

ANNOUNCEMENT TO BE MADE BY THE AIM APPLICANT PRIOR TO ADMISSION IN ACCORDANCE WITH RULE 2 OF THE AIM RULES FOR COMPANIES (“AIM RULES”)
COMPANY NAME:
Caledonia Mining Corporation Plc (“Caledonia”, the “Company” or the “Group”)
COMPANY REGISTERED OFFICE ADDRESS AND IF DIFFERENT, COMPANY TRADING ADDRESS (INCLUDING POSTCODES) :
43/45 La Motte Street St Helier Jersey Channel Islands JE4 8SD
COUNTRY OF INCORPORATION:
Jersey
COMPANY WEBSITE ADDRESS CONTAINING ALL INFORMATION REQUIRED BY AIM RULE 26:
www.caledoniamining.com
COMPANY BUSINESS (INCLUDING MAIN COUNTRY OF OPERATION) OR, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING POLICY). IF THE ADMISSION IS SOUGHT AS A RESULT OF A REVERSE TAKE-OVER UNDER RULE 14, THIS SHOULD BE STATED:
<p>Caledonia is an exploration, development and mining corporation focused on Southern Africa. Following the implementation of indigenisation at the Blanket Mine (“Blanket” or the “Blanket Mine”) in September 2012, Caledonia’s primary asset is a 49% legal ownership in Blanket, an operating gold mine in Zimbabwe.</p> <p>Caledonia is seeking a re-admission following a re-domicile from Canada to Jersey, to be completed on the date of re-admission.</p>
DETAILS OF SECURITIES TO BE ADMITTED INCLUDING ANY RESTRICTIONS AS TO TRANSFER OF THE SECURITIES (i.e. where known, number and type of shares, nominal value and issue price to which it seeks admission and the number and type to be held as treasury shares):
52,108,946 common shares of no par value each in the capital of Caledonia (the “ Common Shares ”).
CAPITAL TO BE RAISED ON ADMISSION (IF APPLICABLE) AND ANTICIPATED MARKET CAPITALISATION ON ADMISSION:
No capital to be raised.
Anticipated market capitalisation on re-admission: £24.2 million
PERCENTAGE OF AIM SECURITIES NOT IN PUBLIC HANDS AT ADMISSION:
14.6%
DETAILS OF ANY OTHER EXCHANGE OR TRADING PLATFORM TO WHICH THE AIM COMPANY HAS APPLIED OR AGREED TO HAVE ANY OF ITS SECURITIES

(INCLUDING ITS AIM SECURITIES) ADMITTED OR TRADED:	
Caledonia's shares are also listed on the Toronto Exchange (ticker - CAL) and traded on the American OTCQX (ticker - CALVF).	
FULL NAMES AND FUNCTIONS OF DIRECTORS AND PROPOSED DIRECTORS (underlining the first name by which each is known or including any other name by which each is known):	
<u>Leigh</u> Alan Wilson - Chairman <u>John</u> Lawson Kelly – Non-Executive Director <u>Steve</u> Curtis - Chief Executive Officer <u>Mark</u> Learmonth - Chief Financial Officer <u>Johan</u> Andries Holtzhausen – Non-Executive Director <u>James</u> Johnstone – Non-Executive Director <u>David</u> Henderson - Non-Executive Director	
FULL NAMES AND HOLDINGS OF SIGNIFICANT SHAREHOLDERS EXPRESSED AS A PERCENTAGE OF THE ISSUED SHARE CAPITAL, BEFORE AND AFTER ADMISSION (underlining the first name by which each is known or including any other name by which each is known):	
Significant shareholders before and after re-admission:	
Allan Gray (Africa Equity Fund Limited and Allan Gray Africa, ex-SA Equity Fund Limited)	7,039,500 Common Shares (13.5% of Caledonia's issued share capital)
NAMES OF ALL PERSONS TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (H) OF THE AIM RULES:	
Nothing to disclose under Schedule 2 other than the share options detailed in the shareholder circular, which was posted to shareholders on 21 January 2016 and is available on the Company's website (www.caledoniamining.com).	
(i) ANTICIPATED ACCOUNTING REFERENCE DATE	
(ii) DATE TO WHICH THE MAIN FINANCIAL INFORMATION IN THE ADMISSION DOCUMENT HAS BEEN PREPARED (this may be represented by unaudited interim financial information)	
(iii) DATES BY WHICH IT MUST PUBLISH ITS FIRST THREE REPORTS PURSUANT TO AIM RULES 18 AND 19:	
(i)	31 December
(ii)	Not applicable – existing issuer re-admitting to AIM
(iii)	Annual report to 31 December 2015 – published by 30 June 2016 Half year report to 30 June 2016 – published by 30 September 2016 Annual report to 31 December 2016 – published by 30 June 2017
EXPECTED ADMISSION DATE:	
Re-admission expected on 21 March 2016.	
NAME AND ADDRESS OF NOMINATED ADVISER:	
WH Ireland Limited 24 Martin Lane London EC4R 0DR	

NAME AND ADDRESS OF BROKER:
WH Ireland Limited 24 Martin Lane London EC4R 0DR
OTHER THAN IN THE CASE OF A QUOTED APPLICANT, DETAILS OF WHERE (POSTAL OR INTERNET ADDRESS) THE ADMISSION DOCUMENT WILL BE AVAILABLE FROM, WITH A STATEMENT THAT THIS WILL CONTAIN FULL DETAILS ABOUT THE APPLICANT AND THE ADMISSION OF ITS SECURITIES:
Not applicable.
DATE OF NOTIFICATION:
19 February 2016
NEW/ UPDATE:
NEW
QUOTED APPLICANTS MUST ALSO COMPLETE THE FOLLOWING:
THE NAME OF THE <u>AIM DESIGNATED MARKET</u> UPON WHICH THE APPLICANT'S SECURITIES HAVE BEEN TRADED:
AIM
THE DATE FROM WHICH THE APPLICANT'S SECURITIES HAVE BEEN SO TRADED:
27 June 2005
CONFIRMATION THAT, FOLLOWING DUE AND CAREFUL ENQUIRY, THE APPLICANT HAS ADHERED TO ANY LEGAL AND REGULATORY REQUIREMENTS INVOLVED IN HAVING ITS SECURITIES TRADED UPON SUCH A MARKET OR <u>DETAILS OF WHERE</u> THERE HAS BEEN ANY BREACH:
Confirmed.
AN ADDRESS OR WEB-SITE ADDRESS WHERE ANY DOCUMENTS OR ANNOUNCEMENTS WHICH THE APPLICANT HAS MADE PUBLIC OVER THE LAST TWO YEARS (IN CONSEQUENCE OF HAVING ITS SECURITIES SO TRADED) ARE AVAILABLE:
www.caledoniamining.com
DETAILS OF THE APPLICANT'S STRATEGY FOLLOWING ADMISSION INCLUDING, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING STRATEGY:
Caledonia's strategic focus is the implementation of the Revised Investment Plan (also referred to below as the " Revised Plan ") at Blanket, which was announced in November 2014 and is expected to extend the life of mine by providing access to deeper levels for production and further exploration.
A DESCRIPTION OF ANY SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION OF THE APPLICANT, WHICH HAS OCCURRED SINCE THE END OF THE LAST FINANCIAL PERIOD FOR WHICH AUDITED STATEMENTS HAVE BEEN PUBLISHED:
There has been no significant change in the financial or trading position of the Company since 31 December 2014, being the end of the last financial period for which audited statements have been published, except for the unaudited interim results for the three

months ended 30 March 2015 (released on 13 May 2015), six months ended 30 June 2015 (released on 13 August 2015), nine months ended 30 September 2015 (released on 12 November 2015) and certain other developments that have been announced by the Company that are summarised below:

	3 Months to 30 September		9 Months to 30 September		Comment
	2014	2015	2014	2015	
Gold produced (oz.)	9,890	10,927	31,354	31,288	Higher gold production in the Quarter due to increased tonnes milled, offset by lower grades and metallurgical recovery
On Mine cash cost (US\$/oz.)	669	668	636	689	On mine cash costs remain stable
All-in sustaining cost (US\$/oz.)	952	1,011	908	993	Increased AISC due to higher sustaining capital investment
Gold Sales (oz.)	9,890	10,927	33,323	32,102	Sales for the nine months to September 30 2015 includes work in progress brought forward from 2014; there is no work in progress included in the Quarter
Average realised gold price (US\$/oz.)	1,252	1,106	1,262	1,159	Lower realised gold price is after realisation costs and reflects the lower prevailing gold price
Gross profit (\$'m)	4.3	3.7	16.0	12.3	Lower gross profit reflects higher Canadian-dollar denominated operating costs which were partially offset by the higher Canadian dollar gold price and increased sales
Net profit attributable to shareholders (\$'m)	1.1	1.7	5.4	3.6	Higher attributable profit in the Quarter due to foreign exchange gain and lower taxation

	3 Months to 30 September		9 Months to 30 September		Comment
	2014	2015	2014	2015	
Adjusted basic earnings per share (cents)	2.0	5.0	10.5	10.2	Higher adjusted EPS in the Quarter is after deduction of deferred tax, foreign exchange gain and non-recurring costs associated with South African tax remediation
Cash and cash equivalents (\$'m)	26.9	19.6	26.9	19.6	Cash position remains robust, but is reduced due to the higher capital investment and lower cash generation.
Cash from operating activities (\$'m)	3.6	0.9	11.5	6.8	Lower cash generation due to higher Canadian-dollar operating costs and investment in working capital
Payments to the community and Zimbabwe government (US\$m)	3.1	1.8	9.7	5.4	Lower payments due to the lower tax and royalty payments due to lower US\$ gold price and lower profitability in US\$ terms

The current 2015 production update and 2016 production guidance issued by Caledonia on 6 January 2016 stated that:

- Approximately 11,518 ounces of gold were produced during Q4 2015, representing a 10.6 per cent increase on the gold produced in Q4 2014 (10,417 ounces) and a 5.4 per cent increase on the gold produced in Q3 2015 (10,927 ounces).
- Total 2015 gold production was approximately 42,806 ounces, a 2.5 per cent increase over the annual gold production in 2014 of 41,771 ounces and 1.9 per

cent higher than the production guidance of 42,000 ounces for 2015.

- Targeted gold production for 2016 is approximately 50,000 ounces, unchanged from previous guidance. The rate of production is expected to increase over the course of 2016 as production from the No. 6 Winze increases. The quarterly production profile is expected to be approximately 10,700 ounces of gold in the first quarter of 2016 increasing to approximately 14,000 ounces of gold by the fourth quarter of 2016.

During the period from 1 January 2015 to 19 February 2016, the Company made the following material announcements:

- On 6 January 2015 Caledonia declared its fifth quarterly dividend of one and one half Canadian cents (\$0.015) on each of the Common Shares.
- On 27 February 2015 Caledonia provided an update on the implementation of the Revised Plan as at the end of January 2015.
- On 7 April 2015 Caledonia declared its sixth quarterly dividend of one and one half Canadian cents (\$0.015) on each of the Common Shares.
- On 1 May 2015 Caledonia regretfully confirmed that an accident took place on the evening of April 30 at GG, one of Blanket Mine's satellite exploration properties, as a result of which a contractor was killed.
- On 19 May 2015 Caledonia announced an increase and upgrade to the resource base at the Blanket Mine.
- On 18 June 2015, Caledonia provided an update on the implementation of the Revised Plan.
- On 7 July 2015 Caledonia declared its seventh quarterly dividend of one and one half Canadian cents (\$0.015) on each of the Common Shares.
- On 14 July 2015 Caledonia announced that it had accepted the resignation of Richard Patricio from the board of directors.
- On 10 August 2015 Caledonia announced that John Mark Learmonth (Mark Learmonth), Chief Financial Officer, had joined the Board and David Norval Henderson had joined the board as a non-executive director.
- On 21 September 2015, Caledonia provided an update on the implementation of the Revised Plan.
- On 6 October 2015 Caledonia declared its eighth quarterly dividend of one and one half Canadian cents (\$0.015) on each of the Common Shares.
- On 3 December 2015 Caledonia announced an increase and upgrade to the resource base at the Blanket Mine.
- On 16 December 2015 Caledonia advised that in order to report more accurately the true performance of its business, the reporting currency for all future financial reporting will be the United States dollar instead of the Canadian dollar. This change will take effect in the reporting of the results for the quarter and 12 months

to December 31, 2015 which will be released in late March, 2016.

- On 21 December 2015 Caledonia announced its proposed re-domicile from Canada to Jersey.
- On 5 January 2016 Caledonia declared its ninth quarterly dividend of one and one half Canadian cents (\$0.015) on each of the Common Shares.
- On 12 January 2016 Caledonia announced that the Company's Compensation Committee had granted long term incentives to Steve Curtis, Mark Learmonth, Caxton Mangezi and Dana Roets. The awards were made pursuant to the approval of the Omnibus Equity Incentive Plan by shareholders at the annual shareholder meeting held on May 14, 2015.
- On 10 February 2016, Caledonia announced that it has entered into a 6 month "cap and collar" hedge over 15,000 ounces of production using a "collar" value of US\$1,050 per ounce and a cap value of US\$1,080 per ounce.

A STATEMENT THAT THE DIRECTORS OF THE APPLICANT HAVE NO REASON TO BELIEVE THAT THE WORKING CAPITAL AVAILABLE TO IT OR ITS GROUP WILL BE INSUFFICIENT FOR AT LEAST TWELVE MONTHS FROM THE DATE OF ITS ADMISSION:

The Directors have no reason to believe that the working capital available to the Company will be insufficient for at least 12 months from the date of Admission.

DETAILS OF ANY LOCK-IN ARRANGEMENTS PURSUANT TO RULE 7 OF THE AIM RULES:

No such lock-in arrangements are currently applicable.

A BRIEF DESCRIPTION OF THE ARRANGEMENTS FOR SETTLING THE APPLICANT'S SECURITIES:

To be traded on AIM, securities must be able to be transferred and settled through the CREST system, including Depositary Interests ("DIs"), to be held in electronic rather than in paper form. The Canadian equivalent of this system is called CDS. For certain foreign securities, in this case the Common Shares, to be transferred and settled through CREST, they need to be in the form of Depositary Interests.

The Common Shares will remain listed and traded on TSX, with trades settled electronically on the Canadian registry through CDS.

A WEBSITE ADDRESS DETAILING THE RIGHTS ATTACHING TO THE APPLICANT'S SECURITIES:

www.caledoniamining.com

INFORMATION EQUIVALENT TO THAT REQUIRED FOR AN ADMISSION DOCUMENT WHICH IS NOT CURRENTLY PUBLIC:

Please refer to the shareholder circular, posted to shareholders on 21 January 2016 and available on the Company's website (www.caledoniamining.com), for the following details:

- Reasoning behind the continuance to Jersey
- Application of the City Code on Takeovers and Mergers
- A comparison between Canadian and Jersey company law
- Details of the taxation implications

- Updated risk factors
- Directors' and other interests

Information on admission and CREST settlement, the new constitution and some additional information are detailed below.

1. Admission and CREST settlement

Upon completion of the Continuance, to reflect that the Common Shares will have become shares in a Jersey company rather than a Canadian company:

- (a) the ISIN of the DIs in Common Shares will change to JE00BD35H902; and
- (b) the SEDOL of the DIs in Common Shares will change to BD35H90.

Application will be made to the London Stock Exchange for 52,108,946 Common Shares to be re-admitted to trading on AIM. It is expected that the re-admission will become effective and that dealings in the Common Shares will re-commence on 21 March 2016.

The last day of dealings in the Common Shares before completion of the Continuance is expected to be on 18 March 2016. The last day for registration of transfers of the Common Shares and DIs before completion of the Continuance is expected to be on 18 March 2016.

These dates may be deferred if there is any delay in obtaining approval of the Continuance and/or the re-admission to AIM.

On the effective date of the Continuance, all existing share certificates representing Common Shares will not be cancelled and will continue to represent Common Shares following the Continuance; however, upon a transfer of Common Shares represented by an existing share certificate, a new share certificate in the form adopted by the Company following the Continuance will be issued to the transferee.

As a result of the Continuance, the DIs over Canadian shares that are currently traded on AIM in London will be DIs over Jersey shares, which have a new ISIN and SEDOL. Under the AIM Rules, this requires a re-admission of the Company's shares to trading on AIM, albeit as a "quoted applicant," as defined in Rule 2 of the AIM Rules and, accordingly, the readmission will not require a full admission document, but rather a Schedule 1 to be submitted to AIM, no less than 20 business days prior to the date of readmission. The Schedule 1 will be made available on the Company's website. It is not expected that this process will create any further interruption to the normal trading facilities of AIM afforded to Shareholders.

Similarly, the Common Shares will have a new CUSIP. It is not anticipated that this will affect trading on the TSX or OTCQX. The Company will continue to be a reporting issuer in the provinces of Ontario and British Columbia and to comply with Canadian public disclosure requirements and the United States disclosure requirements applicable to it.

For shareholders who hold their existing Common Shares in electronic form in a CREST account by way of the DIs established by the Company as at close of business on 18 March 2016, they will be replaced by new DIs in the Common Shares (reflecting that Caledonia will have become a Jersey company) which will be credited to their CREST accounts on 21 March 2016, as long as they have elected to do so. If shareholders have not elected to do so, they will be issued with a share certificate in the Common Shares. CREST is a paperless settlement system enabling securities to be evidenced otherwise

than by a certificate and transferred otherwise than by written instrument.

The Company will apply for the Depository Interests to be re-admitted to CREST with effect from the re-admission.

2. New constitution

Caledonia will adopt a memorandum of association and new articles of association (the "**New Articles**") (together the "**M&A**") upon completion of the Continuance, in replacement of the existing articles of incorporation and by-laws (the "**Existing Articles**").

The New Articles seek to keep the constitution upon Continuance generally similar to the constitution pre-Continuance and generally only to incorporate those changes required or expected by Jersey law, AIM market practice or where the Caledonia wants to introduce enhanced shareholder rights and protections. The key differences in the New Articles as compared to the Existing Articles (many of which are repeated in the tables below) are as follows:

- (a) the Existing Articles provide that directors can authorise share buy backs. Jersey law requires that Jersey companies must also seek approval, by way of special resolution, from members before buying back shares and therefore the different regime will be referred to in the New Articles;
- (b) the New Articles will include standard market practice restrictions on the directors' ability to borrow substantial sums without shareholder approval;
- (c) the Existing Articles provide that only directors declare dividends. The New Articles will reflect standard Jersey law practice to also allow the members to declare dividends (notwithstanding that the directors can also still approve the payment of interim dividends);
- (d) a Jersey company has less scope to indemnify its directors than a Canadian company. The Jersey provisions will therefore be referred to as applying, rather than the Canadian provisions (which would be void under Jersey law);
- (e) the New Articles will incorporate rights for nominee shareholders to require that beneficial owners of shares be granted information rights similar to those provided under English company law;
- (f) the New Articles will incorporate the English law provisions concerning the requirement for shareholder approval for certain payments to directors for loss of office. The Existing Articles do not require this;
- (g) provisions allowing for uncertificated securities to be issued by the Company and traded on e.g. CREST will be included in the New Articles in order that members can hold traded shares directly, rather than through the use of depository interests;
- (h) a right of shareholders holding 5% of the share capital to require that other business be dealt with at an annual general meeting (as is the case under English company law) will be included in the New Articles, which is consistent with Canadian laws: and
- (i) certain administrative provisions will be included in the New Articles such as the treatment of unclaimed dividends and untraced shareholders after a substantial

number of years (in order to minimise administrative costs), incorporation of the English company law shareholder notification and disclosure provisions (in order to reflect market practice and the need for the Company to be able to identify beneficial holders and meet its regulatory disclosure requirements) and for the use of electronic communications with shareholders.

3. Additional Information

a) Directors' service agreements and letters of appointments

The directors' salaries are as follows:

Steve Curtis (CEO)	US\$ 428,636
Mark Learmonth (CFO)	US\$ 410,000
All other members of the Board	US\$ 45,000

Long Term Incentive Plan ("LTIP") awards are made in the form of Restricted Share Units ("RSU's") and Performance Share Units ("PSU's") to Steve Curtis and Mark Learmonth, per the announcement made on 12 January 2016.

b) Directors' other directorships

In addition to being directors of the Company, the directors have held or hold the following directorships (excluding subsidiaries of any company of which he or she is a director) and/or has been/is a partner in the following partnerships within the last five years immediately prior to the date of this document:

Steve Curtis

Current appointments	Previous appointments
Greenstone Management Services Caledonia Mining South Africa Mapochs Exploration (Pty) Ltd. Blanket Mine (1983) Private Limited Caledonia Mining Services (Pvt) Ltd Caledonia Holdings Zimbabwe (Pvt) Ltd St Audley Baker Street Assoc	N/A

Mark Learmonth

Current appointments	Previous appointments
Greenstone Management Services Limited Caledonia Mining South Africa Blanket Mine (1983) Private Limited	Macquarie First South Capital

Leigh Wilson

Current appointments	Previous appointments
Winston Maritime LLC Stella and Hack Wilson Family Foundation Victory Funds Victory Portfolios Victory Portfolios II	New Century Living Inc New Century Home Health Care Inc Paribas North America Third Wave Associates

Victory Variable Insurance Funds Victory Institutional Funds	
John Kelly	
Current appointments	Previous appointments
EndGate Commodities LLC Victory Portfolios Victory Portfolios II Victory Variable Insurance Funds Victory Institutional Funds	Liquidnet Liquidnet Europe Limited CrossRoad LLC
James Johnstone	
Current appointments	Previous appointments
N/A	N/A
Johan Holtzhausen	
Current appointments	Previous appointments
DRDGold Ltd Eskort Limited First Food Brands Limited Strategic Partners In Tourism NPC Tourism Micro Enterprises Support Fund NPC	KPMG Inc KPMG Services Pty Ltd
David Henderson	
Current appointments	Previous appointments
Dyad Corporation	N/A
A WEBSITE ADDRESS OF A PAGE CONTAINING THE APPLICANT'S LATEST ANNUAL REPORT AND ACCOUNTS WHICH MUST HAVE A FINANCIAL YEAR END NOT MORE THEN NINE MONTHS PRIOR TO ADMISSION AND INTERIM RESULTS WHERE APPLICABLE. THE ACCOUNTS MUST BE PREPARED IN ACCORDANCE WITH ACCOUNTING STANDARDS PERMISSIBLE UNDER AIM RULE 19:	
www.caledoniamining.com	
THE NUMBER OF EACH CLASS OF SECURITIES HELD IN TREASURY:	
None.	