

CALEDONIA MINING CORPORATION

PRESS RELEASE

March 27, 2001, 3.00 p.m.

Caledonia Mining Corporation ("Company" TSE-CAL) has given notice to Spring Hills Trading Ltd. that it is in default under Spring Hills' agreements with the Company dated December 22, 2000 - and that, if the default is not remedied by March 30, 2001, the agreements may be cancelled.

The agreements provided for Spring Hills' purchase of 49% of the Company's shares in its South African subsidiary companies Eersteling Gold Mining Company Ltd. and Barbrook Mines Ltd. None of the monthly payments that were to have been made to the Company have been received and other defaults have occurred.

The Company has verified that Spring Hills did, pursuant to the agreements, initiate gold production from the Barbrook Mine - through the use of a mining contractor. The Company expects that, if it terminates the Spring Hills agreements, it will be able to enter into a contract directly with a mining contractor so that production will be continued from the Barbrook Mine for the account of the Company.

For further information please contact Caledonia Mining Corporation:

S. Hayden

Chairman, President and CEO
South Africa

TEL: (011-27-11) 447-2499

FAX: (011-27-11) 447-2554

James Johnstone

V-P Operations and COO
Canada

TEL: (1-905) 607-7543

FAX: (1-905) 607-9806

F.C. Harvey

Technical Director
Canada

TEL: (1-905) 607-7543

FAX: (1-905) 607-9806

Or visit Caledonia on the Worldwide Web at <http://www.caledoniamining.com>