

28 January 2010



Caledon Resources plc

('Caledon' or the 'Company')

Quarterly Report for period ending 31 December 2009

Caledon Resources plc, the AIM (CDN) and ASX (CCD) listed Australian coking coal producer announces its quarterly report for the period ending 31 December 2009.

COOK MINE – PRODUCTION

	Quarter			Year to Date		
	December 2009	December 2008	Change	December 2009	December 2008	Change
	'000 T's	'000 T's	%	'000 T's	'000 T's	%
Raw coal production	162	159	+2	604	548	+10
Coking coal produced	109	106	+3	406	378	+7
Thermal coal produced	15	17	-12	79	66	+20
Coking coal sold	109	105	+4	403	397	+1
Thermal coal sold	7	36	-81	76	66	+15

Cook Mine Operations

2009 saleable production of 485,000t was in line with the company's announcement of 8 December 2009. In that announcement the Company stated it was planning on a base production of 700,000t for 2010 and was investigating options for further expansion. This remains the case.

Also as previously stated, the focus of mining activity is currently transitioning from the older northern area of the mine to the new area to the south of pit bottom. As part of this activity, the ABM25 continuous miner and the continuous haulage are currently being relocated and are expected to commence operation in this area in February.

The recommissioning of blast furnace capacity in traditional sea borne markets, strong continuing demand in the growth economies of China and India and reported spot sales of up to USD190/t are reinforcing analyst's forecasts of a significant increase in coking coal prices for the 2010 contract year commencing in April. Any increase in annual coking coal prices will benefit Caledon from the start of the second quarter of 2010.

Minyango

As announced on 8 December 2009, the first stage of field work for the base line ecological study required as part of the environmental permitting process has been completed and the consultants are currently preparing their report. While awaiting this report, there has been no significant activity on Minyango since this last update. A second field program continues to be planned for the second quarter of 2010.

The timing of the Minyango project is linked to the development of the proposed new coal loading terminal at Wiggins Island (in the port of Gladstone) which is currently forecast for 2013.

Wiggins Island Coal Terminal

On 11 December 2009 Wiggins Island Coal Export Terminal Pty Ltd (“WICET”) announced that it had executed the Wiggins Island Framework Deed with the Queensland Government and Gladstone Ports Corporation. This deed provides WICET with the opportunity to develop and own the new port which is scheduled to commence operations in 2013. Caledon is a foundation shareholder in WICET which is the industry-owned proponent of this project.

WICET is currently reviewing tonnage allocation requests for the first stage of the port development in preparation for commitment to take or pay contracts. These contracts will be used as the basis for securing funding for that first stage. Successful participants in this stage will be required to lodge a bid bond reflecting their share of costs to reach Financial Close which is scheduled for July this year.

For further information, please contact:

United Kingdom

Caledon Resources plc

Jeremy Gorman +44 (0) 20 7935 0027

RBC Capital Markets (NOMAD & Broker)

Martin Eales +44 (0) 20 7029 7881

Conduit PR –

Leesa Peters/Jos Simson +44 (0) 20 7429 6603 / +44 (0) 7899 879 450

Australia

Caledon Resources plc

Mark Trevan +61 7 33093103

Rowland (media enquiries)

Bruce Ruddy +61 7 3229 4499

About Caledon Resources plc

Caledon Resources plc is a dual listed public Company listed on the Alternative Investment Market of The London Stock Exchange and The Australian Securities Exchange (trading symbol: AIM:CDN & ASX: CCD).

Caledon is a coking coal producer and explorer in the Bowen Basin of Queensland, Australia. It acquired the mothballed Cook Mine in late 2006 and has since recommissioned the operation and introduced an innovative new underground mining methodology. The Company also purchased the nearby Minyango exploration concessions in 2006 and has conducted a number of drilling programs in preparation for a feasibility study.