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Caledonia concludes the sale of the Barbrook Mine

Toronto, Ontario – June 2, 2008: Caledonia Mining Corporation ("Caledonia") (TSX: CAL, NASDAQ-OTCBB: CALVF, AIM: CMCL) is pleased to announce that the sale of Barbrook Mines Limited, in South Africa, to Eastern Goldfields SA (Pty) Ltd was concluded on May 30, 2008 and that Caledonia has received approximately C\$9.3 million in full settlement of the sale price. In addition to the sale price, and in terms of the sale agreement, Eastern Goldfields has now assumed liability for the Barbrook creditors of approximately C\$1.2 million and for all Barbrook's present and future rehabilitation liabilities.

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Further information regarding Caledonia's exploration activities and operations along with its latest financials may be found at www.caledoniamining.com.

Certain statements included herein are "forward-looking statements". Management cautions that forward-looking statements are not guarantees and that actual result could differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause the actual results of operations, exploration or development programs, or the financial condition of the Company, to differ include, but are not necessarily limited to, the risks and uncertainties discussed in documents filed by the Company with the various regulatory authorities having jurisdiction.

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