



15 March 2019

ASX Announcement

Market Update- Working Capital Funding

Resource Generation Limited (ASX:RES) (Resgen or Company) would like to advise that it has reached conditional agreement with Noble Group (Noble) to provide additional working capital requirements to its partly owned subsidiary, Ledjadja Coal (Pty) Ltd (Ledjadja Coal), to cover the projected needs through to 30 June 2019. This agreement includes the following terms and conditions:

- extending the facility agreement dated 3 March 2014, as amended from time to time, including most recently on 29 October 2018 (Facility Agreement) by up to an additional US\$2.5m;
- amending the first date for repayment of the Facility Agreement from 30 June 2019 to 30 September 2019;
- credit approvals from all members of the Lending Syndicate (see last status update provided in the Quarterly Activities Report and Cashflow dated 29 January 2019) to be secured by 29 March 2019 and, if not forthcoming, ResGen to facilitate a meeting between itself, Noble, the IDC and the other potential member of the Lending Syndicate to agree a way forward;
- no later than 29 March 2019, Resgen to develop a high-level plan and timetable on the potential feasibility of executing a small-scale mining operation at the Boikarabelo Mine;
- Noble to have oversight of all expenditures and execution of new contracts
- executing full form documents effecting the necessary amendment to the Facility Agreement;
- Resgen and Ledjadja Coal obtaining all necessary internal and regulatory approvals or waivers in respect of all documents being entered into; and
- All costs associated with negotiation and documentation to be borne by Resgen and Ledjadja Coal.

The Company is appreciative of this additional financial support from Noble.

The Company will keep the market informed regarding progress on securing project funding 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 Coal 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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