



27 November 2019

ASX Announcement

Boikarabelo Coal Project Funding Update

Resource Generation Limited (ASX:RES/JSE:RSG)(**Company or ResGen**) is pleased to provide an update on the status of negotiations with a group of three potential lenders (**Lending Syndicate**) for the funding of the Boikarabelo Coal Project (**Project**).

On 24 June 2019, the Company announced that the third and final member of what is now the Lending Syndicate had received credit approval for their contribution to Ledjadja Coal's funding application in relation to the construction of the Project. The amount of the funding package offered by the Lending Syndicate was confirmed as being ZAR 4.2 billion (approx. A\$ 417.9 million applying an ZAR:AUD exchange rate of 10.05:1).

On 31 October 2019 (Quarterly Activities Report for the period ended 30 September 2019) the Company announced that it continued to work cooperatively with members of the proposed Lending Syndicate to finalise common terms which include the separate credit approved proposals received in late June 2019.

Whilst Management, the Lending Syndicate and their respective advisors have been working tirelessly to negotiate a binding arrangement for project funding for construction of the mine for announcement ahead of the 2019 AGM (scheduled to be held today) this unfortunately has not been achieved. Whilst these negotiations remain incomplete, the Company is hopeful of being able to provide Shareholders with a further update within the coming week.

The Company's target for reaching financial close to be in a position to issue a drawdown notice on the Lending Syndicate has been revised to the end of March 2020.

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 from the Lending Syndicate, or the timing for agreeing the terms of any such funding. 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).