



**ASX: RES**

26 February 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. In recognition of the protracted nature that this particular process has taken, the financiers have agreed to the following disclosure. The parties are:

- FirstRand Bank Limited, acting through its Rand Merchant Bank division (*RMB*);
- HSBC Bank plc – Johannesburg Branch (*HSBC*);
- Industrial Development Corporation of South Africa Limited (*IDC*);
- Public Investment Corporation SOC Limited (*PIC*);
- Noble Resources International Pte Limited (*Noble*); and
- Export Finance & Insurance Corporation (*EFIC*).

It is proposed that if this facility proceeds the existing loans entered into with Noble will become part of the above facility.

Negotiations have reached a mature stage and a term sheet is being finalised on the expectation that it 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.

If the proposed facility is not made available, the Company will continue 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.*