

Caledonia Mining Corporation Plc

INTEGRATED REPORT **2023**

On a pathway to becoming a multi-asset producer

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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") and 100% stakes in the Bilboes, Motapa and Maligreen gold projects, all situated in Zimbabwe.

Our strategic focus is to:

- Maintain production at the targeted range of 74,000 to 78,000 ounces for 2024 and at a similar level for 2025
- Complete a new feasibility study on the Bilboes sulphide project and continue with exploration activities at Motapa

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

All currency references in this document are in US Dollars (also "$", "US$" or "USD"), unless stated otherwise.

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



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www.caledoniamining.com

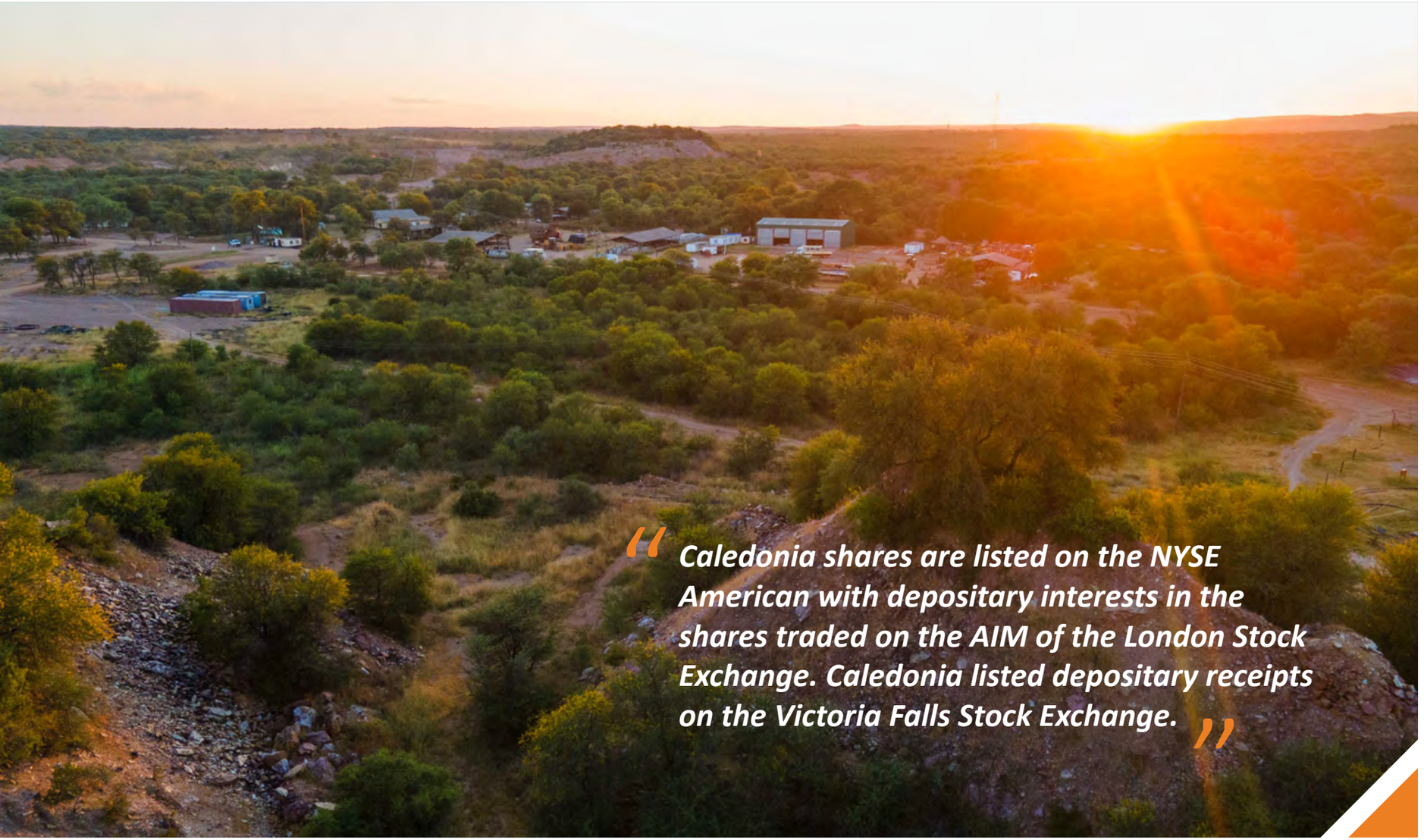
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Section highlights

Budgeted solar production during 2024
25,343MWh

Actual solar production during 2023 (11 months)
24,408MWh

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 as well as 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.

Caledonia shares are listed on the NYSE American and depositary interests in the shares are traded on the AIM of the London Stock Exchange (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 owns a 64% interest in Blanket, which is 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 74,000 to 78,000 ounces in 2024 and onwards over Blanket's current life of mine.

On January 6, 2023 Caledonia acquired Bilboes Gold Limited ("Bilboes Gold"), the owner of Bilboes Holdings (Private) Limited ("Bilboes Holdings") which owns the mining claims known as "Bilboes" for 5,123,044 shares and a 1% net smelter royalty ("NSR").

Bilboes is a large, high-grade gold sulphide deposit located approximately 80km north of Bulawayo, Zimbabwe. On June 3, 2024, the Company published a preliminary economic assessment ("PEA") to Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43- 101"). These standards declared total measured and indicated mineral resources of 2.47 million ounces ("Moz") of gold in 33.65 million tonnes ("Mt") at a grade of 2.30g/t and inferred mineral resources of 560,000 ounces of gold in 9.12Mt at a grade of 1.99g/t. The PEA supersedes the previous feasibility study regarding Bilboes with an effective date of December 15, 2021, that was prepared by the vendors of Bilboes Gold and which had previously declared proven and probable mineral reserves.

The main objective at Bilboes is to construct a large, open-pit operation to extract sulphide mineralisation. Following the PEA, Caledonia has commissioned a new feasibility study, which is expected to assist with obtaining funding for the development of the mine, and this is anticipated to be published in the first quarter of 2025. The work that was done to revise the vendors' feasibility study and generate the PEA took into account the prevailing economic environment and considered various development options to identify the most judicious way to commercialise the project in terms of maximising the increase in value for Caledonia shareholders.

In respect of Motapa, the exploration programme to date has consisted of trenching, which identified several promising drilling targets. An initial five-month drill programme comprising a total of 49 holes, approximately 8,600 metres of diamond and reverse circulation drilling started in the second quarter of 2024.



Market capitalisation

May 31, 2024	$200.6 million
Dec 31, 2023	$234.1 million
Dec 31, 2022	$159.1 million



Who we are *continued*



Growth in Blanket's production ounces from 2016 to 2023
49.5%

Blanket's annual production in 2023
75,416oz

Blanket's record annual tonnes milled in 2023
770,440

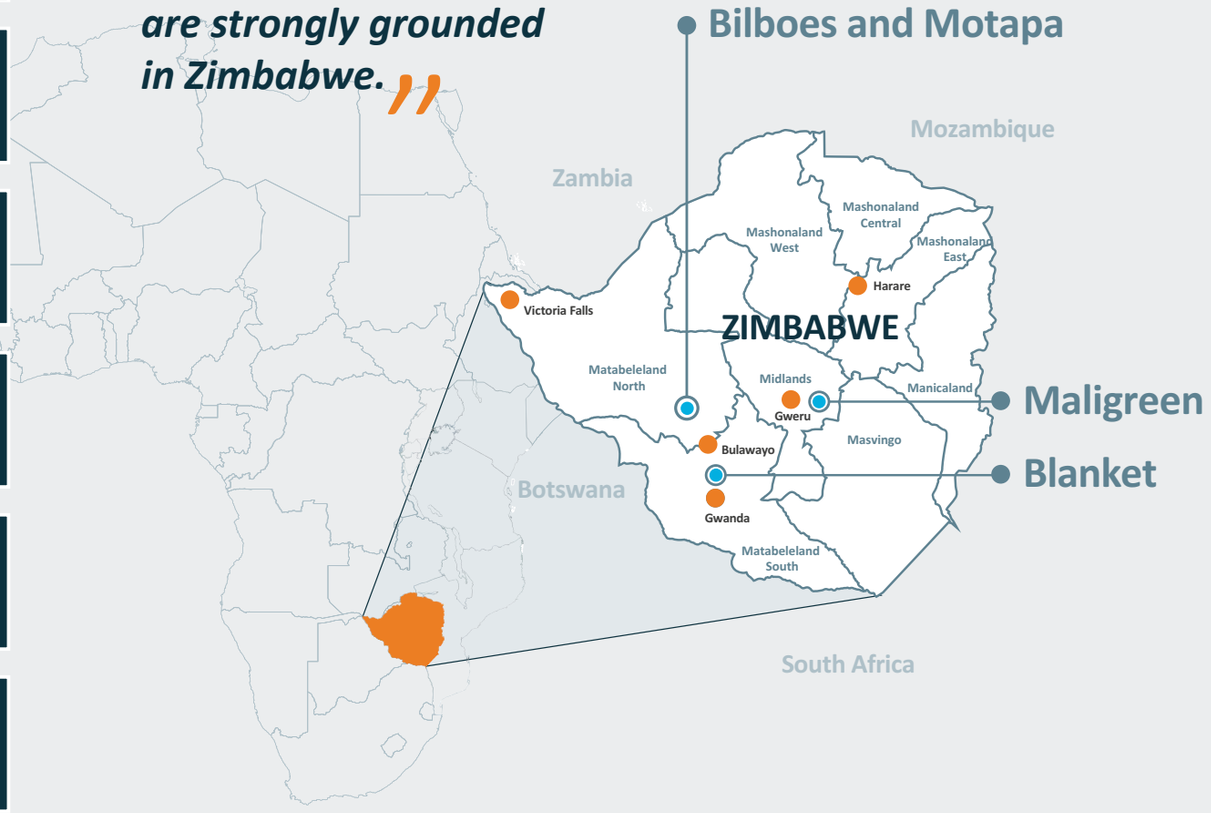
Bilboes Gold acquisition on January 6, 2023
$65.7 million
in Caledonia shares plus a 1% NSR

Solar plant commissioned on
February 2, 2023

Equity raise in 2023 of approximately
$16.6 million
before transaction costs

Our mining and exploration properties

"Our operational roots are strongly grounded in Zimbabwe."



Investment case

Substantial production growth

- Significant increase in production from 2021
- Strong future growth from additional mining and exploration assets

Strong management team

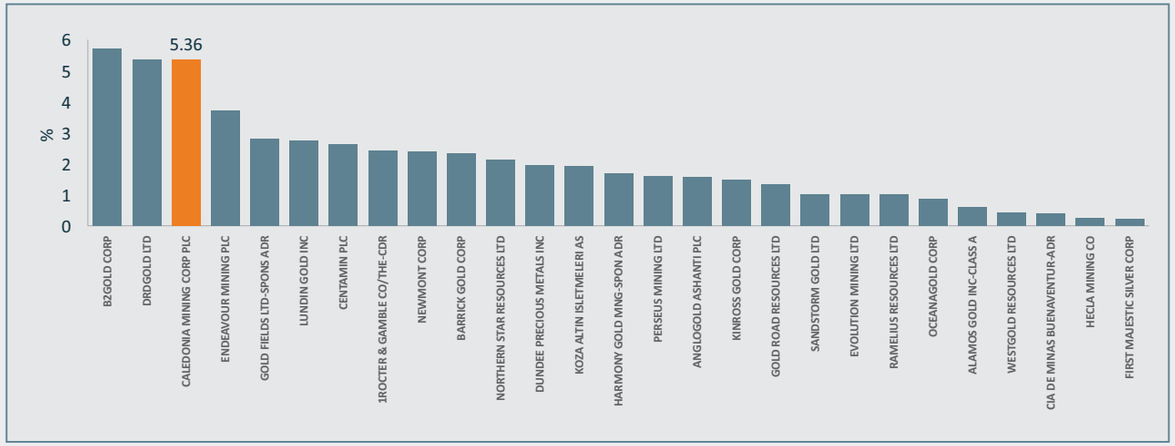
- Excellent in-country knowledge
- Proven ability to complete expansion projects
- Proven track record of operating reliably and profitably in Zimbabwe
- Strong, well established, indigenous mine management team differentiates Caledonia from other African producers

Attractive growth potential

- Bilboes' PEA indicates approximately 1.52Moz of gold produced over a 10-year life of mine
- Blanket's life-of-mine on the basis of mineral reserves extended to 2034. Life-of-mine plan, including inferred mineral resources, is estimated until 2041
- 4.67Moz measured and indicated mineral resources and 2.04 Moz inferred mineral resources in the Group as at December 31, 2023, majority of which were acquired between 2021 and 2023

  Refer to the Mineral resources and reserves statements on page 76 for the associated technical reports
- Attractive exploration potential at Motapa adjacent to Bilboes
- Outlook to become a multi-asset producer in Zimbabwe

Caledonia dividend yield compared to 26 other companies on VanEck Vectors Gold Miners ETF ("GDX") and VanEck Vectors Junior Gold Miners ETF ("GDXJ")
(May 31, 2024)

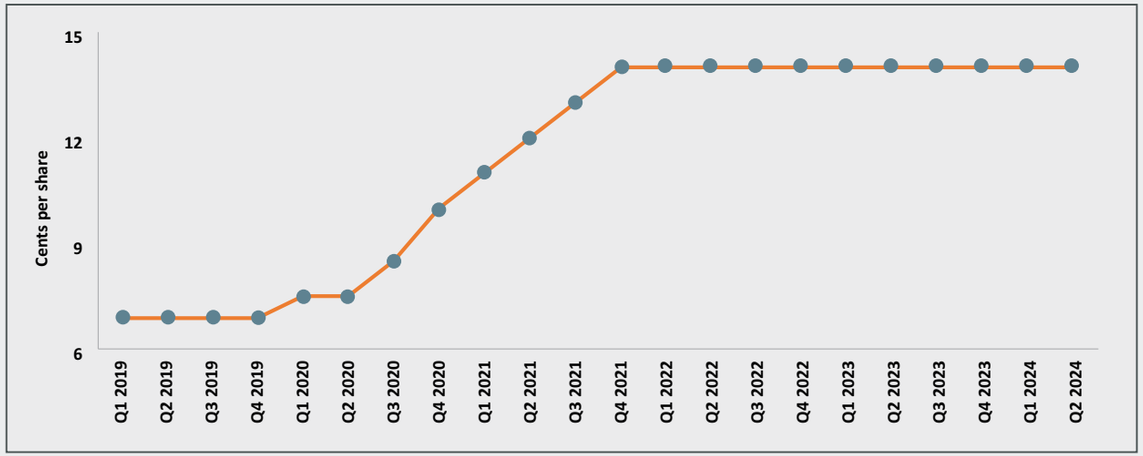


Source: Bloomberg



Investment case *continued*

Quarterly dividend payments



Source: Bloomberg

Quarterly dividends paid for 11 years

$57.9 million

distributed to shareholders

The Group has

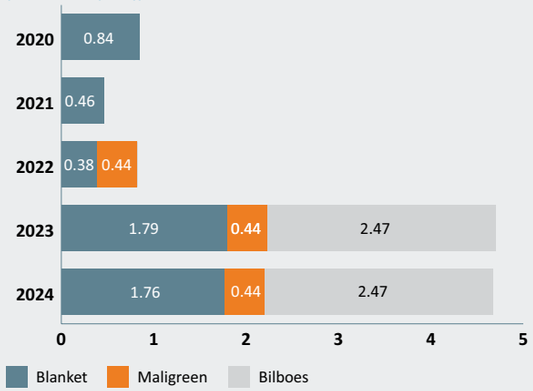
4.67Moz

estimated measured and indicated resources and

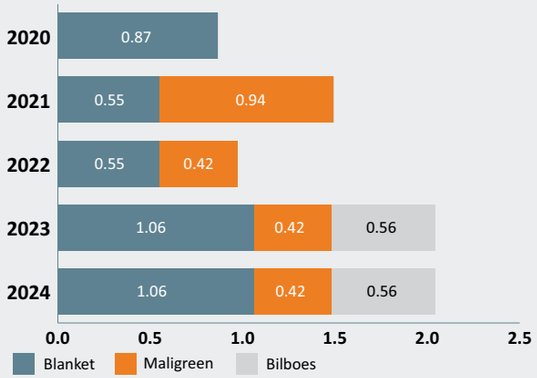
2.04Moz

estimated inferred mineral resources estimated as at December 31, 2023.

Total measured and indicated resources
(AU content (Moz))



Total inferred resources
(AU content (Moz))



The data in the graphs on the left is:

- Following Blanket's technical report issued on May 15, 2024
- Following the PEA for Bilboes published on June 3, 2024
- Inclusive of mineral reserves (where applicable)
- 100% attributable to Caledonia
- Measured and indicated mineral resource amounts adjusted with actual production for Blanket during 2022 as no technical report was issued with a 2022 effective date
- Measured and indicated mineral resource amounts were adjusted with actual ounces produced from January 1, 2024 to May 31, 2024 for Blanket



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. Amongst other applicable rules and regulations, we 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 Company Guide and AIM Rules for Companies. After delisting from the TSX in 2020 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, 2023 to December 31, 2023. Comparative information is also included in this report. Any material events up to the date of this report have also been included. This report should be read in conjunction with our 2023 annual 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 IR was extracted from the 2023 annual Consolidated Financial Statements.

Our 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 is a key concept in all our reporting. It refers to information that could reasonably be expected to influence the decisions of our stakeholders. We have included information on all material events that occurred after December 31, 2023 and up to the date of approval of this report. Our materiality process involves identifying, evaluating and prioritising the most significant issues based on their potential impact on our ability to create and preserve value over the short (one year), medium (two to three years) and long term (more than three years).

Refer to **page 67** of this report for Caledonia's material Risk identification and mitigation section.

Forward-looking statements

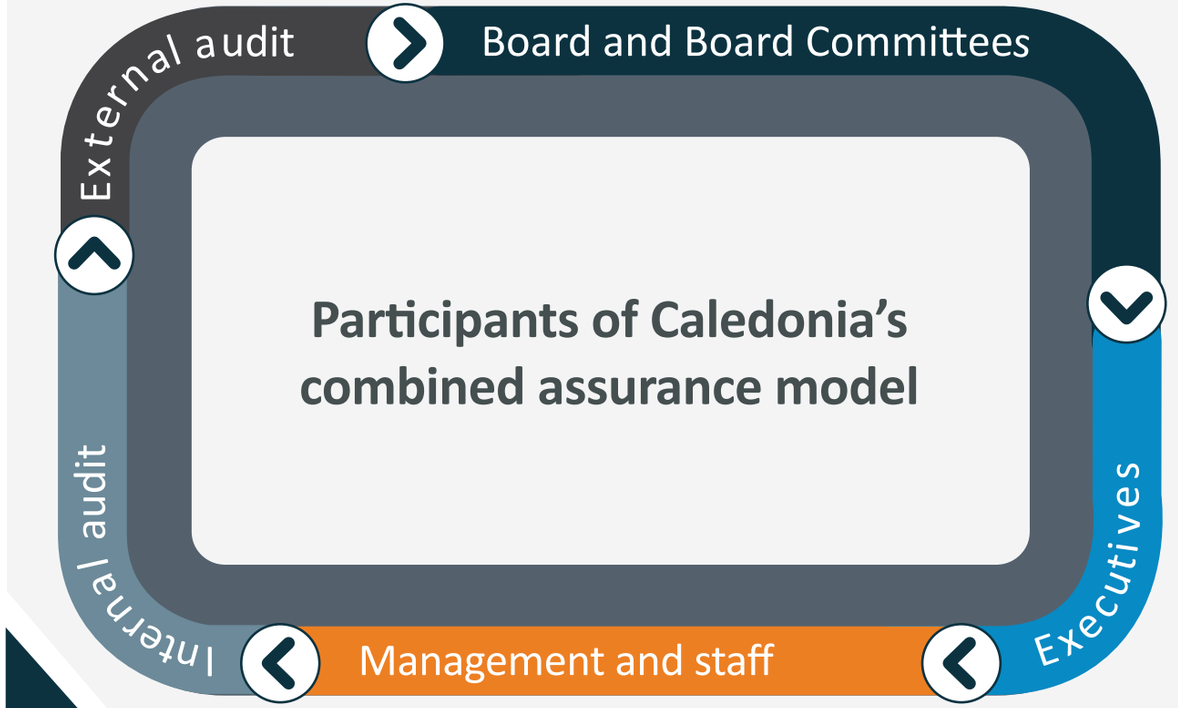
Refer to **page 81** of this report for the Disclaimer where the forward-looking statements within the meaning of section 27A of the US Securities Act of 1933, as amended, or the Securities Act, and section 21E of the US Securities Exchange Act of 1934, as amended, or the Exchange Act, with respect to Caledonia's financial position, production and cost targets, project targets, 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 having internal policies and controls in place and by using the appropriate resources. Refer to **page 60** for the assurance obtained by the Board and its Committees.

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	**Mark Learmonth**
Board Chair	**CEO**
September 16, 2024	**September 16, 2024**

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 gives a better understanding of our financial performance, changes in our financial condition and the results of our operations.

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



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

Caledonia's Annual Report 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, 2023.

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 AGM of shareholders.

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



TECHNICAL REPORTS ("TR")

The most recent published reports of each of the Company's projects pursuant to:

(a) the National Instrument 43-101 Standards of Disclosure for Minerals Projects developed by the Canadian Securities Administrators, and

(b) the SEC's Regulation S-K subpart 1300 requirements which are presented in the 20-F.

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, 3]				•			•
Sarbanes-Oxley Act of 2002 [1]				•	•	•	
National instruments (Canada) [1, 3]			•			•	•

[1] Complies [2] Mapped [3] TRs are compliant with either Regulation S-K subpart 1300 requirements or National Instruments



Highlights 2023

Revenue
$146.3 million
2022: $142.1 million

Earnings before interest, tax, depreciation and amortisation ("EBITDA")
$29.7 million
2022: $50.4 million

Gross profit
$41.5 million
2022: $61.8 million

Gold production
78,466oz
2022: 80,775oz

Gold sold
76,532oz
2022: 80,094oz

Average realised gold price
$1,910/oz
2022: $1,772/oz

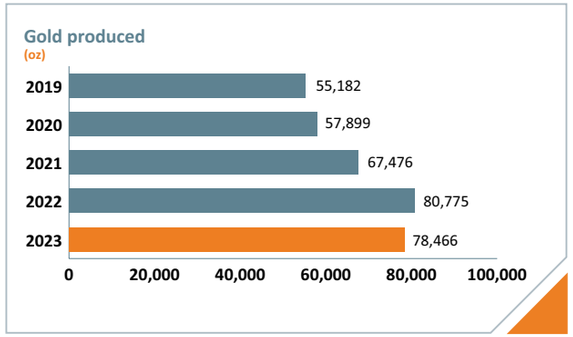
Dividends paid per share
56 cents
2022: 56 cents

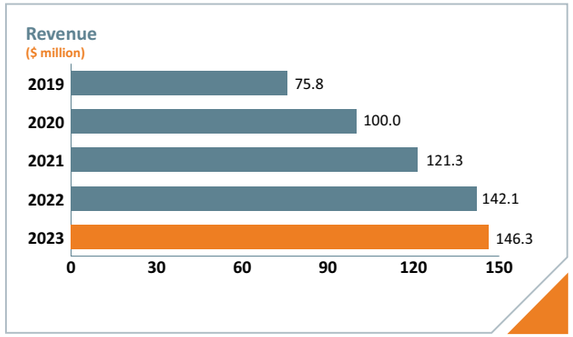
Solar plant commissioned on
February 2, 2023

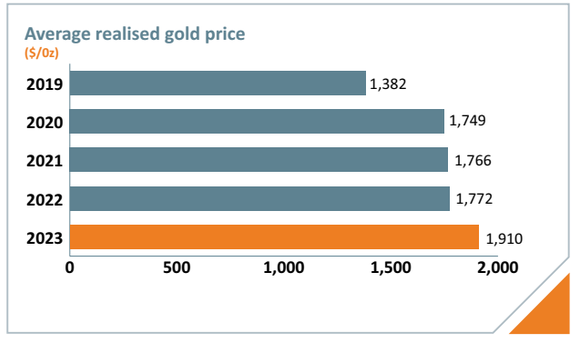
Bilboes acquired on
January 6, 2023
for $65.7 million in Caledonia shares plus a 1% NSR

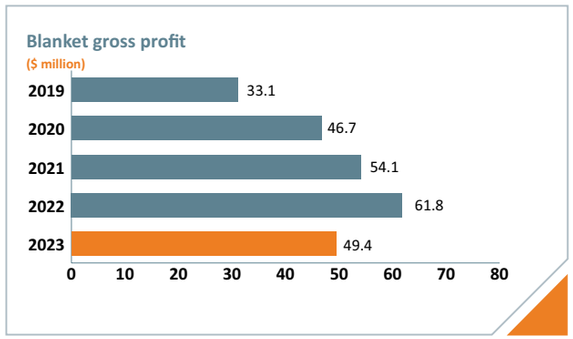


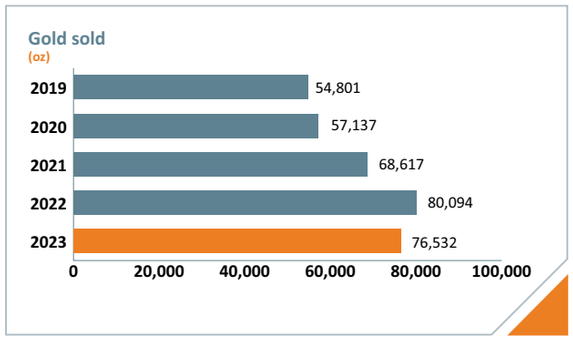
Value added over five years

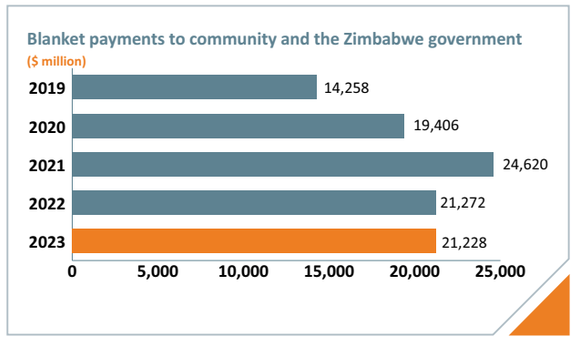


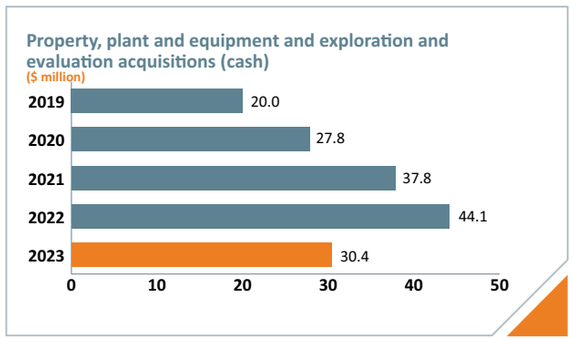


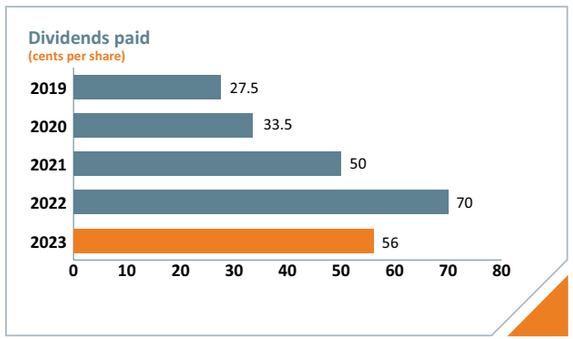


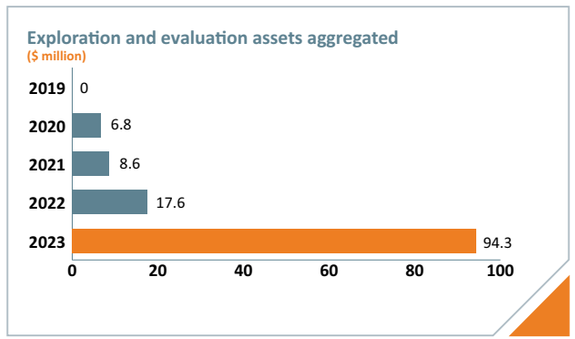














The graphs in this IR include performance at the Bilboes oxide mine, unless stated otherwise.

Cash utilised over 10 years

Investment in CSR
$5.4 million

Hedging
$1.7 million

Finance cost, interest and other
$14.4 million

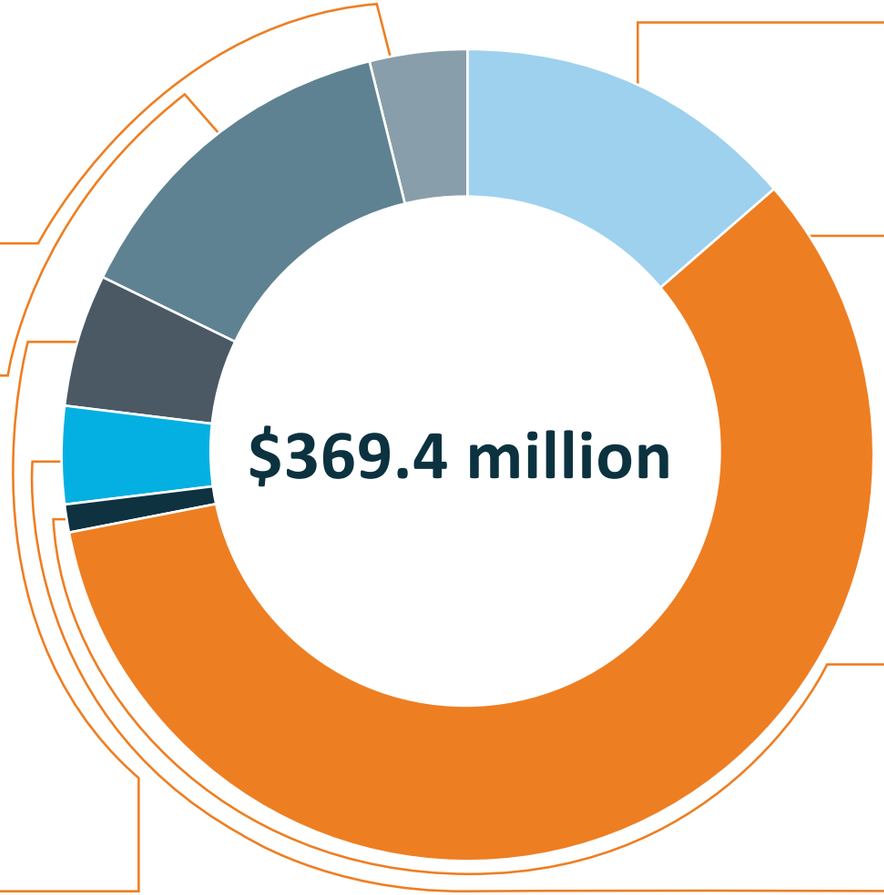
Shareholders return through quarterly dividends paid

Dividends paid
$51.9 million

Maligreen with measured and indicated mineral resources of 0.44Moz in 8.03Mt with 1.7g.t acquired for $4 million

Motapa, A large-scale exploration project adjacent to Bilboes acquired for $8.3 million

Cash reinvestment in new business
$20.3 million



Taxation paid
$51.7 million

Reinvestment in property, plant and equipment - Blanket
$212.4 million

Increased diesel generating capacity to 18MW and installation of four 10MVA auto tap transformers

80% increase in **production ounces** per annum from 2014 to 2023

Central shaft constructed for approx. $67m, that can transport people, equipment and material below 1,200m with a hoisting capacity of 3,000 tonnes per day

$38/oz
reduction in AISC

$3.3 million
of green energy contributed

Cash reinvested in solar
$14.3 million

Blanket exploration cost
$4.4 million

Our portfolio

PRODUCTION

BLANKET MINE

- Increased production after completion of Central Shaft
- 2024 guidance: production of 74-78koz and on-mine cost of $870-970/oz
- Deep level drilling upgraded inferred mineral resources and extended the life-of-mine
- Measured and indicated mineral resource estimate of 1.79Moz in 15.27Mt at 3.64g/t and an inferred mineral resource estimate of 1.06Moz in 8.82Mt at 3.74g/t as at December 31, 2023



DEVELOPMENT PROJECT

BILBOES

- Purchased in January 2023 for $65.7m in shares and a 1% NSR
- NI 43-101 measured and indicated mineral resource estimate of 2.47Moz in 33.65Mt at 2.30 g/t and an inferred mineral resource estimate of 0.56Moz in 9.118Mt at 1.99g/t
- Publication of PEA declaring the above resources: 1.52Moz over 10 years
- New feasibility study being prepared and expected to be published in Q1 2025



PRE-DEVELOPMENT

MALIGREEN

- Purchased in November 2021
- Measured and indicated mineral resource estimate of 0.44Moz in 8.03Mt at 1.71g/t. Inferred mineral resource of 0.42Moz in 6.17Mt at 2.12g/t



EARLY-STAGE DEVELOPMENT

MOTAPA

- Purchased in November 2022
- A large-scale exploration project
- Adjacent to Bilboes
- On May 1, 2024 a five-month drilling programme commenced comprising a total of 49 holes and approximately 8,600 meters of diamond and reverse circulation drilling



CEO's review

2023 was my first full year as Caledonia's CEO. I am responsible for leading the business in its strategic pursuits while ensuring that the Company's business model is implemented effectively and in line with our values.

Blanket's performance remains robust although the first half of 2023 was certainly not without its challenges. Caledonia's vision has evolved over the last couple of years from being a relatively small operator of a single asset towards becoming a multi-asset, Zimbabwe-focussed gold producer with an ambition to produce over 250,000 ounces of gold per annum. The acquisition of Bilboes in January 2023 builds on the earlier additions of Motapa and Maligreen to create a portfolio of high-quality exploration and development assets in Zimbabwe.

Protecting our people

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

The health and safety of our workforce remains a priority for us and Caledonia remains committed to fostering a zero harm and safe working environment for all. While both the lost time injury ("LTI") and total injury frequency rate ("TIFR") increased in 2023, I regret to report the fatality of one Blanket employee in February 2023 following an accident related to secondary blasting, and of one employee of GMG (a Blanket contractor) in August 2023, following an accident related to the maintenance of trackless equipment. We express our sincere condolences to the family, friends and colleagues of the deceased.

Blanket is one of the largest employers in the Gwanda region of Zimbabwe in which we operate, where employment opportunities 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.



Mark Learmonth
CEO

> ***"Blanket's performance remains robust although the first half of 2023 was certainly not without its challenges."***

We believe that our people should share in the long-term prosperity and sustainability of the business. Accordingly, trusts for our employees and the local community each hold a 10% shareholding in Blanket.

Blanket performance

The implementation of the Central Shaft represents a significant step-up in our operations and is one of Zimbabwe's deepest gold mine shafts, descending to 1,204 metres from surface.

Central Shaft gives us the operational flexibility to resume exploration and centralise mining activities below 750 metres. In 2023 Caledonia drilled a total of 13,280 metres targeting the Blanket and Eroica ore bodies with the objective of upgrading the inferred mineral resources and extending the life-of-mine. I was delighted to announce in May 2024 that we had significantly increased Blanket's mineral reserve estimate, extending the life-of-mine based on mineral reserves only to 2034. Management believes that the inferred mineral resources at Blanket may, based on past successful conversion rates, further extend the life-of-mine past 2040.

Strategic development

Our focus remains in Zimbabwe. We see huge geological potential in the country and are very excited about the portfolio of attractive assets that we own.

In January 2023 Caledonia completed the purchase of Bilboes Gold for 65.7 million in shares and a 1% NSR. 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.

Caledonia has conducted its own study of several development routes (to PEA level) to identify the most judicious way to commercialise the Bilboes project to optimise shareholder returns. This work indicates that progression in a single-phase would produce superior economic returns, rather than a multi-phase development. The PEA shows that the project, as a single-phase development, should produce approximately 1.52Moz of gold over 10 years with a net present value of $308.7 million at a discount rate of 10% and using a gold price of $1,884 (the price used in the PEA). We are now upgrading the work that has already been completed to the level of a feasibility study. In parallel with this process, we are working with our appointed debt adviser to secure funding for the project.

Due to losses incurred during the year in the oxide mining activities at Bilboes, which was intended as a short-term, small-scale project to maintain Bilboes as a going concern until the sulphide project begins, we returned the oxide project to care and maintenance with effect from October 1, 2023. Leaching of the oxide ore on the heap leach will continue as long as the gold recovered from the heap contributes to care and maintenance costs. Oxide mining will resume when the stripping of the waste for the sulphide project commences.

Bilboes, along with Motapa and Maligreen, underpin our strategic objective to become a mid-tier, multi-asset, Zimbabwe-focussed gold producer.

Cost control

Over the past few years, 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.

Our gross profit for 2023 decreased due to higher production costs, in particular at the Bilboes oxide mine and electricity and labour costs at Blanket. Increased depreciation was also incurred because of a shortening of the useful life of certain property, plant and equipment items at Blanket in the year in areas that are planned to be mothballed over the next few years as the mine transitions towards producing exclusively from below 750 metres, serviced by the Central Shaft. The high level of costs incurred in 2023 at the Bilboes oxide mine will not be repeated in 2024 and several other cost items are not anticipated to recur. I was pleased to see the strengthening of the management team and the creation of the Zimbabwean-based shared to services team to progress the Bilboes sulphide project and to service group companies. 2024 has started positively and I look forward to the future with optimism.

CEO's review *continued*

Investing in our community

Blanket has a corporate social responsibility ("CSR") programme with initiatives that fall under these six pillars:

1. Education
2. Health
3. Women and youth empowerment
4. Agriculture
5. Environment
6. Charity

All our social investment activities for the period are described in the ESG report 2023 which can be found on the Caledonia website: https://www.caledoniamining.com/esg/esg-reports/

Our combined investment in the economy of Zimbabwe based on taxes, dividends, CSR and royalties for 2023 was $21.2 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. GCSOT was paid $0.6 million in dividends during 2023. Blanket and Caledonia exercise no control over the projects undertaken by GCSOT although Blanket has a representative on the GCSOT board of trustees.

Improved energy supply

The poor quality of electricity supply from the Zimbabwe grid is the most significant production risk at Blanket. Management is investigating options to alleviate the instability in the utility supply and further reduce the cost of diesel generator usage to supplement low voltage occurrences and power outages. Further work is in process to reduce Blanket's overall electricity consumption by utilising the available shafts and machinery more efficiently.

The 12.2Mwac solar plant was connected to the Blanket grid in November 2022 and since then, Blanket has received about a fifth of its average daily electricity requirements from solar. The solar power helps to reduce the electricity required from the grid and from the diesel generators thus making a positive impact from an environmental perspective.

Management is at an advanced stage of negotiations to sell the solar plant to a dedicated renewable energy provider with whom we want to partner to potentially extend the solar plant to provide more power.

Management

In November 2023 the Company announced that Dana Roets would step down from his role as Chief Operating Officer ("COO") with effect from February 29, 2024. Roets joined Caledonia as COO in 2013 and was instrumental in the development of the business over the following decade. The key element in Caledonia's success over the last ten years is the successful implementation of the Central Shaft project which involved the sinking of a six-metre diameter shaft from surface to 1,204 metres. This project was accomplished under Roets' direction.

James Mufara joined Caledonia on May 1, 2024 as the new COO. He was previously at Harmony Gold Mining Company Limited where, as Regional General Manager, he headed a complex portfolio of operations consisting of five mines and 15,000 staff, mining 450koz of gold per annum. He has joined us at a pivotal moment in Caledonia's development and I know the team will benefit from his wealth of experience.

New tailings storage facility

In the first quarter of 2023, we began construction of a new tailings storage facility ("TSF") at Blanket Mine. We understand the potentially negative environmental and social impacts related to poorly constructed and managed TSF. Accordingly, the new facility is being constructed to comply with the Global Industry Standard on Tailings Management ("GISTM"). This is a substantial investment of approximately $25.1 million between 2023 and 2025. The construction of the first phase of the facility is now complete. Once fully completed, the facility will have an estimated life of approximately 20 years at the current production rate of 2,500 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 raised by investors around inflation, however, most of our revenue is denominated in US$, and the local currency we receive we spend in-country. Although there continue to be administrative complexities in operating in Zimbabwe, we are confident in our operations there and believe in the country's under-explored geological potential – we have continued to invest in the country with the acquisitions of Bilboes, Motapa and Maligreen.

From April 2023, Caledonia commenced the direct sale of gold produced from Blanket to a refiner outside Zimbabwe. This was a big milestone for the Company as previously all gold had to be processed and sold to the government-owned refinery. This development 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.

It is also worth noting that aided by the secondary listing of its securities on the Victoria Falls Stock Exchange in 2021, 22% of Caledonia is now held by shareholders in Zimbabwe. We have also been delighted with the amount of in-country support that we have received. We completed our second successful fundraising in Zimbabwe in April 2023, raising $5.8 million. Since February 2023 we have also issued bonds worth $9 million secured against the solar project revenue to institutional investors in Zimbabwe, and we will continue to see Zimbabwe as a key location of funding for our future projects.

Outlook

2024 has started well with operating and financial performance at Blanket in line with management expectations. We were pleased to have published a revised mineral resource and reserve statement for Blanket in May 2024, extending Blanket's life-of-mine. We are on track to meet our production guidance of between 74,000oz and 78,000oz at Blanket in 2024, and are expecting a similar level in 2025.

The Caledonia team continues to work hard, and the contribution of our employees has been crucial to our success. I would like to express my sincere thanks to our team and to our shareholders for their continued support.

Mark Learmonth
CEO
September 16, 2024

Our business and strategy

OUR PURPOSE

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



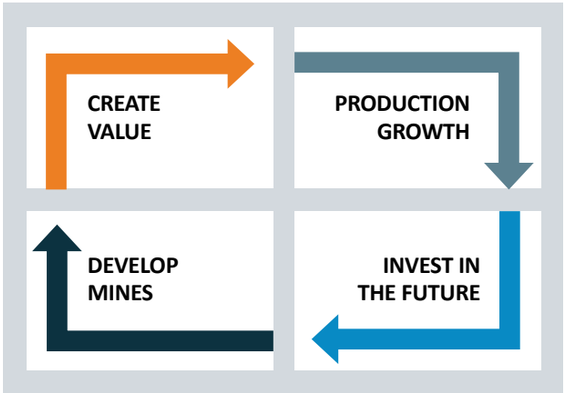
THE SIX UN SDGs ALIGNED TO OUR PURPOSE, VISION AND STRATEGY



OUR STRATEGY

Caledonia's immediate strategic focus is to:

- Maintain production at Blanket at the targeted range of 74,000oz to 78,000oz for 2024 and at a similar level for 2025
- Finalise the work required to publish a new Bilboes feasibility study, following the completion of the PEA
- Continue with exploration activities at Motapa



OUR STAKEHOLDERS



Strategy to support growth

2015	2021	2022	2023
• One producing asset • Blanket – production of 42.8koz • Mineral resource base ~ 2Moz • Central Shaft project started	• Central shaft commissioned • Gold production increased to 67.5koz • Acquired Maligreen • Resource base increased to ~ 3Moz	• Agreed terms for Bilboes gold project acquisition • Acquired Motapa • Record gold production at Blanket of 80.8koz • Commissioned 12.2Mwac solar project	• Acquired Bilboes • Started exploration at Blanket • Total resource base increased to ~ 6Moz

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 organisational capacity

Embrace ESG and safe production

- Maintain our licence to operate – both from a social and regulatory perspective
- 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
- Obtain efficiencies at existing operations
- Evaluate exploration opportunities
- Explore new mining processes and alternatives for future projects

Credible leaders and skilled, productive people

- Ensure leadership and management principles are in place
- Provide collaboration through 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 behavioural-based team intervention (Nyanzvi training)

World-class operations

- Use our operating knowledge to optimise the performance of our assets
- Establish a diversified Zimbabwean 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
- Enhance current business processes by implementing technology

Manage risks and opportunities within the external environment

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

Our business model – how we create value

1 Transparency

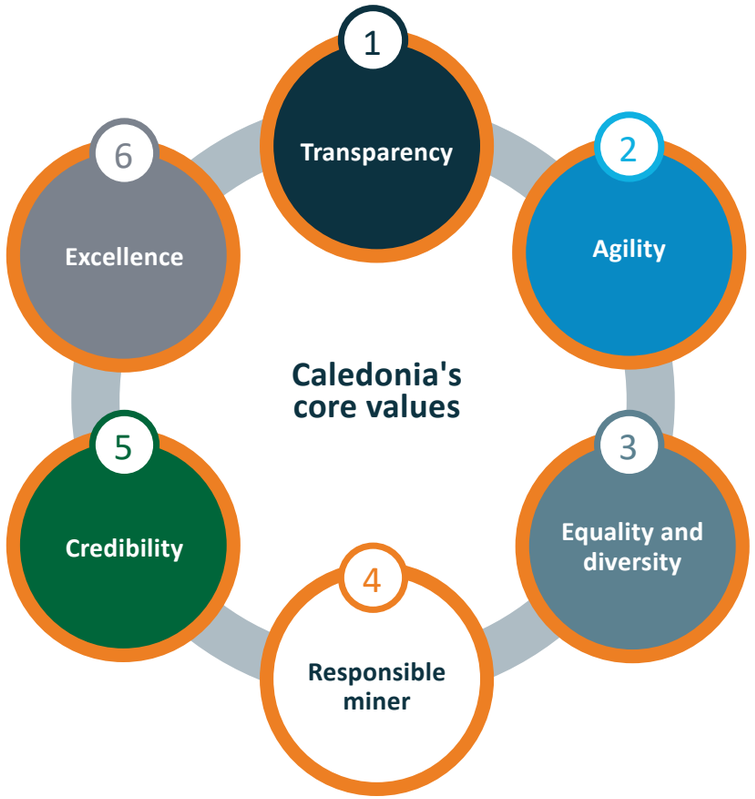
Being open and honest with all stakeholders, sharing material and relevant information and communicating clearly in order to create a shared understanding.

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.

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.



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.

4 Responsible miner

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.

6 Excellence

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

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 critical 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, while providing value for our stakeholders.

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 human rights which include gender equality, freedom of expression and freedom of association

Manufactured Capital
- Caledonia optimised Blanket's and Bilboes' property, plant and equipment to grow production and maximise operational flexibility

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
- We aim to minimise our environmental footprint by upfront planning of rehabilitation and consideration of alternative power sources (e.g. 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 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 in a disciplined manner 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.

Outputs 2023

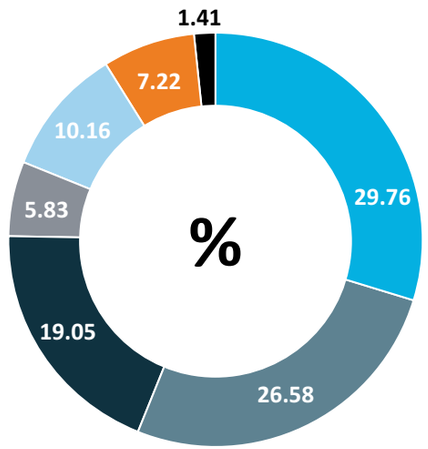
Revenue $146.3 million	**Gross profit** $41.5 million	**Tonnes milled - Blanket** 770,440oz	**Gold produced** 78,466oz	**AISC per ounce** $1,445
Dividends paid to Caledonia shareholders $10.5 million	**Adjusted earnings per share ("EPS")** 17.1 cents	**Cash from operations** $26.4 million	**Salaries and bonuses** $34.6 million	**Equity raise gross proceeds** $16.6 million
Total loan notes paid (including interest) $8.1 million	**Bilboes Gold acquired** $65.7 million in shares	**Payments by Blanket to the Zimbabwean government (excluding royalties)** $11.9 million	**Dividends paid to workers, communities and the Zimbabwean government** $0.6 million	

continued on pg 18

Our business model – how we create value *continued*

Outputs 2023

Revenue disaggregation by stakeholder (%)



Outputs 2023

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

- The 30 level and 34 level northern and southern haulages had a total advance of 384.3 metres
- Eroica decline had a total of 108 metres developed
- The 34 and 35 level construction of clear and dirty water dams was completed
- First phase of the tailings storage facility ("TSF") commenced
- Total capital cash spend amounted to $30.4 million (includes new TSF (1st phase) of $11.1 million, Central Shaft capital expenditure ("capex") of $9.5 million and capital development at 30 and 34 levels of $9.5 million)
- Sustaining capital spend amounted to $17.4 million, non-sustaining capital amounted to $12.3 million
- Gold production of 78,466oz
- Approx. 2Moz of measured and indicated mineral resources and approx. 0.6Moz of inferred mineral resources acquired due to the Bilboes acquisition
- Blanket drilled a total of 13,280 metres targeting the Blanket and Eroica ore bodies resulting in an upgrade of inferred mineral resources and extension of the life-of-mine

Financial Capital

- Dividends paid of 56 cents per share
- Adjusted earnings per share of 17.1 cents
- 3.0% increase in revenue
- 36.6% increase in net asset value
- 31.2% decrease in total property, plant and equipment investment
- 29.2% decrease in total exploration and evaluation assets investment

Social and Relationship Capital

- $11.9 million paid to the Zimbabwean government, excluding royalties
- $1.5 million paid in CSR projects (excluding dividends and facilitation loans repayments)
- $2.5 million paid to indigenous shareholders ($1.9 million facilitation loan repayments and $0.6 million as cash dividends)

Intellectual Capital

- The solar plant had the added benefit of stabilising the Blanket electrical grid by improving the power factor and in turn reducing generator usage to supplement reactive power
- We successfully operate in a highly complex Zimbabwe environment which is subject to frequent changes

Natural Capital

- Water usage: 2,458,042m^3
- Industrial waste (landfill): 654.4t
- Power usage (ZESA)*: 84,389,287kWh
- Diesel generator consumption: 1,487,671 litres
- Solar usage: 24,408,330kWh
- Tailings: 795,289t
- Environmental rehabilitation provisions: $11.0 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 2023 and up to the date of this report.



Bilboes Gold acquired

January 6, 2023



Solar plant commissioned

February 2, 2023



$7 million in bonds issued by Zimbabwe subsidiary strengthening Zimbabwean debt market

April 5, 2023



75% of our gold sold to offshore refiner

April 28, 2023



Board approved management to negotiate the sale of the solar plant

September 28, 2023



First phase of the TSF project compliant in accordance with GISTM

February 29, 2024



Blanket Technical Report filed announcing increase in reserves and resources and life-of-mine

May 15, 2024



PEA for the Bilboes sulphide project published

June 3, 2024

February 1, 2023

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



March 30, 2023

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

London Stock Exchange AIM

April 14, 2023

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

VICTORIA FALLS STOCK EXCHANGE

June 30, 2023

Motapa loan of $7.3 million repaid in full



December 31, 2023

Record annual tonnes milled at Blanket of 770,440t



April 5, 2024

New Zimbabwean reserve backed currency, the Zimbabwean Gold ("ZiG"), replaced the RTGS*



May 1, 2024

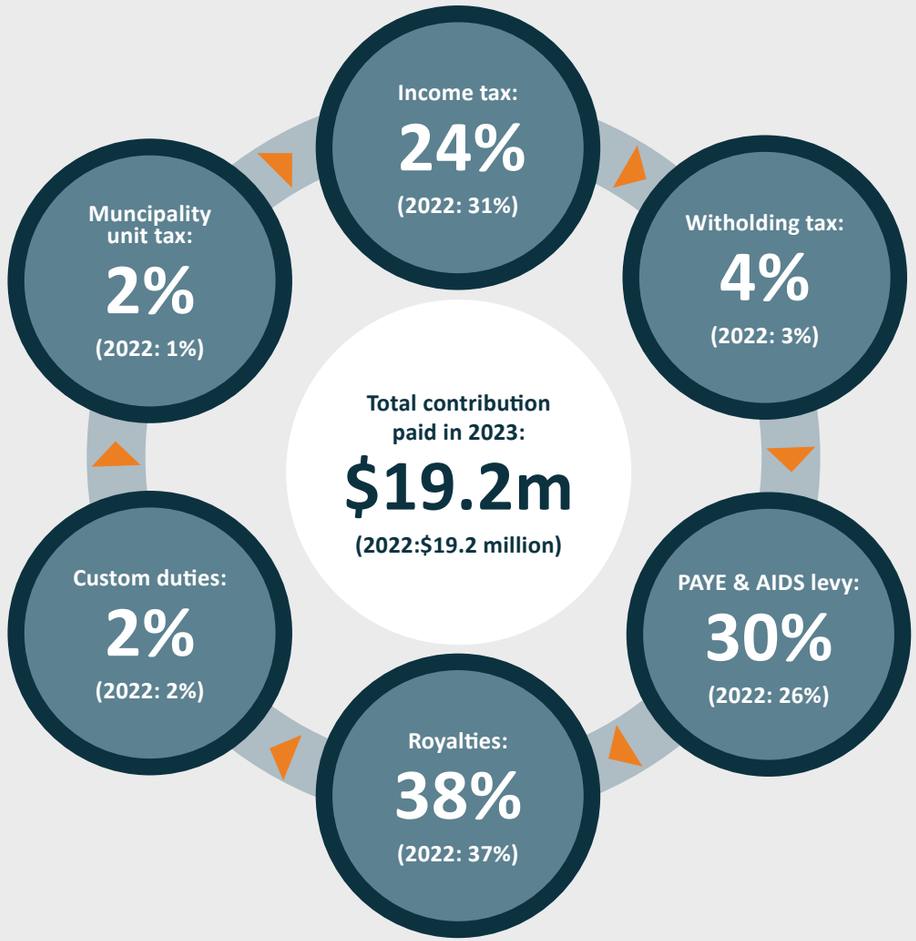
Motapa drilling programme commenced



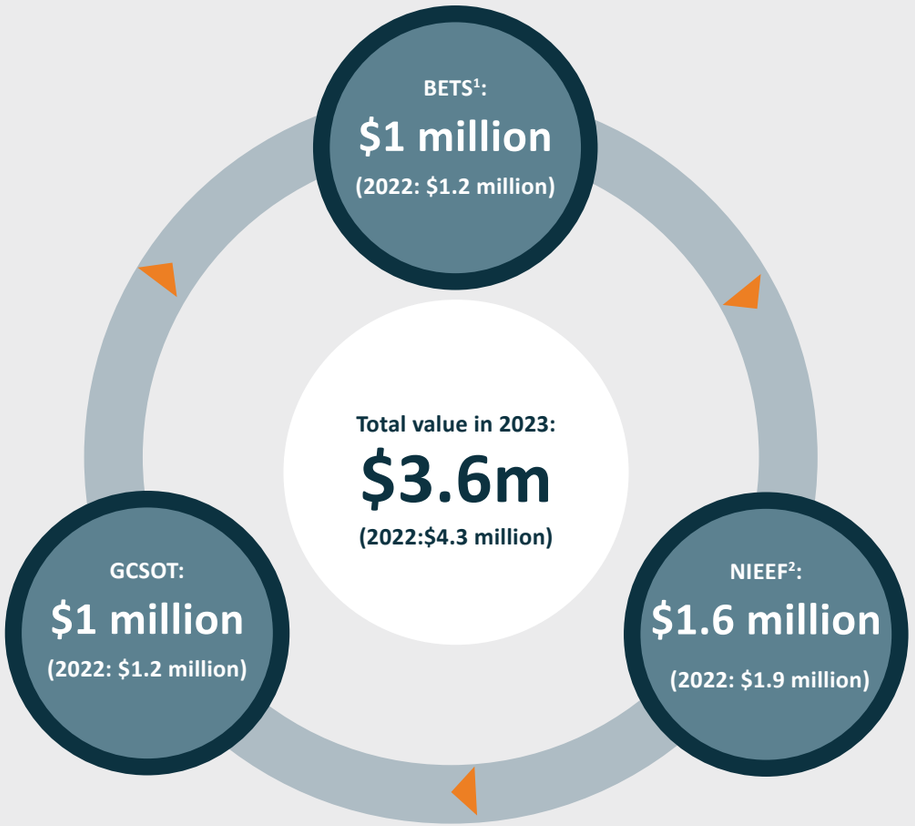
** RTGS: Real-time gross settlement (the Zimbabwe dollar)*

Our business model – how we create value *continued*

Value created for Zimbabwe government by Blanket



Value created for Blanket's direct Zimbabwean shareholders



[1] *Blanket Employee Trust Services (Private) Limited ("BETS")*
[2] *National Indigenisation and Economic Empowerment Fund ("NIEEF")*

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	2023	2022	2023 target achieved	Type of assurance
Human	Safety performance	• Reduction in TIFR (per 200,000 hours worked)	[1] **0.95**	0.75	N ↑ 26.7%	M MD&A
	Employee bonuses	• Remuneration strategy aligned with corporate goals	[2] **$3.8 million**	$5.7 million	N ↓ 33.3%	M AFS
	BETS	• Increase in BETS gross dividend (including facilitation loan repayments) from the prior year	[3] **$1.0 million**	$1.2 million	N ↓ 16.7%	M AFS
Manufactured	Gold produced	• Meeting production guidance for Blanket	**75,416oz**	80,775oz	Y 2023 guidance 75,000oz to 80,000oz	MD&A
	On-mine cost per ounce	• Meeting cost guidance for Blanket	[4] **$912/oz**	$735/oz	N 2023 guidance: $770/oz to $850/oz	MD&A
	Capital projects	• Complete Central Shaft infrastructure and development • Commence the TSF project and complete Phase 1 • Blanket exploration • Bilboes sulphide project progress	• Construction of clear and dirty water dams at 34 and 35 level at the Central Shaft was completed • Work on the TSF commenced in March 2023. Deposition on the new TSF commenced on October 30, 2023 • Blanket's long hole exploration drilling results published in July 2023 and January 2024 lead to a significant increase in mineral resources, mineral reserves and life-of-mine in 2024 • PEA for single phase development of Bilboes published in May 2024	• Completion of the construction of a conveyor and crushing system to feed ore from the Central Shaft to a primary crusher	P	M MD&A
Financial	Gross profit	• Increase from the prior year	[5] **$41.5 million**	$61.8 million	N ↓ 32.9%	AFS
	Net cash from operating activities	• Improved cash generation	[6] **$14.8 million**	$42.6 million	N ↓ 65.3%	AFS
	Adjusted EPS (cents)	• Increase profitability per share	[7] **17.1**	219.9	N ↓ 92.2%	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	**$1.5 million**	$0.9 million	Y ↑ 66.7%	M MD&A
	Dividends to GCSOT and NIEEF	• Increased returns to Blanket's indigenous shareholders	[8] **$2.6 million**	$3.1 million	N ↓ 16.1%	M AFS
	Facilitation loans	• Decrease in the facilitation loan balances	**$13.4 million**	$15.0 million	Y ↓ 10.7%	M AFS
Intellectual	Mining systems	• Installation of new and more efficient equipment and processes to increase recoveries and reduce costs	• **Solar plant commissioned resulting in lower generator consumption and reduce greenhouse gas emissions** • **Install digital mineral resource management technology**	• Commissioning of the new ball mill (BM10) • Construction of a conveyor and crushing system to feed ore from the Central Shaft to a primary crusher • Installation of a 10MVA auto tap transformer	Y	M MD&A M MD&A M MD&A
Natural	Water management	• Decrease in m^3/t usage per tonnes milled from the prior year	**1.7m^3/t**	2.5m^3/t	Y ↓ 32%	M
	Waste management	• Decrease in m^3/t industrial waste as production increases	**0.001m^3/t**	0.002m^3/t	Y ↓ 50%	M
	Fires and slurry spills	• Decrease in fires and slurry spills	[9] **Seven fires and three spills**	Six fires and three spills	N ↑ 16.7% in fires No changes in spills	M

[1] Caledonia's new COO, James Mufara, is in the process of designing and implementing new safety initiatives.

[2] Bonuses paid in respect of 2023 were lower than in 2022 due to increased costs and lower production.

[3] The dividends declared by Blanket decreased in 2023 as capital was reallocated towards capital investment and due to lower cash generation.

[4] 22% of the increase in 2023 was due to the higher cost per ounce at the Bilboes oxide mine, which was placed on care and maintenance on September 30, 2023. The remainder of the increase was due to higher on-mine costs at Blanket due to increased labour and electricity costs which contributed to an increase of approximately $107/oz for 2023 compared to 2022. Management has reduced overtime costs in 2024 and is investigating opportunities to reduce power consumption.

[5] Gross profit for 2023 decreased from 2022, due to higher production costs, in particular at the Bilboes oxide mine in 2023. The depreciation cost increased because of a shortening of the useful life of certain property, plant and equipment items at Blanket in 2023 which was partly offset by the increased life-of-mine at Blanket.

[6] The lower operating profit reduced net cash from operating activities in 2023.

[7] Adjusted EPS excludes inter alia net foreign exchange gains and losses, deferred tax and fair value movements on derivative financial instruments.

[8] The dividends declared by Blanket decreased in 2023 as capital was reallocated due to lower cash generation.

[10] The year 2023 was very dry increasing the risk of fires. Three of the fires were on satellite properties which we suspect were caused by an illegal panner who made fires and did not extinguish them resulting in the burning bushes.

M = Management assurance
AFS = Financial information extracted from the Consolidated Financial Statements 2023
MD&A = Extracted from Caledonia's 2023 MD&A

SECTION 2: Operational review and outlook



IN THIS SECTION

Operational review and outlook

Operations at Blanket	pg 23
Solar plant	pg 32
Bilboes	pg 33
Motapa project	pg 39
Operational outlook	pg 40

Section highlights

Publication of the PEA with resources of 1.52Moz over 10 years.

Operations at Blanket

2023 Value created

Gold produced
75,416oz

Average realised gold price
$1,912/oz

TSF commenced
1st Phase

Total drilling achieved
13,280 metres

AISC
$1,320/oz

Payments to the communities and the Zimbabwean government
$21.2 million

Caledonia owned solar plant commissioned to stabilise supply and reduce power cost on
February 2, 2023

Mining operations

The current Blanket mining area has nine ore shoots in the producing section of the mine. Most of the mine's production at present is sourced from the Blanket, AR Main and AR South ore bodies.

The successful commissioning of the Central Shaft in March 2021 enabled Blanket to increase production to over 67,000 ounces in 2021, over 80,000 ounces in 2022 and over 75,000 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 uses both long-hole open stoping (wider ore bodies) and underhand stoping (narrower ore bodies) mining methods. Blanket operates five declines, ranging from 750mL to 930mL. Rock (ore and waste) is hauled by 14 load haul dumpers and 11 dump trucks to 22L, 26L and 34L for declines servicing blocks from 750mL to 930mL. Approximately 1,360 tonnes per day are mined from these declines.

Tramming on 22 level and above is done on a rail system by battery locomotives and the ore cars are self-tipped onto grizzlies above the silos which are located below 22 level. Rock is gravity fed from silos into a crushing station conveyor which discharges the rock into a vibrating grizzly feeder, discharging the oversize ore into a 30" x 20" Telsmith jaw crusher. The underground crushing station ensures that the run-of-mine ore which is hoisted up No 4 shaft 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.

Below 870m ore and waste are hauled by load haul dumpers (LHDs) and dump trucks to grizzlies at 26 level of the Central Shaft and hoisted out from the Central Shaft loading level at 35 level. Tramming on 30L and 34L is done on a rail system by battery locomotives and the ore cars are self-tipped onto grizzlies above the silos which are located at the respective levels. Below 34L, waste is hauled by LHDs and dump trucks to a grizzley located at 34L.

Ore tipped at 26L and 30L grizzleys is reduced through 300mm grizzley apertures by use of hydraulic rock breakers installed on each grizzley. The underground rock breakers ensure that the run-of-mine ore which is hoisted up Central Shaft is optimised for greater efficiency of the automated skip loading and hoisting operations. This allows mining and hoisting activity to continue without interruption.

The total Blanket power supply is obtained from a mix of utility, generator and solar power. The installed capacity from the national utility is limited to 25MVA (18.75MW). This is supported by a backup from daytime solar of 12MW installed capacity and standby diesel generating power with an installed capacity of 18MVA (13.5MW at peak). The entire underground and surface operations at Blanket, including the No 4 Shaft and Central Main Shaft Winders, can be operated by solar and standby diesel-powered generating sets during the day. At night, power back up for the operations is only limited to diesel generating capacity which then limits the operation to essential loads such as 4 Shaft hoisting, plant and compressors. Central Shaft cannot be powered with other loads.

Capital projects

The main capital development project is the infrastructure which will allow for three new production levels (26, 30 and 34 levels). A fourth level (38 level) is to be added in due course via a twin decline that commenced in February 2024. A total of 5,619 development metres were achieved in the fourth quarter of 2023.

Work on key development areas in the fourth quarter of 2023 are detailed below:

- **30 and 34 level development:** the 30 level and 34 level northern and southern haulages had a total advance of 384.3 metres. Part of the northern haulage development included the take off to the 30 level Eroica extraction haulage, developed for 34.6m which development had to be reviewed pending evaluation work in the area. Development north on 30 level subsequently included additional evaluation cubbies.
- **26 and 27 level Eroica decline 3:** the Eroica decline had a total of 108m developed. The expected completion has been deferred to the start of the first quarter of 2024 due to the slow rate of development owing to logistical challenges. 900m will be the last level in the development of the decline and there will be up dip development from 990m to 900m.
- **30 level 2 Orebody Hanging Wall Haulage:** the total advance for the haulage was 159.9 metres. The haulage serves to expose the Blanket southern orebodies on 30 level for production. The haulage is also important for the establishment of an access crosscut to link 6 Shaft on 30 level. 34 to 38 level twin declines: the twin declines had slow progress during the fourth quarter of 2023 with a total of 190.5m achieved in comparison to 289.2m in the third quarter of 2023. The poor progress was due to waste handling challenges. The twin declines will serve as access to Blanket orebodies below 34 level where shaft infrastructure does not reach. The decline establishment will be for both access and production through subsequent installation of a chairlift and conveyor system, respectively.
- **35 level Central Shaft:** the 34 and 35 level construction of clear and dirty water dams was completed in 2023, and installation of the water management system started in the first quarter of 2024, and was completed in the second quarter of 2024. Support installation was completed in the first quarter of 2024.
- **35 level conveyor:** the transition from compressed air operated loading system to hydraulics was successfully completed in the fourth quarter of 2023.

Operations at Blanket *continued*

The anticipated total cost of the new TSF is $25.1 million which will be incurred over a period of 3 years (2023: $11.4 million, 2024: $5.4 million and 2025: $8.3 million). Work on the TSF commenced in March 2023 and the first phase of the project was completed at the end of February 2024. Deposition on the new TSF commenced on October 30, 2023 and all of Blanket's tailings were deposited on the new facility from the beginning of 2024. Work on Phase 1B of the new TSF started in March 2024 and is expected to be completed in the third quarter of 2024.

The new TSF is double-lined (clay and a plastic membrane) in compliance with international best-practice. The new TSF, when complete, will provide a further 20 years until 2043 at the projected deposition rate of 900,000 tonnes per annum.



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:

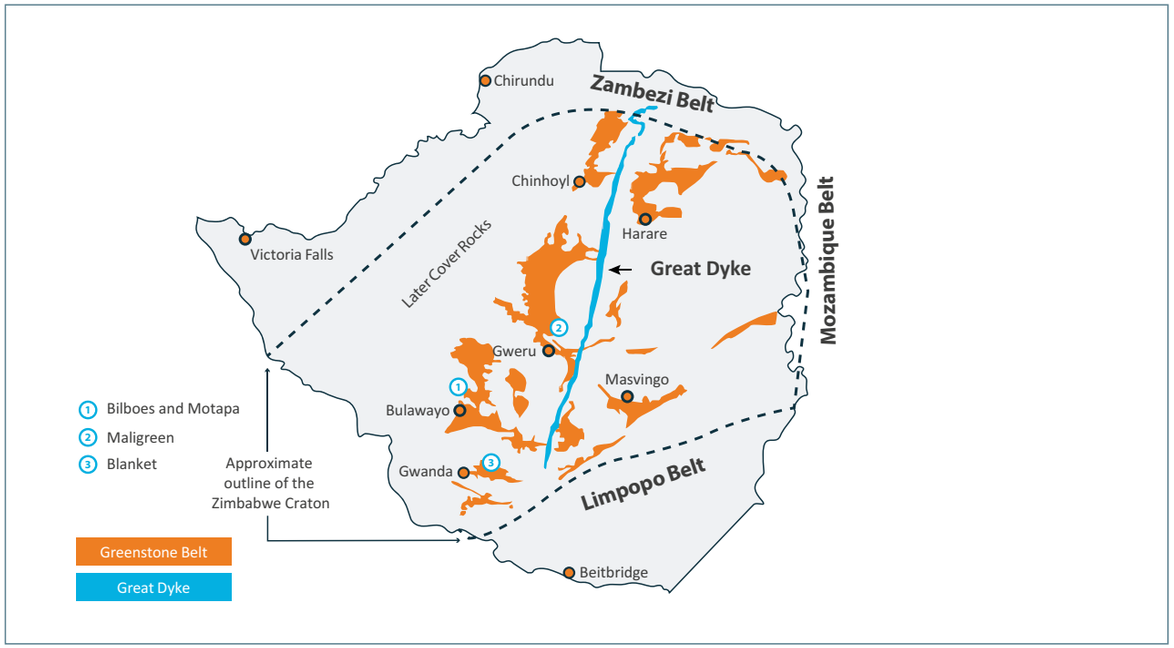
- Older greenstones called the Sebakwian Group, which are mostly metamorphosed to amphibolite facies. They comprise komatiitic and basaltic volcanic rocks, some banded iron formation ("BIF"), as well as clastic sediments.
- The Lower Bulawayan Group, which comprises basalts, high-Mg basalts, felsic volcanic 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.



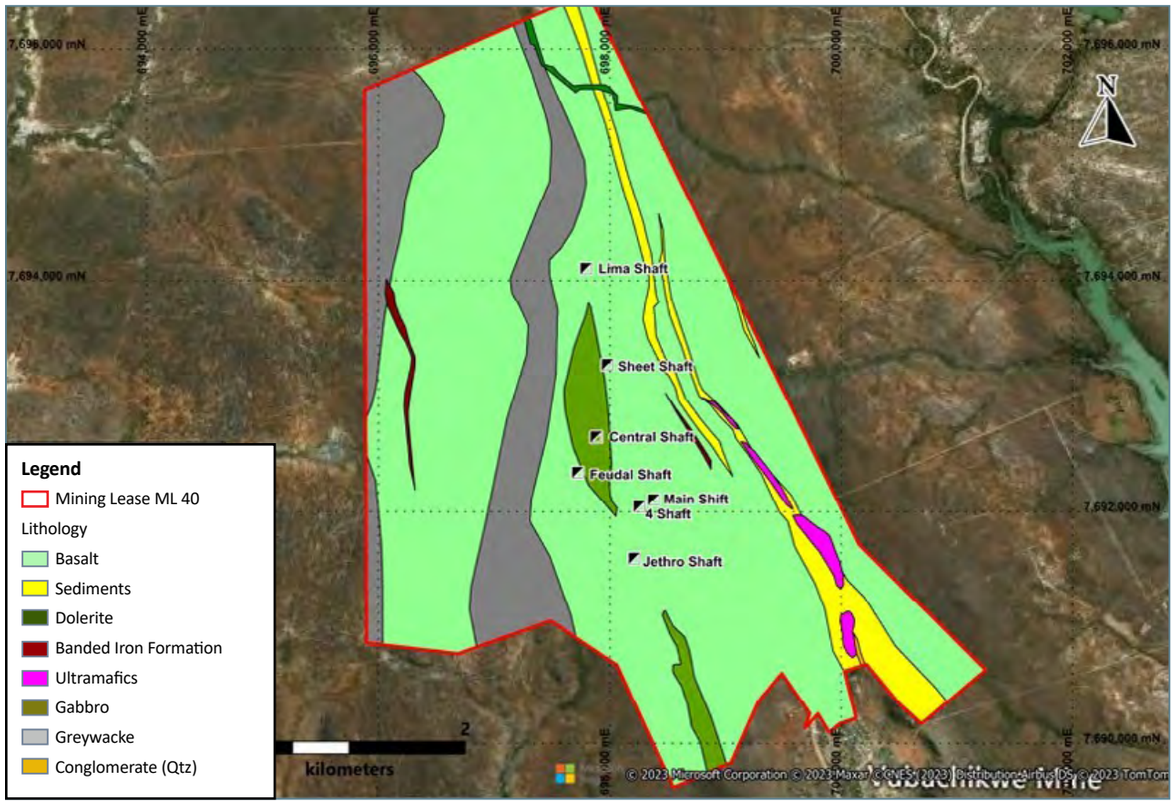
Operations at Blanket *continued*

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 pipe-like disseminated sulphide replacement ("DSR") ore bodies.

Blanket is part of the group of mines that make up the North Western Mining Camp 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.



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.

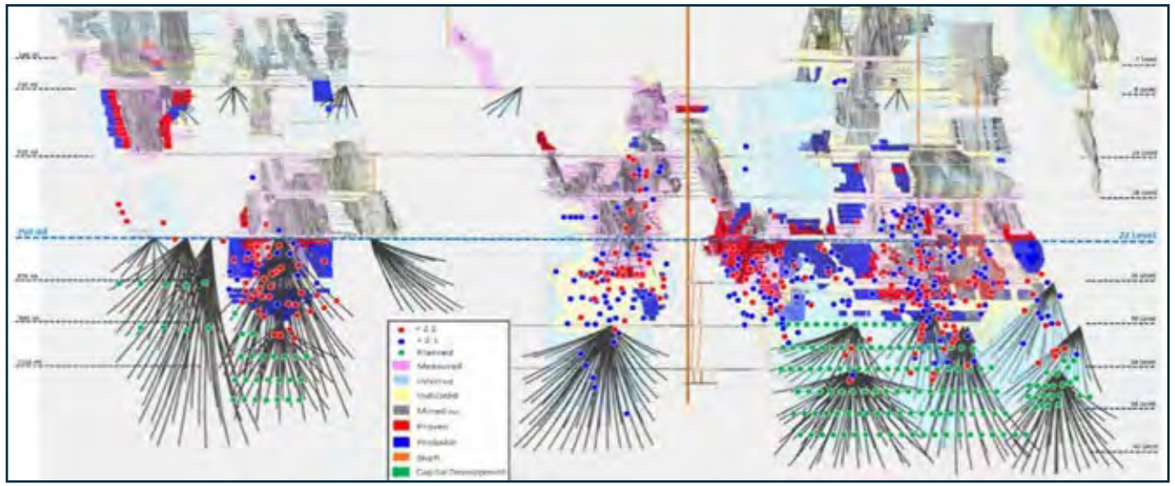
The ultramafic-mafic unit is in turn overlain to the west by the mafic unit, a thick sequence of tholeiitic and pillow basalts. Within the mafic unit a prominent shear zone, up to 50m wide, runs over a 3km strike across the length of the property and is the locus of all ore bodies exploited on Blanket.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



Operations at Blanket *continued*

On-mine exploration and development

Blanket 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 ore bodies.

The ongoing underground drilling programme at Blanket targeted the Eroica, Blanket and AR south ore bodies and yielded encouraging results which were published on July 10, 2023 and January 30, 2024. The drill results showed that grades and widths were generally better than expected. In May 2024, the drill results were incorporated into a revised mineral reserve and resource statement which showed that, inter alia, Blanket's estimated reserves had more than doubled and Blanket's life-of-mine (based only on estimated mineral reserves) had been extended to 2034.

Total drilling for 2023 was 13,280 metres and the results indicate that the existing Blanket, Eroica and AR South ore bodies have grades and widths which are generally better than expected.

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

https://vrify.com/decks/11485



Highlights from Blanket's NI 43-101 technical report

(Issued on May 15, 2024)

Mineral resources

Over the past few years Blanket have upgraded its mineral resource estimation system from a historical manual block listing methodology to a fully digital estimation process. The historical sampling database has been captured and can be used for more sophisticated interpolation in the 3D environment. In addition to this, the historical mining voids and development have been captured and can be utilised for the mineral resource depletions and mine planning for mineral reserve purposes.

The 3D digital environment allows for the scrutiny and review of the geological data in a holistic fashion which was previously not possible. By doing so, geological trends and patterns can be identified to develop geological concepts that can be used in exploration targeting and the planning of drilling programmes.

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.

A total measured mineral resource estimate of 1.76Moz in 15.27Mt of ore at a grade of 3.64 g/t and an estimated indicated mineral resource estimate of 1.06Moz in 8.82Mt of ore at a grade of 3.74g/t is included in the LoMP. These amounts are on a 100% attributable basis. A LoMP of 10 years and 10 months is envisaged for Blanket based on mineral reserves only. Management is confident, based on the past conversion of inferred mineral resources, that the LoMP, including inferred mineral resources, will extend to 2041.

Please see page 76 for the mineral resources and reserves statements.

Blanket's LoMP extended to 2034 based on estimated mineral reserves

(and expected to further extend to 2041 if inferred mineral reserves are converted in due course).

Mining

The LoMP is logical and the planned production rates are achievable. The mining strategy targets primarily the mineral resources below 750m. Mining in the Lima ore body targets mineral resources above 750m. In the ARS East West Limb, Blanket and Blanket Feudal ore bodies, some mining will take place above 630m.

Engineering and infrastructure

The existing and planned infrastructure at the Blanket Mine and Central Main Shaft extension projects are sufficient to sustain the current production profile and the planned increased production.

Processing

The process plant has been operating at a consistent recovery of 93.8% for the past two years after the installation of a new oxygen plant in the first quarter of 2020. The plant has demonstrated a throughput of 64Kt per month for the past 12 months.

Phase 1 of a new TSF was successfully commissioned during December 2023. Phase 1B is currently under construction and is scheduled for completion during 2024. The final Phase 2 has been budgeted for and is scheduled for completion and commissioning during 2025.

The new TSF, once completed, will provide depositional capacity at current production levels to Blanket for a further 20 years until 2044.

Economic analysis

A discounted cash flow ("DCF") value of $107 million for the Blanket Mine was calculated at a real discount rate of 15.4% on a 100% attributable basis based on diluted measured and indicated resources (i.e. excluding the inferred resources which are included in Blanket's operational plans). No internal rate of return ("IRR") could be calculated since the mine is in operation and no initial investment is required.

Blanket's economic performance is most sensitive to variations in commodity prices and grade, and least sensitive to capital expenditure.

The AISC for the Blanket Mine amount to $130/milled tonnes, which equates to $1,312/oz. The all-in costs for the Blanket Mine were calculated as $132/milled tonnes, which equates to $1,330/oz. Blanket therefore has a break-even gold price of $1,330/oz including capital with an all-in cost margin of 24%, which is comparable to similar mines.

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

Operations at Blanket *continued*

Metallurgical process

Depending on the source of ore within the overall mining area, it is hoisted up either the No 4 Shaft (which mainly handles ore from 750m and above) or the Central Shaft (which handles ore from below 750m).

Run-of-mine ore which is handled by No 4 Shaft is reduced to a particle size 100% passing 350mm is by primary blasting, this is then 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 of over 2,000 tonnes for storage as mill feed.

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 recover the free gold, which accounts for approximately 50% of Blanket Mine's 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:

- BM6 – 12ft x 16ft [750kW motor]
- BM10 – 12ft x 18ft [1.25MW motor]

Discharge from the regrind mills at a grind size of 80-85% passing 150 microns joins is charged 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 doré 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 to optimise cyanide usage and to minimise the cynanide of the tailings.

A pressure swing adsorption ("PSA") oxygen generator supplies preconditioning oxygen into the CIL, which assists in optimising cyanide consumption and leach kinetics.

Tailings slurry from the CIL circuit is detoxified using ferrous sulphate to less than 100ppm 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 Zimbabwean and South African suppliers and distributors.

The only current process plant capital project is the construction of the new TSF which commenced in March 2023. The construction of the new TSF will be done over three years with Phase 1A completed in 2023 and Phase 1B to be completed in 2024. Phase 2 is to be completed in 2025.

Deposition at the new TSF started on October 30, 2023 and we have since stopped deposition at the old TSF. The old TSF will remain on standby until the new TSF is fully commissioned sometime in 2025.

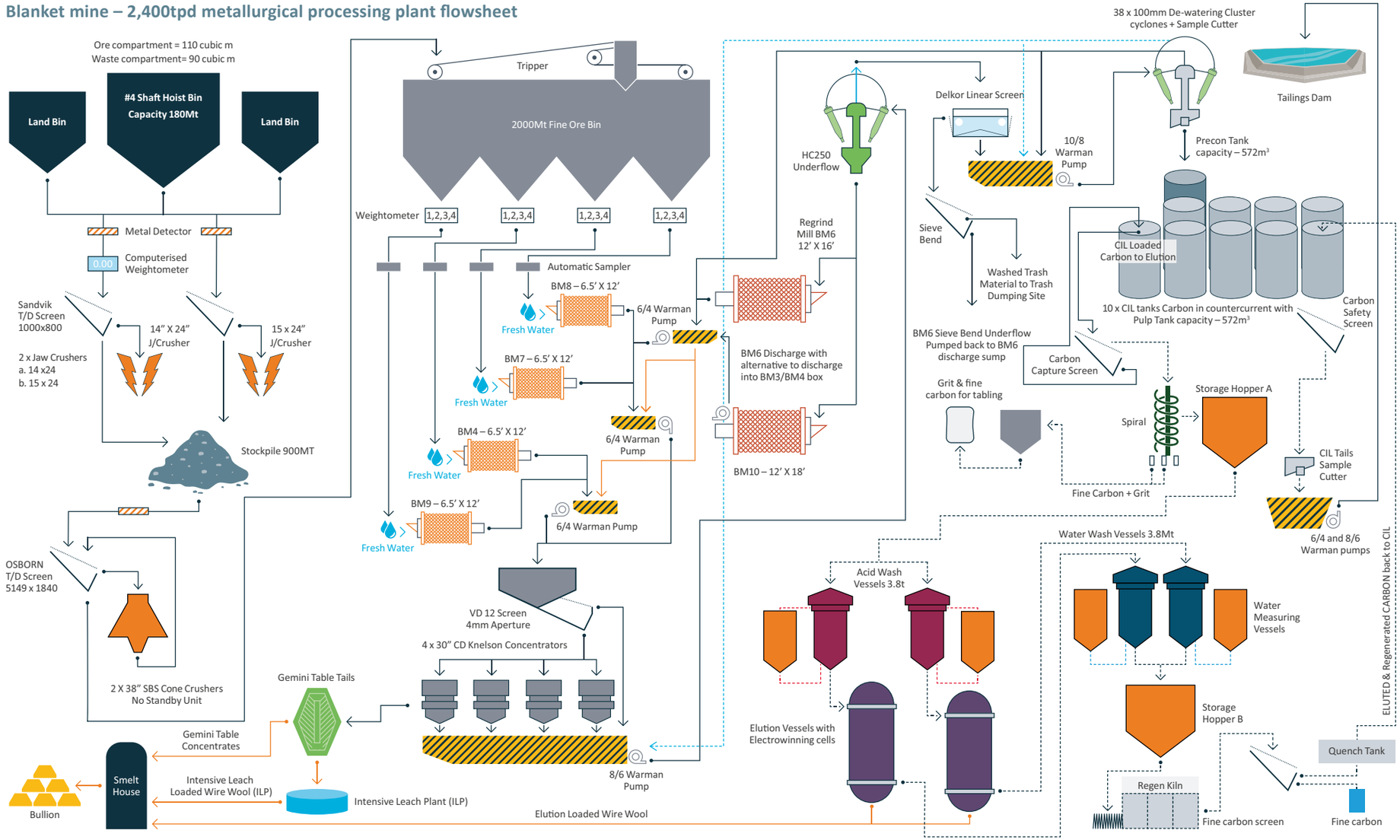
- Phase 1A included construction of most of the infrastructure such as slurry pumping and return water pump systems
- The life of the new TSF is expected to be 20 years at the projected deposition rate of 900,000 tonnes per annum





Operations at Blanket *continued*

Blanket mine – 2,400tpd metallurgical processing plant flowsheet





Operations at Blanket *continued*

Operational performance at Blanket

Gold production

Tonnes milled, average grades, recoveries and gold produced between 2016 and 2023 are shown in the table below.

Year	Tonnes milled (t)	Gold head (feed) grade (g/t Au)	Gold recovery (%)	Gold produced (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
2023	**770,440**	**3.25**	**93.8**	**75,416**

Underground

The record 770,440 tonnes milled for 2023 was 2.4% higher than the 752,033 tonnes milled in 2022. The increased production tonnes in 2023 was due to the elimination of bottlenecks which were experienced in the first half of 2023 such as big boulders due to poor blasting practices and tramming breakdowns. A further focus on optimising the hoisting capacity at the Central Shaft improved ore handling and a focus on higher margin areas in January 2024 further improved the underground efficiencies and tonnes hoisted at Blanket.

Electricity supply

The poor quality of electricity supply from ZESA is the most significant production risk at Blanket. During 2023, 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 and outrages which, if not controlled, may cause severe damage to Blanket's electrical equipment.

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%.

In the absence of equipment to control these surges, Blanket needs to switch to diesel power to allow mining and processing activity to continue, but generator use increases production costs and capital expenditure.

The following initiatives have been implemented by Blanket to alleviate the power challenges:

- Over recent years it increased its diesel generating capacity to 18MW of installed capacity.
- Installed two 10MVA auto tap transformers on the ZESA supply line to protect equipment at No 4 Shaft and the main metallurgical plant from voltage fluctuations on the incoming grid supply.
- Two further 10MVA auto tap transformers were installed to protect equipment at Central Shaft.
- Caledonia's 12.2MWac solar plant, fully commissioned in early February 2023, provides approximately a fifth of Blanket's average daily electricity demand. The project was completed at a cost of $14.2 million in 2023 (includes construction and other project planning, structuring, funding and administration costs). Following the implementation of the solar project, Blanket has substantially reduced its diesel consumption: average monthly diesel consumption in 2023 was 123,973 litres, compared to 300,765 litres in 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 Zimbabwe which would be wheeled to IEUG members through the Zimbabwean power grid. As a result of this arrangement, Blanket has paid a lower tariff for IEUG supplied energy from April 2023, but it has not improved the quality of power received at Blanket due to the continued challenges with the Zimbabwe grid.

Management is investigating options to alleviate the instability in the utility supply and further reduce the use of diesel generators. Investigations are also in process to reduce Blanket's overall electricity consumption by utilising the available shafts and machinery more efficiently. Management is also considering an option to increase the size of the solar plant.

Water supply

Blanket uses water in the metallurgical process. Blanket is situated in a semi-arid region and rainfall typically only falls between November to February. The 2022/2023 rainy season was poor, thus management is looking at ways to reduce our water consumption and locate alternative sources which include boreholes.

Safety, health and environment

The following Blanket safety statistics were recorded in 2023 and 2022.

Classification	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Fatality	–	–	–	**1**	–	–	–	1
Lost-time injury (LTI)	**2**	**2**	**5**	–	1	1	2	–
Restricted work activity	–	**5**	**7**	**6**	2	1	1	–
Total	**2**	**7**	**12**	**7**	**3**	**2**	**3**	**1**
Incidents	**10**	**10**	**3**	**14**	6	14	10	9
Near misses	**7**	**4**	**4**	**4**	1	6	7	4
Disability injury frequency rate *	**0.20**	**0.71**	**1.35**	**0.80**	0.33	0.22	0.36	0.12
TIFR *	**0.40**	**0.81**	**1.35**	**1.36**	0.56	0.34	1.08	1.07
Man-hours worked (000's)	**2,009**	**1,982**	**1,780**	**1,760**	1,801	1,788	1,672	1,686

** Per 200,000 hours worked*

The number of incidents as reflected in the total injury frequency rate increased in 2023. Blanket's safety performance compares favourably with other deep level underground gold mines. However, management believes the safety performance at Blanket should be seen as a continuous focus area. The Nyanzvi 2 initiative (discussed below) is designed to increase safety awareness and reinforce strict adherence to prescribed safety procedures.

Nyanzvi Initiative

Safety is a key focus of Caledonia's Nyanzvi Initiative, which 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. In 2023, we conducted safety training for 505 employees through the Nyanzvi Initiative, with a further 670 employees trained in basic first aid.

A total of 102 employees were trained on Nyanzvi 2 during 2023. This consisted of co-creation training of the engineering leadership, which comprises 17 section engineers, managers, foremen and charge hands. An engineering pilot team of 11 employees was also trained. The team rankings for the best performers for all departments continued in 2023.

Operations at Blanket *continued*

Capital expenditure

Capital expenditure at Blanket in 2024 is estimated at $30.8 million (inclusive of CMSA's procurement margin). Planned capital expenditure for 2024 is in the following areas:

- New TSF (Phase 1B): $4.7 million
- Underground capital development at 30 and 34 levels: $8 million
- Utilities for the Central shaft infrastructure: $2.1 million
- Information technology infrastructure: $1.5 million
- Electrical engineering: $2.5 million
- Mill and surface engineering: $2.1 million
- Employee housing: $1.4 million

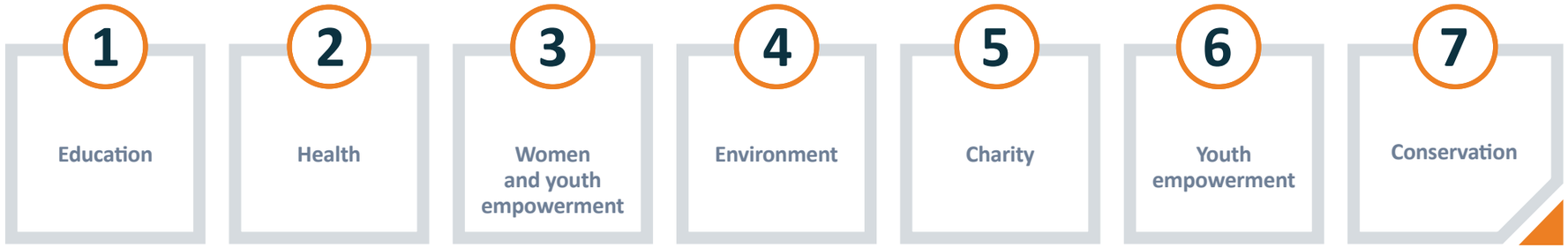
Social investment and contribution to the Zimbabwean economy

Blanket's investment in CSR are set out in the table below. These are not directly related to the operation of the mine or the welfare of Blanket's employees, the payments made to the GCSOT and payments of taxation and other non-taxation charges to the Zimbabwe government and its agencies.

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

Year	CSR initiatives	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	12,060	7,124	**21,272**
2023	**1,491**	**550**	**11,871**	**7,316**	**21,228**

CSR initiatives fall under seven pillars:



The main CSR programme at Blanket relates to the refurbishment of the maternity clinic, the primary and secondary schools, and the youth centre at Sitezi, which is located approximately 17km from Blanket. Activities in respect of this project during 2023 included:

- Completing renovations of five classrooms, three offices, one computer laboratory and one science laboratory at Sitezi Secondary School. The renovations included tubing and wiring of electricals and putting up ceilings. Renovation of the secondary school administration block also commenced in the fourth quarter of 2023.
- Construction of the waiting mothers' shelter began and was at slab level by the end of the fourth quarter of 2023. Completion is expected in the second quarter of 2024. Repairs to the clinic buildings such as doors, windows, painting of walls and roof repairs were also done.
- The bulk of material such as batteries and other accessories for the solar plant to supply the clinic, secondary school and primary school with power was procured in the fourth quarter of 2023 and installation started in the first quarter of 2024.
- To ensure secure and stable supply of water for the Gwakwe garden irrigation scheme, Blanket continued supplying irrigation water to the garden from Smiler shaft. The water augmentation project to four boreholes of the garden which began during the second quarter of 2023 continued in the fourth quarter of 2023. Pipes for the pipeline were laid out, and connection to the national electricity grid was completed in the fourth quarter of 2023.
- Work on upgrading the Sabiwa Stadium to meet the requirements of the Zimbabwe Football Association for Division 1 Premier Soccer League stadia in the country continued with the extension of the pitch and running tracks. Material for building changing rooms and ablution facilities was delivered on site with construction set for the first quarter of 2024.The stadium, which had been used exclusively by Sabiwa High School, will cater for football activities for the entire local community.
- Repairs to the clinic's water reticulation system were completed. Construction of the waiting mothers' shelter began during the fourth quarter of 2023.
- A small solar power plant will be constructed to supply the clinic, secondary school and primary school. The solar power will help maintain cold chains for medical supplies and samples at the clinic and provide lighting and energy supply to the clinic and the two schools for powering IT equipment such as computers and interactive boards. During the third quarter of 2023 the overhead electricity line was installed to connect the clinic to the eventual site of the solar project.
- A new septic tank was installed and the soak-away constructed at the clinic. These two facilities will serve the whole clinic complex including the waiting mothers' shelter that will be constructed.

Blanket undertook repairs to the old Gwanda Road, patching the potholes which had become a hazard.

Under the conservation pillar, Dambari Wildlife Trust was granted $113,000 to carry out its work on conserving black and white rhinos in the Matopos Hills areas. Dambari Trust is working with Victoria Falls Wildlife Trust as its subgrantee.

Revised marketing arrangements for gold

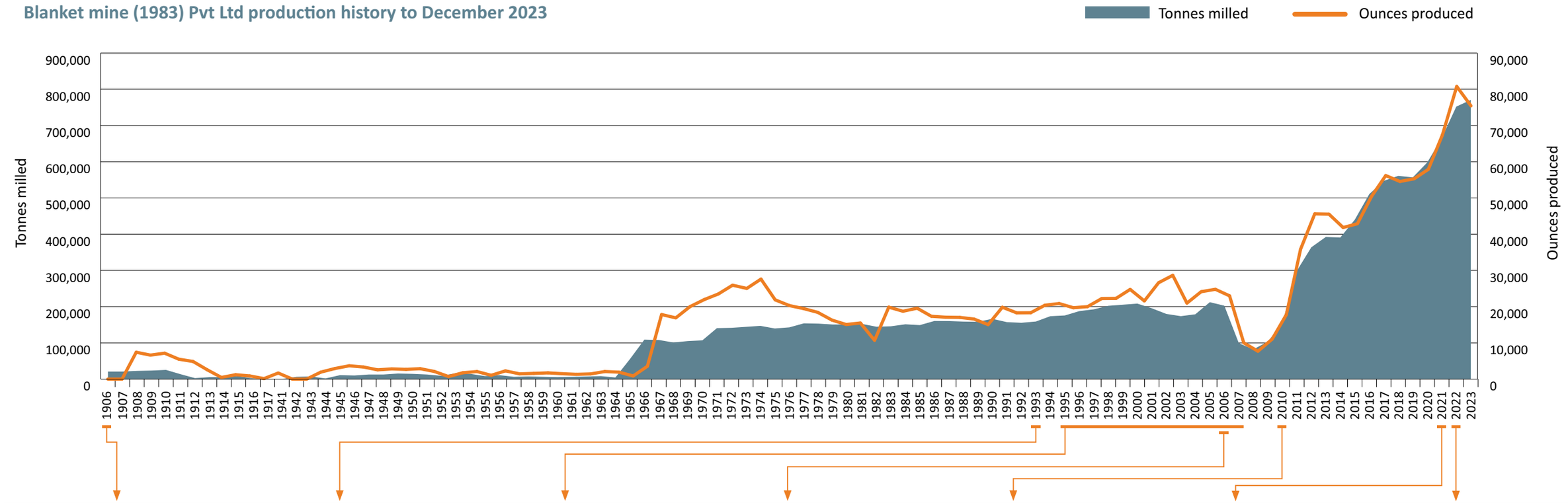
From April 2023, Caledonia has sold 75% of its gold production to an offshore refiner. 100% of the unrefined gold produced by Blanket is processed on a toll-treatment basis at Fidelity Gold Refinery (Private) Limited ("Fidelity"), a subsidiary of the Reserve Bank of Zimbabwe ("RBZ"). 75% (less statutory deductions or royalties) of the gold is then exported from Fidelity to a refinery outside Zimbabwe, which undertakes the final refining process and purchases the gold from Blanket. Blanket receives the proceeds of the offshore gold sales directly into its bank account in Zimbabwe in USD within a few days of delivery to the final refinery. The remaining 25% of Blanket's gold production is sold to Fidelity, which pays local currency.

Operations at Blanket *continued*

Blanket's history

Between 2007 and 2023, Blanket milled approximately 7.3Mt and produced 0.8Moz of gold

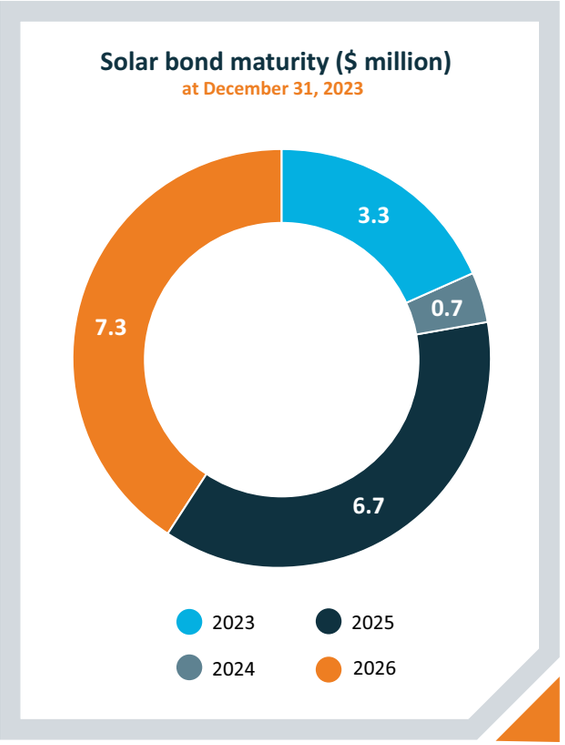
Blanket mine (1983) Pvt Ltd production history to December 2023



1904 – 1906	1993	1995-2007	2006	2010	2021	2022
7,413oz Production started	**20,396oz** • Kinross purchased Blanket • Between 1993 and 2006, Kinross milled 2.4Mt and produced 0.4Moz of gold	**Avg. 22,202oz** Blanket tailings dam construction and treatment of previous tailings dam	**22,985oz** Caledonia purchased Blanket	**17,707oz** Commissioning of No 4 Shaft expansion project	**67,476oz** Central Shaft commissioned	**80,775oz** Record annual gold production

Solar plant

Blanket experiences an unstable grid power and power outages. In late 2019 Caledonia initiated a tender process to identify parties to make proposals to construct a solar project to reduce Blanket's reliance on grid power.



In 2020, the Caledonia Board approved the project and the Company raised $13 million (before commission and expenses) to fund the project through the sale of 597,963 shares at an average price of $21.74 per share on the NYSE American. Caledonia's 12.2MWac 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 IR the plant provides approximately a fifth of Blanket's average daily electricity requirement.

Due to the unique operating environment in Zimbabwe and Caledonia's significant in-country expertise, the Company opted to appoint a contractor to build the solar plant using Caledonia's own resources rather than relying on an external party and selling the resultant power to Blanket on a long-term contract. Accordingly, Caledonia constructed the solar plant using its own financial resources at a cost of $14.2m. As the solar plant was fully commissioned in February 2023 and is operating as designed, Caledonia no longer needs to own the solar plant, provided it retains long term access to the power it produces. Therefore, in the second quarter of 2023 management embarked on a process to sell the solar plant. Various offers were received, and a bidder has been given exclusivity to conduct due diligence and further negotiate the sale of the plant after proving their ability to operate and fund solar plants of a similar size and complexity. Management is at an advanced stage of finalising the contractual arrangements to sell the solar plant whereby the new owners will exclusively supply Blanket with electricity from it. In recent months the terms of the transaction have been revised to cater for the extension to Blanket's life-of-mine, based on internal estimates and inferred resources, which increase the life of the power purchase agreement which in turn has implications for the overall transaction value. This transaction is expected to realise a profit on Caledonia's investment in the plant and release cash for reinvestment in Caledonia's core business. Caledonia has also invited the prospective purchaser to consider extending the plant to provide more power.

The solar asset was re-classified as held for sale as at December 31, 2023 in the Consolidated Financial Statements. Up to the date of the approval of this IR the asset has remained classified as held for sale.

In December 2022, the Caledonia Board approved the issue of up to $12 million of loan notes ("solar bonds") by Caledonia Mining Services (Private) Limited ("CMS") (which owns the solar plant). The decision was taken to optimise the capital structure of the Group and to help stimulate the development of the Zimbabwean debt capital market. The bonds have a fixed interest rate of 9.5% payable bi-annually and a tenor of three years from the date of issue. In preparation for the proposed disposal of the solar plant to a third party (as discussed above) in 2024 all bonds issued by CMS were transferred to and made the responsibility of CHZ and subsequent bond issues were made by CHZ. This step was taken so that Caledonia could continue to develop its relationships with Zimbabwean bond investors. Bond repayments are guaranteed by the Company. At the date of this IR, $9 million of bonds have been issued to Zimbabwean commercial investors.

Solar as a strategic solution

Solar introduces a third electricity supply source (alongside power which is sourced from the IEUG and delivered via the Zimbabwe power utility and diesel generators) which is currently under Caledonia's control and improves the reliability of power supply. 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.

Caledonia is exploring options to increase the size of the existing solar plant which supplies Blanket.

Caledonia is delighted to have won the Climate Award at the Investing in African Mining Indaba's 2024 Responsible Resourcing Awards. These awards recognise companies with innovative and transformative initiatives that are in line with responsible mining, protecting the environment, supporting local communities, and forging a path towards a more sustainable and ethical future for the mining industry.



Bilboes

BILBOES SULPHIDE PROJECT

Bilboes is a large, high-grade gold deposit located approximately 75km 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, the Bilboes gold project in Zimbabwe ("Bilboes").

The total consideration was 5,123,044 shares (the "Consideration Shares") representing 28.5% 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.

The Company understands that the project has produced approximately 294,000 ounces of gold since 1989 via a heap leach process.

Following completion of the transaction in January 2023, Caledonia commissioned its own feasibility study to identify the most judicious way to commercialise the project to optimise shareholder returns. The Company issued a PEA on June 3, 2024 and this can be found on Caledonia's website: **https://www.caledoniamining.com/operations/bilboes/**). The PEA reflects the work that has been done by Caledonia and its consultants over the period since acquiring the project. This work focused on updating the feasibility study in respect of the project that was prepared on behalf of the previous owners of the project and which had an effective date of December 15, 2021. The work also considered alternative development options for the project, which included multi-phase development and changes to certain aspects of the project. The main change to the project development plan that has been made relates to the proposed construction of the TSF at Bilboes, which will now be constructed on a modular basis to reduce the capital expenditure and therefore improve the economic returns. Over the course of the next nine months, the Company intends to upgrade the confidence level of the study in respect of the TSF so that the entire body of work on the project may be classified as a feasibility study which will be published in due course.

Property description and location

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

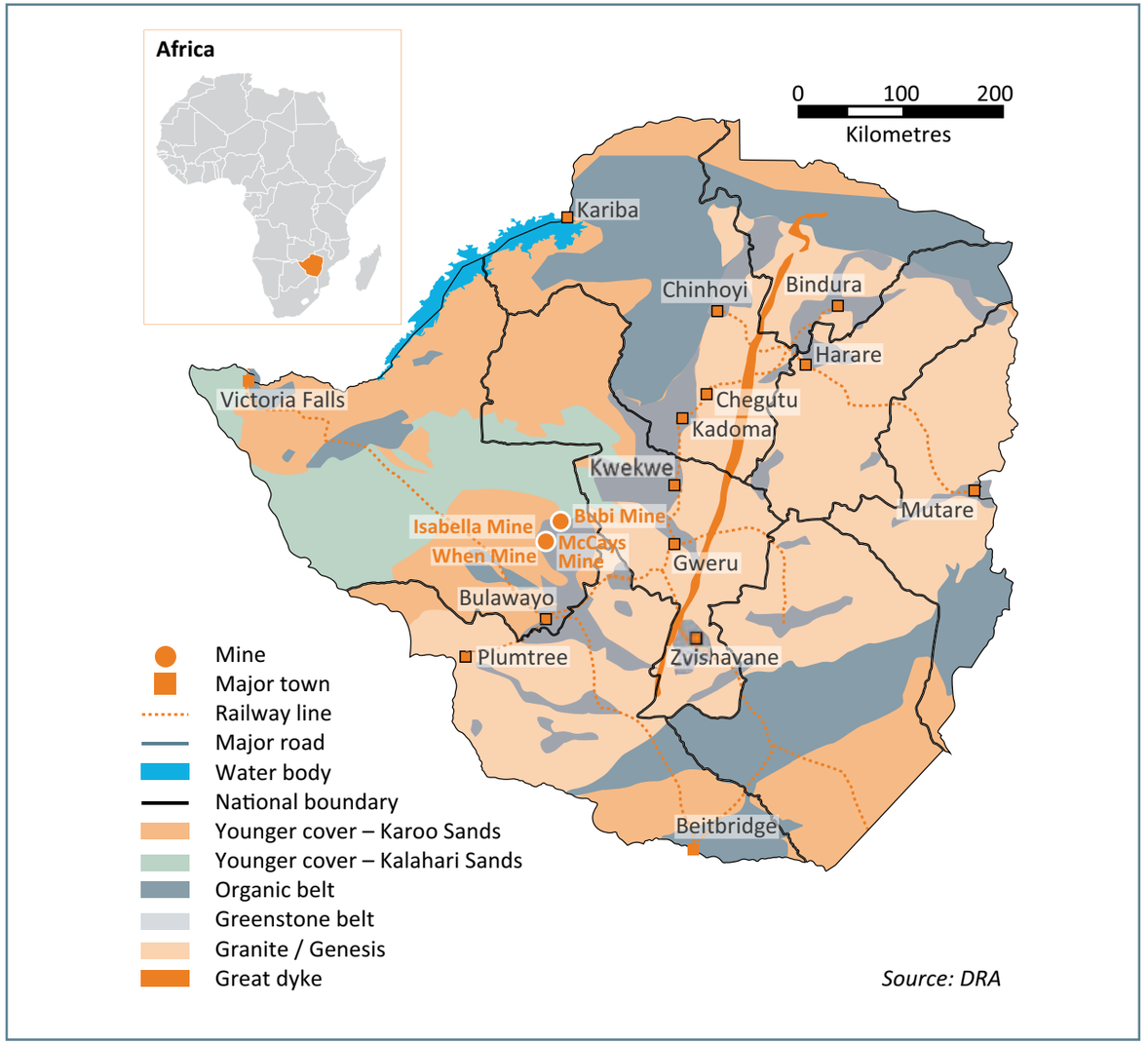
Isabella McCays-Bubi are approximately 80km and 100km directly north and north-east of Bulawayo, the second largest city of Zimbabwe with an approximate population of 1.2 million (2016).

The Isabella McCays-Bubi properties comprise 130 claim blocks covering an area of 2,731.6ha.

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 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 *continued*

Electricity

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 and 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.

Detailed design should be considered to reduce the secondary voltage to 11 kV to enable the MV motors to be fed directly without an additional 33/11 kV transformer. The 1.5MVA required by Bubi can also be supplied at 11kV. Power factor correction will be done with 11 kV capacitors.

Interfaces with other designs occur at the following:

- Zimbabwe Electricity Transmission and Distribution Company ("ZETDC")
- 132 kV substation

The bulk electricity supply for the project is being planned to cater for a production rate of 508tph ROM. This corresponds to an electrical load of up to 34MVA.

Four 2.5MVA emergency power generator sets will be installed and connected to the 11kV consumer substation. Emergency power is reticulated to downstream substations at 11kV, where it is distributed to the Motor Control Centre (MCCs).

Water

The main sources of water for the current operation are pit dewatering and a series of 12 boreholes located across the claims area. Proposed stormwater collection dams and the pollution control dams as proposed were designed in compliance with the IFC Environmental, Health and Safety ("EHS") Guidelines for Mining (2007), together with the applicable local Zimbabwean standards.

Groundwater numerical modelling was undertaken to simulate the mining operation at Bubi Isabella McCays and the related establishment of the TSF at Isabella McCays. The objective of the modelling is to determine the potential impact on the groundwater flow and groundwater quality during and post mining for Isabella McCays and Bubi. Isabella McCays and Bubi are located 32km apart, and therefore a separate groundwater model was developed for each site. The cone of drawdown predicted for both mines show that after 100 years of simulation, both pits will present a residual drawdown of approximately 10m. However, the extent of each cone of drawdown is decreasing in time and will remain within the boundaries of the mine sites. The mass transport simulations indicate that a liner is necessary to contain the migration of the contaminant plume from the contaminant sources.

Geological setting, mineralisation and deposit

Geology in Zimbabwe comprises three main areas: Archean, Proterozoic and the Phanerozoic.

The Bubi Greenstone Belt (Archean) covering Bilboes project consists of volcanic rocks of the Upper Bulawayan Group and capped by sedimentary sequences of the Shamvaian Group locally represented by Mdutjana and Dagmar Formations respectively. The gold deposits occur within the meta-volcanic and meta-sediments close to the contact between these two stratigraphic units.

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 at the four Bilboes properties is of the hydrothermal variety and consists of silicified stockworks / veins that host pyrite and arsenopyrite. Gold is disseminated within the sulphide mineralisation and is refractory. The mineralised zones are often subparallel to each other and are hosted in a much broader shear zone. The best mineralised zones are associated with brecciation and silicification.

These deposits form from hot water circulate through fractures in Earth's crust. As the hot water moves, it leaches metals from surrounding rocks. Eventually, the metallic-rich fluids become supersaturated and precipitate plant feed minerals, including gold. The process involves hydrothermal fluid circulation and precipitation within a selected volume of rock.

The Bilboes deposit is an orogenic gold deposit. The gold in orogenic gold deposits is generally found in quartz veins or as disseminations within the host rock. The gold is often structurally controlled, meaning it is concentrated along faults, shear zones, or other structural features within the rocks. Orogenic gold deposits can be found in various geological settings, including continental margins, island arcs and suture zones. Gold precipitates from hydrothermal fluids due to suitable physical and chemical processes.

History

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, containing 4.7Mt of Inferred mineral resourcet grading 3.49 g/t. This estimate used a 2.0 g/t cut-off for delineation of the mineral resource estimation domains.

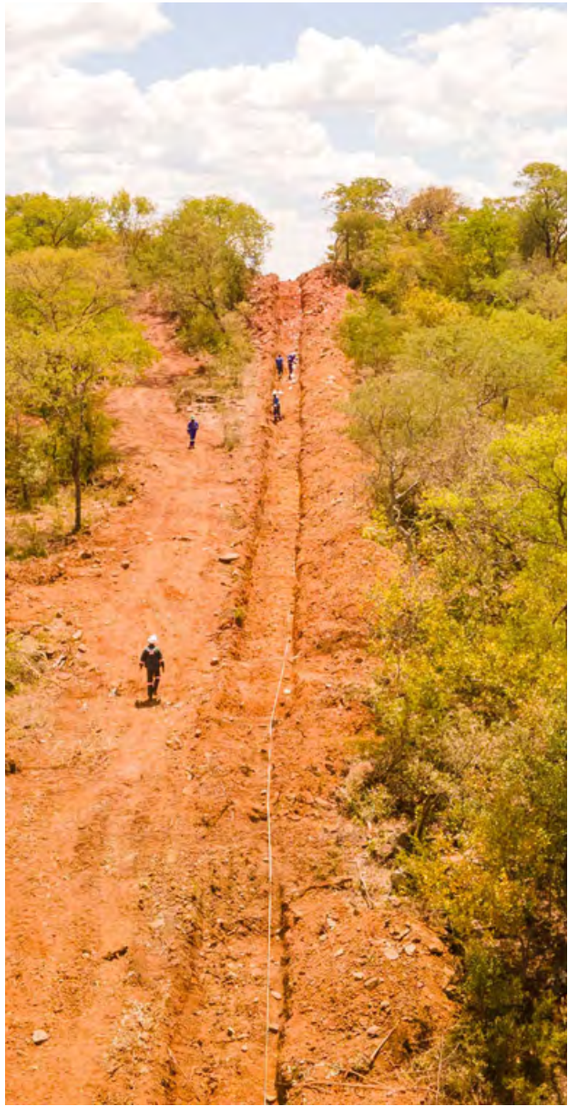
Sulphide exploration

Drilling of the sulphides to provide data for the mineral resource estimate was completed in three phases:

- **Phase 1:** Anglo American Corporation between 1994 and 1999
- **Phase 2:** Bilboes Holdings between 2011 and 2013
- **Phase 3:** Bilboes Holdings between December 2017 and November 2018

Phase 1: Anglo explored the sulphide potential beneath the oxides between 1994 and 1999. The results of widely spaced core drilling of the sulphides were used by Anglo American to estimate a non-compliant mineral resource for this mineralisation and delineated 4.7Mt at a grade of 3.49g/t and containing 533,000 oz of gold over a 3,400 m strike to a vertical depth of 120m from 17,650m of core drilling.

Phase 2: Between 2011 and 2012, Bilboes Holdings completed further exploration on the sulphides with 20,437m from 90 core holes and 20,325m from 144 reverse circulation ("RC") holes in 2013 and extended the strike to 7,400m and achieved a vertical depth of 160m for the mineralisation.



Bilboes *continued*

Phase 3: An additional 34,988m of drilling, split as 17,015m from 129 core holes and 17,972m from 178 RC holes was completed between December 2017 and November 2018. This was largely an infill drilling programme for a mineral resource upgrade across all deposits at Isabella, McCays and Bubi and achieved a vertical depth of 200m.

The total project drilling conducted over the three phases is 93,400m of core and RC holes. Sulphide mineralisation underlies all the oxide deposits at variable depths from 15m to 50m. Two exploration campaigns account for historical exploration of sulphide gold deposits at Bilboes. Both exploration campaigns were headed by Prospecting Ventures ("PV"). The first drilling campaign occurred in 1994/5, during which 24 drill holes were completed. In the second drilling campaign which took place in 1997/9, 99 drill holes were completed. A total of 123 holes with a total of 17,650m (12,650m core and 5,000m percussion) were drilled at Isabella, McCays and Bubi, covering a strike of 3,440m.

Drill hole depths varied between 70m and 350m for the core holes, with the holes being collared through percussion drilling to a depth of 50m. The percussion holes were largely used to estimate the oxide mineral resource and to define the oxide/sulphide interface. Only core drill holes were included in the sulphide database. The drill line spacing varied between 25m and 100m with 25m between holes along these lines.

The initial holes drilled by PV before 1995 targeted the Calcite (5), Castile (9) and McCays (10) deposits. The majority of these were drilled at 45° inclines and from hanging wall positions of the mineralised zone. A few exceptions resulted from unavailability of a suitable collar position due to the open pits. Sampling was limited to the visually recognisable alteration zones resulting in approximately 30% of the total hole length being sampled.

At the Diana pit (Isabella), 14 holes were drilled, two spaced at 10m and two at 50m, with the rest spaced at approximately 25m intervals. One hole was drilled on each line, all from the hanging wall with one from the footwall. The mineralised intersections occurred at 45m to 95m with one intersection at 125m (DE15-530S). The footwall of the mineralisation intersected was at 169m to 182m.

At Maria pit (Isabella) all six holes (1998-9) were drilled from the hanging wall with five holes spaced at 25m and the rest at 50m. The average intersection depths occurred at 45m from surface and geological envelopes were modelled down to 100m from surface. Two parallel, mineralised zones steeply dip at 70° to SE and the hanging wall plant feed body stretches along the entire length of the pit, but the footwall zone is restricted to the eastern end of the strike.

A total of 15 holes were drilled along the Calcite strike from the footwall and two from the hanging wall at 50m to 120m line spacing. The deepest intersection occurred at 130m from surface and the intersection depths ranged from 50m to 120m. The eastern end of the strike remains open.

The Castile drilling intersected two mineralised zones that were modelled to 110m from surface, but the mineralisation remains open on all sides. Two holes intersected a significant parallel mineralisation (6.68g/t over 10.59m and 4.90g/t over 9m) in the footwall of the two main zones. Both holes ended in mineralisation and require further investigation in future. These holes have not been investigated in the 2017/8 drilling campaign because they lie outside of the proposed open pit.

The 25 holes at Bubi covered a strike of 900m on lines 25m apart except for two holes which were spaced at 50m and 100m. All the holes (but one) were drilled from the hanging wall in the same SE direction inclined at 45°. Three distinct, parallel zones were identified but these were discontinuous along strike and the mineralisation remained open ended towards the southern strike of 1,500m. The oxide cap is 15m to 30m from surface and only 10m in the southern strike. Drilled intercepts start at 20m to 80m and the deepest occurs at 130m. The geological models were done to a vertical depth of 170m from surface.

At McCays 23 holes were drilled in the pit and two mineralised zones were defined along strike but broken up mid-way. Drill spacing was at 50m to 100m with a few lines having two holes each. All holes were drilled from the hanging wall but at varying inclines from 45° to 60°. The geological models were created to 160m vertical depth with average intersections occurring at 75m. Two of the holes at McCays had deep (but low grade) intersections that do not form part of the established pattern of mineralisation.

A summary of the drilling completed is presented in the below tables.

Phase 1 drilling: 1994 - 1999

		Core		RC		Core + RC			
Mine	Deposit	No of holes	Drilled length (m)	No of holes	Drilled length (m)	No of holes	Drilled length (m)	Depth achieved (m)	Total strike (m)
Isabella	Isabella North	31	4,800	–	–	31	4,800	150	890
	Isabella South	44	5,650	–	–	44	5,650	150	650
McCays	McCays	23	4,000	–	–	23	4,000	350	1,000
Bubi	Bubi	25	3,200	–	–	25	3,200	12	900
Total		**123**	**17,650**	**–**	**–**	**123**	**17,650**	**165**	**3,440**

Phase 2 drilling: 2011 - 2012

		Core		RC		Core + RC			
Mine	Deposit	No of holes	Drilled length (m)	No of holes	Drilled length (m)	No of holes	Drilled length (m)	Depth achieved (m)	Total strike (m)
Isabella	Isabella North	32	8,625	27	4,848	59	13,473	184	1,300
	Isabella South	16	3,622	48	6,667	64	10,289	120	1,700
McCays	McCays	11	2,313	10	1,645	21	3,958	150	1,400
Bubi	Bubi	31	5,877	59	7,165	90	13,042	200	3,000
Total		**90**	**20,437**	**144**	**20,325**	**234**	**40,762**	**170**	**7,400**

Phase 3 drilling: December 2017 to November 2018

		Core		RC		Core + RC			
Mine	Deposit	No of holes	Drilled length (m)	No of holes	Drilled length (m)	No of holes	Drilled length (m)	Depth achieved (m)	Total strike (m)
Isabella	Isabella North	40	6,294	36	4,440	76	10,734	184	1,300
	Isabella South	20	2,541	28	3,133	48	5,674	120	1,700
McCays	McCays	57	6,193	76	6,545	133	12,738	150	1,400
Bubi	Bubi	12	1,988	38	3,854	50	5,842	200	3,000
Total		**129**	**17,016**	**178**	**17,972**	**307**	**34,988**	**170**	**7,400**

Bilboes *continued*

Bilboes PEA
issued on June 3, 2024

100% owned fully permitted gold project

Robust PEA: large scale, high grade, open pit

Strong management team with proven track record of operating in Zimbabwe

Bilboes - strong economics, a short payback period and leverage to the gold price

- Publication of PEA development of the Bilboes sulphide gold project
- Project economics have improved slightly: higher gold price and re-phasing of capital expenditure outweigh the effect of higher capital and operating costs
- New feasibility study reflecting the PEA is expected to be delivered during H1 2025
- Payback period of 1.9 years based on a gold price of $1,884
- Considerable NPV uplift if the project is appraised at the current spot gold price .
- Funding solutions and finalisation of the feasibility study are being progressed in tandem

Summary of the changes made to the development approach as set out in the feasibility study commissioned by the vendors with an effective date of December 15, 2021.

The Company has made several changes to the pre-existing development approach:

- Revised designs for the TSF to incorporate a modular construction to reduce upfront capital
- Revised pit designs to reduce upfront capital
- The cost of the process plant and infrastructure, in particular sourcing major equipment and steelwork from alternative suppliers
- Re-assess the phasing of the mine village establishment
- The operating expenses and general and administrative expenses with the availability of shared resources now that the project is within the Group
- The PEA also recognises the effect of the 1% NSR which was granted to one of the Bilboes vendors

Processing: metallurgical test work

Multiple metallurgical test work phases from 2013 to 2019, including a pilot plant:

- Conducted grinding and conventional milling tests to generate sulphide flotation concentrates
- Tested ultrafine grinding, pressure oxidation, biological oxidation (“BIOX”) of flotation concentrates
- Direct cyanidation of flotation concentrate after ultrafine grinding results in 20-30% gold recovery and pressure oxidation results in high amounts of arsenic in the filtrate
- Biological oxidation of the concentrate results in expected overall recoveries of 83.7 - 90.3% at an expected mass pull of 5% for Isabella McCays and 10% for Bubi in the Bilboes BIOX pilot plant
- The BIOX pilot plant ran for 235 days, achieving an 88.8% gold dissolution of the concentrate at Isabella McCays and 95.7% at Bubi

PEA HIGHLIGHTS

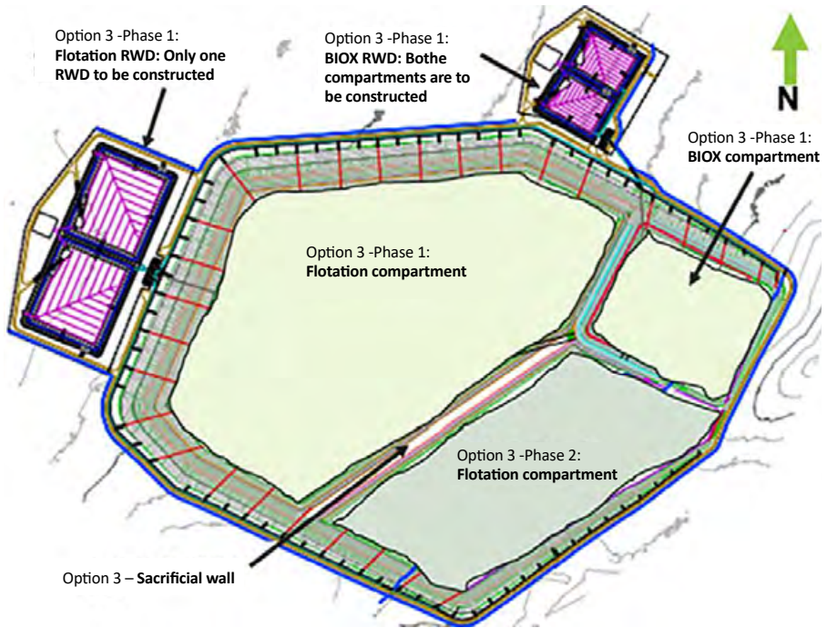
Total production **1.52Moz**	Life-of-mine **10 years**	Total capital cost **$403 million**	Peak funding **$309 million**
Net present value (10%) **$309 million**	Project IRR **34%**	AISC **$968/oz**	Payback period **1.9 years**

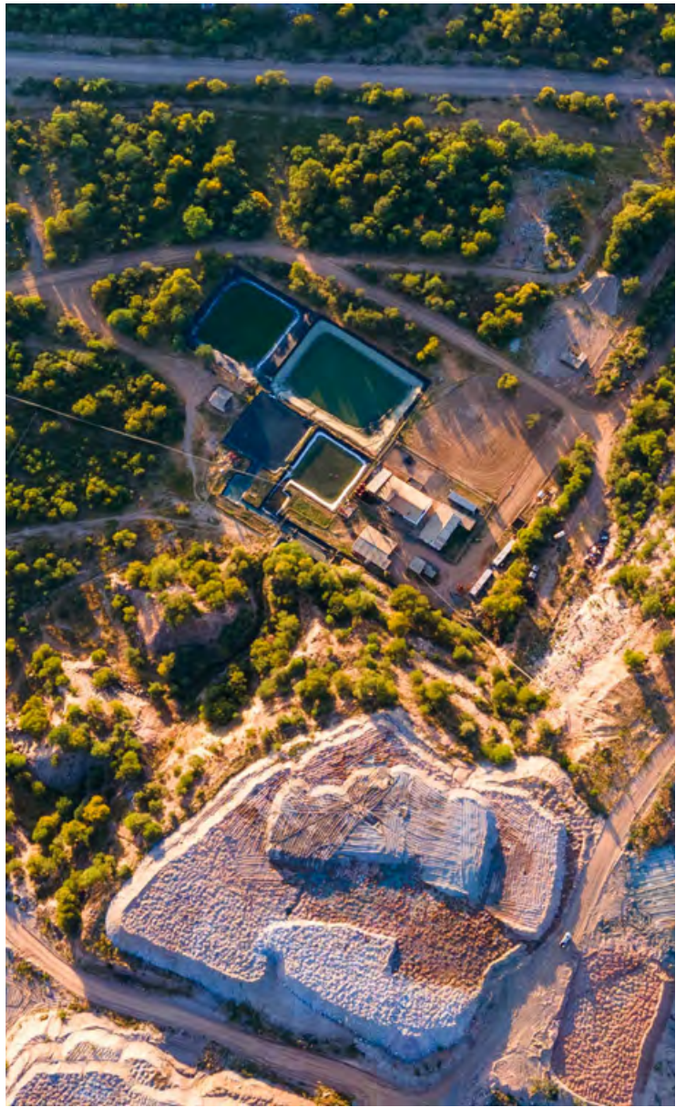
The above highlights are calculated at a gold price of $1,884/oz

Bilboes *continued*

Tailings

- TSF design and costing assigned to SLR Consulting (South Africa) (Pty) Ltd ("SLR")
- The TSF is sized as follows:
  - 22.9Mt for the flotation tailings (240Kt per month deposition rate)
  - 1.7Mt for the BIOX tailings (12Kt per month deposition rate)
  - Maximum rate of rise of 2.5m per year at a slurry density of 1.35t/m^3
- The TSF construction/deposition is currently planned in three phases aligned to the production schedule:
  - Phase 1: start up – third year of production
  - Phase 2 and 3: fourth to tenth year of production
- The TSF will be aligned to industry best practice (GISTM, SANS 10286 and ANCOLD 2012)
  - Monitoring programmes include both dust and groundwater monitoring practices
  - Concurrent rehabilitation will take place as appropriate





Capital item	Grand total estimate ($ million)	Subtotal phase 1 ($ million)	Subtotal phase 2 ($ million)
Mining	**25.54**	25.54	–
Processing and infrastructure	**311.82**	267.63	44.19
Indirect costs	**31.79**	29.57	2.21
Contingencies	**33.82**	29.49	4.33
Total project cost	**402.97**	352.24	50.73

Sensitivity analysis

Gold price ($/oz)	Discount rate (%) 15	12.5	10	7.5	5
1,500	31	59	94	137	191
1,700	116	157	206	267	342
1,884	194	246	**309**	385	480
2,000	243	302	373	460	567
2,200	327	398	484	588	717
2,400	411	494	594	717	867

NPV (post -tax) ($ million)

Gold price ($ $/oz)	NPV (post -tax) ($ million)
1,500	3.6
1,700	2.5
1,884	**1.9**
2,000	1.8
2,200	1.6
2,400	1.5

Payback period (post-tax) (years)

Bilboes *continued*

Bilboes oxide mine

Gold produced
3,050oz

Average realised gold price
$1,867/oz

Bilboes acquired on
January 6, 2023

LTI
None

AISC
$4,447/oz

Work on new feasibility study commenced

Placed on care and maintenance
September 30, 2023

Oxide mining activities will resume in due course in conjunction with the larger sulphide project. Leaching of ore placed on the heap leach continued and had no material effect on Caledonia's financial performance. Leaching activities will continue for as long as they make a positive cash contribution.

Gold production

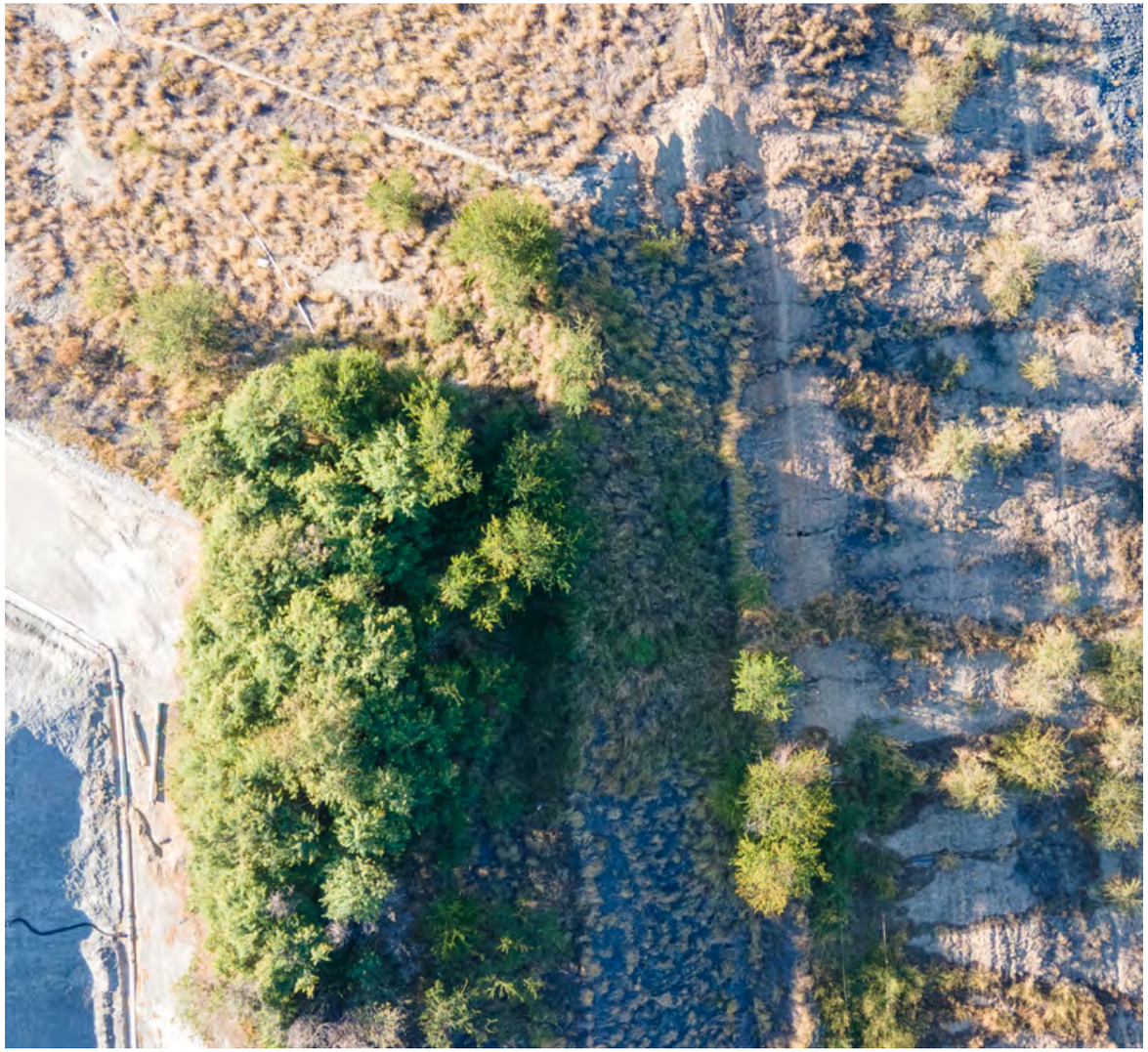
3,050 ounces of gold were produced from the Bilboes oxide mine in 2023.

Safety, health and environment

The following safety statistics have been recorded for 2023 since acquisition.

Classification	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Fatality	–	–	–	–
LTI	–	–	–	–
Restricted work activity	–	–	–	–
Total	**–**	**–**	**–**	**–**
Incidents	4	2	15	9
Near misses	–	2	5	2
TIFR *	–	–	–	–

** Per 200,000 hours worked*



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 compliant mineral reserves or mineral resources have yet been declared. 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 $8.3 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) flow 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 Motapa 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 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 2000 showed that good recoveries (more than 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.

History

Historically, we understand that over 3Mt 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 2.4Mt of ore, averaging 5.4g/t.

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. The initial purchase price of $1 million was paid on November 1, 2022. Stamp duties of $41 were paid on November 9, 2022. There were no liabilities assumed with the acquisition of Motapa and Arraskar. The remainder of the purchase price was settled by way of $7.72 million loan notes, issued to the vendor. The final settlement was made on July 3, 2023.

Geological setting, mineralisation and deposit

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

1. Motapa North: with four subzones 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 was received at the end of August 2023 paving way for exploration work to commence.

The Motapa exploration programme to date has consisted of trenching which has identified several promising drilling targets. An initial five-month drill programme comprising a total of 49 holes and approximately 8,600m diamond and reverse circulation drilling commenced in the second quarter of 2024.

Below is the location of Motapa on the Zimbabwean map:



Operational outlook

Caledonia's compelling value proposition:

Continue **74,000 to 78,000 ounces target production per annum** from Blanket

Aim for **lower cost per ounce** and **increase cash generation** at Blanket

Complete feasibility study at Bilboes and start to progress new assets

Invest in the Company's growth for best long-term returns to shareholders

Continue with exploration activities at Motapa

Become a **multi-asset gold producer** in Zimbabwe



SECTION 3: Financial review



IN THIS SECTION

Financial review

CFO's review	pg 42
Financial performance	pg 45

Section highlights

Revenue
$146.3m

Earnings before interest, tax, depreciation and amortisation ("EBITDA")
$29.7m

CFO's review

Our capital allocation focuses on improving financial performance, enhanced shareholder returns and investment growth to optimise long-term returns to our stakeholders.

Financial value added in 2023

Growing revenues
$146.3 million

Equity raise (net of transaction cost)
$15.6 million

Solar commissioned within budget
$14.2 million
$38/oz reduction in AISC

Quarterly dividend paid from
2013

EBITDA
$29.7 million

Strategic increase in net assets
$70.7 million

Majority of gold sold to international refinery from April 2023



Chester Goodburn
CFO

Bilboes acquisition

Approx. 2.47Moz measured and indicated mineral resource and approx. 0.56Moz inferred mineral resource at $65.7 million share deal and 1% royalty

New investment opportunities

The investments in Bilboes and Maligreen have significantly increased Caledonia's resource base from 1.71Moz (comprising 0.84Moz measured and indicated mineral resources and 0.87Moz inferred mineral resources) in 2020 to 6.74Moz (comprising 4.70Moz measured and indicated mineral resources and 2.04Moz inferred mineral resources) as at December 31, 2023. This sets us up to achieve our objective to become a multi-asset Zimbabwe-focussed gold producer.

On January 6, 2023 Caledonia acquired Bilboes for a consideration of 5,123,044 shares and a 1% NSR on the project's future revenues. The value of the transaction was $65.7 million (excluding the value of the NSR which will depend on future production rates and the future gold price). In 2023 we commissioned work on an updated study to identify the most judicious way to commercialise Bilboes with the objective of optimising the increase in value for Caledonia shareholders.

In June 2024, we announced the results of a PEA which follows the Company's decision to advance the Bilboes project to the execution stage in a single-phase development instead of multiple phases. This decision followed an evaluation of different development options, revealing that a single-phase approach yielded superior returns. The PEA indicates that the project, developed in a single phase, is projected to yield approximately 1.52Moz of gold over a 10-year period.

The Bilboes sulphide project is a material addition to the Caledonia Group with attractive returns. The AISC of $968/oz will enable us to reduce our consolidated operational cost and increase cash flows. The PEA published a net present value of $309 million, at $1,884 per ounce and 10% discount rate, significantly improves at the current gold price levels. In considering the funding for the project, our main focus is to maximise the net present value per share basis to maximise value creation for our shareholders. In addition the project will benefit local stakeholders via payments of taxes and royalties and the creation of direct and indirect employment opportunities.

Capital allocation

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

Our business values and financial strategy continue to be aligned to achieve:

- Conservatively geared balance sheet with future funding potential for expansion
- Improving cash generation at our current operations by managing capital expenditure and future operating costs
- Increasing shareholder return through new investments
- Disciplined and informed investment decisions to create long-term sustainable value for the Group and our stakeholders

Capital allocations to projects are focussed on enhancing net present value per share to ensure our capital management allocations are value accretive to our shareholders.

Zimbabwe commercial environment

Blanket produces doré gold. Since April 2023 Blanket's doré has been toll-treated by Fidelity, which refines the gold to a purity of 99.5%. Caledonia exports 75% of the resultant bullion to a refiner of its choice outside Zimbabwe who undertakes further processing and sells the gold on the international market. The other 25% of Blanket's gold production is sold to Fidelity. Management believes this new sales mechanism reduces the risk associated with selling and receiving payment from a single refining source in Zimbabwe and could be beneficial for international funding sources earmarked for our expansion plans. It also creates the opportunity to use more competitive offshore refiners.

CFO's review *continued*

Shareholder returns

We have continued to pay a quarterly dividend of 14 cents ashare, providing a healthy yield to our shareholders and reflecting management's confidence in the operations of the business. Future dividend payments will reflect operational performance and depend on an ongoing and regular assessment of capital allocation.

Dividends paid in 2023 comprise $10.5 million paid to the shareholders in the Company and $0.6 million paid to Blanket's minority shareholders.

Funding and gold price risk strategy

In the first quarter of 2023, the Company raised $16.6 million before expenses by way of two parallel equity placings, one which targeted institutional investors in the United Kingdom ("UK"), Europe, South Africa and the other which addressed investors in Zimbabwe. I was pleased to see that 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. It was also encouraging the see the strong liquidity available in Zimbabwe and interest in our local equity market where Zimbabwe depositary receipts in respect of 425,765 shares were issued on April 14, 2023. The local placement was done at a low cost and with no discount to the market price.

The proceeds raised were allocated to the PEA and on-going 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. It was encouraging to confirm the attractive Bilboes sulphides returns in the PEA (discussed on page 36) which in addition showed an enhancement to certain aspects of the project. Further, it was good to see the efficiencies of a Zimbabwean-based shared services centre established to service and enhance the multiple planned gold assets, to the benefit of our stakeholders. I look forward to the results of the funds allocated to the Motapa exploration project (discussed on page 39) the results of which are due later this year. Other than the potential to confirm the prospectivity, this exploration may have the added benefit to potentially unlock additional synergies due to Motapa's close proximity to Bilboes.

The Caledonia Group issued bonds to the value of $9 million to Zimbabwean institutions to assist furthering the emergence of the Zimbabwean debt markets and establishing longer term debt products. The issue of bonds in Zimbabwe may prove to be a local source of funding for future investments such as for Bilboes.

The Company engages in hedging to protect future cashflows from downside risk in the gold price so that we can continue our capital investment programme. The hedges entered into are disclosed on page 53. The surge in the gold price during 2024 has proved a welcome cash contribution to Caledonia and management will continue to evaluate its gold price risk management strategy as the global economic environment evolves.

Operating costs

Increased operating costs in 2023 were predominantly incurred on the Bilboes oxide mine from increased electricity consumption and demand charges, higher maintenance expenditure, increased employee costs and advisory fees on the Bilboes acquisition. The high operating costs incurred at the Bilboes oxide mine were addressed when it was placed on care and maintenance with effect from the 1 October 2023. Overtime costs have been significantly reduced and the staff payouts and advisory fees were once-off in nature. This, along with increased production has increased our cash generation significantly so far in 2024.

Electricity cost and consumption

Following the commissioning of the Central Shaft our electricity consumption and related costs have increased. The Central Shaft project was funded by operations above 22 Level that have existing infrastructure. Blanket's future production is eventually planned to come from below 22 Level and will be handled exclusively by the Central Shaft. As mining activities progress deeper to below 22 Level over the next few years, current mining areas and shafts and their related cost centres in the areas of the mine above 22 Level can be discontinued thereby lowering our electricity consumption and the related cost.

Our operational team is also investigating the sequencing and other initiatives to reduce electricity consumption. I was pleased to see the commissioning of the solar plant in February 2023. The solar plant has displaced 24,408,330kWh from utility and diesel generator sources for 11 months of 2023. Our power from diesel generators reduced from 13,289,000kWh in 2022 to 4,406,603kWh in 2023. This meant that our diesel consumption in 2023 was 1,487,671 litres compared to 3,609,185 litres in 2022, which resulted in a significant cost benefit as well as reduction in our carbon footprint.

Now that the solar plant is operating as planned, we no longer need to own it, provided we retain exclusive long-term access to the electiricy it generates. Accordingly, management is currently negotiating the sale of the solar plant to a specialist owner and operator of solar projects in Africa. It is expected that the transaction will realise a value the exceeds the construction cost of $14.2 million. Caledonia plans to re-allocate the proceeds of the sale of the solar plant to new investment opportunities in our core gold business. Blanket will retain access to the power produced by the solar plant by way of an exclusive power purchase agreement.



CFO's review *continued*

INFLOWS	OUTFLOWS
$49.1 million	$36 million
=	=
Cash from operations **$26.4 million**	Tax paid **$9.2 million**
Interest received **$0.04 million**	Finance costs and other borrowings **$10 million**
+	+
Put option proceeds **$0.2 million**	Put option acquisition **$1 million**
	Sustaining capex **$15.8 million**
+	+
Shares issued (net of transaction cost) **$15.6 million**	• Shared services centre (Zimbabwe) • Bilboes PEA • Dubai procurement arm • Motapa exploration (in progress) • Bilboes feasibility study (in progress)
Loan notes received **$6.9 million**	

Net cash flow before capital growth = $13.1 million

Balance sheet impact	Shareholder returns through dividends	Investment in CAPEX
($12.6 million)	**$11.1 million**	**$14.6 million**

Post period

RBZ introduced a new currency which is referred to as the "ZiG" on April 5, 2024. The ZiG is a structured currency which is pegged to a specific exchange rate or currency basket and is backed by a bundle of assets, including gold reserves. The ZiG replaced the RTGS$ with immediate effect and was introduced at a rate of ZiG13.56:US$1 on April 5, 2024. On the same date, all RTGS$ balances were translated from RTGS$ to ZiG using an exchange rate of ZiG1: RTGS$ 2,499 which was determined by the RBZ using a combination of the then prevailing interbank exchange rate of US$1: RTGS$ 30,674 and gold price of US$2,299/oz. The ZiG will co-circulate with other foreign currencies in the economy. The retention threshold on gold receipts remained unchanged: gold producers will continue to receive 75% of their revenues in US dollars and the balance in local currency i.e. the ZiG. Since the introduction of the ZiG to the date of the approval of this report the ZiG has shown itself to be stable. The stability experienced to date is welcomed in our commercial activities.

On March 7, 2024 the Company purchased put options to hedge 12,000 ounces of gold over a period of three months from April to June 2024 at a strike price of $2,050/oz.

On April 10, 2024 the Company purchased put options to hedge 12,000 ounces of gold over a period of three months from July to September 2024 at a strike price of $2,100/oz.

Chester Goodburn
CFO
September 16, 2024



Financial performance

The table below sets out the consolidated profit and loss for the years ended December 31, 2023, 2022 and 2021 prepared under IFRS.

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

For the years ended December 31	2023	2022	2021
Revenue	**146,314**	142,082	121,329
Royalty	**(7,637)**	(7,124)	(6,083)
Production costs	**(82,709)**	(62,998)	(53,126)
Depreciation	**(14,486)**	(10,141)	(8,046)
Gross profit	**41,482**	61,819	54,074
Other income	**263**	60	46
Other expenses	**(4,367)**	(11,782)	(7,136)
Administrative expenses	**(17,429)**	(11,941)	(9,091)
Cash-settled share-based expense	**(463)**	(609)	(477)
Equity-settled share-based expense	**(640)**	(484)	–
Net foreign exchange (loss)/gain	**(2,550)**	4,411	1,184
Net derivative financial instrument expense	**(1,119)**	(1,198)	(240)
Operating profit	**15,177**	40,276	38,360
Finance income	**39**	17	14
Finance cost	**(3,024)**	(657)	(375)
Profit before tax	**12,192**	39,636	37,999
Tax expense	**(12,810)**	(16,770)	(14,857)
(Loss)/profit for the period	**(618)**	22,866	23,142
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	**(622)**	(462)	(531)
Total comprehensive income for the period	**(1,240)**	22,404	22,611
(Loss)/profit attributable to:			
Owners of the Company	**(4,198)**	17,903	18,405
Non-controlling interests	**3,580**	4,963	4,737
(Loss)/profit for the period	**(618)**	22,866	23,142
Total comprehensive income attributable to:			
Owners of the Company	**(4,820)**	17,441	17,874
Non-controlling interests	**3,580**	4,963	4,737
Total comprehensive income for the period	**(1,240)**	22,404	22,611
(Loss)/earnings per share (cents)			
Basic	**(24.4)**	135.5	148.6
Diluted	**(24.4)**	135.4	148.5
Adjusted*	**17.1**	219.9	225.9

** 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 2023 was 3% higher than in 2022 due to a 7.8% increase in the average realised price of gold sold, offset by 4.4% lower ounces sold in 2023 compared to 2022.

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

Production costs comprise the costs of electricity, labour, consumables and administrative and other costs such as insurance, software licencing and security that are directly related to production.

Total production costs for 2023 increased by 31.3% compared to 2022. At Blanket, production costs increased by 10.5% for 2023 due to higher production tonnages.

The on-mine cost per ounce increased by 42.4% for 2023 compared to 2022. 22% of the cost increase in 2023 was due to the higher cost per ounce at the Bilboes oxide mine. The remainder of the increase was due to higher on-mine costs at Blanket due to increased labour and electricity costs that contributed approximately $107 per ounce to the overall increase in on-mine cost per ounce compared to 2022.

The AISC per ounce increased by 64.6% for 2023 compared to 2022, predominantly due to the higher on-mine cost per ounce and an increase in sustaining capital expenditure. The increase for 2023 is due largely to the costs associated with Bilboes, increased sustaining capital expenditure due to the higher allocation of total capital expenditure towards sustaining rather than expansion project and once-off employee costs.

AISC includes the benefit of the solar plant electricity saving ($38 per ounce for 2023).

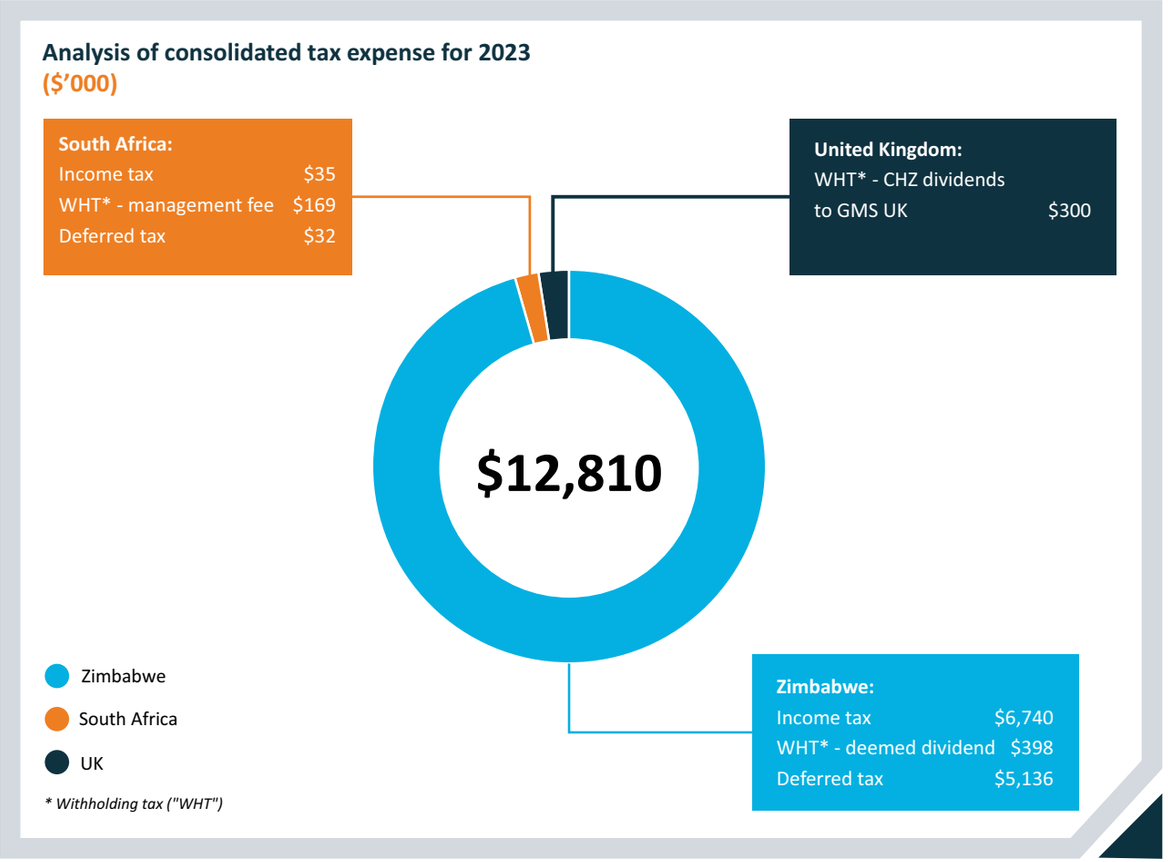
The depreciation charge in 2023 increased because of an increase in the depreciable cost base following the commissioning of the Central Shaft and the solar plant. A reassessment of the useful lives of certain plant and equipment items also increased the depreciation charge. The useful life of the Jethro Shaft was reduced due to increased focus on optimally utilising the new Central Shaft in the future. Furthermore, the useful lives of certain generators, load haul dumpers, dump trucks and drill rigs were reduced due to their current condition (refer to note 18 of the Consolidated Financial Statements).

During 2023 CSR costs amounted to $1.5 million. VAT and duty receivables of $0.7 million were impaired as a result of the Zimbabwe revenue authority not allowing VAT and duty rebates on solar imports for copper cables used to construct the solar plant. Other expenses include an intermediate monetary transaction tax of $1.3 million for 2023 that is chargeable on the transfer of physical money, electronically or by any other means and ranges from 1% and 2% per transaction conducted in Zimbabwe.

Administrative expenses in 2023 were 46.0% higher than in 2022. Included in 2023 is a $1.8 million settlement payable to the Chief Operating Officer and a once-off $3.1 million paid as advisory services on conclusion of the Bilboes Gold acquisition in January 2023. Excluding both costs which are not expected to recur, administration expenses for 2023 increased by 5.0% compared to 2022. Wages and salaries in 2023 further increased following the absorption of certain administrative and executive functions following the completion of the Bilboes transaction. These resources have been deployed to work on the Bilboes feasibility study and have provided an enhanced degree of executive support in Harare. There has also been an increase in headcount in the mineral resource management team in Johannesburg to support the implementation of a digital resource modelling and mine planning system. The digital mine planning system allows for enhanced mine planning analysis which has resulted in real-time amendments to the mine plan which has reduced expenditure on capital development planned for 2024 and is expected to result in further efficiencies in future years. An individual has also been recruited to improve the monitoring and reporting of the group's environmental footprint in recognition of the increased stakeholder interest in this area.

Net foreign exchange movements relate to gains and losses arising from the translation of monetary assets and liabilities that are held in currencies other than the USD – principally the RTGS$ (post period ZiG), but also the South African Rand and the British Pound. The net foreign exchange movement for 2023 compared to 2022 was largely affected by a significant deterioration in the $/RTGS$ exchange rate in 2023 and the effect of changes in the calculation method of income and deferred taxes at Blanket.

Financial performance *continued*



The overall effective taxation rate for 2023 was 105.1% (2022: 42.3%). The effective tax rate bears little relationship to reported consolidated profit before tax as illustrated by the tax rate reconciliation, detailed in note 16 of the Consolidated Financial Statements. The effective tax rate is higher due to the following reasons:

- Operating losses incurred at the Bilboes oxide mine cannot be offset against profits arising elsewhere in the Group – thus they reduce consolidated profit before tax, with no commensurate reduction in the consolidated tax expense
- Zimbabwean taxable income was calculated in both RTGS$ and USD, whereas the Group reports in USD. Prior to January 1, 2023, taxable income was calculated on a RTGS$ functional currency trial balance and the amount payable and converted to USD. Large devaluations in the RTGS$ against the USD result in substantial foreign exchange movements on the RTGS$ tax payable which have a significant effect on the income tax calculation
- 100% of capital expenditure is tax deductible in the year in which it is incurred for tax purposes, whereas depreciation only commences when a project enters production. Timing differences can alter the effective tax rate based on the capital expenditure for a quarter
- The tax expense includes the deferred tax adjustment of the Zimbabwean enacted tax rate that was increased from 24.72% to 25.75% effective January 1, 2024
- The rate of income tax in Jersey, which is the tax domicile of the parent company of the Group (i.e. the Company), is zero which means there is no benefit to be realised by offsetting expenses incurred in Jersey against taxable profits

The effective taxation rate for Blanket was 29% (2022: 27%), which broadly corresponds to the enacted Zimbabwean income tax rate applicable in 2023 of 24.72%, amended to 25.75% for periods after January 1, 2024. From January 1, 2023 the Zimbabwean taxable income was calculated and paid in the currency of denomination of the underlying transaction and the taxable income translated to USD for reporting purposes.

Prior to January 1, 2023 the taxable income was calculated in RTGS$ and the amount payable was translated on the same allocation basis as revenues were received. The result of the change was that there were smaller devaluations in the net deferred tax liability for 2023. Deferred tax predominantly comprises the difference between the accounting and tax treatments of capital investment expenditure. Most of the tax expense comprised income tax and deferred tax incurred in Zimbabwe.

South African income tax arises on intercompany profits arising at Caledonia Mining South Africa Proprietary Limited ("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").

Basic IFRS EPS for 2023 declined by 118% from 135.5 cents in the prior year to a loss of 24.4 cents. Adjusted EPS for 2023 decreased by 92.2% from 219.9 cents to 17.1 cents.

A dividend of 14 cents per share was paid in each quarter of 2023 and on January 26, 2024, April 26, 2024 and July 26, 2024.

Financial performance *continued*

The table below sets out the consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021 prepared under IFRS.

Consolidated statement of cash flows

($'000)

For the years ended December 31	2023	2022	2021
Cash inflow from operations	26,398	49,657	38,703
Interest received	39	17	14
Finance costs paid	(2,462)	(192)	(388)
Tax paid	(9,206)	(6,866)	(7,426)
Net cash inflow from operating activities	14,769	42,616	30,903
Cash flows used in investing activities			
Acquisition of property, plant and equipment	(28,556)	(41,495)	(32,112)
Acquisition of exploration and evaluation assets	(1,837)	(2,596)	(5,717)
Proceeds from sale of assets held for sale	–	–	500
Proceeds from derivative financial instruments	178	–	1,066
Acquisition of put options	(946)	(478)	–
Proceeds from disposal of subsidiary	–	–	340
Proceeds from call options	–	416	208
Acquisition of call options	–	(176)	–
Net cash used in investing activities	(31,161)	(44,329)	(35,715)
Cash flows from financing activities			
Dividends paid	(11,099)	(8,906)	(8,069)
Payment of lease liabilities	(184)	(150)	(129)
Shares issued – equity raise (net of transaction cost)	15,569	–	7,806
Repayment of term loans	–	–	(361)
Loan note instrument – Motapa payment	(7,250)	–	–
Loan note instrument – solar bond issue receipts (net of transaction cost)	6,895	–	–
Proceeds from gold loan	–	–	2,752
Repayment of gold loan	–	(3,698)	–
Proceeds from share options exercised	–	–	165
Net cash from/ (used in) financing activities	3,931	(12,754)	2,164
Net decrease in cash and cash equivalents	(12,461)	(14,467)	(2,648)
Effect of exchange rate fluctuations on cash and cash equivalents	(67)	(302)	(179)
Net cash and cash equivalents at beginning of the period	1,496	16,265	19,092
Net cash and cash equivalents at end of the period	(11,032)	1,496	16,265

Cash flows from operating activities in 2023 are detailed in note 32 to the Consolidated Financial Statements. Cash inflows from operations before working capital changes in 2023 were $28.5 million compared to $47.8 million in 2022.

Cash flows from operations before working capital changes in 2023 were 40.3% lower due to higher production costs in the year. Blanket continued to make a positive cash contribution of $67.6 million (2022:$49.9 million). The Bilboes oxide mine contributed a cash outflow of $9.5 million (2022: nil).

Finance costs paid in 2023 increased due to interest of $1.7 million in 2023 (2022: $0.2 million) on overdrafts secured to accommodate working capital fluctuations at Blanket. In addition, finance costs paid in 2023 included interest of $0.5 million (2022: $0.3 million) related to the Motapa loan notes that were fully repaid on July 3, 2023. Loan notes issued by the company which owns the solar plant in the first half of 2023 contributed $0.3 million to finance costs in 2023.

Dividends for 2023 comprise $10.5 million paid to shareholders of the Company and $0.6 to Blanket's minority shareholders. During 2024 a dividend of 14 cents per share was paid on January 26, 2024, April 26, 2024 and July 26, 2024.

The effect of exchange rate fluctuations on cash held reflects gains or losses on translation of cash balances held in currencies other than the USD. 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, 2023, 2022 and 2021 prepared under the IFRS:

Summarised consolidated statement of financial position

($'000)

As at	Dec 31 2023	Dec 31 2022	Dec 31 2021
Total non-current assets	**274,074**	196,764	157,944
Income tax receivable	**1,120**	40	101
Inventories	**20,304**	18,334	20,812
Derivative financial assets	**88**	440	–
Trade and other receivables	**9,952**	9,185	7,938
Prepayments	**2,538**	3,693	6,930
Cash and cash equivalents	**6,708**	6,735	17,152
Assets held for sale	**13,519**	–	–
Total assets	**328,303**	235,191	210,877
Total non-current liabilities	**23,978**	9,291	12,633
Cash-settled share-based payments – short term portion	**920**	1,188	2,053
Income tax payable	**10**	1,324	1,562
Lease liabilities – short term portion	**167**	132	134
Loan note instruments – short term portion	**665**	7,104	–
Trade and other payables	**20,503**	17,454	9,957
Derivative financial liabilities	**–**	–	3,095
Overdraft and term loans	**17,740**	5,239	887
Liabilities associated with assets held for sale	**128**	–	–
Total liabilities	**64,111**	41,732	30,321
Total equity	**264,192**	193,459	180,556
Total equity and liabilities	**328,303**	235,191	210,877

The table below illustrates the distribution of the consolidated cash across the jurisdictions where the Group holds its cash:

Geographical location of cash

($'000)

As at	Mar 31 2023	Jun 30 2023	Sep 30 2023	Dec 31 2023
Zimbabwe	**(9,749)**	**(7,373)**	**(8,052)**	**(13,751)**
South Africa	**1,107**	**834**	**1,208**	**1,051**
UK/Jersey	**11,831**	**3,632**	**3,652**	**1,668**
Total net cash and cash equivalents	**3,189**	**(2,907)**	**(3,192)**	**(11,032)**

The acquisition of Bilboes increased the exploration and evaluation assets by $73.2 million for the year ended December 31, 2023. Property, plant and equipment additions at Blanket amounted to $28.2 million for 2023. The additions predominantly related to infrastructure development at 30 and 34 Level and the construction of the new TSF at Blanket.

Inventories include 3,056 ounces of gold which was held by Fidelity in transit to Al Etihad Gold Refinery DMCC ("AEG") which was sold in January 2024.

Prepayments represent deposits and advance payments for goods and services. Supplier prepayments increased by $0.5 million due to larger deposits required for RTGS$ denominated suppliers to protect against a potential weakening of the RTGS$ rate against the USD.

Trade and other receivables are detailed in note 21 to the Consolidated Financial Statements and include $5.4 million (2022: $7.4 million) due from Fidelity and AEG in respect of the RTGS$ and USD components respectively of the revenues arising on gold deliveries prior to the close of business on December 31, 2023. All outstanding amounts due from Fidelity and AEG were received in full after the end of 2023. $4.3 million (2022: $1 million) was due from the Zimbabwe government in respect of VAT refunds which mainly comprise RTGS$-denominated VAT refunds. Increased delays in the processing of VAT refunds by the government of Zimbabwe has resulted in an increase in the amount receivable in RTGS$ terms. The long-outstanding balances have either been repaid after the end of 2023 or have been recovered by way of offset against other tax payables due to the government of Zimbabwe.

The income tax receivable arose due to a high gold work in progress balance at the end of 2023 approximating a gross sales value of $6 million that had been estimated as income for purposes of calculating the forecast tax payable for the year at Blanket at the time of payment. This receivable will be offset against income taxes payable in 2024.

Most cash-settled share-based payments due to staff as at December 31, 2022 were settled in the first quarter of 2023. In April 2023 the Company made awards of 79,519 performance units ("PUs"), which can be settled in cash, and 93,035 equity-settled PUs ("EPUs") to certain management and employees within the Group pursuant to the provisions of the 2015 Omnibus Equity Incentive Compensation Plan ("OEICP"). In total, 102,678 PUs were awarded to certain management and employees within the Group during 2023. The short-term portion of the cash-settled share-based payment liability is in respect of awards made to certain employees in the Group in terms of the OEICP. The awards (other than those made to certain "named executive officers" (the "NEOs") in 2023 which only settle in shares) can be settled in cash or, subject to conditions, shares at the option of the recipient.

Overdrafts are used for short-term working capital funding requirements in Zimbabwe. Expiration dates and terms of the overdrafts and short-term loans are set out under "Overdraft and term loans" on page 52.

Assets held for sale comprise the book value of the solar project which is the subject of an ongoing sale process.

Financial performance *continued*

Production costs

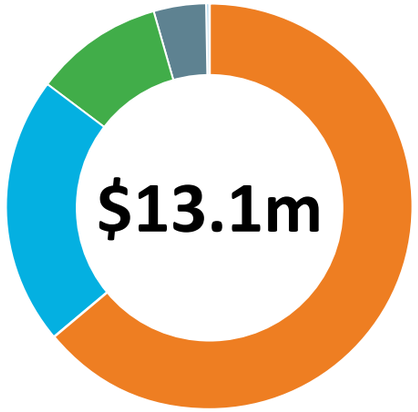
Production cost (IFRS)

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.

Blanket's and Bilboes' production costs from 2022 to 2023 are broken down as follows:

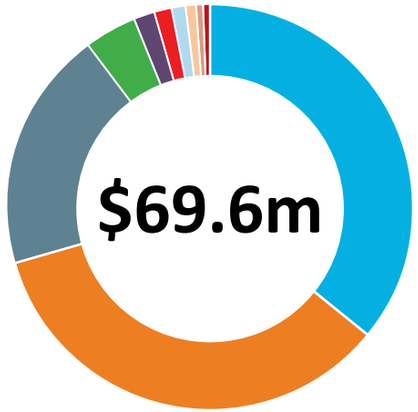


Bilboes production costs for 2023



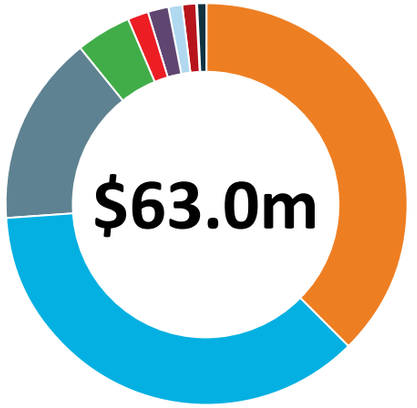
- Consumable materials (64.1%)
- Salaries and wages (21.3%)
- On mine administration (10.2%)
- Electricity costs (4.2%)
- Cash-settled share-based expense (0.2%)

Blanket production costs for 2023



- Salaries and wages (36.0%)
- Consumable materials (34.6%)
- Electricity costs (19.4%)
- On mine administration (4.0%)
- Safety (1.7%)
- Security (1.5%)
- Cash-settled share-based expense (0.9%)
- Solar operations and maintenance services (0.9%)
- Prefeasability exploration costs (0.6%)
- Obsolete inventory (0.4%)

Blanket production costs for 2022



- Consumable materials (37.5%)
- Salaries and wages (36.6%)
- Electricity costs (15.3%)
- On mine administration (4.3%)
- Security (1.7%)
- Safety (1.6%)
- Cash-settled share-based expense (1.3%)
- Obsolete inventory (0.9%)
- Consumable materials - COVID-19 (0.5%)
- Pre feasability exploration costs (0.3%)

Financial performance *continued*

Salaries and wages at Blanket for 2023 increased by 8.7% compared to 2022 due to an increase in the operational headcount of 81 employees, a 4% average salaries and wages increase and increased overtime of $1 million. The annual increase was offset by lower production bonuses of $247,000 for the year.

Consumables costs comprise variable consumables such as explosives, drill-steels, cyanide and grinding media and fixed consumables such as day-to-day spare parts for equipment such as pumps, generators, mills, CIL tanks and vehicles. The cost of consumables for 2023 is comparable with the 2022 cost.

Electricity costs comprise the cost of grid power, the cost of electricity generated by Blanket's generators and the cost of solar power which Blanket purchases from a wholly-owned subsidiary of Caledonia. The cost of electricity for 2023 increased by 40.1% compared to 2022. During 2023, the benefit as a result of reduced use of the diesel generators and a lower tariff for grid-power was outweighed by higher electricity consumption and maximum demand use charges.

The table below indicates the electricity usage per source of supply from Q1 2022.

kWh ($'000's)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Utility	21,380	22,619	19,474	19,824	19,199	19,454	22,667	**23,070**
Diesel generators	1,736	1,630	6,036	3,887	535	1,257	1,331	**1,284**
Solar	–	–	–	–	6,622	6,615	6,145	**5,026**
Total	**23,116**	**24,249**	**25,510**	**23,711**	**26,356**	**27,326**	**30,143**	**29,380**

It is expected that overall electricity consumption will decrease in the next few years as mining activities concentrate on the deeper levels of the mine that are serviced by the Central Shaft. This will allow older infrastructure such as the No 4 and Jethro shafts to be decommissioned rather than operating them alongside the new infrastructure. Management is also exploring other initiatives to reduce power consumption.

Other costs mainly comprise security, software licences, the monitoring and implementation of safety procedures and on-mine administration. The costs for 2023 increased by $551,000 from 2022 due to additional software licences purchased to digitise the Blanket LoMP.

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 2023 and 2022 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 on the right on the following basis:

- 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, Bulawayo, 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 arising from the long-term incentive plan ("LTIP") awards granted under the OEICP less silver by-product revenue. The AISC also includes as a credit (i.e. as a deduction from costs) the export credit incentives ("ECI") (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)

	Bilboes oxide mine		Blanket		Consolidated	
	2023	2022	2023	2022	2023	2022
On-mine cost	4,290	–	912	735	1,047	735
AISC	4,447	–	1,320	878	1,445	878
All-in cost	5,398	–	1,570	1,588	1,722	1,588

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

Refer to page 53 where we define the above non-IFRS measures used in this document and reconcile such non-IFRS measures to the IFRS measures we report.

On-mine cost

On-mine cost comprises labour, electricity, consumables, and other costs such as security and insurance which are directly related to production. Production costs are detailed in note 9 to the Consolidated Financial Statements 2023. On-mine costs include the procurement margin paid to CMSA and represents a fair value that Blanket would pay for consumables if they were sourced from a third party.

The Blanket on-mine cost per ounce for 2023 was within the guidance range of between $860 and $950 per ounce. Guidance for cost per ounce at the Bilboes oxide mine was withdrawn in April 2023 when the mine was placed on care and maintenance and production guidance was also withdrawn.

AISC

AISC includes inter alia administrative expenses incurred outside Zimbabwe and excludes the intercompany procurement margin and the benefits of solar power as this reflects the consolidated cost incurred at the Group level.

During 2023 the capital development cost of $9.5m (i.e. approximately $127 per ounce) was classified as sustaining capital expenditure due to the capital development cost being incurred in areas that are now in production. In previous years the capital development cost in these areas was classified as non-sustaining capital expenditure. Mechanical and electrical engineering capital expenditure with a cost of $5.2m was also classified as sustaining capital expenditure during 2023.

This was mitigated somewhat by an increase in the intercompany procurement margin (which is deducted from on-mine cost for the purposes of calculating the consolidated AISC).

Blanket's AISC per ounce for 2023 of $1,320 per ounce was above the guidance range of between $1,130 and $1,230 per ounce due to a reclassification of underground infrastructure cost from non-sustaining capital to sustaining capital. Underground infrastructure costs were in line with expectations.

Financial performance *continued*

All-in cost

All-in cost includes investment in expansion projects at Blanket which remained at a high level in 2023 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 Zimbabwean 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, 2023 was $13.4 million (December 31, 2022: $15.0 million).

The facilitation loans (including interest thereon) are repaid by way of dividends 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.

Zimbabwe commercial environment

Monetary conditions

The current situation in Zimbabwe can be summarised as follows:

Blanket produces doré gold that it is obliged to deliver to Fidelity, a subsidiary of the RBZ, which refines the gold to a purity of 99.5% on a toll-treatment basis. With effect from April 2023, 25% of the resultant gold is sold to Fidelity and the remaining 75% (less statutory deductions) is exported by Caledonia to a refiner of its choice outside Zimbabwe which undertakes further processing and sells the resulting gold on the international market. During 2023, all gold exports were sent to AEG. The sale proceeds for the gold exported and sold via the offshore refiner is paid to Blanket's commercial bankers in Zimbabwe within 48 hours of delivery. Management believes this new sales mechanism reduces the risk associated with selling and receiving payment from a single refining source in Zimbabwe. It also creates the opportunity to use more competitive offshore refiners and it may allow for the Company to raise debt funding secured against offshore gold sales. 25% of Blanket's gold is sold to Fidelity at a price which reflects the prevailing London Bullion Market Association price and the official RTGS$/USD exchange rate on the date of sale. Payment is made by Fidelity to Blanket in RTGS$ within 14 days of the sale. Fidelity deducts a refining fee of 1.24% from the RTGS$ sale proceeds; Fidelity collects half of the 5% royalty which is payable to the government of Zimbabwe in physical gold which is deducted from the amount exported and the balance is paid in USD and RTGS$ proportionately to the 75:25 revenue split between USD and RTGS$.

- The interbank RTGS$/USD and ZiG/USD exchange rates at each quarter end and at the latest practicable date prior to the publication of this report are set out below.

Interbank exchange rates	(RTGS$:US$1)	(ZiG: US$1)
February 20, 2019	2.50	
March 31, 2019	3.00	
June 30, 2019	6.54	
September 30, 2019	15.09	
December 31, 2019	16.77	
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	
March 31, 2023	913.67	
June 30, 2023	5,739.80	
September 30, 2023	5,466.75	
December 31, 2023	6,104.72	
March 31, 2024	22,055.47	
April 5, 2024	30,674.32	13.56
May 31, 2024		13.32
June 30, 2024		13.70
July 31, 2024		13.79
August 31, 2024		13.86

Devaluation of the RTGS$ means that net monetary assets held in RTGS$ will devalue in USD terms. In the ordinary course of its business, Caledonia has net RTGS$-denominated assets comprising RTGS$-denominated cash and receivables (primarily for the 25% of gold sold to Fidelity and VAT receivables) and RTGS$ liabilities (mainly comprising taxes payable). During the first quarter of 2024, due to the increase in the rate of RTGS$ devaluation, management engaged more aggressively in RTGS$-denominated procurement to reduce its RTGS$-denominated cash.



Financial performance *continued*

Zimbabwe Gold ("ZiG")

On April 5, 2024 the Reserve Bank of Zimbabwe issued a Monetary Policy Statement that introduced a structured currency (which is generally defined as a currency that is pegged to a specific exchange rate or currency basket and backed by a bundle of foreign exchange assets (including gold)). The structured currency called the ZiG replaced the RTGS$ from the said date, and references above to RTGS$ should be construed accordingly. Banks were instructed to convert the RTGS$ balances into the new currency to foster simplicity, certainty and predictability in monetary and financial affairs. The new currency will co-circulate with other foreign currencies in the economy. The retention threshold remained unchanged as outlined on page 44.

Stability in the ZiG in relation to other foreign currencies should reduce the volatility and reduce the foreign exchange gains and losses accounted for in profit or loss.

At the same time as the introduction of the ZiG, the Zimbabwe authorities announced a liberalisation of the foreign exchange market in Zimbabwe. Whereas previously the exchange rate for RTGS$ was determined by the RBZ, in future the exchange rate will be determined by a process of transparent price discovery in an interbank market. To date the price discovery in an interbank market has not been determined as trading in ZiG has been relatively limited.

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; a royalty rate of 3% applies if the gold price is below $1,200 per ounce. 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.
- With effect from February 4, 2022 the cash proportion of the 5% royalty was payable in the same proportions of currencies as revenues are received.
- Income tax was levied at 24.72% (2022: 24.72%) on taxable income as adjusted for tax deductions in 2023. The tax rate has changed for years commencing on or after January 1, 2024 to 25.75% which influences the calculation of deferred tax resulting in an increased deferred tax liability of $1.7 million. The main adjustments to taxable income for the purposes of calculating tax are the add-back of depreciation and most of the management fees paid by Blanket to CMSA. 100% of all capital expenditure incurred in the year of assessment is allowed as a deductible expense. As noted above, the royalty is deductible for income tax purposes. The calculation of taxable income is performed using financial accounts prepared in USD and split between USD and RTGS$ based on the currency in which the transactions are denominated in. Large devaluations in the RTGS$ to the USD reduce the deferred tax liability.
- 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.

Total investment

($'000's)	2023	2022	2021
Property, plant and equipment			
Blanket	28,240	34,267	29,323
Solar	163	12,198	1,581
Other	1,203	967	365
Total investment – property, plant and equipment	**29,606**	47,432	31,269
Exploration and evaluation assets			
Bilboes	73,573	–	–
Connemara North	–	4	163
Glen Hume	–	–	1,176
Maligreen	372	1,430	–
Motapa	2,748	7,844	–
Other satellite properties	–	120	243
Total investment – exploration and evaluation assets	**76,693**	9,398	1,582

Investment in property, plant and equipment at Blanket is discussed on page 23 under capital projects and investment in solar is discussed on page 32.

Investment in exploration and evaluation assets like Bilboes is discussed on page 33 and Motapa on page 39.

Financing

Overdraft facilities and term loans

Blanket's overdraft facilities and term loans were as set out below as at December 31, 2023.

Lender	Date drawn	Principal value (million)	Balance drawn at December 31, 2023 (million)	Repayment terms	Security	Expiry
Stanbic Bank	Sept 2023	RTGS$350	RTGS$Nil	On demand	Unsecured	Mar 2024
Stanbic Bank	Sept 2023	$4	$3.8	On demand	Unsecured	Mar 2024
CABS Bank	Aug 2023	$2	$2.0	On demand	Unsecured	Jul 2024
Ecobank	Nov 2022	$5	$5.0	On demand	Unsecured	Dec 2024
Nedbank	April 2023	$7	$6.9	On demand	Unsecured	April 2024

Financial performance *continued*

Hedging

From December 2022 to the date of this report the Company had the following put options to hedge our gold price risk:

Purchase date	Ounces hedged	Strike price	Period of hedge
December 22, 2022	16,672oz	$1,750	December 2022 - May 2023
May 22, 2023	28,000oz	$1,900	June - December 2023
December 19, 2023	12,000oz	$1,950	January - March 2024
March 7, 2024	12,000oz	$2,050	April - June 2024
April 10, 2024	12,000oz	$2,100	July - September 2024

On September 29, 2023 and October 6, 2023 the Company purchased two gold purchase options of 1,000 ounces each at a market price of $1,875 and $1,841 per ounce. The gold purchase options were purchased when the gold price was below $1,900 per ounce at the date of gold revenue delivery. This was done to match the expiry date of the call options expiring on October 26, 2023 with the date of the gold sales from Blanket and resulted in a profit of $0.2 million.

The put options were entered into to protect the Company against gold prices lower than the strike price over the period hedged. The options are "out-of-the-money" put options which lock in a minimum price over the number of ounces that are subject to the hedge for an initial option price. These arrangements carry no further financial obligations such as margin calls.

Loan notes

In December 2022, the Caledonia Board approved a proposal for CMS (which owns the solar plant) to issue bonds up to a value of $12 million in the form of loan notes (the "solar 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 a fixed 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 up to the date of this report, $9 million of bonds have been issued to Zimbabwean commercial entities. Due to the expected sale of CMS, the solar bonds were transferred to and became the responsibility of CHZ, a wholly owned subsidiary of Caledonia. Caledonia believes the development of a Zimbabwe bond market will be of long-term strategic benefit to the Company. Accordingly, Caledonia wishes to retain and develop the existing relationships it has established with institutional bond investors in Zimbabwe who hold the bonds that have already been issued.

Liquidity and capital resources

An analysis of Caledonia's capital resources at December 31, 2023 and December 31, 2022 is set out below:

Liquidity and capital resources
($'000)

As at	Dec 31 2023	Dec 31 2022
Net cash and cash equivalents	**(11,032)**	1,496
Net working capital	**14,096**	5,986

Off-balance sheet arrangements, contractual commitments and contingencies

There are no off-balance sheet arrangements apart from the facilitation loans 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, 2023:

Payments due by period
($'000)

Falling due	Within 1 year	1-3 Years	4-5 Years	After 5 Years	Total
Trade and other payables	20,503	–	–	–	**20,503**
Provisions	45	381	325	10,234	**10,985**
Capital expenditure commitments	2,035	–	–	–	**2,035**
Lease liabilities	167	41	–	–	**208**
Cash-settled share-based payments	920	374	–	–	**1,294**
Loan notes (solar bonds)	665	6,447	–	–	**7,112**

The capital expenditure commitments relate to materials and equipment which have been ordered by CMSA and which will be sold to 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 and the further stages of the new TSF.

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. 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, 2023, the Group had liabilities for rehabilitation work on Blanket – if the mine is permanently closed – at an estimated discounted cost of $4.7 million (December 31, 2022: $2.8 million), Motapa's liability amounted to $1.4 million (December 31, 2022: $Nil), and Bilboes' liability amounted to $4.4 million (December 31, 2022: $Nil).

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", "AISC 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)

	Bilboes Oxide Mine		Blanket		Consolidated	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Production cost (IFRS)	**13,118**	–	**69,591**	62,998	**82,709**	62,998
COVID-19 labour and consumable expenses	**–**	–	**–**	(311)	**–**	(311)
Cash-settled share-based expense	**(23)**	–	**(637)**	(853)	**(660)**	(853)
Less exploration and safety costs	**–**	–	**(1,155)**	(998)	**(1,155)**	(998)
On-mine admin costs, employee incentives and intercompany adjustments	**–**	–	**(797)**	(1,970)	**(797)**	(1,970)
On-mine production cost*	**13,095**	–	**67,002**	58,866	**80,097**	58,866
Gold sales (oz)	**3,050**	–	**73,482**	80,094	**76,532**	80,094
On-mine cost per ounce ($/oz)	**4,293**	–	**912**	735	**1,047**	735
Royalty	**319**	–	**7,318**	7,124	**7,637**	7,124
Exploration, remediation and permitting cost	**–**	–	**55**	146	**55**	146
Sustaining capital expenditure #	**154**	–	**17,199**	1,880	**17,353**	1,880
Sustaining administrative expenses &	**–**	–	**8,485**	3,191	**8,485**	3,191
Inventory write-down	**–**	–	**(283)**	(563)	**(283)**	(563)
Silver by-product credit	**(4)**	–	**(114)**	(116)	**(118)**	(116)
Cash-settled share-based payment expense included in production cost	**–**	–	**660**	853	**660**	853
Cash-settled share-based payment expense	**–**	–	**463**	609	**463**	609
Equity-settled share-based payment expense	**–**	–	**640**	484	**640**	484
Procurement margin included in on-mine cost*	**–**	–	**(4,422)**	(2,163)	**(4,422)**	(2,163)
AISC	**13,564**	–	**97,003**	70,311	**110,567**	70,311
Gold sales (oz)	**3,050**	–	**73,482**	80,094	**76,532**	80,094
AISC per ounce ($/oz)	**4,447**	–	**1,320**	878	**1,445**	878
Non-sustaining administrative expenses&	**2,900**	–	**6,044**	10,918	**8,944**	10,918
Permitting and exploration expenses	**–**	–	**32**	59	**32**	59
Covid 19 expenses	**–**	–	**–**	311	**–**	311
Non-sustaining capital expenditure#	**–**		**12,253**	45,555	**12,253**	45,555
Total all-in cost	**16,464**	–	**115,332**	127,154	**131,796**	127,154
Gold sales (oz)	**3,050**	–	**73,482**	80,094	**76,532**	80,094
All-in cost per ounce ($/oz)	**5,398**	**–**	**1,570**	**1,588**	**1,722**	**1,588**

* *The on-mine cost reflects the cost incurred 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 the AISC and the all-in cost 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 the last quarter of 2022 administrative expenses have been allocated between AISC and all-in cost. Prior years have been restated.*

\# *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, unless otherwise indicated)

	2023	**2022**
Revenue (IFRS)	**146,314**	142,082
Revenues from sales of silver	**(118)**	(116)
Revenues from sales of gold	**146,196**	141,966
Gold ounces sold (oz)	**76,532**	80,094
Average realised gold price per ounce (US$/oz)	**1,910**	1,772

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 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, unless otherwise indicated)

	12 months ended December 31	
	2023	**2022**
(Loss)/profit for the period (IFRS)	**(618)**	22,866
Non-controlling interest share of loss for the period	**(3,580)**	(4,963)
(Loss)/profit attributable to owners of the Company	**(4,198)**	17,903
BETS adjustment	**(346)**	(517)
(Loss)/earnings (IFRS)	**(4,544)**	17,386
Weighted average shares in issue (thousands)	**18,626**	12,831
IFRS EPS (cents)	**(24.4)**	135.5
Add back/(deduct) amounts in respect of foreign exchange movements		
Realised net foreign exchange losses	**6,767**	8,325
– less tax	**(1,666)**	(2,056)
– less non-controlling interest	**(670)**	(827)
Unrealised net foreign exchange gains	**(4,217)**	(12,736)
– less tax	**810**	3,042
– less non-controlling interest	**349**	1,265
Adjusted IFRS (loss)/profit excl. foreign exchange	**(3,171)**	14,399
Weighted average shares in issue (thousands)	**18,626**	12,831
Adjusted IFRS EPS excl. foreign exchange (cents)	**(17.0)**	112.2
Add back/(deduct) amounts in respect of:		
Reversal of BETS adjustment	**346**	517
Impairment of property, plant and equipment	**877**	8,209
Bilboes pre-operational expenses	**–**	830
Impairment of E&E assets	**–**	467
Deferred tax	**4,358**	3,796
Non-controlling interest portion of deferred tax and impairment	**(555)**	(1,629)
Inventory write-down	**283**	563
– less tax	**(70)**	(139)
Fair value losses on derivative financial instruments	**1,119**	1,198
Adjusted profit	**3,187**	28,211
Weighted average shares in issue (thousands)	**18,626**	12,831
Adjusted EPS (cents)	**17.1**	219.9

Critical accounting estimates

Caledonia's accounting policies are set out in the Consolidated Financial Statements 2023 which have been publicly filed on SEDAR. In preparing the Consolidated Financial Statements 2023, 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 material accounting policies refer to note 4 in the Consolidated Financial Statements 2023 that can be found on Caledonia's website: https://www.caledoniamining.com/investors/reports-presentations/



SECTION 4: Governance



IN THIS SECTION

Governance

Board Chair's review	pg 57
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Board and Board Committees	pg 60
Risk identification and mitigation	pg 67
Compensation Committee Chair's review	pg 71

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: https://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.

Board Chair's review

Caledonia endorses and is 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 applicable laws, codes, guidelines and best practices.

This report provides information on our financial performance in 2023, our financial position at the end of 2023 and 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 2023 (to be found on our website at: https://www.caledoniamining.com/esg/esg-reports/) which provides context on our ESG performance.

Governance

In May 2023 Leigh Wilson retired as a non-executive director and Chair of the Board after a decade of exemplary leadership and oversight of significant changes to the business, where his skills and experience proved invaluable. I am honoured to have succeeded him as Chair. 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 its collective responsibility for its decisions; and for considering and approving, with the rest of the Board, 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.



John Kelly
Board Chair

> ***"Caledonia endorses and is committed to the principles of good corporate governance and corporate citizenship."***

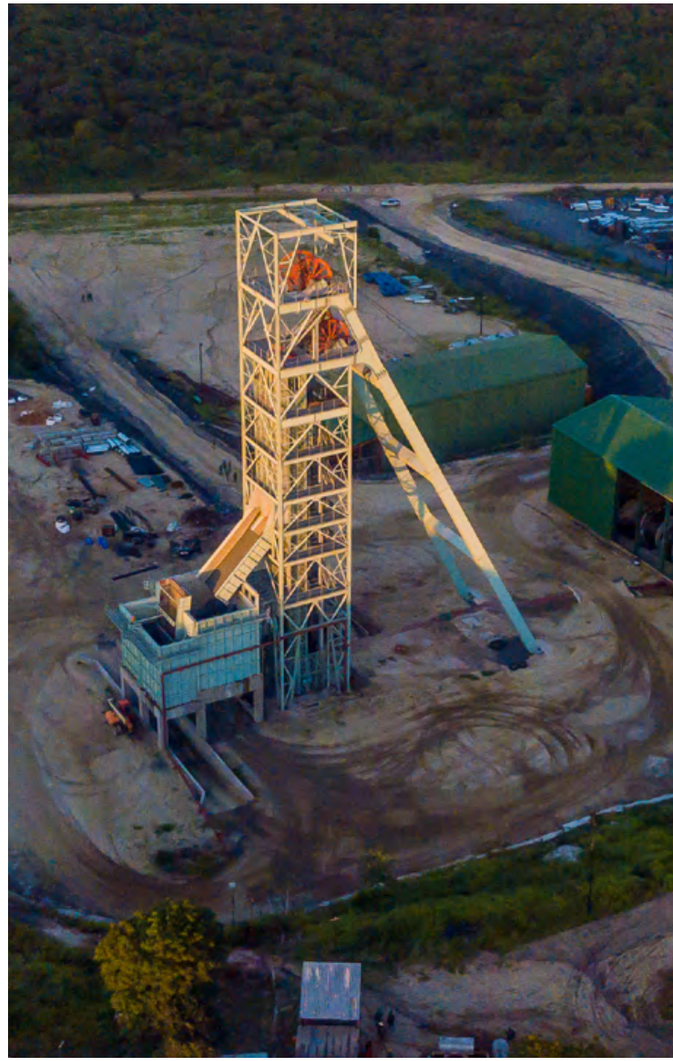
Caledonia has adopted the UK's QCA Code. A statement from me as Chair on the application of the QCA Code is available on the corporate governance section of Caledonia's website, together with our other codes and policies.

At the date of publication of this IR, the Company has two executive directors and six 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.

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.

Victor Gapare joined the Board as an executive director in January 2023, on completion of the acquisition of Bilboes. Victor is a prominent Zimbabwean mining entrepreneur who was previously the Operations Director for the gold and pyrites business of Anglo American Corporation Zimbabwe Limited when Bilboes was part of its portfolio, prior to a management buyout in which he was involved. He is also a former President of the Chamber of Mines Zimbabwe. His extensive knowledge of both Bilboes and, more broadly, of mining in Zimbabwe is an invaluable addition to our management team and to the Board.



Board Chair's review *continued*

Dana Roets, who was the COO at Caledonia, left the business and the Board at the end of February 2024. Dana made an outstanding contribution to Caledonia during his time with us as evidenced by the increased production and exploration success. This was achieved against the backdrop of a challenging operating environment as well as the COVID-19 pandemic, which introduced a new set of unanticipated operational challenges.

Tariro Gadzikwa joined the Board as an independent non-executive director in March 2024. She is a chartered accountant and the Founder and Chief Executive Officer of MWJ Consulting Proprietary Limited, an advisory firm specialising in financial reporting and due diligence for listed and private equity clients within the mining, oil and gas, and energy sectors. She has significant board experience with expertise in audit, risk management, corporate finance, and finance strategy development. Her skills will be of great value to the Board. As a Zimbabwean national based in Johannesburg, Tariro will add further depth to the Board's considerable experience in Southern Africa.

Steve Curtis, who retired as Chief Executive Officer in June 2022 and remained on the Board as a director in a non-executive capacity, decided to step down from the Board and as such did not seek re-appointment as a director at the 2024 AGM. I would like to thank Steve for his contributions to the Board and am pleased he has agreed to remain a consultant to Caledonia for the time being, enabling management to continue to benefit from his unique experience and insight.

Health and safety

There are many challenges at a deep-level underground gold mine which employs over 2,000 people and in 2023 we were deeply saddened to report the fatality of an employee at Blanket. Creating and maintaining a safe operating environment for our employees and contractors is our top priority. 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.

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. Employees at Blanket are trained through a behaviour-based safety programme, emphasising the safety culture. In 2023, 505 employees completed the programme. In addition, we have a formal safety management system in place at Blanket, based on the South African National Occupational Safety Association system. We continue to review our safety practices and affirm our commitment to zero harm.

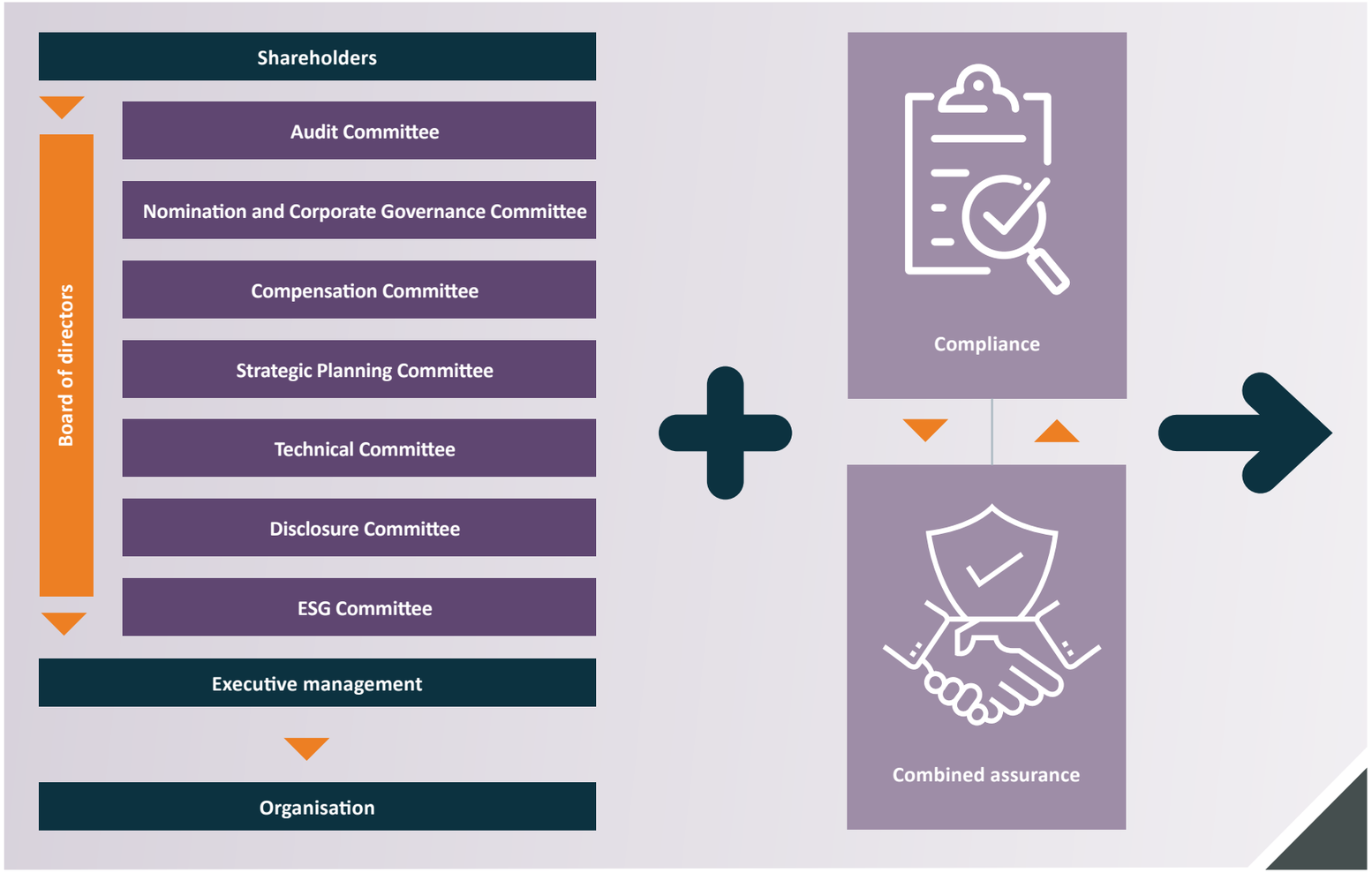
Acknowledgments

2023 was not without its obstacles, such as one-off costs in the fourth quarter which management has taken steps towards addressing. Caledonia has started 2024 in a strong position, with a portfolio of high-quality exploration and development assets offering significant growth potential as we transition towards becoming a multi-asset, Zimbabwe-focused gold producer.

John Kelly
Board Chair
September 16, 2024



Caledonia’s corporate governance structure



Good corporate governance foundation

Caledonia’s governance structure clearly outlines role delegation, areas of accountability, and strong risk and performance management to identify the independent roles 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 promote good governance.

The Board ultimately ensures accountability for governance and performance by approving our strategic direction.

The Board also promotes ethical and effective leadership behaviour.

Board and Board Committees

Board committees

A – Audit Committee
C – Compensation Committee
T – Technical Committee
E – ESG Committee
N – Nomination and Corporate Governance Committee
S – Strategic Planning Committee
D – Disclosure Committee

Members of the Board

Independent Non-executive

Executive directors



Member: C N S E

John Kelly (71)
Connecticut, USA
MBA, BA (History and Literature)
Independent Non-executive Chair from May 2023
Director since: 2012



Member: A C N T S

Johan Holtzhausen (78)
Cape Town, South Africa
BSc (Geology and Chemistry), BCompt (Hons), CA(SA)
Independent Non-executive Director
Director since: 2013



Member: N T S E

Nick Clarke (71)
East Molesey, United Kingdom
CEng
Independent Non-executive Director
Director since: 2019



Member: T S D E

Mark Learmonth (60)
Jersey, Channel Islands
MA (Modern History), CA(UK)
Executive Director
Chief Executive Officer *from July 1, 2022*
Chief Financial Officer *until June 30, 2022*
Director since: 2014



Member: A N S E

Geralda Wildschutt (55)
Johannesburg, South Africa
Masters in Psychology, MBA
Independent Non-executive Director
Director since: 2021



Member: A C N T S

Gordon Wylie (71)
Malta
BSc (Hons) Geology, Management Diploma, Post Graduate Diploma in Mining Engineering
Independent Non-executive Director
Director since: 2022



Member: A C N S

Tariro Gadzikwa (46)
Johannesburg, South Africa
Bachelor of Accounting Science (Hons). CA(SA), CA(Z)
Independent Non-executive Director
Director since: 2024



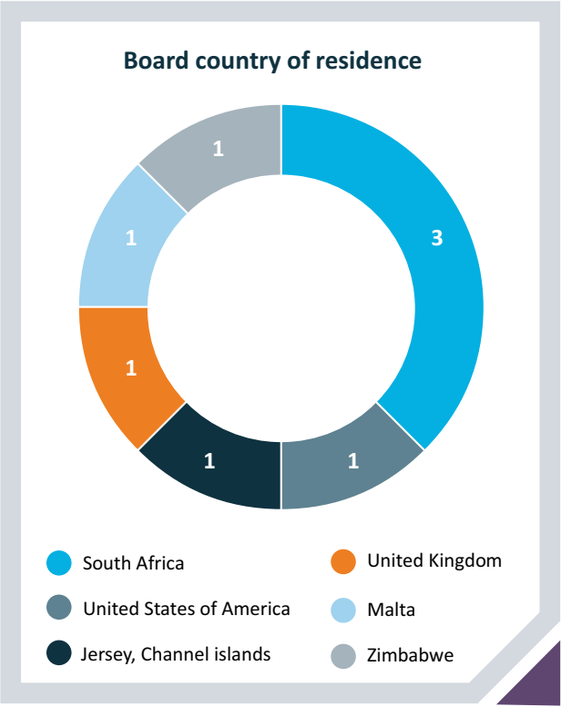
Member: T S E

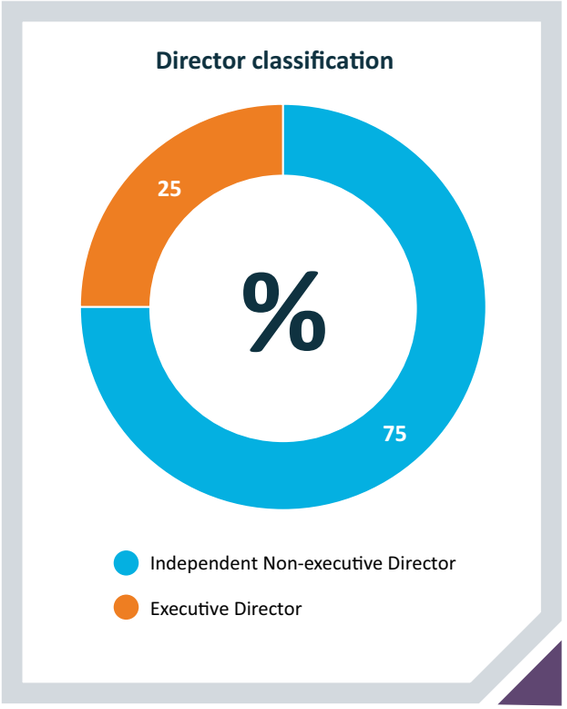
Victor Gapare (59)
Harare, Zimbabwe
Bachelor of Business Studies (Hons), Master of Business Leadership
Executive Director
Director since: 2023

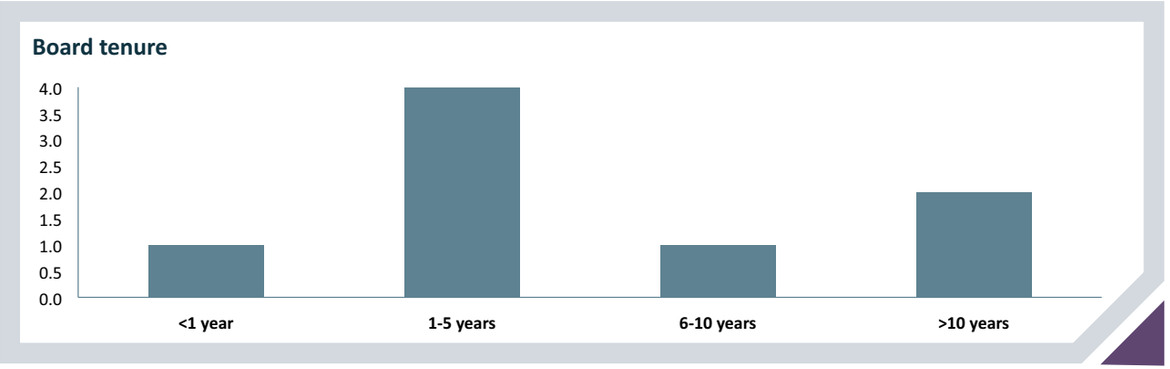
Dana Roets (Chief Operating Officer) left the Board in February 2024.
Steve Curtis (Non-executive Director) left the Board in May 2024.

For the skills and experience of each Director refer to the 2023 Form 20-F available on our *website*.

Board and Board Committees *continued*







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. The charter of the Board was last amended and adopted on November 8, 2023.

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
- Ensuring accountability

Conflict of interest

A director is prohibited from using their position or confidential and price-sensitive information to benefit themselves 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.

Independence

Many of Caledonia's Board members are independent thus ensuring a majority of independent views on the Board. The diversity of skills and experience of Board members ensures that decisions are made from different and diverse viewpoints, skills bases and expertise which benefits 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 22, 2023, the Board evaluated the independence of all independent 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 the 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.

Meetings attendance

The Board meets at least four times per year.

Eight meetings were held during 2023:

March 22. 2023	September 28, 2022
March 23, 2023	November 13, 2023
May 9, 2023	December 28 ,2023
June 29, 2023	97% attendance of members
August 8, 2023	

Notes:

Several resolutions in writing were also passed for:

- Quarterly dividends
- Know your customer ("KYC") / anti-money laundering ("AML") policy
- Convene the AGM
- Bilboes deferred consideration shares
- Motapa Oxide Exploration – Phase 1
- Equity issue through an "at the market" offering in the United States
- Put option hedging contract of the gold price
- Bilboes restructuring

Board and Board Committees *continued*

Board focus areas for the reporting year

Governance
- Delegation of duties and responsibilities
- Appointment of Committee members
- Independence affirmation
- Convene the AGM
- Board, Committees, Chair and Company Secretary evaluations
- Succession plan
- Induction plan
- Company policy development and training
- Security rules adherence
- SOX compliance
- Effect of the new Mines and Minerals Bill
- Quoted Companies Alliance Governance Disclosures
- Compliance and ethics

Production performance
- Stock level availability
- Development continuation
- Power management
- Mineral resources and reserves statements
- Bilboes feasibility study work
- TSF project

Financial performance
- Cashflow
- Overdraft facilities and loans
- Budget management
- Equity raises
- Dividends
- Capital requirements
- Zimbabwe economic situation
- Solar plant sale
- Gold sales to offshore refiner
- Cost management

Risk management
- IT management and control improvements
- Risk assessments
- Social and environmental impacts
- Internal audit
- Internal controls

Stakeholder engagement
- Zimbabwean government
- Solar plant contractors
- Solar plant purchaser
- Bank representatives
- Mining culture
- Investor relations

Steers and sets strategic direction
- Budget approval
- Procurement
- Performance compared to peers
- Compensation overview
- ESG overview

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

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: S D



Maurice Mason (50)
United Kingdom
Eng, MBA
Vice President Corporate Development
From: April 2016

Member: S



Adam Chester (48)
Jersey, Channel Islands
BA(Hons) Solicitor (England and Wales) and Advocate (Jersey)
General Counsel, Company Secretary and Head of Risk and Compliance
From: January 2017

Member: D E



Camilla Horsfall (41)
United Kingdom
BA (Hons)
Vice President Group Communications
From: October 2020

Member: D E



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

Member: T



James Mufara (50)
South Africa
BSc Minng Engineering, MBA
Chief Operating Officer
From: May 2024

Member: S T D



Colleen Parkins (57)
South Africa
MSc (Zoology), MSc (Quantitative Resource Ecology), MBA, Masters in Disaster Management
Head of ESG
From: April 2023

Member: E

- A - Audit Committee
- N - Nomination and Corporate Governance Committee
- C - Compensation Committee
- S - Strategic Planning Committee
- T - Technical Committee
- D - Disclosure Committee
- E - ESG Committee

Board and Board Committees *continued*

Audit Committee

Members
Johan Holtzhausen (Chair)
Geralda Wildschutt
Gordon Wylie (from May 2023)
John Kelly (up to May 2023)
Tariro Gadzikwa (from March 2024)

Meetings attendance
The Committee meets at least every quarter.

Meetings were held on:

March 22, 2023
May 9, 2022
August 8, 2023
November 13 ,2023

100% attendance of members

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

The Committee is responsible for 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 management subcommittee's updates on risk and mitigation
- Monitoring internal controls

The charter of the Audit Committee was last amended and adopted on September 8, 2021.

Value contribution
- Receiving and considering reports on annual financial results and audit findings
- Recommendation of reappointment of BDO as the Company's auditor
- Reviewing the quarterly consolidated financial statements, annual audited consolidated financial statements and the quarterly MD&A and giving recommendations 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 subcommittee
- 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
- Evaluating the impairment analysis

Nomination and Corporate Governance Committee

Members
John Kelly (Chair)
Johan Holtzhausen
Nick Clarke
Geralda Wildschutt
Gordon Wylie
Tariro Gadzikwa (from March 2024)

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

Meetings were held on:
May 9, 2023
August 8, 2023
November 8, 2023

100% attendance of members

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

- Seeking and nominating qualified candidates for election or appointment to the Board and Board Committees
- 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

The charter of the Nomination and Corporate Governance Committee was last amended and adopted on November 8, 2023.

The Nomination and Corporate Governance Committee is satisfied that it carried out its responsibilities during 2023 in compliance with its terms of reference.

John Kelly
Nomination and Corporate Governance Committee Chair
September 6, 2024

Value contribution
- Overseeing the activities and structure of the Board and its Committees
- Reviewing internal governance documents, including policies and charters and recommending updates
- Ensuring the appropriate interface between the internal auditor and Board Committees
- External consulting to assist with Board appointments and succession planning
- Reviewing of grievances and the whistleblowing process
- Overseeing the Board and Committees' annual evaluation process

Board and Board Committees *continued*

Compensation Committee

Members
Gordon Wylie (Chair)
Johan Holtzhausen
John Kelly
Tariro Gadzikwa (from March 2024)

Meetings attendance
Committee meets at the discretion of the chair or a majority of the members as circumstances dictate but at least once a year.

Meetings were held on:
- February 22, 2023
- March 7, 2023
- August 8, 2023
- December 6, 2023

100% attendance of members

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
- Administration of incentive compensation plans
- Reviewing director compensation
- Continuous disclosure reporting
- Administration of the Company's incentive compensation recovery policy
- Other delegated duties or responsibilities as required by the Board

The charter of the Compensation Committee was last amended and adopted on November 8, 2023.

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 the grant of LTIPs to certain senior management and employees of Caledonia and the issue of shares on vesting of LTIPs

Strategic Planning Committee

Members
John Kelly (Chair)
Johan Holtzhausen
Mark Learmonth
Nick Clarke
Geralda Wildschutt
Gordon Wylie
Victor Gapare
Chester Goodburn
Tariro Gadzikwa (from March 2024)
Maurice Mason
James Mufara (from May 2024)

Meetings attendance
The Committee meets as often as it deems necessary in order to perform its role.

A meeting was held on:
- November 8, 2023

90% attendance of members

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

The charter of the Strategic Planning Committee was last amended and adopted on November 10, 2020.

Value contribution
- Evaluating strategy updates
- Evaluating the 2024 budget

Board and Board Committees *continued*

Technical Committee

Members

Nick Clarke (Chair)
Johan Holtzhausen
Mark Learmonth
Gordon Wylie
Victor Gapare
Craig Harvey
James Mufara (from May 2024)

Meetings attendance

The Committee meets at the discretion of the chair or a majority of the members as circumstances dictate but at least twice a year.

Meetings were held on:

- January 31, 2023
- May 2, 2023
- June 27, 2023
- August 1, 2023
- October 31, 2023

100% attendance of members

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 on engineering studies, exploration programmes and other technical activities and report progress to the Board, thus 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's discussion and analysis, other technical reports, preliminary economic analyses, prefeasibility 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

The policy of the Technical Committee was last amended and adopted on September 8, 2021.

The Technical Committee is satisfied that it carried out its responsibilities during 2023 in compliance with its terms of reference.

Nick Clarke
Technical Committee Chair
September 6, 2024

Value contribution

- Reviewing safety and accident statistics
- Evaluating environmental performance
- Evaluating development (run of mine, capital, drilling and exploration) at Blanket and Bilboes
- Monitoring of production metrics
- Evaluating current, new and potential projects and their development aspects
- Recommending when new capital items are required, e.g. TSF
- Reviewing quarterly technical reports
- Evaluating power supply and management
- Monitoring of budget versus actual capital expenditure
- Reviewing mineral resource and mineral reserve estimations at Blanket, Bilboes and Maligreen, and technical reports
- Reviewing feasibility study work on Bilboes, including the PEA

Disclosure Committee

Members

Camilla Horsfall (Chair)
Mark Learmonth
Adam Chester
Chester Goodburn
James Mufara (from May 2024)
While the chairs of the Audit Committee, Technical Committee and Strategic Planning Committee are not members of the respective Committees, they are responsible for the independent review and approval of press releases in respect of areas of Committees' specific focus (e.g. financial, technical and strategic).

Meetings attendance

The Committee meets at the discretion of the chair or a majority of the members as circumstances dictate but at least once a year.

No formal Committee 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, 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

The policy of the Disclosure Committee was last amended and adopted on November 10, 2020.

Value contribution

No formal meetings of the Committee were held during 2023 – given the volume of information released, all business of the Committee is conducted by frequent ad hoc meetings between Committee members.

Board and Board Committees *continued*

ESG Committee

Members

Geralda Wildschutt (Chair)
John Kelly
Mark Learmonth
Nick Clarke
Victor Gapare
Adam Chester
Camilla Horsfall
Colleen Parkins

Meetings attendance

The Committee meets at the discretion of the chair or a majority of the members as circumstances dictate but at least twice a year.

Meetings were held on:

- February 16, 2023
- May 2, 2023
- August 1, 2023
- October 31, 2023

100% attendance of members

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.

The policy of the ESG Committee was last amended and adopted on May 11, 2021.

Value contribution

- Ensuring ESG strategy training is communicated and understood by employees
- Approving the ESG Report
- 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 management system
- Monitoring safety controls and adherence
- Evaluating the due diligence on foreign refiners
- Evaluating climate change risk assessments
- Monitoring health and safety training



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 the 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 to 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 subcommittee of the Audit Committee is responsible for identifying and reporting risks that may impact Caledonia.

Group risk appetite and tolerance

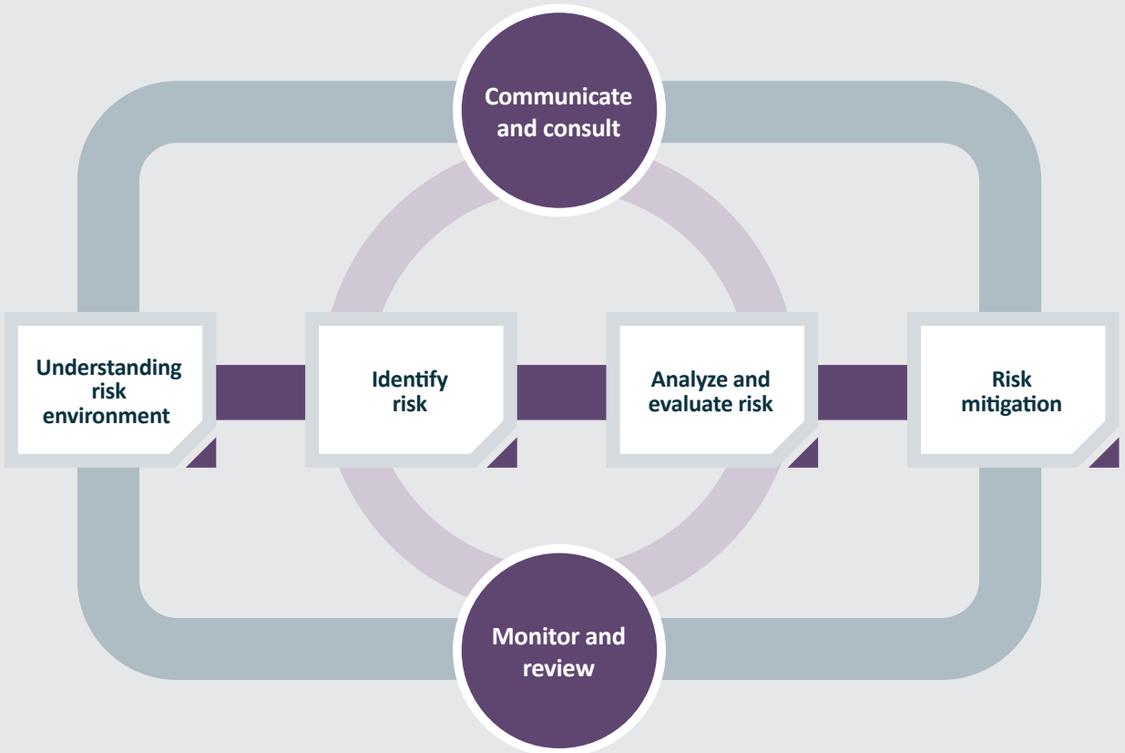
In order to act in the best interest of our stakeholders, we ensure that fair and robust management activities are in place within the Group's risk appetite and risk tolerance levels.

Caledonia's risk appetite can be defined as the type of risk we are willing to bear to meet our strategic plans or objectives before action is deemed necessary to reduce the risk. In determining our risk appetite, we consider 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.



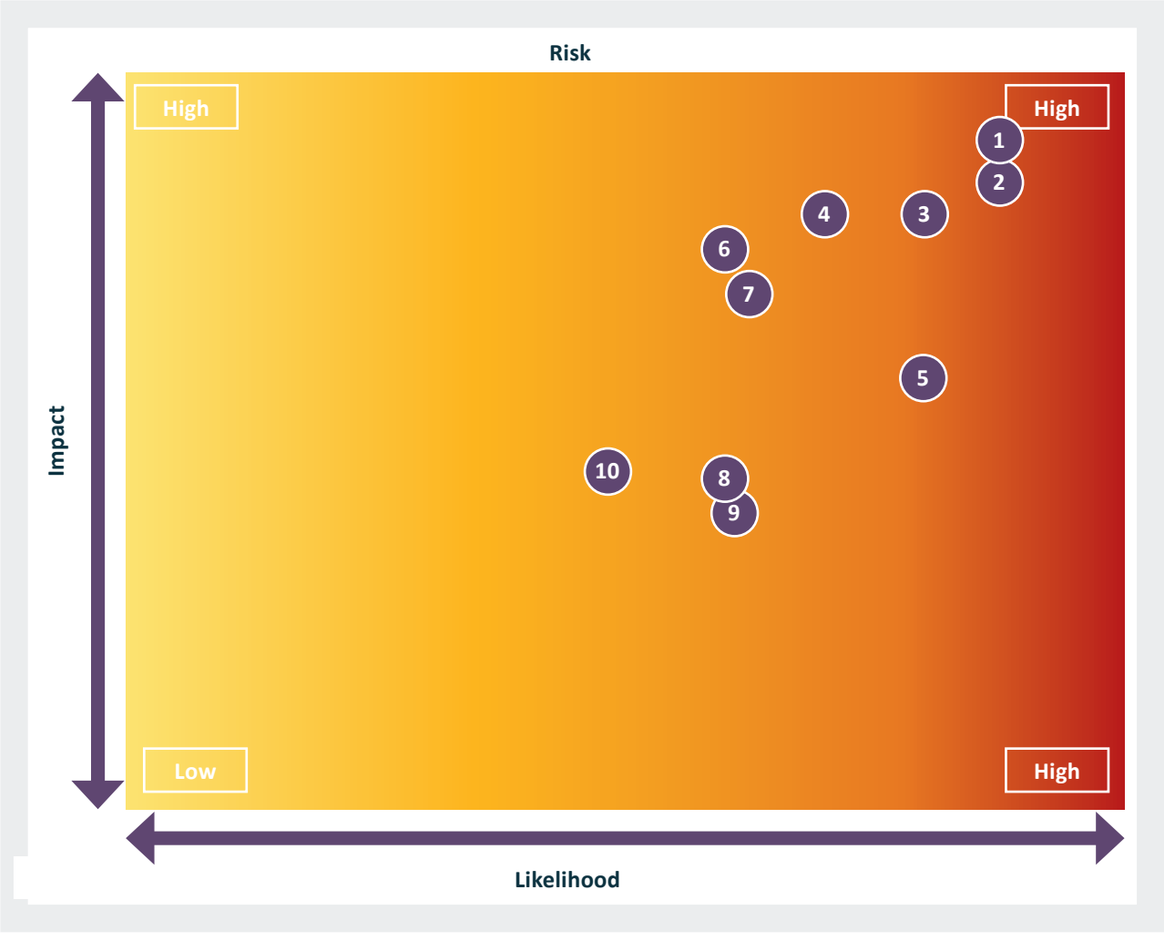
Risk tolerance



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	2
3	Liquidity and financial ratios	3
4	Mine development	4
5	Consumable and capex supply	5
6	Power supply	7
7	Safety	6
8	Information technology	9
9	Future production	8
10	ESG	New



Risk identification and mitigation *continued*

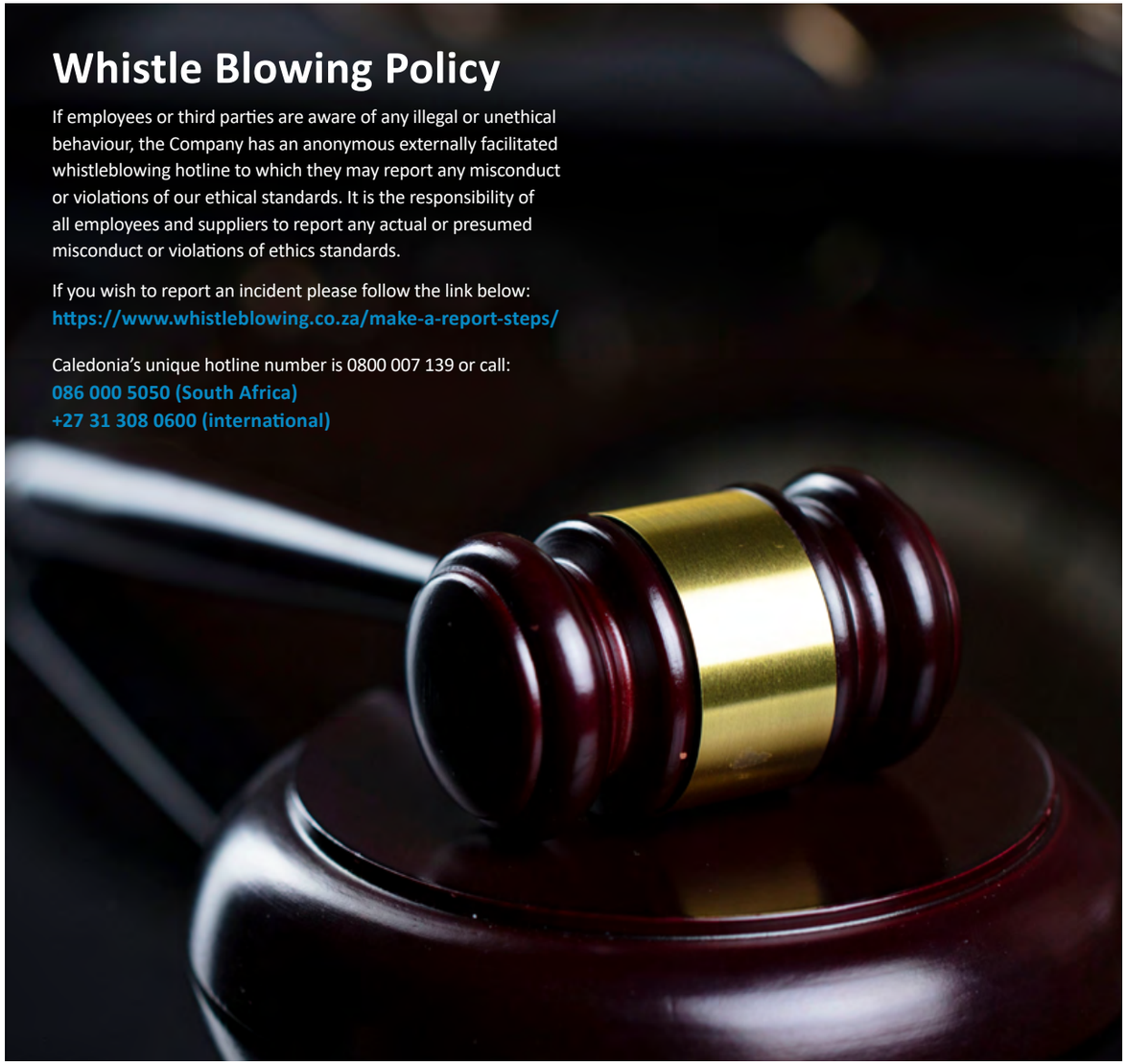
	Inherent risk	Impact on value	Mitigating controls	Capitals
1	**Current production**	• Unanticipated shortfalls between actual and budget gold production due to fluctuations in grade, tonnes mined and metallurgical recoveries	• On-site expertise of senior management to continually monitor address and 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 capex 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	**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 for electricity sourcing from grid-power • Consideration of alternative power sources e.g. solar power • IEUG arrangement and lower tariff	Financial Manufactured

	Inherent risk	Impact on value	Mitigating controls	Capitals
7	**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
8	**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
9	**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
10	**ESG**	• Actual and perceived risk of environmental negligence, ignorance of social and governance responsibilities and unethical behaviour	• Managing environmental matters as a result of mining activities • Incorporating structures to improve the social well-being of employees and the community surrounding our mining activities • Implementing appropriate governance structures throughout the Group • Regular reporting of CSR activities and ESG credentials • Monitoring and taking action on whistle blowing reports and grievances	Human Social and Relationship Natural

Risk identification and mitigation *continued*

Top three opportunities

Bilboes	Motapa	Maligreen
PEA: NI 43-101 measured and indicated mineral resource estimate of 2.47Moz in 33.65Mt at 2.30 g/t and an inferred mineral resource estimate of 0.560Moz in 9.12Mt at 1.99g/t	Exploration property in historically producing mining area	Mining claims over the project situated in the Gweru mining district
Single-phase development provides optimal returns and a more attractive financing structure than phased development alternatives	Contiguous to the Bilboes gold project, approximately 75km north of Bulawayo	Acquisition cost of $4 million in cash
PEA shows single-phase development projected to yield 1.52Moz AU over a 10-year LOM and payback period of 1.9 years based on a gold price of $1,884. NPV of $309m based on gold price and 10% discount	Area was formerly owned, operated and explored by Anglo American Zimbabwe	NI 43-101 measured and indicated mineral resource of 442koz in 8.03Mt at 1.71g/t
New feasibility study reflecting the work undertaken for the PEA is expected to be delivered during H1 2025	Has a mining lease covering approximately 2,200 hectares	NI 43-101 inferred mineral resource of 420koz in 6.17Mt at 2.12g/t
Funding solutions and contracting being progressed in tandem	Acquisition cost of $8.3 million in cash and loan notes, all now fully paid	
	Commenced initial drilling programme in Q2 2024	



Compensation Committee Chair's review

As chair of the Compensation Committee, having taken over from John Kelly when he became Chair of the Board during 2023, I am pleased to present a compensation review for 2023 on behalf of the Committee.

This report, as in previous years, is in two sections:

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

Following the Company's acquisitions over the last two years as detailed throughout the IR, the Company continues in its strategic aim of becoming a multi-asset, mid-tier gold producer. The Company requires broad skills in its workforce, particularly with its anticipated move into open pit operations, and it is therefore imperative to ensure its approach to compensation is fit for purpose and that its compensation policy and culture will attract and retain the necessary talent as well as drive performance.

The Company's compensation strategy and approach to compensation governance are set out in the charter of the Committee, a copy of which is available on the Company's corporate governance section of its website: **Corporate Governance – Caledonia Mining Corporation plc**. The charter now contains a Group-wide rather than executive-only policy, and this change was introduced in 2023.

Compensation strategy

The compensation strategy is underpinned by the Company's values and desire to attract, motivate and retain the employees required to drive the business success of the Company. The compensation strategy seeks to support the Company's overall business strategy and accompanying strategic objectives to:

1. Attract, motivate and retain high-performing talented individuals who have the requisite skill and experience to deliver business results and enhance the Company's competitive advantage
2. Inspire and motivate employees to out-perform against the business strategy, goals and targets
3. Drive, reward and recognise performance excellence and innovation by significantly differentiating compensation for top performers i.e., pay for performance
4. Give effect to the Committee's direction on fair, responsible and transparent compensation
5. Support growth and sustainable value creation in the business
6. Promote sound business ethics and good governance
7. Foster a culture of accountability and responsibility

The Company subscribes to a total compensation philosophy, which combines competitive base compensation and benefits with incentive compensation in the form of short-term incentive plans ("STIP") and, for certain management and other employees, LTIPs. This approach creates well-balanced compensation reflecting individual performance and responsibility, as well as the Company's and (where applicable for senior employees who are awarded LTIPs) the Group's overall performance.

NEOs' compensation therefore comprises the following:

Base compensation

Competitive base compensation is required to attract the desired set of skills, competencies and experience to the Company. It is aligned to the applicable market comparators ensuring that employees are rewarded fairly and competitively in the markets within which they operate. The base compensation is used to determine other elements of compensation and benefits where applicable.

For executive roles, base salaries are set based on a review of similar executive roles and responsibilities at comparator companies and in consideration of larger companies that may attempt to recruit the Company's executives.

The Board will consider adjustments in base compensation from time to time in consideration of inflation or exchange rates as may be appropriate.

STIPs

Executives are eligible to receive annual performance-based cash bonuses set as a target percentage of each executive's annual base compensation, currently 50%. The target percentage is a guideline, not a formula, and is paid at the discretion of the Committee based on an evaluation of mutually agreed annual goals for the respective executives. The STIP goals are specific to the respective executives 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, an executive may receive a cash bonus equal to, greater than, or less than their respective target. Bonuses for non-executive roles are typically capped at the maximum target amount.

LTIPs

The Company's shareholders approved the OEICP at the AGM on May 14, 2015. The OEICP was designed to give the Board broad latitude to design equity-based long-term compensation incentives to align performance with shareholder interests. The Committee has granted LTIP awards to NEOs, certain management and employees within the Group pursuant to the terms and conditions of the OEICP.

Currently, LTIP awards granted to NEOs are in the form of:

(a) 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 holds RSUs, being the new Chief Operating Officer, which are due to vest on September 30, 2024 in the form of Company shares.

(b) EPUs, which are granted with target values of 40% of annual salary for all NEOs other than the CEO who receives grants with a target value of 90% of annual salary. The EPUs vest after three years, after publication of the annual results, and are settled in Company shares.

Awards are subject to clawback in certain events and there is a minimum one year holding period for shares issued pursuant to vested EPUs. In terms of the currently outstanding EPU awards:

1. For awards granted during 2022, the number of units that ultimately vest is the target number of EPUs 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; and 50% of the average cost per ounce for the financial years preceding vesting compared to the budgeted amounts, subject to a maximum of 150% and minimum of 50% depending on gold ounces produced and cost per ounce.
2. For awards granted during 2023, the number of units that ultimately vest is the target number of EPUs 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 years preceding vesting compared to the budgeted amounts, subject to a maximum of 150% and minimum of 50% depending on gold ounces produced and cost per ounce by Blanket and Bilboes. It is noted that the Bilboes oxide mine was placed on care and maintenance from October 1, 2023 and therefore it is expected that the metrics with respect to Bilboes were reconsidered.
3. For awards granted during 2024, the number of units that ultimately vest is the target number of EPUs, subject to a maximum of 150% and minimum of 50% depending on certain thresholds being met, weighted as to: i) 40% on actual versus guidance gold production at Blanket; ii) 20% on mineral resource addition at Blanket within the current infrastructure; iii) 20% on progress with respect to financing and construction of the Bilboes sulphides project; and iv) 20% on blue sky exploration at all sites where funds are available.

Further information

Awards of PUs and EPUs are made each year and the vesting of RSUs and EPUs for NEOs occur on the third anniversary of the grant, while vesting for other holders occurs in annual tranches. Vesting is in the

Compensation Committee Chair's review *continued*

form of cash or shares, at the option of the holder, except for EPUs which are only in the form of shares.

Throughout 2023 and so far in 2024, LTIP awards continued to be granted to new heads of department and senior managers at the mine and to new joiners to the other Group companies, with the total number of holders of awards being 117 as at May 31, 2024.

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.

Compensation governance

The Board established the Committee to preside over the execution of its compensation policy. The Committee works with external consultants to ensure that the Company's 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.

Deloitte Consulting (Pty) Ltd ("Deloitte") continued to advise the Committee in 2023 with a mandate to support it in aligning the compensation structure with best practice and to ensure the best fit to drive the achievement of the medium- and longer-term strategy of the Company.

The Committee held four meetings during 2023. At its meeting on February 22, 2023, the Committee approved fixed pay increases of 3.5% and postponed discussion of STIPs and the making of LTIP awards in order to align with the publication of annual results at the end of March. At its meeting on March 7, 2023, the Committee reviewed NEOs' performance against key performance indicators in order to decide STIP payments.

On August 8, 2023, the Committee considered changes to the compensation policy (principally to broaden it from application to only executives to all employees, to reflect the Committee's role as custodian of compensation governance for the business), current trends in compensation, executive benchmarking, pay and incentives and performance management as presented by Deloitte. In addition, on the recommendation of the Nomination and Corporate Governance Committee, the Board adopted an Incentive Compensation Recovery Policy in accordance with the NYSE American rules that require listed issuers to adopt clawback policies to recoup incentive-based compensation granted to executive officers on the basis of financial results that are subsequently restated, as required by new rules promulgated by the Securities and Exchange Commission. The Committee is mandated to administer the policy, a copy of which can be found annexed to the Committee's charter (alongside the Group-wide (i.e. no longer limited to NEOs') compensation policy).

On December 6, 2023, Deloitte updated the Committee on the compensation policy and trends and assisted the Committee with a discussion on fixed pay increases for 2024, incentives, a year-end review of NEOs' performance, non-executive director remuneration (which was recommended to the Board to increase from $90,000 per annum to $105,000 per annum for non-executive directors and, for the chair of the Board, $135,000 respectively) and the Committee's work plan for the following year.

In terms of work conducted otherwise than by way of meetings, the Committee passed written resolutions on three occasions - in January 2023 approving, amongst other things, the issue of shares to certain NEOs pursuant to the vesting of LTIP awards made in 2020, in April 2023 to approve the application of new performance metrics for 2023 LTIP awards (as outlined above) and in June 2023 resolving to apply a previous performance multiplier to PUs vesting in the case of a deceased employee at Blanket (the current multiple, given the poor first quarter of 2023, would have been prejudicial).

The Compensation Committee is satisfied that it carried out its responsibilities during 2023 in compliance with its terms of reference.

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

Gordon Wylie
Compensation Committee Chair
September 16, 2024



Compensation Committee Chair's review *continued*

Compensation outcomes for NEOs

Name and principal position	Year	Salary ($)	Share-based awards ($)[1]	Option-based awards	Non equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)[2] [3]	Total compensation
					Annual incentive plans [1]	Long term incentive plans			
Mark Learmonth	2023	517,500	263,304	–	–	–	–	–	780,804
Chief Financial Officer (until June 30, 2022)	2022	494,315	94,692	–	–	–	–	175,000	764,007
Chief Executive Officer (from July 1, 2022)	2021	480,011	89,645	–	–	–	–	235,000	804,656
Dana Roets	2023	518,381	(9,281)	–	–	–	–	1,588,108	2,097,208
Chief Operating Officer	2022	500,851	95,397	–	–	–	–	160,000	756,248
	2021	489,590	80,564	–	–	–	–	170,000	740,154
Caxton Mangezi	2023	568,235	179,167	–	–	–	–	580,507	1,327,909
Vice President Operations Zimbabwe	2022	463,960	175,116	–	–	–	–	734,730	1,373,806
	2021	429,478	123,250	–	–	–	–	211,615	
Chester Goodburn	2023	336,375	59,374	–	–	–	–	–	395,749
Chief Financial Officer (from July 1, 2022)	2022	309,123	31,010	–	–	–	–	70,000	410,133
Victor Gapare	2023	478,654	43,368	–	–	–	–	89,505	611,527
Executive Director									
Maurice Mason	2023	337,261	84,883	–	–	–	–	–	422,144
VP Corporate Development	2022	325,856	53,335	–	–	–	–	130,000	509,191
	2021	222,123	56,624	–	–	–	–	111,061	389,808
Adam Chester	2023	337,874	99,161	–	–	–	–	70,000	507,035
General Counsel, Company Secretary and Head of	2022	313,038	65,769	–	–	–	–	160,000	538,807
Risk and Compliance	2021	228,891	119,103	–	–	–	–	114,445	462,439

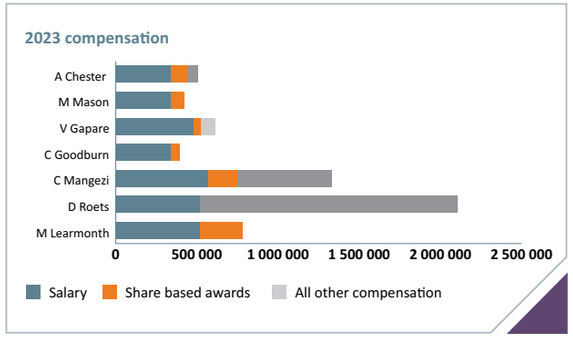
[1] *Awards are considered to be share-based awards. The amounts stated are the expenses for the year to revalue the liability to the amount that is expected to vest at the applicable year end. Refer to the awards outstanding as at December 31, 2023.*

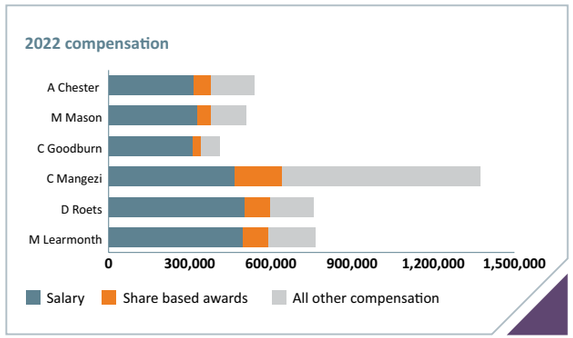
[2] *The amounts shown under All other compensation relate to bonuses paid to NEOs and, for Caxton Mangezi and Victor Gapare, also include other employee benefits. The amount for Dana Roets includes his severance package provided for in 2023 but which was paid in January 2024 and February 2024.*

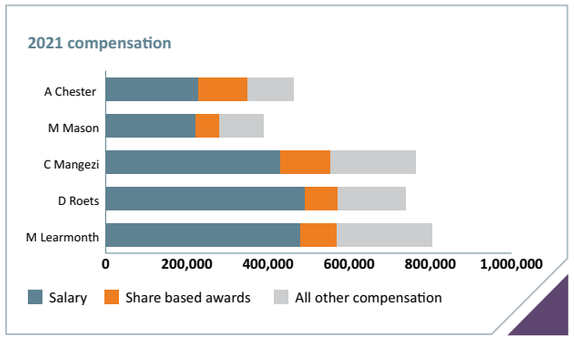
[3] *The amounts shown under All other compensation for the NEOs for 2023 relate to bonuses provided for in 2023 but which were paid in April 2024.*

No fees for acting as a Director were paid to NEOs.

Compensation Committee Chair's review *continued*







The outstanding RSUs, PUs and EPUs as at December 31, 2023 were as follows for the NEOs:

Key management member	Vesting date	RSUs	PUs	EPUs
Steve Curtis [1]	2024/01/11	–	8,769	–
	2025/01/11	–	–	39,689
Mark Learmonth	2024/01/11	–	5,422	–
	2025/01/11	–	–	36,812
	2026/04/01	–	–	27,542
Caxton Mangezi	2024/01/11	–	4,657	–
	2025/01/11	–	–	15,458
	2026/04/01	–	–	13,441
Chester Goodburn [2]	2024/01/11	–	564	–
	2025/01/11	–	1,759	–
	2026/04/01	–		10,890
Adam Chester	2024/01/11	–	3,509	–
	2025/01/11	–	–	10,877
	2026/04/01	–	–	7,992
Maurice Mason	2024/01/11	–	2,459	–
	2025/01/11	–	–	10,877
	2026/04/01	–	–	7,977
Victor Gapare [3]	2026/04/01	–	–	11,506
Total		**–**	**27,139**	**193,041**

[1] *Steve Curtis was appointed Chief Financial Officer in April 2006 and served in the position until December 2014 when he was appointed as Chief Executive Officer. Steve Curtis resigned as Chief Executive Officer with effect from June 30, 2022 and remained a director in a non-executive capacity until the AGM in 2024 at which he did not put himself forward for re-appointment. He is currently retained by the Company pursuant to a consultancy agreement . Given his past role with the Company, he was not considered independent whilst he was a non-executive director.*

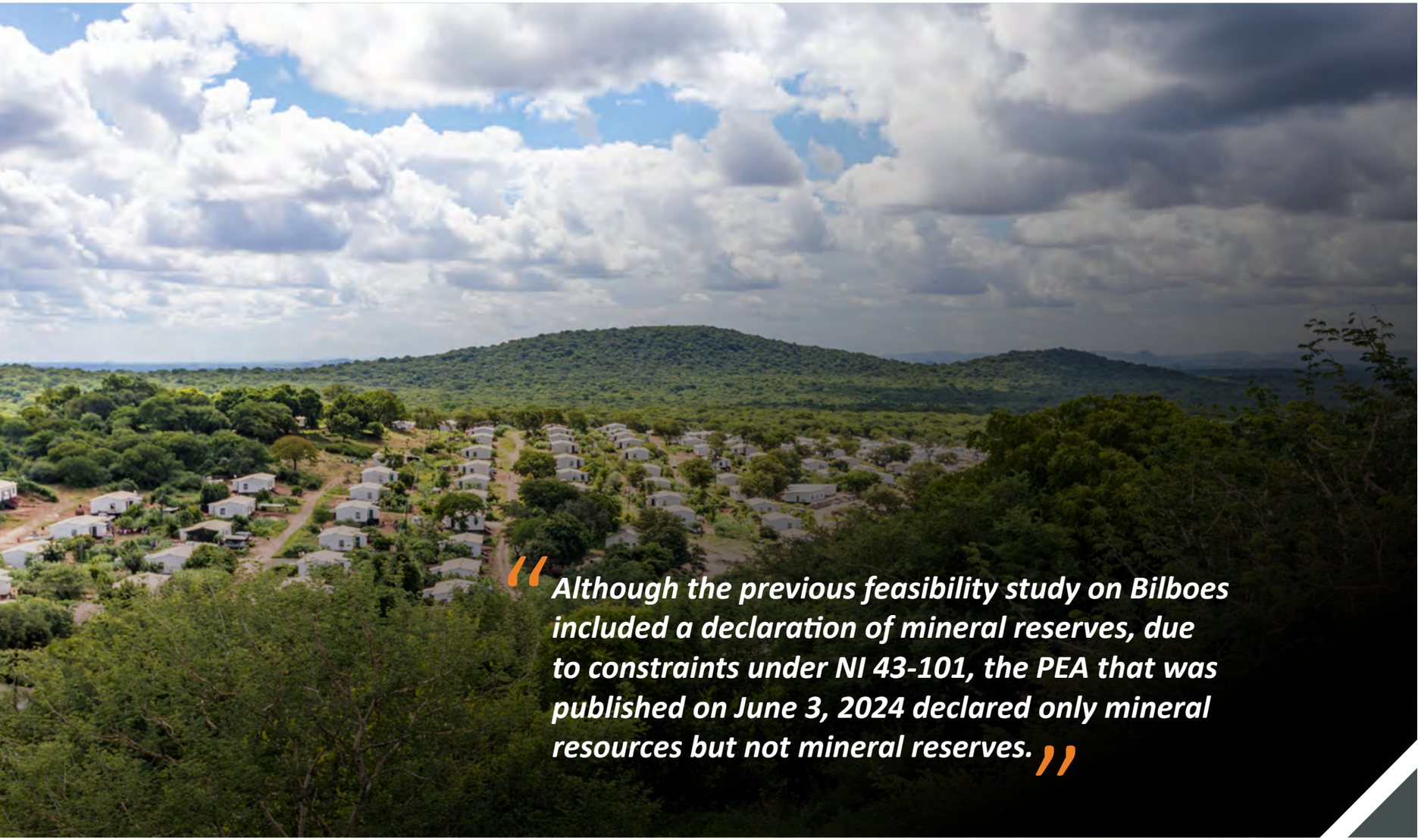
[2] *Chester Goodburn was appointed as a key management member from July 1, 2022 when he became CFO.*

[3] *Victor Gapare was appointed as a key management member from January 6, 2023.*

For further detail on the RSUs, PUs and EPUs refer to note 12 of the Consolidated Financial Statements 2023.

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

SECTION 5: Supplementary information



"Although the previous feasibility study on Bilboes included a declaration of mineral reserves, due to constraints under NI 43-101, the PEA that was published on June 3, 2024 declared only mineral resources but not mineral reserves."

IN THIS SECTION

Supplementary information

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Corporate information and administration	pg 82

Mineral resources and reserves statements

Caledonia's most recent technical report on Blanket was completed internally by technical staff. In respect of Bilboes, Caledonia commissioned DRA Projects (Pty) Ltd to compile the latest report (being the PEA). The published reports stated mineral resources and, for Blanket, mineral reserves as at December 31, 2023. Although the previous feasibility study on Bilboes included a declaration of mineral reserves, due to constraints under NI 43-101 the PEA that was published on June 3, 2024 declared only mineral resources but not mineral reserves. The feasibility study expected to be published in the first half of 2025 will declare mineral reserves at Bilboes. The latest technical report on Maligreen is a S-K subpart 1300 technical report summary filed as an exhibit to the 2022 Annual Report on Form 20-F.

The Blanket technical report entitled NI 43-101 Technical Report on the Blanket Gold Mine, Zimbabwe was issued on May 15, 2024 and has an effective date of December 31, 2023 and is available on SEDAR and on our website. It was prepared by qualified persons Mr Craig Harvey and Mr Marthinus van Staden, being members of Caledonia staff.

Mineral resources are stated as inclusive of mineral reserves (in respect of the Blanket technical report) and at 100% 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.

Blanket's 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 based on an average real term gold price of $2,150/oz based on a 10 to 15 year view for precious metals. Geological losses of 2.5% were applied to Blanket's measured mineral resources, while 5% loss was applied to the indicated mineral resource and 10% to the inferred mineral resource category.

The PEA entitled Bilboes Gold Project Preliminary Economic Assessment was issued on June 3, 2024 with an effective date of May 30,2024 and is available on SEDAR and on our website. It was prepared by DRA Projects (Pty) Ltd and by qualified persons at DRA Mr David Alan Thompson and Mr Aveshan Naidoo and by Mr Sivanesan Subramani of Caracle Creek International Consulting MINRES (Pty) Ltd.

Bilboes' mineral resources occur as surface resources constrained by an optimised open pit shell at a fixed gold price of US$2,400/oz in order to eliminate possible future sterilisation of mineral resources due to placement of surface infrastructure. All estimates have been depleted for mining and the current topographical surface. 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. A cut-off of 0.9 g/t was utilised for Bilboes based on a gold price of US$2,400/ oz. Geological losses of 5% were applied to the measured, indicated and inferred mineral resources.

The most recent published report in respect of Maligreen is the S-K 1300 Technical Report Summary on the Maligeen Gold Project, Zimbabwe which was issued on April 28, 2023 with an effective date of December 31, 2022. The report is available on EDGAR and on our website and was prepared by Minxcon (Pty) Limited ("Minxcon") and by a qualified person at Minxcon Mr Uwe Engelmann.

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.

Mineral resources as at December 31, 2023:

	Measured			Indicated			Total Measured + Indicated			Inferred		
	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
Blanket Mine	6.16	3.72	0.74	9.11	3.59	1.05	15.27	3.64	1.79	8.82	3.74	1.06
Maligreen – surface (100% attributable)	1.65	2.38	0.13	6.29	1.53	0.31	7.94	1.70	0.44	4.58	1.55	0.23
Maligreen – underground (100% attributable)	–	–	–	0.09	2.89	0.01	0.09	2.89	0.01	1.59	3.75	0.19
Bilboes – surface (100% attributable)	6.13	2.51	0.50	27.52	2.26	1.98	33.65	2.30	2.47	9.12	1.99	0.56
Total	**13.94**	**3.03**	**1.36**	**43.01**	**2.44**	**3.35**	**56.95**	**2.58**	**4.70**	**24.11**	**2.66**	**2.04**

Refer to the aforementioned technical reports 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. These reports can be found on Caledonia's website at: www.caledoniamining.com/investors/technical-reports.

Shareholders' information

Capitalisation

Authorised: Unlimited

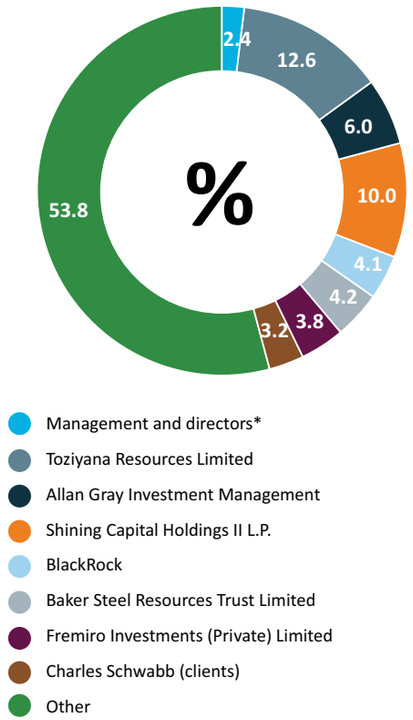
Shares, warrants and options issued

Common shares: 19,199,860
Warrants: Nil
Options: 15,000

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 as at May 31, 2024



** Excludes shares held by Toziyana Resources Limited, which Victor Gapare has an interest in as the settlor of the trust which ultimately owns that company.*

Shares issued/bought by management or directors during 2023

25,229

(2022: 81,638)

Shares sold by management or directors during 2023

18,881

(2022: 49,348)

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 of their holdings as is similarly required under the United Kingdom's Disclosure Guidance and Transparency Rules ("DTR") 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, particularly 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 19,199,860 common shares issued. At the date of this report, directors and management own or have an interest in 2,866,352 common shares representing 15% of Caledonia's issued capital.

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:

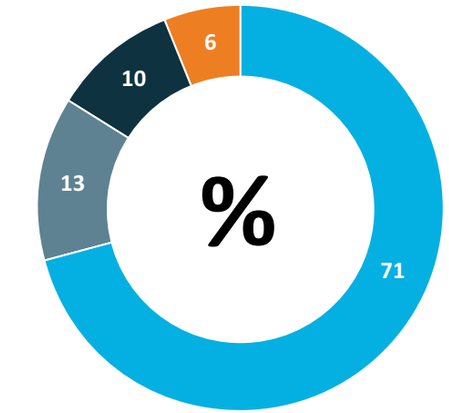
Name	Shares/ Depositary interests	Share capital (%)
Toziyana Resources Limited*	2,411,186	12.56
Shining Capital Holdings II L.P.	1,922,858	10.01
Allan Gray (through two of its funds)	1,103,531	5.75

** Victor Gapare has an interest in these shares by virtue of being the settlor of the trust which ultimately owns Toziyana.*

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

Shareholders' information *continued*

Majority shareholders as at May 31, 2024



- <5%
- Toziyana Resources Limited
- Shining Capital Holdings II L.P.
- Allan Gray Investment Management

Share information

Issued share capital	At May 31, 2024	19,194,860
	At December 31, 2023	19,188,073
	At December 31, 2022	12,833,126
	At December 31, 2021	12,756,606
Market capitalisation	At May 31, 2024	$200.6 million
	At December 31, 2023	$234.1 million
	At December 31, 2022	$159.1 million
	At December 31, 2021	$148.7 million
Closing price per share	At May 31, 2024	$10.45
	At December 31, 2023	$12.20
	At December 31, 2022	$12.40
	At December 31, 2021	$11.66
12-month average daily share price	Year ended December 31, 2023	$12.66
	Year ended December 31, 2022	$11.86
	Year ended December 31, 2021	$13.49
12-month average daily share trading volumes	Year ended December 31, 2023	68,521
	Year ended December 31, 2022	33,020
	Year ended December 31, 2021	76,293

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 2023 were 56 cents per share, the same as in 2022.

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 redomicile 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	**December 31, 2023**
Year end results announcements	March 28, 2024
AGM	May 7, 2024
Q1 results 2024	May 13, 2024
20-F publication	May 15, 2024
Bilboes PEA	June 3, 2024
Integrated report publication	September 16, 2024
Q2 Results 2024	August 12, 2024
Q3 Results 2023	November 14, 2024
Financial year end	December 31, 2024



AGM

An AGM was held on May 7, 2024 at St Helier, Jersey, Channel Islands.

The total number of shareholders present in person or by proxy at the AGM was 96, representing 62.28% of the Company's outstanding voting shares.

The table below shows the proxy votes received on resolutions 1(a) to 1(h), which were duly passed by a show of hands, to re-appoint the eight nominees proposed for re-election as directors:

Nominee	For	Percentage	Against	Percentage	Abstained
Mark Learmonth	9,330,854	98.51%	141,224	1.49%	2,482,399
John Kelly	9,290,256	85.50%	1,575,012	14.50%	1,089,209
Johan Holtzhausen	10,754,750	90.11%	1,179,923	9.89%	19,804
Nick Clarke	11,824,420	99.08%	109,952	0.92%	20,105
Geralda Wildschutt	11,813,872	99.00%	119,291	1.00%	21,314
Gordon Wylie	11,882,046	99.57%	51,831	0.43%	20,600
Victor Gapare	11,815,125	99.00%	118,953	1.00%	20,399
Tariro Gadzikwa	11,906,355	99.78%	26,548	0.22%	21,574

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

- BDO South Africa Inc was re-appointed as the auditor of the Company for the ensuing year and the directors were authorised to approve their remuneration
- Johan Holtzhausen, Gordon Wylie, Geralda Wildschutt and Tariro Gadzikwa were re-appointed 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, 2024 which are available on the Company's website at: **www.caledoniamining.com.**



Glossary

20-F	Annual Report on Form 20-F
AEG	Al Etihad Gold Refinery DMCC
AGM	Annual general meeting
AISC	All-in sustaining cost
AML	Anti-money laundering
Arraskar	Arraskar Investment (Private) Limited
AU	Gold
BETS	Blanket Employee Trust Services (Private) Limited
BIF	Banded iron formation
Bilboes	The Bilboes gold project in Zimbabwe
Bilboes Gold	Bilboes Gold Limited
Bilboes Holdings	Bilboes Holdings (Private) Limited
BIOX	Biological oxidation
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
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Chair	Chair of the board of directors
CHZ	Caledonia Holdings Zimbabwe (Private) Limited
CIL	Carbon-in-leach
CMS	Caledonia Mining Services (Private) Limited
CMSA	Caledonia Mining South Africa (Pty) Ltd
COO	Chief Operating Officer
CSR	Corporate social responsibility
DCF	Discounted cash flow
Deloitte	Deloitte Consulting (Pty) Ltd
DSR	Disseminated sulphide replacement
DTR	Disclosure Guidance and Transparency Rules
ECI	Export credit incentive
EHS	IFC Environmental, Health and Safety
EIA	Environmental Impact Assessment
EPS	Earnings per share
EPUs	Equity-settled performance units
ESG	Environmental, social and governance
Ethics Code	Code of Business Conduct, Ethics and Anti-Bribery Policy
Fidelity	Fidelity Gold Refinery (Private) Limited
FOB	Fine Ore Bin
Fremiro	Fremiro Investments (Private) Limited
FS	Consolidated Financial Statements
g/t	Grade per tonne
GDX	VanEck Vectors Gold Miners ETF
GDXJ	VanEck Vectors Junior Gold Miners ETF
GCSOT	Gwanda Community Share Ownership Trust
GMS-UK	Greenstone Management Services Holdings Limited (United Kingdom)
GRI	Global Reporting Initiative
ha	Hectares
IEUG	Intensive Energy User Group
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILP	Intensive Leaching Plant
IR	Integrated report
Isabella McCays-Bubi	Isabella North, Isabela South, McCays and Bubi
KCs	Knelson Concentrators
Km	Kilometre (1,000 metres)
Koz	Kilo ounces (1,000 ounces)
KPI	Key performance indicator
Kt	Kilo tonnes (1,000 tonnes)
kV	Kilovolt (1,000 volts)
KYC	Know your customer
LoMP	Life-of-mine plan
LTI	Lost time injury
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	Million tonnes
MWac	Megawatt of alternating current
MVA	Megavolt ampere
NEOs	Named executive officers
NI 43- 101	National Instrument 43-101 – Standards of Disclosure for Mineral Projects
NIEEF	National Indigenisation and Economic Empowerment Fund
NSR	Net smelter royalty
NYSE American	NYSE American LLC
oz	Ounce / ounces
OEICP	Omnibus Equity Incentive Compensation Plan
PEA	Preliminary economic assessment
PV	Prospecting ventures
QCA	Quoted Companies Alliance
QCA Code	Quoted Companies Alliance Corporate Governance Code
RBZ	Reserve Bank of Zimbabwe
RC	Reverse circulation
RSUs	Restricted Share Units
RTGS	Real-time gross settlement
SDGs	Sustainable Development Goals
SEC	U.S. Securities and Exchange Commission
SEDAR	Canada's System for Electronic Document Analysis and Retrieval
S-K subpart 1300	Subpart 1300 under Regulation S-K of the US Securities Act of 1933
SLR	SLR Consulting (South Africa) (Pty) Ltd
SOX	Sarbanes-Oxley Act
STIP	Short-term incentive plan
t	Tonne / tonnes
The Company	Caledonia Mining Corporation Plc
TIFR	Total injury frequency rate
Toziyana	Toziyana Resources Limited
TR	Technical Reports
TRSs	Technical Report Summaries
TSF	Tailings storage facility
UK	United Kingdom
UN	United Nations
VFEX	Victoria Falls Stock Exchange
ZESA	Zimbabwe Electricity Supply Authority
ZETDC	Zimbabwe Electricity Transmission and Distribution Company
ZiG	Zimbabwe gold

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.

Information and statements contained in this IR that are not historical facts are “forward-looking information” within the meaning of applicable securities legislation that involve risks and uncertainties relating, but not limited to, Caledonia’s current expectations, intentions, plans, and beliefs. Forward-looking information can often be identified by forward- looking words such as “anticipate”, “believe”, “expect”, “goal”, “plan”, “target”, “intend”, “estimate”, “could”, “should”, “may” and “will” or the negative of these terms or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Examples of forward- looking information in this IR include: implementation schedules for, and other uncertainties inherent in, the Central Shaft project, Bilboes project, Motapa project and Maligreen project; production guidance; estimates of future/ targeted production rates; planned mill capacity increases; estimates of future metallurgical recovery rates and the ability to maintain high metallurgical recovery rates; timing of commencement of operations; plans and timing regarding further exploration, drilling and development; the prospective nature of exploration and development targets; the ability to upgrade and convert mineral resources to mineral reserves; capital and operating costs; our intentions with respect to financial position and third party financing; and future dividend payments. This forward-looking information is based, in part, on assumptions and factors that may change or prove to be incorrect, thus causing actual results, performance or achievements to be materially different from those expressed or implied by forward- looking information. Such factors and assumptions include, but are not limited to: failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, success of future exploration and drilling programmes, reliability of drilling, sampling and assay data, assumptions regarding the representativeness of mineralisation being inaccurate, success of planned metallurgical test-work, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, changes in government regulations, legislation and rates of taxation, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors.

Security holders, potential security holders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Such factors include, but are not limited to: risks relating to estimates of mineral reserves and mineral resources proving to be inaccurate, fluctuations in gold price and payment terms for gold sold to Fidelity, risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected geological or structural formations, pressures, power outages, fire, explosions, landslides, cave-ins and flooding), risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom the Company does business, inadequate insurance, or inability to obtain insurance, to cover these risks and hazards, employee relations, relationships with and claims by local communities and indigenous populations, political risk, risks related to natural disasters, terrorism, civil unrest, public health concerns (including health epidemics or outbreaks of communicable diseases such as the COVID-19), availability and increasing costs associated with mining inputs and labour, the speculative nature of mineral exploration and development, including the risks of obtaining or maintaining necessary licences and permits, diminishing quantities or grades of mineral reserves as mining occurs, global financial condition, the actual results of current exploration activities, changes to conclusions of economic evaluations, and changes in project parameters to deal with un-anticipated economic or other factors, risks of increased capital and operating costs, environmental, safety or regulatory risks, expropriation, the Company’s title to properties including ownership thereof, increased competition in the mining industry for properties, equipment, qualified personnel and their costs, risks relating to the uncertainty of timing of events including targeted production rate increase and currency fluctuations. Security holders, potential security holders and prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Caledonia reviews forward-looking information for the purposes of preparing each IR; however, Caledonia undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”) is a rule of the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all reserves and resource estimates contained in this press release in respect of Blanket and Bilboes have been prepared in accordance with NI 43- 101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System. These standards differ from the requirements of the U.S. Securities and Exchange Commission (the “SEC”), and reserve and resource information contained in this IR may not be comparable to similar information disclosed by U.S. companies. The requirements of NI 43-101 for identification of reserves and resources are also not the same as those of the SEC, and any reserves or resources reported in compliance with NI 43-101 may not qualify as “reserves” or “resources” under SEC standards. Accordingly, the mineral reserve and resource information set forth herein may not be comparable to information made public by companies that report in accordance with United States standards.

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

Corporate information and administration

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