

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

KORAB RESOURCES LIMITED

ABN

17 082 140 252

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(119)	(119)
(b) development		
(c) production		
(d) administration	(225)	(225)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid	(11)	(11)
1.6 Taxes paid	(9)	(9)
1.7 Other		
Net Operating Cash Flows	(361)	(361)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) tenements	(21)	(21)
(b) equity investments		
(c) other fixed assets	(67)	(67)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans from / (to) other entities	136	136
1.11 Loans repaid (to) / by other entities	(460)	(460)
1.12 Other – interest received		
Net investing cash flows	(412)	(412)
1.13 Total operating and investing cash flows (carried forward)	(773)	(773)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(773)	(773)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	34	34
1.15	Proceeds from exercise of options		
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	(4)	(4)
1.18	Dividends paid		
1.19	Other (prepayments)		
	Net financing cash flows	30	30
	Net increase (decrease) in cash held	(743)	(743)
1.20	Cash at beginning of quarter/year to date	958	958
1.21	Exchange rate adjustments to item 1.20	(1)	(1)
1.22	Cash at end of quarter	214	214

* Following the end of the quarter, Korab raised \$460,000 through a placement of shares to offshore gold fund.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(103)
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	1.2.d Administration cost for the September Quarter include "seasonal" such as ASX annual listing fees, compliance fees. Audit fees and in addition to Korab costs, this amount includes costs of running overseas office of subsidiary, wages of staff employed by overseas subsidiary, etc.	

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	600	600

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	32	283
5.2	Deposits at call	16	509
5.3	Bank overdraft	-	-
5.4	Other (term deposits)	166	166
Total: cash at end of quarter (item 1.22)		214	958

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Eo8/2133 holder	100%	0%
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

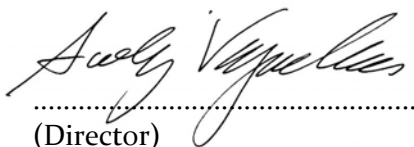
		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	110,483,913	110,483,913		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	9,283,913	9,283,913		
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	36,905,294	36,905,294	Exercise price 25 cents	Expiry date 28 August 2014
7.8	Issued during quarter	36,905,294	36,905,294		
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
------	---	--	--

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 31 October 2012
(Director)

Print name: Andrej K. Karpinski

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.