April 2020

PROJECT PROGRESS

www.resgen.com.au

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- The Coal Resources and Reserves for the Boikarabelo Coal Mine, held through the operating subsidiary Ledjadja Coal, are 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.
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New-generation, emerging coal producer

The Group
is the owner of an interest in a large and defined Coal Resource **in**
South Africa's Waterberg Coalfield

Through its fully empowered majority owned operating subsidiary, **Ledjadja Coal**, Resgen is working on **developing and constructing the Boikarabelo coal mine**

The Boikarabelo Project is one of the first projects in opening the Waterberg coalfield, the next viable coal reserve in South Africa, and will make a significant contribution to the local economy and the country

One of the key objectives of South Africa's National Development Plan
is unlocking the potential of the country's Northern Minerals Belt

Boikarabelo Probable Coal Reserves
267.1Mt

Annual production
targeted at
6Mtpa
of product coal, will supply local and global customers

- Boikarabelo is planned to be connected to an existing rail system that will allow access to domestic markets and the coal terminals of Richards Bay for export shipments
- This is planned through the construction of a 44km rail loop and link, which will join the main Transnet national rail network

EXISTING RAIL INFRASTRUCTURE
ALLOWS FOR ACCESS TO MAJOR PORTS

RICHARDS BAY COAL TERMINAL

- Design capacity of 91Mtpa
- Potential for capacity expansion to 110Mtpa

RICHARDS BAY TERMINAL (GRINROD)

- Design capacity of 4.5Mtpa
- Capacity planned to be increased to 10Mtpa
  - thereafter up to 20Mtpa

LEGEND

Rail infrastructure

BOIKARABELO - A WORLD CLASS MINING ASSET

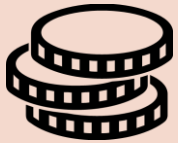
resgen

ANNUAL ROM PRODUCTION
15Mtpa

ESTIMATED PRODUCT YIELD
43.3%

ACCELERATED IN-PIT WASTE DUMPING

INTENDED TO BE COST-EFFECTIVE



- Bulk mining
- Access to multiple benches
- In-pit dumping
- Short haul distances

HIGHLIGHTS OF 2016

2016

Heads of agreement concluded for design, procurement and construction of the coal handling and processing plant for Boikarabelo.

Commercial Terms concluded for the appointment of the mining contractor.

Independent technical experts, completed initial reports – outcomes favourable to the **newly adopted execution strategy and mining plan**.

Low-risk execution strategy in place – limited number of EPC contractors with good track records and extensive experience selected

Base case financial model completed – **project deemed fundable without further equity** from shareholders

Assumptions in the base case financial model supported by current negotiations with 3rd Party Service Providers

Concept feasibility study for a 300 MW coal-fired power station received and reviewed.

Negotiations with Transnet Freight Rail in an advance stage across the suite of Agreements required

Partnership with the Road Agency Limpopo (RAL) to upgrade the road from the Lephalale and all connector roads to the Boikarabelo site

Review of key policies and procedures completed

Ancillary works programme scoped and priced.

HIGHLIGHTS OF 2017

2017

Debt Club 1 members begin respective due diligence reviews and credit approvals processes

Delays in Debt Club 1 members Credit Approvals

RMB and EFIC exit Debt Club 1 membership – require greater degree of certainty with respect to Eskom supply before credit approvals

Debt Club 1 collapses

Resgen's Management explores alternative funding proposal - **Debt Club 2** established, comprising PIC, IDC and Noble.

Funding requested to construct mine to point of commissioning, excludes rail link funding and ramp-up working capital (both to be separately raised)

Debt Club 2 completes project funding Due Diligence for internal credit approvals

Resgen advises shareholders that shareholder approval will be required for Debt Club 2 funding package

HIGHLIGHTS OF 2018

2018

Leapeetswe "Papi" Molotsane takes over as CEO (Interim)

Industrial Development Corporation (IDC), a Debt Club 2 member, is first to approve the proposed funding and Bilateral Senior Loan Facility Agreement

Delay in 2nd Debt Club member's credit approval related to broad-based internal review of Lender's organization's ESG investment criteria

Delay in 2nd Debt Club member's anticipated October credit approval – expresses commitment to project funding and promises credit approvals before Christmas

Board considers alternative funding solutions

2nd Debt Club member postpones reaching credit approval into 2019

HIGHLIGHTS OF 2019

Q2: 2nd Debt Club 2 member finally confirming participation (credit approvals) in project funding package

Q2: 3rd and final Debt Club 2 member confirms it's participation (credit approval) in project funding package

Debt Club 2 members request assurance that Ramp-Up Capital will be secured upfront

Resgen signs a binding Transportation of Coal Agreement (TCA) with Transnet SOC Limited for 3.6mtpa of export quality coal to Richards Bay

Resgen targets a March 2020 Financial Close

Resgen entered into a non-binding equity and debt term sheet, with the Lending Syndicate

Resgen executes principal **binding agreements** with the Lending Syndicate, subject to the satisfaction of conditions precedent

HIGHLIGHTS OF 2020

2020

Brian Harvey appointed as Chief Finance Officer (CFO) commencing 1 June 2020

Resgen calls for Extraordinary General Meeting (EGM) of Shareholders to be held on 7 April 2020 in Brisbane

- Shareholders issued with Independent Expert Report which concludes that, in the absence of an alternate offer, declares funding package to be is **"Fair and Reasonable"**

The negotiations for a funding package of R750m for the rail link are progressing.

- A special purpose vehicle (SPV) will raise the required funds, construct, own and operate the rail link in exchange for a commercially agreed transport tariff arrangement, on a ZAR/tonne basis
- Ledjadja Coal will own a 49.9% interest in the SPV post the contribution of certain assets and licences associated with the rail link
- Security arrangements associated with the rail link funding will be ring-fenced to the SPV

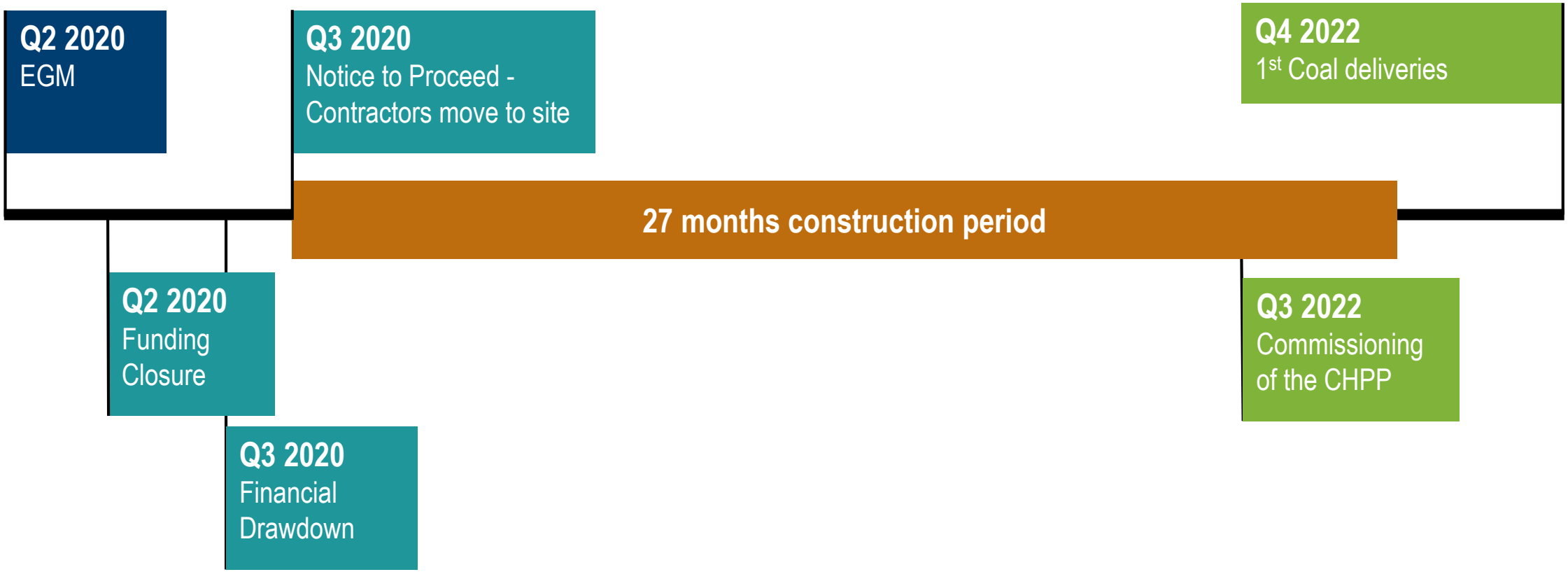
Financial Close now targeted by 30 June 2020

PROJECT EXECUTION STRATEGY

EPC contractor will build the CHPP and undertake the ancillary civil engineering and construction works

CHPP contractor will operate the CHPP for four years after construction is completed

Execution strategy assists in de-risking the project construction and enhancing operational efficiencies

INDICATIVE PROJECT DELIVERY TIMELINE

This indicative project delivery timeline assumes that events occur in the order and at the times indicated in the indicative timeline. If this does not occur then the delivery timeline for the project may be different. The construction period is an estimate only and may change.