

2 July 2010

**Caledon Resources plc
("Caledon" or the "Company")**

Placing of Shares, Total Voting Rights and Drawdown of Loan

Placing of Shares

Further to the announcement on 24 June 2010, Caledon Resources plc (AIM:CDN and ASX:CCD) is pleased to announce that following the passing without amendment of resolutions 6 and 7 at the Company's annual general meeting held on 30 June 2010, Caledon has placed 7,100,000 new ordinary shares of 0.5p each ("**New Ordinary Shares**") with Polo Resources Limited ("**Polo**") at an issue price of 30p per share. The placing has raised gross proceeds of £2,130,000, which will be used to provide additional working capital for the Company.

Application has been made for the admission of the New Ordinary Shares to trading on AIM ("**Admission**"). The New Ordinary Shares will rank pari passu with the existing ordinary shares of Caledon and it is expected that admission will occur at 8.00 a.m. on 5 July 2010.

Total Voting Rights

Following Admission, the total number of voting rights in the Company's ordinary shares will be 224,633,849 which may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Caledon under the Financial Service Authority's Disclosure and Transparency Rules.

Drawdown of Loan

Caledon further announces that it has issued a utilisation request to draw down £14,902,000 under the short term credit facility agreed with Polo dated 27 April 2010 (and amended on 24 June 2010). Funds are expected to be received later today. The amount drawn down will be used to fund the repayment of Caledon's £14,500,000 8.5 per cent unsecured convertible loan notes due 5 July 2010.

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

Jos Simson +44 (0) 20 7429 6603 / +44 (0) 7899 870 450

Australia

Caledon Resources plc

Mark Trevan +61 7 33093103

Rowland (media enquiries)

Bruce Ruddy

+61 7 3229 4499

About Caledon

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