



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

18 January 2017

FUNDING UPDATE AND PLACEMENT

Korab Resources Ltd ("Korab", or "Company") (ASX: KOR) wishes to report that it has received a request from Indian Ocean Group to extend the completion of the placement to Mr. Wang to 28 February 2017 (under the proposed placement of Korab shares announced in March 2016). Korab has agreed to this request.

Due to the delay with the completion of the placement to Mr. Wang, Korab has decided to undertake an unconnected placement of approximately 6.9 million shares at a price of not less than 1.3 cents each to exempt investors. These additional funds will be used for working capital and exploration.

These funds are being raised by way of a placement rather than by way of a pro-rata offer to all Korab shareholders because of time constraints, a relatively small size of the issue and the high cost of preparing a pro-rata offer. This issue will result in a dilution of up to 3% to the current issued capital. The issue price will be at most at a 32% discount to the last traded price of Korab shares. This placement is brokered, and a commission of 4.5% will be payable to the broker on the funds raised. This placement will be undertaken within the 15% placement capacity available to Korab and no shareholder approval is required for this issue. However, any additional issues of shares, which are not by way of a pro-rata offer to all Korab shareholders, will require shareholder approval under Listing Rules 7.1, and/or 7.4 if they are undertaken prior to 10 March 2017. This also applies to the proposed issue of the remaining shares to Mr. Wang.

Whilst there have been delays with the completion of the \$500,000 private placement to Mr. Wang, Korab is pleased to report that the documentation for the \$6 million project funding for the Winchester magnesium carbonate mine near Darwin (with the funds intended to be provided by the parties arranged by Mr. Wang) is nonetheless being progressed.

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ABOUT KORAB RESOURCES

Korab Resources Ltd is an international mining and exploration company with operations in Australia and Europe. Korab's projects include Winchester magnesium carbonate deposit and Geolsec phosphate rock deposit at Batchelor in the Northern Territory of Australia as well as a gold and silver deposit at Bobrikovo in eastern Ukraine. The Company also explores for gold and copper at Ashburton Downs in Western Australia and for various metals and specialty minerals at Batchelor in the Northern Territory. More information about Korab's projects can be sourced from Korab's website at www.korab.com.au. Korab's shares are traded on Australian Securities Exchange (ASX) and on the Berlin Stock Exchange (Berliner Börse) through Equiduct electronic trading platform.

Issued Capital

Shares: 218 mln

Options: 4 mln

Last Price: 1.9 cents

ASX: KOR
BERLIN: C6S.BE

Projects

Winchester (NT)
Magnesium carbonate
(MgCO₃)

Geolsec (NT)
Phosphate rock
(P₂O₅)

Batchelor (NT)
Au, Ag, Zn, Pb, Ni, Cu, Co

Mt. Elephant (WA)
Au, Cu

Bobrikovo (UKR)
Au, Ag, Pb



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