



27 May 2015

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Dear Overseas Shareholder

Non-Renounceable Rights Issue

On Tuesday, 26 May 2015, Korab Resources Limited (ASX:KOR) (**Korab** or **Company**) announced a one for three non-renounceable pro rata entitlement issue at 3 cents per new Korab share (**Rights Issue**).

The Offer Memorandum for the Rights Issue was lodged with ASX on Tuesday, 26 May 2015 and is available to download at www.asx.com.au using ASX code "KOR".

Korab has determined, pursuant to the Corporations Act 2001 (Cth) and Listing Rule 7.7.1(a) of the Listing Rules of the Australian Securities Exchange (**ASX Listing Rules**) that it would be unreasonable to make offers under the Rights Issue to shareholders with a registered address outside of Australia and New Zealand, having regard to the number of shareholders in such places, the number and value of the new shares that would be offered and the potentially substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

Accordingly, in compliance with ASX Listing Rule 7.7.1(a) and the Corporations Act, Korab wishes to advise that it will not be extending the Rights Issue to shareholders with registered addresses outside of Australia or New Zealand as at the record date, being 5 pm AWST on Monday, 1 June 2015 (**Record Date**).

Korab intends to appoint a nominee, on normal commercial terms, as nominee for foreign shareholders to sell the entitlements they would have been offered under the Rights Issue had they been eligible to participate in the Rights Issue (**Entitlements**). The nominee will have the absolute and sole discretion to determine the timing, price and manner of sale of the Entitlements. The net proceeds above the issue price (in Australian dollars), if any, of the sale (in Australian dollars) of the Entitlements will be distributed to foreign shareholders pro rata in proportion to their respective shareholdings as at the Record Date (after deducting the costs of the sale and the costs of distributing the proceeds). There is no guarantee that the nominee will be able to sell the Entitlements and foreign shareholders may receive no value for the Entitlements. Neither Korab nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price.

If you have any queries about the Rights Issue please contact please contact Andrej Karpinski on (08) 9474 6166.

Yours sincerely



Mr Andrej K Karpinski FAICD FFin
Executive Chairman

KORAB RESOURCES LIMITED

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