KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

31 October 2017

QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2017

KEY POINTS

- Commenced cobalt, copper, gold, zinc, lead, and silver drilling program at Batchelor
- Continued work on additional offtakes and sales of magnesium carbonate rock
- Continued work on sales of phosphate rock from Geolsec quarry
- Acquired direct 100% stake in 9 prospective Pilbara projects[1]

This is a quarterly activities report for the period from 1 July 2017 to 30 September 2017 by Korab Resources Ltd ("Korab", or "Company") (ASX: KOR) and its subsidiaries ("Korab Group").

OPERATIONS – EXPLORATION, EVALUATION AND DEVELOPMENT

Winchester Magnesium Carbonate Project (Northern Territory)

During the quarter Korab Group continued the work on the Winchester project. Magnesium carbonate market continued to strengthen, with prices for raw magnesite and for magnesia products climbing through the September quarter. Closures of magnesite mines and magnesia plants in China have led to a significant shortage of raw and intermediate materials and their prices continue to appreciate. Based on the information emerging from China's main producing regions, this situation will probably continue into the second half of 2018.

Korab and its advisors continued to work with Chinese counterparts on the funding documentation for the development of the magnesium carbonate quarry at Winchester. The funding is to be provided by way of an equity injection into the (currently) wholly owned Korab's subsidiary AusMag Pty Ltd. Several items of the subscription and shareholder agreements which will govern the rights and obligations of post-completion equity partners in the project are still being finalised and their completion will be reported in due course. Korab Group also continued discussion with several end users of magnesium carbonate rock regarding long term sales and offtakes. These discussions, whilst incomplete, are progressing well.

For details of the Winchester project see Appendix B.

Batchelor/Green Alligator Polymetallic Project (Northern Territory)

During the quarter Korab commenced the drilling program at Batchelor, targeting cobalt/copper/gold and zinc/lead/silver mineralisation. Following the end of the quarter (31 October 2017), Korab released encouraging preliminary results of the assays completed on the 6 meter composite samples from 10 reverse circulation holes drilled at 2 of the 24 prospects which Korab plans to test. Anomalous intervals of silver, lead, gold, copper, cobalt, and antimony were intercepted at prospect P16221. Anomalous intervals of gold, cobalt, and copper were intercepted at prospect P225. Intervals of copper and cobalt anomalism were wider than anticipated or predicted by historical exploration data. Lab work will now include assays of single meter samples from anomalous intervals and, depending on single meter assay results; thin section microscopy. During the quarter, Korab

[1] See Operations - Corporate

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Projects

Winchester (Rum Jungle, NT)
Magnesium carbonate (MgCO3)

Geolsec (Rum Jungle, NT)
Phosphate rock (P2O5)

Batchelor (Rum Jungle, NT)
Au, Ag, Zn, Pb, Ni, Cu, Co

Mt. Elephant (Ashburton, WA)
Au, Cu

Karratha (Pilbara, WA)
Au, Co, Cu

Marble Bar/Nullagine (Pilbara, WA)
Au, Co, Cu, Li

Bobrikovo (UKR)
Au, Ag, Pb

also continued other exploration of the Batchelor and Green Alligator Projects targeting lithium, gold, base metals, and other minerals.

For ease of reference we provide summary of the cobalt, copper, and gold potential of the Batchelor Project in Appendix C; summary of zinc, lead, and silver potential of the Batchelor Project in Appendix D; and the general outline of information previously reported regarding lithium at Batchelor Project is listed in Appendix E.

Geolsec Rock Phosphate Project (Northern Territory)

Following the end of the quarter (25 October 2017), Korab announced that it has cleared another hurdle to commercialisation of phosphate rock. Korab Group received a request to provide sample of phosphate rock from Geolsec Project for final grindability tests following a long term test-work program completed to date by a major chemical fertiliser producer (CFP). Following on the positive results of multiple tests run by this CFP on the rock already supplied (including most recently - the reactivity tests), Korab has been asked to provide final sample of the rock in granule size in which this rock is to be ultimately supplied on a commercial basis so CFP can complete the grindability tests.

Bobrikovo Gold and Silver Project (Ukraine)

During and following the end of the quarter Korab Group continued engagement with contractors, advisers, potential partners, investors and various stakeholders with the view to re-commencing operations at this project. In addition to that, Korab has been in discussions with several parties expressing interest in providing funding for the project and/or acquiring either a part, or the whole of the project.

Ashburton Downs/Mt. Elephant Project (Western Australia)

During and following the end of the quarter, Korab continued exploration of the Mt. Elephant project focusing primarily on its gold and base metals potential.

OPERATIONS – CORPORATE

Following the end of the quarter (18 October 2017, and 31 October 2017) Korab announced that it has acquired[2] direct 100% stake in 9 Pilbara projects. Pilbara project portfolio consists of exploration licence applications E47/3902, E47/3903, E45/5047, E46/1212, E46/1211, E47/3866, E47/3863, E47/3864, and E47/3865 covering approximately 315 square kilometres, and providing Korab with a good entry point into the Pilbara. These projects cover prospective stratigraphies targeted by other explorers in the Pilbara, including Hardey formation and basalts (as identified in GSWA mapping and in various historical exploration reports on GSWA open files). Korab's targets for exploration within these 9 projects are gold (including Witwatersrand-style conglomerate gold), lithium-tin-tantalum pegmatites, and copper.

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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 and Geolsec phosphate rock deposit at Batchelor in the Northern Territory of Australia as well as a gold and silver deposit at Bobrikovo in eastern Ukraine. The Company also explores for gold and copper at Ashburton Downs/Mt. Elephant in Western Australia, and for gold, copper, lithium, tin, and tantalum

[2] All explorations licence applications were acquired through direct application.

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Au, Ag, Pb

at Karratha, and Marble Bar/Nullagine in Western Australia. Korab also explores for gold, cobalt, silver, lead, zinc, copper, nickel, lithium, and tin at Batchelor and Green Alligator in the Northern Territory. 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.

APPENDIX A

INTERESTS IN MINING TENEMENTS AS OF 30 SEPTEMBER 2017

Project/Tenements	Location	Held at end of quarter	Acquired during quarter	Disposed during quarter
Batchelor/Green Alligator Project	Northern Territory, Australia			
EL29550		100%		
MLN512		100%		
MLN513		100%		
MLN514		100%		
MLN515		100%		
MLN542		100%		
MLN543		100%		
EL31341		100%		
Winchester Project	Northern Territory			
ML30587		100%		
Geolsec Project	Northern Territory			
ML27362		100%		
Bobrikovo Project	Ukraine			
BKB169		100%		
4420381100646545		100%		
1589		100%		
27304101		100%		
Ashburton Downs Project:	Western Australia, Australia			
E08/2115		100%		
E08/2307		100%		
E52/2724		100%		
E08/2756		100%		
E08/2757		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				

APPENDIX B

WINCHESTER PROJECT TECHNICAL INFORMATION

On 10 March 2015, Korab released the results of the expanded pre-feasibility study into Winchester magnesite quarry and its potential earnings, costs, free cashflow, and net present value.

Results of this expanded study have shown that the project has very attractive economics with an aggregate EBITDA of $395 mln over quarry life and attractive long-run annual EBITDA of $32 mln/year (at 800kt/year of rock sales). The capital and start-up costs were estimated at around $4 mln (including quarry costs of approximately $1.2 mln and a contingency of ~$1mln). Full text of the report can be accessed through the link below:

http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01606646

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Au, Ag, Pb

Deposit is located approximately 85km south of the port of Darwin in the Northern Territory (see Figure 7, Figure 8 and Figure 9). It is less than a hundred meters from sealed road, and less than 5km from railway line linking Winchester with Darwin port and major Australian cities.

The Company confirms that all material assumptions underpinning the production target in that announcement continue to apply and have not materially changed. This expanded study included the estimates of revenues and various additional material costs such as haullage, port charges, interest, debt repayment, royalties, overheads, etc. and evaluated the economics of Winchester quarry assuming its development as a direct shipping ore (DSO) operation.

This pre-feasibility study was based on the indicated mineral resource only. Current estimated mineral resources at Winchester, including both indicated and inferred categories, are shown in the following table:

Table 1 Mineral resources estimates

At 40% MgO Cut-Off	MgCO Mass '000 Tonnes	MgO grade %
Indicated Resources	12,200	43.1
Inferred Resources	4,400	43.6
Total	16,600	43.2

There has been no change to the Winchester mineral resource estimate since it was last reported in the Annual Report 2016. This information was prepared and first disclosed under the JORC Code 2004 on 17 July 2007. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The author of this report is not aware of any new information or data that materially affects the information included in the report released on 17 July 2007 and, in the case of mineral resources that all the material assumptions and technical parameters underpinning the estimates in the report released on 17 July 2007 continue to apply and have not materially changed. The form and context in which the findings of the report released on 17 July 2007 are presented have not been materially modified.

Market for magnesium carbonate has been growing at a strong historical trend rate over several decades with the trend pointing to yet higher consumption over coming years. The main uses for magnesite is in production of various types of magnesium oxides. Magnesium carbonate is also used to produce magnesium metal which is the lightest of all metals, being about two-thirds lighter than aluminium but stronger then steel. Magnesium is non-toxic, non-magnetic, has high-impact strength and is resistant to denting.

The main sectors where magnesium oxide is used include: refractory bricks which are used to line steel and iron furnaces; production of flame retardants; production of fire resistant and moisture resistant building materials like mag-wall, MgO board and mag-cement; production of magnesium alloys used extensively in cars, airplanes, tanks, APC-s and other defence equipment; hydrometallurgy (primarily for nickel and cobalt production); water purification and soil treatment and feedstock.

Experts expect that the market for magnesium carbonate will continue to expand due to the growth in all these sectors, however the potential game changer is the recent development of magnesium-ion batteries which have 8 to 12 times greater capacity than lithium-ion batteries and can be charged in as little as 36 minutes. Magnesium-ion battery's charge/discharge efficiency is 5 times higher than a lithium-ion battery. Another advantage of magnesium-ion batteries is their ability to perform at temperatures as low as -30°C and as high as +55°C whereas lithium-ion batteries cease to function at around -15°C. Additional benefit of magnesium-ion batteries is that they do not use graphite and consequently are not dependant on supply of this relatively expensive material.

The key determinant of the success of a magnesite project is the quality of its magnesium carbonate rock and its proximity to transport infrastructure. Winchester magnesite project has the advantage of being one of the highest grade magnesium carbonate deposits and also being located in close proximity to rail, roads, and a major deep sea port. The deposit is a shallow, flat lying ore body covered by approximately 5m of clay overburden and it can be mined using easy open cut method, essentially as a quarry.

APPENDIX C

COBALT, COPPER AND GOLD POTENTIAL OF BATCHELOR PROJECT

On 10 February 2017 Korab reported results from the review of historical drilling and sampling encompassing geochemical assessment of 784 RAB drillholes, 20 RC drillholes, 2,950 soil samples, and 686 rock chip samples.

Excerpts from the report are shown below for reference. Full report can be accessed at:

http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01827144

There has been no material change to these historical exploration results since they were originally reported on 10 February 2017.

Highlights (above 700ppm Co) from Reverse Circulation drilling include following multiple zones of cobalt, copper and gold (where available) mineralisation:

HOLE_ID	FROM_M	TO_M	CO_PPM	CU_PPM	AU_PPM
BRC2	41	42	725	120	n/a
BRC2	43	44	1,090	152	n/a
BRC2	44	45	895	146	n/a
BRC5	46	47	880	800	3.45
BRC5	56	57	1,460	10,000	2.29
BRC5	57	58	1,300	12,100	1.31
BRC5	58	59	1,040	16,900	1.36
BRC5	65	66	765	9,420	1.69
BRC6	103	104	795	250	1.64

Cobalt mineralisation appears to be pervasive, extending over multiple zones of significant surficial extent, covering in aggregate an area of approximately 13.9 mln m^2. The largest single mineralisation zone covers 10.3 mln m^2. In the northern zones cobalt appears to be associated with copper and gold, in the southern and central zones it appears to be associated with copper and nickel. High grade cobalt mineralisation is located either on top of, or near intersections of deep faults and crosscutting faults and fractures (see Figure 1 and Figure 2). All of the elevated cobalt drill intercepts are associated with surface geochemical anomalies present in soil, rock chips, and shallow RAB drilling.

Highlights (above 500ppm Co) from surface sampling include following high grade cobalt samples:

TYPE	CO_PPM	CU_PPM	NI_PPM
rockchip	4,950		
rockchip	4,033		
rockchip	2,660	1,610	700
rockchip	2,102		
rockchip	2,000	945	460

rockchip	1,910	260	1,020
rockchip	1,510	1,050	620
rockchip	1,440		
rockchip	1,410	800	455
rockchip	1,158		
rockchip	1,020		
rockchip	750		
rockchip	670		
rockchip	633	100	1
rockchip	570		
rockchip	545	1,900	820

Highlights (above 500 ppm Co) from shallow RAB drilling include following zones of cobalt mineralisation:

HOLE_ID	FROM_M	TO_M	CO_PPM	CU_PPM	NI_PPM
MGR230	1	3	2,400	1,140	570
MGR230	3	5	2,700	1,540	735
MGR230	5	7	1,500	1,080	630
MGR230	7	9	1,420	800	455
MGR766	9	11	1,030	72	239
MGR227	7	9	685	2,260	1,040

Diagram below illustrates in 3D near surface cobalt values in shallow RAB drilling with faults and fractures.

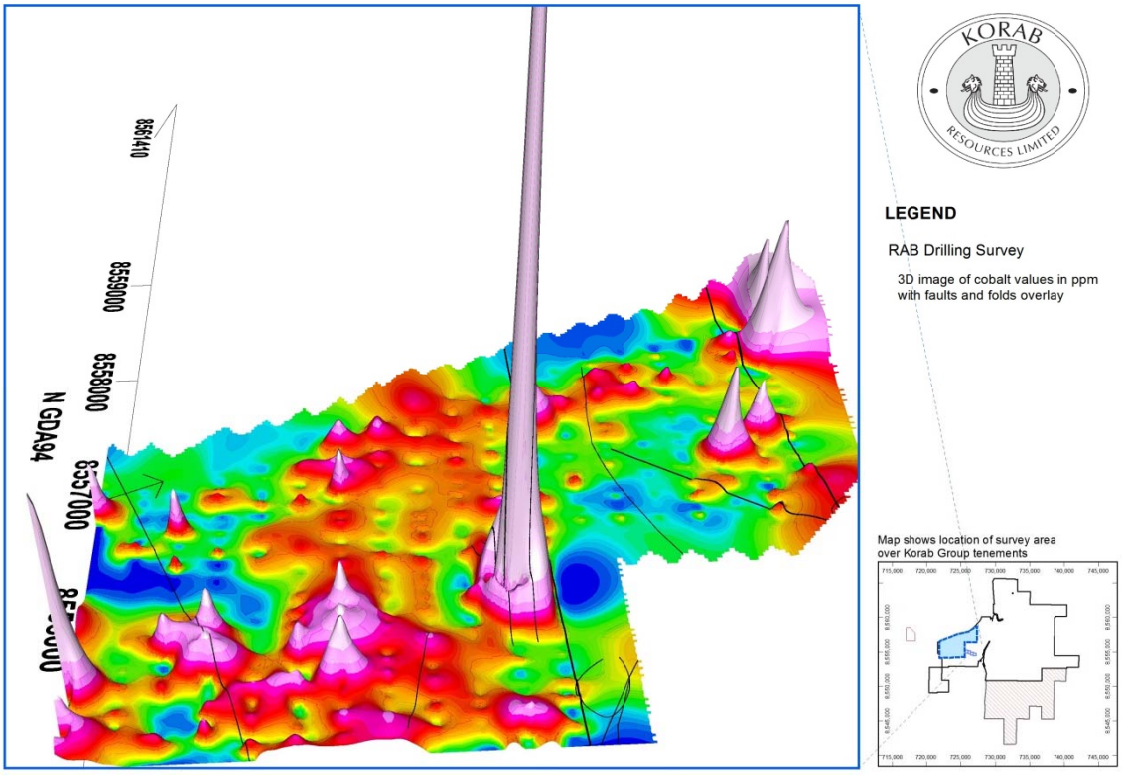

Figure 1 3D image of cobalt values in gridded shallow RAB drilling with overlayed faults and fractures (near surface drill-chip values, height and colour reflects Co grade in ppm).

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Au, Co, Cu, Li

Bobrikovo (UKR)
Au, Ag, Pb

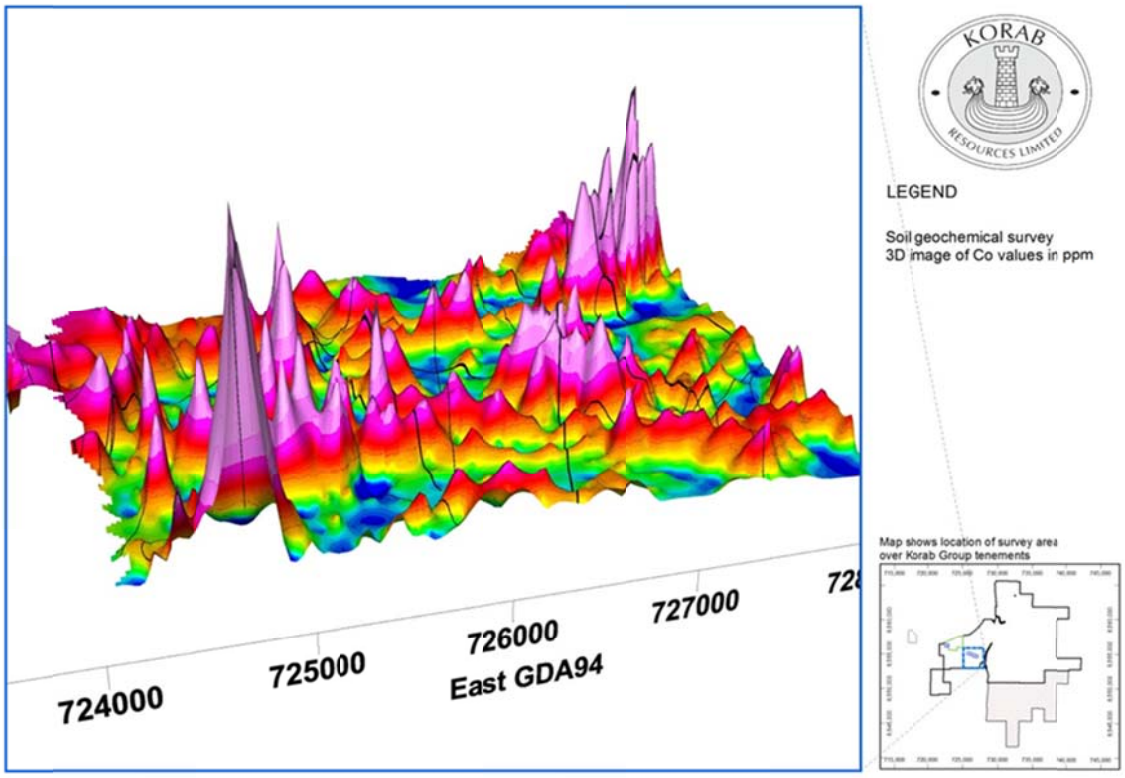

Figure 2 3D image of cobalt values above 30ppm Co in gridded geochemical soil survey with overlayed faults and fractures (height and colour reflects Co grade in ppm).

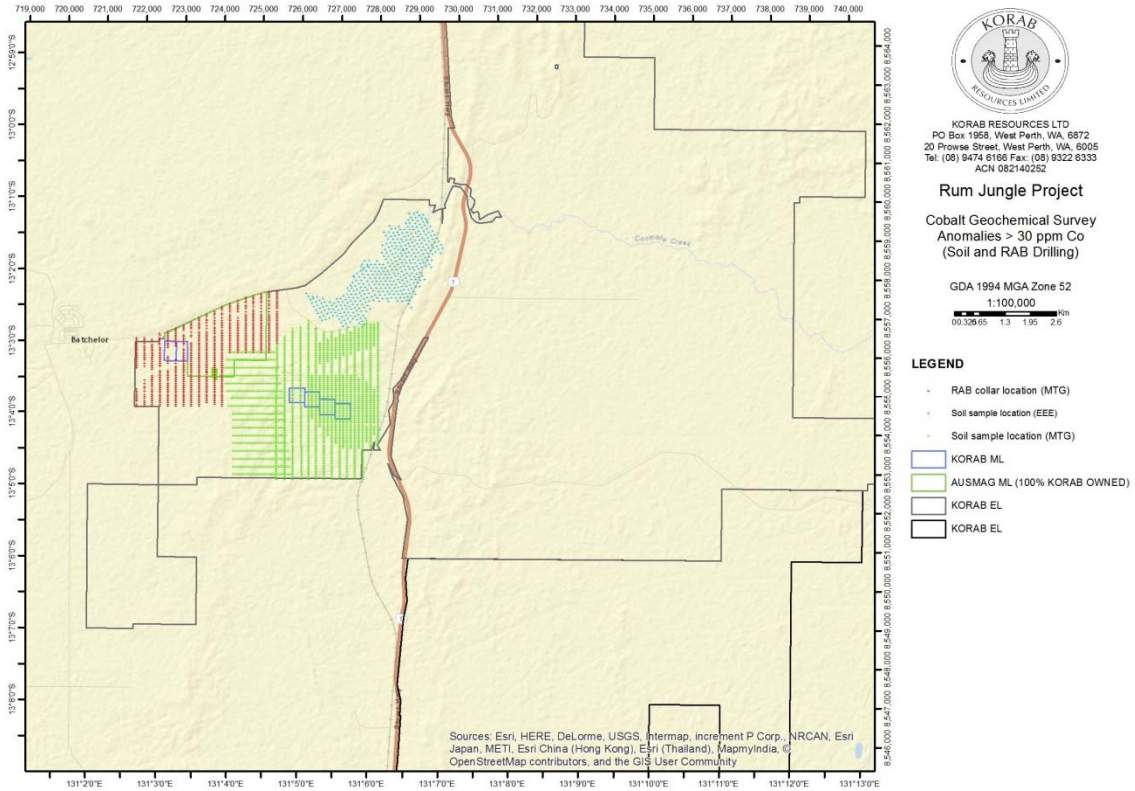

Figure 3 Location map showing soil samples and drill collars overlayed on tenements and regional map

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Au, Ag, Zn, Pb, Ni, Cu, Co

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Au, Cu

Karratha (Pilbara, WA)
Au, Co, Cu

Marble Bar/Nullagine (Pilbara, WA)
Au, Co, Cu, Li

Bobrikovo (UKR)
Au, Ag, Pb

APPENDIX D

ZINC, SILVER AND LEAD POTENTIAL OF BATCHELOR PROJECT

Significant drill intercepts (which were reported on 23 November 2016) are shown below for reference. Full report can be accessed at:

http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01805134

There has been no material change to these historical exploration results since they were originally reported on 23 November 2016.

Hole	From (m)	To (m)	Interval (m)	Ag (ppm)	Zn (%)	Pb (%)
BRC12	**68**	**81**	**13**	**4**	**4.71**	**0.38**
Including	*78*	*79*	*1*	***15***	***20.60***	***0.32***
	79	*80*	*1*	***10***	***11.80***	***1.53***
	80	*81*	*1*	*4*	*7.35*	*0.39*
BRC12	**88**	**101**	**13**	**4**	**3.14**	**0.11**
Including	*90*	*91*	*1*	***8***	***5.34***	***0.05***
	93	*94*	*1*	***14***	***7.79***	***0.15***
	94	*95*	*1*	*4*	*4.15*	*0.14*
	97	*98*	*1*	***4***	***6.38***	***0.09***
WBD06	**36**	**58**	**22**	**78**	**0.21**	**3.16**
Including	*42*	*44*	*2*	***210***	***0.16***	***8.38***
	44	*46*	*2*	***135***	***0.16***	***13.50***
	48	*50*	*2*	*99*	*0.79*	*2.36*
	50	*52*	*2*	***115***	***0.21***	***2.08***
WBP01	**101**	**124**	**23**	**15**	**4.98**	**1.60**
Including	*104*	*105*	*1*	***10***	***5.74***	***0.11***
	107	*108*	*1*	***7***	***5.94***	***0.85***
	108	*109*	*1*	*10*	*12.40*	*1.13*
	111	*112*	*1*	***10***	***9.50***	***0.49***
	115	*116*	*1*	***45***	***13.60***	***0.98***
	116	*117*	*1*	***19***	***7.04***	***0.29***
	117	*118*	*1*	*110*	*24.30*	*17.30*
	118	*119*	*1*	***50***	***14.60***	***5.60***
	119	*120*	*1*	***40***	***8.66***	***2.70***
	120	*121*	*1*	***13***	***3.08***	***1.41***

Figure 4 Drilling results highlights

As previously reported Korab, has secured original drill logs, plans, sections, laboratory assays, partial pulps and drill chips and associated materials. Drill logs show that the mineralisation occurs as sphalerite (zinc sulphide) and galena (lead sulphide) with occasionally large amounts of silver. Similarly to Woodcutters, mineralisation occurs primarily in a chlorite-carbonate altered dolerite with associated significant faulting and fracturing.

Korab has previously reported that the above zinc/lead/silver drilling results are very significant because they present potential for finding discordant, structurally emplaced zinc, lead and silver

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Phosphate rock (P_2O_5)

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Au, Cu

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Au, Co, Cu

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Au, Co, Cu, Li

Bobrikovo (UKR)
Au, Ag, Pb

orebodies and also present possibility for large stratiform, or stratabound zinc, lead and silver deposits.

It is important to note that there is evidence of both styles of mineralisation in commercially mined deposits nearby. Discordant, structurally emplaced orebodies were discovered at the Woodcutters zinc, lead and silver mine and at Area 44 some 8km to the north from Korab's White Bomb/Glen Luckie prospects. Large stratiform or stratabound base metal deposits were discovered in the Embayment Area at Rum Jungle (Browns, Mt. Fitch and Whites) some 15-20km to the north west from White Bomb/Glen Luckie prospects.

Woodcutters Ag-Pb-Zn base metal deposit was discovered in 1966 by BMR when they drill-tested a prominent soil geochemical anomaly. Open pit mining commenced in 1985 and was followed by underground development in late 1986. The mine operated for 14 years and closed in May 1999. Ore production totalled 4.65 Million tonnes at 12.28% Zn, 5.65% Pb, and 87 g/t Ag.

The possibility of a large zinc, lead and silver deposit in the White Bomb/Glen Luckie area is suggested by similarity of its setting to Woodcutters mine, the great thicknesses of significantly mineralised graphitic and pyritic sediments drilled and the large lateral extent of the associated prominent soil geochemical anomaly.

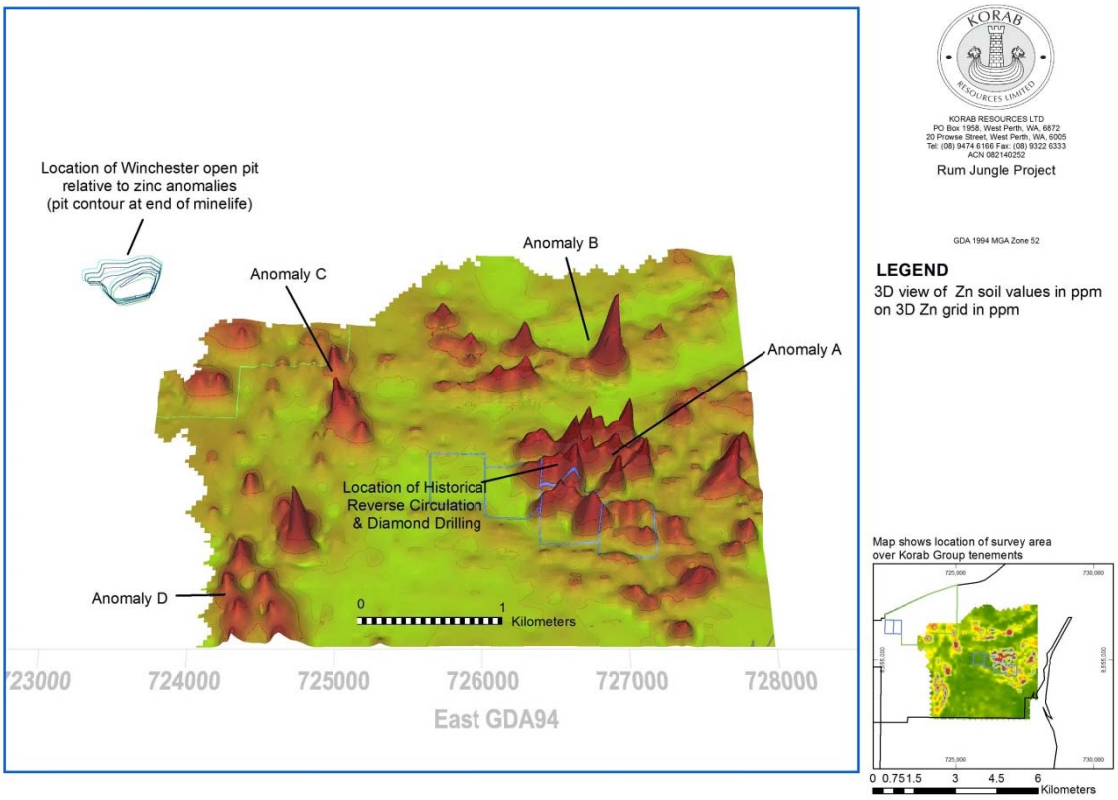

Figure 5 Location of Winchester magnesium carbonate open pit relative to historical RC and DD drilling and soil Zn anomalies reported on 23 November 2016 (overlayed on a 3D soil Zn grid)

White Bomb is located on a mineralised trend extending over 4km, which is part of a 16 km long target horizon and includes the nearby prospects of White Bomb East, the CRAE lead-zinc prospect, and possibly the Occidental lead-zinc prospect.

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Au, Co, Cu, Li

Bobrikovo (UKR)
Au, Ag, Pb

White Bomb/Glen Luckie prospects are in close proximity to the magnesium carbonate deposit already discovered at Winchester which is located within the adjacent mining lease, just few kilometres to the north-west and which is currently nearing development. This proximity to Korab's other mining and exploration assets will provide for considerable logistic and operational advantages during both the exploration phase and (should a discovery be made) during any future development.

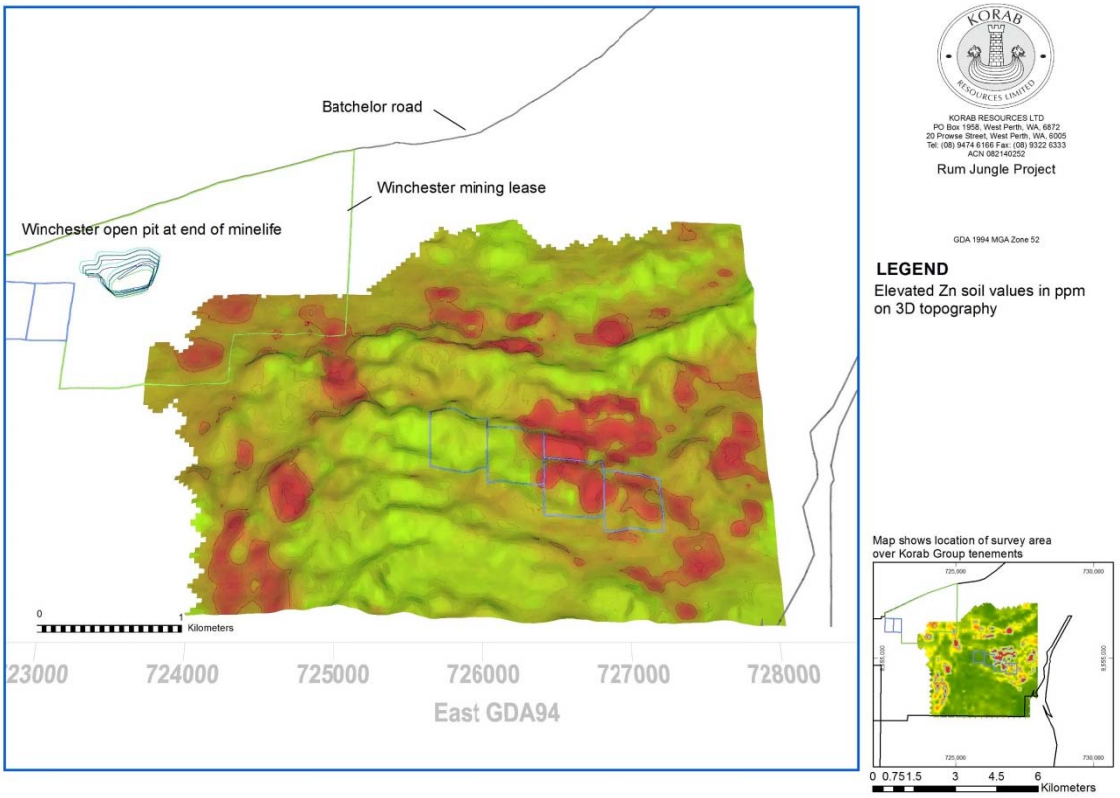

Figure 6 Location of the Winchester open pit and the mining lease relative to the Zn anomalies reported on 23 November 2016 (overlayed on a 3D topography grid).

For details of Woodcutters-style mineralisation see the report of 23 November 2016.

White Bomb prospect presents all features present in the exploration model for Zn/Pb/Ag mineralisation based on the results of the Woodcutters structural study:

- ✓ Proximity to regional scale basement domes.
- ✓ The intersection of regional scale anticlines and transpressional fault zones.
- ✓ Localised fault-induced changes in the orientation of anticlinal axis or changes in plunge directions.
- ✓ Presence of fault-related medium to small scale folds, especially disharmonic folds.
- ✓ Fault (shear) zones containing deformed lamprophyre dykes or sulphidic quartz veins.
- ✓ Localised fault bends and dilational fault jogs.
- ✓ Fault zones with associated cross cutting mineralised quartz vein arrays.

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APPENDIX E

LITHIUM POTENTIAL OF BATCHELOR PROJECT

During the previous quarter, Korab reported that it has commenced evaluation of Batchelor project for lithium following the discoveries of lithium mineralisation and pegmatite swarms by Core Exploration, Liontown Resources and Lithium Australia to the west and north-west from Batchelor project, and the recent "pegging" activity by Core Exploration to the west and north-west from Korab Group mining and exploration leases. For details of other companies' exploration results see ASX reports by Core Exploration, Liontown Resources and Lithium Australia over the last 9 months.

The Korab is undertaking a robust review of all geological, geochemical, mineralogical, petrographic and geophysical data covering the project area with a specific focus on lithium. The results will be reported when available.

Batchelor project is located on the eastern limb of the rock formation containing the Finniss project where lithium and pegmatites were reported by Core Exploration, Liontown Resources and Lithium Australia). Both Batchelor and Finniss are located within the western part of the Pine Creek Orogen (PCO) just south of Darwin in the Northern Territory.

According to Northern Territory Geological Survey (NTGS) reports, lithium mineralisation in the area is related to tin and tantalum occurrences and occurs primarily in pegmatite dykes and sills within the Burrell Creek Formation of the Finniss River Group. Whilst government reports show presence of tin within Korab's ground and NTGS reports pegmatite and quartz being present at surface and at depth within the area (quartz is often what remains from pegmatite after a prolonged weathering process), historical exploration by previous tenement holders was limited to other metals (primarily gold, base metals, uranium and magnesite). Consequently, they have not tested the pegmatites for tin or lithium and have not followed-up these previously discovered occurrences.

Korab has in the past primarily targeted nickel, copper and PGM in the area. Consequently, most of our exploration was limited to testing mafic and ultramafic units within the area which are considered to be the primary host rocks for nickel mineralisation.

Notwithstanding the above, our review of the geology of the area of interest and of the geological setting of the recent lithium discoveries to the north-west suggests sufficient potential for lithium mineralisation to warrant a further examination. As part of the initial phase of the exploration, Korab will continue detailed review of historical exploration data, surface and downhole geochemistry, RAB, RC and diamond core drill logs and outcrop mapping. Korab will also undertake its own mapping and sampling program. Proximity of the rocks within Korab's ground (which are shown to be the main lithium hosting rocks at Finniss project) to S-type granites of the Rum Jungle and Waterhouse granitic domes further enhances this potential. According to NTGS and USGS reports, S-type granites are often associated with LCT pegmatites and multiple wide-spread pegmatite dykes and outcrops have been reported by NTGS near the margins of these granitic domes. The LCT pegmatites are typically associated with late tectonic peraluminous granites, are some distance from the source and their emplacement is controlled at least in part by shear zones. Quartz and feldspars are the dominant minerals that crystallize from granitic melts, and the rare elements are highly incompatible in these minerals. Thus, extreme fractionation resulting from extended crystallization of quartz and feldspars can generate very high concentrations of rare elements in residual melts. Similarly, individual pegmatites also consist largely of quartz and feldspar, and the rare elements are concentrated in small volumes. The ionic radius of Li is much smaller than that of the other alkali metals, and Li partitions into micas, cordierite, and amphiboles via coupled substitution reactions.

Within the Pine Creek Orogen the target mineralization is associated with granitic intrusives. The majority of deposits are found in quartz veins and pegmatite dykes hosted by Early to Middle Proterozoic metasediments. The metasedimentary rocks are interbedded shale, sandstone,

conglomerate and flyshoid sediments of the Burrell Creek Formation of the Finniss River Group.. The pegmatites intrude the metasediments and have originated from the S-Type Two Sisters Granite which forms a large discordant batholith in the western portion of the Bynoe district. Likewise, quartz-tourmaline veins are fairly common at the margins of the Rum Jungle Complex and in the surrounding metasediments.

The majority of the Finniss pegmatite veins are zoned, lenticular in shape, irregular in distribution and intrude at least in part along the foliation and bedding planes of the country rock. The pegmatite dykes and quartz veins have preferentially intruded the less competent shale units of the Burrell Creek Formation. In outcrop, the pegmatite dykes are weathered to quartz rubble, kaolinitic clay and muscovite. Tertiary processes have leached and intensely weathered the pegmatites to depths in excess of 20 m. The decomposed nature of the pegmatites provided easy exploitation by tin miners at the turn of last century but has hindered an understanding of their petrology, chemistry and morphology. The bulk mineralogy of unweathered pegmatite consists of microcline, perthite, K-feldspar, albite, muscovite and quartz. Minor components include cassiterite, tantalite-columbite, amblygonite, magnetite, zircon, ilmenite, garnet and tourmaline. In outcrop, primary mineralogy is preserved only in quartz-rich samples that either consist solely of quartz and muscovite, or consist of feldspar that is protected from decomposition by quartz-mica shielding. Feldspar is otherwise reduced to kaolin. At surface, veins and dykes of pegmatite at the Rum Jungle Complex appear to consist mainly of microcline and quartz, with small but varying amounts of muscovite. NTGS and the Commonwealth Bureau of Mineral Resources further report that there is also increased level of tungsten and reported presence of tourmaline in drill cuttings taken from this area providing further evidence of the area's prospectivity.

Issued Capital

Shares: 288 mln
Options: 4 mln
Last Price: 3.0 cents
Market Cap: $8.64 Mln

ASX: KOR
BERLIN: C6S.BE

Projects

Winchester
(Rum Jungle, NT)
Magnesium carbonate (MgCO3)

Geolsec
(Rum Jungle, NT)
Phosphate rock (P2O5)

Batchelor
(Rum Jungle, NT)
Au, Ag, Zn, Pb, Ni, Cu, Co

Mt. Elephant
(Ashburton, WA)
Au, Cu

Karratha
(Pilbara, WA)
Au, Co, Cu

Marble Bar/Nullagine
(Pilbara, WA)
Au, Co, Cu, Li

Bobrikovo (UKR)
Au, Ag, Pb

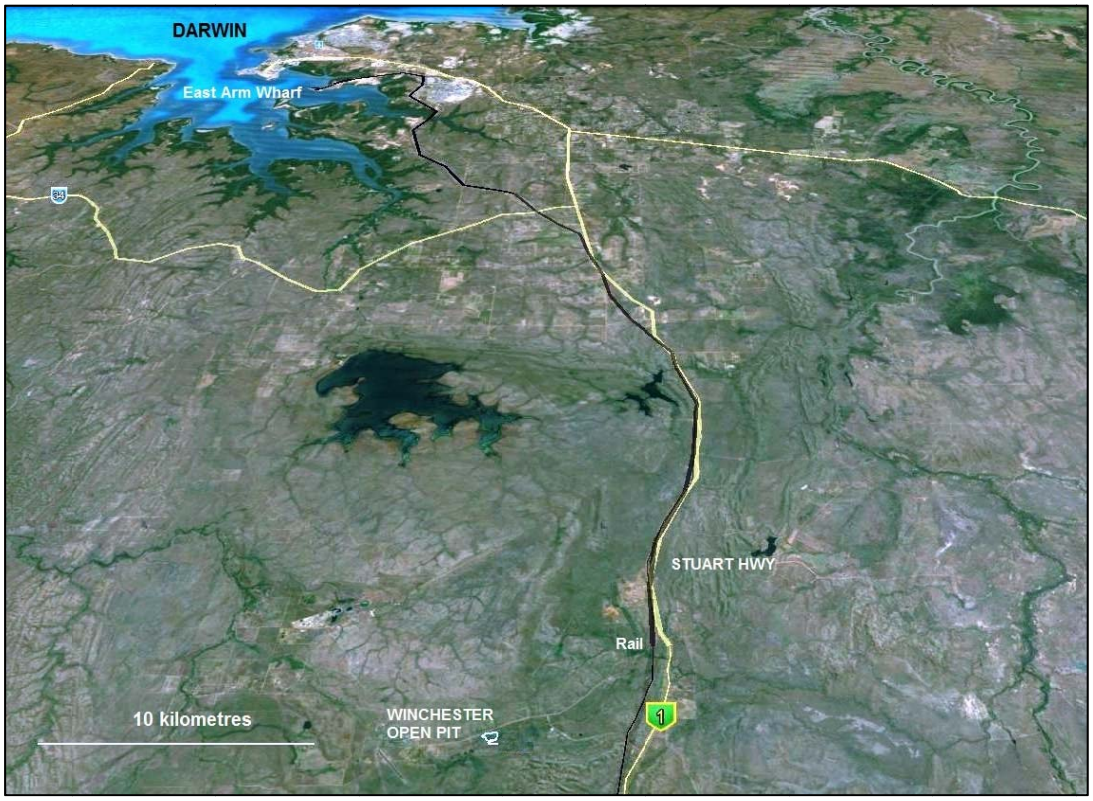

Figure 7 Location of proposed Winchester quarry relative to East Arm Wharf at Darwin Port

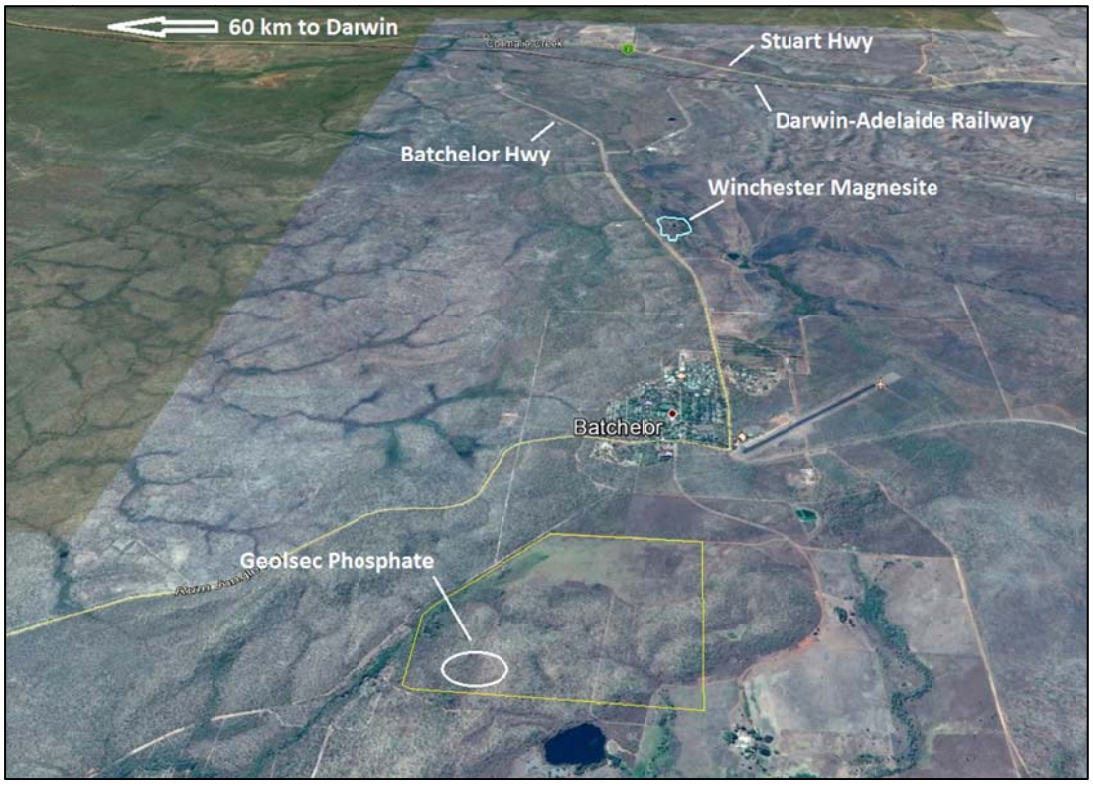

Figure 8 Location of Geolsec and Winchester relative to local infrastructure, roads and rail

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Projects

Winchester (Rum Jungle, NT)
Magnesium carbonate ($MgCO_3$)

Geolsec (Rum Jungle, NT)
Phosphate rock (P_2O_5)

Batchelor (Rum Jungle, NT)
Au, Ag, Zn, Pb, Ni, Cu, Co

Mt. Elephant (Ashburton, WA)
Au, Cu

Karratha (Pilbara, WA)
Au, Co, Cu

Marble Bar/Nullagine (Pilbara, WA)
Au, Co, Cu, Li

Bobrikovo (UKR)
Au, Ag, Pb

Figure 9 Site locality plan

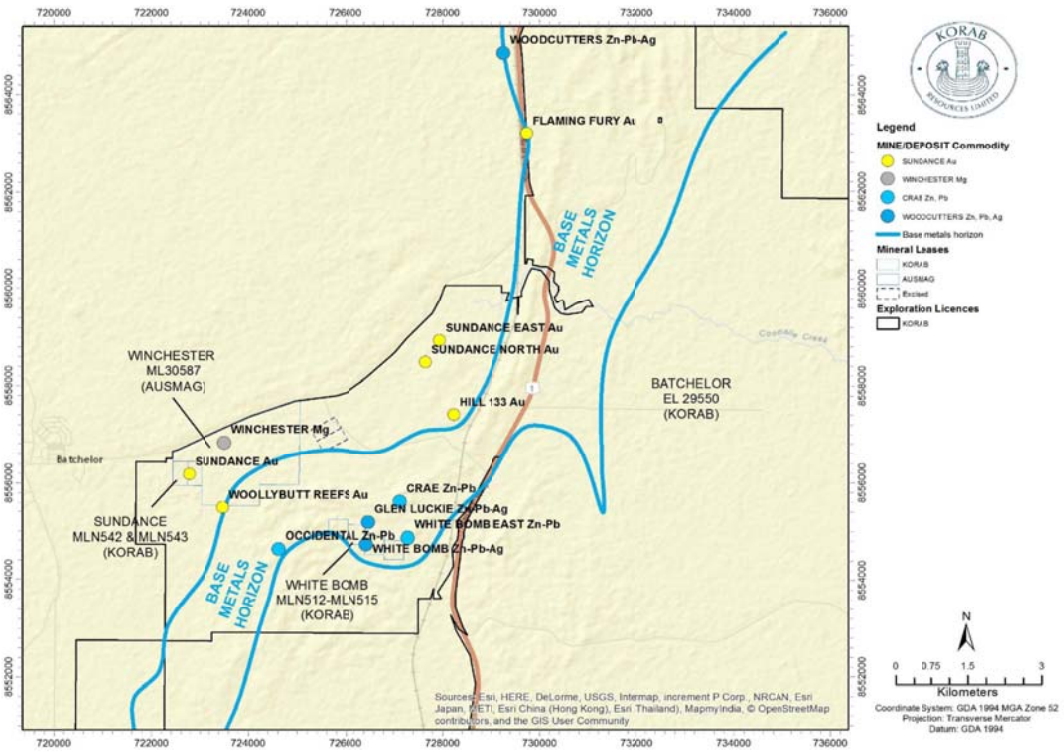

Figure 10 Zinc/base metals horizon at Batchelor

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Projects

Winchester (Rum Jungle, NT)
Magnesium carbonate ($MgCO_3$)

Geolsec (Rum Jungle, NT)
Phosphate rock (P_2O_5)

Batchelor (Rum Jungle, NT)
Au, Ag, Zn, Pb, Ni, Cu, Co

Mt. Elephant (Ashburton, WA)
Au, Cu

Karratha (Pilbara, WA)
Au, Co, Cu

Marble Bar/Nullagine (Pilbara, WA)
Au, Co, Cu, Li

Bobrikovo (UKR)
Au, Ag, Pb

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