



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

15 November 2021

Issued Capital

Issued Shares: 367 Mln
Last Price: 5.8 cents
Capitalisation: \$21 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

MAGNESIUM METAL EXPORT AGREEMENT WITH DARWIN PORT

Korab Resources Ltd (“Korab”, or “Company”) (ASX: KOR) and its subsidiaries (“Korab Group”) is pleased to report that it has executed Heads of Agreement (HoA) with the operator and manager of Darwin Port (the Port) for the export of up to 30,000 tonnes per annum of magnesium metal through the Port. The HoA with Darwin Port includes the following tonnages of magnesium metal and magnesium compounds (the Product) to be exported annually through the Port:

1. 30,000 tpa of high-purity magnesium metal (Mg),
2. 300,000 tpa of dead burned magnesia (DBM),
3. 200,000 tpa of caustic calcined magnesia (CCM), and
4. 2,000,000 tpa of magnesium carbonate direct shipping ore (DSO).

This HoA envisages exporting the Product through Darwin Port’s East Arm Wharf and includes provisions for sub-leasing of the:

- a) Magnesium metal storage area;
- b) Magnesium oxide storage area (for DBM and CCM);
- c) Bulk ore storage area;
- d) Stockpile pad including drainage;
- e) Stockpiling and recovery equipment; and
- f) Access Roads.

HoA also includes provisions for use of the facilities owned by the Darwin Port Manager and which may be reasonably required by Korab to enable Korab to carry out its Product handling operations, which may consist of

- a) Ship loading facilities;
- b) Shuttle conveyers to receive and convey bulk materials;
- c) Truck dump facilities to allow the dumping of bulk materials;
- d) Access Roads; and

The HoA with Darwin Port will allow for exporting of large quantities of high purity magnesium metal to Europe, USA, and ASIA, where users of this critical metal have been suffering repeated shortages and supply interruptions that are likely to continue. The HoA will also allow for more than doubling of the originally planned volume of bulk magnesite ore to be shipped each year through the Port. It will also allow for exporting of various magnesium oxides (DBM and CCM) to Europe, USA, and Asia.

Darwin Port’s East Arm Wharf is a multi-user facility with 4 berths spaced along 865 metres of quay line. Berth 2 is used for bulk ore exports and has a rail mounted dry bulk ship loader. The continuous length of wharf facilitates flexibility in berth allocations to visiting ships. East Arm Wharf can accommodate PANAMAX class bulk carriers up to 75,000 tonnes. East Arm Wharf has a rail mounted bulk minerals ship loader with a maximum capacity of 2,000 tonnes per hour (Figure 1). Bulk minerals, such as iron ore, magnesium carbonate, or manganese, can be delivered to stockpile areas by haulage trucks, or transferred from rail wagons to the stockpile areas using a dedicated rail



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dump and conveyor systems (Figure 2). The minerals are transported by truck from the stockpiles to the ship loader truck dump for loading onto bulk carriers. Alternatively, processed minerals and pure metal can be loaded on ships via the container handling facility.

The costs of, and the fees for the sub-leasing of the land, and access to various port facilities, as well as use of loaders, and other equipment have not yet been agreed between the Company and Darwin Port. HoA is subject to and forms the basis for the execution of the final port agreements (Sublease Agreement and Operating Agreement) and is non-binding. It will run for 36 months and may be extended by the parties.

As previously reported by Korab in various ASX 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 4 and Figure 5);
2. Crushing and calcining magnesite from Winchester to produce magnesium oxide;
3. Commissioning of the magnesium pilot plant (Figure 6);
4. Processing magnesium oxide produced from Winchester magnesite into magnesium metal using the pilot plant (Figure 7);
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.

Notwithstanding the availability of this technology, which was successfully tested and proven to work with Winchester ore, (Figure 4, Figure 5, Figure 6, and Figure 7) 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.

Should Korab decide to proceed with the use of the technology that has already been successfully tested and proven to work with Winchester ore, there is potential for rapid progression to production and export of Winchester high purity magnesium metal given the following key 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. Strong and growing investor support for companies developing magnesium, phosphates, and rare earth elements projects;
4. Strong and growing government (federal, state and territory) support for companies aiming to decarbonise the economy and provide secure supply of critical minerals that are assisting this decarbonisation and which are used in renewable energy generation and storage, such as magnesium, phosphates, and rare earth elements;
5. Availability of additional sources of development finance from private and government sources;



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- \$2 billion Critical Minerals Facility (CMF) established by Australian Government to fund projects like Winchester and Geolsec;
- \$5 billion Northern Australia Infrastructure Facility (NAIF) reformed to provide mineral projects located in Northern Australia with easier access to funding;
- 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.

Winchester magnesium project is the most attractive and advanced magnesium metal project under development anywhere in the world because of the following key factors:

- Ready access to successfully tested and proven magnesium metal production technology (including all production process data);
- Location of the Winchester magnesium deposit on a granted mineral lease adjoining sealed all-weather roads;
- Close proximity and access to port facilities (less than an hour's drive);
- Availability of power and energy, as well as abundant supply of water;
- Proximity to a major city with readily available highly qualified workforce;
- Strong support from the local, territory, and federal governments.

Please refer to Figure 3 for details of the location of the Winchester magnesium project, and Korab Group's other projects in the Rum Jungle area. Granted mining leases (mineral leases) are outlined in red and granted exploration licences are outlined in white.

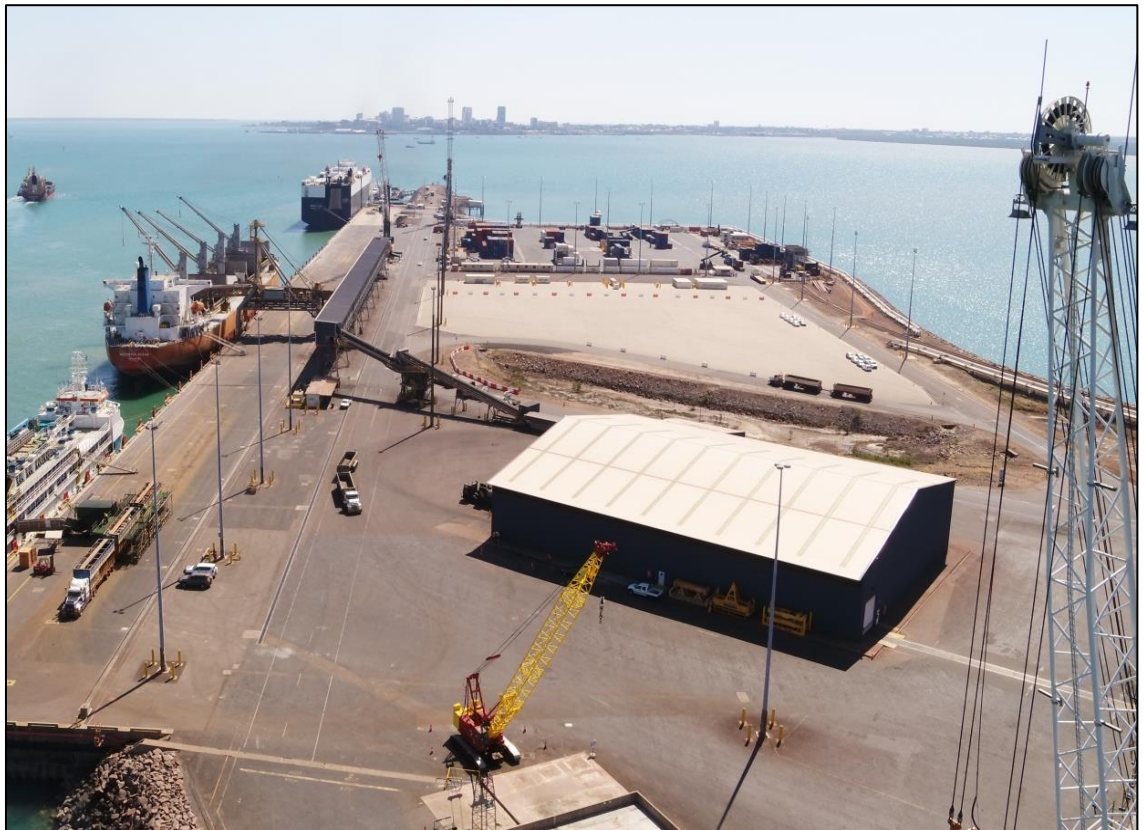


Figure 1 Darwin Port bulk loading facilities (travelling gantry and autoloader)



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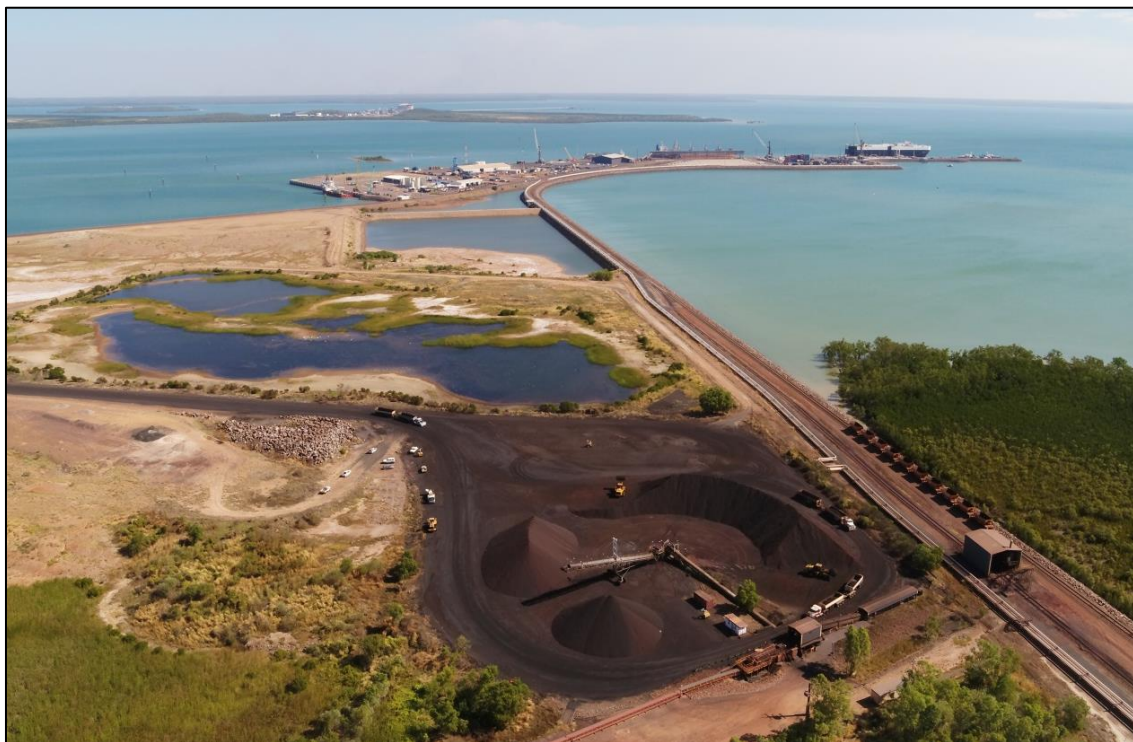


Figure 2 Mineral stockpile areas at Darwin Port



Figure 3 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 4 Test mining of magnesium at Winchester during the wet season (after blasting Level 0)



Figure 5 Test mining of magnesium at Winchester during the wet season (preparing to blast Level -1)



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Figure 6 Magnesium plant which produced pure Winchester Mg - condenser (left), arc furnace (right)

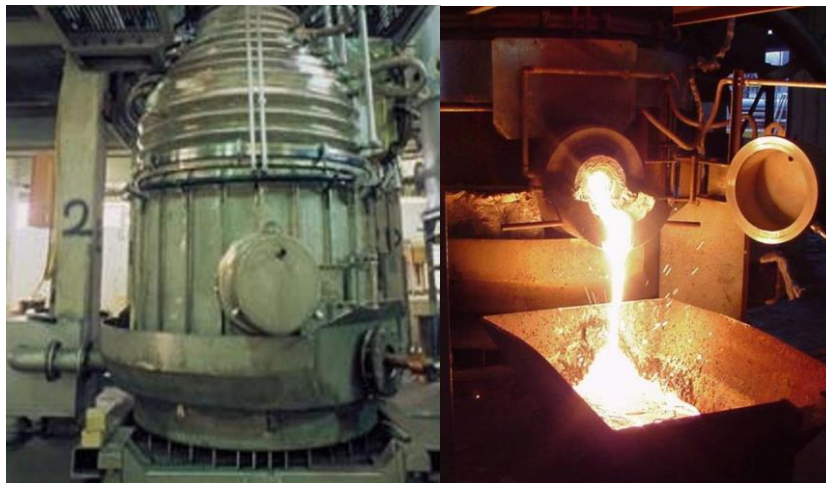


Figure 7 Close-up of the arc furnace (left) and pouring of slag after magnesium metal extraction (right)



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Figure 8 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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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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