



8 October 2019

ASX Announcement

Market Update- Working Capital Funding

Resource Generation Limited (ASX:RES) (Resgen or Company) advises that it has now received conditional approval from the Board of the Noble Group (Noble) to provide additional working capital to its partly owned subsidiary, Ledjadja Coal (Pty) Ltd (Ledjadja Coal), to cover the projected needs through to 28 February 2020. 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 21 May 2019 (Facility Agreement) by up to an additional US\$2.5m;
- amending the first date for repayment of the Facility Agreement from 30 September 2019 to 28 February 2020;
- 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 working capital component of the Facility Agreement (which includes this additional extension of funds) must be repaid from the proceeds of a project financing facility upon Financial Close.

The Company is appreciative of the continued financial support from Noble.

The Company continues to progress negotiations with the proposed Lending Syndicate on finalising common terms for funding the construction of the Boikarabelo Mine. The Company will keep the market informed in accordance with its continuous disclosure obligations.

The Company also advises that it is planning to schedule the Annual General Meeting for Wednesday 27 November 2019.

Lulamile Xate
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.

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