



16 July 2020

ASX Announcement

Terms Sheets for the funding of the Rail Link to connect the Boikarabelo Coal Mine to the Transnet Main Line become binding on the parties

Resource Generation Limited (ASX:RES/JSE:RSG)(**Company or ResGen**) is pleased to announce that Harith General Partners (**Harith**) has confirmed on behalf of Pan African Infrastructure Fund 2 that all requisite approvals for the Rail Link Funding Terms Sheets (**Terms Sheets**) executed with its subsidiary, Ledjadja Coal Pty Ltd (**Ledjadja Coal**), and announced to the market on 5 May 2020 have now been obtained. These Terms Sheets whilst binding on the parties remain subject to the fulfilment of various conditions precedent including *inter alia* the conclusion of definitive transaction agreements.

Preparation of the definitive transaction agreements comprising the terms and conditions of the Debt and Equity Terms Sheets detailed in the announcement of 5 May 2020 are well progressed with a target for finalisation and execution in August 2020.

The principal remaining conditions requiring satisfaction, deferral or waiver before Financial Close for the transaction include:

- All regulatory approvals including the registration of each servitude to effect the transaction;
- Notice that the transaction security has been granted; and
- The Mine Funding Package being fully funded and all conditions precedent for commencement of the Mine having been met.

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

On behalf of the Board

Lulamile Xate

Chairman

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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*

Based on the information currently available to it, ResGen is aware that that PIC, Noble Group and Altius Investment Holdings each have substantial shareholdings in ResGen.

Forward looking statements

This announcement contains certain forward-looking statements. Forward-looking statements include those containing words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions. Any forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of ResGen. This includes any statements about the terms on which ResGen might obtain funding for the rail link. To the maximum extent permitted by law, the directors of ResGen, ResGen and any of its related bodies corporate and affiliates, and their officers, partners, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfillment of any forward-looking statement or any event or results expressed

or implied in any forward-looking statement, and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

The Terms Sheets referred to in this ASX announcement whilst binding remain subject to a various conditions precedent. Negotiations and the required further actions described in those term sheets are ongoing and incomplete and there is no certainty that a transaction will be concluded based on the terms set out in those Term Sheets (or at all). ResGen makes no representations or warranties whatsoever as to the outcome of the rail link funding transaction.