



1 March 2021

ASX Announcement

## Market Update

Resource Generation Limited (ASX:RES) (Resgen or Company) is pleased to provide a market update covering (i) the status of the strategic review that was initiated (see ASX announcement 16 November 2020) to consider alternatives for progressing development of the Boikarabelo Project; and (ii) the short-term working capital funding position of the Company.

### ***Strategic Review***

The Strategic Review initiated in November 2021 was split into two phases, namely *Phase 1 - Market sounding and data-room preparation* and *Phase 2 Engagement with interested parties*. Phase 1 has taken longer than first expected but has recently been completed. Resgen is now executing Non-Disclosure Agreements with a number of interested parties ahead of providing access to the data-room. Interested parties will then be given a period of 4-6 weeks to complete their due diligence ahead of submitting indicative proposals.

The list of parties approached as part of the review was broad based, however interest to date has largely been from South African based entities.

### ***Short-term working capital funding***

On 14 December 2020, the Company advised that it had executed a Ninth Deed of Amendment and Restatement to the Facility Agreement dated 3 March 2014 as amended from time to time (**Facility Agreement**) with Noble Group. The additional financial support of US\$920,000 has now been made available in three instalments to cover an austerity operating budget to progress the Strategic Review for the period through to 28 February 2021.

In order to finalise the Strategic Review outlined above, the Company has recently approached Noble Group for additional working capital support based on an austerity budget covering the three month period from 1 March to 31 May 2021. In addition, Resgen has requested a further extension of the first repayment date under the Facility

Agreement from 28 February 2021 to 30 June 2021. At the date of this announcement the Company awaits a response from Noble on these requests.

The Company has also obtained a further extension to payment terms agreed with the key consultants associated with the Mine Funding Package (legal, financial and technical) through to 31 May 2021. These unsecured amounts total approximately R18.7m.

### **Other**

Mike Meintjes, our Company Secretary, has advised that as a result of competing demands on his time he will be resigning effective 12 March 2021. The Company is in discussions to secure a replacement and will advise the market in due course.

The Company will keep the market informed in accordance with its continuous disclosure requirements.

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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.*

### **For further information please contact:**

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