

**ASX: RES**

23 August 2012

**ASX Release**

**Resource Generation to acquire new coal tenements**

Resource Generation Limited, which is developing one of South Africa’s largest remaining coal deposits, announced earlier this year that it had agreed to a put option under which it could acquire further coal tenements from Exxaro Resources. Exxaro has exercised the put option, which is subject to approval by the Department of Mineral Resources (**DMR**) under Section 11 of the Mineral and Petroleum Resources Development Act, 2002.

Boikarabelo Mine



The coal tenements are contiguous to the company’s existing tenements and are highlighted in red on the map above, including Swelpan and Kleinpan which land is owned by Resource Generation. The consideration payable is not material to the company’s existing cash reserves and is not due to be paid until the DMR has approved the transfer to Ledjadja, Resource Generation’s BEE subsidiary. From prior experience with Section 11 approvals, this process is not likely to be completed before mid-2013.

Should the DMR approve the transfer, the Boikarabelo mine will increase its total resources by 31%\*. The following table reflects resources and reserves, excluding 50% for shale content, after the transfer.

Measured Resource (Mt)	Indicated Resource (Mt)	Inferred Resource (Mt)	Total Resource (Mt)	Probable Reserve (Mt)
1,090.5	1,526.2	1,479.6	4,096.3	744.8



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*\*Information in this release that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Dawie Van Wyk who is a consultant to the Company and is a member of a Recognised Overseas Professional Organisation. Mr Van Wyk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Van Wyk has given and has not withdrawn his consent to the inclusion in the release of the matters based on his information in the form and context in which it appears.*

### **Contacts**

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*Resource Generation is developing the Boikarabelo coal mine in the Waterberg region of South Africa where there are probable reserves of 744.8 million tonnes of coal on 35% of the tenements under its control. Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum.*