

# Coal Resources and Coal Reserves Statement

## 1. COAL MINING TENEMENTS

Type	Right Number	Holder	Interest	Area (km <sup>2</sup> )
<b>a) Mining Rights (Boikarabelo Coal Mine)</b>				
Witkopje (Ledjadja #1)	169MR	Ledjadja Coal (Pty) Ltd	74%	17
Draai Om (Ledjadja #2)	169MR	Ledjadja Coal (Pty) Ltd	74%	11
Kalkpan (Ledjadja #3)	169MR	Ledjadja Coal (Pty) Ltd	74%	13
Osorno (Ledjadja #4)	169MR	Ledjadja Coal (Pty) Ltd	74%	11
Zeekoevley (Ledjadja #5)	169MR	Ledjadja Coal (Pty) Ltd	74%	13
Vischpan (Ledjadja #6)	169MR	Ledjadja Coal (Pty) Ltd	74%	12
Kruishout (Ledjadja #7)	169MR	Ledjadja Coal (Pty) Ltd	74%	12
<b>b) Prospecting Rights (Waterberg One Coal)</b>				
Koert Louw Zyn Pan (Waterberg #1)	PR678/2007	Waterberg One Coal (Pty) Ltd	74%	14
Lisbon (Waterberg #2)	PR720/2007	Waterberg One Coal (Pty) Ltd	74%	8
Zoetfontein (Waterberg #3)	PR720/2007	Waterberg One Coal (Pty) Ltd	74%	10

All of the rights listed above are located in the Waterberg region of South Africa.

The Mining Right Application for Waterberg #1, adjacent to Boikarabelo Coal Mine, was lodged at the end of 2015. Waterberg #1 encompasses the farm Koert Louw Zyn Pan (PR678/2007).

The Group is in the process of relinquishing PR720/2007, over the properties Lisbon and Zoetfontein, as these are distant from the Boikarabelo Coal Mine, contain minimal Coal Resources and have been excluded from the stated JORC Coal Resource.

## 2. COAL RESOURCES STATEMENT

	Inferred Resource	Indicated Resource	Measured Resource	2017 Total Resource	2016 Total Resource
	(Mt)	(Mt)	(Mt)	(Mt)	(Mt)
Ledjadja #1 S & Ledjadja #3 <sup>(i)</sup>	–	84.0	910.8	994.8	664.2
Ledjadja #1 N & Ledjadja #2 <sup>(ii); (iv)</sup>	1 479.6	–	–	1 479.6	1 479.6
Waterberg #1 NE <sup>(iii); (iv); (v)</sup>	–	551.7	–	551.7	551.7
Waterberg #1 SW <sup>(iii); (iv); (v)</sup>	–	–	426.3	426.3	426.3
<b>Total</b>	1 479.6	635.7	1 337.1	<b>3 452.4</b>	3 121.8

(i) Determined by applying the JORC Code 2012

(ii) Determined by applying the JORC Code 2004; and relates to the Inferred Resources on Ledjadja #1 N & Ledjadja #2

(iii) Determined by applying the JORC Code 2004; and relates to the Measured and Indicated Resources on Waterberg #1

(iv) This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

(v) The Coal Resources for Waterberg #1 will be subject to review and update under the JORC Code 2012 and will be released to the market once this review and update has been completed and approved.

### Annual review

The Group confirms that on 30 June 2017 it has reviewed the JORC 2012 Mineral Resource Estimate as presented in this report and is not aware of any new information or data that materially affects the ASX announcement of 27 January 2017 (Statement of Coal Resources and Coal Reserves for Resource Generation Limited) and in the case of estimates that all material assumptions and technical parameters underpinning the Mineral Resource Estimate in that announcement continue to apply and have not materially changed as at 30 June 2017. The Group also confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the day of the ASX announcement.

# Coal Resources and Coal Reserves Statement (continued)

## Coal Resource governance

The Mineral Resources for the Group Estimate have been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition and The JORC Code, 2004). The governance and internal controls that were applied at that time were set out in the ASX Announcement of 27 January 2017.

## Competent Person's statements

Information in this report that relates to Exploration Results and Coal Resources for Ledjadja #1 S & Ledjadja #3 is based on information compiled by Mr Riaan Joubert, who is the Principal Geologist employed by Ledjadja Coal and is a member of a Recognised Overseas Professional Organisation. Mr Joubert 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Joubert has given and has not withdrawn consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Information in this report that relates to Exploration Results of Coal Resources for Ledjadja #1 N & Ledjadja #2, Waterberg #1 NE and Waterberg #1 SW is based on information compiled by Mr Dawie van Wyk, who is a Contract Geologist employed by Ledjadja 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 2012 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 this information in the form and context in which it appears.

## 3. COAL RESERVES STATEMENT

	2017 Probable Reserve	2016 Probable Reserve
	(Mt)	(Mt)
Ledjadja #1 S & Ledjadja #3 <sup>(i)</sup>	267.1	430.6
Waterberg #1 SW <sup>(ii)</sup>	–	314.2
<b>Total</b>	<b>267.1</b>	<b>744.8</b>

(i) The 2017 Coal Reserves information for Ledjadja #1 S & Ledjadja #3 has been updated in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, (The JORC Code, 2012 Edition). The reasons for the reduction in Coal Reserves for Ledjadja #1 S & Ledjadja #3 were set out in the ASX Announcement of 27 January 2017 and are further set out below under the heading "Coal Reserves".

(ii) The Coal Reserves for Waterberg #1 SW will be subject to review and update under the JORC Code 2012 and will be released to the market once this review and update has been completed and approved.

## Coal Reserves

The Marketable Coal Reserves for Ledjadja #1 S & Ledjadja #3 have reduced from 430.6 million tonnes to 267.1 million tonnes and are now based on:

- an export quality product with an average of 14% ash and an average 25.73 MJ/kg calorific value determined on an Air Dried (AD) basis; and
- a domestic power station product with an average 19.5 MJ/kg calorific value and an average 31.43 % ash determined on an AD basis.

The export quality product has an average yield of 23.68% and the domestic power station product has an average yield of 19.61%. This equates to an overall average yield of 43.3%.

The Marketable Coal Reserves for Waterberg #1 (determined in 2010 under JORC Code, 2004) have been downgraded to a Coal Resource level because the economic factors previously used became outdated as the Coal Reserve was still based on a single 18.5 MJ/kg product. The Group has put all its efforts in developing a new mine plan for Ledjadja #1 S & Ledjadja #3 based on a dual product and updated the Coal Reserve in December 2016. It was decided that until a new mine plan has been developed for Waterberg #1, based on similar economic factors and a dual product as used in Ledjadja #1 S & Ledjadja #3, it cannot be classified as a Coal Reserve. This new mine plan will be developed in due course and released to the market once the review and update has been completed and approved.

## Competent Person's statement

Information in this report that relates to Coal Reserves for Ledjadja #1 S & Ledjadja #3 is based on information compiled by Mr Ben Bruwer who is a consultant to the Group and is a member of a Recognised Overseas Professional Organisation. Mr Bruwer 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bruwer 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.