



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

Held virtually only on 14 July 2021 at 3:30 PM

- Present** As per the attached register of attendees.
- Opening** The Chairperson called the meeting to order and declared the first meeting of creditors of Resource Generation Limited open at 3:34pm on 14 July 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.
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 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 Frances del Rosario representing Sedgman Pty Limited
 - Mr Leigh Birch, Shareholder
 - Mr John Rogers, Shareholder
- The Chairperson asked if any creditors attending the meeting had an objection with the observers' presence. 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.



Ms Angela Herden representing the Australian Taxation Office (**ATO**) 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:

- Mr Brian Harvey representing himself, admitted for the amount of \$42,130.50;
- Ms Janette Valent representing Pulse Mining Systems Pty Ltd admitted for the amount of \$1,732.50; and
- Ms Angela Herden representing the ATO, admitted for the amount of \$73,438.99.

The Chairperson asked if 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, I may exercise a casting vote as Chairperson. In such situations, I must specify my reasons for exercising, or not exercising, my 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.

Remuneration of Administrators

In accordance with IPR 70-35, an Initial Remuneration Notice was enclosed with your meeting information and is available on the McGrathNicol website.

The Chairperson advised that a Remuneration Report detailing the remuneration sought would be provided prior to the second meeting of creditors.



Purpose of meeting

The Chairperson advised the purpose of the first meeting is to:

- determine whether to appoint a committee of inspection and, if so, to determine who the committee's members will be; and
- allow creditors to consider the removal of the Administrators and appoint an alternative Administrator who has consented to act.

The Chairperson noted this meeting has not authority to consider any other business, in accordance with the *Corporations Act 2001 (Cth)*.

At the second statutory meeting, a decision is made regarding ResGen's future.

The Chairperson advised that it is likely to be convened on or around 6 August 2021.

Background

The Chairperson provided the following explanation regarding ResGen and the Administration process.

First, the Administration provides a "moratorium period", during which secured creditors, lessors and other third party owners are unable to enforce their rights. The appointment of Administrators therefore provides stability to the ongoing operations of ResGen.

Second, the Administration opens the possibility of restructuring ResGen through a Deed of Company Arrangement, should one be proposed.

The objective of the Administration process to maximise the possibility of ResGen, or as much of its business as possible, continuing to exist. Accordingly, it is the responsibility of the Administrators to implement strategies to achieve that objective.

The responsibilities of the Administrators include:

- holding meetings of creditors;
- investigating the reason for failure of the business;
- preparing comprehensive report to creditors;
- and making recommendation to the creditors about the future of ResGen.

The Voluntary Administration timeline:

- Administrators were appointed on 2 July 2021;
- in accordance with the statutory timeline, the first meeting of creditors is being hosted today, on 14 July 2021; and
- it is expected that the second meeting of creditors will be convened on or around 6 August 2021.

The Chairperson then provided a brief background of ResGen and its current position.

- 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 \$100,000); and
 - shareholdings in subsidiaries.
- It is anticipated that Ledjadja will likely be placed in Provisional Liquidation under South African law. This is a separate process to the Voluntary Administrators' of ResGen.



- The Chairperson displayed a summarised Corporate Structure of the ResGen and its subsidiaries. Noted the appointment of the Administrators is currently only over ResGen, the parent entity.
- Creditor claims
 - Creditors are entitled to lodge claims with the Administrators for monies owed to them by ResGen
 - It is too early to form conclusive views on the potential return to unsecured creditors
 - The order in which different classes of creditors are paid is determined by the Corporations Act 2001. Generally, the order of priority is as follows:
 - > Employees (priority from certain categories of assets)
 - > Secured creditors
 - > Unsecured creditors

Category	Estimated number	Estimated value (A\$'000)
Employees	3	42
Secured & PPSR Creditors	-	-
Unsecured creditors	9	202
Guaranteed debt (debt owed by Ledjadja, which ResGen guarantees)	1	112,233
Total	13	112,477

The Chairperson provided an update of Voluntary Administration:

- Key actions taken since appointment:
 - Attended to statutory notification obligations
 - Notified employees and creditors
 - Attended to shareholder and creditor queries
 - Issued ASX and JSE announcements
 - Commenced investigations into ResGen's affairs
 - Convened the first meeting of creditors
 - Liaised with subsidiary, Ledjadja
- Next steps the Voluntary administrators intend to perform:
 - in conjunction with the likely Provisional Liquidator of Ledjadja, consider options available in relation to the shareholdings;
 - complete our investigations into ResGen's affairs, including options to maximise returns to ResGen's stakeholders;
 - prepare and issue the Report to Creditors by 30 July 2021 (including recommendation on ResGen's future); and
 - convene a second meeting of creditors likely on or before 6 August 2021.

Questions

The Chairperson then opened the meeting for questions.

- Ms Angela Herden, ATO: What does ResGen actually do here in Australia?

Chairperson: ResGen is a listed holding company for shares of the relevant shareholdings operating in South Africa which have potential mining interests in South Africa. ResGen is effectively a holding company. It does not appear to have significant Australian operations. ResGen's primary debt is the guaranteed debt of those subsidiary entities.

- Ms Angela Herden, ATO: What is the status of the outstanding tax obligations of the subsidiaries of ResGen?

Chairperson: The Administrators are not aware of the status of the outstanding tax obligations of the subsidiaries of ResGen. The explanation provided to the Chairperson is



that the South African subsidiaries have significant other obligations. These subsidiaries are likely to go into a form of insolvency, this has triggered the debt obligations for ResGen.

Chairperson also noted that the Administrators' are willing to discuss with the ATO to understand the tax obligations of the broader group.

Removal and replacement of Administrators

The Chairperson advised the meeting that should creditors resolve, pursuant to section 436E(4) of the Corporations Act, they could:

- remove the Administrators from office; and
- appoint another Administrator or Administrators of their choice.

No nominations for alternative Administrators were received. Therefore, there is no vote to be had on this matter.

Committee of Inspection

The Chairperson noted that under Insolvency Practice Schedule (Corporations) (IPS) 80-10, creditors may, by resolution, determine whether there is to be a committee of inspection.

The Chairperson noted that the role of a committee of inspection is to:

- advise and assist the Administrators about matters relating to the Voluntary Administration;
- give directions to the Administrators; and
- monitor the conduct of the Voluntary Administration.

A committee of inspection may also:

- request the Administrators give information, provide reports or produce documents; and
- obtain specialist advice or assistance.

The Chairperson noted that under IPS 60-10, a committee of inspection also has the power to approve the Administrators' remuneration.

In this Administration, the Chairperson recommended that a committee of inspection not be formed, given the small number of creditors.

The Chairperson then invited creditors to express their views on whether a committee of inspection should be formed and, if so, to nominate prospective members.

- Ms Angela Herden, ATO noted that ATO is not interested in a committee of inspection.
- Mr Brian Harvey noted that he is not interested in a committee of inspection.

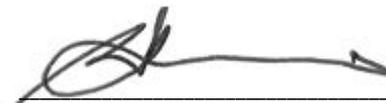
Based on the views of the two of the three creditors attending, no resolution was put to the creditors.

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 3:56pm on 14 July 2021.

Signed as a true and correct record.



Chairperson

Meeting Attendance Register - Creditors

Resource Generation Limited (Administrators Appointed)

First creditors' meeting held online through Zoom on 14 July 2021 at 3:30 PM

Chairperson: William James Harris

Observer Name	Signature of Person
Frances del Rosario, Sedgman Pty Limited	Attended through Zoom
Leigh Birch, Shareholder	Attended through Zoom
John Rogers, Shareholder	Attended through Zoom