



KORAB RESOURCES LIMITED

KORAB HOUSE

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Friday, 15 October 2010

RARE EARTHS DISCOVERED AT RUM JUNGLE

Korab is pleased to advise the market that it has discovered rare earth oxide mineralisation at its wholly owned Geolsec project located at Rum Jungle in the Northern Territory. Geolsec project is located 5km to the west of the Batchelor project and 11 km to the west of the Green Alligator project. Together, the three projects are referred to as Rum Jungle projects. (see diagram on page 2)

Rare earths anomalism has been encountered within the Geolsec formation and within surrounding rocks of Coomalie Dolostone and Whites Formation. (see diagrams on pages 3 and 4) .

Similarly to Arafura Resources (ASX:ARU) owned and operated Nolan's Bore rare earths deposit located in the Northern Territory, rare earths mineralisation at Korab's Geolsec project is associated with phosphatic enrichment. The rare earths mineralisation at Geolsec is also associated with elevated uranium and thorium oxide levels allowing for relatively precise targeting of the deposition zones using ground radiometry and soil geochemistry.

Rare earths discovery at Rum Jungle was a result of the radiometric survey, rock chip sampling and auger soil sampling program which covered prospective stratigraphy. This was followed up by a review of historical costean, test pit and drill assay data in conjunction with recent exploration results. Reprocessed data for the Geolsec phosphate deposit located in the north western section of the Geolsec project suggests that the Geolsec deposit may consist of two types of phosphatic mineralisation. Although the main source of phosphate in both types of phosphate mineralisation at Geolsec deposit is fluorapatite, whilst one of the types shows elevated rare earth oxides, the other type appears to have no noticeable rare earths anomalism.

Korab will shortly undertake additional work program at Rum Jungle projects to assess further the potential of this exciting discovery, including its implications for the development options of Geolsec phosphate deposit. In parallel with the exploration and analytical work planned by Korab to improve its understanding of the nature of the rare earths mineralisation at Rum Jungle, Korab's subsidiary Geolsec Phosphate Operations P/L will continue its work to secure the permits to commence the development of the Geolsec phosphate deposit.

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ABOUT KORAB RESOURCES LIMITED

Korab Resources Ltd is an Australian mining and exploration company based in Perth with operations in Australia and Europe. Korab's quarrying and mining projects include rock phosphate and magnesium. The company also manages exploration projects in Western Australia and the Northern Territory where it is exploring for copper, other base metals, iron ore and phosphates. More information about Korab's projects can be sourced from our website at www.korabresources.com.au Korab's shares are traded on Australian Securities Exchange (ASX) and on the Berlin Stock Exchange (Berliner Börse).

Soil samples were taken at 1m depth on a 100m x 100m grid using an auger. Ground radiometry done using RS-SuperSpec 125 scintillometer. TC's read at 1 second intervals with GPS control at 30 second intervals.

Competent Person: The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Hawker, who is an independent geological consultant and is a member of The Australasian Institute of Mining and Metallurgy. Andrew Hawker has in excess of 5 years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore

ASX
KOR
Last price
AU¢ 15

BERLIN
C6S.BE
Last price
€ 0.10

Issued capital
79 million shares

Market capitalisation
AU\$ 12 million
€ 8 million



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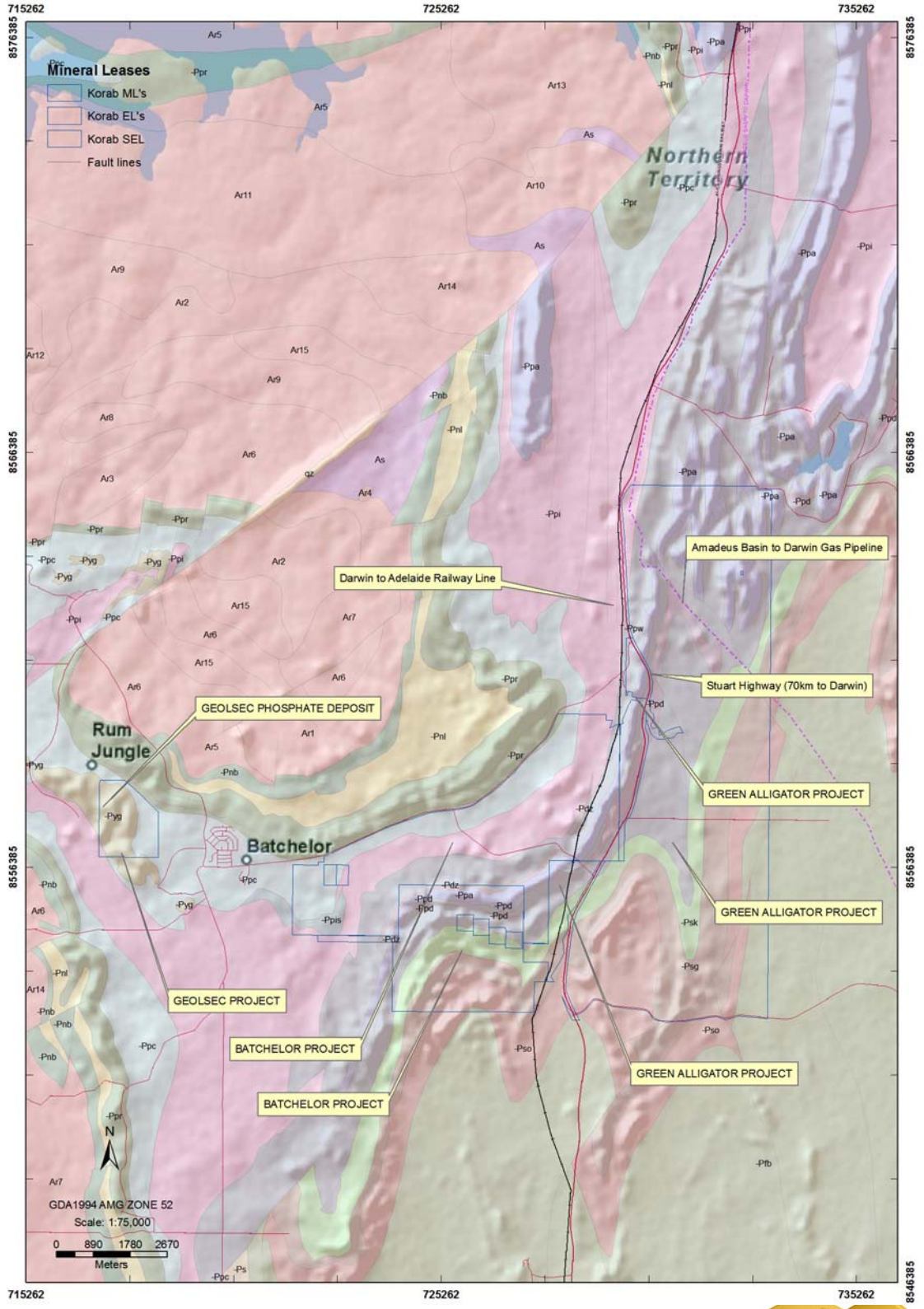


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Reserves'. Andrew Hawker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears



Regional Geology and Rum Jungle Projects Location

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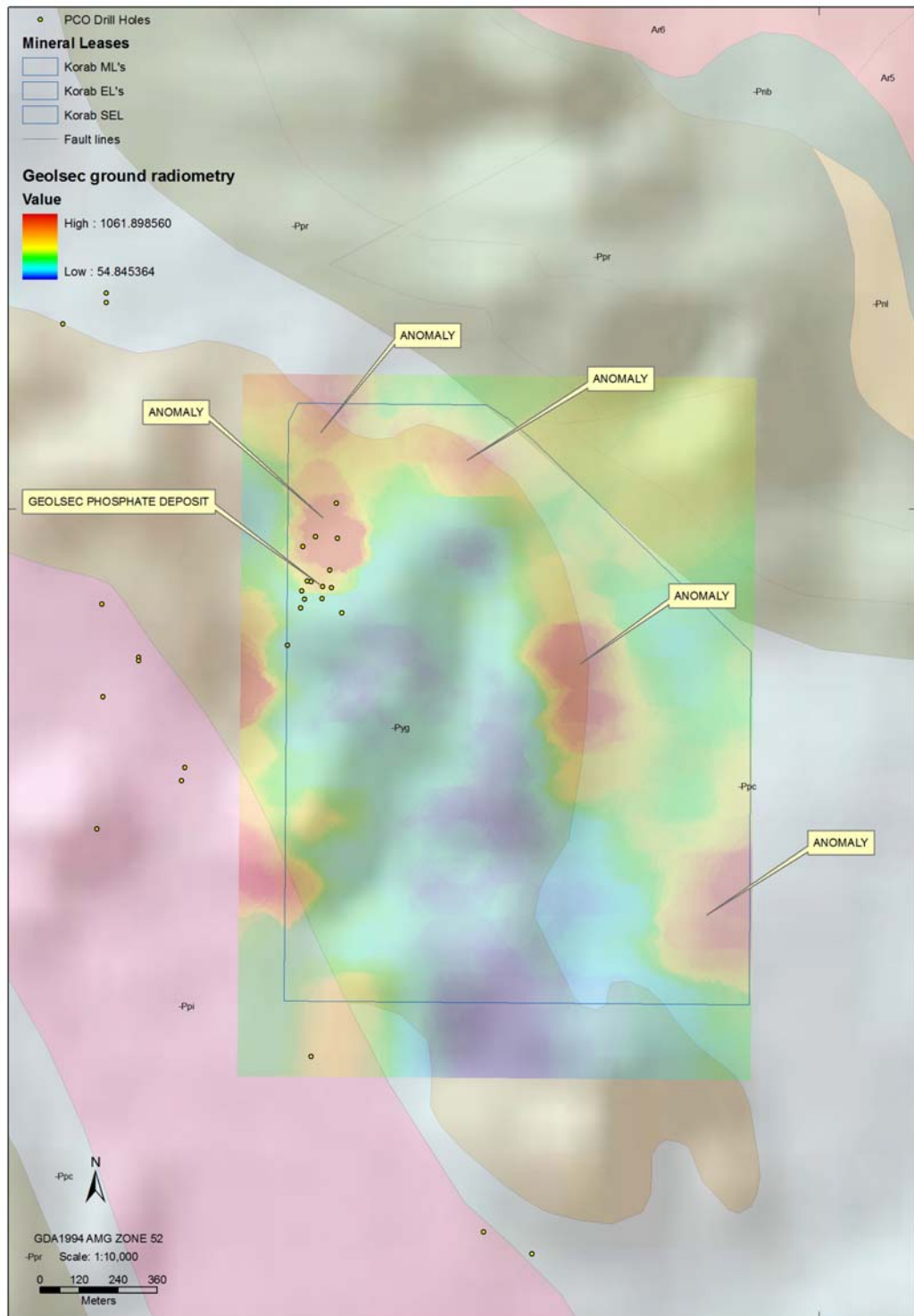


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GeolSec Elevated Ground Radiometry

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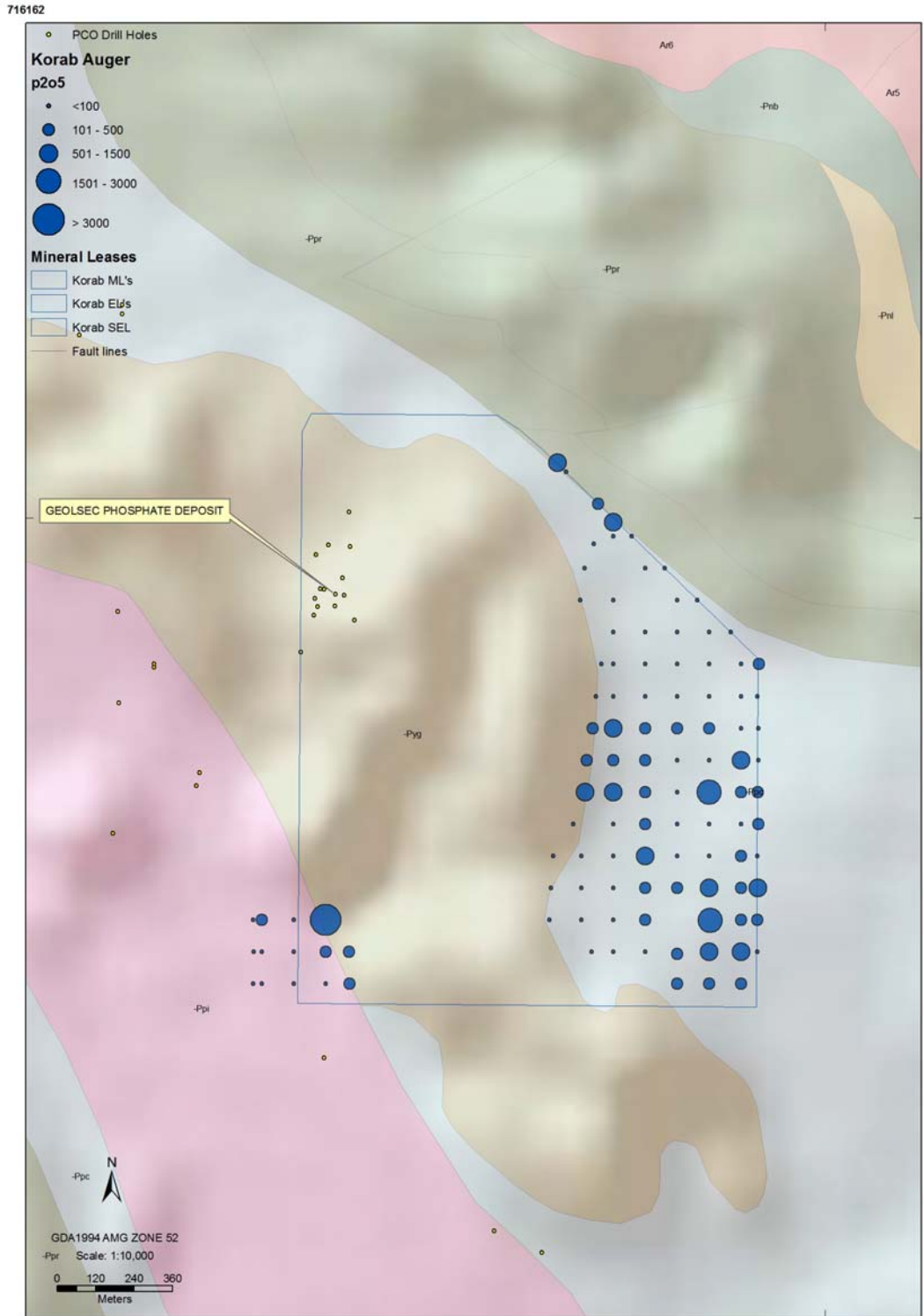




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Geolsec Phosphatic Enrichment in Auger Soils

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