

RESOURCE GENERATION LIMITED
ACN 059 950 337

**QUARTERLY REPORT
FOR THE THREE MONTHS ENDED 31 MARCH 2010**

Resource Generation has coal interests in South Africa and Tasmania. Its current priority is to develop its planned Boikarabelo mine in the Waterberg region of South Africa.

HIGHLIGHTS

South Africa

- Further drilling was completed on an additional 18% of the shallow coal bearing part of the Ledjadja tenement area; seam continuity and thickness were consistent with previous drilling. The resource and reserve classifications are expected to improve following analysis.
- The mining rights application was lodged.
- Two further properties totalling 2,771 hectares in the Waterberg area were acquired; these will form part of the proposed open-cut pit.

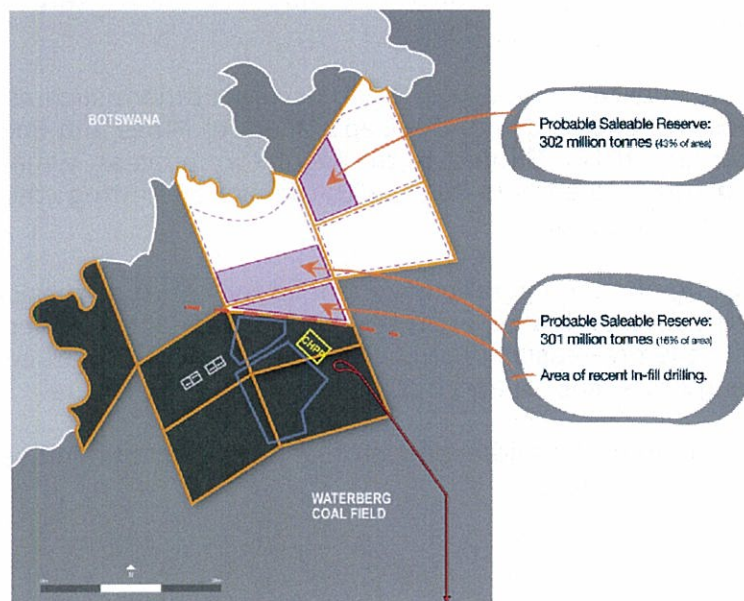
Corporate

- The board decided to seek a secondary listing on the Johannesburg Stock Exchange to assist with future project funding. Documentation is underway to complete the process.

EXPLORATION RIGHTS AND ACTIVITIES

Ledjadja Coal Joint Venture (LCJV)

- A further 21 cored holes and 4 percussion holes on the northern half of Kalkpan (L3) were completed during the quarter, and seam continuity and thickness were consistent with previous drilling. Analysis is underway, and is expected to lead to an increase in the resource and reserve classification on that tenement.





- The expenditure of ZAR20 million (currently approximately A\$3 million) on exploration and development activities will enable the company to increase its rights in the LCJV from 49% to 65%, with a further entitlement to increase to 74%, subject to final regulatory consent. Regulatory consent has been applied for by the company's black economic empowerment (BEE) partners and is awaited. ZAR20.5 million has been spent to date, so the expenditure hurdle to increase to 65% has been achieved.

Waterberg One Coal Joint Venture (WCJV)

- No exploration drilling occurred during the quarter. The drilling programme was completed early in 2009.
- As previously advised, expenditure of US\$5 million will increase Resource Generation's rights in the WCJV from its current 20% to 70%. US\$3.6 million has been spent to date.

Boikarabelo Project Development

- The tenements forming part of the Boikarabelo project contain the following reserves and resources. The highest level of each reserve and resource is shown for each area only:

	Inferred Resource* million tonnes	Indicated Resource* million tonnes	Probable Reserve** million tonnes
Waterberg One Coal JV			
Waterberg #1		569.5	302.4
Ledjadja Coal JV			
Witkopje			300.9
Draai Om, Kalkpan and Witkopje	1,735.5		
Total Boikarabelo Project	1,735.5	569.5	603.3

* Excludes shale content and comprises 100% for each joint venture

** Probable reserves are additional to the quoted indicated and inferred resources

- Two further properties in the Waterberg area, Draai Om and Witkopje, totalling 2,771 hectares were acquired during the quarter. Both properties coincide with the Ledjadja prospecting right and represent the target area for the open-cut pit.
- The mining rights application and associated documentation, such as social and labour plans, were lodged with the Department of Mines and Energy and accepted in February 2010. Subject to the regulatory process, a mining right is expected to be granted early in 2011, with the aim of starting coal production by January 2013.
- Detailed scheduling of mine operations continued for use in discussions on debt funding with several finance providers. The potential for higher returns than indicated in the pre-feasibility study has been identified, particularly with respect to mining costs, capital and transport-related expenditure.
- Work continued on domestic and export offtake arrangements and securing appropriate logistics solutions.



Tasmania

- Drilling of the Woodbury coal tenement is due to be commenced subject to access arrangements.

Cameroon

- No activities were undertaken on the uranium tenements in Cameroon during the quarter.

CORPORATE INFORMATION

Directors

Scott Douglas	Non-Executive Chairman
Paul Jury	Managing Director
Steve Matthews	Executive Director
Geoffrey (Toby) Rose	Non-Executive Director

Company Secretary

Steve Matthews

Registered Office

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Contacts

Paul Jury
Steve Matthews

** 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.*

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 31/9/2001.

Name of entity

Resource Generation Limited

ABN

91 059 950 337

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 mths) \$A'000
1.1	Receipts from product sales and related debtors	-	44
1.2	Payments for		
	(a) exploration and evaluation	(571)	(1,607)
	(b) development	(551)	(1,544)
	(c) production	-	-
	(d) administration	(441)	(985)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	229	833
1.5	Interest and other costs of finance paid	(1)	(4)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(1,335)	(3,263)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets (land)	(6,045)	(19,705)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other- Government charges in relation to land acquisitions (refundable)	(844)	(2,556)
	Net investing cash flows	(6,889)	(22,261)
1.13	Total operating and investing cash flows (carried forward)	(8,224)	(25,524)

		Current quarter \$A'000	Year to date (9 mths) \$A'000
1.13	Total operating and investing cash flows (brought forward)	(8,224)	(25,524)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	29,633
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	29,633
	Net increase (decrease) in cash held	(8,224)	4,109
1.20	Cash at beginning of quarter/year to date	17,687	5,091
1.21	Exchange rate adjustments to item 1.20	(288)	(25)
1.22	Cash at end of quarter	9,175	9,175

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	212
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Executive salaries and directors fees	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	2,000
4.2	Development	500
Total		2,500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	15	58
5.2	Deposits at call	8,978	17,447
5.3	Bank overdraft	-	-
5.4	Other (Bank guarantees)	182	182
Total: cash at end of quarter (item 1.22)		9,175	17,687

Changes in interests in mining tenements

		Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2	Interests in mining tenements acquired or increased	N/A			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1	*Preference securities <i>(description)</i>	N/A			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			
7.3	*Ordinary securities	159,412,477	159,412,477	Various	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil	Nil	Nil
7.5	*Convertible debt securities <i>(description)</i>	N/A			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
7.7	Options <i>(description and conversion factor)</i>	450,000 3,750,000 1,000,000 250,000 450,000 250,000 350,000 350,000 375,000 375,000 500,000	Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil	<i>Exercise price</i> \$0.25 \$0.50 \$0.50 \$0.50 \$0.60 \$0.70 \$1.00 \$1.50 \$1.55 \$1.85 \$2.05	<i>Expiry date</i> 28/11/2012 31/12/2012 7/7/2011 17/3/2013 28/11/2012 17/3/2013 17/3/2013 17/3/2013 28/5/2013 28/5/2013 28/5/2013
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil		Nil	
7.10	Expired during quarter	Nil			
7.11	Debentures <i>(totals only)</i>	N/A			
7.12	Unsecured notes <i>(totals only)</i>	N/A			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 15 April 2010

Print name: STEPHEN JAMES MATTHEWS

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