



## Transnet seals a coal transportation deal with Ledjadja

**[Johannesburg; 21 November 2019]** Transnet has concluded a 10 years take-or-pay transportation of coal agreement with Ledjadja Coal (Ledjadja) to haul 3.6 million tonnes per annum (mtpa) of export coal from the Boikarabelo Coal Mine, which is situated in the Waterberg coalfield of Limpopo in Lephalale to the Richards Bay Terminal Grindrod (RBTG) in KwaZulu-Natal. The mine has the objective of loading its first coal to the port from 1 June 2022.

Ledjadja is a fully empowered subsidiary of Resource Generation Limited (“ResGen”). ResGen is dually listed on the Australian Securities Exchange (**ASX, RES**) and the Johannesburg Stock Exchange (**JSE, RSG**). ResGen’s Black Economic Empowerment (BEE) partner in Ledjadja is Fairy Wing Trading 136 (Pty) Ltd.

The Waterberg Coal Field is the next viable coal field in South Africa with Boikarabelo Mine being the most advanced new mining project in the area.

Commenting on the milestone of securing rail capacity for Boikarabelo, ResGen Chief Executive Officer (Interim), Leapeetswe “Papi” Molotsane said: “The signing of the deal is an important effort in opening up the Waterberg region, in line with South Africa’s strategic imperatives embedded in SIP 1.

Boikarabelo is a genuine public-private partnership with key South African stakeholders such as Transnet. Securing rail capacity with Transnet is such a huge milestone for the company as it results in multiple economic benefit for Lephalale and surrounding areas.”

Molotsane said the mine is expected to create up to 3000 jobs during the construction phase of the mine. Once the mine is operational, it will create 700 full time jobs.

The contract between Transnet and Ledjadja is worth R10 billion.

In 2016, Transnet shared its plans to expand the Waterberg coal line to unlock coal-mining opportunities in Limpopo. Transnet has since completed the first phase of the Waterberg project, which included the construction of 1.8 kilometres long passing loop at Matlabas. The expansion enables 100-wagon train to cross without disrupting the operation of other trains on the line. Transnet has commenced with the second and third phase of the project, which includes the construction of a 2.8 km loop at

Thabazimbi and building of the new 5km line to connect loops at Bleskop and Norite among other expansions. Once completed, there will be sufficient rail capacity for Ledjadja and other mines in the area to evacuate all their coal to various markets.

Transnet's Chief Customer Officer Mike Fanucchi said: "This contract will enable Transnet to fulfil its mandate of lowering the cost of doing business in South Africa. This contract will stimulate an appetite of coal miners in and across the Botswana border." Transnet has entered into a similar contract with another mining company in Lephalale in 2017.

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