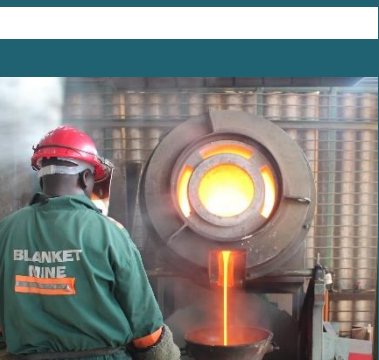




Caledonia Mining Corporation Plc

2018 Results Presentation

March 2019





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Introduction

1. Strategy update
2. Challenges faced in 2018 and current and planned mitigating actions for 2019 and beyond
3. Review of operations
4. Review of financial results for 2018
5. Outlook





Strategy

Increase in free cash flow to grow dividends and invest in further growth

Medium Term (2019 – 2022): Complete the Central Shaft Project

1. Increase annual production capacity to 80,000 ounces per annum*
2. Increased cash flows due to higher production, lower unit costs and reduced capex
3. Continued deep level exploration to extend the life of mine beyond 2034
4. Blanket is expected to be able to generate significant free cash flow from 2021 onwards

Longer term (post 2022): Deploy surplus cash flow to increase dividends and fund growth

1. Review dividend policy to deliver sustainable growth in dividends consistent with Free Cash Flow (FCF) growth
2. Evaluate new investment opportunities in Zimbabwe where surplus FCF from Blanket could be deployed
3. Typically, these opportunities have modest initial funding requirements - mainly to improve resource definition as a precursor to technical/feasibility studies
4. Zimbabwe is one of the last gold mining frontiers in Africa with a dearth of gold mining exploration for at least the last 20 years and possibly longer
5. Strict evaluation criteria for new projects:
 - Scale: minimum target resource 1Moz; minimum target production of 50,000 ounces per annum
 - NPV per share enhancing and, eventually, dividend per share enhancing

*Note – Increased production to an annual rate of 80,000 ounces per annum is expected to be achieved during 2021 following the commissioning of Central Shaft in 2020. Production in 2021 is expected to be approximately 75,000 ounces due to a slower production ramp-up

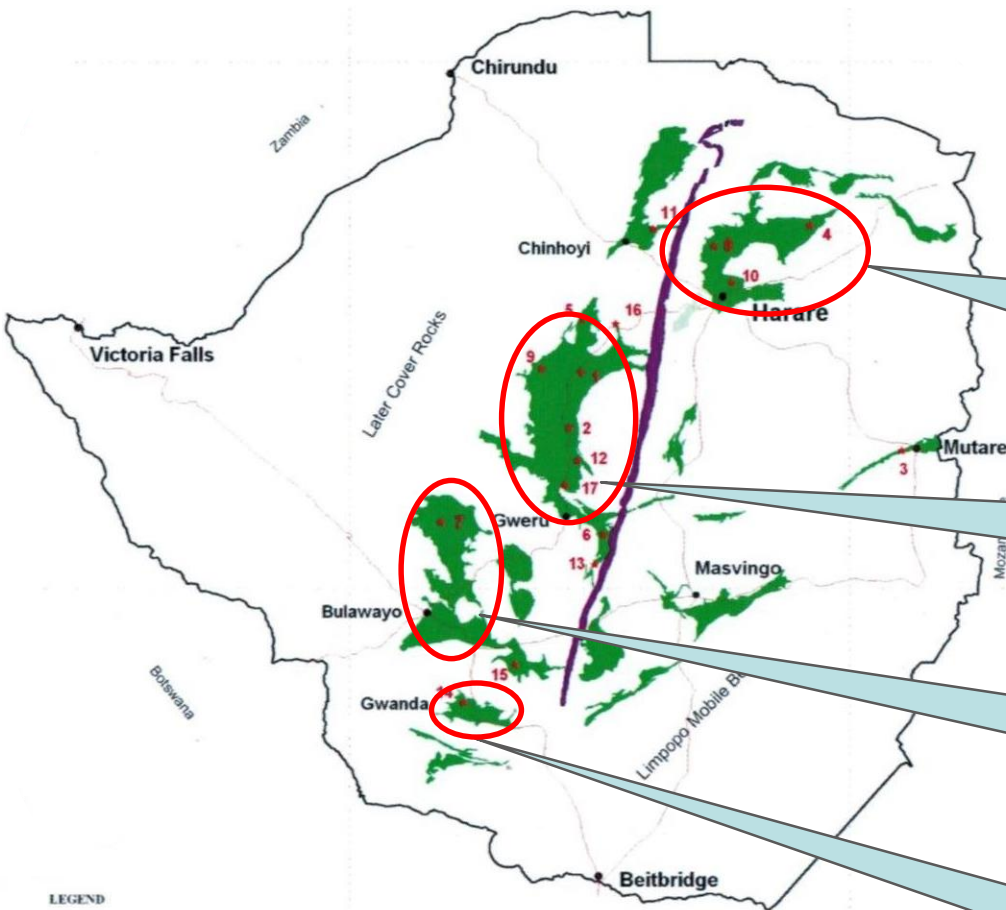


Strategy - the Zimbabwe opportunity

World-class gold potential, under-explored and under-capitalized

Historic & current 1Moz+ producers

Significant regional potential



- Zimbabwe has historically produced over **45 million ounces** of gold
- Several prolific multi-million ounce gold belts: substantial potential for further multi-million ounce discoveries
- Prior to 2000, Zimbabwe produced more gold than Mali, Tanzania, Burkina Faso and Guinea, minimal exploration investment since then

Harare

Production: >4Moz
Existing Resources: approx. 1.9Moz
Average Grade: approximately 3g/t

Gweru

Production: >15Moz
Existing Resources: approx. 1.9Moz
Average Grade: approximately 3g/t

Bulawayo

Production: >2.5Moz
Existing Resources: approx. 6.5Moz
Average Grade: 2.5g/t – 5g/t

Gwanda Greenstone Belt – Including Blanket Mine

Production: >2.5Moz
Existing Resources: approx. 2.7Moz
Average Grade: 3.5g/t – 5g/t

LEGEND

Greenstone Belt

Great Dyke

Major Town

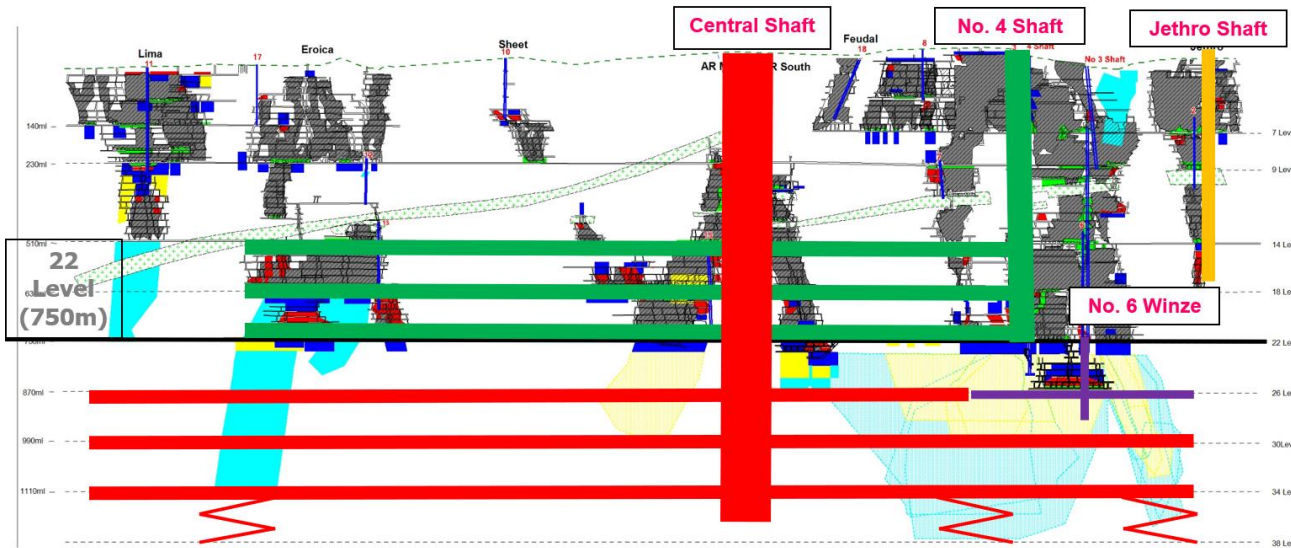
Major Road

- | | | |
|-------------------|-----------------|--------------------------|
| 1 Cam & Motor | 7 Lonely | 13 Tebekwe |
| 2 Globe & Phoenix | 8 Mazowe Group | 14 Blanket & Vumbachikwe |
| 3 Rezende Group | 9 Golden Valley | 15 Fred |
| 4 Shamva | 10 Acturus | 16 Giant |
| 5 Dalny | 11 Muriel | 17 Connemara Group |
| 6 Wanderer Group | 12 Gaika | |



Strategy

Blanket offers significant exploration potential at depth

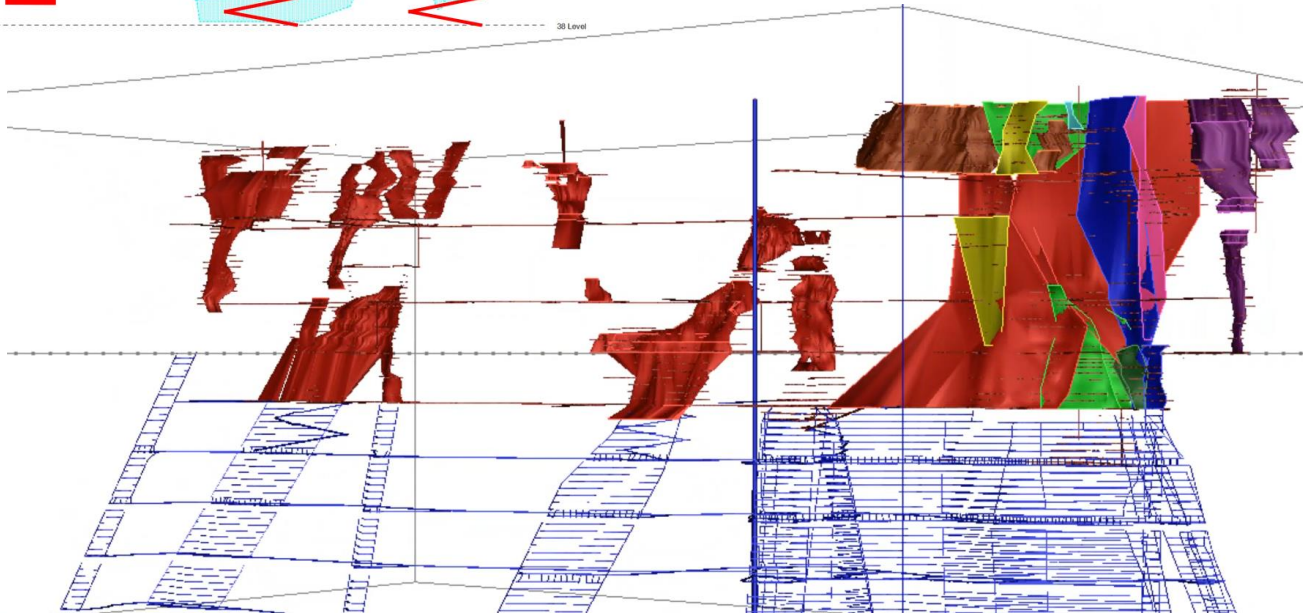


Section View

Central Shaft will replace the current production shaft from mid 2020. Current planned development for Central Shaft is to open up three new operating levels through conventional horizontal development and a fourth operating level accessible via declines

3D View

Planned long term stoping and development levels shown. Development at depth will enable significant deep level exploration at Blanket to prove up extensions to ore bodies at depth





Operating Challenges



Operating challenges

A number of internal and external operating challenges were encountered in 2018

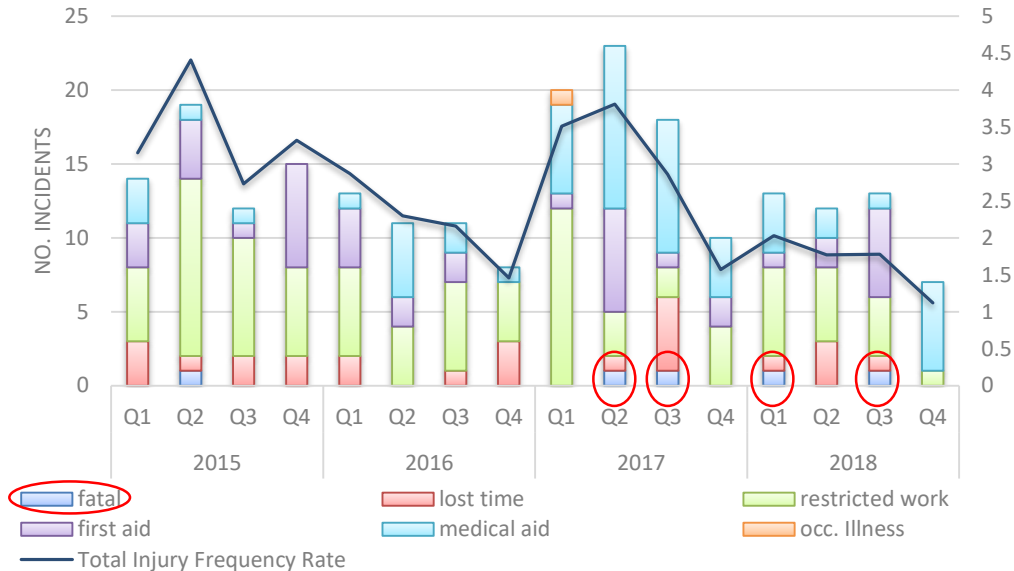
Challenge	Effect	Remedial Action
Safety	Unacceptable safety performance: 4 fatal accidents in 2017/2018	<ul style="list-style-type: none"> Increased management focus “Nyanzvi Initiative” – behavioural change initiative Reduced number of incidents Ensuring safe operations is a continuous exercise
Lower Grade due to mining dilution	Adverse effect on production and cost per ounce	<ul style="list-style-type: none"> Mining dilution following the introduction of long-hole stoping in narrower reefs for safety reasons Increased training of drillers Review of geological model shows no concerns over geology
Unstable electricity supply from the grid	Spikes/troughs in the incoming voltage damage equipment, causes lost production and retards progress at the Central Shaft	<ul style="list-style-type: none"> Surge-protectors have been installed to protect our equipment Stand-by generators are not the answer: outages are short and frequent – uneconomic to run diesel generators full time No long-term solution until the grid is stabilised and/or Blanket goes off-grid (e.g. solar)
Zimbabwe economy: Shortage of foreign exchange and consumer inflation	FX needed for consumables, capital equipment and dividends. Rising consumer prices creates wage inflation	<ul style="list-style-type: none"> Management maintains good relations with the Reserve Bank: adequate FX has been obtained, but shortages hamper the implementation of capital programmes - implications for production and costs Monetary policy announced in February 2019 may alleviate the situation although it remains too early to judge



Challenges: safety

Ensuring accident-free production is non-negotiable

Blanket Safety Incident Data (2015 – 2018)



Nyanzvi Safety Transformation Program



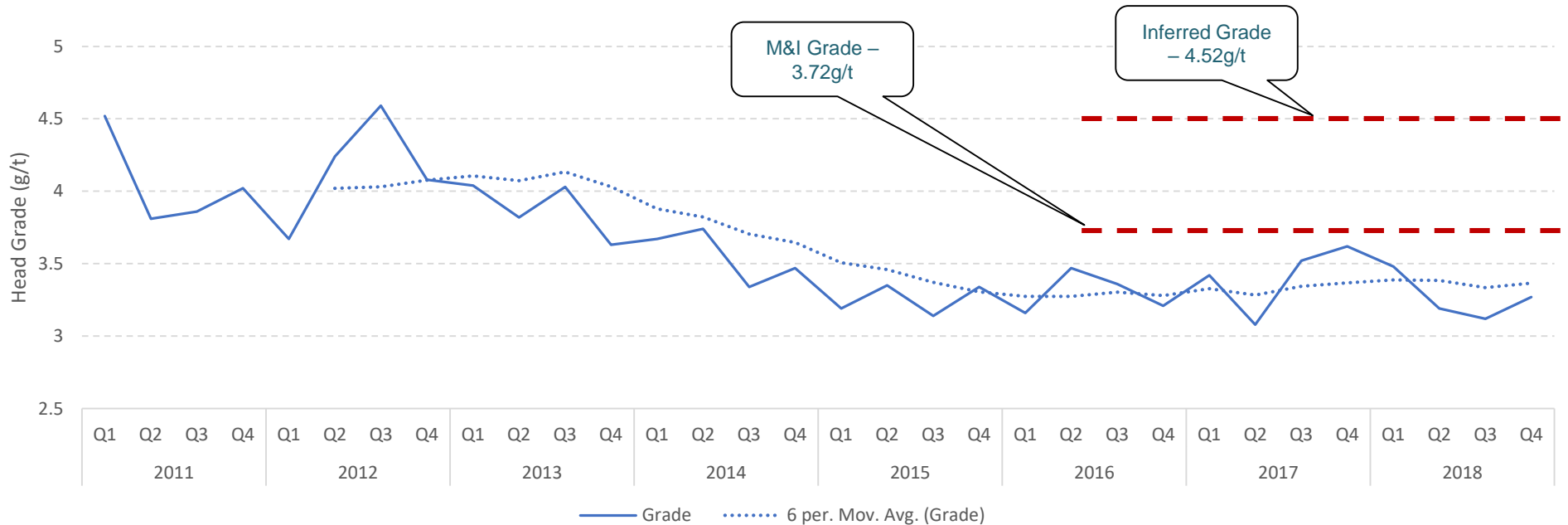
- More reportable accidents from 2017: a high proportion of accidents were incurred by younger and less experienced workers
- Management initiatives included a wholesale review of safety procedures and training and rigorous enforcement of safety procedures
- Management has initiated the **“Nyanzvi Initiative”**
 - Entire production crews are withdrawn from operations for 5 days of intensive safety training focussed on behavioural change
 - The programme has dedicated facilities and is run by facilitators from Blanket’s workforce: results in a high degree of acceptance and employee ownership of the programme
 - Approximately 45% of workers have been trained – the programme will be rolled out to all employees



Challenges: low grade

Below target grade results in lower gold production and elevated unit production costs

Head Grade (2011 – 2018)



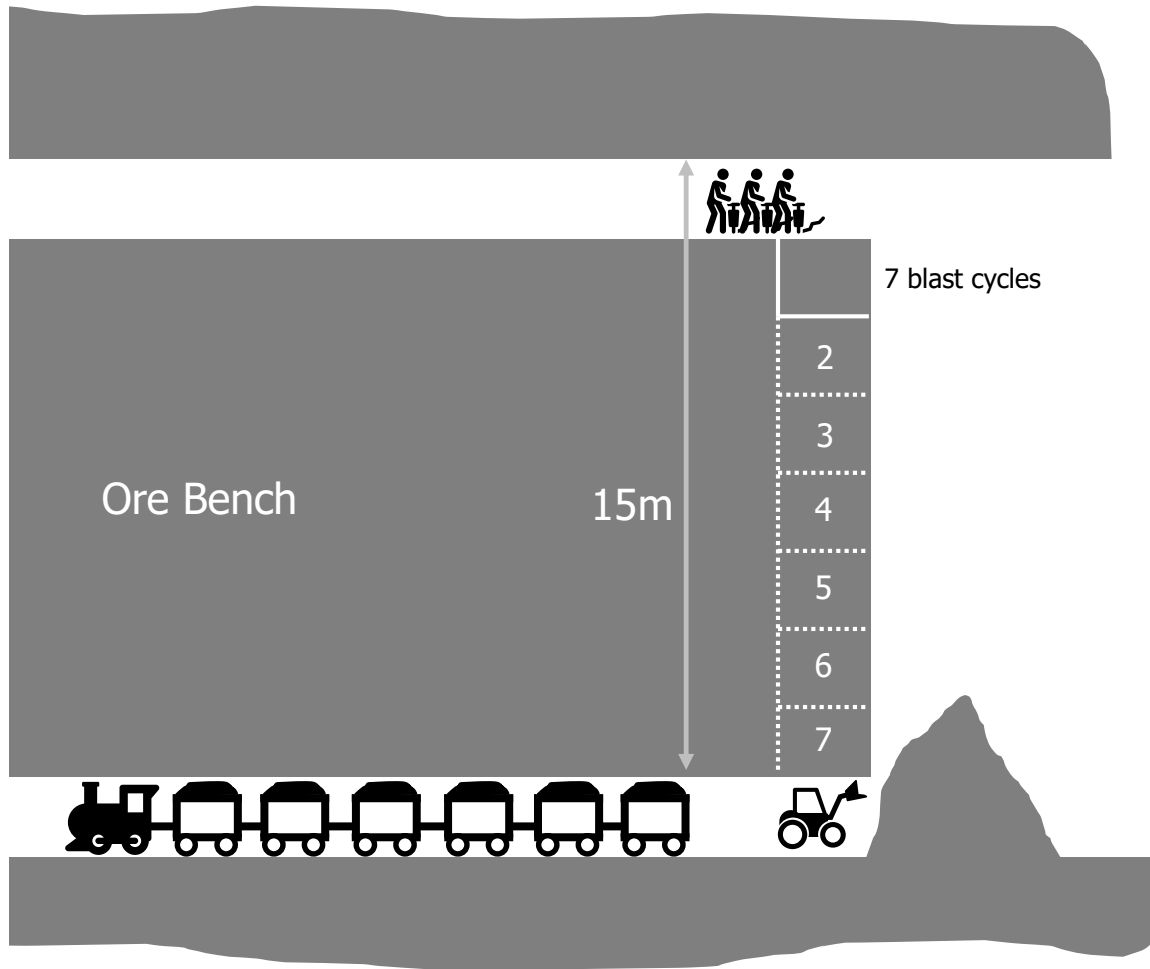
- Grade has declined steadily from 2014 and more recently in 2018 – Long term target grade is expected to average between M&I and Inferred Grades*
 - Average resources grade of 3.72g/t M&I and 4.52g/t Inferred gives significant scope for improvement*
- Existing low grade is a result of a combination of two key factors
 - Mining Dilution as a result of implementing long hole stoping in certain areas
 - Mining above higher grade virgin rock at depth which contains untapped higher grade

* Refer to Management's Discussion and Analysis dated March 20, 2019 and also the Technical Report dated 13 February 2018 entitled "National Instrument 43-101 Technical Report on the Blanket Mine, Gwanda Area, Zimbabwe (Updated February 2018)", a copy of which was filed by the Company on SEDAR on March 2, 2018, for all key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves and risks that could materially affect the potential development of the mineral resources and mineral reserves.



Challenges: low grade

Implementation of Long-hole stoping in certain areas has resulted in grade dilution



- Mine design changed in certain narrow reef areas to convert from conventional underhand stoping to long-hole stoping in order to improve safety
- Multiple blast cycles within a bench exposed workers to the risk of falls of ground from elevated levels
- Long-hole stoping drills the entire bench in one blast cycle
- Drilling a longer hole magnifies the errors of inaccurate drilling and can result in ore dilution
- Long-hole stoping offers the potential for higher production volume and lower unit operating costs but requires significant improvements in drilling accuracy and discipline
- Initial conversion to long-hole stoping in 2018 has presented some operating challenges: changes have been implemented including conversion to 10m benches and additional training and monitoring of drillers. Management is optimistic that issues are in hand



Challenges: unstable electricity

- Unreliable electricity supply presents a significant operating challenge for Blanket
- Blanket pays a higher tariff to avoid load shedding
- Supply remains unreliable with voltage spikes and power cuts (not load shedding)
- Backup generators are not designed to accommodate the frequent, but very short term effects of power surges
- Each “spike” results in up to 40 minutes of lost time as equipment is re-set and the compressors re-charge
 - Up to 5 “spikes” in a single shift are a major impediment to normal activity
- Spikes have damaged Blanket’s electrical equipment, with a further effect on production and operational integrity
- Engagement with Zimbabwe Electricity Supply Authority (ZESA) remains constructive but constraints persist
- No long-term solution until:
 - ZESA can maintain its equipment and deliver stable supply (but severe budget constraints make this unlikely in the short term); or
 - Blanket develops an “off-grid” solar solution: this may be economically feasible, but is expensive and requires regulatory approval to underpin the economic viability



Challenges: Zimbabwe

A rapidly changing regulatory environment

Before October	After October	February 2019
<ul style="list-style-type: none">• All currency was held in Real Time Gross Settlement (“RTGS”) accounts• RTGS accounts are used only for domestic transaction. To make a foreign transaction, account holders apply to the reserve bank (“RBZ”) for a foreign exchange “allocation” on a discretionary basis at 1RTGS=1USD• Blanket has always secured sufficient FX allocations to cover the costs of imported goods and services, external group costs and Caledonia’s dividend	<ul style="list-style-type: none">• The banking system is bifurcated between RTGS accounts and foreign currency accounts (“FCAs”)• FCAs have foreign currency backing, can be used for foreign payments and are seen as USD accounts• Individuals and businesses prefer to hold and transact into their FCA rather than RTGS• Gold producers initially receive 30% of sale proceeds in FCA, but this was inadequate and it quickly increased to 55%• Government insists on a rate of 1:1; informal trading suggests approximately 4 RTGS:1 USD	<ul style="list-style-type: none">• RBZ permits inter-bank trading between RTGS and FCA on a “willing buyer-willing seller” basis. This implies a fair and transparent market• Provided the exchange rate is fair, this policy allows local inflation to be absorbed by RTGS devaluation• Trading in the weeks after this policy was introduced shows very little volume and an interbank rate of approx. 2.5RTGS=1USD compared to an informal rate of 3.5• RBZ appears to be “managing” the rate – not clear if this is temporary or whether the RBZ will try to maintain a long term currency peg• Export Incentive Credits for larger gold producers is abolished – this had been 10% of gold revenues, payable in RTGS

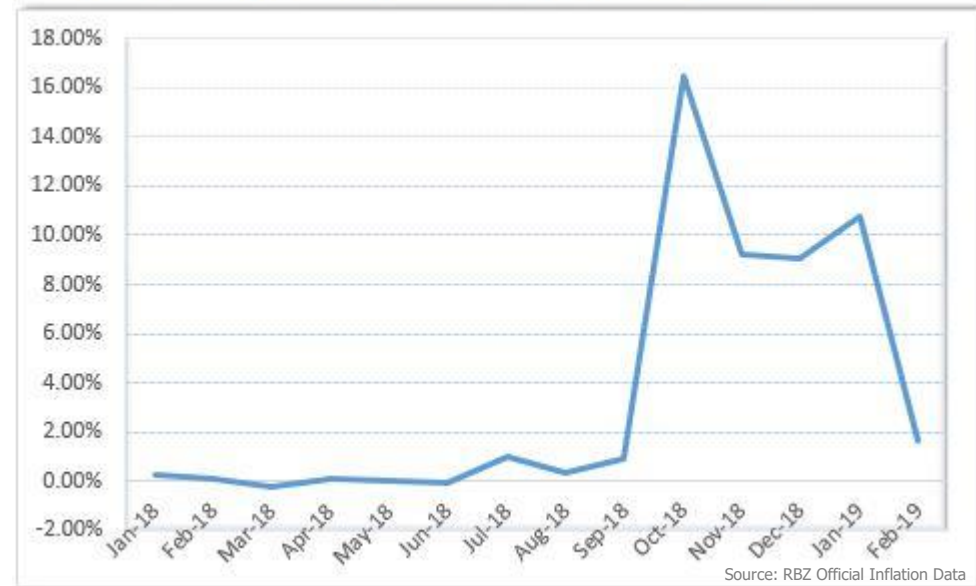


Challenges: Zimbabwe

Regulatory changes present challenges but the overall trend is positive

- Zimbabwe used the USD as a functional currency since 2009. Unsustainable borrowing and domestic exchange controls placed pressure on this functional currency from 2013 to 2018
- Zimbabwe has operated a quasi currency peg between domestic dollars (RTGS \$) and the USD (known as Foreign Currency Account dollars – FCA \$)
- Rapid increase in inflation due to the unofficial devaluation of RTGS \$ after the October 2018 monetary policy statement
- The fixed currency peg at a 1:1 RTGS/FCA exchange rate meant that higher RTGS-denominated costs resulted in an equivalent USD-denominated increase
- Where possible, Blanket substitutes imported goods for locally procured items – but this exacerbates the shortage of foreign exchange
- Inflation eroded the RTGS purchasing power of Blanket employees, with an adverse effect on morale and production in early 2019
 - Blanket has insufficient FCA to make significant FCA payments to workers
 - Any increase in RTGS salaries at a 1:1 exchange rate would render Blanket economically unsustainable
- Changes to the monetary environment in October caused significant pressure on the “currency peg” on the unofficial market and resulted in the effective suspension of normal banking activities as the commercial banks grappled with implementation mechanics
- Delays to cashflows immediately prior to the South African Christmas shut-down disrupted procurement and resulted in increased costs because critical items of equipment could not be ordered and delivered as planned
- **February 2019 Monetary Policy Statement allows RTGS \$ to float at a market related exchange rate. It remains too early to comment on the efficacy of this policy measure**

Month on Month Inflation [January 2018 to February 2019]





Challenges: Zimbabwe

Despite regulatory uncertainty – there are grounds for optimism

- Government has a commercial and pragmatic approach with several encouraging policy measures
- Genuine attempts to stimulate investment e.g. the removal of indigenisation requirement in 2018 and recent relaxation of Platinum and Diamond sector requirements
- Government is reducing its spending, increasing its tax base and addressing its offshore debts
 - Modest cuts to domestic spending (e.g. civil service salaries and head-count) and increased taxes has resulted in 4 consecutive months of budget surplus October 2018 to January 2019
 - Fiscal Surplus averaging \$100m per month for November 2018 – February 2019, no issuance of treasury bills or use of RBZ overdraft since October 2018

Prof. Mthuli Ncube
@MthuliNcube

Met with IMF Managing Director Christine @Lagarde at IMF Headquarters in Washington DC and provided an update on the progress of #Zimbabwe economic reforms since our last meeting at the IMF Annual Meetings in Bali, Indonesia.



- Proposed repeal the of the Public Order and Security Act (POSA) and Access to Information and Protection of Privacy Act (AIPPA), which are the major obstacles to a normalisation of relations with the USA
- Two factors are of critical importance to create a conducive investment and operating environment
 - A market related RTGS-FCA exchange rate which allows local inflation to be absorbed
 - Continued access to adequate FCA to make payments out of Zimbabwe


Bloomberg

Markets

Zimbabwe to Scrap Platinum and Diamond Mine Ownership Rules

By Felix Njini, Godfrey Marawanyika, and Antony Sguazzin
March 6, 2019, 12:15 PM GMT Updated on March 6, 2019, 1:09 PM GMT

- ▶ Government reversing rules requiring locals to hold 51% stake
- ▶ Foreign investors will be allowed to own 100% of operations



Mthuli Ncube
ZIMBABWE MINISTER OF FINANCE

ECONOMIC REFORMS IN ZIMBABWE

Zimbabwe's Ncube Says Local Mine Ownership Rule to Be Removed

Zimbabwean Finance Minister Mthuli Ncube said a rule requiring local investors to control platinum mines will be scrapped and foreigners will be allowed to own 100 percent in a bid to revive investment.



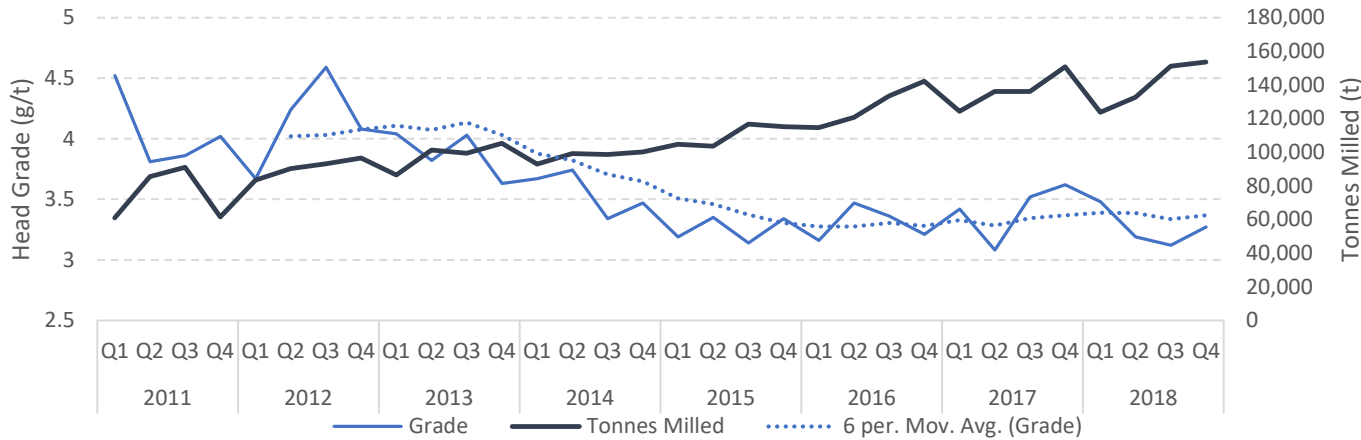
Operating Review





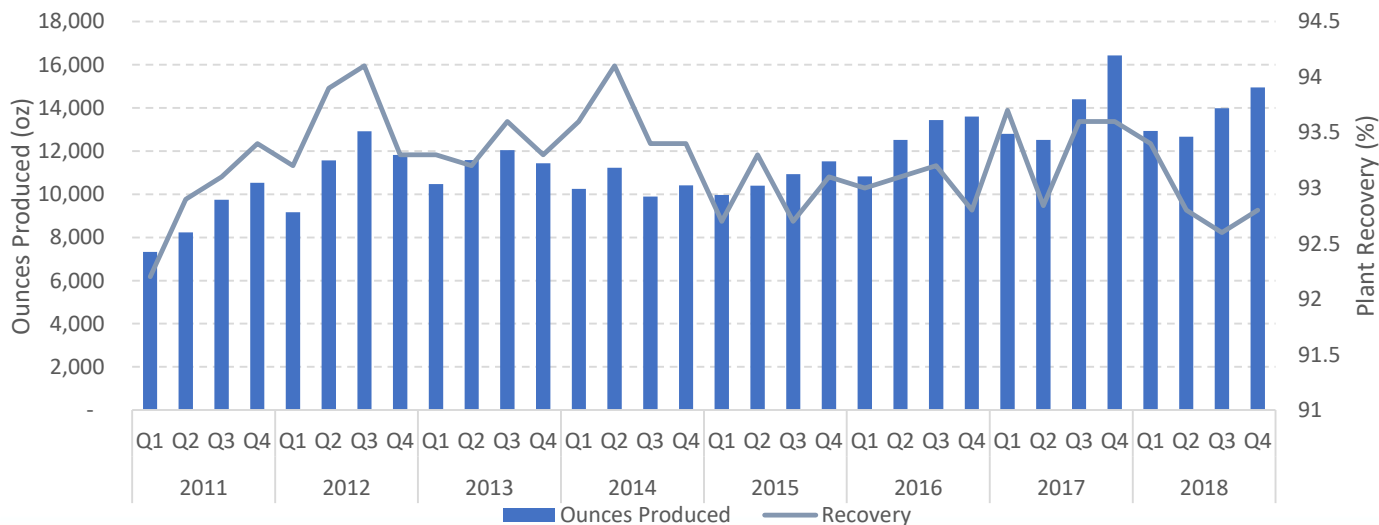
Review of Operations

Tonnes Milled & Grade (2011 – 2018)



- Despite grade difficulties tonnes milled continues on its long term upward trend
- Increasing tonnes milled and an increase in grade to approximately the M&I grade (3.72g/t) as deeper level ore is accessed is expected to deliver the increase in production to 80,000 ounces by 2021
- Increased hoisting capacity with the commissioning of Central Shaft in 2020 will also contribute to an increase in tonnes milled

Ounces Produced & Recovery (2011 – 2018)



- Recoveries are expected to improve to an average of 93.5% as the installation of a new oxygen plant is anticipated to improve overall recovery through higher oxygen availability



Quarterly Operating Metrics

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tonnes Milled	124,225	136,163	136,064	150,755	123,628	132,585	151,160	153,540
Average Grade (g/t)	3.42	3.08	3.52	3.62	3.48	3.19	3.12	3.27
Average Recovery (%)	93.7	92.8	93.6	93.6	93.4	92.8	92.6	92.8
Gold Produced (oz)	12,794	12,518	14,396	16,425	12,924	12,657	13,978	14,952
Gold Price (\$/oz)	1,213	1,235	1,265	1,256	1,312	1,278	1,190	1,205
On Mine Costs (\$/oz)	659	696	638	556	687	717	670	688
AISC (\$/oz)	857	855	773	901	832	856	754	759
G&A Costs (\$m)	1,441	1,493	1,607	1,370	1,542	1,660	1,607	1,628

- Grade is expected to increase to approx. M&I Grade of 3.72g/t over the medium term and recovery is expected to return to 93.5% in 2019 following the installation of a new oxygen plant in late 2019.
- On-mine costs remain slightly elevated owing to the operation of declines which are necessary until the commissioning of the Central shaft in 2020. The operation of declines is more expensive than a shaft operation; these costs are expected to normalise after the Central Shaft is commissioned in 2020 and declines are phased out of operation on levels 28 (870m) to 34 (1,110m), declines are still anticipated at 38 level (1,230m).
- AISC includes the export credit incentive paid by the Zimbabwe government which increased from 2.5% to 10% of gold sales with effect from February 2018. From late February 2019, the export credit incentive programme has been terminated.

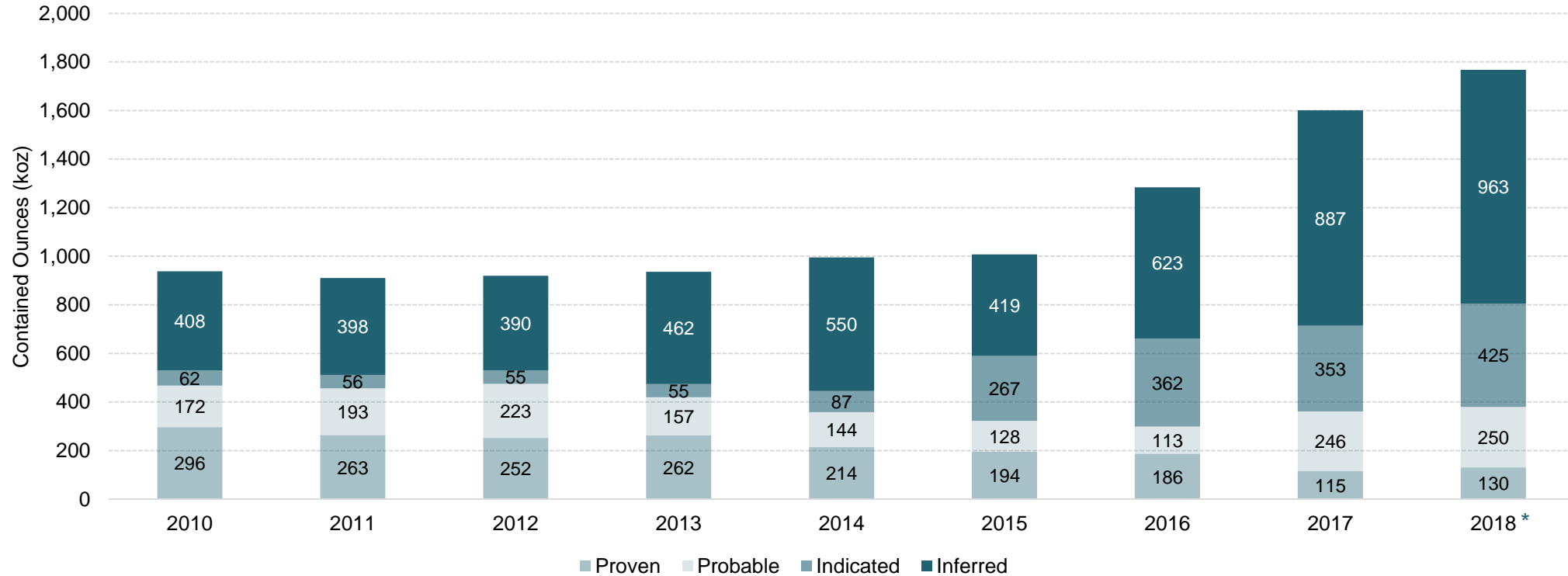
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Resources

Increased exploration expenditure begins to bear fruit

Consistent resource replacement despite growing production (300koz mined since 2011)



- Investment in infrastructure at depth will enable continued exploration drilling and resource delineation
- Grade remains well above mine head grade
 - M&I grade of 3.72g/t & Inferred grade of 4.52g/t vs 2017 head grade of 3.3g/t

* Refer to Management's Discussion and Analysis dated March 20, 2019 and also the Technical Report dated 13 February 2018 entitled "National Instrument 43-101 Technical Report on the Blanket Mine, Gwanda Area, Zimbabwe (Updated February 2018)", a copy of which was filed by the Company on SEDAR on March 2, 2018, for all key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves and risks that could materially affect the potential development of the mineral resources and mineral reserves.

A photograph of an industrial setting. A worker wearing a red hard hat and a green protective jacket is seen from the side, looking towards a large, circular industrial furnace. The furnace is tilted, and a thick stream of bright orange molten metal is being poured from its opening into a smaller ladle below. The scene is filled with heat and light from the molten metal. The background shows a metal grid structure.

Financial Results



2018 Results Summary

	12 Months to December 31			Comment
	2017	2018	% Chg	
Gold produced (oz)	56,133	54,511	-3%	Production was lower primarily due to lower grade.
On-mine cost per ounce (\$/oz) ¹	633	690	9%	Higher on-mine costs were largely due to lower grades which reduced the amount of gold extracted from each tonne of material mined and processed.
All-in sustaining cost (\$/oz) ("AISC") ¹	847	802	-5%	Notwithstanding higher on-mine costs, AISC per ounce was lower due to the ECI which increased from 2.5% to 10% of revenues from February 2018.
Average realised gold price (\$/oz) ¹	1,243	1,245	0%	The average realised gold price reflects the market price of gold.
Gross profit (\$000's) ²	26,321	21,587	-18%	Gross profit was lower due to lower production and higher production cost
Net profit attributable to shareholders (\$000's)	9,384	10,766	15%	Lower attributable profit reflects the lower gross profit, partially offset by the increased ECI. For the Year, lower gross profit was more than offset by higher ECI and a reduction in other charges such as foreign exchange losses and share-based payment expenses.
Adjusted earnings per share ("EPS") ^{1,3} (cents)	135.4	131.5	-3%	Lower adjusted EPS reflects lower net profit which was augmented by a reversal of foreign exchange losses, reduced deferred tax and the deduction of profit arising on the liquidation of the provident fund. Adjusted EPS for the Year was lower, notwithstanding higher attributable profit, due to the reversal of foreign exchange losses and the deduction of profit arising on the liquidation of the provident fund.
Net cash and cash equivalents (\$000's)	12,756	11,187	-12%	Net cash and cash equivalents were lower due to the continued high level of capital expenditure and lower net cash from operating activities.
Net cash from operating activities (\$000's)	24,512	17,667	-28%	Net cash from operating activities was lower due to an increase in working capital

1 - Non-IFRS measures such as "On-mine cost per ounce", "AISC", "average realised gold price" and "Adjusted earnings per share" are used throughout this document. Refer to Section 10 of the MD&A for a discussion of non-IFRS measures.

2 - Gross profit is after deducting royalties, production costs and depreciation but before administrative expenses, other income, interest and finance charges and taxation.

3 - Per share data for current and prior periods has been adjusted to reflect the effective 1-for-5 share consolidation which was effected on June 26, 2017



Review of Results

Profit and loss

\$'000's	2016	2017	2018	Change (%)
Revenue	61,992	69,762	68,399	-2%
Royalty	(2,923)	(3,498)	(3,426)	-2%
Production Costs	(32,086)	(36,180)	(39,315)	9%
G&A	(7,263)	(5,911)	(6,465)	9%
EBITDA	19,720	24,173	19,193	-21%
Depreciation	(3,491)	(3,763)	(4,071)	8%
Other Income (ECI)	1,275	2,399	6,765	182%
Forex (loss)/gain	(505)	(380)	223	
Share Based Payments	(788)	(1,811)	(329)	-82%
Other	2,767	0	(360)	
Operating Profit	18,978	20,618	21,421	4%
Net Finance Cost	(176)	(31)	(220)	610%
PBT	18,802	20,587	21,201	3%
Taxation	(7,717)	(8,691)	(7,445)	-14%
Profit After Tax	11,085	11,896	13,756	16%
Non-Controlling Interest	(2,559)	(2,512)	(2,990)	19%
Attributable Profit	8,526	9,384	10,776	9%
IFRS EPS (cents)	79	86.3	98.9	15%
Adjusted EPS (cents)	98.6	135.4	131.5	-3%

- Higher production costs were largely due to lower grades which reduced the amount of gold extracted from each tonne of material mined and processed, in addition to a higher proportion of production coming from decline mining below 750m
- Increased operating costs and administrative costs resulted in reduced EBITDA for 2018.
- 2018 operating profit and PBT were boosted by an increased export credit incentive (Other Income)
- Taxation includes significant deferred tax (arising from high levels of capital expenditure at Blanket). Also South African tax on inter-company profits
- Adjusted EPS is higher than IFRS EPS as a result of deferred tax adjustment



Review of Results

Cash Flow

\$'000's	2016	2017	2018
Cash flows from operating activities			
Cash generated from operating activities	25,671	28,885	21,119
Net interest	(194)	(161)	(108)
Tax paid	(2,466)	(4,212)	(3,344)
Net cash from operating activities	23,011	24,512	17,667
Cash flows from investing activities			
Acquisition of property, plant and equipment	(19,885)	(21,639)	(20,192)
Proceeds from property, plant and equipment	3		
Net cash used in investing activities	(19,882)	(21,639)	(20,192)
Cash flows from financing activities			
Dividends paid	(2,994)	(3,310)	(3,497)
Term loan repayments		(1,500)	(1,500)
Term loan proceeds	3,000		6,000
Term loan – transaction cost	(73)		(60)
Share issue	433	246	
Share repurchase		(146)	
Net cash from/(used in) financing activities	366	(4,710)	943
Net increase/(decrease) in cash	3,495	(1,837)	(1,582)
Effect of exchange rate fluctuations	(40)	258	13
Net cash at beginning of the period	10,880	14,335	12,756
Net at end of the period	14,335	12,756	11,187

- Cash flows from operating activities in 2018 were 28% lower than 2017 due to an increase in working capital of \$4.6 million compared to a reduction in 2017 of \$2.0 million. The main reason for the reversal in working capital was a reduction in trade and other payables, within which the largest factor was the reduction in the amount owed to the ZESA
- Net investment in property, plant and equipment remains high as a result of continued investment in the Central Shaft project
- The dividends paid relate to the quarterly dividends paid by Caledonia and the portion of the dividends declared by Blanket which are paid to Blanket's indigenous Zimbabwean shareholders after deduction of the amounts which are used to repay their facilitation loans
- Net cash at end of the period includes term loan debt of \$6m



Review of Results

Balance Sheet

	2016	2017	2018
Fixed Assets	64,917	82,143	97,525
Current Assets			
Inventories	7,222	9,175	9,427
Prepayments	810	709	866
Trade and other receivables	3,425	4,962	6,392
Cash and cash equivalents	14,335	13,067	11,187
Assets held for sale	-	-	296
Total assets	90,709	110,056	125,693
Total non-current liabilities	21,560	25,243	34,687
Current Liabilities			
Short-term portion of term loan facility	1,410	1,486	-
Trade and other payables	8,077	12,660	10,051
Income tax payable	345	1,145	1,538
Bank overdraft	-	311	-
Liabilities associated with assets held for sale	-	-	609
Total liabilities	31,392	40,845	46,885
Equity attributable to Shareholders	55,609	63,267	70,463
Non-controlling interests	3,708	5,944	8,345
Total equity	59,317	69,211	78,808
Total equity and liabilities	90,709	110,056	125,693

- Non-current assets increased due to the continued investment at the Central Shaft project and sustaining capital
- Inventory levels increased partly due to Blanket carrying higher stock levels to protect against unexpected delays at the border between South Africa and Zimbabwe and increased equipment inventory
- Trade and other receivables includes amounts due from the Government of Zimbabwe for gold deliveries receivable at year end (all of which was received in January) and VAT refunds. In January and February 2019, \$1.2 million was received in respect of VAT refunds
- Assets and liabilities held for sale relate to Eersteling in South Africa, the sale of which was completed after the end of the year
- In December 2018 Blanket drew down a \$6m three-year facility which is repayable in a single repayment in December 2021; this loan is included in non-current liabilities



Review of Results

Other matters

Export Credit Incentive –
positive effect of \$6.7M in
2018

- The ECI was introduced in 2017 in an effort to boost USD export revenues to minimise the current account deficit
- ECI increased from 2.5% to 10% in Q1 2018 and had a substantial positive impact on earnings and cash flow
- Monetary policy changes announced in Q1 2019 to effectively reintroduce a domestic currency resulted in the elimination of the ECI

Hedging – 8,000 ounces
hedged in 2018 and a
further 22,500 ounces
hedged in H1 2019
Full upside price
participation maintained

- In August 2018 Caledonia entered into a “cap and collar” hedging structure for 8,000 ounces over a period of 4 months
 - Price protection below \$1,150/oz, full price participation above \$1,195/oz
 - Cost of \$360k
- In January 2019 Caledonia purchased 22,500 ounces of Put options with a strike price of \$1,250/oz expiring from February to June 2019
 - Full price participation above \$1,250/ounce
 - Cost of \$320k

Dividends

- Total dividend distributions (including distributions to minorities) of \$3.5m
- Dividends to Caledonia shareholders of 27.5 US cents per share (4.6% yield @ 21/03/2019)



Outlook



Medium to Long-term Outlook

Vision to build a mid tier gold producer with minimal dilution

18 – 24
Months

- Commission Central Shaft
- Increase production capacity to 80,000 ounces per annum by end 2021
- Decrease AISC to \$700 - \$800 per ounce

70,000 – 80,000oz/yr

2 – 4
Years

- Declining CAPEX post Central Shaft delivers increased FCF
- Increased FCF will give an opportunity to review dividend policy
- Identify exploration of expansion opportunities in Zimbabwe

80,000 – 100,000oz/yr

> 5 Years

- Evaluation of and potential investment in growth opportunities identified through exploration
- Establishment of a strong growth pipeline in one of the world's most prospective gold regions

Mid Tier Producer
>250,000oz/yr



Contacts

Website: www.caledoniamining.com

Share Codes: NYSE American and AIM – CMCL

TSX - CAL

Caledonia Contacts:

Mark Learmonth, CFO

Tel: +44 (0) 1534 702 998

Email: marklearmonth@caledoniamining.com

Maurice Mason, VP Corporate Development & Investor Relations

Tel: +44 (0) 759 078 1139

Email: mauricemason@caledoniamining.com

North America IR (3ppb LLC) :

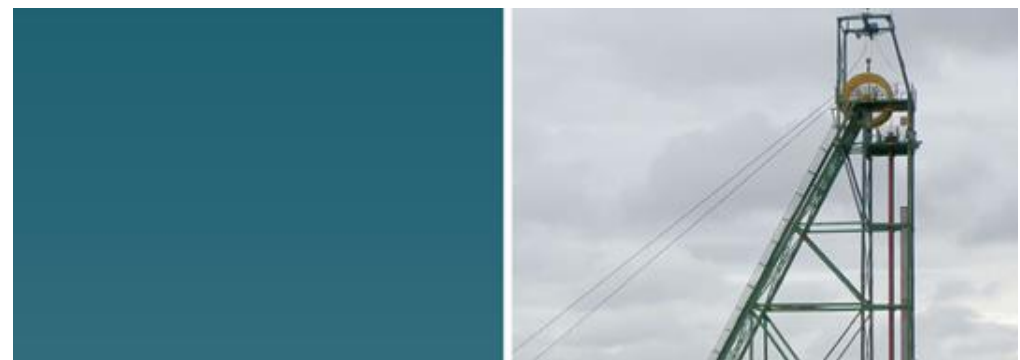
Patrick Chidley, Paul Durham

Tel : +1 917 991 7701; +1 203 940 2538

European IR: Swiss Resource Capital

Jochen Staiger

Tel: +41 71 354 8501



Investment Research

WH Ireland www.whirelandplc.com

AIM Broker/Nomad: WH Ireland

Adrian Hadden

Tel: +44 (0) 207 220 1666

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