



# KORAB RESOURCES LIMITED

KORAB HOUSE

[www.korab.com.au](http://www.korab.com.au)

30 January 2013

## OFFER OF DEBT FACILITY OF UP TO \$5.5 MLN FOR DEVELOPMENT OF BOBRIKOVO PROJECT

Korab Resources Ltd (ASX: KOR) ("Korab" or "Company") is pleased to advise that it has received from an unrelated party an offer of debt facility of up to UAH 45,457,200 (approximately \$5.5 Mln at current exchange rates) for the development of the Bobrikovo project. The offer envisages that the debt facility would be secured at the project level.

Korab is currently reviewing the offer and will advise the market of the outcome.

### **Bobrikovo Gold Project**

The 2.04\* million ounce Bobrikovo gold project is located in Ukraine and is owned and operated by Korab's wholly owned Ukrainian subsidiary. The project is fully permitted and has been selectively mining and stock-piling high grade oxide rock pending construction and commissioning of the gravity processing plant. Korab plans to construct and commission gravity processing plant capable of processing approximately 240,000 tonnes per annum of high grade rock.

### **Korab's Other Gold Projects**

In addition to the Bobrikovo project, Korab owns and operates the Melrose gold project located 70km north east of Leinster in the Eastern Gold Fields of Western Australia, within the Mt. Fisher/Dingo Range greenstone belt. The Melrose project hosts a mineral resource containing 340,000\* ounces of gold estimated in accordance with the JORC Code. Location of Korab's project is shown in Diagram 2 on page 3.

Korab carried out metallurgical test work of core samples from two large diameter (HQ) diamond holes drilled in late 2011. The recovered material was run through a significant metallurgical test work program, designed to assess the potential for a simple bulk mining and heap leaching operation at the Bungarra and Boundary gold deposits, within the Melrose project. On 25 January 2013 Korab announced to the market the excellent gold recovery rates from heap leach amenability test completed by ALS AMMTEC laboratories. The extensive test work program which run through 2012 and was completed in 2013 produced better than expected results. In view of the continued encouraging gold recovery results from the Melrose project, Korab has commenced a review of the development options for the Melrose project, with the preferred option being a heap leach gold extraction process. Heap leach extraction offers the dual benefit of both a low upfront CAPEX and low ongoing operating costs. Diagram 1 on page 3 shows typical heap leach gold extraction operation.

-ENDS-

### **FOR FURTHER INFORMATION, CONTACT:**

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*\*please see Appendix A for mineral resource estimates.*



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## APPENDIX A

### BOBRIKOVO MINERAL RESOURCE STATEMENT (ABOVE 0.5 G/T AU CUT-OFF GRADE)

<i>Resource by category</i>					
At 0.5 g/t Au cut-off	VOLUME	ORE_MASS	AU_CONTENT	AU_MASS	AU_MASS
	[1000m3]	[1000t]	[g/t]	[t]	[Mln oz.]
Measured	664.130	1,660.321	2.053	3.409	0.110
Indicated	2,909.636	7,274.089	2.792	20.313	0.653
Inferred	11,263.358	28,158.399	1.412	39.749	1.278
<b>Total</b>	<b>14,837.124</b>	<b>37,092.809</b>	<b>1.711</b>	<b>63.471</b>	<b>2.041</b>

*Totals may differ due to rounding*

### BOBRIKOVO MINERAL RESOURCE STATEMENT (ABOVE 1 G/T AU CUT-OFF GRADE)

<i>Resource by category</i>					
At 1 g/t Au cut-off	VOLUME	ORE_MASS	AU_CONTENT	AU_MASS	AU_MASS
	[1000m3]	[1000t]	[g/t]	[t]	[Mln oz.]
Measured	382.132	955.331	3.046	2.910	0.094
Indicated	2,909.636	7,274.089	2.792	20.313	0.653
Inferred	3,878.147	9,695.367	2.778	26.929	0.866
<b>Total</b>	<b>7,169.915</b>	<b>17,924.786</b>	<b>2.798</b>	<b>50.152</b>	<b>1.612</b>

*Totals may differ due to rounding*

### BOBRIKOVO MINERAL RESOURCE STATEMENT (ABOVE 2 G/T AU CUT-OFF GRADE)

<i>Resource by category</i>					
At 2 g/t Au cut-off	VOLUME	ORE_MASS	AU_CONTENT	AU_MASS	AU_MASS
	[1000m3]	[1000t]	[g/t]	[t]	[Mln oz.]
Measured	188.577	471.443	4.720	2.225	0.072
Indicated	1,289.213	3,223.033	4.559	14.694	0.472
Inferred	1,409.386	3,523.466	5.118	18.034	0.580
<b>Total</b>	<b>2,887.177</b>	<b>7,217.942</b>	<b>4.843</b>	<b>34.953</b>	<b>1.124</b>

*Totals may differ due to rounding*

### MINERAL RESOURCE AT MELROSE PROJECT (ABOVE 0.5 G/T AU CUT-OFF GRADE)

Category	Tonnes	Grade g/t Au	Gold Ounces
<b>Measured</b>			
Boundary	652,154	1.73	36,262
<b>Indicated</b>			
Boundary	2,662,763	1.73	148,506
<b>Inferred</b>			
Boundary	703,209	1.36	30,822
Bungarra	2,144,332	1.56	107,385
Stirling	404,000	1.31	17,000
<b>Total Resource</b>	<b>6,566,458</b>	<b>1.61</b>	<b>339,975</b>



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**Competent Person:** The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and reviewed by Andrew Hawker, who is a principal geological consultant for HGS Australia Exploration Services 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 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.

Diagram 1 - Typical Heap Leach Extraction

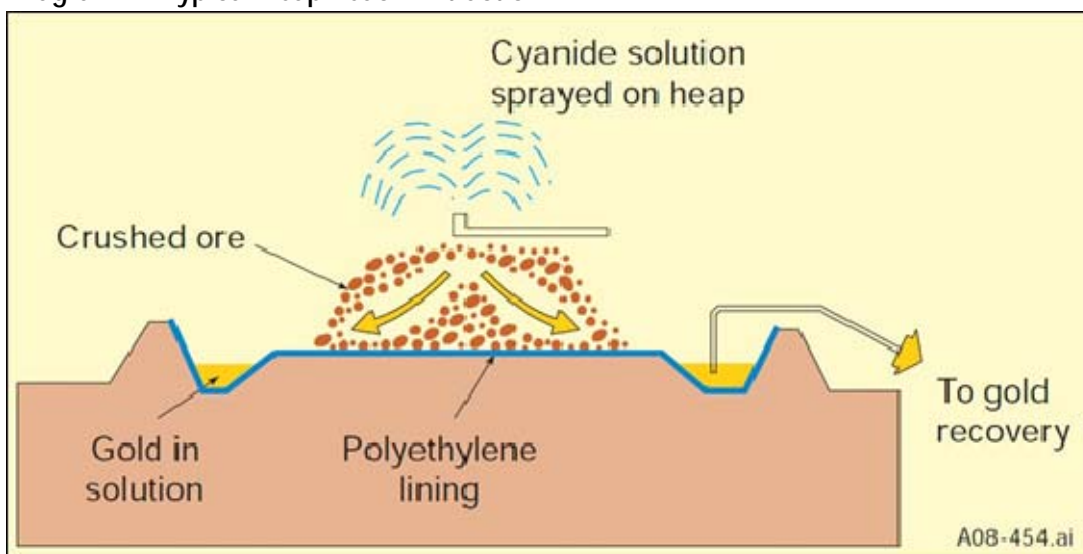
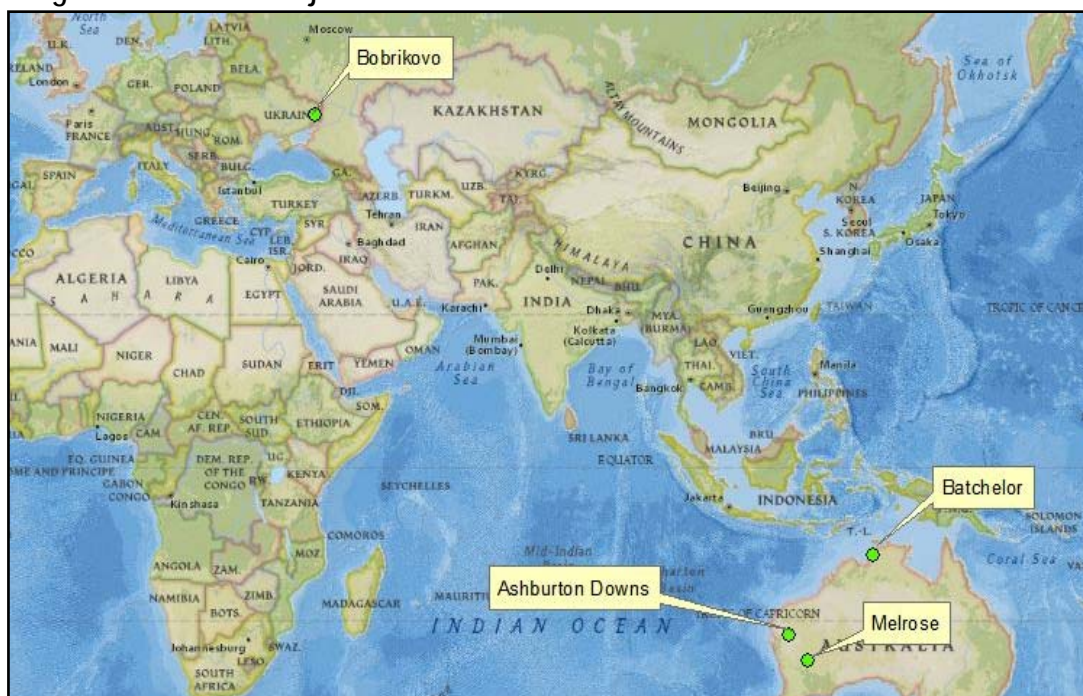


Diagram 2 - Korab's Projects Locations



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