

12 July 2011

Project No. A023-003

Mr. Paul Jury, Managing Director  
Resources Generation Limited  
Level 12, Chifley Tower  
2 Chifley Square  
Sydney, NSW 2000

**RE: FLOAT-SINK TEST RESULTS, WOODBURY, TASMANIA**

Dear Paul:

Resource Generation Limited (Resgen) instructed Golder Associates Pty Ltd (Golder), (formerly Marston International Pty Ltd) to plan and supervise a float-sink test programme on HQ core samples obtained from the 2010 drilling programme at Woodbury, Tasmania. The results of this programme were reported in "Woodbury Coal Project Exploration and Resource Report" in February 2011. A total of 50 composite and single seam samples from Seams A, B, C and D were submitted to SGS Laboratories in Newcastle for testing. The samples were crushed to a top size of 12 mm and were tested at densities of 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 2.0 and 2.2 in accordance with AS 4156.1. All float fractions were tested for ash content. The SGS laboratory report is attached. The majority of the tested samples were from Seams A and B with relatively few samples from Seams C and D. This reflected the scope of the 2010 drilling programme which mainly targeted the upper two seams.

The test results indicate a product with average ash content of 20% (adb) could theoretically be achieved through washing with an average apparent yield of 61%. The results indicate apparent yield is highly variable between the seams and across the deposit. The majority of samples with higher apparent yield are from Seams A and B and there appears to be a trend towards higher apparent yield to the north of the deposit.

It was apparent from the test results that two distinct sample populations are present within the data; one set for samples with raw ash content less than 40% and the other set for samples with raw ash content greater than 40%. Consequently, the results were separated according to raw ash content and analysed separately. The raw ash content of the samples is shown in Tables 1 and 2 below.

To evaluate the float-sink test results the apparent yield and ash content for the size fractions from each test sample was charted. The yield curves for samples with ash contents less than 40% are shown in Figure 1, see following pages. This shows that all seams have relatively similar apparent yield characteristics. The slope of the curves is relatively steep indicating that improvement of product ash content can be achieved through density separation. The apparent yield for 14%, 16%, 18% and 20% product ash content was determined from the apparent yield curves and the results are summarised in Tables 1 and 2 on the following pages.

Table 1 shows raw ash content for samples less than 40% (adb), ranges from 25.1 - 36.8% ash (adb) and weighted average ash content is 30.5% (adb). The weighted average apparent yield for an 18% ash (adb) product is 50.6% and for a 20% ash (adb) product is 61.4%.



Table 2 shows raw ash content for samples greater than 40% (adb), ranges from 40.9 - 84.1% ash (adb) and weighted average ash content is 82.85%. The weighted average apparent yield for all product ash contents is less than 15%.

The results also indicate a general trend towards improved apparent yield toward the north of the Woodbury deposit with the highest yield results obtained from Holes 11 and 15. There is insufficient data at this time to fully evaluate the extent of this trend.

We recommend a limited amount of clean coal quality testing of 20 composite samples with apparent yield greater than 50% and product ash contents of approximately 20% (adb). The original budget for coal quality testing allowed for testing of 49 clean coal composite samples.

We also recommend that if Resgen desires to further advance the geologic certainty, that additional drilling and coal quality testing of the Woodbury deposit be conducted to fully evaluate the extent of the better quality resource as per our proposal submitted in June P11161.

Please contact me on 02-4953 9888 if you have any questions.

## **GOLDER ASSOCIATES PTY LTD**

Neil Fraser  
Principal Mining Consultant

NF/RY/nf

CC: [smatthews@resgen.com.au](mailto:smatthews@resgen.com.au)

Attachments: SGS Laboratory Report (DDH001-015 NR00570 email 1.07.11.xls)

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**Table 1**  
**Apparent Product Yield Raw Ash < 40%, Woodbury Project, Tasmania**

Sample Number	Seam	Seam Thick (m)	Raw Ash % (adb)	Yield @ 14% Ash	Yield @ 16% Ash	Yield @ 18% Ash	Yield @ 20% Ash
RG_012_082	A	1.55	25.1	0.0	7.0	31.6	53.7
RG_011_081	A	2.41	26.1	20.3	32.2	44.3	53.9
RG_010_069_070	BM	2.03	26.5	46.9	57.6	68.3	78.5
RG_010_074	A	3.67	26.6	30.7	46.0	58.0	69.0
RG_009_066	A	2.53	26.7	14.9	38.0	53.2	65.4
RG_008_062	BM	2.89	27.2	47.0	60.0	72.3	82.1
RG_006_049_50	CL	1.60	28.1	27.9	51.3	61.8	71.4
RG_005A_014	CL	0.70	28.9	24.2	39.8	56.8	70.0
RG_011_077	BM	2.67	29.1	47.9	61.2	72.8	83.0
RG_011_079	BL	1.83	29.2	26.2	38.8	43.4	58.7
RG_002_015	BU	0.77	29.2	11.2	18.0	24.5	32.7
RG_008_063	BL	1.64	30.1	14.1	25.0	42.0	60.6
RG_007_057	BL	1.86	30.3	7.0	21.4	39.4	56.9
RG_014_087_089	BU	1.43	30.8	0.0	19.8	32.0	40.4
RG_013_083	Undiff	1.73	31.4	0.0	0.0	1.0	14.4
RG_003_007	BU	0.71	31.5	15.9	22.0	29.0	39.0
RG_004_005	BU	0.39	31.6	6.5	10.5	14.8	20.0
RG_001_025	BM	2.38	31.6	32.0	50.3	62.6	71.9
RG_015_105_107	A	5.03	31.6	67.6	78.9	87.8	91.8
RG_008_064_65	A	0.68	31.9	7.0	32.5	52.1	65.0
RG_001_023_24	BU	1.10	32.1	32.5	41.3	50.8	62.0
RG_010_073	BL	2.30	32.1	27.0	39.4	52.0	65.4
RG_002_016	BM	0.61	33.2	24.8	33.9	44.0	55.3
RG_002_018	BL	0.80	35.0	0.0	7.5	15.0	25.4
RG_004_003_004	CL	0.83	35.1	10.9	19.8	29.0	38.8
RG_006_037_038	D	1.50	35.8	35.7	42.8	49.6	56.4
RG_001_026	BL	3.40	36.8	0.0	4.5	12.7	21.7
<b>Average</b>		<b>1.82</b>	<b>30.50</b>	<b>27.0</b>	<b>39.3</b>	<b>50.6</b>	<b>61.4</b>

**Table 2**  
**Apparent Product Yield Raw Ash > 40%, Woodbury Project, Tasmania**

Sample Number	Seam	Seam Thick (m)	Raw Ash % (adb)	Yield @ 14% Ash	Yield @ 16% Ash	Yield @ 18% Ash	Yield @ 20% Ash
RG_003_008	BM	0.67	40.9	0.0	0.0	0.0	0.0
RG_015_102	BL	1.49	46.2	2.3	8.9	16.8	13.7
RG_015_097_099	BM	1.94	47.7	2.5	4.1	10.3	34.5
RG_015_094	BU	2.39	48.1	12.9	20.5	26.8	34.0
RG_014_090_092	BM	1.38	48.9	0.0	0.0	25.6	36.4
RG_013_086	A	0.85	54.8	0.0	0.0	0.0	0.0
RG_001_029_31	A	2.54	56.7	7.9	10.4	14.5	18.5
RG_006_033_036	D	2.45	57.1	0.0	0.0	3.4	8.4
RG_005A_009	CM	0.25	59.8	0.0	0.0	0.0	0.0
RG_007_053_055	BM	1.50	60.2	15.8	19.2	23.2	26.7
RG_011_078	BL	1.36	61.4	0.0	3.8	12.6	17.3
RG_008_060_061	BM	0.34	66.2	6.4	8.0	15.4	18.9
RG_011_075_76	BM	0.25	66.7	0.0	0.0	0.0	0.0
RG_010_067_068	BM	0.52	67.4	0.0	0.0	5.0	10.2
RG_002_019-022	A	1.25	68.6	0.5	3.0	4.9	6.8
RG_005A_010_013	CL	0.76	69.4	0.0	0.0	0.0	0.0
RG_007_056	BL	1.4	69.4	4.7	7.9	10.8	13.0
RG_006_046_048	CL	1.72	70.4	0.0	0.0	0.0	0.0
RG_006_041_043	CU	0.59	70.7	0.0	0.0	0.0	0.0
RG_011_080	BL	2.08	73.4	0.0	9.3	11.2	13.0
RG_007_052	BU	2.07	74.2	0.0	0.0	0.0	0.0
RG_008_058_059	BM	1.11	83.4	0.0	0.0	0.0	1.2
RG_013_084_085	A	0.22	84.1	0.0	0.0	0.0	0.0
<b>Average</b>		<b>1.26</b>	<b>62.85</b>	<b>3.2</b>	<b>5.7</b>	<b>10.1</b>	<b>14.3</b>

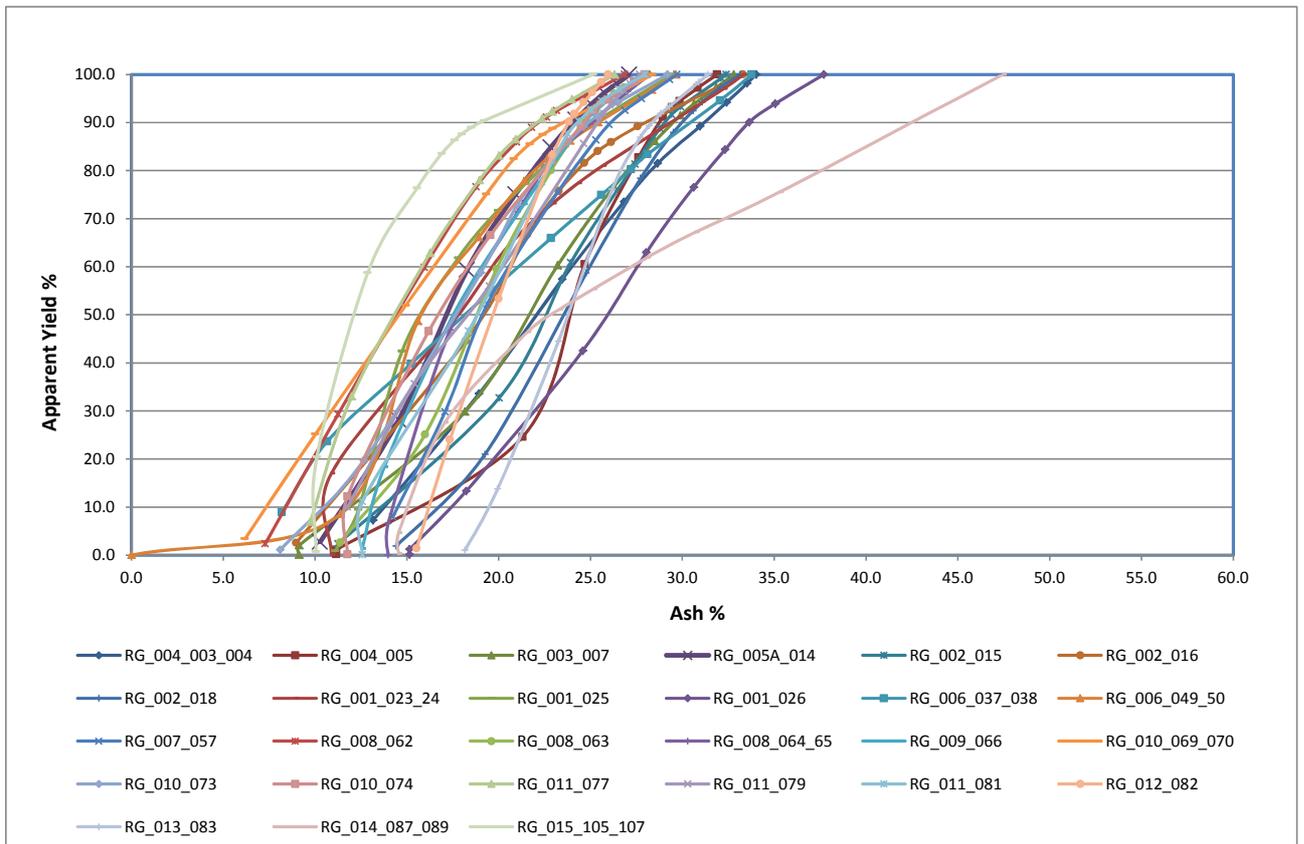


Figure 1, Apparent Yield Curves for Samples with Raw Ash < 40%.