



28 October 2020

ASX Announcement

Market Update

Resource Generation Limited (**ASX:RES**) (**Resgen or Company**) provides the following Market Update.

On 5 December 2019, the Company announced that along with its majority owned subsidiary, Ledjadja Coal (Pty) Ltd, it had executed principal binding agreements for the funding of the construction of the Boikarabelo Coal Project (**Mine Funding Package**). The members of the Lending Syndicate comprised of the Government Employees Pension Fund and the Unemployment Insurance Fund, (both managed by the Public Investment Corporation SOC Limited (PIC)), Industrial Development Corporation of South Africa Limited (IDC) and Noble Resources International Pte Ltd (Noble).

Due to delays in satisfying certain Conditions Precedent to reaching Financial Close for first drawdown under the Mine Funding Package, the Company has been in the process of securing formal sign off of the extension of the Common Terms Agreement (see ASX Announcements of 10 September and 22 October 2020). Whilst seeking these formal sign offs the Company has now been advised by the IDC that after completing a due diligence investigation (for the purpose of the extension) a view has been formed that the market conditions under which the Boikarabelo Coal Project would operate have deteriorated materially. Based on the findings, the IDC's Special Credit Committee resolved that IDC should not grant an extension of the Common Terms Agreement. Further, the IDC Special Credit Committee also decided to cancel all previously approved facilities under the Mine Funding Package.

The Company is now seeking an urgent meeting to discuss this development with Noble, being the secured lender under the Facility Agreement with Ledjadja Coal (Pty) Ltd dated 3 March 2014 (as amended).

Leapeetswe Molotsane

Interim CEO and Director

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.

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. 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 fulfilment 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).

For further information please contact:

Mike Meintjes, Company Secretary on mmeintjes@resgen.com.au or +61 413 706 143

Media enquiries:

South Africa: Marion Brower/ Charmane Russell on +27 11 880 3924