



# CALEDONIA MINING CORPORATION

## NEWS RELEASE

### KIMBERLITE SAMPLE YIELDS SIGNIFICANT DIAMOND RESULTS

OCTOBER 24<sup>th</sup> 2001, 4:30 pm

Caledonia Mining Corporation ("Caledonia") of Toronto (TSE: CAL) and NASDAQ – OTCBB: CALVF) is pleased to report diamond results for the Potentilla kimberlite. As announced on September 7, 2001, the Potentilla kimberlite was discovered on the Kikerk Lake property in the north Slave craton region of Nunavut by Caledonia's joint venture partner Ashton Mining of Canada Inc. ("Ashton").

Drilling at Potentilla identified two different facies within the kimberlite pipe: an upper diatreme facies underlain by a hypabyssal facies. Samples of both materials were processed by caustic dissolution at Ashton's North Vancouver laboratory. The following numbers of diamonds were recovered:

Kimberlite Facies	Sample Weight (kg)	Number of Diamonds	
		Micro (0.1-0.5 mm)	Macro ( $\geq 0.5$ mm in one dimension)
Diatreme	129.1	160	15 ( <i>Note 1</i> )
Hypabyssal	78.7	70	7 ( <i>Note 2</i> )
<b>Total</b>	<b>207.8</b>	<b>230</b>	<b>22</b>

**Notes:**

1. Seven of the macrodiamonds from this sample measure greater than 0.5 mm in two dimensions with the three largest stones measuring 2.13 x 1.94 x 0.87 mm, 1.37 x 0.99 x 0.87 mm and 1.12 x 0.90 x 0.40 mm.
2. Three of the macrodiamonds from this sample measure greater than 0.5 mm in two dimensions with the largest stone measuring 0.80 x 0.52 x 0.39 mm.

As indicated in the September 7 news release, Ashton's drilling program also tested a one kilometre long linear structure in the vicinity of the Potentilla kimberlite. The objective of the drilling was to identify the source of an indicator mineral dispersion fan containing a significant number of G10 pyrope garnets. Two inclined holes drilled from the same location approximately 500 metres northeast of Potentilla intersected brecciated host rock containing kimberlite dykes measuring 45 cm and 15 cm respectively and abundant thin stringers of kimberlite. Initial analysis suggests that the kimberlite intersections may not be the source of the indicator mineral dispersion fan.

The diamond results from Potentilla are reported by Ashton to be the best obtained from the nine kimberlites discovered by Ashton in Nunavut and the Northwest Territories thus far. These results and the presence of well-defined indicator mineral trains clearly indicate the need for further evaluation of Potentilla and continued exploration on the Kikerk Lake property.

Caledonia Mining Corporation ("Caledonia") and Northern Empire Minerals Ltd. ("Northern") respectively hold a 70 percent and 30 percent interest in the property. Ashton is entitled to earn a 52.5 percent interest from Caledonia by incurring \$750,000 in exploration expenditures on the property not later than May 31, 2003. Northern is participating in the current program. Brooke Clements, Professional Geologist and Ashton's Vice President, Exploration, is responsible for the design and conduct of the exploration programs.

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**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>**