



# Korab Resources Limited Gold Operations Update November 2012

Andrej K. Karpinski  
Executive Chairman



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# Korab Projects



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★ Korab Gold Projects

● Other Korab Projects



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# Robust Undervalued Gold Portfolio



- **Market capitalisation of \$10 million at \$0.085**
- **Gold inventory of 2.38 million ounces of gold in JORC resource**
- **Bobrikovo gold and silver project in Ukraine**
  - 2 million ounces gold resource\*
  - Soft, weathered, easy to mine rock in oxide zone, low strip ratio of 1.4 to 1
  - Low cost open cut mining and gravity processing
  - Stockpile of oxide ore on site - ready for processing
  - All permits in hand for gravity processing
  - Large landholding covering the mineral field
  - Substantial exploration upside
- **Melrose gold project in Western Australia**
  - 340,000 ounces\*
  - Shallow deposits with low strip ratio of 3 to 1
  - Granted mining leases with good access and no native title issues



# Korab Capital Structure and Board



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Shares on issue:	123 million
Options on issue (25 cents exercise price):	44 million
Last price:	\$0.085
Market Cap:	\$10 million
Top 20 shareholding:	56%
Directors shareholding:	22%

**Korab Historical Share Price Chart**



## Board of Directors

**Mr Andrej Karpinski**  
Executive Chairman

Background in resources financing, commodities trading and funds management. Network of Australian and international contacts, administrative skills and expertise in financial risk and treasury management, project financing and resources banking

**Mr John McKenzie**  
Non-Executive Director

Background in resources investments, land development and construction. General business experience gained over many years as a director of BGC, one of the largest private companies in Western Australia

**Mr Rodney Skeet**  
Non-Executive Director

Background in commodities financing and investment banking. Broad network of international contacts within resources and securities sectors and expertise in resources financing

# About the Bobrikovo Project



- Historic mining region with very good infrastructure and highly skilled workforce
- 2.04 million ounces Au JORC resource
- Significant potential to further build resource inventory
- Fresh rock mineralisation open at depth and along strike
- Fully permitted to mine and produce - strong support from local, regional and national governments
- Soft, easy to mine and process oxide zone from surface to 40 m depth contains 110,000 ounces Au in measured resource



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# Bobrikovo Project Description



- Over \$4 million spent to date by Korab Group on the project exploration, evaluation and development
- Over \$16 million spent on the project by previous owners (resource definition and exploration drilling, test mining, assays, metallurgy, process designs and feasibility studies)
- Deposit extends from surface – no prestrip required
- Metallurgy testing shows excellent recoveries of gold from oxide and fresh rock
  - Up to 98% recovery using conventional CIL from oxide ore
  - Up to 92% recovery using conventional CIL from fresh ore
- Easy to process oxide ore suitable for low cost gravity processing
  - Up to 90% recovery using gravity processing from high grade veins
  - Up to 50% recovery using gravity processing from low grade envelope





# Bobrikovo Resource Base

- Current gold resource at Bobrikovo
  - **2.04moz Au in 37 Mt @ 1.7 g/t Au (0.5g/t cut-off)**
- Bobrikovo gold resource includes high grade component
  - **1.12moz Au in 7Mt @ 4.8 g/t Au (2g/t cut-off)**
- Measured and indicated resource totals
  - **0.76moz Au in 9 Mt @ 2.7 g/t Au (0.5g/t cut-off)**
- Bobrikovo deposit remains open at depth and along strike with strong potential for resource growth
- Visible silver in drill cores from oxide and fresh rock is not included in current resource model

<i>Resource by category</i>			
At 0.5 g/t Au cut-off	ORE_MASS	AU_CONTENT	AU_MASS
	[1000t]	[g/t]	[Mln oz.]
Measured	1,660.321	2.053	0.110
Indicated	7,274.089	2.792	0.653
Inferred	28,158.399	1.412	1.278
<b>Total</b>	<b>37,092.809</b>	<b>1.711</b>	<b>2.041</b>

<i>Resource by cut-off grade</i>			
Cut-off Grade	ORE_MASS	AU_CONTENT	AU_MASS
[g/t]	[1000t]	[g/t]	[Mln oz.]
0.5	37,092.81	1.71	2.041
1.0	17,924.79	2.80	1.612
1.5	11,558.65	3.67	1.363
2.0+	7,217.94	4.84	1.124

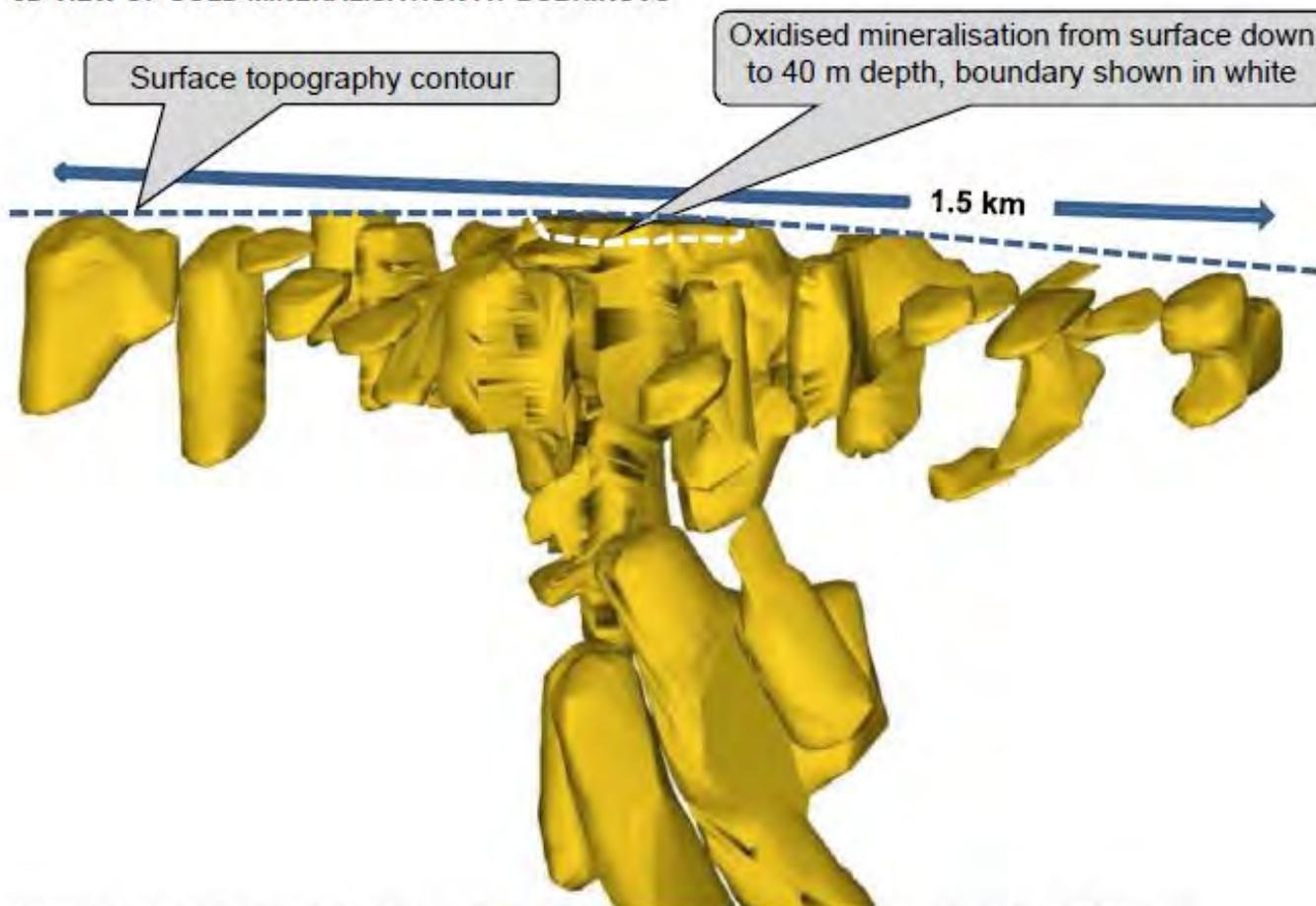
Visible Silver in Oxide Rock



# Resource Model at 0.5 g/t Au cut



## 3D VIEW OF GOLD MINERALISATION AT BOBRIKOVO

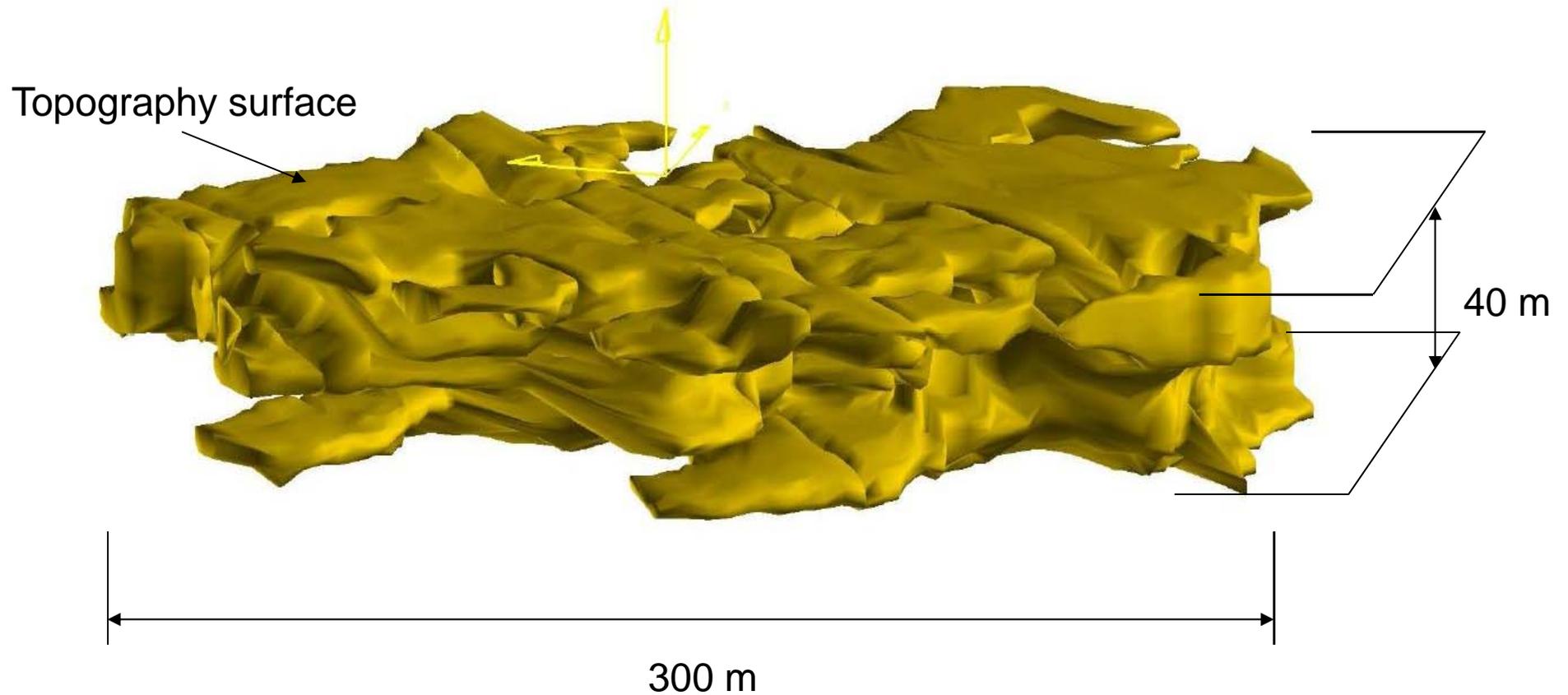


- Current JORC resource is only constrained by depth and density of drilling
- Majority of drill-holes ended in mineralisation
- Drilling program to test for extensions at depth and along strike expected to be completed in December quarter
- Initial drill program to focus on area under the current pit
- Second drill program to target gaps in drilling completed to date (see slide 11)

*Mineralisation is open at depth and along strike and is constrained only by the extent of drilling.*



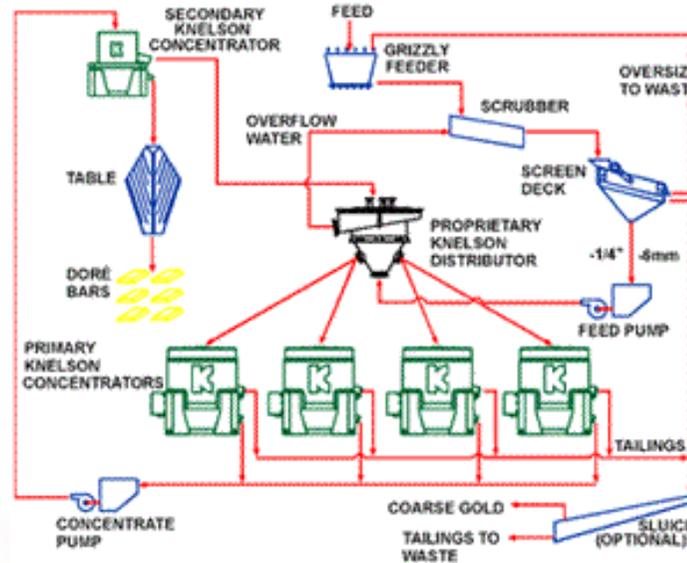
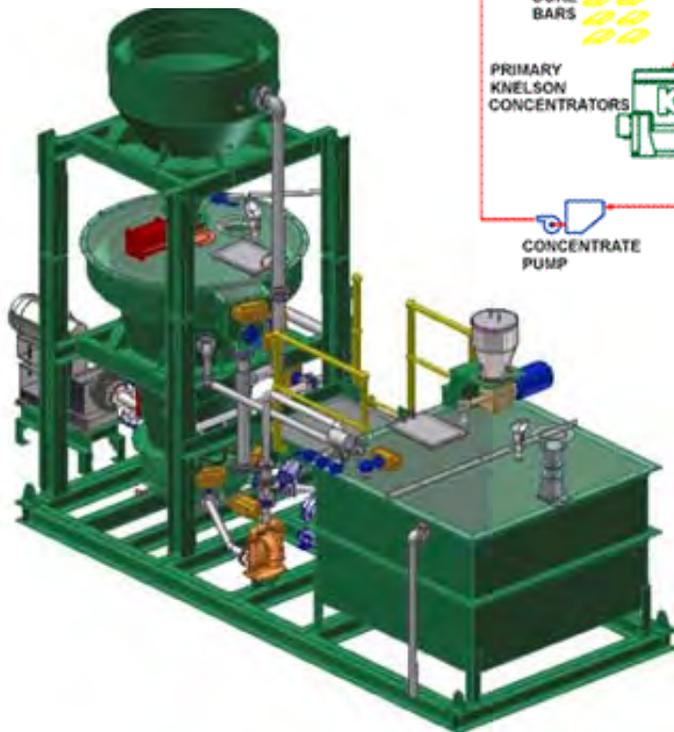
# Oxide Resource at 0.5 g/t Au cut



**Oxide mineralisation within oxide pit – Measured JORC resource of 110,000 ounces at 2.1 g/t Au with no pre-strip required. Reconciled mined grade from oxide pit levels 1 and 2 - 2.8 g/t Au.**



# Gold Production Key Points



- Gravity plant to use 360,000 tonnes of a blend of high and low grade rock (at a ratio of 1.8:1) over 3 years.
- Average grade of gravity plant feed 4.03 g/t Au.
- Gravity processing of ore to run at a rate of 120,000 tpa.
- Predicted recovery based on metallurgical testwork:
  - 90% from high grade rock
  - 40% from low grade rock
  - 79% average recovery from blend
- Target production of 36,000 ounces Au over 3 years at a rate of 12,000 ounces Au per year

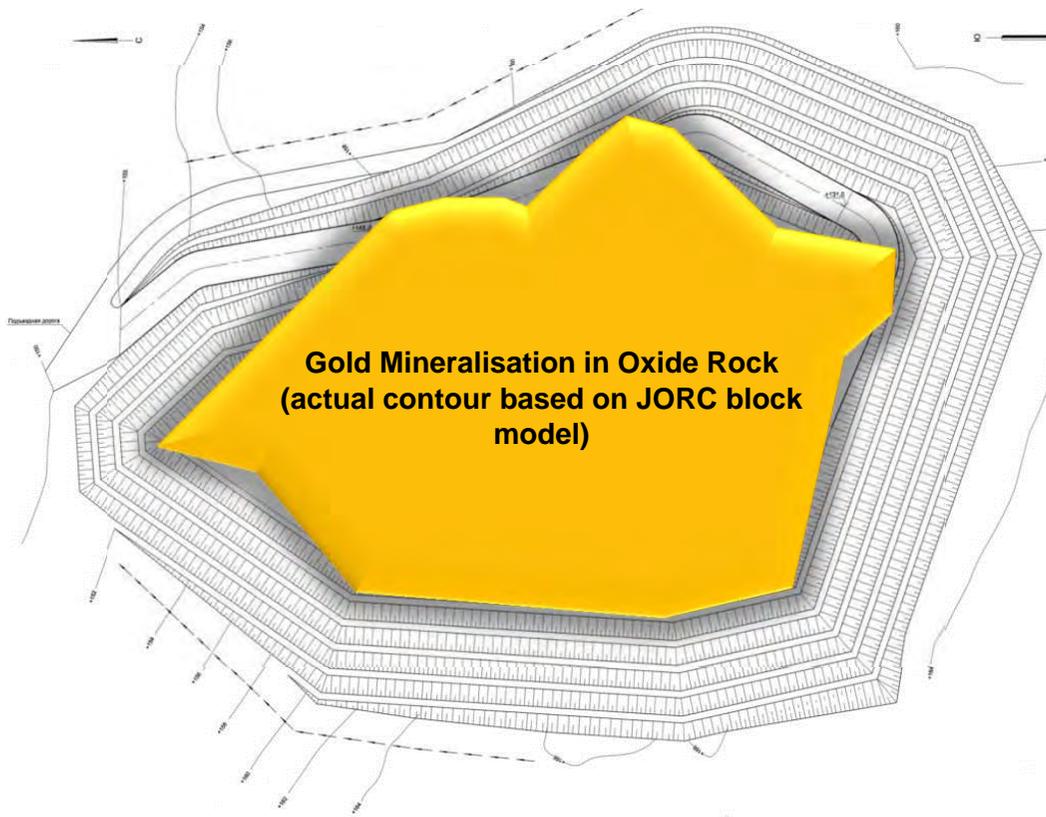


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# Bobrikovo 1<sup>st</sup> Stage Open Pit Design

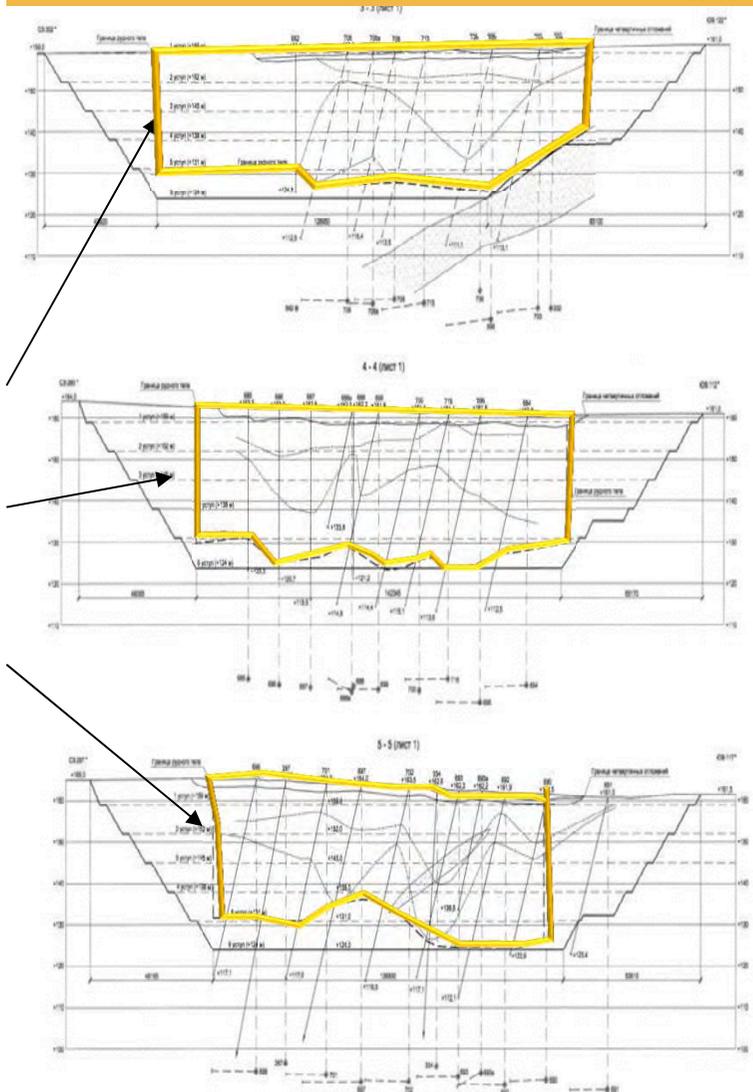


Actual pit design being mined

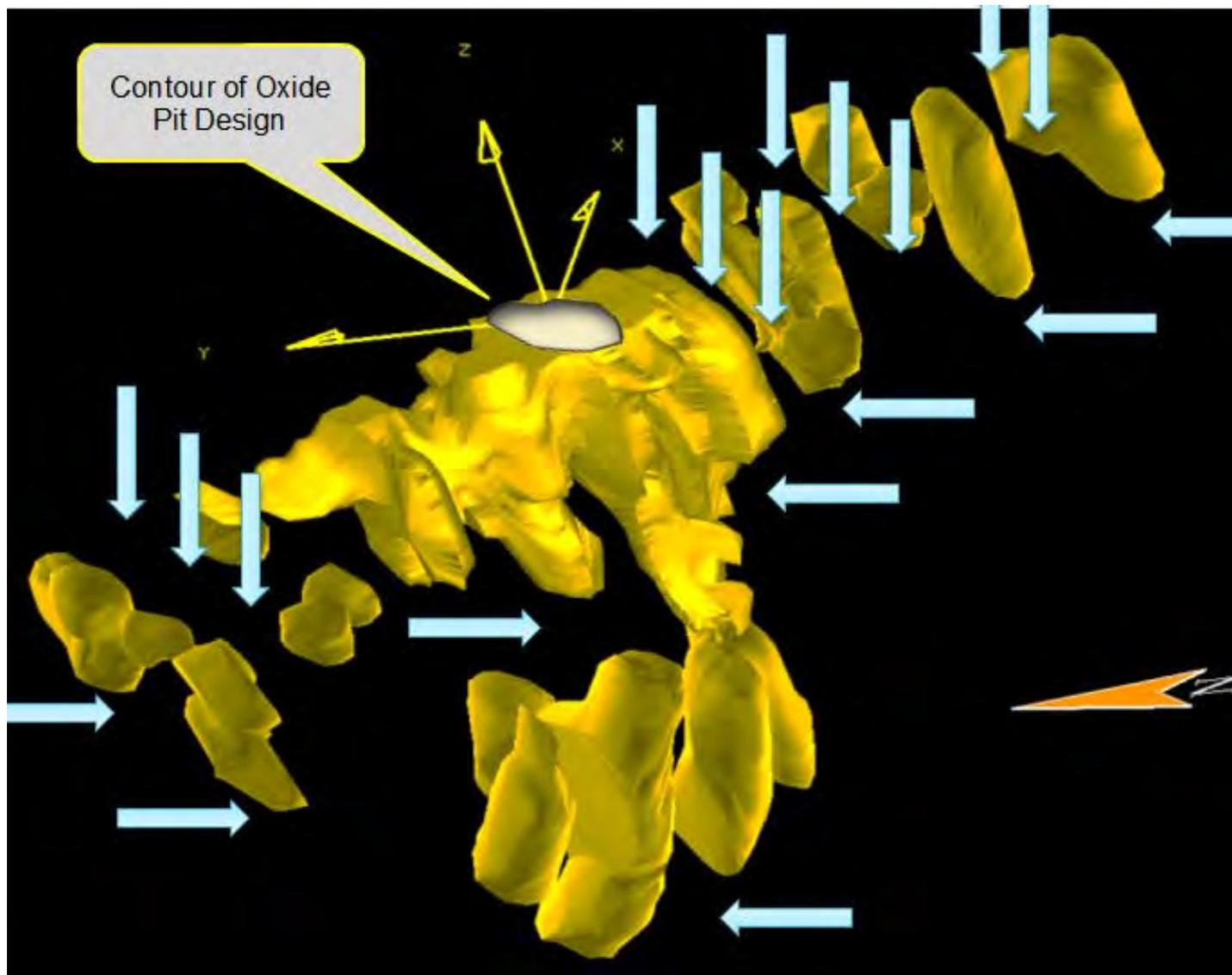


Oxide Zone Pit – Low strip ratio of (0.3:1)

Oxide Mineralisation Contour



# Drill Targets



# In-country Management



Korab has a strong technical team based in the Ukraine responsible for the existing mining operations

## Senior Management

**Mr A. Najmitdinov**  
Country Manager

Ex – Severstal Gold, Oxus Gold, and Newmont Gold, MBA from University of Denver, 10 years senior management level experience in development of gold projects in CIS

**Mr W. Gorshkov**  
Chief Geologist

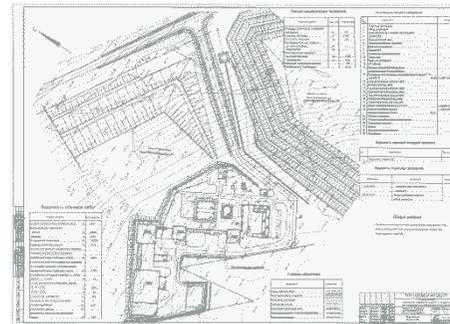
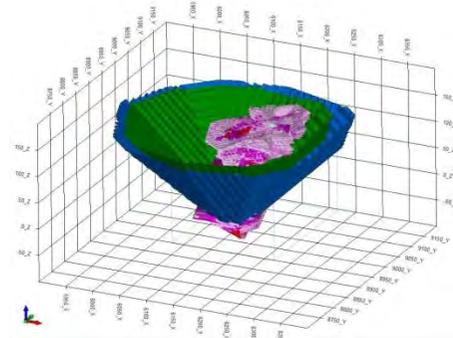
Over 20 years geoscience experience in CIS at senior level including mine development and managing exploration teams

**Mr E. Derevyanko**  
Chief Mining Engineer

Over 20 years experience in managing open cut and underground mining operations, including planning, scheduling and supervision



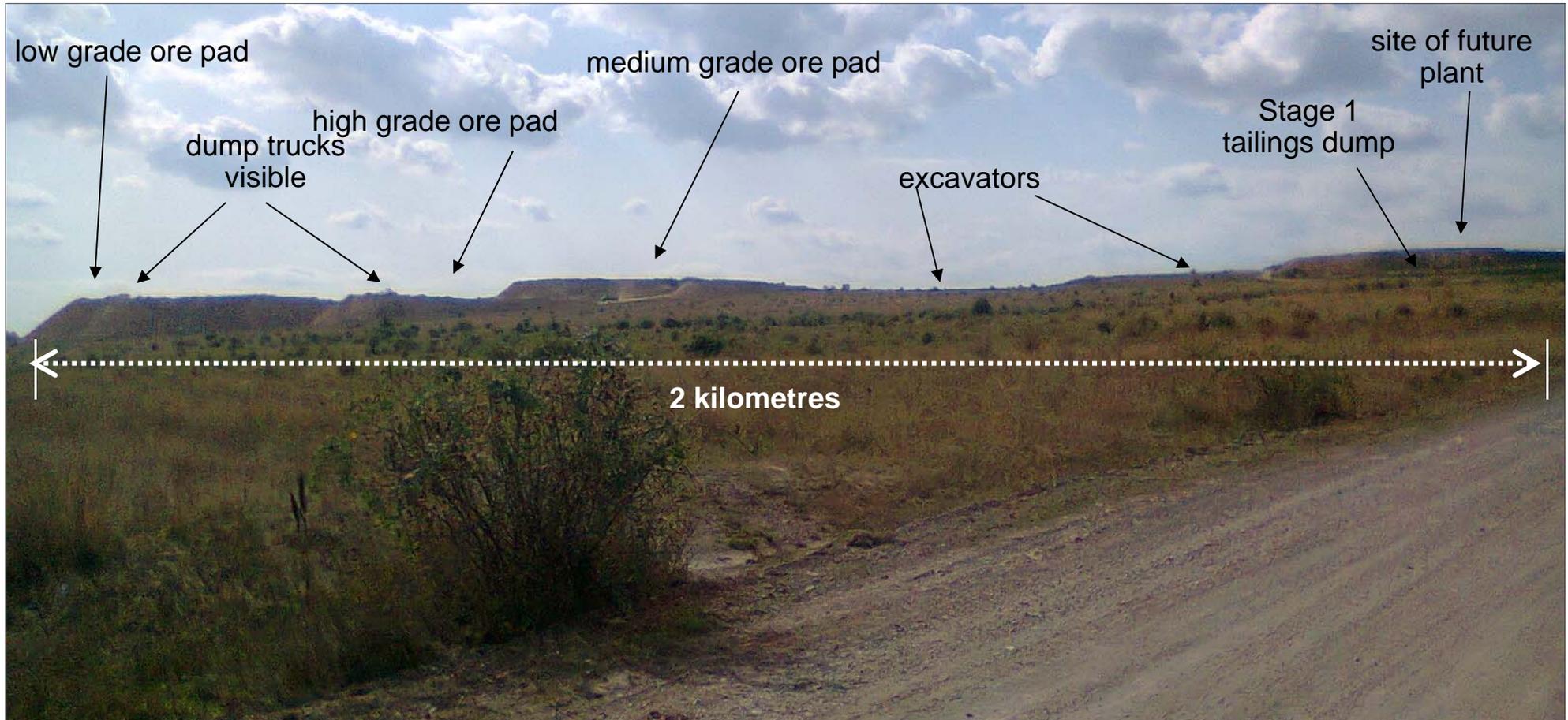
# Objectives for next 12 months



- 120,000 tpa gravity plant designed and fully permitted for initial production at ~12,000 ounces Au per year
- Target construction in 2 Q 2013
- Commence production of gold at rate of 10,000 ounces pa from oxide ore stockpiled on site
- Complete the drilling programs to test for extensions of mineralisation
- Complete DFS for the fresh rock zone below the current open pit targeting expanded processing capacity to 600,000 tpa and production increase to 50,000 ounces Au per year



# Bobrikovo Operations Panorama



Panoramic view of mining operations looking south from the road to Bobrikovo village



# Bobrikovo Open Pit



Foreground - Bulk mining of lower grade oxide rock with average mined grade of 2.6 g/t Au

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# Bobrikovo Open Pit



**Selective mining. In the background excavator mines high grade veins averaging 8 g/t Au. In the foreground two excavators bulk mine lower grade rock.**

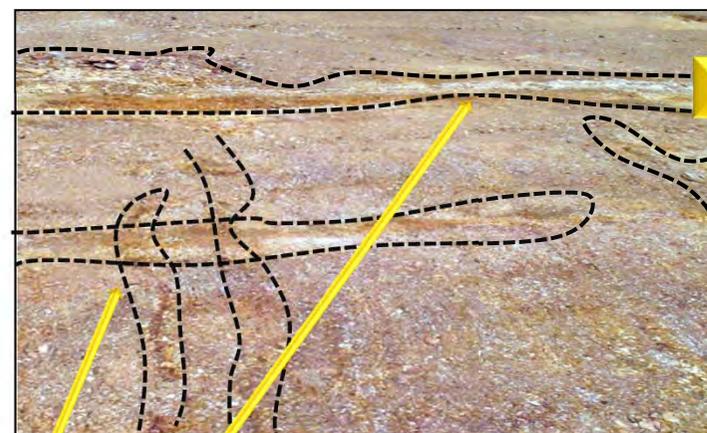


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# Bobrikovo Mineralisation Style



- Gold is concentrated in vertical veins up to 10 m wide, vein zones and metasomatic alteration zones within sandstone-shale complex
- Mineralisation has been tested to extend over a strike of 2.5 km and is up to 1 km wide
- Whole rock geochemistry, seismic surveys and geophysical surveys suggest that the mineralisation is mantle derived and is likely to be open at depth. Reconnaissance drilling to 3 km depth has shown existence of high grade mineralisation
- Deposit is located in an optimal setting for large multimillion-ounce gold deposits - on the intersection of deep faults, on the flexural deflection of a major anticline and at maximum upheaval of its hinge



**Concordant and discordant high-grade gold veins**

Close-up of gold vein "A" with a person to show scale

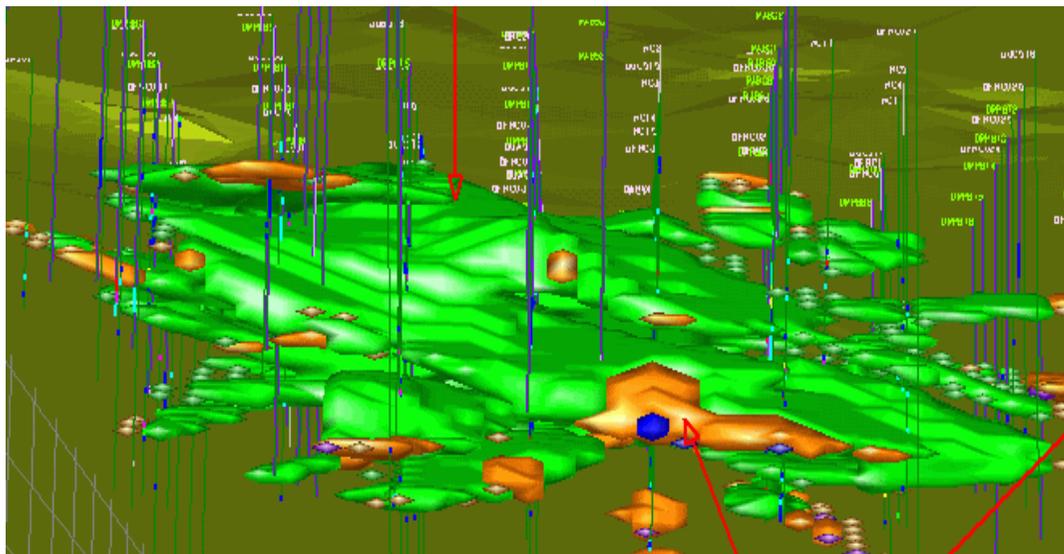


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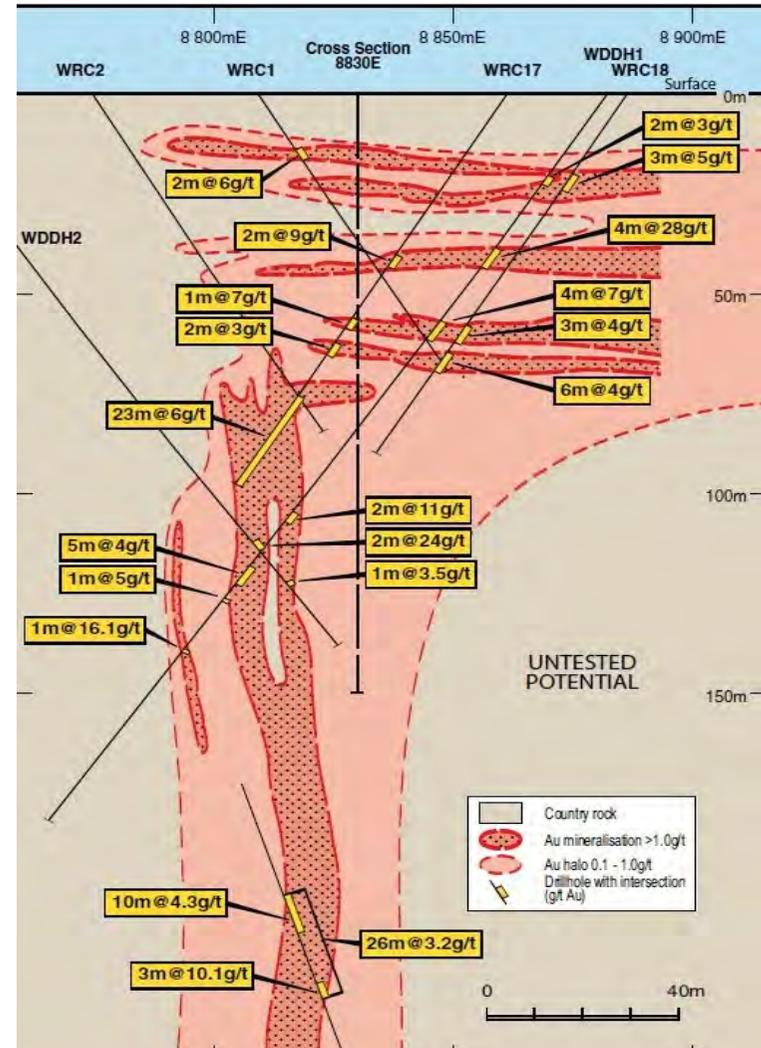
# Melrose Resource Base



- Current gold resource at Melrose stands at **6.6 million tonnes @ 1.61 g/t for 3.4 Koz Au (0.5g/t cut-off)**
- Measured and indicated resource totals **3.3 Mt @ 1.7 g/t Au for 185 Koz Au**
- Melrose deposits remain open at depth and along strike with strong potential for resource growth
- Project is currently undergoing extensive metallurgical test work which shows excellent gold recoveries



Bungarra gold mineralisation

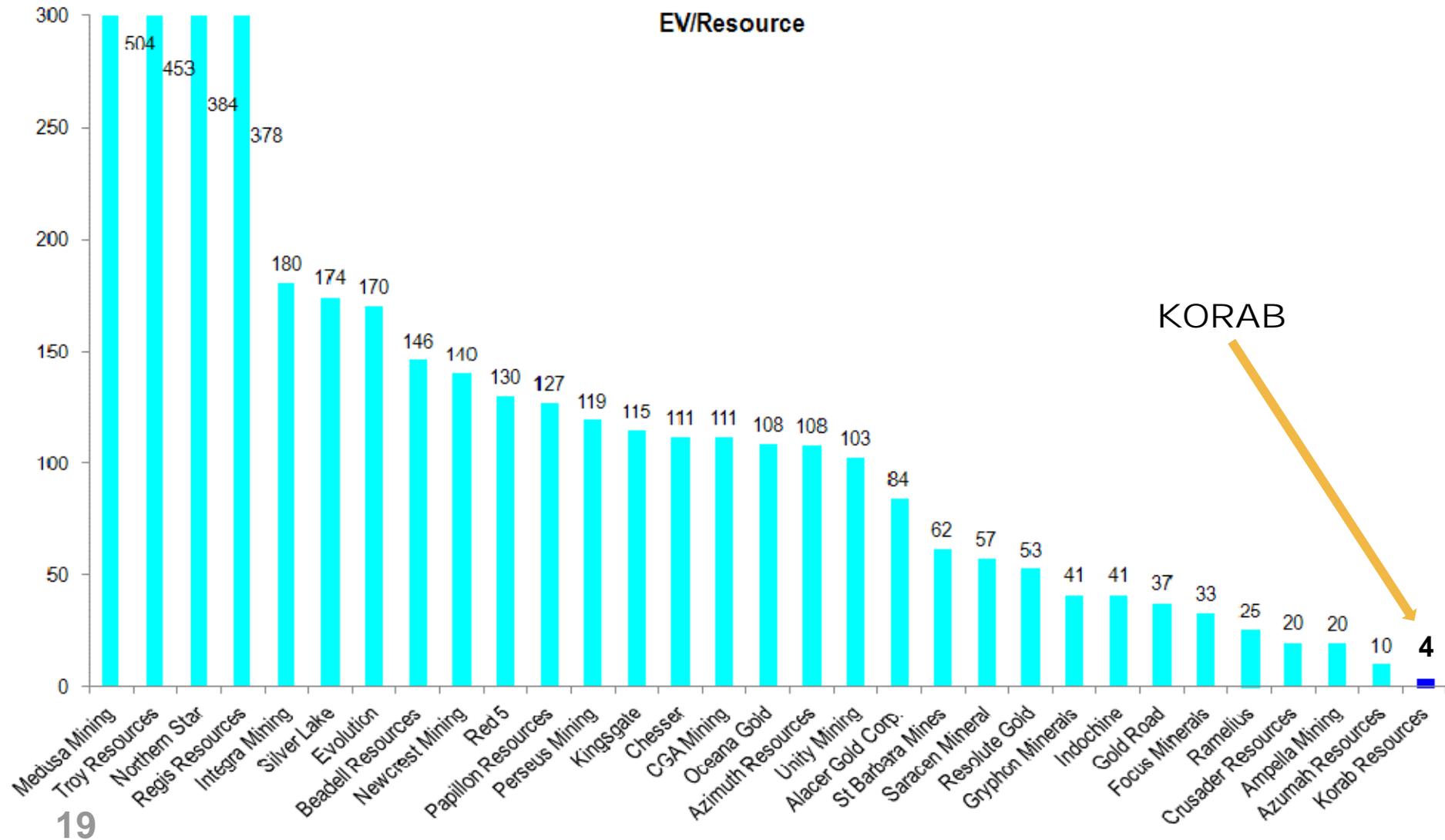


Boundary gold mineralisation



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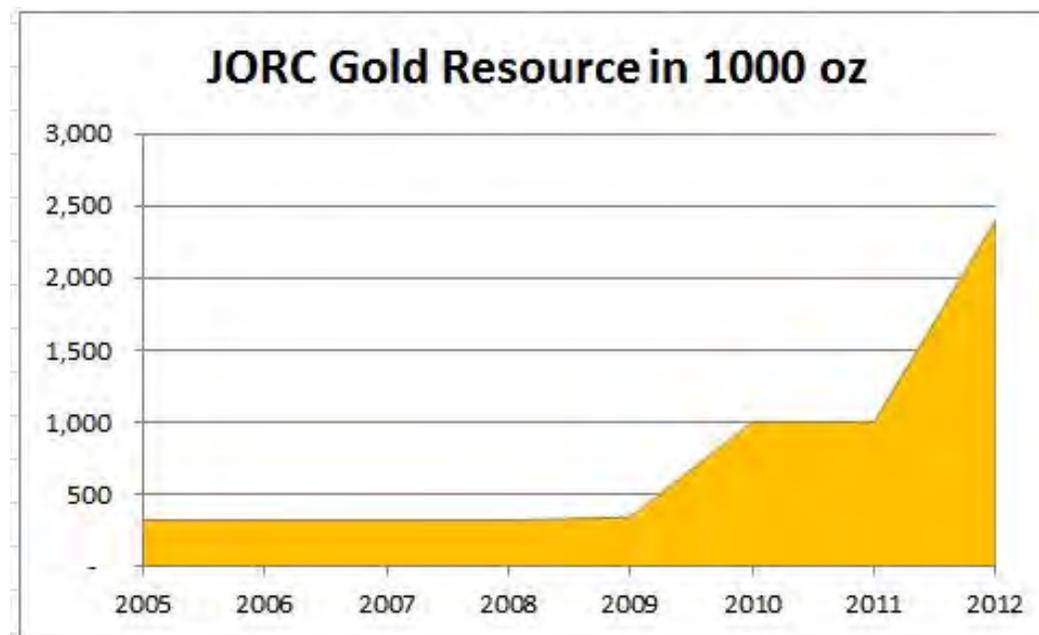
# Peer Comparison



# Summary



- Gold inventory of ~2.38 million ounces of gold in JORC resource
- Korab currently trading at an exceptionally low market capitalisation relative to JORC gold resource
- Upcoming drilling program at Bobrikovo to further build on existing significant resource base
- Fully permitted to commence mining and processing via simple gravity circuit
- Targeting modest start-up production in Q2 2013



Growing JORC gold resource base

## Contact Details:

Andrej K. Karpinski  
Executive Chairman  
(08) 9474 6166 or (08) 6145 1200



# Appendix A



Bobrikovo Gold Resource at 0.5 g/t Au			
Category	Tonnes '000	Grade g/t Au	Gold Ounces
Measured	1,660	2.05	0.11
Indicated	7,274	2.79	0.65
Inferred	28,158	1.41	1.28
<b>Total</b>	<b>37,093</b>	<b>1.71</b>	<b>2.04</b>

Bobrikovo Gold Resource at 2 g/t Au			
Category	Tonnes '000	Grade g/t Au	Gold Ounces
Measured	471	4.72	0.07
Indicated	3,223	4.56	0.47
Inferred	3,523	5.12	0.58
<b>Total</b>	<b>7,218</b>	<b>4.84</b>	<b>1.12</b>

Bobrikovo Gold Resource at 1 g/t Au			
Category	Tonnes '000	Grade g/t Au	Gold Ounces
Measured	955	3.05	0.09
Indicated	7,274	2.79	0.65
Inferred	9,695	2.78	0.87
<b>Total</b>	<b>17,925</b>	<b>2.80</b>	<b>1.61</b>

Bobrikovo Gold Resource at 1.5 g/t Au			
Category	Tonnes '000	Grade g/t Au	Gold Ounces
Measured	655	3.88	0.08
Indicated	4,605	3.71	0.55
Inferred	6,299	3.62	0.73
<b>Total</b>	<b>11,559</b>	<b>3.67</b>	<b>1.36</b>

Melrose Gold Resource at 0.5 g/t Au			
Category	Tonnes	Grade g/t Au	Gold Ounces
Measured			
Boundary	652,154	1.73	36,262
Indicated			
Boundary	2,662,763	1.73	148,506
Inferred			
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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