

Asset Development Strategy

April 2012

Andrej Karpinski
Executive Chairman

www.korab.com.au



KORAB
RESOURCES

ASX: **KOR**

Value Proposition



Investment

- Lugansk – 1 million ounce gold resource, with exploration upside
- Winchester – 17 million tonnes magnesite, development phase
- Geolsec – phosphate, development phase
- Melrose and others – early to advanced stage exploration for copper, gold, and base metals
- Market capitalisation of \$15 million
- Announced \$1.78m placement in March 2012 to advance exploration and development activities, driving value into the Company's portfolio of assets
- Tightly held stock with top 20 holding over 50 per cent and directors holding over 30 per cent

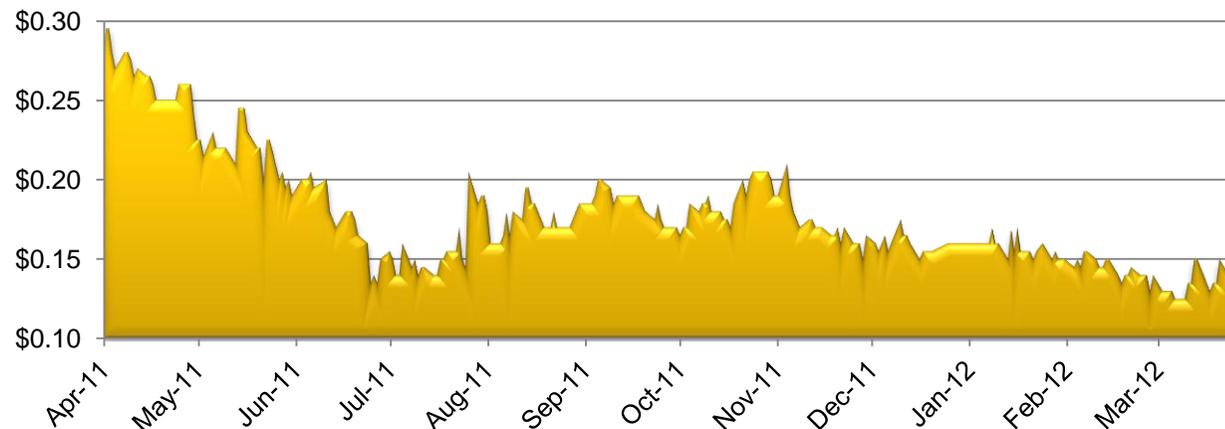
Asset Developer

- Corporate model to locate, acquire, advance and crystallise value from resources projects
- Excellent track record of identifying and acquiring late stage resources projects for an attractive consideration price
- History of adding significant value for Korab shareholders

Korab Overview



Market Cap:	\$15.1 million
ASX :	KOR
Shares on issue:	101.2 million*
Options on issue:	Nil
Last price:	\$0.15
Top 20 shareholding:	50% +
Directors shareholding:	30% +



Board & Management

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.

John McKenzie
Non Executive Director

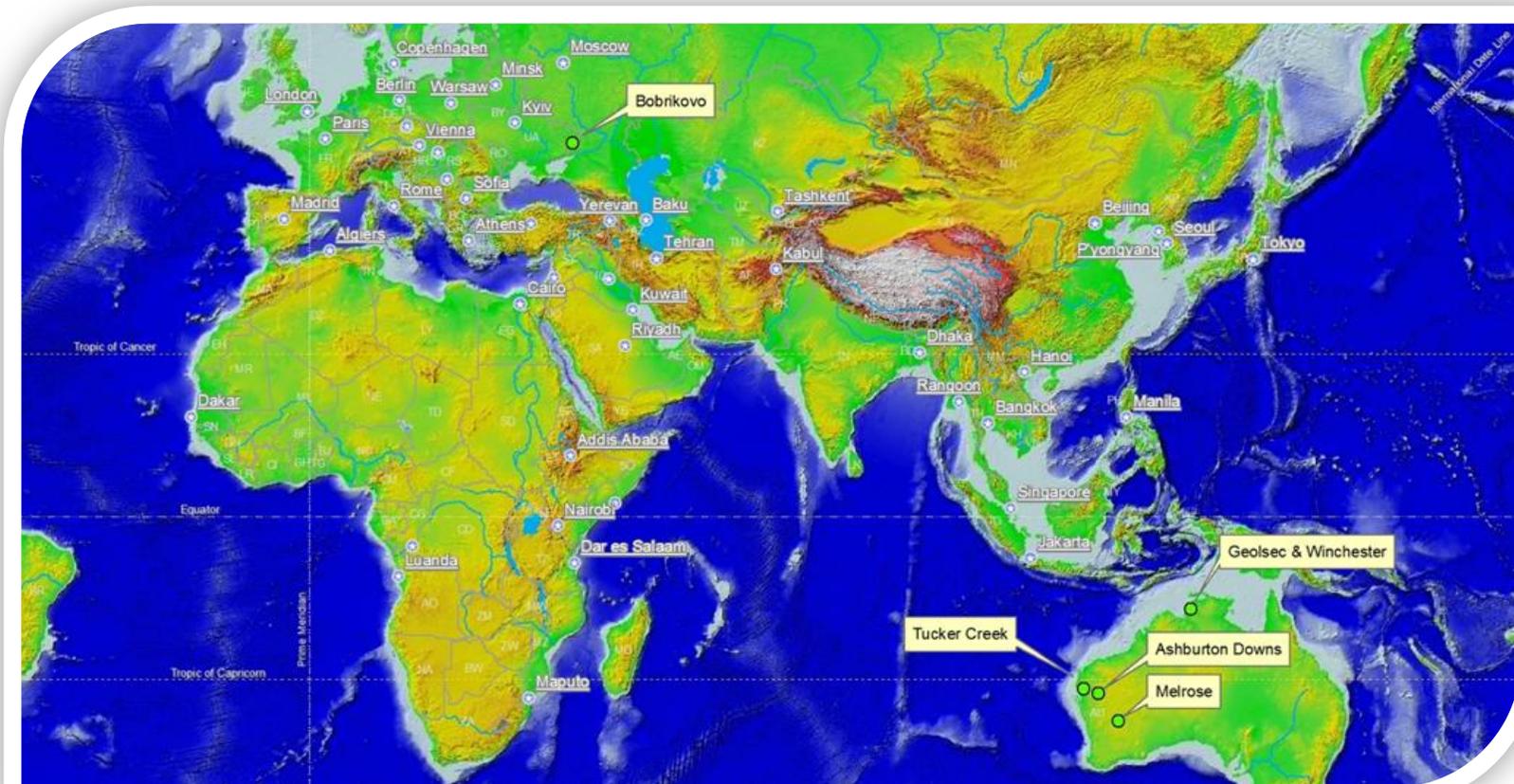
- Background in resources investments, land development and construction. General business experience gained over many years as a director of BGC, one of the largest private companies in Western Australia.

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.



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PROJECT PORTFOLIO

Current Portfolio



Lugansk – Gold

- Bobrikovo gold and silver mine and deposit in Ukraine
- JORC compliant resource of 1,012,000 ounces of gold (see Appendix, slide 17)
- Mining and stockpiling of the oxide ore has been in progress since March 2010
- Recently increased project area

Geolsec – Phosphate

- 70 km from Darwin port
- Granted mining lease, project at development stage
- Phosphate rock deposit starts at the surface
- Further exploration potential within the licence area

Current Portfolio



Winchester – Magnesium

- Located 70 km from Darwin port, all infrastructure on site
- Low operating cost potential
- Large JORC compliant resource base sufficient for up to 75 year mine life (at 50,000 tpa Mg metal), dependant on product mix (see slide 10)
- 1st Stage - initial focus on MgO based building products at a rate of 75,000 tpa MgO
- 2nd Stage - potential for future production of magnesium metal at 50,000 tpa

Melrose – Gold

- Melrose gold project in the eastern Goldfields of Western Australia
- JORC compliant resource of 339,000 ounces (see Appendix, slide 17)
- Gold exploration licences in several locations across Western Australia and the Northern Territory

Lugansk (gold)



Bobrikovo project status and characteristics

- Korab has a 68 per cent interest in Lugansk Gold Ltd, which owns the Bobrikovo gold and silver deposit in eastern Ukraine
- Bobrikovo has a JORC compliant resource of 20m tonnes at an average grade of 1.55g/tonne, for 1,012,000 ounces of gold (refer Appendix, slide 17)
- Mining and stockpiling of ore has been in progress since March 2010
- Deposit starts at surface with significant potential at depth and along strike
- Korab will continue with exploration activities to realise the true potential of this asset



Bobrikovo 3-D model at 1 g/t cut-off

Lugansk (gold)



Open pit operations at Bobrikovo

Geolsec (phosphate)



Project status

- The Geolsec phosphate project is located within Korab's Rum Jungle mining leases, 70 kilometres by road from Darwin's port with good access to required infrastructure
- Korab is working on authorisations to conduct quarrying
- The phosphate deposit extends from the surface to 40m-120m depth, and is located on a hill side with good access by an all-weather road
- Korab will be undertaking a drilling program at Geolsec, with the aim of increasing the size of the deposit and to test for phosphate anomalies in close proximity



Geolsec (phosphate)



Project development

- Korab is aiming to develop the Geolsec deposit as a simple quarrying operation that utilises modern techniques to reduce environmental impacts
- Korab anticipates capital expenditure and start-up costs will be approximately \$200,000–\$300,000
- Organic phosphate fertilisers are environmentally and nutritionally superior to chemical fertilisers and can be used on a wide variety of crops and pastures
- Korab is in negotiations with interested parties to jointly develop the project via earn-in arrangements whereby the incoming party would fully fund development costs to production



Simple quarrying using Vermeer equipment

Winchester (magnesium)

Winchester deposit

- The Winchester magnesium project is located within Korab's Rum Jungle exploration leases
- Large resource base sufficient for up to 75 year mine life:
 - Indicated Resource of 12.2Mt at 43.1% Magnesium Oxide
 - Inferred Resource of 4.4Mt at 43.6% Magnesium Oxide
- Intention is to initially supply magnesium oxide for building products, then subsequently supply magnesium metal to automotive and aerospace industries
- Korab is in negotiations with interested parties to jointly develop the project via earn-in arrangements whereby the incoming party would fully fund development costs to production



Test mining of magnesite

Winchester (magnesium)

Project status

- Project has been through feasibility study process, including:
 - Mine planning and design
 - Preparation of environmental impact statement
 - Design of process flow chart and design of the processing and crushing plant
 - Test mining, construction of the pilot processing plant and production of magnesium
- Further opportunities exist, given China (the world's biggest supplier of magnesium) has export restrictions on the magnesia it produces



Test plant for continuous magnesium process in operation

Melrose (gold)

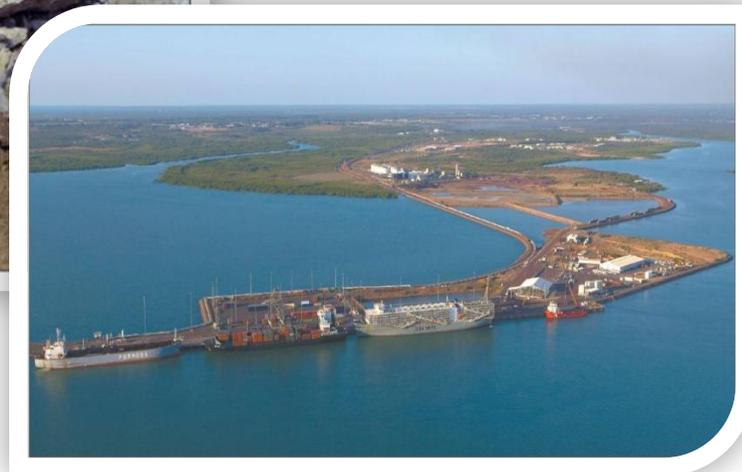


Project status

- Korab holds a 96 per cent interest in Melrose Gold Mines Ltd
- Melrose controls several gold projects in the eastern Goldfields, Gascoyne and Pilbara region of Western Australia, and within the Pine Creek Orogen in the Northern Territory
- The Melrose gold project in the eastern Goldfields has a JORC compliant inferred, indicated and measured gold resource of 339,000 ounces (see Appendix, slide 17)
- Melrose intends to continue exploration at all its gold projects
- Metallurgical test work of core samples from Melrose's recent diamond drilling program is to be completed
- Test work of the samples will assess the viability of producing gold from one of the deposits using a low-cost heap leaching method



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CORPORATE STRATEGY

Asset Development Strategy



Corporate strategy to build a resource house that will locate and acquire undervalued commodities projects

- Develop to production or successful value creation for Korab shareholders
- Successful track record of acquisitions including:
 - Winchester magnesium project
 - Melrose gold project
 - Bobrikovo gold and silver project
 - Darlot East gold project
 - Geolsec phosphate project

Capital Raising



Korab announced a \$1.78 million placement in March 2012

- Placement of 13.2 million shares at 13.5 cents per share, pursuant to the Company's 15 per cent capacity
- Strong interest from new and existing institutional and sophisticated shareholders
- Funds will be used to advance Korab's asset development strategy:
 - Progress mining and exploration activities at the Bobrikovo gold project in Ukraine
 - Continue exploration and development at the Melrose gold project in the Eastern Goldfields of WA, including metallurgical testing of ore
 - Fund ongoing exploration and development at the Geolsec phosphate project in the Northern Territory
 - Reduce debt and meet ongoing working capital requirements

Loyalty Option Issue



Loyalty Option Issue of 1 option for every 3 Korab shares held

- Loyalty Option issue gives shareholders opportunity to participate in future company upside, at minimal entry price
- Platform for future development funding
- Options offered on a 1 for 3 basis, with purchase price of 0.5 cents (half a cent) per option
- Option exercise price of 25 cents, expire two years from date of issue
- ASX quotation will be applied for
- Record date and prospectus date in May 2012, timetable as required by ASX

Conclusion



Asset Developer

- Corporate model to locate, acquire, advance and crystallise value from resources projects
- Develop to production or successful value creation for Korab shareholders

Track Record

- Successful track record of identifying and adding value to resources projects, including; Winchester magnesium project, the Melrose gold project, the Bobrikovo gold and silver project, the Darlot East gold project and the Geolsec phosphate project

Portfolio

- Strong existing portfolio
- Excellent mix of development pipeline and “ready for sale” projects

APPENDICES

JORC Resource Table



Bobrikovo Project

The Bobrikovo deposit resource estimate is as follows:

Bobrikovo Resource (above 0.5g/t)

Classification	Tonnes	Au g/t	Ounces
Measured	1,660,326	2.05	109,614
Indicated	4,110,366	2.77	365,271
Inferred	14,475,234	1.15	537,337
Total	20,245,926	1.55	1,012,222

Melrose Project

The Melrose project resource estimate is as follows:

Melrose resource (above 0.5g/t)

Deposit	Classification	Tonnes	Aug/t	Ounces
Boundary	Measured	652,000	1.73	36,000
	Indicated	2,663,000	1.73	148,000
	Inferred	703,000	1.36	31,000
Bungarra	Inferred	2,140,000	1.56	107,000
Stirling	Inferred	400,000	1.31	17,000
	Total	6,558,000	1.61	339,000

Contacts



Andrej K. Karpinski
Executive Chairman
Perth office: +61 8 9474 6166
E-mail: akk@korab.com.au

Shane Murphy
FTI Consulting
Phone: +61 8 9386 1233
Mobile: +61 420 945 291
Email:
shane.murphy@fticonsulting.com

Korab Resources Ltd,
Korab House
Level 2, 100 Mill Point Road
South Perth WA 6151

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