



15 March 2021

ASX Announcement

Working Capital Funding

Resource Generation Limited (**ASX:RES**) (**Resgen or Company**) refers to the Market Update on 1 March 2021 where the Company noted that it was engaging with its secured creditor, the Noble Group (**Noble**) for the purposes of securing access to additional working capital to finalise the Strategic Review initiated in November 2020.

Resgen is now pleased to advise that it has reached in-principle agreement with Noble to provide additional working capital to its partly owned subsidiary, Ledjadja Coal (Pty) Ltd (**Ledjadja Coal**), in the form of a further extension to the Facility Agreement dated 3 March 2014 as amended from time to time, including most recently the Ninth Deed of Amendment and Restatement dated 11 December 2020 (**Facility Agreement**).

The in-principle agreement includes the following terms and conditions:

- extending the Facility Agreement by up to an additional US\$0.993m (total facility to increase to US\$51.063m) on similar terms to those included in the Ninth Deed of Amendment and Restatement (see ASX Announcement: 23 December 2020);
- the further extension of funds will be made available in three instalments to cover an austerity operating budget for the period through to 31 May 2021. During this period measures to ensure the continued solvency of the Resgen Group and alternatives for progressing development of the Boikarabelo Project will be considered in co-operation with Noble and its Financial Advisor;
- advances to be made on 15 March 2021, 15 April 2021 and 14 May 2021 subject to the Resgen Group performing on a satisfactory basis against the austerity budget and Noble Board approval;
- the additional funds are only to be used for amounts provided for in the austerity operating budget and are not to be used to engage external consultants in connection with securing alternative project financing without express approval;
- amending the first date for repayment of the Facility Agreement from 28 February 2021 to 31 May 2021;
- formal Noble Board approval;
- executing full form documents effecting the necessary amendment to the Facility Agreement and any further documents required to affect any of the financial support by 31 March 2021; and

- Resgen and Ledjadja Coal obtaining all necessary internal and regulatory approvals or waivers in respect of all documents being entered into before the second instalment is released.

The Non-Executive Directors are continuing to waive entitlement to director fees for the period covered by the austerity operating budget.

In addition, as set out in the 1 March 2021 market release the Company has obtained a further extension to payment terms agreed with the key consultants associated with the Mine Funding Package (legal, financial and technical) through to 31 May 2021. These unsecured amounts total approximately R18.7m.

Other Matters

The Company is pleased to advise that it has appointed Ms Eryl Baron of Boardroom Pty Limited as Company Secretary. Ms Baron will be responsible for communication with the ASX in relation to listing rule matters, pursuant to Listing Rule 12.6.

The Company will keep the Market informed in accordance with its continuous disclosure obligations.

Approved for release by the Board of Resource Generation Limited.

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.

Forward looking statements

This announcement contains certain forward-looking statements. Forward-looking statements include those containing words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions. Any forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Resgen. To the maximum extent permitted by law, the directors of Resgen, Resgen and any of its related bodies corporate and affiliates, and their officers, partners, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfillment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement, and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

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