



**POWER**  
RESOURCES LIMITED  
ABN 69 125 345 502

20 August 2009

## **ASX ANNOUNCEMENT**

The Company Announcements Office  
Australian Stock Exchange Limited

Via E lodgement

### **Shareholder meeting to consider changes to your Board**

As set out in the Company's announcement to ASX on 17 August 2009, Power Resources Limited (**Power**) has received a copy of various documents in relation to a general meeting of Power called by Colbern Nominees Pty Ltd (**Colbern Nominees**) and Power has been advised by the lawyers for Colbern Nominees that the documents have also been sent to you as shareholders of Power.

### **Proposed resolutions**

Colbern Nominees has proposed resolutions to be put forward at the shareholders' meeting seeking the removal of the majority of your Board and the appointment of nominees of Colbern Nominees in their place. Colbern Nominees has not advised Power of any reason for the proposed resolutions and has not provided Power any information in relation to the proposed candidates.

Colbern Nominees has called meetings to consider similar resolutions in relation to two other ASX listed companies, Prime Minerals Limited and Blaze International Limited. A copy of a letter sent by Prime Minerals Limited to its shareholders is *enclosed* with this letter for your information.

### **Information in relation to Colbern Nominees**

The sole shareholder, director and secretary of Colbern Nominees is Mr Marc Clifton. Colbern Nominees acquired its shares in Power prior to the listing of Power on ASX in relation to the vend of certain tenements to Power some at a deemed issue price of one cent per share. Colbern Nominees has disclosed to ASX that it holds shares in Power on behalf of the Colbern Trust. Colbern Nominees, however, has failed to respond to a beneficial tracing notice sent by Power requiring Colbern Nominees to disclose who it holds the shares in Power on trust for.

Mr Marc Clifton is the stepson of Mr Dan Match. Mr Dan Match is the principal of D&L Tenement Services Pty Ltd which until recently was Power's tenement manager, being paid a fee of \$2,300 plus GST per month plus expenses. Power has recently replaced D&L Tenement Services as its tenement manager and is paying the new tenement manager \$196 per month.

## **Background on nominees for Board**

Mr Brett Matich is the sole director and shareholder of Landlife Corporation Pty Ltd (**Landlife Corporation**). Landlife Corporation has been a consultant to Power since January 2008, having been engaged to provide, amongst other things, corporate advice on acquisitions, sales and divestments, takeovers and mergers, joint ventures or strategic alliances with partners or other corporate transactions which enhance shareholder value. Landlife Corporation has received a total of in excess of \$175,000 from Power over the period of the consultancy either in fees or reimbursements. In early 2009 your Board reviewed this arrangement and asked Landlife Corporation for a report on its activities to justify the continuation of the consultancy. Within a week I received a telephone call from Mr Brett Matich demanding to be appointed as a director of Power.

Landlife Corporation was also issued with shares in Power prior to its listing on ASX at an issue price of ten cents per share.

Your Board is unable to provide you with any information about Mr Robert Franzen other than the information set out in the meeting documents prepared by Colbern Nominees.

## **The position of your current directors**

Pursuant to section 203D of the *Corporations Act* members of your current Board have the right to request Power to distribute a statement to all shareholders in relation to the proposed resolutions to remove them as directors. To ensure that there can be no suggestion that your current Board are seeking to use their position on the Board to support their own re-election statements by the current directors will be sent to you separately prior to the shareholder meeting.

## **Clarification in meeting documents**

Your Board takes the opportunity to clarify the following matters set out in the meeting documents prepared on behalf of Colbern Nominees:

- 1 The meeting documents state that Colbern Nominees has 'lost faith in the current Board'.

The Board notes that Mr Clifton, the sole director, secretary and shareholder of Colbern Nominees has never contacted the Board expressing any concerns with the management of the Company, nor have the majority of your Board ever even spoken to Mr Clifton.

- 2 The meeting documents state that 'The new Board members proposed intend to capitalise on the existing economic climate to aggressively seek new high value projects.'

The first of Colbern Nominees proposed appointees to the Board, Mr Brett Matich has through his company, Landlife Corporation, been engaged to provide services to Power since January 2008 and until recently has attended all meetings of the Power Board. During that time Mr Matich has not presented to the Board a single 'high value project'.

- 3 The meeting documents state that 'it is intended that if Mr Matich is successfully appointed to the Board' the consultancy agreement with Landlife Corporation will be terminated.

Since March 2009 when the Board instigated a review of this agreement no consulting fees have been paid to Landlife Corporation and the agreement has already been terminated.

- 4 The meeting documents that you have been sent ask you to send a copy of your completed proxy form to Colbern Nominees care of Blakiston & Crabb lawyers.

For your proxy to be valid it needs to be received by Power. A copy does not need to be sent to Blakiston & Crabb.

- 5 Resolution 5 on the Notice of General Meeting seeks the removal of any directors appointed to Power between 5 August 2009 and the time of commencement of the shareholders' meeting.

This proposed resolution is invalid as a matter of law and will not be put to shareholders.

I welcome the opportunity to discuss any queries shareholders have in relation to this matter. Written queries can be directed to your Board by email at [vh@powerresources.com.au](mailto:vh@powerresources.com.au) .

Yours sincerely



Vincent Hyde  
Executive Chairman