

# 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 has been in operation for many years now, and 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.

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.

**WATCH:** Caledonia Mining confident of hitting full year production targets 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.

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 to be stronger

In July, Caledonia said it expects to meet its gold production target this year through an improved second half performance.

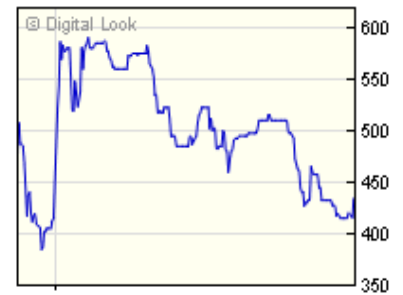
The miner produced approximately 12,522 ounces of gold from the Blanket mine in the three months to June, about the same amount as a year ago.

Over the half year, output rose by 8.5% to 25,316oz, but Caledonia forecast output to rise over the next two quarters.

**Price:** 435p

**Market Cap:** £48.16M

### 1 Year Share Price Graph



### Share Information

**Code:** CMCL

**Listing:** AIM, TSX

52 week	High	Low
	530p	3.8p

**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. Caledonia's primary asset is a 49% interest in the Blanket Mine ("Blanket") in Zimbabwe.*

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The target for the year is for production to be between 52,000oz and 57,000oz

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