



ANNUAL GENERAL MEETING 2018

CHAIRMAN'S ADDRESS

Ladies and Gentlemen

Thank you for attending this annual general meeting for Resgen Shareholders.

You, our Shareholders, can be forgiven for becoming impatient with what has become a lengthy process before we can conclude our project funding.

Let me reassure all of you here today, along with our more remote stakeholders, that the Board and the Executive Team have been working tirelessly to secure credit approval for the project funding and during 2018 a lot of progress has been made. For example:

- Firstly, our Boikarabelo Project is not only fully permitted but our Project Team has complied with all the requirements of the Project's social and labour plans and with environmental conditions thereby fundamentally securing our 'licence to operate';
- Secondly, in April this year the South African Industrial Development Corporation of South Africa became the first of the lending syndicate members to conclude its credit approval process, with an amount of 540 million Rand committed to a bilateral senior loan facility agreement. The significance of the IDC's loan is that a major lender has deemed the Project bankable;
- Thirdly, our Project has been given 'a clean bill of health' through a recent refresh during October of the Independent Expert reports covering technical, environment, marketing and legal;
- And finally, the Board will shortly be able to consider funding options for the construction of the 43-kilometre mouth of mine to main line rail link.

With these considerable milestones under our belt, it remains for Management to expedite

the remaining steps diligently and as quickly as possible. Apart from giving you the assurance that the team is working tirelessly to secure the requisite credit approvals, I am reluctant to put a timeline to this process, which is both thorough and exhaustive.

In anticipation of credit approvals, we have also been working in parallel on satisfying the conditions precedent in the proposed term sheets before financial close. A number of these conditions have already been satisfied and considerable progress has been made towards completion of the remainder. Undertaking this work in advance of the credit approvals should significantly reduce the time between credit approval and financial close.

South Africa is currently suffering from a shortage of coal and studies have revealed that the construction of new coal mines is a strategic necessity. The global outlook for coal is also positive. Because of your support, Boikarabelo is the most advanced new coal mine project in the country and my hope, and expectation, is that 2019 will witness the start of construction of the mine. Additionally, for our would-be employees and neighbouring communities, this development has now become a critical economic imperative.

Ladies and gentlemen, thank you once again for joining us here today, and for your sustained interest in what we continue to believe is a great project. We'll keep you posted on further developments.

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Chairman
30 November 2018