

TORONTO, ONTARIO--(Marketwired - Sept. 21, 2015) - On November 3, 2014, [Caledonia Mining Corp.](#) ("Caledonia")(TSX:CAL)(OTCQX:CALVF)(AIM:CMCL) announced the Revised Investment Plan ("Revised Plan") for the Blanket Mine which entails:

- Developing a "Tramming Loop" 750 metres below surface;
- Continuing to sink the No. 6 Winze to provide access to deeper level resources; and
- Sinking a new 6-metre diameter Central Shaft from surface to 1,080 metres. The new Central Shaft will provide access to the current inferred mineral resources below 750 metres and allow for further exploration, development and mining in these sections along the known Blanket strike, which is approximately 3 kilometres in length.

Caledonia provides the following update on the implementation of the Revised Plan:

- The Tramming Loop was completed ahead of schedule in June 2015 and will allow for an increase in development which is expected to result in increased production towards the end of 2015, as reflected in the 2015 production guidance of approximately 42,000 ounces of gold.
- Sinking the No. 6 Winze was completed in June and the shaft is currently being equipped after which horizontal development towards the two main resource bodies will commence. The project remains on target for first production in January 2016; production is expected to reach the target rate of 500 tonnes per day in May 2017. Production from the No. 6 Winze is included in the production guidance for 2016 and 2017 as set out in the November 3, 2014 press release.
- At the Central Shaft, most of the equipment that is required for the sinking phase of the project has been acquired and is either on-site or is in transit to site. The Scott Derrick that will be used in the early stages of sinking down to 90 metres has been commissioned. The kibble winder that will continue the sink from 90 metres to 1,080 metres has been refurbished and is expected to be commissioned in January 2016. Five generator units have been acquired which have a combined generating capacity of 2 Mw as a back-up power supply to the kibble winder in the full sink phase, which is expected to commence in January.

Steve Curtis, Caledonia's Chief Executive Officer, commented:

"We are pleased with the ongoing implementation of the Revised Plan, which is proceeding as scheduled."

"The completion of the Tramming Loop and sinking of the No. 6 Winze earlier in the year were significant steps towards progressively increasing production from 2016 onwards to achieve an annual rate of 80,000 ounces of gold by 2021."

"The Central Shaft project remains on target. I expect that the pre-sink will be completed by the end of 2015 and the main sink phase from 90 metres to 1,080 metres will commence in mid-January 2016."

"We look forward to keeping the market updated with further progress."

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.

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