



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

22 March 2019

WINCHESTER MAGNESIUM CARBONATE PROJECT UPDATE

Korab Resources Ltd ("Korab", or "Company") (ASX: KOR) and its subsidiaries ("Korab Group") are pleased to provide this update in respect of the Winchester magnesium carbonate project located near Darwin in the Northern Territory.

BACKGROUND

As previously advised on 29 January 2019 the Company advised that it has unexpectedly received several expressions of interest to buy up to 60,000 tonnes per year of low grade caustic calcined magnesia (CCM) and low grade dead burned magnesia (DBM) which could be produced (using kilns owned and operated by third parties on toll-processing basis) from the fines resulting from crushing and screening of raw magnesium carbonate rock and from the other low grade material. The fines resulting from crushing and screening and the low grade magnesium carbonate rock were considered by us until now to be a "waste" product.

This new revenue stream would be in addition to the sales of high grade raw rock, CCM and DBM currently being negotiated, and the sales of high grade DBM to ZM Ropczyce reported on 17 January 2019.

As reported to the market on 12 September 2018, the Company intends to produce raw magnesium carbonate rock which will be crushed and screened on-site at the Winchester quarry, as well as high grade CCM, and DBM which will be processed off-site using toll-processing through kilns owned by third-parties. Consequently the production of CCM and DBM will not require additional capital investment.

On 12 September 2018 the Company reported in a report titled "*ADDITIONAL INFORMATION - WINCHESTER MAGNESITE FEASIBILITY STUDY UPDATE*", additional information regarding the earnings estimates of potential additional revenue streams from production of caustic calcined magnesia (CCM) and dead burned magnesia (DBM) using output from the Winchester magnesite project as a raw material feed. The information was based on the update to the previously reported feasibility study and concerned the additional financial information as regards the potential earnings that would result from diverting a part or the whole of the raw magnesium carbonate rock to be produced by the Winchester quarry to the toll-treatment processing into CCM and/or DBM. This update was based on the production target initially reported on 21 March 2018, in a report titled "*WINCHESTER MAGNESITE DIRECT SHIPPING ORE FEASIBILITY STUDY RESULTS (EARNINGS, NPV, EBITDA, CAPEX, AND OPEX)*".

The Company confirms that all the material assumptions underpinning the production target in the initial public reports released on 21 March 2018 and 12 September 2018 continue to apply and have not materially changed. The Company further confirms that all the material assumptions underpinning the forecast financial information derived from a production target in the initial public reports released on 21 March 2018 and 12 September 2018 continue to apply and have not materially changed.

The reports can be downloaded directly from the ASX website by either following the links below or by cutting and pasting these links into your browser:

["WINCHESTER MAGNESITE DIRECT SHIPPING ORE FEASIBILITY STUDY RESULTS \(EARNINGS, NPV, EBITDA, CAPEX, AND OPEX\)" - 21 March 2018](#)

Issued Capital

Issued Shares: 309 Mln
Last Price: 2.5 cents
Market Cap: \$7.7 Mln

Listing Codes

ASX: KOR
BERLIN: C6S

Directors

Andrej K. Karpinski
Executive Chairman
Director

Rodney H. Skeet
Non-executive Director
(Independent)

Daniel A. Smetana
Non-executive Director
(Independent)

Anthony G. Wills
Non-executive Director
(Independent)

Projects

**Winchester
(Rum Jungle, NT)**
Magnesium carbonate
(MgCO₃)

**Batchelor
(Rum Jungle, NT)**
Au, Ag, Zn, Pb, Ni, Cu, Co, Sc,
Mn

**Geolsec
(Rum Jungle, NT)**
Phosphate rock
(P2O₅)
(Sub-leased to third party)

**Mt. Elephant
(Ashburton, WA)**
Au, Cu
(Optioned for sale)

Follow us on Twitter

@KorabResources



20 PROWSE STREET, WEST PERTH, WA, 6005, AUSTRALIA
PO BOX 1958, WEST PERTH, WA, 6872, AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9322 6333
ACN 082 140 252



PAGE 1



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

<https://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01964262>

["WINCHESTER MAGNESITE DIRECT SHIPPING ORE FEASIBILITY STUDY RESULTS \(EARNINGS, NPV, EBITDA, CAPEX, AND OPEX\)" – 12 September 2018](#)

<https://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=02021411>

POTENTIAL ECONOMIC IMPACT OF SALES OF LOW GRADE MATERIAL

The Company is pleased to advise that the assessment of the potential economic impact of the sales of the low grade material (as a new product stream) is almost complete and the results are expected to be released to the market next week. The results are currently being verified with outside advisors and once this process has been completed, they will be reported to the market.

The discussions with parties interested in purchasing low grade CCM and low grade DBM are ongoing but are incomplete and details are confidential. There can be no certainty that any agreement or agreements can be reached or that any transaction will eventuate from these discussions. No commercial terms have been agreed between the parties. Accordingly, no investment decision should be made on the basis of this information. Korab will advise the market if and when an agreement or agreements have been reached.

PERMITTING

The Company aims to have the Winchester project in production in the second half of 2019, although this goal is subject to the quarry operator (Ausmag Pty Ltd, a wholly owned subsidiary of Korab) securing all required permits, and approvals, and completing the arrangements with relevant stakeholders.

The Company is pleased to advise that the notice of intent to mine (NoI) has been completed and it will now be reviewed by the parties advising Korab Group. Once this review is completed the NoI will be submitted to the relevant departments. Korab Group expected to lodge the NoI with the relevant departments by the end of March 2019. However, it is likely that the actual lodgment will take place in April 2019 rather than March 2019 following the completion of the review by the parties advising Korab Group. Market will be advised once this has occurred.

LOGISTICS

With regard to logistics, Korab reported on 30 November 2018 that it has expanded the agreement with the operator of Darwin Port to 800,000 tonnes per year to allow for additional volumes of magnesium carbonate rock to be shipped for toll-processing. This rock will be shipped through Darwin Port in addition to DSO magnesium carbonate rock.

FUNDING

With regard to funding, Korab expects to fund the cost of the development of the quarry, quarrying costs, logistics, and the costs of toll-processing, as reflected in the announcement dated 12 September 2018, from the prepayments for the offtakes, although other funding avenues (one of which is capital co-operation with an offtake partner, or partners) are also being explored and evaluated. The Company confirms that all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the initial public report titled "ADDITIONAL INFORMATION - WINCHESTER MAGNESITE FEASIBILITY STUDY UPDATE" released to the market on 12 September 2018 continue to apply and have not materially changed.

Issued Capital

Issued Shares: 309 Mln
Last Price: 2.5 cents
Market Cap: \$7.7 Mln

Listing Codes

ASX: KOR
BERLIN: C6S

Directors

Andrej K. Karpinski
Executive Chairman
Director

Rodney H. Skeet
Non-executive Director
(Independent)

Daniel A. Smetana
Non-executive Director
(Independent)

Anthony G. Wills
Non-executive Director
(Independent)

Projects

Winchester
(Rum Jungle, NT)
Magnesium carbonate
(MgCO₃)

Batchelor
(Rum Jungle, NT)
Au, Ag, Zn, Pb, Ni, Cu, Co, Sc,
Mn

Geolsec
(Rum Jungle, NT)
Phosphate rock
(P2O₅)
(Sub-leased to third party)

Mt. Elephant
(Ashburton, WA)
Au, Cu
(Optioned for sale)

Follow us on Twitter

@KorabResources



20 PROWSE STREET, WEST PERTH, WA, 6005, AUSTRALIA
PO BOX 1958, WEST PERTH, WA, 6872, AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9322 6333
ACN 082 140 252





KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

Further updates regarding the Winchester magnesium carbonate project will be provided to the market as and when required.

ABOUT WINCHESTER

The proposed magnesium carbonate quarry at Winchester is located 2 km from the regional centre of Batchelor some 70km south of Darwin along Stuart Highway. Please refer to Figure 1 for details of the location of the proposed Winchester magnesium carbonate quarry, and Korab Group's various mineral tenements in the area. Deposit is at shallow depth and is covered by a thin layer (few meters) of unconsolidated clay and gravel (see Figure 2). Winchester magnesium carbonate rock can be quarried using drill and blast, shovel and truck method.

CONTACT PERSON:

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

Issued Capital

Issued Shares: 309 Mln
Last Price: 2.5 cents
Market Cap: \$7.7 Mln

Listing Codes

ASX: KOR
BERLIN: C6S

Directors

Andrej K. Karpinski
Executive Chairman
Director

Rodney H. Skeet
Non-executive Director
(Independent)

Daniel A. Smetana
Non-executive Director
(Independent)

Anthony G. Wills
Non-executive Director
(Independent)

Projects

Winchester
(Rum Jungle, NT)
Magnesium carbonate
(MgCO₃)

Batchelor
(Rum Jungle, NT)
Au, Ag, Zn, Pb, Ni, Cu, Co, Sc,
Mn

Geolsec
(Rum Jungle, NT)
Phosphate rock
(P2O₅)
(Sub-leased to third party)

Mt. Elephant
(Ashburton, WA)
Au, Cu
(Optioned for sale)

Follow us on Twitter

@KorabResources

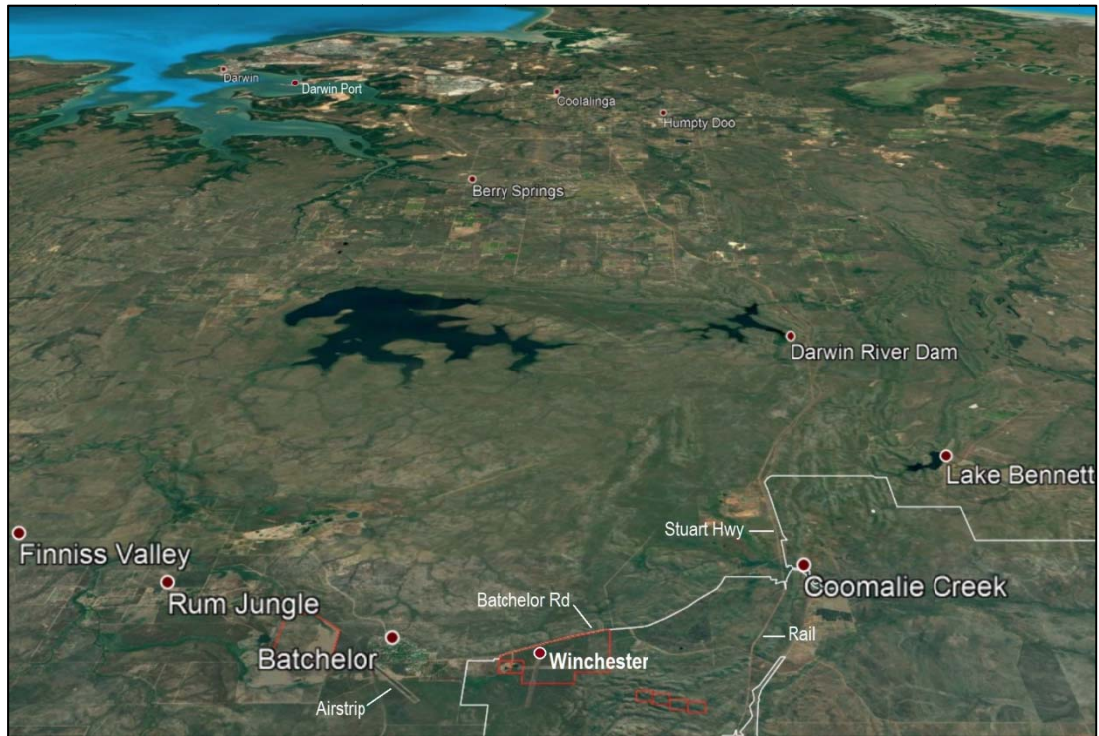


Figure 1 Location of Korab Group's mineral tenements (exploration leases in white and mining leases in red) and Winchester magnesium carbonate project relative to Darwin Port and basic infrastructure



20 PROWSE STREET, WEST PERTH, WA, 6005, AUSTRALIA
PO BOX 1958, WEST PERTH, WA, 6872, AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9322 6333
ACN 082 140 252





KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

Issued Capital

Issued Shares: 309 Mln
Last Price: 2.5 cents
Market Cap: \$7.7 Mln

Listing Codes

ASX: KOR
BERLIN: C6S

Directors

Andrej K. Karpinski
Executive Chairman
Director

Rodney H. Skeet
Non-executive Director
(Independent)

Daniel A. Smetana
Non-executive Director
(Independent)

Anthony G. Wills
Non-executive Director
(Independent)

Projects

Winchester
(Rum Jungle, NT)
Magnesium carbonate
(MgCO₃)

Batchelor
(Rum Jungle, NT)
Au, Ag, Zn, Pb, Ni, Cu, Co, Sc,
Mn

Geolsec
(Rum Jungle, NT)
Phosphate rock
(P2O₅)
(Sub-leased to third party)

Mt. Elephant
(Ashburton, WA)
Au, Cu
(Optioned for sale)

Follow us on Twitter

@KorabResources



Figure 2 Test mining of magnesium carbonate at Winchester (setting of explosive charges)

ABOUT KORAB RESOURCES

Korab Resources Ltd is an international mining and exploration company with operations in Australia and Europe. Korab's projects include Winchester magnesium carbonate deposit at Batchelor in the Northern Territory of Australia, Geolsec phosphate rock deposit also at Batchelor, and other gold, silver, copper, cobalt, nickel, and polymetallic projects in Australia and overseas. More information about Korab's projects can be sourced from Korab's website at www.korab.com.au. Korab's shares are traded on Australian Securities Exchange (ASX) and on the Berlin Stock Exchange (Berliner Börse) through Equiduct electronic trading platform.

DISCLAIMER AND CAUTIONARY STATEMENT

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "expected", "feel(s)", "believe(s)", "will", "may", "anticipate(s)", "should", "envisage(s)" and similar expressions are intended to identify such forward-looking information. This information includes, but is not limited to statements regarding future exploration results, resources, or reserves, and production. Anyone reading this report is cautioned not to place undue reliance on these forward-looking statements. All of such statements are subject to risks and uncertainties (many of which are difficult to predict and which generally are beyond the control of the Company) that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: those relating to the interpretation of exploration results (including drill results), the geology, grade and continuity of mineral deposits and conclusions of economic evaluations; risks relating to possible variations in reserves, grade, mining dilution, ore loss, and recovery rates; risks relating to changes in project financial and technical parameters; risks relating to the potential for delays in exploration programs, project evaluation/review, completion of feasibility studies and project development; risks related to commodity prices and foreign exchange rate fluctuations; risks related to failure to secure adequate financing on a timely basis and on acceptable terms; risks related to delays in obtaining governmental, or other permits and approvals; risks related to security of tenure; and other risks and



20 PROWSE STREET, WEST PERTH, WA, 6005, AUSTRALIA
PO BOX 1958, WEST PERTH, WA, 6872, AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9322 6333
ACN 082 140 252





KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

uncertainties related to the Company's prospects, properties and business strategy. Any forward-looking information contained in this report is provided as of the date of this report. Except as required under applicable listing rules and securities laws, the Company does not intend, and does not assume any obligation, to update this forward-looking information.

Issued Capital

Issued Shares: 309 Mln

Last Price: 2.5 cents

Market Cap: \$7.7 Mln

Listing Codes

ASX: KOR

BERLIN: C6S

Directors

Andrej K. Karpinski

Executive Chairman
Director

Rodney H. Skeet

Non-executive Director
(Independent)

Daniel A. Smetana

Non-executive Director
(Independent)

Anthony G. Wills

Non-executive Director
(Independent)

Projects

Winchester

(Rum Jungle, NT)

Magnesium carbonate
(MgCO₃)

Batchelor

(Rum Jungle, NT)

Au, Ag, Zn, Pb, Ni, Cu, Co, Sc,
Mn

Geolsec

(Rum Jungle, NT)

Phosphate rock
(P₂O₅)
(Sub-leased to third party)

Mt. Elephant

(Ashburton, WA)

Au, Cu
(Optioned for sale)

Follow us on Twitter

@KorabResources



20 PROWSE STREET, WEST PERTH, WA, 6005, AUSTRALIA
PO BOX 1958, WEST PERTH, WA, 6872, AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9322 6333
ACN 082 140 252



PAGE 5