



4 June 2018

Market Update

Resource Generation Limited (ASX:RES/JSE:RSG)(**Company**) provides the following market update.

Further to the ASX announcement to shareholders dated 16 April 2018 with regard to the execution of a Bilateral Senior Loan Facility between the IDC and Ledjadja Coal, and the follow-up advisory dated 10 May 2018, Resgen advises that it is continuing to progress the development of measures to address the previously disclosed concerns raised by one of the lenders.

Management, with the support of the Board, is working through mitigation and response options to ensure that the proposal delivered to the lender will be sufficient to support completion of their credit approval process.

While satisfactory progress is being made, and a meeting with the lender is contemplated within the next fortnight, the Board will not be publishing further key dates relating to the credit approval process at this time.

The Board remains committed, however, to keep the market informed in accordance with its continuous disclosure obligations.

During early June 2018, the Company plans to table a submission with Noble covering a request to provide additional funding for the anticipated working capital shortfall requirement arising from the delay.

Rail Link Funding

The Company continues to engage with a number of parties interested in funding the rail link required for the Boikarabelo Mine.

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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