



5 December 2018

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).

In the last market update covering the status of Boikarabelo Project funding (12 November 2018) the Company advised that discussions with the Lender's Deal Team (a member of the proposed Lending Syndicate) had confirmed that this Lender remained committed to the Project from a technical, commercial and strategic perspective, however a short delay had arisen in scheduling a Credit Committee meeting.

Since providing the abovementioned update, Management has been in regular contact with the Lender's Deal Team in anticipation that Credit Committee and subsequent Board approval could be finalised before the Christmas break in South Africa. It is now apparent that this timeline will not be met. This further delay highlights the imperative of progressing (in tandem) an alternative funding option with a party or parties as a substitute in the current proposed Lending Syndicate (first reported in ASX Announcement: 20 August 2018).

This further delay will have an impact on the targeted date for financial close and the Board and Management will therefore be focusing on strategies to conserve cash and/or secure any required additional financial support.

The Chief Financial Officer and Joint Company Secretary, Brendan O'Regan, has tendered his resignation effective 31 January 2019. The Board would like to thank Brendan for his committed and tireless efforts in managing the finance function since its transfer from Sydney in early 2016.

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

Lulamile Xate

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 Ledjadjia 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. Ledjadjia 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:

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