

**Interim Financial Report for the half year ended 31 December 2011**

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This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Resource Generation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

## RESOURCE GENERATION LIMITED

### Director's Report

The Board of Directors present their report on the consolidated entity consisting of Resource Generation Limited (the Company) and the entities it controlled for the half year ended 31 December 2011.

### Directors

The following persons were Directors of Resource Generation Limited during the whole or part of the half year and up to the date of this report:

Mr BD Warner (Chairman)  
Mr SR Douglas (Non-Executive Director)  
Mr PJ Jury (Managing Director)  
Mr SJ Matthews (Executive Director and Company Secretary)  
Mr G Rose AO (Non-Executive Director)

The above named directors held office during the half year ended 31 December 2011 except for :-  
Mr SR Douglas (Non-Executive Director) - resigned 4 November 2011

### Review of Operations

During the half year ended 31 December 2011 the consolidated entity recorded a net profit of \$0.7 million.

Key activities during the six months to 31 December 2011 were:-

- \* In October 2011 the Company signed a Memorandum of Understanding (MOU) with Transnet Freight Rail (TFR). Under the MOU, TFR has agreed with the Company's subsidiary Ledjadja Coal (Pty) Limited to haul Boikarabelo coal on a take or pay basis as follows; 4 million tonnes in the year commencing 1 July 2014, 5 million tonnes in the year commencing 1 July 2015 and 6 million tonnes per annum from 1 July 2016.
- \* In September 2011 the Company sold its Tasmanian coal tenements through the sale of shares in Energy Investments Pty Limited and Tiger Coal Pty Limited for \$1.5 million. In addition, the Company will receive a royalty of \$1.20 per tonne on all coal sold from any mine developed on these tenements.
- \* The Company continued with detailed engineering designs for its planned Boikarabelo mine in the Waterberg region of South Africa, where there are probable reserves of 774.8 million tonnes of coal on 35% of the tenements controlled by the Company.

### Events Occurring after the Balance Sheet Date

There are no matters of significance up to the date of this report that have not been included in the interim financial statements.

**Director's Report (cont.)**

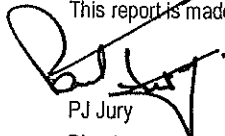
**Auditor's Independence declaration**

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

**Rounding of amounts**

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors.



PJ Jury  
Director

Sydney  
3 February 2012

The Board of Directors  
Resource Generation Limited  
Level 12, Chifley Tower  
2 Chifley Square  
SYDNEY NSW 2000

3 February 2012

Dear Sirs

## Resource Generation Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Resource Generation Limited.

As lead audit partner for the review of the financial statements of Resource Generation Limited for the financial half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



R. G. Saayman  
Partner  
Chartered Accountants

# RESOURCE GENERATION LIMITED

Condensed consolidated statement of comprehensive income for the half year ended 31 December 2011

	Notes	Half year ended	
		31-Dec-11 \$'000	31-Dec-10 \$'000
Revenue from continuing operations		1,068	365
Administrative, rent and corporate		(508)	(688)
Employee benefits expense		(364)	(258)
Depreciation of property, plant & equipment		(50)	(59)
Land management		(550)	-
Share based compensation	3	(358)	(2,349)
<b>Loss before income tax expense</b>		<b>(762)</b>	<b>(2,989)</b>
Income tax expense		(5)	(14)
Loss from continuing operations		(767)	(3,003)
Profit / (Loss) from discontinued operations	6	1,447	(539)
<b>Profit / (Loss) for the half year</b>		<b>680</b>	<b>(3,542)</b>
Other comprehensive income			
Exchange differences on translation of foreign operations	8	(1,903)	85
<b>Total comprehensive income for the half year</b>		<b>(1,223)</b>	<b>(3,457)</b>
Profit / (Loss) is attributable to:			
Owners of Resource Generation Limited		680	(3,542)
Total comprehensive income for the half year is attributable to:			
Owners of Resource Generation Limited		(1,223)	(3,457)
Earnings per share			
From continuing and discontinued operations		Cents	Cents
Basic earnings per share		0.26	(0.02)
Diluted earnings per share		0.25	(0.02)
From continuing operations		Cents	Cents
Basic earnings per share		(0.29)	(0.02)
Diluted earnings per share		(0.29)	(0.02)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# RESOURCE GENERATION LIMITED

Condensed consolidated statement of financial position  
As at 31 December 2011

	Notes	31-Dec-11 \$'000	30-Jun-11 \$'000
<b>Current assets</b>			
Cash and cash equivalents		20,825	25,326
Trade and other receivables		491	950
Deposits and prepayments		-	15
		<u>21,316</u>	<u>26,291</u>
<b>Non-current assets</b>			
Property, plant and equipment		33,987	33,888
Mining tenements and exploration (net of provision for diminution)		71,420	68,302
Deposits and receivables		11,190	11,046
		<u>116,597</u>	<u>113,236</u>
<b>TOTAL ASSETS</b>		<u>137,913</u>	<u>139,527</u>
<b>Current liabilities</b>			
Trade and other payables		520	818
Provisions		182	179
Borrowings	4	775	-
		<u>1,477</u>	<u>997</u>
<b>Non-current liabilities</b>			
Royalties payable		3,149	3,452
Borrowings	4	-	926
		<u>3,149</u>	<u>4,378</u>
<b>TOTAL LIABILITIES</b>		<u>4,626</u>	<u>5,375</u>
<b>NET ASSETS</b>		<u>133,287</u>	<u>134,152</u>
<b>Equity</b>			
Issued Capital	5	148,615	148,615
Reserves		18,518	20,063
Accumulated losses		(33,846)	(34,526)
<b>TOTAL EQUITY</b>		<u>133,287</u>	<u>134,152</u>

*The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.*

Condensed consolidated statement of changes in equity  
For the half year ended 31 December 2011

Attributable to owners of Resource Generation Limited

Notes	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2010	95,945	20,025	(29,454)	86,516
Loss for the period	-	-	(3,542)	(3,542)
Other comprehensive income for the period	-	85	-	85
<b>Total comprehensive income for the period</b>	-	85	(3,542)	(3,457)
Contributions of equity, net of transaction costs	39,375	-	-	39,375
Employee share options - value of employee services	-	2,349	-	2,349
	39,375	2,349	-	41,724
<b>Balance at 31 December 2010</b>	<b>135,320</b>	<b>22,459</b>	<b>(32,996)</b>	<b>124,783</b>
Balance at 1 July 2011	148,615	20,063	(34,526)	134,152
Profit/Loss for the period	-	-	680	680
Other comprehensive income for the period	-	(1,903)	-	(1,903)
<b>Total comprehensive income for the period</b>	-	(1,903)	680	(1,223)
Contributions of equity, net of transaction costs	-	-	-	-
Employee share options - value of employee services	-	358	-	358
	-	358	-	358
<b>Balance at 31 December 2011</b>	<b>148,615</b>	<b>18,518</b>	<b>(33,846)</b>	<b>133,287</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## RESOURCE GENERATION LIMITED

Condensed consolidated statement of cash flows  
For the half year ended 31 December 2011

	Half year ended	
	31-Dec-11 \$'000	31-Dec-10 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (Inclusive of goods and services tax)	-	4
Payments to suppliers and employees (inclusive of goods and services tax)	(721)	(1,270)
Land management	(621)	-
Interest received	603	233
Interest paid	(5)	(10)
Payments for mineral tenements and exploration	(47)	-
<b>Net cash outflow from operating activities</b>	<u>(791)</u>	<u>(1,043)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(79)	(3,478)
Receipts for government charges associated with land acquisition (refundable)	453	1,120
Proceeds from sale of business	1,500	-
Payments for mineral tenements and exploration	(3,410)	(4,812)
<b>Net cash outflow from investing activities</b>	<u>(1,536)</u>	<u>(7,170)</u>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares	-	39,416
Loan to BEE partner	(1,283)	-
<b>Net cash (outflow) / inflow from financing activities</b>	<u>(1,283)</u>	<u>39,416</u>
<b>Net increase in cash and cash equivalents</b>	(3,610)	31,203
Cash and cash equivalents at the beginning of the half year	25,326	6,088
Effects of exchange rate movements on cash and cash equivalents	(891)	(67)
<b>Cash and cash equivalents at the end of the half year</b>	<u>20,825</u>	<u>37,224</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.



## RESOURCE GENERATION LIMITED

Notes to the condensed consolidated financial statements  
For the half year ended 31 December 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation of half year financial report

This general purpose financial report for the interim half year reporting period 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2011 and any public announcements made by Resource Generation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### (b) Significant accounting policies

The interim financial report has been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2011.

The significant accounting policy for the Company is development expenditure.

#### Development expenditure

Development expenditure incurred by or on behalf of the consolidated entity is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises direct costs plus overhead expenditure incurred which can be directly attributable to the development process.

All expenditure incurred prior to the commencement of commercial levels of production from each area of interest is carried forward to the extent which recoupment out of revenue to be derived from the sale of production from the area of interest or, by its sale, is reasonably assured. Once commercial levels of production commence, the development expenditure in respect of that area of interest will be amortised on a straight line basis, based upon an estimate of the life of the area of interest.

The interim financial report comprises the financial statements of Resource Generation Limited and its subsidiaries as at 31 December 2011 ("the Consolidated Entity").

### 2. SEGMENT INFORMATION

#### (a) Description of segments

##### Business segments

The consolidated entity is organised into the following divisions by product and service type:

##### Mineral tenements and exploration

Coal tenements in South Africa and prospective uranium tenements in Cameroon.

##### Geographical segments

The Company is domiciled in Australia. Mine development activities are undertaken in South Africa. The Company has established a presence in Mauritius.

#### (b) Primary reporting format - business segments

Half year 2011	Mining tenements		Corporate	Total
	Africa \$'000	Australia \$'000	Australia \$'000	\$'000
Total segment and consolidated revenue	619	-	449	1,068
Loss before income tax	(7)	-	(755)	(762)
Income tax expense	(5)	-	-	(5)
Profit from discontinued operations	-	1,447	-	1,447
Profit/(Loss) for the half year	(12)	1,447	(755)	680

Half year 2010	Mining tenements		Corporate	Total
	Africa \$'000	Australia \$'000	Australia \$'000	\$'000
Total segment and consolidated revenue	129	-	236	365
Loss before income tax	(3)	(539)	(2,986)	(3,528)
Income tax expense	(14)	-	-	(14)
Loss for the half year	(17)	(539)	(2,986)	(3,542)

## RESOURCE GENERATION LIMITED

Notes to the condensed consolidated financial statements

For the half year ended 31 December 2011

### 3. PROFIT / (LOSS) FOR THE HALF YEAR

	Half year ended	
	31-Dec-11 \$'000	31-Dec-10 \$'000
Loss for the half year includes the following items that are unusual because of their nature, size or incidence:		
Expenses		
Share based compensation	358	2,349
	<u>358</u>	<u>2,349</u>

The share based compensation relates to the apportionment of share rights approved at the Annual General Meetings on 26 October 2009 and 24 October 2011.

### 4. BORROWINGS

	31-Dec-11 \$'000	30-Jun-11 \$'000
Current liabilities/ Borrowings - secured	775	-
	<u>775</u>	<u>-</u>
Non-current liabilities/ Borrowings - secured	-	926
	<u>-</u>	<u>926</u>

The loan represents a delayed payment in respect of a land acquisition in South Africa. The final payment is due on 17 December 2012. The loan is interest free until 17 June 2012 after which interest will be charged at the prime rate quoted by the Standard Bank of South Africa.

### 5. EQUITY SECURITIES ISSUED

	Half year ended		Half year ended	
	31-Dec-11 Shares	31-Dec-10 Shares	31-Dec-11 \$'000	31-Dec-10 \$'000
Opening balance	257,895,652	159,412,477	148,615	95,945
Issues of ordinary shares during the half year				
Shares issued on placement 21 September 2010	-	18,268,053	-	10,504
Shares issued on placement 10 November 2010	-	27,400,000	-	13,700
Shares issued per share purchase plan 8 December 2010	-	1,220,000	-	610
Shares issued on placement 15 December 2010	-	32,600,000	-	16,300
Costs in relation to issue of shares on placement and acquisitions	-	-	-	(1,739)
Closing balance	<u>257,895,652</u>	<u>238,900,530</u>	<u>148,615</u>	<u>135,320</u>

### 6. DISCONTINUED OPERATION

#### a) Description

The Company's wholly owned subsidiaries, Energy Investments Pty Limited and Tiger Coal Pty Limited, which held the Tasmanian coal tenements, were sold on 16 September 2011 for \$1,500,000 with the proceeds received in cash.

#### b) Disposal of subsidiaries

	Half year ended	
	31-Dec-11 \$000	31-Dec-10 \$000
Revenue	-	-
Development expenditure	(53)	-
Provision for diminution	-	(539)
Loss before income tax	<u>(53)</u>	<u>(539)</u>
Income tax expense	-	-
Loss on operations	<u>(53)</u>	<u>(539)</u>
Proceeds from sale	1,500	-
Profit/(Loss) from discontinued operations	<u>1,447</u>	<u>(539)</u>

## RESOURCE GENERATION LIMITED

Notes to the condensed consolidated financial statements

For the half year ended 31 December 2011

### c) Carrying amounts of assets and liabilities

The carrying amounts of the assets and liabilities at 31 December 2011 were:

	31-Dec-11
	\$000
Cash on hand	-
Trade and other receivables	-
Inventories	-
Total assets	<u>-</u>
Trade and other payables	-
Provisions	-
Amounts owing to parent company	-
Total liabilities	<u>-</u>
Net assets	<u>-</u>

### 7. DEVELOPMENT PARTNERS

	31-Dec-11	30-Jun-11
	Interest	Interest
	%	%
Waterberg One Coal (Pty) Limited	70	20
Ledjadja Coal (Pty) Limited	74	74

### 8. FOREIGN TRANSLATION RESERVE

	31-Dec-11	30-Jun-11
	\$'000	\$'000
Opening Balance	380	116
Movement	1,903	264
Closing Balance	<u>2,283</u>	<u>380</u>

The movement in the foreign currency reserve reflects the 14% appreciation of the Australian Dollar against the South African Rand in the six months since 30 June 2011 and the impact this has on the conversion of monetary assets held in South Africa.

### 9. CONTINGENCIES

With the acquisition of land for the Boikarabelo mine infrastructure the Group has purchased various properties. For some of these properties the vendor holds the right to lease the properties for game ranching purposes. The Group has undertaken to purchase any remaining animal stock at the end of the lease. Details of the commitments are as follows.

Property	Lease expiry / payment	Valuation method	Stock Valuation	Stock Valuation
			R'000	SA 000
Vischpan, Bitterfontein & Wildebeesvlakte	1-Apr-12	Stock purchase price to be determined at prices equal to the average 2009 game prices. Whilst stock prices increased by 50% in 2009 it is expected that the vendor will run down stock levels as part of their game hunting activities. The company has also agreed to cover any reasonable transfer related costs of stock during the lease period.	13,148	1,583
Zeekoewley	1-Mar-12	Stock purchase price to be determined by market related agreement or Stock valuer.	1,030	124
			<u>14,178</u>	<u>1,707</u>

### 10. COMMITMENTS

#### BEE Loan

The Company has committed to its black economic empowerment (BEE) partner 80 million Rand (\$11.5 million) to facilitate its 26% acquisition of Ledjadja Coal (Pty) Limited. The first tranche of 60 million Rand (\$8.3 million) was paid in May 2011, and the second tranche of 10 million Rand (\$1.3 million) was paid on 30 September 2011 with the final tranche of 10 million Rand due on 30 September 2012. The loan is secured over the BEE's shares in Ledjadja. Interest on the loan is payable at the prime rate quoted by the Standard Bank of South Africa plus 3%.

#### Capital commitments

The Group has \$7.6m in commitments in respect of the development of the Boikarabelo mine.

### 11. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no matters of significance up to the date of this report that have not been included in the interim financial statements.

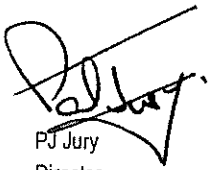
## RESOURCE GENERATION LIMITED

### Directors' declaration

In the directors' opinion:

- (a) there are reasonable grounds to believe that Resource Generation Limited will be able to pay its debts as and when they become due and payable.
- (b) the financial statements and notes set out on pages 5 to 11 are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

This declaration is made in accordance with a resolution of the directors.



PJ Jury  
Director

Sydney

3 February 2012

## Independent Auditor's Review Report to the members of Resource Generation Limited

We have reviewed the accompanying half-year financial report of Resource Generation Limited (the 'Company'), which comprises the condensed consolidated statement of financial position as at 31 December 2011, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 12.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Resource Generation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report 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 Australian Auditing Standards 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.

## *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Resource Generation Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Resource Generation Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



R G Saayman  
Partner

Chartered Accountants  
Sydney, 3 February 2012

## Supplementary Information - Translation of financial information to the South African Rand

The presentation currency used in the preparation of the financial statements is the Australian dollar (\$A). The Group has translated the financial statements to the South African (SA) Rand (ZAR) because the Boikarabelo mine, which represents the Group's most significant activity, is located in this region. This supplementary information has restated the financial statements to the Rand. Assets and liabilities were translated to SA Rand using the relevant closing rate of exchange and income and expense items were translated using the relevant cumulative average rate of exchange. The applicable rates used in the restatement of information are as follows:

	Dec-11	Jun 2011	Dec-10
Cumulative average rate of exchange \$A/Rand	7.9397	6.9624	6.7592
Closing rate of exchange \$A/Rand	8.3074	7.2864	6.5338

### Statements of Comprehensive Income - ZAR Convenience Translation (Supplementary Information) For the half year ended 31 December 2011

	Consolidated	
	2011	2010
	R'000	R'000
	6 months	6 months
Revenue from continuing operations	8,481	2,456
Administration, rent and corporate	(4,033)	(4,629)
Depreciation of property plant and equipment	(401)	(1,736)
Development expenditure	-	(397)
Employees benefits expense	(2,890)	(3,627)
Land management	(4,364)	-
Share based compensation	(2,845)	(15,805)
<b>Loss before income tax</b>	<b>(6,052)</b>	<b>(23,738)</b>
Income tax expense	(43)	(101)
<b>Loss from continuing operations</b>	<b>(6,095)</b>	<b>(23,839)</b>
Profit from discontinued operations	11,495	-
<b>Profit/ (Loss) for the year</b>	<b>5,400</b>	<b>(23,839)</b>
Other comprehensive income		
Exchange differences on translation of foreign operations	(15,109)	85
<b>Total comprehensive income</b>	<b>(9,709)</b>	<b>(23,754)</b>
<b>Loss is attributable to:</b>		
<b>Owners of Resource Generation Limited</b>	<b>5,400</b>	<b>(23,839)</b>
Total comprehensive income for the year is attributable to:		
Owners of Resource Generation Limited	(9,709)	(23,754)
Earnings per share	Rand	Rand
From continuing and discontinued operations		
Basic earnings per share	2.1	(13.5)
Diluted earnings per share	2.0	(13.5)
From continuing operations		
Basic earnings per share	(2.3)	(13.5)
Diluted earnings per share	(2.3)	(13.5)

Statements of financial position - ZAR Convenience Translation (Supplementary Information)  
As at 31 December 2011

	Consolidated	
	31 Dec 2011	30 Jun 2011
	R'000	R'000
<b>Current assets</b>		
Cash and cash equivalents	172,997	176,328
Trade and other receivables	4,077	6,621
Deposits and prepayments	-	105
	<u>177,074</u>	<u>183,054</u>
<b>Non-current assets</b>		
Property, plant and equipment	282,347	235,943
Mining tenements and exploration	593,317	475,546
Deposits and receivables	92,962	76,909
	<u>968,626</u>	<u>788,398</u>
<b>TOTAL ASSETS</b>	<u>1,145,700</u>	<u>971,452</u>
<b>Current liabilities</b>		
Trade and other payables	4,313	5,692
Provisions	1,515	1,251
Borrowings	6,440	-
	<u>12,268</u>	<u>6,943</u>
<b>Non-current liabilities</b>		
Royalties payable	26,157	24,033
Borrowings	-	6,453
	<u>26,157</u>	<u>30,486</u>
<b>TOTAL LIABILITIES</b>	<u>38,425</u>	<u>37,429</u>
<b>NET ASSETS</b>	<u>1,107,275</u>	<u>934,023</u>
<b>Equity</b>		
Contributed equity	1,234,605	1,034,718
Reserves	153,836	165,084
Accumulated losses	(281,166)	(265,779)
<b>TOTAL EQUITY</b>	<u>1,107,275</u>	<u>934,023</u>



**Consolidated statement of cash flow - ZAR Convenience Translation (Supplementary Information)**  
**For the half year ended 31 December 2011**

	Consolidated	
	2011	2010
	R'000	R'000
	6 months	6 months
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of government charges)	-	27
Payments to suppliers and employees (inclusive of government charges)	(5,725)	(8,545)
Payments for land management	(4,931)	-
Interest received	4,788	1,568
Interest paid	(40)	(67)
Payments for mineral tenements and exploration	(373)	-
<b>Net cash outflow from operating activities</b>	<b>(6,281)</b>	<b>(7,018)</b>
<b>Cash flows from investing activities</b>		
Payments for land, property, plant and equipment	(627)	(23,402)
Refund/(payments) for government charges associated with land acquisition	3,597	7,536
Proceeds from sale of business	11,910	-
Payments for mineral tenements and exploration	(27,074)	(32,378)
<b>Net cash outflow from investing activities</b>	<b>(12,194)</b>	<b>(48,243)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares	-	265,211
Loan to BEE partner	(10,187)	-
<b>Net cash outflow/(inflow) from financing activities</b>	<b>(10,187)</b>	<b>265,211</b>
<b>Net increase in cash and cash equivalents</b>	<b>(28,662)</b>	<b>209,949</b>
Cash and cash equivalents at the beginning of the year	184,535	41,150
Effects of exchange rate movements on cash and cash equivalents	17,129	(4,934)
<b>Cash and cash equivalents at the end of the year</b>	<b>173,002</b>	<b>246,165</b>

