



**ASX: RES**

31 March 2011

**ASX Release**

## **Resource Generation progresses plan to secure water for its Boikarabelo mine**

### **Water treatment plant to benefit local community**

Resource Generation Limited, which is developing one of South Africa's largest remaining coal deposits, reports significant progress with securing the water that will be needed for its proposed Boikarabelo mine.

The company has been chosen as the preferred party to construct, operate and maintain a wastewater treatment plant at Marapong, approximately 50 kilometres from Boikarabelo. The plant will treat municipal effluent and is expected to generate up to 16 megalitres of water per day, which will be pumped to the mine site via a new pipeline. The cost of the plant is already included in the \$552 million capital expenditure budget for the mine's development.

Resource Generation has been working for 18 months with the Lephalale Local Municipality in Limpopo Province on plans for the plant. This is a key responsibility that the company has committed to undertake as part of its social and labour plan, which has been submitted with its Mining Right Application for the Boikarabelo mine.

Ceenex, an international engineering firm with substantial experience of the water sector, is advising on the project. Before construction begins, Resource Generation and the municipality are required to obtain government approval and finalise contractual arrangements.

Sufficient water for stage 1 of the mine is available from groundwater boreholes on the mine properties that the company already owns. Use is subject to receiving an Integrated Water Use Licence which was applied for in January 2011.

Paul Jury, Resource Generation's managing director, said: 'This is another significant step in the development of our Boikarabelo mine. The plant will provide sufficient water to meet the medium- and long-term needs of the mine, including after its stage 2 expansion, and importantly it will also provide the local municipality with essential infrastructure and environmental protection. This is the first of many activities we will be undertaking for the Limpopo community.'

#### **Contacts**

Paul Jury, Managing Director on (02) 9376 9000 or  
Steve Matthews, Company Secretary on (02) 9376 9000

#### **Media enquiries**

Anthony Tregoning (02) 8264 1000

*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 where there are probable reserves of 744.8 million tonnes of coal on 35% of the company's tenements.*