



**ASX: RES**

1 October 2015

**ASX Release**

**Resource Generation claims illegal collective action by shareholders**

- Altius asked to withdraw general meeting requisition to avoid jeopardising mine's funding.

Following receipt of the general meeting requisition announced on 29 September 2015, Resource Generation Limited has written to the Australian Securities and Investments Commission (ASIC) claiming illegal collective action by three of the company's shareholders, Shinto Torii Inc (a subsidiary of Altius Investment Holdings (Pty) Limited), Noble Resources International Pte Ltd (a subsidiary of Noble Group Limited) and Public Investment Corporation SOC Limited (PIC). The company claims that Altius is acting on behalf of Noble and PIC in addition to itself in requisitioning a general meeting to replace Resource Generation's directors with its own nominees. The company is considering what other actions are available to it in respect of this matter.

During extensive negotiations with financiers, including Noble Group and PIC, on a financing package for the construction of Resource Generation's Boikarabelo mine in the Waterberg region of South Africa, the company disclosed material information to Altius, Noble Group and PIC. This information was disclosed on condition that it was confidential and would be used only in connection with the funding negotiations and for no other purpose.

This information may have been used for other purposes in breach of this condition. If shareholders vote to remove Resource Generation's existing board, this potential breach is unlikely to be pursued.

As announced on 30 September, Resource Generation has received a signed Memorandum of Understanding from HAB & JPR Privée, a Swiss private company, to provide in-principle funding of EUR480 million to enable construction of the mine.

HAB & JPR Privée has indicated that if there is a change of directors it reserves the right to cancel the loan facility. Accordingly, Resource Generation has written to Altius asking it to withdraw its requisition for the general meeting so the mine's funding is not jeopardised.

The funding to be provided by HAB & JPR Privée is materially more favourable than incomplete proposals received from the club of financiers, including Noble Group and PIC, which would result in a substantial transfer of value to Noble Group and PIC from Resource Generation's shareholders and its BEE partner.



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### **Contacts**

Paul Jury, Managing Director on (02) 9376 9000 or  
Steve Matthews, Executive Director on (02) 9376 9000

### **Media enquiries**

Anthony Tregoning (02) 8264 1000

*Resource Generation is developing its Boikarabelo coal mine in the Waterberg region of South Africa, which accounts for 40% of the country's remaining coal resources. There are probable reserves of 744.8\* million tonnes of coal on 35% of the tenements under the company's control (refer ASX announcement dated 16 December 2010). Stage 1 of the mine development targets saleable coal production of 6 million tonnes per annum.*

*\* This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*