



29 March 2018

## Market Update

Resource Generation Limited (ASX:RES/JSE:RSG) (**Company**) is pleased to provide the following market update.

### Extension of the Facility Agreement

The Company has agreed a further extension of the Facility Agreement of 3 March 2014 (**Facility**), under which Noble Resources International Pte Ltd (**Lender**) will make available additional funds of up to US\$2.5m to the Company's subsidiary, Ledjadja Coal Pty Ltd (**LCL**) to fund operations whilst project funding is secured. The total Facility made available to the Company is now US\$34.7m.

The additional funds are to be made available on the same terms as the existing Facility and can be drawn in monthly tranches over the period to 31 July 2018.

Key terms associated with the extension of the Facility include:

- The additional funds together with the existing fully drawn Facility of US\$32.2m (see ASX Announcements 14 March 2017 and 7 December 2017) are unsecured and subject to a parent company guarantee of LCL's obligations under the agreement;
- The funding to be provided in monthly instalments over the period May to July 2018;
- Interest accrues at 10.75% pa and can be capitalised on a six-monthly basis unless the borrower elects otherwise to pay such interest; and
- The initial Facility of US\$20m is now repayable in instalments commencing from 1 August 2018 (previously 1 April 2018) with a termination date of 31 December 2024, however the additional funds made available under the extension of the Facility (US\$14.7m) are repayable from the proceeds of the first drawdown of any facility agreement for any project financing for the Project.

### Mine Development Funding

As outlined in the Market Update of 3 March 2018, the proposed funding syndicate for the development of the mine (**Funders**) has commenced their various credit approval processes with the final approval to be advised in the first week of April 2018.

Whilst the Company has been informed that two of the parties continue to make progress in accordance with the original approval timeline, the third funding party has advised that their credit process will only be concluded by the end of April 2018. The Company continues to work closely with all Funders to ensure that the credit approval process is completed as soon as possible.

The board meeting to consider a recommendation to Shareholders regarding the Funders' credit approved term sheets will therefore be re-scheduled to 10 May 2018.

On behalf of the Board

L M Xate

Chairman

**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*

*ResGen's primary Shareholders are the Public Investment Corporation of South Africa (PIC), Noble Group and Altius Investment Holdings.*

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