

Developing a massive coal mine in South Africa



Update
27 July 2010

ASX
RES
JSE
RSG

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South Africa

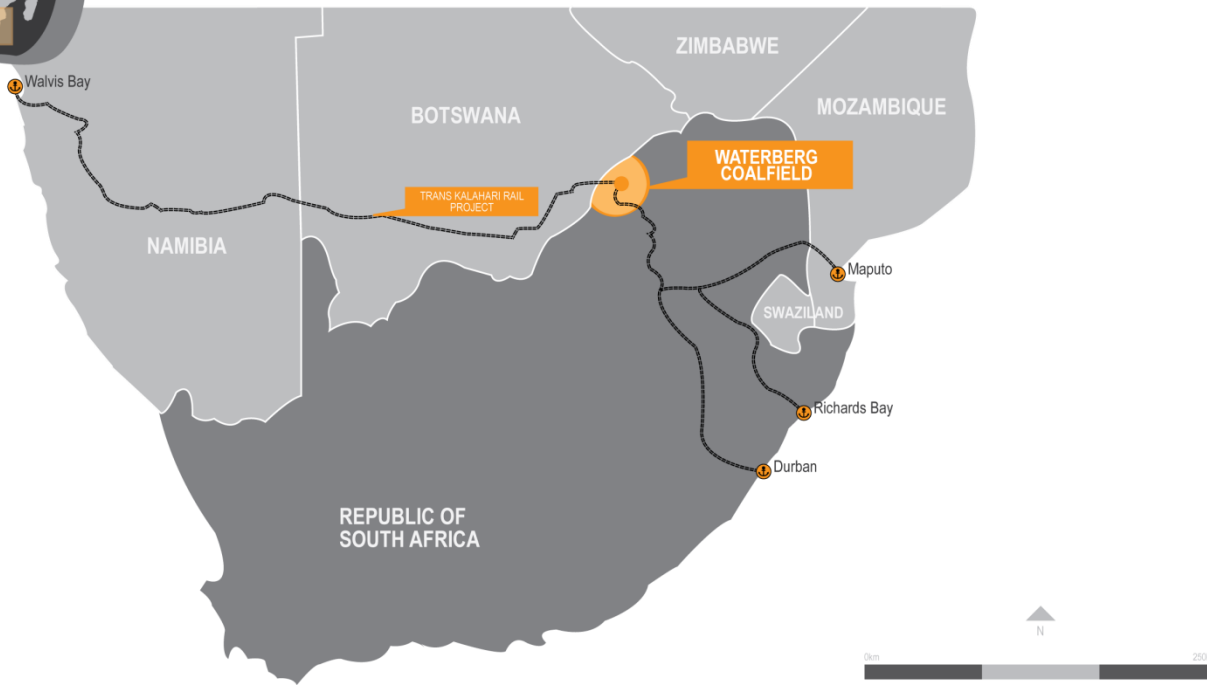
Information in this presentation that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Dawie Van Wyk who is a consultant to the Company and is a member of a Recognised Overseas Professional Organisation. Mr Van Wyk has sufficient experience which 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 consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

ASX/JSE codes	RES / RSG
Current shares on issue	164.4 million
Options on issue	8.1 million
Market capitalisation	A\$88 million
Cash on hand	A\$6 million
Debt	NIL

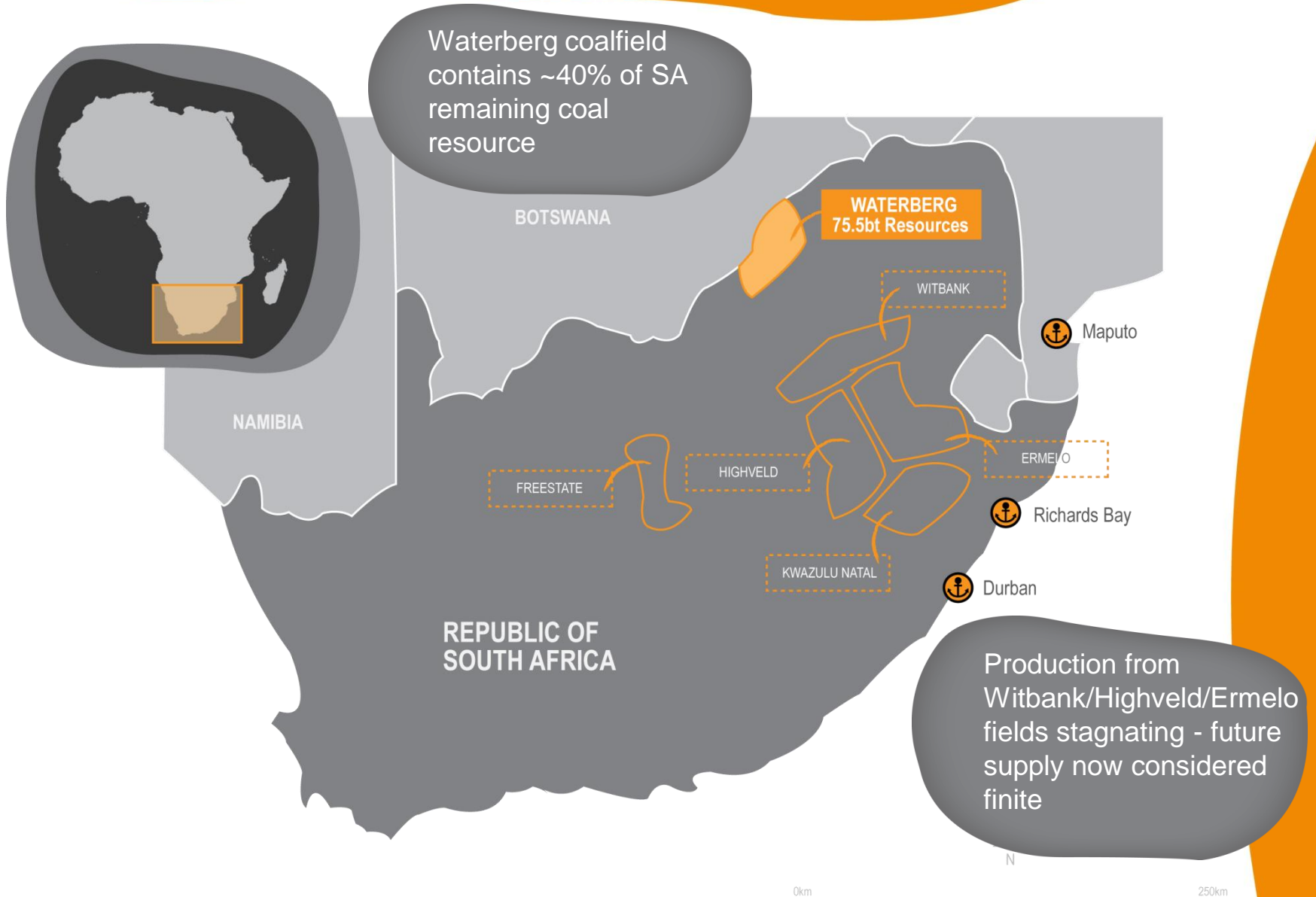
South Africa: the Boikarabelo opportunity



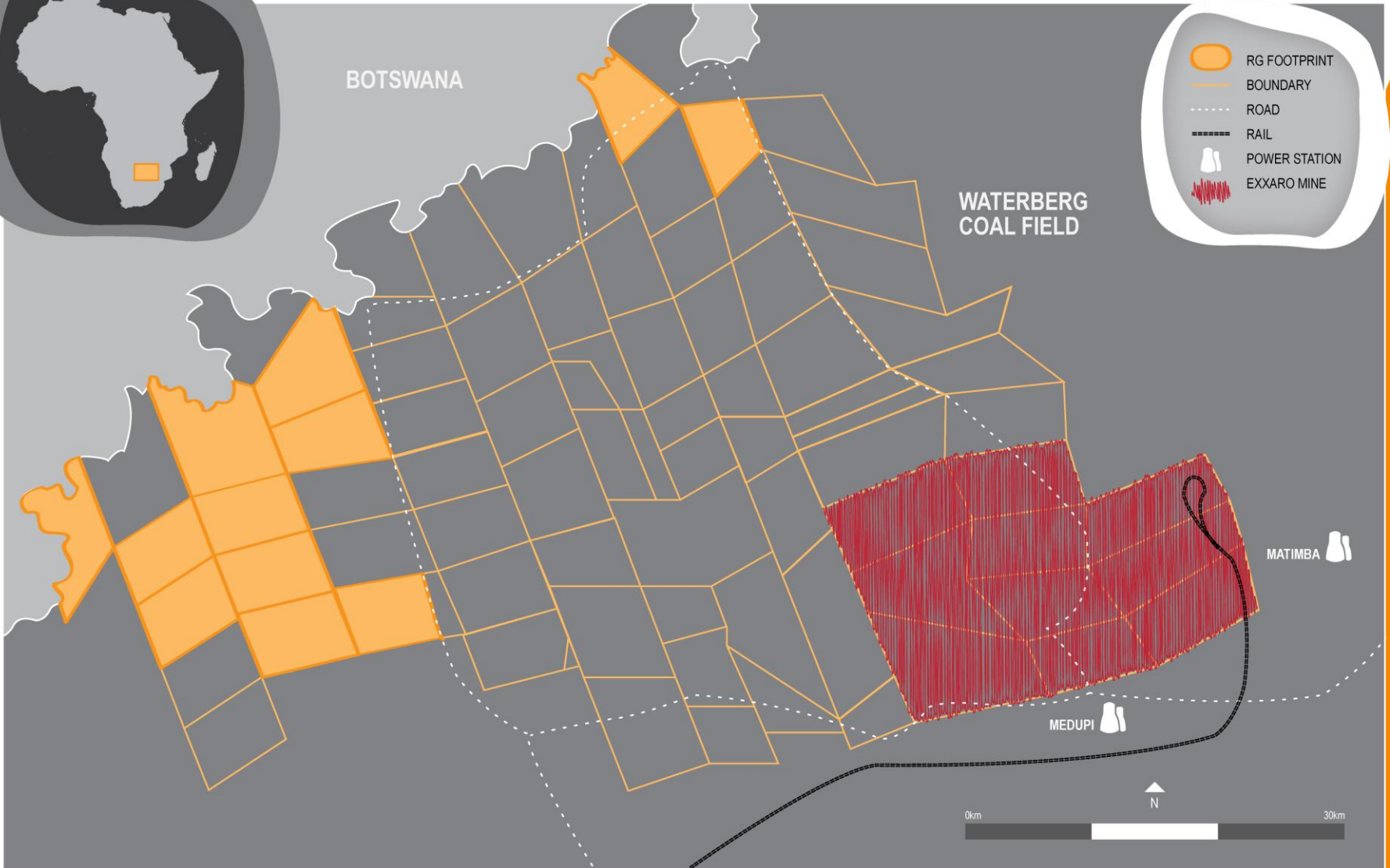
- Waterberg Coalfield: 40% SA's remaining coal resource.
- Future of coal mining in South Africa.
- RES' Boikarabelo mine - major deposit.
- 120m thick coal seam at shallow depth - 20m.
- Current saleable reserve: 603 million tonnes.
- Additional resource: Inferred 1.9 billion tonnes. Indicated 570 million tonnes.
- Progressing to mine development.



South African coal fields: Waterberg the future



Waterberg coalfield location

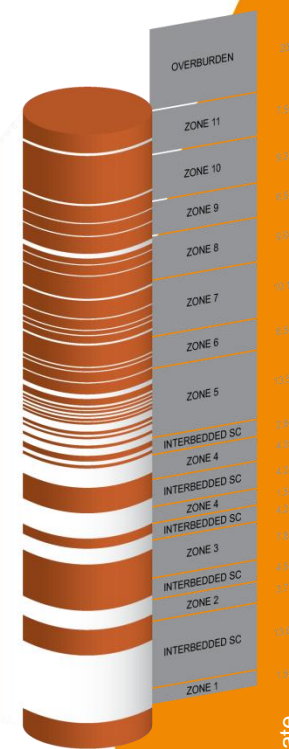
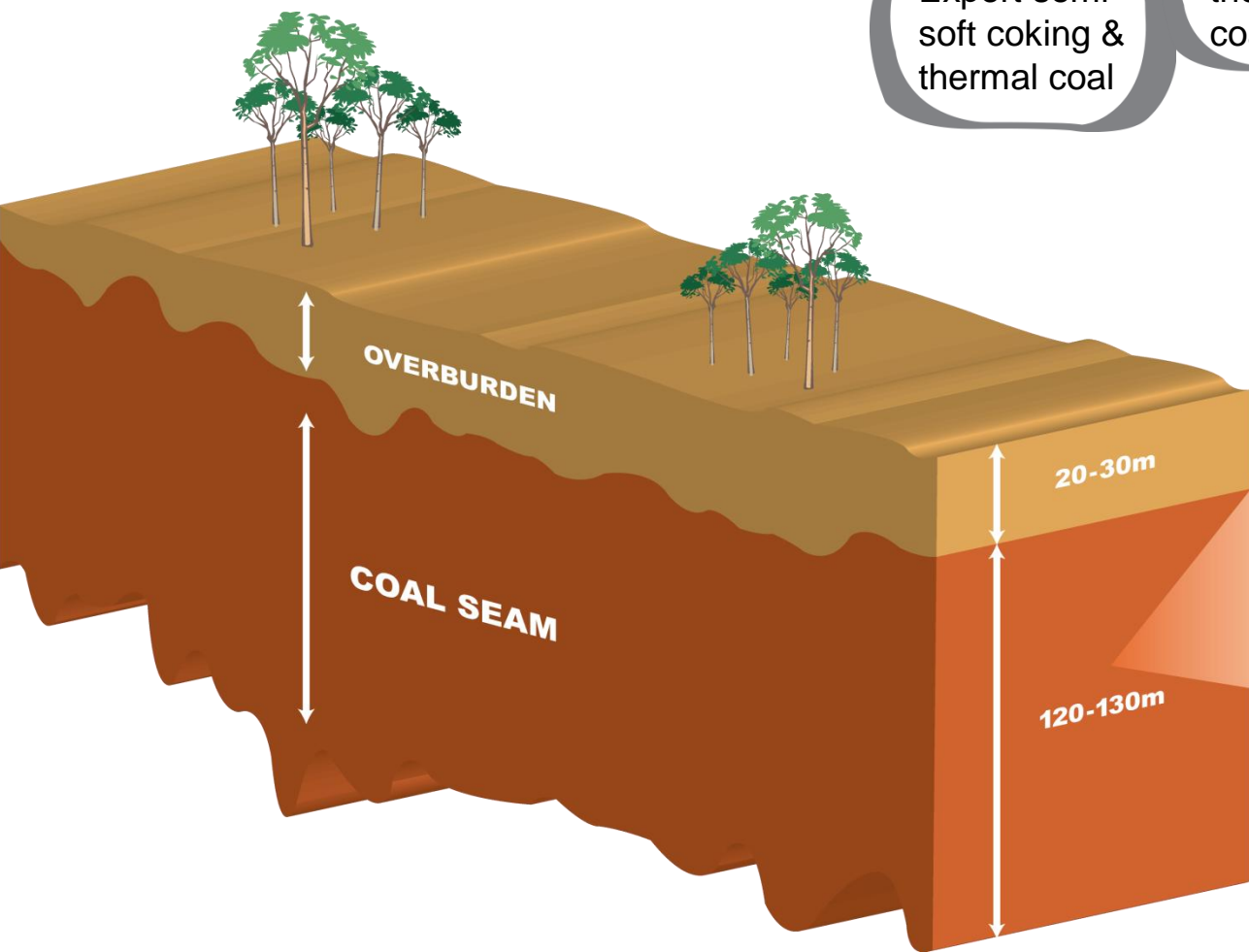


Boikarabelo coal seam: shallow cover, thick seam, zones of varying quality



Export semi-soft coking & thermal coal

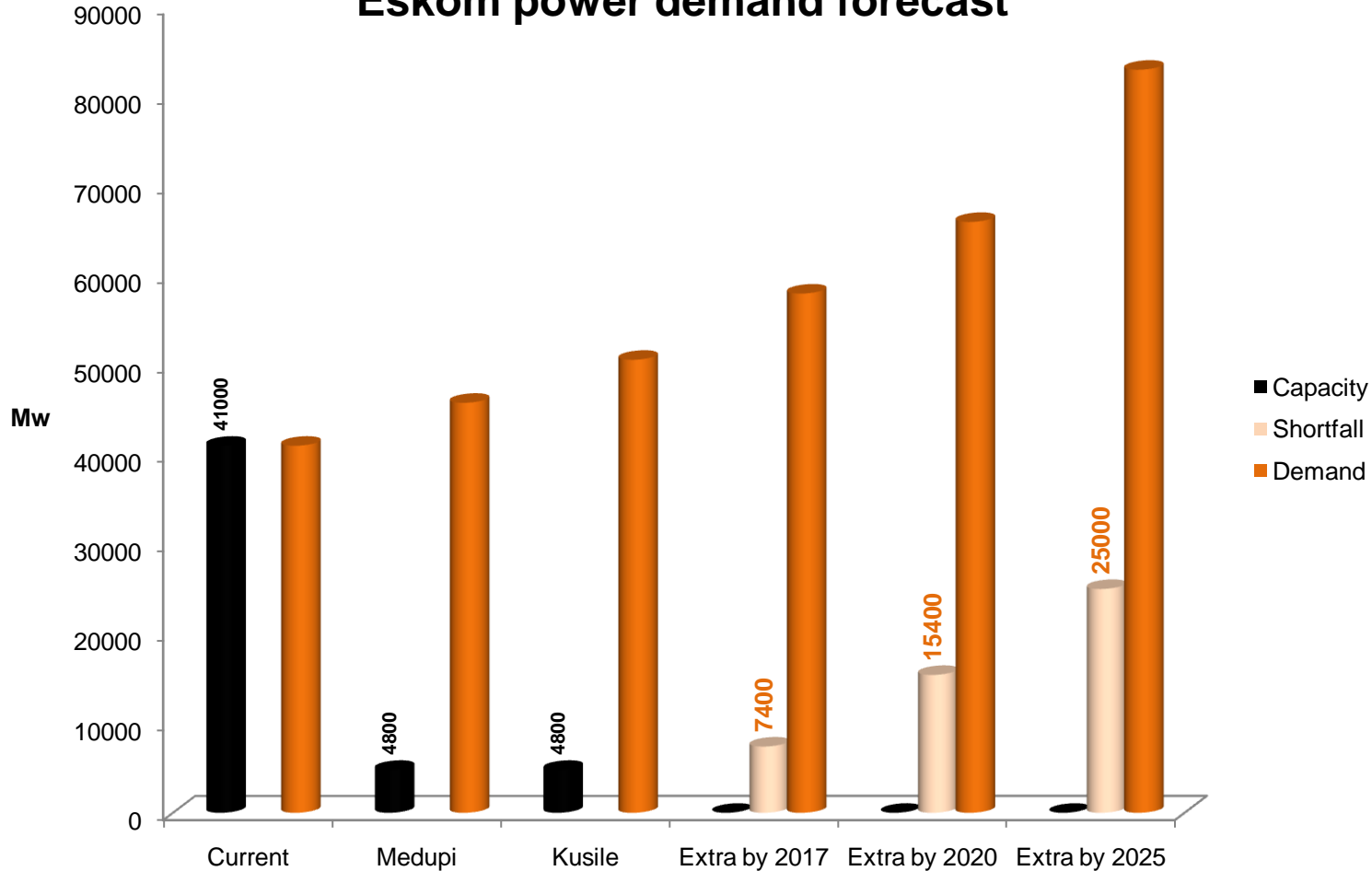
Domestic thermal coal



South African supply/demand imbalance: new mines needed



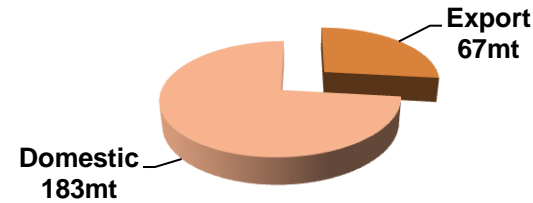
Eskom power demand forecast



South African coal exports: growing demand from India and China

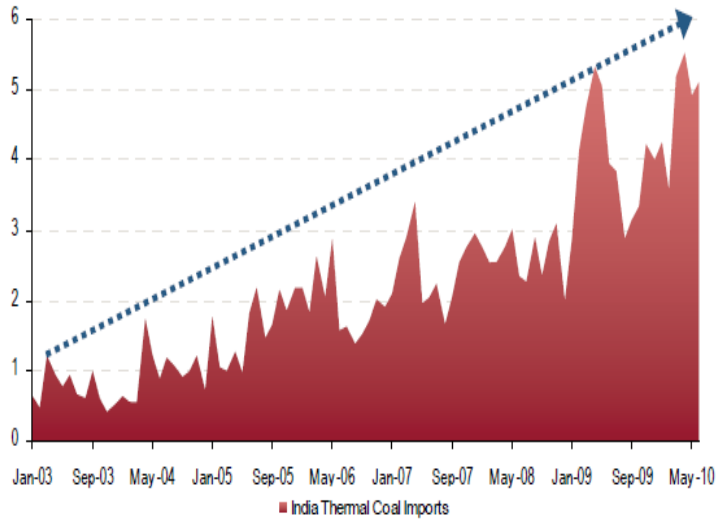


**Current SA Total Production
~250mtpa**



Indian thermal coal import growth – LT upside

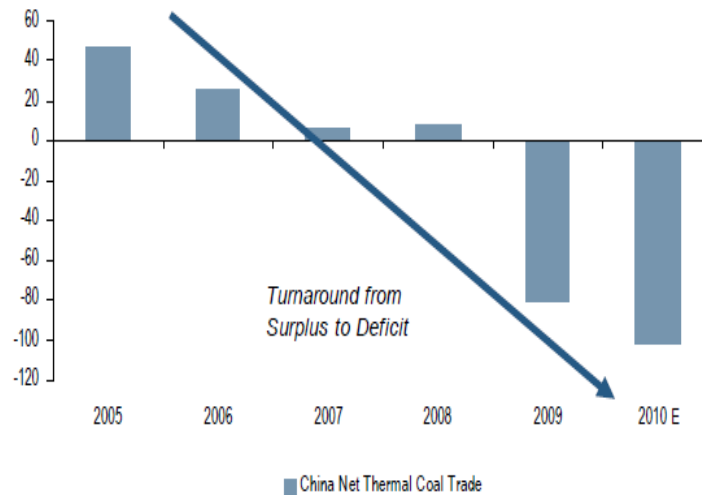
Million tonnes, monthly



Source: Trade data, Credit Suisse estimates

Chinese thermal coal import growth – upside II

Million tonnes, annual



Source: Global Trade, Credit Suisse estimates

Key achievements in 16 months to Feb 2010

- Submitted mining rights application
- Completed pre-feasibility study
- Acquired surface land
- Completed mine plan
- Completed social & labour plan
- Defined transport, power & water solutions
- Designed infrastructure
- Probable saleable reserve 603mt from ~23% available area
- Defined 6 billion tonne resource
- Secured prospecting rights

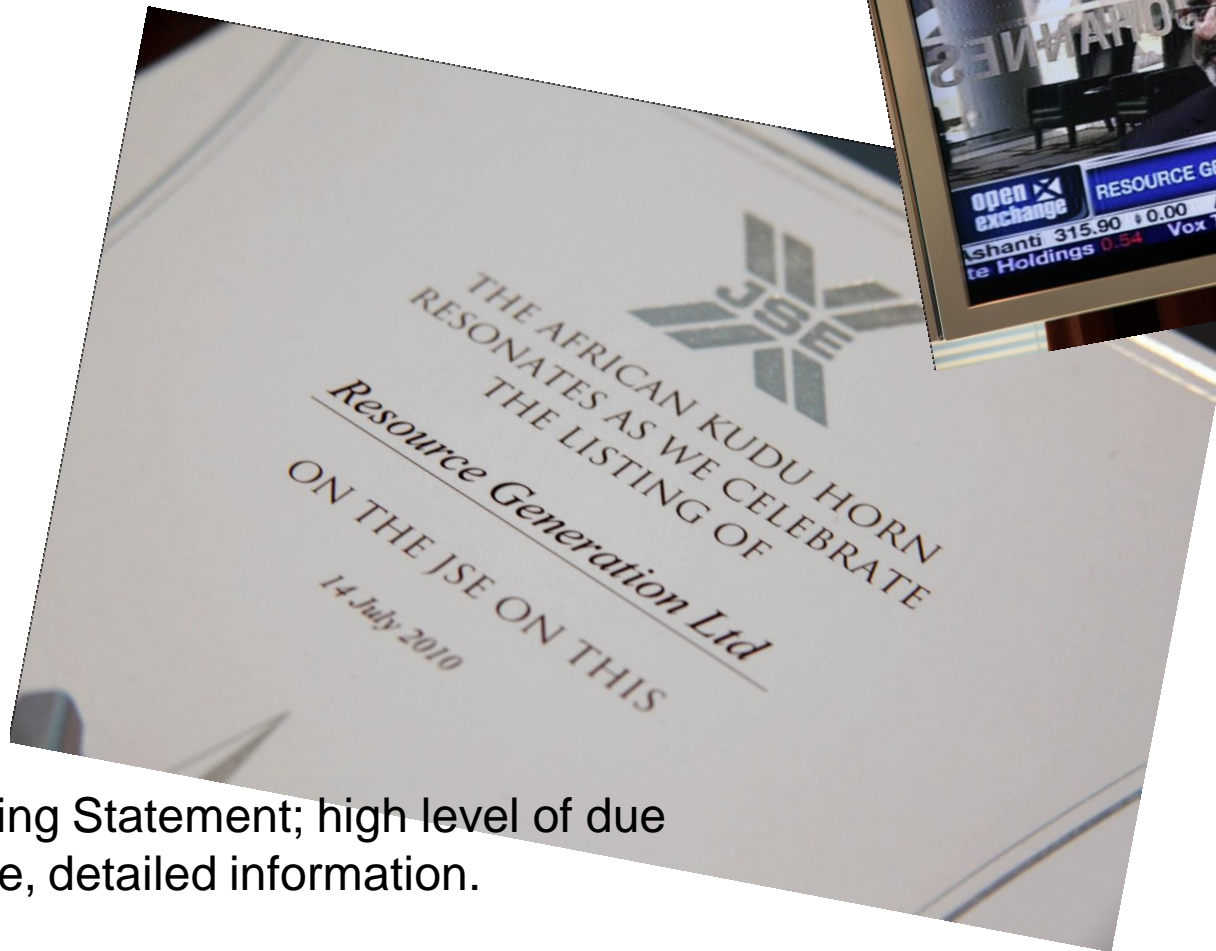
Progress since Feb'10

- JSE listing
- MRA
- 2nd S11 approval
- Additional exploration
- Transport options
- Coal offtake
- Funding plan

JSE listing achieved; dual listed with ASX



- ✓ Provides greater funding flexibility
- ✓ Facilitates SA bank participation
- ✓ Encourages South African investors
- ✓ Assists future operational structuring



Pre Listing Statement; high level of due diligence, detailed information.

Mining Rights Application (MRA) progress



MRA

Land claims
Soil
Flora & Fauna
Wetlands
Floodlines
Surface water
Hydrology
Noise
Air quality
Archaeology
Traffic
Tourism
Social impacts
Public participation
Mine plans
Emplacement

- Social & Labour Plan submitted & reviewed
- Environmental Impact Assessment completed
- Public consultation underway

Formal submission to other Gov't Departments to follow consultation phase ~Sept'10

Regulatory consent completes RES ownership validation under BEE



Transparent and constructive meetings with DMR have led to S11 approvals

Received '09:
RES now 70%

Received Jun '10:
RES now 74%

WATERBERG ONE COAL (Pty) Ltd

Resgen South Africa (Pty) Ltd

Lukale Mining Company (Pty) Ltd (RSA BEE Partner)

20% → 70%¹

80% → 30%

Waterberg One Coal (Pty) Ltd

- 3 Deposits:
- Waterberg No. 1
 - Waterberg No. 2
 - Waterberg No. 3

3,160 ha

¹ Expenditure of A\$5m increases JV ownership from 20% to 70%

LEDJADJA COAL (Pty) Ltd

Resgen Africa Holdings Ltd

Yakani Resources (Pty) Ltd (RSA BEE)

Shango Minerals (Pty) Ltd (RSA BEE)

49% → 74%²

41% → 21%

10% → 5%

Ledjadja Coal (Pty) Ltd

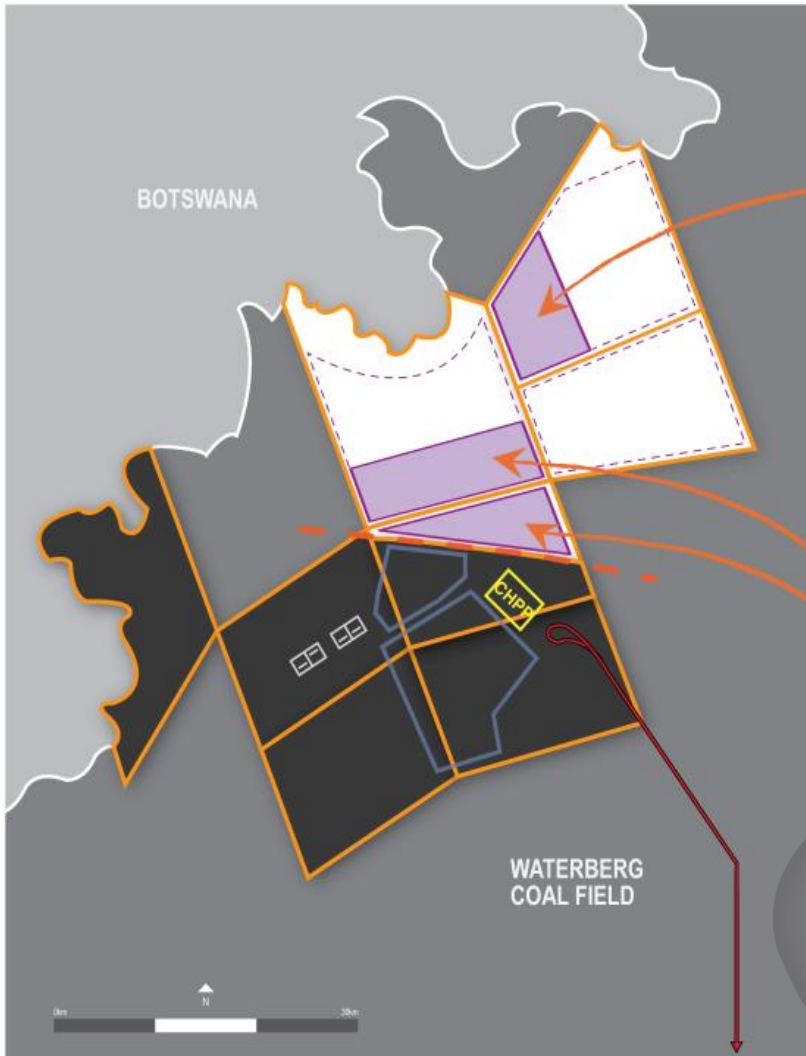
7 Deposits:

- Witkopje (L1)
- Draai Om (L2)
- Kalkpan (L3)
- Kruispad (L4)
- Zeekoevley (L5)
- Vischpan (L6)
- Kruishout (L7)

8,955 ha

² Expenditure of ZAR20m increases JV ownership from 49% to 65%, with a further right to increase to 74% (if other shareholders elect not to fund feasibility study) subject to regulatory consent declined under previous ownership. Yakani has re-applied for approval.

Additional drilling; analysis 50% complete



Probable Saleable Reserve:
302 million tonnes (43% of area)

Probable Saleable Reserve:
301 million tonnes (16% of area)

Area of recent In-fill drilling.

- 25 holes
- consistent results to previous exploration
- anticipate increased reserves

Rail: initiated discussions with Transnet re rail network access



Initial mine production transported by road to siding pending rail link

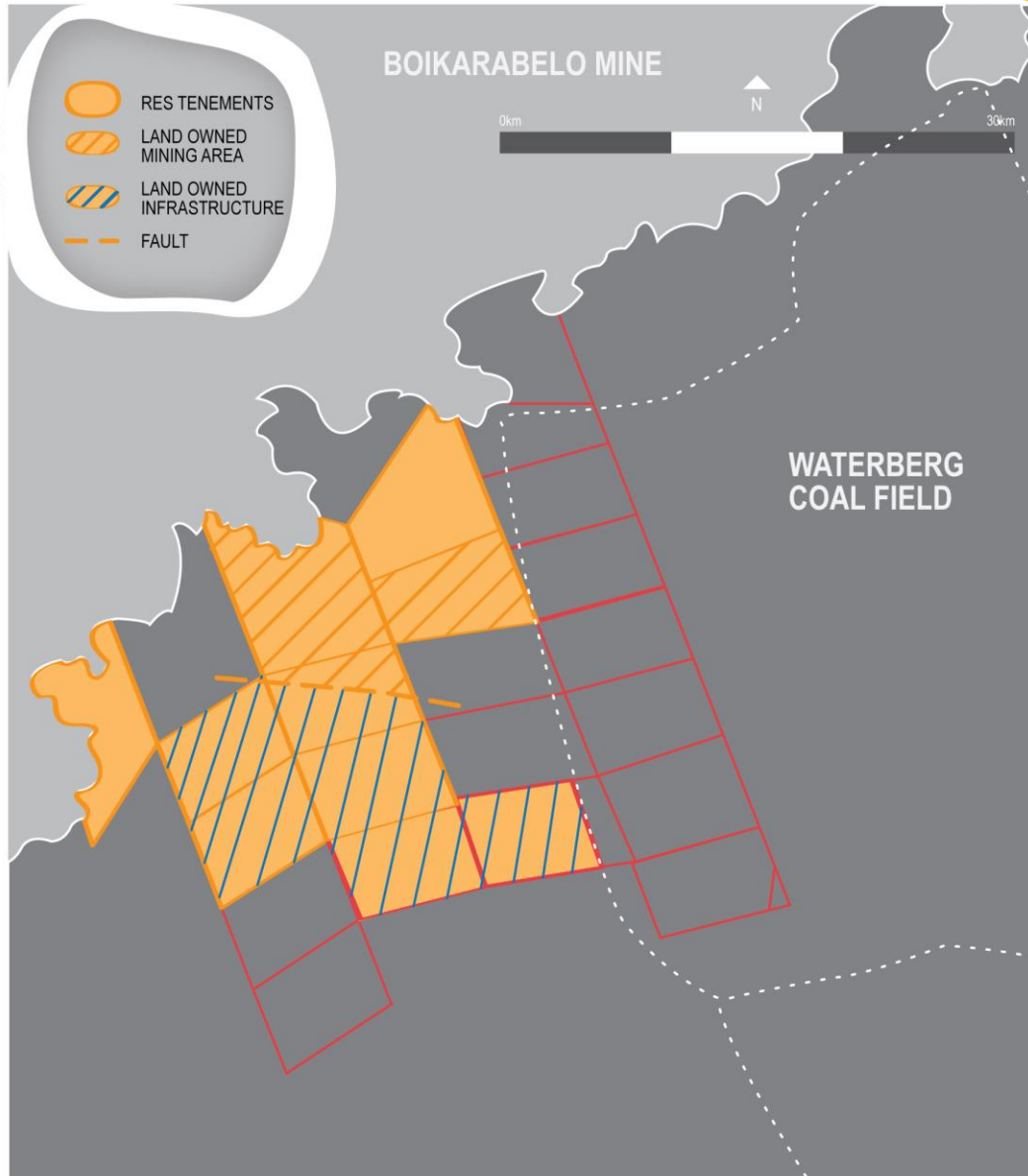


- Export interest from India and China, with some from Europe

- Discussions continue with Eskom for supply to Mpumalanga power stations



Land acquisition secured keystone property to facilitate development



Flat topography

Funding overview: plan refined; initial capex reduced to maximise early cash flows



- New mine plan to extract full seam section (~120m)
- 2 stages; smaller scale start-up ~12mtpa ROM, providing 3 mtpa export thermal and 3 mtpa domestic thermal coal.
- Stage 1 to establish mine based on realistic sales to both export and domestic markets until rail upgrade completed
- Stage 2; expanded operation to follow

Flexible mine plan to meet changing markets



- CONTIGUOUS COAL SEAM = MINING ZONE
- INFRASTRUCTURE
- PLANT
- MINE STRIPS / AREA
- DUMPS
- SERVICE WATER DAMS
- FAULT
- RAIL & CONVEYOR

Waterberg No.1
2.0 billion tonnes resource¹

Saleable Reserve:^{*}
302 million tonnes (43% of area)

Indicated Resource:
570 million tonnes

Ledjadja exploration continuing.
4.0 billion tonnes resource¹

Saleable Reserve:^{*}
301 million tonnes (16% of area)

Inferred Resource:
1.7 billion tonnes.

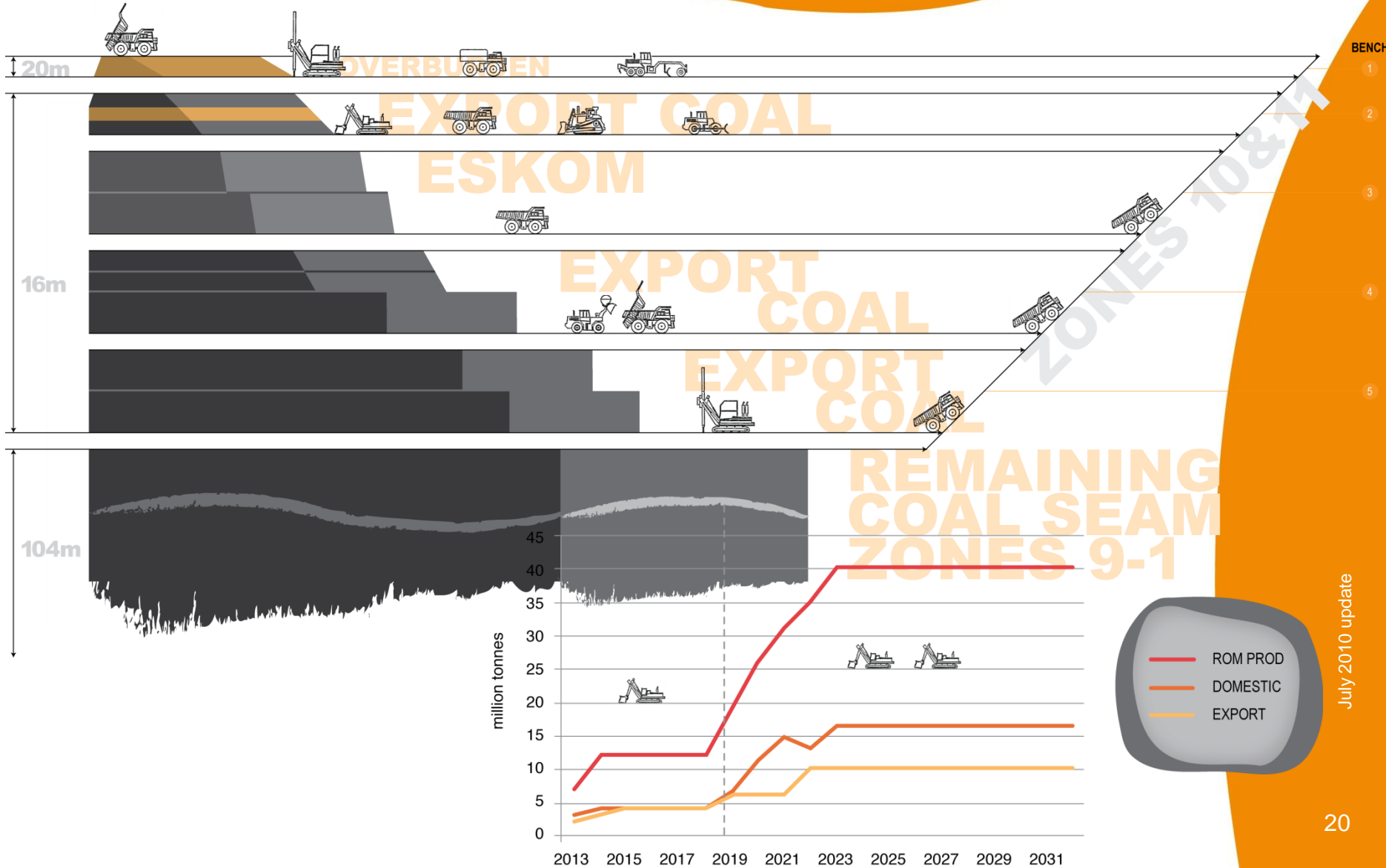
Mine infrastructure location.

Transport / access corridors.



¹ INCLUDES RESOURCE RESERVES ^{*} PROBABLE

Multiple mining benches: low cost open cut mining, simple expansion to increase production

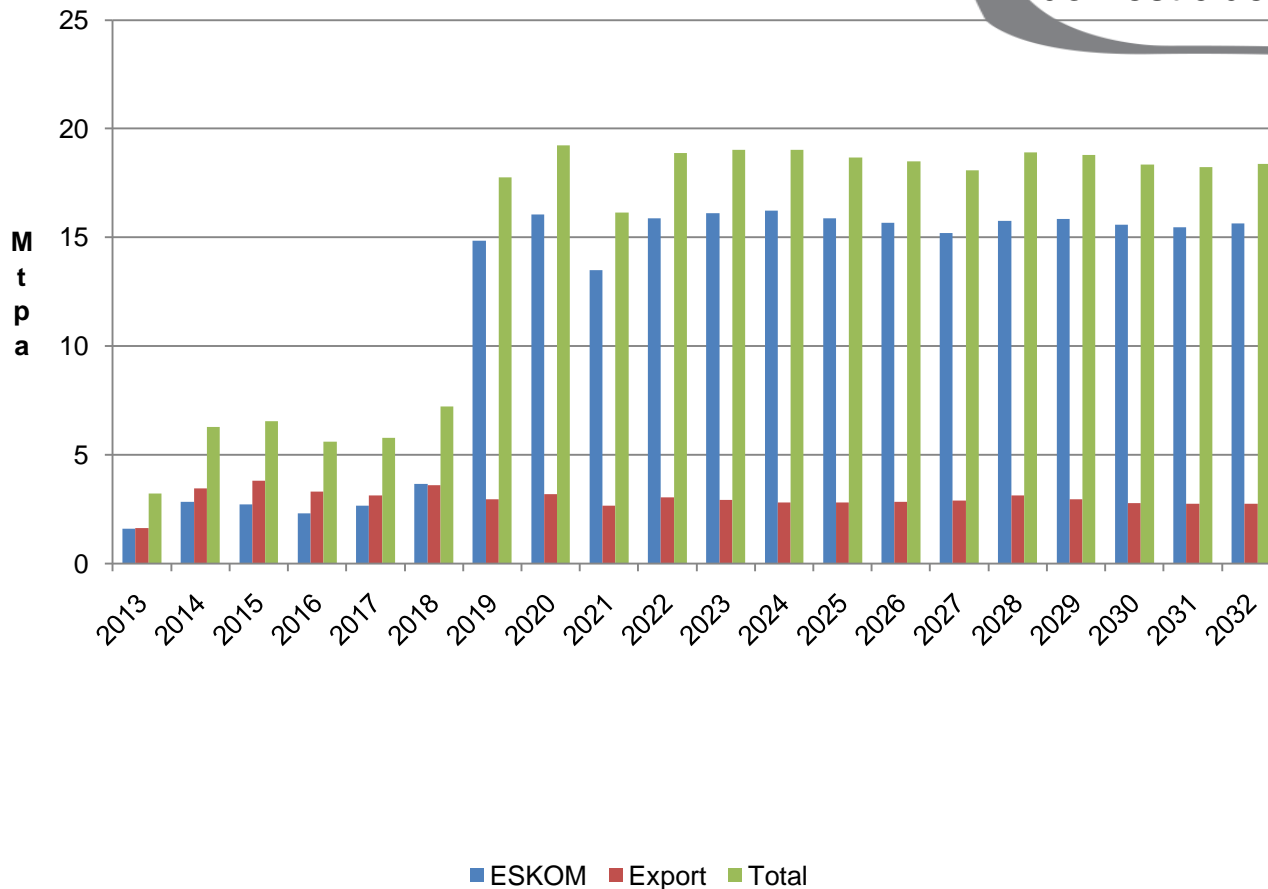


July 2010 update

Reflects 1 shovel operation up to 2019 when an additional shovel fleet introduced

Sales Tonnage

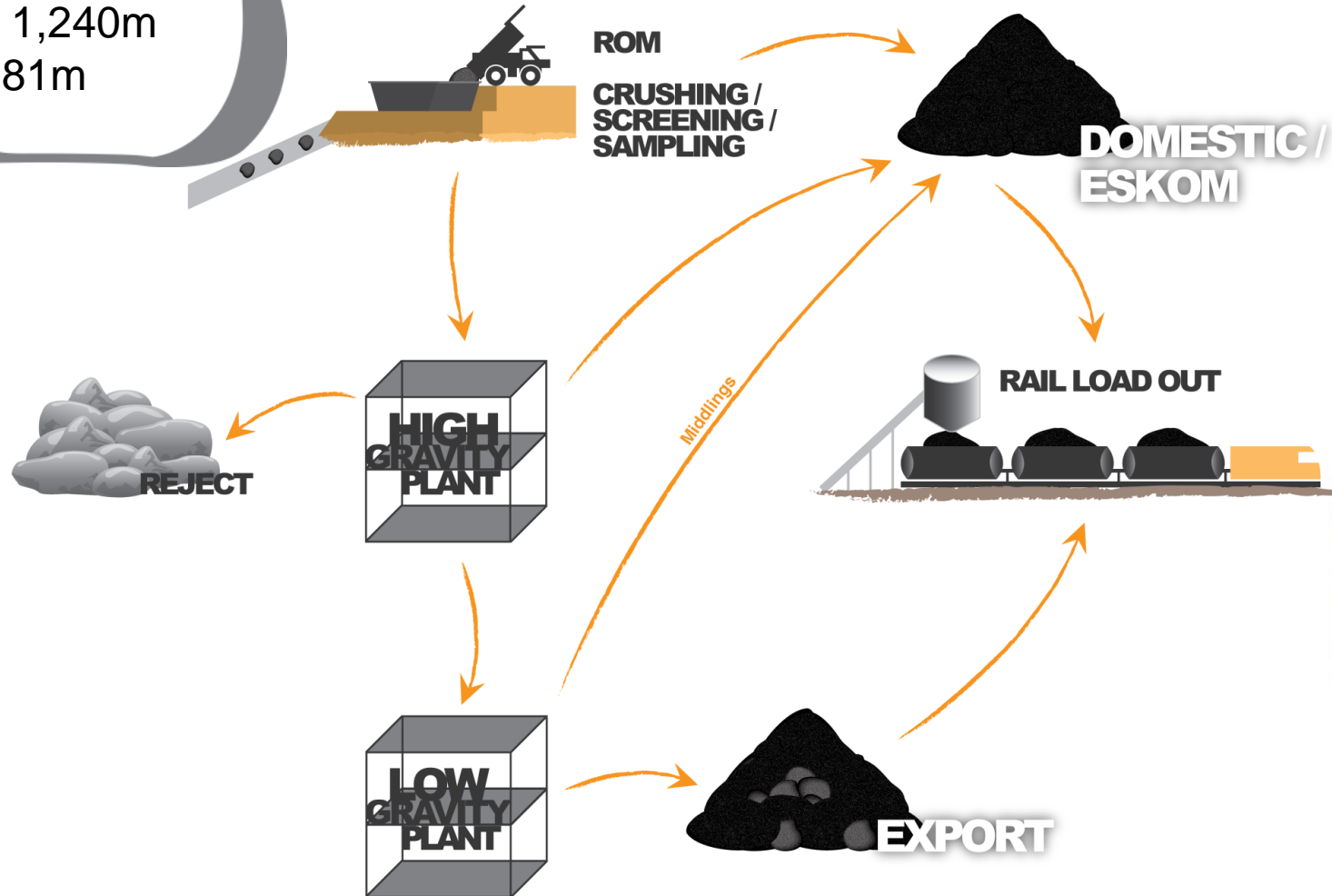
Stage 2 model based on SA domestic demand



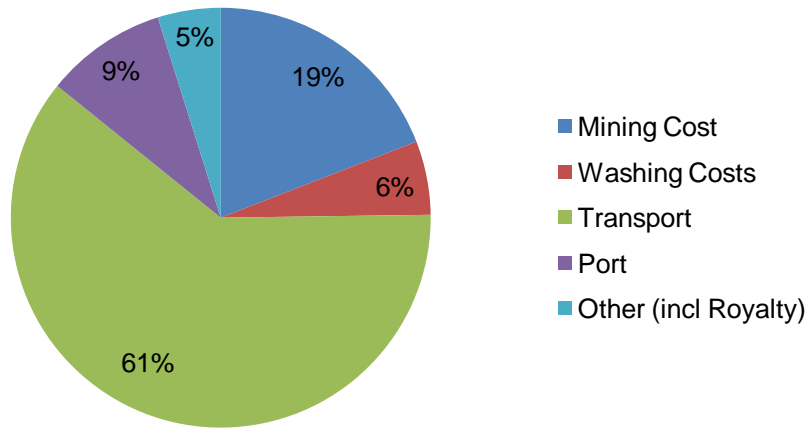
Coal handling & preparation plant: design refined; capex & opex reduced



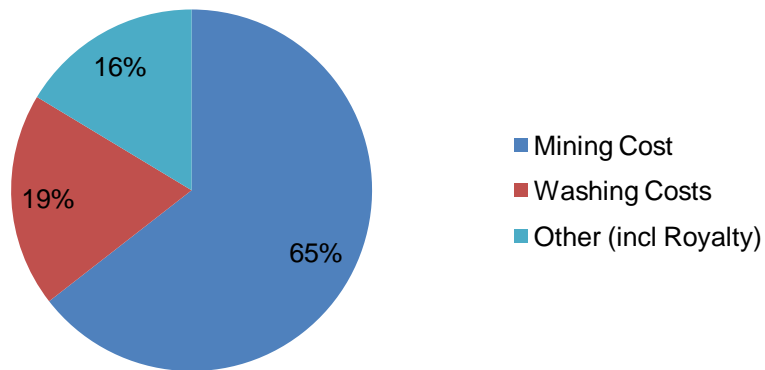
Phase 1 capex
ZAR 1,240m
A\$ 181m



LOM Export Cost



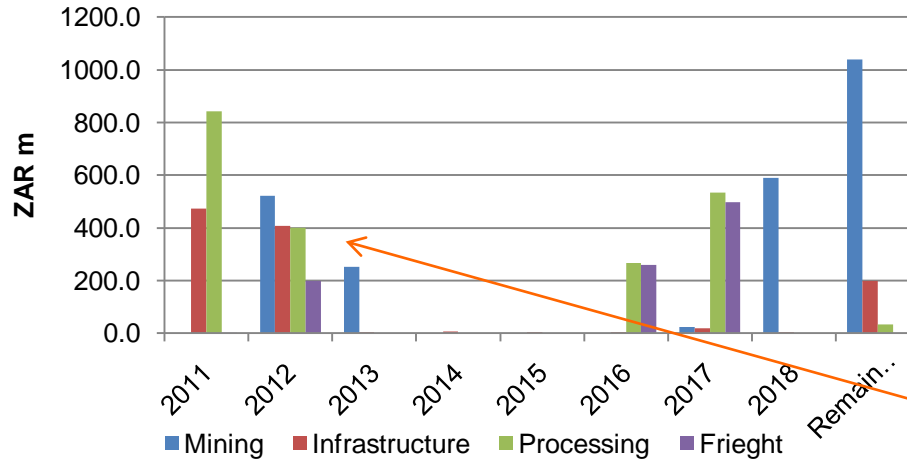
LOM Eskom Cost (distribution on FOT basis)



Reduced start-up capital expenditure

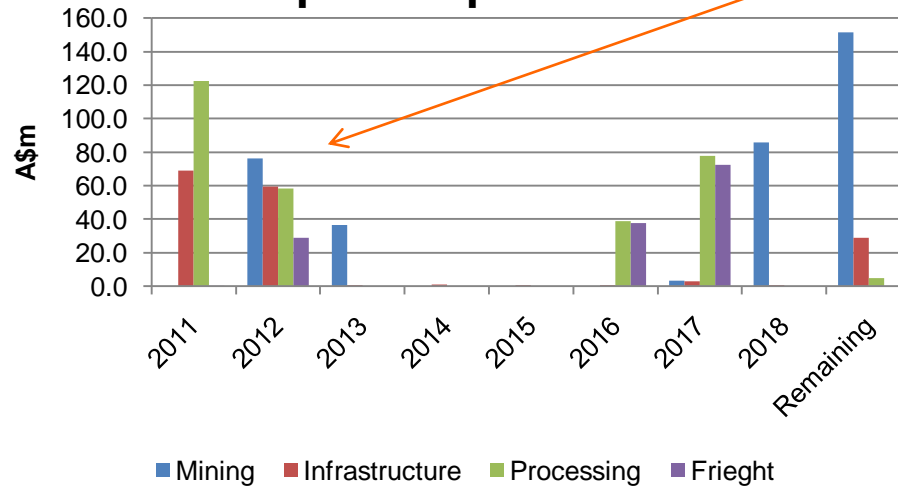


Capital Expenditure

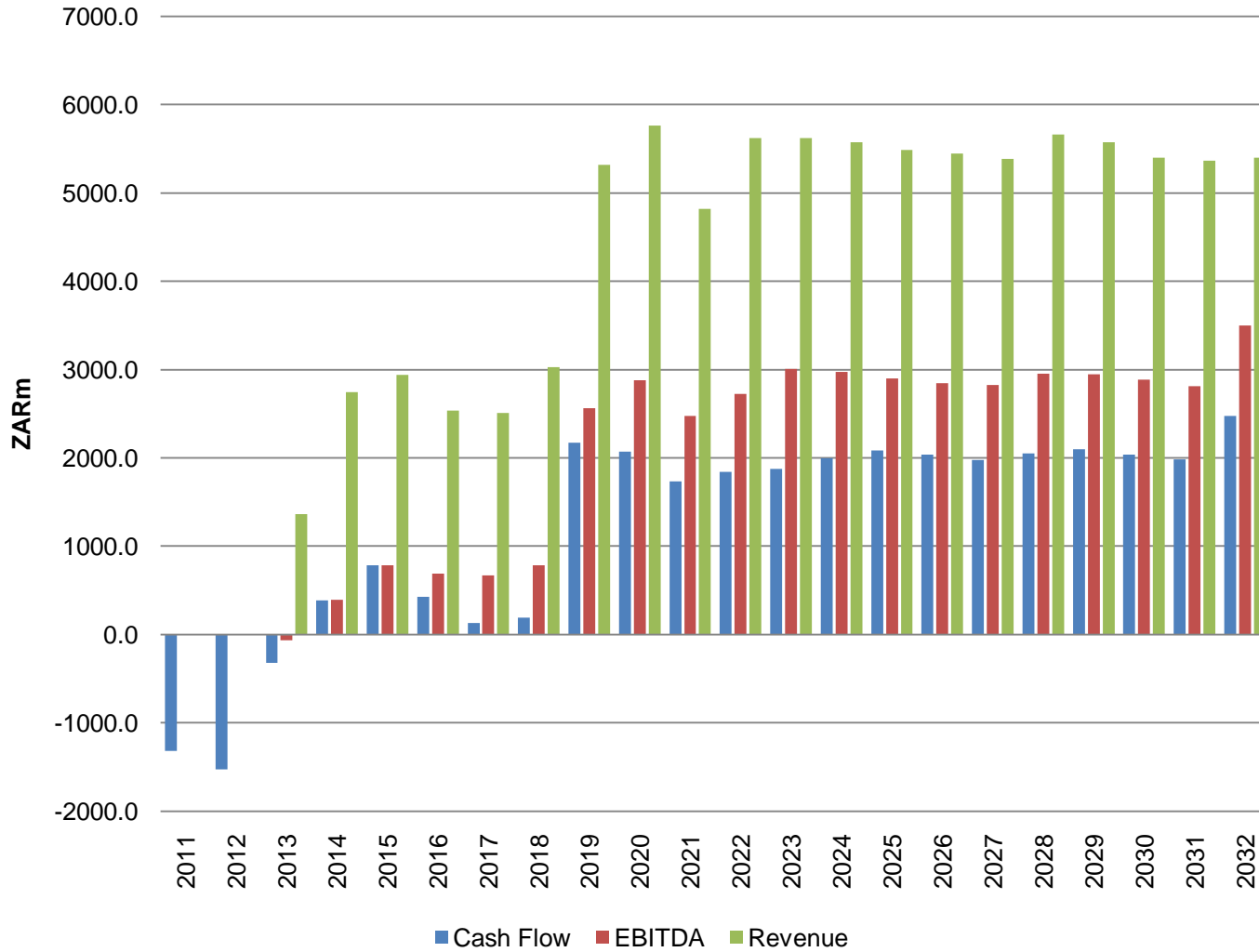


Phase 1
1st 3 years:
ZAR 3.1 billion
A\$ 452 million

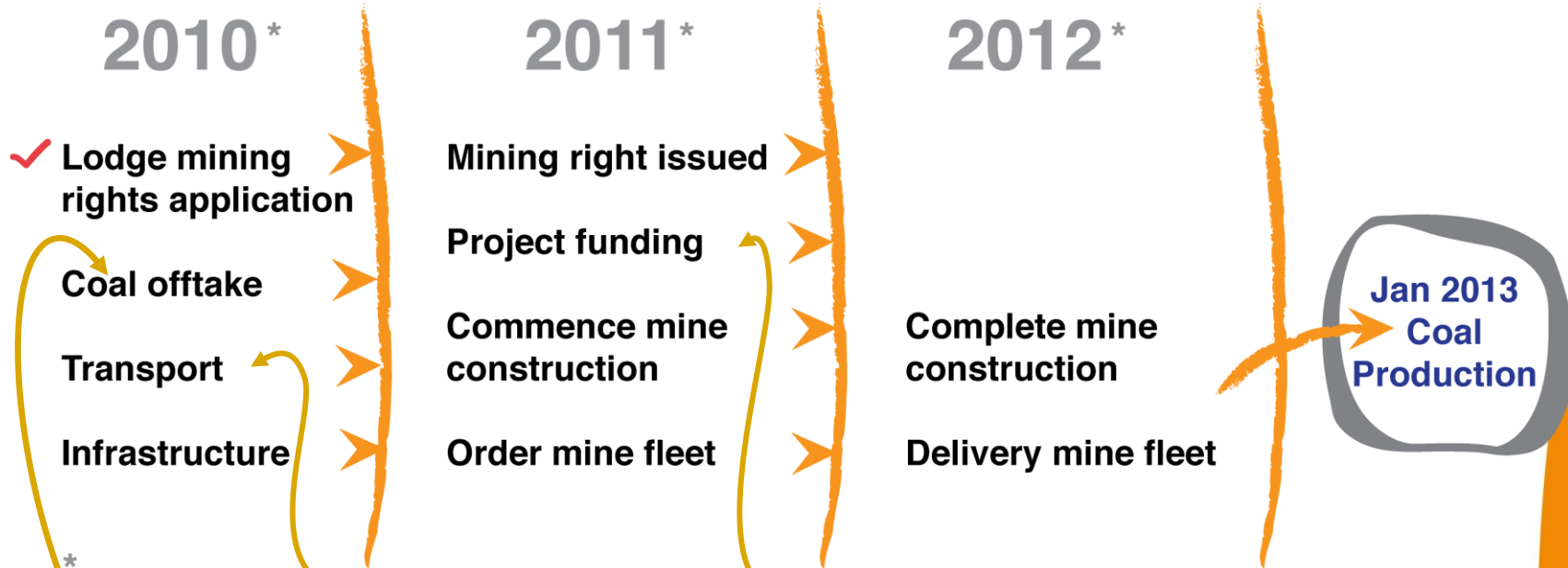
Capital Expenditure



Revised forecast leads to improved cash flow



Project timeline



* calendar years

Several customers target to get multiple number of initial contracts which can build up as production expands.

Rail studies underway to finalise max capacity. Discussions with Transnet commenced.

Bank Info Memo in preparation based on DSCR of 2x; Start-up funding of 60% project debt, 40% equity



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