



ASX: RES

27 August 2013

ASX Release

Increase in shareholding in Waterberg One Coal

Resource Generation has moved to tidy up the ownership of its shareholding in Waterberg One Coal (Pty) Limited (**WOC**). Currently WOC is owned 70% by Resource Generation and 30% by Lukale Mining Company (Pty) Limited (**Lukale**). Following the agreed transaction, WOC will be owned 74% by Resource Generation and 26% by Fairy Wing Trading 136 (Pty) Limited (**FWT**), the same shareholding split as Ledjadja Coal (Pty) Limited (**Ledjadja**), which owns the mining right for the Boikarabelo mine.

For the sale of its shareholding, Lukale will receive ZAR25 million in Resource Generation shares at \$0.40 per share, subject to shareholder approval at the forthcoming Annual General Meeting, and ZAR20 million cash. The shares will be held on the South African register and be eligible for sale on the JSE. FWT is being lent ZAR39 million on commercial terms by Resource Generation to fund its acquisition of WOC shares.

WOC's main prospecting right, Waterberg One, is contiguous with the Boikarabelo mining right and contains an indicated resource of 1,116.4 million tonnes and a measured resource of 865.5 million tonnes, including a probable reserve of 314.2 million tonnes*.

Paul Jury, managing director, said: 'this ownership change and alignment will enable a practical consolidation of our mining tenements to occur and make it easier to manage the operations of Boikarabelo. Our expectation is to open a separate pit at Waterberg One to supply domestic grade coal to Eskom and the independent power stations intended to be developed by Valu Investments Pte Ltd.'

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** Information in this report 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 Mr Van Wyk has given and has not withdrawn consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Resource Generation is developing the Boikarabelo coal mine in the Waterberg region of South Africa, which accounts for 40% of the country's remaining coal resources. There are probable reserves of 744.8 million tonnes of coal on 35% of the tenements under the company's control. Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum.