



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

17 January 2019

AGREEMENT WITH ZM ROPCZYCE SA

Issued Capital

Issued Shares: 309 Mln
Last Price: 2.9 cents
Market Cap: \$9.0 Mln

Listing Codes

ASX: KOR
BERLIN: C6S

Directors

Andrej K. Karpinski
Executive Chairman
Director

Rodney H. Skeet
Non-executive Director
(Independent)

Daniel A. Smetana
Non-executive Director
(Independent)

Anthony G. Wills
Non-executive Director
(Independent)

Projects

Winchester
(Rum Jungle, NT)
Magnesium carbonate
(MgCO₃)

Batchelor
(Rum Jungle, NT)
Au, Ag, Zn, Pb, Ni, Cu, Co, Sc,
Mn

Geolsec
(Rum Jungle, NT)
Phosphate rock
(P₂O₅)
(Sub-leased to third party)

Mt. Elephant
(Ashburton, WA)
Au, Cu
(Optioned for sale)

Korab Resources Ltd ("Korab", or "Company") (ASX: KOR) and its subsidiaries ("Korab Group") are pleased to report that the Company has executed an agreement with ZM Ropczyce SA ("Ropczyce") regarding an off-take and co-operation with regards to funding, research and development, markets expansion, and development of new products.

This follows on the series of meetings with the Ropczyce senior management team and multiple visits by Korab staff to Ropczyce operations in Poland (EU).

Under the agreement, the parties want to develop a long-term strategic relationship. The agreement envisages Korab supplying up to 20,000 tonnes (depending on market conditions) per year of Dead Burned Magnesia ("DBM", or "sintered magnesia") to Ropczyce, and Ropczyce providing Korab with R&D support associated with the co-operation under the agreement and also aimed at broadening Ropczyce's product range and markets. The parties allow for capital co-operation in respect of the funding required to develop and expand production of DBM. The terms of the capital co-operation have not been agreed yet. The actual pricing of DBM will be set 6 monthly and will be determined in the formal agreement which will be prepared in the future.

Korab believes that whilst the agreement will have a positive economic impact on the Korab Group, we are unable at this point in time to provide a quantified estimate of this potential economic impact. Korab will update the market in respect of this potential economic impact as and when we are able to do so.

The agreement is not binding upon the parties. The purchase of the DBM is subject to Ropczyce testing and accepting test batch of DBM. Korab's obligations under this agreement to supply DBM in commercial quantities are subject to Korab Group completing the permitting process, constructing the quarry and related infrastructure, and commencing quarrying operations and production of DBM.

ABOUT ZM ROPCZYCE SA

Ropczyce is a producer and supplier of refractories essential to the production of steel, cement, and glass, as well as in other processes requiring work at high temperatures. Ropczyce is listed on the Warsaw Securities Exchange (GPW) and has been operating since 1975. For the nine months ending 30 September 2018 it had sales of approximately PLN 275 Mln¹ (\$102 Mln). The company provides a full product range with a wide spectrum of complex services connected with refractory ceramics across the entire product life cycle, starting from the design and technical advice through the supply of ceramics, installation, and installation supervision until servicing. It currently supplies end users operating in steel, cement, foundries, glass, and non-ferrous metals sectors.

"We are very pleased to work with a well-established, respected company which has been recognised through multiple awards for its dynamism, innovation, and quality of its products and services." commented Korab's Chairman Mr. Andrej Karpinski.

ABOUT WINCHESTER

The proposed magnesium carbonate quarry at Winchester is located 2 km from the regional centre of Batchelor some 70km south of Darwin along Stuart Highway. Please refer to Figure 2 for details of the location of the proposed Winchester magnesium carbonate quarry, and Korab Group's various mineral tenements in the area. Exploration licences are outlined in white, and mining leases are

¹ Source – ZM Ropczyce SA interim report for the period ended 30 September 2018





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outlined in red. Deposit is at shallow depth and can be quarried using drill and blast, shovel and truck method (see Figure 3).

Further updates regarding the Winchester magnesium carbonate project will be provided to the market as and when required.



Figure 1 ZM Ropczyce SA operations at Ropczyce, Poland ²

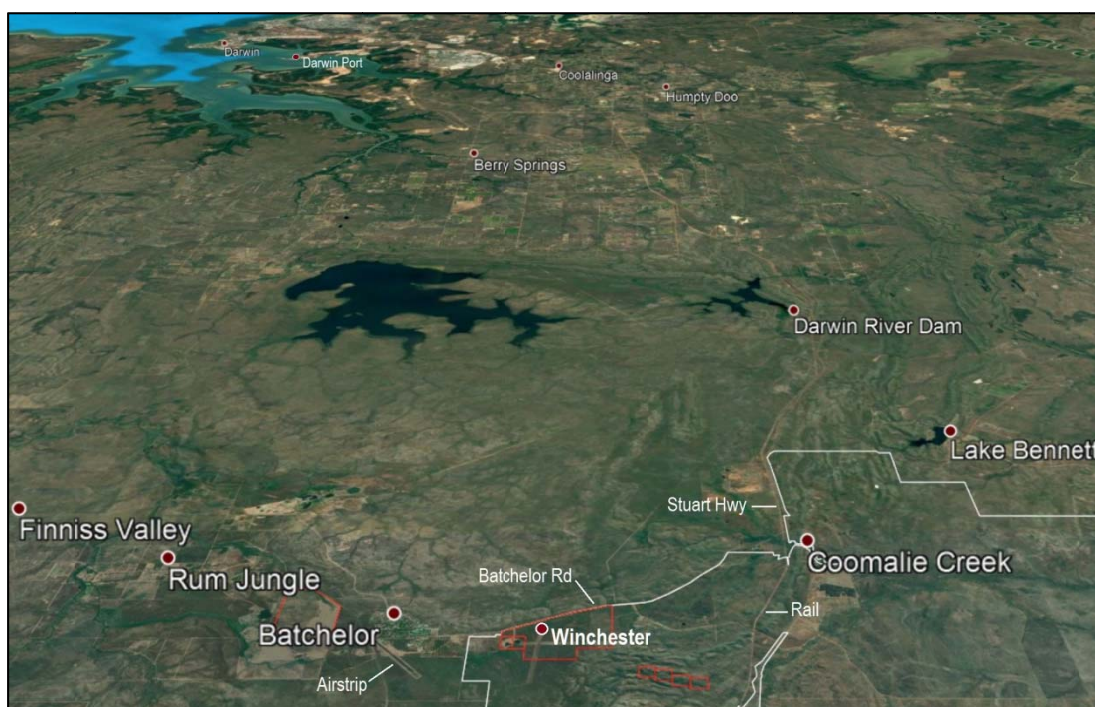


Figure 2 Location of Korab Group's mineral tenements (exploration leases in white and mining leases in red) and Winchester magnesium carbonate project relative to Darwin Port and basic infrastructure

² Source – ZM Ropczyce SA website



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Figure 3 Test mining of magnesium carbonate at Winchester (setting of explosive charges)

CONTACT:

Andrej K. Karpinski, Executive Chairman - Australia: (08) 9474 6166, International: +61 8 9474 6166

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 at Batchelor in the Northern Territory of Australia, Geolsec phosphate rock deposit also at Batchelor, and other gold, silver, copper, cobalt, nickel, and polymetallic projects in Australia and overseas. 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.

DISCLAIMER AND CAUTIONARY STATEMENT

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "expected", "feel(s)", "believe(s)", "will", "may", "anticipate(s)", "should", "envisage(s)" and similar expressions are intended to identify such forward-looking information. This information includes, but is not limited to statements regarding future exploration results, resources, or reserves, and production. Anyone reading this report is cautioned not to place undue reliance on these forward-looking statements. All of such statements are subject to risks and uncertainties (many of which are difficult to predict and which generally are beyond the control of the Company) that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: those relating to the interpretation of exploration results (including drill results), the geology, grade and continuity of mineral deposits and conclusions of economic evaluations; risks relating to possible variations in reserves, grade, mining dilution, ore loss, and recovery rates; risks relating to changes in project financial and technical parameters; risks relating to the potential for delays in exploration programs, project evaluation/review, completion of feasibility studies and project development; risks



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related to commodity prices and foreign exchange rate fluctuations; risks related to failure to secure adequate financing on a timely basis and on acceptable terms; risks related to delays in obtaining governmental, or other permits and approvals; risks related to security of tenure; and other risks and uncertainties related to the Company's prospects, properties and business strategy. Any forward-looking information contained in this report is provided as of the date of this report. Except as required under applicable listing rules and securities laws, the Company does not intend, and does not assume any obligation, to update this forward-looking information.



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