



**Caledonia Mining Corporation  
(TSX: CAL, OTCQX: CALVF, AIM: CMCL)**

**Q1 2014 Production Update**

April 7, 2014: Caledonia Mining Corporation (“Caledonia”) announces gold production from its 49 per cent owned subsidiary, the Blanket Mine (“Blanket”) in Zimbabwe, for the quarter ended March 31, 2014. All production numbers are expressed on a 100 per cent basis and are based on mine production data and are therefore subject to change following final assay at the refiner.

- 10,607 ounces of gold were produced during Q1 2014 (10,472 ounces in Q1 2013), representing a 7.2 per cent decrease on the gold produced in Q4 2013 (11,429 ounces).
- As advised in the 2013 results which were released on March 31, 2014 gold production in the first quarter of 2014 was affected by the achieved grade being lower than the targeted grade of 3.83 g/t Au. This was due to a sub-horizontal fault which was encountered at the AR South ore body between 680 and 695 meters below surface and which had displaced the ore zone to the west and south. Production on these panels was stopped and re-development was required to establish other panels at the required grade. Management believes that the above measures have been successful and that an average head grade of between 3.60 to 3.83 g/t Au is expected to be maintained, and closer attention will be paid to grade control in future. Production in February 2014 was also adversely affected by an unstable mains power supply and by the unscheduled requirement to replace the winding rope on No. 4 Shaft.
- Targeted gold production for 2014 is maintained at 48,000 ounces

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PRESS RELEASE

## **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.*

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