



ASX: RES

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ASX Release

Update on placement to Blumont

Further to the previous announcement on 5 December 2013, Resource Generation has been in discussions with 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.

Agreement has been reached for Blumont to deposit \$2.5 million by 31 December 2013 and settlement of the balance, including a commercial rate of interest, 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. Should Blumont not pay the deposit of \$2.5 million by 31 December 2013, the agreed settlement terms will cease to apply and the company will consider alternative actions.

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.

The company has launched a regular newsletter containing information on activities at Boikarabelo on the company's website under the "Newsletters" tab.

Contacts

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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.