



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

Issued Capital

Issued Shares: 367 Mln

Last Price: 0.8 cents

Capitalisation: \$3 Mln

Listing Code

ASX: KOR

Directors

Andrej K. Karpinski

Executive Chairman
Executive Director

Anthony G. Wills

Non-executive Director
(Independent)

Alicja Karpinski

Non-executive Director

Projects

Rum Jungle

(Pine Creek, NT)

Magnesium, Gold, Silver, Tin
Zinc, Lead, Nickel, Copper,
Cobalt, Rare Earth Oxides,
Scandium, Lithium, Iron Ore
Manganese, Uranium
Phosphate

Mt. Elephant

(Ashburton, WA)

Gold, Copper

Bobrikovo

(Luhansk, UKRAINE)

Gold, Silver, Zinc, Lead,
Antimony

19 August 2024

SALE OF GEOLSEC MINERAL LEASE ML27362

Korab Resources Ltd ("Korab", or "Company") (ASX: KOR) and its subsidiaries ("Korab Group") is very pleased to advise that Korab and Geolsec Phosphate Operations Pty Ltd (GPO) have executed binding Heads of Agreement (HoA) with an unrelated party, Leka II Shipping Limited (Leka) to sell to Leka all Korab Group's rights, title and interests in and to the Geolsec mineral lease ML27362 and all mining exploration information relating to the mineral lease (the Assets) for a cash consideration of \$4.35 Million and a royalty of 10% of Net Smelter Returns on all minerals other than uranium and thorium and a royalty of 1% of Net Smelter Returns on uranium and thorium.

Mineral lease ML27362 is 100% owned by Geolsec Phosphate Operations Pty Ltd (wholly owned subsidiary of Korab Resources Ltd) and is located some 60 km south of Port of Darwin in the Northern Territory of Australia.

Leka II Shipping Limited is a shipping and fertilisers corporation registered in the Marshall Islands. Leka has been operating since April 2023. Leka imports urea into Australia and other countries and intends to export phosphate rock from Port of Darwin to Asia using its own shipping vessels. Korab has confirmed to its own satisfaction the details of the registration of Leka, its business operations, and its financial ability to complete the transaction by making enquiries to Marshall Islands company registry, attending meetings with director of Leka, reviewing Leka's and its related parties' assets, Leka's business model and plans, and obtaining confirmation of funding available to Leka.

Under the HoA, Leka II Shipping Limited will pay to Korab Group a deposit of 10% of cash consideration with the balance of cash consideration payable on completion. Completion is envisaged to take place in 120 days. The completion date may be changed by agreement between the parties.

If ASX requires Korab to obtain shareholder approval for this transaction, such approval has to be obtained within 45 days, or as amended by agreement between the parties.

The HoA is binding on Korab Group and Leka. The HoA is subject to shareholder approval (if such is required by the ASX) and contains customary conditions, warranties, and assurances usual to these types of agreements. The key conditions of the transaction are that prior to and upon completion, GPO will ensure that there has been no material adverse change to the Assets and that the mineral lease ML27362 is in good standing. Furthermore, any party may lodge such caveats or other security pursuant to the Mining Act as it thinks fit to protect its interests in the transaction. The HoA requires compliance by the parties in all respects with the Corporations Act 2001 (Cth) and the ASX Listing Rules as they apply to the transaction and requires respective parties to obtain all government, statutory or regulatory approvals, consents and/or permits required to enable parties to perform their obligations under the HoA, including Ministerial approval to the transfer of the mineral lease if such is required. The parties agree to use their best endeavours to ensure that the conditions are satisfied as quickly as possible and, in any event, on or before the deadlines set out above.

Korab intends to make a submission to ASX to seek a determination whether a shareholder approval is required for this transaction pursuant to the ASX Listing Rules next week. If ASX determines that a shareholder approval is required, Korab will call an Extraordinary General Meeting of shareholders for the purpose of approving this transaction within approximately 30 days from receiving advice from ASX that shareholder approval is required for this transaction.

If ASX determines that a shareholder approval is required for this transaction and Korab shareholders do not grant such approval within the agreed time, the deposit will be refunded to Leka and the transaction will be at an end.



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Korab intends to use the proceeds from this transaction to retire debt, for working capital purposes, and for exploration and development work on its projects, with the focus on Rum Jungle Project.

There are no changes to the board or senior management proposed as a consequence of the transaction.

Korab is not in possession of any other material information relevant to assessing the impact of the HoA or the transaction on the price or value of Korab's securities.

Geolsec mineral lease ML27362 forms part of the Rum Jungle Project located in the Northern Territory of Australia. Geolsec mineral lease is considered by the Company to be a non-core asset. Mineral lease ML27362 covers an area of 234 Ha (approximately 2 km²) and is underlain by Geolsec Formation (hematitic quartz breccia) and Coomalie Dolostone. Please refer to Figure 1 for location of the Rum Jungle Project relative to Darwin.

Mineral lease ML27362 has been granted to 21 April 2035 and can be renewed for further multiple periods.

Please refer to Figure 2 for Rum Jungle Project geology, lithium anomalies, quartz-pegmatites and historical drill collars as previously reported to the ASX on 29 January 2024 in a report titled: "Results of NT Lithium & Reo Review".

The Company confirms that it is not aware of any new information or data that materially affects the information regarding exploration results included in the original market announcement referred to above and that all material assumptions and technical parameters underpinning the exploration results disclosed in the original announcement referred to above continue to apply and have not materially changed.

END OF REPORT

This report has been authorised by the Board.

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's projects include Winchester Magnesium Deposit at Batchelor in the Northern Territory of Australia, Geolsec phosphate lithium, 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, 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



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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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Figure 1 Rum Jungle Project Location



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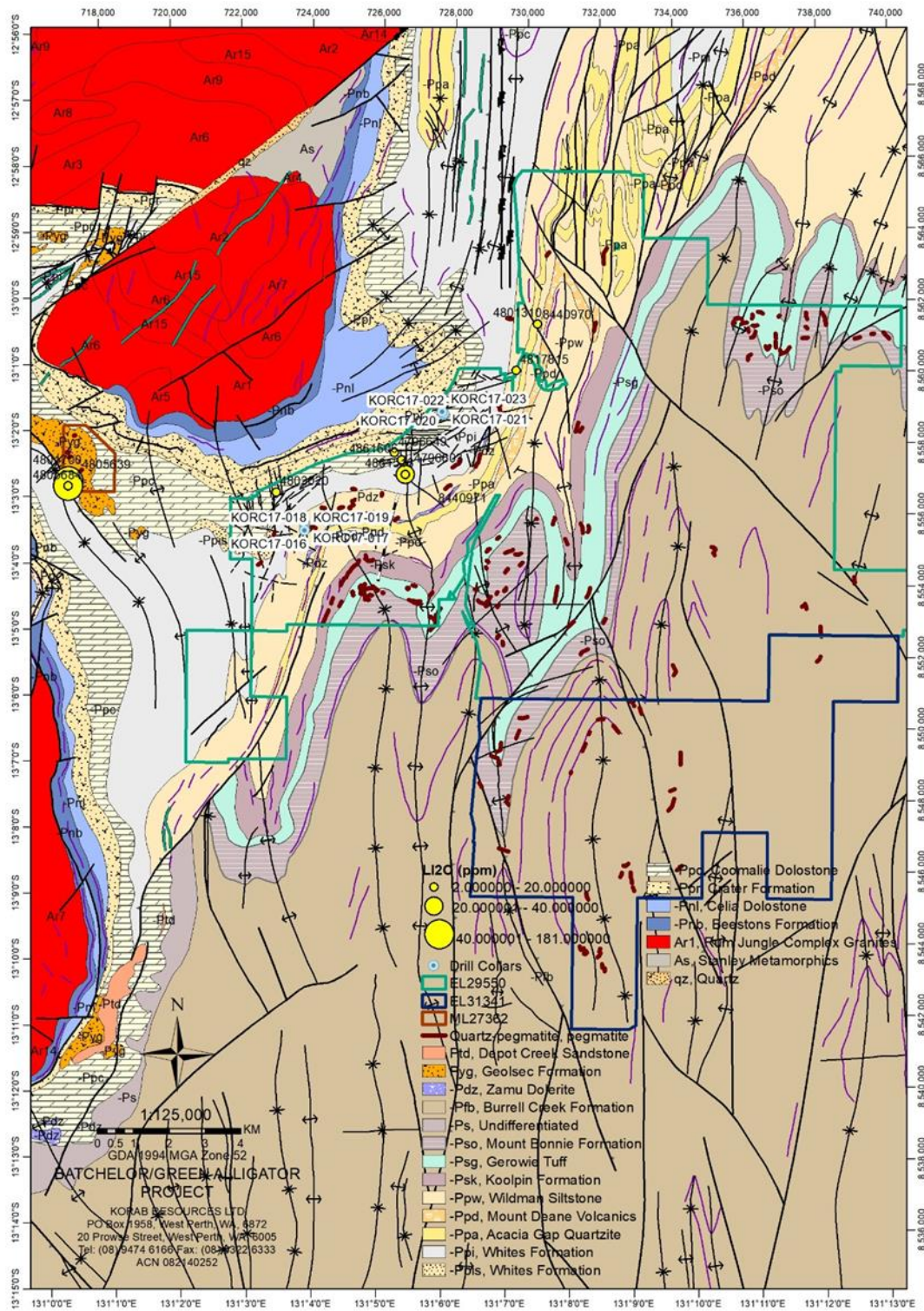


Figure 2 Rum Jungle Project – Lithium in rock chip samples, quartz-pegmatites and drill collars on geology



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