



Perth, 26 April 2023

Laura Gomme
Senior Adviser, Listings Compliance (Perth)
ASX Ltd

By email: ListingsCompliancePerth@asx.com.au

Dear Laura,

RE: PRICE AND VOLUME QUERY LETTER (REFERENCE 72794)

In response to your Price and Volume Query Letter received today, Korab Resources Limited ("Korab", "KOR", or "the Company") advises the following:

1. The Company is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.
2. Not applicable.
3. As a further explanation to the recent trading in its securities, the Company points to:
 - a. Recent article by Tim Boreham at Small Caps News titled "*ASX small caps eye magnesium market as demand soars*" which referred to the Company. The Company has no relationship with either Tim Boreham or Small Caps News.
 - b. Recent increase in magnesium metal prices in China, USA and EU.
 - c. Korab Group having already announced to the market in various Quarterly Activity, Annual, and other reports that:
 - i. Korab Group is working on the development of the Winchester magnesium deposit which is located an hour's drive from port of Darwin with access to shipping lanes to Europe, USA, and Asia.
 - ii. Winchester deposit is amenable to low-cost open cut mining using blast and shovel method and has a high-grade magnesium mineral resource reported in accordance with the JORC Code (2004 Edition).
 - iii. Korab Group has received approach from third parties interested in developing the Winchester magnesium deposit as a supplier of magnesium metal. The Company is also in discussions with third parties regarding potential joint ventures, and potential provision of finance for the development of the Winchester project. Discussions with these parties are incomplete. No commercial terms have been agreed

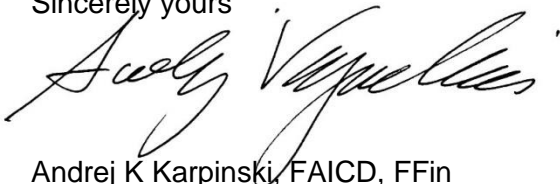
KORAB RESOURCES LIMITED

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between the parties and there can be no certainty that an agreement can be reached.

- iv. The Company is working on the Mine Management Plan for the Winchester magnesium project with the view to having it lodged with the Northern Territory Government's Department of Industry, Tourism, and Trade as soon as it has been completed.
 - v. Korab Group is expecting to release shortly preliminary results of the review of the lithium and REO potential of the Batchelor/Green Alligator project which is located near Finnis Lithium Project, Litchfield Lithium Project, and Bynoe Lithium Project held in the area by Core Lithium (ASX: CXO), Ragusa Minerals (ASX: RAS), Lithium Plus Minerals (ASX: LPM), and Evergreen Lithium (ASX: EG1). This review is based on historical data which has been previously reported to the market, and/or is already in the public domain (available through the Northern Territory Geological Survey). These preliminary results are expected to be released to the market in early May 2023.
- d. Recent media coverage of comments made by the Chairman of Contemporary Amperex Technology Co., Limited (CATL) regarding commencement of commercial production and shipping to end users of CATL's new M3P battery. These comments indicated that the new battery uses magnesium alloy to replace nickel and cobalt. CATL is the main supplier of EV batteries to Tesla, Volkswagen and Ford.
4. The Company is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. This response has been authorised by Executive Chairman, an officer of the Company with delegated authority from the Board to respond to ASX on disclosure matters.

Sincerely yours



Andrej K Karpinski, FAICD, FFin
KORAB RESOURCES LIMITED
EXECUTIVE CHAIRMAN
COMPANY SECRETARY



26 April 2023

Reference: 72794

Mr Andrej Karpinski
Korab Resources Limited
20 Prowse Street
West Perth
WA 6005

By email: akk@korabresources.com.au

Dear Mr Karpinski

Korab Resources Limited ('KOR'): Price - Query

ASX refers to the following:

- A. The change in the price of KOR's securities from a low of \$0.018 to a high of \$0.029 between 18 April 2023 and today, 26 April 2023.
- B. The significant increase in the volume of KOR's securities traded from 18 April 2023 to 26 April 2023.

Request for information

In light of this, ASX asks KOR to respond separately to each of the following questions and requests for information:

1. Is KOR aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is KOR relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in KOR's securities would suggest to ASX that such information may have ceased to be confidential and therefore KOR may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that KOR may have for the recent trading in its securities?
4. Please confirm that KOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that KOR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of KOR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **11 AM AWST Wednesday, 26 April 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, KOR's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require KOR to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in KOR's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in KOR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to KOR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that KOR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Laura Gomme
Senior Adviser, Listings Compliance