



7 December 2017

ASX Announcement

Extension of Facility Agreement

The Company has signed a further extension of the Facility Agreement of 3 March 2014 (**Facility**), under which Noble Resources International Pte Ltd (**Lender**) has agreed to make available additional funds of up to US\$3.8M to the Company's subsidiary, Ledjadja Coal Pty Ltd (**LCL**) to fund the operations and development of the Boikarabelo mine project being undertaken in South Africa (**Project**) whilst project funding is secured. The total Facility made available to the Company is now US\$32.2m.

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 March 2018.

Key terms associated with the extension of the Facility include:

- The additional funds together with the existing fully drawn Facility of US\$28.4m (see ASX Announcement 14 March 2017) are unsecured and subject to a parent company guarantee of LCL's obligations under the agreement;
- 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 repayable in instalments commencing from 30 April 2018 with a termination date of 10 September 2024, however the additional funds made available under the extension of the Facility (US\$12.2m) are repayable from the proceeds of the first drawdown of any facility agreement for any project financing for the Project.

The Company continues to pursue project funding as previously advised to the market and will keep the market updated on progress.

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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 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.

For further information please contact:

Mike Meintjes, Company Secretary on mmeintjes@resgen.com.au or +61 413 706 143

Media enquiries:

Australia: Martin Debelle on + 61 282 340 102

South Africa: Marion Brower/ Charmane Russell on +27 11 880 3924