



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

6 December 2018

MINING CONTRACTORS FOR WINCHESTER MAGNESIUM CARBONATE PROJECT - UPDATE

Korab Resources Ltd ("Korab", or "Company") (ASX: KOR) and its subsidiaries ("Korab Group") are pleased to report that the Company has shortlisted a Darwin based, indigenous owned and operated business Rusca Bros Group as proposed mining, civil and earthmoving contractor for the Winchester magnesium carbonate quarry.

This follows on the meetings with the business owners and the senior management team of Rusca Group, and visits by Korab directors to Rusca Group operations in the Northern Territory.

The Rusca Group is an indigenous; territory owned and operated company delivering services in the civil, mining, construction and training sectors to a range of clients nationwide. Rusca Bros have been awarded contracts in the mining industry for the past 30 years.

Previous mining projects undertaken by Rusca Group include:

- Client: Xstrata Mining, Project: MacArthur River Mine
- Client: Glencore, Project: MacArthur River Mine
- Client: Copper Co, Project: Lady Annie Mine
- Client: ABM Resources, Project: Coyote Gold Mine
- Client: Newmont Mining, Project: Woodcutters Mine Rehabilitation
- Client: Western Desert Mining, Project: Thiess Rusca JV Mining
- Client: Atlas Iron, Project: Pardoo Mine WA
- Client: Tanami Mining, Project: Coyote Gold Mine
- Client: Giants Reef Mining, Project: Malbec Open Cut Mine
- Client: ABM Resources, Project: Tanami Gold Mine Site

"We are proud to support locally based indigenous employers and indigenous owned businesses. This is another step towards the development of the Winchester magnesium carbonate quarry," commented Korab's Chairman Mr. Andrej Karpinski.

Please note the agreement with Rusca Group to provide mining services to Korab in respect of the Winchester magnesium carbonate quarry is still ongoing and is not yet finalised.

On 12 September 2018, Korab reported results from updated feasibility study focusing on the potential revenue from additional products: Dead Burned Magnesia (DBM), and Caustic calcined magnesia (CCM). This report titled "ADDITIONAL INFORMATION - WINCHESTER MAGNESITE FEASIBILITY STUDY UPDATE" is available by copying and pasting the link shown below into your browser:

<https://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=02021411>

The Company confirms that all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the initial public report titled "ADDITIONAL INFORMATION - WINCHESTER MAGNESITE FEASIBILITY STUDY UPDATE" released to the market on 12 September 2018 continue to apply and have not materially changed.

The proposed magnesium carbonate quarry at Winchester is located 2 km from the regional centre of Batchelor some 70km south of Darwin along Stuart Highway. Please refer to Figure 1 for details of

Issued Capital

Issued Shares: 307 Mln
Last Price: 2.6 cents
Market Cap: \$8.0 Mln

Listing Codes

ASX: KOR
BERLIN: C6S

Directors

Andrej K. Karpinski
Executive Chairman
Director

Rodney H. Skeet
Non-executive Director
(Independent)

Daniel A. Smetana
Non-executive Director
(Independent)

Anthony G. Wills
Non-executive Director
(Independent)

Projects

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

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

Geolsec
(Rum Jungle, NT)
Phosphate rock
(P₂O₅)
(Sub-leased to third party)

Mt. Elephant
(Ashburton, WA)
Au, Cu
(Optioned for sale)



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the location of the proposed Winchester magnesium carbonate quarry, and Korab Group's various mineral tenements in the area. Exploration licences are outlined in white, and mining leases are outlined in red. Deposit is at shallow depth and can be quarried using drill and blast, shovel and truck method (see Figure 2).

Further updates regarding the Winchester magnesium carbonate project will be provided to the market as and when required.

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Figure 1 Location of Korab Group's mineral tenements and Winchester magnesium carbonate project relative to Darwin Port and basic infrastructure

Projects

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

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

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Figure 2 Test mining of magnesium carbonate at Winchester (setting of charges)



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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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