



1 April 2019

ASX Announcement

Market Update- Project Funding

Resource Generation Limited (ASX:RES) (Resgen or Company) would like to provide an update on funding for the development of the Boikarabelo Mine.

On 15 March 2019, the Company advised that it had reached conditional agreement with Noble Group (Noble) to provide additional working capital requirements to its partly owned subsidiary, Ledjadja Coal (Pty) Ltd. The amendment to the Facility Agreement with Noble for the extension of up to a further US\$2.5m in working capital funding is in the process of being formalised.

The conditional agreement reached with Noble included the following terms:

1. credit approvals from all members of the Lending Syndicate to be secured by 29 March 2019 and, if not forthcoming, ResGen to facilitate a meeting between itself, Noble, the IDC and the other potential member of the Lending Syndicate to agree a way forward;
2. no later than 29 March 2019, Resgen to develop a high-level plan and timetable on the potential feasibility of executing a small-scale mining operation at the Boikarabelo Mine;

At close of business on 29 March 2019 in South Africa the status of the above conditions was as follows:

1. the third potential member of the Lending Syndicate has not provided written Board credit approval and has advised that it is still finalising internal administrative requirements. The Company has requested an urgent meeting with all Lending Syndicate Members to agree a way forward;

2. a small-scale Boikarabelo Mine feasibility presentation which includes a high-level plan and timetable was sent to Noble on 29 March 2019. Once the plan has been evaluated, the Company will update the market.

The Company will keep the market informed regarding progress on securing 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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