

Caledon Resources plc
 ('Caledon' or the 'Company')
Quarterly Report for period ending 30 September 2009

Caledon Resources plc, the AIM and ASX listed Australian coking coal producer announces its quarterly report for the period ending 30 September 2009.

COOK MINE – PRODUCTION

| | Quarter | | | Year to Date | | |
|-----------------------|----------------|----------------|--------|----------------|----------------|--------|
| | September 2009 | September 2008 | Change | September 2009 | September 2008 | Change |
| | '000 T's | '000 T's | % | '000 T's | '000 T's | % |
| Raw coal production | 139 | 167 | -17 | 442 | 389 | +14 |
| Coking coal produced | 87 | 123 | -29 | 297 | 272 | +9 |
| Thermal coal produced | 23 | 22 | +4 | 64 | 49 | +30 |
| Coking coal sold | 84 | 122 | -31 | 294 | 292 | -1 |
| Thermal coal sold | 50 | 0 | NA | 69 | 30 | +130 |

- **Primary mining activities on schedule to relocate and commence production at the new Argo pit bottom area of the Cook mine in January 2010**
- **The Argo pit bottom area presents a newer and more easily accessible section in the southern extension.**
- **Production on schedule to increase in Q4 resulting in a forecast production of saleable coal of approximately 500,000T for 2009.**

Cook Mine Operations

Mining with the Magatar system in the north of the mine ceased during the quarter. Operations in this area are now focussed on secondary extraction of previous workings using a company owned Joy 12CM12B miner and shuttle cars. There are sufficient primary workings in this area for this to continue until early 2010 and as this is an efficient form of mining it is the Company's plan to continue working in this manner until this area is completed. This also provides time to perform scheduled maintenance on the major components of the Magatar system in addition to relocating it to the newly developed area immediately to the south of the access drift. This will facilitate significant efficiency improvements due to a shortened travel time and much lower infrastructure support and maintenance activities. By way of comparison, the current workings in the north are approximately four kilometres from the bottom of the drift.

The northern section of the mine will be progressively sealed off as mining is completed and equipment retrieved after which the Company's production activities will be solely focussed on the much newer and more easily accessible Argo pit bottom area. As part of this relocation the Company's recently refurbished wide head Joy 12CM12D is now fully utilised in the south developing roadways in preparation for the recommencement of mining with the Magatar system in January 2010.

As previously advised, the fourth quarter will see an increase in production resulting in a forecast production of saleable coal of approximately 500,000T for 2009.

Minyango

The results of bulk sampling and associated coke oven testing were released on 28 of September 2009. Consultants have also been engaged to undertake a base line ecological study in preparation for the environmental permitting process with this work due to commence in early November.

Exploration expenditure on Minyango during the quarter was AUD\$338,000.

Strategic Review Process

As announced on 27 February this year, Caledon engaged RBC Capital Markets ("RBC") to conduct a strategic review following receipt of a non-binding, conditional written indication of interest from a party interested in acquiring the Company.

As part of that review, RBC solicited interest from other parties and discussions with a number of potential acquirers are ongoing. There is no certainty as to the timing, terms or structure of any transaction nor that an offer will be made for the Company. Shareholders are advised to take no action at this time. Any further announcement will be made as soon as possible.

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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").

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.

Dealing disclosure requirements

Under the provisions of Rule 8.3 of the Takeover Code, if any person is, or becomes, 'interested' (directly or indirectly) in 1% or more of any class of 'relevant securities' of Caledon, all 'dealings' in any 'relevant securities' of Caledon (including by means of an option in respect of, or a derivative referenced to, any such 'relevant securities') must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which any offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the 'offer period' otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an 'interest' in 'relevant securities' of Caledon, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Takeover Code, all 'dealings' in 'relevant securities' of Caledon by any potential offeror or Caledon, or by any of their respective 'associates', must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose 'relevant securities' 'dealings' should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk.

'Interests in securities' arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an 'interest' by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.