

08 November 2010  
The Companies Announcements Office  
ASX Limited

### **Option in respect of the Possible Acquisition of Caledon Resources plc**

Ord River Resources Limited (ASX: ORD) is pleased to note that it has been announced today that agreement in principle has been reached by the directors of Guangdong Rising (Australia) Pty Ltd (“Bidco”), a wholly owned indirect subsidiary of Guangdong Rising Assets Management Co., Ltd (“GRAM”), GRAM and Caledon regarding a Possible Acquisition of Caledon.

Caledon (AIM: CDN; ASX: CCD) is a dual listed coking coal miner with assets in Queensland.

As noted in that announcement, ORD has entered into a legally binding option agreement with GRAM, under which, if the Acquisition proceeds and completes, ORD has the right, but not the obligation, to purchase an interest of between 5 and 10 per cent in Caledon at the price paid by GRAM at the time of the completion of the Possible Acquisition. ORD has no obligation or responsibility to contribute capital to Caledon or carry out any work for Caledon post acquisition.

As set out in the announcement, the Possible Acquisition is subject to a number of pre-conditions, including the receipt of all necessary approvals from regulatory authorities in China relating to the Possible Acquisition. GRAM has announced that it expects to be in a position to satisfy or waive these pre-conditions by 31 December 2010. However, even if the pre-conditions are satisfied or waived, there can be no certainty that a firm offer for Caledon will be forthcoming.

Further details on Caledon, Bidco, GRAM and the Possible Acquisition are set out in the full announcement issued today by Caledon, Bidco and GRAM which is included in Appendix A.

### **ORD’s Role**

ORD is playing an integral role in connection with the Possible Acquisition. ORD is acting as the project manager for all aspects of the Possible Acquisition, including negotiating the terms of the Possible Acquisition. GRAM is responsible for all costs incurred in relation to the Possible Acquisition and, if the Acquisition proceeds, Bidco will acquire the entire issued and to be issued share capital of Caledon.

### **Background on GRAM**

GRAM is one of the largest state-owned enterprises in China, with investments in a range of listed and unlisted entities across a range of sectors, including non-ferrous metals, technology, hotels and construction. GRAM made a direct investment in another Australian listed company in 2009. For more information on GRAM please visit GRAM's website [www.gdrising.com.cn/english](http://www.gdrising.com.cn/english).

ORD's Managing Director, Peter Shou said, "we are delighted to announce ORD's participation in connection with the Possible Acquisition of Caledon, which is a significant event in the development of ORD since our turnaround started in 2009. We have worked very hard on the Possible Acquisition and we will continue to work with GRAM towards GRAM and Bidco in a position to proceed with the Acquisition. We look forward to updating you on the progress of the Possible Acquisition."

Certain terms in this announcement are defined in the announcement attached in Appendix A.

If you have any questions please contact Frank Zhu, Head of Corporate Development via [investor.relations@ord.com.au](mailto:investor.relations@ord.com.au).

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**Appendix A:**  
**Copy of Caledon Resources Plc's 2.4 Announcement**  
**Announced on 08 November 2010**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

This is an announcement falling under Rule 2.4 of the City Code and does not constitute an announcement of a firm intention to make an offer or to pursue any other transaction under Rule 2.5 of the City Code. Accordingly, Caledon Shareholders are advised that there can be no certainty that a formal offer for Caledon will be forthcoming, even in the event that the pre-conditions in this announcement are satisfied or waived.

**FOR IMMEDIATE RELEASE**

**8 November 2010**

**Possible Cash Acquisition**

**of**

**Caledon Resources plc (“Caledon”)**

**by**

**Guangdong Rising (Australia) Pty Ltd (“Bidco”)**

**a wholly owned indirect subsidiary of**

**Guangdong Rising Assets Management Co., Ltd (“GRAM”)**

**expected to be implemented by means of a scheme of arrangement under sections 895 to 899 of the Companies Act 2006**

**1. Introduction**

The directors of Bidco, GRAM and Caledon are pleased to announce that agreement in principle has been reached with GRAM on the terms of a Possible Acquisition of Caledon by Bidco, a wholly owned indirect subsidiary of GRAM, which if made is expected to be effected by means of a scheme of arrangement under sections 895 to 899 of the Act. GRAM reserves the right to implement any Acquisition through another wholly owned subsidiary if it so chooses.

The pre-conditions set out in paragraph 3 below will be required to be satisfied or waived prior to any Acquisition proceeding. If Bidco does elect to make an announcement of a firm intention to proceed with an Acquisition under Rule 2.5 of the City Code, such Acquisition is expected to be effected by way of the Scheme.

This announcement is made under Rule 2.4 of the City Code and does not constitute an announcement of a firm intention to make an offer or to pursue any other transaction under Rule 2.5 of the City Code. **Accordingly, Caledon Shareholders are advised that there can be no certainty that a formal offer for Caledon by GRAM or Bidco will be forthcoming, even in the event that the pre-conditions set out in paragraph 3 below are satisfied or waived.**

## 2. The Possible Acquisition

If the Acquisition proceeds, Caledon Shareholders and CDI Holders would receive:

**for each issued and to be issued Caledon Share or CDI** **£1.12 in cash**

The Possible Acquisition would value the entire existing issued share capital of Caledon at approximately £251.6 million (as at 5 November 2010) and would represent a premium of:

- approximately 34 per cent. to the Closing Price of Caledon Shares of 83.75 pence on AIM on 5 November 2010 (being the last Business Day immediately prior to the date of this announcement); and
- approximately 53 per cent to the volume weighted average price of Caledon Shares on AIM for the 20-trading day period ending on 5 November 2010 of 73.16 pence.

Any offer for Caledon would be subject to terms and conditions customary for a recommended offer subject to the City Code.

The Caledon Directors, who have been so advised by RBC Capital Markets, have indicated that they are supportive of the Possible Acquisition. In providing advice to the Caledon Directors, RBC Capital Markets has taken into account the Caledon Directors' commercial assessment of the Possible Acquisition.

GRAM has granted Ord River Resources Limited ("Ord") a conditional option over an interest in Caledon in connection with the Possible Acquisition. The details of this option are set out in paragraph 4 below.

Commenting on the Possible Acquisition, Mr Li Jinming, Chairman of GRAM said:

*"We are delighted to announce the proposed acquisition of Caledon, which, if it proceeds, would be a significant step forward in the implementation of GRAM's strategy of expanding its resource focused investment activities. We are looking forward to working with Caledon's management and employees to finalise this proposed acquisition and subsequently provide the necessary investment to substantially expand production in the years ahead."*

Commenting on the Possible Acquisition, Mark Trevan, Managing Director of Caledon said:

*"We believe the proposed acquisition of Caledon would be positive for our shareholders and our employees. If the Acquisition proceeds, Caledon Shareholders and CDI Holders would receive, in cash, a very significant premium to Caledon's recent share price and GRAM's commitment to growing the business would provide our employees with the opportunities that come with being part of a much larger organisation."*

## 3. Pre-conditions to the announcement of a firm offer

Proceeding to any announcement by GRAM or Bidco of a firm intention to make an offer for Caledon pursuant to Rule 2.5 of the City Code, is subject to satisfaction or waiver of the following pre-conditions:

- i. the unanimous recommendation of the board of Caledon of the terms of any such offer, having been advised by RBC Capital Markets that the terms of such an offer are fair and reasonable;
- ii. the receipt of all necessary approvals from regulatory authorities in China relating to the Possible Acquisition, including the following:

- o project approval for outbound investment from the National Development and Reform Commission of China on behalf of the State Council;
  - o project approval for outbound investment from the State-owned Assets Supervision and Administration Commission on behalf of the State Council;
  - o approval for outbound investment from Ministry of Commerce of China; and
  - o approval for the remittance of foreign exchange out of China from the State Administration of Foreign Exchange of China; and
- iii. finalisation by GRAM of the terms of its financing for the Possible Acquisition.

GRAM expects to be in a position to satisfy or waive these pre-conditions not later than 31 December 2010.

GRAM reserves the right to waive any of these pre-conditions, but **even if all of these pre-conditions are satisfied or waived, there can be no certainty that a firm offer will be forthcoming.**

#### 4. Information on GRAM, Bidco and other concert parties

##### *GRAM*

GRAM is one of the largest state-owned enterprises in China, supervised by the State-owned Assets Supervision and Administration Commission of Guangdong Provincial People's Government. GRAM is a Chinese investment group, with investments in a range of listed and unlisted entities across a wide range of sectors, including non-ferrous metals, technology, hotels and construction. Within its portfolio of investments, GRAM is the second largest shareholder of China Telecom Co., Ltd, and the controlling shareholder of two Chinese listed companies, Zhongjin Lingnan Nonfemet Co., Ltd and Guangdong Fenghua Advanced Technology (Holding) Co., Ltd. GRAM also has a controlling stake in Guangdong Rising Nonferrous Metal Co., Ltd which is also a Chinese listed company.

GRAM has recently been active in the mining sector having acquired a 19.9 per cent interest in PanAust Limited, an ASX listed copper and gold mine operator for A\$215 million in 2009.

Zhongjin Lingnan Nonfemet Co., Ltd acquired a 50.1 per cent interest in Perilya Limited, an ASX listed lead and zinc mine operator for A\$45 million in 2009.

As of 31 December 2009, GRAM had consolidated total assets of RMB¥53.2 billion (approximately £4.8 billion), and had a net profit for the year ended 31 December 2009 of RMB¥1.0 billion (approximately £94 million).

GRAM's current intention is to finance any Acquisition through a combination of its existing cash resources and existing and new bank facilities.

##### *Bidco*

Bidco is a newly incorporated company in Australia formed for the purpose of potentially making the Acquisition. The sole shareholder of Bidco is Guangdong Rising (Australia) Holding Pty Ltd, ultimately a wholly owned subsidiary of GRAM.

##### *Ord*

Ord is a public company listed on ASX (trading symbol ORD.AX). Ord is a minerals exploration and development company with projects in copper, bauxite and gold. Its strategy is to grow by acquiring prospective precious and base metals tenements; exploring, appraising, then developing and, in time, mining gold and base metals.

Ord's projects include the Copper Flats Project, Suplejack Project and the Laos Bolaven Plateau Bauxite Project. The Laos Bolaven Plateau Bauxite Project focuses on bauxite resource on the Bolaven plateau in southern Laos over an aggregate area of 487 square

kilometres. The Laos Bolaven Plateau Bauxite Project is being developed through Sino Australian Resources (Laos) Co., Ltd (SARCO). The Copper Flats Project focuses on copper anomalies in the East Kimberley area in Western Australia (WA) and the Northern Territory (NT).

Ord has advised GRAM in relation to the Possible Acquisition.

#### *Arrangements between Ord and GRAM*

In connection with the Possible Acquisition, GRAM has granted Ord an option to purchase an interest of between 5 and 10 per cent. in Caledon at the price paid by GRAM at the time of the completion of the Possible Acquisition.

### **5. Information on Caledon**

Caledon is a public company admitted to trading on AIM and listed on the ASX (trading symbols: 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. Caledon also purchased the nearby Minyango exploration concessions in 2006 and has completed a prefeasibility study on a potential underground coking and thermal coal mine at Minyango.

### **6. Reasons for the Possible Acquisition**

GRAM has recently been seeking to acquire coal assets to satisfy demand for coal in Guangdong Province and its adjacent provinces. GRAM is attracted to Caledon's resource of coking coal, infrastructure access, rail and potential port capacity. Caledon would provide a platform for future expansion in Australia and the region. The Possible Acquisition would fit well with GRAM's strategy and reflects the Guangdong Province's long term focus on securing supply.

If GRAM proceeds with the Acquisition and it completes, GRAM plans to sell coal to Chinese customers on an arm's length basis.

### **7. Current trading of Caledon**

In its quarterly production report for the nine months ended 30 September 2010, Caledon announced that from raw coal production of 511,000 tonnes, the Cook mine produced 315,000 tonnes of coking coal and 69,000 tonnes of thermal coal. From raw coal production of 442,000 tonnes in the nine months ended 30 September 2009, the Cook mine produced 297,000 tonnes of coking coal and 64,000 tonnes of thermal coal.

### **8. Support for the Possible Acquisition by the Caledon Directors**

The Caledon Directors, who have been so advised by RBC Capital Markets, have indicated that they are supportive of the Possible Acquisition. In providing advice to the Caledon Directors, RBC Capital Markets has taken into account the Caledon Directors' commercial assessment of the Possible Acquisition.

### **9. Background to and reasons for the Caledon Directors' support for the Possible Acquisition**

In January 2009 Caledon received a non-binding, indicative approach from an entity which had expressed an interest in potentially acquiring Caledon. This led to the formal appointment of RBC Capital Markets in February 2009 to conduct a strategic review focused on maximising value for Caledon Shareholders.

As part of that review, RBC Capital Markets solicited interest from other parties and had ongoing discussions with potential acquirers in respect of offers in excess of the then share

price. However, despite the high level of interest and recognition of both the quality of Caledon's assets and the scarcity of high quality coking coal assets in general, no party provided a final and binding offer and the strategic review process was terminated in December 2009.

In April 2010 Caledon announced the terms of a proposed merger with its largest shareholder, Polo. However, volatility and uncertainty in the equity and coal markets in the period following this announcement meant that the parties could not agree on mutually acceptable terms for a merger and this transaction was terminated in June 2010.

Since this date the Caledon Directors have continued to receive indicative approaches from potential acquirers of the Company or parties wishing to make an investment at the asset level.

The Caledon Directors have received assurances from GRAM that it intends to provide the necessary financial resources to the Company to implement its strategy and to take advantage of other opportunities as they arise. On that basis, the Caledon Directors believe that under the ownership of GRAM and with access to significant additional funding, the risks connected with optimising the Cook mine and developing the Minyango project would be substantially reduced.

If the Possible Acquisition proceeds to a firm offer, it will provide an opportunity for Caledon Shareholders and CDI Holders to realise their investment in Caledon at a significant premium to the current market price, payable in cash.

#### 10. Letters of Intent

Bidco has received non-binding letters of intent from the Caledon Directors who hold, directly or indirectly, Caledon Shares and certain other Caledon Shareholders to vote in favour of the Scheme at the Court Meeting and any resolution to be proposed at the Caledon General Meeting or, if the Acquisition is implemented by way of the Offer, to accept the Offer, in respect of a total of 95,773,575 Caledon Shares, representing approximately 42.64 per cent. of the entire issued share capital of Caledon, comprised as follows:

<i>Name</i>	<i>Number of Caledon Shares</i>	<i>Percentage of issued share capital</i>
<i>Directors</i>		
Stephen Bywater	107,000	0.05
George Salamis	1,037,500	0.46
Peter Seear	5,146,262	2.29
David Treadwell	115,000	0.05
Mark Trevan	60,000	0.03
<i>Other shareholders</i>		
JP Morgan Asset Management	12,376,400	5.51
Polo Resources Limited	62,085,196	27.64
Viking Holding AS	2,800,042	1.25
Watami Trading Ltd	12,046,175	5.36
<i>Total</i>	<i>95,773,575</i>	<i>42.64</i>

Polo has expressly reserved the right at any time to change its intent to vote in favour of the Scheme or accept the Offer, but has acknowledged its obligation to notify Bidco and make a suitable announcement if it does change its intent.

Polo has not agreed to any alteration to the terms of its loans of A\$4 million and £14.9 million currently outstanding to Caledon. The full amount of those loans, together with accrued but unpaid interest and fees of £550,000 will become due and payable upon any change of control of Caledon.

#### **11. Caledon Loan Notes**

It is intended that a proposal will be put to holders of Caledon Loan Notes at the time of any announcement of a firm intention to make an offer for Caledon pursuant to Rule 2.5 of the City Code.

#### **12. Non-Solicitation Agreement**

Caledon, GRAM and Bidco have entered into the Non-Solicitation Agreement.

Pursuant to the Non-Solicitation Agreement Caledon has agreed with Bidco and GRAM that, in summary:

- it will not, directly or indirectly, solicit any Alternative Proposal, and will not consider or take into account any Alternative Proposal which is less than 10 per cent. greater in value than the Possible Acquisition; and
- in the event that Caledon receives an Alternative Proposal which is at least 10 per cent. greater in value than the Possible Acquisition, the Caledon Directors will not accept, approve, recommend or enter into any agreement to implement such Alternative Proposal unless Bidco fails to confirm within five Business Days following Bidco being notified of such proposal by Caledon that it intends to increase the value of the Possible Acquisition in cash to a value per Caledon Share equal to or greater than that provided for under the relevant Alternative Proposal,

in each case until 31 December 2010 if the Acquisition Announcement has not been made or the approval set out in paragraph 3(ii) above is refused or cannot be obtained by that date or until the Scheme terminates or lapses in accordance with its terms or, as applicable, the Offer is withdrawn by Bidco (with the consent of the Panel, if required) or lapses or the Non-Solicitation Agreement is otherwise terminated in accordance with its terms.

Pursuant to the Non-Solicitation Agreement, Caledon has also agreed that it shall not make any request to the Panel for the imposition of a deadline by which GRAM or Bidco must announce a firm intention to make an offer for Caledon under Rule 2.5 of the City Code or otherwise be subject to the restrictions set out in Rule 2.8 of the City Code prior to the termination of the Non-Solicitation Agreement.

#### **13. General**

The implications of any Possible Acquisition for Overseas Shareholders may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about and observe any applicable requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This announcement and any Acquisition will be governed by English law and will be subject to the jurisdiction of the English courts. This announcement and any Acquisition will be subject to the applicable requirements of the City Code.

Appendix I to this announcement provides details of the basis of calculations and sources of certain information included in this announcement.

Appendix II to this announcement contains definitions of certain terms used in this announcement.

In accordance with Rule 19.11 of the City Code, a copy of this announcement will be published on the following websites: [www.gdrising.com.cn/english](http://www.gdrising.com.cn/english) and [www.caledonresources.com](http://www.caledonresources.com)

**Enquiries:**

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*PricewaterhouseCoopers LLP, which is authorised and regulated in the United Kingdom by the Financial Services Authority is acting exclusively as financial adviser to GRAM and Bidco and no one else in connection with the Possible Acquisition and any subsequent Acquisition and will not be responsible to anyone other than GRAM and Bidco for providing the protections afforded to clients of PricewaterhouseCoopers LLP or for providing advice in relation to the Proposed Acquisition or any subsequent Acquisition or any other matters referred to in this announcement.*

*Royal Bank of Canada Europe Limited, trading as RBC Capital Markets, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Caledon and no-one else in connection with the Possible Acquisition and any subsequent Acquisition and accordingly will not be responsible to anyone other than Caledon for providing the protections afforded to clients of Royal Bank of Canada Europe Limited or for providing any financial advice in relation to the Possible Acquisition or any subsequent Acquisition or any matter referred to herein.*

*The release, distribution or publication of this announcement in jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about and observe any applicable requirements. Copies of this announcement and any documentation relating to the Possible Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from a Restricted Jurisdiction. Any Acquisition, if it proceeds (unless otherwise determined by GRAM and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of the mails, or by any means of instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a*

*national securities exchange of any Restricted Jurisdiction, and such acquisition will not be capable of acceptance from or within any Restricted Jurisdiction.*

*CDI Holders and persons in, or resident in, Australia should note that any Scheme will be exempt from the requirement to issue a prospectus under sections 1012A, 1012B and 1012C of the Corporations Act 2001 (Cth) of Australia, pursuant to the provisions of the Australian Securities and Investments Commission (ASIC) Class Order 07/9 ("Prospectus relief for foreign schemes of arrangement and PDS relief for Pt 5.1 schemes and foreign schemes of arrangement").*

*This announcement, including information included or incorporated by reference in it, contains "forward-looking statements" concerning Caledon, Bidco, GRAM and its and their respective subsidiaries. Generally, the words "will", "may", "should", "could", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the abilities of GRAM and Caledon to control or estimate precisely, such as future market conditions and behaviours of other market participants, and therefore undue reliance should not be placed on such statements. GRAM and Caledon assume no obligation, and do not intend, to update these forward-looking statements, except as required pursuant to applicable law.*

*This announcement is not intended to and does not constitute or form any part of an offer to sell or an invitation to purchase or the solicitation of an offer to subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Possible Acquisition, any subsequent Acquisition or otherwise. If it proceeds, any Acquisition will be made solely on the terms set out in the Scheme Document.*

*The Bidco Directors and the GRAM Directors accept responsibility for the information contained in this announcement other than information relating to Caledon, the Caledon Directors and members of their immediate families, related trusts and persons connected with them (within the meaning of section 252 of the Act).*

*To the best of the knowledge and belief of each of the Bidco Directors and the GRAM Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*The Caledon Directors accept responsibility for the information contained in this announcement relating to Caledon, the Caledon Group, the Caledon Directors and members of their immediate families and persons connected with them (within the meaning of section 252 of the Act) (save in each case for information on Bidco's future plans for Caledon, the Caledon Group and its management and employees).*

*To the best of the knowledge and belief of the Caledon Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.*

### **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.

**APPENDIX I****BASES AND SOURCES OF INFORMATION**

1. The value attributed to the entire issued share capital of Caledon is based upon the 224,633,849 Caledon Shares in issue as at the date of this announcement.
2. Unless otherwise stated, all prices for Caledon Shares are the closing middle market quotation derived from AIM on the relevant date.
3. References to a percentage of Caledon Shares are based on the number of Caledon Shares in issue as set out in paragraph 1 above.
4. The exchange rates used to convert Renminbi into Sterling are £1:RMB¥11.04 for GRAM's 2009 total assets and £1:RMB¥10.69 for GRAM's 2009 net profit.

## APPENDIX II

### DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

A\$	Australian dollars, the lawful currency of Australia
Act	the Companies Act 2006 including any statutory modification or re-enactment thereof from time to time in force
Acquisition	if an Acquisition Announcement is released, the proposed acquisition by Bidco on the Core Terms of the entire issued and to be issued ordinary share capital of Caledon to be implemented by means of the Scheme or, if GRAM and Bidco so determine in their absolute discretion (subject to the consent of the Panel), by means of the Offer
Acquisition Announcement	an announcement by GRAM or Bidco of a firm intention to make an offer for the entire issued and to be issued share capital of Caledon on the Core Terms under Rule 2.5 of the City Code
AIM	the AIM market operated by the London Stock Exchange
Alternative Proposal	(a) any offer (construed in accordance with the City Code, whether or not subject to any pre-condition(s)), proposal or indication of interest from, or on behalf of, any person other than GRAM or Bidco or any person acting in concert (as defined in the City Code) with GRAM or Bidco which, if accepted, implemented or otherwise carried out in full, would result in such person, directly or indirectly, acquiring (in one transaction or a series of transactions): (i) control (as defined in the City Code) of, or a substantial equity interest in, Caledon or any of its subsidiary undertakings; or (ii) a material part of the business or assets of Caledon or any of its subsidiary undertakings; or (b) any de-merger and/or any material re-organisation of the Caledon Group; or (c) any other agreement, arrangement, transaction or series of transactions with a party that is not acting in concert (as defined in the City Code) with GRAM or Bidco which would be inconsistent with or would be reasonably likely to preclude, impede or delay the implementation of the Possible Acquisition
ASX	ASX Limited, and where the context requires, the market operated by ASX Limited
Australia	the Commonwealth of Australia, its states, territories and possessions and all areas subject to its jurisdiction and all political sub divisions thereto
Bidco	Guangdong Rising (Australia) Pty Ltd, a company incorporated in Australia with Australian Company Number 147 138 592

Bidco Directors	the directors of Bidco at the date of this announcement
Business Day	a day (other than a Saturday or Sunday) on which clearing banks are generally open for business in the City of London
Caledon or the Company	Caledon Resources plc, a company registered in England and Wales with company number 3993115
Caledon Directors	the directors of Caledon at the date of this announcement
Caledon General Meeting	the general meeting of Caledon Shareholders (and any adjournment of it) to be convened in connection with the Possible Acquisition
Caledon Group	Caledon and its subsidiaries and subsidiary undertakings
Caledon Loan Notes	the 8.5 per cent convertible loan notes 2013 issued by Caledon and remaining outstanding
Caledon Shareholders	holders of Caledon Shares
Caledon Shares	the fully paid ordinary shares of 0.5 pence each in the capital of Caledon, and where the context requires, CDIs in respect of such shares quoted on ASX
CDI Holders	Caledon Shareholders who hold their interest in Caledon Shares through CDIs quoted on ASX, where the underlying Caledon Shares are held by CHESS Depository Nominees Pty Limited CAN 071346506
CDIs	CHESS Depository Interests, a security used for trading the beneficial ownership in foreign company shares on ASX
City Code	the City Code on Takeovers and Mergers
China	The People's Republic of China
Closing Price	the closing middle market quotation of a share as derived from AIM
Conditions	the conditions to the implementation of the Scheme and the Possible Acquisition to be set out in any Acquisition Announcement and 'Condition' means any one of them
Core Terms	in relation to any Acquisition Announcement, the offer referred to in such announcement being on terms that (i) the price payable for each Caledon Share is no less than £1.12 per Caledon Share, (ii) such price is payable in cash and (iii) the offer is subject to the Conditions
Court	the High Court of Justice in England and Wales

Court Meeting	the meeting of the Scheme Shareholders (and any adjournment of it) to be convened pursuant to an order of the Court pursuant to section 896 of the Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment)
Effective Date	the date on which the Scheme becomes effective in accordance with its terms
GRAM	Guangdong Rising Assets Management Co., Ltd, a company incorporated in China
GRAM Directors	the directors of GRAM at the date of this announcement
GRAM Group	GRAM and its subsidiaries and subsidiary undertakings including, without limitation, Bidco
London Stock Exchange	London Stock Exchange plc
Non-Solicitation Agreement	the non-solicitation agreement between Caledon, GRAM and Bidco dated 8 November 2010 in connection with the Possible Acquisition
Offer	if Bidco elects to effect the Acquisition by means of a takeover offer, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued ordinary share capital of Caledon, other than any Caledon Shares owned by Bidco or Bidco's associates including, where the context so requires, any subsequent revision, variation, extension or renewal thereof
Offer Period	has the meaning given to it in the City Code and for the purposes of the Possible Acquisition refers to Caledon's offer period that commenced on 17 September 2010
Ord	Ord River Resources Limited, a company incorporated in Australia with Australian Company Number 108 737 711
Overseas Shareholders	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the UK
Panel	the Panel on Takeovers and Mergers
Polo	Polo Resources Limited
Possible Acquisition	the possible Acquisition contemplated by Bidco
pounds or £	pounds sterling, the lawful currency of the UK
PricewaterhouseCoopers LLP	PricewaterhouseCoopers LLP, which is authorised and regulated in the UK by the Financial Services Authority to carry on investment business, as financial adviser to GRAM and Bidco
RBC Capital Markets	Royal Bank of Canada Europe Limited, trading as RBC Capital Markets, as financial adviser to Caledon

Restricted Jurisdiction	subject always to the requirements of Rule 30.3 of the City Code in relation to the distribution of offer documentation to jurisdictions outside the UK, any jurisdiction where extension of the Possible Acquisition would violate the law of that jurisdiction
RMB	Renminbi, the lawful currency of China
Scheme	the proposed scheme of arrangement under sections 895 to 899 of the Act between Caledon and the holders of the Scheme Shares to implement the Possible Acquisition, with or subject to any modification of it or in addition to it or condition agreed by Caledon and Bidco and which the Court may think fit to approve or impose
Scheme Document	the document to be posted to Caledon Shareholders and others containing, inter alia, the Scheme and the notice of the Court Meeting
Scheme Record Time	6.00 p.m. on the Business Day immediately prior to the Effective Date
Scheme Shareholders	the holders of Scheme Shares, except in respect of Scheme Shares that are held by way of CDIs, in which case the Scheme Shareholders will be taken to be the CDI Holders in respect of such Scheme Shares
Scheme Shares	Caledon Shares: (a) in issue on the date of this announcement; (b) (if any) issued after the date of this announcement and prior to the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time and at or prior to the Scheme Record Time either on terms that the original or any subsequent holder of them shall be bound by the Scheme or in respect of which the holder of them shall have agreed in writing to be bound by the Scheme, in each case excluding any Caledon Shares legally or beneficially owned by members of the GRAM Group
UK or the United Kingdom	the United Kingdom of Great Britain and Northern Ireland (and its dependent territories)
Voting Record Time	6.00 p.m. on the second Business Day before the Court Meeting or any adjournment thereof (as the case may be)

The expressions 'subsidiary', 'subsidiary undertaking', 'undertaking' and 'associated undertaking' have the meanings given by the Act including any statutory modification or re-enactment of them for the time being in force. All references to time in this document are to London time.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.