



22 May 2019

ASX Announcement

Execution of the Sixth Deed of Amendment and Restatement to the Facility Agreement

Resource Generation Limited (ASX:RES) (**ResGen** or **Company**) announced to the market on 15 March 2019 that a conditional agreement had been reached with Noble Resources International Pte. Ltd. (**Noble**) to provide additional working capital through to 30 June 2019 by way of an amendment to the facility agreement originally entered into between Noble and Ledjadja Coal (Pty) Ltd (**Ledjadja**), which is the subsidiary through which ResGen holds its interest in the Boikarabelo Coal Mine project (**Project**), in March 2014 (**Facility Agreement**). ResGen is the guarantor of Ledjadja's obligations under the Facility Agreement.

ResGen advises that the key terms of the amendments to the Facility Agreement have now been documented with Noble in the form of a Sixth Deed of Amendment and Restatement (**Deed**) that has been executed by the parties. These terms include the following:

- extending the current Working Capital Facility (a component of the Facility Agreement) by an additional US\$2.5m. The total commitment under the Facility Agreement now totals US\$44.4m;
- interest rate of 10.75% pa with penalty interest applicable on a default;
- amending the first date for repayment of the Facility from 30 June 2019 to 30 September 2019;
- the additional funds to be secured by the existing Share Pledge over ResGen's interest in 74% of the shares in Ledjadja Coal (Pty) Ltd, which are held by another ResGen subsidiary, Resgen Africa Holdings Limited. The granting of the Share Pledge as security for funds advanced under the Facility Agreement prior to this latest extension was approved by Shareholder at the AGM held on 30 November 2018.
- satisfaction of certain conditions precedent to be able to commence drawdown of further funds under the Facility Agreement, including:
 - a) such certifications and opinions as Noble may require;
 - b) final board approval in writing for the funding of the Project from all members of the proposed Lending Syndicate by 29 March 2019 and, if not

forthcoming, ResGen to facilitate a meeting between itself, Noble, the Industrial Development Corporation of South Africa Limited (IDC) and the other potential member of the Lending Syndicate to agree a way forward – this meeting has now been held, see the Quarterly Activities Report released to the market on 30 April 2019;

- c) 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 – this plan has been developed, see the Quarterly Activities Report released to the market on 30 April 2019;
- d) obtaining a waiver from the ASX (either unconditionally or on conditions satisfactory to the Lender (in its absolute discretion)) of ASX Listing Rule 10.1 in respect of the increase effected by the Deed – this waiver has been obtained, see the announcement made to the market on 17 May 2019;
- repayment of all of the further advances made by Noble under the Facility Agreement with accrued interest (**Subsequent Advances**) out of the first advance received under any project funding arrangement (at which point the Share Pledge must be released if required by the Project funders). The initial US\$20m plus accrued interest to be repaid in equal monthly instalments of principal and interest to 31 March 2026;
- ResGen convening a general meeting of its Shareholders no later than 31 December 2019 to consider and, if thought fit, pass a resolution approving the increase in the amount secured under the Share Pledge granted to Noble to cover the advance of the additional US\$2.5m under the Share Pledge and the exercise of any of the powers under the Share Pledge by Noble for the purposes of and in accordance with ASX Listing Rule 10.1; and
- all costs associated with negotiation and documentation to be borne by ResGen or its subsidiaries.

The Company currently expects to be able to meet all remaining conditions precedent shortly so that the first drawdown of additional funds can still occur by the end of May 2019.

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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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