

Regulatory Story

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TIDM CLN
Headline Half Yearly Report
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Carlton Resources PLC
22 March 2010

Carlton Resources Plc ("Carlton" or the "Company")

Interim Results for the six months ended 31 December 2009

Carlton Resources Plc (AIM: CLN), announces its interim results for the six months ended 31 December 2009.

Key points

- Revised focus and cash preservation strategy
- Board restructuring
- Announcement of signature of option agreement in relation to potential acquisition of Mali gold company

For further information:

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Carlton Resources Plc

Chairman's and Chief Executive's Statement

In the six month period to 31 December 2009, the Company continued to implement the restructuring and rebuilding measures established by the Board in the early part of the year with a view to preparing it for new opportunities. Following the capital reorganisation and fundraising undertaken in June 2009, the Board of the Company was restructured in October 2009 such that Melissa Sturgess was appointed non-executive Chairman, Mark Burchnall moved from a non-executive position to Chief Executive and Martyn Churchouse moved to a non-executive role.

As announced during the period, the Company continued to investigate a number of mineral opportunities in Africa with a view to making a suitable acquisition that would benefit shareholders. This process culminated in the announcement on 14 December 2009 that the Company had entered into an option agreement for the potential acquisition of Tobon Tondosuarl, a Malian company holding two highly prospective gold permits, although the Company continues to evaluate other opportunities.

Pursuant to the AIM Rules, the announcement of the option led to the suspension from trading of the Company's shares on AIM. Trading in the Company's shares will be restored following completion of an acquisition (which will constitute a reverse takeover, as defined in the AIM Rules), prior to 11 July 2010. Such an acquisition will require the approval of shareholders.

The directors are working towards concluding such an acquisition in the near future and look forward to delivering positive news to shareholders in this regard.

Mark Burchnall
Chief Executive Officer

22 March 2010

INDEPENDENT REVIEW REPORT TO CARLTON RESOURCES PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2009 which comprises the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related explanatory notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2009 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

BDO LLP

Chartered Accountants and Registered Auditors

Location

United Kingdom

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Carlton Resources Plc

Statement of comprehensive income

| | Company Six months to 31 December 2009 £'000 Notes | Group Six months to 31 December 2008 £'000 Unaudited | Company Year ended 30 June 2009 £'000 Audited |
|-------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|
| Continuing operations | | | |
| Transaction related costs | (204) | - | - |
| Other administrative expenses | (145) | (172) | (602) |
| Administrative expenses | (349) | (172) | (602) |
| Loss on disposal of subsidiaries | - | - | (1,527) |
| Loss from operations | (349) | (172) | (2,129) |
| Finance income | - | 1 | 1 |
| Finance expenses | - | (1) | (4) |
| Loss for the period before taxation | (349) | (172) | (2,132) |
| Taxation | - | - | - |
| Loss for the period from continuing operations | (349) | (172) | (2,132) |
| Discontinued operations | | | |
| Loss for the period from discontinued operations | 3 | - | (1,589) |
| Loss for the period attributable to equity holders of the parent | (349) | (1,761) | (2,132) |
| Foreign exchange on translation of operations | - | (229) | - |
| Total comprehensive income attributable to owners of the parent | (349) | (1,990) | (2,132) |
| Loss per share expressed in pence per share | | | |
| From continuing operations: | | | |
| Basic and Diluted | 4 | (0.08)p | (0.15)p |
| From discontinued operations: | | | |
| Basic and Diluted | 4 | - | (0.59)p |
| From all operations: | | | |
| Basic and Diluted | 4 | (0.08)p | (0.74)p |

Carlton Resources Plc

Statement of financial position

As at 31 December 2009

| | Company | Group | Company |
|--------------------------------------------------------------------------------|--------------------|-------------|---------|
| | 31 December | 31 December | 30 June |
| | 2009 | 2008 | 2009 |
| Notes | £'000 | £'000 | £'000 |
| | Unaudited | Unaudited | Audited |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment, including mining properties | 1 | - | - |
| Total non-current assets | <u>1</u> | - | - |
| Current assets | | | |
| Trade and other receivables | 45 | 12 | 5 |
| Cash and cash equivalents | 261 | 28 | 414 |
| Total current assets | <u>306</u> | 40 | 419 |
| Assets classified as held for sale | 5 | 4,455 | - |
| Total assets | <u><u>307</u></u> | 4,495 | 419 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 35 | 178 | 53 |
| Borrowings | - | - | 125 |
| Accruals | 190 | 78 | - |
| Total current liabilities | <u>225</u> | 256 | 178 |
| Liabilities directly associated with assets classified as held for sale | 5 | 4,231 | - |
| Total liabilities | <u><u>225</u></u> | 4,487 | 178 |
| Total net assets | <u><u>82</u></u> | 8 | 241 |

Carlton Resources Plc

Statement of financial position (continued)

As at 31 December 2009

| | Company 31 December 2009 £'000 Unaudited | Group 31 December 2008 £'000 Unaudited | Company 30 June 2009 £'000 Audited |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Capital and reserves attributable to owners of the parent | | | |
| Share capital | 1,527 | 1,341 | 1,484 |
| Share premium reserve | 7,980 | 7,585 | 7,842 |
| Merger reserve | - | 8,063 | - |
| Foreign exchange reserve | - | 725 | - |
| Warrant reserve | 54 | 54 | 54 |
| Reverse takeover reserve | - | (8,647) | - |
| Other reserve | - | 11,822 | - |
| Accumulated losses | (9,479) | (20,935) | (9,139) |
| Total equity | 82 | 8 | 241 |

Carlton Resources Plc

Unaudited Statement of changes in equity

| | Share capital £'000 | Share premium £'000 | Merger reserve £'000 | Foreign exchange reserve £'000 | Warrant reserve £'000 | Reverse takeover reserve £'000 | Other reserve £'000 | Accumulated losses £'000 | Total equity £'000 |
|--------------------------------------------------|------------------------|------------------------|-------------------------|-----------------------------------|--------------------------|-----------------------------------|------------------------|-----------------------------|-----------------------|
| Group | | | | | | | | | |
| Balance as at 1 July 2008 | 1,341 | 7,585 | 8,063 | 496 | 54 | (8,647) | 11,822 | (18,976) | 1,738 |
| Total comprehensive income for the period | - | - | - | 229 | - | - | - | (1,990) | (1,761) |
| Share-based payments | - | - | - | - | - | - | - | 31 | 31 |
| Balance as at 31 December 2008 | 1,341 | 7,585 | 8,063 | 725 | 54 | (8,647) | 11,822 | (20,935) | 8 |
| Company | | | | | | | | | |
| Balance as at 1 January 2009 | 1,341 | 7,585 | 8,998 | - | 54 | - | - | (17,970) | 8 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | (372) | (372) |
| Transfer of reserves | - | - | (8,998) | - | - | - | - | 8,998 | - |
| Shares issued net of issue costs | 143 | 257 | - | - | - | - | - | - | 400 |
| Share-based payments | - | - | - | - | - | - | - | 205 | 205 |
| Balance as at 30 June 2009 | 1,484 | 7,842 | - | - | 54 | - | - | (9,139) | 241 |
| Company | | | | | | | | | |
| Balance as at 1 July 2009 | 1,484 | 7,842 | - | - | 54 | - | - | (9,139) | 241 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | (349) | (349) |
| Shares issued net of issue costs | 43 | 138 | - | - | - | - | - | - | 181 |
| Share-based payments | - | - | - | - | - | - | - | 9 | 9 |
| Balance as at 31 December 2009 | 1,527 | 7,980 | - | - | 54 | - | - | (9,479) | 82 |

Carlton Resources plc

Statement of cash flows

| | Company Six months to 31 December 2009 £'000 Unaudited | Group Six months to 31 December 2008 £'000 Unaudited | Company Year ended 30 June 2009 £'000 Audited |
|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------|
| Cash flow from operating activities | | | |
| Loss before tax | (349) | (2,013) | (2,132) |
| Adjustments for: | | | |
| Finance expense | - | 92 | 4 |
| Finance income | - | (27) | (1) |
| Depreciation, amortisation and impairment | - | 648 | - |
| Equity settled share-based payment expense | 9 | 31 | 236 |
| Loss on disposal of subsidiaries | - | - | 1,527 |
| Loss on disposal of fixed assets | - | - | 2 |
| Foreign exchange differences | - | 154 | - |
| Cash flow used in operating activities before changes in working capital | (340) | (1,115) | (364) |
| Increase / (decrease) in trade and other payables | 229 | 175 | (80) |
| (Increase) / decrease in trade and other receivables | (41) | 142 | 34 |
| Decrease in inventories | - | 170 | - |
| Increase in provisions | - | 46 | - |
| Net cash flow used in operating activities | (152) | (582) | (410) |
| Cash flow from investing activities | | | |
| Purchase of property, plant and equipment | (1) | (391) | - |
| Interest received | - | 27 | 1 |
| Proceeds from the sale of subsidiaries | - | - | 200 |
| Net cash flow (used in)/from investing activities | (1) | (364) | 201 |
| Cash flow from financing activities | | | |
| Proceeds from the issue of ordinary shares net of issue costs | - | - | 400 |
| Proceeds from loans raised | - | 1,131 | 125 |
| Repayment of loans | - | (194) | - |
| Interest paid | - | (92) | (4) |
| Net cash flow from financing activities | - | 845 | 521 |
| Net (decrease)/increase in cash and cash equivalents | (153) | (101) | 312 |
| Cash and cash equivalents at the beginning of the period | 414 | 657 | 102 |
| Exchange gains on cash and cash equivalents | - | 75 | - |

| | | | |
|-----------------------------------------------------------|------------|-----|-----|
| Cash and cash equivalents at the end of the period | 261 | 631 | 414 |
| Classified as: | | | |
| Continuing operations | 261 | 28 | 414 |
| Discontinued operations | - | 603 | - |
| | 261 | 631 | 414 |

Carlton Resources Plc

Notes to the unaudited interim financial statements

For the half year ended 31 December 2009

1. Basis of preparation

The financial information set out above is based on the financial statements of Carlton Resources Plc (referred to as 'Carlton' or 'Company'). The accounts of the Company for the six months ended 31 December 2009, which are unaudited, were approved by the Board on 22 March 2010.

In accordance with s435 of the Companies Act 2006, such unaudited results do not constitute statutory accounts of the Company or Group.

These accounts have been prepared in accordance with the accounting policies set out in the Report and Financial Statements of Carlton Resources Plc for the year ended 30 June 2009. The statutory accounts for the year ended 30 June 2009 have been filed with the registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or 498(3) of the companies act 2006. These accounts have not been audited by the Company's auditors.

The Company's Report and Financial Statements for the year ended 30 June 2009 reflected the disposal of its diamond and industrial operations in January 2009. As at 30 June 2009 and as at 31 December 2009, the Company was not a parent as defined by the Companies Act 2006. The comparative interim financial information for the period to and as at 31 December 2008 represents the consolidated financial information as previously reported, as a Group existed at this time.

The Group financial statements are prepared in Great British Pounds, and all values are rounded to the nearest thousand Pounds (£'000) except when otherwise indicated.

Based upon forecasts, the Directors believe that Carlton has sufficient cash to pay existing creditors. However, it is recognised that in order to pursue any future opportunity, as outlined in the Chairman's and Chief Executives Statement, there will be a need to raise finance in the form of equity or debt. The Directors remain optimistic at this point in time of being able to raise the required finance, providing a suitable opportunity can be sourced and therefore these financial statements have been prepared on a going concern basis.

2. Changes in accounting policies

There were no changes in accounting policies during the six months ended 31 December 2009.

Carlton Resources Plc

Notes to the unaudited interim financial statements

For the half year ended 31 December 2009

3. Discontinued operations

On 3 December 2008, the Company entered into an agreement ("Sale Agreement") to sell its South African and Tanzanian diamond and industrial projects and operations (being all of the Company's operations) to Belmont Mining Limited ("Belmont"), by way of a sale of all the shares in certain Company subsidiaries to Belmont. The Sale Agreement was conditional upon the approval of the Company's shareholders being obtained, which occurred at the Extraordinary General Meeting of the Company held on 8 January 2009.

The results of the discontinued operations included in the statement of comprehensive income and the cash flows from discontinued operations included in the statement of cash flows are set out below for the six months ended 31 December 2008.

Loss from discontinued operations

| | Group Six months to 31 December 2008 £'000 Unaudited |
|--------------------------------------------------------------|------------------------------------------------------------------------|
| Continuing operations | |
| Revenue | 1,363 |
| Cost of sales | <u>(1,794)</u> |
| Gross loss | (431) |
| Administrative expenses | (519) |
| Other operating income | 52 |
| Loss from operations | <u>(898)</u> |
| Finance income | 26 |
| Finance expenses | (91) |
| Loss for the period before taxation | <u>(963)</u> |
| Taxation | 22 |
| Loss on measurement to fair value of discontinued operations | (648) |
| Loss for the period from discontinued operations | <u><u>(1,589)</u></u> |
| Cash flows from discontinued operations | |
| Cash flows from operating activities | (371) |

| | |
|--------------------------------------|--------------------|
| Cash flows from investing activities | (364) |
| Cash flows from financing activities | <u>708</u> |
| | <u><u>(27)</u></u> |

Carlton Resources Plc

Notes to the unaudited interim financial statements

For the half year ended 31 December 2009

4. Loss per share

Basic loss per share is calculated by dividing the loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

Reconciliations of the loss and weighted average number of shares used in the calculations are set out below:

| Company Six months to 31 December 2009 £'000 Unaudited | Group Six months to 31 December 2008 £'000 Unaudited | Company Year ended 30 June 2009 £'000 Audited |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------|

From continuing operations

Earnings:

Loss attributable to equity holders of the parent

Basic and Diluted Loss per Share

| | | |
|--------------|-------|---------|
| (349) | (401) | (2,132) |
| (349) | (401) | (2,132) |

From discontinued operations

Earnings:

Loss attributable to equity holders of the parent

Basic and Diluted Loss per Share

| | | |
|---|---------|---|
| - | (1,589) | - |
| - | (1,589) | - |

Total operations

Earnings:

Loss attributable to equity holders of the parent

Basic and Diluted Loss per Share

| | | |
|--------------|---------|---------|
| (349) | (1,990) | (2,132) |
| (349) | (1,990) | (2,132) |

Carlton Resources Plc

Notes to the unaudited interim financial statements

For the half year ended 31 December 2008

4. Loss per share (continued)

| | Company Six months to 31 December 2009 Unaudited | Group Six months to 31 December 2008 Unaudited | Company Year ended 30 June 2009 Audited |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|
| Weighted average number of shares for the calculation of Basic and Diluted Loss per Share | 452,198,421 | 268,265,577 | 268,265,577 |
| Basic and diluted Loss per Share - pence | | | |
| From continuing operations | (0.08) | (0.15) | (0.80) |
| From discontinued operations | - | (0.59) | - |
| From all operations | (0.08) | (0.74) | (0.80) |

The following potential issues of Ordinary Shares, which may be dilutive in future periods, have been excluded from the calculation of diluted loss per share for the period as these potential issues are anti-dilutive:

| | No. of potential shares |
|---------------------------------------------------------------------------------------------------------|-------------------------------|
| Share options granted to Westhouse Securities LLP on 27 February 2006 | 634,800 |
| Warrants issued to Strand Partners Securities and Montagu Stockbrokers Pty Limited on 21 September 2007 | 2,682,656 |
| Warrants issued to Washington Resources Limited and Amarone Resources Limited on 2 July 2009 | 27,381,670 |
| Long term incentive options granted under the KimCor share option scheme | 8,050,000 |
| Long term incentive options granted under the Carlton Resources Plc - Global Share Option Plan | 61,668,400 |

Carlton Resources Plc

Notes to the unaudited interim financial statements

For the half year ended 31 December 2009

5. Discontinued operations

As described in note 3, the Group disposed of its diamond and industrial operations, following shareholder approval on 8 January 2009. The major classes of assets and liabilities comprising the assets classified as held for sale at the statement of financial position date are:

| | Group 31 December 2008 £'000 Unaudited |
|--------------------------------------------------------------------------------|----------------------------------------------------|
| Assets classified as held for sale | |
| Property, plant and equipment, including mining properties | 3,146 |
| Receivables | 423 |
| Inventories | 283 |
| Cash and cash equivalents | <u>603</u> |
| Assets classified as held for sale | <u>4,455</u> |
| Liabilities directly associated with assets classified as held for sale | |
| Borrowings | 3,069 |
| Trade and other payables | <u>1,162</u> |
| Liabilities directly associated with assets classified as held for sale | <u>4,231</u> |
| Net assets classified as held for sale | <u><u>224</u></u> |

In accordance with the relevant accounting standards, prior year statements of financial position have not been restated.