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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2 November 2020

AMENDED QUARTERLY CASHFLOW REPORT TO 30 SEPTEMBER 2020

We attach amended Appendix 5B – Quarterly Cashflow 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**").

The amended items are as follows::

2.1(b) Payments to acquire or for: tenements – increased.

2.1(d) Payments to acquire or for: exploration & evaluation (capitalised) – decreased.

8.3 Total relevant outgoings (item 8.1 + item 8.2) - positive relevant outgoings reported (ie a net cash inflow).

\- END –

By Order of the Board

INVESTOR RELATIONS 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

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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Winchester
(Rum Jungle, NT)
Magnesium carbonate
($MgCO_3$)

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
(P_2O_5)
(Sub-leased to third party)

Mt. Elephant
(Ashburton, WA)
Au, Cu

Bobrikovo
(Luhansk, UKRAINE)
Au, Ag, Zn

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity

KORAB RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
17082140252	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	88	88
1.2	Payments for		
	(a) exploration & evaluation (expensed)		
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(23)	(23)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**65**	**65**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	(37)	(37)
	(c) property, plant and equipment		
	(d) exploration & evaluation (capitalised)	(39)	(39)
	(e) investments		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities	11	11
2.4	Dividends received (see note 3)		
2.5	Other (Mt. Elephant option fee)		
2.6	**Net cash from / (used in) investing activities**	**(65)**	**(65)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(110)	(110)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (receipts from Mt. Elephant option holder))	5	5
3.10	**Net cash from / (used in) financing activities**	**(105)**	**(105)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	164	164
4.2	Net cash from / (used in) operating activities (item 1.9 above)	65	65
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(65)	(65)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(105)	(105)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**59**	**59**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	46	151
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)	13	13
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**59**	**164**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	78	75
7.2	Credit standby arrangements	600	590
7.3	Other (short term loan)	0	0
7.4	**Total financing facilities**	678	665

7.5	**Unused financing facilities available at quarter end**	13

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Loan facility – lender: Alicja Karpinski, interest: 12% pa, unsecured. Not due prior to September 2021 but can be repaid early at Korab's discretion without penalties. Due and payable immediately upon change of control.

Credit standby arrangements – lender: Rheingold Investments Corporation Pty Ltd, interest: 12% pa, unsecured. Not due prior to September 2021 but can be repaid early at Korab's discretion without penalties. Due and payable immediately upon change of control.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	65
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(39)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	26
8.4	Cash and cash equivalents at quarter end (item 4.6)	59
8.5	Unused finance facilities available at quarter end (item 7.5)	13
8.6	Total available funding (item 8.4 + item 8.5)	72
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	N/A

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A - the entity has reported positive relevant outgoings (ie a net cash inflow).

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A - the entity has reported positive relevant outgoings (ie a net cash inflow).

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8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A - the entity has reported positive relevant outgoings (ie a net cash inflow)	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

2 November 2020

Date: .....

By the Board

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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