusive of mineral reserves, had increased by 52% to 1,095,000 ounces of gold in 10.72 million tonnes at a grade of 3.18g/t and the total mineral reserves estimate at Blanket had increased by 1% to 395,000 ounces of gold in 3.94 million tonnes at a grade of 3.12g/t. The estimate is based on data as at March 31, 2022 for mineral resources and September 1, 2022 for mineral reserves.

Costs

In the last 12 months, mining companies generally have experienced higher costs of steel, reagents, labour and electricity and increased charges from local and national government for levies, fees, royalties and other direct and indirect taxes. Blanket's planned growth should allow the fixed cost component to be absorbed by increased production, thereby helping to somewhat alleviate the effect of any further price increases.

Electricity

Zimbabwe produces and imports less electricity than it requires and has insufficient funds to adequately maintain or upgrade its distribution and generating infrastructure. This has resulted in frequent interruptions to the power supply at Blanket. Blanket has addressed the issue of interrupted power supply by installing stand-by diesel generators and constructing a solar plant which provides approximately 25% of Blanket's power requirements. The solar plant was connected to Blanket in November 2022.

In April 2023 Blanket entered into a power supply agreement with the Intensive Energy User Group ("IEUG") and the Zimbabwean power utility to allow the IEUG to obtain power outside of Zimbabwe and strengthen the Zimbabwean power grid. As a result of this arrangement, Blanket has paid a lower tariff for IEUG-supplied energy from April 2023 but this has not improved the power quality received at Blanket due to the continued difficulty with the Zimbabwe grid.



OPERATIONS AT BLANKET

Mining operations

The current Blanket mining area has nine ore shoots in the producing section of the mine. The majority of the mine's production is sourced at present from the Blanket, AR Main and AR South ore bodies. AR Main and AR South represent Blanket's larger ore bodies, are up to 30m wide and are ideally suited to the long-hole open stope mining method, while the remainder of the Blanket ore bodies are tabular and better suited to the underhand stoping method.

The successful commissioning of the Central Shaft in March 2021 enables Blanket to increase production to over 67,000 ounces in 2021, over 80,000 ounces in 2022 and between 75,000 and 80,000 ounces in 2023. The Central Shaft project has been a six-year project costing approximately $67 million. The capital investment project allows production from three additional levels below 22 Level (750m). A fourth level will be added via a decline construction giving access to even deeper resources.

Blanket utilises both long-hole open stoping (wider ore bodies) and underhand stoping (narrower ore bodies) mining methods. Blanket operates five declines, ranging from 750m to 930m deep. Ore and waste are hauled by 11 load haul dumpers and dump trucks to 22 level for declines servicing blocks from 750m to 870m. Tramming on 22 Level is done on a rail system by battery locomotives and the ore cars are self-tipped onto grizzlys above the ore bins which are located below 22 Level. Ore is gravity fed from ore bins into a crushing station conveyor which discharges the ore into a vibrating grizzly feeder which discharges the oversize ore into a 30" x 20" Telsmith jaw crusher. Below 870m ore and waste are hauled by load haul dumpers and dump trucks to grizzlys at 26 Level of the Central Shaft and hoisted out from the loading level at 35 Level. Approximately 960 tonnes per day are mined from these declines.

The underground crushing station ensures that all the run-of-mine ore is reduced to less than 150mm in size as this provides for optimisation and greater efficiency of the automated skip loading and hoisting operations. This allows mining and hoisting activity to continue without interruption.

The entire underground and surface operations of the Blanket Mine, except for the Lima Shaft, including the surface compressors and the No 4 Shaft Winder, can be operated by the 10,000kVA standby diesel-powered generating sets which were installed and commissioned in May 2011. The Lima Shaft is also used for hoisting smaller amounts of ore to surface.

Over recent years Blanket increased its diesel generating capacity to 18MW of installed capacity which was sufficient to maintain all operations and capital projects but only on a stand-by basis. The total Blanket power supply is obtained from a mix of utility, generator and solar power.



OPERATIONS AT BLANKET

Capital projects

The main capital development project is the infrastructure which will allow for three new production levels (26, 30 and 34 levels) below the current operations; a fourth level (38 level) to be added in due course via a twin decline that commenced in February 2023. 9,367 development metres were achieved in the first half of 2023.

Work on key development areas in the second quarter of 2023 is detailed below:

- **30 and 34 level Central Shaft development:** The northern and southern haulages on 30 and 34 level progressed well for the second quarter of 2023 with a total of 547m. The 30 level northern haulage is within 180m of reaching the Eroica orebody and has been placed on the priority list for the third quarter of 2023.
- **Eroica decline 3:** The decline development has been behind schedule due to logistical issues but in the second quarter of 2023 there was an improvement with an advance of 107.8m. Issues of flooding, and air, and water supply challenges affected the advances. The decline reached 885m and in the third quarter of 2023 the target is to reach 900m. Decline development will be stopped to cater for up-dip development from 990m (30 level), which is expected to result in a saving against planned capital expenditure.
- **930 2 Orebody Hanging Wall Haulage ("2OBHW"):** The development of the haulage was slowed down during the second quarter of 2023 due to waste handling challenges because of the ore pass hold-ups at Central Shaft but the overall advance was 127.8m. The haulage will continue so that the southern extension of the 2OBHW can be exposed for production. The haulage is also important for the establishment of an access crosscut to link 6 Shaft on 930m.
- **34 – 38 level twin declines:** The twin declines are earmarked to access the Blanket orebodies on 38 level. The development of the declines will open up mining opportunities below 34 level with one serving as an access route where a chairlift system will be installed, and the other as a return airway system where a conveyor system will be installed. During the second quarter of 2023, a total advance of 214m was achieved.
- **35 level Central Shaft:** At 35 level Central Shaft the construction of the bulkheads below tip 1 and tip 2 were completed at the start of the second quarter of 2023. The 34 and 35 level clear and dirty water dams are still under construction and are expected to be completed by the end of the third quarter of 2023.
- **35 level conveyor:** The conveyor loading system which was powered by compressed air was successfully converted to a hydraulic operated system during the second quarter of 2023. The outstanding work is the subsequent conversion of the spillage loading system from compressed air to hydraulics.

The existing tailings storage facility ("TSF") at Blanket is reaching the end of its life. Accordingly, a new TSF is required to allow production to continue. The design parameters for the new facility include:

- Capacity of 13 million tonnes which is anticipated to be adequate for 14 years of production at current deposition rate
- "Upstream" design, due to the limited space
- Clear water dam and tailings facility will be lined with a double lining (geotextile and clay liner) and polyurethane liner respectively to avoid contamination of ground water
- The design includes new piping and new pumps for a gland service water and return water system with instrumentation
- New boreholes for monitoring the facility
- A waste embankment between the TSF and the village for dust prevention

The anticipated cost of the new TSF is $25.1 million which will be incurred over three years. Work on the TSF commenced in March 2023 and it is expected that the first phase of the project will be completed in the third quarter of 2023 to allow limited deposition on the new TSF in parallel with further deposition onto the existing TSF until it reaches its maximum capacity.



OPERATIONS AT BLANKET *continued*

Regional geology

Zimbabwe's known gold mineralisation occurs in host rocks of the Zimbabwe Craton, which is made up of Archaean rocks. The geology of the Craton is characterised by deformed and metamorphosed rocks which include high-grade metamorphic rocks, gneisses, older granitoids, greenstone belts, intrusive complexes, younger granites and the Great Dyke. The Chingezi gneiss, Mashaba tonalite and Shabani gneiss form part of a variety of tonalities and gneisses of varying ages.

Three major sequences of slightly younger gold-bearing greenstone belt supracrustal rocks exist:

- Older greenstones called the Sebakwian Group, which are mostly metamorphosed to amphibolite facies. They comprise komatiitic and basaltic volcanic rocks, some banded iron formation ("BIF"), as well as clastic sediments.
- The Lower Bulawayan Group, which comprises basalts, high-Mg basalts, felsic volcanic rocks and mixed chemical and clastic sediments. The Lower Bulawayan Group forms the Belingwe (Mberengwa) greenstones.
- The Upper Bulawayan (upper greenstones) and Shamvaian groups, which comprise a succession of sedimentary and komatiitic to tholeiitic to calc-alkaline rocks.

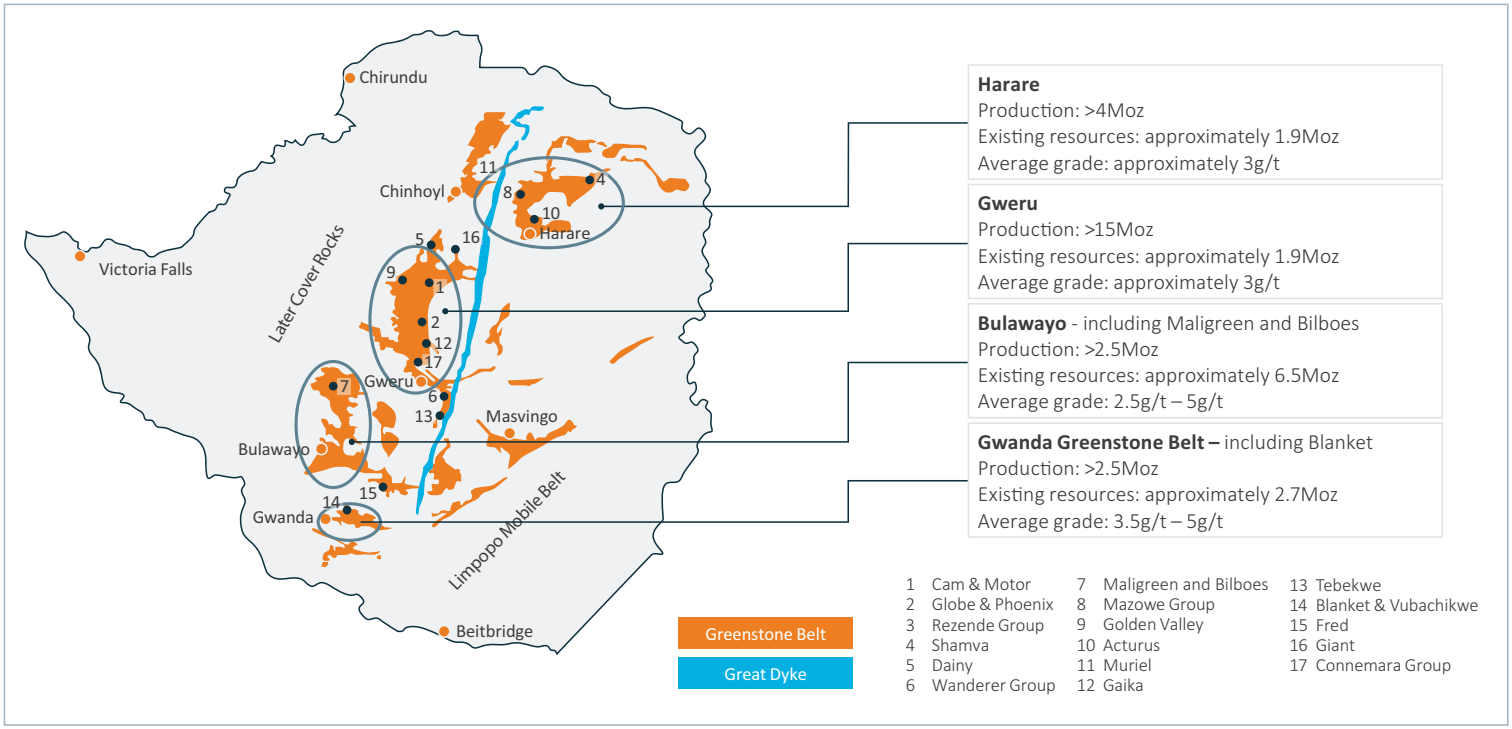
Three metamorphic belts surround the Zimbabwe Craton:

- Archaean Limpopo Mobile Belt to the south
- Magondi Mobile Belt on the north-western margin of the Craton
- Zambezi Mobile Belt to the north and northeast of the Zimbabwe Craton

Blanket is situated in the Gwanda Greenstone Belt, a typical Archaean greenstone-hosted gold deposit. The deposit is situated on the northwest limb of the Gwanda Greenstone Belt along strike from several other prominent gold deposits. Blanket is the largest producing mine in a belt which at one time had 268 operating mines.

The Gwanda Greenstone Belt extends 80km in an east-west direction and consists predominantly of basaltic rocks (greenstones) with minor felsic and ultramafic units. The belt has been intensely sheared and intruded by granites resulting in complex deformation structures and vertically dipping strata. The shape of the gold ore bodies is controlled by these structures, resulting in their near vertical orientation.





Harare
Production: >4Moz
Existing resources: approximately 1.9Moz
Average grade: approximately 3g/t

Gweru
Production: >15Moz
Existing resources: approximately 1.9Moz
Average grade: approximately 3g/t

Bulawayo - including Maligreen and Bilboes
Production: >2.5Moz
Existing resources: approximately 6.5Moz
Average grade: 2.5g/t – 5g/t

Gwanda Greenstone Belt – including Blanket
Production: >2.5Moz
Existing resources: approximately 2.7Moz
Average grade: 3.5g/t – 5g/t

OPERATIONS AT BLANKET *continued*

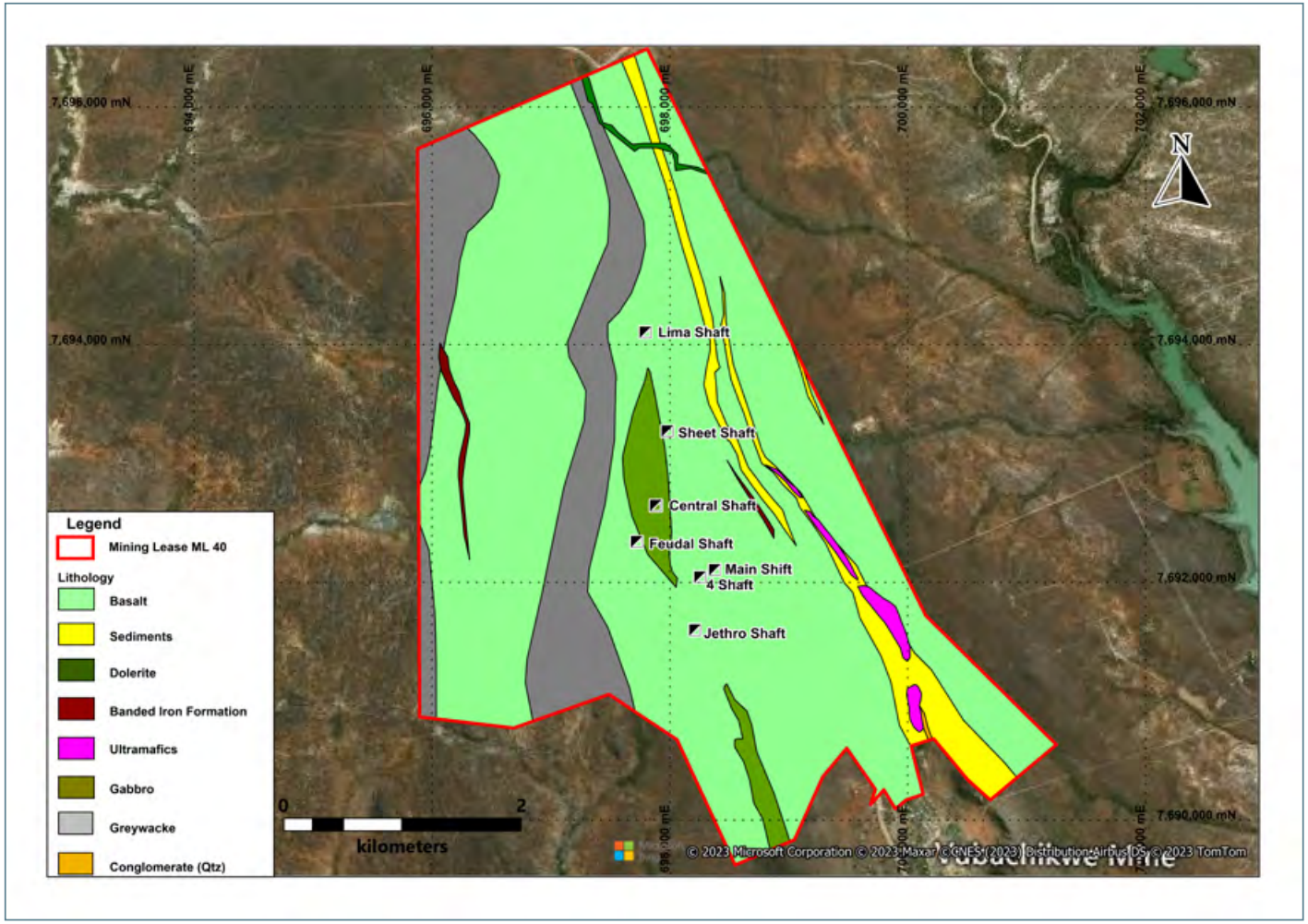
Property geology

Active mining at Blanket takes place over a 3km strike that includes multiple discrete ore shoots. Mineralisation occurs in near vertical shoots aligned along an approximately north-south axis. The ore shoots vary from the tabular to lensoidal quartz ore bodies to the massive to pipe-like disseminated sulphide replacement ("DSR") ore bodies.

Blanket is part of the group of mines that make up the North Western Mining Camp otherwise also called the Sabiwa group of mines. What is today referred to as Blanket is a cluster of mines extending from Jethro in the south, through Blanket itself, Feudal, AR South, AR Main, Sheet, Eroica and Lima in the north. These ore shoots occur in the Blanket shear zone, a low angle transgressive shear characterised by the presence of biotite relative to the massive amphibolites forming the country rocks.

Gold mineralisation occurred due to the reaction between rising hot fluids and the iron-rich minerals in the shear zones. The reaction involved the formation of sulphide minerals, predominantly arsenopyrite, as the sulphur in solution reacted with iron in the rocks. Gold, which was also transported by the fluids, became attached to the arsenopyrite to form the gold ore. These reaction zones are hosted within the more ductile tensional high strain areas of shear zones.





OPERATIONS AT BLANKET *continued*

Geological model

The lithological units of the Gwanda Greenstone Belt are tilted near vertical and strike north-south in the vicinity of Blanket. The stratigraphic sequence is exposed from the oldest in the east to the youngest in the west.

A barren Felsic unit consisting of quartzite and sericite-quartz schists forms the base of the stratigraphy. This unit is overlain by an ultramafic-mafic unit inter-layered with banded iron formations. Gold mineralisation occurs in this unit and is the target of the adjacent Vubachikwe mine, where the gold deposits are confined to steeply dipping folded and banded iron formation layers.

The ultramafic-mafic unit is in turn overlain to the west by the mafic unit, a thick sequence of tholeiitic and pillow basalts. Within the mafic unit a prominent shear zone, up to 50m wide, runs over a 3km strike across the length of the property and is the locus of all ore bodies exploited on Blanket. The stratigraphy is completed by an Andesitic unit which caps the sequence.

Two main types of mineralisation are recognised: DSR ore bodies and quartz-filled ore bodies and shears.

The DSR comprises the bulk of the near vertical ore shoots. Typically, these zones have a silicified core with fine sprays of disseminated arsenopyrite hosting the best grades. DSR ore bodies range up to 50m in width with a strike between 60m and 90m. Free-milling gold constitutes up to 50% of the total metal content with the remainder occluded within the arsenopyrite.

Two of the quartz-filled shear zones of the second type of mineralisation are mined, namely the Blanket Quartz Reef ("BQR") and the Eroica Reef, which have long strike lengths but are not uniformly mineralised although continuous pay shoots of over 100m on strike are seen. Gold grade fluctuations are more extreme in the quartz ore bodies than in the DSR type ore bodies but on average these quartz shears have higher grades and are used as a sweetener of ore to the mill.

A regional sub-horizontal dolerite sill intruded the sequence and is emplaced about 500m below surface. The sill does not cause a significant displacement and although it truncates all the ore shoots, the mineralised shoots continue undisturbed below the sill.

On-mine exploration and development

The Blanket Mine is a producing operation. Ordinarily, exploration activities are carried out both on and off the mine. Mine exploration takes place mostly underground on the producing claims and is aimed at expanding the lateral and depth extension of the known ore bodies which are being mined, as well as searching for potential additional orebodies. The exploration platforms were exhausted in 2019. Due to the tonnes throughout ramp-up, preference was given to ore hoisting and no drilling was conducted in 2020 and 2021. The completion of the Central Shaft enabled the re-establishment of new exploration platforms in 2022.

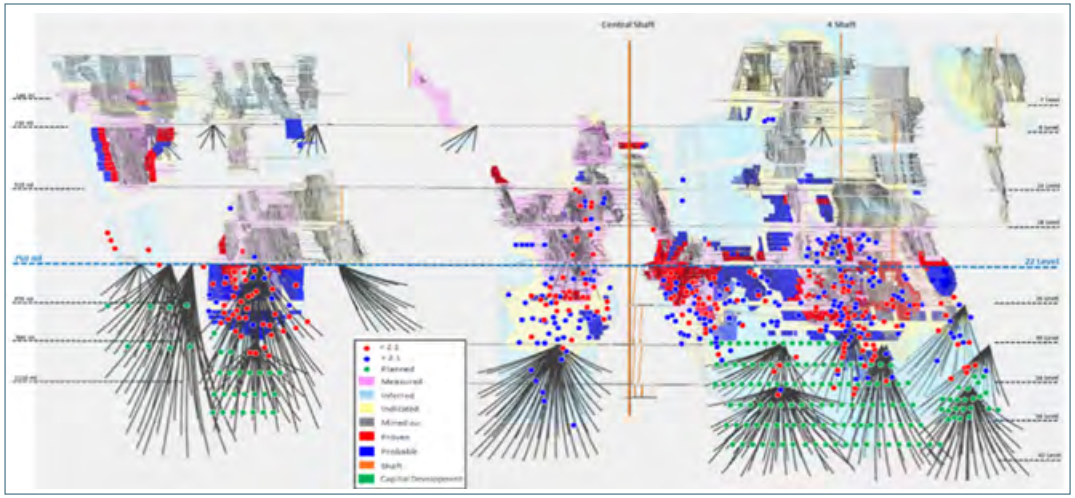
This drilling may confirm and improve the down-dip inferred mineral resource. An electromagnetic survey may be considered, potentially delineating additional surface structural features and targets, which can be used in conjunction with and refinement of the geological concept being proposed.

The combination of the exploration drilling, geophysical survey and conceptual geological model (based on the sampling database) may increase the exploration targets and ultimately assist in increasing the mineral resource.

Underground exploration drilling resumed in June 2022 with 13,072m budgeted for. Only 5,312m were drilled in 2022 due to delays in drilling platform availability and drill contractor non-performance. The failure of the contractor in solving technical challenges resulted in the termination of the contract. To continue with exploration, the mine rapidly refurbished old inhouse drilling rigs and drilling resumed in mid-June. There was no surface drilling conducted in 2022.

Future exploration work will be focused primarily on the depth extensions of the Blanket orebodies with both long-hole and short-hole drilling. Due to the availability of the Central Shaft, five crosscuts are budgeted for development in 2023, totalling 805m at a cost of $742,230. For 2023, 18,510m are budgeted for at a cost of $994,467, using in-house rigs.

Approximately 5,600m of drilling have been completed between January 2023 and the end of May 2023; approximately a further 12,900m are planned for the remainder of 2023. Initial results indicate that the existing Eroica ore body continues at depth with grades and widths being generally better than expected.





Scan the QR Code to view the Blanket Mine 3D Model video

https://vrify.com/decks/blanket-updates

OPERATIONS AT BLANKET *continued*

Exploration at Blanket's portfolio of satellite properties was suspended in 2016 so that mineral resources could be re-deployed at Blanket. Since then, the Company has evaluated other investment opportunities in Zimbabwe and has concluded that the satellite properties other than GG are unattractive due to their relatively small size, low grade, limited exploration potential, operating complexity and metallurgical incompatibility with the existing Blanket Mine plant. The GG satellite property remains on care and maintenance.

Caledonia Mining Corporation Plc ("Caledonia" or the "Company") is pleased to report encouraging results from the ongoing underground drilling programme at Blanket Mine which currently targets depth extensions to the Eroica ore body. Approximately 5,600 metres ("m") of drilling have been completed between January 2023 and the end of May 2023. Initial results indicate that the existing Eroica ore body continues at depth with grades and widths being generally better than expected.

Highlights of the results include:

Hole identifier	Orebody name *	Orebody intersection		Core length (m)	True width (m)	Gold grade (g/t)	Orebody intersection depth from surface (m)	End of hole depth (m)
		From (m)	To (m)					
ERC750EX2303	ERCN_HW	262.7	278.3	15.6	8.6	15.56	891.4	356.3
ERC750EX2301	ERCN_HW	263.8	281.2	17.4	13.44	6.62	914.9	352.2
ERC750EX2206	ERCN_HW	203.9	246.5	42.6	22.32	4.03	870.3	281.3

** ERCN_HW - Eroica North Hanging Wall*

The complete drilling results can be found in the ***press release*** on July 10, 2023.

Deep level drilling at Blanket Mine was suspended several years ago due to underground logistical constraints and the impact of COVID-19 on contractor operations. Following completion of the Central Shaft and related infrastructure, deep level drilling resumed in January 2023 and is currently focused on the Eroica ore body where a crosscut has been mined to allow optimal access to drill the deeper zones of the steeply-dipping ore body. Approximately 5,600m of drilling were completed between January 1, 2023 and May 30, 2023; approximately a further 12,900m are planned for the remainder of 2023.

At the Eroica zone, drilling from an exploration drive on the 750m level of the mine has focused mainly on converting inferred resources to indicated resources, in addition to drilling areas outside of inferred resources as the mineralisation extends to depth, between 850m and 1150m below surface. This is above the bottom of the new Central Shaft and therefore any resources that are identified in this area will be served by the planned Central Shaft infrastructure.

Metallurgical process

Run-of-mine ore from blasting activities at a particle size 100% passing 350mm is passed through a 20" x 30" Telsmith jaw crusher in open circuit. This primary crushing stage takes place underground and reduces the ore size to 80% passing 120mm which is then hoisted to surface. Ore skips automatically tip hoisted ore into shaft bins at No 4 Shaft headgear. From the shaft bins, the ore is gravity fed with the aid of vibrating feeders onto No 1 conveyor belt ("CB1"). Ore is also hoisted from Central Shaft with a particle size of 100% passing 350mm and is crushed on surface with a 20"x 45" jaw crusher reduced to 100% passing 100mm. The ore is then transported to No 4 shaft land bin where it joins ore hoisted at No 4 Shaft via the land bin belt that discharges onto CB1 belt. From CB1 both ore from No 4 shaft and Central Shaft transfers to a Sandvik vibrating screen and two Telsmith jaw crushers (14" x 24" and 15" x 24") in parallel set up as well as open circuit. CB1 is equipped with a magnet and a metal detector for removing tramp metals and is also fitted with a belt scale for tonnage measurement. This crushing stage further reduces the ore size to 80% minus 60mm, which is carried by No 2 and No 3 belt conveyors; and deposited onto a coarse ore stockpile with 900 tonnes capacity, without the use of mobile equipment.

Ore from the coarse ore stockpile is discharged onto No 4 conveyor belt ("CB4") by gravity via chutes with the aid of a vibro-feeder, and then fed onto a 6" x 16" Osborn triple deck vibrating screen that is in closed circuit with two 38H- SBS Osborne cone crushers. CB4 is also equipped with tramp metal removal mechanism of magnet and metal detector. The screen is fitted with a bottom deck panel of 14mm x 28mm apertures, and its oversize material is directed into the 38H-SBS cone crushers set at a closed side setting gap of 12mm and running concurrently. Crushers' products are recirculated to the screen via No 5 and No 6 conveyor belts. The screen undersize material of size 80% passing 13.7mm is conveyed by No 7 conveyor belt off the crushing circuit and is passed onto a series of conveyor belts into a steel fabricated Fine Ore Bin ("FOB") of a capacity over 2,000 tonnes for storage as mill feed.

OPERATIONS AT BLANKET *continued*

Metallurgical process *continued*

Fine ore is drawn from the FOB and fed to four 6.5ft x 12ft rod mills. Each belt to the rod mills is equipped with a belt scale and a sample cutter. The ore is milled down to 50-55% passing 150 microns, before being passed through four 30" continuous Knelson Concentrators ("KCs"). Concentrates from the KCs are further processed on the Gemini Shaking Table and in the Intensive Leaching Plant ("ILP"), to ultimately recover more than 50% of total gold production. Tailings from the KCs are pumped through a cluster of classification hydrocyclones 8 x HC250mm, where coarse material in the cyclone underflow gravitates to become mill feed to two regrind ball mills:

i) BM6 – 12ft x 16ft [750kW motor]

ii) BM10 – 12ft x 18ft [1.25MW motor]

Discharge from the regrind mills at a grind size of 80-85% passing 150 microns joins discharge from the rod mills as combined feed to the KCs. Overflow from the classification cyclones at a grind size finer than 85% passing 75 microns undergoes trash removal at a Delkor Linear Screen and the cleaned fraction is then pumped to dewatering cluster cyclones 38 x V100mm.

Underflow from the dewatering cyclones, typically at 50% solids by weight is fed to the carbon-in-leach ("CIL") section consisting of nine 572m^3 leach tanks equipped with 45kW agitators; where preconditioning, cyanide leaching and simultaneous adsorption of dissolved gold onto activated carbon takes place. Elution and electro-winning of gold from loaded carbon is done on site. Gold is deposited onto steel wool cathodes, and the gold laden cathodes are acid-digested to give a gold rich sludge which is washed and filtered to obtain a cake. The cake is calcined to oxidise impurities prior to fluxing and smelting in a diesel-fired furnace to produce gold bullion to about 85% purity. Gemini tabling concentrates also undergo calcination, fluxing and smelting.

Overall gold recovery has been maintained above 93% and continuous process improvement initiatives seek to retain or increase it further. An automated cyanide solution dosing and monitoring machine is in place which allows for more frequent monitoring of cyanide levels. A pressure swing adsorption (PSA) oxygen generator is in use for preconditioning oxygen supply into the CIL, which assists in optimising CIL efficiencies of cyanide consumption and leach kinetics.

Tailings slurry from the CIL circuit is detoxified using ferrous sulphate to less than 100 ppm of free cyanide and is pumped to a TSF which is operated and maintained by a contractor (Fraser Alexander Zimbabwe), whereas a consultant (Epoch Resources) who is the Slime Dam Engineer of records, does an inspection on a quarterly basis. Consumables used in the metallurgical plant include grinding media, chemical reagents, etc. and are currently sourced from local and South African suppliers and distributors.

The only new projects and/or new equipment to be completed or commencing during 2023 in the metallurgical plant are the construction of the new TSF and its accessory infrastructure such as the slurry line and Return Water Dam systems.

The existing TSF at Blanket is reaching the end of its life – accordingly a new TSF is required to allow production to continue.

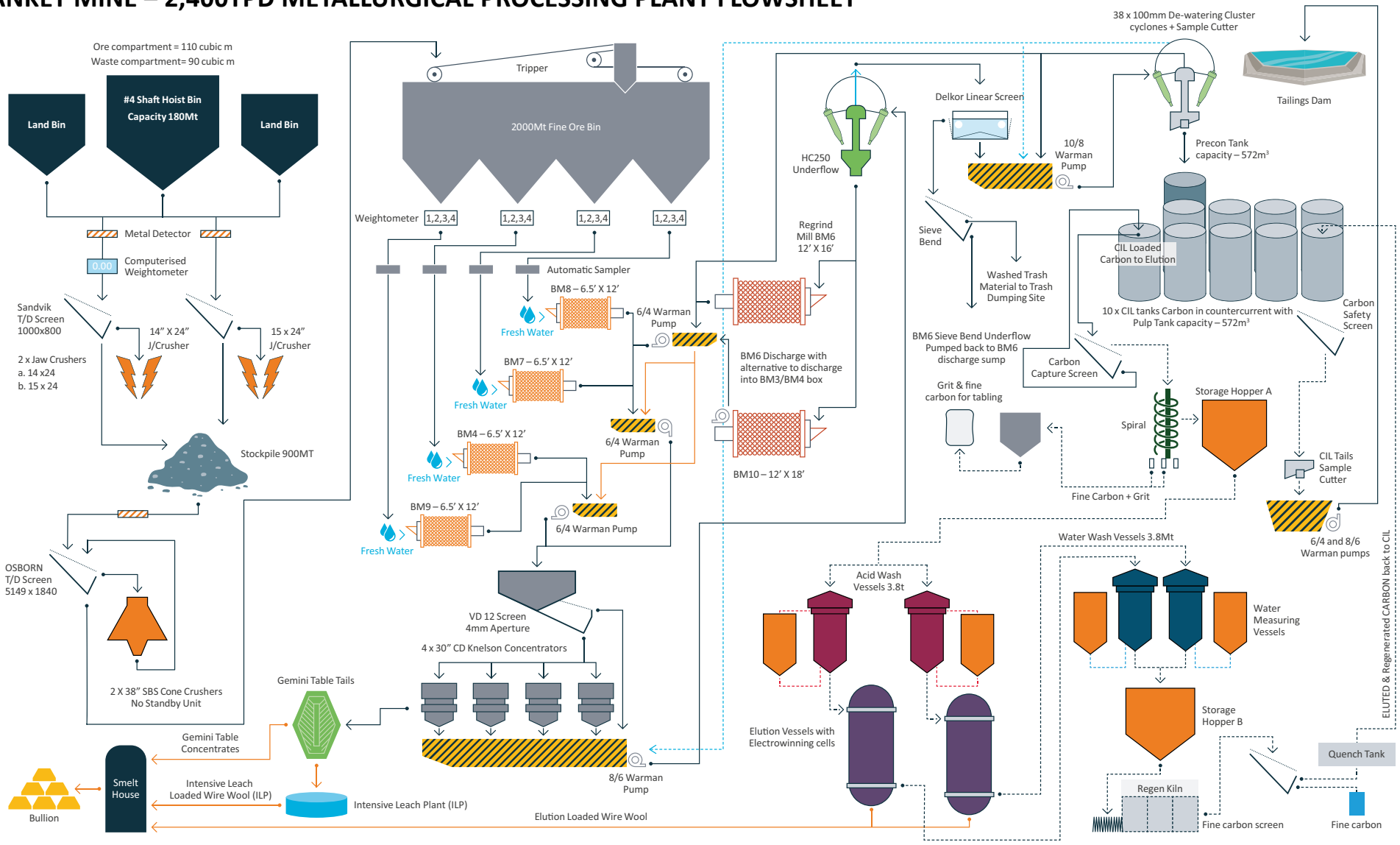
The design parameters for the new facility are to comply with the Global Industry Standard on Tailings Management and include:

- A capacity of 13 million tonnes which is anticipated to be adequate for 14 years of production at current deposition rate
- An "upstream" design due to limited space
- A clear water dam and the TSF will be lined with a double lining GCL (geotextile and clay liner) and polyurethane liner respectively to avoid the contamination of ground water
- New piping and pumps for a gland service water and return water system with instrumentation
- New boreholes for monitoring around the facility
- A waste embankment between the TSF and the village for dust prevention



OPERATIONS AT BLANKET *continued*

BLANKET MINE – 2,400TPD METALLURGICAL PROCESSING PLANT FLOWSHEET



OPERATIONAL PERFORMANCE AT BLANKET

Gold production

Tonnes milled, average grades, recoveries and gold produced between 2016 and 2022 are shown in the table below.

	Tonnes milled	Gold head (feed) grade	Gold recovery	Gold produced
Year	(t)	(g/t Au)	(%)	(oz)
2016	510,661	3.30	93.0	50,351
2017	547,207	3.41	93.4	56,133
2018	560,913	3.26	92.9	54,511
2019	556,331	3.31	93.4	55,182
2020	597,962	3.21	93.8	57,899
2021	665,628	3.36	93.9	67,476
2022	**752,033**	**3.56**	**93.8**	**80,775**

Underground

Tonnes milled in 2022 was 13.0% higher than 2021. The increased production was due to the commissioning of the Central Shaft at the end of March 2021. Central Shaft currently handles most of the development waste, which creates capacity at No 4 Shaft to hoist ore. From the end of 2022 the Central Shaft was hoisting a combination of waste and ore.

Metallurgical plant

Recoveries in 2022 were 93.8% compared to 93.9% in 2021.

The installation of BM10 and repairs increased the metallurgical production capacity to 2,400 tonnes per day. The increased milling capacity enabled Blanket to increase tonnage milled from 1,976 tonnes per day during June, 2022 to 2,351 tonnes per day.

At the end of 2022, Blanket completed the construction of a conveyor and crushing system to feed ore from the Central Shaft to a primary crusher from which it will be transported to the metallurgical plant which is located approximately 800 metres away, close to the No 4 Shaft. The project was commissioned in November 2022.

Electricity supply

The poor quality of electricity supply from ZESA is the most significant production risk at Blanket. During 2022, Blanket experienced interruptions to its power supply from the grid due to an imbalance between electricity demand and supply. The supply from the grid is also subject to frequent surges and dips in voltage which, if not controlled, cause severe damage to Blanket's electrical equipment. In the absence of equipment to control these surges, Blanket switched from grid power to diesel power if it experienced significant power surges – although this allows activity to continue, supplementary generator use increases the production and capital expenditure at Blanket. The continued deterioration in the ZESA supply means that the power factor regularly fell to 60%, which meant that Blanket was effectively paying for 100% of the power but received only 60% and the power supply is subject to outages.

The following initiatives were implemented during 2022 or are planned to alleviate the power issues:

- In 2019 and early 2020 Blanket increased its diesel generating capacity to 18MW of installed capacity which was sufficient to maintain all operations and capital projects but only on a stand-by basis.
- On the incoming ZESA supply line at the No 4 Shaft, Blanket installed two 10MVA auto tap transformers to protect equipment at No 4 Shaft and the main metallurgical plant from voltage fluctuations on the incoming grid supply. Following the installation of these transformers, Blanket has used less diesel in the production of gold.
- On the incoming ZESA supply line at the Central Shaft, two 10MVA autotap transformers were installed in the fourth quarter of 2022 at a cost of $0.9 million. This installation reduced the voltage fluctuations and reduced the power cost and diesel usage allocated to capital projects during the quarter and thereafter should reduce operational expenditure when the Central Shaft starts to hoist ore.
- Caledonia's 12.2MWac solar plant, fully commissioned early February 2023, provides approximately 25% of Blanket's average daily electricity demand. The plant has been providing power to Blanket from its initial connection to the Blanket grid in November 2022. The project was completed at a cost of $14.2 million in 2023 (including construction costs and other project planning, structuring, funding and administration costs).
- Management is in discussion with the Zimbabwean power utility to obtain an improved supply of electricity. This may include an additional supply line that will result in fewer outages and a power supply that has a higher power factor. Blanket may potentially pay a different KWh rate for this supply line. At the date of approval of this report no agreement with ZESA had been concluded.
- Blanket moved to the IEUG platform from April 2023. The net benefit of this move compared to ZETDC grid pricing in monetary terms amounted to $461,000.

Water supply

Blanket uses water in the metallurgical process. Blanket is situated in a semi-arid region and rainfall typically only occurs in the period November to February. The 2021/2022 rainy season was adequate, and water supply was satisfactory. This is also the case thus far for the 2022/2023 rainy season.



OPERATIONAL PERFORMANCE AT BLANKET *continued*

Safety, health and environment

The following Blanket safety statistics were recorded in 2022 and 2021.

Classification	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Fatality	–	–	–	1	–	–	–	–
Lost-time injury	1	1	2	–	2	–	1	–
Restricted work activity	2	1	1	–	1	1	–	4
Total	**3**	**2**	**3**	**1**	**3**	**1**	**1**	**4**
Incidents	6	14	10	9	10	26	9	17
Near misses	1	6	7	4	2	6	3	11
Disability injury frequency rate *	0.33	0.22	0.36	0.12	0.24	0.12	0.14	0.53
Total injury frequency rate *	0.56	0.34	1.08	1.07	1.58	0.98	0.85	0.79
Man-hours worked (000's)	1,801	1,788	1,672	1,686	1,643	1,629	1,418	1,509

** Per 200,000 hours worked*

The Nyanzvi safety training initiative was resumed in 2022 as COVID-19 restrictions were relaxed.

Regrettably, a fatality occurred on February 21, 2022 and another on February 16, 2023. The fatalities occurred as a result of a vehicle accident underground and a secondary blasting accident. On August 8, 2023 Caledonia reported that an employee of a company contracted to Blanket died of injuries sustained in an accident at Blanket. The directors and management of Caledonia and Blanket express their sincere condolences to the family and colleagues of the deceased. Management has provided the necessary assistance to the Ministry of Mines Inspectorate Department in its enquiries into the incidents. Caledonia takes the safety of its employees very seriously and, accordingly, measures have been taken to reinforce adherence to prescribed safety procedures.

Social investment and contribution to the Zimbabwean economy

Blanket's investment in community and social projects which are not directly related to the operation of the mine or the welfare of Blanket's employees, the payments made to GCSOT in terms of its 10% ownership in Blanket, and payments of royalties, taxation and other non-taxation charges to the Zimbabwean government and its agencies are set out in the table to the right.

Payments to the community and the Zimbabwean government ($'000's)

Year	Community and social investment	Payments to GCSOT	Payments to Zimbabwean government (excl. royalties)	Royalties	Total
2016	12	–	10,637	2,923	13,572
2017	5	–	11,988	3,498	15,491
2018	4	–	10,140	3,426	13,570
2019	47	–	10,357	3,854	14,258
2020	1,689	184	12,526	5,007	19,406
2021	1,163	948	16,426	6,083	24,620
2022	**888**	**1,200**	**19,184**	**7,124**	**28,396**



OPERATIONAL PERFORMANCE AT BLANKET *continued*

Social investment and contribution to the Zimbabwean economy *continued*

CSR initiatives fall under six pillars of education, health, women empowerment and agriculture, environment, charity and youth empowerment. There is no legal requirement in Zimbabwe for mining companies to conduct CSR activities, but there is an increasing expectation from stakeholders in Zimbabwe and from international investors that mining companies should do more to address social and environmental issues. For many years Blanket has engaged in ad hoc CSR activities and details of its CSR programme are available in Caledonia's ESG Report 2022.

The main activities during 2022 were as follows:

- Highlights of the CSR initiatives during 2022 include the drilling of 20 boreholes in the Gwanda community area in conjunction with GCSOT.
- At Sitezi water was successfully harnessed from Thuli River using the sand abstraction method to supply potable water to the Sitezi primary and secondary schools, the Enqameni Youth Reflection Centre and the Sitezi clinic.
- Beds and linen were procured for the Sitezi clinic. IT equipment was also procured for Sitezi secondary school and the Youth Reflection Centre- 35 desktop computers and a server for the secondary school computer science laboratory, seven laptop computers and 15 digital interactive boards for the primary and secondary schools were supplied.
- Desks and chairs for 390 learners were also procured for the Sitezi primary and secondary schools. 17 staff desks were also acquired for the two schools.

GCSOT was paid $1.2 million in dividends during 2022. The dividend represents the full entitlement on GCSOT's 10% shareholding in Blanket for the period following the repayment of the final amounts owing in respect of historic advance dividends in September 2021.

Revised marketing arrangements for gold

Since listing on the VFEX and following completion of the Bilboes Gold acquisition, Caledonia has been looking into various avenues to achieve the direct export of its gold. Unrefined gold continues to be processed at Fidelity Gold Refinery (Private) Limited ("Fidelity"), a subsidiary of the Reserve Bank of Zimbabwe ("RBZ"), on a toll-treatment basis. The gold is exported from FGR to a refinery outside Zimbabwe, which undertakes the final refining process and sells the resultant gold on behalf of Caledonia. Caledonia receives the proceeds of the gold sales directly into its bank account in Zimbabwe within a few days of delivery to the final refinery.



SOLAR PLANT PROJECT

Solar plant

In recent years, the actual generating capacity of ZESA, Zimbabwe's state-owned power utility, has been lower than the installed generating capacity. Despite the use of imported power, the availability of electricity in Zimbabwe has been subject to load-shedding (i.e. curtailments to supply or requests to reduce consumption). In addition to load-shedding, the grid power in Zimbabwe is subject to fluctuations in voltage which, if unregulated, damages or trips electrical equipment.

Load-shedding and outages arising from unstable supply has economic and safety implications for an underground mine such as Blanket and we have therefore installed 18MVA of standby diesel generators to enable uninterrupted mining and processing operations, as well as work on capital projects, to continue during any disruptions to the power supply. However, we recognise that this is not a long-term solution: diesel-generated electricity is expensive and subject to supply of diesel that can at times be unavailable. Further, running diesel generators is environmentally unsustainable. Power interruptions and unstable utility power supply have already resulted in lost production, delays to the Central Shaft project and increased operating and capital costs. After careful consideration, in July 2020 Caledonia's Board approved the construction of a 12.2MWac solar plant at a total expected project cost of $14.2 million (including construction costs and other project planning, structuring, funding and administration costs).

In 2020, Caledonia raised $13 million to fund the solar project (before commission and expenses) through the sale of 597,963 shares at an average price of $21.74 per share.

The 12.2MWac solar project serves as a power insurance policy which mitigates the risk of a further deterioration in Blanket's electricity supply which would not undermine our ability to continue to operate as planned.

Caledonia's 12.2MWac (alternating current) solar plant was connected to the Blanket grid in November 2022 and was fully commissioned in early February 2023 at a construction cost of $14.2 million. At the date of the approval of this Integrated Report 2022, the plant provides approximately 25% of Blanket's total electricity requirement during the day. Completion of the solar plant coincided with an improvement in the supply of power from the grid which has substantially reduced the amount of diesel consumed in the first quarter of 2023. Blanket used 592,000 litres of diesel in the first half of 2023 to generate electricity compared to 544,000 litres in the fourth quarter of 2022.

While it is uncertain that this level of improvement will be maintained, the successful implementation of the solar plant is expected to result in a meaningful and sustained reduction in diesel usage.

In December 2022, the Caledonia Board approved a proposal for Caledonia Mining Services (Private) Limited ("CMS") (which owns the solar plant) to issue bonds. The decision was taken to optimise the capital structure of the Group and provide additional debt instruments to the Zimbabwean financial market. The bonds have an interest rate of 9.5% payable bi-annually and have a tenor of three years from the date of issue. The bond repayments are guaranteed by the Company and $7 million of bonds were issued to Zimbabwean commercial entities by CMS, at the date of this report.

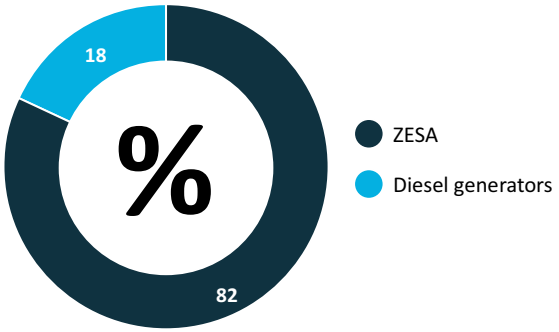
Solar as a strategic solution

Solar introduces a third electricity supply source (alongside the power utility and diesel generators), which is under Caledonia's control and will improve reliability of power supply during daylight hours. A reliable power supply will assist Blanket to achieve its production and capital project targets by reducing the incidence of outages and enhance safety at the mine. Excellent irradiance levels in Gwanda means solar power is technically feasible and provides an economical source of electricity.

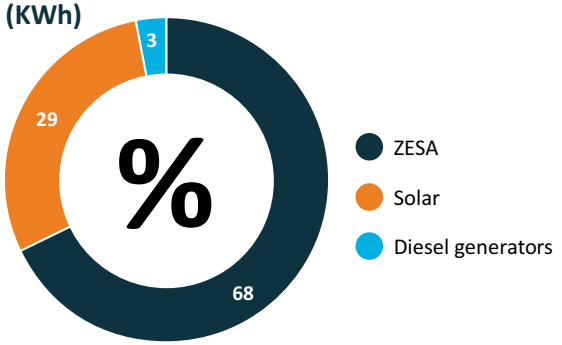
Zimbabwe is an excellent solar resource that is ideal for solar photovoltaic construction that will provide high yields. Higher yields result in lower $/kWh pricing, which has a direct impact on a project's internal rate of return.

Caledonia is the sole owner of the solar project via a 100%-owned subsidiary, CMS, which sells power to Blanket.

Pre-solar plant annual power usage (2022) (KWh)



Post-solar plant annual power usage (2023 budget) (KWh)



BILBOES PROJECT

Bilboes is a large, high-grade gold (sulphide and oxide) deposit located approximately 75 km north of Bulawayo, Zimbabwe.

On January 6, 2023 Caledonia announced that it had satisfied the conditions precedent to purchase Bilboes Gold, the parent company that owns, through its Zimbabwe subsidiary, Bilboes Holdings (Private) Limited ("Bilboes Holdings"), the Bilboes gold project in Zimbabwe ("Bilboes").

The total consideration was 5,123,044 shares (the "Consideration Shares") representing 28.3% of Caledonia's fully diluted shares (although subject to adjustment as mentioned below) and a 1% net smelter royalty on the revenues arising from the project. The value of shares at that time was $65.7 million.

Under the transaction, 5% of the total consideration shares (256,152 shares (the "Deferred Shares")) were retained by Caledonia in order to make any adjustments to the purchase price after completion to account for any extraordinary liabilities incurred prior to completion. The Deferred Shares were issued in April 2023 at a value of $3.3 million.

441,095 of the total consideration shares that would have been issued to Toziyana Resources Limited ("Toziyana") (the "Escrow Shares") were withheld by Caledonia to be issued to Shining Capital Holdings II LP ("Shining Capital") in settlement of a separate commercial arrangement between Toziyana's holding company and Shining Capital's subsidiary Infinite Treasure Limited. The issue of the Escrow Shares to Shining Capital was subject to Reserve Bank of Zimbabwe approval for the commercial arrangement between Toziyana's holding company and Infinite Treasure Limited. The Escrow Shares were issued in March 2023 at a total value of $5.7 million.

A feasibility study prepared by the vendors indicates the potential for an open-pit gold mine producing an average of 168,000 ounces per annum over a 10-year life of mine.

Bilboes Gold has NI 43-101 compliant proven and probable mineral reserves of 1.96 million ounces of gold in 26.64 million tonnes at a grade of 2.29 g/t, and measured and indicated mineral resources of 2.56 million ounces of gold in 35.18 million tonnes at a grade of 2.26 g/t and inferred mineral resources of 577,000 ounces of gold in 9.48 million tonnes at a grade of 1.89 g/t.

The Company understands that the project has produced approximately 288,000 ounces of gold since 1989.

Following completion of the transaction in January 2023, Caledonia has commissioned its own feasibility study to identify the most judicious way to commercialise the project to optimise shareholder returns. One approach that is being considered is a phased development which would minimise the initial capital investment and reduce the need for third party funding.

Caledonia has commenced an oxide project that was expected to be cash positive within six months of the commencement of work and also had the benefit of partially pre-stripping the area for the main development of the project. It started generating revenues by the end of the first quarter of 2023. This project was unfortunately not as successful as hoped and is to be put on care and maintenance with effect from October 1, 2023.

History

Anglo American Corporation of Zimbabwe Ltd ("AMZIM"), a company that formed Bilboes Holdings, held the Isabella, McCays and Bubi claims. AMZIM acquired the Isabella claims in 1982.

Initial exploration allowed the estimation of a small oxide resource and an open-pit – a heap leach mine was commissioned in 1989. Subsequent exploration extended Isabella and new discoveries were made at Bubi and McCays, which yielded 8,592kg of gold (276,256oz) over the past 26 years, 78,497oz of this being produced since the management buyout of Bilboes Holdings in 2003. All mining has been from open-pit oxide ore utilising the heap leach extraction processing method.

Exploration for sulphide mineral resources began in 1994/95, with 17,650m of exploratory drilling being completed by 1999, covering a strike length of 3,440m. A maiden mineral resource estimate for the sulphide mineral resources was completed by SRK Consulting in 2009.



BILBOES PROJECT *continued*

Property description and location

Bilboes owns three groups of claims that consist of four open pit mining properties in Matabeleland in the North Province of Zimbabwe. These open pits are referred to as Isabela North, Isabela South, McCays and Bubi ("Isabella McCays-Bubi") as shown in the location map to the right.

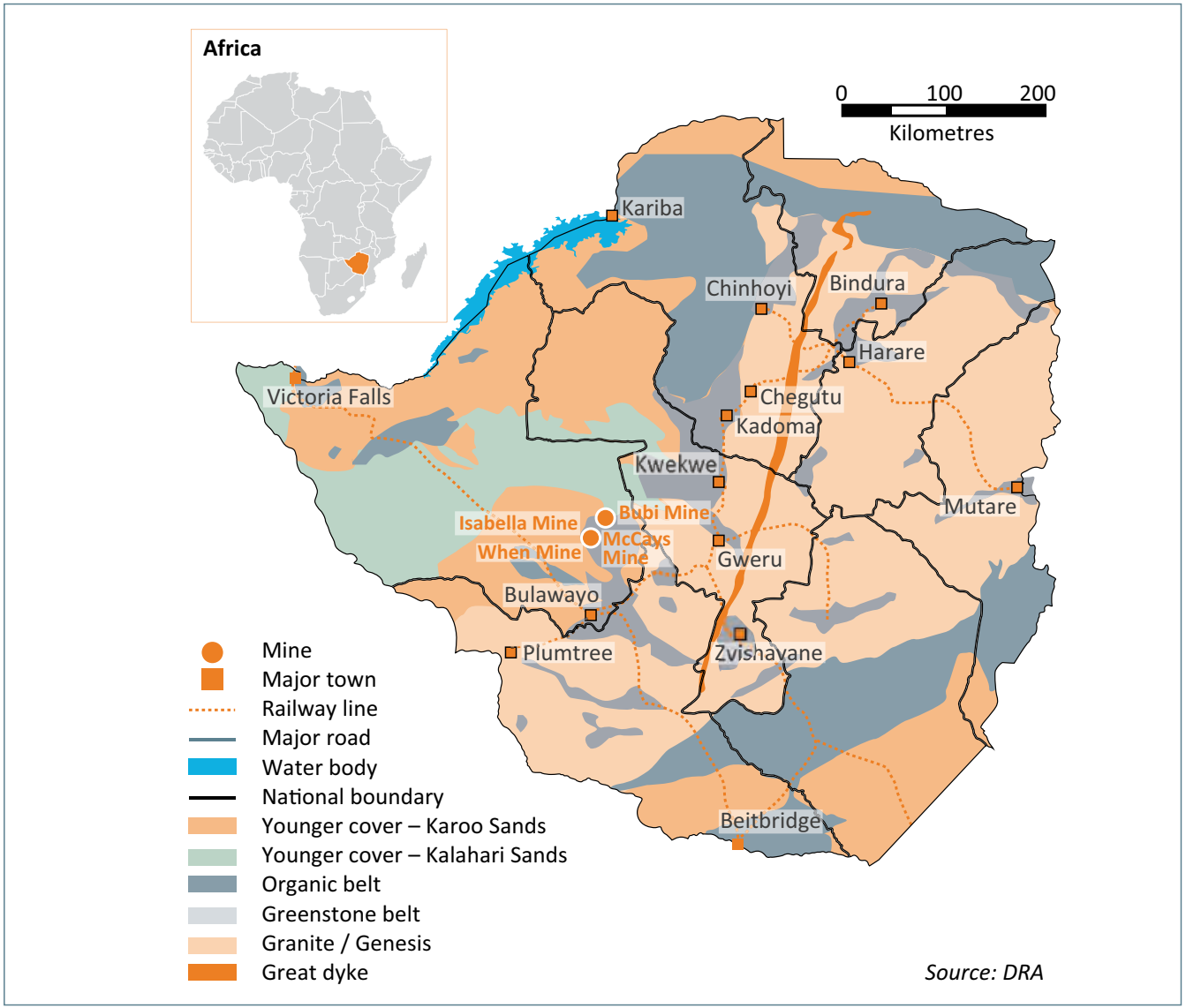
Isabella McCays-Bubi are approximately 80km and 100km directly north and north-east of Bulawayo, the second largest city of Zimbabwe with an approximate population of 1.2 million (2016).

The Isabella McCays-Bubi properties comprise 131 claim blocks covering an area of 3,114.7ha. Additional ground is held at When, Sandy, Eastnor and Ferroro (3,935 ha). The Bilboes properties are considered exploration-stage properties because the Company has not yet identified a S-K subpart 1300 mineral reserve or mineral resource on any of the properties.

The Company has commenced economic extraction activities prior to identifying any such reserves or resources.

Average daily temperatures range from 24°C in June to 32°C in October and apart from the occasional heavy downpour in the rainy season, there are no climatic conditions that prevent all year-round exploration and mining.

The properties lie between 1,150m and 1,200m above sea level and are covered by red and grey soils of the greenstone rocks in the area. The area is generally flat and covered by woodland interspersed with scrubby vegetation. Agricultural activities are mainly small-scale ranching.



BILBOES PROJECT *continued*

Electricity and water

Grid power will be supplied from the Zimbabwe National Grid by constructing a 70km 132kV Lynx line from Shangani substation. To feed the line, a line bay will be constructed at Shangani. A mine substation will be constructed at Isabella. The estimate received is for a 132kV substation, equipped with a 50MVA 132 / 33kV step-down transformer.

Power supply is through the 11kV line from the 33/11kV 5MVA Motapa substation that supplies the area. With a historical monthly average power outage factor of 5%, the mines have adequate back up power in two 700kVA CAT generators that will be able to run the two process plants respectively.

The main sources of water for the current operation are pit dewatering and a series of 12 boreholes located across the claims area.

Geological setting, mineralisation and deposit

The Bubi Greenstone Belt (Archean) covering the Bilboes Project consists of volcanic rocks of the Upper Bulawayan Group and capped by sedimentary sequences of the Shamvaian Group, all of which have been metamorphosed into felsic and mafic schists. Gold deposits are concentrated at the interface between these two groups, where major structural breaks and splays provide pathways for hydrothermal vein mineralisation.

Gold is associated with sulphides that are commonly found in hydrothermal systems. These include pyrite and arsenopyrite as major components, but copper, lead, zinc and antimony are also present in some deposits. Common alteration associated with gold mineralisation is silicification, with lesser sericite and chlorite alteration.

Mineralisation is hydrothermal and consists of silicified stockworks that host pyrite and arsenopyrite. The stockworks are characterised by a series of subparallel echelon zones. The gold is very finely dispersed within the sulphides and is refractory.

All the deposits are oxidised with the sulphide interface occurring between 6m and 50m below surface.

Current feasibility study

Bilboes consists of 128 claim blocks wholly owned by Bilboes Holdings. Of the 128 blocks, 48 gold and base metal blocks and a Special Mine site belong to the Isabella mining area while McCays comprises of 33 gold blocks and Bubi consists of 47 gold blocks. The claims are protected annually against forfeiture through gold production and exploration work and Bilboes Holdings has exclusive rights to subsurface areas to produce gold from these properties.

Bilboes Holdings also holds 3,485ha of additional claims and 91,769ha of exploration licenses referred to as Exclusive Prospecting Orders “EPOs” around Isabella-McCays-Bubi and the Gweru area. These claims and EPOs have highly prospective targets which offer Bilboes excellent prospects for organic growth. Bilboes Holdings has applied for an extension of the EPOs tenure for a further three years after the initial three-year tenure expired in July 2021.

Drilling of the sulphides to provide data for the mineral resource estimate was done in three phases totalling 93,400m. The first phase by Anglo American Corporation was between 1994 and 1999 and the second phase by Bilboes Holdings was from 2011 to 2013. The latest drilling was from December 2017 to November 2018. The third campaign focused on upgrading of the mineral resources from the inferred and indicated to indicated and measured categories, as required for the feasibility study. The feasibility study contains results of chemical analyses, mineralogical characterisation, process route identification, projected operational gold recovery and BIOX tests. In particular, the author conducted work on metallurgical processing which concluded that approximately 84% of the gold contained can be recovered using BIOX technology in conjunction with gravity and carbon-in-leach processing.

The Company has commissioned its own feasibility study to identify the most judicious way to commercialise the Bilboes sulphide project and optimise shareholder returns. One approach that is being considered is a phased development which would minimise the initial capital investment and reduce the need for third party funding.

Additional financing and infrastructure will be required to develop the Bilboes sulphide project.



BILBOES PROJECT *continued*

Feasibility study highlights

commissioned by Bilboes vendors

Life of mine	10 Years		
Planned average production rate	2.4 million tonnes per year		
Planned average mill feed grade	2.3g/t		
LOM gold production	1.673 million ounces		
Average LOM production	167koz per year		
Peak funding requirement	$250m		
Project economic returns			
Gold price	$1,350/oz	$1,500/oz	$1,650/oz
Post tax NPV (10%)	$126.9m	$225.2m	$323.3m
Post tax IRR (%)	20.5%	27.3%	33.4%
AISC ($/oz)	$811/oz	$818/oz	$826/oz



Refer to the technical report entitled "BILBOES GOLD PROJECT FEASIBILITY STUDY" with effective date December 15, 2021 prepared by DRA Projects (Pty) Ltd filed by the Company on SEDAR (www.sedar.com) on July 21, 2022.



Oxide operations

The main objective at Bilboes is to construct a large, open-pit operation that addresses the sulphide material. However, in the short term, a smaller mining and processing operation was commenced to focus on the remaining oxide material.

In the fourth quarter of 2022, a small operation was started to mine and process oxide mineralisation at Bilboes. The oxide mining activities were restarted predominantly with the objective to generate cash flows to pay for the existing cost structures taken over at Bilboes Holdings. The oxide mine was expected to produce between 12,500 and 17,000 ounces of gold in 2023 at an on-mine cost of between $1,200 and $1,320 per ounce.

The oxide project also had the benefit of an element of pre-stripping for the construction of the main development.

In the first quarter of 2023 the target mineralisation which had been identified using old information obtained from the previous owners (i.e. not the vendors from whom Caledonia purchased the project) was found not to exist. Mining activity has now moved to other target areas where the target oxide mineralisation is based on relatively recent drill data for the oxide mineralisation.

The mine plan extended until July 2023 based on the anticipated mining of higher confidence mineralisation. During this period, further evaluation drilling was performed on target areas that currently have a lower level of confidence with the objective of increasing the confidence level before mining commences, thereby extending the duration of the oxide project.

Management also proposed to accelerate the exploration for oxides at the adjacent Motapa property. Work on the oxide mine was further hampered by mechanical breakdowns at the drill rigs and the poor availability of spares and other equipment. The difficulties with the oxide project do not apply to the larger sulphide resource which has been identified based on extensive drilling which has been subjected to a thorough review by independent consultants who were appointed by the previous owners of the project. Caledonia also commissioned its own review of the sulphide mineralisation and by independent consultants as part of its due diligence process.

In light of the uncertainly regarding the continuation of the oxide activities, the Company withdrew production and cost guidance for the oxide activities and in future it will report actual production achieved each quarter. If oxide mining activities cannot be carried out with the reasonable prospect of making an overall cash contribution, the mining activities will be returned to care and maintenance pending completion of the ongoing feasibility study in respect of the main sulphide project.

Due to the lack of certainty that the oxide operation can operate on at least a cash-neutral basis, it will be returned to care and maintenance with effect from October 1, 2023.

Mining and metallurgical processing will continue at the Bilboes oxide mine until the end of September 2023. Thereafter leaching of material that has already been deposited on the leach pad will continue. Oxide mining and processing will resume when the stripping of the waste for the sulphide project commences.

MOTAPA PROJECT

On November 2, 2022 Caledonia announced that it had purchased Motapa Mining Company UK Limited, the parent company of a Zimbabwe subsidiary which holds a registered mining lease over the Motapa gold exploration property in Southern Zimbabwe ("Motapa").

Caledonia considers Motapa to be highly prospective and strategically important to its growth ambitions in Zimbabwe in terms of both location and scale. Motapa is a large exploration property which is contiguous to Caledonia's Bilboes gold project.

Property description and location

The Motapa project is an exploration-stage project at which no S-K subpart 1300 mineral reserves or mineral resources have been identified. The registered mining lease held by Arraskar Investment (Private) Limited ("Arraskar") (the "Motapa Mining Lease") covers an area of 2,224ha located in a brownfield exploration and mining area in the Inkosikazi resettlement area, Matabeleland North. The Motapa Mining Lease covers a geological strike close to 5km.

Motapa is accessed by a wide tar road from Bulawayo for the first 40km followed by a poorly maintained narrow-width tarred section for 65km. An extensive gravel road network links various sites at the Motapa Mining Lease area. As at December 31, 2022, the exploration and evaluation cost of the Motapa project was $8.25 million.

Three lineament zones have been identified namely the Northern, Central and Southern zones, commonly referred to as Motapa North, Motapa Central and Motapa South, respectively.

Several pits have been mined in each zone. The regional strike and lithological contacts trend north-east to south-west and are dominated by the Peter Pan and the Courtleigh fault systems.

The area is generally flat and covered by woodland interspersed with patches of grass and a major river (Mdutshana) flows through the property. The direction of flow is NE to SW. The location is at an altitude of about 1,148m above sea level.

The erratic and low rainfall makes the area unsuitable for cultivation and agricultural activities are restricted to ranching.

There are no obvious topographic, climatic, land use or other constraints that could materially affect production or exploration activities.

The property is accessible from Bulawayo by a tarred road, and by gravel roads within the Mining Lease area. It is connected to the national power grid and obtains sufficient water from old pits and boreholes.

When Motapa was acquired by Metallon Corporation in December 2003 no mining activities had taken place since the year 2000 and its closure by Anglo American Corporation. At the time of acquisition, mining activities had ceased, and remnant infrastructure included two shafts and a residential compound.

The oxides are amenable to heap-leach extraction of gold. However, the arsenical sulphide ore is refractory. Several bench-scale and laboratory tests at Bilboes' Isabella and Bubi before the year 2000 showed that good recoveries (90+%) are likely from bio-oxidation of a sulphide concentrate.

However, some of the work initiated by AMZIM (the gold operating subsidiary of Anglo American Corporation in Zimbabwe) was not completed and a priority will be to finalise potential extraction routes for the sulphides while exploiting the remaining oxides.

Below is the location of Motapa on the Zimbabwean map:



MOTAPA PROJECT *continued*

History

Historically, we understand that over 3 million tonnes were mined from underground operations down to 11 level and processed through a 25,000 tonnes per month plant between 1949 and 1959. Total gold production for the mine until 1990 was approximately 300,000 ounces from 2.4 million tonnes of ore, averaging 5.4g/t.

When Motapa mine was acquired by Metallon Corporation in December 2003 no mining activities had taken place since the year 2000 and closure by Anglo American Corporation.

On November 2, 2022 Caledonia announced that it had purchased Motapa Mining Company UK Limited, the parent company of a Zimbabwe subsidiary (Arraskar) which holds the Motapa Mining Lease.

Geological setting, mineralisation and deposit

The Motapa deposit comprises three identified discrete, parallel shear-hosted mineralised zones, namely:

1. Motapa North: with four sub-zones Pluvius and Jupiter. Pluvius is split into two named Pluvius123 and Pluvius5 with an information gap between them that assumes the possible existence of Pluvius4.
2. Motapa Central: with three subzones Club, Britwell and Britwell East. There is Fossicker sub- parallel to Club and Britwell, but no data is available for evaluation, except that its existence is evidenced by a historical pit.
3. Motapa South: with two subzones Halfday and Trail.

Exploration

Substantive exploration work at Motapa can commence after an Environmental Impact Assessment ("EIA") has been approved by the Zimbabwe authorities. An EIA report was submitted in July 2023 and certification is anticipated at the end of August 2023 paving way for exploration work to commence.

The Motapa exploration programme has been split into three work phases.

Phase 1 is the initial data gathering and target identification with limited physical exploration drilling taking place. Phase 1 is focused on identifying shallow oxide mineralisation which can potentially be exploited in the near term. The Phase 1 budget totals $2.8m over a 12 to 18-month period.

The Phase 2 exploration entails exploration for oxide mineralisation in new areas of the exploration lease areas from targets generated through geochemical soil sampling, geological mapping and data analysis. Phase 2 is planned to commence during the first six months of 2024.



OPERATIONAL OUTLOOK

Caledonia's immediate strategic focus is to:

- Maintain production at Blanket at the targeted rate of between 75,000 and 80,000 ounces per annum from 2022
- Re-commence deep level drilling at Blanket with the objective of further upgrading inferred mineral resources, thereby extending the life of mine
- Complete the Caledonia feasibility study on the Bilboes sulphide project to estimate the funding requirements and commence development of the sulphide project

Subject to the availability of funds, Caledonia will continue geological evaluations at Maligreen and Blanket Mine and commence geological evaluation at Motapa.

The life-of-mine plan

Blanket's life-of-mine plan ("LOMP") includes measured, indicated and inferred mineral resources; however only diluted measured and indicated mineral resources in the LOMP were considered for conversion to mineral reserves. The mineral reserves declared for Blanket are derived from conversion of the diluted measured and indicated mineral resources through applying applicable modifying factors and mineral asset economic analysis. The LOMP is to maintain approximately 80,000 ounces of gold production from 2023, with mineral reserves extracted over seven years reflecting the depletion of existing measured and indicated mineral resources. From 2026 onward, the LOMP continues to target current inferred resources in the down-dip extensions of ore bodies which are intended to be upgraded through exploration drilling, as platforms are established by development on the deeper levels below 750m, particularly between 26 and 30 Level.

Please see ***page 90*** for the mineral resources and reserves statements.

Capital expenditure

Capital expenditure ("Capex") at Blanket in 2023 is budgeted at $30.9 million. Capital expenditure includes:

- Tailings storage facility (first phase)- $9.6 million
- Capital development at 30 and 34 Levels- $9.8 million
- Central Shaft related infrastructure- $3.3 million
- Information technology infrastructure- $1.0 million
- Mill and surface engineering- $2.6 million
- Staff housing- $0.5 million

The Bilboes oxide project capital expenditures for 2023 amounts to $0.54 million as most of the infrastructure to mine the oxide project was in place at acquisition.

Bilboes

The main focus in respect of the Bilboes sulphide resource is on updating the feasibility study which will identify the most judicious way to commercialise the resource with the objective of maximising value accretion for Caledonia shareholders.



The above-mentioned technical reports are available on Caledonia's website: www.caledoniamining.com/investors/technical-reports/



FINANCIAL REVIEW



In this section

CFO's review	pg 45
Financial performance	pg 48

CFO'S REVIEW





2022 Financial Value Added

Growing gross revenues $142 million (2021: $121 million)	**Increased gross profit** $61.8 million (2021: $54.1 million)	**Improved EBITDA** $50.4million (2021: $46.4 million)	**Lower on-mine cost per ounce** $735 (2021: $742)
Improved net cash from operating activities $42.6 million (2021: $30.9 million)	**Strengthened net asset value** $193.5 million (2021: $180.6 million)	**Increased investments** $44.6 million (2021:$35.9 million)	**Dividends paid** 56 cents per share (2021: 50 cents per share)

CFO'S REVIEW *continued*

Dividend

The dividend increased from 6.875 cents per quarter to 14 cents per quarter via a series of quarterly increments in 2020 and 2021. The quarterly dividend was maintained at 14 cents a share from January 2022 onwards as, by this time, it was apparent that we would acquire additional assets in Zimbabwe for which there would be a significant, but initially unquantified, capital requirement. Accordingly, the decision was taken in January 2022 not to further increase the dividend so that we had better flexibility to contribute to the funding of our new growth opportunities at Bilboes and to complete the remaining capital works at Blanket.

Dividends for 2022 comprise $7.1 million paid to shareholders of the Company and $1.8 million paid to Blanket's minority shareholders.

New investment opportunities

The investments in Bilboes and Maligreen have increased the Caledonia resource base from 1.94Moz in 2020 to 6.72Moz in June 2023. With the attractive returns from the initial Bilboes feasibility study highlighted on *page 37*, the project is one of our main strategic goals in allocating capital after maintaining our production at Blanket. Maintaining production at Blanket at 2022 levels, progressing the Bilboes sulphide project and exploration at Motapa is front of mind when allocating capital.

On January 6, 2023 Caledonia acquired the Bilboes sulphide project for a consideration of 5,123,044 shares and a 1% net smelter royalty ("NSR") on the project's future revenues. The value of the transaction was $65,677,424 (excluding the value of the NSR which will depend on future production rates and the future gold price). In 2023 we commissioned work on feasibility studies to identify the most judicious way to commercialise Bilboes with the objective of optimising the increase in value for Caledonia shareholders.

In November 2022 we also acquired the Motapa gold exploration project in Southern Zimbabwe for $8.25 million in cash and loan notes which were paid in the course of 2023. The property is adjacent to Bilboes and has excellent exploration potential.

Borrowing and hedging

The Company only engages in hedging to protect future cashflows from downside risk in the gold price to continue our capital investment programme. Accordingly, due to the investments planned for the first half of 2022, the Company entered into a zero-cost contract to hedge 20,000 ounces of gold over a period of five months from March to July 2022.

On December 22, 2022 the Company purchased put options to hedge 16,672 ounces of gold from February to May 2023, at a strike price of $1,750 per ounce. The same hedging structure was put in place on May 22, 2023 over 24,000 ounces for the period July to December 2023 at a strike price of $1,900 per ounce. The put option structures were purchased to protect the Company against gold prices lower than the strike price over the period hedges.

In May and June 2022, the Company settled its $3 million gold loan and option agreement. The Company had also granted the lender call options over 6,000 ounces of gold at a strike price of $2,000 expiring in equal tranches in June and November 2022. The proceeds of the gold loan were used to part fund the solar project and for general corporate purposes.

Zimbabwe commercial environment

Although there continues to be a shortage of foreign currency in Zimbabwe, Blanket had satisfactory access to foreign exchange during 2022 as a result of an increase in the proportion of its revenues received in US$ pursuant to the Company's listing on the VFEX on December 2, 2021 and a higher rate of US$ payments on incremental production (as discussed further in this review). The rate of local currency inflation increased from 61% per annum in January 2022 to 244% by December 2022. The high rate of local inflation has little effect on Blanket's operations because RTGS denominated payments are incurred and settled in a relatively short period, RTGS cash balances are very low or are in overdraft positions. Blanket's employees are paid in US$ and a large portion of Blanket's other inputs are denominated in US$.

In June 2021 the Reserve Bank of Zimbabwe announced that companies whose shares are listed on the VFEX would receive 100% of the revenue arising from incremental production in US$. For Blanket this was anything over 57,000 ounces. As Blanket increased its production to 80,000 ounces of gold from 2022 onwards, a listing on the VFEX meant that Blanket would receive approximately 71.5% of its total revenues in US$ and the balance in local currency. Accordingly, in December 2021 Caledonia obtained a secondary listing on the VFEX.

Capital allocation

Our capital allocation framework focuses on improving and maintaining the best financial performance, shareholder returns and investment growth, to optimise long-term sustainable returns.

In order to accomplish this our business values and financial strategy will align to achieve:

- An improved balance sheet with future funding potential in sight
- Improving cash generation at our current operations by the reduction in the capital expenditure
- Increasing shareholder return through new investments
- Disciplined and informed investment decisions to create long-term sustainable value for the Group and its stakeholders

CFO'S REVIEW *continued*

INFLOWS $49.92m		OUTFLOWS $33.3m
=		=
Cash from operations **$49.7m**		Tax paid **$6.9m**
		+
		Finance costs and other borrowings • Finance cost $0.2m • Lease liabilities $0.2m • Gold loan repayment **$3.7m**
+		+
Other income • Interest received **$0.02m** • Call option proceeds **$0.2m**		Put option acquisition **$0.5m**
		+
		Sustaining capex **$21.8m**
Net cash flow before capital growth = **$16.6m**		
Balance sheet impact **($14.6m)**	Shareholder returns through dividends **$8.9m**	Investment in CAPEX **$22.3m**

Post period

The Company conducted equity raises by way of placings in the first half of 2023 that targeted institutional investors in the UK, Europe, South Africa and Zimbabwe. The equity raises were over subscribed- depositary interests in respect of 781,749 shares were issued to investors in the UK, Europe and South Africa on March 30, 2023 and Zimbabwe depositary receipts in respect of 425,765 shares were issued on April 14, 2023. The placings raised $16.6 million before expenses.

The proceeds are to be used for the Bilboes sulphide project feasibility study, a shared services centre in Zimbabwe, the establishment of an international procurement arm to supply future operations and for exploration drilling at Motapa.

On May 18, 2023 the Company entered into an "At the Market" or "ATM" sales agreement with its broker in the United States pursuant to which the Company may, at its discretion, from time to time, sell up to $30 million worth of shares on the NYSE American at market prices. No shares have been sold pursuant to the date of this report.



FINANCIAL PERFORMANCE

The table below sets out the consolidated profit and loss for the years ended December 31, 2022, 2021 and 2020 prepared under IFRS.

Consolidated statement of profit or loss and other comprehensive income ($'000)

For the years ended December 31	2022	2021	2020
Revenue	**142,082**	121,329	100,002
Royalty	**(7,124)**	(6,083)	(5,007)
Production costs	**(62,998)**	(53,126)	(43,711)
Depreciation	**(10,141)**	(8,046)	(4,628)
Gross profit	**61,819**	54,074	46,656
Other income	**60**	46	4,765
Other expenses	**(11,782)**	(7,136)	(5,315)
Administrative expenses	**(11,941)**	(9,091)	(7,997)
Net foreign exchange gain/(loss)	**4,411**	1,184	4,305
Cash-settled share-based expense	**(609)**	(477)	(1,413)
Equity-settled share-based expense	**(484)**	–	–
Net derivative financial instrument expenses	**(1,198)**	(240)	(266)
Operating profit	**40,276**	38,360	40,735
Net finance costs	**(640)**	(361)	(305)
Profit before tax	**39,636**	37,999	40,430
Tax expense	**(16,770)**	(14,857)	(15,173)
Profit/(loss) for the period	**22,866**	23,142	25,257
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	**(462)**	(531)	(173)
Total comprehensive income for the period	**22,404**	22,611	25,084
Profit attributable to:			
Owners of the Company	**17,903**	18,405	20,780
Non-controlling interests	**4,963**	4,737	4,477
Profit for the period	**22,866**	23,142	25,257
Total comprehensive income attributable to:			
Owners of the Company	**17,441**	17,874	20,607
Non-controlling interests	**4,963**	4,737	4,477
Total comprehensive income for the period	**22,404**	22,611	25,084
Earnings per share (cents)			
Basic	**135.5**	148.6	173.4
Diluted	**135.4**	148.5	173.2
Adjusted*	**219.9**	225.9	204.2

** Adjusted earnings per share is a non-IFRS measure. Refer to the calculation included in the MD&A on Caledonia's website: https://www.caledoniamining.com/investors/reports-presentations/*

Revenue for 2022 was 17.1% higher than in 2021 due to a 16.7% increase in gold ounces sold.

The royalty rate payable to the Zimbabwe government was unchanged at 5% for 2022.

Production costs for 2022 increased by 18.6% compared to 2021 due to higher production tonnages and ounces.

The mine cost per ounce for 2022 was 0.9% lower than the prior year due to higher production which spread production costs over more ounces sold.

The AISC per ounce was 2.6% higher for 2022 compared to 2021, due to the higher production cost, sustaining capital expenditure and higher administrative expenses.

Administrative expenses are detailed in note 11 to the Consolidated Financial Statements 2022 and include the costs of Caledonia's offices and personnel in Johannesburg, the UK and Jersey which provide the following functions: technical services, finance, procurement, investor relations, corporate development, legal and company secretarial.

Administrative expenses were 31.3% higher in 2022 compared to 2021. Administrative costs for 2022 increased due to advisory services fees of $1.1 million incurred to complete the acquisitions of Bilboes and Motapa. Increased Johannesburg based technical services were appointed due to the increase in production at Blanket and to build up the skills required to perform the Caledonia feasibility study for the Bilboes sulphide project.

The depreciation charge in 2022 increased because of increased production (fixed assets are depreciated over production ounces) on the Central Shaft assets following its commissioning at the end of March 2021.

Other expenses are detailed in note 10 to the Consolidated Financial Statements 2022 and include an impairment expense on property, plant and equipment of $8,209. The impairment of the capital development areas, classified as property, plant and equipment in the Consolidated Financial Position, predominantly relates to prospective areas above 750 metres which are not included in the current life-of-mine plan. Other expenses also include CSR expenses of $897, $830 spent to maintain the operating integrity of Bilboes before completion of the acquisition and an impairment expense of $467 incurred on the accumulated expenditures on the Connemara North exploration project in the prior year. Intermediated monetary transaction tax ("IMTT") charged by the Zimbabwean government increased to $1,378 for 2022 due to the presidential announcement made on May 7, 2022 to increase the IMTT charges on all domestic foreign currency transfers from 2% to 4%.

Net foreign exchange movements relate to gains and losses arising on monetary assets and liabilities that are held in currencies other than the US$. Large foreign exchange movements arose due to the significant devaluation of the RTGS$ to the US$. The net foreign exchange movement in 2022 was significantly higher than in 2021 due to an increase in RTGS$ net denominated monetary assets in 2022 compared to 2021.

FINANCIAL PERFORMANCE *continued*

Analysis of consolidated tax expense for 2022

($'000)

	Zimbabwe	South Africa	UK	Total
Income tax	8,451	210	–	**8,661**
Withholding tax				
Management fee	–	174	–	**174**
Deemed dividend	247	–	–	**247**
CHZ dividends to GMS UK	–	–	850	**850**
Deferred tax	6,970	(132)	–	**6,838**
	15,668	252	–	**16,770**

The overall effective taxation rate for 2022 was 42.3% (2021: 39.1%). The effective tax rates calculated in the US$ functional currency are not comparable between periods predominantly due to the Zimbabwean taxable income calculated in RTGS$. Further, as 100% of capital expenditure is tax deductible in the year in which it is incurred for tax and depreciation commences when the project enters production, timing differences can alter the effective tax rate based on the capital expenditure for a quarter. Large devaluations in the RTGS$ against the US$ reduce the income tax paid and the deferred tax liability. Income tax payments are made in the same proportion of RTGS$ and US$ as revenue is received. Deferred tax predominantly comprises the difference between the accounting and tax treatments of capital investment. The enacted income tax rate in Zimbabwe remained unchanged at 24.72% (2021: 24.72%). The majority of the tax expense comprised income tax and deferred tax incurred in Zimbabwe.

South African income tax arises on intercompany profits arising at CMSA.

Zimbabwe withholding tax arose on the management fees paid to CMSA and on dividends paid from Caledonia Holdings Zimbabwe (Private) Limited ("CHZ") to the Company's subsidiary in the UK Greenstone Management Services Holdings Limited ("GMS-UK").

IFRS basic EPS decreased by 8.8% from 148.6 cents in 2021 to 135.5 cents in 2022. Adjusted EPS for 2022 decreased by 2.7% from 225.9 cents to 219.9 cents. A reconciliation from IFRS EPS to adjusted EPS is set on *page 59*.

Five dividend tranches of $14 cents per share were announced during 2022. Two tranches of $14 cents per share were announced on October 3, 2022 and December 30, 2022. However, the $14 cents dividend per share tranche announced on December 30, 2022 was paid on January 27, 2023.



FINANCIAL PERFORMANCE *continued*

The table below sets out the consolidated statements of cash flows for the years ended December 31, 2022, 2021 and 2020 prepared under the IFRS:

Consolidated statement of cash flows

($'000)

For the years ended December 31	2022	2021	2020
Cash generated from operations	**49,657**	38,703	37,967
Interest received	**17**	14	56
Net finance costs paid	**(192)**	(388)	(405)
Tax paid	**(6,866)**	(7,426)	(6,656)
Net cash from operating activities	**42,616**	30,903	30,962
Cash flows used in investing activities			
Acquisition of property, plant and equipment	**(41,495)**	(32,112)	(25,081)
Acquisition of exploration and evaluation assets	**(2,596)**	(5,717)	(2,759)
(Purchase of)/proceeds from derivative financial assets	**–**	1,066	(1,058)
Proceeds from sale of assets held for sale	**–**	500	–
Proceeds from disposal of subsidiary	**–**	340	900
Acquisition of put options	**(478)**	-	–
Net cash used in investing activities	**(44,569)**	(35,923)	(27,998)
Cash flows from financing activities			
Dividends paid	**(8,906)**	(8,069)	(4,542)
Proceeds from/(repayment of) gold loan	**(3,698)**	2,752	–
Proceeds from call options	**240**	208	–
Term loan repayments	**–**	(361)	(574)
Payment of lease liabilities	**(150)**	(129)	(118)
Shares issued – equity raise (net of transaction cost)	**–**	7,806	12,538
Proceeds from share options exercised	**–**	165	30
Net cash from (used in) financing activities	**(12,514)**	2,372	7,334
Net increase/(decrease) in cash and cash equivalents	**(14,467)**	(2,648)	10,298
Effect of exchange rate fluctuations on cash and cash equivalents	**(302)**	(179)	(99)
Net cash and cash equivalents at the beginning of the period	**16,265**	19,092	8,893
Net cash and cash equivalents at the end of the year	**1,496**	16,265	19,092

Cash generated from operating activities is detailed in note 31 to the Consolidated Financial Statements 2022 which shows that cash generated by operations before working capital changes in 2022 was $47.8 million, 3.8% lower than $49.7 million in 2021. Working capital inflows for 2022 amounted to $1.9 million.

Tax paid in 2022 excludes an amount payable at December 31, 2022 of $1.3 million. The amount was partially paid after year end and partially offset against the VAT receivable.

Investment in property, plant and equipment remains high due to the continued investment in capital development at Blanket, sustaining capital investment and includes $12.2 million of investment in the solar project.

The acquisition of exploration and evaluation assets relates to the ongoing work at the Maligreen claims, a $1 million payment towards the Motapa acquisition and geological evaluations as discussed further in section 5.

Dividends for 2022 comprise $7.1 million paid to shareholders of the Company and $1.8 million to Blanket's minority shareholder. A dividend of $14 cents per share was announced on December 30, 2022 and was payable at the end of January 2023. Accordingly, the last dividend comprising an amount of $1.9 million was included as part of dividends due in note 30 of the Consolidated Financial Statements 2022.

The effect of exchange rate fluctuations on cash held reflects gains or losses on cash balances held in currencies other than the US Dollar. The effect on cash balances forms part of an overall foreign exchange gain or loss arising on all affected financial assets and liabilities.

FINANCIAL PERFORMANCE *continued*

The table below sets out the consolidated statements of Caledonia's financial position as at December 31, 2022, 2021 and 2020 prepared under the IFRS:

Summarised consolidated statement of financial position ($'000)

As at December 31	2022	2021	2020
Total non-current assets	**196,764**	157,944	133,334
Inventories	**18,334**	20,812	16,798
Prepayments	**3,693**	6,930	1,974
Trade and other receivables	**9,185**	7,938	4,962
Income tax receivable	**40**	101	76
Cash and cash equivalents	**6,735**	17,152	19,092
Derivative financial assets	**440**	–	1,184
Asset held for sale	**–**	–	500
Total assets	**235,191**	210,877	177,920
Total non-current liabilities	**9,291**	12,633	9,913
Loan notes payable	**7,104**	–	–
Loans and borrowings – short-term portion	**–**	–	408
Lease liabilities – short-term portion	**132**	134	61
Trade and other payables	**17,454**	9,957	8,664
Derivative financial liabilities	**–**	3,095	–
Income tax payable	**1,324**	1,562	495
Overdraft	**5,239**	887	–
Cash-settled share-based payments – short-term portion	**1,188**	2,053	336
Total liabilities	**41,732**	30,321	19,877
Total equity	**193,459**	180,556	158,043
Total equity and liabilities	**235,191**	210,877	177,920

Non-current assets increased due to the investment at Blanket in the Central Shaft and related infrastructure, electrical infrastructure and sustaining investment; investment in the solar project; and the acquisition and investments in exploration and evaluation properties.

Inventory levels at Blanket reduced by $2.4 million and gold work in progress and ore stockpile increased by $0.4 million because mine production exceeded milling capacity for much of 2022 until milling capacity was increased in September 2022 after the commissioning of BM10. Inventories include 1,123 ounces of gold work-in-progress (December 2021: 443 ounces), and approximately 247 ounces (December 2021: 174 ounces) of recoverable gold.

Prepayments represent deposits and advance payments for goods and services. Prepayments decreased largely due to the reduction in prepayments in respect of the solar project that was fully commissioned in early February 2023. The Bilboes oxide prepayment of $877 relates to supplier prepayments made in anticipation of the mining activities at the Bilboes oxide project. This amount was expected to be recovered through revenue generated by the Bilboes oxide project from March 2023 onwards.

On August 1, 2022 the Group registered with the Ministry of Mines and Mine Development for the tribute arrangement that allowed Caledonia to mine the oxide portion of the Bilboes claims. Refer to note 5 in the Consolidated Financial Statements 2022. This is accounted for as a separate acquisition of a portion of the greater Bilboes transaction. The expected cost to restore the property, plant and equipment that is relevant to the oxide claims was estimated to be $0.9 million.

Trade and other receivables are detailed in note 22 to the Consolidated Financial Statements 2022 and include $7.4 million (December 31, 2021: $4.5 million) due from Fidelity, a subsidiary of the RBZ, in respect of gold deliveries prior to the close of business on December 31, 2022 and $1 million (December 31, 2021: $3.2 million) due from the Zimbabwe Government in respect of VAT refunds. The increased receivable due from Fidelity reflects the higher gold production and a larger delivery of gold at both the end of the quarter and year. The full amount due from Fidelity in respect of gold deliveries was received as it fell due in January 2023. Also included in trade and other receivables is an amount of $0.7 million that relates to the VAT and duties tax, on the import of solar equipment, to be refunded to CMS.

Trade and other payables include an amount payable to Voltalia Portugal S.A. in relation to construction of the solar plant of $1.8 million.

Derivative financial liabilities decreased due to the gold loan that was repaid in full in the second quarter of 2022 and the significant decrease in the option valuations of the remaining options. The derivative financial assets consist of put options purchased on December 22, 2022 from Auramet Trading LLC to hedge 16,672 ounces of gold from February 2023 to May 2023 at a strike price of $1,750. These options were purchased to hedge the Company against gold prices below $1,750 for the quantity of ounces hedged.

The decrease in the cash-settled share-based payments value is due to awards that vested in the first quarter of 2022 and new awards granted to named executive officers ("NEOs") are categorised as equity-settled share-based payments in the year.

FINANCIAL PERFORMANCE *continued*

The distribution of the consolidated cash across the jurisdictions where the Group operates was as follows:

Geographical location of cash ($'000)

	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022
Zimbabwe	5,842	8,868	883	(2,160)
South Africa	1,861	878	932	694
UK/Jersey	6,727	1,116	4,352	2,962
Total net cash and cash equivalents	14,430	10,862	6,167	1,496

Included in the cash and cash equivalents is a restricted cash amount of $1 million (denominated in RTGS$) held by Blanket Mine which has been earmarked to Stanbic Bank Zimbabwe as a letter of credit in favour of CMSA. The letter of credit was issued by Stanbic Bank Zimbabwe on September 15, 2022 in RTGS$ and has a 90-day conversion tenure. The cash on maturity was transferred to CMSA's bank account, denominated in South African Rand, on January 13, 2023. On July 11, 2022, August 30, 2022 and November 1, 2022 $4 million, $2 million and $1.4 million was transferred from CHZ to CMSA.

The short-term portion of the cash-settled share-based payment liability is in respect of awards made to certain employees at Caledonia, CMSA and Blanket in terms of the Company's Omnibus Equity Incentive Compensation Plan ("OEICP"). The awards (other than those made to the NEOs in 2022 which only settle in shares) can be settled in cash or, subject to conditions, shares at the option of the recipient. Of the liability outstanding at year end $2 million was settled in January 2023.

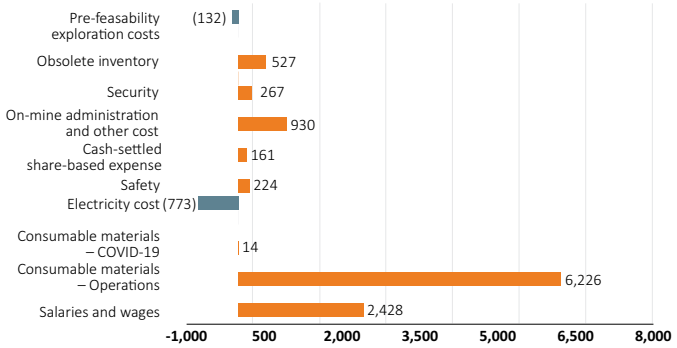
Production costs

Production cost (IFRS)

IFRS production costs comprise, ***inter alia***, salaries and wages, consumable materials (operations and COVID-19), electricity, safety, cash-settled share-based payment expense, pre-feasibility exploration costs and on-mine administration costs.

The 15.7% increase in production costs from 2021 to 2022 is broken down as follows:

Production costs 2022 vs 2021 (US$'000)



Consumable materials (operations) increased due to inflationary pressures on consumable expenditures. Inflationary increases were incurred on key consumables such as explosives, diesel, cyanide, carbon, lime and steel products (rods, steel balls and drill steels). High usage of explosives was due to achievement of lower advances per blast and secondary blasting activities.

Salaries and wages increased due to the increase in headcount at Blanket.



FINANCIAL PERFORMANCE *continued*

Cost per ounce

A narrow focus on the direct costs of production (mainly labour, electricity and consumables) does not fully reflect the total cost of gold production. Accordingly, cost per ounce data for 2021 and 2020 has been prepared in accordance with the Guidance Note issued by the World Gold Council on June 23, 2013 and is set out in the table below on the following bases:

- On-mine cost per ounce, which shows the on-mine costs of producing an ounce of gold and includes direct labour, electricity, consumables and other costs that are incurred at the mine including insurance, security and on-mine administration.
- AISC, which shows the on-mine cost per ounce plus royalties paid, additional costs incurred outside the mine (i.e. at offices in Harare, Johannesburg and Jersey), costs associated with maintaining the operating infrastructure and resource base that are required to maintain production at the current levels (sustaining capital investment), the share-based expense (or credit) arising from the long-term incentive plan ("LTIP") awards less silver by-product revenue. The AISC also includes as a credit (i.e. as a deduction from costs) the export credit incentives (or its predecessor).
- All-in cost per ounce, which shows the AISC per ounce plus the costs associated with activities that are undertaken with a view to increasing production (expansion capital investment).

Cost per ounce of gold sold (US$/ounce)

12 months to December 31	2022	2021
On-mine cost	**735**	742
AISC	**878**	856
All-in cost	**1,588**	1,427

Per-ounce costs are calculated based on gold ounces sold and not produced, so that an accurate value can be ascribed to the royalty.

On-mine cost

On-mine cost comprises labour, electricity, consumables, and other costs such as security and insurance. Production costs are detailed in note 9 to the Consolidated Financial Statements 2022. On-mine costs include the procurement margin paid to CMSA. CMSA purchasing represents a fair value that Blanket would pay for consumables if they were sourced from a third party.

On-mine cost per ounce for 2022 was within the guidance range of between $669 and $736 per ounce.

AISC

AISC excludes the intercompany procurement margin as this reflects the consolidated cost incurred at the Group level. The AISC per ounce for 2022 was 2.6% higher than 2021 due to the higher administrative costs as well as higher sustaining capital expenditure.

Inventory write downs of drill rigs were excluded from AISC as the cost is not representative of normal production costs but rather the discontinuation of spares for the particular type of drill rig and spares purchased. The drill rig and spares were written down to net realisable value at the end of 2022.

AISC per ounce for 2022 of $878 per ounce was below the guidance range of between $880 to $970 per ounce (excluding CSR expenditure).

All-in cost

All-in cost includes investment in expansion projects at Blanket which remained at a high level in 2022 due to the continued investment.

All-in cost does not include pre-feasibility investment in exploration and evaluation projects.

Indigenisation

Transactions that implemented the indigenisation of Blanket (which expression in this section and in certain other sections throughout this report refers to the Zimbabwe company that owns Blanket) were completed on September 5, 2012 following which Caledonia owned 49% of Blanket and received a Certificate of Compliance from the Zimbabwe Government which confirmed that Blanket was fully compliant with the Indigenisation and Economic Empowerment Act.

Following the appointment of President Mnangagwa in 2017 the requirement for gold mining companies to be indigenised was removed by a change in legislation with effect from March 2018. On November 6, 2018, the Company announced that it had entered into a sale agreement with Fremiro Investments (Private) Limited ("Fremiro") to purchase Fremiro's 15% shareholding in Blanket for a gross consideration of $16.7 million which was to be settled through a combination of the cancellation of the loan between the two entities which stood at $11.5 million as at June 30, 2018 and the issue of 727,266 new shares in Caledonia at an issue price of $7.15 per share. This transaction was completed on January 20, 2020 following which Caledonia has a 64% shareholding in Blanket and Fremiro held approximately 6.3% of Caledonia's enlarged issued share capital.

As a 64% shareholder, Caledonia receives 64% of Blanket's dividends plus the repayment of vendor facilitation loans which were extended by Blanket to certain of the indigenous shareholders. The outstanding balance of the facilitation loans at December 31, 2022 was $15.0 million (December 31, 2021: $16.7 million). The facilitation loans (including interest thereon) are repaid by way of dividends

FINANCIAL PERFORMANCE *continued*

from Blanket – 80% of the dividends declared by Blanket which are attributable to the beneficiaries of the facilitation loans are used to repay such loans and the remaining 20% unconditionally accrues to the respective indigenous shareholders. The dividends attributable to GCSOT, which holds 10% of Blanket, were withheld by Blanket to repay the advance dividends which were paid to GCSOT in 2012 and 2013.

The final payment to settle the advance dividend loan to GCSOT was made on September 22, 2021. Dividends to GCSOT after that date are unencumbered.

The facilitation loans are not shown as receivables in Caledonia's financial statements in terms of IFRS. These loans are effectively equity instruments as their only means of repayment is via dividend distributions from Blanket. Caledonia continues to consolidate Blanket for accounting purposes. Further information on the accounting effects of indigenisation at Blanket is set out in note 6 to the Consolidated Financial Statements 2022.

Zimbabwe commercial environment

Monetary conditions

The current situation in Zimbabwe can be summarized as follows:

- Although there continues to be a shortage of foreign currency in Zimbabwe, Blanket has had satisfactory access to foreign exchange to date.
- The rate of local currency (known as "ZWL$", "RTGS Dollars" or "RTGS$") annual inflation increased from 61% in January 2022 to 244% by December 2022 which was the highest reading since April 2021. A high rate of RTGS$ inflation has little effect on Blanket's operations because Blanket's employees are paid in US$. A large portion of Blanket's other inputs are denominated in US$.
- Since October 2018, bank accounts in Zimbabwe have been bifurcated between Foreign Currency Accounts ("FCA"), which can be used to make international payments, and RTGS$ accounts which can only be used for domestic transactions.
- On February 20, 2019 the RBZ allowed limited inter-bank trading between currency held in the RTGS$ system and the FCA system. Prior to this, the RBZ had stipulated that a Dollar in the RTGS$ system was worth 1 US$ in the FCA system. The interbank exchange rate at each quarter end since the introduction of the interbank rate in February 2019 is set out below.

Interbank exchange rates	(ZWL$:US$1)
March 31, 2020	25.00
June 30, 2020	57.36
September 30, 2020	81.44
December 31, 2020	81.79
March 31, 2021	84.40
June 30, 2021	85.42
September 30, 2021	87.67
December 31, 2021	108.66
March 31, 2022	142.42
June 30, 2022	370.96
September 30, 2022	621.89
December 31, 2022	684.33
February 6, 2023	812.15
March 31, 2023	929.86
May 31, 2023	2,577.06

- The interbank trading mechanism addressed the most pressing difficulty that emerged after the October 2018 policy implementation, being the erosion of the purchasing power of Blanket's employees due to rapidly increasing retail prices which had an adverse effect on employee morale. In February 2020, the RBZ announced its intention to further liberalise the interbank market with the objective of increasing liquidity and transparency. However, in response to the COVID-19 pandemic, the Minister of Finance subsequently reversed this policy and re-established a fixed exchange rate of ZWL$25:$1 with effect from March 26, 2020. On June 23, 2020, the RBZ introduced an "auction system" whereby, on a weekly basis, buyers and sellers of local currency and foreign exchange submit tenders which the RBZ uses to determine a revised interbank rate. RTGS$ denominated goods and services are typically priced using a US$ reference point to which the informal exchange rate is applied. The official exchange rate does not reflect the local rate of inflation.
- Prior to May 26, 2020, 55% of the sale proceeds were received in US$ and the balance was received in RTGS$. From May 26, 2020 gold producers received 70% of their sale proceeds in US$ and the balance was received in RTGS$. With effect from 7 January 2021, gold producers received 60% of their revenues in US$ and the balance in RTGS$.
- After the reduction in the proportion of revenues received in US$ from 70% to 60% with effect from January 7, 2021, Blanket participated in the weekly auction system to access the resultant shortfall in US$. From early June 2021, Blanket and other gold producers were excluded from the weekly auctions on the grounds that they are deemed to be exporters and therefore do not qualify to participate. Blanket subsequently secured allocations of foreign exchange from the RBZ to compensate for its exclusion from the auctions. As at the date of this report 2022, Blanket has not accumulated excess local currency.
- In June 2021 the RBZ announced that companies whose shares are listed on the VFEX will receive 100% of the revenue arising from incremental production in US$. Blanket subsequently received confirmation that the "baseline" level of production for the purposes of calculating incremental production is 148.38kg per month (approximately 57,000 ounces per annum). In addition, the payment of the increased US$ proceeds for incremental production was backdated to July 1, 2021. As Blanket intended to increase its production from approximately 58,000 ounces of gold in 2020 to 80,000 ounces of gold from 2022 onwards, a listing on the VFEX would mean that Blanket would receive approximately 71.5% of its total revenues in US$ and the balance in local

FINANCIAL PERFORMANCE *continued*

currency. Accordingly in December 2021 Caledonia obtained a secondary listing on the VFEX. Blanket has received all amounts due in terms of the policy.

- In addition to the higher proportion of revenues payable in US$ (as outlined), gold producers are allowed to directly export incremental production. Caledonia has been "on-boarded" with a refiner that is accredited to the London Bullion Market Association, and it is expected that the first direct shipment and sale of incremental gold via this new mechanism will be made in the second quarter of 2023.
- On February 3, 2023, the RBZ issued an exchange control directive RY002/2023 stating that with effect from February 6, 2023, the US$ export retention threshold across all sectors, including companies listed on the VFEX, had been standardised to 75% of export proceeds. The incremental export incentive scheme was also discontinued with effect from February 1, 2023. [The Company is currently awaiting a response from the RBZ as to whether the Bilboes project will be able to keep 100% of its revenue in US$.]
- Throughout these developments and as at the date of issue of the Consolidated Financial Statements 2022 the US$ has remained the primary currency in which the Group's Zimbabwean entities operate and the functional currency of these entities.
- Since listing on the VFEX and following completion of the Bilboes acquisition, Caledonia has been looking into various avenues to achieve the direct export of its gold. Unrefined gold continues to be processed at FGR, a subsidiary of the RBZ, on a toll-treatment basis. The gold is exported from FGR to a refinery outside Zimbabwe, which undertakes the final refining process and sells the resultant gold on behalf of Caledonia. Caledonia receives the proceeds of the gold sales directly into its bank account in Zimbabwe within a few days of delivery to the final refinery.

Taxation

The main elements of the Zimbabwe tax regime insofar as it affects Blanket and Caledonia are as follows:

- A royalty is levied on gold revenues at a rate of 5% if the gold price is above $1,200 per ounce; while a royalty rate of 3% applies if the gold price is below $1,200. With effect from January 1, 2020, the royalty is allowable as a deductible expense for the calculation of income tax. On October 9, 2022, the Zimbabwean government announced that 50% of royalty payments will be payable in gold. The announcement was effective October 1, 2022 but no guidance has been received from government on how this will be implemented. Management does not expect a material effect due to this announcement.
- With effect from February 4, 2022 the 5% royalty was payable in the same proportions of currencies as revenues are received.
- Income tax is levied at 24.72% (2021: 24.72%) on taxable income as adjusted for tax deductions. The main adjustments to taxable income for the purposes of calculating tax are the add-back of depreciation and most of the management fees paid by Blanket to CMSA. 100% of all capital expenditure incurred in the year of assessment is allowed as a deductible expense. As noted, the royalty is deductible for income tax purposes with effect from January 1, 2020. The calculation of taxable income is performed using financial accounts prepared in RTGS$, which has significantly reduced the deferred tax liability. Large devaluations in the RTGS$ to the US$ would reduce the deferred tax liability. To promote the use of RTGS$ the government of Zimbabwe requires 50% of the US$ June 2023 QPD to be paid in RTGS$.
- Withholding tax is levied on certain remittances from Zimbabwe i.e. dividend payments from Zimbabwe to the UK and payments of management fees from Blanket to CMSA.

Investing

An analysis of investments in 2022, 2021 and 2020 is set out below:

($'000's)	2022 $'000	2021 $'000	2020 $'000
Total investment – property, plant and equipment	**47,432**	31,269	24,778
Blanket	**34,267**	29,323	24,315
Solar	**12,198**	1,581	372
Other	**967**	365	91
Total investment – exploration and evaluation assets	**1,467**	1,582	3,058
Connemara North	**4**	163	300
Glen Hume	**–**	1,176	2,661
Maligreen	**1,430**	–	–
Other satellite properties	**33**	243	97

Investment in property, plant and equipment at Blanket is discussed in on ***page 26*** under capital projects and investment in solar is discussed on ***page 36***.

Investment in exploration and evaluation assets like Bilboes is discussed on ***page 37***, Motapa on ***page 41*** and Maligreen on ***page 13***.

FINANCIAL PERFORMANCE *continued*

Financing

Caledonia financed all its operations using funds on hand and funds generated by its operations. Blanket's overdraft facilities were as set out below as at December 31, 2022.

Overdraft facilities

Lender	Date drawn	Principal value (million)	Balance drawn as at December 31, 2022	Repayment terms	Security	Expiry
Stanbic Bank Zimbabwe Limited	Sept 2021	RTGS$300	Nil	On demand	Unsecured	Feb 2024
Stanbic Bank Zimbabwe Limited	Dec 2021	$1	$0.5	On demand	Unsecured	Feb 2024
CABS Bank of Zimbabwe	April 2022	$2	$1.	On demand	Unsecured	Nov 2023
Ecobank	Nov 2022	$5	$3.5	On demand	Unsecured	Oct 2023

Subsequent to the 2022 year end the Stanbic Bank Zimbabwe $1 million overdraft increased to $4 million and the Ecobank facility increased to $7 million both on the same terms as in the table above. Nedbank Zimbabwe and CABS Bank extended unsecured $7 million and $2 million overdraft facilities respectively to Blanket in 2023. CABS Bank renewed the $2 million overdraft facility to Blanket in July 2023. As at the date of this report $7 million of bonds were issued by CMS.

On May 22, 2023 the Company purchased put options to hedge 28,000 ounces of gold from June to December 2023, at a strike price of $1,900 per ounce.

On December 22, 2022 the Company purchased put options to hedge 16,672 ounces of gold from February to May 2023, at a strike price of $1,750 per ounce. The put options were entered into to protect the Company against gold prices lower that $1,750 over the period hedged. Refer to note 14.1 of the Consolidated Financial Statements 2022 for the accounting treatment of the put options. At year end these put options were the only hedging option instruments that have not expired.

On March 9, 2022 in response to a very volatile gold price, the Company purchased a matching quantity of call options at a strike price above the cap at a total cost of $796,000 over 4,000 ounces of gold per month at strike prices of $2,100 per ounce from March 2022 to May 2022 and $2,200 per ounce from June 2022 to July 2022 in order to limit margin exposure and reinstate gold price upside above the strike price.

On February 17, 2022 the Group entered into a zero-cost contract to hedge 20,000 ounces of gold over a period of five months from March to July 2022. The hedging contract has a cap of $1,940 and a collar of $1,825, over 4,000 ounces of gold per month expiring at the end of each month over the five-month period. At the beginning of the fourth quarter of 2022, this hedging arrangement paid $416,000 due to the prevailing gold price that fell below the collar strike price.

Liquidity and capital resources

An analysis of Caledonia's capital resources at December 31, 2022 and December 31, 2021 is set out below:

Liquidity and capital ($'000) resources

As at	Dec 31, 2022	Dec 31, 2021
Term facility	–	–
Gold ETF	–	–
Cash and cash equivalents in the statement of cashflows	**1,496**	17,152
Gold loan	–	2,866
Working capital	**5,986**	35,360



FINANCIAL PERFORMANCE *continued*

Off-balance sheet arrangements, contractual commitments and contingencies

There are no off-balance sheet arrangements apart from the facilitation loans of $15.0 million (December 31, 2022) which are not reflected as loans receivable for IFRS purposes (refer to note 6 of the Consolidated Financial Statements). The Company had the following contractual obligations at December 31, 2022:

Payments due by period ($'000)

Falling due	Within 1 year	1-3 Years	4-5 Years	After 5 Years	Total
Trade and other payables	17,454	–	–	–	17,454
Provisions	–	684	598	1,676	2,958
Capital expenditure commitments	4,066	–	–	–	4,066
Lease liabilities	132	181	–	–	313
Cash-settled share-based payments	1,188	1,029	–	–	2,217
Total	**22,840**	**1,894**	**598**	**1,676**	**27,008**

The capital expenditure commitments relate to materials and equipment which have been ordered by CMSA and which will be sold on to Blanket and ordered by Blanket.

Other than the proposed investment in the exploration properties, the committed and uncommitted investment will be used to maintain Blanket's existing operations and implement the final development relating to the Central Shaft.

Committed and uncommitted purchase obligations are expected to be met from the cash generated from Blanket's existing operations and Blanket's existing borrowing facilities and, in respect of the exploration properties, from Caledonia's cash resources as augmented by the placings that were announced on March 23, 2023.

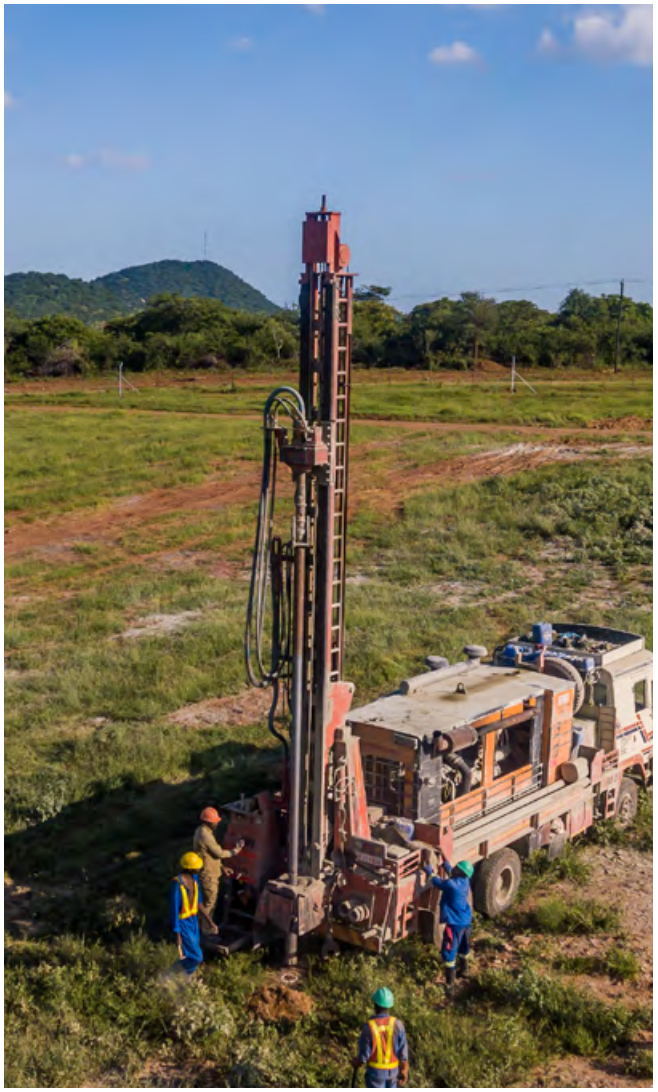
The Group leases property for its administrative offices in Jersey, Harare and Johannesburg – following the implementation of IFRS 16 the Group recognises the liabilities for these leases. As of December 31, 2022, the Group had potential liabilities for rehabilitation work on Blanket – if the mine is permanently closed – at an estimated discounted cost of $2.9 million (December 30, 2021: $3.4 million).

Non-IFRS measures

Throughout this document, we provide measures prepared in accordance with IFRS in addition to some non-IFRS performance measures. As there is no standard method for calculating non-IFRS measures, they are not a reliable way to compare Caledonia against other companies. Non-IFRS measures should be used along with other performance measures prepared in accordance with IFRS. We define below the non-IFRS measures used in this document and reconcile such non-IFRS measures to the IFRS measures we report.

Cost per ounce

Non-IFRS performance measures such as "on-mine cost per ounce", "all-in sustaining cost per ounce" and "all-in cost per ounce" are used in this document. Management believes these measures assist investors and other stakeholders in understanding the economics of gold mining over the life cycle of a mine. These measures are calculated on the basis set out by the World Gold Council in a Guidance Note published on June 23, 2013 and accordingly differ from the previous basis of calculation.



FINANCIAL PERFORMANCE *continued*

The table below reconciles non-IFRS cost measures to the production costs shown in the financial statements prepared under IFRS.

Reconciliation of IFRS production costs to non-IFRS costs per ounce ($'000)

As at December 31	2022	2021
Production cost (IFRS)	**62,998**	53,126
COVID-19 labour and consumable expenses	**(311)**	(297)
Cash-settled share-based expense	**(853)**	(692)
Less exploration and safety costs	**(998)**	(774)
On-mine admin costs, employee incentives and intercompany adjustments	**(1,970)**	(453)
On-mine production cost*	**58,866**	50,910
Gold sales (oz)	**80,094**	68,617
On-mine cost per ounce ($/oz)	**735**	742
Royalty	**7,124**	6,083
Exploration, remediation and permitting costs	**146**	155
Sustaining capital expenditure#	**1,880**	619
Sustaining administrative expenses&	**3,191**	2,320
Inventory write down	**(563)**	–
Silver by-product credit	**(116)**	(122)
Cash-settled share-based payment expense included in production costs	**853**	692
Cash-settled share-based payment expense	**609**	477
Equity-settled share-based payment expense	484	–
Procurement margin included in on-mine cost*	**(2,163)**	(2,401)
All-in sustaining cost	**70,311**	58,733
Gold sales (oz)	**80,094**	68,617
AISC per ounce ($/oz)	**878**	856
COVID-19 donations	**–**	74
COVID-19 labour and consumable expenses	**311**	297
Non-sustaining administrative expenses&	**10,918**	8,082
Permitting and exploration expenses	**59**	74
Non-sustaining capital expenditure	**45,555**	30,650
Total all-in cost	**127,154**	97,910
Gold sales (oz)	**80,094**	68,617
All-in cost per ounce ($/oz)	**1,588**	1,427

* *The on-mine cost reflects the cost incurred on-mine to produce gold. The procurement margin on consumable sales between CMSA and Blanket is not deducted from on-mine cost as the cost represents a fair value that Blanket would pay for consumables if they were sourced from a third party. The procurement margin on these sales is deducted from all-in sustaining costs and all-in costs as these numbers represent the consolidated costs at a group level, excluding intercompany profit margins.*

& *Administrative expenses relate to costs incurred by the Group to provide services for mining and related activities. From Q4 2022 administrative expenses have been allocated between AISC and all-in cost. Prior years have been restated in the MD&A 2022.*

\# *Non-sustaining costs are primarily those costs incurred at 'new operations' and costs related to 'major projects at existing operations' where these projects will materially benefit the operation. All other costs related to existing operations are considered sustaining costs.*

Average realised gold price per ounce

"Average realised gold price per ounce" is a non-IFRS measure which, in conjunction with the cost per ounce measures described above, allows stakeholders to assess our performance.

The table below reconciles average realised gold price per ounce to the revenue shown in the financial statements which have been prepared under the IFRS.

Reconciliation of average realised gold price per ounce ($'000)

12 months ended December 31	2022	2021
Revenue (IFRS)	**142,082**	121,329
Revenue from sales of silver	**(116)**	(122)
Revenue from sales of gold	**141,966**	121,207
Gold ounces sold (oz)	**80,094**	68,617
Average realised gold price per ounce (US$/oz)	**1,772**	1,766

Adjusted earnings per share

"Adjusted earnings per share" is a non-IFRS measure which management believes assists investors to understand the Company's underlying performance. The table below reconciles "adjusted earnings per share" to the profit/loss attributable to owners of the Company shown in the financial statements which have been prepared under IFRS. Adjusted earnings per share is calculated by deducting payments to the BETS, foreign exchange gains and losses, impairments, deferred tax and inventory write-downs from the profit attributable to the owners of the Company.

FINANCIAL PERFORMANCE *continued*

Reconciliation of adjusted EPS to IFRS profit attributable to owners of the Company

($'000)

12 months to December 31	2022	2021
Profit for the period (IFRS)	**22,866**	23,142
Non-controlling interest share of profit for the period	**(4,963)**	(4,737)
Profit attributable to owners of the Company	**17,903**	18,405
Blanket Mine Employee Trust adjustment	**(517)**	(326)
Earnings (IFRS)	**17,386**	18,079
Weighted average shares in issue (thousands)	**12,831**	12,170
IFRS EPS (cents)	**135.5**	148.6
Add back/(deduct) amounts in respect of foreign exchange movements		
Realised net foreign exchange losses	**8,325**	1,571
– less tax	**(2,056)**	(381)
– less non-controlling interest	**(827)**	(153)
Unrealised net foreign exchange gains	**(12,736)**	(2,755)
– less tax	**3,042**	567
– less non-controlling interest	**1,265**	270
Adjusted IFRS profit excl. foreign exchange	**14,399**	17,198
Weighted average shares in issue (thousands)	**12,831**	12,170
Adjusted IFRS EPS excl. foreign exchange (cents)	**112.2**	141.3
Add back/(deduct) amounts in respect of:		
Reversal of Blanket Mine Employee Trust adjustment	**517**	326
Impairment of property, plant and equipment	**8,209**	497
Impairment of E&E assets	**467**	3,837
Expected credit losses on deferred consideration on the disposal of subsidiary	**–**	761
Bilboes pre-operational expenses	**830**	–
Deferred tax	**3,796**	5,240
Non-controlling interest portion deferred tax and impairment	**(1,629)**	(602)
Inventory write-down	**563**	–
– less tax	**(139)**	–
Fair value losses on derivative financial instruments	**1,198**	240
Adjusted profit	**28,210**	27,497
Weighted average shares in issue (thousands)	**12,831**	12,170
Adjusted EPS (cents)	**219.9**	225.9

Critical accounting estimates

Caledonia's accounting policies are set out in the Consolidated Financial Statements 2022 which have been publicly filed on SEDAR. In preparing the Consolidated Financial Statements 2022, management is required to make estimates and assumptions that affect the amounts represented in the Consolidated Financial Statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

For Caledonia's significant accounting policies refer to note 4 in the Consolidated Financial Statements 2022 that can be found on Caledonia's website *Reports & Presentations – Caledonia Mining Corporation Plc*.



Scan or click on the QR Code to view www.caledoniamining.com/investors/technical-reports/

GOVERNANCE

In this section

Chairman of the Board's review	pg 61
Caledonia's corporate governance structure	pg 63
Board and Board Committees	pg 64
Risk identification and mitigation	pg 78
Compensation overview	pg 83

Caledonia endorses and is committed to the principles of good corporate governance and corporate citizenship. Overall responsibility for governance lies with the Board of Caledonia which has adopted a number of policies and charters for Caledonia and its group of companies and these are regularly reviewed and updated.

In accordance with the requirement of Rule 26 of the AIM Rules for Companies, Caledonia provides details of a recognised corporate governance code that the Board of Caledonia has decided to apply, how the Company complies with that code, and where it departs from its chosen corporate governance code an explanation of the reasons for doing so. The Board has adopted the UK's QCA Corporate Governance Code.

The Company also adheres to other applicable corporate governance standards including those required by the NYSE American and Canadian requirements relating to corporate governance.

The Board has adopted a Code of Business Conduct, Ethics and Anti-Bribery Policy ("Ethics Code") which commits Caledonia and its group of companies, directors and employees to the highest standards of business and ethical conduct. All such persons and all contractors must follow and abide by the Ethics Code, a copy of which can be found on Caledonia's website here: *www.caledoniamining.com/about/corporate-governance/*

A sound approach to corporate governance promotes the creation of sustainable shared value by reconciling the interests of the Group and our stakeholders by promoting strategic decision making based on Caledonia's values, goals, resources and risk appetite.



CHAIRMAN OF THE BOARD'S REVIEW



This is our third IR, and my first as newly appointed Chairman. The report provides information on our financial performance in 2022, our financial position at the end of 2022 and on our strategy, governance practices and outlook. Any material events after the reporting date and up to the approval by the Board of the IR have also been included in this report. This IR should be read in conjunction with our ESG Report 2022 (to be found on our website) which provides context on our ESG performance.

Governance

As Chairman, I am principally responsible for setting the ethical tone of the Board and the Company, providing overall leadership to the Board without limiting the principle of collective responsibility of the Board for its decisions and for considering and approving the long-term strategy and vision of the Company.

The members of the Board and Company management endorse, and are committed to, the principles of good corporate governance and corporate citizenship. Overall responsibility for governance lies with the Board, underpinned by a framework of charters and policies with reference to the laws, codes, guidelines and best practices that apply in the multi-jurisdictional environment in which the Group operates (i.e. Jersey, Zimbabwe, South Africa, the UK, Canada and the USA). The Board also promotes ethical and effective leadership behaviour.

Caledonia has adopted the UK's Quoted Companies Alliance Corporate Governance Code ("QCA Code"). A statement from the Chairman on the application of the QCA Code is available on the corporate governance section of Caledonia's website, together with our other codes and policies.

At the date of publication of this IR, the Company has three executive directors, one non-independent non-executive director and five independent non-executive directors, thus ensuring a high level of independent views on the Board. All major decisions relating to the business are made by the Board as a whole, supported by the work of its committees and their recommendations.

In May 2023 the Company announced that Leigh Wilson had retired as a non-executive director and Chairman of the Company, following which I was appointed as Chairman. Leigh had served the Company and its shareholders for 11 years. On behalf of the directors and management of the Company, I want to express our appreciation and gratitude to Leigh for his leadership which proved invaluable in helping the Company achieve many milestones on its path to becoming a multi-asset gold producer in Zimbabwe.

As Chairman, I am responsible for leading the Board, including ensuring that we maintain a requisite mix of skills and diversity of perspectives for strategy, development and for implementing a robust governance framework for oversight of the Company. The directors have a wealth of experience from diverse professional and personal backgrounds. The Board will continue to review its composition and its committees as the Company grows and evolves.

Amongst other things, the Board is responsible for setting the Company's strategy, ensuring corporate governance is of an appropriate standard, and approving the business plan. The Board meets at least quarterly and as required from time to time to be informed of specific issues or to act on matters that require Board decision. The Board reviews key business risks regularly, including the financial and non-financial risks facing the business. The Board aims to provide an example of the ethical conduct it expects of all employees throughout the business.

In 2022, the board appointed Mark Learmonth as CEO following the retirement of Steve Curtis after eight years of distinguished service in that capacity. Mark had previously been serving as the Company's CFO for several years. The CEO is responsible for leading the business in its strategic pursuits and for ensuring that the Company's business model is implemented effectively and in line with the Company's values.

CHAIRMAN OF THE BOARD'S REVIEW *continued*

Health and safety

There are many challenges at a deep-level underground gold mine which employs around 2,000 people. We are keenly aware of the potential impacts of our operations on the health and safety of our people and the importance of maintaining safe operations.

Creating and maintaining a safe operating environment for our workers and contractors is our top priority. The CEO and COO provide further detail in their reviews on the measures they have taken to improve our performance in this area. To reinforce the non-negotiable importance of health and safety, it is one of the criteria that is considered when setting executive remuneration and performance rewards.

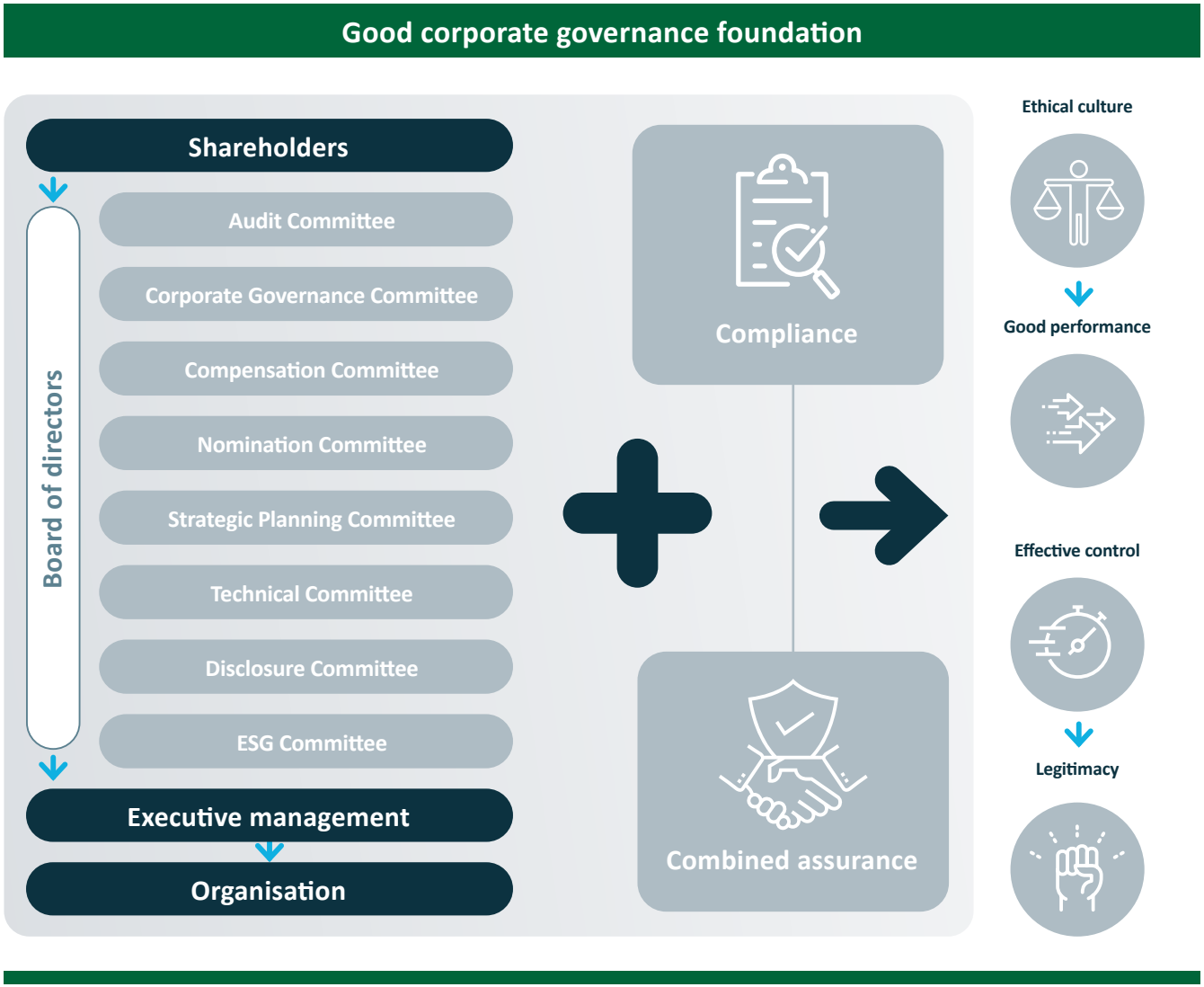
Employees at Blanket are trained through the Nyanzvi programme, which is a behaviour-based safety programme, emphasising the safety culture. Unfortunately, one fatality occurred at Blanket in February 2022. The fatality was investigated in accordance to Zimbabwe mining regulations and the relevant authorities deemed no action was required. We continue to review our safety practices and affirm our commitment to zero harm. The Board expects management to re-double its efforts to maintain a safe working environment.

Acknowledgments

2022 was a truly transformational year for Caledonia. I would like to thank the entire team for their continued hard work as we transition the Company to become a multi-asset gold producer in Zimbabwe.



CALEDONIA'S CORPORATE GOVERNANCE STRUCTURE



Caledonia's governance structure sets a clear picture of role delegation, areas of accountability and strong risk and performance management to identify the independent role and responsibilities in sustaining effective corporate governance. The Board believes that responsibilities delegated to management are done in line with the Company's values. The example that the Board and management set and the values and behaviour embraced by all employees in the organisation are what assist good governance.

The Board of Caledonia ultimately ensures accountability for the governance and performance by approving the strategic direction of the business.

The Board also promotes ethical and effective leadership behaviour.



BOARD AND BOARD COMMITTEES

Members of the Board

Board committees

- Audit Committee
- Corporate Governance Committee
- Compensation Committee
- Nomination Committee
- Strategic Planning Committee
- Technical Committee
- Disclosure Committee
- ESG Committee

For the skills and experience of each Director refer to the 2022 Form 20-F available on our ***website***.



John Kelly (70)

Connecticut, USA
MBA, BA (History and Literature)
Independent Non-executive Chairman from May 2023
Director since: 2012

Member:



Steve Curtis (66)

Johannesburg, South Africa
BCom, CTA, CA(SA)
Non-Independent Non-executive Director *from July 1, 2022*
Executive Director *until June 30 , 2022*
Director since: 2008

Member:



Johan Holtzhausen (77)

Cape Town, South Africa
BSc (Geology and Chemistry), BCompt (Hons), CA(SA)
Independent Non-executive Director
Director since: 2013

Member:



Mark Learmonth (59)

Executive Director
Jersey, Channel Islands
MA (Modern History), CA(UK)
Chief Executive Officer *from July 1, 2022*
Chief Financial Officer *until June 30, 2022*
Director since: 2013

Member:

BOARD AND BOARD COMMITTEES *continued*

Members of the Board *continued*

Board committees

- Audit Committee
- Corporate Governance Committee
- Compensation Committee
- Nomination Committee
- Strategic Planning Committee
- Technical Committee
- Disclosure Committee
- ESG Committee

For the skills and experience of each Director refer to the Form 20-F available on our ***website***.



Nick Clarke (70)
East Molesey, United Kingdom
CEng
Independent Non-executive Director
Director since: 2019

Member:



Geralda Wildschutt (54)
Johannesburg, South Africa
Masters in Psychology, MBA
Independent Non-executive Director
Director since: 2021

Member:



Dana Roets (61)
Johannesburg, South Africa
B.Sc, MBA
Executive Director: Chief Operating Officer
Director since: 2022

Member:



Gordon Wylie (70)
Malta
B.Sc, management Diploma, Post grad engineering Diploma
Independent Non-executive Director
Director since: 2022

Member:

BOARD AND BOARD COMMITTEES *continued*

Members of the Board *continued*

Board committees

- Audit Committee
- Corporate Governance Committee
- Compensation Committee
- Nomination Committee
- Strategic Planning Committee
- Technical Committee
- Disclosure Committee
- ESG Committee

For the skills and experience of each Director refer to the Form 20-F available on our ***website***.



Victor Gapare (58)

Zimbabwe
Bachelor of Business Studies (Hon), Master of Business Leadership
Executive Director
Director since: 2023

Member:

Leigh Wilson resigned from the Board in May 2023.

Board mandate

The Board is responsible for overseeing the management and business affairs of Caledonia and makes all major policy decisions. It may delegate certain of its authority and responsibilities to Board Committees or the management of Caledonia. Nonetheless, the Board retains full effective control over the Company.

Purpose and responsibilities

The Board assumes responsibility for:

- Corporate governance
- Adopting a strategic planning process, approving strategic plans and monitoring performance against these
- Setting the ethical tone and the creation of an ethical and compliant culture
- Reviewing, approving and monitoring Company policies and procedures
- Approval of financial reports
- Steering and setting strategic direction
- Reviewing communication from Board Committees and/or management
- Ensuring accountability

Conflict of interest

A director is prohibited from using their position, or confidential and price-sensitive information, to benefit themself or any related third-party, whether financially or otherwise. Directors and officers are also required to inform the Board timeously of conflicts, or potential conflicts, of interest that they may have in relation to particular items of business.

Meetings attendance

The Board shall meet at least four times per year.

Meetings were held on:

March 15, 2022	September 14, 2022
May 4, 2022	November 8, 2022
July 19, 2022	December 20 ,2022
August 9, 2022	

A number of resolutions in writing were passed.

Attendance of members was

100%

BOARD AND BOARD COMMITTEES *continued*

The Board

Independence

The majority of Caledonia's Board members are independent to ensure that decisions are made from different and diverse backgrounds, skills bases and expertise to benefit the Company and its shareholders.

No family relationships exist between any of the directors or senior management.

Every year the non-executive directors complete a checklist to confirm their independence status. At its meeting on March 15, 2022, the Board evaluated the independence of all non-executive directors (including but not limited to considering whether the length of service of any director having served longer than nine years may affect or impair that director's independence of character and judgment) and affirmatively determined that all of them continue to be independent.

Fair compensation

The Board, via the Compensation Committee, is committed to ensuring that compensation of executive management is fair in the context of overall employee compensation. The Board ensures that this responsibility is monitored and reported back by the Compensation Committee.

Board focus areas for the reporting year

Governance

- Delegation of duties and responsibilities
- Fair employee compensation
- Appointment of a non-executive director
- Appointment of Committee members
- Independence affirmation
- Convening AGM
- Appointment of new CEO and CFO
- Board evaluation
- Company policy development and training
- Security rules adherence

Production performance

- Stock level availability
- New equipment
- Investment in energy saving equipment
- Development continuation
- Power management
- Resource and reserve statements

Financial performance

- Cashflow
- Overdraft facilities and loans
- Budget management
- US$ currency peg
- Dividend pay out
- Capital requirement
- Zimbabwe economic situation
- Bilboes oxide asset funding
- Solar plant refinancing options
- Gold sales to offshore refiner

Risk management

- IT management and control improvements

Stakeholder engagement

- Zimbabwean government
- Solar plant contractors
- Mining claims of Motapa
- Bilboes Gold representatives
- Bank representatives

Steers and sets strategic direction

- Budget approval
- Evaluation of potential acquisition opportunities
- Procurement Company incorporated

The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

BOARD AND BOARD COMMITTEES *continued*

Members of the Board Committees

Officers and members of senior management who serve on Board committees







Chester Goodburn (41)
South Africa
BCom (Hons), CA(SA)
Chief Financial Officer
From: July 2022

Member:

Maurice Mason (49)
United Kingdom
Eng, MBA
Vice President Corporate Development
From: April 2016

Member:

Adam Chester (47)
Jersey, Channel Islands
BA(Hons) Solicitor
General Counsel, Company Secretary and Head of Risk and Compliance
From: January 2017

Member:

Camilla Horsfall (41)
United Kingdom
BA (Hons.)
Vice President Investor Relations
From: October 2020

Member:

Craig Harvey (53)
South Africa
National Higher Diploma in Economic Geology
Group Mineral Resource Manager
From: April 2023

Member:

BOARD AND BOARD COMMITTEES *continued*

Board Committees

Audit Committee

Members

Johan Holtzhausen **(Chair)**
Geralda Wildschutt
Gordon Wylie (from May 2023)
John Kelly (up to May 2023)

Meetings attendance

The Committee shall meet at least every quarter.

Meetings were held on:

March 15, 2022
May 4, 2022
July 19, 2022
August 9, 2022
November 8 ,2022

Attendance of members was 100%

Purpose and responsibilities

The Audit Committee of Caledonia provides an open avenue of communication between Caledonia's management, the independent auditors and the Board.

The Committee is responsible in assisting the Board in:

- Oversight of the effectiveness of the Company's financial and operating compliance, and risk management controls
- Oversight of the effectiveness of the internal auditors, and the independence and effectiveness of the external auditors
- Monitoring the integrity of the Company's financial statements and other reports
- Evaluating comparison of budget versus actual performance, quarterly and annually
- Evaluating the Company's solvency and liquidity
- Evaluating Caledonia's going concern status
- Receiving the Risk Sub-Committee's updates on risk and mitigation
- Monitoring internal controls

Value contribution

- Receiving and considering reports on annual financial results and audit findings
- Recommendation of reappointment of BDO as the Company's auditor
- Review of the quarterly consolidated financial statements, annual audited consolidated financial statements and the quarterly MD&A and giving recommendation to the Board for approval
- Delegating approval and filing of the annual form 20-F
- Evaluating comparison of budget versus actual performance, quarterly and annually
- Evaluating the solvency and liquidity of Caledonia
- Evaluating the going concern status of Caledonia
- Receiving and considering quarterly reports from the Risk Management Sub-Committee
- Monitoring internal controls
- Evaluating new project and acquisition accounting treatment, funding, cash flow management and forecasts
- Evaluating the SoX status
- Evaluating impairment considerations
- Evaluating the internal audit plan

BOARD AND BOARD COMMITTEES *continued*

Board Committees *continued*

Corporate Governance Committee

Members
John Kelly **(Chair)**

Geralda Wildschutt

Nick Clarke (from May 2023)

Leigh Wilson (up to May 2023)

Meetings attendance
The Committee shall meet, at the discretion of the chairperson or a majority of the members, as circumstances dictate, but at least once a year.

Meetings were held on:
November 8, 2022
November 29, 2022

Attendance of members was 100%

Purpose and responsibilities
The purpose and responsibilities of the Committee is to discharge the Board's responsibilities relating to:

- Exercising oversight with respect to the corporate governance of the Board
- Reviewing and reporting to the Board on matters of corporate governance and developing and recommending to the Board corporate governance principles applicable to the Company
- Leading the Board and its Committees in their annual assessments of their performance, including their supervisory oversight functions

Value contribution
- Approving and conducting annual Board evaluation with external facilitator
- Overseeing activities and structure of the Board and its Committees
- Reviewing internal governance documents, including policies and charters and recommending updates
- Approving and evaluating the Company's QCA Corporate Governance Code disclosures
- Ensuring appropriate interface between the internal auditor and Board committees

BOARD AND BOARD COMMITTEES *continued*

Board Committees *continued*

Compensation Committee

Members

Gordon Wylie **(Chair** from May 2023**)**
Johan Holtzhausen
Leigh Wilson (up to May 2023)
John Kelly

Meetings attendance

The Committee shall meet, at the discretion of the chairperson or a majority of the members, as circumstances dictate but at least once a year.

Meetings were held on:

January 17, 2022
January 21, 2022
March 18, 2022
July 19, 2022
August 8, 2022
December 7, 2022
December 14, 2022

A number of resolutions in writing were passed

Attendance of members was 78%

Purpose and responsibilities

The purpose and responsibilities of the Committee are to discharge the Board's responsibilities relating to:

- Establishment of executive compensation policies and programmes
- Establishment, review and approval of corporate goals and executive compensation
- Ratification of incentive compensation plans by the Board
- Reviewing director compensation
- Continuous disclosure reporting
- Other delegated duties or responsibilities as required by the Board

Value contribution

- Overseeing the performance of executive management
- Ensuring compensation to directors and executive management is reasonable and fair
- Reviewing the Company's disclosures for compensation and ensuring that they are satisfactory
- Approving grant of LTIPs to certain senior management and employees of Caledonia and the issue of shares on vesting of LTIPs

BOARD AND BOARD COMMITTEES *continued*

Board Committees *continued*

Nomination Committee

Members

John Kelly (Chair from May 2023)
Gordon Wylie
Johan Holtzhausen
Geralda Wildschutt
Nick Clarke
Leigh Wilson (up to May 2023)

Meetings attendance

Meetings of the Committee will be held at least annually or at the invitation of the chairperson of the Committee, chairperson of the Board, Chief Executive Officer or a Committee member.

A meeting was held on:
November 8, 2022

Attendance of members was 100%

Purpose and responsibilities

The purpose of the Committee is to seek and nominate qualified candidates for election or appointment to the Board and Board Committees.

The responsibilities of the Committee are:

- Identifying and recommending a pool of potential director candidates for consideration in the event of a vacancy on the Board including nominees recommended by shareholders
- Recommending to the Board a suitable candidate for appointment as the Company Secretary when necessary
- Screening director candidates
- Ensuring a proper succession plan is in place in such a manner as the Committee deems appropriate to fulfil its purposes

Value contribution

- Appointing external search and selection consultancy to assist with succession planning
- Recommending appointment of Board chair
- Recommended appointment of Gordon Wylie as a new non-executive director
- Recommending appointment of directors and management to Committees

BOARD AND BOARD COMMITTEES *continued*

Board Committees *continued*

Strategic Planning Committee

Members

John Kelly **(Chair** from May 2023**)**
Mark Learmonth
Dana Roets
Maurice Mason
Geralda Wildschutt
Nick Clarke
Gordon Wylie
Steve Curtis
Johan Holtzhausen
Victor Gapare (from January 2023)
Chester Goodburn
Leigh Wilson (up to May 2023)

Meetings attendance

The Committee shall meet as often as it deems necessary in order to perform its role.

Meetings were held on:
July 19, 2022
November 9, 2022
December 20, 2022

Attendance of members was 100%

Purpose and responsibilities

The purpose of the Committee is to assist the Board in carrying out its responsibilities relating to short- and long- term planning for the Company.

The responsibilities of the Committee are to:

- Identify and recommend to the Board strategic initiatives that further the Company's goals and objectives
- Build, approve and provide advice to management with respect to integration of the Company's current and future operations
- Approve the annual budget and recommend it to the Board for approval
- Review and recommend to the Board certain strategic decisions
- Assist the Board to address its responsibility to the shareholders with oversight of strategic planning and financing new strategic initiatives
- Review, analyse, monitor and recommend to the Board long-term business objectives and strategic plans developed by management
- Provide advice to management in the development of strategic plans
- Review and analyse competitive information and management's view of the Company's competitive position
- Prepare a vision statement and the Company's goals, and recommend to the Board for approval
- Oversee the implementation of the strategic plan and related initiatives
- Identify and evaluate the Company's development opportunities
- Develop criteria for use in evaluating potential strategic investments
- Assist management to identify critical strategic issues facing the organisation
- Assess potential mergers and acquisitions

Value contribution

- Evaluating potential acquisition opportunities
- Evaluating the 2023 budget

BOARD AND BOARD COMMITTEES *continued*

Board Committees *continued*

Technical Committee

Members

Nick Clarke **(Chair)**
Dana Roets
Gordon Wylie
Johan Holtzhausen
Steve Curtis
Mark Learmonth
Victor Gapare (from January 2023)
Janet Hobkirk (until May 2023)
Craig Harvey (from April 2023)



Meetings attendance

The Committee shall meet, at the discretion of the chairperson or a majority of the members, as circumstances dictate but at least twice a year.

Meetings were held on:

January 20, 2022
April 27, 2022
July 19, 2022
July 26, 2022
September 14, 2022
October 19, 2022
November 2, 2022

Attendance of members was 93%

Purpose and responsibilities

The purpose of the Committee is to assist the Board with its duties and responsibilities in evaluating and overseeing the exploration and development of, and reporting on, the Company's projects.

The responsibilities of the Committee are:

- Staying abreast of progress of engineering studies, exploration programmes, and other technical activities and report progress to the Board
- Assisting the executive officers in fulfilling their responsibility for oversight of the development of the Company's exploration and development projects
- Reviewing any release of new (and not previously Board or Committee approved) material containing technical information for compliance with the NI 43-101 and other applicable industry standards including, but not limited to, such material contained in: news releases containing technical or geological information, information circulars, the annual integrated report, management discussion and analysis, other technical reports, preliminary economic analyses, pre-feasibility and feasibility studies
- Monitoring controls and other procedures (which may include procedures currently used by the Company) that are designed to ensure that approved production, capital and exploration plans and budgets are on schedule and within budget
- Discussing with the executive officers and Board all relevant information with respect to the Committee's proceedings
- Other responsibilities as the executive officers or Board may assign to it from time to time

Value contribution

- Reviewing safety and accident statistics
- Evaluating environmental performance
- Evaluating development (run of mine, capital, drilling and exploration) at Blanket
- Monitoring of production metrics
- Evaluating current, new and potential projects and their development aspects
- Recommending when new capital items are required, e.g. ball mills
- Reviewing quarterly technical reports
- Recommending of labour required at certain departments
- Evaluating power supply and management
- Monitoring of budget versus actual capital expenditure
- Reviewing mineral resource and reserve estimations at Blanket and Maligreen

BOARD AND BOARD COMMITTEES *continued*

Board Committees *continued*

Disclosure Committee

Members

Camilla Horsfall **(Chair)**

Adam Chester

Chester Goodburn

Dana Roets

Mark Learmonth

Chairs of the Audit Committee, Technical Committee and Strategic Planning Committee with respect to independent approvals of press releases relatively to areas of Committees' specific focus.

Meetings attendance

The Committee shall meet, at the discretion of the chairperson or a majority of the members, as circumstances dictate but at least once a year.

No formal meetings were held during the year. Senior management meets on an ad hoc basis to discuss and consider the release of information in accordance with the Disclosure Policy and a policy on the publication of press releases.

Purpose and responsibilities

The purpose of the Committee is to assist the Board in the identification and disclosure of material information about the Company and the accuracy, completeness and timeliness of the Company's financial reports.

The responsibilities of the Committee are to:

- Consider if the Company's financial conditions change materially and the effect of this change on investors and any required disclosure
- Review in advance of public release (i) any earnings guidance, and (ii) any news release containing financial information that has not previously been released
- Establish procedures to control confidential information
- Determine when matters justify or require (under applicable laws) public disclosure and determine what information should be disclosed and, if there is uncertainty as to whether certain information is material or required to be disclosed, the Committee should consult with counsel and, in appropriate circumstances, with its nominated advisor under the AIM Rules and any applicable regulatory authority
- Review significant contracts planned to be signed to determine whether a confidentiality agreement is required
- Approve press releases of the Company before distribution
- Circulate press releases to non-executive directors for their information prior to distribution and, to the extent that any concerns are raised, or comments made, take those into account before distribution

Value contribution

No formal meetings of the Committee were held during 2022 – given the volume of information released, all business of the Committee is conducted by ad hoc meetings between Committee members.

BOARD AND BOARD COMMITTEES *continued*

Board Committees *continued*

ESG Committee

Members

Geralda Wildschutt **(Chair)**
Leigh Wilson (up to May 2023)
Adam Chester
Mark Learmonth
Camilla Horsfall
Steve Curtis
Dana Roets
Victor Gapare (from January 2023)
John Kelly
Nick Clarke

Meetings attendance

The Committee shall meet, at the discretion of the chairperson or a majority of the members, as circumstances dictate but at least twice a year

Meetings were held on:
January 25, 2022
May 26, 2022
September 13, 2022
November 9, 2022

Attendance of members was 100%

Purpose and responsibilities

The purpose of the Committee is primarily to assist the Board with its duties and responsibilities in evaluating and overseeing the pursuance of the Company's goals in the areas of ESG and reporting on the Company's progress in these areas.

The Committee is responsible for oversight of the following:

- Maintaining health, safety and wellbeing of the group's employees, and the adherence to the highest quality standards while ensuring that safety measures are in place to mitigate risk in this area
- Focusing on the importance of the group's operations on the lives of its employees and ensuring the group's commitment to making a positive impact on these individuals
- Caring for the environment- the prevention, mitigation and control of the impacts of the group's activities on the environment, recognising that, as a business, the group has a responsibility for effective environmental management
- Unlocking value for local communities- aiming to drive social value in the communities in which the group operates
- Governance and reporting matters in relation to its areas of responsibility under the terms of reference listed in its charter

The Committee shall also have such other responsibilities as the executive officers or Board may assign to it from time to time.

Value contribution

- Ensuring ESG strategy training is communicated and understood by employees
- Approving the ESG Report
- Implementing a quarterly reporting structure
- Evaluating diversity within the Group
- Evaluating environmental targets set by management
- Evaluating due diligence performed on suppliers
- Evaluating policy adherence
- Monitoring and improving the ESG system
- Monitoring safety controls and adherence

BOARD AND BOARD COMMITTEES *continued*

Members of the Board and Board Committees Share Ownership

The direct and indirect shareholdings of the Company's directors, officers and senior management as at June 30, 2023 were as follows:

	Number of shares	Percentage shareholding
John Kelly	16,317	0.09%
Steve Curtis	189,566	0.99%
Johan Holtzhausen	22,050	0.11%
Mark Learmonth	184,984	0.96%
Nick Clarke	–	0.00%
Geralda Wildschutt	–	0.00%
Dana Roets	–	0.00%
Gordon Wylie	–	0.00%
Victor Gapare[(1)]	2,411,186	12.57%
Chester Goodburn	7,861	0.04%
Maurice Mason	–	0.00%
Adam Chester	25,079	0.13%
Camilla Horsfall	2,197	0.01%
Caxton Mangezi	–	0.00%
Craig Harvey	–	0.00%
Total	**2,859,240**	**15.14%**

[(1)] Victor Gapare is the settlor of the trust which owns Toziyana Resources Limited and is therefore considered to be interested in its shareholding in Caledonia.

Leigh Wilson resigned as director in May 2023 and owned 45,500 shares (0.24% shareholding) at the date of his resignation.

All of the shares held above are voting shares and do not have any voting or other rights different to the other outstanding shares of the Company.

The information as to shares beneficially owned or controlled or directed, not being within the knowledge of the Company, has been furnished by the respective directors, officers and senior management.



RISK IDENTIFICATION AND MITIGATION

We face significant risks due to the jurisdictions in which we operate and the nature of mining, exploration and development. Proper risk management controls and strategies must be in place to mitigate this unpredictable and ever-changing environment.

Risk is inherent in the conduct of our business. Our aim is to achieve best practice in identifying and controlling the significant risks to which the group is exposed. We aim to achieve this by identifying our priority risks and by incorporating appropriate risk management strategies. This includes taking steps to reduce risk and contingency planning. We periodically review our risk profile to account for changes in our operations and environment to enable us to make well-informed decisions and add value for our stakeholders.

Our risk management process

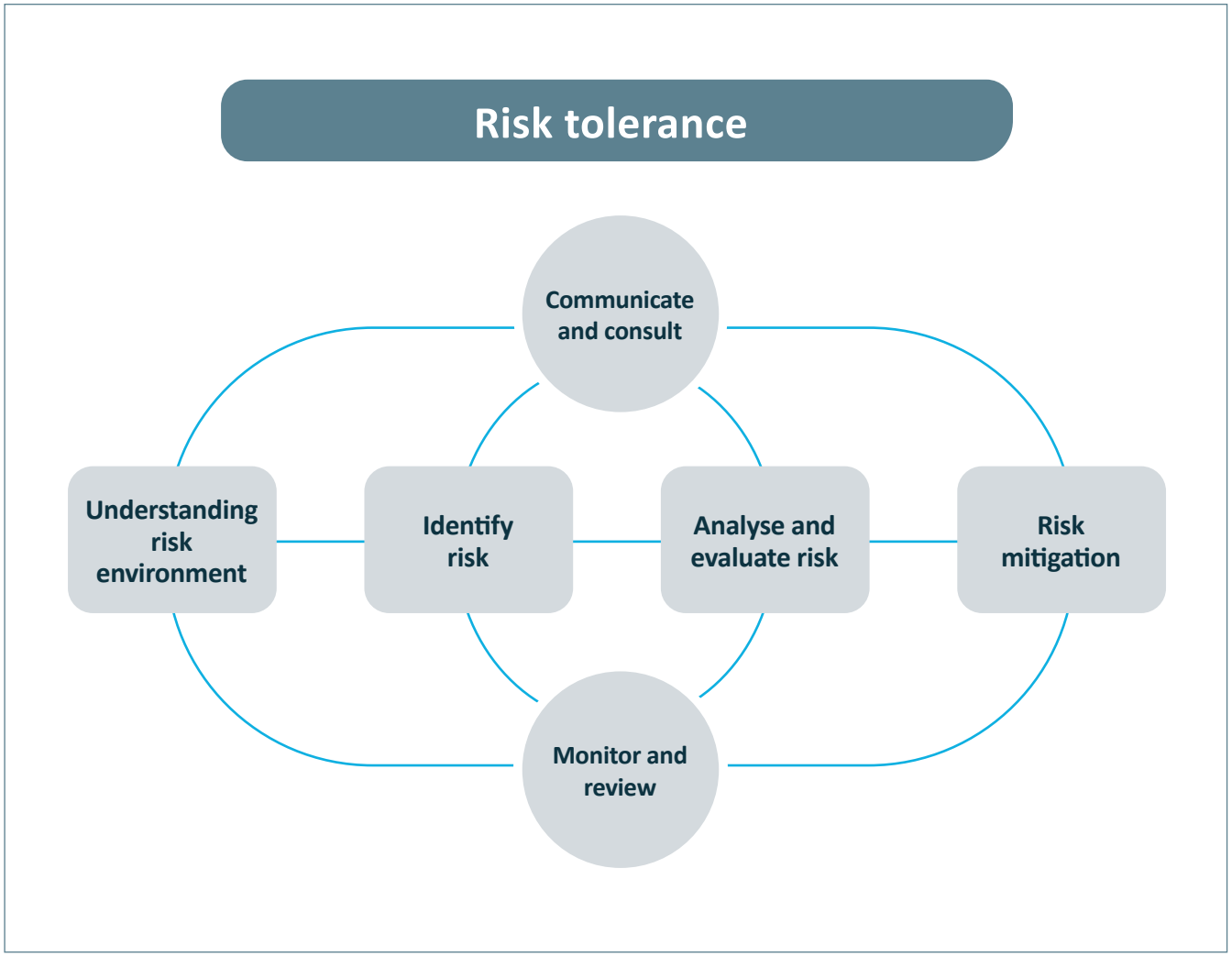
Caledonia's risk management process sets a risk governance culture throughout the group to ensure that all significant risks are properly identified, managed, mitigated and reported. The risk management sub-committee of the Audit Committee is responsible for identifying and reporting of risks that may have an impact on Caledonia.

Group risk appetite and tolerance

In order for us to act in the best interest of our stakeholders we ensure that fair and robust management activities are in place within the risk appetite and risk tolerance levels of the group.

Caledonia's risk appetite can be defined as the type of risk we are willing to bear in order to meet our strategic plans or objectives, before action is deemed necessary to reduce the risk. In determining our risk appetite, we take into consideration earnings growth, production growth, cashflow, net profit attributable to shareholders, environmental impact, stakeholder relationship sustainability, safety and governance.

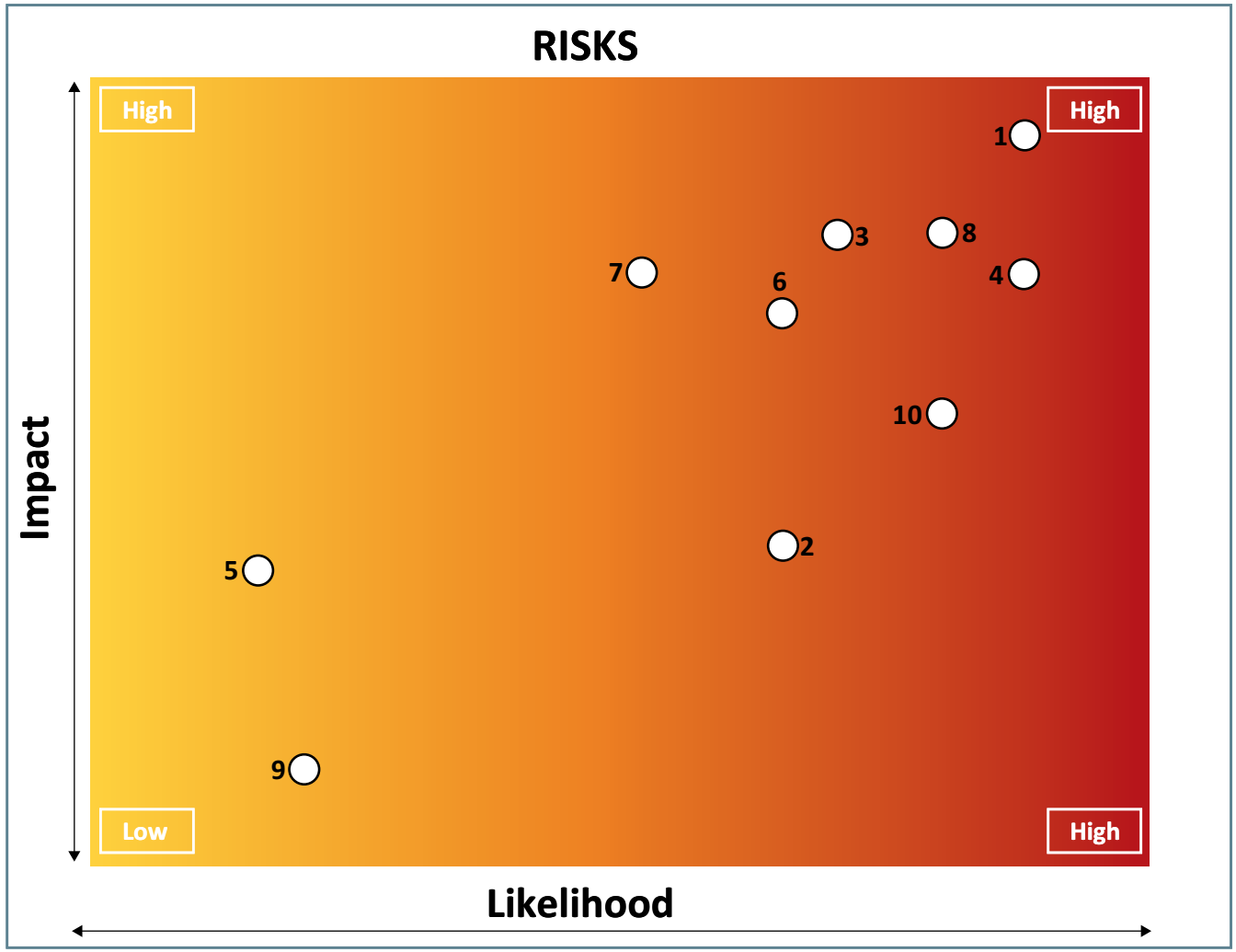
Caledonia's risk tolerance is defined as the level of uncertainty we are prepared to tolerate and deal with. Risk tolerance is aligned with the Company's goals and strategy and our overall risk appetite.



RISK IDENTIFICATION AND MITIGATION *continued*

Our top ten inherent risks:

The following heat map shows the residual rating for the top ten significant risks identified within the Caledonia group for the year. The risks are plotted against the likelihood and impact thereof. A residual risk refers to the remaining risk after all mitigation measures are in place and have been followed.



Current year ranking	Risks	Prior year ranking
1	Current production	1
2	Production cost	12
3	Liquidity and financial ratios cost	New
4	Mine development	2
5	Consumable and capex supply	5
6	Safety	3
7	Power supply	6
8	Future production	4
9	Information technology	19
10	Succession planning	10

RISK IDENTIFICATION AND MITIGATION *continued*

Inherent risk	Impact on value	Mitigating controls	Capitals
1 **Current production**	• Unanticipated shortfalls between actual and budget gold production due to fluctuations in grade, tonnes mined and metallurgical recoveries	• On-site expertise of senior management to continually monitor, address and report production issues	Financial, Manufactured
2 **Production cost**	• Adverse variances in expected price per ounce	• Focus on rising cost – report and develop strategies to address	Financial, Manufactured
3 **Country risk – liquidity and financial ratios**	• Shortage of foreign exchange or short-term credit in Zimbabwe to purchase imports (consumables and items required for development), to fund Group costs outside Zimbabwe and fund the continuance of the Caledonia dividend • Negative financial ratios could reduce debt raising capabilities and other sources of funding	• Regular dialogue with RBZ and other Zimbabwean government departments	Financial, Manufactured, Social and Relationship
4 **Mine development**	• Adverse variances in the cost and timing of implementing the investment plan and other development projects at the mines	• Monthly capital expenditure reports evaluating current and forecast spending	Financial, Manufactured
5 **Country risk – consumable and capital equipment supply**	• Stoppages in the supply of critical consumables and capital equipment	• Tender Committee for single purchases above ZAR2.5m to ensure appropriate quality, cost or alternative buying source	Financial, Manufactured, Social and Relationship
6 **Safety – on/off-mine safety**	• Conflict between achieving productivity and maintaining a safe working environment	• On-mine safety training and enforcement of best practices • Comprehensive business travel insurance in place for those traveling	Human, Manufactured
7 **Power supply**	• Adverse effect of unreliable, low voltage or limited power supply on production and development	• Genset capacity installed to run the current mine activities and Central Shaft • Ring feed installation to improve options of electricity sourcing from grid-power • Consideration of alternative power sources • IEUG arrangement and lower tariff	Financial, Manufactured

Human · Manufactured · Financial · Social and Relationship · Intellectual · Natural

RISK IDENTIFICATION AND MITIGATION *continued*

Inherent risk	Impact on value	Mitigating controls	Capitals
8 **Future production**	• A shortfall in planned future production as detailed in the LOMP	• Technical Committee meets to analyse, improve and approve the LOMP • Board typically approves annual LOMP at November budget meeting	Financial, Manufactured
9 **Information technology: infrastructure, application and organisation capability**	• Loss of data, ransom, inability to operate systems, system failures and inaccurate data processing	• Appropriate IT governance structures, security and documented system changes • Fit for purpose software programmes • Appropriate firewalls, routers and network switches installed	Financial, Manufactured, Intellectual
10 **Succession planning – Senior and executive management**	• Loss of senior and/or executive management without a succession plan	• Nomination Committee tasked with ultimate responsibility for executive and Board appointments	Human

Human · Manufactured · Financial · Social and Relationship · Intellectual · Natural



RISK IDENTIFICATION AND MITIGATION *continued*

Top three opportunities

Bilboes gold project

Feasibility study highlights
commissioned by Bilboes vendors
Caledonia has commissioned its own feasibility study focused on a phased development plan

Life of Mine	10 Years
Planned average production rate	2.4 million tonnes per year
Planned average mill feed grade	2.3g/t
LOM gold production	1.673 million ounces
Average LOM production	167koz per year
Peak funding requirement	$250 million

Project economic returns			
Gold price	$1,350/oz	$1,500/oz	$1,650/oz
Post tax NPV (10%)	$126.9m	$225.2m	$323.3m
Post tax IRR (%)	20.5%	27.3%	33.4%
AISC ($/oz)	$811/oz	$818/oz	$826/oz

Note: Data for NPV, IRR and AISC shown are based on variable gold prices detailed above.

AISC estimates exclude project capital, depreciation and amortisation costs.

Motapa project

Exploration property in historically producing mining area

Contiguous to the Bilboes gold project, approximately 75km north of Bulawayo



Area was formerly owned, operated and explored by Anglo American Zimbabwe

Has a mining lease covering approximately 2,200 hectares

Acquisition cost of $8.25 million

Caledonia has commenced an exploration programme initially focused on near-term oxide production

Proximity to Bilboes allows prospect of gold processing synergy

Maligreen project

Purchased the mining claims over the project situated in the **Gweru mining district**

The total cash consideration of **$4 million**

The property contains a NI 43-101 M&I Resource of **442koz at 1.71g/t**

Contains a NI 43-101 Inferred Mineral Resource of **420koz at 2.12g/t**

COMPENSATION OVERVIEW

Chairman of Compensation Committee statement



As chairman of the Compensation Committee during 2022, I am pleased to present a compensation review for 2022 on behalf of the Committee.

This report is in two sections:

- Executive compensation policy and governance including a summary of the work of the Committee
- Compensation paid to directors and senior management (which expression in the report refers to the top five earners who are termed under applicable regulations "Named Executive Officers" or "NEOs") during the year and preceding two years for comparison

The complexities of running a mining business in Zimbabwe require a compensation policy and culture that will attract and retain the necessary talent as well as drive performance within its particular business context. With the acquisition of various assets in the last 12 months, the Company has clearly moved into its next strategic phase of becoming a multi-asset, mid-tier gold producer, now with a planned significant open pit operation at Bilboes as well as continuing underground mining at Blanket. The Company requires broad skills in the workforce, and it is therefore imperative to ensure its approach to compensation is fit for purpose.

The Company's executive compensation policy and approach to compensation governance are set out in the charter of the Compensation Committee, a copy of which is available on the Company's corporate governance section of its website: ***Corporate Governance - Caledonia Mining Corporation plc***. As per the policy, NEOs' compensation is made up of base compensation and short- and long-term incentives designed to align with shareholders' interests.

As explained herewith, during the year and more recently, changes were made to the structure and timing of short- and long-term incentives to align with evolving market practice.

The Committee continued to retain the services of Deloitte Consulting (Pty) Ltd ("Deloitte") in 2022 to support its work after Deloitte conducted a comprehensive review of the market in 2021 in which it highlighted elements within the compensation structure that were no longer market aligned nor the best fit to drive the achievement of the medium- and longer-term strategy of the Company. In response to Deloitte's review, at a meeting on January 21, 2022, the Committee approved an increase to its future long-term incentive awards to the NEOs and different vesting terms to ensure that the Company now has a structure in place to drive the medium- and longer-term strategy of the Company as well as to ensure the attraction and retention of key talent. Awards made on January 24, 2022 were increased to 90% (from 30%) of basic salary for the Chief Executive Officer and 40% (from 20%) of basic salary for the other NEOs, reflecting the market practice of having a much higher percentage of executive compensation incentive linked.

Similarly to previous awards, these awards vest on the third anniversary of grant but will now only vest in shares and are subject to a mandatory holding period until the first anniversary of vesting primarily in order to cater for the events of forfeiture, reduction or cancellation of awards pursuant to the provisions of the Omnibus Equity Incentive Compensation Plan and the Executive Compensation Recovery Policy. This aligns with best practice and further aligns the NEOs' long-term incentives with shareholder interests. The performance metrics applied to the awards granted on January 21, 2022 were approved by written resolution of the Committee on March 20, 2022 to be equally weighted between total gold production and the average normalised controllable cost per ounce of gold achieved against budget over the performance period, with thresholds set below which no performance units ("PUs") vest and linear and stepped increases to the number of PUs vesting from the thresholds through the targets until a maximum of 150% of PUs that can vest on attainment of stretched targets.

The Committee held four other meetings during 2022. At its meeting on January 17, 2022, as is customary after year end, the Committee reviewed NEOs' performance against key performance indicators in order to decide short-term incentive payments and base compensation for the forthcoming year.

COMPENSATION OVERVIEW

Chairman of Compensation Committee statement *continued*

On July 19, 2022, the Committee discussed and approved in principle the terms of Mr Victor Gapare's future employment with the Company subject to completion of the Bilboes acquisition (which occurred in January 2023) following which he would be appointed as an executive director of the Company.

On August 8, 2022, Deloitte presented to the Committee on global trends in compensation, executive benchmarking and performance management.

On December 7, 2022, Deloitte updated the Committee on compensation policy and trends and assisted the Committee with a discussion on incentives, a year-end review of NEOs' performance, non-executive director remuneration and the Committee's work plan for the following year.

In terms of work conducted otherwise than by way of meetings, the Committee passed a written resolution on January 11, 2022 approving the issue of shares pursuant to vesting PU awards and the issue of the new annual PU awards, as referred to above. A year later, on January 11, 2023 (the annual vesting date), the Committee passed a similar written resolution approving, amongst other things, the issue of shares pursuant to vesting PU awards and also approved in principle the issue of new annual PU awards.

However, the Committee decided to postpone the granting of the awards to after the publication of annual results for 2022. This was done in order that future awards, and eventually vesting, will begin to be aligned to, and therefore made in reference to, audited financial statements rather than immediately after year end.

The change was recommended by Deloitte in order to align with market practice and make it easier for the Company to withhold or reduce incentives should audited results materially differ from initial year-end figures.

The 2023 PU awards were therefore made on April 7, 2023 pursuant to a resolution of the Committee passed on April 5, 2023. The performance metrics for these PU awards, which will vest in April 2026, include the potential production from, and costs of, the Bilboes oxides project, as well as at Blanket Mine.

Also in line with market practice and the changed award dates for PU awards, the Committee decided that short term incentive payments to NEOs should also be delayed until audited financial results are available, rather than immediately after year end, and therefore at a meeting held on March 7, 2023 the Committee made recommendations for short-term incentive payments in respect of 2022 to be paid at the end of that month (rather than, as was previously the case, in January).

Throughout 2022 and in 2023, long-term incentive awards continued to be made to new heads of department and senior managers at the mine and to new joiners to the other Caledonia Group companies, with the total number of NEO holders of awards being approximately 95 as at May 31, 2023.

Compensation is a critical component of the employee value proposition and in driving performance at Caledonia. The highlights of our business performance, particularly as set out in this report on ***page 10***, continue to illustrate how our compensation policy and philosophy drive our performance as a business.

The Committee will continue to review compensation in light of applicable governance requirements, best practice and the needs of the business.



COMPENSATION OVERVIEW *continued*

Executive compensation policy and governance

The Board believes that executive compensation should be aligned with shareholders' interests in:

(i) Achieving annual and long-term objectives

(ii) Maximising cash flow to support self-funded growth as well as sustainable and growing dividends

(iii) Achieving capital appreciation through increase in enterprise value

Accordingly, it is the Board's policy to establish an executive compensation framework that:

- Rewards management for performance against mutually agreed objectives that are concrete and measurable, and reflect subjective assessment of other agreed strategic or tactical objectives
- Strikes an appropriate balance between base cash compensation and annual cash bonuses that are "at-risk" and tied to the annual performance of the Company and the individual
- Provides the opportunity to accumulate equity based on operating performance and stock price to create a long-term commitment to achieving growth in enterprise value
- Reflects market value of comparable roles among relevant peer group

Base compensation

The Board believes that base cash compensation of its executives should remain relatively stable over time and that the short-term incentive plan ("STIP") is the best mechanism to recognise variable performance on an annual basis. Base salaries are set based on a review of similar executive roles and responsibilities at comparative companies and in consideration of larger companies that may attempt to recruit the Company's executives. The Board will consider adjustments in base salary from time to time in consideration of inflation or exchange rates as may be appropriate for any of the respective NEOs in the table on ***page 86***.

STIP

Under the STIP, certain NEOs are eligible to receive annual performance-based cash bonuses as proposed by the Compensation Committee. The STIP is paid at the discretion of the Board based on an evaluation of mutually agreed annual goals for the respective NEOs.

The STIP goals are specific to the respective NEOs and encompass a range of criteria such as annual operating goals and financial performance, safety metrics, and near-term tactical or strategic activities. Depending on performance relative to the goals, a NEO may receive a cash bonus equal to, greater than, or less than their respective target.

LTIP

The Company's shareholders approved the Omnibus Equity Incentive Compensation Plan ("Plan") at the Annual General Meeting on May 14, 2015. The Plan was designed to give the Board broad latitude to design equity-based long-term compensation incentives to align performance with shareholder interests. The Compensation Committee has granted LTIP awards to NEOs, certain management and employees within the Group pursuant to the terms and conditions of the Plan.

Currently, LTIP awards are in the form of:

- Restricted Share Units ("RSUs") – the number of units that ultimately vest is not subject to any adjustment based on performance, but only on employment as of the vesting date. Only one NEO held RSUs which vested on January 11, 2023. No RSUs are currently in issue.
- PUs– the number of units that ultimately vest is a target number of PUs subject to adjustment up or down based, for awards made up until 2022, on projected versus actual annual gold production in the year preceding vesting, subject to a maximum of 200% and minimum of 70% depending on gold ounces produced by the mine.

For awards granted during 2023 the number of units that ultimately vest is a target number of PUs subject to adjustment up or down based as to 50% on projected versus actual annual gold production over three years in the years preceding vesting (42.5% Blanket and 7.5% Bilboes); and 50% of the average cost per ounce for the financial year preceding vesting compared to the budgeted amount, subject to a maximum of 150% and minimum of 50% depending on gold ounces produced and cost per ounce by Blanket and Bilboes.

The target numbers for awards made were an amount representing 20% of the annual salary for each of the award holders:

- Equity Performance Units ("EPUs") awards made on January 24, 2022 work on the same basis as PUs granted above during 2022, but increased, following a comprehensive review, to 90% of basic salary for Messrs. Curtis and Learmonth (as prior and current Chief Executive Officer respectively effective July 1, 2023), and 40% of basic salary for other NEOs with performance metrics being based on costs achieved as well as gold production.

EPUs granted on April 7, 2023 work on the same basis as PUs granted during 2023, except for a target number representing 90% of basic salary for Mr Learmonth, 20% of basic salary for Mrs Steyn (current Chief Information Officer) and 40% of basic salary for other NEOs.

Awards of PUs and EPUs are made each year and the vesting of RSUs, PUs and EPUs for executives and certain employees occur on the third anniversary of the grant, whilst vesting for other holders occurs in yearly tranches. Vesting is in the form of cash or shares, at the option of the holder, except for EPUs is in the form of shares.

COMPENSATION OVERVIEW *continued*

Governance applied to compensation

The Board established a Compensation Committee to preside over the execution of its compensation policy. The Compensation Committee works with external consultants to ensure that the Company's executive compensation is consistent with international best practice in terms of structure and quantum. The Board has determined that the most effective means to achieve its compensation objectives is through competitive base salaries combined with STIP and LTIP awards.

The compensation of the directors is decided by the Board unless the Board specifically requests approval of compensation from the shareholders. If the issuance of compensation to the directors is decided by the Board, a quorum is the majority of directors in office. The articles of association do not require that the compensation of any director be approved by disinterested directors.

Compensation outcomes for NEOs

Name and principal position	Year	Salary ($)	Share based awards ($)	Option based awards ($)	Annual incentive plans[1] ($)	Long-term incentive plans ($)	Pension value ($)	All other compensation[1][2] ($)	Total compensation ($)
Steven Curtis *Chief Executive Officer (until June 30, 2022)**	2022	264,715	151,339	–	–	–	–	478,928	894,982
	2021	517,525	127,836	–	–	–	–	240,000	885,361
	2020	470,478	380,477	–	–	–	–	235,239	1,086,194
Dana Roets *Chief Operating Officer*	2022	500,851	95,397	–	–	–	–	160,000	756,248
	2021	489,590	80,564	–	–	–	–	170,000	740,154
	2020	445,082	239,641	–	–	–	–	222,541	907,264
Mark Learmonth *Chief Financial Officer (until June 30, 2022) Chief Executive Officer (from July 1, 2023)*	2022	494,315	94,692	–	–	–	–	175,000	764,007
	2021	480,011	89,645	–	–	–	–	235,000	804,656
	2020	436,373	231,660	–	–	–	–	218,187	886,220
Caxton Mangezi *Vice President Zimbabwe Operations*	2022	463,960	175,116	–	–	–	–	687,612	1,326,688
	2021	429,478	123,250	–	–	–	–	263,180	815,908
	2020	374,817	294,512	–	–	–	–	187,409	856,738
Adam Chester *General Counsel, Company Secretary and Head of Risk and Compliance*	2022	313,038	65,769	–	–	–	–	160,000	538,807
	2021	316,996	119,103	–	–	–	–	158,498	594,597
	2020	286,952	133,840	–	–	–	–	38,510	459,302
Maurice Mason *VP Corporate Development*	2022	325,856	53,335	–	–	–	–	130,000	509,191
	2021	222,123	56,624	–	–	–	–	111,061	389,808
	2020	202,620	122,994	–	–	–	–	25,327	350,941
Chester Goodburn *Chief Financial Officer (from July 1, 2023)*	2022	235,812	31,010	–	–	–	–	70,000	336,822

No fees for acting as a Director were paid to NEOs (other than Mr Curtis in respect of acting as a non-executive Director – see above).

[1] Awards are considered to be share-based awards. The amounts stated are the expenses for the year to revalue the liability to the amount that is expected to vest at the applicable year end. Refer to the awards outstanding as at December 31, 2022.

[2] The amounts shown relate to bonuses provided for in 2022 but that were paid in March 2023.

[3] Also included in this amount for Mr Curtis is $264,715 consultancy fee paid to him for the six months ending December 31, 2022 and a cash payment of $54,213 in respect of accrued leave. $45,000 paid to Mr Curtis as a non-executive Director from July 1, 2022 is not included in this amount.

COMPENSATION OVERVIEW *continued*

Compensation outcomes for NEOs *continued*

The outstanding RSUs, PUs and EPUs as at December 31, 2022 were as follows for the NEOs:

Key management member	Vesting date	RSUs [1] [2]	PUs [2]	EPUs [2]
Steve Curtis	2023/01/11	–	16,547	–
(until June 30, 2022)	2024/01/11	–	8,769	–
	2025/01/11	–	–	39,689
Dana Roets	2023/01/11	–	10,436	–
	2024/01/11	–	5,530	–
	2025/01/11	–	–	16,687
Mark Learmonth	2023/01/11	–	10,231	–
	2024/01/11	–	5,422	–
	2025/01/11	–	–	36,812
Caxton Mangezi	2023/01/11	19,565	8,788	–
	2024/01/11	–	4,657	–
	2025/01/11	–	–	15,458
Adam Chester	2023/01/11	–	7,103	–
	2024/01/11	–	3,509	–
	2025/01/11	–	–	10,877
Maurice Mason	2023/01/11	–	4,977	–
	2024/01/11	–	2,459	–
	2025/01/11	–	–	10,857
Chester Goodburn	2025/01/11	–	2,638	–
(from July 1, 2023)				
Total		**19,565**	**91,066**	**130,380**

[1] *915 RSUs were reinvested during the 2022*

[2] *19,565 RSUs and 152,391 PUs vested on January 11, 2022 for the above NEOs. No EPUs vested during 2022*

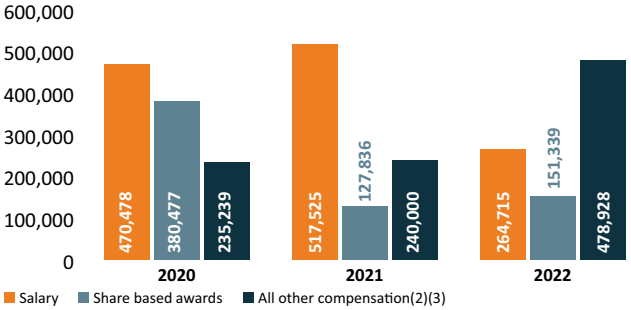
For further detail on the RSUs, PUs and EPUs refer to note 12 of the Consolidated Financial Statements 2022.

Caledonia does not have a pension, retirement or similar benefit scheme for directors or NEOs.

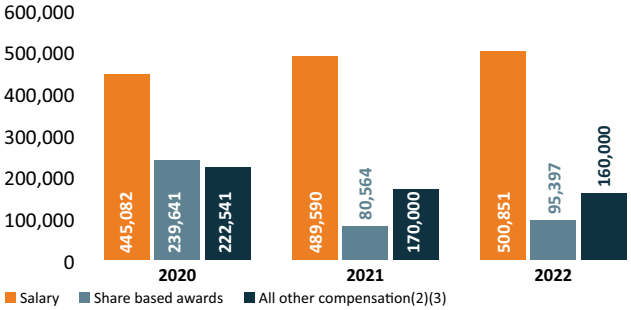


COMPENSATION OVERVIEW *continued*

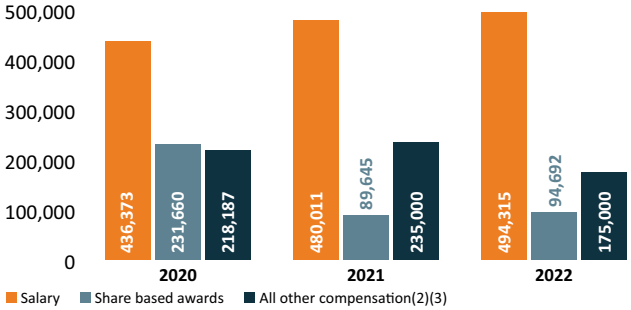
Steve Curtis



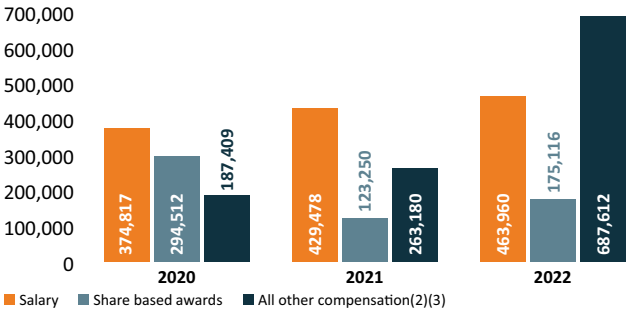
Dana Roets



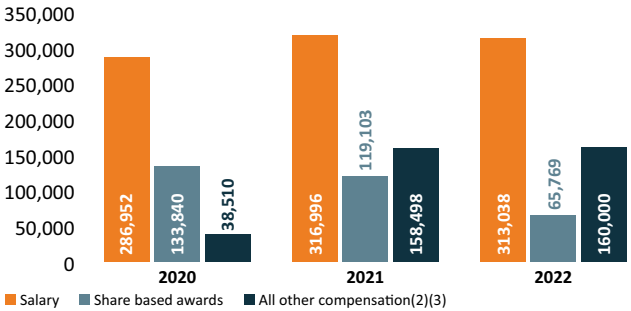
Mark Learmonth



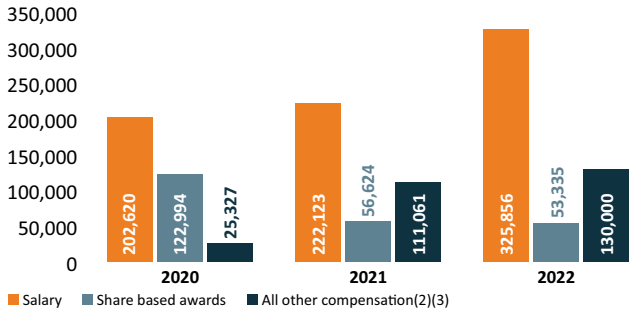
Caxton Mangezi



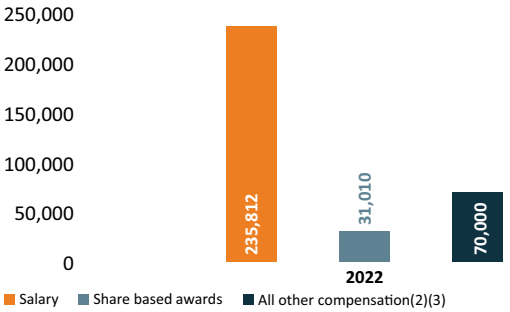
Adam Chester



Maurice Mason



Chester Goodburn





SUPPLEMENTARY INFORMATION



In this section

Mineral resources and reserves statements	pg 90
Shareholders' information	pg 92
Annual general meeting	pg 94
Glossary	pg 95
Disclaimer	pg 97
Corporate information and administration	pg 98

MINERAL RESOURCES AND RESERVES STATEMENTS

Caledonia commissioned Minxcon (Pty) Ltd ("Minxcon") to compile maiden Technical Report Summaries ("TRSs") on behalf of Blanket and Maligreen. The published reports state mineral resources and reserves as at December 31, 2022.

The report was published on EDGAR and filed with the U.S. Securities and Exchange Commission ("SEC") on April 28, 2023 in fulfilment of the requirements of S-K subpart 1300. Caledonia contributed to the technical work required and presented in the reports. The qualified person responsible for the mineral reserves in the reports is Mr Daan van Heerden, (B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng., FSAIMM, AMMSA), Director, Minxcon. The qualified person responsible for the mineral resources is Mr Uwe Engelmann, (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat., MGSSA), Director, Minxcon. Mr. Dana Roets (B Eng (Min.), MBA, Pr.Eng., FSAIMM, AMMSA), Chief Operating Officer, the Company's qualified person, as defined by Canada's NI 43-101 and SEC S-K subpart 1300, has approved any scientific or technical information contained in this document.

Mineral resources are stated as exclusive of mineral reserves and as attributed values. Ordinary kriging and inverse distance estimation methodology was employed and confined to the property boundaries to which we have legal rights to explore and mine.

The Blanket Mine mineral resources occur as underground resources and estimates have been depleted for mining. Measured, indicated and inferred mineral resources are declared due to the continuity of the geology and grade as well as a history of proven historical mining. The inferred mineral resources show geological continuity, while grade continuity requires improvement through additional drilling.
A cut-off of 1.5 g/t was utilised for Blanket Mine based on an average real term gold price of $1,800/oz based on a 10 to 15 year view for precious metals. No geological losses were applied to the Blanket Mine measured mineral resources, while 5% discount was applied to the indicated and inferred categories.

The mineral resources for Maligreen are reported at surface (all mineral resources <220m from surface) and underground (>220m from surface). The mineral resources have been depleted by means of topography and mining voids. Following confirmatory re-logging and re-sampling of historical core along with the robust geological mode, the data of previous inferred mineral resources can now be declared as a measured, indicated and inferred mineral resource. A cut-off of 0.4g/t was applied to the surface resources, while a cut-off of 1.5g/t was applied to the underground portion based on a gold price of $1,800/oz based on a 10 to 15 year view for precious metals. Discounts applied to the mineral resources include geological losses of 5% for measured, 10% for indicated and 15% for inferred mineral resources to account for geological data and estimation uncertainty.

Caledonia mineral resources exclusive of mineral reserves (S-K subpart 1300)

			December 31, 2022		
GOLD PROPERTIES			**Tonnes (Mt)**	**Grade (g/t)**	**Gold (koz)**
Zimbabwe	**Blanket**	Measured	1.86	3.10	185
	Underground	Indicated	2.36	2.89	220
	(64% attributable)	**Measured + Indicated**	4.22	2.98	405
		Inferred	5.76	2.92	539
	Maligreen	Measured	1.65	2.37	126
	Surface	Indicated	6.29	1.53	310
	(100% attributable)	**Measured + Indicated**	7.94	1.7	434
		Inferred	4.58	1.55	229
	Maligreen	Indicated	0.09	2.89	8
	Underground	**Measured + Indicated**	0.09	2.89	8
	(100% attributable)	Inferred	1.59	3.75	192
Total Measured			**3.51**	**2.75**	**310**
Total Indicated			**8.74**	**1.91**	**537**
Total Measured + Indicated			**12.25**	**2.15**	**847**
Total Inferred			**11.92**	**2.50**	**959**
Grand total			**24.17**	**2.33**	**1,807**

Refer to the mineral resources included in the NI 43-101 Technical Reports on our website ***www.caledoniamining.com/investors/technical-reports/***

MINERAL RESOURCES AND RESERVES STATEMENTS *continued*

Refer to the following technical report summaries for key assumptions, parameters and methods used to estimate the mineral reserves and risks that could materially affect the potential development of the mineral reserves:

- S-K 1300 Technical Report Summary on the Blanket Gold Mine, Zimbabwe dated April 28, 2023 with an effective date of December 31, 2022
- S-K 1300 Technical Report Summary on the Maligreen Gold Project, Zimbabwe dated April 28, 2023 with an effective date of December 31, 2022

The two technical report summaries were prepared by Minxcon (Pty) Ltd and filed by the Company on EDGAR on April 28, 2023 for resources and reserves and planned production as stated in this report. These can also be found on Caledonia's website , along with the NI 43-101 Technical Reports Summary on Blanket Gold Mine, Zimbabwe and updated NI 43-101 Technical Reports Summary on Maligreen, Zimbabwe ***www.caledoniamining.com/investors/technical-reports***

Bilboes Gold project

Bilboes is a large, high-grade gold deposit located approximately 75km north of Bulawayo, Zimbabwe. Historically, it has been subject to a limited amount of open-pit mining.

The project has NI 43-101 compliant proven and probable mineral reserves of 1.96 million ounces of gold at a grade of 2.29g/t and measured and indicated mineral resources of 2.56 million ounces of gold at a grade of 2.26g/t and inferred mineral resources of 577,000 ounces of gold at a grade of 1.89g/t. The project has produced approximately 288,000 ounces of gold since 1989.

A feasibility study prepared by the vendors (the "DRA Feasibility Study") indicates the potential for an open-pit gold mine producing an average of 168,000 ounces per year over a 10-year life of mine.

Caledonia is conducting its own feasibility study to identify the most judicious way to commercialise the project to optimise shareholder returns. One approach that will be considered is a phased development which would minimise the initial capital investment and reduce the need for third-party funding.



SHAREHOLDERS' INFORMATION

Capitalisation (June 30, 2023)

Authorised: Unlimited

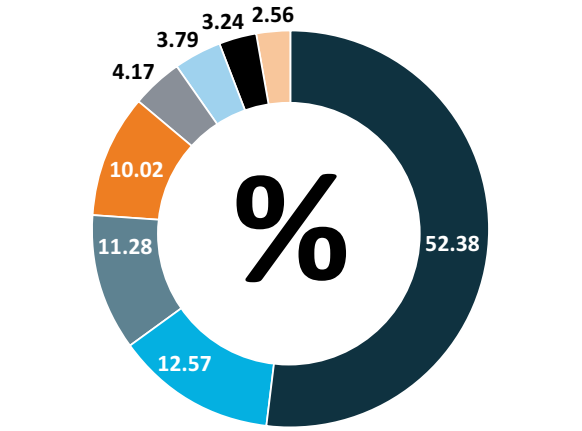
Shares, warrants and options issued:

Common shares: 19,188,073
Warrants: Nil
Options: 20,000

Share trading symbols

NYSE American – Symbol: "CMCL"
AIM of the London Stock Exchange plc – Symbol: "CMCL"
Victoria Falls Stock Exchange – Symbol: "CMCL"

Shareholding in Caledonia



** Excludes shares held by V Gapare as the settlor of the trust which owns Toziyana Resources Limited*

Statement

Caledonia is incorporated in Jersey. The rights of the shareholders of Caledonia may be different in certain respects from the rights of shareholders of a company incorporated in the United Kingdom or other jurisdictions (e.g. Canada or the US). It should be noted that significant shareholders (which under the AIM Rules are any persons with holdings of 3% or more of Caledonia's securities) are required to notify Caledonia their holdings as is similarly required under the United Kingdom's Disclosure Guidance and Transparency Rules which are incorporated by reference in Caledonia's articles of association.

Caledonia is a non-DTR company (as defined under the AIM Rules) and so, in accordance with the notes to AIM Rule 17, shareholders are advised that statutory disclosure of significant shareholdings of Caledonia is different to that of a DTR company and therefore may not always ensure compliance with the requirements of AIM Rule 17.

Under the securities laws in Canada, an "insider" of Caledonia (which would include a shareholder who beneficially owns, controls or has direction over more than 10% of Caledonia's common shares) is required to report their holdings in accordance with the applicable regulations. There are also reporting obligations that apply to holders of Caledonia's shares under US law, in particular, Schedule 13 of the Securities Exchange Act of 1934 which requires a person or group of persons who acquire more than 5% of Caledonia's shares to file a report with the SEC.

Caledonia has 19,188,073 common shares issued. At the date of this report, directors and management own or have an interest in 2,902,543 common shares representing 15% of Caledonia's issued capital.

Allan Gray Investment Management, a South African fund manager, is the second largest holder of Caledonia's securities and has disclosed to Caledonia that it holds these through two of its funds, Allan Gray Africa ex-SA Equity Fund Limited and Allan Gray Africa Equity Fund Limited.

Caledonia ascertained that as at 25 August, 2017 Sales Promotion Services S.A. held an interest through various intermediaries in 938,773 common shares of the Company and was subsequently informed on November 2, 2017 that the beneficial owner of Sales Promotion Services S.A. is Heinrich Auwärter. Caledonia received notification in March 2023 that Sales Promotion Services S.A.'s percentage interest in the fully diluted share capital has decreased to less than 3%.

To the knowledge of Caledonia as at the date of this report, the following beneficial owners that directly or indirectly exercise control or direction over more than 5% of the voting rights to Caledonia's shares are:

Name	Shares/ Depositary interests	Share capital (%)
Toziyana Resources Limited	2,411,186	12.57
Allan Gray (through two of its funds)	2,180,070	11.36
Shining Capital Holdings II L.P.	1,922,858	10.02

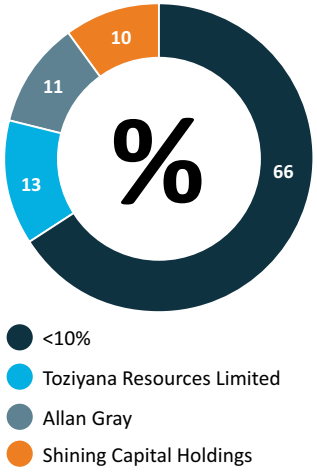
According to the above information, 34% of Caledonia's securities are held "not in public hands" in terms of the AIM Rules.

There are no restrictions on the transfer of Caledonia's issued shares.

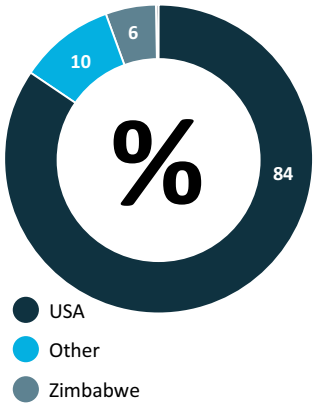


SHAREHOLDERS' INFORMATION *continued*

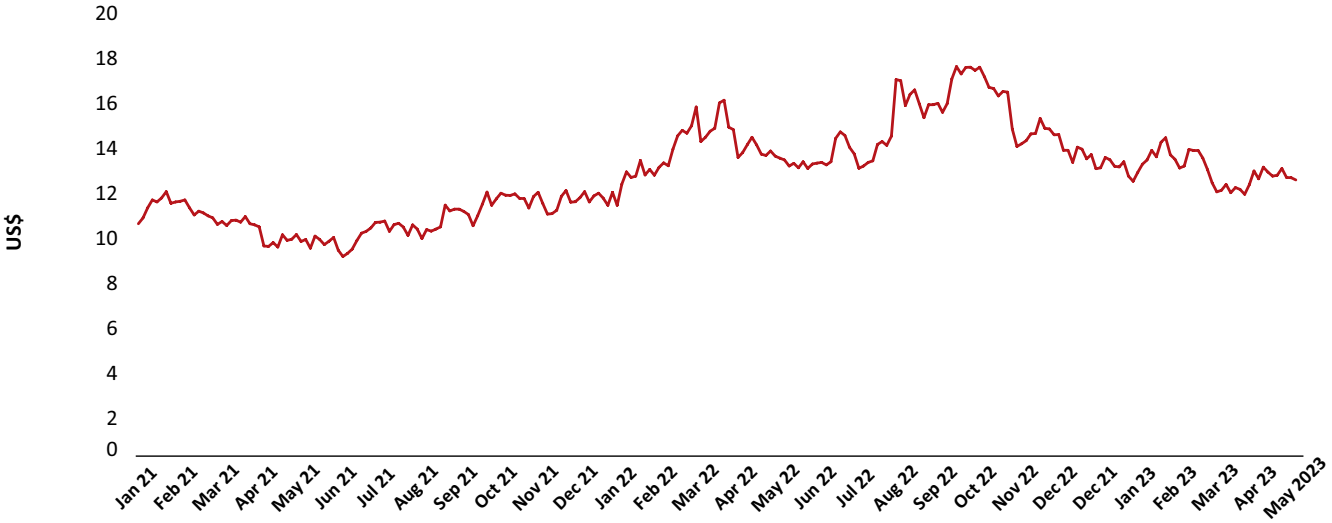
Majority shareholders



Geographical area shareholding



Share price information: 1 January 2021 – 31 May 2023



Dividend policy

During 2021, the Company increased its quarterly dividend by 104% from 6.875 cents per share to 14 cents per share. Total dividends per share paid in 2022 were 56 cents per share – an increase of 12% from 2021. The dividend declared on December 30, 2022 was paid on January 27, 2023.

The Board will consider the continuation of the dividend and any future increases in the dividend as appropriate in line with other investment opportunities and its prudent approach to risk management including Blanket and Bilboes maintaining a reasonable level of production, receiving payment in full and on-time for all gold sales, being able to make the necessary local and international payments and being able to replenish its supplies of consumables and other items.

Caledonia advises shareholders that following the re-domicile of the Company from Canada to Jersey, Channel Islands with effect from 19 March 2016, dividends paid after such date would no longer be designated "Eligible Dividends" for Canadian income tax purposes. Following the delisting of Caledonia's shares from the TSX, dividends are paid in US$ and GB£.

Shareholders Diary

Financial year end	31 December 2022
Year end results announcements	24 March 2023
20-F publication	28 April 2023
AGM	9 May 2023
Integrated report publication	10 August 2023
Q1 Results 2023	15 May 2023
Q2 Results 2023	10 August 2023
Q3 Results 2023	9 November 2023

ANNUAL GENERAL MEETING

An Annual General Meeting ("AGM") was held on May 9, 2023 at St Helier, Jersey, Channel Islands.

The total number of shareholders present in person or by proxy at the AGM was 70, representing 37.87% of the Company's outstanding voting shares.

The table below shows the proxy votes received on resolutions 1(b) to 1(j), which were duly passed by a show of hands, to reappoint the nine nominees proposed for re-election as directors (resolution 1(a) was not tabled given that Leigh Wilson had resigned prior to the meeting):

Nominee	For	Percentage	Against	Percent	Abstained
Mark Learmonth	7,231,617	99.80%	14,662	0.20%	19,783
Steve Curtis	5,913,726	81.61%	1,332,550	18.39%	19,786
John Kelly	7,149,448	98.67%	96,510	1.33%	20,104
Johan Holtzhausen	7,147,571	98.72%	92,674	1.28%	25,817
Dana Roets	6,291,771	89.84%	711,440	10.16%	262,851
Nick Clarke	7,152,756	98.79%	87,515	1.21%	25,791
Geralda Wildschutt	7,173,942	99.08%	66,606	0.92%	25,514
Gordon Wylie	7,186,216	99.25%	53,959	0.75%	25,887
Victor Gapare	7,215,737	99.76%	17,636	0.24%	32,689

Further resolutions 2 and 3 were also passed at the AGM so that:

- BDO South Africa Inc was reappointed as the auditor of the Company for the ensuing year and the directors were authorised to fix its remuneration
- Messrs. Holtzhausen, Kelly and Wildschutt were reappointed as members of the Audit Committee

The full text of each resolution, together with explanatory notes, are set out in the notice of AGM and management information circular dated March 27, 2023 are available on the Company's website at ***www.caledoniamining.com***.

Mr John Kelly, who was acting as interim chairman of the board of directors ("Chairman") following the retirement of Mr Leigh Wilson on May 4, 2023, was appointed as Chairman at a meeting of the Board immediately following the AGM. Given the Company's policy that the Chairman shall not be a member of the Audit Committee, another independent non-executive director, Mr Gordon Wylie, was appointed to the Audit Committee in his place.



GLOSSARY

20-F	Annual Report on Form 20-F
AGM	Annual General Meeting
AISC	All-in sustaining cost
AMZIM	Anglo American Corporation of Zimbabwe Ltd
Arraskar	Arraskar Investment (Private) Limited
BETS	Blanket Employee Trust Services (Private) Limited
BIF	Banded iron formation
Bilboes	The Bilboes gold project in Zimbabwe
Bilboes Holdings	Bilboes Holdings (Private) Limited
Blanket	Blanket Mine
Board/ the Board	Board of directors
BQR	Blanket Quartz Reef
Caledonia	Caledonia Mining Corporation Plc
Capex	Capital expenditure
CB1	No 1 conveyor belt
CB4	No 4 conveyor belt
Chairman	Chairman of the board of directors
CHZ	Caledonia Holdings Zimbabwe (Private) Limited
CIL	Carbon-in-leach
CMS	Caledonia Mining Services (Private) Limited
CSR	Corporate social responsibility
Deloitte	Deloitte Consulting (Pty) Ltd
DSR	Disseminated sulphide replacement
ECI	Export credit incentive
EPS	Earnings per share
EPUs	Equity performance units
Escrow Shares	441,095 of the total consideration shares that would have been issued to Toziyana
ESG	Environmental, social and governance
Ethics Code	Code of Business Conduct, Ethics and Anti-Bribery Policy

FCA	Foreign Currency Accounts
Fidelity	Fidelity Gold Refinery (Private) Limited
FOB	Fine Ore Bin
Fremiro	Fremiro Investments (Private) Limited
FS	Consolidated Financial Statements
g/t	Grade per tonne
GCSOT	Gwanda Community Share Ownership Trust
GMS-UK	Greenstone Management Services Holdings Limited (United Kingdom)
GRI	Global Reporting Initiative
IEUG	Intensive Energy User Group
IFRS	International Financial Reporting Standards
ILP	Intensive Leaching Plant
IMTT	Intermediated monetary transaction tax
IR	Integrated Report
Isabella McCays-Bubi	Isabela North, Isabela South, McCays and Bubi
KCs	Knelson Concentrators
KPI	Key performance indicator
LoM	Life of mine
LOMP	Life-of-mine plan
LTIP	Long-term incentive plan
m	Metres
MD&A	Management's Discussion and Analysis
MIC	Management Information Circular
Minxcon	Minxcon (Pty) Ltd
Motapa	Motapa gold exploration property in Southern Zimbabwe
Moz	Million ounces
Mt	Metric tonnes
NEOs	Named executive officers
NI 43- 101	National Instrument 43-101 – Standards of Disclosure for Mineral Projects

GLOSSARY *continued*

NIEEF	National Indigenisation and Economic Empowerment Fund
NSR	Net smelter royalty
NYSE American	NYSE American LLC
OEICP	Omnibus Equity Incentive Compensation Plan
oz	Ounce / ounces
Plan	Omnibus Equity Incentive Compensation Plan
PUs	Performance units
QCA	Quoted Companies Alliance
QCA Code	Quoted Companies Alliance Corporate Governance Code
RBZ	Reserve Bank of Zimbabwe
RSUs	Restricted Share Units
SDGs	Sustainable Development Goals
SEC	U.S. Securities and Exchange Commission
Shining Capital	Shining Capital Holdings II LP
SOX	Sarbanes-Oxley Act
STIP	Short-term incentive plan
t	Tonne / tonnes
The Company	Caledonia Mining Corporation Plc
Toziyana	Toziyana Resources Limited
TR	Technical Reports
TRSs	Technical Report Summaries
TSF	Tailings storage facility
UN	United Nations
VFEX	Victoria Falls Stock Exchange
ZESA	Zimbabwe Electricity Supply Authority

DISCLAIMER

This report 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, 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.

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