

Caledonia Mining Corporation PLC action@proactiveinvestors.com.au

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Caledonia expects no interruption to gold production currently, has US\$12m cash in hand

Caledonia Mining Corporation PLC (NYSEAMERICAN:CMCL) (LON:CMCL) (TSE:CAL) has said it is confident it can manage the likely knock-on effects to its Blanket gold mine in Zimbabwe of the 21-day shut-down in South Africa due to the coronavirus pandemic.

The supply chain for the procurement of a significant portion of mining consumables and capital equipment for the Blanket mine comes from South Africa.

However, the company expects no interruption to its gold production.

In anticipation of supply chain disruptions arising from coronavirus, Caledonia has increased the levels of consumable stocks at Blanket in recent weeks. Caledonia estimates that Blanket has adequate critical spares and mining consumables in its inventory to sustain uninterrupted gold production well past the expected duration of the supply interruption including allowing for a period of supply chain and inventory restocking after the end of the South African lockdown on 16 April.

In the event of either a similar lockdown procedure being enacted in Zimbabwe, or an outbreak of coronavirus at Blanket affecting a significant number of employees and necessitating a mine shut down, Caledonia would enter this unprecedented situation with a strong balance sheet with cash on hand at March 25, 2020 of approximately US\$12.5m.

Cash has been boosted by a strong first quarter production performance at the recently elevated gold prices. The current cash on hand and existing term and overdraft facilities already in place at Blanket leave the business in a strong position to withstand an extended period of production interruption if it were to materialise.

"We approach this challenge with a strong balance sheet, adequate inventory levels and a healthy workforce," Caledonia chief executive Steve Curtis said in a statement.

"Caledonia, our employees and indeed the people of Zimbabwe have successfully overcome great challenges in their recent past. I have full confidence that we will deal with this current challenge in a similar manner," he added.

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.

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