



April 2020

## **PROJECT PROGRESS**



[www.resgen.com.au](http://www.resgen.com.au)

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- The Coal Resources and Reserves for the Boikarabelo Coal Mine, held through the operating subsidiary Ledjadja Coal, are 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.
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**New-generation, emerging  
coal producer**

## **The Group**

is the owner of an interest in a large and defined Coal Resource in  
**South Africa's Waterberg Coalfield**

Through its fully empowered majority owned operating subsidiary, **Ledjadja Coal**, Resgen is working on **developing and constructing the Boikarabelo coal**

**The Boikarabelo Project is one of the first projects in opening the Waterberg coalfield**, the next viable coal reserve in South Africa, and will make a significant contribution to the local economy and the country

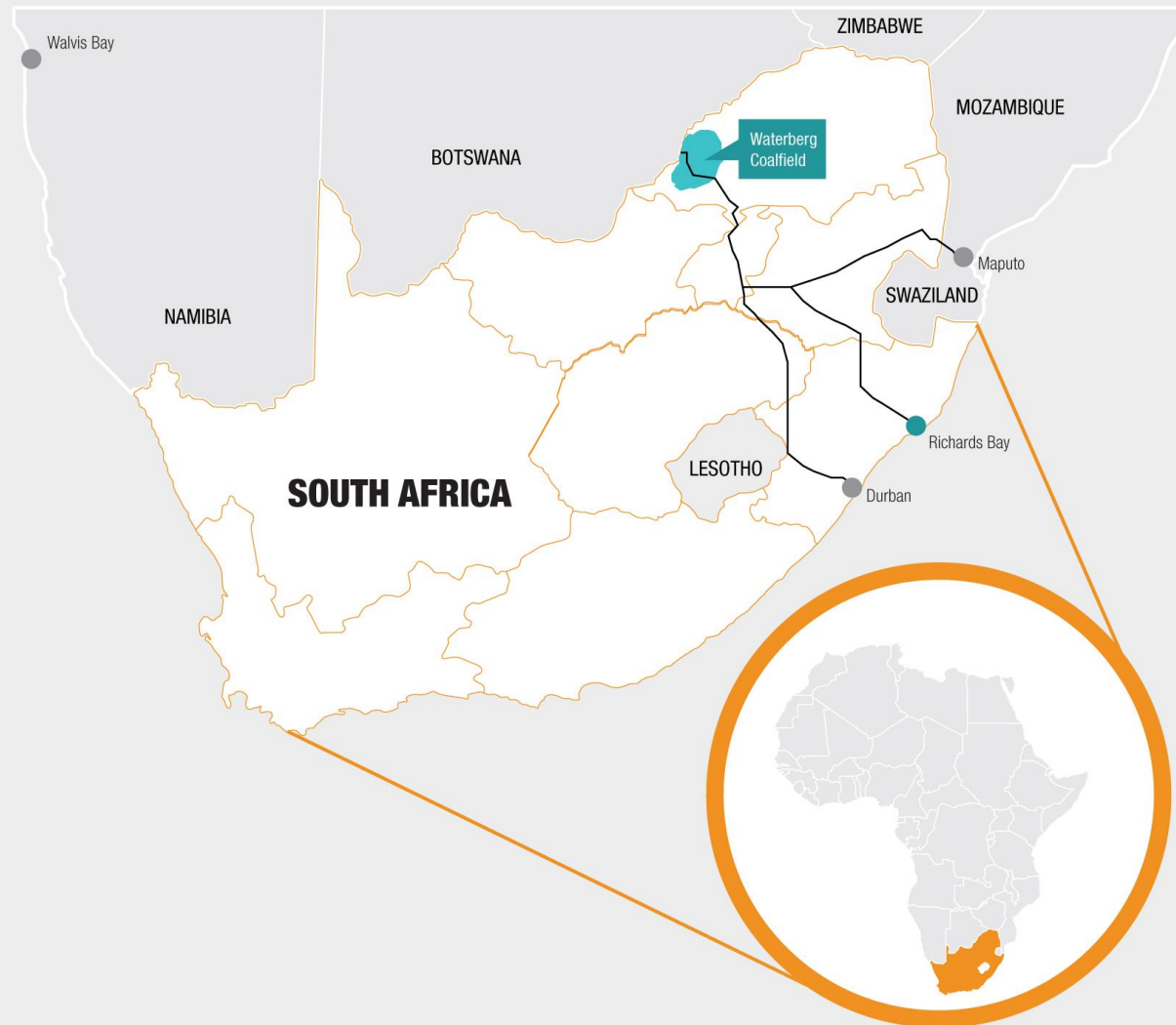
**One of the key objectives of South Africa's National Development Plan** is unlocking the potential of the country's Northern Minerals Belt

**Boikarabelo  
Probable Coal  
Reserves  
267.1Mt**

**Annual production**  
targeted at  
**6Mtpa**  
of product coal, will supply  
local and global customers

- Boikarabelo is planned to be connected to an existing rail system that will allow access to domestic markets and the coal terminals of Richards Bay for export shipments
- This is planned through the construction of a 44km rail loop and link, which will join the main Transnet national rail network

# EXISTING RAIL INFRASTRUCTURE ALLOWS FOR ACCESS TO MAJOR PORTS



## RICHARDS BAY COAL TERMINAL

- Design capacity of 91Mtpa
- Potential for capacity expansion to 110Mtpa

## RICHARDS BAY TERMINAL (GRINROD)

- Design capacity of 4.5Mtpa
- Capacity planned to be increased to 10Mtpa
  - thereafter up to 20Mtpa

### LEGEND

— Rail infrastructure

# BOIKARABELO - A WORLD CLASS MINING ASSET



ANNUAL ROM  
PRODUCTION  
**15Mtpa**

ESTIMATED  
PRODUCT YIELD  
**43.3%**

ACCELERATED  
IN-PIT  
WASTE DUMPING



INTENDED TO BE  
COST-EFFECTIVE



Bulk mining

Access to multiple benches

In-pit dumping

Short haul distances



# HIGHLIGHTS OF 2016



**Heads of agreement concluded** for design, procurement and construction of the coal handling and processing plant for Boikarabelo.



**Commercial Terms concluded** for the appointment of the mining contractor.



Independent technical experts, completed initial reports – outcomes favourable to the **newly adopted execution strategy and mining plan.**



**Low-risk execution strategy in place** – limited number of EPC contractors with good track records and extensive experience selected



Base case financial model completed – **project deemed fundable without further equity** from shareholders



**Assumptions** in the base case financial model supported by current negotiations with 3<sup>rd</sup> Party Service Providers



**Concept feasibility study for a 300 MW coal-fired power station** received and reviewed.



**Negotiations with Transnet Freight Rail** in an advance stage across the suite of Agreements required



**Partnership with the Road Agency Limpopo (RAL)** to upgrade the road from the Lephalale and all connector roads to the Boikarabelo site



**Review of key policies and procedures** completed



**Ancillary works programme** scoped and priced.

2016

# HIGHLIGHTS OF 2017



Debt Club 1 members begin respective due diligence reviews and credit approvals processes



Delays in Debt Club 1 members Credit Approvals



RMB and EFIC exit Debt Club 1 membership – require greater degree of certainty with respect to Eskom supply before credit approvals



Debt Club 1 collapses



Resgen's Management explores alternative funding proposal - **Debt Club 2** established, comprising PIC, IDC and Noble.



Funding requested to construct mine to point of commissioning, excludes rail link funding and ramp-up working capital (both to be separately raised)



Debt Club 2 completes project funding Due Diligence for internal credit approvals



Resgen advises shareholders that shareholder approval will be required for Debt Club 2 funding package

2017

# HIGHLIGHTS OF 2018



**Leapeetswe “Papi” Molotsane takes over as CEO (Interim)**



**Industrial Development Corporation (IDC), a Debt Club 2 member,** is first to approve the proposed funding and Bilateral Senior Loan Facility Agreement



**Delay in 2<sup>nd</sup> Debt Club member’s credit approval** related to broad-based internal review of Lender’s organization’s ESG investment criteria



**Delay in 2<sup>nd</sup> Debt Club member’s anticipated October credit approval** – expresses commitment to project funding and promises credit approvals before Christmas



**Board considers alternative funding solutions**



**2<sup>nd</sup> Debt Club member postpones reaching credit approval** into 2019

2018



# HIGHLIGHTS OF 2019



**Q2: 2<sup>nd</sup> Debt Club 2 member** finally confirming participation (credit approvals) in project funding package



**Q2: 3<sup>rd</sup> and final Debt Club 2 member confirms** it's participation (credit approval) in project funding package



**Debt Club 2 members request assurance** that Ramp-Up Capital will be secured upfront



**Resgen signs a binding Transportation** of Coal Agreement (TCA) with Transnet SOC Limited for 3.6mtpa of export quality coal to Richards Bay



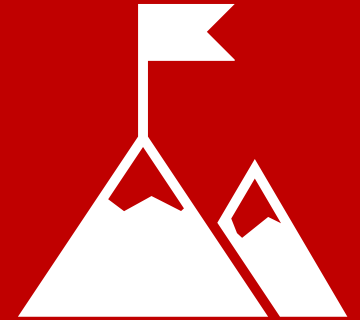
**Resgen targets a March 2020 Financial Close**



**Resgen entered into a non-binding equity and debt term sheet**, with the Lending Syndicate



Resgen executes principal **binding agreements** with the Lending Syndicate, subject to the satisfaction of conditions precedent



# HIGHLIGHTS OF 2020



**Brian Harvey appointed as Chief Finance Officer (CFO) commencing 1 June 2020**



**The negotiations for a funding package of R750m for the rail link are progressing.**

- A special purpose vehicle (SPV) will raise the required funds, construct, own and operate the rail link in exchange for a commercially agreed transport tariff arrangement, on a ZAR/tonne basis
- Ledjadia Coal will own a 49.9% interest in the SPV post the contribution of certain assets and licences associated with the rail link
- Security arrangements associated with the rail link funding will be ring-fenced to the SPV



**Resgen calls for Extraordinary General Meeting (EGM) of Shareholders to be held on 7 April 2020 in Brisbane**

- Shareholders issued with Independent Expert Report which concludes that, in the absence of an alternate offer, declares funding package to be is **“Fair and Reasonable”**



**Financial Close now targeted by 30 June 2020**

2020



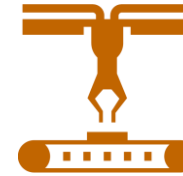
# PROJECT EXECUTION STRATEGY



**EPC contractor** will build the CHPP and undertake the ancillary civil engineering and construction works



**CHPP contractor** will operate the CHPP for four years after construction is completed



**Execution strategy** assists in de-risking the project construction and enhancing operational efficiencies

# INDICATIVE PROJECT DELIVERY TIMELINE



This indicative project delivery timeline assumes that events occur in the order and at the times indicated in the indicative timeline. If this does not occur then the delivery timeline for the project may be different. The construction period is an estimate only and may change.

