

**Minutes of Second Meeting of Creditors of
Resource Generation Limited (Administrators Appointed)
ACN 059 950 337
("ResGen")**

Held virtually only on 6 August 2021 at 3:00 PM

- Present** As per the attached register of attendees.
- Opening** The Chairperson called the meeting to order and declared the second meeting of creditors of Resource Generation Limited open at 3:06pm on 6 August 2021.
- Chairperson** Jamie Harris, the Administrator, took the Chair pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-50.
- Virtual meeting** The Chairperson explained that the meeting was being held virtually in accordance with IPR 75-75.

The Chairperson explained that if anyone had any queries during the meeting, they should type them into the "questions" box, and they would be answered at an appropriate time during the meeting. Alternatively, attendees could unmute their microphone to ask a question verbally.
- Introductions** The Chairperson introduced:
- Melissa Smith, a senior staff member assisting the Administrators;
 - Laksh Chawla, a staff member assisting the Administrators; and
 - Ned Stevens, the Minutes Secretary.
- Recording** The Chairperson noted that the meeting was being recorded for the purposes of preparing the minutes.
- Quorum** The Chairperson declared that a quorum was present pursuant to IPR 75-105.
- Time and place of meeting** The Chairperson declared that in accordance with IPR 75-30, the Chairperson is of the opinion that the meeting has been validly convened at a date, time and place most convenient for the majority of persons entitled to receive notice of the meeting, given the meeting is accessible to all creditors wishing to participate by way of the virtual meeting platform.

Attendance

The Chairperson confirmed all creditors and attendees had been entered into the Attendance Register.

The Chairperson asked that when addressing the meeting, attendees should state their name and, if applicable, the creditor they are representing so that the details can be recorded in the minutes.

The Chairperson noted that there were observers in attendance:

- Mr Leigh Birch, Shareholder
- Frances del Rosario, representing Sedgman Pty Limited
- Neville Fong, representing Grant Samuel Capital Advisory Pty Limited
- Ryan Reddy, representing Noble Resources International Pte Ltd

The Chairperson asked if any creditors attending the meeting had an objection with the observers' presence. The Chairperson noted the observers are not able to participate in the meeting, however, may attend and listen to the meeting unless there is any objection from the creditors.

Mr Harvey and Mr Molotsane noted no objections. No other creditors attending the meeting expressed an objection to the observers' attendance. The observers were allowed to remain in the meeting.

The Chairperson noted that creditors will be admitted to vote in the meeting and the amounts they will be admitted to vote for the purposes of today's meeting only. The amounts creditors will be admitted for voting at this meeting will not be a ruling on the proofs of debt for the purposes of dividends and are purely for the purpose of attending today's meeting.

The Chairperson continued to introduce the creditors, the associated proof of debts and proxies in attendance:

- Molotsane, Leapeetswe (Mr) representing himself, admitted for the amount of \$104,735.95;
- Harvey, Brian (Mr) representing himself, admitted for the amount of \$42,426.18;
- Noble Resources International Pte Ltd for the amount of \$112,233,000.00; and
- Grant Samuel Capital Advisory Pty Limited for the amount of \$88,000.00.

The Chairperson advised that he held Specific Proxies from each on Noble Resources International Pte Ltd and Grant Samuel Capital Advisory Pty Limited and that he intended to vote on resolutions in this meeting in accordance with the Specific Proxies.

The Chairperson asked whether any of the creditors wished to view a summary of the proofs of debt or proxies received for the meeting or the underlying documents. No one present requested to inspect the documents.

Voting

The Chairperson advised the creditors in attendance:

- Pursuant to IPR 75-85, a person is eligible to vote at the meeting only if they have lodged particulars of their debt or a formal proof of debt or claim with the Administrators prior to the meeting.
- Pursuant to IPR 75-87, a secured creditor can vote in respect of their whole debt or claim without deducting the value of their security.
- Pursuant to IPR 75-110, all resolutions put to the meeting will be decided by a verbal poll.

- IPR 75-115 provides that:
 - a resolution is passed if a majority in number and a majority in value vote in favour of the resolution;
 - a resolution is not passed if a majority in number and a majority in value vote against the proposed resolution; and
 - in the event of a deadlock, the Chairperson may exercise a casting vote. In such situations, the Chairperson must specify reasons for exercising, or not exercising, the casting vote.
- There may be a short suspension of the meeting while votes are tallied prior to the result being announced.
- That voting on resolutions is required to be conducted via a poll with a record maintained of how each creditor has voted.

The Chairperson then provided guidance to creditors regarding the particular mechanism available for voting at the meeting.

Declaration of Independence, Relevant Relationships and Indemnities

The Chairperson tabled the Declaration of Independence, Relevant Relationships and Indemnities circulated with the meeting information, as required by section 436DA of the Corporations Act (Act), and the Australian Restructuring, Insolvency & Turnaround Association's (ARITA) Code of Professional Practice.

The Chairperson noted that the DIRRI was available on the McGrathNicol website.

Purpose of meeting

The Chairperson state the purpose for this meeting is in accordance with the Notice of Meeting, and included the following items:

- to consider the Administrators' report that was circulated with the Notice of Meeting;
- to consider and vote on the company's future;
- to consider and, if creditors consider it appropriate, approve the remuneration of the Administrators detailed in the report; and
- any other business.

Section 439C of the Corporations Act, provides that creditors at this meeting may resolve:

- that the company execute a deed of company arrangement (**DOCA**);
- that the administration should end and control should be returned to the company directors; or
- that the company should be wound up.

Administrators' Report

The Chairperson provided the following explanation regarding ResGen and the Administrators' report.

Background

- ResGen was listed on the:
 - Australian Stock Exchange in October 2006; and

- Johannesburg Stock Exchange in July 2010.
- ResGen subsidiaries hold the rights to develop a large surface coal resource in the Waterberg region of South Africa.
- It has been focussed on the development of Boikarabelo Coal Mine, through its subsidiary Ledjadja Coal (Pty) Ltd (**Ledjadja**):
 - Anticipated to be the next viable Coal Reserve in South Africa
 - ResGen continues to hold a 74% interest in Ledjadja as per the 2021 half-year report
- Preliminary investigations indicate ResGen’s assets are comprised of:
 - cash (approximately \$140k); and
 - shareholdings in subsidiaries.
- It has been confirmed that Ledjadja was placed in provisional liquidation under South African law on 26 July 2021. This is a separate process to the voluntary administration of ResGen.

Key events prior to the appointment of Administrators

- ResGen is the parent entity within its group, and its primary purpose was to raise capital/funding for its subsidiaries, including Ledjadja, which holds the rights to develop the Boikarabelo Coal Mine.
- The key assets and operations are in ResGen’s subsidiaries.
- The Administrators were provided with the majority of ResGen’s books and records on 28 July 2021, which provided limited opportunity for review before the statutory deadline to issue our report to creditors. However, in the interim we reviewed the:
 - information available in the public domain; and
 - the limited books and records provided to us previously.
- The key events prior to the Administrators’ appointment (included in the Administrators’ report) was primarily derived from the ASX and JSE announcements. These announcements focused on the financing arrangements to which ResGen was a party.

Reasons given for failure

- ResGen’s primary purpose was to raise capital/funding for its subsidiaries. Accordingly, the reasons for its failure relate to capital/funding issues rather than any operational issues.
- Directors advised that delays in achieving financial close of the funding transaction for the development of the Boikarabelo Coal Mine led to ResGen ceasing trading, and credited being “under-capitalised” as the reason of failure.
- Soon after Ledjadja requested the lending syndicate to defer a limited number of conditions and offered alternatives for some other conditions. However, Industrial Development Corporation of South Africa Limited (member of the lending syndicate) resolved to cancel all previously approved funding facilities to Ledjadja.
- The finance facility for the Boikarabelo Coal Mine was ultimately not available.
- The ResGen group suffered working capital funding difficulties.

- Alternative finance to recapitalise the business was sought, with limited working capital and time to begin repayments for the finance facility with Noble.
- The efforts to obtain alternative finance were ultimately unsuccessful.

Key actions undertaken by Administrators

- Statutory obligations
 - Notified major financial institutions of the appointment and amended bank authorities.
 - Established a new Administrators' bank account.
 - Informed ASIC, the ATO and the OSR of the appointment and attended to various statutory lodgements.
 - Correspondence with the Directors and their support staff to understand the background, operating structure and financial position of ResGen.
 - Issued requests to the Directors to complete a ROCAP, director's questionnaire and to deliver the books and records of ResGen to the Administrators.
 - Securing ResGen's books and records including electronic accounting records.
 - Reviewed the books and records of ResGen and undertook preliminary investigations to ascertain ResGen's financial position, director conduct and transactions that may be recoverable by a liquidator.
 - Liaised with key stakeholders, including former employees, management, unsecured creditors and shareholders.
 - Commencing a detailed review of reporting obligations.
 - Attending to other general and statutory requirements.
- Creditors
 - Reviewed ResGen's records to determine ResGen's potential creditors.
 - Issued notices of appointment and a first circular to creditors convening the First Meeting of Creditors held on 14 July 2021.
 - Convened and chaired the First Meeting of Creditors and subsequently prepared and lodged the minutes of the meeting with ASIC.
 - Prepared report to creditors pursuant to section 75-225 of the IPR and prepared for the convening of the Second Meeting of Creditors.
 - Reviewed the books and records of ResGen and any proofs of debt received, in order to estimate the value of creditor claims.
 - Corresponded with creditors in response to their enquiries.
- Employees
 - Ensured staff were made aware of their rights and obligations on the Appointment Date, and the manner in which the administration process affects their entitlements.

- Reviewed employee files and ResGen's books and records to understand employment details.
- Considered pre-appointment employee entitlements position.
- Issued correspondence to employees to confirm employment terminated by ResGen.
- Corresponded with employees in response to their enquiries.
- Interested parties
 - Reviewing proposals received.
 - Liaising with interested parties.
- Investigation of company's affairs

Investigations

- The Administrators have conducted preliminary investigations in relation to ResGen, the conduct of its Directors and other parties, and whether there are any amounts that could be recovered in a liquidation of ResGen.
- Insolvent trading:
 - The Administrators' preliminary investigations indicate ResGen:
 - > may have been insolvent at some point after Noble withdrew its working capital funding (on or around 16 April 2021). However, ResGen appears to have continued to satisfy its debts as they fell due, until the appointment of Administrators, using funds transferred from the subsidiaries; and
 - > is now insolvent, from no later than when Noble issued its notice of demand on 13 July 2021.
- Voidable transactions:
 - The Administrators' preliminary investigations have not identified any voidable transactions.
 - Certain shareholders have alleged misconduct by the Directors. The Administrators have not yet been provided with sufficient particulars and evidence to support these allegations.
- Details of the investigations are set out in Administrators report; however, further investigations may be required if ResGen is wound up, including a commercial assessment of the merits and likelihood of recovery from pursuing any claim.

DOCA

The terms of a deed of company arrangement were set out in the Administrators' report.

The key terms of the DOCA are listed below:

- The proponents of the DOCA are the Administrators.
- A deed funder is not applicable.
- The administrators of the deed are the Administrators of ResGen.

- The purpose of the deed of company arrangement is:
 - To achieve a better return for ResGen's creditors than would result from an immediate winding up of ResGen.
 - To allow the Deed Administrators to seek proposals for the restructure or rearrangement of ResGen's business, property and affairs.
 - To allow the Deed Administrators to continue the investigation of the Company's business, property and affairs.
 - To enable the Deed Administrators to report to creditors and to allow creditors to approve any proposal to restructure or rearrange ResGen's business, property and affairs by agreeing to vary the Proposed DOCA.
- No external contributions will be provided to a DOCA Fund throughout the 'holding' DOCA.
- The control of ResGen remains with the Deed Administrators and as such, the monitoring and reporting arrangements.
- No property will be distributable to creditors under the terms of the DOCA.
- Any employee will retain existing priorities in respect of the property under the Deed Administrators' control.
- No amendments proposed for the differential treatment of creditors.
- The DOCA will end six months after its execution, unless the creditors resolve (e.g. if creditors approve a proposal to restructure or rearrange ResGen by agreeing to vary the DOCA), or the Court orders, otherwise.
- A moratorium on creditors from taking enforcement action during the term of the DOCA, the only exceptions being:
 - a secured creditor (noting none have been identified) from realising or otherwise dealing with its security interest except so far as:
 - > the secured creditor and any other secured creditor of ResGen voted in favour of the DOCA; and
 - > the Court orders under section 444F(2) of the Act; and
 - a right that an owner or lessor of property (noting none have been identified) has in relation to that property except so far as:
 - > the owner or lessor (as the case may be) voted in favour of the DOCA; and
 - > the Court orders under section 444F(4) of the Act.

Timeline of DOCA events

- The Chairperson noted that were four possible outcomes for the meeting:
 - End the Administrations;
 - Deed of Company Arrangement;
 - Winding up; and

– Adjourn meeting.

- If the DOCA is passed, the 'Holding' DOCA is executed within 15 business days.

It is the expectation of the Chairperson that the DOCA would run for six months. Within this period, the Administrators would convene a further meeting of creditors to consider a proposal to vary the DOCA.

Estimated returns to creditors – DOCA vs Liquidation

- No return to any class of creditors is currently estimated in either Liquidation or DOCA.
- The Administrators are of the opinion that a 'Holding' DOCA will allow the Deed Administrators an opportunity to (amongst other things) seek proposals for the restructure or rearrangement of ResGen's business, property and affairs.

Recommendation

The Administrators recommend creditors resolve that ResGen execute the proposed DOCA.

Questions

The Chairperson then opened the meeting for questions.

- Harvey, Brian: No questions
- Molotsane, Leapeetswe: Can you provide clarity on the position of shareholders in this exercise? You have indicated that there may not be a return to shareholders; is there any way that shareholders can derive any benefit from this exercise (of entering a deed of company arrangement)?

Chairperson: Yes there are ways that shareholders can derive benefit from entering into a deed of company arrangement. Until a proposal is put in place, the benefit is unknown for any class of creditor or shareholders. That is not unusual and these restructures can happen in one of two ways:

- Recapitalisation. This maintains the shareholders' position and shareholders therefore hold shares of a recapitalised business; or
- 'Back door listing'. If there is no value in the underlying shareholdings and assets, which the Chairperson is unaware of at this stage, parties can effectively purchase the shells of listed entities. The existing shareholders in this circumstances remain shareholders with a smaller proportion of the total shareholdings, subject to the proposal.

These circumstances will be presented in due course as the information is provided to the Administrators.

- Molotsane, Leapeetswe: This process is complicated as there are two parallel processes taking place in Australia and South Africa. There is the possibility that there are interested parties for the South African assets of ResGen. Should this interest be addressed to the Administrators in Australia, the Liquidator in South Africa or both parties?

Chairperson: Ideally interested parties would approach both the Administrators and the Liquidators. As previously noted, the Administrators have been in contact with the Liquidators in South Africa and are scheduling a meeting for the week ending 13 August 2021 to agree on protocols for interested parties and how to progress this interest.

It is in the interest of the Administrators and the Liquidators to cooperate to obtain the best outcome for all stakeholders.

Resolutions

1. **Decision regarding the future of the company**

The Chairperson explained each of the options available to creditors.

2. **The Administration to End**

As explained in the Administrators' report, the Administrators believe that if the control of the company were to return to the directors, the company would be in the same position it was in prior to the appointment. As the company is insolvent, the Administrators do not recommend this option.

3. **The Company be Wound Up**

The Chairperson noted that the estimated return to creditors is nil in the event that the company was wound up.

Ordinarily, in the event a company is wound up, employees in Australia may be entitled to apply under the Fair Entitlements Guarantee (**FEG**) for unpaid employee entitlements. However, FEG assistance is not available to non-Australian resident employees. The Administrators understand all ResGen employees are non-Australian residents and FEG assistance is therefore not available.

In the Administrators' opinion, a DOCA is in the best interest of creditors, and therefore, the Administrators do not recommend that the company be wound up.

4. **The Company execute a Deed of Company Arrangement**

As set out in the Administrators' report, it is recommended that the company enter into a DOCA for the following reasons:

- It preserves the business, property and affairs of ResGen.
- On the terms proposed and information available to the Administrators, the return to creditors from the DOCA is likely to provide a more beneficial outcome when compared to the potential outcome from winding up the ResGen as:
 - the Administrators anticipate the return to creditors (and other stakeholders) will likely be maximised via a restructure/recapitalisation of ResGen;
 - restructure/recapitalisation may only be achieved in a DOCA; and
 - it allows the Deed Administrators to seek proposals (including from Lurco) for the restructure/recapitalisation of ResGen.
- It allows the Deed Administrators to continue the administration and investigation of the Company's business, property and affairs, including the allegations made by certain shareholders. If, upon further investigation, the Deed Administrators consider the return to creditors in a liquidation is likely to be superior to a restructure/recapitalisation:
 - the DOCA may be terminated, either:

- automatically six months after execution, unless otherwise varied by creditors; or
- by resolution of creditors; and
- ResGen would then enter into liquidation.

The following resolution was put to the meeting:

“That ResGen executes a Deed of Company Arrangement and William James Harris, Anthony Connelly and Jason Preston be appointed Joint and Several Deed Administrators.”

The Chairperson noted that if the deed is not executed within the prescribed timeframe, the company will be placed into liquidation and the Administrators will be appointed as Liquidators.

Record of votes:

| | Number of votes | Value of votes \$ |
|------------|------------------------|------------------------------|
| In favour | 3 | 112,380,162.13 |
| Against | 0 | 0 |
| Abstaining | 1 | 88,000.00 |

- The Chairperson announced that the outcome of the vote was three in favour, one abstains and zero against the resolution.
- The resolution that ResGen executes a Deed of Company Arrangement and William James Harris, Anthony Connelly and Jason Preston be appointed Joint and Several Deed Administrators was carried. The Administrators will execute a Deed of Company Arrangement within the next 15 business days. At that point, the company will be subject to a Deed of Company Arrangement.
- The Chairperson noted that it is no longer required to put forward resolutions in relation to liquidation matters and those resolutions will not be put forward. The Chairperson moved to put forward resolutions in relation to the Administrators' Remuneration.

5. Administrators' Remuneration

Pursuant to IPS 60-10, a determination, specifying remuneration that an external administrator of a company is entitled to receive for necessary work properly performed, may be made by a resolution of creditors, the committee of inspection, or failing that, by the Court.

In accordance with IPR 70-45(3) and the Australian Restructuring, Insolvency & Turnaround Association's Code of Professional Practice, a Remuneration Report was provided to the creditors with notice of this meeting.

Following the passing of the resolutions, tax invoices will be rendered in due course.

The Chairperson provided an opportunity for creditors to ask any questions regarding the Administrators' remuneration as set out in the report. The chairperson also noted that remuneration can only be paid from the assets of the company. If the assets are not sufficient to cover the approved remuneration of the Administrators, the remuneration remains unpaid. No questions received from the creditors.

The following resolution was put to the meeting.

“That the remuneration of the Voluntary Administrators for the period 2 July 2021 to 23 July 2021, calculated at hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, is determined in the sum of \$74,846.00, exclusive of GST.”

Record of votes:

| | Number of votes | Value of votes \$ |
|------------|-----------------|-------------------|
| In favour | 3 | 112,380,162.13 |
| Against | | 0 |
| Abstaining | 1 | 88,000.00 |

- The Chairperson announced that the outcome of the vote was three in favour, one abstains and zero against the resolution.
- The resolution that the remuneration of the Voluntary Administrators for the period 2 July 2021 to 23 July 2021, calculated at hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, is determined in the sum of \$74,846.00, exclusive of GST was carried.

The following resolution was put to the meeting.

“That the future remuneration of the Voluntary Administrators for the period 24 July 2021 to 6 August 2021 is determined at a sum equal to the cost of actual time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, up to a capped amount of \$60,000, exclusive of GST, to be drawn immediately when funds are available.”

Record of votes:

| | Number of votes | Value of votes \$ |
|------------|-----------------|-------------------|
| In favour | 3 | 112,380,162.13 |
| Against | | 0 |
| Abstaining | 1 | 88,000.00 |

- The Chairperson announced that the outcome of the vote was three in favour, one abstains and zero against the resolution.
- The resolution that the future remuneration of the Voluntary Administrators for the period 24 July 2021 to 6 August 2021 is determined at a sum equal to the cost of actual time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, up to a

capped amount of \$60,000, exclusive of GST, to be drawn immediately when funds are available was carried.

6. DOCA Remuneration

The following resolution was put to the meeting.

Administrator's remuneration to execution of the DOCA

"That the future remuneration of the Deed Administrators from 6 August 2021 to execution of the DOCA is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, up to a capped amount of \$15,000, exclusive of GST, to be drawn immediately when funds are available after execution of the DOCA."

Record of votes:

| | Number of votes | Value of votes \$ |
|------------|-----------------|----------------------|
| In favour | 3 | 112,380,162.13 |
| Against | | 0 |
| Abstaining | 1 | 88,000.00 |

- The Chairperson announced that the outcome of the vote was three in favour, one abstains and zero against the resolution.
- The resolution that the future remuneration of the Deed Administrators from 6 August 2021 to execution of the DOCA is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, up to a capped amount of \$15,000, exclusive of GST, to be drawn immediately when funds are available after execution of the DOCA was carried.

The following resolution was put to the meeting.

Deed Administrator's remuneration for DOCA period

"That the future remuneration of the Deed Administrators from execution of the DOCA to finalisation is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, up to a capped amount of \$100,000, exclusive of GST, to be drawn monthly, when funds are available."

Record of votes:

| | Number of votes | Value of votes \$ |
|------------|-----------------|----------------------|
| In favour | 3 | 112,380,162.13 |
| Against | | 0 |
| Abstaining | 1 | 88,000.00 |

- The Chairperson announced that the outcome of the vote was three in favour, one abstains and zero against the resolution.
- The resolution that the future remuneration of the Deed Administrators from execution of the DOCA to finalisation is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, up to a capped amount of \$100,000, exclusive of GST, to be drawn monthly, when funds are available was carried.

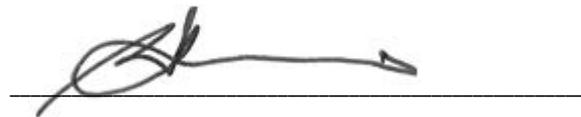
If additional work in excess of this value is required, a further Remuneration Report will be provided and approval of creditors will be required.

Closure

The Chairperson invited creditors to advise of any objections they have regarding the convening and conduct of the meeting to be recorded in the minutes. No such matters were raised.

The Chairperson declared the meeting closed at 3:46pm on 6 August 2021.

Signed as a true and correct record.

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a long horizontal stroke that ends in a small arrowhead pointing to the right.

Chairperson

**Meeting Attendance Register - Creditors
Resource Generation Limited (Administrators Appointed)**

Second creditors' meeting held online through Zoom on 6 August 2021 at 3:00 PM AEST

Chairperson: William James Harris

All Creditors attending

| Creditor Name | Related Party? | Name of Proxy or Attorney | Type of Proxy (General / Specific) | Creditor ROCAP Amount | Creditor Claimed Amount | Value of Security | Admitted to Vote for | Signature of Person Attending |
|---|-----------------------|----------------------------------|---|------------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------------------|
| | state 'Yes' | | | | | | | |
| Harvey, Brian (Mr) | | | | 42,426.18 | 42,130.50 | | 42,426.18 | Attended by Zoom |
| Molotsane, Leapeetswe (Mr) | Yes | | | 104,735.95 | - | | 104,735.95 | Attended by Zoom |
| Noble Resources International Pte. Ltd. | Yes | Chairperson of the meeting | Specific | 111,837,623.01 | 112,233,000.00 | | 112,233,000.00 | Attended by Zoom |
| Grant Samuel Capital Advisory Pty Limited | | Chairperson of the meeting | Specific | 88,000.00 | 88,000.00 | | 88,000.00 | Attended by Zoom |

Meeting Attendance Register - Observers

Resource Generation Limited (Administrators Appointed)

Second creditors' meeting held online through Zoom on 6 August 2021 at 3:00 PM AEST

Chairperson: William James Harris

| Observer Name | Signature of Person |
|---|----------------------------|
| Leigh Birch, Shareholder | Attended by zoom |
| Frances del Rosario, Sedgman Pty Limited | Attended by zoom |
| Neville Fong, Grant Samuel Capital Advisory Pty Limited | Attended by zoom |
| Ryan Reddy, Noble Resources International Pte. Ltd. | Attended by zoom |

Resource Generation Limited (Administrators Appointed) (ASX:RES, JSE:RSG) (“ResGen”)

Second Meeting of Creditors

6 August 2021



McGrathNicol



Agenda

Meeting formalities

- Quorum, Attendance and Voting information
- DIRRI
- Purpose of meeting

Voluntary Administrators' Report

- Background
- Administrators' reasons for failure
- Administrators' actions to date
- Investigations conducted
- Proposed Deed of Company Arrangement (**DOCA**)
- Expected return to creditors

Agenda (cont.)

Administrators' recommendation for the future of ResGen

Questions

Resolutions

- Outcome of the Administration of ResGen
- Administrators' remuneration
- Future remuneration

Meeting formalities

- Quorum: Insolvency Practice Rules 75-105
- Time and place convenient: Insolvency Practice Rules 75-30
- Attendance register
- Proofs of debt and proxies
 - Person is eligible to vote if they have lodged particulars of their claim or a formal proof of debt
 - Chairperson admitting Employee claims for voting purposes based on ResGen's books and records
- Voting (via verbal poll)

DIRRI

Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

- DIRRI dated 7 July 2021 – a copy was distributed with the initial information to creditors
- DIRRI is tabled and is available for inspection at this meeting
- Our assessment identified no real or potential risks to our independence

Purpose of meeting – To resolve one of the following

1 ResGen executes a Deed of Company Arrangement

2 ResGen be wound up

3 The Administration ends – control reverts to directors

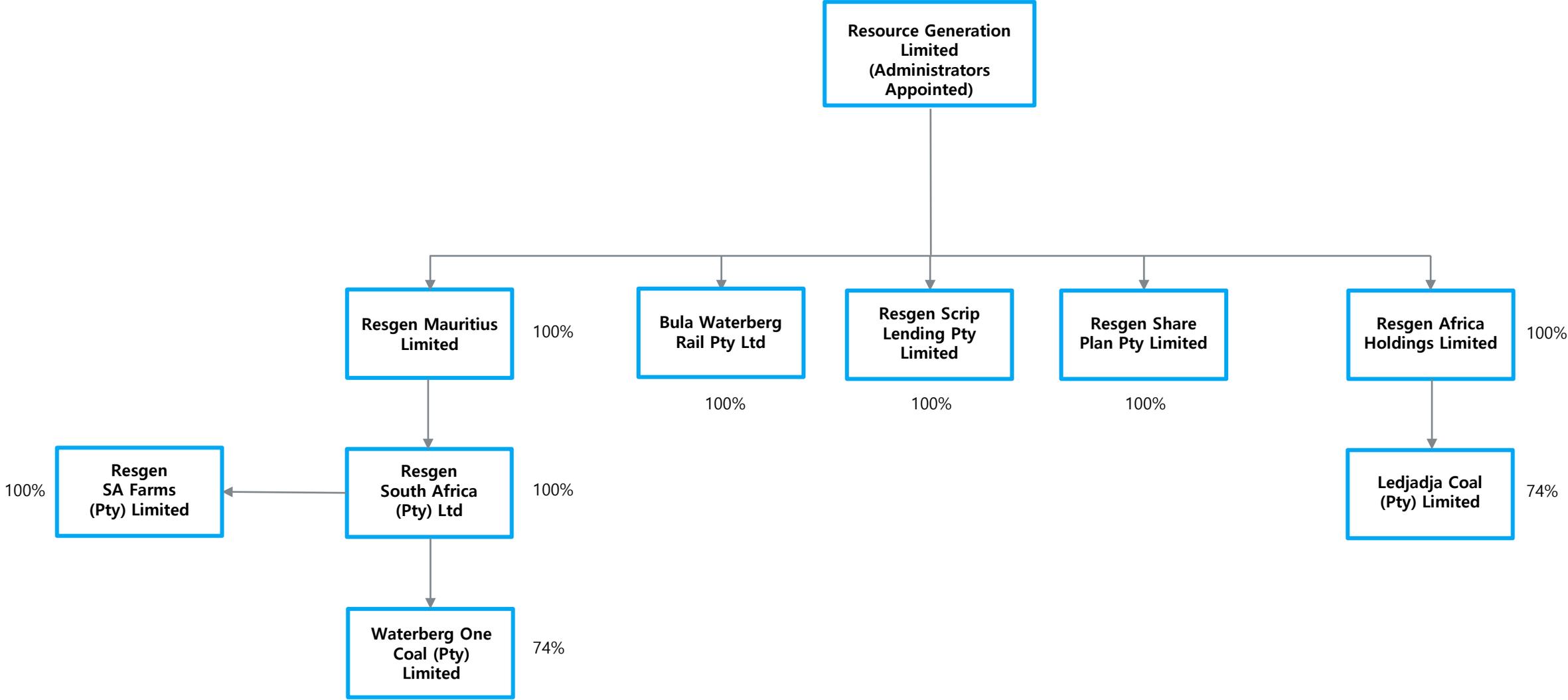


VOLUNTARY ADMINISTRATORS' REPORT TO CREDITORS

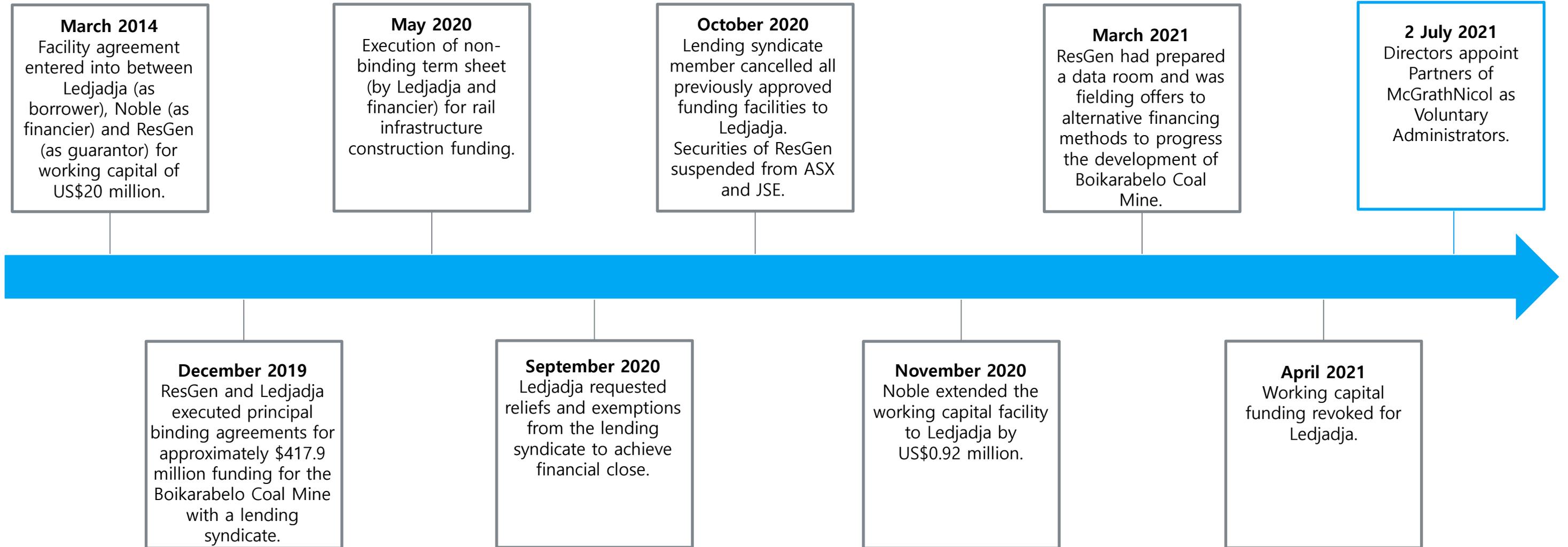
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 - Johannesburg Stock Exchange in July 2010.
- ResGen subsidiaries hold the rights to develop a large surface coal resource in the Waterberg region of South Africa.
- It has been focussed on the development of Boikarabelo Coal Mine, through its subsidiary Ledjadja Coal (Pty) Ltd (**Ledjadja**):
 - Anticipated to be the next viable Coal Reserve in South Africa
 - ResGen continues to hold a 74% interest in Ledjadja as per the 2021 half-year report
- Preliminary investigations indicate ResGen's assets are comprised of:
 - cash (approximately \$140k); and
 - shareholdings in subsidiaries.
- It has been confirmed that Ledjadja was placed in provisional liquidation under South African law on 26 July 2021. This is a separate process to the voluntary administration of ResGen.

Corporate structure



Key events prior to the appointment of Administrators



Reasons given for failure

Attributed to:

- Directors believed that delays in achieving financial close of the funding transaction for the development of the Boikarabelo Coal Mine led to ResGen ceasing trading, and credited being *"under-capitalised"* as the reason of failure.
- As identified in the timeline, soon after Ledjadja requested the lending syndicate to defer a limited number of conditions and offered alternatives for some other conditions. However, Industrial Development Corporation of South Africa Limited (member of the lending syndicate) resolved to cancel all previously approved funding facilities to Ledjadja.
 - **The finance facility for the Boikerabelo Coal Mine was ultimately not available.**
- The ResGen group suffered working capital funding difficulties.
- Alternative finance to recapitalise the business was sought, with limited working capital and time to begin repayments for the finance facility with Noble.
 - **The efforts to obtain alternative finance were ultimately unsuccessful.**

Key actions undertaken by Administrators



Statutory obligations



Creditors



Employees



Interested parties



Investigation of company affairs

Investigations

**Insolvent
trading**

**Voidable
transactions**

**These claims may be available in a liquidation.
Requires further detailed investigations.
May have various legal defences available.**

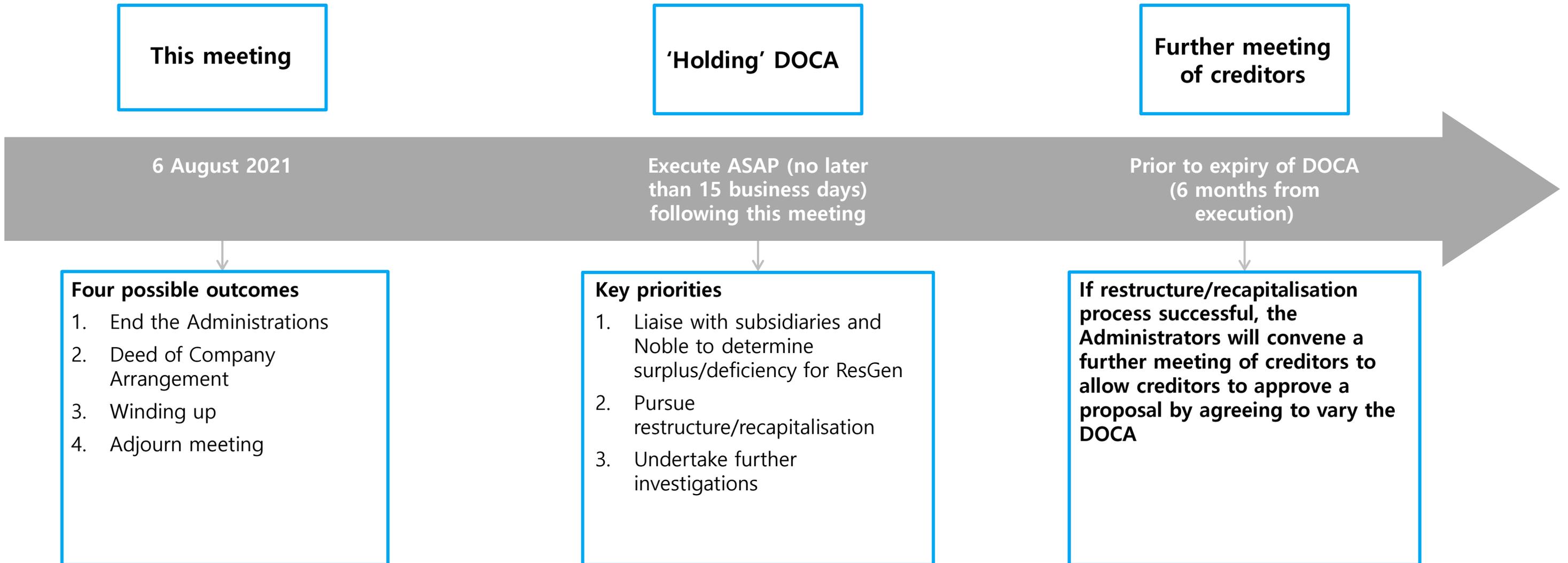
DOCA – Key terms

| Key term | Details |
|--|---|
| Proponents | The Administrators |
| Deed Funder | Not applicable |
| Deed Administrators | The Administrators |
| Purpose | <ul style="list-style-type: none"> ▪ To achieve a better return for ResGen’s creditors than would result from an immediate winding up of ResGen. ▪ To allow the Deed Administrators to seek proposals for the restructure or rearrangement of ResGen’s business, property and affairs. ▪ To allow the Deed Administrators to continue the investigation of the Company's business, property and affairs. ▪ To enable the Deed Administrators to report to creditors and to allow creditors to approve any proposal to restructure or rearrange ResGen’s business, property and affairs by agreeing to vary the Proposed DOCA. |
| The DOCA Fund | No external contributions provided for throughout the ‘holding’ DOCA |
| Monitoring and reporting arrangements | Control of ResGen remains with the Deed Administrators. |
| Related parties | Not applicable. |
| Return to priority creditors | <ul style="list-style-type: none"> ▪ No property will be distributable to creditors under the terms of the DOCA. ▪ Any employee will retain existing priorities in respect of the property under the Deed Administrators' control. |

DOCA – Key terms (continued)

| Key term | Details |
|--|--|
| Return to unsecured creditors | No property will be distributable to creditors under the terms of the DOCA. |
| Differential treatment of creditors | No amendment proposed. |
| Finalisation of DOCA | The DOCA will end six months after its execution, unless the creditors resolve (e.g. if creditors approve a proposal to restructure or rearrange ResGen by agreeing to vary the DOCA), or the Court orders, otherwise. |
| Other material information | <p>A moratorium on creditors from taking enforcement action during the term of the DOCA, the only exceptions being:</p> <ul style="list-style-type: none"> ▪ a secured creditor (noting none have been identified) from realising or otherwise dealing with its security interest except so far as: <ul style="list-style-type: none"> - the secured creditor and any other secured creditor of ResGen voted in favour of the DOCA; and - the Court orders under section 444F(2) of the Act; and ▪ a right that an owner or lessor of property (noting none have been identified) has in relation to that property except so far as: <ul style="list-style-type: none"> - the owner or lessor (as the case may be) voted in favour of the DOCA; and - the Court orders under section 444F(4) of the Act. |

DOCA – Indicative timeline



Estimated returns to creditors – DOCA vs Liquidation

| Estimated return to creditors | | |
|---------------------------------------|-------------|------|
| c/\$ | Liquidation | DOCA |
| Secured creditors | Nil | Nil |
| Employees - entitlements | Nil | Nil |
| Employees - unsecured creditor claims | Nil | Nil |
| Unsecured creditors | Nil | Nil |

No return to any class of creditors is currently estimated in either Liquidation or DOCA.

The Administrators are of the opinion that a 'holding' DOCA will allow the Deed Administrators an opportunity to (amongst other things) seek proposals for the restructure or rearrangement of ResGen's business, property and affairs.

Recommendation



The Administrators recommend creditors resolve that ResGen execute the proposed Deed of Company Arrangement

Q & **A**



RESOLUTIONS

Resolutions - Execute a DOCA

“That ResGen executes a Deed of Company Arrangement and William James Harris, Anthony Connelly and Jason Preston be appointed Joint and Several Deed Administrators.”

Resolution – Administrators' retrospective remuneration

"That the remuneration of the Voluntary Administrators for the period 2 July 2021 to 23 July 2021, calculated at hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, is determined in the sum of \$74,846.00, exclusive of GST.

Resolution - Administrators' prospective remuneration

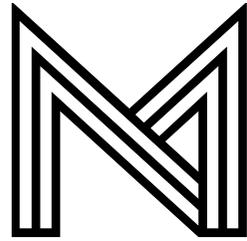
"That the future remuneration of the Voluntary Administrators for the period 24 July 2021 to 6 August 2021 is determined at a sum equal to the cost of actual time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, up to a capped amount of \$60,000, exclusive of GST, to be drawn immediately when funds are available."

Resolution - Prospective DOCA remuneration: execution of DOCA

“That the future remuneration of the Deed Administrators from 6 August 2021 to execution of the DOCA is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, up to a capped amount of \$15,000, exclusive of GST, to be drawn immediately when funds are available after execution of the DOCA.”

Resolution - Prospective DOCA remuneration: execution of DOCA to finalisation of DOCA

“That the future remuneration of the Deed Administrators from execution of the DOCA to finalisation is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 7 July 2021, up to a capped amount of \$100,000, exclusive of GST, to be drawn monthly, when funds are available.”



McGrathNicol