



ASX: RES

2 January 2014

ASX Release

Funds received from Blumont

Further to the previous announcement on 18 December 2013, Resource Generation has received the deposit of \$2.5 million from Blumont Group Ltd (Blumont) regarding its commitment to the placement of 102,596,530 shares at 22 cents per share, for which payment of \$22,571,236.60 was due on 4 December 2013.

The settlement of the balance, including a commercial rate of interest, is due to occur on 26 February 2014. If Blumont does not settle on 26 February 2014, the deposit of \$2.5 million will be forfeited with no issue of shares in relation thereto.

Resource Generation reiterates that the proposed placement to Blumont is in addition to the proceeds of \$62.6 million from the recent entitlement offer, which was successfully completed in October 2013.

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Resource Generation is developing the Boikarabelo coal mine in the Waterberg region of South Africa, which accounts for 40% of the country's remaining coal resources. There are probable reserves of 744.8 million tonnes of coal on 35% of the tenements under the company's control. Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum.