

**Caledonia Mining Corporation Plc
Results for the Quarter ended 31 March 2018**

St Helier, 14 May 2018 – Caledonia Mining Corporation Plc (“Caledonia” or the “Company” - https://www.youtube.com/watch?v=QYYGO-DNYsM&list=PLBpDIKjdv3yq3mPe4_LvOr9_6ij_XRiM&index=6) announces its operating and financial results for the first quarter of 2018 (“Q1” or the “Quarter”).

Gold production in the Quarter was 12,924 ounces, marginally higher than the first quarter of 2017 and in-line with expectations. Adjusted earnings per share of 40.1 cents were 51% higher than the corresponding figure in 2017, largely due to a higher realised gold price, and the increased export credit incentive. Operating cash flows for the Quarter were \$7 million and the Company’s balance sheet remains strong with net cash of \$13.4 million as at 31 March 2018.

	Q1 2017	Q1 2018	% Change	Comment
Gold produced (oz)	12,794	12,924	1%	Production was marginally higher than the first quarter of 2017 and was in-line with expectations
On-mine cost per ounce (\$/oz) ¹	659	687	4.2%	On-mine cost per ounce increased due to the inclusion of the operating costs of the pilot plant and the trackless and other equipment used in the declines
All-in sustaining cost (\$/oz) (“AISC”)	857	832	-2.9%	AISC decreased due to the higher export credit incentive (“ECI”) and a lower share-based payment expense which offset the higher on-mine cost per ounce
Average realised gold price (\$/oz)	1,213	1,312	8.2%	The increased average realised gold price reflects the change in the market price of gold
Gross profit ²	5,646	6,223	10.2%	Increased gross profit is due to the higher average realised price of gold, offset by increased on-mine costs
Net profit attributable to shareholders	2,338	3,154	34.9%	Net profit attributable to shareholders increased because of the higher gross profit and the increased ECI

¹ Non-IFRS measures such as “On-mine cost per ounce”, “AISC” and “average realised gold price” are used throughout this document. Refer to Section 10 of this MD&A for a discussion of non-IFRS measures.

² Gross profit is after deducting royalties, production costs and depreciation but before administrative expenses, other income, interest and finance charges and taxation.

Adjusted basic earnings per share ("EPS") ³ (cents)	26.5	40.1	51.3%	Increased adjusted EPS due to the higher attributable profit and higher adjusting items, the most important of which is the reversal of deferred taxation
Net cash and cash equivalents	11,722	13,380	14.1%	Cash balance remains robust but should be seen in the context of increased trade payables at Blanket due to the shortage of foreign currency in Zimbabwe
Cash from operating activities	1,779	7,045	296%	Substantial increase in cash from operating activities due to higher profit and reduced working capital

Commenting on the results, Steve Curtis, Caledonia's Chief Executive Officer said:

"The first quarter of 2018 was one of very strong cash generation at Blanket. The business generated operating cash flows after tax of \$7 million which supported capital investment in the mine of \$5.2 million and an increase in our cash balance at the end of the quarter to \$13.4 million. As we continue to grow production to our target of 80,000 ounces by 2021, maintain cost control and benefit from economies of scale we look forward to further increasing cash flows and earnings."

"Gold production was marginally higher in the Quarter compared to the first quarter of 2017 and was in-line with our expectations. We expect that production will deliver the usual increase in the second half of the year as we see the benefit of the increased level of mine development in the first half of the year, which will improve our access to higher grade areas."

"Profits in the Quarter benefitted from an 8% increase in the average realised gold price and a 3% reduction in all-in sustaining costs to \$832 per ounce which contributed to a 10% increase in gross profit and a 35% increase in net attributable profit. On mine costs were marginally higher at \$687 per ounce due to various operational factors which we expect to be addressed as the Central Shaft project is commissioned in 2020. Profit and cash flow were also boosted by the Government of Zimbabwe increasing the Export Credit Incentive ("ECI") from 2.5% to 10% of revenue with effect from 1 February 2018."

"Regrettably our safety performance during the quarter was marred by a fatal accident at the mine on the 23 February 2018. My fellow directors and I express our sincere condolences to the family and friends of the deceased. The Company has embarked upon renewed efforts in the business to improve our safety performance."

³ Adjusted EPS is a non-IFRS measure which aims to reflect Caledonia's ordinary trading performance. Refer to Section 10 of this MD&A for a discussion of non-IFRS measures. Per share data for current and prior periods has been adjusted to reflect the effective 1-for-5 share consolidation which was effected on June 26, 2017.

“The Central Shaft remains a key enabler of long term value of the business and I am pleased to report that the project is progressing on schedule and within budget and importantly, remains fully funded by operating cash flow. For our technical team to deliver production and a transformational project for the business is a significant achievement. Following the decision to extend the shaft sinking project in November of 2017 the shaft has now reached 30 Level (990 metres) and work has commenced on establishing the station on this level.

“The operating environment and the investment climate in Zimbabwe continue to improve with government showing very pleasing levels of support of the mining industry, including the increase in the ECI for gold producers. The Zimbabwe gold sector offers exciting opportunities but is in need of significant capital investment. In March, the government enacted legislation which completely removed the requirement for gold producers to implement indigenisation which has created the opportunity for Caledonia to potentially increase its stake in the Blanket Mine subject to agreement with our local partners. We have been encouraged by the level of support that the new leadership has shown for the mining sector and the Zimbabwean economy in general and look forward to the opportunities that the improving macroeconomic environment in Zimbabwe is likely to present.

“We maintain our guidance of 55,000 to 59,000 ounces for the full year and earnings guidance of between 165 cents and 190 cents per share.”

Strategy and Outlook

Caledonia remains on track to achieve the production target of 80,000 ounces by 2021 at its Zimbabwean subsidiary, Blanket Mine. The Company's strategic focus continues to be the implementation of the Investment 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. Implementation of the Investment Plan remains on target in terms of timing and cost. Caledonia's board and management believe the successful implementation of the Investment Plan is in the best interests of all stakeholders because it is expected to result in increased production, reduced operating costs and greater flexibility to undertake further exploration and development, thereby safeguarding and enhancing Blanket's long-term future. Caledonia's cash position is expected to improve as a result of the implementation of the Investment Plan; Caledonia will continue to assess new opportunities to invest surplus cash.

Dividend Policy

On 4 July 2017, following the consolidation on 26 June 2017 of the Company's shares, the Company announced an increased quarterly dividend of 6.875 cents per share which was paid on 28 July 2017 and further quarterly dividends of the same amount were paid on 27 October 2017, 26 January 2018 and 27 April 2018. The dividend of 6.875 cents per share effectively maintains the dividend at the previous level of 1.375 cents per share, after adjusting for the effect of the one-for-five share consolidation. The quarterly dividend of 6.875 cents is Caledonia's current dividend policy which it is envisaged will be maintained.

Following the implementation of indigenisation in September 2012, Caledonia owns 49 per cent of the Blanket Mine in Zimbabwe. Caledonia continues to consolidate Blanket and the operational and the financial information set out below is on a 100 per cent basis unless otherwise indicated.

For further information please contact:

Caledonia Mining Corporation Plc

Mark Learmonth
Maurice Mason

Tel: +44 1534 679 802
Tel: +44 759 078 1139

WH Ireland

Adrian Hadden/ Ed Allsopp

Tel: +44 20 7220 1751

Blytheweigh

Tim Blythe/Camilla Horsfall/Megan Ray

Tel: +44 207 138 3204

In Europe:

Swiss Resource Capital AG
Jochen Staiger

www.resource-capital.ch
info@resource-capital.ch

Note: This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation.

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.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Such factors include, but are not limited to: risks relating to estimates of mineral reserves and mineral resources proving to be inaccurate, fluctuations in gold price, risks and hazards associated with the business of mineral exploration, development and mining, risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom the Company does business; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards, employee relations; relationships with and claims by local communities and indigenous populations; political risk; availability and increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, including the risks of obtaining or maintaining necessary licenses and permits, diminishing quantities or grades of mineral reserves as mining occurs; global financial condition, the actual results of current exploration activities, changes to conclusions of economic evaluations, and changes in project parameters to deal with unanticipated economic or other factors, risks of increased capital and operating costs, environmental, safety or regulatory risks, expropriation, the Company's title to properties including ownership thereof, increased competition in the mining industry for properties, equipment, qualified personnel and their costs, risks relating to the uncertainty of timing of events including targeted production rate increase and currency fluctuations. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Caledonia undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (\$'000's)		
(unaudited)	3 months ended March 31	
	2018	2017
Revenue	18,059	16,449
Royalty	(904)	(823)
Production costs	(10,010)	(9,098)
Depreciation	(922)	(882)
Gross profit	6,223	5,646
Other income	1,381	644
Administrative expenses	(1,542)	(1,441)
Foreign exchange gain/(loss)	71	(64)
Equity-settled share-based expense	(14)	-
Cash-settled share-based expense	(114)	(410)
Operating profit	6,005	4,375
Net finance cost	(16)	(7)
Profit before tax	5,989	4,368
Tax expense	(2,110)	(1,460)
Profit for the period	3,879	2,908
Other comprehensive income		
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences for foreign operations	208	73
Total comprehensive income for the period	4,087	2,981
Profit attributable to:		
Shareholders of the Company	3,154	2,338
Non-controlling interests	725	570
Profit for the period	3,879	2,908
Total comprehensive income attributable to:		
Shareholders of the Company	3,362	2,411
Non-controlling interests	725	570
Total comprehensive income for the period	4,087	2,981
Earnings per share (cents)		
Basic	29.3	21.5
Diluted	29.2	21.5
Adjusted earnings per share (cents) ⁽ⁱ⁾		
Basic	40.1	26.5

(i) Adjusted EPS is a non-IFRS measure which aims to reflect Caledonia's ordinary trading performance. Refer to Section 10 of the MD&A for a discussion of non-IFRS measures. Per share data for the prior period has been adjusted to reflect the effective 1-for-5 share consolidation which was effected on June 26, 2017.

Condensed Consolidated Statement of Cash Flows (unaudited) (\$'000's)	3 months ended March 31	
	2018	2017
Cash flows from operating activities		
Cash generated from operations	7,684	2,415
Net interest paid	(38)	(1)
Tax paid	(601)	(635)
Net cash from operating activities	7,045	1,779
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,158)	(3,296)
Net cash used in investing activities	(5,158)	(3,296)
Cash flows from financing activities		
Dividends paid	(899)	(725)
Repayment of term loan facility	(375)	(375)
Net cash used in financing activities	(1,274)	(1,100)
Net increase/(decrease) in cash and cash equivalents	613	(2,617)
Effect of exchange rate fluctuations on cash held	11	4
Cash and cash equivalents at beginning of the period	12,756	14,335
Cash and cash equivalents at end of the period (net of overdraft)	13,380	11,722

Consolidated Statements of Financial Position (unaudited)

(\$'000's)

	As at	March 31	Dec 31
		2018	2017
Total non-current assets		86,429	82,143
Inventories		9,603	9,175
Prepayments		1,144	709
Trade and other receivables		5,076	4,962
Cash and cash equivalents		14,984	13,067
Total assets		117,236	110,056
Total non-current liabilities		26,609	25,243
Short-term portion of term loan facility		1,117	1,486
Trade and other payables		14,016	12,660
Income tax payable		1,477	1,145
Bank overdraft		1,604	311
Total liabilities		44,823	40,845
Equity attributable to shareholders		65,906	63,267
Non-controlling interests		6,507	5,944
Total equity		72,413	69,211
Total equity and liabilities		117,236	110,056