

# Caledonia Mining Corporation

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## Caledonia Mining Corporation on schedule with Blanket ramp up

Caledonia Mining Corporation PLC's (LON:CMCL TSE:CAL) Blanket gold mine which has been in operation for many years, has managed to ride out the complexities of the Zimbabwean political situation relatively unscathed.

In large part that's due to the indigenisation deal that Caledonia struck some years ago with local businessmen, with its own workers, and with other community groups.

**WATCH:** Caledonia Mining confident of hitting full year production targets Under the terms of that deal, Caledonia retains operational control of Blanket and ownership of 49% of it.

The terms of sale of the 51% stake stipulated that the company would be paid back out of cash flow from the mine itself, and on very commercial terms.

Accordingly, as with all the best deals, all parties felt that they came out of it well, and the company's ability to operate in Zimbabwe has never been seriously in jeopardy.

### Digging deeper

In recent years the concerns have been more about how to operate Blanket to maximum efficiency.

To that end the company has embarked on a heavy investment programme, the benefits of which are just beginning to show through.

Thus, a new tramming loop has been installed at the 750 metre level, allowing for the more efficient distribution of ore around the underground network of tunnels before it is brought to the surface for processing.

**READ:** Caledonia declares regular quarterly dividend as production guidance stays at around 55,000 ounces

In addition, the company is also working on new shafts to increase the amount of ore it can haul to surface at any one time.

All told, the plan is to boost output in the longer term to more than 80,000 ounces per year by 2021.

### Second half of 2017 much stronger

For 2017 in total, production was 11% higher than the previous year at 56,135 ounces, which was just ahead of guidance and also a yearly record for Blanket.

Steve Curtis, chief executive, said the performance represented a significant achievement considering the relatively slow production experienced in the first half of the year.

**Price:** 677.5p

**Market Cap:** £71.84M

### 1 Year Share Price Graph



### Share Information

**Code:** CMCL

**Listing:** AIM, TSX

<b>52 week</b>	<b>High</b>	<b>Low</b>
	715p	4.9p

**Sector:** General Mining - Gold

**Website:** [www.caledoniamining.com](http://www.caledoniamining.com)

### Company Synopsis:

*Caledonia is a Mining, Exploration and Development company focused on Southern Africa whose primary asset is a 49% interest in the Blanket Mine ("Blanket") in Zimbabwe. Caledonia's shares are listed on the Toronto Stock Exchange (CAL) and on the NYSE American (CMCL) and depositary interests in the shares are traded on London's AIM (CMCL)".*

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"To finish the second half of the year with two quarterly production records and the production of almost 31,000 ounces of gold in the six month period is an achievement of which all of our technical and production staff should be justifiably proud.

In the current year, Blanket is scheduled to produce between 55,000 and 59,000oz.

The miner produced approximately 25,316oz in the first half or about an 8% increase.

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