

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► Caledonia believes that the Share Consolidation should be treated as a single, integrated transaction which should qualify as a recapitalization within the meaning of Code Section 368(a)(1)(E). Consequently, the U.S. federal income tax consequences of the Share Consolidation for Board Lot Shareholders should be determined under Code Sections 368(a), 354(a), and 358(a).

18 Can any resulting loss be recognized? ► Because the Share Consolidation should qualify as a recapitalization within the meaning of Code Section 368(a), each Board Lot Shareholder should not recognize any loss in connection with the Share Consolidation.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► In general, any gain or loss recognized should be reported by Board Lot Shareholders for the tax year which includes June 26, 2017 (e.g., a calendar year Board Lot Shareholder would report the Share Consolidation on his or her federal income tax return filed for the 2017 calendar year).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ► [Signature] Date ► 4 August 2017

Print your name ► Adam Chester Title ► General Counsel, Company Secretary

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>John D. Hollinrake Jr.</u>	<u>[Signature]</u>	<u>3 Aug 2017</u>		<u>P01568530</u>
	Firm's name ► <u>Dorsey & Whitney LLP</u>	Firm's EIN ► <u>41-0223337</u>		Phone no. <u>(206) 903-8812</u>	
Firm's address ► <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, WA 98104</u>					

Insert A

On June 19, 2017, the Shareholders of Caledonia Mining Corporation Plc ("Caledonia") approved a 1-for-100 share consolidation of Caledonia's common shares and, immediately thereafter, a 20-for-1 share dividend (by way of a division) of Caledonia's common shares (together, the "Share Consolidation"), effective upon the alteration of Caledonia's memorandum of association. Such alteration of Caledonia's memorandum of association was filed as of June 26, 2017. As a net result of the Share Consolidation, each five pre-arrangement Caledonia common shares outstanding were automatically combined into one new Caledonia common share without any action on the part of any shareholder.

No fractional shares were issued in connection with the Share Consolidation. "Non-Board Lot Shareholders" (shareholders holding less than 100 Caledonia common shares immediately prior to the Share Consolidation) entitled to a fractional Caledonia common share with a fair market value in excess of £5.00 immediately prior to the share dividend were entitled to receive cash in lieu thereof. Fractional Caledonia common shares with a fair market value of £5.00 or less immediately prior to the share dividend which were otherwise distributable to Non-Board Lot Shareholders were cancelled by Caledonia and no cash was distributed in lieu thereof.

"Board Lot Shareholders" (shareholders holding 100 or more Caledonia common shares immediately prior to the Share Consolidation) entitled to a fractional Caledonia common share with a fair market value of £5.00 or less after the Share Consolidation received the nearest whole number of Caledonia common shares, rounding down. No Board Lot Shareholders were entitled to a fractional Caledonia common share with a fair market value in excess of £5.00 after the Share Consolidation and therefore no cash was distributed in lieu thereof.

The Share Consolidation is described in further detail in the Caledonia Management Information Circular and Solicitation of Proxies dated May 23, 2017 (the "Circular"), which is available at www.sec.gov.

This Form does not further address Non-Board Lot Shareholders. Non-Board Lot Shareholders should consult their own tax advisors regarding the U.S. tax consequences of the Share Consolidation in light of their particular circumstances.