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## RESOURCE GENERATION LIMITED

ABN 91 059 950 337

### NOTICE OF GENERAL MEETING REQUISITIONED BY SHINTO TORII INC PURSUANT TO SECTION 249D OF THE CORPORATIONS ACT (CTH)

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- TIME:** 9.45am (Sydney time) or immediately after the conclusion of the 2015 Annual General Meeting, whichever is the later
- DATE:** Thursday 26 November 2015
- PLACE:** Sofitel Wentworth Hotel, 61-101 Phillip Street, Sydney NSW 2000

*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 (02) 9376 9000.*

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## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

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### **VENUE**

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A General Meeting of the Shareholders of Resource Generation Limited will be held at 9.45am (Sydney time) or immediately after the conclusion of the 2015 Annual General Meeting, whichever is the later, on Thursday 26 November 2015 at:

Sofitel Wentworth Hotel, 61-101 Phillip Street, Sydney NSW 2000.

### **YOUR VOTE IS IMPORTANT**

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The business of the General Meeting affects your shareholding and the control of the Company. Your vote is important.

The General Meeting has been requisitioned by a shareholder, Shinto Torii Inc.

### **VOTING IN PERSON**

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To vote in person, attend the 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 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 General Meeting or handed in at the 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 on line at [www.votingonline.com.au/resgm2015](http://www.votingonline.com.au/resgm2015) and follow the prompts.

so that it is received not later than 9.45 am (Sydney time) on 24 November 2015. 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 GENERAL MEETING

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Notice is given that a General Meeting of Shareholders of Resource Generation Limited will be held at 9.45 am (Sydney time) or immediately after the conclusion of the 2015 Annual General Meeting, whichever is the later, on Thursday 26 November 2015 at Sofitel Wentworth Hotel, 61-101 Phillip Street, Sydney NSW 2000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the 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 General Meeting are those who are registered Shareholders of the Company at 7.00 pm (Sydney time) on Tuesday, 24 November 2015.

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

### AGENDA

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#### 1. RESOLUTION 1 – APPOINTMENT OF DIRECTOR - MR LULAMILE XATE

To consider and, if thought fit, to pass the following **ordinary resolution**:

*“That, in accordance with 11.4.1 of the Company's constitution, Mr Lulamile Xate be appointed as a director of Resource Generation Limited effective immediately on the passing of this resolution.”*

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#### 2. RESOLUTION 2 – APPOINTMENT OF DIRECTOR - DR KONJI SEBATI

To consider and, if thought fit, to pass the following **ordinary resolution**:

*“That, in accordance with 11.4.1 of the Company's constitution, Dr Konji Sebati be appointed as a director of Resource Generation Limited effective immediately on the passing of this resolution.”*

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#### 3. RESOLUTION 3 – APPOINTMENT OF DIRECTOR - MR ROBERT CROLL

To consider and, if thought fit, to pass the following **ordinary resolution**:

*“That, in accordance with 11.4.1 of the Company's constitution, Mr Robert Croll be appointed as a director of Resource Generation Limited effective immediately on the passing of this resolution.”*

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#### 4. RESOLUTION 4 – APPOINTMENT OF DIRECTOR - MR LEAPEESTSWE MOLOTSANE

To consider and, if thought fit, to pass the following **ordinary resolution**:

*“That, in accordance with 11.4.1 of the Company's constitution, Mr Leapeestswe Molotsane be appointed as a director of Resource Generation Limited effective immediately on the passing of this resolution.”*

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#### 5. RESOLUTION 5 – APPOINTMENT OF DIRECTOR - MR DENIS GATELY

To consider and, if thought fit, to pass the following **ordinary resolution**:

*“That, in accordance with 11.4.1 of the Company's constitution, Mr Denis Gately be appointed as a director of Resource Generation Limited effective immediately on the passing of this resolution.”*

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**6. RESOLUTION 6 – APPOINTMENT OF DIRECTOR - MR COLIN GILLIGAN**

To consider and, if thought fit, to pass the following **ordinary resolution**:

*“That, in accordance with 11.4.1 of the Company's constitution, Mr Colin Gilligan be appointed as a director of Resource Generation Limited effective immediately on the passing of this resolution.”*

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**7. RESOLUTION 7 – REMOVAL OF DIRECTOR - MR GEOFFREY ROSE**

To consider and, if thought fit, to pass the following **ordinary resolution**:

*“That, in accordance with section 203D of the Corporations Act, Mr Geoffrey Rose be removed as a director of Resource Generation Limited effective immediately on the passing of this resolution.”*

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**8. RESOLUTION 8 – REMOVAL OF DIRECTOR - MR STEPHEN JAMES MATTHEWS**

To consider and, if thought fit, to pass the following **ordinary resolution**:

*“That, in accordance with section 203D of the Corporations Act, Mr Stephen James Matthews be removed as a director of Resource Generation Limited effective immediately on the passing of this resolution.”*

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**9. RESOLUTION 9 – REMOVAL OF DIRECTOR - MR PAUL JOHN JURY**

To consider and, if thought fit, to pass the following **ordinary resolution**:

*“That, in accordance with section 203D of the Corporations Act, Mr Paul John Jury be removed as a director of Resource Generation Limited effective immediately on the passing of this resolution.”*

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**10. RESOLUTION 10 – REMOVAL OF DIRECTOR - MR BRIAN DAVID WARNER**

To consider and, if thought fit, to pass the following **ordinary resolution**:

*“That, in accordance with section 203D of the Corporations Act, Mr Brian David Warner be removed as a director of Resource Generation Limited effective immediately on the passing of this resolution.”*

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**11. EXCLUDED VOTES**

In accordance with an undertaking to the Company, the Company will disregard any votes cast on resolutions 1-10 by Resgen Scrip Lending Pty Limited.

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**12. 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 against all resolutions.

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**13. EXPLANATORY STATEMENT**

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

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## **14. CONSTITUTION AND CORPORATIONS ACT MATTERS**

- 14.1 The director appointment resolutions (Resolutions 1 to 6) are proposed pursuant to clause 11.4.1 of the Company's Constitution, which provides that the Company in general meeting may by resolution appoint any person to be a Director as an addition to the existing Directors, but so that the number of Directors does not at any time exceed 10 Directors. The resolutions seek to appoint six Directors and there are 4 existing Directors. Directors appointed under this clause hold office until the next general meeting of the company and are then eligible for re-election (clause 11.4.2).
- 14.2 The director removal resolutions (Resolutions 7 to 10) are proposed pursuant to section 203D of the Corporations Act 2001 (**the Act**), which provides that a public company may by resolution remove a director from office despite anything in the company's constitution or in agreements. There are certain obligations on the Company under this section and the Company has complied with those obligations.
- 14.3 Section 201A(2) of the Act provides that a public company must have at least 3 directors and at least 2 directors must ordinarily reside in Australia.
- 14.4 Section 201D of the Act provides that the company contravenes that section if a person does not give the company a signed consent to act as a director of the company before being appointed. As at the date of this notice, the Company has not received signed consents to act as director from the proposed directors.

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## **15. 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 General Meeting will be the entitlement of that person as set out in the register of Shareholders as at 7.00pm (Sydney time) on Tuesday, 24 November 2015. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the General Meeting.

**DATED: This 14th day of October 2015**  
**BY ORDER OF THE BOARD**

**STEVE MATTHEWS**  
**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 General Meeting to be held at 9.45 am (Sydney time) or immediately after the conclusion of the 2015 Annual General Meeting, whichever is the later, on Thursday 26 November 2015 at Sofitel Wentworth Hotel, 61-101 Phillip Street, Sydney NSW.

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. RESOLUTIONS 1-10 – APPOINTMENT AND REMOVAL OF DIRECTORS

The general meeting has been requisitioned by Shinto Torii Inc, a shareholder with an approximate 10.7% shareholding, pursuant to Section 249D of the Corporations Act. It has requested the Company to distribute its Members’ Statement pursuant to Section 249P of the Corporations Act and it has been attached to this Explanatory Statement.

The ten resolutions proposed by Shinto Torii Inc include the appointment of six nominees of Shinto Torii Inc (Resolutions 1 – 6) and the removal of all four members of the current board of directors (Resolutions 7 – 10). All existing directors **RECOMMEND** that shareholders vote **AGAINST** all the resolutions put forward by Shinto Torii Inc. The reasons for that recommendation are set out in the Directors’ Statement attached as Annexure 1.

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**2. ANNEXURE 1 – CURRENT DIRECTORS’ STATEMENT FOR REQUISITIONED MEETING**

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**Your choice at the general meeting on 26 November 2015 is between...**

## **UNCERTAINTY**

or

## **AN EXPERIENCED TEAM WITH A WORKABLE PLAN**

### **Do you want to take these risks?**

If Resource Generation's board is removed and replaced by nominees of Altius<sup>2</sup> and Noble<sup>3</sup>:

- The funding<sup>4</sup> proposed by the debt club (which includes Noble and is arranged by Altius which has a financial interest in its acceptance) may not materialise as it is highly conditional
- With the debt club funding, a 6-12 month delay is likely while 50 conditions precedent are satisfied before any funding will be made available
- A number of the conditions imposed by the debt club are impractical and/or unachievable
- You will be accepting additional risks as the debt club's funding proposal is based on variations to Boikarabelo's business case that have not been validated
- Plans that have been developed meticulously by highly qualified mining and engineering professionals will be discarded in favour of expeditious and untested alternatives.
- You will be endorsing Noble's plan to sign mining and construction contracts with its preferred contractors without competitive tenders
- You will be handing over control and supervision of the construction of a major coal project to a group of fund managers, equity investors and commodity traders
- The social and labour program to which Resource Generation is committed may not proceed
- The terms of the preference shares to be issued to Noble and PIC<sup>5</sup> as part of the proposed debt club funding package will materially reduce Resource Generation's capacity to pay dividends, transferring value from shareholders to Noble and PIC
- Your interest in the Boikarabelo mine will be worth substantially less

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1 Brian Warner (chairman), Paul Jury (managing director), Stephen Matthews (executive director), Geoffrey (Toby) Rose (non-executive director)

2 Altius is the parent company of Shinto Torii which has requisitioned the general meeting

3 Noble Group is a 13.69% shareholder in Resource Generation and has marketing arrangements with the company

4 Based on Noble's final offer dated 21 July 2015; all references in this document to the debt club funding are based on this offer

5 PIC (Public Investment Corporation (SOC) Limited) is a 19.49% shareholder in Resource Generation

## Background

The Boikarabelo project is owned and operated by Ledjadja Coal (Proprietary) Limited, a South African company, in which Resource Generation has a 74% shareholding. Resource Generation's partner, with a 26% shareholding, is Fairy Wing Trading 136 Proprietary Limited, a South African BEE (black economic empowerment) company.

Ledjadja's board consists of two representatives of Resource Generation and two representatives of Fairy Wing, and one of Fairy Wing's directors, Themba Langa, is Ledjadja's CEO.

Resource Generation identified the potential of the Waterberg region, which accounts for 40% of South Africa's remaining coal resources, seven years ago. Since then Resource Generation has invested AUD157 million in the Boikarabelo project.

Ledjadja has acquired all necessary land access for the mine and its infrastructure and has obtained all regulatory consents. A construction camp for up to 1,320 people has been constructed and power and water services have been connected. Earthworks have begun and bridges have been constructed for a 40 kilometre rail link to Transnet Freight Rail's network. Ledjadja has also completed 13 kilometres of a 58 kilometre pipeline to a nearby effluent treatment plant, which will supply water and is part of the mine's social and labour plan.

The South African BEE subsidiary of FLSmidth & Co has completed a detailed level of design for the coal handling and preparation plant, the largest item in the capital budget, and has been contracted to provide engineering, procurement, supply and construction management of the plant.

In mid-2014, Ledjadja expected production to begin in mid-2016, subject to securing debt funding to complete construction and buy mobile equipment. The first tranche of this finance was secured in August 2014 through a loan facility with Komatsu Financial Limited Partnership for the mobile equipment fleet. Noble had agreed to provide loans totalling USD122.9 million for the mine's rail link and site infrastructure but only \$US20 million was provided.

The weakening coal price unfortunately delayed credit approval from the debt club for the balance of the capital requirement. In June 2015, the company believed it was close to an in-principle agreement with the debt club for a multi-layered funding package, but then Noble withdrew its commitment to provide part of this package.

In July 2015, Noble submitted to Resource Generation a revised term sheet based on financial and operating models which differed significantly from term sheets and models that had been proposed previously.

Detailed analysis of Noble's financial and operating models identified discrepancies and risks that Resource Generation's board was not prepared to accept. These included subcontracting mining operations, at unsubstantiated costs, to a company chosen by Noble without competitive tenders.

Resource Generation's board also was not prepared to accept Noble's revised financial model which would have resulted in a substantial transfer of value from shareholders to Noble and PIC.

Resource Generation has been seeking alternative debt funding in parallel with its negotiations with the debt club. One prospect, that had been the subject of detailed discussions for several weeks, materialised the evening before Altius' requisition was received. This has resulted in a memorandum of understanding from a Swiss company to provide the funding to construct the mine on terms that are substantially more attractive to shareholders than the debt club's proposal. The counterparty has reserved its rights to cancel its funding in the event of a change in Resource Generation's board.

## **Why the proposed debt club funding is not in shareholders' best interests:**

- The preference shares will give Noble and PIC a 902% return over 13 years, resulting in a bullet payment liability of approx. ZAR6.7 billion (approx. AUD700 million) for Ledjadja that will have a negative impact on the value of Ledjadja and Resource Generation's share price
- Resource Generation's ability to redeem the preference shares in year 13, as required by their terms, is uncertain
- Noble will receive interest of up to 18% per annum on the cost over-run facility it is proposing to provide
- Conditions are onerous, including excessive and expensive hedging
- Altius will receive a success fee of 2% (approximately USD 10 million) of the funding package, so has a vested interest in ensuring the debt club's funding package, however onerous, is agreed

## **Why doesn't the current board just do what Noble wants? Why does the board disagree with Noble's approach?**

Resource Generation's board is strongly committed to the success of the project and to acting in the best interests of the company and its shareholders.

Each board member is well aware of his duties as a director: one of those duties is to act diligently and exercise reasonable business judgement. In exercising this duty, the board has been supervising the development of mining plans on the owner/operator model and these plans have been reviewed and approved by an independent technical expert. This gives the board confidence that the plans are workable, and contracts with third parties have been signed based on these plans, following competitive tender processes consistent with the company's procurement policies. Funding has been sought based on these plans.

Noble has proposed that third party contractors be engaged to provide all equipment and plant and manage the operations on a contract basis. Ledjadja asked to see a cogent plan with suitable supporting material, but Noble failed to provide these and has proposed that its nominated contractors be engaged without a tender process.

A board acting in good faith with diligence and exercising reasonable business judgement could not accept Noble's proposals as presented without supporting material. The directors would be open to claims of breach of directors' duties and do not wish to be in that position. Also, Noble's proposals are high risk so are not in the best interests of the company and its shareholders. These are the reasons that the board has not accepted Noble's proposals.

Resource Generation did ask Ledjadja to start an open tender process for contract mining at Noble's request, but this process has been suspended pending the results of the general meeting so as to be fair to the tenderers. If the board is changed, the board understands the tender process is likely to be cancelled and Noble's nominated contractor is likely to be awarded the contract.

## Rebutting Altius' claims

Altius prepared a Members' Statement for distribution with the notice of general meeting, which is annexure 2 to the notice. Altius makes certain claims which Resource Generation believes misrepresent the facts.

Altius' criticism is particularly strange as Robert Lowe, Altius' CEO, and Leapeetswe (Papi) Molotsane, one of the candidates nominated by Altius to join Resource Generation's board, have been receiving consultancy fees from Ledjadja to provide the services that Altius is claiming have not been provided. It would seem, therefore, incongruous to say that there has been a failure to provide services when it was Altius and Papi Molotsane who were commissioned to provide them.

### 1. Inability to secure debt funding

Altius' claim that Resource Generation's board 'has provided limited interaction and little assistance to the debt syndicate to negotiate a funding agreement' is incorrect. The company has conducted extensive and detailed negotiations with the debt syndicate and in June 2015 understood that agreement was close on a funding package that could be presented to shareholders.

As mentioned in the Background above, Noble then withdrew its commitment to provide a critical part of the package and provided an alternative funding proposal. Following detailed analysis of this alternative funding proposal, Resource Generation's directors identified discrepancies and both material operational and material financial risks that they were not prepared to accept. These issues were so serious that acceptance of this proposal would have breached the directors' fiduciary duties.

The directors reject Altius' claim that Resource Generation has 'failed to respond appropriately to shareholder concerns'. They also reject Altius' claim that its proposed new board would be better placed to secure debt funding.

### 2. Advancing the stalled South African project

Altius claims that the Boikarabelo project would benefit from 'local South African representation' on its board. As mentioned above, 50% of Ledjadja's directors (Debbie Ntombela and Themba Langa) are South African and Mr Langa is CEO. Ledjadja's board and management team combine extensive experience in the resources industry in both South Africa and Australia, and Resource Generation's representatives on the Ledjadja board have a track record of delivering successful coal mining projects.

Ledjadja's management have demonstrated their ability through developing infrastructure for the mine's construction, and they have an 'operational readiness plan' to speed up the path to production as soon as funding is received. In addition, a mining plan and a process flowsheet have been developed to optimise the recovery of coal and deliver low operating costs for the life of the mine.

Excellent relationships have been established with local communities and contractors. Ledjadja has introduced an extensive social and labour plan, including health care initiatives and skills development so members of local communities can secure a range of jobs at the mine. As part of this plan, Ledjadja has constructed part of a pipeline associated with an effluent treatment plant, yet to be constructed, to the local community of Lephale.

Resource Generation's and Ledjadja's commitment to support local communities contrasts with the alternative financial and business model proposed by Noble in July 2015 which did not allow for an equivalent social and labour plan.

### 3. An Australian listed company

Altius' claim that 'shareholders cannot expect the project to proceed smoothly while it is managed exclusively by a foreign-based board and managing director' misrepresents the facts. As mentioned above, 50% of Ledjadja's directors and its CEO are South African. All senior management responsible for the construction and operation of the mine are also South African.

Ledjadja has demonstrated its ability to develop the mine through securing all licences and approvals, signing contracts with Transnet Freight Rail and Bulk Connections for access to the Port of Durban, and making substantial progress with the mine's infrastructure.

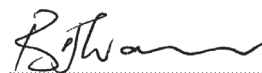
Ledjadja represents a successful BEE operation. Resource Generation and its BEE partner Fairy Wing Trading have at all times functioned cohesively and have successfully developed and secured all the licences and approvals necessary for the project to be developed. The operation is lauded by the DMR for its compliance under the MPRDA. This was achieved in an environment of mutual trust and respect between the staff, consultants, departmental staff and the local community.

### Why you should back Resource Generation's current board

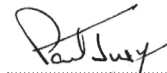
Issue	If you back the current board	If you vote for the Altius/Noble changes
Future intentions/commitment to project	Cogent validated plan in place	No solid plan
Funding terms	Reasonable terms can be expected	Excessive self-interest terms
Project construction and mining plans	Proven management and board Contracts in place with established parties	Plan unknown
Social and labour plans	Approved plan in action	No commitment
Management of mine	Experienced team in place with detailed operation readiness in place	Plan unknown

**Altius has not substantiated its claims that changing Resource Generation's board would progress the development of the project.**

**In fact, it is likely that the opposite is the case.**



Brian Warner



Paul Jury



Stephen Matthews



Geoffrey Rose

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**3. ANNEXURE 2 – SHINTO TORII INC'S MEMBERS' STATEMENT FOR REQUISITIONED MEETING**

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## **ANNEXURE - MEMBERS' STATEMENT FOR REQUISITIONED MEETING**

The Requisitioning Shareholder provides this statement to explain its proposal for shareholders to remove Mr Geoffrey Rose, Mr Stephen James Matthews, Mr Paul John Jury and Mr Brian David Warner (together the **Board**) as directors of the Company and replace them with directors nominated in this statement.

### **1. Inability to secure debt funding**

Despite its efforts over the last four years the Board has failed to secure debt funding for the Boikarabelo Coal Mine project ("the Project"), the Company's major asset. The Project is now at a critical juncture with a funding solution required urgently to progress the Project or risk stalling and a prolonged delay.

In March 2014 the Company appointed Altius Investment Holdings (Proprietary) Limited ((**Altius**), the holding company of the Requisitioning Shareholder), to secure debt funding for the Project. Altius formed a debt syndicate comprising HSBC, Rand Merchant Bank, Industrial Development Corporation ("IDC"), Public Investment Corporation ("PIC") and Noble Resources International Pte Ltd (**Debt Syndicate**).

Since then, the Board has provided limited interaction and little assistance to the Debt Syndicate to negotiate a funding agreement to advance the Project. Neither has the Board provided any alternative proposal, source of funds or innovative solutions to advance the Project. Reviews relating to capital expenditure, contract mining and CHPP are all initiatives of the Debt Syndicate.

The Requisitioning Shareholder believes the Board has failed in its obligation to shareholders to progress the Project and has failed to respond appropriately to shareholder concerns.

### **2. Advancing the stalled South African project**

The Project will benefit from Directors with greater local knowledge, influence and support within South Africa. It is a substantial construction and mining project in a remote region of South Africa. The total project cost will exceed US\$500 million and during construction phase will employ many local contractors and approximately 3000 local people. The success of the Project depends on harmonious relationships with local contractors, local employees and local stakeholders including the rail utility Transnet, electricity utility Eskom and government authorities.

The future of the Project depends on effective strategic direction and oversight from a board with diverse experience including local South African representation. Altius will be integral to the Project's success as a black owned investment holding company with an excellent reputation and

RC MW

connections. Altius has raised the profile of the Project in South Africa by introducing the Company to senior government officials, PIC and IDC and has restored the Company's relationships with Transnet and Eskom. The Project has considerable support from local stakeholders but there is an expectation for the Project to become more representative of South Africa, particularly if it is to proceed with the benefit of South African development funding.

### **3. An Australian listed company**

The proposal to appoint a new board is intended to promote the development of the Project without weakening the Company's independence and shareholders' protections under ASX listing rules. Shareholders cannot expect the Project to proceed smoothly while it is managed exclusively by a foreign-based Board and Managing Director with limited local knowledge, influence or presence.

In contrast, the proposed nominee directors can provide the Project with a strong strategic direction and level of experience necessary to ensure the Project is provided with every opportunity for success.

The Requisitioning Shareholder believes that a new board, comprising experienced and talented Australian and South African individuals is best placed to secure the required debt funding, supervise the construction and oversee management of the working mine.

The biographies for each of the proposed directors are set out below.

#### **Mr Lulamile Xate (South Africa)**

Lulamile is a Robben Island veteran and senior member of the ruling party. He has a wide range of business experience. Having completed articles at PricewaterhouseCoopers he has developed a number of successful businesses in the fishing, gas and forestry industries and is a director and chairman of a number of unlisted companies. Lulamile is a founding member and director of Altius. Altius is rated BBBEE level 1 being the highest rating under a statutory program to integrate black South Africans into the economy.

#### **Dr Konji Sebati (South Africa)**

Konji is a medical practitioner and the CEO of IPASA, a national pharmaceutical association. After practicing in the public sector where she specialized in rural child health she joined the private sector and served in senior positions in South Africa and USA with Roche and Pfizer. Konji was appointed South African Ambassador to Switzerland in 2004 and Ambassador to France in 2008.

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**Mr Robert Croll (South Africa)**

Rob is a mining engineer with 40 years experience in the mining industry. After serving in senior management positions in De Beers and Anglo American, Robert played a major role in managing the due diligence process for acquisitions for AngloGold. Rob is currently a Principal Consultant with The MSA Group.

**Mr Leapeetswe Rapula Radiala (Papi) Molotsane (South Africa)**

Papi has a distinguished business career having served on the Board and as Chief Executive Officer of Telkom, group executive of Transnet and Chief Executive Officer of Fedics. Papi is currently joint CEO of his own business consultancy company.

**Mr Denis Gately (Australia)**

Denis is a senior energy and resources lawyer who was a partner in Minter Ellison for 23 years until his retirement in June 2010 – with extensive experience in the energy and resources industry sectors both in Australia and overseas. Since his retirement as a partner, Denis has gained considerable experience as a non-executive director of a number of listed and unlisted Australian companies, including with business interests off shore Australia. These include Gloucester Coal Ltd, Alligator Energy Ltd (chair), Xanadu Mines Ltd (chair) and Murphy Pipe and Civil (chair)

**Mr Colin Gilligan (Australia)**

Colin is a mining engineer with extensive experience of contract mining and project construction. Colin has 30 years experience as general manager and COO of coal mining companies and more recently as COO of Mitsui Coal. As COO of Coalspur Mines, Colin was a key participant in raising a US\$350 million debt facility.

Further information about Altius and the proposed directors, is available to Shareholders at - <http://www.altiusholdings.com/>

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