



20 August 2018

ASX Announcement

Market Update

Resource Generation Limited (ASX:RES) (Resgen or Company) would like to provide an update on the funding status of its Boikarabelo Coal Mine in the Waterberg, South Africa.

In the latest Quarterly Activities Report (ASX Release: 31 July 2018) the Company advised that there had been an unexpected delay in securing the credit approval from one of the members of the proposed lending syndicate (Syndicate). The Company was informed by the Lender's Deal Team that the delay related to a broad-based internal review of the Lender organisation's ESG investment criteria. Actions agreed by Resgen's Board at the time were to intensify engagement with this Lender given the advanced status of the submission and at the same time to trigger a contingency plan based on interest that had been expressed by third parties.

Engagement with this Lender continues and the Company remains focused on working with the Syndicate to achieve final approvals as soon as practically possible. However, the uncertainty associated with having no control over the timeframes makes it imperative for the Board to explore interest expressed by third parties. Early indications are that it may be possible, subject to due diligence, to structure involvement by a third party as a substitute funder in the Syndicate or as a complementary participant in the Syndicate

The Company plans to continue pursuing a tandem approach to finding a funding solution but would like to flag that further delays are now likely, particularly where due diligence activities associated with a potential new participant need to be accommodated.

The Company will keep the market informed in accordance with its continuous disclosure obligations.

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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.

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