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The Directors of the Company, whose names appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

London Stock Exchange plc has not itself examined or approved the contents of this document.

CALEDONIA MINING CORPORATION

APPENDIX

Further Information on Caledonia Mining Corporation in connection with its Proposed Admission to AIM

This Appendix has been prepared in accordance with the Supplement to Schedule One of the AIM Rules published by London Stock Exchange plc. It includes, *inter alia*, all information that would otherwise have had to be included in the Company's Admission Document and which is not found in the current public disclosure record, or in current public disclosure filed by the directors and senior officers of the Company, all as filed with the Canadian securities regulatory authorities (collectively, the "Public Record"). The Public Record can be accessed freely on www.sedar.com, www.sedi.ca and www.edgar.com. This Appendix should be read in conjunction with the Schedule One Pre-Admission Announcement to be made by an applicant at least 20 business days prior to Admission (the "Announcement Form") and the Public Record. This Appendix and the Announcement Form together constitute "the Announcement".

A copy of this document, which is dated 13 May 2005, will be available via the Company's website at www.caledoniamining.com from 13 May 2005 until the date one month from the date of Admission.

Seymour Pierce Limited, which is a member of the London Stock Exchange and authorised and regulated by the Financial Services Authority, is acting as Nominated Adviser and Broker exclusively for the Company in connection with the proposed Admission and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of Seymour Pierce Limited or for advising any other person in relation to the Admission and the contents of the Announcement. The responsibilities of Seymour Pierce Limited, as Nominated adviser, are owed solely to the London Stock Exchange plc. No liability is accepted by Seymour Pierce Limited for the accuracy of any information or opinions contained in, or for the omission of any material information from, the Announcement for which the Directors are solely responsible.

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DEFINITIONS

“Admission”	admission of the Common Shares (including the new Common Shares to be issued pursuant to the Placing) to trading on AIM in accordance with the AIM Rules
“AIM”	the AIM Market regulated by the London Stock Exchange plc
“AIM Rules”	the rules for AIM companies as published by London Stock Exchange plc from time to time
“Articles”	the articles of the Company at the date of this document
“Board” or “Directors”	the directors of the Company whose names are set out on page 3 of this Appendix
“CBCA”	Canadian Business Corporation Act
“Cdn\$”	Canadian dollars
“Company” or “Caledonia”	Caledonia Mining Corporation
“Common Shares”	the Common shares without par value in the capital of the Company
“CREST”	the system for paperless settlement of trades and holdings of uncertificated shares administered by CRESTCo Limited
“Group”	the Company and its subsidiaries
“Placing”	the conditional placing of new Common Shares by Seymour Pierce
“Placing Agreement”	the conditional agreement dated 12 May 2005 relating to the Placing, summary details of which are set out in paragraph 9 of this document
“Seymour Pierce”	Seymour Pierce Limited
“Shareholder(s)”	(a) holder(s) of Common Shares
“Stock Option Plan”	the Stock Option Plan of the Company
“UK”	the United Kingdom of Great Britain and Northern Ireland
“US\$”	United States dollars

DIRECTORS, SECRETARY AND ADVISERS

Directors	George Rupert Pardoe Stefan Edward Hayden James Johnstone Frederick Christopher Harvey Carl Roland Jonsson Walter Ian Logan Forrest Roland Germain Fasel	<i>Chairman</i> <i>President and CEO</i> <i>Vice President Operations, COO</i> <i>Technical Director</i> <i>Director and Legal Counsel</i> <i>Director</i> <i>Director</i>
Company Secretary	Frederick Christopher Harvey	
Registered Office	Unit 9, 2145 Dunwin Drive, Mississauga, Ontario, Canada L5L 4L9	
Nominated Adviser and Broker	Seymour Pierce Limited Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL	
UK Solicitors to the Company	Memery Crystal 44 Southampton Buildings, London WC2A 1AP	
Canadian Solicitors to the Company	Borden Ladner Gervais LLP Suite 4100, Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3Y4 Canada Tupper Jonsson and Yeadon 1710-1177 West Hastings Street, Vancouver, British Columbia V6E 2L3 Canada	
Solicitors to the Placing	Field Fisher Waterhouse 35 Vine Street, London EC3N 2AA	
Auditors	BDO Dunwoody LLP Suite 3200, 200 Bay Street, Royal Bank Plaza, South Tower, Toronto, Ontario M5H 2J8 Canada	
Registrar and Transfer Agents	Equity Transfer Services Inc Suite 420, 120 Adelaide Street West, Toronto, Ontario, Canada	

1. CALEDONIA

Caledonia is a mining, exploration and development company which either owns or has rights to a portfolio of mines and exploration properties in South Africa, Canada and Zambia.

2. INCORPORATION

Caledonia was created on 5 February 1992 by the amalgamation of Golden North Resource Corporation, Thorco Resources Inc. and Doelcam Mining Corporation under the British Columbia Company Act.

Caledonia de-registered as a corporation under the above Act and registered as a Canadian corporation under the provisions of the Canadian Business Corporations Act (CBCA) in March 1995.

The liability of the Shareholders is limited.

3. SHARE CAPITAL

3.1 The authorised and issued share capital of the Company as at 12 May 2005 (being the latest practicable date prior to the issue of the Announcement), was as follows:

<i>Authorised Number</i>	<i>Type of Security</i>	<i>Issued and Fully Paid Number</i>
unlimited	Common Shares without par value	301,112,286 Common Shares
unlimited	Preference Shares without par value	nil

3.2 There are no limits on the duration of the authorisation of the Directors to issue any of the authorised share capital of the Company.

3.3 All the issued Common Shares are fully paid.

3.4 All the issued Common Shares rank *pari passu* as to voting rights, participation and distribution of the Company's assets on liquidation, dissolution or winding-up and the entitlement to dividends. Holders of Common Shares are entitled to receive notice of, attend and vote at all meetings of Shareholders. Each Common Share carries one vote at such meetings.

3.5 Holders of Common Shares are entitled to dividends if and when declared by the Directors and, upon liquidation, to receive such portion of the assets of the Company as may be distributable to such holders.

3.6 The Common Shares are not subject to call or assessment rights or any pre-emptive or conversion rights. There are no provisions attached to the Common Shares for redemption, purchase for cancellation or surrender.

Except as disclosed in the Announcement or in the Public Record, no share capital of the Company is under option, or is agreed, conditionally or unconditionally, to be put under option.

3.7 The Company does not have in issue any listed or unlisted securities not representing share capital and, save for the options and warrants disclosed in the Public Record, there are no convertible securities of the Company outstanding.

4. ARTICLES AND BY-LAWS

4.1 The Company is governed by its Articles of Continuance and Articles and pursuant to the provisions of the CBCA.

4.2 The Articles of Continuance and the Articles, and the CBCA where applicable, contain provisions to the following effect:

(a) *Directors*

The Articles provide that at each annual general meeting of the shareholders, the directors of the Company shall retire from office and the shareholders entitled to vote at the annual

general meeting shall elect a new board of directors. The number of directors of the Company will be that number of directors as are appointed or elected. Thereafter, the number of directors can be fixed from time to time by an ordinary resolution of the shareholders of the Company but at no time can the number of directors be less than three.

The directors hold office for a term expiring at the close of the next annual general meeting of the shareholders following such election or, if an annual general meeting is not held in accordance with the CBCA, then they continue until they resign or a general meeting of the shareholders is held.

Under the Articles, the existing board of directors may, between successive annual general meetings, appoint one or more additional directors to serve until the next annual general meeting provided that the number of additional directors so appointed shall not exceed one third of the number of directors elected at the preceding annual general meeting.

The directors may fill any casual vacancies that arise in the board between annual general meetings.

Every question decided at a meeting of the board of directors shall be decided by a majority of the votes cast on each question. In the case of an equality of votes, the chairman shall have a second or casting vote.

The directors may by resolution constitute, dissolve or reconstitute an Executive Committee or any other committees as the board sees fit. Each committee shall have the powers, authorities and discretions delegated to it by the board of directors.

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for all of the expenses properly incurred by them in and about the business of the Company. If a director performs any professional or other services for the Company that in the opinion of the directors are outside of the ordinary duties of a director, such director may be paid an amount to be fixed by the board and may be in addition to any other remuneration received.

(b) Officers

The board of directors has the authority to appoint those officers as it determines are necessary and to terminate any such appointments. It also has the authority to determine the duties and functions of, and the remuneration paid to, each officer.

(c) Disclosure of Conflicts

Subject to the CBCA and the Articles, a director or senior officer who (i) has a material interest in a contract or transaction, or (ii) is a director or senior officer of (or has a material interest in) a person who has a material interest in a contract or transaction, that is material to the Company and that the Company has entered, or proposes to enter, must disclose the nature and extent of his or her interest at the directors' meeting at which the contract or transaction is first considered or at the first meeting after he or she becomes interested, or if an individual who is interested in a contract or transaction later becomes a director, at the first meeting after he or she becomes a director. An interested director shall not vote on any resolution to approve the contract or transaction except as provided by the CBCA.

(d) Indemnity

Subject to the provisions of the CBCA, the directors shall cause the Company to indemnify a current or former director or officer of the Company, and the directors may cause the Company to indemnify a current or former director or officer who, at the request of the Company, held the position of director or officer of a corporation affiliated to the Company or an equivalent position in a partnership, trust, joint venture or other unincorporated entity, and the heirs and personal representatives of such persons, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment or penalty, actually and reasonably incurred by him or her, including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which he

or she is made a party by reason of his or her being or having been a director or officer of the Company, a director or officer (or equivalent position) of an affiliated corporation or other organization. The Company shall apply to the court for all approvals of the court which may be required to make any such indemnity effective and enforceable.

(e) *Share Allotment and Issuance*

The shares of the Company are under the control of the directors who may, subject to any applicable securities legislation and to the rights of the then existing shareholders, issue, allot, sell or otherwise dispose of, and grant options on, or otherwise deal in, the shares of the Company in such manner as they, in their absolute discretion, see fit.

(f) *Transferability of Shares*

The CBCA provides that shares of a company are transferable as provided by the articles of that company. The Articles of the Company do not contain any restrictions on the transfer of its shares.

(g) *General Meetings*

The Company must hold an annual general meeting once during each calendar year and no later than 13 months after the date of the last annual general meeting unless all shareholders entitled to attend and vote at the annual general meeting consent in writing to all matters that are required to be transacted at the annual general meeting.

In accordance with the CBCA, shareholders holding more than 5 per cent of the issued shares may requisition the holding of a general meeting of the shareholders. Also, the directors may convene extraordinary general meetings of the shareholders whenever they see fit.

The CBCA provides that the directors may set a record date for the purpose of determining which shareholders will be entitled to attend and vote at a general meeting. If no record date is set, then the record date is as of 5.00 p.m. on the day immediately preceding the day on which notice of the meeting was sent to the shareholders or, if no notice was sent, at the beginning of the meeting.

Quorum for general meetings is two persons present and being, or representing by proxy, members holding not less than one-tenth of the issued shares entitled to be voted at the meeting.

(h) *Voting Rights*

Each Common Share entitles the holder to one vote at a meeting of shareholders. Subject to the CBCA, any question at a meeting of the shareholders shall be decided by a show of hands and every member who is present in person and entitled to vote thereat shall have one vote. A declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

A shareholder which is a corporation may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any general meetings or class meetings. Evidence of the appointment of this representative may be sent to the Company by written instrument by any method of transmitting legibly recorded messages.

A shareholder entitled to vote at a meeting of the shareholders may, by proxy, appoint a proxyholder or one or more alternate proxyholders, as his or her nominee to attend and act at a meeting in the manner, to the extent and with the power conferred by the proxy. A proxyholder need not be a shareholder, but must be a person.

On any question proposed for consideration at a meeting of the shareholders, either before or on the declaration of the result of the show of hands vote, the chairman may direct a poll

or it may be demanded by at least one shareholder entitled to vote who is present in person or in proxy except that a poll may not be demanded on the election of a chairman. A poll so required or demanded shall be taken in such manner as the Chairman of the meeting shall direct. If a poll is taken, each shareholder shall have one vote for each share of which he or she is the registered holder and may exercise the vote either in person or by proxy, and the result of the poll so taken shall be the decision of the shareholders upon said question. In any dispute as to the admission or rejection of a vote, the decision of the chairman made in good faith shall be final and conclusive.

(i) Dividends

The directors may from time to time declare dividends to the shareholders in accordance with the CBCA and any special rights and restrictions attached to each class of shares. Dividends declared by the Company may be paid in cash or in assets, including securities of the Company.

Dividends that are declared may be paid on any date that is fixed by the directors of the Company. The directors may fix a record date for the purpose of determining which shareholders will be entitled to receive a dividend that is declared, which date may not precede the date on which the dividend will be declared by more than 2 months. If a record date is not set by the directors, then the record date is as of 5.00 p.m. on the date on which the directors' resolution declaring the dividend is passed by the board.

The Act provides that a company may not declare or pay a dividend if there are reasonable grounds for believing that the company is insolvent or that the payment of the dividend would render the company insolvent.

(j) Purchase and Redemption

The Company may, by a resolution of the Directors and in compliance with the CBCA, purchase or redeem any of its shares at the price and on the terms specified in such resolution.

(k) Alteration of Capital

Subject to the provisions of the CBCA, the Company may, by passing an ordinary resolution, amend its capital to create a new class of shares or to increase the existing number of authorised shares of a particular class. With respect to all other capital alterations, the Company must be authorised by a special resolution.

In all cases, if any class of shareholders will be affected by a change to the capital of the Company, regardless of whether the class of shareholders was entitled to vote on the general resolution or not, a separate special resolution must be passed by that class of shareholders approving of the proposed amendment to the Company's capital.

(l) Borrowing Powers

The Articles authorise the directors to (i) borrow money in such manner and amount, and on such security, and on such terms and conditions as they see fit, (ii) to guarantee the repayment of money by, or the performance of any obligations of, any other person, (iii) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person, and (iv) mortgage, charge, whether by way of specific or floating charge, or give other security on the undertaking, or on the whole or any part of the property and assets, of the Company (both present and future).

(m) Liquidation and Dissolution of the Company

In the event of any liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, each shareholder of the Company will be entitled to receive the property of the Company that is remaining on a pro rata basis based on his, her or its proportionate shareholdings in the capital of the Company.

(n) *Definitions contained in the CBCA*

“Ordinary Resolution” means a resolution passed by a majority of the votes cast by shareholders who voted at a general meeting in respect of that resolution.

“Special Resolution” means a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders at a general meeting who voted in respect of that resolution.

5. DIRECTORS' INTERESTS

5.1 As at 12 May 2005, the latest practicable date prior to the issue of the Announcement, the interests of the Directors, including the interests of any persons connected with them (within the meaning of Section 346 of the Companies Act 1985 (UK)), all of which are beneficial, in the issued share capital of the Company, are as follows:

<i>Name</i>	<i>Number of Common Shares</i>	<i>Percentage of issued Common Shares</i>
Rupert Pardoe	Nil	Nil
Stefan Hayden	Nil	Nil
Jim Johnstone	Nil	Nil
Chris Harvey	4,300	0.001%
Carl Jonsson	59,469	0.019%
Ian Forrest	17,000	0.005%
Roland Fasel	Nil	Nil

5.2 The following table sets out the names of the Directors to whom stock options have been granted and the number of Common Shares subject to such stock options as at 12 May 2005, being the latest practicable date prior to the issue of the Announcement:

<i>Name</i>	<i>Number of Common Shares under Option</i>	<i>Exercise Price Cdn\$</i>	<i>Expiration Date</i>
Rupert Pardoe	4,000,000	0.11	1 February 2015
Stefan Hayden	175,000	0.33	9 February 2008
	4,000,000	0.235	24 April 2012
Jim Johnstone	135,000	0.33	9 February 2008
	2,000,000	0.235	24 April 2012
Chris Harvey	135,000	0.33	9 February 2008
	2,000,000	0.235	24 April 2012
Carl Jonsson	66,000	0.33	9 February 2008
	1,459,000	0.235	24 April 2012
Ian Forrest	66,000	0.33	9 February 2008
	500,000	0.235	24 April 2012
Roland Fasel	200,000	0.26	15 August 2014

6. ADDITIONAL INFORMATION ON THE DIRECTORS

6.1 Details of the Directors and their directorships and partnerships, other than of the Company, held at present and within the five years preceding the date of the Announcement are as follows:

6.1.1 **Rupert Pardoe**, aged 48, of 11 The Valley Road, Westcliff, Johannesburg 2193, South Africa

Current Directorships and Partnerships

None

Past Directorships and Partnerships

ABSA Group Limited	Anglo American Electronics Laboratory (Pty) Limited
ABSA Bank Limited	Anglo American Gold Investments Company Limited
Bankhaus Wölbern	Anglo American Group Employee Shareholder Nominees Limited
National Bank of Commerce (Tanzania)	Anglo American Industrial Corporation Limited
Commercial Bank of Zimbabwe	Anglo American International Services Limited
Bank Windhoek	Anglo American Investment Trust Limited
A.R.H Investments Limited	Anglo American Johannesburg Centenary Trust
A.R.H Limited SA	Anglo American Mineral Rights Agency (Pty) Limited
A.R.H Services (Netherlands) BV	Anglo American Platinum Corporation Limited
AAC Pension Fund Nominees (Pty) Limited	Anglo American Properties Limited
AAC Travel Services Limited	Anglo American Research Laboratories (Pty) Limited
AACMED Holdings (Pty) Limited	Anglo Corporate Enterprises (Pty) Limited
Abalyn Investment Holdings Limited	Anglo European Holdings Limited
AECI Limited	Anglo Industries Limited
Alex Holdings (Pty) Limited	Anglo Middle Eastern Holdings Limited
African and European Investment Company Limited	Anglo Operations (Netherlands) BV
African Gold & Base Metal Holdings Limited	Anglo Operations Limited
Alioth Investment Holdings (Pty) Limited	Anglo South Africa (Pty) Limited
Ambase Exploration (Mozambique) Limited	Anglo South Africa Capital (Pty) Limited
Ambase Exploration (Togo) Limited	Anglo Ventures (SA) (Pty) Limited
Ambase Investments (Botswana) Limited	Anmercosa 47 Main Limited
Ambase Investments (Burundi) Limited	Anmercosa 9 West Limited
Ambase Investments (Kolco) Limited	Anmercosa African Ventures Limited
Ambase Investments (Morocco) Limited	Anmercosa Anderson (Pty) Limited
Ambase Investments (Mozambique) Limited	Anmercosa Avonlea Limited
Ambase Investments (Tanzania) Limited	Anmercosa Broking Agencies (Pty) Limited
Ambase Investments (Togo) Limited	Anmercosa Finance Limited
Ambase Prospects (Congo) Limited	Anmercosa Investments (Angola) Limited
Ambot Holdings Limited	Anmercosa Investments (Burkina Faso) Limited
Amcorp Exploration (Iberia) Limited	Anmercosa Investments (Congo) Limited
Amcorp Investments Limited	Anmercosa Investments (Cote d'Ivoire) Limited
Amhold Industrial Company Limited	Anmercosa Investments (Eritrea) Limited
Ampros (Pty) Limited	Anmercosa Investments (Ethiopia) Limited
Anglo African Holdings Limited	Anmercosa Investments (Ghana) Limited
Anglo American Corporation (Mozambique) Services Limited	Anmercosa Investments (Kenya) Limited
Anglo American Corporation (Mozambique) Servicos Limitada	Anmercosa Investments (Niger) Limited
Anglo American Corporation Botswana (Services) Limited	Anmercosa Investments (Ventures) Limited
Anglo American Corporation of South Africa Limited	Anmercosa Investments (Zambia) Limited
Anglo American Corporation Vehicle Hire Limited	

Anmercosa Land and Estates Limited	Findiv Seven Investment Holdings (Pty) Limited
Anmercosa Marshall (Pty) Limited	Findiv Three Investment Holdings (Pty) Limited
Anmercosa Pension Trustees Limited	First National Bank of SA Limited
Anmercosa Unitas Limited	First National Bank of Southern Africa Limited
Ansart Investments Limited	FirstCorp Merchant Bank Holdings Limited
Anselde Holdings Limited	FirstRand Bank Holdings Limited
ApexHi Properties Limited	FirstRand Bank Limited
Aurora Holdings Limited	FirstRand Limited
Aval Holdings Limited	Foodgardens Foundation
Balgo Nominees (Pty) Limited	Galates Investment Holdings Limited
Banksman Limited	Gallego Investments Limited
Bellatrix Finance Company (Pty) Limited	Geduld Proprietary Mines Limited
Boart Longyear Limited	Gerencia Industrial Limited
Buttercup Company Limited	Glavis Investment Holdings (Pty) Limited
Calar Investment Holdings Limited	Harlequin Nominees Limited
Calliope Holdings Limited	Hawk Holdings Limited
Cardium Holdings Limited	Hermanus Riviera Estates (Pty) Limited
Centesis Investment Holdings Limited	Hermitage Limited
Cashew Investments Limited	Highground Investments Limited
Central Reserves (Pty) Limited	Highveld Steel and Vanadium Corporation Limited
Centramic (South Africa) Limited	Holdac Limited
Cepheus Investment Holdings (Pty) Limited	Ibam Limited
Chamfron Limited	Industrias De Caju Mocita SARL
Chichane Refurbishment & Salvage Management Services (Pty) Limited	Institutional Investments Limited
Compass Property Holdings Limited	Isatin Investments Holdings (Pty) Limited
Crompton Limited	Itango Holdings Limited
Crystalclear Limited	Jupiter Investments SA
Cyberline (Pty) Limited	Lansan Investment Holdings Limited
Delaunay Four Limited	Lepus Projects (Pty) Limited
Delaunay Limited	Loftus Limited
Delaunay Three Limited	Lot 455 Kuils River (Pty) Limited
Delaunay Two Limited	Lumen Limited
Delroy Investment Holdings Limited	Lyrup Investment Holdings (Pty) Limited
Dido Nominees Limited	Mahal Investments Limited
Domino Limited	Majolica Holdings Limited
Drommond Limited	Mallord Properties Limited
Electrotech Investments Limited	Manakin Investments BV
Epoch Investments Holdings Limited	Mandara Nominees (Pty) Limited
Equinox Investments Limited	Maraba Gold Mining Company Limited
Erabas BV	Martingale Investments Limited
Erongo Mining and Exploration Company Limited	Meteor Industrial Property Holdings Limited
Euranglo Limited	Millenium Chemical Company (Pty) Limited
Falcon Investments Limited	Minpress Investments Limited
Fathom Holdings Limited	Mondi Limited
Fermain Nominees Limited	Namibia Tecserve (Pty) Limited
Findiv Eight Investment Holdings (Pty) Limited	Natal Coal Syndicate (Pty) Limited
Findiv Five Investment Holdings (Pty) Limited	New Central Witwatersrand Areas Limited
Findiv Four Investment Holdings (Pty) Limited	Overseas Tecserve Limited
Findiv Nine Investment Holdings (Pty) Limited	Petard Nomniees Limited
Findiv One Investment Holdings (Pty) Limited	Premisab Holdings Limited
	Quiver Holdings Limited
	Rand Merchant Bank Limited

Rand Selection Corporation Limited	Tawny Eagle Holdings (Pty) Limited
Resident Investments Limited	The Consolidated Mines Selection (Johannesburg) Limited
Resident Nominees Limited	The New Era Consolidated Limited
Revetment Holdings Limited	The Tongaat-Hulett Group Limited
Rhoanglo Trustees Limited	Tinana Holdings Limited
Rhochar Holdings Limited	Turmin Holdings Limited
Risana Estates Limited	Turnstone Holding Limited
Safetech 1 Limited	Turnstone Two Limited
Scaw Metals Limited	Urmston Limited
Security Nominees Limited	Vambrace Limited
Sedgford Limited	Viaduct Corporate Investments
Serpens Agency (Pty) Limited	Viaduct Corporate Investments Limited
Somerton Limited	Viaduct Corporate Services Limited
South African Townships Mining and Finance Corporation	Viaduct Nominees Limited
Stockade Investments Limited	Waterberg Limited
Surmap Services (Pty) Limited	Zaaiwater Limited
Tabot Limited	Zambia Copper Investments (Luxembourg) Limited SA
Tanunda Investment Holdings (Pty) Limited	Zamcorp Holdings Limited
Tarchon Investment Holdings Limited	ZCI Holdings Limited
Tarl Investments Limited	Zimela Empowerment Initiative (Pty) Limited
Taurus Nominees Limited	
Tawny Eagle (Pty) Limited	

6.1.2 **Stefan Hayden**, aged 59, of 24 Ninth Street, Lower Houghton, Johannesburg 2198, South Africa

Current Directorships and Partnerships

Barbrook Mines Limited
Caledonia Kadola Limited
Caledonia Mining Zambia Limited
Caledonia Nama Limited
Caledonia Western Limited
Eersteling Gold Mining Company Limited
Fintona Investments (Pty) Limited
Fynegold Exploration Limited
Greenstone Management Services (Pty) Limited
Industrial Brokers C.C.
Maid O' Mist (Pty) Limited
The Scottish Gold Centre Limited

Past Directorships and Partnerships

Bastian Investments C.C.
Caledonia Mining (Malawi) Limited
Caledonia Mining (Namibia) Limited

6.1.3 **Jim Johnstone**, aged 64, of Unit # 9, 2145 Dunwin Drive, Mississauga, Ontario, L5L 4L9

Current Directorships and Partnerships

The Scottish Gold Centre Limited
Fynegold Exploration Limited
Barbrook Mines Limited
Eersteling Gold Mining Company Limited

Past Directorships and Partnerships

Eurogold
Filon Sur SA

6.1.4 **Chris Harvey**, aged 61, of Unit # 9, 2145 Dunwin Drive, Mississauga, Ontario, L5L 4L9

Current Directorships and Partnerships

Fynegold Exploration Limited
Eersteling Gold Mining Company Limited
Barbrook Mines Limited

Past Directorships and Partnerships

Deep Impact Human Services
Filon Sur SA
Holmer Gold Mines Limited
Renaissance-Kofarago Inc.
Skyborne Exploration Canada
Doelcam Inc.
Minera Portree de Zacatecas SA de CV
Jales de Zacatecas SA de CV
International Tailings Corporation Limited

6.1.5 **Carl Jonsson**, aged 70, of Suite 1710, 1177 West Hastings Street, Vancouver, British Columbia, Canada V6E 2L3

Current Directorships and Partnerships

Bonterra Energy Income Trust
Bonterra Energy Corp
Comaplex Minerals Corp
Comet Industries Limited
Comstate Resources Limited
Global Net Entertainment Corp
Acres Ventures Limited
Dolly Varden Resources Limited
Altima Resources Limited
Krokabo Enterprises Limited
Estey Agencies Limited
Comaplex U.S., Inc.
Tupper Jonsson & Yeadon
Sahara International Mines Limited
Tupjon Management Limited
Pine Cliff Energy Limited

Past Directorships and Partnerships

Novitas Energy Limited
Global CT & T Telecommunications Limited
Earthworks Industries Inc
CRJ Law Corporation
TelcoPlus Enterprises Limited
GET Enterprises Limited
Dagda Trading Limited
GBR Enterprises Corp.
Comstate Income Trust Resources

6.1.6 **Ian Forrest**, aged 66, of 10 Ruelle de la Poterne, 1260 Nyon, Switzerland

Current Directorships and Partnerships

Anglo Scandinavian Petroleum Plc
Belmore Resources Holdings Plc
Blue Wing Investments Limited
Bolcar Investments Limited
Bridgenorth SA
Camanoe Developments Limited
Charles Street International Limited
Colen Limited
Concept Brokerage Holding Inc.
Desire Petroleum Plc
Dromedary Trading Limited
Ellen Holdings BV
FlightParks Limited
Gaelic Oil Plc
Gaelic Resources Plc
Georex SA
Interaf SA
Interoil Limited
Island & Coastal Minerals (Sierra Leone) Limited
Kensid Trading SA
Leman Nominee Company Limited
Mengold Resources Inc.
Meribel Holdings Limited
Metcom Trading SA

Past Directorships and Partnerships

A.B Airlines Plc
AP International Maritime Finance Limited
London Wall Securities Limited
Reunion Mining Plc
The Association of Small Company Investors Limited

Micor Trading SA
 Molard Financial Management Services SA
 Molard Nominees SA
 Paddington Investments SA
 Panares Resources Inc.
 Pentex Italia Limited
 Phoenix Global Management Limited
 PolyMet Mining Corp
 Rene Gott SA
 Texican Oil Plc
 Viatrade Plc
 Technology Support Corp Limited
 Texinvest SA
 Tortin Holdings Limited
 Trexploration SA
 WNJ Corporation

6.1.7 **Roland Fasel**, aged 61, of 17 rue du Mont Blanc, P.O. Box 1990, 1211 Geneve 1, Switzerland

Current Directorships and Partnerships

Tubular Quality Assurance SA
 Head Switzerland
 WR Trading SA
 Fiducial Holding SA
 Fiducial Geneve SA
 YXA Finance SA
 IAM Independent Asset Management SA
 Fiducial SA
 La Defense Automobile et Sportive (DAS)
 LYA SA
 Progesco Geneve SA
 DBA Management Services UK Limited

Past Directorships and Partnerships

Opticent SA
 Merifa SA
 SGH Societe d'Hypotheques et de Gestion SA
 Lornto SA
 Viarema SA

6.2 Save as set out in sub paragraph 6.3 below none of the Directors:

- (a) has any unspent convictions in relation to indictable offences; or
- (b) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or
- (c) has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
- (d) has been a partner of any partnership which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (e) has had any public criticism by any statutory or regulatory authorities (including designated professional bodies); or
- (f) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

6.3 6.3.1 Mr Jonsson has been, within the past 3 years, a director of the three companies below, the shares of which were/are listed on the TSX Venture Exchange and its predecessor, in Canada, that were the subject of Cease Trade Orders issued by Provincial Securities Regulators having jurisdiction over them. In each case Mr Jonsson held the positions incidental to his acting as the solicitor for the companies:

- (a) A director of Global CT&T Telecommunications Limited, from August 1987 to August 2003, where a Cease Trade Order was issued against it on 25 August 2000 for failure to file and distribute financial statements which has not been rescinded.
 - (b) A director of Global Net Entertainment Corp., where a Cease Trade Order was issued against it on 29 September 2003 for failure to file and distribute financial statements which has not been rescinded.
 - (c) A director of TelcoPlus Enterprises Limited until 4 February 2005, where a Cease Trade Order was issued against it on 3 June 2003 for failure to file and distribute financial statements, which was rescinded on 26 January 2005.
- 6.3.2 Mr Jonsson was a director of Warrior Industries Limited which had a U.S. subsidiary which made a filing in the U.S. under the shareholder protection provisions of the U.S. Bankruptcy Code.
- 6.3.3 Mr Jonsson was a director of Jafta International Inc., which made a filing under Chapter 11 of the U.S. Bankruptcy Code.
- 6.3.4 Mr Jonsson was a director of Pax Petroleum Limited when, as part of the financial and management disintegration of that company, its President, as a debenture holder, appointed a receiver to seize the company's assets on 20 September 1991. Mr Jonsson therefore resigned as a director of Pax Petroleum Limited on 26 September 1991.
- 6.3.5 Mr Forrest became a director of AB Airlines plc on 30 June 1999 and resigned on 30 July 1999. On 30 July 1999, AB Airlines plc was placed into administrative receivership.

7. ARRANGEMENTS AND REMUNERATION OF DIRECTORS

- 7.1 (a) On 22 May 1997 the Company entered into a Management Agreement with Epicure SA to provide the services of Stefan Hayden as non-executive Chairman of the Company.
- On 24 June 2004, the Company entered into an Amendment Agreement with Epicure Overseas SA whereby the Management Agreement was amended so that Epicure Overseas SA replaced Epicure SA and Mr Hayden became President and Chief Executive Officer of the Company. Epicure Overseas SA is entitled to a fee of Cdn\$30,000 per month. Epicure Overseas SA is also entitled to US\$5,250 per month to cover expenses incurred by Mr Hayden. The Management Agreement (as amended) is terminable on six months written notice by either side.
- (b) On 16 August 2004, the Company entered into an agreement with Roland Fasel under the terms of which he agreed to act as a director of the Company. Mr Fasel is entitled to a fee of Cdn\$10,000 per annum. In addition, he is entitled to be reimbursed in respect of expenses. Mr Fasel is entitled to resign as a director at any time by providing a written resignation.
 - (c) On 31 January 2005, the Company entered into an agreement with Rupert Pardoe under the terms of which he agreed to act as Non-executive Chairman. Mr Pardoe is entitled to a fee of Cdn\$30,000 per annum, together with a daily fee of Cdn\$3,000 for each full day (9 hours) he spends providing his services and a fee of Cdn\$333.33 per hour, if he works for less than a day. He is entitled to be reimbursed in respect of expenses. Mr Pardoe is entitled to resign at any time on providing written resignation to the Company or any of its Directors.
 - (d) Mr Johnstone accepted the position of Vice President of Operations on 8 January 1997. Mr Johnstone receives an annual salary of Cdn\$200,000 payable monthly in arrears. Benefits received by Mr Johnstone include, medical and dental insurance, travel insurance and a car allowance of Cdn\$600 per month. Mr Johnstone's appointment can be terminated on 12 months' notice from either party, and if termination is due to a change of control or without cause, Mr Johnstone is entitled to a severance payment equal to one year's salary.
 - (e) Messrs Harvey, Forrest and Jonsson have each agreed to enter into letters of appointment with the Company, pursuant to which each has agreed to provide their services as a director

of the Company for a fee of Cdn\$10,000. The appointment will be terminable by 3 months' notice on either side.

- (f) There is a "Key Executive Severance Protection Plan" of 27 January 1997 between Caledonia and two of its directors, namely Mr. S. E. Hayden and Mr. F. C. Harvey. The "Severance Plan" calls for severance payments to these executives of three times their respective basic salaries together with the continuation of their respective benefits (life, medical and dental) for 18 months following termination, if their respective employment is terminated as a result of a change of control of Caledonia.
- (g) There are indemnification agreements between the Company and each of the Directors, pursuant to which the Company has agreed (so far as it is permitted to do so by applicable law) to indemnify him in respect of expenses and liabilities in connection with his position as a director, officer or fiduciary of the Company.

Save as disclosed above, there are no service contracts, existing or proposed, between any Director and the Company and any of its subsidiaries.

- 7.2 In the financial year ended 31 December 2004 the aggregate remuneration paid to the Directors was Cdn\$ 600,000.00.
- 7.3 On the basis of the arrangements in force at the date of the Announcement, it is estimated that the aggregate remuneration payable to the Directors for the year ending 31 December 2005 will be Cdn\$777,500.00.

8. TAXATION

Shareholders who are in any doubt as to their tax position should consult their professional advisers immediately.

9. MATERIAL CONTRACTS

In addition to the agreements summarised in the Public Record (which can be found at www.sedar.com, www.sedi.ca, www.edgar.com and www.caledoniamining.com), the following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries during the two years immediately preceding the date of the Announcement and are, or may be, material as of the date of the Announcement:

- 9.1 A Placing Agreement dated 12 May 2005 was entered into between Seymour Pierce Limited, (1) the Company (2) and the Directors (3) pursuant to which Seymour Pierce has agreed on behalf of the Company to use its reasonable endeavours to procure subscribers, subject to the terms of the Placing Agreement, for such number of Common Shares in the Company as is agreed between the parties, subject to a minimum amount of £2,000,000 being raised. The Agreement is conditional on, *inter alia*, the Placing Price having been agreed between Seymour Pierce and the Company prior to Admission, notifications being filed with the Toronto Stock Exchange and Admission. The Directors and the Company have given usual warranties and indemnities to Seymour Pierce.

Under the terms of the Placing Agreement, the Company will pay Seymour Pierce a corporate finance fee of £75,000 and a commission of 5 per cent. of funds raised up to £5,000,000 and a commission of 4 per cent. of funds raised above £5,000,000. Abort fees are payable if the Placing does not go ahead in certain circumstances.
- 9.2 A nominated adviser agreement dated 12 May 2005 was entered into between Seymour Pierce Limited (1) and the Company (2) pursuant to which Seymour Pierce Limited has agreed to act as the Company's nominated adviser for a fee of £20,000 per annum (plus VAT). The agreement contains indemnities given by the Company in favour of Seymour Pierce. Such engagement is for a minimum period of one year and thereafter can be terminated by either party with three months' notice.
- 9.3 A broker agreement dated 12 May 2005 was entered into between Seymour Pierce Limited (1) and the Company (2) pursuant to which Seymour Pierce Limited has agreed to act as the Company's broker for a fee of £15,000 per annum (plus VAT). The agreement contains indemnities given by

the Company in favour of Seymour Pierce. Such engagement is for a minimum period of one year and thereafter can be terminated by either party with three months' notice.

10. LITIGATION

There are no legal or arbitration proceedings which are active, pending or threatened against, or being brought by, the Company or any member of the Group which are having or may have a significant effect on the Company's or the Group's financial position.

11. WORKING CAPITAL

The Directors have no reason to believe that the working capital available to the Company or the Group will be insufficient for at least 12 months from the date of Admission.

12. GENERAL

12.1 There have been no interruptions in the Company's business which may have or have had in the last twelve months a significant effect on the Company's financial position.

12.2 There are no significant investments by the Company under active consideration.

12.3 There are no patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.

12.4 The Directors are not aware of any exceptional factors which have influenced the Company's activities.

12.5 Save as disclosed in the Announcement, there are no persons (excluding professional advisers otherwise disclosed in the Announcement or in the Public Record and trade suppliers) who have received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding the date of the Announcement, or have entered into any contractual arrangements to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.

12.6 Seymour Pierce has given and has not withdrawn its written consent to the inclusion in the Announcement of references to its name in the form and context in which it appears.

12.7 The costs, charges and expenses payable by the Company in connection with or incidental to Admission, including registration and stock exchange fees, legal and accounting fees and expenses, but excluding commission payable on the Placing, are estimated to amount to £180,000, excluding VAT.

12.8 It is emphasised that, although the Common Shares will trade on AIM, the Company is a Canadian company and will not be subject to takeover regulation in the UK and consequently the City Code on Takeovers and Mergers and the Rules Governing Substantial Acquisitions of Shares will not apply to the Company.

12.9 The Common Shares to be issued pursuant to the Placing will be subject to a four month selling restriction in Canada in accordance with the requirements of the Toronto Stock Exchange and applicable Canadian Securities laws.

13 May 2005