

INVESTOR BRIEFING

January 2010

Andrej Karpinski
Executive Chairman

www.korab.com.au



**KORAB
RESOURCES**

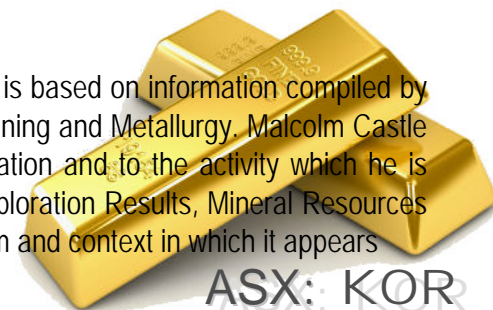




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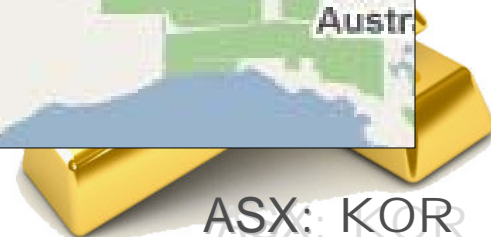
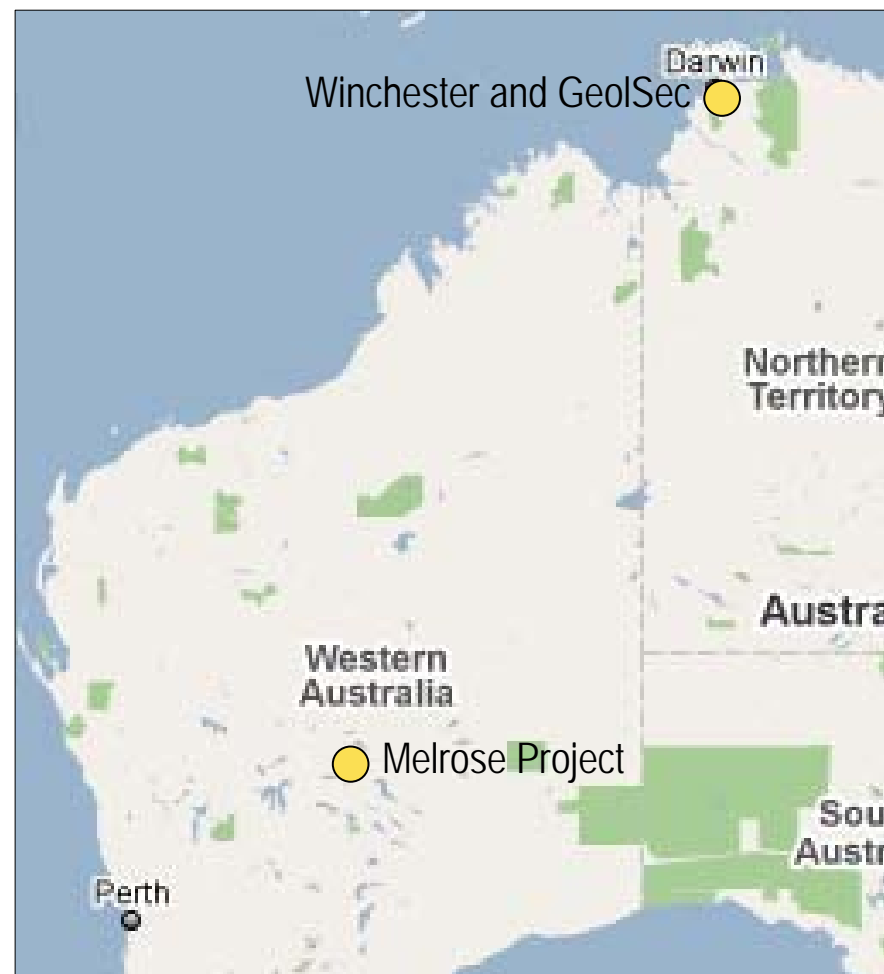
Competent Person: The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, who is an independent geological consultant and is a corporate member of The Australasian Institute of Mining and Metallurgy. Malcolm 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





Overview

- ASX code: KOR
- Market Cap: \$20 M (@ \$0.25)
- Issued capital: 78 M
- Top 20: 47%
- Directors: 33%
- Directors:
 - Andrej Karpinski
Executive Chairman
 - John McKenzie
Non Executive Director
 - Rodney Skeet
Non Executive Director





Price History



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Why Korab?

- Demerger of gold assets into two listed entities ¹
- Korab shareholders to receive free shares in two demerged entities ¹
- Tight register – free float less than 45 million shares
- Long life projects in large markets with excellent growth potential
- Potential for near term income

¹ Subject to shareholder, ASX and regulatory approvals





Company Profile

- Listed on ASX in August 2005
- Magnesium, organic rock phosphate, gold and silver projects in Australia and Europe
- Demerging development-ready gold projects
 - Bobrikovo gold and silver mine located in eastern Ukraine
 - Melrose gold project located 70km from Leinster in WA
- Developing mining assets into a low-to-medium cost operations with a potential for long mine life
 - Winchester magnesium deposit located 65 km south from Darwin
 - GeolSec phosphate rock deposit located 65 km south from Darwin





Strategy & Objectives

- Key objective is to maximise shareholder returns
- Simplify corporate structure
- Demerge gold operations into 2 separate listed entities (allow shareholders to optimise their portfolios by providing them with tradeable equity in each project)
- Allow each project to be evaluated by investors and analysts on its own merits
- Focus Korab on development of Winchester and GeolSec (long mine life, large and growing domestic and international markets)
- Fast-track development of gold mining projects to take advantage of the gold price
- Provide CAPEX and working capital for the gold projects without diluting shareholders equity in non-gold assets
- Establish separate management teams to operate each project





Strategy & Objectives (cont.)

- Establish Korab as a low cost niche operator in sectors with strong historical growth and a continuing long term growth potential
 - Organic phosphate rock - growing demand for organic produce, concerns over water pollution and soil salinity
 - Magnesium – growing demand for fire-proof, environmentally friendly building materials, light-weight alloys, steel, advanced aerospace designs and missiles, lighter cars
- Projects with long mine life located near existing infrastructure (mills, ports, rail, power, water)



Melrose Project Timeline

- Spin-off and IPO
 - EGM planned for 1st Q 2010
 - IPO planned for 2nd Q 2010 ¹
- Development
 - 1st half of 2010: metallurgy tests, process design, mine design
 - 2nd half 2010: permitting, contracting, procurement
 - 1st half 2011: commence mining and gold production

¹ Subject to shareholder, ASX and regulatory approvals



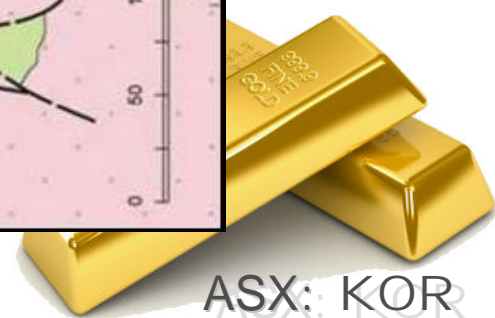
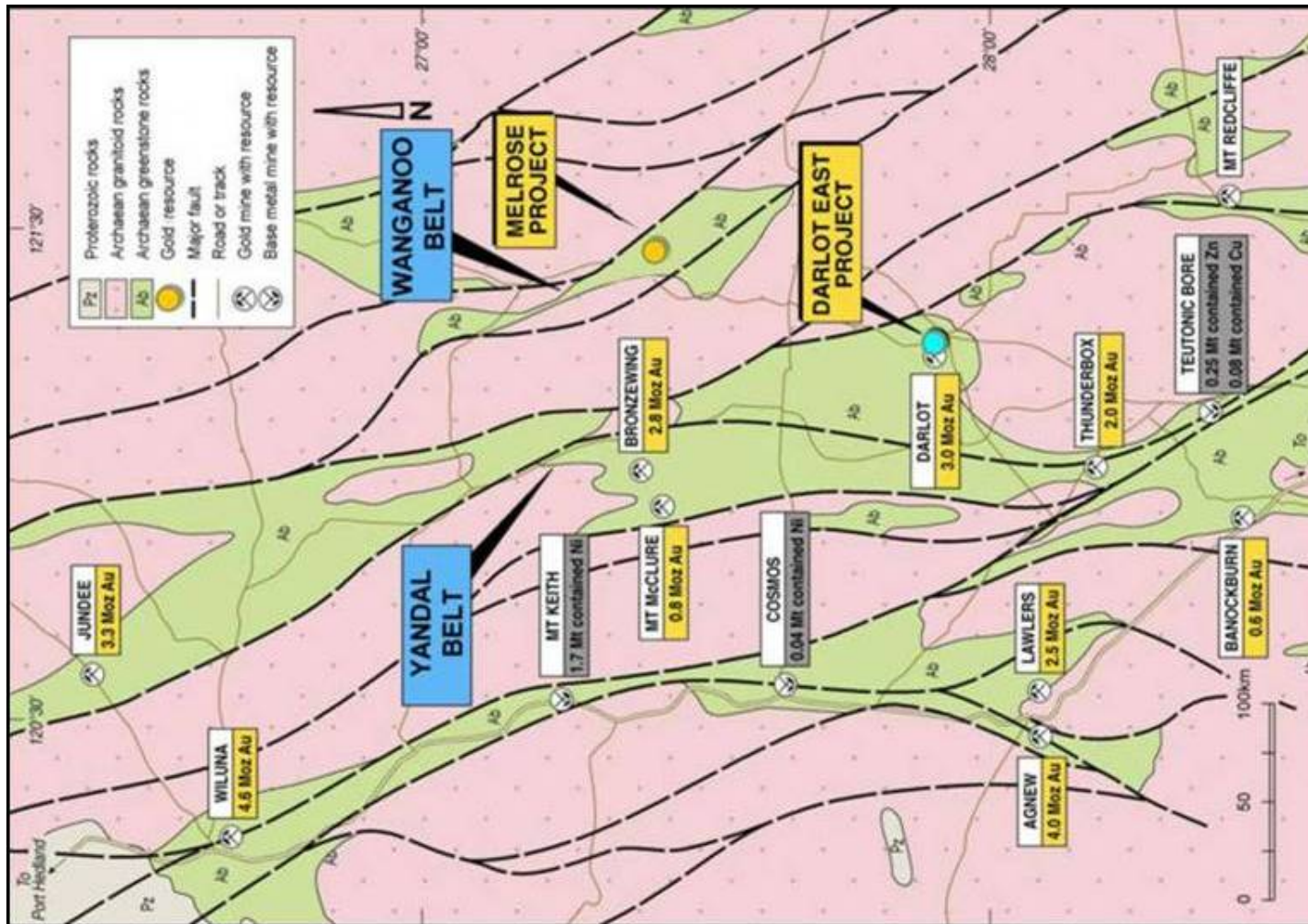


Melrose Project Info.

- Well located project
- Large existing resource base
- Deposit starts at shallow depth
- Potential for low cost operation
- Great exploration upside below existing resource
- Dedicated technical and management team with experience in open cut and underground gold mine development



Melrose Project Location



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Melrose Project JORC Resource

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

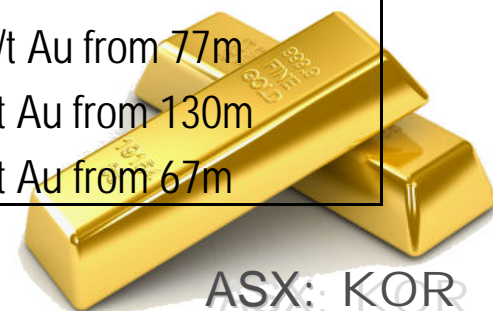


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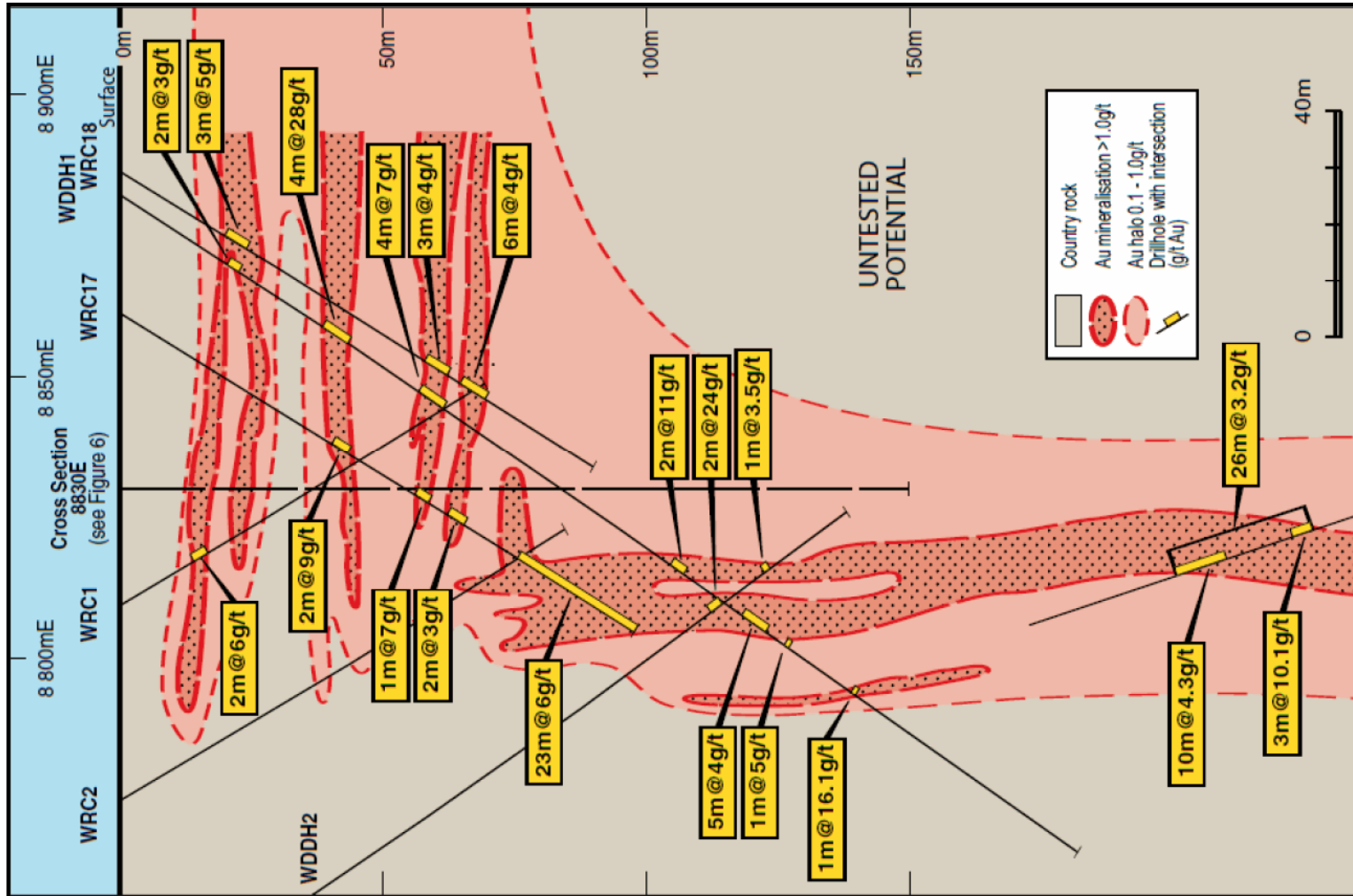
Melrose Project Exploration Upside

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



Melrose Exploration Upside



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Lugansk (Bobrikovo) Timeline

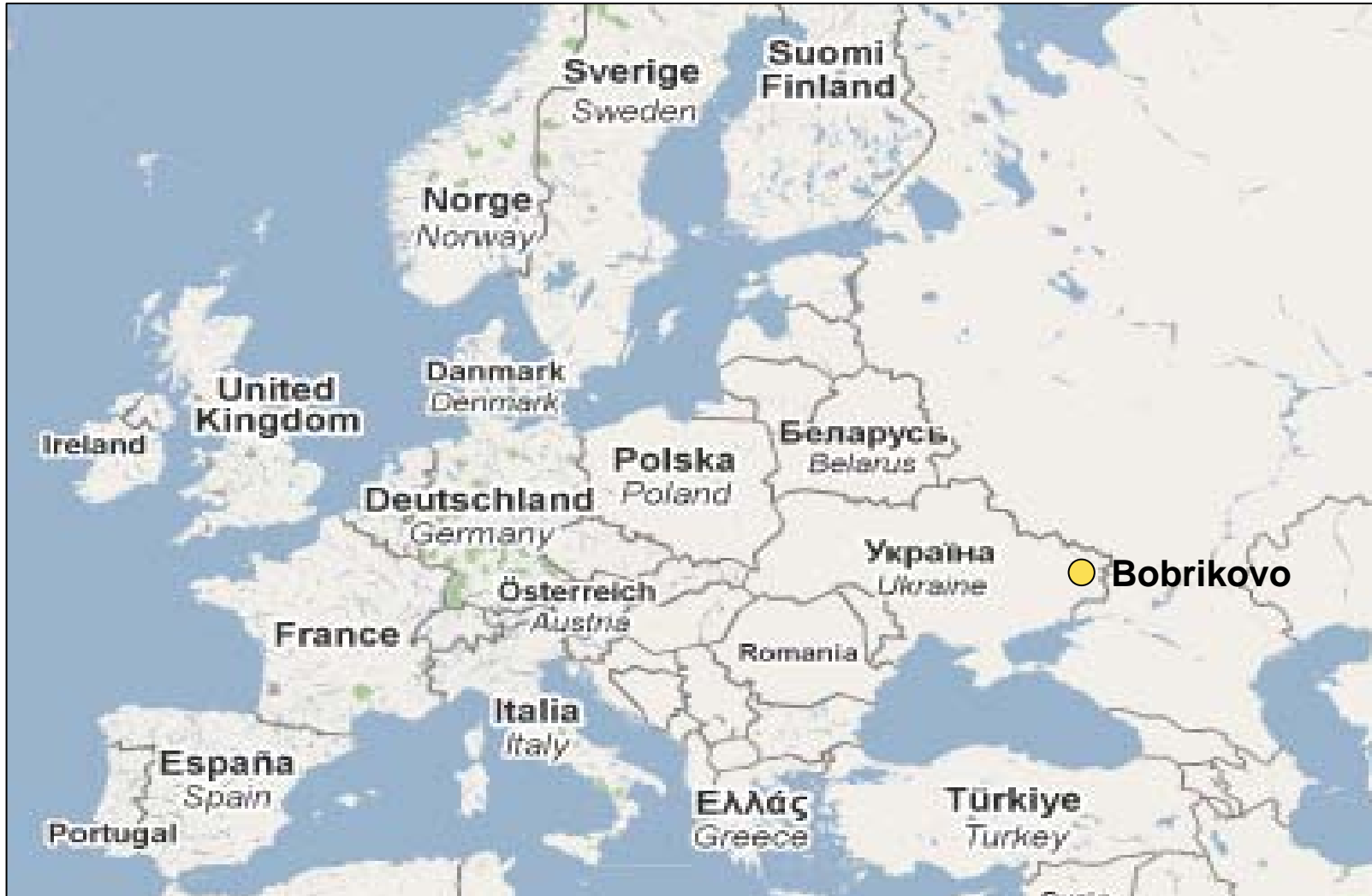
- Demerger and IPO
 - EGM planned for 1st Q 2010
 - IPO planned for 2nd Q 2010 ¹
- Development
 - Mine design, prestrip, all permitting completed
 - 1st half 2010: re-commence mining and stockpiling of ore, plant re-design, contracting, procurement, construction
 - 1st half 2011: commence gold and silver production

¹ Subject to shareholder, ASX and regulatory approvals





Lugansk (Bobrikovo) Project Location



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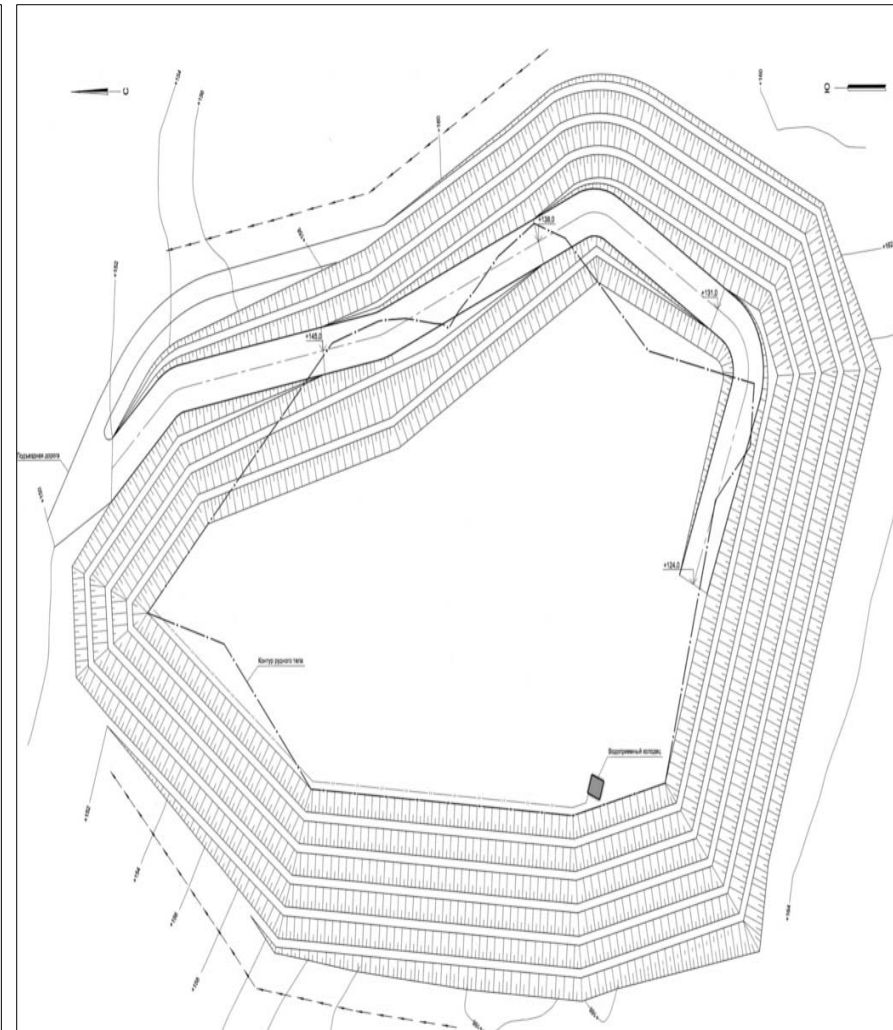
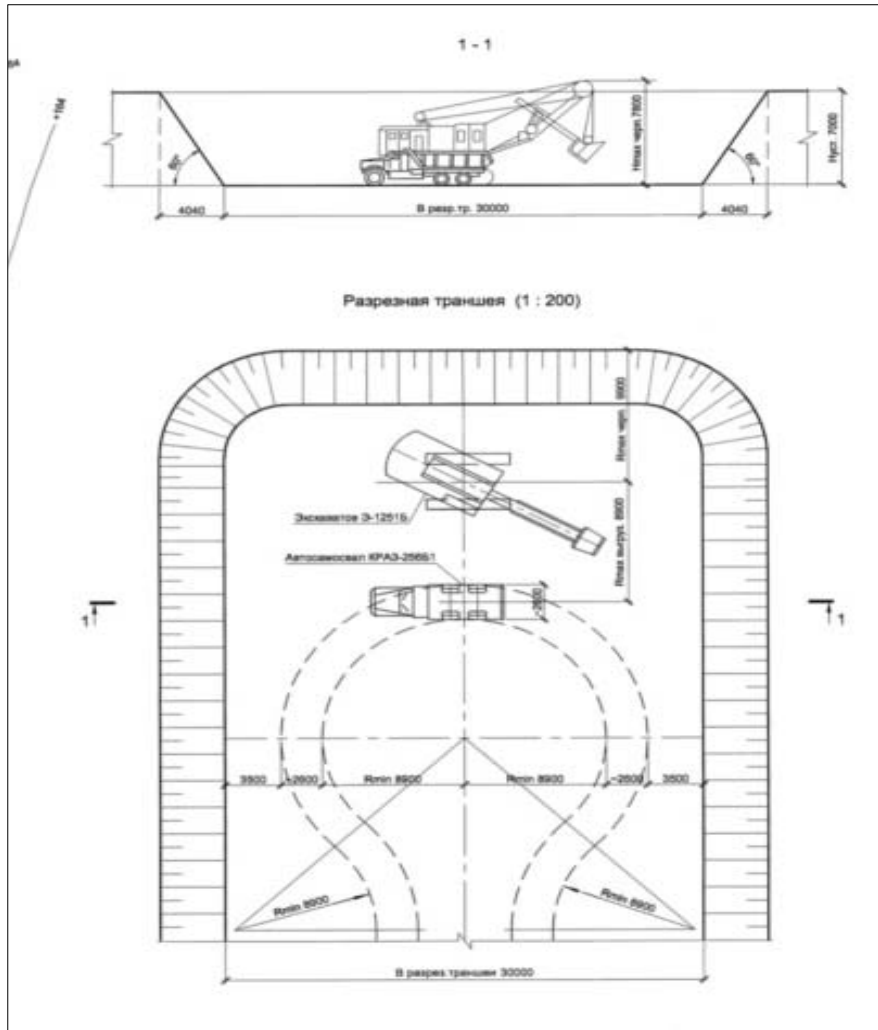


Bobrikovo Project Info.

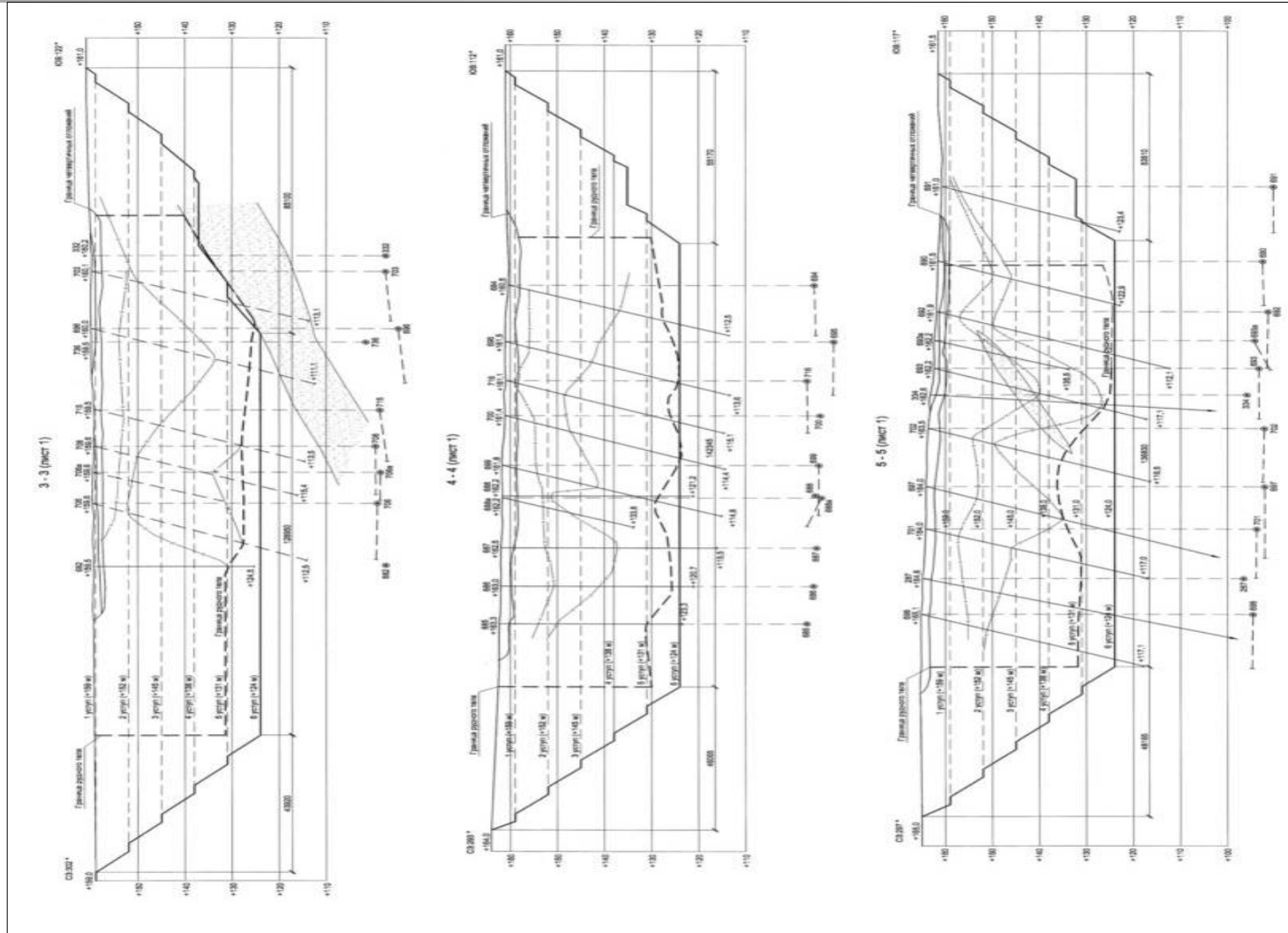
- Well located project (old mining region)
- Experienced, highly trained local workforce
- Resource base currently being converted to JORC code
- Deposit starts at shallow depth
- Potential for low cost operation
- Great exploration upside below existing resource
- Dedicated local technical and management team with experience in open cut and underground gold mine development and exploration



Bobrikovo Mine Design



Bobrikovo Mine Design



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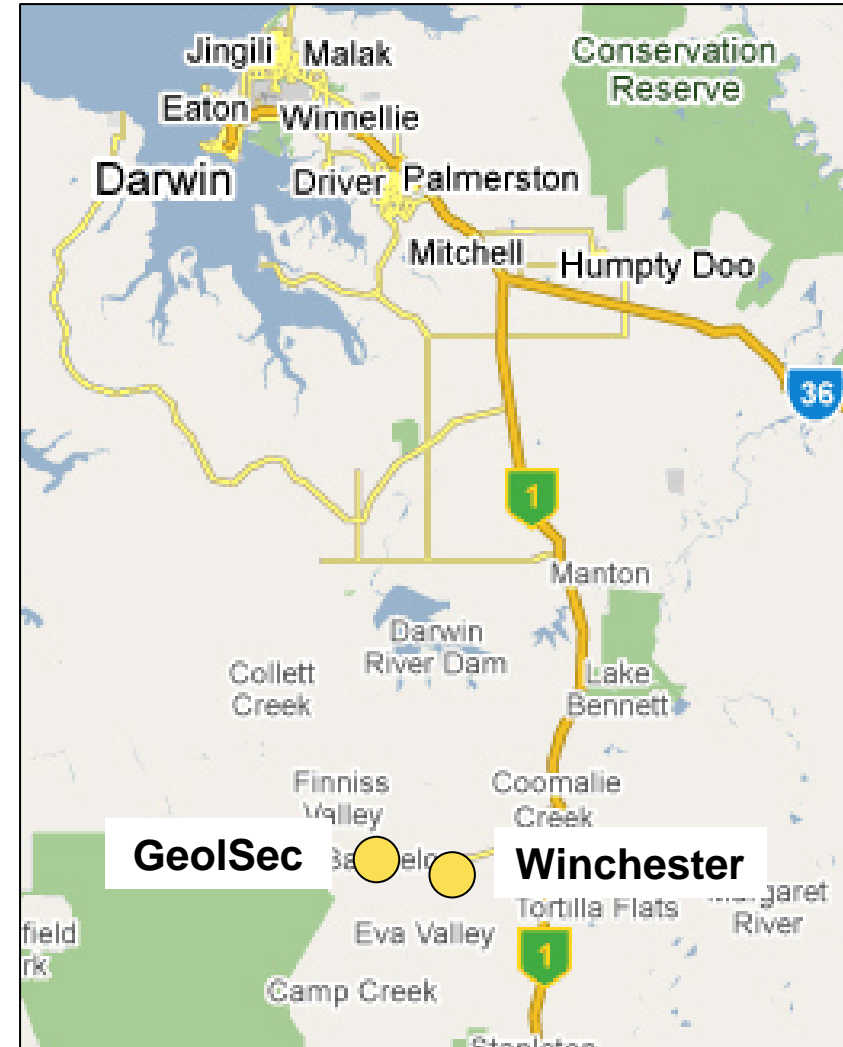
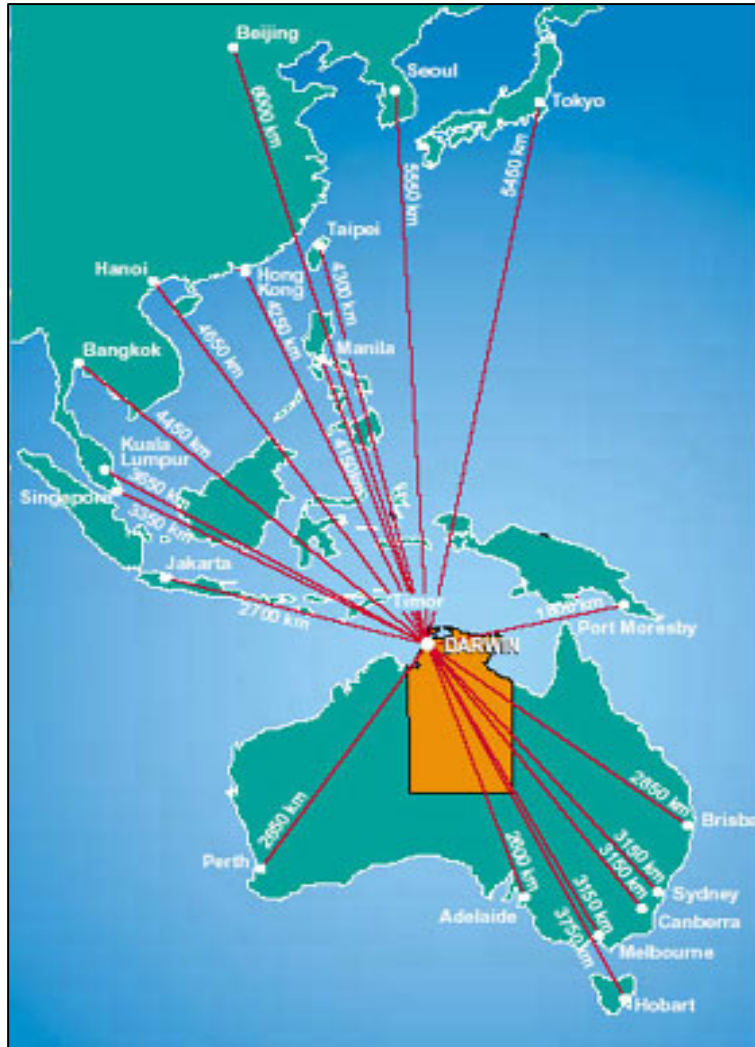


Winchester Magnesium Project

- Located 65 km from Darwin, all infrastructure on site, great logistics
- Low operating cost potential
- Large resource base sufficient for 50 year mine life:
 - Indicated Resource of 12.2Mt @ 43.1% Magnesium Oxide (MgO)
 - Inferred Resource of 4.4Mt @ 43.6% Magnesium Oxide (MgO)
- Initial focus on MgO based building products
- Potential for future production of magnesium metal at 50,000 tpa



Winchester and GeoISec Location



Winchester Development – MgO

- Production of MgO and MgO based products
 - Bushfire-proof housing
 - Cyclone-proof housing
 - Remote area housing
 - Prefabricated housing
 - Internal and external cladding
 - Structural walls
 - Ceiling, wall and floor panels
 - Extruded and moulded products





GeoISec Project Info.

- Located 65 km from Darwin
- All basic infrastructure (rail, highways, water, power) located near site
- Excellent local market in northern Australia
- Easy access to Asia and India
- Resilient recession-proof market: 17% market growth in USA during 2008/2009 year
- Strong environmental credentials of the product



Geolsec Timeline

- 1st half of 2010 - permitting, contracting, procurement
- 2nd half of 2010 – start production and sales ¹
- Initial sales targets 15,000 to 20,000 tpa
- Potential for 1st year profit of \$5 million (pre-tax) ²
- Potential for 2nd year profit of \$9 million (pre-tax) ²



¹ Subject to receiving all permits and approvals

² Subject to meeting targeted sales and margins





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