

Caledonia Mining Corporation PLC

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Caledonia Mining appoints contractor for construction of solar power plant to supply electricity to the Blanket Mine

Caledonia Mining Corporation PLC (LON:CMCL) has said that, since raising the required funds to invest in the construction of a solar power plant to supply electricity to the Blanket Mine in Zimbabwe, it has now appointed Voltalia as the contractor for the project.

Voltalia is an international renewable energy provider and is listed on the regulated market of Euronext Paris which has considerable experience in the delivery of renewable energy projects including the development, construction, operation and maintenance of solar power plants. It is already active notably in Burundi, Malawi and South Africa.

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Caledonia said it looks forward to working closely with Voltalia to deliver a successful project at the Blanket Mine which, on completion, is expected to provide approximately 27% of the mine's total electricity demand. This will significantly reduce the risk to the mine of any further deterioration in the quality of grid power which would necessitate increased use of diesel generators (which are substantially more expensive than grid power). The plant will also reduce Blanket Mine's environmental footprint.

Caledonia and Voltalia have agreed an initial design phase for the project after which, subject to the conclusion of an Engineering, Procurement and Construction (EPC) contract, procurement and construction are expected to begin with current indicated commissioning for the 12MW solar plant in the last quarter of 2021.

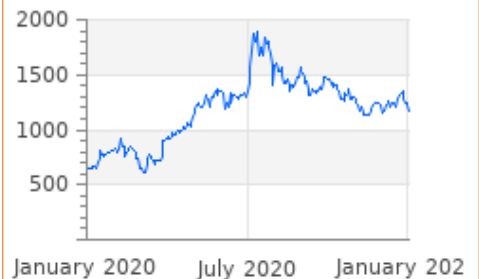
As previously announced, Caledonia raised the funds required to construct the plant by way of an at the market sales process on NYSE American conducted by Cantor Fitzgerald & Co on its behalf. Pursuant to the process, the Company issued 597,963 shares, representing considerably fewer issued shares than the expected 800,000 that it had initially applied to list.

The project is primarily intended to protect the Blanket Mine from any further deterioration in the electricity supply situation. Whilst the project is therefore being done for largely defensive reasons, it is expected to yield a modest return to shareholders after taking account of the dilutive effect of the equity issued to fund it.

Price: 1175

Market Cap: £142.4 m

1 Year Share Price Graph



Share Information

Code: CMCL

Listing: AIM

52 week	High	Low
	1900	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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