



Market Announcement

22 October 2020

Resource Generation Limited (ASX: RES) – Trading Halt

Description

The securities of Resource Generation Limited ('RES') will be placed in trading halt at the request of RES, pending it releasing an announcement. Unless ASX decides otherwise, the securities will remain in trading halt until the earlier of the commencement of normal trading on Monday, 26 October 2020 or when the announcement is released to the market.

Issued by

Melissa Lim

Adviser, Listings Compliance (Sydney)



22 October 2020

Australian Securities Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney, NSW 2000
Attn: Melissa Lim

Resource Generation Limited ACN 059 950 337 (ASX: RES)

Request for Trading Halt

Pursuant to ASX Listing Rule 17.1, Resource Generation Ltd (**Resgen** or **Company**) requests a trading halt in respect of Resgen's ordinary shares from commencement of trading on Thursday 22 October 2020.

Background

In the Unaudited Financial Statements for the year ended 30 June 2020, released to the market on 30 September 2020, the Company advised that it was reliant on formalising an extension to the first repayment date under the Facility Agreement with Noble Group dated 3 March 2014 (as amended) (**Facility Agreement**) and securing access to additional working capital to cover the period through to Financial Close and first drawdown of funds to develop the Boikarabelo Coal Project.

The Company has now been advised by Noble Group that it is willing to extend the first repayment date under the Facility Agreement from 30 September 2020 to 28 February 2021, subject to completion of the legal documentation. Noble Group however advised that it is unable to provide the Company with access to any additional working capital under the Facility Agreement.

In light of this development, the Company requires time to develop an action plan to address the short-term funding requirement to cover the period through to Financial Close by the current target of 30 November 2020 and the possibility of any uncontrollable slippage. This action plan will also involve reconfirming with all Lenders the status of the formal extension of the Common Terms Agreement and that satisfaction of the key Conditions Precedent by the end of October will enable them to seek their respective Credit Committee approvals by the end of November 2020.

Trading Halt Request

In accordance with Listing Rule 17.1, Resgen advises:

- (a) the trading halt is requested pending an announcement on the Company's plans to secure additional working capital to reach Financial Close for the development of the Boikarabelo Mine;
- (b) Resgen wishes the trading halt to remain in place until the earlier of such time as it makes the Market Update Announcement, or the commencement of trading on Monday 26 October 2020; and
- (c) Resgen is not aware of any reason why the trading halt should not be granted, or of any information necessary to inform the market or ASX about the trading halt.

Authorised for release by the Board of Directors

Yours faithfully

A handwritten signature in black ink, appearing to be "Mike Meintjes". The signature is stylized with a large, sweeping loop at the end.

Mike Meintjes

Company Secretary