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## RESOURCE GENERATION LIMITED

ABN 91 059 950 337

## NOTICE OF GENERAL MEETING

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**TIME:** 10.00am

**DATE:** Monday 13 December 2010

**PLACE:** Radisson Plaza Hotel, 27 O'Connell Street, Sydney NSW

*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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The General Meeting of the Shareholders of Resource Generation Limited will be held at 10.00am (Sydney time) on Monday 13 December 2010 at:

Radisson Plaza Hotel, 27 O'Connell Street, Sydney NSW.

### YOUR VOTE IS IMPORTANT

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

### 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, Registries Limited at Level 7, 207 Kent Street, Sydney NSW 2000; or
  - (ii) by post to Registries Limited, GPO Box 3993, Sydney NSW 2001;
- (b) fax the proxy form to Registries Limited on facsimile number (61 2) 9290 9655; or
- (c) vote on line at [www.registries.com.au/vote/resourcegenerationgm2010](http://www.registries.com.au/vote/resourcegenerationgm2010) and following the prompts

so that it is received not later than 10.00 am on 11 December 2010. 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 10.00 am (Sydney time) on Monday 13 December 2010 at Radisson Plaza Hotel, 27 O'Connell Street, Sydney NSW.

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 the close of business on Friday, 10 December 2010.

### AGENDA

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#### 1. RESOLUTION 1 - APPROVAL OF SHARE ISSUE UNDER ASX LISTING RULE 7.4

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

*"That, for the purposes of ASX Listing Rule 7.4, the Company approves and ratifies the issue of 27,400,000 fully paid ordinary shares at \$0.50 per share to institutional investors and sophisticated investors on the terms set out in the Explanatory Statement."*

#### Voting Exclusion Statement –Resolution 1

In accordance with Listing Rule 7.5.6, the Company will disregard any votes cast on resolution 1 by:

- a person who participated in the issue; and
- an associate of those persons or of the entities listed above.

However the Company need not disregard a vote if:

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

In addition, 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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## 2. RESOLUTION 2 – APPROVAL OF SHARE ISSUE UNDER ASX LISTING RULE 7.1

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

*"That, for the purposes of ASX Listing Rule 7.1, the Company approves the issue of 32,600,000 fully paid ordinary shares at \$0.50 per share to institutional investors and sophisticated investors on the terms set out in the Explanatory Statement."*

### Voting Exclusion Statement –Resolution 2

In accordance with Listing Rule 7.3.8, the Company will disregard any votes cast on resolution 2 by:

- a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of those persons or of the entities listed above.

However the Company need not disregard a vote if:

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

In addition, 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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## 3. 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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## 4. 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 7.00 pm (Sydney time) on 10 December 2010. 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 10<sup>th</sup> day of November 2010**  
**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 10.00 am (Sydney time) on Monday 13 December 2010 at Radisson Plaza Hotel, 27 O'Connell Street, Sydney NSW.

This 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. BACKGROUND

Resource Generation Limited (*Resource Generation* or *the Company*) has previously announced that it is bringing forward the need to construct the rail link from the Boikarabelo mine to the existing rail network in South Africa.

The construction of the rail link will need approval under the National Environmental Management Act. In order to secure approval, the directors believe that it is essential to acquire land and obtain land access rights required for the rail link construction. The Company has recently concluded negotiations for the purchase of land and easement agreements for two-thirds of one of its preferred rail link routes. One land purchase agreement has already been signed, whilst two more are finalised ready for signing.

The proceeds of the placement will be used primarily for the rail link land acquisitions and access rights as well as other expenditure for the Company's Boikarabelo Mine in South Africa and for working capital. Specifically other uses are for associated costs for the rail link, initial expenditure on power and water infrastructure and payments to BEE partners for the increase of the Company's shareholdings, in accordance with the shareholders' agreements.

The first instalment of additional equity has been achieved through a placement of 27,400,000 ordinary shares to institutions and sophisticated investors arranged by Citigroup Global Markets Australia Pty Limited as Lead Manager. The shares were issued at \$0.50 per share, raising \$13.7 million before costs.

The Company also proposes issuing a further 32,600,000 ordinary shares at \$0.50 per share, raising \$16.3 million before costs. These shares are proposed to be issued to institutions and sophisticated investors arranged by Citigroup Global Markets Australia Pty Limited as Lead Manager.

The Company seeks shareholder approval and ratification for the placement of 27,400,000 ordinary shares that was announced on 4 November 2010 and to place a further 32,600,000 ordinary shares at \$0.50 per share.

The funds raised from both placement tranches after costs will be approximately \$28.5 million. Subsequent to both placements the Company will have 242,680,530 ordinary shares on issue.

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## **2. RESOLUTION 1 - APPROVAL OF SHARE ISSUES UNDER ASX LISTING RULE 7.4**

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing issued capital of the company without prior approval of shareholders in any 12 month period, subject to certain adjustments and permitted exceptions. As announced to ASX on 5 November 2010, Resource Generation issued 27,400,000 fully paid ordinary shares to the persons noted below in the Explanatory Memorandum.

Under ASX Listing Rule 7.4, shareholders may subsequently approve the issue of securities made within the limitation of ASX Listing Rule 7.1. The Company is seeking this approval.

Following this approval, the Company will again be able to issue new securities in such number up to 15% of the existing issued capital without the prior approval of shareholders. The Board believes that providing this flexibility is a prudent decision to make and is in the best interests of shareholders and the Company as a whole.

For the purpose of ASX Listing Rule 7.5, the following information is provided:

- a) the number of ordinary shares issued under the placement was 27,400,000;
- b) the issue price of ordinary shares issued was \$0.50;
- c) the terms of the shares issued are fully paid ordinary shares ranking equally with all other ordinary shares on issue from the date of issue of the shares;
- d) the allottees of the ordinary shares are institutions and sophisticated investors and was arranged by Citigroup Global Markets Australia Pty Limited as Lead Manager;
- e) the intended use of the funds raised will be used primarily for the development of the company's Boikarabelo Mine in South Africa and for working capital. Specific uses are for the acquisition of land required for the construction of the rail link to the existing rail network, associated infrastructure for the rail link, initial expenditure on power and water

infrastructure and payments to BEE partners for the increase of the company's shareholdings, in accordance with the shareholders' agreements; and

- f) a voting exclusion statement applies to this resolution.

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### **3. RESOLUTION 2 - APPROVAL OF SHARE ISSUES UNDER ASX LISTING RULE 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities if the number of such securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. One circumstance where such an issue is permitted is where the issue has the prior approval of shareholders in general meeting.

The Company's issue of 27,400,000 new securities, the subject of resolution 1, used up the 15% capacity. As Resource Generation proposes issuing a further 32,600,000 ordinary shares, shareholder approval is sought to proceed with this issue at \$0.50 per share which will raise \$16.3 million before costs.

For the purpose of ASX Listing Rule 7.5, the following information is provided:

- a) the maximum number of ordinary shares to be issued under the placement will be 32,600,000;
- b) it is anticipated that the ordinary shares will be issued and allotted on or about 15 December 2010. In any case it will be no later than 3 months after the date of the meeting;
- c) the issue price of ordinary shares to be issued under this resolution is \$0.50;
- d) the allottees of the ordinary shares are institutions and sophisticated investors and was arranged by Citigroup Global Markets Australia Pty Limited as Lead Manager;
- e) the terms of the shares to be issued are fully paid ordinary shares ranking equally with all other ordinary shares on issue from the date of issue of the shares;
- f) the intended use of the funds raised will be primarily for the development of the company's Boikarabelo Mine in South Africa and for working capital. Specific uses are for the acquisition of land required for the construction of the rail link to the existing rail network, associated infrastructure for the rail link, initial expenditure on power and water infrastructure and payments to BEE partners for the increase of the company's shareholdings, in accordance with the shareholders' agreements; and
- g) a voting exclusion statement applies to this resolution.

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### **4. DIRECTORS' RECOMMENDATION**

The Directors recommend that shareholders vote in favour of the resolutions, as they will enable land access rights to be obtained and enhance the Company's ability to obtain both the Mining Right and the approvals required to construct the rail link for the Boikarabelo mine.



FOR ALL ENQUIRIES CALL:  
(within Australia) 1300 737 760 (outside Australia) +61  
2 9290 9600

FACSIMILE  
+61 2 9290 9655

ALL CORRESPONDENCE TO:  
Registries Limited  
GPO Box 3993  
Sydney NSW 2001  
Australia

## Name and Address

### Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 10.00am  
SATURDAY 11 DECEMBER 2010

## TO VOTE ONLINE

Reference Number: <HIN/SRN>



STEP 1 : VISIT [www.registries.com.au/vote/resourcegenerationgm2010](http://www.registries.com.au/vote/resourcegenerationgm2010)

STEP 2: Enter your holding/Investment type

STEP 3: Enter your Reference Number and VAC: <VAC NUMBER>

## TO VOTE BY COMPLETING THE PROXY FORM

### STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

### STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a

### STEP 3 Sign the Form

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders must sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

### STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **10.00am on Monday 13 December 2010**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Share Registry – Registries Limited, GPO Box 3993,  
Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

IN PERSON - Share Registry – Registries Limited,  
Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Vote online at:

[www.registries.com.au/vote/resourcegenerationgm2010](http://www.registries.com.au/vote/resourcegenerationgm2010)  
or turnover to complete the Form ➔

