



ASX: RES

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ASX Release

Water use licence and dismissal of mining right appeal clear the way for Boikarabelo construction

Resource Generation Limited has today received confirmation of two significant developments which clear the way for construction of its Boikarabelo mine in the Waterberg region of South Africa to proceed.

The company has received an Integrated Water Use Licence governing all aspects of water use at the mine. This enables the mine to conduct all activities for stage 1 of planned production and to utilise its borefield.

Ledjadja, the company's BEE subsidiary, acknowledges the assistance and cooperation of the Department of Water Affairs in issuing this licence and Ledjadja looks forward to working with the Department to obtain the licences required for development of the Marapong Boikarabelo Effluent Treatment (*MBET*) scheme and the Boikarabelo mine power station. An agreement for the MBET scheme was previously signed with the Lephalale Local Municipality in Limpopo Province, securing the water required for stage 2 of planned production.

In addition, the Department of Mineral Resources has written to Ledjadja advising that the appeal against its mining right has been dismissed and finalised.

Paul Jury, managing director of Resource Generation, said: 'The Integrated Water Use Licence is the last piece of the regulatory jigsaw puzzle required for mine construction and commencement of stage 1 production to proceed. Along with this major licence, removal of the mining right appeal establishes a clear path to securing funds for project construction.

'It is pleasing that the Boikarabelo project has now received support from all major regulatory bodies, signifying the benefit that this major project brings to the Limpopo region of South Africa. Completion of a rail haulage contract with Transnet is the remaining major hurdle to enable Resource Generation to finalise funding for project development.'

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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.