



ASX: RES

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Boikarabelo update: port access and project finance

Resource Generation's BEE Boikarabelo project has signed a port access contract with Bulk Connections which operates a multi-purpose terminal at the Port of Durban. Under the take or pay contract, Bulk Connections, which is part of the Bidvest Group, will allocate Boikarabelo sufficient stockpile capacity to ship coal at least once per week, enabling the company to meet its Stage 1 export targets from early 2015.

The financing syndicate's credit approval processes are taking longer than expected due to a substantial backlog of other credit approvals. It is also possible that the approval process will be delayed due to festive season interruptions. Resource Generation is continuing to work with the financing syndicate to try to obtain binding offers as soon as possible for the project finance of the Boikarabelo mine.

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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.