



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

25 July 2012

HIGH GRADE GOLD IN FINAL ASSAYS FROM MELROSE PROJECT

HIGHLIGHTS

- Encouraging results from final batch of half core assays from Melrose Project
- New intercepts include 7.16 g/t gold over 1m at end of hole from 119m and 3.16 g/t gold over 1m from 112m (see Appendix A for results greater than 0.5 g.t Au)
- Metallurgical and leach testing continues

Korab Resources Limited ("Korab") (ASX:KOR) is pleased to confirm the receipt of the final batch of assays for the end of hole sections from two diamond drill holes drilled at the Melrose project in late 2011.

The drilling program consisted of two large diameter diamond holes drilled at the Bungarra deposit (DD001) and Boundary deposit (DD005), which were undertaken to provide samples suitable for metallurgical test work, including heap leach amenability testing.

Korab has received the final batch of assays from these drill holes, which include best intercepts in DD005 of 7.16 g/t gold over 1m at end of the hole (from 119m) and 3.16 g/t gold over 1m from 112m.

The Company previously reported 16.40 g/t gold over 1m in hole DD005 from 52m and 13.05 g/t gold over 1.7 m in hole DD001 from 32.7m.

Composite samples from the Bungarra deposit (hole DD001) and the Boundary deposit (hole DD005) are currently going through an extensive leaching and cyanidation testwork program to ascertain viability of combined open-cut bulk mining and heap leaching gold production operation at Melrose.

Korab reported coarse crush leaching results for the hole drilled at the Bungarra deposit (DD001) earlier this month, while test work on the hole drilled at the Boundary deposit (DD005) continues.

The coarse crush leaching results received to date confirm excellent recovery rates at a crush size of 25 mm, 15 mm and 8 mm, with low consumption of lime and cyanide indicating that the deposit may be amenable to heap leach processing.

Korab's Executive Chairman Andrej Karpinski said: "The confirmation of further high grades, coupled with the coarse crush leaching results received so far, underscores our confidence in the Melrose project as we seek to develop the Bungarra and Boundary deposits as a combined simple bulk mining and heap leach operation."

Mr Karpinski said following receipt of the coarse crush testwork results from the Boundary deposit (hole DD005), Korab will undertake further metallurgical studies, including:

1. Percolation rate testwork (1 week);
2. Agglomeration optimisation testwork, if necessary (1-2 weeks);
3. Column cyanidation leach testwork (60 days); and,
4. Size by size gold and silver analysis on column leach residue.

Remaining leaching and metallurgy tests results will be reported when available.



LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

Background

The Melrose project is located 70km north east of Leinster in the Eastern Gold Fields of Western Australia, within the Mt. Fisher/Wanganoo greenstone belt. The Melrose project hosts a JORC code compliant resource containing 340,000 ounces of gold in three deposits (Bungarra, Boundary and Stirling) located in close proximity.

Korab is undertaking metallurgical test work of core samples from two large diameter (HQ) diamond holes drilled in late 2011. The recovered material is currently being run through a significant metallurgical test work program, designed to assess potential for a simple bulk mining and heap leaching operation at the Bungarra and Boundary gold deposits, within the Melrose project.

The program was designed to collect material from surface to end of hole. Material from surface has provided an insight into bulk density within the oxidised profiles for comparison with bulk densities used in the resource calculations, as well as saprolitic profile identification and mineralisation identity for mining purposes. The holes were drilled down dip to provide the maximum mineralised sample return and give a significant range of grades through the mineralised interpretations. The core return weights were very good and have provided sufficient material for a detailed metallurgical program which is currently under way. Hole DD001 was drilled down-dip within the south section of the Bungarra deposit in an area where high grade concentrations appear to occur possibly due to plunging shoots of oxidation profiling. Hole DD005 was located within the northern part of the Boundary resource area and was drilled down-dip to provide the maximum lode return and to intercept areas of significant high grade.

Full core was submitted to ALS AMMTEC. The following test work program has been completed to date:

1. Preparation of bulk composites for heap leach amenability testwork;
2. Grind sample to 106µm;
3. Direct cyanide leach testwork on sample ground to 106µm; and
4. Coarse feed size cyanidation time leach testwork with intermittent roll agitation;

The following test work program is currently under way:

5. Percolation rate testwork;
6. Agglomeration optimisation testwork, if necessary;
7. Column cyanidation leach testwork, and
8. Size by size gold and silver analysis on column leach residue.

Korab owns 96% of the Melrose project.

-ENDS-

FOR FURTHER INFORMATION, CONTACT:

Andrej Karpinski
Executive Chairman
(08) 9474 6166

Shane Murphy
FTI Consulting
(08) 9485 8888 or 0420 945 291
shane.murphy@fticonsulting.com

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 more than 5 years experience which is relevant to the style of



LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

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 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.

APPENDIX A

Details of Drill Holes

Hole_ID	GDA_North	GDA_East	RL	Depth	Azimuth	Dip
DD001	6968160	348275	503.533	105	270	60W
DD005	6971780	345097.1	494.351	125	90	-75E

Significant Assays (greater than 0.5g/t Au) from Diamond Hole DD005 drilled at 215,590 ounce Boundary Gold Deposit (50g Fire)

From	To	Au g/t	Reported or New
36	39.2	2.21	reported
51.2	52	0.73	reported
52	53	16.10	reported
67	69.1	1.12	new
69.1	70	2.55	new
73	74	0.52	new
77	78	0.73	new
78	79	1.34	new
79	79.8	2.23	new
86	87	2.05	new
87	88	1.06	new
92	93	0.72	new
93	94	0.67	new
102	103	0.55	new
103	104	1.47	new
112	113	3.16	new
115	116	1.20	new
119	120	7.16	new



LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

Additional Significant Assays (greater than 0.5g/t Au) from Diamond Hole DD001 drilled at 107,385 ounce Bungarra Gold Deposit (50g Fire)

From	To	Au g/t	Reported or New
31.8	32.7	0.99	reported
32.7	34.4	12.60	reported
47.6	48	0.51	reported
50.1	51	0.50	new
51	52	0.55	new
52	53	0.57	new
59	60	0.89	new
68	69	0.93	new
71	72	1.06	new
78	79	0.92	new



LEVEL 1, SUITE 6, 100 MILL POINT ROAD, SOUTH PERTH, WA, 6151 AUSTRALIA
PO BOX 195, SOUTH PERTH, WA, 6951 AUSTRALIA
TEL (08) 9474 6166 FAX (08) 9474 6266
ACN 082 140 252