KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

Issued Capital

Issued Shares: 333 Mln
Last Price: 1.5 cents
Capitalisation: $5 Mln

Listing Codes

ASX: KOR
BERLIN: C6S

Directors

Andrej K. Karpinski
Executive Chairman
Director

Rodney H. Skeet
Non-executive Director
(Independent)

Anthony G. Wills
Non-executive Director
(Independent)

Projects

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

Sundance (Rum Jungle, NT)
Au, Sn

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

Bobrikovo (Luhansk, UKRAINE)
Au, Ag, Zn

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30 October 2020

QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2020

This is a quarterly activities report for the period from 1 July 2020 to 30 September 2020 by Korab Resources Ltd ("**Korab**", or "**Company**") (**ASX: KOR**) and its subsidiaries ("**Korab Group**").

OPERATIONS – EXPLORATION, EVALUATION, AND DEVELOPMENT

During the quarter Korab Group continued exploration and evaluation of its mineral assets, as well as the progression of the Winchester magnesium carbonate deposit to production.

WINCHESTER MAGNESIUM CARBONATE PROJECT (RUM JUNGLE MINERAL FIELD, NT)

As reported to the market on 12 September 2018 and in subsequent report on 5 April 2019, Winchester quarry intends to produce raw magnesium carbonate rock which will be crushed and screened on-site. The Company intends for the part of the output from the quarry to be processed off-site into magnesium oxide in the form of high-grade and low-grade caustic calcined magnesia (CCM), and dead burned magnesia (DBM) by means of toll-processing in kilns owned by third-parties. Consequently there will be no on-site mineral processing at Winchester and furthermore, the off-site production of CCM and DBM will not require additional capital investment.

DISCUSSIONS REGARDING OFFTAKES FOR RAW MATERIALS, CCM, AND DBM

During and following the end of the quarter, Korab Group continued discussions and negotiations with various parties including trading houses, refractory ceramics producers, other potential buyers of magnesium carbonate rock, CCM, and DBM, as well as kiln operators, and equipment suppliers. Discussions with interested parties are ongoing but are incomplete and details are confidential. There can be no certainty that any agreement or agreements can be reached or that any transaction will eventuate from these discussions.

Other than the agreement with ZM Ropczyce reported during the March 2019 quarter, no commercial terms have been agreed between the parties. Accordingly, no investment decision should be made on the basis of this information. Korab will advise the market if and when an agreement or agreements regarding offtakes and/or toll-treatment have been reached.

PERMITTING

During the quarter, on 15 July 2020 Korab reported that following the amendments to environmental assessment legislation and our discussions with the NT Department of Primary Industry and Resources and the NT Environmental Protection Agency it has been determined that the Notice of Intent to mine (NOI) for the Winchester quarry is no longer required. Korab further advised that as a consequence, Korab Group will be proceeding directly to prepare and submit to the NT Department of Industry, Tourism, and Trade (formerly Department of Primary Industry and Resources) the Mine Management Plan for Winchester quarry (MMP).

The work completed to date on the NOI is being used in the preparation of the MMP and will be useful in the development and the management of the Winchester quarry. Korab Group is currently working on the MMP with the aim of completing it as soon as possible. Korab Group is not in a position at this point in time to provide temporal guidance regarding the projected timing of the completion and the lodgment of the MMP. Korab Group will advise the market once the MMP for the Winchester quarry has been completed and lodged.

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ABOUT WINCHESTER MAGNESIUM CARBONATE PROJECT

The proposed Winchester magnesium carbonate quarry is located 2 km from the regional centre of Batchelor some 70km south of Darwin along Stuart Highway. Please refer to Figure 1 for details of the location of the proposed Winchester magnesium carbonate quarry, and Korab Group's various mineral tenements in the area. Deposit is at shallow depth and is covered by a thin layer (few meters) of unconsolidated clay and gravel. See the photo in Figure 2 which shows the test mining of the Winchester magnesium carbonate deposit conducted in the middle of the wet season. Winchester magnesium carbonate rock can be quarried using a simple drill and blast, shovel, and truck method. Magnesium carbonate rock (after it has been converted to magnesium oxide) is used in the making of refractory linings necessary for the production of steel, cement, and glass. Other main uses of magnesium oxide are in water purification, nickel and cobalt metallurgy, cattle feed, and production of high-strength light-weight metal alloys.

For the mineral resource statement and the Competent Person statement in respect of the Winchester Project please refer to page 53 of "KORAB RESOURCES LIMITED AND CONTROLLED ENTITIES ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020", copy of which is available from the ASX announcement platform and from Korab's website.

BATCHELOR/GREEN ALLIGATOR POLYMETALLIC PROJECT (RUM JUNGLE MINERAL FIELD, NT)

During the quarter Korab continued exploration and evaluation of Batchelor/Green Alligator project with particular focus on gold, cobalt, nickel, lead, and base metals. No reportable exploration results (as the term is defined in the section 18 of the 2012 JORC code) were generated. Korab has also continued discussions with third parties regarding potential JV's to explore the project for various commodities.

SUNDANCE GOLD MINE (RUM JUNGLE MINERAL FIELD, NT)

The Company has commenced preliminary work on re-opening the Sundance gold mine located south of Darwin in the Northern Territory and on treating the rock (which has been stockpiled on the mining leases) at the processing plant owned by a third party. Discussions with third parties are ongoing but are incomplete and details are confidential. There can be no certainty that any agreement or agreements can be reached or that any agreement will eventuate from these discussions. Accordingly, no investment decision should be made on the basis of this information. The mine is located on granted mining leases MLN542 and MLN543 (100% owned by Korab).

GEOLSEC ROCK PHOSPHATE PROJECT (RUM JUNGLE MINERAL FIELD, NT)

During the quarter Korab Group focused on other mineral assets and consequently exploration work at the Geolsec project was limited. An unrelated company (the Miner), is sub-leasing the Geolsec phosphate project from Korab Group (as reported to the market on 25 July 2018). During the quarter Korab continued to receive an income from the Miner in respect of this project ($88,000 was received during the quarter ending 30 September 2020).

BOBRIKOVO GOLD AND SILVER MINE (UKRAINE)

During the quarter, Korab continued discussions with parties interested in acquiring mineral assets located in eastern Ukraine regarding a potential sale, or a joint venture development of the Bobrikovo project. The discussions regarding the Bobrikovo project are incomplete and confidential and there can be no certainty that any agreement or agreements can be reached or that any transaction will eventuate. No commercial terms have been agreed between the parties. Accordingly, no investment decision should be made on the basis of this information.

On 27 July 2020, a full and comprehensive cease fire came into effect in Eastern Ukraine. The presidents of Russia and Ukraine both commended the cease-fire deal in a phone call on 26 July

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2020 and underscored the importance of implementing the agreements reached between the parties. It is hoped that these agreements will pave the way to the resolution of the conflict in Eastern Ukraine.

For the mineral resource statement and the Competent Person statement in respect of the Bobrikovo Project please refer to pages 53 and 54 of "KORAB RESOURCES LIMITED AND CONTROLLED ENTITIES ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020", copy of which is available from the ASX announcement platform and from Korab's website.

MT. ELEPHANT PROJECT (ASHBURTON MINERAL FIELD, WA)

During the quarter, Korab Group continued the exploration and evaluation of the Mt. Elephant project focusing primarily on its gold and base metals potential. No reportable exploration results (as the term is defined in the section 18 of the 2012 JORC code) were generated. Exploration licence E08/2115 is subject to forfeiture application as reported to ASX on 12 June 2018. During the quarter Korab applied for two exploration licences in Ashburton Mineral Field (for details see Appendix A). As previously advised on 31 July 2020, Korab Group is in discussions with Great Fingall Mining Company NL (GFMC) regarding a potential option for GFMC to acquire the Mt. Elephant Project. The discussions are hampered by the E08/2115 forfeiture application which is still unresolved as of the date of this report.

\- END –

By Order of the Board

INVESTOR RELATIONS CONTACT:

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



Figure 1 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

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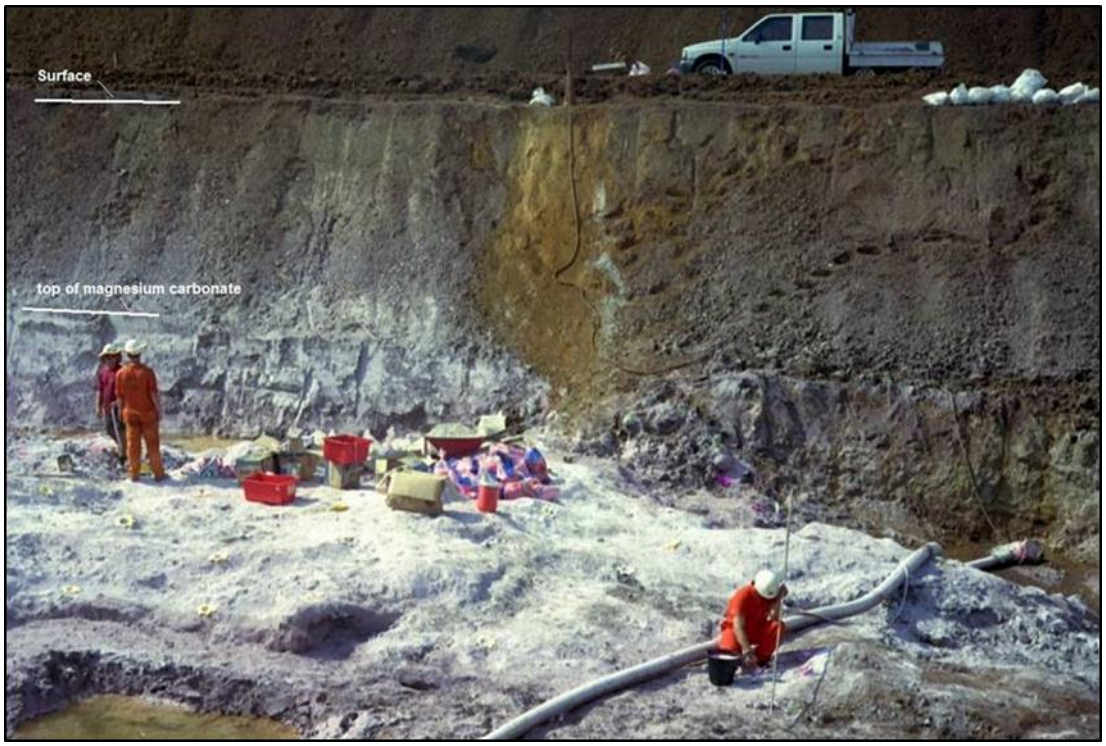


Figure 2 Test mining of magnesium carbonate at Winchester (setting of explosive charges)

20 PROWSE STREET, WEST PERTH, WA, 6005, AUSTRALIA
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APPENDIX A

INTERESTS IN MINING TENEMENTS AS OF THE END OF THE REPORTING PERIOD

Project/Tenements	Location	Held at end of quarter	Acquired during quarter	Disposed during quarter
Batchelor/Green Alligator Project	Northern Territory, Australia			
EL29550		100%		
MLN512		100%		
MLN513		100%		
MLN514		100%		
MLN515		100%		
MLN542		100%		
MLN543		100%		
EL31341		100%		
Winchester Project	Northern Territory,			
ML30587	Australia	100%		
Geolsec Project	Northern Territory,			
ML27362	Australia	100%		
Bobrikovo Project[1]	Ukraine Luhansk Region			
BKB169		100%		
4420381100646545		100%		
1589		100%		
Mt. Elephant Project:	Western Australia, Australia			
E08/2115[2]		100%		
E08/2307		100%		
E52/2724		100%		
E08/2756		100%		
E08/2757		100%		
E52/3872[3]		100%	100%	
E08/3264[4]		100%	100%	
Farm-in agreements/Tenements	**Location**	**Held at end of quarter**	**Acquired during quarter**	**Disposed during quarter**
none				
Farm-out agreements/Tenements	**Location**	**Held at end of quarter**	**Acquired during quarter**	**Disposed during quarter**
none				

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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 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

[1] Bobrikovo Project is located in eastern Ukraine in the Donbas region. The expenditure on this project has been written-off in full in the 2014 Annual Report at the consolidation level.
[2] Exploration licence E08/2115 is subject of a forfeiture application, as reported to the market on 12 June 2018.
[3] Acquired during the quarter through a direct application for an Exploration Licence.
[4] Acquired during the quarter through a direct application for an Exploration Licence.

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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 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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