



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

Issued Capital

Issued Shares: 367 Mln
Last Price: 3.7 cents
Capitalisation: \$14 Mln

Listing Code

ASX: KOR

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)
Gold, Silver, Zinc, Lead, Nickel,
Copper, Cobalt, Tin, Scandium,
Lithium, Manganese, Uranium

Geolsec
(Rum Jungle, NT)
Phosphate
Rare Earth Elements
Uranium
(Sub-leased to third party)

Mt. Elephant
(Ashburton, WA)
Gold, Copper

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

29 April 2022

QUARTERLY ACTIVITIES REPORT TO 31 MARCH 2022

This is quarterly activities report for the period from 1 January 2022 to 31 March 2022 by Korab Resources Ltd (“Korab”, or “Company”) (ASX: KOR) and its subsidiaries (“Korab Group”).

KEY POINTS

- Korab Group reported results of the scoping study which assessed the economics of a tested and proven magnesium production method relying on electric arc furnace which uses as feed magnesium oxide, aluminium, and ferrosilicon to produce magnesium metal.
- Korab Group progressed the second scoping study evaluating alternative environmentally friendly production method to produce sustainable, “zero-carbon”, “green” magnesium together with several additional sellable “bonus” products. Results are expected to be available for release to the market later this year.
- Shortages of magnesium metal which are caused by severe cuts to magnesium production by China (which accounts for close to 90% of global magnesium metal production) and increasing consumption of aluminium/magnesium alloys in production of light weight electric and other vehicles by car makers, are likely to persist into the future according to statements and reports coming from multiple well-informed sources.
- Korab Group is continuing work on the development of Winchester Magnesium Deposit which is located an hour’s drive from port of Darwin in the Northern Territory with easy access to shipping lanes to Europe, USA, and Asia.
- Korab Group is in discussions with third parties interested in developing the Winchester Magnesium Deposit as a supplier of magnesium metal. The Company is also in discussions with other third parties regarding potential joint ventures, and potential provision of finance for the development of the Winchester Project.
- Korab Group is in discussions with magnesium metal users and magnesium buyers, including aluminium/magnesium alloy producers supplying all major car makers (including Fiat and Daimler), regarding potential supply of magnesium metal from Winchester Project.
- Winchester Magnesium Deposit is amenable to low-cost open cut mining using blast and shovel method and has a high-grade mineral resource estimate reported in accordance with the JORC Code (2004 Edition).
- Planning for RC and diamond core drilling campaign aimed at aggressive resource expansion at Korab Group’s Winchester Magnesium Deposit is nearing completion. Drilling contractor, geologists and funding have been secured.
- Korab Group is in discussions with Critical Minerals Facility and Northern Australia Infrastructure Fund (NAIF) regarding potential financing for Winchester Project.
- The Company is working on the Mine Management Plan for the Winchester Magnesium Project with the view to having it lodged with the Northern Territory Government’s Department of Industry, Tourism, and Trade as soon as it has been completed.
- Korab is progressing discussions regarding offtakes for magnesium carbonate, CCM, DBM and magnesium metal.



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OPERATIONS – EXPLORATION, EVALUATION, AND DEVELOPMENT

During the quarter Korab Group continued exploration and evaluation of its mineral assets, as well as the progression of the Winchester Magnesium Deposit to production.

WINCHESTER MAGNESIUM PROJECT (RUM JUNGLE MINERAL FIELD, NT)

SCOPING STUDIES

On 9 March 2022, Korab reported in a report titled “*Winchester Magnesium Scoping Study*” the results of a scoping study which assessed the economics of a tested and proven magnesium production method relying on electric arc furnace which uses as feed magnesium oxide, aluminium, and ferrosilicon to produce magnesium metal (the Study). The Study has shown that the Winchester Project is capable of producing 50,000 tonnes of magnesium metal per year for 14 years at a cost of between A\$5,300 and A\$5,400 per tonne. For the composition of the production cost components by input category see Figure 10. The Company confirms that all the material assumptions underpinning the production target and other scoping study results initially reported to the public on 9 March 2022 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 report released on 9 March 2022 continue to apply and have not materially changed.

The “*Winchester Magnesium Scoping Study*” report can be downloaded directly from the ASX website by either following the link below or by cutting and pasting this link into your browser:

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02497261-6A1080972?access_token=83ff96335c2d45a094df02a206a39ff4

Notwithstanding the availability of the above technology, which was successfully tested and proven to work with Winchester ore, 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.

During the quarter Korab continued a second scoping study which is evaluating economics of an alternative environmentally friendly production method to produce sustainable, “zero-carbon”, “green” magnesium metal together with several additional sellable “bonus” products. As part of this scoping study, the Company is assessing the use of two solar farms (Figure 11) adjacent to the Winchester Project (Batchelor 1, and Batchelor 2) that have a combined capacity of 22MW-24MW to supply electric power to the Project (crushers, screens, sorters and process plant).

The production method being evaluated as part of the second scoping study does not utilise aluminium and ferrosilicon but instead relies on the more modern technologies developed in recent years. Results of the second scoping study assessing the economics of producing “zero-carbon”, “green” magnesium metal using this alternative method are expected to be available for release to the market in March 2022.

The cost of solar power is significantly lower than the grid electricity. Furthermore, grid electricity, ferrosilicon and aluminium contribute significantly to the cost of production (approximately 70%). Consequently, a method which dispenses with ferrosilicon and aluminium and allows the use of solar power instead of grid electricity has a potential to reduce the production cost of magnesium metal.

DRILLING CAMPAIGN

Korab plans to undertake a drilling campaign aimed at aggressive resource expansion at Korab Group’s Winchester Magnesium Deposit. This drilling program will consist of 100-130 RC and diamond core drill holes for a total of up to 10,000-13,000 meters. This drilling campaign will target:



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- Areas within the current magnesium open pit envelope to increase the drilling density with the aim of providing data for updated mineral resource estimate.
- Areas outside the current magnesium open pit envelope to in-fill the space between the multiple lines of RC, diamond core, and RAB drilling that were completed in the past and that were not included in the estimation of mineral resource due to the distance between the collars (Figure 3).

Korab is pleased to report that the drilling rigs, field geologists, and funding to cover the cost of the drilling campaign have been secured. The Company also has an approved mine management plan (MMP) for some of the planned drill holes. However, following the review of historical geochemical and geophysical data, Korab is currently amending the locations of some of the proposed drill holes and also adding additional drill holes to the program.

This process should be completed shortly, following which, an amendment to the MMP will be submitted. Some of the proposed drilling locations are currently not accessible and these will be drilled later into the current field season. The other proposed drilling locations that are currently accessible will be given priority.

DISCUSSIONS REGARDING POTENTIAL JOINT VENTURES, OFFTAKES, AND FUNDING

During the prior quarters, Korab group has been approached by unrelated parties with an unsolicited proposal to enter into an agreement to jointly develop the Winchester quarry where the other party will fully fund the development in exchange for sharing the future profits from the quarry. No commercial terms have been agreed between the parties. There can be no certainty that any agreement or agreements can be reached with the other party or that any transaction will eventuate. Accordingly, no investment decision should be made on the basis of this information.

During the quarter Korab has been approached by yet another producer of aluminium/magnesium alloys seeking discussions with Korab regarding potential co-operation. The discussions with the other party are incomplete and confidential. No commercial terms have been agreed between the parties. There can be no certainty that any agreement or agreements can be reached with the other party or that any transaction will eventuate. Accordingly, no investment decision should be made on the basis of this information.

During the quarter, Korab continued discussions with magnesium metal users and magnesium buyers, including aluminium/magnesium alloy producers supplying all major car makers (including Fiat and Daimler) regarding potential supply of magnesium metal from Winchester. No commercial terms have been agreed between the parties. There can be no certainty that any agreement or agreements can be reached with the other party or that any transaction will eventuate. Accordingly, no investment decision should be made on the basis of this information. As the discussions mentioned above are at an early stage and are incomplete any announcement of the details of these discussions would be premature and speculative.

During the prior quarter, the Australian Government established the \$2 billion Critical Minerals Facility (which is managed by Export Finance Australia) to finance production of magnesium metal (among other critical minerals). The Government also announced reforms to the Northern Australia Infrastructure Facility (NAIF) to enable provision of finance to projects like Winchester Magnesium Project. During the quarter, the Federal Government has announced that it will provide additional funding of \$2 billion to NAIF to finance projects located in northern Australia. During the quarter Korab continued discussion with Critical Minerals Facility and NAIF regarding potential provision of funding of for the development of the Winchester Magnesium Project.

PERMITTING

During the quarter, Korab Group continued to work on the MMP for the Winchester quarry with the aim of completing it as soon as possible. The process of MMP preparations is complex and in addition to the design of the start-up quarry, requires addressing issues relating to potential future expansion of



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the Project into calcination and production of magnesium metal and its related logistics and infrastructure. In essence, the mine, site infrastructure, and plant layout would be very simple and rudimentary if Winchester Project was to be operated as a direct shipping ore (DSO) quarry which does not require any on-site mineral processing (other than crushing, screening, and sorting).

The mine, mining schedule, site infrastructure, and plant layout would be quite different and much more complex if Winchester Project was expanded to include a kiln and a smelter based on the original, tested and proven production method to be operated as a magnesium metal producer. For the Winchester Magnesium Project layout based on the original tested technology see Figure 7. The layout would be even more complex if the alternative production method was to be used.

The MMP, which we are working on, should allow for this potential expansion to be accomplished with a minimum disruption to the ongoing DSO quarry operation and without the necessity to relocate the mine infrastructure including the pit access ramps, ROM pads, stockpiles, waste dumps, internal roads, plant site, etc.

MMP development also includes “quarantining” of certain zones of the Project area to ensure that the infrastructure does not end up “sitting” on top of the potential valuable mineral resource.

One of the scenarios being evaluated for the Winchester development is a 2-stage development of the Project, with initial quarrying and sales of DSO product, and later expansion of the Project into calcination and magnesium production.

The work on the MMP has continued through the quarter and is progressing well. However, given the increasing likelihood that Winchester development may include production of magnesium metal, the MMP has to allow for this and consequently there are still some aspects of the quarry operation that need to be revised and updated. As a result of this, Korab Group is not in a position at this point in time to provide temporal guidance regarding the anticipated timing of the completion and the lodgment of the MMP. Korab Group will advise the market once the MMP for the Winchester quarry has been completed and lodged.

ABOUT WINCHESTER MAGNESIUM CARBONATE PROJECT

The proposed Winchester Magnesium mine is located 2 km from the regional centre of Batchelor some 70km south of Darwin along Stuart Highway. Please refer to Figure 2 for details of the location of the proposed Winchester Magnesium Plant, and Korab Group’s various mineral tenements in the area. Winchester Magnesium Deposit is covered by 3-6 meters of overburden consisting of loose clay and gravel. Massive magnesite mineralisation of high-grade magnesite commences immediately below the overburden (Figure 5 and Figure 6).

For the mineral resource statement and the Competent Person statement in respect of the Winchester Project please refer to page 53 of “KORAB RESOURCES LIMITED AND CONTROLLED ENTITIES ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021”, copy of which is available from the ASX announcement platform and from Korab’s website.

Magnesite rock (after it has been converted to magnesium oxide) is primarily used in the making of refractory linings necessary for the production of steel, cement, and glass. Other main uses of magnesium oxides and other magnesium compounds are in production of magnesium metal which is then used in production of aluminium/magnesium high-strength light-weight alloys used in car making and aerospace. Other uses are in water purification, nickel and cobalt metallurgy, cattle feed, direct energy conversion technologies, and rechargeable and single-use batteries.

China plans to increase the use of magnesium metal in cars from 8.5Kg/car to 45Kg/car in the near term. Between 2000 and 2021, China’s control over global magnesium production increased from 12% of the global supply to 87% of global magnesium supply, creating an effective international monopoly on a 1.2 million tonnes per annum market. The situation is even more dramatic in Europe where China supplies over 95% of magnesium metal. Recent cuts to production of magnesium and its exports by



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Chinese government resulted in the magnesium metal price increasing from approximately \$2,000 per tonne in October 2020 to approximately \$3,200 per tonne in early September 2021, and \$15,000 per tonne in October 2021. During the 2022 (to last week of April) magnesium price has traded in the range between \$8,000 and \$11,000 per tonne.

Global magnesium supply risks are compounded by the fact that less than 9% of global primary magnesium comes from countries with low political risk. As illustrated by Figure 1, over 90% of annual global magnesium production comes out of China, Russia, Kazakhstan, Ukraine, and Iran.

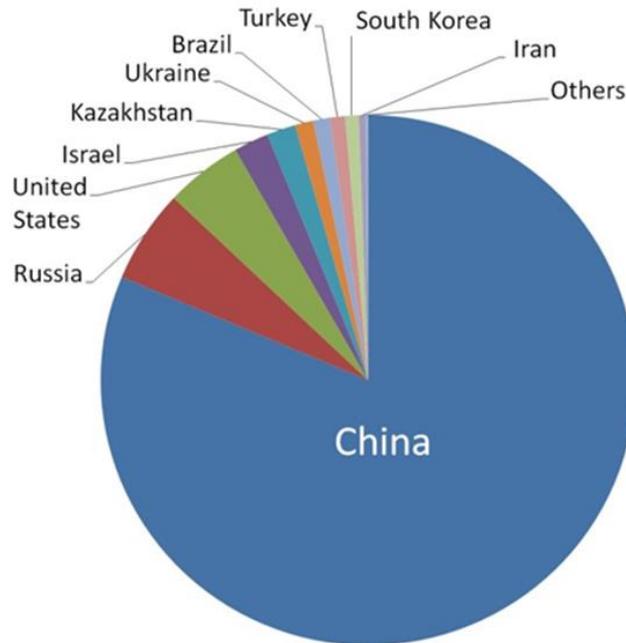


Figure 1 Global primary magnesium production share by country (2020)

Winchester Project waited for development for 2 decades primarily because of low magnesium prices prevailing between 2000 and 2020 (between \$1,300/t and 2,000/t) and low magnesium oxide prices (CCM and DBM) during this period. These depressed prices were caused by rapid growth in Chinese production capacity of both magnesium metal and magnesium oxides, with supply growth outstripping the growth in demand. This has made the development of Winchester not feasible until few years ago when prices of magnesite and magnesium oxides markedly improved. Over the recent years, an increasing number of car makers moved to using aluminium/magnesium alloys instead of steel to reduce their vehicles' weight and magnesium demand growth started outstripping supply growth. Few years ago, China started shutting down or severely curtailing production at magnesite quarries. Then it moved to cutting production at calcination plants producing magnesium oxides including CCM and DBM, and finally the magnesium smelters became the target of shut downs. This has led to magnesium metal market moving into critical shortage phase.

BATCHELOR/GREEN ALLIGATOR POLYMETALLIC PROJECT (RUM JUNGLE MINERAL FIELD, NT)

During the quarter Korab continued exploration and evaluation of Batchelor/Green Alligator Project with particular focus on its potential to host commercially viable mineralisation of lithium, gold, copper, zinc, lead, cobalt, nickel, iron ore, graphite, and other minerals. No reportable exploration results (as the term is defined in the section 18 of the 2012 JORC code) were generated. Korab has also continued discussions with third parties regarding potential JVs to explore the Project for various commodities.



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SUNDANCE GOLD MINE (RUM JUNGLE MINERAL FIELD, NT)

The Company has continued work on re-opening the Sundance gold mine located south of Darwin in the Northern Territory and on treating the rock (which has been stockpiled on the mining leases) at the processing plant owned by a third party. Discussions with third parties 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 agreement will eventuate from these discussions. Accordingly, no investment decision should be made on the basis of this information. The Sundance gold mine is located on granted mining leases MLN542 and MLN543 (100% owned by Korab). In addition to the planned Winchester RC and DD drilling campaign, the Company also plans an auger drilling program at Sundance gold mine to test the grade of the remaining stockpiles of previously mined rock located at Sundance.

GEOLSEC ROCK PHOSPHATE PROJECT (RUM JUNGLE MINERAL FIELD, NT)

During the quarter Korab Group focused on other mineral assets and consequently exploration work at the Geolsec Project was limited. An unrelated company (the Miner), is sub-leasing the Geolsec Phosphate Project from Korab Group (as reported to the market on 25 July 2018). During the quarter, Korab received an unsolicited expression of interest from yet another unrelated party to lease the Project. The discussions with the new party regarding the Geolsec Project are incomplete and confidential and there can be no certainty that any agreement or agreements can be reached or that any transaction will eventuate. No commercial terms have been agreed between the parties. Accordingly, no investment decision should be made on the basis of this information.

BOBRIKOV GOLD AND SILVER MINE (UKRAINE)

During the quarter, Korab continued discussions with parties interested in acquiring mineral assets located in eastern Ukraine regarding a potential sale, or a joint venture development of the Bobrikovo Project. The discussions regarding the Bobrikovo Project are incomplete and confidential and there can be no certainty that any agreement or agreements can be reached or that any transaction will eventuate. No commercial terms have been agreed between the parties. Accordingly, no investment decision should be made on the basis of this information. For the mineral resource statement and the Competent Person statement in respect of the Bobrikovo Project please refer to pages 53 and 54 of "KORAB RESOURCES LIMITED AND CONTROLLED ENTITIES ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021", copy of which is available from the ASX announcement platform and from Korab's website. Current situation in Ukraine is well known to the market from extensive media coverage. Accumulated capitalised exploration expenditure and acquisition costs of Bobrikovo Project have been written down to nil at consolidation level in 2014.

MT. ELEPHANT PROJECT (ASHBURTON MINERAL FIELD, WA)

During the quarter, Korab Group continued the exploration and evaluation of the Mt. Elephant Project exploration licences E08/2307, E52/2724, E08/2756, and E08/2757, focusing primarily on their gold, iron ore, and base metals potential. No reportable exploration results (as the term is defined in the section 18 of the 2012 JORC code) were generated. Mt. Elephant Project consists of four granted exploration licences and three exploration licence applications (for details refer to Appendix A). Following the end of the quarter, Korab advised that the tenement E08/2757 was renewed for 5 years to February 2027 and is eligible for further renewals/extensions. As previously advised on 31 July 2020, Korab Group is in discussions with Great Fingall Mining Company NL (GFMC) regarding a potential option for GFMC to acquire the four exploration licences and three exploration licence applications. During the quarter, Korab received an unsolicited expression of interest from yet another unrelated party to establish a JV regarding the Project. These discussions are incomplete and confidential and there can be no certainty that any agreement or agreements can be reached or that any transaction will eventuate. No commercial terms have been agreed between the parties. Accordingly, no investment decision should be made on the basis of this information.



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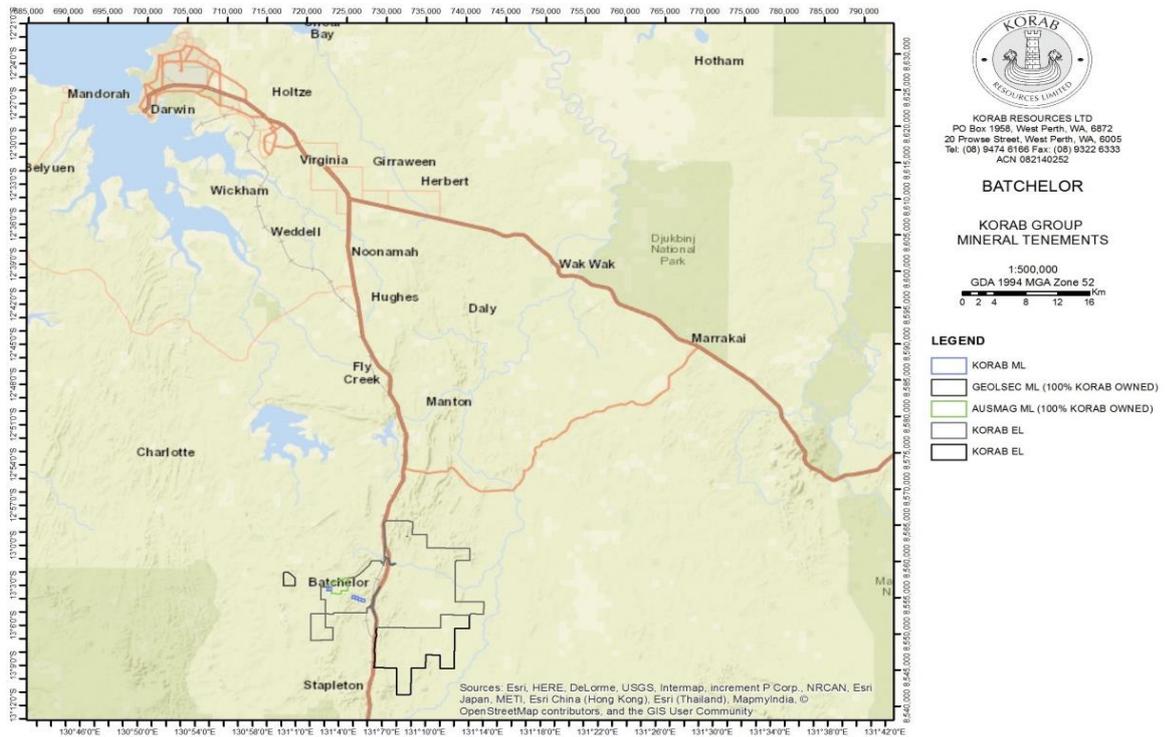


Figure 2 Location of Korab Group's mineral assets in the Northern territory

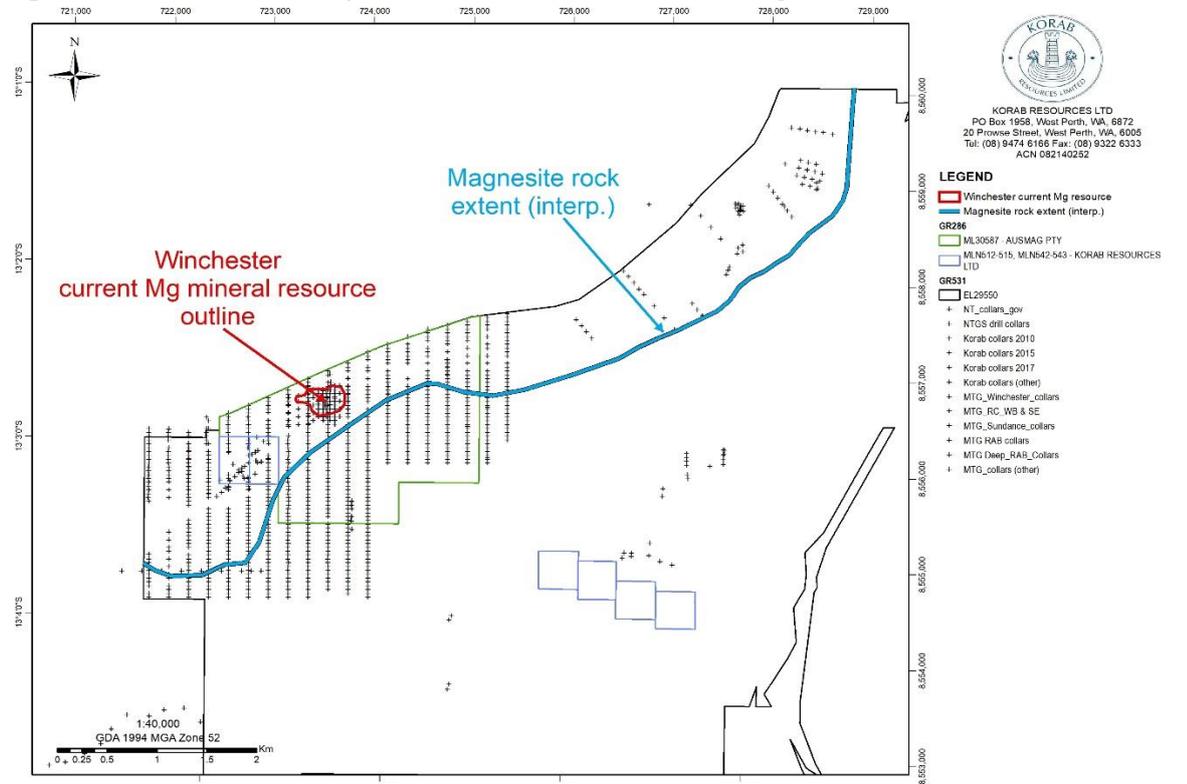


Figure 3 Historical drilling, current resource and extent of interpreted magnesite within Korab tenements



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Figure 4 Location of Korab Group's mineral tenements (exploration leases in white and mining leases in red) and Winchester Magnesium Project relative to Darwin Port and basic infrastructure

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Figure 5 Test mining of magnesium at Winchester during the wet season (after blasting Level 0)



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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: 367 Mln
Last Price: 3.7 cents
Capitalisation: \$14 Mln

Listing Code

ASX: KOR

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)
Gold, Silver, Zinc, Lead, Nickel,
Copper, Cobalt, Tin, Scandium,
Lithium, Manganese, Uranium

Geolsec
(Rum Jungle, NT)
Phosphate
Rare Earth Elements
Uranium
(Sub-leased to third party)

Mt. Elephant
(Ashburton, WA)
Gold, Copper

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



Figure 6 Test mining of magnesium at Winchester during the wet season (preparing to blast Level -1)

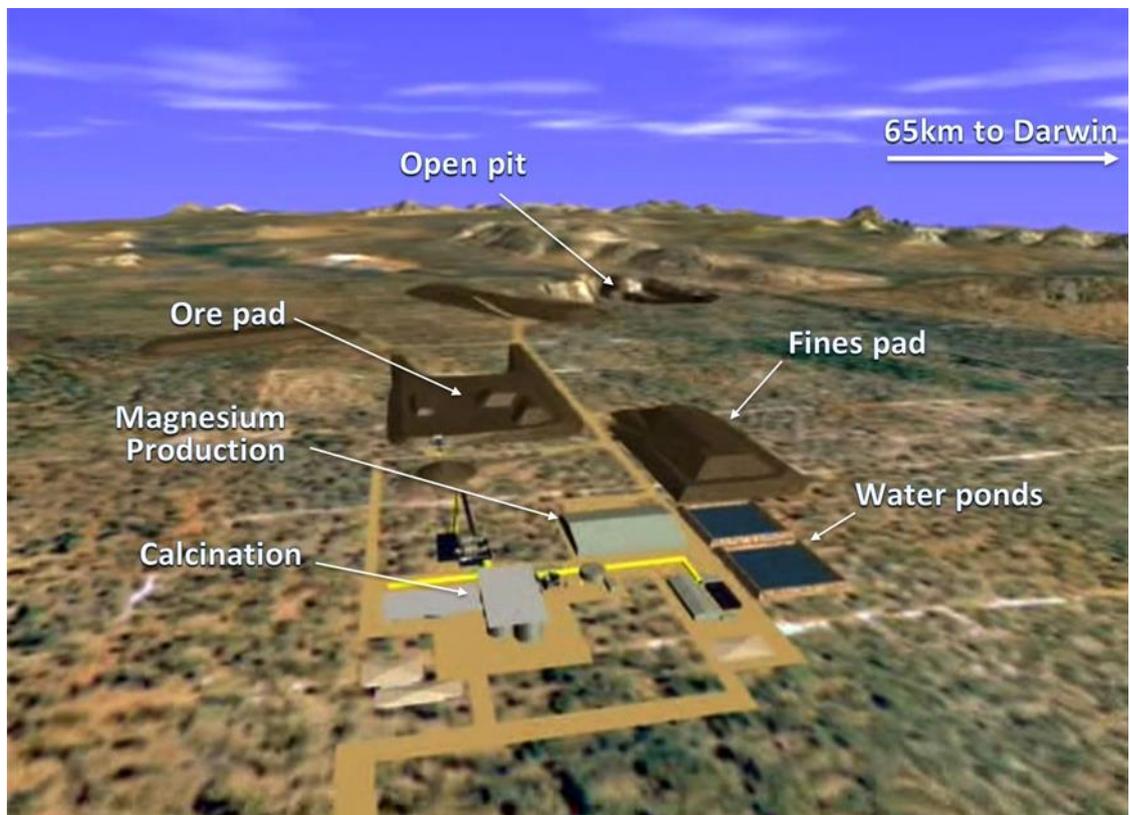


Figure 7 Layout of the Winchester magnesium plant and mine based on the technology using electric arc furnace and magnesium oxide, aluminium and ferrosilicon as feedstock.



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Figure 8 Pilot plant used to produce magnesium metal from Winchester Project

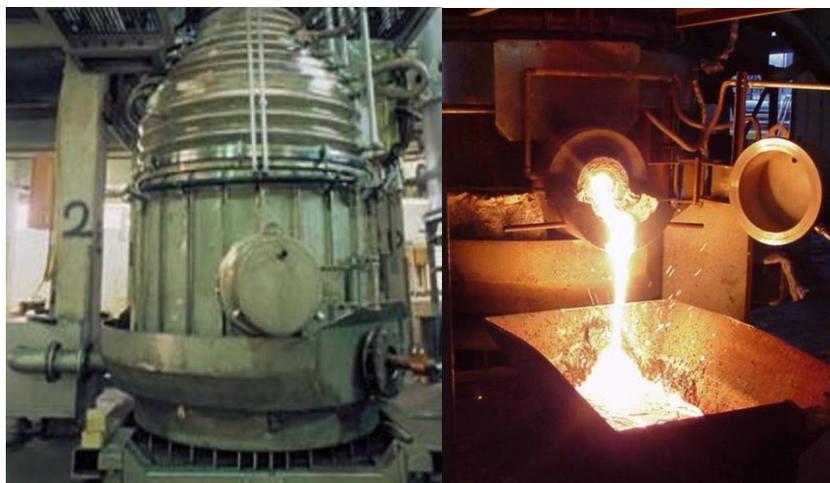


Figure 9 Close-up of the furnace (left) and pouring of slag after magnesium metal was extracted (right)



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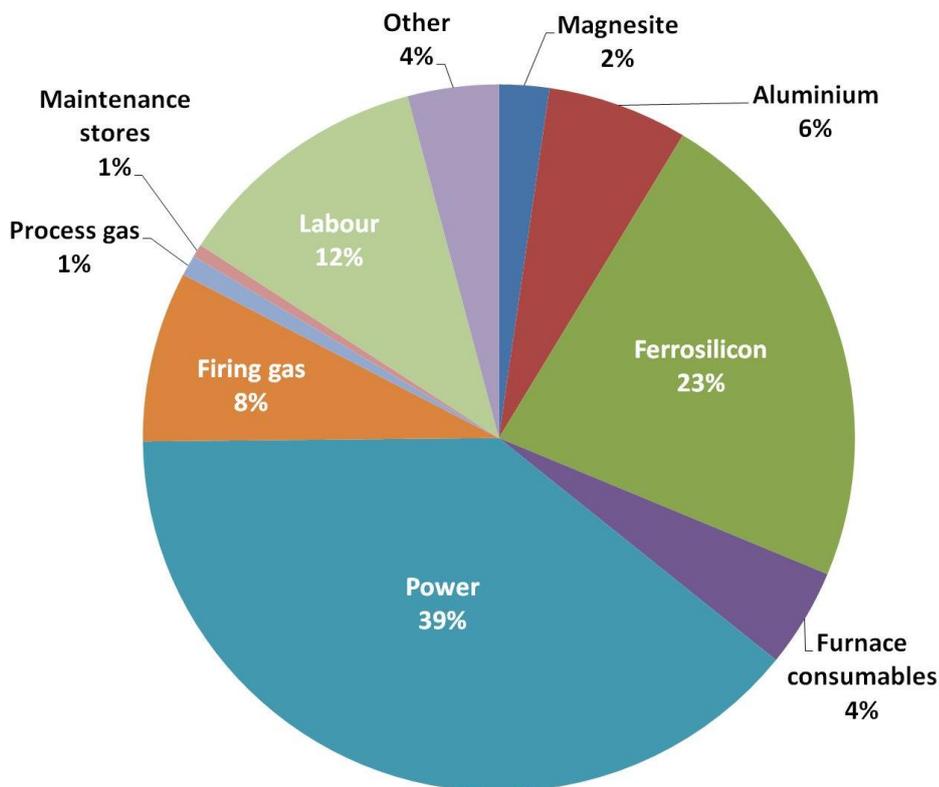


Figure 10 Production cost components by input category



Figure 11 Solar farms at Batchelor (Batchelor 1 and Batchelor 2) adjacent to the Winchester Project



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APPENDIX A

INTERESTS IN MINING TENEMENTS AS OF THE END OF THE REPORTING PERIOD

Project/Tenements	Location	Held at end of quarter	Acquired during quarter	Disposed during quarter
Batchelor/Green Alligator Project EL29550 MLN512 MLN513 MLN514 MLN515 MLN542 MLN543 EL31341	Northern Territory, Australia	100% 100% 100% 100% 100% 100% 100%		
Winchester Project ML30587	Northern Territory, Australia	100%		
Geolsec Project ML27362	Northern Territory, Australia	100%		
Bobrikovo Project ¹ BKB169 4420381100646545 1589	Ukraine Luhansk Region	100% 100% 100%		
Mt. Elephant Project: E08/2307 E52/2724 E08/2756 E08/2757 ELA52/3872 ELA08/3264 ELA08/3302	Western Australia, Australia	100% 100% 100% 100% 100% 100% 100%		
Farm-in agreements/Tenements	Location	Held at end of quarter	Acquired during quarter	Disposed during quarter
none				
Farm-out agreements/Tenements	Location	Held at end of quarter	Acquired during quarter	Disposed during quarter
none				

- END-

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

INVESTOR RELATIONS CONTACT

Andrej K. Karpinski - Executive Chairman
Australia: (08) 9474 6166
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 is a Magnesium Producer Member of the International Magnesium Association. Korab's projects include Winchester Magnesium Deposit at Batchelor in the Northern Territory of Australia, Geolsec phosphate and rare earth elements deposit also at Batchelor, and projects in Australia and overseas where gold, silver, copper, cobalt, nickel, lithium, scandium, lead, zinc, tin,

¹ Bobrikovo Project is located in eastern Ukraine in the Donbas region. The expenditure on this Project has been written-off in full in the 2014 Annual Report at the consolidation level.



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manganese, uranium and other elements have been discovered. 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).

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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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

KORAB RESOURCES LIMITED

ABN

17082140252

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		41
1.2 Payments for		
(a) exploration & evaluation (expensed)	(12)	(12)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(39)	(130)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(51)	(101)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (capitalised)	(165)	(324)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		48
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	Net cash from / (used in) investing activities	(165)	(276)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		1,901
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(98)
3.5	Proceeds from borrowings	439	1,025
3.6	Repayment of borrowings	(705)	(1,466)
3.7	Transaction costs related to loans and borrowings	(5)	(5)
3.8	Dividends paid		
3.9	Other (Receipts from Mt. Elephant option ex-holder. Option expired in June 2020)		10
3.10	Net cash from / (used in) financing activities	(271)	1,367

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,570	93
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(51)	(101)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(165)	(276)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(271)	1,367

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,083	1,083

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,070	1,557
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)	13	13
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,083	1,570

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	78	75
7.2 Credit standby arrangements	600	590
7.3 Other (please specify)	0	0
7.4 Total financing facilities	678	665
7.5 Unused financing facilities available at quarter end		13
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	Loan facility – lender: Alicja Karpinski, interest: 12% pa, unsecured. Not due prior to 31 March 2023 but can be repaid early at Korab's discretion without penalties. Due and payable immediately upon change of control.	
	Credit standby arrangements – lender: Rheingold Investments Corporation Pty Ltd, interest: 12% pa, unsecured. Not due prior to 31 March 2023 but can be repaid early at Korab's discretion without penalties. Due and payable immediately upon change of control.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(51)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(165)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(216)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,083
8.5 Unused finance facilities available at quarter end (item 7.5)	13
8.6 Total available funding (item 8.4 + item 8.5)	1,096
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A.
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 April 2022

Date:

By the Board of Directors of the Company

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.