



ASX: RES

22 June 2015

ASX Release

Funding Update

Resource Generation (the *Company*) has received numerous recent enquiries about the status of its funding, accordingly it has decided to provide an update. As previously announced the Company has been negotiating with various parties including a club of potential financiers to provide project finance for the construction of the Boikarabelo mine.

Negotiations are still continuing with the previously announced club of financiers with work continuing on an extensive terms sheet and bank case financial model. The process in reaching an agreed term sheet has been protracted due to several factors including the variable nature of the envisaged loan structure and maintaining deliverable outcomes within prevailing debt and coal markets.

Expectations are that the project finance will provide all required remaining funding for the mine construction. Consequently, if the proposed facility is made available, the Company does not envisage the need for an associated equity raising.

In addition to the above, the Company continues to explore alternative funding arrangements.

Contacts

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Media enquiries

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Resource Generation is developing the Boikarabelo coal mine in the Waterberg region of South Africa where there are probable reserves of 744.8 million tonnes of coal on 35% of the tenements under its control (refer ASX announcement dated 16 December 2010). Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum.*

**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.*