



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

12 November 2021

Issued Capital

Issued Shares: 367 Mln
Last Price: 4.9 cents
Capitalisation: \$18 Mln

Listing Codes

ASX: KOR
BERLIN: C6S

Directors

Andrej K. Karpinski
Executive Chairman
Executive Director

Rodney H. Skeet
Non-executive Director
(Independent)

Anthony G. Wills
Non-executive Director
(Independent)

Projects

Winchester
(Rum Jungle, NT)
Magnesium

Sundance
(Rum Jungle, NT)
Gold, Silver, Tin

Batchelor & G. Alligator
(Rum Jungle, NT)
Au, Ag, Zn, Pb, Ni, Cu, Co,
Sn+Li, Sc, Mn, U

Geolsec
(Rum Jungle, NT)
Phosphate, Rare Earths
(P, REE, U, Th)
(Sub-leased to third party)

Mt. Elephant
(Ashburton, WA)
Gold, Copper

Bobrikovo
(Luhansk, UKRAINE)
Gold, Silver, Zinc, Lead

WINCHESTER MAGNESIUM AND GEOLSEC PHOSPHATE REVIEW COMPLETED

Korab Resources Ltd (“Korab”, or “Company”) (ASX: KOR) and its subsidiaries (“Korab Group”) is pleased to report that following the internal review of potential transactions, it has been determined that the sale of Korab’s Rum Jungle mineral assets is not in the best interest of the Company or its shareholders. Consequently, the Company decided to discontinue further consideration of sale of either the Winchester magnesium, or the Geolsec phosphate projects located in the Northern Territory, near the town of Batchelor, an hour’s drive from the Port of Darwin (Figure 1).

All discussions regarding the potential sale of Winchester or Geolsec will be terminated. However, the Company will continue to engage in discussions regarding potential offtakes, joint ventures, and provision of financing.

The decision to maintain Korab Group’s equity in the Winchester magnesium project and the Geolsec phosphate project was influenced by the following factors:

1. Increasing demand for magnesium, phosphate, and rare earth elements due to production and export cuts by China, which is likely to continue into foreseeable future;
2. Chinese dominance of the magnesium, phosphates, and rare earth elements markets;
3. Growing investor support for companies developing magnesium, phosphates, and rare earth elements projects;
4. Availability of additional sources of development finance from private and government sources;
 - a. \$2 billion Critical Minerals Facility (CMF) established by Australian Government to fund projects like Winchester and Geolsec;
 - b. \$5 billion Northern Australia Infrastructure Facility (NAIF) reformed to provide mineral projects located in Northern Australia with easier access to funding;
 - c. Korab Group having been approached by users of magnesium metal and magnesium alloys, REE users, and phosphate users interested in securing long term supply of these resources.

Financing, JV, and offtake discussions are incomplete. No commercial terms have been agreed between the parties. There can be no certainty that any agreement or agreements can be reached or that any transaction will eventuate from these discussions. Accordingly, no investment decision should be made on the basis of this information. As these discussions are at an early stage and are incomplete any announcement of the details of these discussions would be premature and speculative.

Following the completion of the review and the decision to discontinue further consideration of sale of the Winchester magnesium project, Korab commenced evaluation of various magnesium production methods. This evaluation is occurring in parallel with the preparation of the Mine Management Plan for the magnesite quarry and the evaluation of the potential use of green energy generated by two adjacent solar farms to power the Winchester magnesium project.



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As previously reported by Korab in various reports and investor presentations lodged with the ASX, Winchester magnesium project has proven its capability to supply magnesium metal by completing the full magnesite-to-magnesium production cycle. This production cycle included:

1. Mining of magnesite at Winchester (Figure 2 and Figure 3);
2. Crushing and calcining magnesite from Winchester to produce magnesium oxide;
3. Commissioning of the magnesium pilot plant (Figure 4);
4. Processing magnesium oxide produced from Winchester magnesite into magnesium metal using the pilot plant (Figure 5);
5. Refining the magnesium metal to saleable product.

This production cycle has generated wealth of data that covers all aspects of the magnesium metal production process from mining, through crushing, calcining, metallurgy and smelting, to refining. It includes process designs, equipment lists, engineering drawings, as well as all statistics covering the use of energy, consumables, labour, parts, etc. This complete data set was acquired by Korab when it bought Winchester magnesium project. Ownership of this data could potentially allow Korab Group to move the Winchester magnesium project to production at a much faster pace than it would be possible if all these test results were not available. Readiness of this data makes Winchester magnesium project one of the most advanced magnesium metal projects under development. Location of the Winchester magnesium deposit (Figure 1), potential to use easy and economical open-cut, drill-and-blast, shovel-and-truck mining method, extremely thin overburden (Figure 3), and close proximity to transport infrastructure and power (Figure 6) make Korab's Winchester project the best magnesium project in the world outside China and North Korea.

Notwithstanding the availability of this proven and well tested technology, Korab is also considering other production processes and technologies that would allow Korab to take better advantage of the project's geographical location, would be more sustainable and environmentally friendly, and would provide greater stability of input cost over the longer-term production of magnesium metal. The Company will advise the market when this evaluation is completed.



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



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Figure 2 Test mining of magnesium at Winchester during the wet season (after blasting Level 0)



Figure 3 Test mining of magnesium at Winchester during the wet season (preparing to blast Level -1)



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Figure 4 Magnesium plant which produced pure Winchester Mg - condenser (left), arc furnace (right)

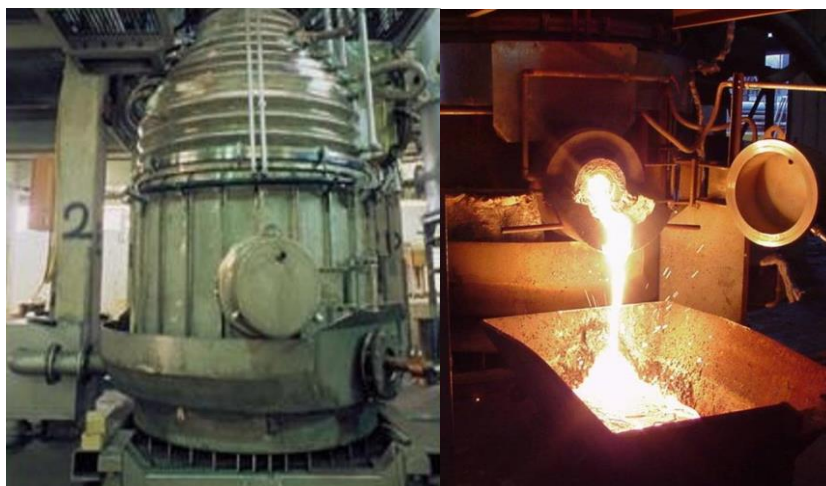


Figure 5 Close-up of the arc furnace (left) and pouring of slag after magnesium metal extraction (right)



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Figure 6 Solar farms at Batchelor (Batchelor 1 and Batchelor 2) adjacent to the Winchester project

-END-

This report has been authorised by the Board of Directors of the Company

INVESTOR RELATIONS CONTACT:

Andrej K. Karpinski - Executive Chairman

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International: +61 8 9474 6166

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



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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 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.



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