



Caledonia Mining Corporation

Unit 9 • 2145 Dunwin Drive • Mississauga
Ontario L5L 4L9 • Canada
Tel: +1 (905) 607 7543
Fax: +1 (905) 607 9806
www.caledoniamining.com



CALEDONIA AMENDS TERMS OF SHARE PURCHASE WARRANTS

Toronto, Ontario - September 14, 2005: Caledonia Mining Corporation (“Caledonia”) (TSX: CAL, NASDAQ: CALVF, AIM: CMCL) has amended the terms of 27,232,909 outstanding share purchase warrants - which have had exercise dates of September 29, 2005 as to a portion, and October 26, 2005 as to the balance - all exercisable at \$0.55 per share. All of the warrants will now be exercisable at \$0.11 per share on or before October 31, 2005.

The warrants were granted in a 2004 private placement by Caledonia. As they are now seriously out of the money it is considered appropriate the exercise prices be reduced to \$0.11 per share. The closing market price of Caledonia’s shares on the Toronto Stock Exchange on September 12, 2005 was \$0.11 per share. Caledonia is optimistic that, based on the new terms, a significant number of the warrants will be exercised thereby providing it additional working capital.

For further information please contact Caledonia Mining Corporation:

Stefan Hayden
President and CEO,
Caledonia Mining
Tel: +27-11 447-2499

James Johnstone
V-P Operations and COO
Caledonia Mining
Tel: +1 (905) 607-7543

Alex Buck / Nick Bias
Buck-Bias
Tel: +44 7932 740 452

Further information regarding Caledonia's exploration activities and operations along with its latest financials may be found on the Corporation's website <http://www.caledoniamining.com>

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