

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Circular and/or the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or if not, from another appropriately authorised independent financial adviser. The whole of the text of this Circular should be read.

If you have sold or otherwise transferred all of your Ordinary Shares, please pass this Circular and the accompanying Form of Proxy 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

(incorporated in England and Wales with registered number 0539993)

PROPOSED SHARE CONSOLIDATION

-and-

NOTICE OF GENERAL MEETING

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 3 to 6 of this document and which contains the unanimous recommendation of your Board that you vote in favour of the Resolutions to be proposed at the General Meeting.

A notice convening a general meeting of the Company to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP on 22 December 2010 at 11.00 a.m. is set out at the end of this Circular. A Form of Proxy accompanies this document. To be valid, Forms of Proxy for use at the general meeting must be completed and returned (duly signed and executed) so as to be received by Computershare Investor Services Plc, PO BOX 82, The Pavilions, Bridgewater Road, Bristol BS99 7NH not later than 10.00 a.m. on 20 December 2010. The completion and depositing of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

Please refer to the detailed notes contained in the Notice of the General Meeting and Form of Proxy.

TIMETABLE

Latest time and date for receipt of Forms of Proxy	11.00 a.m., 20 December 2010
General Meeting	11.00 a.m., 22 December 2010
Record time and date for the Share Consolidation	5.00 p.m., 22 December 2010
New Ordinary Shares credited to CREST stock accounts in uncertificated form	23 December 2010
Despatch of definitive share certificates for New Ordinary Shares	By 5 January 2011

DEFINITIONS

The following definitions apply throughout this Circular:-

“2006 Act”	the Companies Act 2006;
“Articles”	the Company’s Articles of Association (as amended from time to time);
“Circular”	this document;
“Company”	Carlton Resources Plc;
“CREST”	the computer based system established under the CREST Regulations which enable title to units of relevant securities (as defined in the CREST Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations (SI 2001/3755) as amended;
“Deferred Shares”	deferred shares of 0.4 pence each in the capital of the Company;
“Directors” or the “Board”	the directors or the board of directors of the Company from time to time;
“Existing Ordinary Shares”	existing ordinary shares of 0.01 pence each in the capital

	of the Company, prior to the Share Consolidation;
“Form of Proxy”	a form of proxy, enclosed with this Circular;
“GM” or the “General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 22 December 2010 at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP (and any adjournment thereof);
“New Ordinary Shares”	the proposed new ordinary shares of 1 pence each in the capital of the Company, created pursuant to the Share Consolidation;
“Notice of General Meeting”	the notice of the General Meeting at the end of this Circular;
“Record Date”	22 December 2010, the record date for the purposes of the Share Consolidation;
“Relevant Securities”	as defined in the notes to the Notice of General Meeting;
“Resolutions”	the resolutions to be proposed at the GM as set out in the Notice of General Meeting;
“Share Consolidation”	the proposed consolidation of Existing Ordinary Shares into New Ordinary Shares on the basis of one New Ordinary Share for every 10 Existing Ordinary Shares, further details of which are set out in the this Circular; and
“Shareholders”	holders of issued Existing Ordinary Shares.

LETTER FROM THE CHAIRMAN

CARLTON RESOURCES PLC

(incorporated in England and Wales with registered number 0539993)

Directors:

Melissa Sturgess (Chairman)
Mark Burchnell
Richard Jarvis
Martyn Churchouse

Registered Office:

Manfield House
1 Southampton Street
London WC2R 0LR

6 December 2010

Dear Shareholder

PROPOSED 1 FOR 10 SHARE CONSOLIDATION

The Company has today announced that it proposes to undertake a share consolidation of its Existing Ordinary Shares into New Ordinary Shares on the basis of one New Ordinary Share from every 10 Existing Ordinary Shares. In addition, the Board proposes to renew authorisations available to it to issue Relevant Securities for cash on a non pre-emptive basis.

SHARE CONSOLIDATION

The Board considers that the Share Consolidation may be beneficial as it will reduce the size of the issued ordinary share capital thereby making it more manageable whilst maintaining a suitable nominal value per share, and in addition, improve the attractiveness of the Company's shares to new investors. The New Ordinary Shares will have the same rights as to voting, dividends and return on capital as the Existing Ordinary Shares pursuant to the Articles.

In the event that any Shareholder becomes entitled to fractions of New Ordinary Shares as a result of the Share Consolidation, the Directors are authorised by the Articles to sell the resulting New Ordinary Shares in the market and to distribute the net proceeds of the sale in due proportion among those Shareholders unless the amount due to any one Shareholder is less than £3 (or such other amount as determined by the Board from time to time) in which case the Company shall retain the benefit. The Board estimates that the maximum amount that any Shareholder would receive is likely to be considerably less than £3 and accordingly it is intended that the Company will retain the benefit of such sales.

The Company currently has an issued ordinary share capital of £453,969.39 divided into 453,969,390 Existing Ordinary Shares. Following the Share Consolidation, and assuming no further issues of Existing Ordinary Shares prior to such time, the issued ordinary share capital of the Company shall remain as £453,969.39 but will be divided into 45,396,939 New Ordinary Shares. The Company's Deferred Shares will be unaffected by the Share Consolidation.

AUTHORITIES

In addition, the Board proposes to renew its authorities to allot Relevant Securities on a non pre-emptive basis. The Board wishes to ensure that it has the sufficient authorities to allot Relevant Securities to enable the Company to meet any future requirements. It is therefore proposed that the Directors' general authority to allot Relevant Securities and the disapplication of statutory pre-emption rights be renewed on the date falling 5 years from the date of the passing of Resolutions 4 and 5 as set out in the Notice of General Meeting.

If Resolutions 4 and 5 are passed at the General Meeting the Directors would have the authority to allot 2,500,000,000 New Ordinary Shares for cash on a non-pre-emptive basis. The Directors consider the flexibility given by having authority to allot such a large number of New Ordinary Shares will enable the Company to move quickly should appropriate acquisition or investment opportunities arise in the future.

DEALING AND SETTLEMENT

The Share Consolidation will be effected by reference to Shareholders and their holdings of Existing Ordinary Shares on the Register as at 5.00 p.m. on the Record Date. Subject to the Resolutions being passed and becoming unconditional:

- New Ordinary Shares will be credited to CREST stock accounts in uncertificated form on 23 December 2010; and
- definitive share certificates for New Ordinary Shares will be despatched to Shareholders by 5 January 2011. Temporary certificates of title will not be issued and certificates of Existing Ordinary Shares will not be valid from 5.00 pm. on 22 December 2010 and should be destroyed upon receipt of certificates in respect of the New Ordinary Shares. Pending despatch of the definitive certificates in respect of the New Ordinary Shares, transfers of the New Ordinary Shares held in certificated form will be certified against the register.

**EFFECT OF THE SHARE CONSOLIDATION ON EXISTING WARRANTS AND
OPTIONS**

The Share Consolidation will necessitate certain adjustments to the terms of existing warrants and options that have been granted by the Company. Under the terms of such warrants and options the Share Consolidation will result in appropriate amendments being made to the number of ordinary shares subject to such warrants and options and the exercise price of such warrants and options such that the economic benefit of such warrants and options remains the same following the Share Consolidation. The exercise periods of such warrants and options will be unaffected by the Share Consolidation.

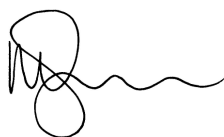
ACTION TO BE TAKEN

The Form of Proxy for use at the General Meeting is enclosed with this Circular. Whether or not you intend to be present, you are requested to complete and return the Form of Proxy in accordance with the instructions thereon to Computershare Investor Services Plc, PO BOX 82, The Pavilions, Bridgewater Road, Bristol BS99 7NH to arrive as soon as possible but not later than 11.00 a.m. on 20 December 2010. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

RECOMMENDATION

The Directors consider that the Resolutions to be put to the General Meeting are in the best interests of the Company and its Shareholders as a whole. The Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own shareholdings, which in aggregate total 8,900,000 Existing Ordinary Shares representing approximately 1.96 per cent of the Existing Ordinary Shares in issue at the date of this Circular.

Yours faithfully



Melissa Sturgess

CHAIRMAN

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the General Meeting of Carlton Resources Plc will be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP on 22 December 2010 at 11.00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 4 will be proposed as ordinary resolutions and resolutions 2, 3 and 5 will be proposed as special resolutions:

ORDINARY RESOLUTION

1. That every 10 ordinary shares of 0.1 pence each in the capital of the Company (both issued and unissued) be consolidated into one ordinary share of 1 pence each in the capital of the Company (each a “**New Ordinary Share**”).

SPECIAL RESOLUTIONS

2. Subject to and conditional on the passing of Resolution 1 above, that the Articles of Association of the Company be and are hereby amended by the definition of “Ordinary Share” being deleted and replaced with the following:

“means ordinary shares of 1 pence each in the capital of the Company;”.

3. That: (i) Clause 6 of the Memorandum of Association of the Company (as incorporated into the Articles of Association of the Company pursuant to Section 28 of the Companies Act 2006 (“**the Act**”)) be and is hereby deleted; and (ii) the Articles of Association of the Company be and are hereby amended by Article 3 being deleted in its entirety and left intentionally blank.

ORDINARY RESOLUTION

4. That, in accordance with section 551 of the Act, the directors of the Company from time to time (“**Directors**”) be and are generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to these resolutions) (comprising equity securities as defined in section 560 of the Act) up to an aggregate nominal amount of £25,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date falling 5 years from the date of passing this resolution save that the Company may, at any time before such expiry, make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act.

SPECIAL RESOLUTION

5. That the Directors be generally empowered pursuant to section 570 of the Act to allot equity securities for cash as if section 561(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 offer to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, expedient or desirable but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems or constraints in or under the laws of any territory or the requirements of any regulatory body or stock exchange;
 - (b) the allotment (otherwise than pursuant to sub paragraph (a) above) of equity securities up to an aggregate nominal amount of £25,000,000,

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 570 of the Act and shall expire on the date falling 5 years from the date of the passing of this resolution, (unless renewed varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry 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 notwithstanding that the power conferred by this resolution has expired.

Registered Office
Manfield House
1 Southampton Street
London WC2R 0LR

By Order of the Board
Melissa Sturgess
Chairman

6 December 2010

Notes:

1. "Relevant Securities" means:
 - (a) shares in the Company other than shares allotted pursuant to:
 - (i) an employee share scheme (as defined by section 1166 of the Act);
 - (ii) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
 - (iii) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.
 - (b) any right to subscribe for or convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.
2. 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 11 a.m. on 20 December 2010 shall be entitled to attend and vote at the General Meeting.
3. If you are a member of the Company at the time set out in note 2 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General 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.
4. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General 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 General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. 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.
6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - (a) completed and signed;
 - (b) sent or delivered to Computershare Investor Services Plc at The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and
 - (c) received by Computershare Investor Services Plc no later than 20 December 2010 at 11 am.

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. Except as provided above, members who have general queries about the General Meeting should call our Registrar shareholder helpline on 0870 703 1103 (no other methods of communication will be accepted).