



Perth, 1 November 2011

ASX Ltd  
Exchange Plaza  
Perth WA 6000

**RE: NOTICE OF ANNUAL GENERAL MEETING 2011**

Please find attached correct version of the Notice of Annual General Meeting 2011 (Notice).

The version of the Notice uploaded on Friday evening was a one of the draft versions which did not include the resolution to re-elect one of the directors of the Company who retires by rotation this year.

Sincerely yours

A handwritten signature in black ink, appearing to read "Andrej K Karpinski".

Andrej K Karpinski, FAICD, FFin  
**KORAB RESOURCES LIMITED**  
**EXECUTIVE CHAIRMAN**



**KORAB RESOURCES LIMITED**

**ACN 082 140 252**

**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**EXPLANATORY MEMORANDUM  
TO SHAREHOLDERS**

**A PROXY FORM IS ENCLOSED**

**Date of Meeting  
28 November 2011**

**Time of Meeting  
6:00 pm WST**

**Place of Meeting  
BGC Centre, Plaza Level, Corner Howard St  
and The Esplanade, PERTH, WA**

**Please read the Notice and Explanatory Memorandum carefully.**

**If you are unable to attend the meeting please complete and return the enclosed proxy form in  
accordance with the specified instructions.**

# Korab Resources Limited

ABN 082 140 252

## Notice of Annual General Meeting

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Notice is given that the 2011 Annual General Meeting of the Company will be held at the BGC Centre, Plaza Level, Corner of Howard Street and The Esplanade, PERTH, WA, **on Monday 28 November 2011 at 6:00 pm WST.**

### Agenda

#### Business

An Explanatory Memorandum containing information in relation to each of the following resolutions accompanies the Notice of Annual General Meeting.

#### Annual Report

To receive and consider the financial statements of the Company for the year ended 30 June 2011, consisting of the Profit and Loss Statement, Balance Sheet, report of the Company and the reports of the Directors and auditors for the year ended 30 June 2011, a copy of which is available at [www.korabresources.com.au](http://www.korabresources.com.au).

#### Resolution 1 – Remuneration Report

The Company's board is submitting its Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution.

To consider, and if thought fit, to pass the following non-binding resolution as an ordinary resolution:

*"That the Remuneration Report for the year ended 30 June 2011 be adopted."*

#### Resolution 2 – Election of Director of the Company

To consider and, if thought fit, to pass without amendment, the following as an ordinary resolution:

*"That, Mr Malcolm J. (John) McKenzie be re-elected as Director of the Company."*

Mr. McKenzie retires in accordance with the Constitution of the Company and the Listing Rule 14.5 and being eligible, he offers himself for election as Director of the Company.

#### Other business

To deal with any other business which may be brought forward in accordance with the Company's constitution or the Corporations Act.

#### By Order of the Board

Dated this 28th day of October 2011



Andrej K Karpinski  
Chairman

# Korab Resources Limited

ABN 082 140 252

## Notice of Annual General Meeting

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### Explanatory Memorandum

Shareholders are referred to the Annexure A for Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

Capitalised terms which are not defined in this Notice of Meeting and Explanatory Memorandum are defined in Annexure B to the Explanatory Memorandum.

### Entitlement to vote - Snapshot date

It has been determined that in accordance with Section 1074E(2) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Annual General Meeting, Company Shares will be taken to be held by the persons who are the registered holders at **5:00 pm WST on 26 November 2011**. Accordingly, Company Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### How to vote

You may vote by attending the meeting in person, by proxy or by authorised representative.

### Voting in person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at **6:00 pm WST on Monday, 28 November 2011**.

### Voting by Proxy

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative.

If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.

A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A Proxy Form accompanies this Notice and to be effective must be received at the Company's registered office:

The Company Secretary  
Korab Resources Limited  
Suite 6 Level 1, 100 Mill Point Road,  
SOUTH PERTH WA 6951

**OR** by facsimile: (08) 9474 6266 (Australia) or + 61 8 9474 6266 (International)

by no later than **5:00 pm WST on Saturday 26 November 2011**.

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in like manner as the proxy.

### Questions and Comments by Shareholders at the Meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to shareholders to ask questions about or make comments on the management of the Company at the meeting.

Similarly, a reasonable opportunity will be given to shareholders to ask the Company's external auditor, Mann Judd questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and

# Korab Resources Limited

ABN 082 140 252

## Notice of Annual General Meeting

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- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions to Mann Judd if the questions are relevant to the content of Mann Judd audit report or the conduct of its audit of the Company's financial report for the period ended 30 June 2011. Relevant written questions for Mann Judd must be received by mail at the registered office of the Company (PO Box 195, South Perth, WA 6951) or by facsimile, facsimile number +61 8 9474 6266 no later than **5:pm WST on 21 November 2011**. A list of the relevant written questions together with responses will be made available to shareholders attending the meeting. They will also be placed on the Company's website.

The following details should be included with written questions:

- the **Shareholder's Name**; and
- either the Shareholder's **Security Reference Number (SRN)** or **Holder Identification Number (HIN)**.

## **Annexure A**

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### **Introduction**

This Explanatory Memorandum has been prepared to assist shareholders to understand the business to be put to shareholders at the forthcoming Annual General Meeting.

The Directors recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions. Please refer to Annexure B of this Explanatory Memorandum for definitions of capitalised terms in this Notice of Meeting and Explanatory Memorandum.

### **Business**

**The Annual Report 2011 (including the financial statements, Directors' report and Auditor's report for the financial year ended 30 June 2011) is available for review by members at [www.korabresources.com.au](http://www.korabresources.com.au) and will be tabled at the Meeting. There is no formal resolution to accept the financial statements and reports, but provision will be made to members to question the Directors and the Auditor should they wish to do so.**

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## **1 Financial Report**

The Corporations Act requires the following reports in respect of the year ended 30 June 2011 to be laid before the annual general meeting:

- (a) the reports of the Directors and auditors; and
- (b) the annual financial report, including the Company's financial statements.

Neither the Corporations Act nor the Company's constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given ample opportunity to raise questions or comments of the Company's management.

The financial report for consideration at the meeting will be the full financial report. Each shareholder can access the full financial report as part of the Annual Report at [www.korabresources.com.au](http://www.korabresources.com.au) or request a printed copy by contacting the Company.

A reasonable opportunity will be given to the Company's shareholders as a whole at the meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

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## **2 Resolution 1 – Remuneration Report**

Under the Corporations Act, the Company is required to include, in the directors' report, a detailed Remuneration Report setting out the prescribed information in relation to the remuneration of directors and executives of Korab and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

The Remuneration Report is required to be submitted for adoption by a resolution of shareholders at the meeting. The vote on this resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies. From 1 July 2011 the advisory vote on the

# Korab Resources Limited

ABN 082 140 252

## Annexure A

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Remuneration Report under section 250R(2) of the Corporations Act 2001 has taken on additional significance. If there are two consecutive votes at the Annual General Meeting (AGM) against the Remuneration Report of 25% or more (Strikes), the second AGM at which the Strike occurs (Second Strike) will then consider whether the Board should be put up for re-election (Spill Resolution). If the Spill Resolution is passed then the Company is required to hold a Spill Meeting within 90 days of the Spill Resolution. It is at the Spill Meeting that the Directors (excluding the Executive Chairman) will be considered for re-election.

The vote may be held under any method allowed under the Company's Constitution, for example a show of hands, poll or by direct vote. The vote is determined in the same way as any other vote held at a general meeting. There is no requirement to conduct a poll, although given the significance of the vote and the difficulty in being accurate on a show of hands, it may be prudent to hold a poll on the Remuneration Report.

The Spill Resolution will only be relevant to the 2012 AGM, and then only if there was a vote of 25% or more against the Remuneration Report at the 2011 AGM (First Strike). The Spill Resolution, if required to be put to the meeting, is voted on as any other resolution at the meeting. The proxy form will include the Spill Resolution, just as any other resolution for the meeting. If there is no Second Strike then the Spill Resolution will not be put to the meeting. Essentially the Spill Resolution in the Notice of Meeting will be ignored. The count will start again if a Second Strike does not occur at the AGM immediately following the First Strike. The Spill Resolution will pass, i.e. to put the Directors up for election, on a majority of 50%. The Spill Meeting must be held within 90 days of the Spill Resolution passing.

The Executive Chairman is not required to go up for re-election at the Spill Meeting. All other Directors who were Directors at the time of the Second Strike must go up for election at the Spill Meeting. The legislation allows for the company to retain 3 Directors (or 2 plus the Managing Director or Executive Chairman in case of the Company who combines the functions of Managing Director and Chairman of Directors under the Constitution), being the minimum number of Directors for a Public Company under the Corporations Act 2001. If all Directors are voted out, then the Directors that are retained to maintain the statutory minimum will be those with the most votes for their election. If there are two or more Directors with the same number of votes, then the Directors shall choose the Director to be retained. If none of the Directors (other than the Managing Director or Executive Chairman) who were a Director at the time of the Spill Resolution remain as a Director before the end of the 90 day period, then the Spill Meeting does not need to be held.

At any general meeting held after 1 August 2011 any directed proxy held by a person other than the Chairperson will automatically roll to the Chairperson on a poll if the proxy does not vote or does not attend the meeting. The Chairperson is required at law, as they were prior to the new legislation, to vote any directed proxies they hold on a poll. Undirected proxies that are not voted or if the proxy does not attend will continue to be dealt with as they have in the past. These changes only apply to directed proxies.

Effective from 1 August 2011, the voting by members of a Company's Key Management Personnel (KMP) will be subject to specific exclusions from voting their personal interests or as proxy for third parties in respect to matters related to remuneration. The extent of the exclusions depends upon the capacity under which the KMP exercise the vote and the subject matter of the resolution. The exclusions also apply to the voting by certain relatives of, or entities controlled by, KMP. Key Management Personnel of the Company or the consolidated entity of which the Company is a part and their closely related parties, being: the spouse or a child of the KMP, a child of the KMP's spouse (commonly referred to as a step-child), a dependant of the KMP or the KMP's spouse, a member of the KMP's family who may be expected to influence, or be influenced by the KMP, in the KMP's dealings with the entity, a company controlled by the KMP are subject to various exclusions in respect to voting on matters related to remuneration.

KMP are defined under AASB 124 as: those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any

# Korab Resources Limited

ABN 082 140 252

## Annexure A

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director (whether executive or otherwise) of that entity. The determination of who are KMP and a closely related party of the KMP will need to be made for each AGM, or any general meeting if remuneration matters are to be considered, effective at the date of the meeting. It will not be sufficient to rely upon the KMPs disclosed in the Company's financial accounts as the KMPs may have changed since the balance date for the financial accounts.

The exclusions apply to the advisory vote on the Remuneration Report and resolutions connected directly or indirectly with the remuneration of the KMP. The legislation does not define "resolutions connected directly or indirectly with the remuneration of the KMP", but the legislation does give examples, such as: The Spill Resolution, Director's remuneration, Financial benefits to KMP. The voting exclusions in respect to the Remuneration Report only apply to companies that are required to put the Remuneration Report to the vote under Section 250R(2) of the Corporations Act.

Previously the Chairperson's Box only applied to voting exclusions under the Listing Rules. The effect of the new legislation is that it is now relevant to all resolutions related to remuneration of KMP. The legislation is poorly drafted on Chairperson vote as an undirected proxy on the Remuneration Report if the Chairperson's Box had been selected and until such time as the issue is clarified by the government, the conservative position is that the Chairperson's Box will not be effective in respect to the vote on the Remuneration Report. Consequently, the Chairman's Box is not included on the attached Proxy Form and any undirected proxies will be invalid and will be disregarded when counting the votes cast on the resolution regarding the Remuneration Report.

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### 3 Resolution 2 – Election of Director of the Company

Listing Rule 14.5 requires that an entity which has directors must hold an election of directors each year. The Constitution of the Company requires that one third of directors retires each year. If the number of directors who are subject to rotation is less than three, then that director who has been the longest in office since his/her election will retire by rotation.

Consequently, Mr. McKenzie retires in accordance with the Constitution of the Company and the Listing Rule 14.5 and being eligible, he offers himself for election as Director of the Company.

Malcolm J. (John) McKenzie (Age 67) was appointed as director of Korab in February 2009 and was elected by shareholders as director of Korab at the 2009 Annual General Meeting.

#### **Responsibilities**

Mr. McKenzie contributes his strategic planning and administrative skills as well as corporate governance knowledge.

#### **Qualifications**

Mr. McKenzie's background is in corporate management, real estate property and land development. His corporate experience includes 24 years as a director of BGC, one of the largest private manufacturing, construction and contracting companies in Australia with current sales in excess of \$1 billion. He provides to the Company the benefit of his general business and corporate experience as well as an ongoing strong interest in the resources sector.

#### **Other Directorships**

During the past three years Mr McKenzie has not held any listed company directorships. Mr McKenzie is a director of unlisted public companies Lugansk Gold Limited and Melrose Gold Mines Ltd.

## **Annexure B**

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### **Definitions**

The meanings of capitalised terms used in this Notice of Meeting and Explanatory Memorandum are set out below:

**\$** means an Australian dollar.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** and **Listing Rules** mean the official listing rules of ASX.

**Board** means the board of Directors.

**Company or Korab** means Korab Resources Limited ABN 082 140 252

**Constitution** means the Company's constitution

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Explanatory Memorandum** means the explanatory memorandum to the Notice.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this Notice of Annual General Meeting.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report contained in the Company's Annual Report 2011.

**Resolution** means a resolution contained in the Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Trading Day** means a trading day within the meaning of the ASX Listing Rules

**WST** means Western Australian Standard Time.

# Korab Resources Limited

ABN 082 140 252

## Proxy Form

The Company Secretary  
Korab Resources Limited

**By delivery:**  
Suite 6, Level 1  
100 Mill Point Road  
SOUTH PERTH WA 6951

**By post:**  
PO Box 195  
South Perth, WA, 6951

**By facsimile:**  
Australia – (08) 9474 6266  
International - +61 8 9474 6266

I/We (name of shareholder) .....

of (address) .....

being a member/members of Korab Resources Limited hereby APPOINT

(name) .....

of (address) .....

and/or failing him(name) .....

of (address) .....

or failing that person then the Chairman of the Annual General Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on **28 November 2011 at 6:00 pm WST** at the BGC Centre, Plaza Level, Corner of Howard Street and The Esplanade, PERTH, WA and at any adjournment of the meeting.

**YOU MUST DIRECT YOUR PROXY HOW TO VOTE AND YOU MUST TICK ONE OF THE BOXES BELOW. IF YOU DO NOT TICK ONE OF THE BOXES BELOW, YOUR PROXY FORM WILL BE INVALID AND YOUR PROXY WILL NOT BE ALLOWED TO VOTE.**

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain
<b>Resolution 1: Remuneration Report</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2: Election of Director</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll. This Proxy is appointed to represent.....% of my voting right, or if 2 proxies are appointed Proxy 1 represents .....% and Proxy 2 represents .....% of my total votes. Note, if a specific proportion of the shareholder's voting rights is not specified then each proxy may exercise half of the shareholder's voting rights. My total voting right is .....shares.

Signed this .....day of ..... 2011 By:  
**IF THE SHAREHOLDER IS AN INDIVIDUAL OR JOINT HOLDER**

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

**IF THE SHAREHOLDER IS A COMPANY**

Affix common seal (if required by Constitution)

\_\_\_\_\_  
Director/Sole Director and Secretary

\_\_\_\_\_  
Director/Secretary

# Korab Resources Limited

ABN 082 140 252

## Proxy Form

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### INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the Company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting, that is by **5:00 pm WST on 26 November 2011** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only even though he or she represents more than one member.
7. A joint holder may vote at a meeting either personally or by proxy, attorney or representative as if that person was the sole holder. If more than one joint holder tenders a vote in respect of the relevant shares, the vote of the holder named first in the register who tenders a vote, whether in person or by proxy, attorney or representative, must be accepted to the exclusion of the votes of the other joint holders.
8. Unless the proxy form provides differently, the proxy has the same rights to speak, demand a poll, join in demanding a poll or act generally at the meeting as the member would have had if the member was present.
9. Unless otherwise provided in the proxy form, an appointment will be taken to confer authority:
  - (a) even though the instrument may refer to specific resolutions and may direct the proxy, attorney or representative how to vote on those resolutions, to do any of the following acts:
    - (1) to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion;
    - (2) to vote on any procedural motion, including any motion to elect the chairperson, to vacate the chair or to adjourn the meeting; and
    - (3) to act generally at the meeting; and
  - (b) even though the instrument may refer to a specific meeting to be held at a specified time or venue, where the meeting is rescheduled or adjourned to another time or changed to another venue, to attend and vote at the re-scheduled or adjourned meeting or at the new venue.
10. It is the Chairman's intention to vote in favour of the resolution.