



KORAB RESOURCES LIMITED

www.korabresources.com.au

Wednesday, 20 January 2010

MINING ENTITY QUARTERLY ACTIVITY REPORT - DECEMBER 2009

HIGHLIGHTS

DEMERGER OF GOLD OPERATIONS INTO TWO NEW LISTED ENTITIES

BOBRIKOVO GOLD AND SILVER PROJECT – DEMERGER, FREE SHARES, IPO

- Decision has been made to seek **separate stock exchange listing on ASX and overseas** for Lugansk Gold Ltd¹.
- Following the IPO, Lugansk will **focus on development of the Bobrikovo gold and silver project** located in the eastern Ukraine.
- Korab is currently finalising the documentation required to call an EGM. At the EGM, Korab's shareholders will be asked to approve the demerger and the in-specie distribution of free shares in Lugansk Gold to Korab shareholders at a pro-rata ratio of **between 1 and 1.5 free Lugansk Gold Ltd shares for each Korab share** held on the record date (yet to be determined).
- Work on the Lugansk Gold Prospectus is well advanced and should be completed prior to the EGM taking place. It is the intent of **Korab to call the EGM for the first quarter 2010**. Lugansk Gold is expected to re-commence mining at Bobrikovo in the first quarter of 2010 and to commence production of gold and silver in the second quarter of 2011.
- Following the discussions held to date with European and North American brokers and investment banks, Korab expects that the **IPO of Lugansk will seek to raise (in aggregate) between US\$40 and US\$50 million**.

MELROSE GOLD PROJECT – DEMERGER, FREE SHARES, IPO

- Korab intends to **spin-off Melrose gold project into a separate entity listed on ASX** ².
- The new company will **focus on development of the Melrose gold project** located near Leinster and on exploration for gold within other Korab's projects located in Australia.
- Korab has commenced the development of the Melrose project during the quarter. This work will continue in parallel with the work on the spin-off and the IPO. Korab is currently working on the documentation required to call an EGM to approve the spin-off and the in-specie distribution of free shares in the new company to Korab shareholders.
- pro-rata ratio of **1 free new company share for each Korab share**.
- To ensure the fast-track development of Melrose, the Company intends to establish a **separate Melrose management team** with extensive experience in development of similar style open cut gold mining operations. The new team will oversee the development of Melrose and will manage the new company on a day to day basis.
- It is our intent that Korab will maintain representation on the new company's board.

¹ *Subject to shareholder, regulatory and ASX approval*

² *Subject to shareholder, regulatory and ASX approval*



For personal use only

ASX
KOR
Last price
AU¢ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



KORAB RESOURCES LIMITED

www.korabresources.com.au

WINCHESTER MAGNESIUM PROJECT – DEVELOPMENT OF MgO PRODUCTS

- Korab has commenced the work on the **Winchester magnesium project as a supplier of magnesium oxide (MgO) products to the building and allied industries.** MgO is used extensively in Canada, Asia and USA to produce low-costs high-strength building materials likely to replace in the coming years fibro-board, plaster-board, custom-wood, ceramic tiles, chipboard and synthetic marble and granite.
- **Korab is currently in negotiations with a syndicate of financiers, builders, building materials suppliers and providers of pre-fabricated housing with regard to the development of the project as supplier of MgO-based products.**
- MgO based products are fired resistant to 1,200 degrees, totally weather proof, do not absorb water, do not expand or shrink when submerged in water or heated up, can be repeatedly frozen and thawed without distortion, are resistant to rot, have high sound proofing capability, are about 10 times stronger than gyprock, weight about 50% less than plaster board and have compressive and impact resistance higher than concrete.
- Based on the high-level review of the project economics, development of Winchester magnesium deposit as a supplier of the MgO products has a potential to generate annual pre-tax income which would be a multiple of the current market capitalisation of Korab.
- **Project life is expected to be in excess of 50 years based on the current JORC code compliant Indicated Resource of 12.2Mt @ 43.1% Magnesium Oxide (MgO) and an Inferred Resource of 4.4Mt @ 43.6% MgO.**
- Winchester magnesium deposit is located 70km south from Darwin in the Northern Territory with rail line, gas pipeline, high voltage power lines and sealed transcontinental highway running through the project area. The development plan envisages the establishment of processing and manufacturing facilities either on site or in Darwin. This will enable the company to take advantage of the low-cost sea and rail freight to supply Australian and overseas customers.

GEOLSEC PHOSPHATE PROJECT

- Korab is awaiting the grant of the mining lease. Marketing of the phosphate rock is continuing in Australia and Asia. Project is expected to commence the quarrying, grinding and sales of the organic phosphate product in the second half of 2010³.
- Korab continues to receive large number of trade enquiries for GeolSec product.

EXPLORATION

- During the quarter Korab has continued field exploration of its projects. This work included further sampling of the geochemical base metal anomalies which were previously announced to the market. Recent evaluation of an Aerial Electro-Magnetic (AEM) survey has confirmed presence of conductors in close proximity to these anomalies. The anomalies are located within our Northern Territory projects. Korab is preparing a drilling program to undertake first-pass drilling of the conductors in the first half of 2010⁴.

³ *Subject to receiving all required permits and approvals.*

⁴ *Subject to receiving all required permits and approvals.*



For personal use only

ASX
KOR

Last price
AU¢ 18

BERLIN
C6S.BE

Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



KORAB RESOURCES LIMITED

www.korabresources.com.au

REVIEW OF OPERATIONS

During the quarter to 31 December 2009 Korab Resources has continued to work on the development of its mining and quarrying assets in Australia and in Ukraine and conducted exploration for phosphates, gold, base metals, nickel, copper, iron ore, lithium and rare earths in Australia.

CORPORATE

On the corporate front, Company has completed a strategic review of our projects with the specific focus on Korab's long terms aims, our operational capabilities, project funding requirements, and the risks facing the company going forward.

As a consequence, the Company has taken the view that the best way to maximise the value inherent in Korab's projects is to de-merge the company into three separate listed entities which would then continue to operate independently to develop their mining assets and to seek other opportunities.

The gold mining projects will be demerged into two independent companies, one (Melrose) operating in Australia and the other (Lugansk) operating in Europe. Following the demerger of the gold mining operations, Korab will concentrate on developing its organic phosphate rock (GeolSec) and its magnesium oxide (Winchester) businesses in the Northern Territory. It will also continue to explore for base metals within its Northern Territory and Western Australian projects.

The demerger of the gold assets into two independent entities will serve a number of purposes. It will:

- maximise the returns to Korab shareholders
- allow shareholders to optimise their portfolios by providing them with tradeable equity in the projects
- allow each project to be evaluated by investors and analysts on its own merits
- allow the market to more accurately value Korab's gold and non-gold assets
- provide CAPEX and working capital required to fast-track development of the gold projects without the dilution of shareholders equity in non-gold assets
- simplify the Company's structure and operations

BOBRIKOV GOLD PROJECT IN UKRAINE

Korab has received strong interest from broker/dealers and investment banks that have approached the Company with regard to spinning-off Bobrikovo gold project into a separate entity listed in Australia, UK and Canada.

A separate capital raising tied to the Bobrikovo gold mine would enable the Company to take better advantage of the current strong gold price by fast tracking the expansion of gold production at Bobrikovo to an annual rate of around 60,000 ounces of gold without diluting shareholder's interest in other Korab projects.



PAGE 3 OF 20

For personal use only

ASX

KOR

Last price
AU\$ 18

BERLIN

C6S.BE

Last price
€ 0.10

Issued capital

78.5 million shares

Market capitalisation

AU\$ 14 million

€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA

PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA

TEL (08) 9474 6166 FAX (08) 9474 6266

ACN 082 140 252



KORAB RESOURCES LIMITED

www.korabresources.com.au

A multiple listing in Australia, UK and Canada would also ensure that the capitalisation of the new listed entity holding the Bobrikovo project more adequately reflects the value of this substantial gold asset and consequently generates better return for Korab shareholders.

Following the discussions with brokers and investment bankers in Australia and overseas and with our partners and other stakeholders in Ukraine, Korab board has decided to demerge Lugansk Gold Ltd (LUG) from Korab and to seek multiple listing of LUG in Australia and overseas by way of an IPO. LUG will seek to raise between US\$40 million and US\$50 million to fast track the development of the deposit to become a mid size gold producer focused on European gold and silver projects.

Korab is currently finalising the documentation required to call an Extraordinary General Meeting where Korab's shareholders will be asked to approve the demerger and the in-specie distribution of shares in Lugansk Gold to Korab shareholders at a pro-rata ratio of between 1 and 1.5 Lugansk Gold Ltd shares for each Korab share held on the record date (yet to be determined).

The work on the LUG IPO prospectus is well advanced and should be completed prior to the EGM taking place. It is the intent of Korab to call the EGM for the first quarter 2010. Lugansk Gold is expected to re-commence mining at Bobrikovo in the first quarter of 2010 and to commence production of gold and silver in the second quarter of 2011.

The oxidised zone of the Bobrikovo deposit begins at the surface and extends down to 35m. Sulphide gold mineralisation starts at 35 m depth and continues to a depth of 3,200m. Veins are easily recognizable and suitable for selective extraction.

BACKGROUND OF THE BOBRIKOV GOLD PROJECT

Korab commenced development of the Bobrikovo gold mine in June 2008 through Korab's 74% owned subsidiary Donetsky Kryazh Ltd (DKL) which is controlled by Korab's Australian subsidiary Lugansk Gold Ltd. The remaining 26% interest in DKL is held by Ukrainian investors. DKL is registered under Ukrainian laws and is subject to local corporate tax at a rate of 25%. All funding requirements for DKL's Bobrikovo gold mine are provided by Korab through Lugansk Gold Ltd. Loans provided by Korab will be repaid from project's pre-tax cash flows. Ukraine has no restrictions on repatriation of capital or profits and is a major investment destination for European Union's institutional investors.

Bobrikovo mine is located in Eastern Ukraine in the Lugansk Region within Nagolny Ridge. Nagolny Ridge is part of a large intra-continental Phanerozoic structure that extends from southern Europe extending east to Central Asia which hosts several world-class gold mining operations including Muruntau, Vysokovoltnoe, and Bakirchic. The tenor and style of mineralisation at Bobrikovo is similar to 170 million ounce gold deposit at Muruntau in Uzbekistan and to 57 million ounce Sukhoi Log deposit in Russia. Other deposit analogues to Bobrikovo are gold deposits in Nova Scotia, Canada.

More detailed information about the Bobrikovo deposit can be sourced from Korab's ASX announcement made on 7 September 2009.

<http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=00985600>



PAGE 4 OF 20

For personal use only

ASX

KOR

Last price
AU\$ 18

BERLIN

C6S.BE

Last price
€ 0.10

Issued capital

78.5 million shares

Market capitalisation

AU\$ 14 million

€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA

PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA

TEL (08) 9474 6166 FAX (08) 9474 6266

ACN 082 140 252



KORAB RESOURCES LIMITED

www.korabresources.com.au

GOLD MINERALISATION AND GEOLOGY AT BOBRIKOVO

Bobrikovo structure strikes 11km by 2.5 km. The deposit occurs on the intersection of deep fault zones. Mineralisation is controlled by NW-NNW trending anticline hinge, and occurs as concordant quartz-carbonate tension veins and stockworks. Host rocks of the Nagolny Kryazh comprise two structural stages: the lower, Precambrian, and the upper, Phanerozoic. The lower structure comprises deformed sequence of gneisses and crystalline schists. Precambrian basement is overlapped by 3km- thick sedimentary rock sequence. Ore zone is 2.5-3 km long and 0.9 – 1km wide. Sulphide ores occur from the depth of 35m down to at least 3200m.

- Crustal environment: Nagolny Kryazh - centre of the Donetsk Fold Zone, on the E margin of the Ukrainian Shield.
- Structural regime: Intersection of the Osyovy & Elanchik-Rovenkov deep-seated fault zones, where the Osyovy Fault splays S and N. 7-25 m wide quartz-ankerite veins and stockworks sit at crest of NW-trending anticline (280-290°, 11 km long, 2.5 km wide).
- Host rocks: C2-P3 metamorphosed flysch greywacke-shale sedimentary rocks.
- Ores: Carbonate-quartz veins and altered rocks with sulphide-gold mineralisation; fault controlled
- Regional metallogeny: mercury, gold, base metals, silver, coal, sandstone-hosted uranium mineralisation
- Age of host rocks: Early-Carboniferous; Age of mineralisation: 270 Ma

METALLURGY TEST RESULTS

Independent test work by accredited laboratories has shown good recovery of gold from both primary and oxide ores using variety of methods including gravity, cyanidation and heap leach. This will allow Korab to consider a number of processing options.

TEST RESULTS

1. Hydrocyclone extraction; yield 72-79%
2. Gravitational extraction; yield 62%, hydrometallurgy with autoclave leaching; yield 97-98%
3. Gravitational concentrate; yield 46-81% (average 60%) tail cyanidation; yield 90%. Total extraction after gravitation and cyanidation; yield 94-98%
4. Cyanide leaching of test sample of 10k tons of ore. 40kg of Au was extracted. Extraction yield: 92%
5. Heap leaching; yield 92%
6. Concentrate obtained by KNELSON thickener; mixed ores yield 77%, Au content 473g/t
7. Gravity table; yield 63-76%
8. Concentrate obtained by KNELSON thickener; yield: low grade ores 40-50%, high grade ores 90%. Combined gravitational-cyanidation; yield 90-95%

ASX
KOR
Last price
AU¢ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



For personal use only



KORAB RESOURCES LIMITED

www.korabresources.com.au

MELROSE GOLD PROJECT NEAR LEINSTER IN THE YILGARN (WA)

During 2009 Korab has received offers, proposals and expressions of interest from third parties to jointly develop the project. Under the terms of the proposals, Korab would be free carried to production while retaining 50% equity in the project.

Korab has evaluated these proposals in the context of our overall strategy, the key objectives and various constraints. Among the key factors used during the final determination of the best course of action were the following:

- necessity to simplify the company's structure to increase its investor appeal
- current strength of the gold market
- CAPEX and working capital required to develop the project as a stand-alone operation
- desire to maximise the returns to Korab shareholders

After reviewing various options, the board has taken the view that the best option (on-balance) is to spin-off the Melrose project into a separate entity listed on ASX.

During the quarter, Korab has commenced the work on the development of the Melrose project. This work (which includes: resource re-estimation, metallurgy testing, process design, mine design, etc) will continue in parallel with the work on the spin-off of the project and the IPO of the new company.

Korab is currently working on the documentation required to call an EGM to approve the spin-off and the in-specie distribution of free shares in the new company to Korab shareholders. It is expected that Korab shareholders will receive free shares in the new company at a pro-rata ratio of 1 new company share for each Korab share held.

To enable the fast tracking the development of Melrose gold deposits, it is the intent of the Company to establish a separate management team with prior experience in development of similar style open-cut gold mining projects. The new team will oversee the development of Melrose and will manage the new company on a day to day basis. It is our intent that Korab will maintain representation on the new company's board following the demerger.

Melrose gold deposits have a 306,000 ounce JORC code compliant resource base with a substantial exploration upside. All are located within 3 granted mining leases within the Wanganoo greenstone belt near Leinster in the Eastern Goldfields province of Western Australia. For the location of the deposits please see maps on pages 17 and 18.

Table 1. Melrose Project Mineral Resource (above 0.5g/t cut-off)

RESOURCE/DEPOSIT	TONS	GRADE G/T AU	OUNCES GOLD
Measured Resource			
Boundary	684,000	1.36	30,000
Indicated Resource			
Boundary	3,024,000	1.31	127,000
Inferred Resource			
Boundary	900,000	1.56	45,000
Bungarra	1,655,000	1.64	87,000
Stirling	404,000	1.31	17,000
TOTAL RESOURCE	6,667,000	1.43	306,000



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252

For personal use only

ASX
KOR
Last price
AU¢ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million





KORAB RESOURCES LIMITED

www.korabresources.com.au

Gold mineralisation commences at a depth of 10 meters and remains open at depth. The area is underexplored and significant potential exists for substantial additional mineralisation along strike and at depth. Additional step-out drilling confirmed independent assessment that additional gold mineralisation extends below the deposits and along strike with multiple high grade intercepts of up to 211 g/t gold.

New areas of possible extensions to the mineralized body have been highlighted by drilling, particularly where the BIF units contain wide intercepts of gold mineralization in the 1.5 to 2.5g/t Au range, with true widths of approximately 5 to 15 metres. The existence of high grade mineralization is encouraging and may translate to future underground mining. The significance, structural controls and continuity of these high-grade shoots suggest a well mineralized and deep seated system.

RC drilling program completed in 2004 and drilled at azimuths of 360 and 180 degrees and 60 degree declination into the Boundary resource highlighted the potential for both high grade shoots and bulk low grade mineralization in the area. Significant drill intercepts from the Boundary deposit are listed below:

Table 2. Boundary Deposit – RC drilling significant intercepts (local grid)

HOLE NO.	NORTH	EAST	AZI/DECL.	INTERCEPT
BDRC02	23250	8910	270/-60	5m at 12.34g/t Au from 145m
BDRC03	23275	8925	270/-60	5m at 11.03g/t Au from 120m
BDRC11	23275	8900	270/-60	5m at 9.42g/t Au from 80m
BDRC28	23150	8960	270/-60	3m at 7.19g/t Au from 104m
BDRC35	23250	8930	270/-60	17m at 14.15g/t Au from 153m
BDRC36	23250	8980	270/-60	3m at 13.49g/t Au from 147m
BDRC45	23150	8980	270/-60	2m at 14.53g/t Au from 115m
BDRC58	23225	8885	270/-60	22m at 11.62g/t Au from 90m
BDRC60	23250	8855	270/-60	3m at 44.68g/t Au from 43m
BDRC60	23250	8855	270/-60	3m at 10.11g/t Au from 20m
BDRC61	23250	8890	270/-60	14m at 6.28g/t Au from 77m
BDRC65	23300	9020	270/-60	26m at 1.44g/t Au from 130m
BDRC66	23050	8745	090/-60	6m at 4.04g/t Au from 67m

Similarly high grade drill intercepts were encountered at the Bungarra deposit located to the south of the Boundary deposit. Significant intercepts are shown in the following table:

Table 3. Bungarra Deposit – RC drilling significant intercepts (local grid)

HOLE NO.	NORTH	EAST	AZI/DECL.	INTERCEPT
BFRC17	12030	19475	270/-60	2m at 33.80g/t Au from 29m
BFRC22	11960	19550	270/-60	2m at 6.57g/t Au from 30m
BFRC31	11910	19625	270/-60	5m at 6.07g/t Au from 60m

Korab's 100% owned Melrose gold project consist of three granted mining leases which contain the Boundary, Bungarra, Hurleys and Stirling gold deposits. Project also includes several miscellaneous

For personal use only

ASX
KOR

Last price
AU\$ 18

BERLIN
C6S.BE

Last price
€ 0.10

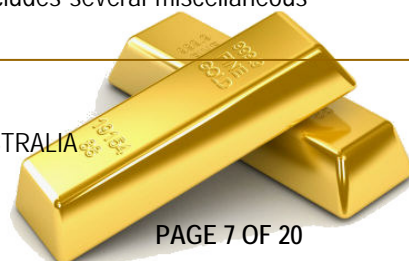
Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252





KORAB RESOURCES LIMITED

www.korabresources.com.au

licences which were secured in 2006 for a new road to Bronzewing plant. Bronzewing plant is located some 40 km to the west of the Melrose project. Several scoping studies and a pit optimisation studies have been completed by Korab over the last 4 years.

During the quarter, independent consultants commenced the review of the mineral resource and the evaluation of the project development options. At the gold price above the AU\$800/ounce the optimum development option appears to be a stand alone operation. Korab is currently preparing to undertake the metallurgy testing of the ore with the aim of completing the process design and mine plan by the third quarter of 2010. Korab will be aiming to commence gold production from Melrose project in 2011⁵. Production in the 1st year is targeted at 20,000-40,000 ounces of gold at a cash cost of AU\$500-AU\$585 per ounce for a pre-tax profit of between AU\$8.3 million and AU\$20 million⁶.

MELROSE PROJECT RESOURCE ESTIMATION

Boundary Gold Deposit

Table 4. Boundary Deposit – Oxide and fresh rock resources
(Above 0.5g/t cut-off)

Category	Zone	Tonnes (t)	Grade (g/t)	Ounces
Measured	Oxide	32,000	1.45	1,000
	Fresh	652,000	1.36	29,000
	Subtotal	684,000	1.36	30,000
Indicated	Oxide	260,000	1.46	12,000
	Fresh	2,764,000	1.30	116,000
	Subtotal	3,024,000	1.31	128,000
Inferred	Oxide	60,000	1.21	2,000
	Fresh	840,000	1.58	43,000
	Subtotal	900,000	1.56	45,000
Grand Total		4,608,000	1.37	203,000

Mineralization is primarily associated with multiple quartz vein sets with no preferred host rock, lithological boundary or other mappable unit. Resource estimates at other lower cut-off grades have been calculated and demonstrate that significant tonnages are present at higher average grades. The following table demonstrates the range of values.

Table 5. Boundary Deposit - Resource at various cut-off grades

LOWER CUT-OFF GRADE	TONNES	GRADE G/T	OUNCES
0.5	4,608,000	1.37	203,000
1.0	2,318,000	2.02	151,000
2.0	907,000	2.96	86,000
3.0	317,000	3.93	40,000
4.0	104,000	4.96	17,000

⁵ Subject to receiving all permits and approvals

⁶ Assuming the gold price of AU\$1,000 per ounce



For personal use only

ASX

KOR

Last price
AU¢ 18

BERLIN

C6S.BE

Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



KORAB RESOURCES LIMITED

www.korabresources.com.au

A 10 to 15 metre thick blanket of transported clay and gravels covers most of the deposit. The base of this unit can sometimes contain 2 to 3 metres of plus 20 g/t gold material, either derived from a mechanical or chemical concentration. The regolith beneath the cover is a stripped profile of bleached pallid white felsic clays.

Weathering is generally between 70-90 metres vertical (to top of fresh rock). Petrological studies of the felsic to intermediate volcanic rocks indicate these are high-level rhyolitic/dacitic flows, crystal lithic tuffs and recrystallised volcanogenic conglomerates. These flows are intruded by a medium to coarse grained, sometimes porphyritic, quartz, biotite granodiorite with interstitial hornblende and pyrite. The granodiorite intrusion contains country rock xenoliths and has an irregular contact. Granodiorite veins and dykes also are intersected in drilling in close proximity to the main bodies.

Gold mineralization is interpreted to exist mainly within steeply west-dipping quartz (minor pyrite) veins, primarily along the margins of the granite. A barren phase of sericite-pyrite alteration appears to predate the gold mineralising event, and in general, no consistent correlation exists between gold grade and pyrite content. Within these steep-dipping zones, the majority of individual ore shoots are generally fairly narrow (1-3m wide); of limited vertical extent; generally traceable for less than 20-30 metres up or down dip; but more consistent down plunge, where many can be traced for over 50-60 metres.

Veins cross cut all lithologies, but appear to be best developed in a north-south to north-north east orientation along the western contact between granodiorite and volcanics. Another phase of veining appears to be associated with northeast structures, cross-cutting the granodiorite, volcanics and possibly BIF. Gold grades within the veins are highly variable with some containing visible gold and grade up to 266 g/t Au.

The Boundary mineralization has been intersected to depths of 250m below surface and remains open at depth. Eastern and Western BIF targets have not been adequately tested, nor have all IP anomalies been tested by drilling to date.

Bungarra Gold Deposit

Bungarra contains an Inferred Resource currently estimated at 1.66mt @ 1.64 g/t Au containing 87,000 ounces of gold. Much of the Bungarra resource has been interpreted to be within two shallowly dipping supergene bodies over an area of 400m by 180m. It is located approximately 4.6km south east of Boundary on the fold axis. Rock types are similar to Boundary, but at least two separate pyrite rich granodiorite intrusions are recognised; a grey granodiorite and a melanocratic granite.

The weathering profile at Bungarra is not as deep, compared to Boundary, averaging between 50m and 60m depth. However, supergene gold horizons within the saprolite are well developed and preserved. Primary mineralization has been intersected in a few deeper RC and diamond holes, but portions of the oxide mineralization are potentially more steeply dipping and reflect primary orientations, rather than supergene processes.

Where recorded, quartz-pyrite veins are steeply dipping to the west with individual metre grades of up to 86 g/t gold. They appear to be aligned north-northwest, but this is not conclusive from the drilling to date. A significant primary gold ore body may exist at Bungarra or beneath adjacent areas of cover but this is yet to be confirmed.



PAGE 9 OF 20

For personal use only

ASX
KOR
Last price
AU\$ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



KORAB RESOURCES LIMITED

www.korabresources.com.au

Stirling Gold Deposit

Stirling is a small supergene gold resource approximately 1.4km to the south southeast of Boundary. The current Inferred Resource is estimated at 404,000 at 1.31 g/t Au containing 17,000 ounces of gold. This is defined over an area of approximately 50 by 75m metres and 3 drill traverses.

Rock types at Stirling include more ultramafic sills than at Boundary and to date no granodiorite has been intersected in drilling. One reported granodiorite outcrop in a creek at Stirling could not be confirmed. The deposit appears to coincide with limonitic quartz veining on a north-northwest trending structure.

MELROSE PROJECT GEOLOGY

Melrose is located in the Eastern Goldfields within the Archaean Yilgarn Craton. The host structure is Wanganoo/ Mt Fisher greenstone belt, a narrow, 5-12km wide, northwest trending greenstone structure (see diagram on page 8).

The host structure is a broad anticline with north-northwest trending axis that passes through the centre of the Melrose tenements. The structure is disrupted by northwest to north northwest - trending strike slip faults with right lateral displacement. Crosscutting northeast faults are clearly reflected on magnetic maps; smaller scale northeast and east-west trending oblique shears transect the greenstone package.

Within the project area, the core consists of deeply weathered felsic volcanic flows and sediments. The uppermost section of the greenstone package consists of a thick sequence of tholeiite and high magnesium basalts, narrow dolerite or porphyry bodies, and thin pelitic metasediments. In places, synvolcanic and late-stage felsic stocks and porphyry bodies intrude the felsic rock sequence.

Metamorphic grade of the host rocks varies from amphibolite facies along the margins of the belt to upper greenschist facies toward the centre of the structure.

Host rocks have undergone intense silicification and weathering. The depth of weathering varies from 50 to 75m, in places up to 90m. The typical weathering profile is (from the base of oxidation): saprock (5 to 10m thick), saprolite (10 to 15m), limonitic oxide clays (10 to 15m), mottled zone (5 to 15m) and alluvium or transported laterite soils (2 to 5m). The weathering profile is commonly truncated with colluvium and alluvium consisting of calcareous red clay soils, iron nodules and fragments of ferruginous saprolite, directly overlying the clay zone.

GOLD MINERALISATION AND ORE TYPES

The mineralization discovered at Melrose is found in both oxidised and fresh rocks. The host structures for this mineralization fall into the following categories:

1. Flat-lying or gently dipping "supergene" layers within the oxide profile
2. Steep, narrow quartz veins sub-parallel to the fold axial plane cleavage
3. Larger quartz veins occupying dilation sites along lithologic contacts
4. Pervasive fracturing and stockwork mineralization through granitoid and coarse-grained volcanoclastic rocks in the antiform core.
5. Silicification and dilation quartz veins along the western limb of the BIF.

The volcanoclastic, sedimentary and granitoid units have acted as hosts to mineralization due to a combination of their brittle deformation around the antiform, linkage of major structures providing



For personal use only

ASX
KOR
Last price
AU\$ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



KORAB RESOURCES LIMITED

www.korabresources.com.au

access for hydrothermal fluids, amenability to alteration and physical/chemical affinity for the precipitation of gold. The inter-related fracture systems have provided excellent conduits for mineralization, particularly within the core of the antiform and along contacts.

The mineralization described as "supergene" is a function of weathering zone re-distribution where vein or fault-hosted gold-bearing structures within the oxide profile have been weathered in situ and the gold preferentially distributed or dispersed in the sub-horizontal plane parallel to former (palaeo-) water table positions. The majority of oxide mineralization lies at depths of between 10 and 50m.

From observations in diamond drill core the mineralization shows the following characteristics:

1. Alteration haloes around quartz veins are generally small
2. Quartz veins traverse all rock types and are predominantly steep, often cross-cutting the rock fabric
3. Quartz veins are generally white or opaque and may show brecciation but are not layered, porous or crustiform (therefore likely to be formed by brittle deformation)
4. Quartz veins show multiple events with up to 4 overlapping sets of veins intersecting each other
5. Alteration assemblage is normally silica/chlorite/albite with subordinate sericite/carbonate
6. Sulphide assemblage is dominated by pyrite, often very fine grained in the alteration halo but recrystallised to coarser clusters in quartz veins
7. High-grade quartz veins show free gold in association with coarse pyrite; other sulphide species are rare

Three main types of mineralization have been defined based on the relative abundances of various minerals, which occur within the geological and weathering profile.

Oxide Ore - Limonitic and kaolinitic clays with variable proportions of weathered mafic material form the basis of this ore type. These tend to occur in the first 50 metres of the profile. Density of this clay material varies with location in the weathering profile, but normally occurs within the range 1.6 to 2.1 gm/cc. A density value of 1.8 gm/cc was used for the resource calculations. Grade variability may be high, especially associated with the redistributed sub-horizontal or "supergene" type occurrences at certain levels where grades above 10g/t gold are clustered within a lower grade, more widely dispersed envelope.

Transitional Ore - This ore type is, as the name suggests, transitional between the highly weathered oxide material and unweathered fresh material. Some parts of this intermediate zone have highly weathered and altered mineralization with oxide characteristics, other parts resemble bedrock sulphide. The global grade tends to be higher than oxide mineralization; however the tonnage is often lower. The Melrose Inferred Mineral Resource estimates were completed assuming that the oxide rocks were consistently weathered and no attempt was made to separate out the transition material at that stage.

Sulphide Ore - Sulphide-type mineralization is located in fresh rocks below the weathering profile. The global average grade for Melrose sulphide mineralization is 4.1 g/t gold. Ore is found in brecciated, quartz-veined and altered zones hosted by volcanoclastics, granitoids and sediments, which have undergone brittle deformation and hydrothermal alteration. Mineralization is associated with quartz veins and chlorite-silica alteration accompanied by sulphides, which are dominantly pyrite. The density of this type of ore varies from 2.6 to 2.85 gm/cc based on standard rock density data and current information from nearby mines with similar host materials.



For personal use only

ASX

KOR

Last price
AU\$ 18

BERLIN

C6S.BE

Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA

PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA

TEL (08) 9474 6166 FAX (08) 9474 6266

ACN 082 140 252



KORAB RESOURCES LIMITED

www.korabresources.com.au

WINCHESTER MAGNESIUM PROJECT

Korab is currently in negotiations with a syndicate of financiers, builders, building materials suppliers and providers of pre-fabricated housing with the view development of the Winchester project as a supplier of MgO-based products to the building and allied industries (subject to receiving all required permits and approvals).

During the quarter, Korab has commenced the work on the development of the Winchester magnesium deposit. This work includes updates of the mine plan and environmental impact statement, process design, obtaining the required permits and approvals, liaison with local stakeholders, equipment procurement, preparation of tender documentation, etc.

Winchester magnesite deposit contains a JORC Code compliant Indicated Resource of 12.2Mt @ 43.1% Magnesium Oxide (MgO) and an Inferred Resource of 4.4Mt @ 43.6% MgO.

Winchester project has been taken through to the bankable feasibility stage by its previous owners who intended to develop the project to supply magnesium metal at an annual rate of 50,000 tones. The work which they have completed included the preparation of the Environmental Impact Statement, mine design, test mining and stockpiling of ore and processing of ore samples through a pilot plant to produce magnesium metal. As part of this work, the land area covering the Winchester deposit and the proposed site for the processing plant has already been surveyed for a mining lease. The land is currently being held under an exploration licence by Korab. There are several large stockpiles of magnesium ore on site.

Winchester magnesium deposit is located 70km south from Darwin in the Northern Territory with rail line, gas pipeline, high voltage power lines and sealed transcontinental highway running through the project area. The development plan envisages the establishment of processing and manufacturing facilities either on site, or in Darwin. This would enable the Winchester project to provide local employment opportunities whilst enjoying the advantages of the low-cost sea and rail freight to supply Australian and overseas customers.

MgO is used extensively in Canada, Asia and USA to produce low-costs and high-strength building materials which are likely to replace in the coming years fibro-board, plaster-board, custom-wood, chipboard, ceramic tiles, synthetic marble and granite. MgO-based products are fired resistant to 1,200 degrees, totally weather proof, do not absorb water, do not expand, or shrink when submerged in water, can be repeatedly heated up, frozen and thawed without distortion, are resistant to rot, have high sound proofing capability, are about 10 times stronger than gyprock, weight about 50% less than plaster board and have compressive and impact resistance higher than concrete.

In addition to a large number of uses in residential and commercial construction in urban areas, MgO products offer enormous environmental and safety benefits for regional development. Tests conducted in USA and Australia (CSIRO) show that MgO board is suitable for fire-proofing of existing houses built in areas prone to bushfires and for rapid construction of new prefabricated fire-proof houses. More information about the MgO products can be sources from Korab website at:

www.korab.com.au/winchester

Based on the high-level review of Winchester project economics, development of this magnesium deposit as a supplier of the MgO-based building products has a potential to generate annual pre-tax

KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



PAGE 12 OF 20

For personal use only

ASX
KOR

Last price
AU\$ 18

BERLIN
C6S.BE

Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million





KORAB RESOURCES LIMITED

www.korabresources.com.au

income which would be a multiple of the current market capitalisation of Korab. The project life is expected to be in excess of 50 years.

MAGNESIUM METAL POTENTIAL

In addition to its use in building and allied industries, MgO is also used in production of magnesium metal where the market has been growing at an annual rate of 6%-8%. Magnesium metal has a number of advantages over other materials. One of them is its weight to strength ratio. For example, aluminium is 50% heavier than magnesium and steel is 400% heavier than magnesium. Magnesium is the lightest of all metals used as the basis for constructional alloys. It is this property which entices automobile manufacturers to replace denser materials, not only steels, cast irons and copper base alloys but even aluminium alloys by magnesium based alloys. The requirement to reduce the weight of car components as a result in part of the introduction of legislation limiting emission has triggered renewed interest in magnesium. The growth rate over the next 10 years has been forecast to be 7% per annum.

Another use of the magnesium metal is in production of NanoMag. NanoMag is a patented environmentally friendly process for the production and marketing of high strength, light weight magnesium sheet with nanometre microstructures for automotive, aerospace, military, biomedical and other applications.

The process offers numerous advantages in material integrity and cost savings over any other product now available. The key to the NanoMag technology is its ability to create fine-grained strengthening of magnesium alloys at low cost. The net result is a stronger, more reliable, more formable and lighter weight magnesium sheet with properties similar to steel and with a comparable strength to density ratio as that of steel but at one-fourth the weight.

Because of its lighter weight, substituting magnesium sheet for aluminium and other materials reduces vehicle weight and thus its fuel consumption. The material is also used to offer greater personal protection in military applications. In addition to military, automotive, aviation and aerospace applications NanoMag is applicable as a base material to the manufacture of fuel cells and electronic products.

ASX
KOR
Last price
AU\$ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252





KORAB RESOURCES LIMITED

www.korabresources.com.au

GEOLSEC ORGANIC PHOSPHATE ROCK (NORTHERN TERRITORY)

LOCATION

Korab's GeolSec rock phosphate deposit is located in the Northern Territory, 65 km south of Darwin on the outskirts of the regional centre of Batchelor. Korab is intending to develop the deposit as a simple quarrying operation capable of supplying pastoralists, organic farmers and other users of phosphate based organic fertilisers with a superior environmentally friendly product. Local infrastructure includes sealed highway, railway line, gas pipeline, high voltage power and potable water.

Because of the deposit's location, its structure and its characteristics, the development of the GeolSec deposit should have a negligible environmental impact. Furthermore, through the development of GeolSec deposit as a preferred supplier of environmentally friendly organic products that can be substituted for soluble fertilisers, Korab can contribute to solving soil salinity and water pollution problems. Availability of locally produced and distributed organic fertiliser will also assist in further spread of sustainable agriculture around Darwin and elsewhere. This has a potential to provide substantial ongoing benefits to the environment and the local community.

PRODUCTION VOLUMES, START-UP COST AND WORKING CAPITAL

GeolSec is aiming to commence production in 2010⁷ with a targeted first year output of 15,000 tons p.a. (notwithstanding the recently identified additional demand for our product), to generate a projected pre-tax gross profit of around \$5 million. GeolSec will be targeting a 2nd year profit of \$9 million, and a 3rd year profit of \$12 million. This represents a targeted pre-tax profit of \$26 million⁸ over 3 years commencing 2010. This revenue stream represents a potential gross profit of 33 cents per share over 3 years. It is anticipated that the production could be expanded to 30,000 TPA by 2012-2013. There is a potential for the project to operate for at least 5 years at a rate of 30,000 TPA. The start-up costs are estimated at between \$200,000 and \$300,000 with working capital requirements in the order of \$300,000 and \$500,000. Initially, the quarrying and grinding operations would be conducted on a campaign basis (6-8 weeks a year) from May to July. The demand for the direct application phosphate rock is seasonal in nature with the bulk of the product bought during the months preceding the start of the wet season in October. However, the elevated location of the deposit allows for a year-round operation should this be required.

MARKETING OF GEOLSEC PRODUCT

Continued market research and the associated marketing drive have identified new areas of potential demand for GeolSec organic products. In addition to strong local demand in the Northern Territory, company is continuously receiving trade enquiries from India, China and Indonesia suggesting substantial additional demand which in aggregate exceeds GeolSec's annual production capacity.

GEOLSEC PHOSPHATE AND OTHER PHOSPHATE ROCKS

GeolSec's organic phosphate product is a finely ground-up phosphate rock which is used for direct application by growers of organic produce and pastoralists. Not all phosphate deposits are suitable

⁷ Subject to receiving pall permits and approvals

⁸ Subject to achieving target production and sales revenue



For personal use only

ASX
KOR
Last price
AU¢ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



KORAB RESOURCES LIMITED

www.korabresources.com.au

for this type of use. Majority of large phosphate deposit are not suitable for direct application because of their chemical composition, or crystalline structure, or both. As a consequence they are chemically treated and are primarily used for production of various grades of phosphoric acid and soluble phosphate fertilisers.

Phosphate rocks suitable for use as direct application organic fertilisers sell at substantial premium to other phosphate rocks which are not suitable for direct application. GeolSec phosphate rock, because of its chemical composition and physical properties is ideally suited for direct application and as a consequence is likely to command a substantial pricing premium to other phosphate rocks. Unlike other phosphates rocks, it will not undergo any chemical processing or beneficiation prior to application and consequently would be suitable for use by certified organic farms.

Direct application phosphate rock fertiliser prices have not been affected by the recent economic turmoil. Whilst soluble fertiliser demand has collapsed during 2008 and early part of 2009, the demand for organic fertilisers similar to GeolSec product has increased by around 17% in US alone. Similar growth rates were experienced in other regions. Australia is the world leader in organic farming. Over 40% of global organic farmland which is located in Australia is supplying rapidly expanding Asian and European demand with organic produce.

GeolSec product has major advantages over the chemically treated fertilisers and provides a number of benefits for the environment, farmers and consumers. More information about the benefits of GeolSec product is provided on the following pages as well as in the presentation made by Korab to the Australasian Fertiliser Conference held in Sydney in September 2009. Below is the link to the presentation which is available from Korab's website:

http://www.korab.com.au/KORFertiliserconfSeptember2009_000.pps

BENEFITS OF ORGANIC PHOSPHATE

A summary of information regarding direct application organic phosphate can be found below. For more information visit Korab's website at: <http://www.korab.com.au/geolsec.htm>

Organic fertilisers based on ground-up rock phosphate offer several advantages over soluble fertilisers such as DAP, MAP or superphosphate. They slowly release nutrients into the soil matching the speed at which the nutrients are being absorbed by the plants. This reduces the risk of harmful accumulation of nutrients in the soil, reduces soil salinity and limits the serious environmental degradation caused by concentration of fertilisers in the ground water, rivers and the coastal waters.

One of the many benefits of phosphate rock organic fertilisers is their ability to restore microelemental and microbial soil balance which in turn leads to less reliance on artificial fertilisers and better crop yields. Application of phosphate rock to tropical acid soils has a potential trigger effect on plant growth and crop yields as a result not only of P release but also of their effects on increasing exchangeable calcium (Ca) and reducing Al saturation. The resulting plants have a better nutritional quality.

GEOLSEC phosphate rock, thanks to its high specific gravity and small grind size is suitable for aerial application over large areas. *GEOLSEC* is a source of several nutrients other than P. Phosphate rock is usually applied to replenish the soil P status, but *GEOLSEC* also provides other nutrients present in this phosphate rock. The incorporation of the organic residues present in *GEOLSEC* enhances biological activity and soil carbon (C) accumulation, leading to improved physical and chemical soil

For personal use only

ASX
KOR
Last price
AU¢ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252





KORAB RESOURCES LIMITED

www.korabresources.com.au

properties. Thus *GEOLSEC* will have an important role in contributing to improving soil fertility and soil degradation control.

GeolSec phosphate rock is a natural mineral requiring no metallurgical processing. Its use as a substitute for soluble fertilisers avoids the production of polluting wastes such as phospho-gypsum and greenhouse gases, thus resulting in energy conservation and protection of environment from industrial pollution.

ORGANIC FARMING IN AUSTRALIA

Australia is the world leader in organic farming. In 2007, Australia had 12 million hectares of land (or 42% of the total world organic farmland) being used for organic farming. Although Korab is initially focusing on the pastoralist and organic farmers in the Northern Territory and several niche segments of the Western Australian market, the general Australian organic farming sector offers Korab a very substantial marketing opportunity and a potential for strong sustainable growth. Organic farming is the fastest growing sector of agriculture.

ASX
KOR
Last price
AU¢ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252





KORAB RESOURCES LIMITED

www.korabresources.com.au

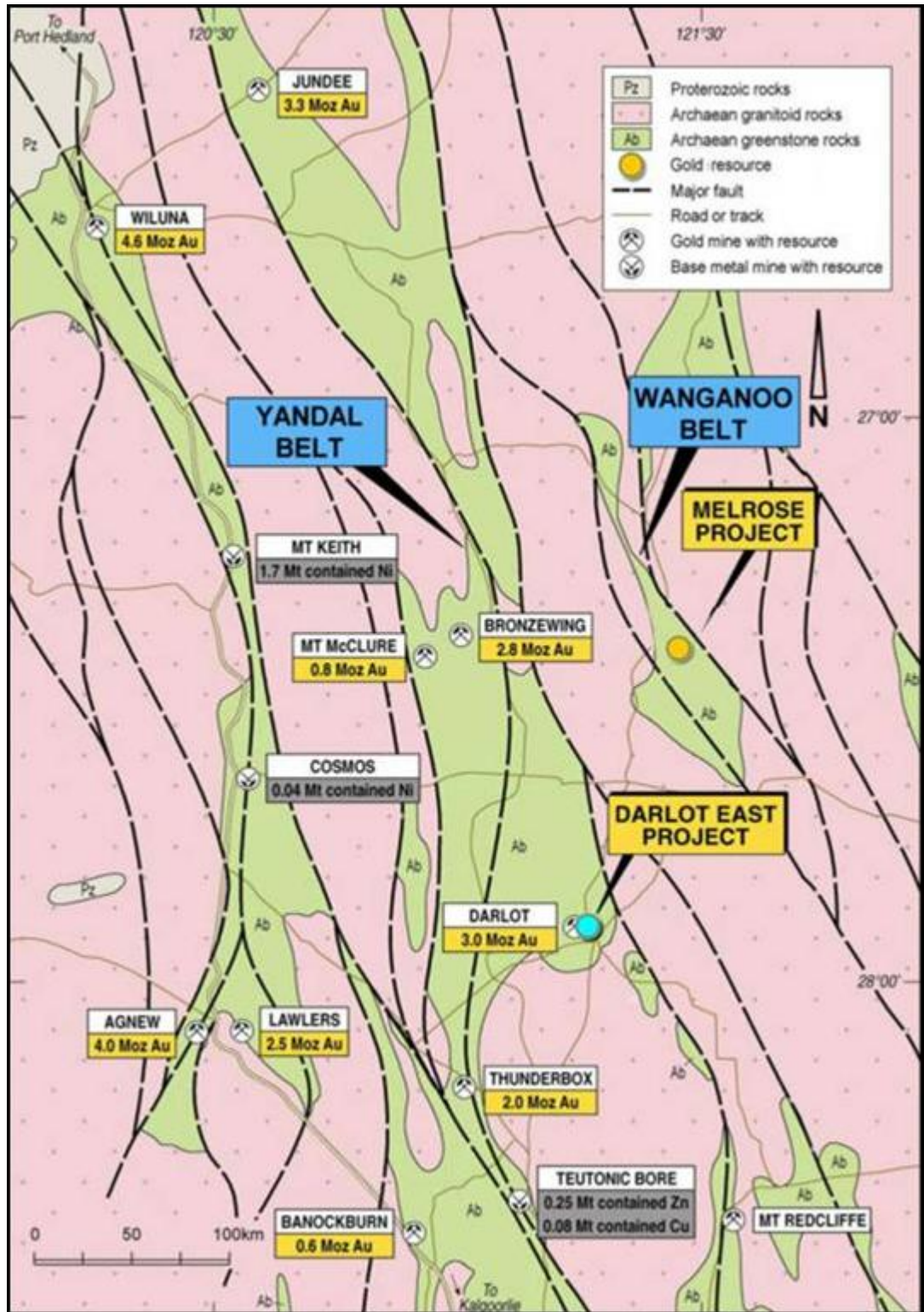
For personal use only

ASX
KOR
Last price
AU\$ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



LOCATION OF MELROSE PROJECT RELATIVE TO OTHER GOLD PROJECTS



KORAB HOUSE
LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252

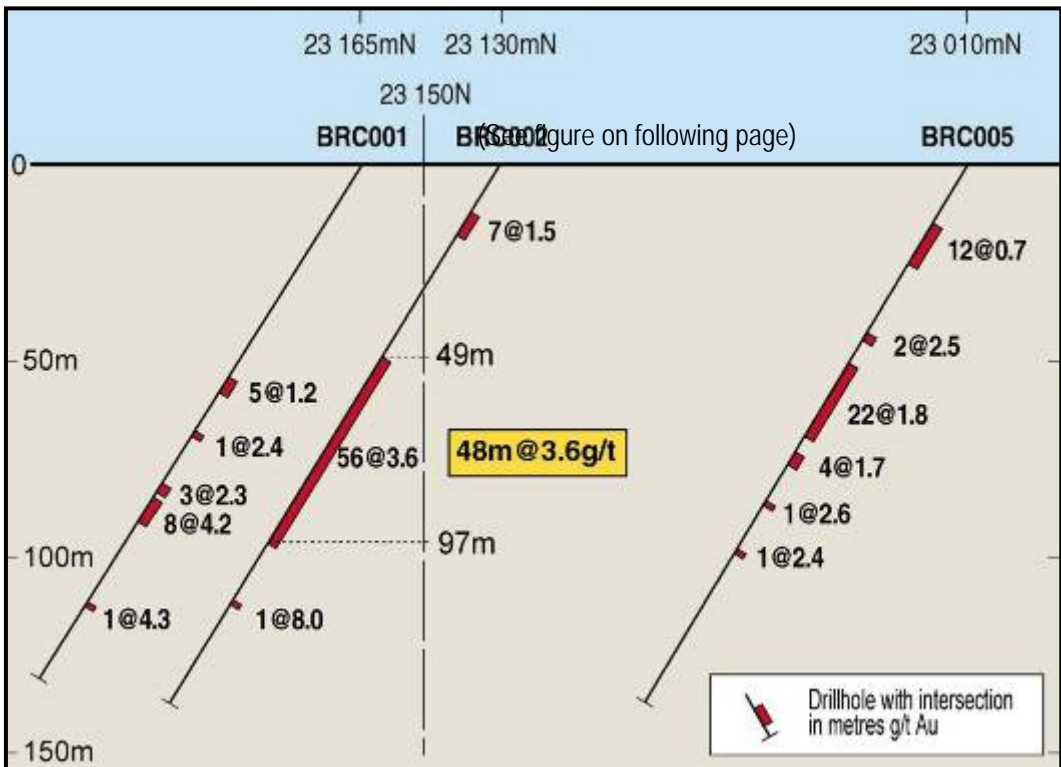
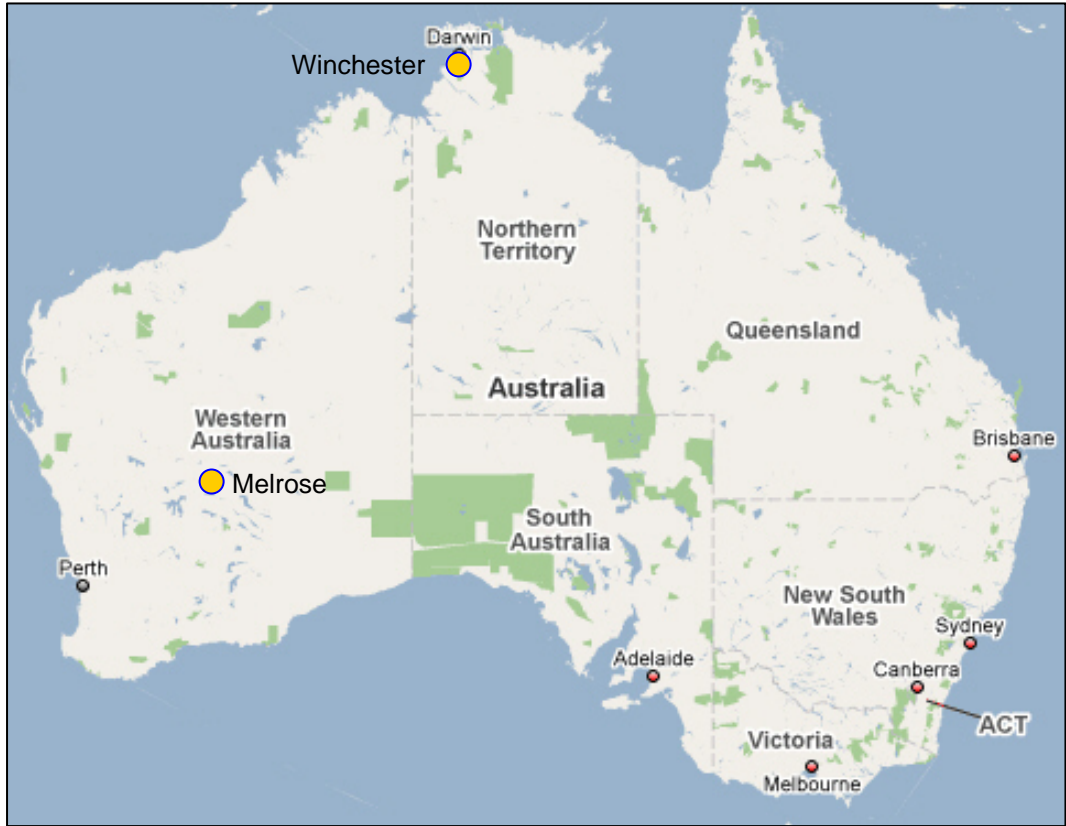




KORAB RESOURCES LIMITED

www.korabresources.com.au

For personal use only



MELROSE BOUNDARY DEPOSIT - CROSS SECTION 8830E

ASX
KOR
Last price
AU¢ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE
LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252





KORAB RESOURCES LIMITED

www.korabresources.com.au

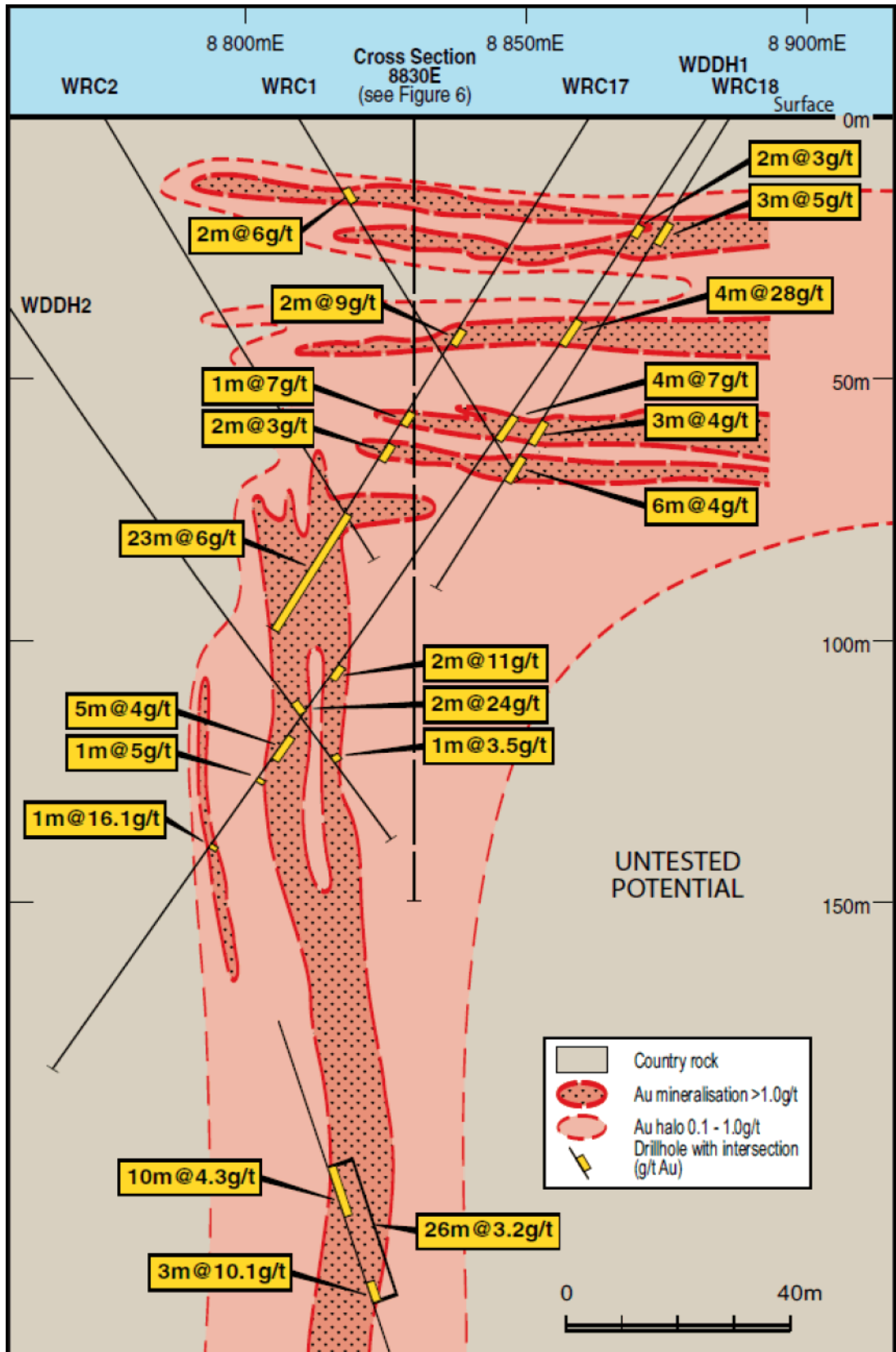
For personal use only

ASX
KOR
Last price
AU¢ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



MELROSE BOUNDARY DEPOSIT - CROSS SECTION 23 150N



KORAB HOUSE
LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252





KORAB RESOURCES LIMITED

www.korabresources.com.au

SUMMARY OF SELECTED ASX ANNOUNCEMENTS

On **16 October 2009** Korab announced the commencement of work on the Melrose gold project located in Western Australia. Korab has received a number of offers, proposals and expressions of interest to develop jointly the JORC code compliant resource located within 3 granted mining leases in close proximity to several gold processing plants. The company is currently reviewing the offers. Korab has commenced work on the mine planning and mine permitting with the aim of starting gold production at Melrose in 2011⁹.

<http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=00999364>

On **22 October 2009** Korab announced that it has been able to reduce the start-up and operating costs of the GeolSec phosphate project in Northern Territory by 38%. The project has become fully funded to production following the successful completion of fund raising under the Share Purchase Plan in September 2009. The company has provided updated targeted profits and sales figures. The project which could be developed as early as 2010¹⁰ has a potential to generate 33 cents per Korab share in pre-tax profits over 3 years.

<http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01001305>

ABOUT KORAB RESOURCES LIMITED

Korab Resources Ltd is an Australian mining and exploration company based in Perth with operations in Australia and Europe. Korab's quarrying and mining projects include rock phosphate, gold, silver and magnesium. More information about Korab's gold projects can be sourced from recent ASX announcements. The company also manages exploration projects in Western Australia and the Northern Territory. For more information about Korab please visit our website at www.korabresources.com.au Korab's shares are traded on Australian Securities Exchange (ASX) and on the Berlin Stock Exchange (Berliner Börse).

CONTACT:

Andrej K Karpinski, Executive Chairman - Australia: (08) 9474 6166, International: +61 8 9474 6166

Competent Person: The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, who is an independent geological consultant and is a corporate member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle has in excess of 5 years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Malcolm Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

⁹ Subject to receiving all permits and regulatory approvals

¹⁰ Subject to receiving all permits and regulatory approvals



For personal use only

ASX
KOR
Last price
AU¢ 18

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
78.5 million shares

Market capitalisation
AU\$ 14 million
€ 8 million



KORAB HOUSE

LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252