Caledonia Mining Corporation Plc

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

To the Shareholders of Caledonia Mining Corporation Plc:

Management has prepared the information and representations in these consolidated financial statements. The consolidated financial statements of Caledonia Mining Corporation Plc and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and, where appropriate, these statements include some amounts that are based on best estimates and judgment. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Our independent auditor has the responsibility of auditing the consolidated financial statements and expressing an opinion on these financial statements.

The Management Discussion and Analysis ("MD&A") also includes information regarding the impact of current transactions, sources of liquidity, capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

The Group maintains adequate systems of internal accounting and administrative controls, within reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information are produced.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICOFR"). Any system of ICOFR, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

At December 31, 2020 management evaluated the effectiveness of the Group's ICOFR and concluded that such ICOFR was effective based on the criteria set forth in the Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee is composed of three independent directors. This Committee meets periodically with management and the external auditor to review accounting, auditing, internal control and financial reporting matters.

The consolidated financial statements as at and for the year ended December 31, 2020, 2019 and 2018 have been audited by the Group's independent auditor, BDO South Africa Incorporated. The independent auditor's report outlines the scope of their examination and their opinion on the consolidated financial statements.

The consolidated financial statements for the year ended December 31, 2020 were approved by the Board of Directors and signed on its behalf on March 22, 2021.

(Signed) S. R. Curtis	(Signed) J.M. Learmonth
Chief Executive Officer	Chief Financial Officer

Independent Auditor’s Report

To the shareholders of Caledonia Mining Corporation Plc

Opinion

We have audited the consolidated financial statements of Caledonia Mining Corporation Plc and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, 2019 and January 1, 2019, and the consolidated statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year ended December 31, 2020, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position as at December 31, 2020, 2019 and 1 January 2019, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2020, 2019 in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (“IASB”).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW THE KEY AUDIT MATTER WAS ADDRESSED IN THE AUDIT
Assessment of Life-of-Mine (LOM) Estimate The calculation of the LOM is complex and involves specialised knowledge of the resource. The LOM is based on estimated available resources, as determined by geologists and surveyors.	In considering the appropriateness of management’s judgements and estimates used in the LOM, we performed the following audit procedures: • We obtained an understanding of the of key controls around the assessment of the LOM; • We obtained from management available evidence that supported their key assumptions and assessed the reasonability/appropriateness of these assumptions. • We reviewed the LOM relating to geological and technical data of the size, depth, shape and grade of the ore body and recovery rates used in the model. • We performed sensitivity analysis on the key assumptions; • We tested the mathematical accuracy of the value in use calculation;

Any changes to the reserves and resources will impact the LOM which would impact the financial information that relies on the LOM estimate such as the calculation of depreciation of property, plant and equipment as disclosed in note 3(a)(i) and (ii) as well as the discounting of the site restoration provision disclosed in note 28.	We reviewed the work of management's experts and compared to methods and assumptions used by the expert to those used in the preceding period in order to ensure consistency. As part of our audit, we also focused on the appropriateness and completeness of the group's disclosures, that is required in terms of International Financial Reporting Standards.
Completeness of the site restoration provision. The Group's site restoration obligations with a carrying value of $ 3.5 million (2019: $3.3 million) as disclosed in note 28, are material. Significant judgement is required in determining the rehabilitation timing, underlying cost estimates for rehabilitation, inflation and discount rates and the scope of works required to rehabilitate the mine and surrounding areas in line with current legislation. The site restoration provision calculation includes several inputs that management uses to assess the appropriateness of their estimates, including inflation rates, discount rates, timing and value of cash flows that support their calculation. Based on the significance of the balance as well as the management judgements and estimates involved and the sensitivity of the balance for changes in the inputs, it was concluded to be a key audit matter.	In considering the appropriateness of management's judgements and estimates used in the site restoration model, we performed the following audit procedures: • We obtained an understanding of the of key controls around the assessment of the site restoration cost model; • We obtained from management available evidence that supported their key assumptions and assessed the reasonability/appropriateness of these assumptions; • We performed sensitivity analysis on the key assumptions; • We tested the mathematical accuracy of the model; and • We reviewed and challenged the basis for any significant revisions since the prior year and assessing the competence of the internal experts • We reviewed key assumptions in the site restoration models, challenging the appropriateness of estimates with reference to contingencies applied, inflation rates, weighted average cost of capital calculation and the consistency of long term discount rates. We reviewed the work of management's experts and compared to methods and assumptions used by the expert to those used in the preceding period in order to ensure consistency. We engaged our own expert to independently review the rehabilitation provision estimate and the method, fairness and accuracy of management's calculation. As part of our audit, we also focused on the appropriateness and completeness of the group's disclosures, that is required in terms of International Financial Reporting Standards

Independent Auditor's Report (continued)

Other Information

Management is responsible for the other information. The other information comprises:

- The information included:
  - The Management's Discussion and Analysis report of the consolidated operating results and financial position of the Group for the quarter ended December 31, 2020.
  - The Annual Report – referred to as Form 20-F

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis report and the Annual Report – referred to as Form 20-F prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jacques Barradas.

BDO South Africa Inc.

BDO South Africa Inc.

Registered Auditors

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

March 22, 2021

Caledonia Mining Corporation Plc

Consolidated statements of profit or loss and other comprehensive income

(in thousands of United States Dollars, unless indicated otherwise)

For the years ended December 31	***Note***	**2020**	2019	2018
Revenue		**100,002**	75,826	68,399
Less: Royalty		**(5,007)**	(3,854)	(3,426)
Production costs	*9*	**(43,711)**	(36,400)	(39,315)
Depreciation	*17*	**(4,628)**	(4,434)	(4,071)
Gross profit		**46,656**	31,138	21,587
Other income	*10*	**4,765**	2,274	7,101
Other expenses	*13*	**(5,315)**	(666)	(336)
Administrative expenses	*14*	**(7,997)**	(5,637)	(6,465)
Cash-settled share-based expense	*30.1*	**(1,413)**	(689)	(315)
Equity-settled share-based expense	*30.2*	**–**	–	(14)
Net foreign exchange gain	*11*	**4,305**	29,661	223
Profit on sale of subsidiary	*21.2*	**–**	5,409	–
Fair value losses on derivative assets	*23*	**(266)**	(601)	(360)
Operating profit		**40,735**	60,889	21,421
Finance income	*15*	**62**	146	53
Finance cost	*15*	**(367)**	(344)	(273)
Profit before tax		**40,430**	60,691	21,201
Tax expense	*16*	**(15,173)**	(10,290)	(7,445)
Profit for the year		**25,257**	50,401	13,756
Other comprehensive income				
Items that are or may be reclassified to profit or loss				
Exchange differences on translation of foreign operations		**(173)**	49	(676)
Reclassification of accumulated exchange differences on the sale of subsidiary		**–**	(2,109)	–
Total comprehensive income for the year		**25,084**	48,341	13,080
Profit attributable to:				
Owners of the Company		**20,780**	42,018	10,766
Non-controlling interests	*27*	**4,477**	8,383	2,990
Profit for the year		**25,257**	50,401	13,756
Total comprehensive income attributable to:				
Owners of the Company		**20,607**	39,958	10,090
Non-controlling interests	*27*	**4,477**	8,383	2,990
Total comprehensive income for the year		**25,084**	48,341	13,080
Earnings per share				
Basic earnings per share ($)	*26*	**1.73**	3.82	0.99
Diluted earnings per share ($)	*26*	**1.73**	3.81	0.99

The accompanying notes on pages 8 to 68 are an integral part of these consolidated financial statements.

On behalf of the Board: “S.R. Curtis”- Chief Executive Officer and “J.M. Learmonth”- Chief Financial Officer.

Caledonia Mining Corporation Plc
Consolidated statements of financial position

(in thousands of United States Dollars, unless indicated otherwise)

As at December 31	*Note*	**2020**	2019 *	January 1, 2019 *
Assets				
Property, plant and equipment	*17*	**126,479**	106,512	90,460
Exploration and evaluation asset	*18*	**6,768**	7,139	6,967
Deferred tax asset	*16*	**87**	63	98
Total non-current assets		**133,334**	113,714	97,525
Inventories	*19*	**16,798**	11,092	9,427
Prepayments		**1,974**	2,350	866
Trade and other receivables	*22*	**4,962**	6,912	6,392
Income tax receivable	*16*	**76**	–	–
Derivative financial assets	*23*	**1,184**	102	–
Cash and cash equivalents	*20*	**19,092**	9,383	11,187
Assets held for sale	*21*	**500**	–	296
Total current assets		**44,586**	29,839	28,168
Total assets		**177,920**	143,553	125,693
Equity and liabilities				
Share capital	*24*	**74,696**	56,065	55,102
Reserves	*25*	**138,310**	140,730	142,790
Retained loss		**(71,487)**	(88,380)	(127,429)
Equity attributable to shareholders		**141,519**	108,415	70,463
Non-controlling interests	*27*	**16,524**	16,302	8,345
Total equity		**158,043**	124,717	78,808
Liabilities				
Provisions	*28*	**3,567**	3,346	3,309
Deferred tax liabilities	*16*	**4,234**	3,129	23,328
Loans and borrowings - long term portion	*29*	**–**	1,942	5,960
Cash-settled share-based payment - long term portion	*30.1*	**1,934**	540	2,090
Lease liabilities - long term portion	*12*	**178**	–	–
Total non-current liabilities		**9,913**	8,957	34,687
Loans and borrowings - short term portion	*29*	**408**	529	–
Cash-settled share-based payment - short term portion	*30.1*	**336**	–	–
Lease liabilities - short term portion	*12*	**61**	349	–
Income taxes payable	*16*	**495**	163	1,538
Trade and other payables	*31*	**8,664**	8,348	10,051
Overdraft	*20*	**–**	490	–
Liabilities associated with assets held for sale	*21*	**–**	–	609
Total current liabilities		**9,964**	9,879	12,198
Total liabilities		**19,877**	18,836	46,885
Total equity and liabilities		**177,920**	143,553	125,693

The accompanying notes on pages 8 to 68 are an integral part of these consolidated financial statements.

* The Group voluntarily changed its disclosure policy for exploration and evaluation assets to be disclosed separately as Exploration and evaluation assets rather than as part of Property, plant and equipment; similarly lease liabilities were classified separately from trade and other payables (refer to note 4(b)(i) and 4(b)(ii)). The new disclosure policies were adopted from December, 2020 and have been applied retrospectively.

Caledonia Mining Corporation Plc

Consolidated statements of changes in equity

(in thousands of United States Dollars, unless indicated otherwise)

	Note	Share capital	Foreign currency translation reserve	Contributed surplus	Equity-settled share-based payment reserve	Retained loss	Total	Non-controlling interests (NCI)	Total equity
Balance January 1, 2018		55,102	(5,885)	132,591	16,746	(135,287)	63,267	5,944	69,211
Transactions with owners:									
Dividends declared	*34*	-	-	-	-	(2,908)	(2,908)	(589)	(3,497)
Equity-settled share-based payment	*30.2*	-	-	-	14	-	14	-	14
Total comprehensive income:									
Profit for the year		-	-	-	-	10,766	10,766	2,990	13,756
Other comprehensive income for the year		-	(676)	-	-	-	(676)	-	(676)
Balance December 31, 2018		55,102	(6,561)	132,591	16,760	(127,429)	70,463	8,345	78,808
Transactions with owners:									
Dividends declared	*34*	-	-	-	-	(2,969)	(2,969)	(426)	(3,395)
Shares issued - share-based payment	*30.1*	963	-	-	-	-	963	-	963
Total comprehensive income:									
Profit for the year		-	-	-	-	42,018	42,018	8,383	50,401
Other comprehensive income for the year		-	(2,060)	-	-	-	(2,060)	-	(2,060)
Balance at December 31, 2019		56,065	(8,621)	132,591	16,760	(88,380)	108,415	16,302	124,717
Transactions with owners:									
Dividends declared	*34*	**-**	**-**	**-**	**-**	**(3,887)**	**(3,887)**	**(655)**	**(4,542)**
Shares issued:									
- share-based payment	*30.1*	**216**	**-**	**-**	**-**	**-**	**216**	**-**	**216**
- options exercised	*24*	**30**	**-**	**-**	**-**	**-**	**30**	**-**	**30**
- equity raise (net of transaction cost)~	*24*	**12,538**	**-**	**-**	**-**	**-**	**12,538**	**-**	**12,538**
- Blanket shares purchased from Fremiro	*6*	**5,847**	**-**	**-**	**(2,247)**	**-**	**3,600**	**(3,600)**	**-**
Total comprehensive income:									
Profit for the year		**-**	**-**	**-**	**-**	**20,780**	**20,780**	**4,477**	**25,257**
Other comprehensive income for the year		**-**	**(173)**	**-**	**-**	**-**	**(173)**	**-**	**(173)**
Balance at December 31, 2020		**74,696**	**(8,794)**	**132,591**	**14,513**	**(71,487)**	**141,519**	**16,524**	**158,043**
		24	25	25	25			27	

The accompanying notes on pages 8 to 68 are an integral part of these consolidated financial statements.

~ The Company raised equity for the construction of the solar plant by way of an At The Market ("ATM") equity offer on the NYSE American. Gross proceeds of $13,000 were raised pursuant to the ATM sales agreement with Cantor Fitzgerald & Co. at a transaction cost of $462.

Caledonia Mining Corporation Plc
Consolidated statements of cash flows

For the years ended December 31

(in thousands of United States Dollars, unless indicated otherwise)

	Note	**2020**	2019 *	2018 *
Cash generated from operations	32	**37,967**	23,885	21,119
Interest received		**56**	146	53
Interest paid		**(405)**	(454)	(161)
Tax paid	16	**(6,656)**	(5,517)	(3,344)
Net cash from operating activities		**30,962**	18,060	17,667
Cash flows used in investing activities				
Acquisition of property, plant and equipment		**(25,081)**	(19,852)	(20,192)
Acquisition of exploration and evaluation assets		**(2,759)**	(172)	–
Purchase of derivative financial asset		**(1,058)**	–	–
Proceeds from disposal of subsidiary	21.2	**900**	1,000	–
Net cash used in investing activities		**(27,998)**	(19,024)	(20,192)
Cash flows from financing activities				
Dividends paid		**(4,542)**	(3,395)	(3,497)
Term loan proceeds	29	**–**	2,340	6,000
Term loan transaction costs	29	**–**	(46)	(60)
Term loan repayments	29	**(574)**	–	(1,500)
Payment of lease liabilities	12	**(118)**	(124)	–
Shares issued - equity raise (net of transaction cost)	24	**12,538**	–	–
Share options exercised		**30**	–	–
Net cash from/ (used in) financing activities		**7,334**	(1,225)	943
Net increase/ (decrease) in cash and cash equivalents		**10,298**	(2,189)	(1,582)
Effect of exchange rate fluctuations on cash held		**(99)**	(105)	13
Net cash and cash equivalents at the beginning of the year		**8,893**	11,187	12,756
Net cash and cash equivalents at the end of the year	20	**19,092**	8,893	11,187

The accompanying notes on pages 8 to 68 are an integral part of these consolidated financial statements.

* The Group voluntarily changed its disclosure policy for exploration and evaluation assets to be disclosed separately as Acquisition of exploration and evaluation assets rather than as part of Acquisition of property, plant and equipment (refer to note 4(b)(i)). The new disclosure policy was adopted from December 10, 2020 and has been applied retrospectively.

1 Reporting entity

Caledonia Mining Corporation Plc (the "Company") is a company domiciled in Jersey, Channel Islands. The Company's registered office address is B006 Millais House, Castle Quay, St Helier, Jersey, Channel Islands. These consolidated financial statements of the Company and its subsidiaries (the "Group") comprise the consolidated statements of financial position as at December 31, 2020, 2019 and January 1, 2019, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the years ended December 31, 2020, 2019 and 2018, notes, significant accounting policies and other explanatory information. The Group's primary involvement is in the operation of a gold mine and the exploration and development of mineral properties for precious metals.

Caledonia's shares are listed on the NYSE American stock exchange (symbol - "CMCL"). Depository interests in Caledonia's shares are admitted to trading on AIM of the London Stock Exchange plc (symbol - "CMCL"). Caledonia voluntary delisted from the Toronto Stock Exchange (the "TSX") on June 19, 2020. After the delisting the Company remains a Canadian reporting issuer and has to comply with Canadian securities laws unless and until it can demonstrate that less than 2% of its beneficial shareholders are Canadian residents.

2 Basis of preparation

i) Statement of compliance

The consolidated financial statements have been prepared on a going concern basis, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorised for issue by the Board of Directors on March 22, 2021.

ii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for:

- cash-settled share-based payment arrangements measured at fair value on grant and re-measurement dates;
- equity-settled share-based payment arrangements measured at fair value on the grant date; and
- derivative financial instruments measured at fair value.

iii) Functional currency

These consolidated financial statements are presented in United States Dollars ("$" or "US Dollar" or "USD"), which is also the functional currency of the Company. All financial information presented in United States Dollars has been rounded to the nearest thousand, unless indicated otherwise. Refer to note 11 for changes to the Zimbabwean real-time gross settlement, bond notes or bond coins ("RTGS$") and its effect on the statement of profit or loss and other comprehensive income.

3 Use of accounting assumptions, estimates and judgements

In preparing these consolidated financial statements, management has made accounting assumptions, estimates and judgements that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are recognised prospectively.

3 Use of accounting assumptions, estimates and judgements (continued)

(a) Assumptions and estimation uncertainties

i) Depreciation of property, plant and equipment

Depreciation on mine development, infrastructure and other assets in the production phase is computed on the units-of-production method over the life-of-mine based on the estimated quantities of reserves (proven and probable) and resources (measured, indicated and inferred), which are planned to be extracted in the future from known mineral deposits. Where items have a shorter useful life than the life-of-mine, the mine development, infrastructure and other assets are depreciated over their useful life. Confidence in the existence, commercial viability and economical recovery of reserves and resources included in the life-of-mine may be based on historical experience and available geological information. This is in addition to the drilling results obtained by the Group and management's knowledge of the geological setting of the surrounding areas, which would enable simulations and extrapolations to be done with a sufficient degree of accuracy. In instances where management is able to demonstrate the economic recovery of resources with a high level of confidence, such additional resources, are included in the calculation of depreciation.

Other items of property, plant and equipment are depreciated as described in note 5(g)(iii).

ii) Mineral reserves and resources

Mineral reserves and resources are estimates of the amount of product that can be economically and legally extracted. In order to calculate the reserves and resources, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity prices and exchange rates. Estimating the quantity and grade of mineral reserves and resources requires the size, shape and depth of orebodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological assumptions and calculations to interpret the data. Estimates of mineral reserves and resources may change due to the change in economic assumptions used to estimate mineral reserves and resources and due to additional geological data becoming available during the course of operations.

The Group estimates its reserves (proven and probable) and resources (measured, indicated and inferred) based on information compiled by a Qualified Person in terms of the Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") relating to geological and technical data of the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires geological and engineering assumptions to interpret the data. These assumptions include:

- correlation between drill-holes intersections where multiple reefs are intersected;
- continuity of mineralisation between drill-hole intersections within recognised reefs; and
- appropriateness of the planned mining methods.

3 Use of accounting assumptions, estimates and judgements (continued)

(a) Assumptions and estimation uncertainties (continued)

ii) Mineral reserves and resources (continued)

The Group estimates and reports reserves and resources in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - CIM Definition Standards for Mineral Resources and Mineral Reserves. Complying with the CIM code, NI 43-101 requires the use of reasonable assumptions to calculate the recoverable resources. These assumptions include:

- the gold price based on current market price and the Group's assessment of future prices;
- estimated future on-mine costs, sustaining and non-sustaining capital expenditures;
- cut-off grade;
- dimensions and extent, determined both from drilling and mine development, of ore bodies; and
- planned future production from measured, indicated and inferred resources.

Changes in reported reserves and resources may affect the Group's financial results and position in several ways, including the following:

- asset carrying values may be affected due to changes in the estimated cash flows (i.e. Impairment);
- depreciation and amortisation charges to profit or loss may change as these are calculated on the unit-of production method or where useful lives of an asset change; and
- decommissioning, site restoration and environmental provisions and resources which may affect expectations about the timing or cost of these activities.

iii) Blanket mine's indigenisation transaction

The initial indigenisation transaction and modifications to the indigenisation transaction of Blanket Mine (1983) (Private) Limited ("Blanket Mine") required management to make significant assumptions and estimates which are explained in note 6.

iv) Site restoration provision

The site restoration provision has been calculated for the Blanket Mine based on an independent analysis of the rehabilitation costs as performed in 2018. Assumptions and estimates are made when determining the inflationary effect on current restoration costs and the discount rate to be applied in arriving at the present value of the provision where the time value of money effect is significant. Assumptions, based on the current economic environment, have been made that management believes are a reasonable basis for estimating the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to the provision from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation. The final cost of the currently recognised site rehabilitation provision may be higher or lower than currently provided for (refer to note 28).

3 Use of accounting assumptions, estimates and judgements (continued)

(a) Assumptions and estimation uncertainties (continued)

v) Exploration and evaluation ("E&E") assets

The Group also makes assumptions and estimates regarding the possible impairment of E&E assets by evaluating whether it is likely that future economic benefits will flow to the Group, which may be based on assumptions about future events or circumstances. Assumptions and estimates made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalised is written off in profit or loss in the period the new information becomes available. The recoverability of the carrying amount of exploration and evaluation assets depends on the availability of sufficient funding to bring the properties into commercial production, the price of the products to be recovered and the undertaking of profitable mining operations. As a result of these uncertainties, the actual amount recovered may vary significantly from the carrying amount.

vi) Taxes

Significant assumptions and estimates are required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. In 2019 the Zimbabwe Revenue Authority ("ZIMRA") issued Public Notice 26 ("PN26") effective from February 22, 2019. PN26 provided clarity on the interpretation of Section 4 (a) of the Finance Act [Chapter 23.04] of Zimbabwe, which requires a company earning taxable income to pay tax in the same or other specified currency that the income is earned. PN 26 clarifies that the calculation of taxable income be expressed in RTGS$ and that the payment of the tax payable, determined in RTGS$, be paid in the ratio of turnover earned. The application of PN26 resulted in a significant reduction in the deferred tax liability and the Group recorded the best estimate of the tax liability. The clarification of PN26 was applied prospectively and had no impact on comparative amounts.

Management believes they have adequately provided for the probable outcome of tax related matters; however, the final outcome or future outcomes anticipated in calculating the tax liabilities may result in a materially different outcome than the amount included in the tax liabilities. In addition, The Group further makes assumptions and estimates when recognising deferred tax assets relating to tax losses carried forward to the extent that there are sufficient future taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses may be utilised or sufficient estimated future taxable income against which the losses can be utilised.

vii) Share-based payment transactions

Equity-settled share-based payment arrangements

The Group measures the cost of equity-settled share-based payment transactions with employees, directors and Blanket's indigenous shareholders (refer notes 6 and 30.2) by reference to the fair value of the equity instruments on the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the appropriate valuation model and considering the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield. Additional information about significant assumptions and estimates for estimating fair value for share-based payment transactions are disclosed in note 30.2.

3 Use of accounting assumptions, estimates and judgements (continued)

(a) Assumptions and estimation uncertainties (continued)

vii) Share-based payment transactions (continued)

Where the Company granted the counterparty to a share-based payment award the choice of settlement in cash or shares, the equity component is measured as the difference between the fair value of the goods and services and the fair value of the cash-settled share-based payment liability at the date when the goods and services are received at the measurement date. For transactions with employees, the equity component is zero.

Option pricing models require the input of assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. Therefore, the existing models may not necessarily provide a reliable single measure of the fair value of the Group's share options.

Cash-settled share-based payment arrangements

The fair value of the amount payable to employees regarding share-based awards that will be settled in cash is recognised as an expense with a corresponding increase in liabilities over the period over which the employee becomes unconditionally entitled to payment. The liability is re-measured at each reporting date. Any change in the fair value of the liability is recognised in profit or loss.

Additional information about significant assumptions and estimates used to determine the fair value of cash settled share-based payment transactions are disclosed in note 30.1.

viii) Impairment

Non-financial assets

At each reporting date, the Group determines if impairment indicators exist, and if present, performs an impairment review of the non-financial assets held in the Group. The exercise is subject to various assumptions and estimates.

Non-derivative financial assets

The Group uses a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(b) Judgements

Judgement is required when assessing whether the Group controls an entity or not. Controlled entities are consolidated. Further information is given in notes 5(a) and 6.

Refer to note 5(b)(ii) for judgement applied to determine functional currency of entities in the Group and the interbank rate of exchange to translate the RTGS$.

4 Change in significant accounting policies and disclosure policies

(a) Change in significant accounting policies required by IFRS

The following standards and interpretations apply for the first time to the financial reporting periods commencing on or after January 1, 2020. These changes were adopted from January 1, 2020 and do not have a material effect on the Group's financial statements.

i) IAS 1 Presentation of Financial Statements & IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendment clarifies the definition of material and makes it easier to understand. The change provides guidance on how the definition should be applied. The change in the definition now ensures that the definition is consistent across all IFRS standards and the Conceptual Framework.

The definition of material omissions or misstatements from *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* has been removed.

The Group has completed its assessment of the impact of IAS 1 and 8 and concluded that the new standards did not have a material impact on the consolidated financial statements.

ii) Revised Conceptual Framework for Financial Reporting

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, includes:

- new concepts on measurement including factors to be considered when selecting the measurement basis;
- new concepts on presentation and disclosure, including when to classify income and expenses in other comprehensive income;
- new guidance on when assets and liabilities are removed from financial statements;
- updated definitions of an asset and liability;
- updated recognition criteria for including assets and liabilities in financial statements; and
- clarified the concepts of prudence, stewardship, measurement uncertainty and substance over form.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing amendments to references to the Conceptual Framework in IFRS Standards. The Group has completed its assessment of the impact and concluded that the new standard did not have a material impact on the consolidated financial statements.

(b) Voluntary change of disclosure policies

i) Exploration and evaluation assets to be disclosed separately from Property, plant and equipment

Previously exploration and evaluation assets were disclosed as part of Property, plant and equipment. Under the new disclosure policy exploration and evaluation assets are disclosed separately as Exploration and evaluation assets from the earliest period presented.

The new disclosure policy was adopted from December 10, 2020 and has been applied retrospectively. Management purchased two new mining options during 2020 and the change in disclosure policy provides more detail on the new and existing Exploration and evaluation assets. Management implemented the change in disclosure policy to provide increased transparency on exploration and evaluation assets in line with management's focus to purchase and explore mining assets.

4 Change in significant accounting policies and disclosure policies (continued)

(b) Voluntary change of disclosure policies (continued)

i) Exploration and evaluation assets to be disclosed separately from Property, plant and equipment (continued)

The voluntary change in disclosure policy resulted in the cost of property, plant and equipment presented in the consolidated statements of financial position reducing with an amount of $6,768 (2019: $7,139, January 1, 2019: $6,967). Further, the Acquisition of property, plant and equipment line item in the consolidated statements of cash flow decreased by an amount of $2,759 (2019: $172, January 1, 2019: $Nil), while the Acquisition of exploration and evaluation assets line item increased with the same amount. The consolidated statement of changes in equity and consolidated statements of profit or loss and other comprehensive income was not affected by the change.

ii) Leases to be disclosed separately from Trade and other payables

Previously lease liabilities were disclosed as part of Trade and other payables. Under the new disclosure policy lease liabilities are disclosed separately as Lease liabilities – long term portion and Lease liabilities – short term portion from the earliest period presented.

The new disclosure policy was adopted from December, 2020 and has been applied retrospectively. Management implemented the change in disclosure policy to provide more detail on the maturity of lease contracts and to better assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.

The voluntary change in disclosure policy resulted in Trade and other payables presented in the consolidated statements of financial position reducing by an amount of $239 (2019: $349, January 1, 2019: $Nil) compared with the disclosure with the old policy in effect. Lease liabilities are presented separately in the statement of financial position as current and non-current Lease liabilities. The consolidated statement of changes in equity, statements of profit or loss and other comprehensive income and consolidated statements of cash flow were not affected by the change.

5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. For changes in accounting policies in the current year refer to notes 4(a) and 4(b).

(a) Basis of consolidation

i) Subsidiaries and structured entities

Subsidiaries and certain structured entities are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variability in returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

5 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling interests (“NCI”) and other components of equity. Any gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iii) Non-controlling interests

NCI is measured at their proportionate share of the carrying amounts of the acquiree’s identifiable net assets at fair value at the acquisition date. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

i) Foreign operations

As stated in note 2(iii) the presentation currency of the Group is the United States Dollar. The functional currency of the Company and all its subsidiaries is the United States Dollar except for the South African subsidiary that uses the South African Rand (“ZAR”) as its functional currency. Subsidiary financial statements have been translated to the presentation currency as follows:

- assets and liabilities are translated using the exchange rate at year end; and
- income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from the item are considered to form part of the net investment in a foreign operation and are recognised in Other Comprehensive Income (“OCI”).

If settlement is planned or likely in the foreseeable future, foreign exchange gains and losses are included in profit or loss. When settlement occurs, the settlement will not be regarded as a partial disposal and accordingly the foreign exchange gain or loss previously recognised in OCI is not reclassified to profit or loss/reallocated to NCI.

When the Group disposes of its entire interest in a foreign operation or loses control over a foreign operation, the foreign currency gains or losses accumulated in OCI related to the foreign operation are reclassified to profit or loss. If the Group disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in OCI related to the subsidiary are reattributed between controlling and non-controlling interests.

All resulting translation differences are reported in OCI and accumulated in the foreign currency translation reserve.

5 Significant accounting policies (continued)

(b) Foreign currency (continued)

ii) Foreign currency translation

In preparing the financial statements of the Group entities, transactions in currencies other than the functional currency (foreign currencies) of these Group entities are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities are translated using the current foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in profit or loss for the year.

On October 1, 2018 the RBZ pegged the RTGS$ at 1:1 to the US Dollar and on February 20, 2019 issued a further monetary policy statement, which allowed inter-bank trading between RTGS$ and foreign currency. The interbank rate was introduced at 2.5 RTGS$ to 1 US Dollar and traded at 81.79 RTGS$ (2019: 16.77 RTGS$, 2018: 1 RTGS$) to 1 US Dollar as at December 31, 2020.

Further, the Reserve Bank of Zimbabwe ("RBZ") issued a directive to Zimbabwean banks to separate foreign currency ("Foreign currency") and RTGS$ for bank accounts held by clients on October 1, 2018. Subsequent to the directive, the RBZ announced that 30% of Blanket Mine's gold proceeds will be received in Foreign currency (i.e., United States Dollars) and the remainder received as RTGS$. From November 12, 2018 the RBZ increased the Foreign currency allocation from 30% to 55%, with the remainder received as RTGS$. The RBZ increased the Foreign currency allocation with effect from May 26, 2020 from 55% to 70% and decreased the Foreign currency allocation with effect from January 8, 2021 from 70% to 60% with the remainder received as RTGS$. The allocation percentages remained in effect up to the date of approval of these financial statements. Further, the Company participated in the Foreign currency auction introduced by the Zimbabwean Government to exchange RTGS$ for US Dollars during 2021 and obtained allotments from the Reserve Bank.

In applying IAS 21, management determined that the US Dollar remained the primary currency in which the Group's Zimbabwean entities operate, as:

- the majority of revenue is received in US Dollars;
- the gold price receivable was calculated in US Dollars;
- the majority of costs are calculated by reference to the US Dollar if denominated in RTGS$ or is paid in US Dollars; and
- Income tax liabilities calculated in RTGS$ are settled predominantly in US Dollars.

The application of IAS 21, the advent of SI 142 and the devaluation of the RTGS$ against the US Dollar had a significant impact on the US Dollar value of RTGS$ denominated Zimbabwean monetary assets and liabilities consolidated as part of the Group. Monetary items mostly affected include monetary liabilities such as income and deferred tax liabilities, loans and borrowings, trade and other payables and to a lesser extent monetary asset such as cash held in RTGS$.

5 Significant accounting policies (continued)

(c) Leases

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of use asset reflects that the Group will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as property, plant and equipment. Also, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there lease agreement changes in substance in terms of payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group presents the right of use assets that do not meet the definition of investment property as property, plant and equipment. Lease liabilities are presented separately in the statement of financial position as current- and non-current Lease liabilities.

The Group has elected not to recognise the right of use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5 Significant accounting policies (continued)

(d) Financial instruments

i) Non-derivative financial assets

Recognition and initial measurement

The Group holds only financial assets measured at amortised cost and at fair value through profit or loss. Financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as and measured at amortised cost or at fair value through profit or loss. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets of the Group not classified as and measured at amortised cost are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost, to fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets at fair value through profit or loss are subsequently measured at fair value.

Net gains and losses are recognised in profit or loss. Financial assets classified as and measured at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Finance income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group had the following non-derivative financial assets:

Financial assets at amortised cost

Financial assets at amortised cost comprise loans and receivables included in Trade and other receivables. Loans and receivables are financial assets with fixed or determinable payments that were not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Refer to note 5(j)(i) for the impairment of receivables. Bad debts were written off during the year in which they were identified. Finance income was recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

5 Significant accounting policies (continued)

(d) Financial instruments (continued)

ii) Non-derivative financial instruments

Non-derivative financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Non-derivative financial liabilities consist of bank overdrafts, loans and borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

iii) Derivative financial instruments

The Group held Derivative financial instruments to hedge its gold price exposure and invest excess short term Rands on hand at the South African subsidiary.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value. The Group does not hold derivatives that are classified as cash flow hedges, embedded derivatives or hedges that qualify as highly effective. Therefore, all changes in the fair value of derivative instruments are accounted for in profit or loss.

iv) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts in 2019 were repayable on demand and form an integral part of the Group’s cash management process. The 2019 bank overdraft was included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Share capital

Share capital is classified as equity. Incremental costs directly attributable to the issue, consolidation and repurchase of fractional items of shares and share options are recognised as a deduction from equity, net of any tax effects.

5 Significant accounting policies (continued)

(g) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. Refer to note 5(j)(ii) for the impairment of non-financial assets.

ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii) Depreciation

Depreciation is calculated to write off the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. On commencement of commercial production, depreciation of mine development, infrastructure and other assets is calculated on the unit-of-production method using the estimated measured, indicated and inferred resources which are planned to be extracted in terms of Blanket's life-of-mine plan ("LoMP"). Resources that are not included in the LoMP are not included in the calculation of depreciation.

For other categories, depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Inferred resources are included in the LoMP to the extent that there is a successful history of upgrading inferred resources. Blanket reports its resources inclusive of reserves. As a result, resources included in the LoMP and hence in the calculation of depreciation include material from measured, indicated and inferred resource classes as detailed below under the following types of resources:

- Measured resources – all proven reserve blocks plus 50% of the remnant pillar blocks.
- Indicated resources – all probable reserves plus indicated resources which occur within the mine extent as defined by the LoMP infrastructure.
- Inferred resources – inferred resources (discounted by approximately 30%) that are well defined in terms of geometry (position, width, extent) falling within the planned infrastructure as per the LoMP.

5 Significant accounting policies (continued)

(g) Property, plant and equipment (continued)

iii) Depreciation (continued)

In addition, inferred resources are included in the LoMP if it is expected that the inferred resources can be economically recovered in the future. Economic recovery is expected if a history can be proven that the recovered grade of the inferred resources exceeded the pay limit grade and when this trend can be expected in the future and if it is economical to recover inclusive of the cost of the capital requirements to access and extract the gold from the inferred resources. Refer to note 17 for the evaluation of the pay limit.

Land is not depreciated.

The calculation of the production rate units could be affected to the extent that actual production in the future is different from the current forecast production based on reserves and resources. This would generally result from the extent to which there are significant changes in any of the factors or assumptions used in estimating mineral reserves and resources.

These factors include:

- changes in mineral reserves and resources;
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites; and
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

The estimated useful lives for the current and comparative years are as follows:

- buildings 10 to 15 years (2019: 10 to 15 years; 2018: 10 to 15 years);
- plant and equipment 10 years (2019: 10 years; 2018: 10 years);
- fixtures and fittings including computers 4 to 10 years (2019: 4 to 10 years; 2018: 4 to 10 years);
- motor vehicles 4 years (2019: 4 years; 2018: 4 years);
- right of use assets 3 to 6 years (determined by lease term); and
- mine development, infrastructure and other assets in production, units-of-production method.

Depreciation methods, useful lives and residual values are reviewed each financial year and adjusted if appropriate. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Assets under construction's useful life and residual values will be assessed once the asset is available for use.

(h) Exploration and evaluation assets

Exploration costs are capitalised as incurred. The costs related to speculative drilling on unestablished orebodies at Blanket Mine, general administrative or overhead costs are expensed as incurred. Exploration and evaluation costs capitalised are disclosed under Exploration and evaluation assets (refer to note 4(b)(i) for the voluntary change in disclosure policy). Direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, direct administrative costs and depreciation on property, plant and equipment during the exploration phase.

Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year they occur.

5 Significant accounting policies (continued)

(h) Exploration and evaluation assets (continued)

Once the technical feasibility and commercial viability of extracting the mineral resource have been determined, the property is considered to be a mine under development and moved to the mine development, infrastructure and other asset category within property, plant and equipment. Capitalised direct costs related to the acquisition, exploration and development of mineral properties remain capitalised until the properties to which they relate are ready for their intended use, sold, abandoned or management has determined there to be impairment. Exploration and evaluation assets are tested for impairment before the assets are transferred to mine development, infrastructure and other assets.

Exploration and evaluations assets are not depreciated.

(i) Inventories

Consumable stores are measured at the lower of cost and net realisable value. The cost of consumable stores is based on the weighted average cost principle. It includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Gold in process is measured at the lower of cost and net realisable value. The cost of gold in process includes an appropriate share of production overheads based on normal operating capacity and is valued on the weighted average cost principle. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(j) Impairment
i) Non-derivative financial assets (including receivables)

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed individually as they possess different credit risk characteristics. Trade receivables have been assessed based on the days past due. The expected loss rates are based on the payment profile for gold sales over the past 48 months prior to December 31, of each year reported. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk the impact of these factors has not been considered significant. Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 90 days from lodgement date with Fidelity Printers and Refiners Limited ("Fidelity") and failure to engage with the Group on alternative payment arrangement, amongst others, are considered indicators of no reasonable expectation of recovery.

ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

5 Significant accounting policies (continued)

(j) Impairment (continued)

ii) Non-financial assets (continued)

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). The Group’s corporate assets do not generate separate cash inflows. If there is an indication that a CGU to which a corporate asset is allocated may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of assets in the unit (group of units) on a pro rata basis. Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been an indication of reversal and a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

iii) Impairment of Exploration and evaluation (“E&E”) assets

The test for impairment of E&E assets can combine several CGUs as long as the combination is not larger than a segment. The definition of a CGU does, however, change once development activities have begun. There are specific impairment triggers for E&E assets. Despite certain relief in respect of impairment triggers and the level of aggregation, the impairment standard is applied in measuring the impairment of E&E assets. Reversals of impairment losses are required in the event that the circumstances that resulted in impairment have changed.

E&E assets are assessed for impairment only when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. Indicators of impairment include the following:

- The entity's right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further E&E activities in the specific area is neither budgeted nor planned.
- The entity has not discovered commercially viable quantities of mineral resources as a result of E&E activities in the area to date and has decided to discontinue such activities in the specific area.
- Even if development is likely to proceed, the entity has sufficient data indicating that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

(k) Employee benefits

i) Short-term employee benefits

Short-term employee benefits are expensed when the related services are provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5 Significant accounting policies (continued)

(k) Employee benefits (continued)

ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(l) Share-based payment transactions

i) Equity-settled share-based payments to employees and directors

The grant date fair value of equity-settled share-based payment awards granted to employees and directors is recognised as an expense, with a corresponding increase in equity, over the vesting period of the award. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market vesting conditions at the vesting date.

Where the terms and conditions of equity-settled share-based payments are modified, the increase in the fair value, measured immediately before and after the modification date, is charged to profit or loss over the remaining vesting period or immediately for vested awards. Similarly, where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. Additional information about significant judgements, estimates and assumptions used to quantify the equity-settled share-based payment transactions and modification are disclosed in note 30.2.

ii) Cash-settled share-based payments to employees and directors

The grant date fair value of cash-settled awards granted to employees and directors is recognised as an expense, with a corresponding increase in the liability, over the vesting period of the awards. At each reporting date the fair value of the awards is re-measured with a corresponding adjustment to profit or loss. The method of calculating the fair value of the cash-settled share-based payments changed during quarter 1 of 2018 from the intrinsic valuation method to the Black-Scholes method. The Black-Scholes method includes the effect of share volatility in calculating the fair value of the share-based payment awards. The change was applied prospectively and did not have a significant effect on the liability value. Additional information about significant judgements, estimates and the assumptions used to estimate the fair value of cash-settled share-based payment transactions are disclosed in note 30.1.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability if the time value of money is considered significant. The unwinding of the discount is recognised as a finance cost.

5 Significant accounting policies (continued)

(n) Site restoration

The Group recognises liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of these assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalised to mineral properties along with a corresponding increase in the rehabilitation provision in the period incurred. Future rehabilitation costs are discounted using a pre-tax risk-free rate that reflects the time-value of money. The Group's estimates of rehabilitation costs, which are reviewed annually, could change as a result of changes in regulatory requirements, discount rates, effects of inflation and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mineral properties with a corresponding entry to the rehabilitation provision.

(o) Revenue

Revenue from the sale of precious metals is recognised when the metal is accepted at the refinery, control is transferred and the receipt of proceeds is substantially assured. Revenue is measured at the fair value of the receivable at the date of the transaction.

(p) Government grants

The Company recognises an unconditional government grant related to gold proceeds in profit or loss as other income when the grant becomes receivable. Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received.

(q) Finance income and finance cost

Finance income comprises interest income on funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method. Finance cost comprise interest expense on the rehabilitation provisions, interest on bank overdraft balances, effective interest on leases, loans and borrowings and also includes commitment costs on overdraft facilities. Finance cost is recognised in profit or loss using the effective interest rate method and excludes borrowing costs capitalised.

(r) Taxes

i) Income tax

Tax expense comprises current and deferred tax. These expenses are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

ii) Current tax

Current tax is the tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date. Current tax includes withholding tax on management fees and dividends paid between companies within the Group.

5 Significant accounting policies (continued)

(r) Taxes (continued)

iii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is a monetary item measured at the tax rates and in the currency that are expected to be applied when temporary differences reverse. The tax and exchange rates are based on the laws that have been enacted, substantively enacted or the interbank exchange rates that prevail at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(s) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its shares. Basic EPS is calculated by dividing the adjusted profit or loss attributable to shareholders of the Group (see note 26) by the weighted average number of shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding, adjusted for own shares held, for the effects of all dilutive potential shares, which comprise share options granted to employees and directors as well as any dilution in Group earnings originating from dilutive partially recognised non-controlling interests at a subsidiary level.

(t) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred and recognised as finance cost.

(u) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount or fair value less costs to sell. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale property, plant and equipment are no longer amortised or depreciated.

5 Significant accounting policies (continued)

(v) The following standards, amendments to standards and interpretations to existing standards may possibly have an impact on the Group:

Standard/ Interpretation		**Effective date and expected adoption date***
IAS 1	The amendments to IAS 1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting. Clarification is also given when it refers to the “settlement” of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The Group has completed its assessment of the impact of IAS 1 and concluded that the standard amendments would not have a material impact on the consolidated financial statements.	January 1, 2023
IAS 16	The amendment to IAS 16 *Property, Plant and Equipment* (“PPE”) prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. The amounts of proceeds and costs relating to items produced that are not an output of the entity’s ordinary activities must be disclosed separately. The Group has completed its assessment of the impact of IAS 16 and concluded that the standard amendment would not have a material impact on the consolidated financial statements.	January 1, 2022

(in thousands of United States Dollars, unless indicated otherwise

5 Significant accounting policies (continued)

(v) The following standards, amendments to standards and interpretations to existing standards may possibly have an impact on the Group: (continued)

Standard/ Interpretation		**Effective date and expected adoption date***
IAS 37	Amendments to IAS 37 *Provision, Contingent Liabilities and Contingent Assets* clarifies the Onerous contracts – Cost of Fulfilling a Contract. The amendments specify which costs an entity includes in determining the cost of fulfilling a contract to assess whether the contract is onerous. The amendments apply to contracts existing at the date when the amendments are first applied. At the initial application date, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The Group has completed its assessment of the impact of IAS 37 and concluded that the standard amendments would not have a material impact on the consolidated financial statements.	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: • IFRS 9 *Financial Instruments* – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. • IFRS 16 *Leases* – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. • IFRS 1 *First-time Adoption of International Financial Reporting Standards* – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books also to measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. The Group has completed its assessment of the impact of the above standards and concluded that the standard amendments would not have a material impact on the consolidated financial statements.	January 1, 2022

* Annual periods ending on or after.

6 Blanket Zimbabwe Indigenisation Transaction

On February 20, 2012 the Group announced it had signed a Memorandum of Understanding ("MoU") with the Minister of Youth, Development, Indigenisation and Empowerment of the Government of Zimbabwe pursuant to which the Group agreed that indigenous Zimbabweans would acquire an effective 51% ownership interest in the Zimbabwean company owning the Blanket Mine (also referred to herein as "Blanket" or "Blanket Mine" as the context requires) for a paid transactional value of $30.09 million. Pursuant to the above, members of the Group entered into agreements with each indigenous shareholder to transfer 51% of the Group's ownership interest in Blanket Mine whereby it:

- sold a 16% interest to the National Indigenisation and Economic Empowerment Fund ("NIEEF") for $11.74 million;
- sold a 15% interest to Fremiro Investments (Private) Limited ("Fremiro"), which is owned by indigenous Zimbabweans, for $11.01 million;
- sold a 10% interest to Blanket Employee Trust Services (Private) Limited ("BETS") for the benefit of present and future managers and employees for $7.34 million. The shares in BETS are held by the Blanket Mine Employee Trust ("Employee Trust") with Blanket Mine's employees holding participation units in the Employee Trust; and
- donated a 10% ownership interest to the Gwanda Community Share Ownership Trust ("Community Trust"). In addition, Blanket Mine paid a non-refundable donation of $1 million to the Community Trust.

The Group facilitated the vendor funding of these transactions which is repaid by way of dividends from Blanket Mine. 80% of dividends declared by Blanket Mine are used to repay such loans and the remaining 20% unconditionally accrues to the respective indigenous shareholders. Following a modification to the interest rate on June 23, 2017, outstanding balances on these facilitation loans attract interest at a rate of the lower of a fixed 7.25% per annum payable quarterly or 80% of the Blanket Mine dividend in the quarter. The timing of the loan repayments depends on the future financial performance of Blanket Mine and the extent of future dividends declared by Blanket Mine. The Group related facilitation loans were transferred as dividends in specie intra-group and now the loans and most of the interest thereon is payable to the Company.

Accounting treatment

The directors of Caledonia Holdings Zimbabwe (Private) Limited ("CHZ"), a wholly-owned subsidiary of the Company, performed a reassessment using the requirements of IFRS 10: Consolidated Financial Statements (IFRS 10). It was concluded that CHZ should continue to consolidate Blanket Mine after the indigenisation. The subscription agreements with the indigenous shareholders have been accounted for accordingly as a transaction with non-controlling interests and as a share-based payment transaction.

The subscription agreements, concluded on February 20, 2012, were accounted for as follows:

- Non-controlling interests ("NCI") were recognised on the portion of shareholding upon which dividends declared by Blanket Mine will accrue unconditionally to equity holders as follows:
  - (a) 20% of the 16% shareholding of NIEEF;
  - (b) 20% of the 15% shareholding of Fremiro; and
  - (c) 100% of the 10% shareholding of the Community Trust.
- This effectively means that NCI was initially recognised at 16.2% of the net assets of Blanket Mine, until the completion of the transaction with Fremiro, whereby the NCI reduced to 13.2% (see below).

(in thousands of United States Dollars, unless indicated otherwise

6 Blanket Zimbabwe Indigenisation Transaction (continued)

Accounting treatment (continued)

The subscription agreements, concluded on February 20, 2012, were accounted for as follows: (continued)

- The remaining 80% of the shareholding of NIEEF and Fremiro was recognised as non-controlling interests to the extent that their attributable share of the net asset value of Blanket Mine exceeds the balance on the facilitation loans, including interest. At December 31, 2020 the attributable net asset value did not exceed the balance on the respective loan account and thus no additional NCI was recognised.
- The transaction with BETS is accounted for in accordance with IAS 19 Employee Benefits (profit sharing arrangement) as the ownership of the shares does not ultimately pass to the employees. The employees are entitled to participate in 20% of the dividends accruing to the 10% shareholding in Blanket Mine if they are employed at the date of such distribution. To the extent that 80% of the attributable dividends exceeds the balance on the BETS facilitation loan, they will accrue to the employees at the date of such declaration.
- BETS is an entity effectively controlled and consolidated by Blanket Mine. Accordingly, the shares held by BETS are effectively treated as treasury shares in Blanket Mine and no NCI is recognised.

Fremiro purchase agreement

On November 5, 2018 the Company and Fremiro entered into a sale agreement for Caledonia to purchase Fremiro's 15% shareholding in Blanket Mine. On January 20, 2020 all substantive conditions to the transaction were satisfied. The Company issued 727,266 shares to Fremiro for the cancellation of their facilitation loan and purchase of Fremiro's 15% shareholding in Blanket Mine. The transaction was accounted for as a repurchase of a previously vested equity instrument. As a result, the Fremiro share of the NCI of $3,600 was derecognised, shares were issued at fair value, the share-based payment reserve was reduced by $2,247 and the Company's shareholding in Blanket Mine increased to 64% on the effective date.

Blanket Mine's indigenisation shareholding percentages and facilitation loan balances

USD	Shareholding	Effective interest & NCI recognised	NCI subject to facilitation loan	Balance of facilitation loan # **December 31, 2020**	Balance of facilitation loan # December 31, 2019
NIEEF	16%	3.20%	12.80%	**11,728**	11,877
Fremiro	-&	-&	-&	-&	11,458
Community Trust	10%	10.00%	–	–	–
BETS ~	10%	–	–	**7,447**	7,639
	36%	13.20%	12.80%	**19,175**	30,974

* The shares held by BETS are effectively treated as treasury shares (see above).

~ Accounted for under IAS19 *Employee Benefits.*

& After Fremiro repurchase on January 20, 2020.

Facilitation loans are accounted for as equity instruments and are accordingly not recognised as loans receivable.

(in thousands of United States Dollars, unless indicated otherwise

6 Blanket Zimbabwe Indigenisation Transaction (continued)

Blanket Mine's indigenisation shareholding percentages and facilitation loan balances (continued)

The balance on the facilitation loans is reconciled as follows:

Balance at January 1, 2019	30,986
Finance cost accrued	1,609
Dividends used to repay loans	(1,621)
Balance at December 31, 2019	30,974
Cancellation of Fremiro loan	**(11,458)**
Finance cost accrued	**1,396**
Dividends used to repay loan	**(1,737)**
Balance at December 31, 2020	**19,175**

Advance dividend loans and balances

In anticipation of completing the underlying subscription agreements, Blanket Mine agreed to advance dividend arrangements with NIEEF and the Community Trust. Advances made to the Community Trust against their right to receive dividends declared by Blanket Mine on their shareholding are as follows:

- a \$2 million payment on or before September 30, 2012;
- a \$1 million payment on or before February 28, 2013; and
- a \$1 million payment on or before April 30, 2013.

These advance payments were debited to a loan account bearing interest at a rate at the lower of a fixed 7.25% per annum, payable quarterly or the Blanket Mine dividend in the quarter to the advanced dividend loan holder. The loan is repayable by way of set-off of future dividends on the Blanket Mine shares owned by the Community Trust. Advances made to NIEEF as an advanced dividend loan before 2013 have been settled through Blanket Mine dividend repayments in 2014. The advance dividend payments were recognised as distributions to shareholders and they are classified as equity instruments. The loans arising are not recognised as loans receivables, because repayment is by way of uncertain future dividends.

Amendments to advanced dividend loan agreements

Advance dividend loan modification - Community Trust

On February 27, 2020, the Group, Blanket Mine and the indigenous shareholders of Blanket Mine reached an agreement to change the repayment terms of the advance dividend loan to the Community Trust. The amendment allowed that 20% of the Community Trust share of the Blanket dividend accrues on declaration of the dividend and that the remaining 80% be applied to the advance dividend loan from February 27, 2020. The modification was not considered beneficial to the indigenous shareholders.

(in thousands of United States Dollars, unless indicated otherwise

6 Blanket Zimbabwe Indigenisation Transaction (continued)

Amendments to advanced dividend loan agreements (continued)

The movement in the advance dividend loan to the Community Trust is reconciled as follows:

	Total
Balance at January 1, 2019	2,053
Finance cost accrued	104
Dividends used to repay advance dividend loan	(525)
Balance at December 31, 2019	1,632
Finance cost accrued	**98**
Dividends used to repay advance dividend loan	**(736)**
Balance at December 31, 2020	**994**

7 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk (refer note 33)
- Liquidity risk (refer note 33)
- Currency risk (refer note 33)
- Interest rate risk (refer note 33)

This note and note 33 present information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements. The Group is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on the preservation of capital and protecting current and future Group assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The Board of Directors has the responsibility to ensure that an adequate financial risk management policy is established and to approve the policy. The Group's Audit Committee oversees management's compliance with the Group's financial risk management policy.

Gold price hedges were entered into to manage the possible effect of gold price fluctuations. The derivative financial instrument was entered into by the Company for economic hedging purposes and not as a speculative investment. The fair value of the Group's financial instruments approximates their carrying value due to the short period to maturity.

7 Financial risk management (continued)

Overview (continued)

The types of risk exposure and the way in which such exposures are managed are described below:

(a) Credit risk

Credit risk includes the risk of a financial loss to the Group if a gold sales customer fails to meet its contractual obligation. Gold sales were made to Fidelity in Zimbabwe during the year.

(b) Liquidity risk

Liquidity risk is the risk that will not enable the Group to meet its financial obligations as they fall due. The Group manages its liquidity risk by ensuring sufficient cash availability to meet its likely cash requirements, after taking into account cash flows from operations and the Group's holdings of cash and cash equivalents. The Group believes that these sources will be sufficient to cover the anticipated cash requirements. Senior management is also actively involved in the reviewing and approving of planned expenditures by regularly monitoring cash flows from operations and anticipated investing and financing activities.

(c) Currency risk

The Group is exposed to currency risk on inter-company sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The Group does not use financial instruments to hedge its exposure to currency risk. To reduce exposure to currency transaction risk, the Group regularly reviews the currency (i.e. RTGS$ or Foreign currency) in which it spends its cash to identify and avoid specific expenditures in currencies that experience inflationary pressures. The Group aims to maintain cash and cash equivalents in US Dollars to manage foreign exchange exposure as well as investing in a Gold ETF to avoid fluctuations in South African Rand (refer to note 23) where cash spend is held in anticipation of South African Rand based expenses.

(d) Interest rate risk

The Group is exposed to interest rate risk arising from its cash and cash equivalents invested with financial institutions as well as its overdraft facility and term loan. The Group has not entered into interest rate swap agreements and mitigates the interest rate risk by remaining in a positive consolidated net cash position.

(in thousands of United States Dollars, unless indicated otherwise

8 Capital management

When managing capital, the Group's objectives are to safeguard its ability to continue as a going concern in order to pursue the mining operations and exploration potential of the mineral properties. The Group's capital includes shareholders' equity, comprising issued share capital, reserves, accumulated other comprehensive income, accumulated deficit, bank loans and non-controlling interests.

	2020	2019	January 1, 2019
Total equity	**158,043**	124,717	78,808

The Group's primary objective regarding its capital management is to ensure that it has sufficient cash resources to maintain its on-going operations, provide returns for shareholders, accommodate any rehabilitation provisions and pursue growth opportunities. As at December 31, 2020, the Group is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy.

9 Production costs

	2020	2019	2018
Salaries and wages	**16,122**	13,905	13,160
Consumable materials – Operations	**14,938**	13,020	12,143
Consumable materials – COVID-19	**824**	–	–
Electricity costs	**8,312**	6,383	9,313
Site restoration	**–**	–	84
Safety	**708**	525	592
Cash-settled share-based expense (note 30.1(a))	**634**	107	43
On mine administration	**1,800**	2,159	3,569
Pre-feasibility exploration costs	**373**	301	411
	43,711	36,400	39,315

10 Other income

	2020	2019	2018
Government grant – Gold sale export credit incentive	**4,695**	866	6,482
Government grant – Gold support price	**-**	1,064	-
Other	**70**	94	39
Greenstone Retirement Fund pay-out	-	250	-
Greenstone Provident Fund pay-out	-	-	363
Eersteling rock dump sale	-	-	217
	4,765	2,274	7,101

Government grant – Gold sale export credit incentive

The Reserve Bank of Zimbabwe ("RBZ") first announced an export credit incentive ("ECI") on the gold proceeds received for all large-scale gold mine producers during 2016. The ECI is calculated as a percentage of the gold proceeds less the charges of Fidelity.

(in thousands of United States Dollars, unless indicated otherwise

10 Other income (continued)

Government grant – Gold sale credit export incentive (continued)

The below table indicates when the ECI was applicable and the percentages granted, as announced by the Zimbabwean Government:

ECI applicable periods	Percentage
May 1, 2016 – December 31, 2017	3.5%
January 1, 2018 – January 31, 2018	2.5%
February 1, 2018 – February 20, 2019	10%
February 21, 2019 – March 9, 2020	0%
March 10, 2020 – June 26, 2020	25%

All incentives granted by the Zimbabwean Government were included in other income when determined receivable. Incentives were received in Blanket Mine's RTGS$ account. The ECI fell away after June 26, 2020.

Government grant – Gold support price

From March 6, 2019 it became apparent that Blanket Mine's sales proceeds received from Fidelity were calculated at a gross price of $44,000 per kilogram ($1,368.58 per ounce), which exceeded the prevailing London Bullion Market Association ("LBMA") price. On May 12, 2019, the Company received confirmation from Fidelity of this windfall receipt, called the "gold support price", which has been implemented to incentivise gold producers to increase gold production. The gold support price has not been received since the LBMA gold price subsequently increased above $1,368.58 per ounce.

11 Net foreign exchange gain

On October 1, 2018 the RBZ issued a directive to Zimbabwean banks to separate foreign currency from RTGS$ in the accounts held by their clients and pegged the RTGS$ at 1:1 to the US Dollar. On February 20, 2019 the RBZ issued a further monetary policy statement, which allowed inter-bank trading between RTGS$ and foreign currency. The interbank rate was introduced at 2.5 RTGS$ to 1 US Dollar and traded at 81.79 RTGS$ to 1 US Dollar as at December 31, 2020 (2019: 16.77 RTG$, 2018: 1 RTG$). Throughout these announcements and to the date of issue of these financial statements the US Dollar has remained the primary currency in which the Group's Zimbabwean entities operate and the functional currency of these entities.

Previously there was uncertainty about what currency would be used to settle amounts owed to the Zimbabwe Government. The announcement of S.I. 142 clarified the Zimbabwean Government's intentions that these liabilities were always denominated in RTGS$ and that RTGS$ would be the currency in which they would be settled. The devaluation of the deferred tax and electricity liabilities contributed the largest portion of the foreign exchange gain set out below.

(in thousands of United States Dollars, unless indicated otherwise

11 Net foreign exchange gain (continued)

The table below illustrates the effect the weakening of the RTGS$ and other foreign currencies had on the statement of profit or loss and other comprehensive income.

	2020	2019	2018
Unrealised foreign exchange gain	**8,367**	31,411	230
Realised foreign exchange loss	**(4,062)**	(1,750)	(7)
Net foreign exchange gain	**4,305**	29,661	223

12 Leases

Leases as lessee

The Group leases administrative offices. The leases, which the Group normally enters into, typically run for a period of 3 to 6 years, with an option to renew the lease after that date. The two leases for the administrative offices expire in 2021 and 2025 respectively.

Information about leases for which the Group is a lessee is presented below.

i) Amounts recognised in the statement of financial position

Right of use assets

Right of use assets related to leased properties that do not meet the definition of investment property are presented as part of property, plant and equipment (refer note 17).

Balance at January 1, 2019	263
Depreciation	(112)
Additions to right of use assets	248
Derecognition of right of use assets	(64)
Foreign currency movement	2
Balance at December 31, 2019	337
Depreciation	**(99)**
Foreign currency movement	**(9)**
Balance at December 31, 2020	**229**

Lease liabilities

Balance at January 1, 2019	263
Additions to lease liability	195
Finance cost	17
Lease payments	(124)
Foreign currency movement	(2)
Balance at December 31, 2019	349
Finance cost	**15**
Lease payments	**(118)**
Foreign currency movement	**(7)**
Balance at December 31, 2020	**239**

(in thousands of United States Dollars, unless indicated otherwise

12 Leases (continued)

ii) Amounts recognised in profit or loss

	2020	2019	2018
Finance cost on lease liabilities	**15**	17	–
Unrealised foreign exchange gain	**(2)**	4	–
Depreciation	**99**	112	–
	112	133	–

iii) Amounts recognised in statement of cash flows

	2020	2019	2018
Total cash outflow for leases - principal	**118**	124	–
Total cash outflow for leases - finance cost	**(15)**	(17)	–

iv) Minimum lease payments

Minimum lease payments payable on leases of right of use assets are as follows:

	2020
Less than one year	61
One to two years	46
Two to three years	46
Three to four years	46
Four to five years	40
More than five years	–
	239

13 Other expenses

	2020	2019	2018
Intermediated Money Transaction Tax	**451**	354	116
Solar evaluation cost*	**230**	160	–
COVID-19 donations~	**1,322**	–	–
Community and social responsibility cost	**382**	–	–
Other	**–**	8	12
Impairment of property, plant and equipment	**–**	144	208
Impairment of exploration and evaluation assets (note 21.1)	**2,930**	–	–
	5,315	666	336

* On July 6, 2020 the Board appointed Voltalia as the contractor for engineering, procuring and constructing a solar plant to be owned by a subsidiary of the Company. All solar costs that were incurred before July 6, 2020 were accounted for as other expenses and accounted through profit or loss. Solar costs incurred after approval by the Board are accounted for as property, plant and equipment (refer to note 17) as it became clear and probable that future economic benefits will flow to the project.

~ Blanket Mine donated \$840 towards the Zimbabwean Ministry of Mines and Development and \$482 towards a clinic in Gwanda, in helping to curb the spread of COVID-19 and the impacts thereof.

(in thousands of United States Dollars, unless indicated otherwise

14 Administrative expenses

	2020	2019	2018
Investor relations	**353**	414	751
Audit fee	**288**	237	266
Advisory services fees	**904**	408	553
Listing fees	**448**	277	495
Directors fees – Company	**323**	240	225
Directors fees – Blanket	**43**	31	52
Employee costs	**4,065**	3,030	2,917
Other office administration cost	**424**	605	645
Management liability insurance	**1,032**	86	52
Travel costs	**117**	292	297
Eersteling Gold Mine administration costs	**–**	17	212
	7,997	5,637	6,465

15 Finance income and finance cost

	2020	2019	2018
Finance income received - Bank	**62**	146	53
Finance cost - Term loan (note 29)	**386**	165	92
Finance cost - Capitalised to property, plant and equipment (note	**(53)**	(165)	(92)
Unwinding of rehabilitation provision (note 28)	**2**	20	20
Finance cost - Leases (note 12)	**15**	17	–
Finance cost - Overdraft	**17**	307	253
	367	344	273

(in thousands of United States Dollars, unless indicated otherwise

16 Tax expense

	2020	2019	2018
Tax recognised in profit or loss			
Current tax	**9,492**	7,311	3,783
Income tax - current year	**8,969**	6,802	2,523
Income tax - prior year (over)/ under provision	**(54)**	29	1,075
Withholding tax - current year	**577**	480	580
Withholding tax - prior year overprovision	**-**	-	(395)
Deferred tax expense	**5,681**	2,979	3,662
Origination and reversal of temporary differences	**5,681**	2,979	3,662
Tax expense – recognised in profit or loss	**15,173**	10,290	7,445
Tax recognised in other comprehensive income			
Income tax - current year	**-**	-	-
Tax expense	**15,173**	10,290	7,445

Unrecognised deferred tax assets

	2020	2019	2018
Eersteling Gold Mining Company Limited	**-**	-	4,989
Caledonia Holdings Zimbabwe (Private) Limited	**593**	421	-
Greenstone Management Services Holdings Limited	**376**	276	191
Tax losses carried forward	**969**	697	5,180

Taxable losses do not expire for the entities incurring taxable losses within the Group, unless the entities cease trading. Tax losses carried forward relate to Greenstone Management Services Holdings Limited (UK) and Caledonia Holdings Zimbabwe (Private) Limited. The unrecognised tax losses relating to the entity were transferred with the sale of the entity. Deferred tax assets have not been recognised in these entities as future taxable income is not deemed probable to utilise these losses against.

Tax paid	**2020**	2019	January 1, 2019
Net income tax payable at January 1	**(163)**	(1,538)	(1,145)
Current tax expense	**(9,492)**	(7,311)	(3,783)
Foreign currency movement	**2,580**	3,169	46
Tax paid	**6,656**	5,517	3,344
Net income tax payable at December 31	**(419)**	(163)	(1,538)

(in thousands of United States Dollars, unless indicated otherwise

16 Tax expense (continued)

Reconciliation of tax rate	**2020**	2019	2018
Profit for the year	**25,257**	50,401	13,756
Total tax expense	**15,173**	10,290	7,445
Profit before tax	**40,430**	60,691	21,201
Income tax at Company's domestic tax rate [(1)]	**-**	-	-
Tax rate differences in foreign jurisdictions [(2)]	**12,405**	16,232	6,465
Effect of income tax calculated in RTGS$ as required by PN26 [(3)]	**2,004**	(8,526)	-
Management fee – withholding tax on deemed dividend portion	**209**	224	337
Management fee – non-deductible deemed dividend	**570**	652	579
Management fee – withholding tax - current year	**123**	129	96
Management fee – non-deductible withholding tax - prior year	**-**	-	(664)
Withholding tax on intercompany dividends	**245**	128	110
Non-deductible expenditure			
- Royalty expenses [(4)]	**-**	933	882
- Donations	**107**	18	14
- Other non-deductible expenditure	**177**	21	123
Credit export incentive income exemption	**(598)**	(124)	(1,649)
Change in income tax rate [(5)]	**(287)**	-	-
Change in tax estimates			
- Zimbabwean income tax	**-**	29	795
- South African income tax	**(54)**	63	220
- Other	**-**	-	61
Change in unrecognised deferred tax losses	**272**	511	76
Tax expense - recognised in profit or loss	**15,173**	10,290	7,445

(1) The tax rate in Jersey, Channel Islands is 0% (2019: 0%, 2018: 0%).

(2) The effective tax rate of 37.52% exceeds the statutory tax rates of subsidiaries of the Company, as certain expenditures are incurred by the Company that is not tax-deductible against taxable income in Zimbabwe and South Africa, where the enacted tax rates are 25.75% and 28.00% respectively. Further, Zimbabwean legislation requires the Blanket income taxation calculation to be performed in RTGS$ whereas the functional currency in which the profit before tax is calculated in these consolidated financial statements is in US Dollar; the requirement is further described in point 3 below.

(3) In 2019 ZIMRA issued PN26 that was affected retrospectively from February 22, 2019. The public notice provided clarity on Section 4 (a) of the Finance Act [Chapter 23.04] of Zimbabwe, which requires a company earning taxable income to pay tax in the same or other specified currency in which taxable income and revenue is earned. PN 26 clarifies that the calculation of taxable income be performed in RTGS$ and that the payment of the tax be in the ratio of the currency that the taxable income and revenue is earned. The reconciling item reconciles the profit before tax calculated using US Dollars as the functional currency of the Zimbabwean entities to taxable income calculated in RTGS$.

(4) On August 1, 2019 the Zimbabwean Government announced in the mid-term budget speech that mining royalties will be deductible for income tax purposes. The change came into effect on January 1, 2020.

(5) On November 26, 2020 the Zimbabwean Government announced in the 2021 National Budget Statement that the income tax rate will be reduced from 25.75% to 24.72% and will take effect in the 2021 fiscal tax year. This resulted in a change in the estimated deferred tax liability.

(in thousands of United States Dollars, unless indicated otherwise

16 Tax expense (continued)

Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2020	2019	**2020**	2019	**2020**	2019
Property, plant and equipment	**-**	-	**(5,409)**	(4,195)	**(5,409)**	(4,195)
Allowance for obsolete stock	**13**	22	**-**	-	**13**	22
Prepayments	**-**	-	**(3)**	(4)	**(3)**	(4)
Unrealised foreign exchange	**530**	309	**-**	-	**530**	309
Trade and other payables	**636**	739	**-**	-	**636**	739
Cash-settled share-based payments	**8**	5	**-**	-	**8**	5
Provisions	**60**	58	**-**	-	**60**	58
Other	**18**	-	**-**	-	**18**	-
Tax assets/ (liabilities)	**1,265**	1,133	**(5,412)**	(4,199)	**(4,147)**	(3,066)

* The deferred tax liability consists of a deferred tax asset of $87 (2019: $63, January 1, 2019: $98) from the South African operation and a net deferred tax liability of $4,234 (2019: $3,129, January 1, 2019: $23,328) due to the Zimbabwean operation. The amounts are in different tax jurisdictions and cannot be offset.
The amounts are presented as part of Non-current assets and Non-current liabilities in the Statements of financial position. The deferred tax asset recognised is supported by evidence of probable future taxable income.

Movement in recognised deferred tax assets and liabilities

	Balance January 1, 2020	**Recognised in profit or loss**	**Foreign exchange movement**	**Balance December 31, 2020**
Property, plant and equipment	**(4,195)**	**(7,195)**	**5,981**	**(5,409)**
Allowance for obsolete stock	**22**	**14**	**(23)**	**13**
Prepayments	**(4)**	**-**	**1**	**(3)**
Unrealised foreign exchange	**309**	**732**	**(511)**	**530**
Trade and other payables	**739**	**674**	**(774)**	**639**
Cash-settled share-based payments	**5**	**3**	**-**	**8**
Provisions	**58**	**76**	**(74)**	**60**
Other	**-**	**15**	**-**	**15**
Tax (liabilities)/ assets	**(3,066)**	**(5,681)**	**4,600**	**(4,147)**

	Balance January 1, 2019	**Recognised in profit or loss**	**Foreign exchange movement**	**Balance December 31, 2019**
Property, plant and equipment	(24,930)	(4,561)	25,296	(4,195)
Allowance for obsolete stock	258	11	(247)	22
Prepayments	(3)	-	(1)	(4)
Unrealised foreign exchange	34	519	(244)	309
Trade and other payables	486	1,093	(840)	739
Cash-settled share-based payments	13	(9)	1	5
Provisions	852	11	(805)	58
Other	60	(43)	(17)	-
Tax (liabilities)/ assets	(23,230)	(2,979)	23,143	(3,066)

(in thousands of United States Dollars, unless indicated otherwise)

17 Property, plant and equipment

Cost	**Land and Buildings**	**Mine development, infrastructure and other**	**Plant and equipment**	**Furniture and fittings**	**Motor vehicles**	**Solar Plant**	**Total**
Balance at January 1, 2019	10,339	74,509	32,675	923	2,402	–	120,848
Initial recognition of right of use assets	409	–	–	–	–	–	409
Additions*	267	19,020	897	88	151	–	20,423
Impairments	–	–	(144)	–	–	–	(144)
Disposals	(212)	–	–	–	(16)	–	(228)
Reallocations between asset classes	25	(2,989)	2,964	–	–	–	–
Foreign exchange movement	5	2	3	7	1	–	18
Balance at December 31, 2019	10,833	90,542	36,395	1,018	2,538	–	141,326
Balance at January 1, 2020	**10,833**	**90,542**	**36,395**	**1,018**	**2,538**	**–**	**141,326**
Additions*	**1**	**19,507**	**4,221**	**219**	**458**	**372**	**24,778**
Derecognised plant and equipment	**–**	**–**	**(238)**	**–**	**–**	**–**	**(238)**
Reallocations between asset classes	**930**	**(1,210)**	**280**	**–**	**–**	**–**	**–**
Foreign exchange movement	**(7)**	**–**	**(14)**	**(2)**	**(1)**	**20**	**(4)**
Balance at December 31, 2020	**11,757**	**108,839**	**40,644**	**1,235**	**2,995**	**392**	**165,862**

* Included in additions is an amount of $15,771 (2019: $14,051, 2018: $19,323) relating to capital work in progress ("CWIP") and contains $53 (December 31, 2019: $165, 2018: $61) of borrowing costs capitalised from the term loan. As at year end $85,479 of CWIP was included in the cost closing balance (2019: $69,708, January 1, 2019: $55,657).
On July 6, 2020 the Board appointed Voltalia as the contractor for engineering, procuring and constructing a solar plant to be owned by a subsidiary of the Company. All solar costs that were incurred before July 6, 2020 were accounted for as other expenses and accounted through profit or loss. Solar costs incurred after approval by the Board are accounted for as Property, plant and equipment as it became clear and probable that future economic benefits will flow to the project. The 40-hectare site for the project has been cleared and fenced and is ready for civil work to commence. Construction on the 12MWac solar plant is expected to be completed in April 2022.

~ The Group voluntarily changed its disclosure policy for exploration and evaluation assets to be disclosed separately as Exploration and evaluation assets rather than as part of Property, plant and equipment (refer to note 4(b)(i)). The new disclosure policy was adopted from December 10, 2020 and has been applied retrospectively.

(in thousands of United States Dollars, unless indicated otherwise)

17 Property, plant and equipment (continued)

Accumulated depreciation and Impairment losses	**Land and Buildings**	**Mine development, infrastructure and other**	**Plant and equipment**	**Furniture and fittings**	**Motor vehicles**	**Solar Plant**	**Total**
Balance at January 1, 2019	4,411	5,821	17,357	649	2,150	–	30,388
Initial recognition of right of use assets	146	–	–	–	–	–	146
Depreciation for the year	1,005	504	2,693	99	133	–	4,434
Disposals	(149)	–	–	–	(16)	–	(165)
Foreign exchange movement	–	–	–	5	6	–	11
Balance at December 31, 2019	5,413	6,325	20,050	753	2,273	–	34,814
Balance at January 1, 2020	**5,413**	**6,325**	**20,050**	**753**	**2,273**	**–**	**34,814**
Depreciation for the year	**1,030**	**648**	**2,691**	**102**	**157**	**–**	**4,628**
Accumulated depreciation for derecognised plant and equipment	**–**	**–**	**(56)**	**–**	**–**	**–**	**(56)**
Foreign exchange movement	**3**	**–**	**–**	**(6)**	**–**	**–**	**(3)**
Balance at December 31, 2020	**6,446**	**6,973**	**22,685**	**849**	**2,430**	**–**	**39,383**
Carrying amounts							
At January 1, 2019	5,928	68,688	15,318	274	252	–	90,460
At December 31, 2019	5,420	84,217	16,345	265	265	–	106,512
At December 31, 2020	**5,311**	**101,866**	**17,959**	**386**	**565**	**392**	**126,479**

17 Property, plant and equipment (continued)

Economic recovery

Items of property, plant and equipment are depreciated over the LoMP, which includes planned production from inferred resources. These inferred resources are included in the calculation when the economic recovery thereof is demonstrated by the achieved recovered grade relative to the mine's pay limit for the period 2006 to 2018. The pay limit has ranged from 2.10 g/t in 2019 to 2.10 g/t in 2020 while the recovered grade has ranged from 3.26 g/t to 3.38 g/t over the period. All-in-sustaining-cost[#] has remained consistently below the gold price received over this period resulting in economic recovery of the inferred resources.

[#] All-in sustaining cost ("AISC") per ounce is calculated as the on-mine cost per ounce to produce gold (which includes production costs before intercompany eliminations and exploration costs) plus royalty paid, additional costs incurred outside the mine (i.e. at offices in Harare, Johannesburg, London 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 LTIP less silver by-product revenue and the export credit incentive.

(in thousands of United States Dollars, unless indicated otherwise)

18 Exploration and evaluation assets

	Glen Hume	**Connemara North**	**GG**	**Eagle Vulture, Mascot & Penzance**	**Sabiwa**	**Total**
Balance at January 1, 2019	–	–	3,347	3,344	276	6,967
- Consumables and drilling	–	–	6	(3)	–	3
- Contractor	–	–	36	57	–	93
- Labour	–	–	32	8	–	40
- Power	–	–	20	10	6	36
Balance at December 31, 2019	–	–	3,441	3,416	282	7,139
Balance at January 1, 2020	–	**–**	**3,441**	**3,416**	**282**	**7,139**
- Option payments	**2,500**	**300**	**–**	**–**	**–**	**2,800**
- Consumables and drilling	**161**	**–**	**28**	**–**	**–**	**189**
- Labour	**–**	**–**	**35**	**11**	**–**	**46**
- Power	**–**	**–**	**19**	**3**	**2**	**24**
Reallocate to assets held for sale (note 21.1) ~	**–**	**–**	**–**	**(500)**	**–**	**(500)**
Impairment ~	**–**	**–**	**–**	**(2,930)**	**–**	**(2,930)**
Balance at December 31, 2020	**2,661**	**300**	**3,523**	**–**	**284**	**6,768**

* The Group voluntarily changed its disclosure policy for exploration and evaluation assets to be disclosed separately as Exploration and evaluation assets rather than as part of Property, plant and equipment (refer to note 4(b)(i)). The new disclosure policy was adopted from December 10, 2020 and has been applied retrospectively.

~ Management determined the fair value of Eagle Vulture, Mascot and Penzance as the future sale price as agreed by independent parties in the sale contract that amounted to $500. The carrying amount of Eagle Vulture, Mascot and Penzance before the impairment was $3,430 and the write down resulted in an impairment expense of $2,930. The $500 carrying value was reallocated to Assets held for sale in December, 2020.

(in thousands of United States Dollars, unless indicated otherwise

18 Exploration and evaluation assets (continued)

(a) Glen Hume

On November 19, 2020 the Company concluded an option agreement ("Glen Hume option") with the representatives of Glen Hume, whereby they granted the Company an option for the right to carry out legal due diligence and conduct drilling and/or other exploratory work over a period of 15 months from the conclusion date to understand the resource body of the Glen Hume property, situated in Gweru, Zimbabwe.

On November 24, 2020 a price of $2.5 million was paid for the Glen Hume option. The Company aims to spend approximately $1 million over the option period to understand the gold deposit.

Should the Company exercise the option, an exercise price of $2.5 million will be payable to obtain the mining claims and the Glen Hume representatives will also obtain a 1% net smelter royalty ("NSR") on the future production of the Glen Hume project. The NSR can subsequently be bought out at the Company's discretion for a lump sum payment of $15 million within the first five years following the acquisition by the Company of the claims, or $10 million until the tenth anniversary of operation or $5 million thereafter.

(b) Connemara North

On December 16, 2020 the Company concluded an option agreement ("Connemara North option") with the representatives of Connemara North to purchase the claims over the Connemara North mining properties situated in Gweru, Zimbabwe. The exercise of the option will be exercisable at the discretion of the Company.

An amount of $300 is payable for the Connemara North option and remained outstanding at the date of approval of the consolidated financial statements. The outstanding amount was accounted for as Trade and other payables (Refer note 31).

The Connemara North option gives the Company the right to carry out legal due diligence and conduct drilling and/or other exploratory work over a period of 18 months from the conclusion date to understand the resource body.

If the Company elects to exercise the option, $600 becomes payable to the Connemara representatives within 7 days of the submission of the transfer documents to the Ministry of Mines and a further $4.4 million within 7 days from confirmation of transfer of ownership by the Ministry of Mines. The first payment of $600 will remain refundable subject to the Ministry of Mines approval. After the purchase, the Connemara representatives will retain a 1% NSR payable quarterly in arrears on the net sale proceeds from the Connemara gold deposits.

19 Inventories

	2020	2019	January 1, 2019
Consumable stores	**15,632**	10,716	9,210
Gold in progress	**1,166**	376	217
	16,798	11,092	9,427

(in thousands of United States Dollars, unless indicated otherwise

20 Cash and cash equivalents

	2020	2019	January 1, 2019
Bank balances	**19,092**	9,383	11,187
Cash and cash equivalents in the statement of financial position	**19,092**	9,383	11,187
Bank overdrafts used for cash management purposes	**–**	(490)	–
Net cash and cash equivalents at year end	**19,092**	8,893	11,187

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 33.

	Denomination RTGS$	**Interest rate**
Overdraft facilities		
Stanbic Bank	15,000,000	55%
First Capital Bank	10,000,000	55%

21 Assets held for sale

	Note	**2020**	2019	January 1, 2019
Non-current assets held for sale				
Eagle Vulture, Mascot & Penzance	21.1	**500**	–	–
Sale of subsidiary	21.2	**–**	–	296

21.1 Eagle Vulture, Mascot and Penzance

Farvic Consolidated Mines (Pvt) Ltd ("Farvic") requested permission from the Company to perform drilling on the Eagle Vulture, Mascot and Penzance orebodies to obtain an understanding of the technical feasibility and commercial viability of Eagle Vulture, Mascot and Penzance in 2019. Farvic later expressed their interest in buying Eagle Vulture, Mascot and Penzance in late 2020. Management evaluated the proposition and a price was determined in November of 2020. On February 24, 2021 Farvic and the Group concluded the sale contract at $500 and Blanket relinquished all rights to the properties.

The assets were available for sale in their condition in December 2020 and therefore met the criteria to be classified as held for sale.

Management determined the fair value as $500 at December 31, 2020, as this was the lower of the fair value less cost to sell and the carrying amount. The carrying amount of Eagle Vulture, Mascot and Penzance, before impairment, at December 31, 2020 was $3,430 and it was classified as an Exploration and evaluation asset. The write down resulted in an impairment expense of $2,930.

21.2 Sale of subsidiary

On May 31, 2018 the Group entered into an amended share sale agreement with SH Mineral Investments Proprietary Limited ("SH Minerals") to sell the shares and claims of Eersteling Gold Mining Company Limited ("Eersteling"), a South African subsidiary previously consolidated as part of the Group, that has been on care and maintenance since 1997. The amended share sale agreement allowed for a purchase price of $3,000 which would be settled by three payments of $1,000 payable on the completion date, 12 and 18 months after the completion date. On January 31, 2019 all suspensive conditions for the sale were met and the Group transferred the registered and beneficial ownership of Eersteling to SH Minerals. During 2020 $900 (2019: $1,000) was received as payment towards the purchase price. A further $340 was received in February 2021. Management believes that the remainder of the deferred consideration is recoverable.

(in thousands of United States Dollars, unless indicated otherwise

21 Assets held for Sale (continued)

21.2 Sale of subsidiary (continued)

Details of the disposal are as follows:

	2019
Carrying amounts of net assets over which control was lost:	
Non-current assets	
Property, plant and equipment	227
Current assets	
Trade and other receivables	84
Total assets	311
Non-current liabilities	
Rehabilitation provision	650
Current liabilities	
Trade and other payables	8
Total liabilities	658
Consideration receivable:	
Cash received	1,000
Deferred consideration (at January 31, 2019)	1,953
Total consideration	2,953
Profit on sale of subsidiary:	
Net liabilities derecognised	347
Cumulative exchange differences in respect of the net liabilities of the subsidiary reclassified from equity on loss of control of subsidiary	2,109
Fair value consideration receivable (at January 31, 2019)	2,953
Profit on sale of subsidiary	5,409

22 Trade and other receivables

	2020	2019	January 1, 2019
Bullion sales receivable	**1,311**	2,987	2,695
VAT receivables	**2,278**	1,765	2,743
Deferred consideration on the disposal of subsidiary	**1,100**	1,991	–
Deposits for stores and equipment and other receivables	**273**	169	954
	4,962	6,912	6,392

(in thousands of United States Dollars, unless indicated otherwise

22 Trade and other receivables (continued)

The Group's exposure to credit and currency risks, and impairment losses related to trade and other receivables are disclosed in notes 7 and 33. The net carrying value of trade receivables was considered a reasonable approximation of fair value and are short-term in nature. No provision for expected credit losses were recognised as all scheduled payments were received as expected up to the date of approval of these financial statements and non-payment of Trade and other receivables were not foreseen. The Bullion sales receivable and part of the VAT receivable were received after year-end.

23 Derivative financial assets

	2020	2019	January 1, 2019
Derivatives not designated as hedging instruments:			
Gold exchange-traded fund ("Gold ETF")	**1,184**	–	–
Gold Hedge	**–**	102	–
	1,184	102	–

Gold ETF

In April 2020 the South African subsidiary, Caledonia Mining South Africa Proprietary Limited, purchased a Gold ETF through Standard Bank Limited at a cost of $1,058. The Gold ETF is denominated in South African Rand and the instrument is utilised to invest excess short-term Rands on hand at the South African subsidiary. The Gold ETF's value tracks the US spot gold price and was entered into to offset fluctuations in the South African Rand against the US Dollar. The total expense, representing the change in the Rand tracked USD spot gold price, amounted to $164 (2019: $Nil) for the twelve months ended December 31, 2020. Foreign currency translation gains, due to the fluctuations in the Rand against the US Dollar on the translation of the foreign subsidiary, amounted to $290 (2019: $Nil).

Gold Hedge

The Company entered into a hedge in November 2019 at a cost of $379. The hedge was in the form of put options in respect of 4,600 ounces of gold for the period January to June 2020 exercisable at a strike price of $1,400 per ounce. At December 31, 2020 the mark-to-market valuation, that represents the fair value of the hedge, amounted to $Nil (2019: $102, 2018: $Nil). The put options were entered into by the Company for economic hedging purposes to ensure sufficient cash availability for Blanket Mine's capital investment plan, rather than as a speculative investment. The hedge expired on June 30, 2020.

Fair value losses on derivative assets	**2020**	2019	2018
Gold ETF	**164**	–	–
Gold hedge	**102**	601	360
	266	601	360

(in thousands of United States Dollars, unless indicated otherwise

24 Share capital

Authorised

Unlimited number of ordinary shares of no par value.
Unlimited number of preference shares of no par value.

Issued ordinary shares

	Number of fully paid shares	Amount
January 1, 2019	10,603,153	55,102
Shares issued - share-based payment - employees	159,888	963
December 31, 2019	10,763,041	56,065
Shares issued:		
- share-based payment - employees (note 30.1(a))	**25,553**	**216**
- options exercised	**5,000**	**30**
- equity raise*	**597,963**	**12,538**
- Blanket shares purchased from Fremiro (note 6)	**727,266**	**5,847**
December 31, 2020	**12,118,823**	**74,696**

* The Company raised equity for the construction of the solar plant by way of an At The Market ("ATM") equity offer on the NYSE American. Gross proceeds of $13,000 were raised pursuant to the ATM sales agreement with Cantor Fitzgerald & Co. at a transaction cost of $462.

25 Reserves

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations with functional currencies that differ from the presentation currency.

Share-based payment reserve

The share-based payment reserve comprises the fair value of equity instruments granted to employees, directors and service providers under share option plans (refer to note 30) and equity instruments issued to Blanket's indigenous shareholders under Blanket Mine's Indigenisation Transaction (refer note 6).

Contributed surplus

The contributed surplus reserve comprises the reduction in stated capital as approved by shareholders at the special general meeting on January 24, 2013 to be able to commence dividend payments.

Reserves

	2020	2019	January 1, 2019
Foreign currency translation reserve	**(8,794)**	(8,621)	(6,561)
Equity-settled share-based payment reserve	**14,513**	16,760	16,760
Contributed surplus	**132,591**	132,591	132,591
Total	**138,310**	140,730	142,790

(in thousands of United States Dollars, unless indicated otherwise

26 Earnings per share

Weighted average number of shares – Basic earnings per share

(in number of shares)	**2020**	2019	2018
Issued shares at the beginning of year (note 24)	**10,763,041**	10,603,153	10,603,153
Issued shares post consolidation	**10,763,041**	10,603,153	10,603,153
Weighted average shares issued	**940,489**	138,736	-
Weighted average number of shares at December 31	**11,703,530**	10,741,889	10,603,153

Weighted average number of shares - Diluted earnings per share

(in number of shares)	**2020**	2019	2018
Weighted average at December 31	**11,703,530**	10,603,851	10,603,153
Effect of dilutive options	**13,173**	143,267	698
Weighted average number of shares (diluted) at December 31	**11,716,703**	10,747,118	10,603,851

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding. Options of 14,827 (2019: 32,771, 2018: 37,302) were excluded from the dilutive earnings per share calculation as these options were anti-dilutive.

The quantity of options outstanding as at year end that were out of the money amounted to Nil (2019: 18,000, 2018: 18,000) options.

The calculation of total basic and diluted earnings per share for the year ended December 31, 2020 was based on the adjusted profit attributable to shareholders as follows:

	2020	2019	2018
Profit for the year attributable to owners of the Company (basic and diluted)	**20,780**	42,018	10,766
Blanket Mine Employee Trust Adjustment	**(485)**	(986)	(280)
Profit attributable to ordinary shareholders (basic and diluted)	**20,295**	41,032	10,486
Basic earnings per share - $	**1.73**	3.82	0.99
Diluted earnings per share - $	**1.73**	3.81	0.99

Basic earnings are adjusted for the amounts that accrue to other equity holders of subsidiaries upon the full distribution of post-acquisition earnings to shareholders.

Diluted earnings are calculated on the basis that the unpaid ownership interests of Blanket Mine's indigenous shareholders are effectively treated as options whereby the weighted average fair value for the period of the Blanket Mine shares issued to the indigenous shareholders and which are subject to settlement of the loan accounts is compared to the balance of the loan accounts and any excess portion is regarded as dilutive. The difference between the number of Blanket Mine shares subject to the settlement of the loan accounts and the number of Blanket Mine shares that would have been issued at the average fair value, is treated as the issue of shares for no consideration and regarded as dilutive shares. The calculated dilution is taken into account with additional earnings attributable to the dilutive shares in Blanket Mine, if any. The interest of the NIEEF and Fremiro shareholdings were anti-dilutive in the current and prior year (i.e., the value of the options was less than the outstanding loan balance). Accordingly, there was no adjustment to fully diluted earnings attributable to shareholders.

(in thousands of United States Dollars, unless indicated otherwise

27 Non-controlling interests

Blanket Mine recognise NCI at an effective share of 13.2% (2019: 16.2%, 2018: 16.2%)

	2020	2019	2018
Current assets	**24,864**	21,386	19,107
Non-current assets	**133,908**	115,610	98,700
Current liabilities	**7,339**	(8,630)	(13,200)
Non-current liabilities	**(8,065)**	(9,085)	(33,043)
Net assets of Blanket Mine (100%)	**158,046**	119,281	71,564
Carrying amount of NCI (2020: 13.2%, 2019: 16.2%, 2018: 16.2%)	**16,524**	16,302	8,345
Revenue	**100,002**	75,826	68,399
Profit after tax	**33,361**	51,746	18,456
Total comprehensive income of Blanket Mine (100%)	**33,361**	51,746	18,456
Profit allocated to NCI (2020: 13.2%, 2019: 16.2%, 2018: 16.2%)	**4,477**	8,383	2,990
Dividend allocated to NCI (2020: 13.2%, 2019: 16.2%, 2018:	**(655)**	(426)	(589)

28 Provisions

Site restoration

Site restoration relates to the estimated cost of closing down the mines and represents the site and environmental restoration costs, estimated to be paid throughout the period up until closure due to areas of environmental disturbance present at the reporting date as a result of mining activities. Regarding Blanket Mine the costs of site restoration are discounted based on the estimated life of mine. Site restoration costs at Blanket Mine are capitalised to mineral properties depreciated at initial recognition and amortised systematically over the estimated life of the mine for costs relating to the decommissioning of property, plant and equipment.

Reconciliation of site restoration provision	**2020**	2019
Balance January 1	**3,346**	3,309
Unwinding of discount	**2**	20
Change in estimate - adjustment capitalised in Property, plant and equipment	**219**	17
Balance December 31	**3,567**	3,346

The discount rates currently applied in calculating the net present value of the Blanket Mine provision is 1.45% (2019: 2.31%, January 1, 2019: 2.95%), based on a risk-free rate and cash flows estimated at an average 2.05% inflation (2019: 2.27%, January 1, 2019: 2.13%). The gross rehabilitation costs, before discounting, amounted to $3,389 (2019: $3,364, January 1, 2019: $3,604) for Blanket Mine as at December 31, 2020.

(in thousands of United States Dollars, unless indicated otherwise

29 Loans and borrowings

	2020	2019	2018
Balance at January 1	**2,471**	5,960	1,486
Cash flows			
Repayment			
- Capital	**(574)**	-	(1,500)
- Finance cost	**(388)**	(130)	(58)
Proceeds	**-**	2,340	6,000
Transaction cost	**-**	(46)	(60)
Unrealised foreign exchange	**(1,487)**	(5,818)	-
Non-cash flow			
Finance cost	**386**	165	92
Balance at December 31	**408**	2,471	5,960
Long-term portion of loan facility	**-**	1,942	5,960
Short-term portion of loan facility	**408**	529	-

Finance cost are accounted for in note 15 on the effective interest rate method.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows on December 31:

				2020		2019	
	Currency	Nominal interest rate	Year of maturity	**Face value**	**Carrying value**	Face value	Carrying value
Unsecured bank loan - Stanbic	RTGS$	50%	2021	**87**	**87**	384	384
Unsecured bank loan - First Capital	RTGS$	55%	2021	**321**	**321**	2,087	2,087
Total				**408**	**408**	2,471	2,471

The Stanbic loan is repayable as a single bullet payment in December 2021. The First Capital loan is repayable by way of 4 quarterly installments and commenced in December 2020.

30 Share-based payments

30.1 Cash-settled share-based payments

The Group has expensed the following cash-settled share-based expense arrangements for the twelve months ended December 31:

	Note	**2020**	2019	2018
Restricted Share Units and Performance Units	30.1(a)	**1,299**	616	218
Caledonia Mining South Africa employee incentive scheme	30.1(b)	**114**	73	97
		1,413	689	315

30 Share-based payments (continued)

30.1 Cash-settled share-based payments (continued)

(a) Restricted Share Units and Performance Units (continued)

Certain management and employees within the Group are granted Restricted Share Units ("RSUs") and Performance Units ("PUs") pursuant to provisions of the 2015 Omnibus Equity Incentive Compensation Plan ("OEICP"). All RSUs and PUs were granted and approved at the discretion of the Compensation Committee of the Board of Directors.

RSUs vest three years after grant date given that the service condition of the relevant employees have been fulfilled. The value of the vested RSUs is the number of RSUs vested multiplied by the fair market value of the Company's shares, as specified by the OEICP, on the date of settlement.

PUs have a performance condition based on gold production and a performance period of three years. The number of PUs that vest will be the PUs granted multiplied by the performance multiplier, which will reflect the actual performance in terms of the performance conditions compared to expectations on the date of the award.

RSU holders are entitled to receive dividends over the vesting period. Such dividends will be reinvested in additional RSUs at the then applicable share price. PUs have rights to dividends only after they have vested.

RSUs and PUs allow for settlement of the vesting date value in cash or shares issuable at fair market value or a combination of both at the discretion of the unitholder.

The fair value of the RSUs at the reporting date was based on the Black Scholes option valuation model. The fair value of the PUs at the reporting date was based on the Black Scholes option valuation model less the fair value of the expected dividends during the vesting period multiplied by the performance multiplier expectation. At the reporting date it was assumed that there is a 93%-100% probability that the performance conditions will be met and therefore a 93%-100% (2019: 93%-100%, 2018: 85%) average performance multiplier was used in calculating the estimated liability. The liability as at December 31, 2020 amounted to $2,240 (2019: $524, January 1, 2019: $2,043). Included in the liability as at December 31, 2020 is an amount of $634 (2019: $107, 2018: $43) that was expensed and classified as production costs; refer to note 9. During the year PUs and RSUs to the value of $216 vested and were issued as share capital.

(in thousands of United States Dollars, unless indicated otherwise

30 Share-based payments (continued)

30.1 Cash-settled share-based payments (continued)

(a) Restricted Share Units and Performance Units (continued)

The following assumptions were used in estimating the fair value of the cash-settled share-based payment liability on:

	December 31, 2020		December 31, 2019	
	RSUs	**PUs**	RSUs	PUs
Fair value (USD)	**$15.88**	**$15.51**	$8.46	$8.19
Share price (USD)	**$15.88**	**$15.88**	$8.46	$8.46
Performance multiplier percentage	**–**	**93-100%**	–	93-100%

Share units granted:

	RSUs	**PUs**	**RSUs**	**PUs**
Grant – January 11, 2016	**–**	**–**	60,645	242,579
Grant- March 23, 2016	**–**	**–**	10,965	43,871
Grant – June 8, 2016	**–**	**–**	5,117	20,470
Grant - January 19, 2017	**4,443**	**17,774**	4,443	17,774
Grant - January 11, 2019	**–**	**95,740**	–	95,740
Grant - March 23, 2019	**–**	**28,287**	–	28,287
Grant - June 8, 2019	**–**	**14,672**	–	14,672
Grant - January 11, 2020	**17,585**	**114,668**	–	–
Grant - March 31, 2020	**–**	**1,971**	–	–
Grant - June 1, 2020	**–**	**1,740**	–	–
Grant - September 9, 2020	**–**	**1,611**	–	–
Grant - September 14, 2020	**–**	**20,686**	–	–
Grant - October 5, 2020	**–**	**514**	–	–
RSU dividends reinvested	**995**	**–**	11,316	–
Settlements/ terminations	**(5,052)**	**(17,774)**	(87,434)	(306,920)
Total awards	**17,971**	**279,889**	5,052	156,473

On January 11, 2021, 78,883 PUs were granted to certain employees within the Group.

(b) Caledonia Mining South Africa employee incentive scheme

From 2017 Caledonia Mining South Africa Proprietary Limited granted 52,282 awards to its employees that entitle them to a cash pay-out at the Company's share price on November 30 of each year over a 3-year period from the grant date. The cash-settled share-based payment liability was calculated based on the number of awards expected to vest multiplied by the Company's Black Scholes option valuation fair value of £12.05 at the reporting date and apportioned for the quantity vested over the total vesting period. The liability relating to these cash-settled share-based payment awards amounted to $30 (December 31, 2019: $16, January 1, 2019: $47) and the expense amounted to $114 (2019: $73, 2018: $97) for the twelve months ended December 31, 2020. The following assumptions were used in estimating the fair value of the cash-settled share-based payment liability for the year ended December 31, 2020.

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30 Share-based payments (continued)

30.1 Cash-settled share-based payments (continued)

(b) Caledonia Mining South Africa employee incentive scheme (continued)

During September 2020 it was communicated to employees of Caledonia Mining South Africa Proprietary Limited that because going forwards they would receive awards of PUs under the Plan, a discretionary 10% cash bonus scheme would gradually replace the current cash-settled share-based scheme and no more awards would be made under that scheme. To the extent their cash-settled share-based payments fall shot of the cash bonus, they would receive an amount to make up the shortfall. The shortfall between 10% of the cash bonus and the cash-settled share-based payments, where applicable, was accounted for as employee costs (note 14) and included in Trade and other payables (note 31).

	2020	2019
	Awards	
Grant – July 2017 (3-year term)	**–**	37,330
Grant – August 2018 (3-year term)	**5,918**	5,918
Grant - August 2019 (3-year term)	**9,034**	9,034
Awards paid out/ expired	**(11,941)**	(44,985)
Total awards outstanding	**3,011**	7,297
Estimated awards expected to vest	**100%**	100%

30.2 Equity-settled share-based payments

The Group has expensed the following equity-settled share-based payment arrangements for the years ended December 31:

	Note	**2020**	2019	2018
Share option programmes	30.2(a)	**–**	–	14
		–	–	14

(a) Share option programs

In accordance with the OEICP, options are granted at an exercise price equal to the greater of volume weighted average trading price for the five days prior to grant or the closing price on the day immediately prior to the date of grant. The options vest according to dates set at the discretion of the Compensation Committee of the Board of Directors at the date of grant. All outstanding option awards that have been granted, pursuant to the plan, vest immediately.

Terms and conditions of share option programs

The maximum term of the options under the OEICP is ten years. Equity-settled share-based payments under the OEICP will be settled by physical delivery of shares. Under the OEICP the aggregate number of shares that may be issued pursuant to the grant of options, or under any other share compensation arrangements of the Company, will not exceed 10% of the aggregate issued and outstanding shares issued of the Company. At December 31, 2020, the Company has the following options outstanding:

Number of Options	**Exercise Price**	**Expiry Date**
	Canadian $	
18,000	11.50	Oct 13, 2021
10,000	9.30	Aug 25, 2024
28,000		

(in thousands of United States Dollars, unless indicated otherwise

30 Share-based payments (continued)

30.2 Equity-settled share-based payments (continued)

(a) Share option programs (continued)

The continuity of the options granted, exercised, cancelled and expired under the Plan were as follows:

	Number of Options	**Weighted Avg. Exercise Price Canadian $**
Options outstanding and excercisable at January 1, 2019	38,000	9.48
Granted	-	-
Exercised	-	-
Options outstanding and excercisable at December 31, 2019	38,000	9.48
Granted	**-**	**-**
Exercised	**(5,000)**	**8.10**
Expired	**(5,000)**	**4.00**
Options outstanding and excercisable at December 31, 2020	**28,000**	**10.71**

The weighted average remaining contractual life of the outstanding options is 1.81 years (2019: 2.14 years, 2018: 3.14 years).

Inputs for measurement of grant date fair values

The fair value of share-based payments noted above was estimated using the Black-Scholes Option Pricing Model as the fair value of the services could not be estimated reliably. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value. The following assumptions were used in determining the fair value of the options:

Options Granted	10,000
Grant date	February 27, 2018
Risk-free interest rate	2.86%
Expected stock price volatility (based on historical volatility)	32%
Expected option life in years	3
Exercise price	CAD 9.30
Share price at grant date	CAD 9.30
Fair value at grant date	$1.40

The exercise price was determined as the prevailing Toronto Stock Exchange share price on the day of the grant. Expected volatility has been based on an evaluation of the historical volatility of the Company's share price. The expected term has been based on historical experience. The share-based payment expense relating to the grants amounted to $Nil (2019: $Nil; 2018: $14).

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31 Trade and other payables

	2020	2019	January 1, 2019
Trade payables and accruals	**1,897**	2,825	2,510
Electricity accrual	**735**	626	4,054
Audit fee	**273**	370	239
Shareholders for dividend (Non-controlling interest)	**208**	364	215
Other payables	**1,209**	582	475
Connemara North - exploration option	**300**	–	–
Financial liabilities	**4,622**	4,767	7,493
Production and management bonus accrual - Blanket Mine	**467**	1,092	–
Other employee benefits	**794**	546	669
Leave pay	**2,098**	1,943	1,889
Accruals	**683**	–	–
Non-financial liabilities	**4,042**	3,581	2,558
Total	**8,664**	8,348	10,051

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in notes 7 and 33.

The Group voluntarily changed the disclosure policy for lease liabilities to be disclosed separately rather than under Trade and other payables (refer to note 4(b)(ii)). The new disclosure policy was adopted from December, 2020 and has been applied retrospectively.

(in thousands of United States Dollars, unless indicated otherwise

32 Cash flow information

Non-cash items and information presented separately on the cash flow statement:

	2020	2019	2018
Operating profit	**40,735**	60,889	21,421
Adjustments for:			
Impairment of property, plant and equipment	**–**	144	208
Impairment of exploration and evaluation assets	**2,930**	–	–
Profit on sale of subsidiary	**–**	(5,409)	–
Unrealised foreign exchange gains (note 11)	**(8,367)**	(31,307)	(243)
Cash-settled share-based expense (note 30.1)	**1,413**	689	228
Cash-settled share-based expense included in production costs (note 9)	**634**	107	43
Settlement of cash-settled share-based expense	**(1)**	(1,384)	–
Equity-settled share-based expense	**–**	–	14
Site restoration	**–**	–	30
Depreciation	**4,628**	4,434	4,071
Allowance for obsolete inventory	**–**	–	15
Fair value loss/ (gain) on derivative assets (note 23)	**266**	(102)	–
Disposal of property, plant and equipment	**–**	63	–
Derecognition of property, plant and equipment	**182**	–	–
Net cash used for assets and liabilities held for sale	**–**	–	(2)
Cash generated by operations before working capital changes	**42,420**	28,124	25,785
Inventories	**(5,707)**	(1,655)	(277)
Prepayments	**816**	(2,099)	(62)
Trade and other receivables	**539**	393	(1,916)
Trade and other payables	**(101)**	(878)	(2,411)
Cash generated by operations	**37,967**	23,885	21,119

33 Financial Instruments

(a) Credit risk

Exposure to credit risk

The carrying amount of financial assets as disclosed in the statements of financial position and related notes represents the maximum credit exposure. The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

Carrying amount	**2020**	2019	January 1, 2019
Zimbabwe	**1,581**	3,123	3,639
Jersey, Channel Islands	**1,100**	2,003	–
Other regions	**3**	20	10
	2,684	5,146	3,649

(in thousands of United States Dollars, unless indicated otherwise

33 Financial Instruments (continued)

(b) Liquidity risk

The following are the contractual maturities of financial liabilities, including contractual interest payments and excluding the impact of netting agreements.

Non-derivative financial liabilities

December 31, 2020	**Carrying amount**	**12 months or less**	**1-3 Years**
Trade and other payables	**4,622**	**4,622**	**-**
Term loan facility	**408**	**408**	**-**
	5,030	**5,030**	**-**

December 31, 2019	Carrying amount	12 months or less	1-3 Years
Trade and other payables	5,116	5,116	-
Term loan facility	2,471	-	2,471
	7,587	5,116	2,471

January 1, 2019	Carrying amount	12 months or less	1-3 Years
Trade and other payables	7,493	7,493	-
Term loan facility	5,960	-	5,960
	13,453	7,493	5,960

(c) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currency that it transacts in and the functional currency. The results of the Group's operations are subject to currency transaction risk and currency translation risk. The operating results and financial position of the Group are reported in US Dollar in the Group's consolidated financial statements.

The fluctuation of the US Dollar in relation to other currencies that entities within the Group may transact in will consequently have an effect upon the profitability of the Group and may also effect the value of the Group's assets and liabilities. As noted below, the Group has certain financial assets and liabilities denominated in currencies other than the functional currency of the Company. To reduce exposure to currency transaction risk, the Group regularly reviews the currency in which it spends its cash to identify and avoid specific expenditures in currencies that experience inflationary pressures. The Group invested in a Gold ETF to avoid fluctuations in South African Rands. Further, the Group aims to maintain cash and cash equivalents in US Dollar to avoid foreign exchange exposure and to meet short-term liquidity requirements.

(in thousands of United States Dollars, unless indicated otherwise

33 Financial Instruments (continued)

(c) Currency risk (continued)

Sensitivity analysis

As a result of the Group's monetary assets and liabilities denominated in foreign currencies which is different to the functional currency of the underlying entities, the profit or loss and equity in the underlying entities could be affected by movements between the functional currency and the foreign currency. The table below indicates consolidated monetary assets/(liabilities) in the Group that have a different functional currency and foreign currency.

	2020		2019		January 1, 2019	
	$'000		$'000		$'000	
	Functional currency		Functional currency		Functional currency	
	ZAR	**$**	ZAR	$	ZAR	$
Cash and cash equivalents	**59**	**1,959**	57	4,176	57	8,147
Trade and other receivables	**-**	**249**	-	1,735	-	126
Trade and other payables	**-**	**(174)**	-	(179)	-	(345)
Term loan	**-**	**408**	-	(2,471)	-	(5,960)
Overdraft	**-**	**-**	-	(490)	-	-
	59	**2,442**	57	2,771	57	1,968

A reasonably possible strengthening or weakening of 5% of the various functional currencies against the foreign currencies would have the following equal or opposite effect on profit or loss and equity for the Group:

	2020		2019		January 1, 2019	
	$'000		$'000		$'000	
	Functional currency		Functional currency		Functional currency	
	ZAR	**$**	ZAR	$	ZAR	$
Cash and cash equivalents	**3**	**103**	3	199	3	388
Trade and other receivables	**-**	**12**	-	82	-	6
Trade and other payables	**-**	**(8)**	-	9	-	(16)
Term loan	**-**	**19**	-	(117)	-	(283)
Overdraft	**-**	**-**	-	(23)	-	-
	3	**126**	3	150	3	95

(d) Interest rate risk

The Group's interest rate risk arises from Loans and borrowings, overdraft facility and cash held. The Loans and borrowings, overdraft facility and cash held have variable interest rates. Variable rates expose the Group to cash flow interest rate risk. The Group has not entered into interest rate swap agreements.

The Group's assets and liabilities exposed to interest rate fluctuations as at year end is summarised as follows:

	2020	2019	January 1, 2019
Cash and cash equivalents	**19,092**	9,383	11,187
Term loan	**(408)**	(2,471)	(5,960)
Overdraft	**–**	(490)	–

(in thousands of United States Dollars, unless indicated otherwise

33 Financial Instruments (continued)

(d) Interest rate risk (continued)

Interest rate risk arising from borrowings is offset by interest from available cash and cash equivalents. The table below summarises the effect of a change in finance cost on the Group's profit or loss and equity, had the rates charged differed.

Sensitivity analysis - Cash and cash equivalents	**2020**	2019	January 1, 2019
Increase by 100 basis points	**191**	94	111
Decrease by 100 basis points	**(191)**	(94)	(111)
Sensitivity analysis - Term loan			
Increase by 100 basis points	**4**	(25)	(60)
Decrease by 100 basis points	**(4)**	25	60
Sensitivity analysis - Overdraft			
Increase by 100 basis points	**-**	(5)	-
Decrease by 100 basis points	**-**	5	-

34 Dividends

	2020	2019	2018
Dividends declared to owners of the Company (excluding NCI)	**3,887**	2,969	2,908

Quarterly dividend per share history:

Declaration date	**cents per share**
January 10, 2019	6.875
April 11, 2019	6.875
July 11, 2019	6.875
October 10, 2019	6.875
January 16, 2020	7.5
May 14, 2020	7.5
July 16, 2020	8.5
October 15, 2020	10.0

35 Contingencies

The Group may be subject to various claims that arise in the normal course of business. Management believes there are no contingent liabilities.

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36 Related parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Directors of the company, as well as certain executives, are considered key management.

Employee contracts between Caledonia Mining South Africa Proprietary Limited, the Company and key management, include an option for respective key management to terminate such employee contract in the event of a change in control of the Company and to receive a severance payment equal to two years' compensation. If this was triggered as at December 31, 2020 the severance payment would have amounted to $8,338 (2019: $6,259, 2018: $6,567). A change in control would constitute:

- the acquisition of more than 50% of the shares; or
- the acquisition of right to exercise the majority of the voting rights of shares; or
- the acquisition of the right to appoint the majority of the board of directors; or
- the acquisition of more than 50% of the assets of the Group.

Key management personnel and director transactions:

A number of related parties transacted with the Group in the reporting period. The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	2020	2019	2018
Key management salaries and bonuses	**2,915**	2,362	2,476
Cash-settled share-based expense*	**1,280**	723	261
	4,195	3,085	2,737

Employees, officers, directors, consultants and other service providers also participate in the OEICP (see note 30.1(a)). Group entities are set out in note 37.

Refer to note 6 and note 27 for transactions with Non-controlling interests. Refer to note 38 for management fees between Caledonia Mining South Africa Proprietary Limited and Blanket Mine (1983) (Private) Limited.

** Amount inclusive of $295 (2019: $107, 2018: $43) classified as production costs.*

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37 Group entities

	Functional currency	Country of incorporation	Legal shareholding		Intercompany balances with holding company	
			2020	2019	**2020**	2019
Caledonia Holdings Zimbabwe (Private) Limited	$	Zimbabwe	**100**	100	**-**	-
Caledonia Mining Services (Private) Limited	$	Zimbabwe	**100**	100	**-**	-
Fintona Investments Proprietary Limited	ZAR	South Africa	**100**	100	**(14,859)**	(14,859)
Caledonia Mining South Africa Proprietary Limited	ZAR	South Africa	**100**	100	**612**	1,750
Greenstone Management Services Holdings Limited	$	United Kingdom	**100**	100	**20,818**	14,902
Blanket Mine (1983) (Private) Limited [(2)]	$	Zimbabwe	**64**	49	**(3,980)**	(400)
Blanket Employee Trust Services (Private) Limited (BETS) [(1)]	$	Zimbabwe	**-**	-	**-**	-

[(1)] BETS and the Community Trust are consolidated as structured entities.
[(2)] Refer to note 6 for the effective shareholding. NCI has a 13.2% (2019: 16.2%, 2018: 16.2%) interest in cash flows of Blanket only.

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38 Operating Segments

The Group's operating segments have been identified based on geographic areas. The strategic business units are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis. Zimbabwe and South Africa describe the operations of the Group's reportable segments. The Zimbabwe operating segment comprises Caledonia Holdings Zimbabwe (Private) Limited and subsidiaries and Caledonia Mining Services (Private) Limited. The South African geographical segment comprises a gold mine that is on care and maintenance (and now sold), as well as sales made by Caledonia Mining South Africa Proprietary Limited to the Blanket Mine. The holding company (Caledonia Mining Corporation Plc) and Greenstone Management Services Holdings Limited (a UK company) responsible for administrative functions within the Group are taken into consideration in the strategic decision-making process of the CEO and are therefore included in the disclosure below. Reconciling amounts do not represent a separate segment. Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management report that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

For the twelve months ended December 31, 2020	**Zimbabwe**	**South Africa**	**Inter-group eliminations adjustments**	**Corporate and other reconciling amounts**	**Total**
Revenue	**100,002**	**–**	**–**	**–**	**100,002**
Inter-segmental revenue	**–**	**23,214**	**(23,214)**	**–**	**–**
Royalty	**(5,007)**	**–**	**–**	**–**	**(5,007)**
Production costs	**(44,032)**	**(20,318)**	**20,639**	**–**	**(43,711)**
Depreciation	**(4,920)**	**(91)**	**424**	**(41)**	**(4,628)**
Other income	**4,751**	**14**	**–**	**–**	**4,765**
Other expenses	**(5,180)**	**(114)**	**–**	**(21)**	**(5,315)**
Administrative expenses	**(156)**	**(2,237)**	**10**	**(5,614)**	**(7,997)**
Management fee	**(2,492)**	**2,492**	**–**	**–**	**–**
Cash-settled share-based expense	**–**	**(114)**	**634**	**(1,933)**	**(1,413)**
Net foreign exchange gain (loss)	**4,618**	**132**	**(272)**	**(173)**	**4,305**
Fair value loss on derivative assets	**–**	**(164)**	**–**	**(102)**	**(266)**
Net finance cost	**(352)**	**47**	**–**	**–**	**(305)**
Dividends (paid) received	**(2,198)**	**(1,355)**	**–**	**3,553**	**–**
Profit before tax	**45,034**	**1,506**	**(1,779)**	**(4,331)**	**40,430**
Tax expense	**(14,446)**	**(854)**	**380**	**(253)**	**(15,173)**
Profit after tax	**30,588**	**652**	**(1,399)**	**(4,584)**	**25,257**

(in thousands of United States Dollars, unless indicated otherwise

38 Operating Segments (continued)

As at December 31, 2020	Zimbabwe	South Africa	Inter-group eliminations adjustments	Corporate and other reconciling amounts	Total
Geographic segment assets:					
Current (excluding intercompany)	**27,070**	**5,320**	**(194)**	**12,390**	**44,586**
Non-Current (excluding intercompany)	**133,568**	**716**	**(4,237)**	**3,287**	**133,334**
Expenditure on property, plant and equipment (note 17)	**26,391**	**151**	**(1,887)**	**123**	**24,778**
Expenditure on evaluation and exploration assets (note 18)	**98**	**–**	**–**	**2,961**	**3,059**
Intercompany balances	**17,482**	**6,752**	**(69,144)**	**44,910**	**–**
Geographic segment liabilities:					
Current (excluding intercompany)	**(6,831)**	**(1,797)**	**–**	**(1,336)**	**(9,964)**
Non-current (excluding intercompany)	**(8,065)**	**–**	**264**	**(2,112)**	**(9,913)**
Intercompany balances	**–**	**(34,020)**	**69,144**	**(35,124)**	**–**

For the twelve months ended December 31, 2019	Zimbabwe	South Africa	Inter-group eliminations adjustments	Corporate and other reconciling amounts	Total
Revenue	75,826	–	–	–	75,826
Inter-segmental revenue	–	15,973	(15,194)	(779)	–
Royalty	(3,854)	–	–	–	(3,854)
Production costs	(36,278)	(13,740)	13,618	–	(36,400)
Depreciation	(4,645)	(90)	350	(49)	(4,434)
Other income	2,016	258	–	–	2,274
Other expenses	(498)	(168)	–	–	(666)
Administrative expenses	(126)	(1,736)	–	(3,775)	(5,637)
Management fee	(2,798)	2,798	–	–	–
Cash-settled share-based expense	(234)	(166)	–	(289)	(689)
Net foreign exchange gain	29,634	9	–	18	29,661
Profit with sale of subsidiary	–	–	–	5,409	5,409
Fair value loss on derivative assets	–	–	–	(601)	(601)
Net finance cost	(299)	57	–	44	(198)
Dividends received	–	–	–	–	–
Profit before tax	58,744	3,195	(1,226)	(22)	60,691
Tax expense	(9,529)	(825)	192	(128)	(10,290)
Profit after tax	49,215	2,370	(1,034)	(150)	50,401

(in thousands of United States Dollars, unless indicated otherwise

38 Operating Segments (continued)

As at December 31, 2019	Zimbabwe	South Africa	Inter-group eliminations adjustments	Corporate and other reconciling amounts	Total
Geographic segment assets:					
Current (excluding intercompany)	21,608	3,383	(139)	4,987	29,839
Non-Current (excluding intercompany)	115,611	315	(2,456)	244	113,714
Expenditure on property, plant and equipment (note 17)	21,293	47	(1,165)	248	20,423
Expenditure on evaluation and exploration assets (note 18)	172	–	–	–	172
Intercompany balances	–	8,869	(52,783)	43,914	–
Geographic segment liabilities:					
Current (excluding intercompany)	(7,177)	(1,546)	–	(1,156)	(9,879)
Non-current (excluding intercompany)	(9,085)	(17)	140	5	(8,957)
Intercompany balances	(2,441)	(32,558)	52,783	(17,784)	–

Major customer

Revenues from Fidelity amounted to $100,002 (2019: $75,826, 2018: $68,399) for the twelve months ended December 31, 2020.

39 Defined Contribution Plan

Under the terms of the Mining Industry Pension Fund (“Fund”) in Zimbabwe, eligible employees contribute a fixed percentage of their eligible earnings to the Fund. Blanket Mine makes a matching contribution plus an inflation levy as a fixed percentage of eligible earnings of these employees. The total contribution by Blanket Mine for the year ended December 31, 2020 was $796 (2019: $506, 2018: $619).

40 COVID-19

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact that COVID-19 may have on:

- global gold prices;
- demand for gold and the ability to refine and sell gold produced;
- the severity and the length of potential measures taken by governments to manage the spread of the disease, and their effect on labour availability and supply lines;
- availability of government supplies, such as water and electricity;
- local currency purchasing power; or
- ability to obtain funding.

With regular lockdowns implemented by the Government of Zimbabwe and the Government of South Africa the Group's supply chain has continued to function at a level that is adequate to augment the Group's inventories, which management believes are sufficient to maintain normal production without interruption and accordingly the current situation bears no impact on management's going concern assumption.

Further management had to incur additional costs to ensure the wellbeing of its employees and made donations to stakeholders in Zimbabwe to assist in curbing the effects of COVID-19. The cost related to these expenditures are disclosed in notes 9 and 13.

Work on the Central Shaft project from April 2020 was delayed by restrictions on the movement of specialised personnel and the transport of equipment due to the coronavirus pandemic. The Central Shaft is now expected to be commissioned in the first quarter of 2021 instead of the fourth quarter of 2020. The delay in commissioning has affected target production for 2021 which has been reduced from approximately 75,000 ounces to a range of 61,000 to 67,000 ounces. There is no change to the target production rate of 80,000 ounces in from 2022 onwards.

At the date of the authorisation of the financial statements management is of the opinion that the effects of COVID-19 has been considered in making significant judgements and estimates, valuations and evaluating our going concern principle.

41 Subsequent events

There were no significant subsequent events between December 31, 2020 and the date of issue of these financial statements other than described in the preceding notes to the consolidated financial statements.

Additional information

DIRECTORS AND OFFICERS at March 22, 2021

BOARD OF DIRECTORS

L.A. Wilson (2) (3) (4) (6)
Chairman of the Board
Non-executive Director
Florida, United States of America

S. R. Curtis (5) (6) (7)
Chief Executive Officer
Johannesburg, South Africa

J. L. Kelly (1) (2) (3) (4) (6)
Non-executive Director
Connecticut, United States of America

J. Holtzhausen (1) (2) (4) (5) (6)
Chairman Audit Committee
Non-executive Director,
Cape Town, South Africa

M. Learmonth (6) (7)
Chief Financial Officer
Jersey, Channel Islands

J. McGloin (1) (3) (4) (5) (6)
Non-executive Director
Bishops Stortford, United Kingdom

N. Clark (4) (5) (6)
Non-executive Director
East Molesey, United Kingdom

G. Wildschutt (3) (4) (6)
Non-executive Director
Johannesburg, South Africa

OFFICERS

S. R. Curtis (5) (6) (7)
Chief Executive Officer
Johannesburg, South Africa

D. Roets (5) (6) (7)
Chief Operating Officer
Johannesburg, South Africa

M. Learmonth (6) (7)
Chief Financial Officer
Jersey, Channel Islands

A. Chester (7)
General Counsel, Company Secretary and Head of Risk and Compliance
Jersey, Channel Islands

BOARD COMMITTEES

(1) Audit Committee
(2) Compensation Committee
(3) Corporate Governance Committee
(4) Nomination Committee
(5) Technical Committee
(6) Strategic Planning Committee
(7) Disclosure Committee

(in thousands of United States Dollars, unless indicated otherwise)

Additional information

CORPORATE DIRECTORY as at March 22, 2021

CORPORATE OFFICES
Jersey – Head and Registered Office
Caledonia Mining Corporation Plc
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St Helier
Jersey JE2 3NF

Caledonia Mining South Africa Proprietary Limited
P.O Box 4628
Weltevreden park
1715
South Africa

Caledonia Holdings Zimbabwe (Private) Limited
P.O. Box CY1277
Causeway, Harare
Zimbabwe

Capitalisation (March 22, 2021)

Authorised:	Unlimited
Shares, Warrants and Options	
Shares:	12,118,823
Options:	28,000

SHARE TRADING SYMBOLS
NYSE American - Symbol “CMCL”
AIM - Symbol “CMCL”

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Barclays
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St Helier, Jersey

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Jersey
Channel Islands

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