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## RESOURCE GENERATION LIMITED

ACN 059 950 337

## NOTICE OF ANNUAL GENERAL MEETING

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**TIME:** 10.00am (Brisbane time)

**DATE:** Wednesday 23 November 2016

**PLACE:** Minter Ellison, Level 22, Waterfront Place, 1 Eagle Street, Brisbane, Qld 4000

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 0413 706 143.*

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The Annual General Meeting of the Shareholders of Resource Generation Limited (Resgen) will be held at 10.00am (Brisbane time) on Wednesday 23 November 2016 at:

Minter Ellison, Level 22, Waterfront Place, 1 Eagle Street, Brisbane, Qld 4000

### YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### VOTING BY PROXY

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#### Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) deliver the proxy form:
  - (i) by hand to the Company's share registry, Boardroom Pty Limited at Level 12, 225 George Street, Sydney NSW 2000; or
  - (ii) by post to Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001;
- (b) fax the proxy form to Boardroom Pty Limited on facsimile number (61) 2 9290 9655; or
- (c) vote online at [www.votingonline.com.au/resgenagm2016](http://www.votingonline.com.au/resgenagm2016) and follow the prompts.

so that it is received not later than 10.00 am (Brisbane time) on 21 November 2016. Proxy forms received later than this time will be invalid.

**Your proxy form is enclosed as a separate document.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Resource Generation Limited will be held at 10.00 am (Brisbane time) on Wednesday 23 November 2016 at Minter Ellison, Level 22, Waterfront Place, 1 Eagle Street, Brisbane, Qld 4000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 6.00 pm (Brisbane time) on Monday, 21 November 2016.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### 1. ORDINARY BUSINESS – DIRECTORS' REPORT AND FINANCIAL STATEMENTS

To receive the financial report of the Company for the year ended 30 June 2016, together with the directors' report and the auditor's report as set out in the Annual Integrated Report for 2016.

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#### 2. RESOLUTION 1 – RE-ELECTION OF DR KONJI SEBATI AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

*"That, Dr Konji Sebati, being a Director, retires by rotation in accordance with clause 11.1 of the Constitution and, being eligible, is hereby re-elected as a Director."*

#### Voting Exclusion Statement –Resolution 1

In accordance with an undertaking to the Company, the Company will disregard any votes cast on resolution 1 by:

- Resgen Scrip Lending Pty Limited.

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#### 3. RESOLUTION 2 – RE-ELECTION OF MR COLIN GILLIGAN AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

*"That, Mr Colin Gilligan being a Director, retires by rotation in accordance with clause 11.1 of the Constitution and, being eligible, is hereby re-elected as a Director."*

### **Voting Exclusion Statement –Resolution 2**

In accordance with an undertaking to the Company, the Company will disregard any votes cast on resolution 2 by:

- Resgen Scrip Lending Pty Limited.

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### **4. RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report.”*

#### **Short Explanation:**

The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company’s annual general meeting. The vote on Resolution 3 is advisory only and does not bind the Directors or the Company.

### **Voting Exclusion Statement –Resolution 3**

In accordance with an undertaking to the Company, the Company will disregard any votes cast on resolution 3 by:

- Resgen Scrip Lending Pty Limited.

The Company will also disregard any votes cast on resolution 3 by:

- a director or a member of the key management personnel as disclosed in the Remuneration Report; and
- a closely related party (such as close family members and any controlled companies) of those persons.

However the Company need not disregard a vote if:

- it is cast by the person chairing the meetings as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

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**4. CHAIRMAN'S VOTING INTENTIONS**

If the Chairman of the Meeting is appointed as a proxy or may be appointed by default, and the shareholder does not direct the proxy how to vote in respect of any resolution, the Chairman intends to vote in favour of all resolutions. In relation to remuneration related resolutions, specifically resolution 3, the Chairman will vote in favour of the resolution.

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**5. EXPLANATORY STATEMENT**

The accompanying Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

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**6. VOTING ENTITLEMENTS**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001*, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person as set out in the register of Shareholders as at 6pm (Brisbane time) on Monday, 21 November 2016. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

**DATED: This 17th day of October 2016**  
**BY ORDER OF THE BOARD**

**MIKE MEINTJES**  
**COMPANY SECRETARY**



# **EXPLANATORY STATEMENT TO SHAREHOLDERS**

## **RESOURCE GENERATION LIMITED (ACN 059 950 337)**

### **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 10.00 am (Brisbane time) on Wednesday 23 November 2016 at Minter Ellison, Level 22, Waterfront Place, 1 Eagle Street, Brisbane, Qld 4000

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. ORDINARY BUSINESS – DIRECTORS' REPORT AND FINANCIAL STATEMENTS

As required by section 317 of the Corporations Act, the financial report, directors' report and auditor's report of the Company for the year ended 30 June 2016 will be laid before the meeting. No resolution is required for this item of business.

A copy of the Company's integrated annual report is available at [www.resgen.com.au](http://www.resgen.com.au).

In accordance with the Corporations Act, during this item of business a reasonable opportunity will be given to Shareholders as a whole to ask questions about, or make comments on, the management of the Company.

Similarly, a reasonable opportunity will be given to Shareholders as a whole to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the audit for the year ended 30 June 2016.

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### 2. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – DR KONJI SEBATI

In accordance with Listing Rule 14.4 and clause 11.1 of the Constitution, Resolution 1 seeks the re-election of Dr Konji Sebati who retires by rotation.

These requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement).

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account.

Dr Sebati retires by rotation at this meeting and, being eligible, offers herself for re-election.

Dr Sebati was appointed by shareholders on 26 November 2016 at a general meeting requisitioned under S249D of the *Corporations Act (Cth)*.

Dr Sebati is a medical practitioner and CEO of national pharmaceutical association IPASA. She has practiced in the public sector, specialising in rural child health. She subsequently joined the private sector and served in senior positions in South Africa and USA with Roche and Pfizer.

Dr Sebati was appointed South African Ambassador to Switzerland in 2004 and Ambassador to France in 2008.

Dr Sebati brings a wealth of experience in government and community relations, given her long involvement in both public and private health sectors both in South Africa and internationally. This is particularly important for Resgen as we work to align our shareholders' interests with those of the national and relevant provincial and municipal governments in South Africa and in the Waterberg region, and also with the members of the communities in which our operations are carried out.



Dr Sebati regarded as an independent board member, is a member of the Audit Committee and has attended all Board and Audit Committee meetings since joining the Board.

All the Directors, other than Dr Sebati, recommend that shareholders vote in favour of Resolution 1.

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### **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR COLIN GILLIGAN**

In accordance with Listing Rule 14.4 and clause 11.1 of the Constitution, Resolution 2 seeks the re-election of Mr Gilligan who retires by rotation.

These requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement).

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account.

Mr Gilligan retires by rotation at this meeting and, being eligible, offers himself for re-election.

Mr Gilligan was appointed by shareholders on 26 November 2016 at a general meeting requisitioned under S249D of the *Corporations Act (Cth)*.

Mr Gilligan is a mining engineer with extensive experience of contract mining and project construction. He has 30 years' experience as general manager and Chief Operating Officer (COO) of coal mining companies and more recently as COO of Mitsui Coal Australia. As COO of Coalspur Mines, he was a key participant in raising a US\$350 million debt facility.

Mr Gilligan has made an important contribution to the technical review of the Boikarabelo Mine since joining the Board. Mr Gilligan has been the Chairman and significant contributor to the Technical Committee established in December 2015. This Committee has terms of reference to evaluate viable alternate operational models in order to reduce the capital cost of the project; to examine options to make more efficient use of capital and minimize risk exposure during the execution phase; and to review and optimise the mine plan.

Mr Gilligan's technical skills and experience in the coal mining sector and in developing and operating mines will be particularly important once the Company achieves financial close and moves into the execution phase. It is proposed that Mr Gilligan will Chair a Project Oversight Committee that has been established by the Board.

Mr Gilligan is regarded as an independent board member, is a member of both the Risk and Nomination Committees and has attended all Board and sub-committee meetings since joining the Board.

All the Directors, other than Mr Gilligan, recommend that shareholders vote in favour of Resolution 2.

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### **4. RESOLUTION 3 – REMUNERATION REPORT (NON-BINDING RESOLUTION)**

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report be adopted must be put to the vote. Resolution 3 seeks this approval.

However, in accordance with section 250R(3) of the Corporations Act, Shareholders should note that resolution 3 is an “advisory only” resolution which does not bind the Directors of the Company.

Following consideration of the remuneration report, the Chairman, in accordance with section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

At the 2015 AGM, the Company received a “first strike” in accordance with section 250R(2) of the Corporations Act 2001. Following receipt of the “first strike”, the Company has reviewed its remuneration policy and engaged with shareholders to seek to understand the concerns that led to the “first strike”. In addition the Company has specifically considered the clarity of its Section 300A (*Corporations Act*) disclosures contained in the Directors’ Report (Remuneration Report section) within the Company’s Integrated Annual Report, including:

- (a) Board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of directors, secretaries and senior executives of the Company;
- (b) discussion of the relationship between such policy and the Company’s performance; and
- (c) the prescribed details in relation to the remuneration of each Director and certain executives.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

If a “second strike” being more than 25% of votes cast being against Resolution 3 occurs then the Board must hold a Spill Meeting within 90 days of the AGM. All directors cease to hold office immediately before the spill meeting and an election to appoint persons to vacated offices occurs at the Spill Meeting.

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## 5. GLOSSARY

For the purposes of the Notice of Meeting and Explanatory Memorandum:

**AGM or Annual General Meeting** means the Annual General Meeting of the Company to be held on 23 November 2016;

**ASIC** means the Australian Securities & Investments Commission;

**ASX** means the ASX Limited;

**Board** means the board of directors of the Company;

**Business Day** means a week day on which banks are open for general banking business in Brisbane;

**Closely Related Party** (as defined in the *Corporations Act*) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member’s spouse; or
- (c) a dependant of the member or the member’s spouse; or
- (d) anyone else who is one of the member’s family and may be expected to influence the member, or be influenced by the member, in the member’s dealings with the entity; or
- (e) a company the member controls; or

(f) a person prescribed by the regulations for the purposes of this paragraph;

**Company, Resource Generation Ltd or Resgen** means Resource Generation Ltd ACN 059 950 337;

**Corporations Act** means *Corporations Act 2001* (Cth);

**Directors** means the directors of the Company from time to time;

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice of Meeting;

**Key Management Personnel** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity;

**Listing Rules or ASX Listing Rules** means the Official Listing Rules of the ASX as amended from time to time;

**Meeting** means the Annual General Meeting to be held on 23 November 2016 as convened by the accompanying Notice of Meeting;

**Notice of Meeting or Notice** means the notice of meeting which accompanies this Explanatory Memorandum;

**Ordinary Resolution** means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

**Resolutions** means the resolutions set out in the Notice of Meeting;

**Shares** means fully paid ordinary shares in the Company from time to time;

**Shareholders** means the holders of Shares in the Company;

**Special Resolution** means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution;

**Trading Day** has the meaning given to that term in the Listing Rules.