



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

Q1 2015 Production and Sales

April 9, 2015: Caledonia Mining Corporation (“Caledonia”) announces gold production and sales from its 49 per cent owned subsidiary, the Blanket Mine (“Blanket”) in Zimbabwe, for the quarter ended March 31, 2015. All production numbers are expressed on a 100 per cent basis. Sales in Q1 2015 includes work-in-progress brought forward from the previous quarter; as usual there was no work-in-progress at the end of Q1 2015.

- 9,960 ounces of gold were produced during Q1 2015, representing a 4.4 per cent decrease on the gold produced in Q4 2014 (10,417 ounces) and a 2.7 per cent decrease on the gold produced in Q1 2014 (10,241 ounces).
- 10,770 ounces of gold were sold in Q1 2015, representing a 12.1 per cent increase on the ounces of gold sold in Q4 2014 and an 11.8 per cent decrease on the ounces of gold sold in Q1 of 2014.
- Targeted gold production for 2015 remains approximately 42,000 ounces

Commenting on the production for Q1 2015, Steve Curtis, Caledonia’s Chief Executive Officer said:

“Production in Q1 2015 was over 98% of the target for the quarter. Target production in Q1 is lower than subsequent quarters due to the greater number of public holidays in the first quarter. It is also anticipated that production will increase somewhat in the second half of 2015 after the tramming loop on 22 Level has been completed, which will increase the underground haulage capacity. The tramming loop is on schedule for completion by the end of June 2015. The no 6 Winze is now 900 meters below surface as at the 8th of April and is still on track to be completed by the end of July 2015. The pre-sink at Central Shaft has commenced.”

“We are confident that the revised investment plan, which was announced on November 3, 2014, will result in progressive increases in production from 2016 onwards when we expect to see the first production from below 750 meters – initially from the No. 6 Winze and subsequently from the Central shaft”

Caledonia expects that its results for Q1 2015 will be released on May 13, 2015.

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PRESS RELEASE

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