

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you are recommended to seek your own personal financial advice from your own stockbroker, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Existing Ordinary Shares in Carlton Resources Plc (“the **Company**”), please forward this document and the accompanying document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

CARLTON RESOURCES PLC
(registered in England and Wales with company number 05399993)

Section 142 of the Companies Act 1985
Proposed Placing
Share Capital Reorganisation
and
Notice of Extraordinary General Meeting

Notice of an Extraordinary General Meeting of the Company, to be held at the offices of Nabarro LLP of Lacon House, 84 Theobald’s Road, London WC1X 8RW at 10:00 a.m. on 10 June 2009 is set out at the end of this document.

If you are unable to attend and vote at the Extraordinary General Meeting, a Form of Proxy for use at the meeting is enclosed. To be valid, Forms of Proxy should be completed, signed and returned so as to be received by the Registrars of the Company, Computershare Investor Services Plc of The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, as soon as possible, but in any event so as to be received not later than 48 hours before the time of the Meeting, being 10:00 a.m. on 10 June 2009. Please refer to the detailed notes contained in the Notice of EGM and the Form of Proxy.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Contents

	<i>Page</i>
Definitions	3
Letter from the Chairman	5
Notice of EGM	11

Expected Timetable of Principal events

Latest time and date for receipt of Forms of Proxy	10:00 a.m. on 8 June 2009
Extraordinary General Meeting	10:00 a.m. on 10 June 2009

Key Statistics

Existing Ordinary Shares	268,265,577
New Ordinary Shares in issue following the Capital Reorganisation	268,265,577
Deferred Shares in issue following the Capital Reorganisation	268,265,577
Placing Price	0.28p
Number of Placing Shares	142,857,143
Number of Strand Shares	12,500,000
Total New Ordinary Shares in issue following the Capital Reorganisation, the Placing and the issue of the Strand Shares	423,622,720
Proceeds receivable by the Company	£400,000

Definitions

The following definitions apply throughout this document, unless the context requires otherwise.

“AIM”	the AIM market operated by London Stock Exchange;
“Admission”	the admission of the Placing Shares, the Strand Shares and the New Ordinary Shares to trading on AIM;
“the Board” or “the Directors”	the directors of the Company as at the date of this document;
“Capital Reorganisation”	the reorganisation of the share capital of the Company, as set out in Resolution 1 of the Notice of EGM;
“Company” or “Carlton”	Carlton Resources Plc;
“Deferred Shares”	non-voting deferred shares of 0.4p each in the capital of the Company to be created pursuant to the Capital Reorganisation;
“Existing Ordinary Shares”	the 268,265,577 ordinary shares of 0.5p each in the capital of the Company in issue at the date of this document;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company, convened for 10:00 a.m. on 10 June 2009 (or at any adjournment thereof), notice of which is set out at the end of this document;
“Form of Proxy”	the form of proxy for use in relation to the EGM enclosed with this document;
“London Stock Exchange”	London Stock Exchange PLC;
“New Ordinary Shares”	new ordinary shares of 0.1p each in the capital of the Company to be created pursuant to the Capital Reorganisation;
“Notice of EGM”	the notice convening the EGM enclosed with this document;
“Placees”	subscribers for Placing Shares;
“Placing”	the conditional placing of the Placing Shares with the Placees;
“Placing Price”	0.28 pence per Placing Share;

“Placing Shares”	the 142,857,143 New Ordinary Shares the subject of the Placing;
“Registrars”	Computershare Investor Services of The Pavilions, Bridgwater Road, Bristol, BS99 6ZY;
“Resolutions”	the resolutions to be proposed at the EGM as set out in the Notice of EGM in this document;
“Shareholders”	the holders of Existing Ordinary Shares and following the Capital Reorganisation, the holders of New Ordinary Shares and Deferred Shares;
“Strand Partners”	Strand Partners Limited, the Company’s nominated adviser;
“Strand Shares”	the 12,500,000 New Ordinary Shares to be issued to Strand Partners in satisfaction of an existing debt;
“Warrants”	the warrants constituted by the Company and entitling the holders thereof to subscribe for Existing Ordinary Shares and following the Capital Reorganisation, the New Ordinary Shares; and
“Warrantholders”	the holders of the Warrants.

CARLTON RESOURCES PLC

(Incorporated and registered in England and Wales under the Companies Act)
(with company number 05399993)

Directors

Martyn John Churchouse (Chief Executive)
Richard Jarvis (Executive Director)
Mark Burchnall (Non-Executive Director)

Registered Office

Lacon House
84 Theobalds Road
London
WC1X 8RW

12 May 2009

To Shareholders and (for information purposes only) to the Warrantholders

Dear Shareholder

Section 142 of the Companies Act 1985, Proposed Placing and Capital Reorganisation

Introduction

As you are aware, effective as at 1 December 2008 the Company disposed of its diamond and industrial operations to Belmont Mining Limited, resulting in it becoming an investing company pursuant to Rule 15 of the AIM Rules. The Company's investment strategy, as approved by Shareholders at the extraordinary general meeting of the Company held on 8 January 2009, is to acquire minority or controlling interests in a number of privately held or publicly-listed resource projects in Africa. It is proposed that the projects in which the Company invests will not be limited to any single resource.

The Directors are currently in the process of considering and evaluating various opportunities with the potential to add value for Shareholders. We have sought to improve the finances of the Company through adopting a number of measures, including relocating the Company's administrative functions to Perth, Western Australia, putting in place a cash preservation strategy and seeking to improve the Company's creditor position.

The purpose of the EGM is to take further steps towards rebuilding the Company by ensuring that it is both prepared for the introduction of new business opportunities and that it has sufficient funds to continue to operate in the short-term. In this regard, resolutions are proposed to deal with matters such as the adoption of new articles of association to reflect recent legislative changes, a reorganisation of the Company's share capital to better enable it to raise funds in the current environment and a fundraising of £400,000 to improve the financial position of the Company prior to a decision being made as to the specific future business direction the Company will take. In addition, section 142 of the Companies Act 1985 requires the Directors to discuss with Shareholders the Company's current situation whereby its net assets amount to less than half its called-up capital. Further

information in relation to the resolutions proposed at the meeting (and the reasons for them) is set out below.

Section 142 of the Companies Act 1985

Section 142 of the Companies Act 1985 requires a public company to convene an extraordinary general meeting of its shareholders where its net assets are half or less of its called up share capital. As the net assets of the Company are less than half of the called up share capital of the Company, the Company is required to convene such a meeting.

The EGM is therefore being convened to consider and discuss the steps the Directors are proposing to take to deal with this situation, which include:

- the proposed Placing;
- existing and proposed efforts by the directors to identify and acquire new business opportunities for the Company; and
- a further capital raising or raisings to accompany the acquisition by the Company of such future business opportunities.

In addition to the steps highlighted above, in due course, the Directors intend, subject to the passing of the Resolutions, that the Company (or its nominee) acquire the Deferred Shares in accordance with their terms and thereafter cancel such shares. This will result in a capital reduction of the Company, subject to the requisite authorities being granted at a separate meeting of Shareholders, and this, too, will improve the Company's net asset position *vis a vis* its called up share capital.

Capital Reorganisation

The issue of new shares at a price which is less than their current nominal value is prohibited by law. The Existing Ordinary Shares have recently traded at a price less than their nominal value of 0.5 pence, and the Directors therefore consider it necessary to implement the proposed Capital Reorganisation in order to effect the Placing.

It is proposed to sub-divide and effectively convert each unissued and issued Existing Ordinary Share into one New Ordinary Share and one Deferred Share. The New Ordinary Shares will have the same rights (including as to voting, dividends and return of capital) as the Existing Ordinary Shares. The rights attaching to the Deferred Shares are set out in the articles of association of the Company proposed to be adopted at the EGM.

The Deferred Shares will be effectively valueless as they will not carry any rights to vote or dividend rights. In addition, holders of Deferred Shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of New Ordinary Shares have received a payment of £1,000,000 on each such share. The Deferred Shares will not be listed or traded on AIM and will not be transferable without the prior written consent of the Directors. No share certificates will be issued in respect of the Deferred Shares. The Board may further appoint any person to act on behalf of all the

holders of the Deferred Shares to transfer all such shares to the Company (or its nominee) for an aggregate consideration of 1 penny.

It is not intended to issue new share certificate(s) to the holders of the New Ordinary Shares following the Capital Reorganisation. Pending the issue of a new share certificate your existing share certificate(s) will remain valid for the same number of shares but with a different par value of 0.1 pence. Following the Capital Reorganisation should you wish to receive an updated share certificate please contact the Registrars at the address set out herein.

The Capital Reorganisation will not of itself affect the value of your shareholding, as can be seen from the worked example (which assumes a market price per share of 0.8 pence) below:-

Example

Existing Ordinary Shares held prior to Capital Reorganisation	10,000
Current market price per Existing Ordinary Share	£0.008
Current market value of shareholding	£80
Number of New Ordinary Shares held immediately following Capital Reorganisation	10,000
Market price per New Ordinary Share immediately following Capital Reorganisation	£0.008
Market value of New Ordinary shareholding immediately following Capital Reorganisation	£80
Number of Deferred Shares held immediately following Capital Reorganisation	10,000
Value of Deferred shareholding immediately following Capital Reorganisation	£(effectively) nil

By effecting the Capital Reorganisation in this way, the nominal value of your aggregated shareholding will remain unchanged. In the example above, the 10,000 Existing Ordinary Shares held today each have a nominal value of 0.5 pence giving a total nominal value for the holding of £50. The New Ordinary Shares have a nominal value of 0.1 pence (£10 in aggregate) which when added to the aggregate nominal value of the Deferred Shares (£40) means that the nominal value of the holding remains at £50.

Placing

The Company is proposing to raise approximately £400,000 by way of a placing of 142,857,143 Placing Shares at the Placing Price. No commission is payable pursuant to the

Placing. The Placing Price represents a discount of approximately 65 per cent. to the closing mid-market price of 0.8 pence per ordinary share on 8 May 2009.

The Placing Shares will represent approximately 33.72 per cent. of the issued ordinary share capital of the Company as enlarged by the Placing and the issue of the Strand Shares, and following the Capital Reorganisation. The Placing is conditional, *inter alia*, on the passing of the Resolutions set out in the Notice of EGM enclosed with this document.

The proceeds of the Placing will be used by the Company to satisfy certain outstanding liabilities of the Company and to provide additional working capital for the Company. The Placing is not a rights issue or open offer and the Placing Shares will not be offered generally to Shareholders, whether on a pre-emptive basis or otherwise. The Directors believe that the considerable extra cost and delay involved in a rights issue or open offer would not be in the best interests of the Company in the present circumstances.

The Board considers that it is in the best interests of the Company and Shareholders as a whole for the funds to be raised by the Placing. Conditional on the passing of the Resolutions, application will be made to the London Stock Exchange for the Placing Shares, the Strand Shares and the New Ordinary Shares in issue arising from the Capital Reorganisation to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Placing Shares and the Strand Shares will commence on AIM at 8.00am on 11 June 2009. The Placing Shares and the Strand Shares will, when issued and fully paid, rank equally in all respects with the New Ordinary Shares, including the right to receive any dividend or other distribution declared, made or paid after the date of their unconditional allotment.

It is expected that share certificates for the Placing Shares which are to be held in certificated form will be despatched to Placees by 17 June 2009. The Placing Shares will be in registered form and no temporary documents of title will be issued.

Warrants and Warrantholders

The Warrants and the rights of Warrantholders will not be affected by the Capital Reorganisation. The Warrantholders will still be able to exercise their rights under the Warrants, save that such Warrants shall be for the equivalent number of New Ordinary Shares.

As part of the reorganisation of the Company's securities contemplated by the Resolutions, the Company has agreed with its Nominated Adviser, Strand Partners, to a re-pricing of the warrant to subscribe for 1,341,328 ordinary shares in the Company that Strand Partners holds pursuant to a warrant instrument dated 21 August 2007 ("**Strand Warrant**"). In addition, the Company has agreed with Strand Partners that an existing debt of £35,000 owing to Strand Partners by the Company be satisfied by the capitalisation of such debt into 12,500,000 New Ordinary Shares at the Placing Price.

The Strand Warrant is currently convertible into ordinary shares at a subscription price of 6.5 pence per share and is exercisable at any time up to and including 21 September 2012. However, in line with the Placing, the Company has agreed with Strand Partners that the

warrant instrument will be amended such that the subscription price for the Strand Warrant is reduced to 0.28 pence per share (following the Capital Reorganisation). Other than in respect of the re-pricing mentioned above, the terms of the Strand Warrant will remain unchanged.

Resolutions

A notice convening the EGM, which is to be held at the offices of Nabarro LLP of Lacon House, 84 Theobald's Road, London WC1X 8RW at 10:00 a.m. on 10 June 2009, is set out in this document. At the EGM, the following Resolutions will be proposed:

1. an ordinary resolution to effect the Capital Reorganisation;
2. an ordinary resolution to increase the authorised share capital of the Company from £2,000,000 to £4,000,000 by the creation of 2,000,000,000 New Ordinary Shares of 0.1 pence each;
3. an ordinary resolution to give the directors authority to allot securities in the capital of the Company;
4. a special resolution to adopt new articles of association of the Company to reflect recent legislative changes and to reflect the capital structure changes made pursuant to the Capital Reorganisation and incorporating provisions relating to the Deferred Shares; and
5. a special resolution to disapply the statutory pre-emption rights provided for in section 89 of the Companies Act 1985 and authorise the directors to allot the Placing Shares, the Strand Shares and other New Ordinary Shares up to an aggregate nominal value of £169,449.09 (representing 40 per cent. of the issued ordinary share capital of the Company following the allotment of the Placing Shares and the Strand Shares). The Directors consider the flexibility given by having authority to allot such a large number of New Ordinary Shares (over and above the Placing Shares and the Strand Shares) will enable the Company to move quickly should appropriate acquisition or investment opportunities arise in the future.

As set out towards the beginning of this letter, the purpose of the EGM is also to consider and discuss what steps the Company is proposing to take as regards the Company's net assets.

Action to be taken

A Form of Proxy is enclosed for your use at the EGM. Whether or not you intend to be present at the EGM you are requested to complete, sign and return the Form of Proxy to the Registrars as soon as possible, but in any event so as to arrive not later than 10:00 a.m. on 8 June 2009 in accordance with the notes to the Form of Proxy. The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you subsequently wish to do so. I would also like to draw your attention to the detailed notes to the Notice of EGM and Form of Proxy.

For your information a copy of the proposed new articles of association will be available for download at the Company's website (www.carltonresourcesplc.com).

Recommendation

The Directors believe that the Placing and the passing of the Resolutions are in the best interests of the Company and Shareholders, taken as a whole. The Directors unanimously recommend the Shareholders to vote in favour of the Resolutions as they intend to do so in respect of their own beneficial holdings of 8,750,000 Existing Ordinary Shares representing approximately 3.26 per cent. of the Existing Ordinary Share capital of the Company.

**Martyn John Churchouse
Chief Executive**

CARLTON RESOURCES PLC

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Carlton Resources PLC (the “**Company**”) will be held at the offices of Nabarro LLP of Lacon House, 84 Theobald’s Road, London WC1X 8RW on 10 June 2009 at 10:00 a.m. for the purposes of:-

1. considering in accordance with section 142 of the Companies Act 1985 (the “**Act**”) whether any, and if so what, steps should be taken to deal with the situation where the net assets of the Company are less than half of the nominal value of the Company’s called up share capital; and
2. for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as ordinary and special resolutions as indicated below.

ORDINARY RESOLUTIONS

1. That the existing ordinary share capital of the Company be re-organised as follows:
 - (a) each ordinary share of 0.5 pence each in the capital of the Company (both issued and unissued) (the “**Existing Ordinary Shares**”) be subdivided into five ordinary shares of 0.1 pence each (the “**Interim Ordinary Shares**”); and
 - (b) every five (both issued and unissued) Interim Ordinary Shares created pursuant to paragraph (a) above of this resolution 1, be and are consolidated and converted into one deferred share of 0.4 pence each (the “**Deferred Shares**”) and one new ordinary share of 0.1 pence each (the “**New Ordinary Shares**”) each having the rights and being subject to the respective restrictions set out in the Company’s articles of association to be amended pursuant to resolution 4 below.
2. That, subject to and conditional upon the passing of resolutions 1 above and 4 below, the Company’s authorised share capital be increased from £2,000,000 to £4,000,000 by the creation of an additional 2,000,000 New Ordinary Shares.
3. That, subject to and conditional upon the passing of resolutions 1 and 2 above, the directors of the Company (the “**Directors**”) be and they are hereby generally and unconditionally authorised in accordance with the Act to exercise all powers of the Company to allot relevant securities within the meaning of section 80 of the Act up to the aggregate nominal amount of the authorised but unissued share capital of the Company immediately following the passing of resolution 2 above, provided that the authority hereby conferred shall operate in substitution for and to the exclusion of any previous authority given to the Directors pursuant to section 80 of the Act

and shall expire on the date falling 5 years from the date of the passing of this resolution unless such authority is renewed, varied, or revoked by the Company in general meeting save that the Company may at any time before such expiry make an offer or agreement which might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.

SPECIAL RESOLUTIONS

4. That subject to the passing of resolutions 1, 2 and 3 above; the articles of association of the Company in the form presented to the meeting and made available to each member of the Company and signed for the purpose of identification by the Chairman of the Company, be adopted as the new articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company.
5. That the Directors be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94 of the Act) for cash as if section 89(1) of the Act did not apply to any such allotment pursuant to the general authority conferred on them by Resolution 3 above (as varied from time to time by the Company in general meeting) PROVIDED THAT such power shall be limited to:-
 - (a) the allotment of equity securities in connection with a rights issue or any other pre-emptive offer in favour of holders of equity securities where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be) to the respective amounts of equity securities held by them subject only to such exclusions or other arrangements as the directors may consider appropriate to deal with fractional entitlements or legal or practical difficulties under the laws of or the requirements of any recognised regulatory body in any territory or otherwise;
 - (b) the allotment and issue of the Placing Shares and the Strand Shares (as such term is defined in the circular of which this notice forms a part); and
 - (c) the allotment (otherwise than pursuant to sub-paragraph (a) and sub-paragraph (b) above) of equity securities up to an aggregate nominal amount of £169,449.09, representing 40 per cent. of the issued ordinary share capital of the Company following the allotment of the Placing Shares and the Strand Shares.

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the directors pursuant to section 95 of the Act and shall expire on whichever is the earlier of the conclusion of the annual general meeting of the Company held in 2009 or the date falling 15 months from the date of the passing of this resolution unless such power is renewed or extended prior to or at such meeting except that the Company may before the expiry of any power

contained in this resolution make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By order of the Board

Registered Office

EPS Secretaries Limited

Lacon House
84 Theobalds Road
London
WC1X 8RW

12 May 2009

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 8 June 2009 shall be entitled to attend and vote at the Meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars at the address set out in note 6.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
6. To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to Computershare Investor Services of The Pavilions, Bridgwater Road, Bristol, BS99 6ZY and
 - received by Computershare Investor Services of The Pavilions, Bridgwater Road, Bristol, BS99 6ZY no later than 48 hours before the time appointed for the meeting or adjournment thereof.

In the case of a member, which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
8. As at 5.00pm on the day immediately prior to the date of posting of this notice of Extraordinary General Meeting, the Company's issued share capital comprised 268,265,577 ordinary shares of 0.5p each. Each ordinary share carries the right to one vote at a Extraordinary General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00pm on the day immediately prior to the date of posting of this notice of Extraordinary General Meeting is 268,265,577.