

Caledonia Mining Corporation PLC

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Caledonia Mining associate disposes of bonds

Caledonia Mining Corporation PLC's (LON:CMCL, TSE:CAL) 49% gold mine subsidiary has sold US\$3.2m worth of Zimbabwe government bonds. The bills were issued to the Blanket Mine in 2015 and replaced the Special Tradeable Gold Bonds issued in 2009. The bonds were issued as part consideration for gold sales that were made by Blanket in 2008.

Gross sales proceeds will be subject to Zimbabwean income tax at 25.75%.

Steve Curtis, Caledonia's chief executive, said: "The Bills that were issued to Blanket Mine, and that have now been sold, date back to the commercial environment which prevailed in Zimbabwe in 2008.

"Blanket Mine has sold all of its production to the government-owned refinery in Zimbabwe since January 2014, and it has always received payment in full and on time. The sale of the Bills is a continuation of the process to dispose of non-core assets."

"The additional funds raised from the sale of the Treasury Bills disposes of a legacy asset and we expect it to help fund the continuing development of the Blanket mine," added broker SP Angel.

Meanwhile, chairman Leigh Wilson has agreed to buy back 75,200 shares that were sold in February and early March without his knowledge by his discretionary fund manager.

Wilson did not find out about the share sale, which amounted to all of his holding, until 13 May.

To add insult, the shares were sold in 63.24 US cents per share or around 43p, since when the price has risen to 68p as the gold price has risen and Caledonia's expansion plans have move forward.

-- add broker comment, detail --

Price: 1317.5

Market Cap: £151.79 m

1 Year Share Price Graph



Share Information

Code: CMCL

Listing: AIM

52 week	High	Low
	1389	351

Sector: Gold & silver

Website: www.caledoniamining.com

Company Synopsis:

Caledonia Mining is a profitable cash generative gold producer with a strong growth profile, Caledonia's primary asset is the Blanket Mine in Zimbabwe which produced 54,512 ounces of gold in 2018 at an All in Sustaining Cost of \$802/oz.

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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