29 April 2010

Caledon Resources plc

(‘Caledon’ or the ‘Company’)

Quarterly Report for period ending 31 March 2010

Caledon Resources plc, the AIM (CDN) and ASX (CCD) listed Australian coking coal producer announces its quarterly report for the period ending 31 March 2010.

COOK MINE – PRODUCTION

	Quarter			Year to Date		
	March 2010	March 2009	Change	March 2010	March 2009	Change
	‘000 T’s	‘000 T’s	%	‘000 T’s	‘000 T’s	%
Raw coal production	151	175	-14%	151	175	-14%
Coking coal produced	98	118	-17%	98	118	-17%
Thermal coal produced	14	22	-39%	14	22	-39%
Coking coal sold	102	118	-14%	102	118	-14%
Thermal coal sold	17	7	+141%	17	7	+141%

<u>Cook Mine</u>

As has been widely reported, the coking coal market is transitioning from one where prices were generally set for the April to March year to a new quarterly structure. The pricing for Cook has followed that trend with prices agreed for the April to June 2010 period in the mid to high US$180’s per tonne range (as compared to US$107 per tonne for the previous year).

The 14% shortfall in production in Q1 2010, when compared to Q1 2009, is primarily attributable to a lower level of operational manning, the absence of any opportunity to utilise the high productivity Magatar system (due to its relocation and establishment south of pit bottom), and the availability of less panel extraction coal. These negative drivers were offset by achievement of higher productivity from development and extraction operations. The flooding in Queensland during the quarter also caused some operational delays but no physical damage.

Manning was reduced at Cook in early March 2009 in response to the impact of the Global Financial Crisis on coal market demand and pricing. Manning levels were increased in November 2009 and again in March 2010 as market conditions stabilised. The March manning increase was deployed in a new place change operation between pit bottom and the previous northern workings and did not begin to significantly contribute to production until Q2 2010. The net effect of these changes was that 24% fewer production shifts were scheduled in Q1 2010 than in Q1 2009.

The Magatar mining system was used throughout Q1 2009 in panel development in the North mine. Productivity of the Magatar system on a tonnes per shift basis exceeded the performance of conventional shuttle car mining in development by 90%. As previously advised, the Magatar system could not be utilised in Q1 2010 pending completion of mains development and panel set up work in the new southern section of the mine. It commenced work in panel development in April 2010.

Panel extraction coal was available for 20% fewer shifts in Q1 2010 than in Q1 2009. Panel extraction is between 70% and 80% more productive than shuttle car development mining on a tonnes per shift worked basis.

Despite the lower number of shifts worked overall, 46% more shifts were worked in shuttle car development mining, the least productive form of mining undertaken at Cook, than in Q1 2009.

Productivity improvements included a 34% increase in the quantity of coal mined per shift using conventional shuttle car mining in development and a 45% increase in panel extraction.

The Company has successfully relocated mining activities to the new area to the south of pit bottom and the Magatar system is fully operational. The Company expects productivity to increase and continues to target a minimum of 700,000 tonnes of saleable production for 2010.

Minyango

The second field program for the base line ecological study required as part of the environmental permitting process has been completed with no significant issues identified.

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

Wiggins Island Coal Export Terminal Pty Ltd is yet to advise those companies seeking tonnage allocation from the first phase of the port's development whether their applications were successful. The Company is hopeful this will occur shortly. In the event Caledon is successful it will be required to lodge a bid bond and commit to a take or pay contract.

Resignation of Director

Mr Nick Clarke has advised the company he will resign from the Board on 30 April 2010 to pursue other interests. This follows the company's 27 April 2010 announcement regarding a possible merger with Polo Resources Limited. As an independent director Mr Clarke played an active, supportive and constructive role in consideration of the potential transaction. Mr Clarke joined the Caledon board as an independent director on 8 September 2006 and the board would like to acknowledge his valuable contribution since that time and wish him well for the future

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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). On 27 April 2010 the Company announced its intention to merge with Polo Resources Limited via a scheme of arrangement.

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 completed a prefeasibility study on a potential underground coking and thermal coal mine.