

**Caledonia Mining Corporation Plc**  
**2018 Production Update and 2019 Production Guidance**  
**(NYSE AMERICAN: CMCL; AIM: CMCL; TSX: CAL)**

**St Helier, January 14, 2019** – Caledonia Mining Corporation Plc (“Caledonia” or the “Company”) announces gold production from the Blanket Mine (“Blanket”) in Zimbabwe for the quarter and year ended December 31, 2018. All production numbers are expressed on a 100 per cent basis and are based on mine production data and are therefore subject to adjustment following final assay at the refiners.

Approximately 14,952 ounces of gold were produced during the quarter ended December 31, 2018 (the “Quarter”), 7 per cent higher than the previous quarter (“Q3 2018”). Total gold production for the year to December 31, 2018 was approximately 54,512 ounces, which is in line with 2018 production guidance which was a range of 54,000 to 56,000 ounces. Caledonia advises investors that gold production for 2019 is expected to be between 53,000 and 56,000 ounces.

Caledonia remains on track to achieve production of approximately 80,000 ounces of gold per annum from 2021 following completion of the Central Shaft. The Central Shaft is currently at a depth of 1,150 meters and will be sunk to a depth of 1,204 meters. It is anticipated that shaft sinking will be completed towards the middle of 2019 after which the shaft will be equipped and commissioned.

Following an increase in exploration activity at Blanket, since early 2015 Caledonia has announced 7 successive increases in the resource base as a result of which Blanket’s life of mine has been extended from 6 years as at the end of 2014, to 14 years as at the end of 2018. Exploration continues at Blanket with the objective of further extending Blanket’s life of mine.

Caledonia also advises that it has entered into gold price hedging contracts for the 5 months from February 2019 until June 2019 for 22,500 ounces of production through the purchase of put options with a strike price of \$1,250 per ounce. The hedge will ensure that Caledonia receive a minimum price of \$1,250 per ounce of gold for the duration of the contracts whilst maintaining full upside participation.

Caledonia expects to release its results for the year to December 31, 2018 on or about March 20, 2019.

Commenting on the announcement, Steve Curtis, Chief Executive Officer, said:

*“We are pleased to see consistent production performance from Blanket in the fourth quarter of 2018 to deliver 14,952 ounces for the quarter and 54,512 ounces for the full year. Until the Central Shaft has been commissioned in 2021, production from Blanket is expected to remain at broadly the same level as we achieved in 2017 and 2018. We therefore expect to produce between 53,000 and 56,000 ounces in 2019. Blanket finished 2018 with adequate mining and development infrastructure in place to deliver on this target and we have made a good start to 2019.*”

*“Completion of the Central Shaft is the key to Blanket achieving its planned production of approximately 80,000 ounces of gold per annum from 2021 onwards. I expect that sinking work at*

*Central Shaft will be completed by mid-year after which we will start to equip the shaft.*

*“This part of the Central Shaft project is relatively capital intensive. In light of our significant capital expenditure commitments, we believe it is prudent to take advantage of the recent strengthening of the gold price and we have therefore secured a minimum received gold price of \$1,250 per ounce for the 5 months to June 2019 whilst maintaining full upside exposure to the gold price through a cost-effective option structure. The Central Shaft project is in the final 18 months of construction; we expect capital investment on this project to be lower in the second half of 2019 and to reduce further in 2020 as it nears completion. Caledonia will continue to monitor the gold price in conjunction with our projected cash position and review our hedging strategy as appropriate.”*



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**Note: This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation (EU) No. 596/2014.**

**Cautionary Note Concerning Forward-Looking Information**

*Information and statements contained in this news release that are not historical facts are “forward-looking information” within the meaning of applicable securities legislation that involve risks and uncertainties relating, but not limited to Caledonia’s current expectations, intentions, plans, and beliefs. Forward-looking information can often be identified by forward-looking words such as “anticipate”, “believe”, “expect”, “goal”, “plan”, “target”, “intend”, “estimate”, “could”, “should”, “may” and “will” or the negative of these terms or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Examples of forward-looking information in this news release include: production guidance, estimates of future/targeted production rates, and our plans and timing regarding further exploration and drilling and development. This forward-looking information is based, in part, on assumptions and factors that may change or prove to be incorrect, thus causing actual results, performance or achievements to be materially different from those expressed or implied by forward-looking information. Such factors and assumptions include, but are not limited to: failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, success of future exploration and drilling programs, reliability of drilling, sampling and assay data, assumptions regarding the representativeness of mineralization being inaccurate, success of planned metallurgical test-work, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors.*

*Security holders, potential security holders and other prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Such factors include, but are not limited to: risks relating to estimates of mineral reserves and mineral resources proving to be inaccurate, fluctuations in gold price, risks and hazards associated with the business of mineral exploration, development and mining, risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom the Company does business, inadequate insurance, or inability to obtain insurance, to cover these risks and hazards, employee relations, relationships with and claims by local communities and indigenous populations, political risk, availability and increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, including the risks of obtaining or maintaining necessary licenses and permits, diminishing quantities or grades of mineral reserves as mining occur; global financial*

*condition, the actual results of current exploration activities, changes to conclusions of economic evaluations, and changes in project parameters to deal with unanticipated economic or other factors, risks of increased capital and operating costs, environmental, safety or regulatory risks, expropriation, the Company's title to properties including ownership thereof, increased competition in the mining industry for properties, equipment, qualified personnel and their costs, risks relating to the uncertainty of timing of events including targeted production rate increase and currency fluctuations. Security holders, potential security holders and other prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Caledonia undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.*

