



resource generation

General Meeting
presentation,
13 December 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
Shares on issue*: 243.9 million
Options on issue: 8.1 million
Market capitalisation: \$120 million
Cash on hand*: A\$37 million
Debt: NIL



Issued capital and cash on hand increased as a result of placement/GM of today*.

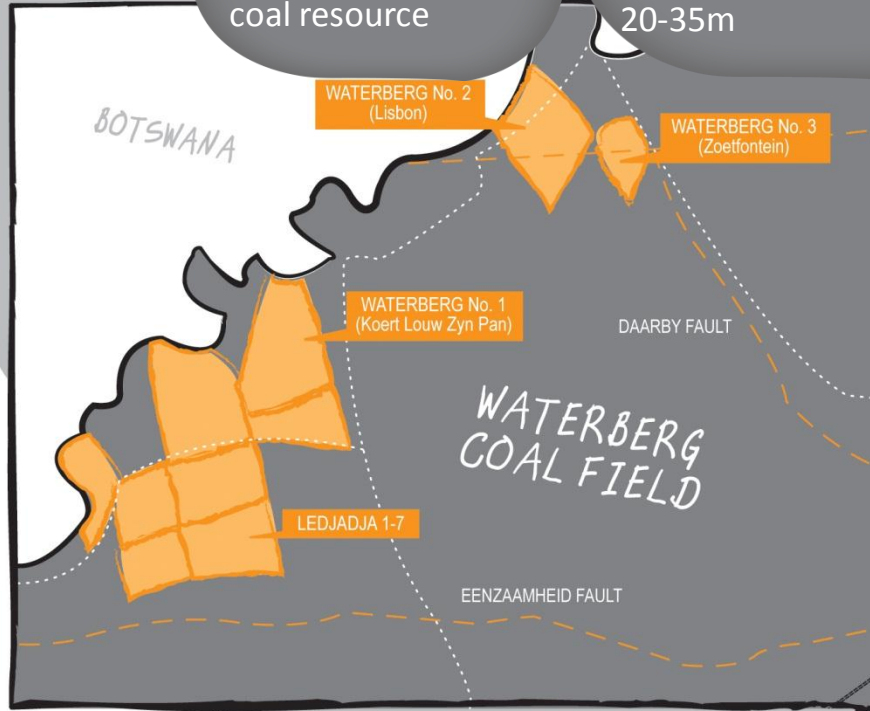
South Africa: the Boikarabelo opportunity



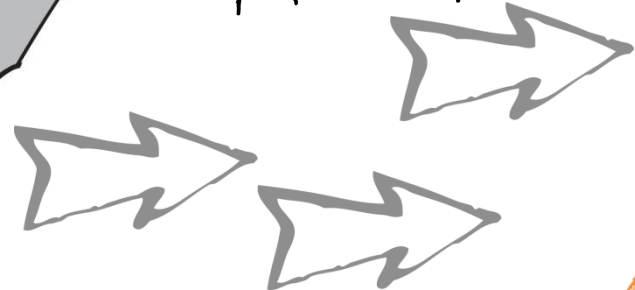
Waterberg Coalfield:
40% SA's remaining
coal resource

RES' Boikarabelo mine
– major 6.4 billion
tonne resource –
120m thick coal seam
at shallow depth of
20-35m

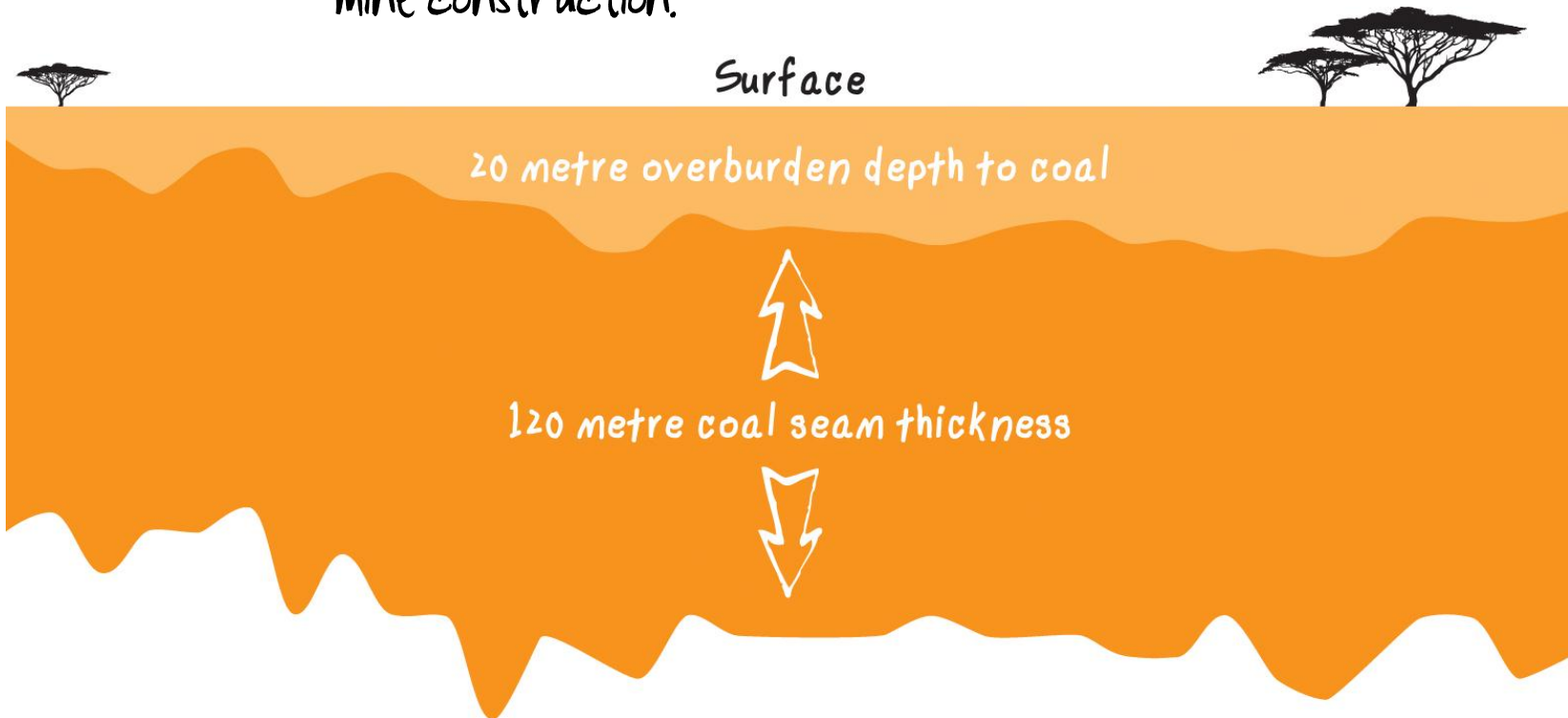
Current probable reserve
= 636 million tonnes .
Progressing to mine
development.



Continuing major
steps forward



Having a defined mine plan for a massive resource in South Africa, RES is now progressing to secure its approval for mining and funding for mine construction.



2010

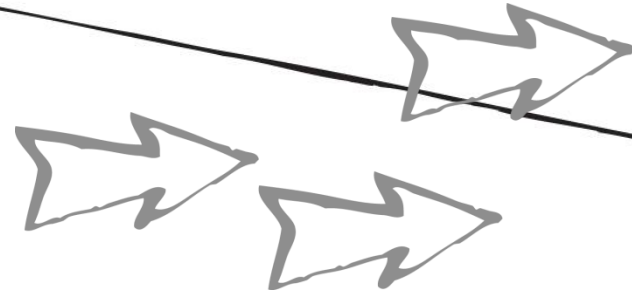
KEY ACHIEVEMENTS

- Completed mine plan
- Designed infrastructure
- Defined transport, power and water solutions
- Completed social and labour plan
- Acquired surface land
- Completed pre-feasibility study

KEY MILESTONES

- Lodge mining rights application
- Coal Offtake
- Defined transport solutions
- Designed infrastructure

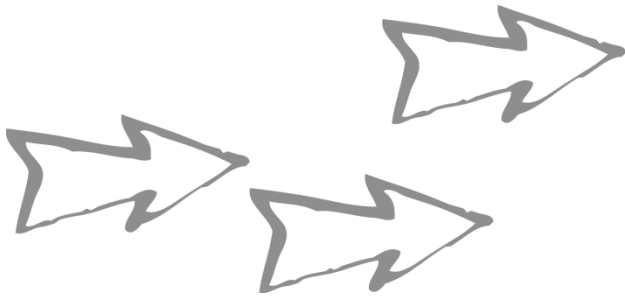
RES 20 year supply contract with Calcutta Electric shows demand for LT quality supply



KEY MILESTONES

- Mining right issued
- Project funding
- Commence mine construction
- Order mine fleet

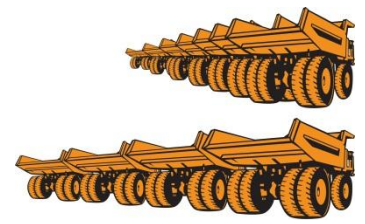
2011



KEY MILESTONES

- Complete mine construction
- Delivery mine fleet

2012



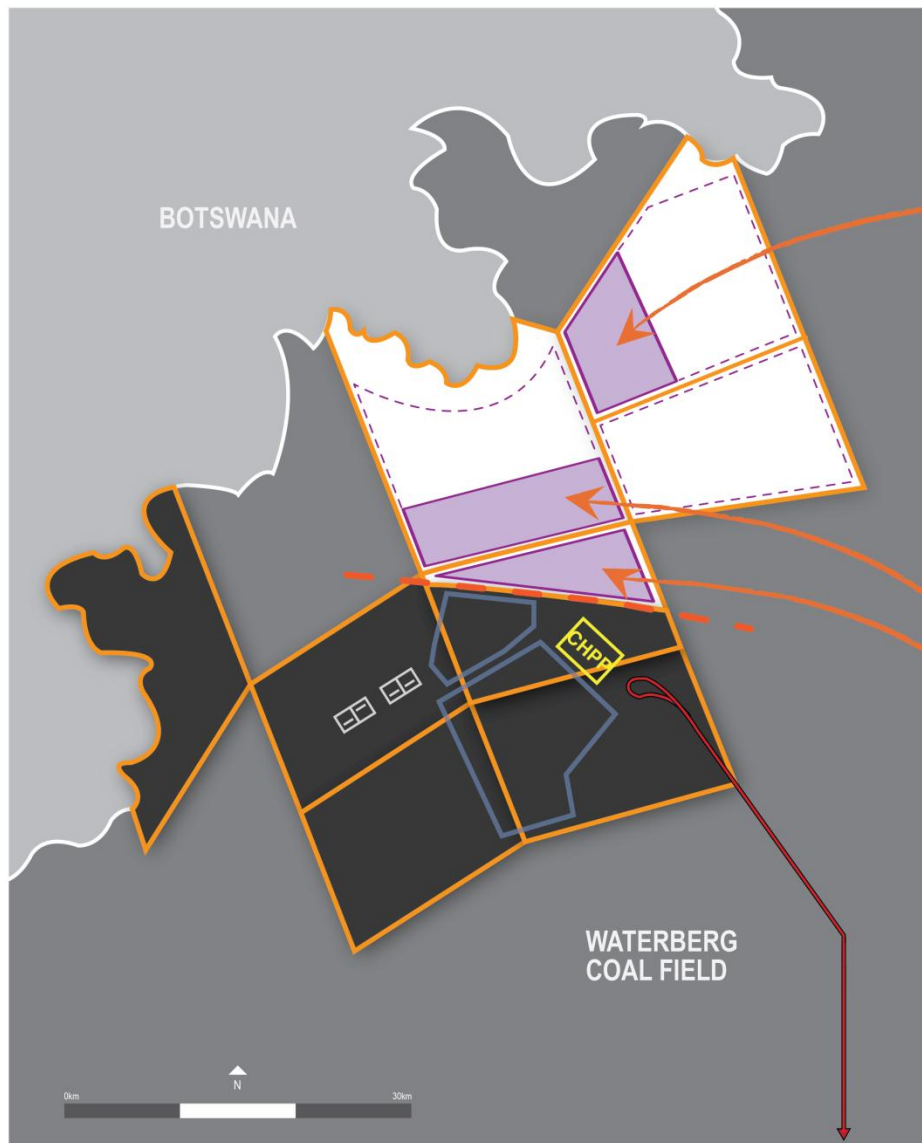
Commencement of
mining operations

2013

Resource & reserve: 6.4 billion tonne resource



636 million tonnes
probable reserve



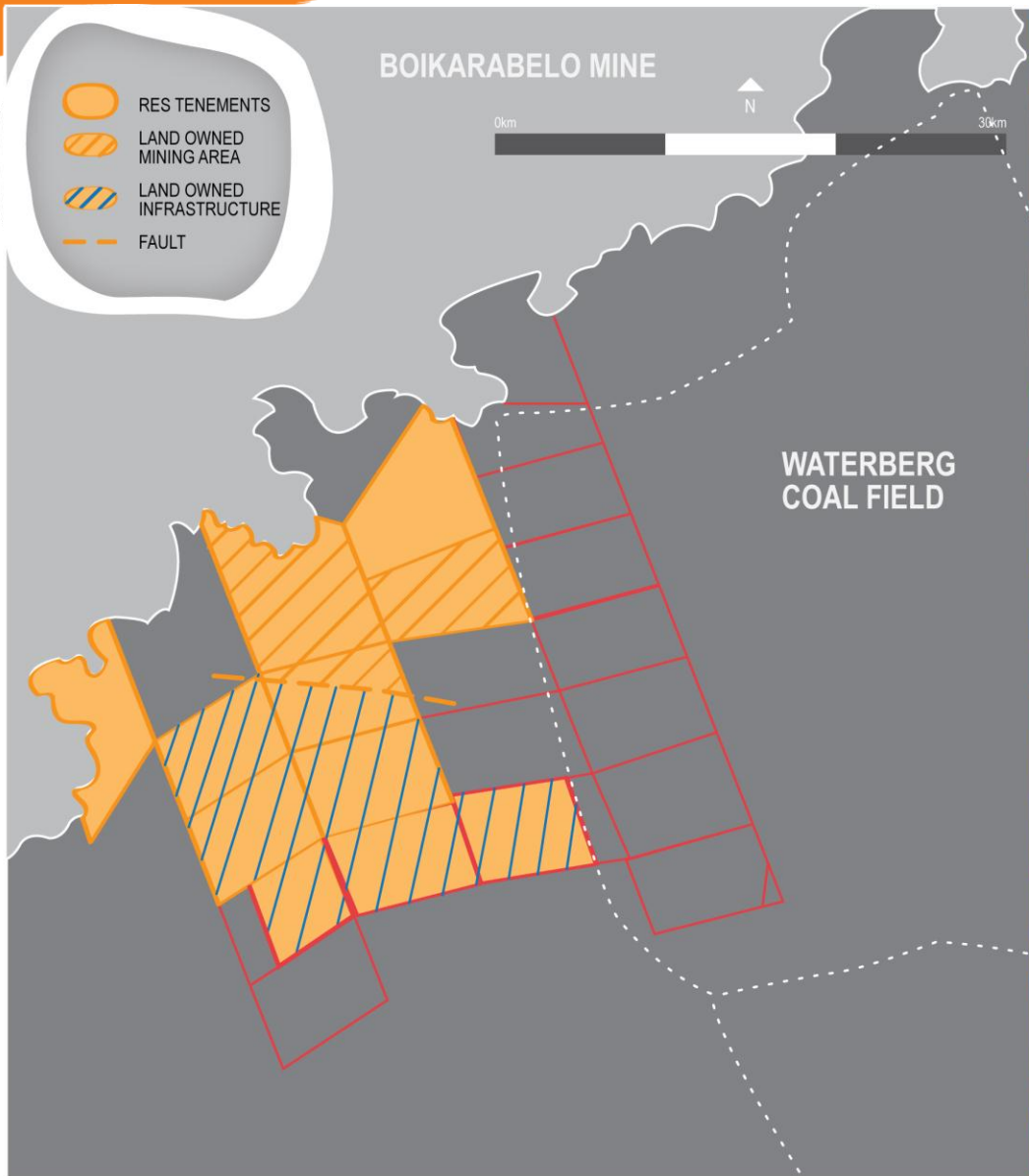
Probable Reserve:
314 million tonnes (43% of area)

Probable Reserve:
322 million tonnes (20% of area)

Measured Resource:
204 million tonnes (11% of area)

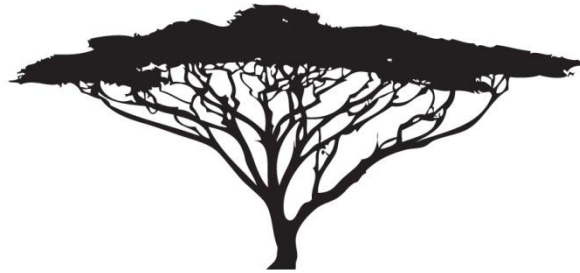
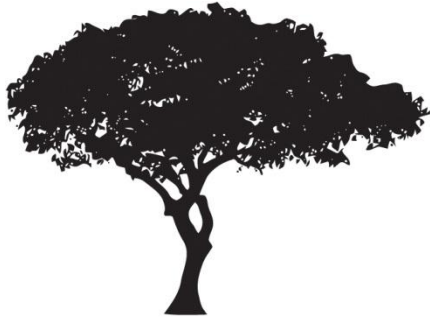
Mine plan
extension
underway to
convert to
reserve
status

Land ownership - facilitates development



Flat topography

Mining Rights Application (MRA) progress



- Social & Labour Plan submitted, review continuing
- Environmental Impact Assessment and public consultation completed Sep – next stage underway submission to other Gov't Departments, evaluation and assessment



Working towards June Qtr 2011 for approval



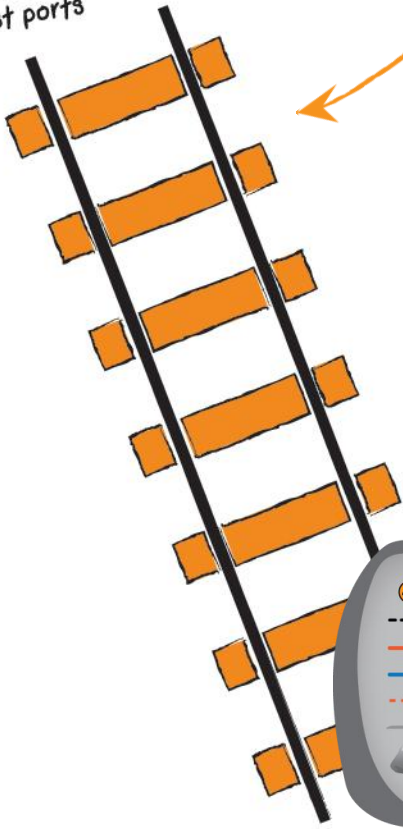
Only material complaint was use of haul road to rail siding prior to rail link = bring forward the link

Rail system to east coast ports

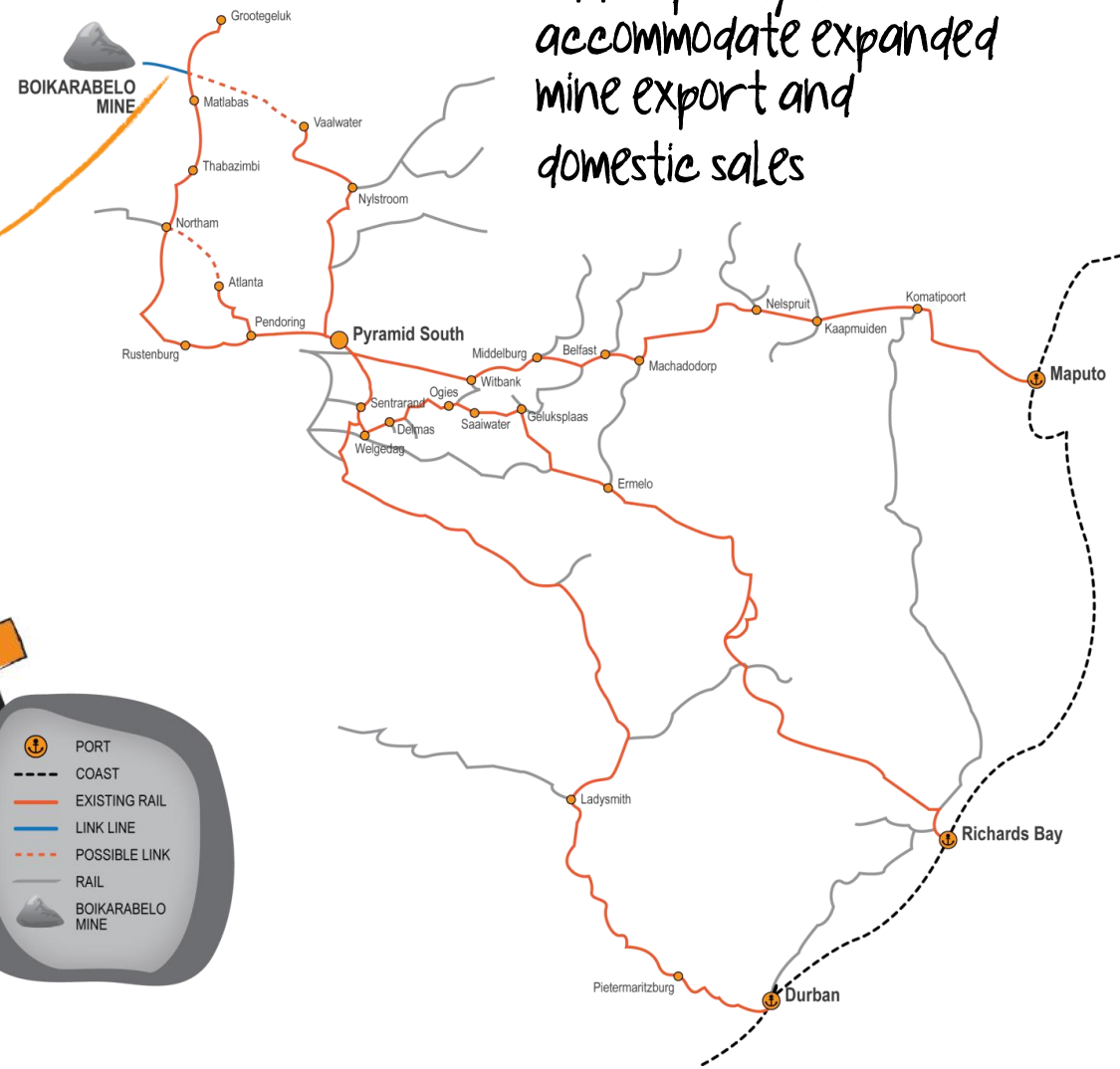


upgrades identified to add capacity to accommodate expanded mine export and domestic sales

Proposed 45km link to existing rail system provides access to domestic markets and east coast ports



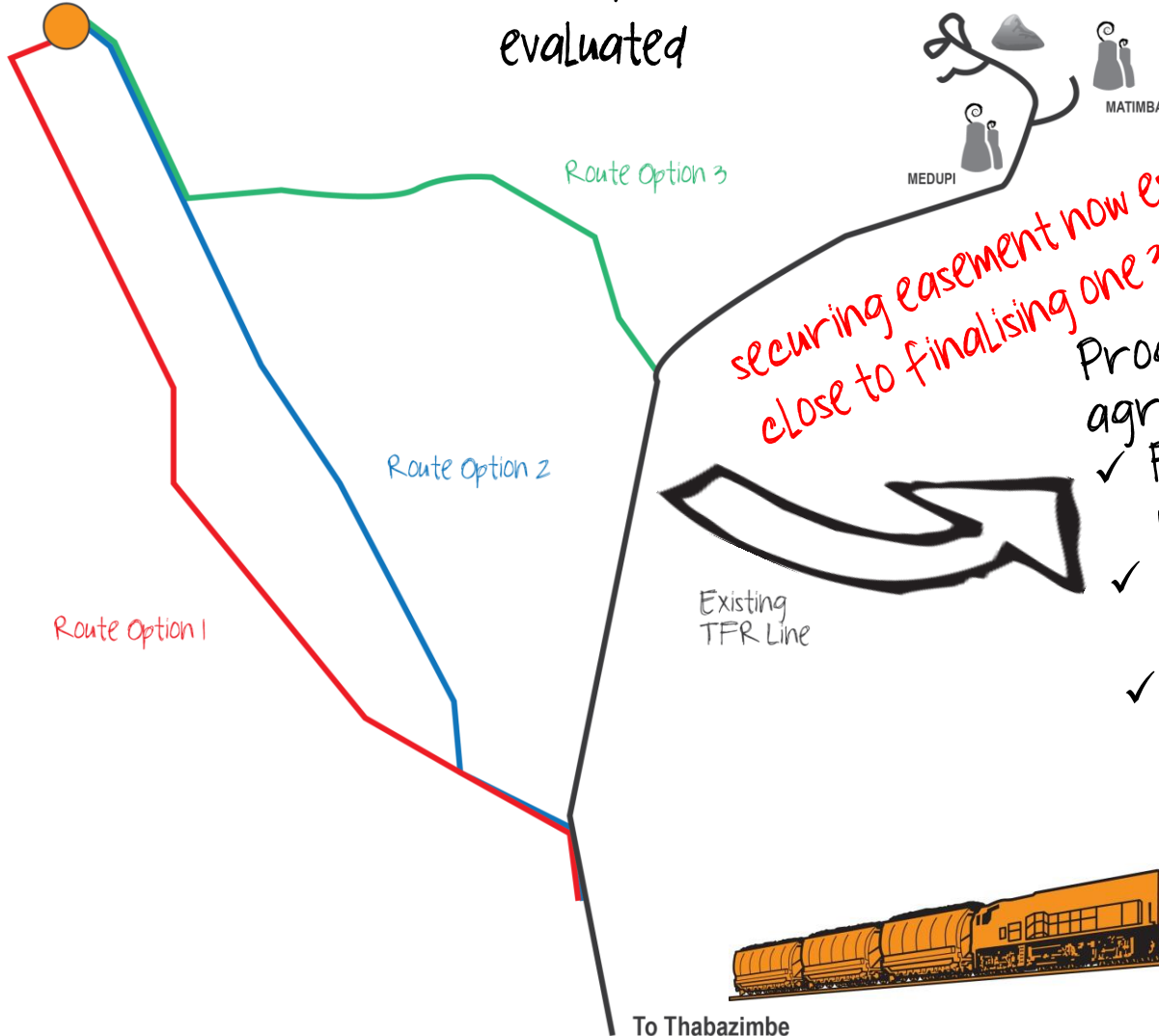
	PORT
	COAST
	EXISTING RAIL
	LINK LINE
	POSSIBLE LINK
	RAIL
	BOIKARABELO MINE



Rail link now key to both MRA and rail upgrade

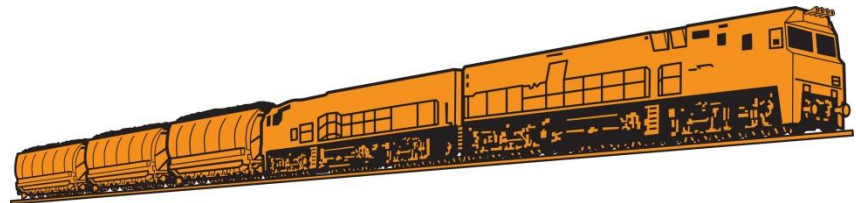
Three routes identified and evaluated

Boikarabelo Rapid Loading Terminal



securing easement now essential > very close to finalising one 36km route.

- Progress on one route: 6 agreements required:
- ✓ Four properties purchased.
 - ✓ One access agreement secured.
 - ✓ One access agreement outstanding.



To Thabazimbe

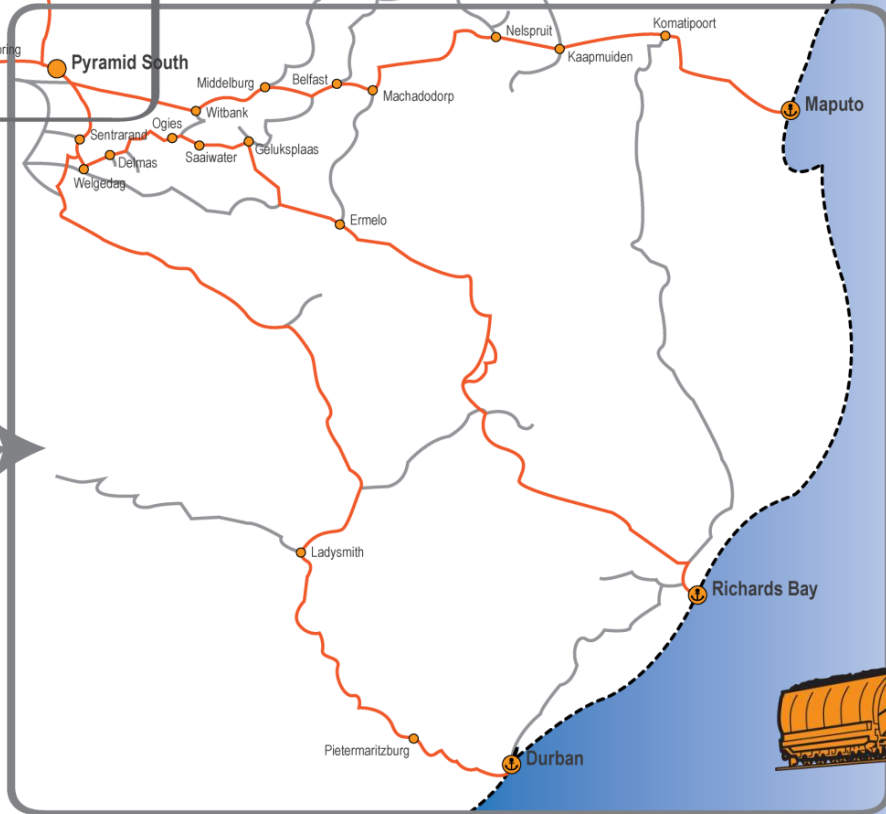
Rail studies: capacity to meet projected production targets



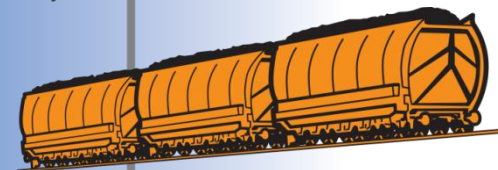
ROUTES FROM BOIKARABELO MINE TO A COMMON RAILHEAD AT PYRAMID SOUTH



EXPORT CORRIDOR ROUTES FROM PYRAMID SOUTH TO THE PORTS OF MAPUTO, RICHARDS BAY AND DURBAN



Studies undertaken in two major categories, assessing both rail track infrastructure and capacity as well as additional rolling stock requirements



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



- 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, fully utilises 1st shovel & introduce 2nd shovel + fleet



Key target - with rail access and upgrades optimum sales to both export and domestic possible.

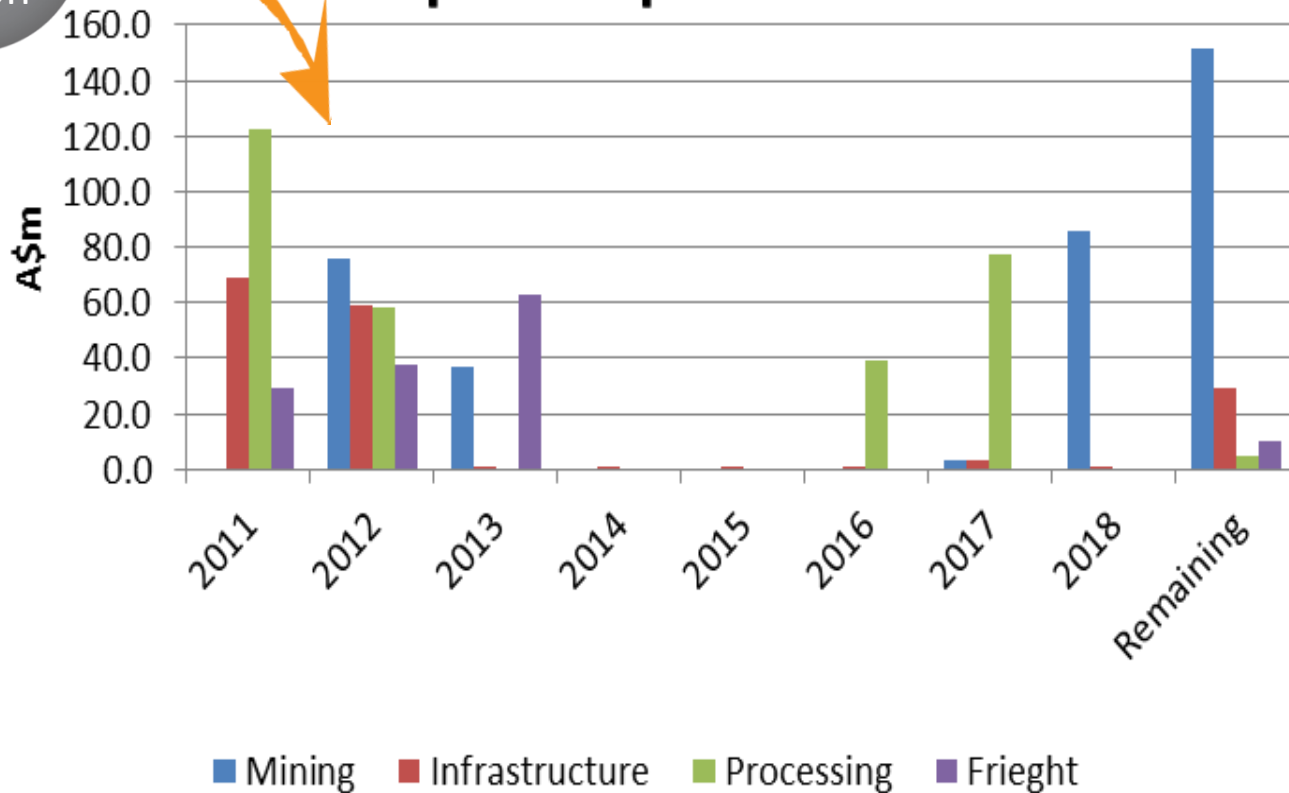
Start-up capital expenditure



Phase 1
1st 3 years:
ZAR 3.8 billion
A\$ 552 million

● Provides for rail Link
integral to mine start up

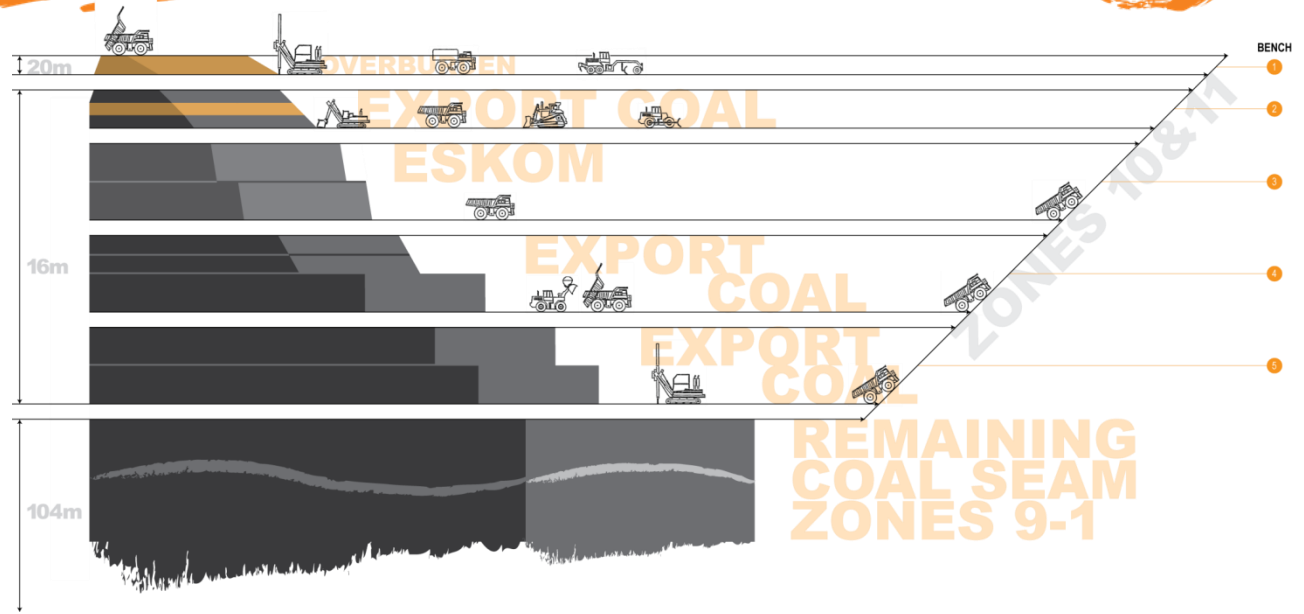
Capital Expenditure



Operating costs

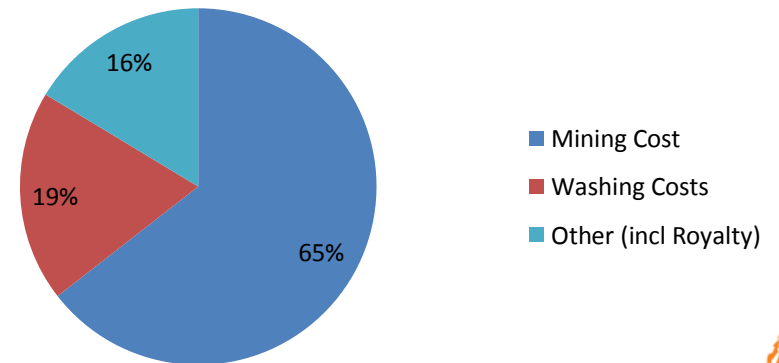
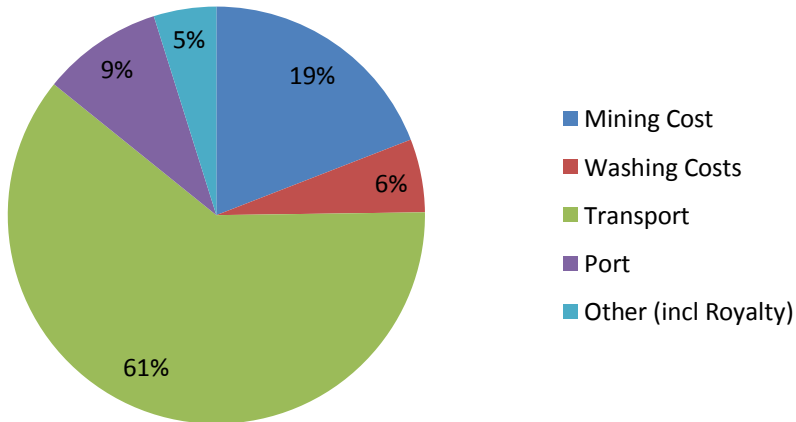


Low cost
open cut
mining:
simple
expansion
to increase
production

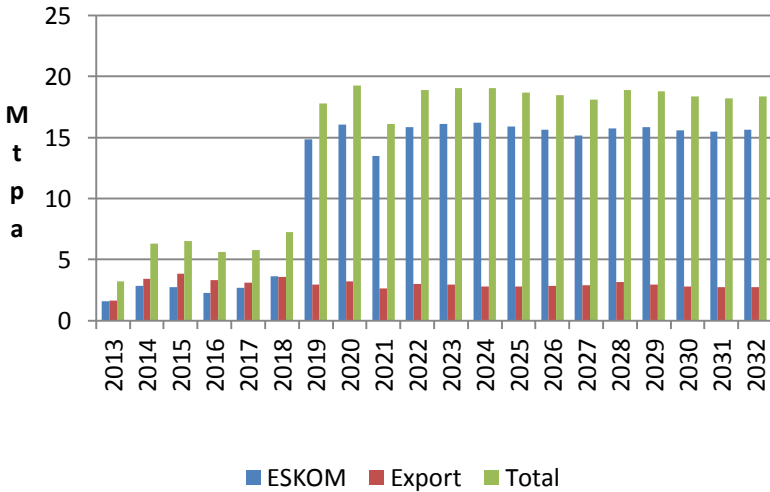


LOM Export Cost

LOM Eskom Cost
(distribution on FOT basis)



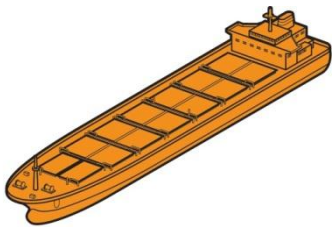
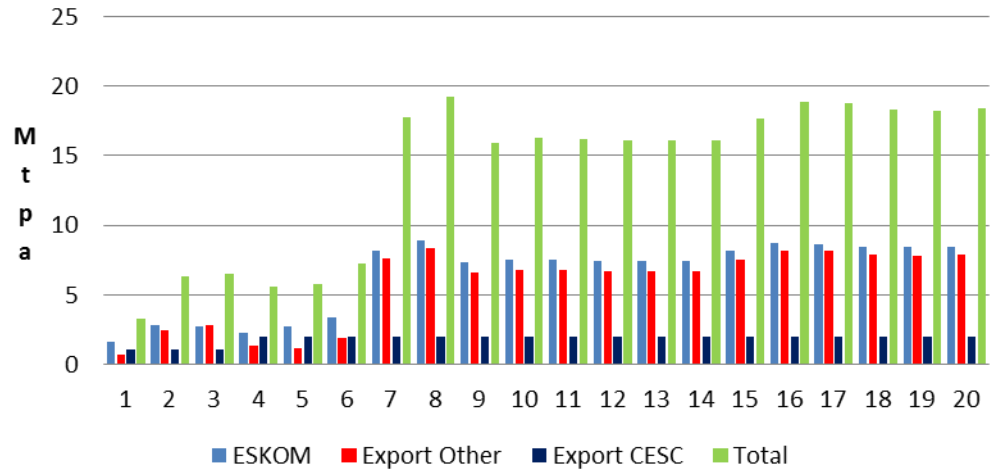
Sales Tonnage Base Case



Two scenarios for Stage 2 model based on rail upgrade:
 Base case = all to domestic market
 Upside = additional export sales



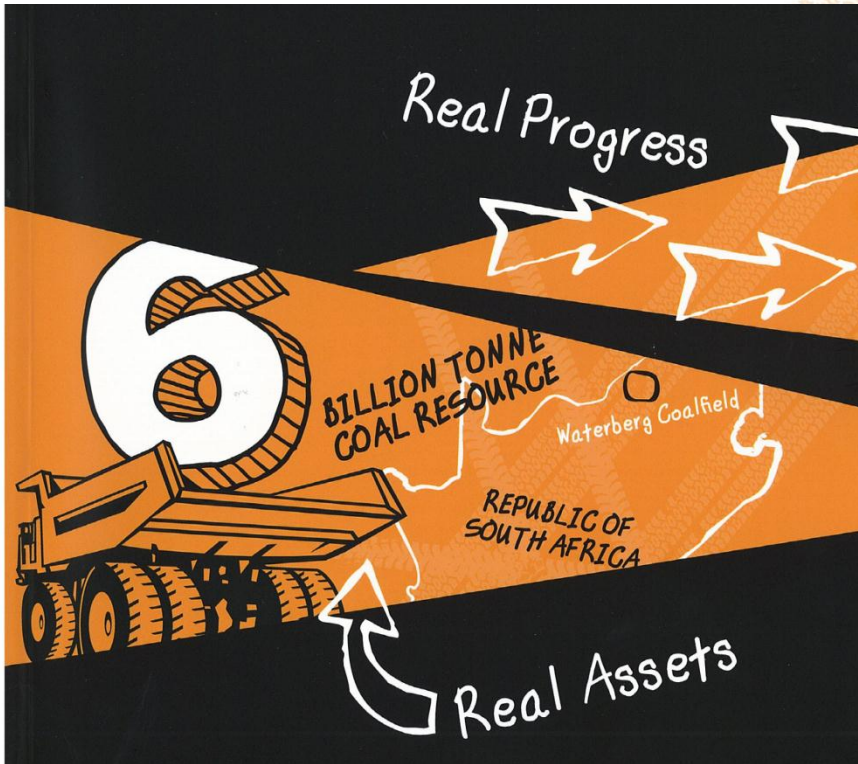
Sales Tonnage Upside



First Export contract in place:
 CESC India's 3rd largest power utility:
 20 year contract:
 1mtpa 1st 3 years, 2mtpa x 17 years

Potential for increased supply to CESC to meet capacity = 3mtpa / 1,000 MW increase.

Thank you



www.resgen.com.au

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