



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

14 December 2021

Issued Capital

Issued Shares: 367 Mln
Last Price: 5.9 cents
Capitalisation: \$22 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

KORAB GROUP JOINS INTERNATIONAL MAGNESIUM ASSOCIATION AS MAGNESIUM METAL PRODUCER

Korab Resources Ltd (“Korab”, or “Company”) (ASX: KOR) and its subsidiaries (“Korab Group”) is very pleased to report that Korab and its wholly owned subsidiary Ausmag Pty Ltd (Ausmag) which is developing the Winchester magnesium deposit have been jointly accepted as Magnesium Metal Producer Member by The International Magnesium Association (IMA).

Founded in 1943, International Magnesium Association promotes the use of the magnesium metal and encourages innovative applications of the metal. IMA's members consist of primary producers of the magnesium metal, recyclers, foundries, fabricators, end-users, and suppliers.

Korab and Ausmag have joined The International Magnesium Association as the Magnesium Metal Producer Member following the assessment of the Winchester magnesium project's capability to produce magnesium metal using the previously tested magnesium metal production process.

Korab Group is reviewing several other magnesium metal production methods as disclosed to the market on 15 November 2021 in the report titled “MAGNESIUM METAL EXPORT AGREEMENT WITH DARWIN PORT”.

In this report Korab advised the market 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 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 report further advised the market that Winchester magnesium project has proved its capability to supply magnesium metal by completing the full production cycle where magnesium carbonate rock from Winchester deposit was converted to saleable pure magnesium metal (as previously advised in various ASX reports and investor presentations lodged with the ASX). This production cycle included:

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



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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 1, Figure 2, Figure 3, and Figure 4) 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;
 - 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.

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

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

Please refer to Figure 6 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.



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Figure 1 Test mining of magnesium at Winchester during the wet season (after blasting Level 0)



Figure 2 Test mining of magnesium at Winchester during the wet season (preparing to blast Level -1)



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Figure 3 Magnesium plant which produced pure Winchester Mg - condenser (left), arc furnace (right)

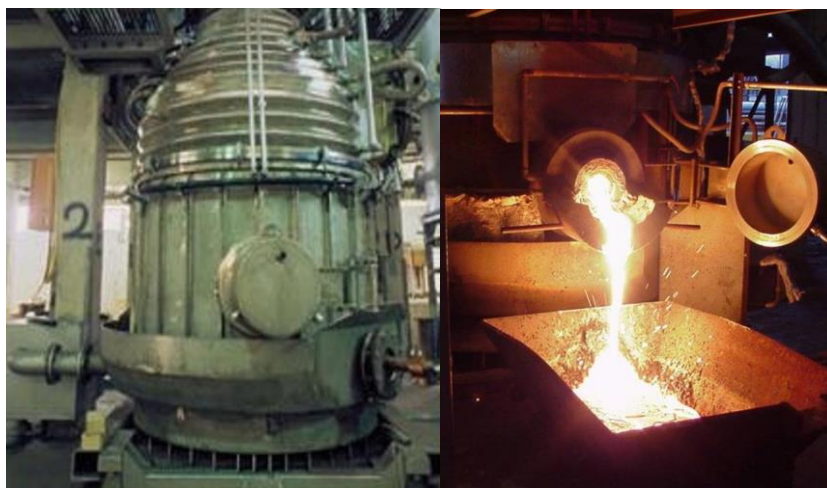


Figure 4 Close-up of the arc furnace (left) and pouring of slag after magnesium metal extraction (right)



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Figure 5 Solar farms at Batchelor (Batchelor 1 and Batchelor 2) adjacent to the Winchester project

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Figure 6 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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-END-

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

INVESTOR RELATIONS CONTACT:

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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 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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