



Perth, 21 February 2024

ASX Listing Compliance  
Level 40, Central Park  
152-158 St. George's Terrace  
Perth WA 6000

Dear Madam/Sir,

**RE: KORAB RESOURCES LIMITED ('KOR'): QUERY LETTER**

Korab Resources Limited ("Korab" or "the Company") (ASX: KOR) refers to your letter dated 19 February 2024 (the Letter). In response to your queries, please find the following:

1. Please confirm whether the Information, or any part thereof, is correct and if so, provide details of the claim, including:
  - 1.1. The name of the counterparty: Mining Resource Development Corporation Pty Ltd (MRDC)
  - 1.2. The basis for the claim: failure to pay \$450,000 to Australian Copper Holdings Pty LTD (ACH) by 3 August 2016.
  - 1.3. The value of the claim: \$450,000 plus interest.
  - 1.4. Any relevant dates in connection with the claim (including the date of commencement and the date of any judgements made):
    - 1.4.1. In April 2014 MRDC applied for forfeiture of the tenement E08/2115 held by Australian Copper Pty Ltd (AC) a subsidiary of Korab Resources Ltd.
    - 1.4.2. In September 2015 Korab advised the market that MRDC and AC reached an agreement which entailed MRDC investing \$500,000 into a new company Australian Copper Holdings Pty Ltd (ACH) by way of partly paid shares in ACH with AC to hold 25% interest in ACH and MRDC to hold 75% interest in ACH.
    - 1.4.3. In November 2015 Korab advised that the agreements to give effect to this transaction have been executed.
    - 1.4.4. MRDC paid \$50,000 as down payment on the partly paid shares with \$450,000 to be paid in two instalments of \$200,000 and \$250,000 or as alternatively agreed by the parties.
    - 1.4.5. MRDC failed to make the payments of \$200,000 and \$250,000 and in July 2016, ACH issued to MRDC a notice of impending forfeiture of partly paid shares in ACH unless the unpaid amount of \$450,000 was paid by MRDC to ACH by 3 August 2016.
    - 1.4.6. MRDC failed to make the payment by 3 August 2016 and in doing so committed a further breach of the agreements referred to above or repudiated the agreements by failing to be ready willing and able to complete MRDC's obligations. The shares were forfeited on or about 4 August 2016.

**KORAB RESOURCES LIMITED**

KORAB HOUSE  
20 PROWSE STREET, WEST PERTH, 6005, WESTERN AUSTRALIA  
PO BOX 1958, WEST PERTH, WA, 6872, AUSTRALIA,  
Tel (08) 9474 6166 Fax (08) 9322 6333  
[www.korabresources.com.au](http://www.korabresources.com.au)  
ACN 082 140 252

- 1.4.7. The deadline for commencing the proceeding against MRDC was 3 or 4 August 2022 due to 6-year time limit arising from Limitations Act, 2005. ACH filed a protective writ in the District Court of Western Australia on 2 August 2022. ACH had 1 year to file the statement of claim to progress the action.
- 1.4.8. MRDC's lawyers (Bennetts) filed a Memorandum of Appearance in February 2023 thus requiring ACH to file its Statement of Claim, and advised ACH that it intends to seek summary judgment dismissing ACH's claim.
- 1.4.9. ACH filed its Statement of Claim in April 2023.
- 1.4.10. In May 2023 MRDC applied to the court to have the case summarily dismissed.
- 1.4.11. MRDC's application was dismissed in August 2023 with the costs of application for summary dismissal awarded to ACH.
- 1.4.12. MRDC indicated to ACH that it intended to appeal the dismissal of its application for summary judgment.
- 1.4.13. MRDC and ACH attended a mediation conference in October 2023.
- 1.4.14. MRDC filed an appeal against the dismissal of its application for summary judgment and MRDC's appeal was heard in November 2023.
- 1.4.15. A District Court judge delivered a judgment in MRDC's appeal in December 2023 upholding MRDC's appeal with costs of summary application and appeal awarded to MRDC.
- 1.4.16. ACH filed a notice of appeal to the Supreme Court, Court of Appeal, appealing the District Court Judge's December 2023 decision.
- 1.4.17. In February 2024, ACH filed the appellants case in the Supreme Court of Western Australia. ACH's appeal is yet to be heard.
- 1.5. The details of any judgements or orders made (both in favour of or against ACH). In answering this question please include details of any other material information;
  - 1.5.1. In August 2023 Court dismissed MRDC's application for summary judgment awarding ACH costs of the application for summary judgement.
  - 1.5.2. MRDC indicated to ACH that it intended to appeal this decision and subsequently filed an appeal.
  - 1.5.3. In December 2023 a District Court Judge upheld MRDC's appeal against the above decision awarding MRDC cost of the application for summary judgement and appeal.
  - 1.5.4. ACH indicated to MRDC that it intended to appeal this decision and subsequently filed an appeal.
- 1.6. The current status of the Claim:
  - 1.6.1. In February 2024, ACH filed the appellants case in the Supreme Court of Western Australia. ACH's appeal is yet to be heard.
- 1.7. Any other relevant information in relation to the Claim:
  - 1.7.1. ACH is seeking from MRDC an amount of \$450,000 plus applicable interest.
  - 1.7.2. KOR will advise the market of the outcome of ACH's appeal.
2. Does KOR consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

- 2.1. Korab does not consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of KOR securities.
3. If the answer to question 2 is 'no' please confirm the basis for that view.
  - 3.1. MRDC asserts that ACH's claim was commenced outside the limitation period and should therefore be summarily dismissed.
  - 3.2. ACH believes that its claim was commenced within the limitation period and should therefore proceed.
  - 3.3. Given the MRDC's assertions and its application for summary judgment to dismiss the claim, MRDC's subsequent appeal, and subsequent ACH's appeal, there will be no certainty as to whether or not the claim will proceed until all appeal options have been exhausted.
  - 3.4. The amount of costs of filing ACH's claim, fighting the application for summary judgement, and the appeals is not material.
  - 3.5. The claim does not involve a material Company's project.
  - 3.6. Consequently, given the above, Korab believes that until all appeals have been heard and determined:
    - 3.6.1. The Information is too uncertain to require disclosure;
    - 3.6.2. A reasonable person would not expect the Information to have a material effect on the price or value of KOR securities;
    - 3.6.3. A reasonable person would not expect the Information to be released to the market.
4. Please confirm when KOR became aware of the Information:
  - 4.1. Korab became aware of the Information listed above on or about the relevant dates listed above.
5. If the answer to question 2 is "yes" and KOR first became aware of the Information before the relevant date, did KOR make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe KOR was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps KOR took to ensure that the Information was released promptly and without delay.
  - 5.1. Any information which was sufficiently certain and definitive in relation to MRDC's investment in ACH was released to the market as soon as practicable. The dates of relevant ASX reports are as follows:
    - 5.1.1. Ashburton Downs Copper and Gold Project Investment Agreement lodged on the ASX Market Announcements Platform ('MAP') on 21 September 2015.
    - 5.1.2. Ashburton Downs Investment Implementation lodged on MAP on 3 November 2015;
    - 5.1.3. Cleansing Notice lodged on MAP on 22 July 2016;
    - 5.1.4. Quarterly Activities Report lodged on MAP on 29 July 2016;
    - 5.1.5. Ashburton Downs Update lodged on MAP on 11 August 2016.
  - 5.2. Information regarding ACH's claim for \$450,000 has not been reported to the market until today because, until there is a certainty that the claim will proceed, the information

regarding the claim is not sufficiently certain and definitive to be required to be reported to the market. The information provided today is provided in response to ASX query. Korab intended to report the information regarding this claim to the market once all appeal options have been exhausted and the claim was to proceed.

6. We confirm that Korab is complying with the Listing Rules and, in particular, Listing Rule 3.1.
7. We confirm that KOR's responses to the questions above have been authorised and approved by Andrej K. Karpinski, an officer of KOR 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**



19 February 2024

Reference: 87120

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

By email:

Dear Mr Karpinski

**Korab Resources Limited ('KOR'): Aware Query**

ASX refers to the following:

- A. The announcement by KOR titled 'Ashburton Downs Copper and Gold Project Investment Agreement' lodged on the ASX Market Announcements Platform ('MAP') on 21 September 2015 which disclosed that KOR and its wholly owned subsidiary Australian Copper Pty Ltd ('Australian Copper') have reached an agreement with Mining Resources Development Corporation Pty Ltd ('MRDC') pursuant to which MRDC would invest \$500,000 as new equity into Australian Copper to hold 75% of Australian Copper following the investment ('Agreement'). It is noted that Australian Copper Holding Pty Ltd ('ACH') is a wholly owned subsidiary of Australian Copper which in turn is a wholly owned subsidiary of KOR.
- B. KOR's announcement titled 'Cleansing Notice' lodged on MAP on 22 July 2016 which disclosed (after referring to KOR's announcements of 21/9/2015, 6/10/2015, 3/11/2015, 1/2/2016 and 2/5/2016 in relation to the Agreement) that MRDC has failed to meet calls with regard to its equity and had been issued with a notice in relation to its obligations under the agreement. If MRDC will not make the payment as required by the notice, its equity will be liable to be forfeited.
- C. KOR's Annual Report for the period ended 30 June 2023 lodged on MAP on 19 October 2023 which disclosed:
  - (i) 'PROCEEDINGS ON BEHALF OF COMPANY - No person has applied for leave to the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.'
- D. The following information which has come to ASX's attention:
  - (i) A writ was filed in the District Court of Western Australia by ACH on 2 August 2022 ('Application') claiming that MRDC owed it \$450,000 plus interest on the basis of the Agreement. The total sum claimed, including interest, was around \$644,000 ('Claim').
  - (ii) A chamber summons was filed by MRDC in May 2023 seeking summary judgment be entered in its favour.
  - (iii) The dismissal of the Application by a Registrar of the District Court on 17 August 2023.  
(together, the 'Information').
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

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F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.'*

G. The definition of 'aware' in Chapter 19 of the Listing Rules, which states that:

*'an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity' and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information.'*

H. ASX's policy position on the type of information that has to be disclosed, which is detailed in section 4.1 of Guidance Note 8 and referred to as 'market sensitive information'. The Guidance Notes gives examples of the type of information that could be market sensitive, including becoming a plaintiff or defendant in a material law suit.

I. Annexure A of Guidance Note 8 which provides worked examples of the operation of Listing Rule 3.1, including Example E on material law suits.

**Request for information:**

Having regard to the above, ASX asks KOR to respond separately to each of the following questions and requests for information.

1. Please confirm whether the Information, or any part thereof, is correct and if so, provide details of the Claim, including:
  - 1.1. the name of the counterparty;
  - 1.2. the basis for the Claim;
  - 1.3. the quantum of the Claim;
  - 1.4. any relevant dates in connection with the Claim (including the date of commencement and the date of any judgements or orders made);

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- 1.5. the details of any judgements or orders made (both in favour of or against ACH). In answering this question please include details of any other material information;
  - 1.6. the current status of the Claim; and
  - 1.7. any other relevant information in relation to the Claim.
2. Does KOR consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
  3. If the answer to question 2 is 'no' please confirm the basis for that view.
  4. When did KOR first become aware of the Information?
  5. If the answer to question 2 is "yes" and KOR first became aware of the Information before the relevant date, did KOR make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe KOR was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps KOR took to ensure that the Information was released promptly and without delay.
  6. Please confirm that KOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
  7. Please confirm that KOR's responses to the questions above have been authorised and approved in accordance with 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 **4:30 PM AWST Friday, 23 February 2024**. 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, 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.

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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**

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Regards

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ASX Compliance