

RESOURCE GENERATION LIMITED

ABN 91 059 950 337

30 June 2014

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The financial report covers Resource Generation Limited comprising the consolidated entity and its subsidiaries. The financial report is presented in Australian dollars .

Resource Generation Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 12, Chifley Tower
2 Chifley Square
Sydney NSW 2000

The financial report was authorised for issue by the Directors on 12 August 2014. The Company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at a minimum cost. All market releases, quarterly production reports, financial reports and other information is available at our Investor page on our website: www.resgen.com.au

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Resource Generation Limited (the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2014.

Directors

The following persons were directors of Resource Generation Limited during the whole of the financial year and up to the date of this report:

B D Warner (Chairman)
P J Jury (Managing Director)
S J Matthews (Executive Director)
G Rose (Non-executive Director)

The above named directors held office during the whole of the year ended 30 June 2014.

Principal activities

During the year the principal continuing activities of the Group consisted of the exploration and development of the Boikarabelo mine in the Waterberg region of South Africa.

Review of operations

The Boikarabelo mine's potential continued to be unlocked during the current financial year. The Boikarabelo mine, in the Waterberg region of South Africa, has probable reserves of 774.8 million tonnes of coal on 35% of the tenements controlled by the Group. The focus is on securing funding for the project and equipment to enable the full potential of the mine to be realised. As the Boikarabelo project is still in the development stage the majority of expenditure is capitalised. The net loss for the year of \$1.0 million reflects employee expenses of \$1.4 million, expenses relating to performance share rights of \$1.6 million offset by a \$2.5 million deposit forfeited in respect of the share placement.

In February 2013 mine construction activities commenced at Boikarabelo. Initial activities encompassed site infrastructure, roadworks and water and power connections.

The investment highlights in the development of the Boikarabelo mine include:

- * A large quality shallow resource and reserve base
- * A defined pathway to first production
- * The mine plan reflects a simple cost effective mining operation
- * The mine is fully compliant with the Black Economic Empowerment (BEE) legislation and all material licences have been obtained
- * There is a substantial production profile with long-term offtake secured
- * Experienced management

The entitlement offer announced in July 2013 was completed in October 2013, with \$62.6 million raised between July and October.

In November 2013 rail construction activities commenced at Boikarabelo. Construction activity continued with the focus on site infrastructure, roadworks and water and power connections. Camp construction for 400 beds is underway with service facilities to cater for 1,320 employees.

A binding term sheet for a US\$55.3 million loan from Noble Resources International Pte Ltd (Noble Group) to fund rail construction was signed on 24 June 2013. A binding term sheet for a US\$65 million loan from Noble for construction of the Infrastructure of the Boikarabelo mine was signed on 31 December 2013. Continued engagement with project finance banks to partially fund development of Boikarabelo is underway supplemented by separate discussions with financiers and equipment suppliers for mobile equipment. US\$20 million of the Noble Group rail loan was drawn down in March 2014.

Resource Generation has renewed confidence in securing full funding of the Boikarabelo mine and increased construction activity at the mine in 2014/15.

Engagement continues with the banks to secure project finance to partially fund development of Boikarabelo and alternative forms of leveraged funding are being sought. Progress is being made for funding of the \$100 million mobile equipment with three parties.

The financial position of the Group is sound, with efforts focused to secure funding to support the construction of the Boikarabelo mine. The Boikarabelo mine in South Africa is the only operating segment of the Group.

Further information on the operations and financial position of the Group is set out in this annual report.

Significant changes in the state of affairs

A number of significant corporate events occurred during the year:

- * A binding term sheet for a US\$65 million loan from Noble for construction of the infrastructure of the Boikarabelo mine was signed on 31 December 2013.
- * In July 2013 the Company entered into two arrangements with Valu Investments Pte. Ltd. The first is a 20 year export coal offtake contract, initially for 1.0 million tonnes per annum. The second arrangement is for Valu to undertake a feasibility study for the development of both a 200MW coal fired power station and a larger 1200MW coal fired power station proposed to be located adjacent to the Boikarabelo mine.

- * In July 2013 construction of the 40 kilometre rail link to connect the Boikarabelo mine to the existing rail link commenced.
- * In August 2013 the Company sought to consolidate its mining tenements with the funding of Fairy Wing Trading 136 (Pty) Limited's (FWT) acquisition of 26% of shares in Waterberg One Coal (Pty) Limited, previously owned 30% by Lukale Mining Company (Pty) Limited (Lukale). The remaining shares held by Lukale (4%) were acquired by Resgen South Africa (Pty) Limited, a wholly owned subsidiary of Resource Generation Limited. Both FWT and Lukale are Black Economic Empowerment (BEE) companies and the investments are compliant under the South African Government's legislative requirements. Lukale received 6.8 million Resource Generation Limited shares at \$0.40 each as part of the transaction.
- * The company raised \$62.6 million through a 1 for 1 entitlement offer, which was completed on 22 October 2013.
- * In November 2013 terms were agreed for the design and construction of the coal handling and preparation plant with FLSmidth Roymec (Pty) Limited, the South African black empowerment subsidiary of FLSmidth & Co, the leading supplier of complete plants, equipment and services for the global minerals industry.
- * In January 2014 Blumont Group Ltd (Blumont) lodged a deposit of \$2.5 million in respect of their placement commitment of \$20.7 million for 102,596,530 shares at 22 cents per share. The Group was notified in February that Blumont was not proceeding with the subscription and the deposit was forfeited by Blumont.

Dividends

No dividends were paid or proposed to be paid to members during the financial year.

Results of operations

The operating loss for the year for the company was \$1.0 million (2013 loss \$2.8 million).

Matters subsequent to the end of financial year

Project Contractor

In July 2014 one of the contractors at the Boikarabelo mine, Protech Kuthele (Pty) Limited was placed in liquidation. This is expected to delay the project by three to six months as an alternative earthworks contractor is sought. Based on the previous competitive tender process the Group does not expect any difficulty in appointing a contractor for a similar cost.

There were no other matters subsequent to the end of the financial year that have significantly affected or may significantly affect:

- (i) the Group's operations in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Further information on likely developments in the operations of the Group and the expected results of operations are expanded upon elsewhere in this report. The focus of the next two years will be the construction of the Boikarabelo mine with production targeted for the first half of 2016.

Environmental regulation

The Group's directors and management are committed to continual improvement in the environmental management of the Group's operations and to develop effective community and stakeholder relationships.

The Group is aware of the environmental regulations applying to its operations and seeks to comply with them in all relevant jurisdictions. There have been no environmental incidents throughout the year.

Information on directors

Brian David Warner (B Sc, Dip Ed, Dip Mineral Processing)

Chairman

Experience and expertise

Mr Warner has considerable experience and skills in both the mining and finance industries. He retired as the senior resources analyst at Citibank, a position he had held for 6 years. Brian is a metallurgist and in his early career worked with Peko Wallsend, Agnew Nickel Mining and Seltrust as a metallurgist, project manager and operations manager. His last 20 years were as a senior mining research analyst with several international merchant banking groups including Citibank, Deutsche Bank and Credit Suisse First Boston.

Other current directorships or former directorships in the last 3 years

None.

Interests in shares and performance share rights

200,000 ordinary shares in Resource Generation Limited

Nil performance share rights

Special responsibilities

Member of the Audit & Risk Committee

Chairman of the Remuneration Committee

Chairman of the Nomination Committee

Resource Generation Limited
Directors' report
30 June 2014

Paul John Jury , (BComm, CA, FFin, ACIS, FTIA)
Managing Director

Experience and expertise

Mr Jury has over 35 years experience in managing businesses, the last 30 being in the coal sector. Mr Jury's positions have included Chief Financial Officer of Coal and Allied Industries Limited, Finance Director of Coal Mines Australia Limited, Executive Chairman of Oceanic Coal Australia Limited and Managing Director of Resource Pacific Holdings Limited.

Interests in shares and performance share rights

24,360,591 ordinary shares in Resource Generation Limited
10,000,000 performance share rights

Shares issued on exercise of performance share rights
None.

Other current directorships or former directorships in the last 3 years
None.

Special responsibilities

Managing Director
Member of the Nomination Committee

Stephen James Matthews, (BSc (Hons), FCA, FFin)
Executive Director and Company Secretary

Experience and expertise

Mr Matthews has over 25 years corporate finance and commercial experience, including 18 years in the coal industry. Mr Matthews is a qualified Chartered Accountant and is the Company Secretary. Mr Matthews' previous positions were as a senior executive with Coal Mines Australia Limited, Billiton Coal Australia, BHP Billiton's Hunter Valley Energy Coal division and Resource Pacific Holdings Limited.

Interests in shares and performance share rights

4,175,603 ordinary shares in Resource Generation Limited
5,000,000 performance share rights

Shares issued on exercise of performance share rights
None.

Other current directorships or former directorships in the last 3 years
None.

Special responsibilities

Company Secretary and Finance Director

Geoffrey (Toby) Rose AO, (BSc)
Non-executive director.

Experience and expertise

Mr Rose is a geologist with more than 50 years experience in the NSW coal and minerals industry. He was awarded the Order of Australia for contributions to mining and minerals research. For 10 years until 1992 Toby was Director General of the New South Wales Department of Mineral Resources and Chair of the Mines Subsidence Board. Subsequent directorships include non-executive roles with Coal Mines Australia Limited, Billiton Coal Australia and Resource Pacific Holdings Limited.

Interests in shares and performance share rights

136,000 ordinary shares in Resource Generation Limited
Nil performance share rights

Other current directorships or former directorships in the last 3 years
None.

Special responsibilities

Chairman of the Audit & Risk Committee
Member of the Remuneration Committee
Member of the Nomination Committee

Meetings of directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2014, and the number of meetings attended by each director was:

Meetings of committees

	Full meetings of directors		Audit and risk		Remuneration		Nomination	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Brian Warner	16	16	3	3	1	1	1	1
Paul Jury	16	16	-	-	-	-	1	1
Stephen Matthews	16	16	-	-	-	-	-	-
Geoffrey (Toby) Rose	16	16	3	3	1	1	1	1

Remuneration report

The Board is committed to clear and transparent disclosure of the Group's remuneration arrangements.

The remuneration report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration;
2. Details of remuneration;
3. Service agreements;
4. Share-based compensation; and
5. Additional information

1 Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategy objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that the executive reward satisfies the following key criteria for good governance practices:

- a) Competitiveness and reasonableness;
- b) Acceptability to shareholders;
- c) Performance linkage / alignment of executive compensation;
- d) Transparency; and
- e) Capital management.

The Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation. The framework provides a mix of fixed and variable pay, and a blend of short and long term incentives. The remuneration of executives is aligned to key milestones in the development of the Boikarabelo mine.

Alignment to shareholders' interests:

- a) focuses on sustained growth in shareholder wealth; and
- b) attracts and retains high calibre executives.

Alignment to performance:

Focuses on achieving key Group milestones, including obtaining relevant licences, funding and development of the Boikarabelo mine.

Alignment to program participants' interests:

- a) rewards capability and experience; and
- b) provides a clear structure for earning rewards.

The Remuneration Committee makes recommendations to the Board on remuneration and incentive policies and practices and other terms of employment for executive and non-executive directors and other senior executives. The Corporate Governance Statement provides further information on the role of the committee.

The Company does not use a remuneration consultant.

Executive directors

Fees and payments to executive directors reflect the demands which are made on, and the responsibilities of the directors. Executive directors' fees and payments are reviewed annually by the Remuneration Committee. The Board also ensures that executive directors' fees and payments are appropriate and in line with the market. Executive directors do receive security based payments as part of their compensation package, as disclosed below.

Retirement allowances and benefits for directors

There are no retirement allowances or other benefits paid to directors.

Directors' fees

The amount of remuneration of the directors of Resource Generation Limited (as defined in AASB 124 Related Party Disclosures) is set out in the following table. There was no other remuneration of any type to the directors.

Short-term incentives

Short-term incentives (STI) are offered on a competitive basis considering a total remuneration package benchmarked against relevant industry groups and having regard for the specific circumstances of the Group. The components of each executive's total remuneration package is weighted in accordance with their role and responsibilities.

The Remuneration Committee recommends to the Board appropriate targets and key performance indicators (KPIs) to link the STI plan and the level of payout if targets are met. This includes setting any maximum payout under the STI plan, and minimum levels of performance to trigger payment of STIs.

The short-term bonus payments may be adjusted up or down in line with under or over achievement against the target performance levels. This is at the discretion of the Board. There were no STIs paid during the current financial year as there were no targets set for the current year.

Long-term incentive plan

The long-term incentive plan (LTIP), known as the Employee Share Plan, was approved by shareholders at the October 2011 Annual General Meeting. Performance share rights are granted under the LTIP to employees eligible to participate in the plan i.e. those at an executive level (including the Managing Director). The Company will seek shareholder approval at an Annual General Meeting prior to any performance share rights being issued to the Managing Director and the Executive Director. The LTIP is focused on achieving key Group milestones including obtaining relevant licences, funding and development of the Boikarabelo mine as per Section 4 in the Remuneration Report. Performance share rights are granted under the LTIP for no consideration. Performance share rights vest over periods ranging from one to five years with non-market based performance hurdles determined by the executive's role and responsibilities.

Each year, the Board, on the recommendation of the Remuneration Committee, considers whether senior executives should be awarded performance share rights under the LTIP and considers the appropriate targets and key performance indicators to determine what hurdles are appropriate for vesting to occur.

2 Details of remuneration

Details of the nature and amount of each element of the emoluments of directors and key management personnel of Resource Generation Limited and the Group are set out in the following tables.

The non-executive directors do not receive performance share rights.

The key management personnel of the Group includes the directors as set out in the Directors Report and the following executive officers:

- Brian Warner - Non-Executive Director and Chairman
- Toby Rose - Non-Executive Director
- Paul Jury - Managing Director
- Steve Matthews - Executive Director
- Hennie van den Aardweg - General Manager Operations, South Africa
- Michelene Collopy - Chief Financial Officer
- Andy McLeod - Senior General Manager Boikarabelo Mine
- Brendan O'Regan - Commercial & Financial Manager, South Africa

i) Remuneration

	Short-term benefits	Post employ- ment benefits	Long-term employment benefits	Share based payments expensed	Other -rent assistance, travel	Total	
2014							
	Cash salary or fees	Super- annuation	Long service leave	Performance shares		% Share based payment	
Name of director	\$	\$	\$	\$	\$	Total \$	
Non-executive directors							
Geoffrey (Toby) Rose	57,798	5,202	-	-	-	63,000	-
Brian Warner	75,250	35,000	-	-	-	110,250	-
Sub-total non-executive	133,048	40,202	-	-	-	173,250	
Executive directors							
Paul Jury	545,000	25,000	18,381	677,360	-	1,265,741	54%
Stephen Matthews	405,000	25,000	13,866	338,680	-	782,546	43%
Sub-total executive directors	950,000	50,000	32,247	1,016,040	-	2,048,287	
Other key management							
Hennie van den Aardweg	293,665	-	-	151,049	-	444,714	34%
Andy McLeod	408,398	-	-	204,531	29,112	642,041	32%
Michelene Collopy	90,000	-	2,902	6,776	-	99,678	7%
Brendan O'Regan	227,494	-	-	135,472	14,326	377,292	36%
Sub-total key management	1,019,557	-	2,902	497,828	43,438	1,563,725	
Total	2,102,605	90,202	35,149	1,513,868	43,438	3,785,262	

There were no fees paid to director-related entities.

i) Remuneration (continued)

	Short-term benefits	Post employ- ment benefits	Share based payments expensed	Other -rent assistance, travel	Total	Share based payment (1) lapsed performance rights	Total including lapsed performance rights
2013	Cash salary or fees	Super- annuation	Performance shares		% Share based payment	Performance shares	
	\$	\$	\$	\$	\$	\$	\$
Non-executive directors							
Geoffrey (Toby) Rose	57,798	5,202	-	-	63,000	-	63,000
Brian Warner	85,250	25,000	-	-	110,250	-	110,250
<i>Sub-total non-executive</i>	143,048	30,202	-	-	173,250	-	173,250
Executive directors							
Paul Jury	545,000	25,000	-	-	570,000	0%	(1,592,283)
Stephen Matthews	405,000	25,000	-	-	430,000	0%	(796,142)
<i>Sub-total executive directors</i>	950,000	50,000	-	-	1,000,000	(2,388,425)	(1,388,425)
Other key management							
Hennie van den Aardweg	319,281	-	-	-	319,281	0%	(358,264)
Andy McLeod	406,172	-	126,059	24,767	556,998	23%	-
Micheline Collopy	90,000	-	-	-	90,000	0%	(11,761)
Brendan O'Regan	229,534	-	-	18,982	248,516	0%	(521,495)
<i>Sub-total key management</i>	1,044,987	-	126,059	43,749	1,214,795	(891,520)	323,275
Total	2,138,035	80,202	126,059	43,749	2,388,045	(3,279,945)	(891,900)

(1) On 30 June 2013 \$3.5 million in respect of performance share rights lapsed. The performance rights were linked to the project finance for the Boikarabelo mine being in place by 30 June 2013. The Group received credit-approved offers of project finance in March 2013. However, the offers deviated significantly from the agreed term sheets and they included commercial conditions which were unacceptable to the Group. Accordingly, with negotiations on these conditions still continuing, the rights lapsed. The \$3.3 million disclosed above is net of \$0.2m expensed in relation to the lapsed performance rights during the year.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2014	2013	2014	2013	2014	2013
Executive directors						
Paul Jury	46%	100%	-	-	54%	-
Stephen Matthews	57%	100%	-	-	43%	-
Other key management						
Hennie van den Aardweg	66%	100%	-	-	34%	-
Andy McLeod	68%	77%	-	-	32%	23%
Micheline Collopy	93%	100%	-	-	7%	-
Brendan O'Regan	64%	100%	-	-	36%	-

ii) Performance share rights

The number of performance share rights over ordinary shares in the Company held during the financial year by each director of Resource Generation Limited, including their personally related parties, are set out below:

2014	Balance at the start of the year	Granted during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end	Unvested at the end of the year
	Shares	Shares	Shares	Shares	Shares	Shares
Directors						
Paul Jury	-	10,000,000	-	10,000,000	-	10,000,000
Steve Matthews	-	5,000,000	-	5,000,000	-	5,000,000
Other key management						
Hennie van den Aardweg	-	2,500,000	-	2,500,000	-	2,500,000
Andy McLeod	3,000,000	500,000	-	3,500,000	-	3,500,000
Micheline Collopy	-	100,000	-	100,000	-	100,000
Brendan O'Regan	-	2,000,000	-	2,000,000	-	2,000,000
Totals	3,000,000	20,100,000	-	23,100,000	-	23,100,000

iii) Shareholdings

The number of shares in the company held during the financial year by each director and key management personnel of Resource Generation Limited, including their personally related parties, are set out below:

	Balance at the start of the year	Received during the year on the conversion of performance share rights	Other changes during the year	Balance at the end of the year
	Shares	Shares	Shares	Shares
2014				
Directors				
Paul Jury	15,269,682	-	9,090,909	24,360,591
Steve Matthews	3,671,135	-	504,468	4,175,603
Brian Warner	100,000	-	100,000	200,000
Toby Rose	68,000	-	68,000	136,000
Other key management				
Hennie van den Aardweg	1,080,000	-	-	1,080,000
Micheline Collopy	133,700	-	70,000	203,700
Andy McLeod	85,000	-	85,000	170,000
Brendan O'Regan	138,000	-	138,000	276,000
Totals	20,545,517	-	10,056,377	30,601,894

3 Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. The major provisions of the agreements relating to remuneration are set out below:

Paul Jury, Managing Director

- Contract signed 28 July 2011, no fixed term;
- Three months' notice by director;
- Termination payments equivalent to six months' salary package;
- Base salary and superannuation to be reviewed annually;
- Provision of four weeks' annual leave and thirteen weeks' long service leave (after eight years);
- Provision of sick leave, accrued balance payable upon termination;
- Provision made for the awarding of bonuses at the recommendation of the Remuneration Committee; and
- Provision made for the award of performance share rights, subject to shareholder approval.

Steve Matthews, Executive Director and Company Secretary

- Contract signed 28 July 2011, no fixed term;
- Three months' notice by director;
- Termination payments equivalent to six months' salary package;
- Base salary and superannuation to be reviewed annually;
- Provision of four weeks' annual leave and thirteen weeks' long service leave (after eight years);
- Provision of sick leave, accrued balance payable upon termination;
- Provision made for the awarding of bonuses at the recommendation of the Remuneration Committee; and
- Provision made for the award of performance share rights, subject to shareholder approval.

Hennie van den Aardweg, General Manager, South Africa

- Contract effective 1 November 2008, no fixed term;
- One month's notice by employee;
- Termination payments equivalent to three months' salary package;
- Base salary and superannuation to be reviewed annually;
- Provision of four weeks' annual leave;
- Provision made for the awarding of bonuses at the recommendation of the Remuneration Committee; and
- Provision made for the award of performance share rights.

Andy McLeod, Senior General Manager, Boikarabelo Mine

- Contract effective 26 April 2012, no fixed term;
- One month's notice by employee;
- Termination payments equivalent to three months' salary package;
- Base salary and superannuation to be reviewed annually;
- Provision of four weeks' annual leave;
- Provision made for the awarding of bonuses at the recommendation of the Remuneration Committee; and
- Provision made for the award of performance share rights.

Service agreements (continued)

Micheline Collopy, Chief Financial Officer

- No service agreement.
- Provision of four weeks' annual leave (proportional to period worked) and thirteen weeks' long service leave after ten years (proportional to period worked).
- Provision made for the award of performance share rights.

Brendan O'Regan, Commercial & Financial Manager, South Africa

- Contract effective 21 March 2011, no fixed term;
- One month's notice by employee;
- Termination payments equivalent to three months' salary package;
- Base salary, superannuation, accommodation and travel allowance to be reviewed annually;
- Provision of four weeks' annual leave;
- Provision made for the awarding of bonuses at the recommendation of the Remuneration Committee; and
- Provision made for the award of performance share rights.

There are no service agreements with non-executive directors. Non-executive directors serve on a month to month basis and there are no termination payments payable.

Key Financial Data

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 30 June 2014.

	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2012 \$'000	30 June 2011 \$'000	30 June 2010 \$'000
Revenue	4,795	1,860	2,099	1,235	982
Net loss before tax	(1,035)	(2,791)	(578)	(5,058)	(3,280)
Net loss after tax	(1,042)	(2,813)	(573)	(5,072)	(3,280)

	30 June 2014 cents	30 June 2013 cents	30 June 2012 cents	30 June 2011 cents	30 June 2010 cents
Share price at start of year	20	30	75	46	45
Share price at end of year	13	20	30	75	46
Basic earnings per share	(0.2)	(1.0)	0.2	(2.3)	(2.2)
Diluted earnings per share	(0.2)	(1.0)	0.2	(2.3)	(2.2)

There were no dividends paid or proposed during the five years to 30 June 2014.

4 Share-based compensation
Performance share rights

Performance share rights are granted under the Long Term Incentive Plan for no consideration. Performance share rights vest over periods ranging from one to five years with non-market based performance hurdles determined by the executive's role and responsibilities. The performance hurdles are linked to key development milestones. For the performance rights current as at 30 June 2014, the performance hurdles include obtaining funding for the commencement of all material construction at Boikarabelo, expected to be achieved during the 2014/15 financial year, the initial production of coal, expected to be achieved during the 2015/2016 financial year and mine production targets, expected to be achieved during the 2017/2018 financial year.

Unissued ordinary shares of Resource Generation Limited under performance share rights, held by directors and key management, at the date of this report are as follows:

Grant date	Name	Date vested and exercisable	Year in which rights may vest	Issue price of shares	Value per right at grant date	Number granted under right	Year granted
Performance							
28-Jan-14	Paul Jury	N/A	2014	Nil	\$0.18	5,000,000	2014
28-Jan-14	Paul Jury	N/A	2016	Nil	\$0.18	5,000,000	2014
28-Jan-14	Steve Matthews	N/A	2014	Nil	\$0.18	2,500,000	2014
28-Jan-14	Steve Matthews	N/A	2016	Nil	\$0.18	2,500,000	2014
28-Jan-14	Hennie van den Aardweg	N/A	2014	Nil	\$0.18	1,000,000	2014
28-Jan-14	Hennie van den Aardweg	N/A	2016	Nil	\$0.18	1,500,000	2014
28-Jan-14	Andy McLeod	N/A	2014	Nil	\$0.18	500,000	2014
21-Aug-12	Andy McLeod	N/A	2016	Nil	\$0.22	1,500,000	2012
21-Aug-12	Andy McLeod	N/A	2019	Nil	\$0.22	1,500,000	2012
28-Jan-14	Michelene Collopy	N/A	2014	Nil	\$0.18	50,000	2014
28-Jan-14	Michelene Collopy	N/A	2016	Nil	\$0.18	50,000	2014
28-Jan-14	Brendan O'Regan	N/A	2014	Nil	\$0.18	1,000,000	2014
28-Jan-14	Brendan O'Regan	N/A	2016	Nil	\$0.18	1,000,000	2014
N/A	Performance share rights are converted to shares on the date of vesting.						

Share-based compensation
Performance share rights

Grant date	Name	Number granted under right	%	Vested	%	Lapsed	Minimum total value of grant yet to vest \$	Maximum total value of grant yet to vest \$	Performance achieved
Performance									
28-Jan-14	Paul Jury	10,000,000		Nil		Nil	Nil	1,800,000	to be determined
28-Jan-14	Steve Matthews	5,000,000		Nil		Nil	Nil	900,000	to be determined
28-Jan-14	Hennie van den Aardweg	2,500,000		Nil		Nil	Nil	450,000	to be determined
28-Jan-14	Andy McLeod	500,000		Nil		Nil	Nil	90,000	to be determined
21-Aug-12	Andy McLeod	3,000,000		Nil		Nil	Nil	660,000	to be determined
28-Jan-14	Micheline Collopy	100,000		Nil		Nil	Nil	18,000	to be determined
28-Jan-14	Brendan O'Regan	2,000,000		Nil		Nil	Nil	360,000	to be determined

The assessed fair value at grant date of performance share rights granted to individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. The value attached to the performance share right is the share price on the day of issue.

No holder has any right under the performance share rights to participate in any other share issue of the Company or any other entity.

5. Additional information

a) Shares under option

At 30 June 2014 there were 24.7m ordinary shares under performance share rights. No performance share rights were converted during the period.

b) Insurance of officers

During the financial year Resource Generation Limited paid a premium of \$98,344 to insure the directors and officers of the Group. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

c) Agreement to indemnify officers

During the financial year, the Company entered into an agreement to provide access to Company records and to indemnify the directors and officers of the Company. The indemnity relates to any liability:

- i) as a result of being, or acting in their capacity as, an officer of the Company to the maximum extent permitted by law.
- ii) for legal costs incurred in successfully defending civil or criminal proceedings. No liability has arisen under these indemnities as at the date of this report.

d) Proceedings on behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act 2001*, or any other relevant jurisdiction in which the Company operates, for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

e) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated.

Additional information (continued)

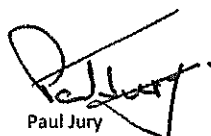
f) Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12 of the annual report.

g) Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and Group are important. The Board of directors has considered the position and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out in note 21, did not compromise the auditor independence requirements of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.
On behalf of the directors



Paul Jury
Managing Director
Sydney

Date 12 August 2014

The Directors
Resource Generation Limited
Level 12 Chifley Tower
2 Chifley Square
Sydney NSW 2000

12 August 2014

Dear Board Members

Resource Generation Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Resource Generation Limited.

As lead audit partner for the audit of the financial report of Resource Generation Limited for the financial year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



R G Saayman
Partner
Chartered Accountants

Resource Generation Limited (the Company) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Company's corporate governance framework is reviewed regularly in light of the best practice recommendations released by the Australian Securities Exchange Corporate Governance Council. The Board continues to review the framework and practices to ensure that they meet the interests of shareholders. Where the Company has not adhered to the policies set out in its Board charter for corporate governance it is stated in the annual report.

The directors are responsible to the shareholders for the performance of the Company in both the short and the long term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Managing Director and the Company Secretary. These are reviewed on an annual basis, with the most recent review in June 2014.

All these practices, unless otherwise stated, were in place for the entire year. They comply with the ASX Principles of Good Corporate Governance and Best Practice Recommendations and updates thereto.

The Board of directors

The Board operates in accordance with the broad principles set out in its charter which is available from the Company's registered office and on the website. The charter details the Board's composition and responsibilities.

Board composition

At the date of signing the directors' report, the Board comprises two executive directors (including the Managing Director) and two non-executive directors.

Responsibilities

The responsibilities of the Board include:

- i) providing strategic guidance to the Company including contributing to the development of and approving the corporate strategy;
- ii) reviewing and approving business plans and financial plans including available resources and major capital expenditure initiatives;
- iii) overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
- iv) ensuring compliance with the Corporations Act, Accounting Standards, the Company's Code of Conduct, other corporate policies, relevant mining, safety, environmental and industrial legislation and all other appropriate laws;
- v) monitoring progress on major capital works and other significant corporate projects including any acquisitions or divestments;
- vi) monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors;
- vii) appointment, performance assessment and, if necessary, removal of the directors;
- viii) appointment, performance assessment and, if necessary, removal of the Managing Director;
- ix) ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team including the Chief Financial Officer and the Company Secretary;
- x) ensuring there are effective management processes in place and approving major corporate initiatives;
- xi) enhancing and protecting the reputation of the organisation;
- xii) overseeing the operation of the Company's system for compliance and risk management reporting to shareholders.
- xiii) promoting a culture of workplace health, safety and environmental responsibility and promoting development of employees through appropriate education and training programmes; and
- xiv) recognising the legitimate interests of all stakeholders.

Chairman and Managing Director

The Chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussion and managing the Board's relationship with the Group's senior executives. The Chairman has acknowledged the significant time commitment in accepting the position and has confirmed that other positions will not hinder his effective performance in the role of Chairman.

The Managing Director is responsible for implementing Company strategy and policies.

Commitment

The number of meetings of the Company's Board of directors held during the year ended 30 June 2014, and the number of meetings attended by each director is disclosed in the directors' report under the heading 'Meetings of directors'.

Conflict of interest

There were no conflicts of interest during the reporting period.

Independent professional advice

Directors, and Board committees, have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Written approval of the Chairman is required, but this will not be unreasonably withheld.

Performance assessment

The Board undertakes an annual self-assessment of its collective performance, the performance of the Chairman and of its individual directors, bearing in mind the adequacy of induction and continuing education, access to information and the support provided by the Company Secretary.

Diversity

The Board has initiated employment of a diverse workforce, embracing diversity in skills, gender and culture. It recognises the competitive benefits of recruiting, developing and retaining a talented, diverse and motivated workforce.

The Group's main project is development of the Boikarabelo mine in South Africa where it is fully compliant with its Black Economic Empowerment ("BEE") company. The BEE program is a legislated South African Government initiative to address the issues faced by Historically Disadvantaged South Africans. Diversity is about recognising, respecting and valuing differences based on, but not limited to, gender, age, ethnicity, religion, disability and sexual orientation.

The Company has not set a diversity objective at Board level for 2014. However, if a Board vacancy occurs during 2015 or the number of directors is increased, the Company will recruit new directors in accordance with the Resource Generation diversity policy, with the aspiration of adding one or more women to the Board.

Senior management roles and positions are filled by the best candidates available without discrimination and the Company aims to increase diversity in senior appointments as positions become available. Diversity will be advanced by ensuring the Company retains appropriate recruitment practices, training regimes and management practices.

The Nomination Committee is responsible for establishing and monitoring strategies on gender diversity. The committee has determined the diversity policy and implemented measurable, reportable objectives. It has responsibility, in consultation with management (as appropriate), to oversee the implementation and ongoing monitoring of the Group's diversity strategy.

The following table demonstrates Resource Generation's gender diversity at 30 June 2014.

	2014	%
Women on the Board	-	-
Women in senior management	2	28.6
Women employees in total	8	53.3

Corporate reporting

The Board has made the following certifications as to the financial report for the reporting period ended 30 June 2014:

- i) that the Company's financial report is complete and presents a true and fair view, in all material respects, of the financial condition and operational results of the Company; and
- ii) that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board or, where those policies are not adhered to, that fact is stated in the annual report and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Board committees

The Board has established a number of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the Board are the Audit and Risk Committee, Remuneration Committee and Nomination Committee. With the exception of the Nomination Committee, each is comprised entirely of non-executive directors.

Minutes of committees are tabled at the subsequent Board meeting.

Audit and Risk Committee

The Audit and Risk Committee consists of the following non-executive directors:

Toby Rose (Chairman)
Brian Warner

The Audit and Risk Committee members are financially literate and have an appropriate understanding of the industry in which the Group operates.

The Audit and Risk Committee operates in accordance with a charter. The primary purpose of the Audit and Risk Committee is to assist the Board to discharge its responsibilities in the following areas:

- ensuring the Group adopts, maintains and applies appropriate accounting and financial reporting processes and procedures;
- facilitating the independence of the external audit process and addressing issues arising from the audit process;
- ensuring the Group maintains effective risk management and internal control systems. Effective risk management is facilitated through the active operation of three risk registers covering workplace health and safety, finance and operations; and
- reviewing and concurring on the appointment, replacement, reassignment or dismissal of the CFO.

Remuneration Committee

The Remuneration Committee consists of the following non-executive directors:

Brian Warner (Chairman)
Toby Rose

The primary purpose of the Remuneration Committee is to advise the Board on remuneration and incentive policies and practices generally, and to make practical recommendations to assist the Board in discharging its responsibilities in the following areas:

- ensuring that appropriate procedures exist to assess the remuneration levels of the Chairman, non-executive directors, executive directors, direct reports to the Managing Director, Board committees and the Board as a whole;
- ensuring that the Group adopts, monitors and applies appropriate remuneration policies and procedures; and
- ensuring reporting disclosures related to remuneration meet the Board's disclosure objectives and all relevant legal reports.

The Remuneration Committee did not recommend any salary increases for the 2014 financial year and this was endorsed by the Board.

Nomination Committee

The Nomination Committee consists of the following directors:

Brian Warner (Chairman)
Toby Rose
Paul Jury

The Nomination Committee is responsible for identifying and nominating, for approval of the Board, candidates to fill executive and non-executive vacancies as and when they arise. The Nomination Committee is also responsible for employment diversity within the Group.

Health and Safety Committee

There is currently no formal Health and Safety Committee of the Board as the Board does not consider that it is currently warranted given the present operations of the Company. Relevant workplace policies are in place governing exploration and development activities and are monitored by the Audit and Risk Committee. At the Boikarabelo operations, RSV Enco, as part of its EPCM contract, carry health and safety responsibilities in respect of all contractors.

External Auditors

The Board and Audit and Risk Committee are responsible for the appointment and monitoring of performance of the external auditor. The Audit and Risk Committee charter sets out the following areas of responsibility:

- liaising with the external auditors regarding the scope of the audit and ensuring that the annual audits and half-yearly reviews are conducted in an effective manner;
- approving audit fees;
- reviewing matters relating to auditor independence;
- pre-approving any non-audit services provided by the auditors; and
- ensuring rotation of the audit partner every 5 years.

External Auditors (continued)

Deloitte Touche Tohmatsu was appointed auditor in October 2010. An analysis of fees paid to the external auditor, including fees for non-audit services, is included in Note 21.

The external auditor attends the annual general meeting and is available to answer shareholder questions. The external auditor is invited to attend half yearly Audit and Risk Committee meetings.

Risk assessment and management

The Board, through the Audit and Risk Committee, is responsible for ensuring that there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputational and financial risks are identified and assessed, and effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisational structure with clearly drawn lines of accountability and delegation of authority. Adherence to the code of conduct is required at all times and the Board actively promotes a culture of quality and integrity.

The Company risk management policy and the operation of the risk management and compliance system are managed by the Board. Control procedures cover management accounting, financial reporting, project appraisal, compliance and other risk management issues.

Share trading policy

The purchase or sale of Company securities by directors and employees is governed by the Group's Buying and Selling Securities in Resource Generation Limited policy. The policy acknowledges that under a continuous disclosure environment it is difficult to impose specific 'windows' where share trading is permitted and that the only appropriate time for a director or employee to acquire or sell the Company's shares is when he or she is not in possession of price sensitive information which is not generally available in the market.

Bribery and corruption policy

The Company will not tolerate wilful acts of bribery and corruption in its operations and activities since such acts are legally, morally and ethically wrong. Bribery and corruption are criminal offences and such acts by Resource Generation, its subsidiaries, its directors, officials, employees, contractors and other representatives could generate the risk of legal action possibly resulting in fines and/or imprisonment. Any breach of this policy will be regarded as a serious matter and disciplinary action may result in termination of employment or contract.

Code of conduct

The Company has developed a statement of values and a code of conduct which has been fully endorsed by the Board and applies to all directors and employees of the Group when they are engaged. The code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity and to take into account legal obligations and reasonable expectations of the Group's stakeholders.

In summary, the code requires that at all times all Group personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies.

The directors are satisfied that the Group has complied with its policies on ethical standards, including trading in securities.

A copy of the code and the trading policy is available at the Company's registered office and on the website.

Continuous disclosure and shareholder communication

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is available at the Company's registered office and on the website.

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Company's website.

Macquarie First South Capital (Pty) Limited acts as the Company's sponsor for its secondary listing on JSE Limited and is responsible for the Company's communications with JSE Limited.

Resource Generation Limited

Consolidated statement of comprehensive income For the year ended 30 June 2014

		Consolidated	
		2014	2013
		\$'000	\$'000
	Notes		
Revenue from continuing operations	5	2,294	1,860
Other	5	2,501	-
		<u>4,795</u>	<u>1,860</u>
Administration, rent and corporate		(1,209)	(1,740)
Depreciation of property plant and equipment	6	(261)	(148)
Employees benefits expense	6	(1,411)	(1,255)
Finance expenses	6	(1,182)	(1,455)
Land management		(132)	(165)
Marketing expenses	6	-	(3,000)
Share based compensation	6	(1,635)	3,112
		<u>(1,035)</u>	<u>(2,791)</u>
Loss before income tax			
Income tax expense	7	(7)	(22)
		<u>(1,042)</u>	<u>(2,813)</u>
Loss from continuing operations			
Loss for the year		<u>(1,042)</u>	<u>(2,813)</u>
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit and loss when specific conditions are met			
Exchange differences on translation of foreign operations		(2,238)	(471)
Total comprehensive income		<u>(3,280)</u>	<u>(3,284)</u>
Loss is attributable to:			
Owners of Resource Generation Limited		<u>(1,042)</u>	<u>(2,813)</u>
Total comprehensive income for the year is attributable to:			
Owners of Resource Generation Limited		<u>(3,280)</u>	<u>(3,284)</u>
Earnings per share	30		
Earnings per share for loss from continuing operations		cents	cents
Basic earnings per share		(0.2)	(1.0)
Diluted earnings per share		(0.2)	(1.0)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2014

		Consolidated	
	Notes	2014 \$'000	2013 \$'000
Current assets			
Cash and cash equivalents	8	54,337	21,428
Trade and other receivables	9	414	569
Deposits and prepayments	10	140	298
		<u>54,891</u>	<u>22,295</u>
Non-current assets			
Property, plant and equipment	11	45,269	43,632
Mining tenements and exploration	12	114,913	88,780
Deposits and loan receivables	13	16,923	12,804
		<u>177,105</u>	<u>145,216</u>
TOTAL ASSETS		<u>231,996</u>	<u>167,511</u>
Current liabilities			
Trade and other payables	14	8,377	8,017
Provisions	15	826	713
Borrowings	17	-	20,500
		<u>9,203</u>	<u>29,230</u>
Non-current liabilities			
Borrowings	18	21,231	-
Royalties payable	16	2,553	2,764
		<u>23,784</u>	<u>2,764</u>
TOTAL LIABILITIES		<u>32,987</u>	<u>31,994</u>
NET ASSETS		<u>199,009</u>	<u>135,517</u>
Equity			
Contributed equity	19	221,305	157,253
Reserves	20	15,512	15,030
Accumulated losses	20	(37,808)	(36,766)
TOTAL EQUITY		<u>199,009</u>	<u>135,517</u>

The above statements of financial position should be read in conjunction with the accompanying notes.

Resource Generation Limited

Consolidated statement of changes in equity For the year ended 30 June 2014

	Notes	Contri- buted equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2012		148,615	18,613	(33,953)	133,275
Profit for the year		-	-	(2,813)	(2,813)
Other comprehensive income for the year - exchange differences on translation of foreign operations		-	(471)	-	(471)
Total comprehensive income for the year		-	(471)	(2,813)	(3,284)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs		8,638	-	-	8,638
Employee share options - value of employee services	20	-	(3,112)	-	(3,112)
		8,638	(3,112)	-	5,526
Balance at 30 June 2013		157,253	15,030	(36,766)	135,517
Loss for the year		-	-	(1,042)	(1,042)
Other comprehensive income for the year - exchange differences on translation of foreign operations		-	(2,238)	-	(2,238)
Total comprehensive income for the year		-	(2,238)	(1,042)	(3,280)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	19	64,052	-	-	64,052
Other Contributed Equity	20	-	1,085	-	1,085
Employee share options - value of employee services	20	-	1,635	-	1,635
		64,052	2,720	-	66,772
Balance at 30 June 2014		221,305	15,512	(37,808)	199,009

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows
For the year ended 30 June 2014

	Notes	Consolidated 2014 \$'000	2013 \$'000
Cash flows from operating activities			
Payments to suppliers and employees		(5,669)	(2,173)
Payments for land management		(76)	(171)
Interest received		1,713	578
Finance costs		(1,008)	(964)
Taxation payments		(7)	(20)
Net cash outflow from operating activities	29	<u>(5,047)</u>	<u>(2,750)</u>
Cash flows from investing activities			
Payments for land, property, plant and equipment		(1,861)	(5,553)
Refunds of government charges associated with land acquisition		330	1,949
Payments for acquisition of non-controlling interest		(287)	-
Net receipts for mining related licence deposits		-	523
Payments for mineral tenements and exploration		(22,926)	(12,143)
Loan to BEE partner		(2,026)	(1,376)
Net cash outflow from investing activities		<u>(26,770)</u>	<u>(16,600)</u>
Cash flows from financing activities			
Proceeds from issue of shares		63,963	8,653
Equity raising costs		(1,538)	(16)
Repayment of borrowings		(20,000)	-
Forfeited share deposit		2,500	-
Proceeds from borrowings		22,046	20,000
Net cash inflow from financing activities		<u>66,971</u>	<u>28,637</u>
Net increase in cash and cash equivalents		<u>35,154</u>	<u>9,287</u>
Cash and cash equivalents at the beginning of the year		21,428	12,116
Effects of exchange rate movements on cash and cash equivalents		(2,245)	25
Cash and cash equivalents at the end of the year	8	<u>54,337</u>	<u>21,428</u>

The above cash flow statements should be read in conjunction with the accompanying notes

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the presentation of the consolidated financial statements are as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Resource Generation Limited and its subsidiaries.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board including Interpretations and the Corporations Act 2001. For the purposes of preparing the consolidated financial statements the Company is a for-profit entity.

It is recommended that this financial report is read in conjunction with any public announcements made by Resource Generation Limited during the year, in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The financial statements were approved by the Board of directors on 12 August 2014.

Compliance with IFRS

The financial report of Resource Generation Limited also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Going concern

As at 30 June 2014, the Group had net current assets of \$45.7 million and made a loss of \$1.0 million for the year. The Directors have prepared this financial report on a going concern basis, for the year ended 30 June 2014, after considering the following items:

- Cash position of \$54.3 million
- Key infrastructural aspects have been secured, such as mining rights, offtake agreements, port / rail agreements and water licences obtained
- Sufficient financing has been secured for the next 12 months
- Negotiations for project finance to complete the mine project are continuing. In addition, alternative funding solutions are also being pursued. Progress has been made in negotiating funding of mobile equipment totalling approximately \$100 million.

Historical cost convention

The consolidated financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

1. Summary of Significant Accounting Policies (continued)**b) Principles of consolidation***Subsidiaries including development partners*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Resource Generation Limited as at 30 June 2014 and the results of all subsidiaries for the year then ended. Resource Generation Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- * the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote
- * potential voting rights held by the Company, other vote holders or other parties;
- * rights arising from other contractual arrangements; and
- * any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

c) Segment reporting

The Group has adopted a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes, consistent with the internal reporting provided to the Board.

1. Summary of Significant Accounting Policies (continued)

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is Resource Generation Limited's presentation and functional

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges, or are attributable to part of the net investment in a foreign

(iii) Group companies

The results and financial position of the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each balance sheet are translated at the closing rate at the date of that balance

Income and expenses for each statement of comprehensive income are translated at average exchange rates over the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);

All resulting exchange rate differences are recognised in other comprehensive income.

On consolidation, exchange rate differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Interest revenue is recognised on a time proportional basis using the effective interest method.

When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate on the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

1. Summary of Significant Accounting Policies (continued)**f) Income Tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The current income tax charge is calculated on the basis of tax laws at the end of the accounting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken where the tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liability settled, based on those tax rates which are enacted or substantially enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising on initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

g) Business combinations

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at acquisition date. The acquisition method of accounting is used for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed as incurred.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

h) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1. Summary of Significant Accounting Policies (continued)**i) Trade receivables**

All trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off by reducing the carrying amount directly. An allowance amount (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payment (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit and loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off by reducing the carrying amount directly. Subsequent recoveries of amounts previously written off are credited against other expenses in profit and loss.

j) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or groups of assets (cash generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit and loss immediately.

The above principles of impairment also apply to mining tenements.

k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period, which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and the amount and the outflow can be reliably measured. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

m) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

1. Summary of Significant Accounting Policies (continued)**n) Exploration and development assets and mining tenements**

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest. Exploration and evaluation costs are expensed as incurred and only carried forward where there is certainty that the right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest.

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial year the decision is made. Each area of interest is also reviewed at the end of each accounting year and accumulated costs impaired to the extent that they will not be recoverable in the future.

Mining tenements are recognised at cost, after provision for impairment. Refer to Note 1j) for the consolidated entity's accounting policy on impairment of mining tenements.

o) Earnings per share

i) Basic Earnings Per Share ("EPS") is calculated by dividing the result attributable to equity holders of the Group by the weighted average number of shares outstanding during the year.

ii) Diluted earnings per share adjusts the figures used to determine EPS to take into account:

- * the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- * the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

p) Goods and services tax (GST); Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from the taxation authority is shown as a receivable in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

The treatment for VAT, in relation to offshore entities, is consistent with the treatment of GST.

q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year, but not distributed at balance date. No dividends were paid or proposed to be paid to members during the current year.

r) Non-controlling interests

Non-controlling interest, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interest held by persons outside the Group, are shown separately within the equity section of the consolidated balance sheet and in the consolidated statement of comprehensive income.

1. Summary of Significant Accounting Policies (continued)**s) Goodwill**

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at cost less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the consolidated entity's cash-generating units (CGUs) or groups of CGUs, expected to benefit from the synergies of the business combination. CGUs (or groups of CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

t) Inventories

Inventories are valued at the lower of cost and net realisable value.

u) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment and borrowing costs capitalised during the construction of a qualifying asset.

Depreciation on assets is calculated on a straight-line basis to allocate their cost, net of their residual values, over their useful estimated lives as follows:

Plant and equipment	4-25 years, depending on the nature of the asset
Office equipment	1-10 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note1j).

v) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvements to the Group, whichever is shorter. Leasehold improvements held at the reporting date are being amortised over 5 years.

w) Employee benefits**i) Short term and Long term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

ii) Retirement benefit obligations

Contributions to superannuation funds by the consolidated entity are expensed in the year they are paid or become payable.

1. Summary of Significant Accounting Policies (continued)

Employee benefits (continued)

iii) Long term obligations - share-based payments

Share-based compensation benefits are provided to employees via the Resource Generation Limited Employee Share Plan.

The fair value of performance share rights granted under the Resource Generation Limited Employee Share Plan is recognised as an employee benefit expense with a corresponding increase in equity. The assessed fair value at grant date of performance share rights granted to individuals is allocated equally over the period from grant date to vesting date. The value attached to the performance share rights is the share price on the

For options issued and approved by shareholders, fair values at grant date are determined using a binomial pricing model that takes into account exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

x) Leases

Leases of property plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short term and long term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term.

y) Investments and other financial assets

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held to maturity, re-evaluates the designation at each reporting date.

i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purposes or short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in the profit and loss in the period in which they arise.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Loans and receivables are included in trade and other receivables (Notes 9 & 13).

iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

1. Summary of Significant Accounting Policies (continued)**Investments and other financial assets (continued)****iv) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where that is neither a fixed maturity nor fixed or determinable payments and are valued at cost.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets to liabilities assumed, is recognised in profit or loss.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, significant or prolonged decline in the fair value of a security below its costs is considered as an indicator that the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition costs and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in the profit and loss. Impairment losses recognised in the profit and loss on equity instruments classified as available-for-sale are not reversed through the profit and loss.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the profit and loss.

z) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

aa) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of and represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately on the face of the statement of comprehensive income.

ab) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

ac) New accounting standards and interpretations

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

Standard/Interpretation**AASB 10 Consolidated Financial Statements**

AASB 10 establishes a new control module that applies to all entities, broadening the situations when an entity is considered to be controlled by another entity. It includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of voting rights and when holding less than a majority voting rights may give control. The change has been assessed as having no impact upon the Group.

1. Summary of Significant Accounting Policies (continued)

ac) New accounting standards and interpretations (continued)

AASB 11 Joint Arrangements

AASB 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under AASB 11 there are only two types of joint arrangements - joint operations and joint ventures.

The Standard outlines the accounting treatment for the different arrangements. The new Standard has been assessed as having no impact on the Group for the current financial year.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities.

In general, this has resulted in more extensive disclosures in the consolidated financial statements.

AASB 13 Fair Value Measurements

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities.

It does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. The changes have been assessed as having no immediate impact on the Group's reporting.

AASB 119 (2011) Employee Benefits

AASB 119 (2011) changes the accounting for defined benefit plans and termination benefits. The change has no impact on the Group's accounts as no defined benefit plans are in place.

The Standard also requires that any leave outstanding that is expected to be settled in future periods is discounted.

AASB 128 (2011) Investments in Associates and Joint Ventures

AASB 128 (2011) prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements

This Standard removes the individual key management personnel disclosure requirements in AASB 124 'Related Party Disclosures'.

As a result the Group only discloses the key management personnel compensation in total and for each of the categories required in AASB 124.

The individual key management personnel disclosure is now disclosed in the remuneration report due to an amendment to the Corporations Regulations 2001 issued in June 2013.

Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The Annual Improvements have made a number of amendments to AASBs. None of the amendments are relevant to the Group.

ad) Impact on profit (loss) for the year of application of AASB 119

There was no material impact to the financial statements on the application of AASB 119.

1. Summary of Significant Accounting Policies (continued)

ae) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial report, the following Standards and Interpretations are in issue but not yet effective. The Company has assessed the impact of these standards and interpretations and does not consider the impact to be significant.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards.	1 January 2017	30 June 2018
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
IFRS 15 "Revenue"	1 January 2017	30 June 2018

af) Parent entity financial information

The financial information for the parent entity, Resource Generation Limited, disclosed in note 31, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint ventures.

Investments in subsidiaries, associates and joint ventures are accounted for at cost in the financial statements of Resource Generation Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

2. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board of directors and management under policies approved by the Board. The Board and management identify and evaluate financial risks and provide principles for overall risk management.

a) Market risk

i) Interest rate risk

The Group is not exposed to any material interest rate risk.

ii) Foreign currency risk

The Group operates internationally and is exposed to currency exposures in respect of the South African Rand in relation to the development and exploration activities in South Africa and the US Dollar in respect of borrowings. Foreign exchange risk is managed through the holding of deposits in South African Rand to match forecast expenditure over the near term. The foreign exchange exposure is not hedged. If the South African rand weakened/strengthened by 10% since 30 June 2014 there would have been no impact on the Group's net loss after tax. Other components of equity would not have been affected, with the exception of the foreign currency translation reserve which would have been increased/decreased by \$A507K (2013 \$A283K) with a 10% movement.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2014 Rand '000	2013 Rand '000
Cash at Bank (South Africa & Mauritius)	180,284	29,740
VAT Receivable	3,664	4,639
Deposits in respect of mining related licences	16,219	13,185
Royalty payable	30,000	30,000
Creditors and accruals	82,726	43,181
	USD	USD
	'000	'000
Borrowing	20,000	-

iii) Price risk

The Group is not exposed to equity securities price risk as it holds no investments in securities classified on the balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not presently exposed to commodity price risk.

b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Group has no material credit risk exposure to any single receivable or receivables under financial instruments entered into by the Group.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions only independently rated parties with a minimum rating by Standard & Poors of "A" are accepted.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. Cash flow forecasting monitors liquidity requirements. The Group has \$8.377m (2013 \$8.017m) in trade and other payables as at 30 June 2014, all of which are due within 6 months. The \$15.305m (2013 \$11.371m) loan to the BEE partner is repayable through future dividends from Ledjadja Coal (Pty) Limited. Forecast coal production supports the repayment of the loan.

2. Financial risk management (continued)

d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing liabilities, its income and operating cash flows are not materially exposed to changes in market interest rates. The Group has \$54.275m (2013 \$21.347m) in interest bearing accounts which is subject to movements in interest rates. At the current level of interest rates, any risk is considered minimal.

e) Fair value estimation

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Development expenditure

Development expenditure incurred by or on behalf of the consolidated entity is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises direct costs plus overhead expenditure incurred which can be directly attributable to the development process, in accordance with AASB6 'Exploration for and Evaluation of Mineral Resources'.

All expenditure incurred prior to the commencement of commercial levels of production from each area of interest is carried forward to the extent which recoupment out of revenue to be derived from the sale of production from the area of interest or, by its sale, is reasonably assured. Once commercial levels of production commence, the development expenditure in respect of that area of interest will be amortised on a straight line basis, based upon an estimate of the life of the area of interest.

Expenditure on the Boikarabelo mine has been fully capitalised as per note 12. The Group is confident of the full recovery of the expenditure on the Boikarabelo mine on the basis of the financial modelling of the mine incorporating forecast production and sales levels and capital expenditure.

4. Segment information

4.1 Description of segments

Management has determined the segments based upon reports reviewed by the Board that are used to make strategic decisions. The Board considers the business from both a business and geographic perspective, with the Board being the central decision maker.

Business segments

The Group has coal interests in South Africa. The main priority is to develop its coal resources in the Waterberg region of South Africa. Management has determined mining tenements and exploration and corporate to be the critical reportable segments. Corporate includes equity raisings and administration costs.

The investment in Uranex SA, which held three uranium tenements in Cameroon, was fully impaired during the financial year ended 30 June 2008. There has been no activity in relation to Cameroon since that time and the exploration rights have expired.

4. Segment information (continued)

4.2 Segment revenues and results

	Segment Revenue		Segment Profit	
	Year ended	Year ended	Year ended	Year ended
	30/6/14	30/6/13	30/6/14	30/6/13
2014	\$'000	\$'000	\$'000	\$'000
Mining tenements and exploration	1,262	1,395	(470)	(2,835)
Corporate	3,533	465	(572)	22
Total for continuing operations	4,795	1,860	(1,042)	(2,813)

Segment revenue is primarily interest income as disclosed in Note 5.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1. The mining tenements and exploration segment profit represents the profit earned by that segment without allocation of central administration costs and directors' salaries, share of profits of associates, gains and losses, finance costs and income tax expense, all of which are included in the corporate segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

4.3 Segment asset and liabilities

	2014	2013
	\$'000	\$'000
Segment assets		
Mining tenements and exploration	195,533	150,650
Corporate	36,463	16,861
	231,996	167,511
Segment liabilities		
Mining tenements and exploration	32,084	10,760
Corporate	903	21,234
	32,987	31,994

4.4 Other segment information

	Depreciation and amortisation		Additions to land, property, plant and equipment	
	Year ended	Year ended	Year ended	Year ended
	30/6/14	30/6/13	30/6/14	30/6/13
	\$'000	\$'000	\$'000	\$'000
Mining tenements and exploration	180	70	1,880	5,553
Corporate	81	78	18	-
Total	261	148	1,898	5,553

4.5 Geographical information

	Revenue from external customers		Non-current assets	
	Year ended	Year ended	Year ended	Year ended
	30/6/14	30/6/13	30/6/14	30/6/13
	\$'000	\$'000	\$'000	\$'000
Australia	3,533	465	54	115
South Africa	1,262	1,395	177,051	145,101
Total	4,795	1,860	177,105	145,216

Resource Generation Limited

Notes to the consolidated financial statements for the year ended 30 June 2014

5 Revenue

	Consolidated	
	2014	2013
	\$'000	\$'000
Interest earned	2,294	1,860
	<u>2,294</u>	<u>1,860</u>
Other		
Forfeited share deposit	2,500	-
Other	1	-
	<u>2,501</u>	<u>-</u>
Total	<u>4,795</u>	<u>1,860</u>

6 Expenses

The loss before income tax includes the following specific expenses

	Consolidated	
	2014	2013
	\$'000	\$'000
Depreciation	261	148
Occupancy costs	190	180
Employee benefits expense - salaries and other	1,411	1,255
Finance expenses	1,182	1,455
Marketing expenses	-	3,000
Share based compensation	1,635	(3,112)

7 Income tax expense

	Consolidated	
	2014	2013
	\$'000	\$'000
a) Income tax expense		
Current tax	7	22
Deferred tax	-	-
Under (over) provided in prior years	-	-
	<u>7</u>	<u>22</u>
Income tax expense is attributable to:		
Profit/ (Loss) from continuing operations	7	22
Loss from discontinued operations	-	-
Aggregate income tax expense	<u>7</u>	<u>22</u>
Deferred income tax (revenue) expense included in income tax expense		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	-	-
	<u>-</u>	<u>-</u>
b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(1,035)	(2,791)
Tax at the Australian rate of 30%		
Tax benefit at the Australian rate of 30%	(311)	(837)
Tax effect of amounts which are not deductible (taxable) in calculating taxable		
Share based payments	491	(934)
Income tax benefit not recognised	(173)	1,793
Income tax expense	<u>7</u>	<u>22</u>
c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised:	11,419	10,900
Potential tax benefit at respective tax rates (Aust:30%, RSA:28%)	<u>3,426</u>	<u>3,270</u>
Unused tax losses will not be brought to account until such time as the Group is in a position to utilise them.		

7	Income tax expense (continued)	Consolidated	
		2014	2013
		\$'000	\$'000
d)	Tax expense relating to items of other comprehensive income		
	Foreign currency translation	-	-
		-	-
8	Current Assets - cash and cash equivalents	Consolidated	
		2014	2013
		\$'000	\$'000
	Cash at bank and in hand	63	82
	Deposits at call	54,274	21,346
		54,337	21,428
9	Current Assets - trade and other receivables	Consolidated	
		2014	2013
		\$'000	\$'000
	Receivables	3	128
	Government tax refund	411	441
		414	569
10	Deposits and prepayments	Consolidated	
		2014	2013
		\$'000	\$'000
	Prepayments	18	16
	Deposits	122	282
		140	298
11	Non-current assets - land, property, plant and equipment	Consolidated	
		2014	2013
		\$'000	\$'000
	Land, plant & equipment (at cost)	46,058	44,160
	Accumulated depreciation	(789)	(528)
		45,269	43,632
	Opening net book value	43,632	38,227
	Additions	1,898	5,553
	Disposals	-	-
	Depreciation	(261)	(148)
	Closing net book value	45,269	43,632

12 Mining tenements and exploration

	Consolidated	
	2014	2013
	\$'000	\$'000
Mining tenements and exploration	114,913	88,780
<i>The Boikarabelo mine</i>		
Mining tenements of 100% of Resgen Africa Holdings Limited		
Opening net book value	33,409	21,904
Additions/movements	25,484	11,505
Closing net book value	58,893	33,409
Mining tenements of 100% of Resgen South Africa (Pty) Limited		
Opening net book value	55,371	55,484
Additions/movements	649	(113)
Closing net book value	56,020	55,371
<i>Total Boikarabelo mine</i>	114,913	88,780
Mining tenements - Uranex SA	-	7,734
Provision for impairment	-	(7,734)
Carrying value at year end	114,913	88,780

The Boikarabelo mine is the name given to the project for the development of the coal tenements in South Africa. It incorporates the assets acquired and development expenditure for Resgen Africa Holdings Limited, including tenements held by Ledjadja Coal (Pty) Limited, and Resgen South Africa (Pty) Limited, including tenements held by Waterberg One Coal (Pty) Limited. The realisation of the assets of the Boikarabelo mine is dependent upon the successful development of the coal reserves.

The investment in Uranex SA, which held three uranium tenements in Cameroon, was fully impaired during the financial year ended 30 June 2008. There has been no activity in relation to Cameroon since that time and the exploration rights have expired.

13 Non-current assets - deposits and loan receivables

	Consolidated	
	2014	2013
	\$'000	\$'000
Deposit mining related licences	1,618	1,433
Loan to BEE partner	15,305	11,371
	16,923	12,804

The Group has loaned its black economic empowerment (BEE) partner, Fairy Wing Trading 136 (Pty) Limited, 80 million Rand (\$11.5 million) to facilitate its 26% acquisition of Ledjadja Coal (Pty) Limited and 39 million Rand (\$4.1 million) to fund its 26% acquisition of Waterberg One Coal (Pty) Limited. The loans are secured over the BEE's shares in Ledjadja and Waterberg One. Interest on the loan has been deferred from 1 January 2014 until commencement of coal production at the Boikarabelo mine at which time interest will be payable at the prime rate quoted by the Standard Bank of South Africa plus 3%. The loan is repayable at call.

14 Current liabilities - trade and other payables

	Consolidated	
	2014	2013
	\$'000	\$'000
Trade payables	4,433	3,205
Other payables - accrued expenditure	3,944	4,812
	8,377	8,017

15 Current liabilities -provisions

	Consolidated	
	2014	2013
	\$'000	\$'000
Employee benefits - annual leave and sick leave	826	713
	826	713

16 Non -current liabilities -royalties payable

	Consolidated	
	2014	2013
	\$'000	\$'000
Royalties payable	2,553	2,764
	2,553	2,764

Royalties are payable upon the commencement of production. The royalty is calculated on the basis of 2 Rand per tonne of coal extracted and sold from the Boikarabelo mine to a maximum of 15.0 million tonnes. The royalty payable is discounted to fair value in line with anticipated production.

17 Current liabilities -borrowings

	Consolidated	
	2014	2013
	\$'000	\$'000
Current liabilities		
Debenture	-	20,500
Borrowings - secured	-	20,500

A secured debenture was issued to Noble Resources International Pte. Ltd.(Noble) on 8 January 2013 for \$20 million cash and was repaid in December 2013. Security had been granted by the Group over all its assets (including shares in the Mauritius subsidiaries) to secure the debenture. Total interest of \$1 million was paid on the debenture.

18 Non-current liabilities - borrowings

	Consolidated	
	2014	2013
	\$'000	\$'000
Loan	21,231	-
Borrowings - secured	21,231	-

Loan facility

A binding term sheet for a US\$55.3 million loan with Noble Resources International Pte Ltd (Noble Group) to fund rail construction was signed on 24 June 2013. A binding term sheet for a US\$65 million loan from Noble for construction of the infrastructure of the Boikarabelo mine was signed on 31 December 2013. US\$20 million of the Noble Group rail loan was drawn down in March 2014. The loan is unsecured and interest is payable at 10.75%, repayable from April 2016 in instalments.

19 Contributed equity**a) Share capital**

	Consolidated	
	2014	2013
	Shares '000	Shares '000
Ordinary shares fully paid	577,175	279,698

The number of ordinary shares above excludes the balance of 4.2m shares issued as a guarantee in respect of the JSE listing. If this is taken into account the total shares on issue is 581.4m (2013:284.7m).

	Consolidated	
	2014	2013
	\$'000	\$'000
Contributed equity	221,305	157,253
Total equity	221,305	157,253

19 Contributed equity (continued)
b) Movement in ordinary share capital

	Consolidated	
	2014	2013
	\$'000	\$'000
Opening balance	157,253	148,615
Contributions of equity, net of transaction costs	64,052	8,638
Total contributions of equity	221,305	157,253
Closing balance	221,305	157,253

Date	Details	Number of shares '000	Amount \$'000
30/06/2013	Opening balance	279,698	157,253
	Movement in contributed equity	297,477	64,052
30/06/2014	Total contributed equity -parent entity	577,175	221,305

Date	Details	Number of shares '000	Issue Price \$	Amount \$'000
30/06/2012	Opening balance	257,895		148,615
	Movement in contributed equity	21,803		8,638
30/06/2013	Opening balance	279,698		157,253
30/07/2013	Rights issue	47,537	\$0.22	10,458
21/10/2013	Rights issue	237,161	\$0.22	52,175
5/12/2013	Rights issue	5,200	\$0.22	1,144
5/12/2013	Placement	6,784	\$0.24	1,630
14/12/2013	Placement (JSE sale)	795	\$0.23	183
	Cost of share issue			(1,538)
30/06/2014	Total contributed equity - parent entity	577,175		221,305

c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present in person or by proxy, is entitled to one vote and upon a poll, each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

d) JSE Clearing shares

In order to facilitate the secondary listing on the Johannesburg Stock Exchange (JSE), the Company was required to issue shares as a guarantee to ensure no trades failed. A subsidiary trustee company was established, Resgen Scrip Lending Pty Limited and the 5 million shares were issued on 25 June 2010 at \$0.50 each. The listing on the JSE was completed on 14 July 2010. Once there is a sufficient spread of shares on the South African register the JSE Clearing shares will no longer be required and arrangements will be made to deal with the shares in the interests of all shareholders.

Date	Details	Notes	Number of shares '000	Issue Price \$	Amount \$'000
1/07/2009	Opening balance		-		-
25/06/2010	Acquisition of shares by the trust		5,000	\$0.50	2,500
10/12/2013	Sale of shares on JSE		(795)	\$0.23	(183)
30/06/2014	Balance		4,205		2,317

19 Contributed equity (continued)**e) 2014**

Entitlement offer on 30 July 2013 of 47.5m shares at \$0.22 per share.

Balance of entitlement offer on 21 October 2013 of 237.2m shares at \$0.22 per share.

Placement due to excess demand for entitlement offer on 5 December 2013 of 5.2m shares at \$0.22 per share.

Placement on 5 December 2013 of 6.8m shares to Lukale Mining Company (Pty) Limited at \$0.40 per share. The placement was split between share capital, 6.8m shares at \$0.24 per share and the Other contributed equity 6.8m shares at \$0.16 per share. The placement was accounted for as part of the buy back of non-controlling interests in Waterberg One Coal (Pty) Limited undertaken in conjunction with Fairy Wing Trading 136 (Pty) Limited's acquisition of the remaining non-controlling interest.

Sale of 0.8m shares on the JSE on 14 December 2014 at \$0.23 per share

f) 2013

The placement on 28 March 2013 of 21.4m shares at \$0.40 per share was to Barsington Limited, a subsidiary of the Noble Group. As part of the placement Noble Group has a top-up right to maintain its percentage shareholding at 7.5% in Resource Generation Limited. A waiver for the top-up right was granted under the ASX Listing Rules.

Employee share scheme issues

Information relating to the employee share scheme, including details of shares issued under the scheme is set out in note 19 g).

	Share based payment Reserve		Share based payment Reserve	
	Number of options	Value of options	Number of options	Value of options
	2014	2014	2013	2013
g) Share based payments reserve	'000	\$000	'000	\$000
Options				
Granted 2009				
Cancelled executive options 2009	-	-	-	6,332
Options exercisable at 50 cents expiring 7 July 2013 *	-	-	1,875	8,821
Options exercisable at 50 cents expiring 13 March 2014 *	-	-	1,875	238
Options granted 2008, expired 2013	-	-	-	2,292
Closing balance	-	17,682	3,750	17,682
* Options issued as consideration for the acquisition of Resgen South Africa (Pty) Limited in 2008.				
Performance share rights				
Opening balance	4,000	180	6,550	3,291
Employee share plan expense - apportionment of share rights over entitlement period	20,700	1,635	4,000	180
Employee share plan expense - share rights lapsed 30 June 2013	-	-	(6,550)	(3,468)
Employee share plan expense in respect of lapsed share rights	-	-	-	177
Closing balance	24,700	1,815	4,000	180
Total options and performance share rights	24,700	19,497	7,750	17,862

19 Contributed equity (continued)

h) Movement in options

Date	Details	Number of options '000	Share Price at Exercise Date \$	Weighted Average Price at Exercise date \$
30/06/2013	Opening balance	3,750		
7/07/2013	Options lapsed	(1,875)	-	-
13/03/2014	Options lapsed	(1,875)	-	-
30/06/2014	Balance	-		

The 3,750 options which lapsed during 2014 are detailed at 19g). As at 30 June 2014 there are nil holders of options.

All of the options issued were on the following terms. Exercise prices and expiry dates varied but are all those disclosed at 19(g) above.

- a) Each option will lapse if not exercised on or before the expiry date.
- b) Each option shall entitle the holder to subscribe for and to be allotted one share in the capital of the company upon exercise of the option and payment to the Company of the exercise price.
- c) An option may be exercised by the option holder at any time prior to the expiry date by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the statement for the option, to the Company's share registry. All options are fully vested. If the option holder holds more than one option the options may be exercised in whole or part.
- d) A notice of exercise is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.
- e) Subject to any restrictions in the ASX Listing Rules, within 14 day of receipt of a properly executed notice of exercise and the required application moneys, the number of shares specified in the notice will be allotted.
- f) Each statement will bear a suitable form of notice of exercise of the options, endorsed on the back of the statement, for completion by the option holder (if required). If the options comprised in any such statement are exercised in part only, before the expiry date, the Company will issue the option holder with a fresh statement for the balance of the options held and not yet exercised.
- g) The period during which the options may be exercised will not be extended.
The option holder is not entitled to participate in new issues of securities offered to shareholders. The option holder can participate in new issues of securities offered to shareholders if the option is exercised before the relevant record date for that new issue.
- h) If, from time to time, before the expiry of the options, the Company makes an issue of shares to the holders of shares by way of capitalisation of profits or reserves (a "bonus issue"), other than in lieu of a dividend payment, then, upon exercise of an option, the option holder will be entitled to have issued to it, in addition to the shares which it is otherwise entitled to have issued to it upon such exercise, additional shares in the Company. The number of additional shares is the number of shares which would have been issued to it under that bonus issue ("bonus shares") if on the date on which entitlements were calculated it had been registered as the holder of the number of shares which it would have been registered as holder if, immediately before that date, it had exercised its options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank equally in all respects with the other shares allotted upon exercise of the options.
- i) In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any options, all rights of the option holder will be reconstructed (as appropriate) in accordance with the Listing Rules applying it a re-organisation of capital at the time of the re-organisation.
- j) Shares allotted pursuant to the exercise of the options will rank equally with the then issued shares of the Company.
- k) There are no voting rights attached to the options.
- l) There is no current on-market buy-back scheme in respect of the options.
- m) Other than as referred to above, the option does not confer the right to a change in exercise price, or a change to the number of underlying securities over which it can be exercised.

19 Contributed equity (continued)

i) Movement in performance share rights

Date	Details	Number of rights '000	Conversion price	Amount \$
30/06/2012	Balance	6,550	-	3,468
16/07/2012	Performance rights issue	500	-	-
21/08/2012	Performance rights issue	3,000	-	-
18/06/2013	Performance rights issue	500	-	-
30/06/2013	* Performance rights lapsed	(6,550)	-	(3,468)
30/06/2013	Share based compensation	-	-	180
28/01/2014	Performance rights issue	20,700	-	-
30/06/2014	Share based compensation	-	-	1,635
30/06/2014	Balance	24,700	-	1,815

As at 30 June 2014 there are 12 holders of the total performance rights of 24.7 million. There are no voting rights attached to performance rights. The performance rights are based upon funding for the Boikarabelo project being in place - anticipated by the end of 2014, production of coal - anticipated during 2016. Performance rights are valued at the share price on the date of grant and this is the value they are converted at when vested.

*Performance rights lapsed as project funding not in place by 30 June 2013 due to unacceptable terms offered by the banking consortium.

20 Reserves and accumulated losses

	Consolidated	
	2014	2013
	\$000	\$000
a) Reserves		
Other contributed equity	1,085	-
Share based payment reserve	19,497	17,862
Foreign currency translation reserve	(5,070)	(2,832)
	15,512	15,030
Movement in reserves		
Other contributed equity		
Opening balance	-	-
Movement for the period	1,085	-
Balance at the end of the year	1,085	-
Share based payment reserve		
Balance at the beginning of the year	17,862	20,974
Employee share plan expense	1,635	(3,112)
Performance share rights converted to equity	-	-
Movement for the year	1,635	(3,112)
Balance at the end of the year	19,497	17,862
Foreign currency reserve		
Opening balance	(2,832)	(2,361)
Movement for the period	(2,238)	(471)
Balance at the end of the year	(5,070)	(2,832)
Foreign currency reserve movements represent an appreciation of the AUD against the ZAR of 9.1% during the current financial year.		
b) Retained earnings		
Opening balance	(36,766)	(33,953)
Loss for the year	(1,042)	(2,813)
Balance at the end of the year	(37,808)	(36,766)

21 Remuneration of auditors

During the year the following fees were paid or are payable for services provided by the auditor of the Company:

	Consolidated	
	2014	2013
	\$	\$
a) Deloitte Touche Tohmatsu Australia		
Audit and review of financial reports	97,779	95,450
Services in respect of capital raising/other services	-	14,750
	<u>97,779</u>	<u>110,200</u>
b) Related practices of Deloitte Touche Tohmatsu Australia		
Audit and review of financial reports	13,000	13,000
Corporate consulting (South Africa)	191,134	4,564
	<u>204,134</u>	<u>17,564</u>

It is the Company's policy to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. These assignments are where Deloitte Touche Tohmatsu is awarded assignments on a competitive basis. It is the Company's policy to seek competitive tenders for all major material consulting projects.

22 Related party transactions
a) Key management personnel

Disclosures relating to key management personnel are set out in detail in the remuneration disclosures to the Directors' Report.

	Consolidated	
	2014	2013
	\$	\$
Short-term employee benefits	2,102,605	2,138,035
Long term benefits (superannuation)	90,202	80,202
Long term benefits (long service leave)	35,149	-
Share-based payments	1,513,868	126,059
Rental and travel assistance	43,438	43,749
Total remuneration for key management personnel	<u>3,785,262</u>	<u>2,388,045</u>
Performance rights lapsed	-	(3,279,945)
Total remuneration for key management personnel including lapsed performance rights	<u>3,785,262</u>	<u>(891,900)</u>

b) Parent entities

The parent entity within the Group is Resource Generation Limited, and this is the ultimate parent company.

c) Subsidiaries

Interests in subsidiaries are set out in Note 23.

23 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1b).

Name of entity	Country of incorporation	Class of shares	Equity holding	
			% 2014	% 2013
Resgen Mauritius Limited	Mauritius	Ordinary	100	100
Resgen South Africa (Pty) Ltd - owned 100% by Resgen Mauritius Limited	South Africa	Ordinary	100	100
Waterberg One Coal (Pty) Limited - owned 74% by Resgen South Africa (Pty) Limited	South Africa	Ordinary	74	70
Resgen SA Farms (Pty) Limited - owned 100% by Resgen South Africa (Pty) Limited	South Africa	Ordinary	100	100
Resgen Africa Holdings Limited	Mauritius	Ordinary	100	100
Ledjadja Coal (Pty) Limited - owned 74% by Resgen Africa Holdings (Pty) Limited	South Africa	Ordinary	74	74
Resgen Share Plan Pty Limited	Australia	Ordinary	100	100
Resgen Scrip Lending Pty Limited	Australia	Ordinary	100	100
Uranex SA	Cameroon	Ordinary	-	80

The parent company is Resource Generation Limited. The subsidiaries are controlled by Resource Generation Limited and the subsidiaries are fully consolidated from the date on which control passed to the group.

The investment in Uranex SA, which held three uranium tenements in Cameroon, was fully impaired during the financial year ended 30 June 2008. There has been no activity in relation to Cameroon since that time and the exploration rights have expired.

24 Development partners

- (i) Resgen South Africa (Pty) Limited has entered into an arrangement to develop coal deposits in the Waterberg region of South Africa, with a 74% participating interest in Waterberg One Coal (Pty) Limited. The Group's interest is included in the consolidated balance sheet, in accordance with the accounting policy described in Note 1b), under the following classifications.

	Consolidated	
	2014	2013
	\$000	\$000
Non-current assets		
Mining tenements and exploration	10,106	9,409
	10,106	9,409

- (ii) A subsidiary has entered into an arrangement to develop coal deposits in the Waterberg region of South Africa, with a 74% participating interest in Ledjadja Coal (Pty) Limited. The Group's interest is included in the consolidated balance sheet, in accordance with the accounting policy described in Note 1b), under the following classifications.

	Consolidated	
	2014	2013
	\$000	\$000
Non-current assets		
Mining tenements and exploration	37,451	30,468
	37,451	30,468

- (iii) BEE Partner

The Group has one BEE partner, Fairy Wing Trading 136(Pty) Limited. Its participating interest in the coal deposits is 26% in Waterberg One Coal (Pty) Limited and 26% in Ledjadja Coal (Pty) Limited.

25 Dividends

There were no dividends recommended or paid during the financial year.

26 Commitments

	Consolidated	
	2014	2013
	\$000	\$000
a) Lease commitments for premises		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	139	183
Later than one year, but not later than 5 years	-	345
	139	528
Representing:		
Non-cancellable operating leases on premises	139	528
	139	528

b) BEE Loan

The Group has loaned its black economic empowerment (BEE) partner, Fairy Wing Trading 136 (Pty) Limited, 80 million Rand (\$11.5 million) to facilitate its 26% acquisition of Ledjadja Coal (Pty) Limited and 39 million Rand (\$4.1 million) to fund its 26% acquisition of Waterberg One Coal (Pty) Limited. The loans are secured over the BEE's shares in Ledjadja and Waterberg One. Interest on the loan has been deferred from 1 January 2014 until commencement of coal production at the Boikarabelo mine at which time interest will be payable at the prime rate quoted by the Standard Bank of South Africa plus 3%.

c) Capital commitments

The Group has \$13.3 million (2013 \$2.2 million) in commitments in respect of the development of the Boikarabelo

27 Contingent liabilities**Land acquisition**

There is a potential property acquisition of \$11.7 million contingent to events subsequent to the commencement of mine production.

28 Events occurring after the reporting period

Other than the events disclosed below there were no other events occurring after balance date that have not been reflected in the financial statements.

Project Contractor

In July 2014 one of the contractors at the Boikarabelo mine, Protech Kuthale (Pty) Limited, was placed in liquidation. This is expected to delay the project by three to six months as an alternative earthworks contractor is sought. Based on the previous competitive tender process the Group does not expect any difficulty in appointing a contractor for a similar cost.

29 Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated	
	2014	2013
	\$000	\$000
Loss for the year	(1,042)	(2,813)
Sale of investment	-	-
Depreciation	261	148
Share option expense	(1,635)	(3,112)
Interest revenue on BEE loan	(685)	(1,222)
Interest expense on loans	682	500
Forfeited share deposit	(2,500)	-
Changes in operating assets and liabilities:		
Increase/ (decrease) in trade and other payables	(172)	558
Increase/ (decrease) in provisions	(24)	249
(Increase)/ decrease in trade and other receivables	123	(60)
(Increase)/ decrease in accruals	(55)	3,002
Net cash outflow from operating activities	(5,047)	(2,750)

Other non cash transaction

The Resource Generation Limited funding of the Fairy Wing Trading (136) Pty Limited acquisition of 26% of Ledjadja Coal (Pty) Limited from Lukale Mining Company (Pty) Limited was composed of a non-cash issue of 6.8 million shares at \$0.40 as per Note 19e and a cash payment of \$1.9 million (ZAR 17.3 million) to Lukale.

30 Earnings per share

	Consolidated	
	2014	2013
	Cents	Cents
a) Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.2)	(1.0)
Total basic earnings per share attributable to the ordinary equity holders of the Company	(0.2)	(1.0)
b) Diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.2)	(1.0)
Total diluted earnings per share attributable to the ordinary equity holders of the Company	(0.2)	(1.0)
c) Reconciliation of earnings used in calculating earnings per share		
	Consolidated	
	2014	2013
	\$000	\$000
Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(1,042)	(2,813)
Diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(1,042)	(2,813)

30 Earnings per share (continued)

d) Weighted average number of shares used as the denominator	Number of shares	
Weighted number of ordinary shares used as the denominator in calculating basic earnings per share	494,696,591	273,826,318
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share. In 2014 the same number of shares were used in determining the diluted share number as the Group had reported a loss.	494,696,591	273,826,318
e) Information concerning the classification of securities		

Performance share rights

Performance share rights are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The performance share rights have not been included in the determination of basic earnings per share.

31 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	Parent	
	2014	2013
	\$000	\$000
Balance sheet		
Current assets	36,410	18,436
Total assets	219,799	154,118
Current liabilities	903	834
Total liabilities	903	21,334
Shareholders' equity		
Issued capital	223,623	159,753
Reserves		
Share based payments reserve	19,497	17,862
Other contributed equity	1,085	-
Retained earnings	(25,309)	(44,831)
Net assets	218,896	132,784
Profit/ (loss) for the year	842	(2,329)
Total comprehensive income	842	(2,329)

(b) Guarantees entered into by the parent entity

Post the commencement of operations there are performance obligations under the export offtake contracts.

No other guarantees have been provided by the parent.

(c) Contingent liabilities of the parent entity

The parent entity's contingent liabilities are included in those disclosed at Note 27.

(d) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2014, the parent entity had no contractual commitments for the acquisition of property, plant or equipment.

Directors' declaration

In the directors' opinion:

- a the financial statements and notes set out on pages 1 to 47 are in accordance with *The Corporations Act 2001*, including:
 - (i) complying with accounting standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
- b There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Note 1a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declaration by the Managing Director and the Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Paul Jury
Managing Director

Sydney
12 August 2014

Independent Auditor's Report to the members of Resource Generation Limited

Report on the Financial Report

We have audited the accompanying financial report of Resource Generation Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 17 to 48.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Resource Generation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Resource Generation Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 11 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Resource Generation Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



R G Saayman
Partner
Chartered Accountants
Sydney, 12 August 2014

Supplementary Information - Translation of financial information to the South African Rand

The presentation currency used in the preparation of the financial statements is the Australian dollar (\$A). The Group has translated the financial statements to the South African (SA) Rand (ZAR) because the Boikarabelo mine, which represents the Group's most significant activity, is located in this region. This supplementary information has restated the financial statements to the Rand. Assets and liabilities were translated to SA Rand using the relevant closing rate of exchange and income and expense items were translated using the relevant cumulative average rate of exchange. The applicable rates used in the restatement of information are as follows:

		2014	2013
Cumulative average rate of exchange	\$A/Rand	9.5725	9.111
Closing rate of exchange	\$A/Rand	9.9694	9.2103

**Statements of Comprehensive Income - ZAR Convenience Translation (Supplementary Information)
For the Year Ended 30 June 2014**

	Consolidated	
	2014	2013
	R'000	R'000
Revenue from continuing operations	21,959	16,946
Other	23,941	-
	45,900	16,946
Administration, rent and corporate	(11,573)	(15,853)
Depreciation of property plant and equipment	(2,498)	(1,348)
Employees benefits expense	(13,507)	(11,434)
Finance expenses	(11,315)	(13,257)
Land management	(1,264)	(1,503)
Marketing expenses	-	(27,333)
Share based compensation	(15,651)	28,353
Loss before income tax	(9,908)	(25,429)
Income tax expense	(67)	(200)
Loss from continuing operations	(9,975)	(25,629)
Loss for the year	(9,975)	(25,629)
Other comprehensive income	-	-
Exchange differences on translation of foreign operations	-	-
Total comprehensive income	(9,975)	(25,629)
Profit/(loss) is attributable to:		
Owners of Resource Generation Limited	(9,975)	(25,629)
Total comprehensive income for the year is attributable to:		
Owners of Resource Generation Limited	(9,975)	(25,629)
Earnings per share for loss from continuing operations	Cents	Cents
Basic earnings per share	(2.4)	(9.1)
Diluted earnings per share	(2.4)	(9.1)

Balance Sheets - ZAR Convenience Translation (Supplementary Information)
As at 30 June 2014

	Consolidated	
	2014	2013
	R'000	R'000
Current assets		
Cash and cash equivalents	541,707	197,358
Trade and other receivables	4,127	5,240
Deposits and prepayments	1,396	2,745
	<u>547,230</u>	<u>205,343</u>
Non-current assets		
Property, plant and equipment	451,308	401,867
Mining tenements and exploration	1,145,614	817,687
Deposits and loan receivables	168,712	117,929
	<u>1,765,634</u>	<u>1,337,483</u>
TOTAL ASSETS	<u><u>2,312,864</u></u>	<u><u>1,542,826</u></u>
Current liabilities		
Trade and other payables	83,517	73,842
Provisions	8,235	6,567
Borrowings	-	188,811
	<u>91,752</u>	<u>269,220</u>
Non-current liabilities		
Borrowings	211,660	-
Royalties payable	25,452	25,457
	<u>237,112</u>	<u>25,457</u>
TOTAL LIABILITIES	<u><u>328,865</u></u>	<u><u>294,677</u></u>
NET ASSETS	<u><u>1,983,999</u></u>	<u><u>1,248,149</u></u>
Equity		
Contributed equity	2,206,274	1,448,345
Reserves	126,327	138,430
Accumulated losses	(348,601)	(338,626)
TOTAL EQUITY	<u><u>1,984,000</u></u>	<u><u>1,248,149</u></u>

Cash Flow Statements -ZAR Convenience Translation (Supplementary Information)
As at 30 June 2014

	Consolidated	
	2014	2013
	R'000	R'000
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of government charges)	(54,267)	(19,798)
Payments for land management	(728)	(1,558)
Interest received	16,398	5,266
Interest paid	(9,649)	(8,783)
Taxation payments	(67)	(182)
Net cash outflow from operating activities	(48,313)	(25,055)
Cash flows from investing activities		
Payments for land, property, plant and equipment	(17,814)	(50,593)
Refunds of government charges associated with land acquisition	3,159	17,757
Payments for acquisition of non-controlling interest	(2,747)	-
Net receipts for mining related licence deposits	-	4,765
Payments for mineral tenements and exploration	(219,459)	(110,635)
Loan to BEE partner	(19,394)	(12,537)
Net cash outflow from investing activities	(256,255)	(151,243)
Cash flows from financing activities		
Net proceeds from issue of shares	612,286	78,837
Equity raising costs	(14,723)	(146)
Repayment of borrowings	(191,450)	-
Forfeited share deposit	23,931	-
Proceeds from borrowings	211,035	182,220
Net cash inflow from financing activities	641,079	260,911
Net (decrease)/increase in cash and cash equivalents	336,509	84,613
Cash and cash equivalents at the beginning of the year	197,358	102,270
Effects of exchange rate movements on cash and cash equivalents	7,840	10,475
Cash and cash equivalents at the end of the year	541,707	197,358

Foreign currency reserve movements represent an appreciation of the AUD against the ZAR of 8.2% during the current financial year and 9.1% for the prior year.

Shareholder information

Additional information required by the Australian Securities Exchange Limited and not disclosed elsewhere in this report is set out below

a) Substantial shareholders

There were four substantial shareholders at 12 August 2014:

Public Investment Corporation SOC Limited	113,309,805 shares	19.49%
Noble Resources International Pte Limited and Noble Group Companies	79,609,933 shares	13.69%
Shinto Torii Inc	62,124,089 shares	10.69%
Integrated Coal Mining Limited and associates	30,463,175 shares	5.24%

b) Voting rights

Ordinary shares

On a show of hands every member present at a meeting shall have one vote and upon a poll each share shall have one vote.

Options

There are no voting rights attached to the options.

c) Distribution of equity security holders

Category	Number of Holders	Ordinary Fully Paid Shares	% Issued Capital
1 - 1,000	550	262,706	0.05%
1,001 - 5,000	780	2,278,180	0.39%
5,001 - 10,000	488	4,030,217	0.69%
10,001 - 100,000	1,139	41,590,594	7.15%
100,001 and over	329	533,218,641	91.72%
Total	3,286	581,380,338	100.00%

There were 302 holders of less than a marketable parcel of shares.

d) Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

As at 12 August 2014.

Holder name	Ordinary Fully Paid Shares	% Issued Capital
SOUTH AFRICA REGISTER <CONTROL A/C>	125,924,045	21.659
NOBLE RESOURCES INTERNATIONAL PTE LTD	79,609,933	13.693
SHINTO TORII INC	62,124,089	10.686
VALU INVESTMENTS PTE LTD	22,727,273	3.909
INTEGRATED COAL MINING LIMITED	18,268,053	3.142
YAPP PTY LTD	17,997,258	3.096
SCODELLA INC	17,522,598	3.014
CVC LIMITED	13,180,223	2.267
UCA GROWTH FUND LIMITED	12,800,000	2.339
BANTAL SINGAPORE PTE LTD	12,195,122	2.098
RESGEN SHARE PLAN PTY LIMITED	10,660,000	1.834
J P MORGAN NOMINEES AUSTRALIA LIMITED	8,856,735	1.506
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,174,032	1.406
CITICORP NOMINEES PTY LIMITED	4,856,118	0.835
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,160,499	0.716
FROIN PTY LTD SCOTT FAMILY S/F A/C	3,397,737	0.584
METALLICA INVESTMENTS PTY LTD	3,188,266	0.548
JENFRE NOMINEES PTY LTD <PETER GIUFFRE FAMILY A/C>	3,080,000	0.491
LUJETA PTY LTD <MARGARET A/C>	3,000,000	0.516
BLP (WA) PTY LTD <EWH SUPERANNUATION FUND A/C>	2,433,000	0.418
Total	434,154,981	74.757

Mining Tenements

Location	Tenement	Holder	Interest	Area (km ²)
Coal Tenements				
<i>South Africa (Waterberg)</i>				
Mining Rights				
Witkopje (Ledjadja #1)	MPT15/2012 MR	Ledjadja Coal (Pty) Limited	74%	18
Draai Om (Ledjadja #2)	MPT15/2012 MR	Ledjadja Coal (Pty) Limited	74%	11
Kalkpan (Ledjadja #3)	MPT15/2012 MR	Ledjadja Coal (Pty) Limited	74%	13
Osorno (Ledjadja #4)	MPT15/2012 MR	Ledjadja Coal (Pty) Limited	74%	11
Zeekoevley (Ledjadja #5)	MPT15/2012 MR	Ledjadja Coal (Pty) Limited	74%	13
Vischpan (Ledjadja #6)	MPT15/2012 MR	Ledjadja Coal (Pty) Limited	74%	12
Kruishout (Ledjadja #7)	MPT15/2012 MR	Ledjadja Coal (Pty) Limited	74%	12
Prospecting Rights				
Koert Louw Zyn Pan (Waterberg #1)	PR720/2007	Waterberg One Coal (Pty) Limited	74%	14
Lisbon (Waterberg #2)	PR678/2007	Waterberg One Coal (Pty) Limited	74%	8
Zoetfontein (Waterberg #3)	PR678/2007	Waterberg One Coal (Pty) Limited	74%	10

Resource Generation Limited

CORPORATE DIRECTORY

Directors

Brian Warner (Chairman)
Paul Jury
Stephen Matthews
Geoffrey (Toby) Rose

Company Secretary

Stephen Matthews

Auditors

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000

Bankers

St George Bank Limited
The Standard Bank of South Africa Limited
Barclays Bank South Africa
Absa Bank South Africa and Mauritius

Registered Office

Level 12, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Telephone: +61 2 9376 9000
Facsimile: +61 2 9376 9013
Website: www.resgen.com.au

Share Registry

Boardroom Pty Limited
Level 7
207 Kent Street
Sydney NSW 2000
Investor Enquiries: +61 2 9290 9600
Facsimile: +61 2 9279 0664

Transfer Secretaries

Computershare Investor Services (Pty) Limited
Ground Floor
70 Marshall Street
Johannesburg 2001
South Africa

Stock Exchange Listing

Securities of Resource Generation Limited are listed on the Australian Stock Exchange and the Johannesburg Stock Exchange.
ASX Code: RES
JSE Code: RSG

JSE Sponsor

Macquarie First South Capital (Pty) Limited
The Place, 1 Sandton Drive South Wing
Sandton 2196
South Africa

