



ASX: RES

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ASX Release

Mine Construction Commences / Debt Finance Update

Mine construction activities have commenced at Boikarabelo with the site now classified as an operating mine site. Initial activities encompass site infrastructure, roadworks and water and power connections. Further geotechnical boreholes are also being drilled across the initial mining area.

As previously announced, in late December 2012 Resource Generation Limited (*the Company*) agreed a terms sheet with the mandated group of financiers with respect to the proposed debt facilities to fund the development of the Boikarabelo mine.

Due diligence investigations were completed by the independent technical, market, legal and other consultants engaged on behalf of the financiers. Those investigations confirmed the Company's view that there are no material issues affecting the development or financing of the Boikarabelo mine.

The Company continues to assist the financiers with respect to enquiries arising out of their approval processes. The Company does not anticipate any significant delay in the completion of the credit approval process.

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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. Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum.