



3 June 2019

ASX Announcement

## Market Update

Resource Generation Limited (ASX:RES) (Resgen or Company) would like to provide an update on the funding status of its Boikarabelo Coal Mine in the Waterberg, South Africa (Project).

The second member of the proposed Lending Syndicate (last referred to in ASX Announcements on 15 March and 1 April 2019) has formally confirmed participation (credit approval) for their proposed contribution to the Company's funding application in relation to the construction of the Boikarabelo mine.

The second member to the proposed Lending Syndicate has not provided approval to be named at this point as their offer to participate is not binding on the parties until formally accepted by the Company. This acceptance by the Company can only occur in the form of a Board approved common term sheet agreed with all members to the proposed Lending Syndicate.

This is a positive development that should now facilitate completion of the project finance for the construction of the mine. However, investors are cautioned that there are still a number of hurdles to be overcome before the overall funding (Financial Close) is achieved. These further activities or approvals now include:

- securing requisite written approvals from the third and final member of the proposed Lending Syndicate;
- agreement on a common term sheet for all Lenders as referred to above;
- finalisation of the rail link funding which is now at an advanced stage and will also be assisted by this recent development;
- Director's approval (after evaluation of the finalised financial model) of a common term sheet together with the rail link funding terms and recommendation to Shareholders. At this time the terms will be binding on all parties and only subject to certain conditions precedent that are specified by the proposed Lenders. The

Company will then be able to disclose the key terms of the mine and rail link funding packages to the market;

- under the related party approval requirements of the ASX Listing Rules the proposed mine funding package will need to be put to Shareholders at an EGM (this will be one of the conditions precedent referred to above). The Notice of Meeting for such an EGM will need to include an Independent Expert's Report addressed to Shareholders;
- finalisation of remaining key Project related contracts and legacy contractual arrangements;
- preparation of legal documents in relation to the proposed funding package; and
- completion of all conditions precedent as specified by the proposed Lenders.

The Company will keep the market informed regarding further progress on project funding in accordance with its continuous disclosure obligations.

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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.*

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