



1 August 2018

ASX Announcement

## Extension of Facility Agreement

Resource Generation Limited (ASX:RES) (Resgen or Company) has agreed a further extension of the Facility Agreement of 3 March 2014 (Facility), under which Noble Resources International Pte Ltd will make available additional funds of up to US\$2.5m to the Company's subsidiary, Ledjadja Coal (Pty) Ltd (LCL) to fund operations whilst project funding is secured. The total Facility made available to the Company is now US\$37.2m.

The additional funds are to be made available on the same terms as the existing Facility and can be drawn in monthly tranches over the period to 31 October 2018.

Key terms associated with the extension of the Facility include:

- The additional funds together with the existing Facility of US\$34.7m (see ASX Announcements: 14 March 2017, 7 December 2017 and 29 March 2018) are unsecured and subject to a parent company guarantee of LCL's obligations under the agreement;
- The funding to be provided in monthly instalments over the period August to October 2018;
- Interest accrues at 10.75% pa and can be capitalised on a six-monthly basis unless the borrower elects otherwise to pay such interest; and
- The initial Facility of US\$20m is now repayable in instalments commencing from 1 November 2018 (previously 1 August 2018) with a termination date of 31 March 2025, however the additional funds made available under the extension of the Facility (US\$17.2m) are repayable from the proceeds of the first drawdown of any facility agreement for any project financing for the Project.

The Company wishes to acknowledge the ongoing support from Noble Group to enable project funding negotiations.

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Chairman

For and on behalf of the Board

**About Resgen:**

*Resource Generation Limited (Resgen) is an emerging ASX and JSE-listed energy company, currently developing the Boikarabelo Coal Mine in South Africa's Waterberg region. The Waterberg accounts for around 40% of the country's currently known coal resources. The Coal Resources and Reserves for the Boikarabelo Coal Mine, held through the operating subsidiary Ledjadja Coal, were recently updated based upon a new mine plan and execution strategy. The Boikarabelo Coal Resources total 995Mt and the Coal Reserves total 267Mt applying the JORC Code 2012 (ASX Announcement :23 January 2017- In accordance with Listing Rule 5.23.2 the Company confirms that it is not aware of any new information that would impact on the Reported Coal Resources and Coal Reserves). Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum. Ledjadja Coal is a Black Economic Empowerment subsidiary (BEE) operating under South Africa's Broad-based Black Economic Empowerment Act, Section 9(5): Codes of Good Practice*

*ResGen's primary shareholders are the Public Investment Corporation of South Africa (PIC), Noble Group and Altius Investment Holdings.*

**For further information please contact:**

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