

Market Announcement

26 October 2020

Resource Generation Limited (ASX: RES) – Suspension from Official Quotation

Description

The securities of Resource Generation Limited ('RES') will be suspended from quotation immediately under Listing Rule 17.2, at the request of RES, pending the release of an announcement regarding the solution to the additional working capital requirements is made.

Issued by

Marlow Bakous

Graduate Adviser, Listings Compliance (Sydney)



26 October 2020

Australian Securities Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney, NSW 2000

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

Request for Voluntary Suspension

Resource Generation Limited (ASX:RES) (**Resgen or Company**) refers to the Trading Halt request dated 22 October 2020.

The Trading Halt request was made to the ASX to allow the Company to develop a plan to secure additional working capital to reach Financial Close for development of the Boikarabelo Mine. Since requesting the trading halt the Company has been assessing both debt and equity funding solutions.

It has become apparent that as part of a short-term funding plan the Company needs to:

- Secure formal sign off on the extension of the Common Terms Agreement (first announced on 5 December 2019) for the Mine Funding Package. The Company has received in-principle agreement from Lenders and will pursue formal execution by all parties as soon as possible; and
- Satisfy the three key Conditions Precedent (see ASX Announcement: 10 September 2020) to the Mine Funding Package as soon as possible with a view to enable Lenders to go to their Credit Committees during the month of November 2020.

The Company adopted an austerity budget effective 1 September 2020 which includes Management and the Board accepting a temporary reduction in remuneration of 30% through to Financial Close and first drawdown of project funding. Notwithstanding the adopted austerity measures, the short-term funding requirement that has been identified to reach Financial Close by the end of November 2020 is estimated to be up to US\$1m. These funds are required to cover the ongoing day to day requirements as well as transaction completion related costs. Separately, as a risk mitigation strategy, the Company has considered the situation where factors beyond the control of the Company result in a further delay in Financial Close through to end February 2021. In this instance access to additional funding of up to a further US\$2m will be required.

The abovementioned considerations have left the Board with no option but to request voluntary suspension of trading in the Company's shares to allow further time to address the additional working capital requirement.

Pursuant to ASX Listing Rule 17.2, Resource Generation Ltd (Resgen) requests voluntary suspension in respect of Resgen's ordinary shares from commencement of trading on Monday 26 October 2020.

In accordance with Listing Rule 17.2, Resgen advises:

- (a) a voluntary suspension in the trading of Resgen ordinary shares is requested for the reasons set out above;
- (b) Resgen wishes the voluntary suspension to remain in place until an announcement on the solution to the additional working capital requirement is made and anticipates that this could be achieved on or before Friday 9 November 2020;
- (c) Resgen expects to request the ASX to lift the voluntary suspension on the Company being able to announce that it has secured access to sufficient additional working capital to achieve Financial Close for funding of the Boikarabelo Mine;
- (d) 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, looped "M" and a long, sweeping horizontal stroke.

Mike Meintjes

Company Secretary