

**Caledon Resources plc**  
 (“Caledon” or the “Company”)

**Cook Mine Resource and Reserve Update**

- 13% increase to the Coal Resource estimate (from 406 million tonnes to 460 million tonnes)
- 115% increase in the Marketable Coal Reserve estimate (from 22.2 million tonnes to 47.7 million tonnes)

Australian coal producer and explorer Caledon Resources plc (AIM: CDN, ASX: CCD) is pleased to announce a 13% increase to the Coal Resource estimate (from 406 million tonnes to 460 million tonnes) and a 115% increase in the Marketable Coal Reserve estimate (from 22.2 million tonnes to 47.7 million tonnes) for the Cook coking and thermal coal mine in Queensland. Both estimates are reported in accordance with the 2004 version of the JORC Code and for clarification the Resource total is inclusive of the Reserve.

Cook Coal Resources <sup>1</sup> - Million Tonnes						
Coal Thickness >1.5 m			Coal Thickness 1-1.5 m			Combined
Measured	Indicated	Inferred	Measured	Indicated	Inferred	TOTAL
86	89	225	4	16	40	460

Cook Marketable Reserves <sup>2</sup> - Million Tonnes						
Coking Coal			Thermal Coal			Combined
Proved	Probable	Total	Proved	Probable	Total	TOTAL
8.4	28.4	36.8	1.4	9.4	10.9	47.7

1

The information in this announcement relating to the Cook Coal Resource estimate is based on information compiled by Mr Yoga Suryanegara who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Suryanegara was a full-time resource geologist employed by Caledon at the time of the resource estimation. Mr Suryanegara has more than 13 years' experience as a coal geologist in the resources industry involving exploration and evaluation assignments at operating coal mines and coal exploration areas in a number of coal basins throughout the world. With this level of experience, which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking, he is adequately qualified as a Competent Person as defined in the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code, 2004 Edition (Effective December 2004)* and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The information compiled by Mr Suryanegara has also been independently reviewed.

2

The information in this announcement relating to the Cook Coal Reserves estimate has been compiled by Mr John Grieves, a full time employee of Caledon Coal Pty Ltd. Mr Grieves is a

qualified Mining Engineer and Member of the Australian Institute of Mining and Metallurgy. Mr Grieves has nine years of practical experience in the assessment of reserves in underground coal mining.

Mr Grieves has suitable qualifications and sufficient specific experience in the estimation of Australian coal reserves to qualify as a Competent Person as defined in the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code, 2004 Edition (Effective December 2004)* and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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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 8 November 2010 the Company announced that it had reached an in principle agreement with Guangdong Rising Assets Management Co., Ltd (GRAM) on the terms of a possible acquisition of Caledon by Guangdong Rising (Australia) Pty Ltd, a wholly owned subsidiary of GRAM.

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.

**Rule 2.10**

*The following information is given in accordance with Rule 2.10 of the City Code.*

*Caledon has in issue a total of 278,633,849 Caledon Shares, the ISIN for which is GB00B1GJZT14, and Caledon CHESS Depository Interests ("CDIs"), the ISIN for which is AU000000CCD9. Each CDI represents the full beneficial interest in one underlying Caledon Share. The Caledon Shares are admitted to trading on AIM and the CDIs of Caledon are listed on the Australian Stock Exchange.*

*Caledon also has in issue GBP4.2 million 8.5 per cent unsecured convertible loan notes due 2013, the ISIN for which is GB00B61JLC69 and which are traded on the Channel Islands Stock Exchange.*

## **Disclosure requirements of the City Code**

*Under Rule 8.3(a) of the City Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any paper offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified.*

*If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.*