



**ASX: RES**

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**ASX Release**

## **Mobile Equipment Funding**

As part of the debt funding for the Boikarabelo project, Resource Generation has signed a loan facility of up to US\$113 million for the mobile equipment fleet for the project with Komatsu Financial Limited Partnership. The term is for five years from the first utilisation date. Resource Generation will be purchasing the equipment from Komatsu Southern Africa Pty Ltd. There are a number of conditions precedent for the loan including signing of the sale agreement for the equipment, registration of security over the equipment and the signing of the balance of the debt required to complete project construction.

Paul Jury, Managing Director said: 'this agreement represents several important elements for the project. It not only secures the funding required for the mining fleet for stage one of the Boikarabelo Mine development but also establishes a key partnership for further mine expansion to occur. The transaction clears the way for final infrastructure designs and refines training and maintenance processes. In addition it provides clarity in relation to negotiations for remaining debt.'

### **Contacts**

Paul Jury, Managing Director on (02) 9376 9000 or  
Steve Matthews, Company Secretary on (02) 9376 9000

### **Media enquiries**

Anthony Tregoning (02) 8264 1000

*Resource Generation is developing the Boikarabelo coal mine in the Waterberg region of South Africa, which accounts for 40% of the country's remaining coal resources. There are probable reserves of 744.8 million tonnes of coal on 35% of the tenements under the company's control (refer ASX announcement dated 16 December 2010). Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum.*