



KORAB RESOURCES LIMITED

KORAB HOUSE

www.korab.com.au

Wednesday, 27 August 2014

OPERATIONS UPDATE - MINING OF PHOSPHATE ROCK

This is an operations update by Korab Resources Ltd ("Korab", or "Company") (ASX: KOR) and its subsidiaries ("Korab Group").

MARKETING OF ROCK PHOSPHATE FROM GEOLSEC PROJECT (NORTHERN TERRITORY)

As previously advised Korab has been continuing the marketing of the Geolsec rock phosphate ("RP" or "phosphate") after the receipt of the permit to mine (which was announced to the market in January 2014).

Korab is pleased to advise that the quotations on the supply of bulk rock phosphate have been provided to the parties referred to below.

Korab is further pleased to advise that the Geolsec mineral lease has been fenced-off and cleared from vegetation/burned-off and is ready for the commencement of mining/quarrying operations.

Korab will advise the ASX regarding the progress of the development and marketing of the Geolsec rock phosphate as and when required.

Background

On 30 May 2014 Korab advised that it was in receipt of an unsolicited enquiry from one of the major Asian phosphate buyers and distributors for a supply of rock phosphate from Geolsec at a rate of 225,000-250,000 tonnes per year of direct shipping phosphate rock over a multi-year period.

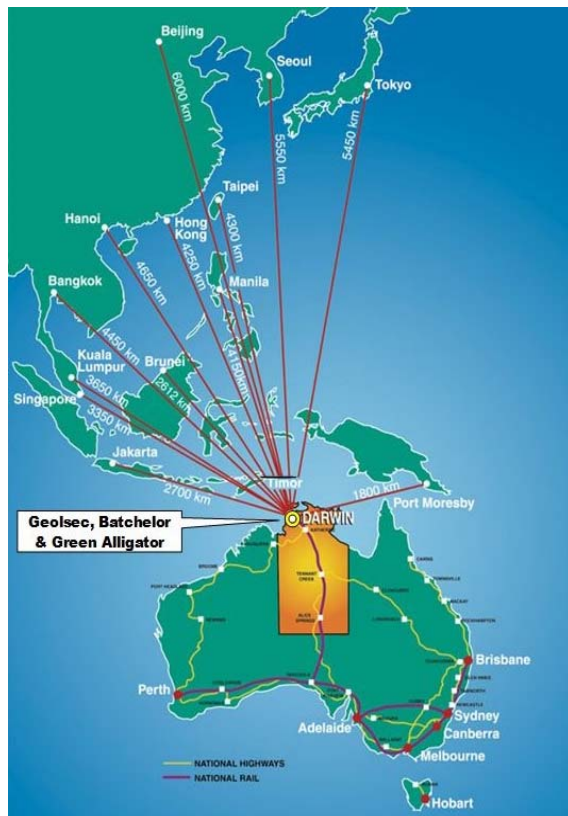


Figure 1 Location of Geolsec and Batchelor Projects

On 20 June 2014 advised that it has agreed to provide the above potential buyer with sample of the phosphate rock for testing (at their expense).

On 29 July 2014 Korab advised that one of the major Asian phosphate buyers and distributors has requested Korab to provide quotation on additional supplies of bulk rock phosphate for another of their clients who is planning to buy annually around 3.2 million tonnes of bulk phosphate rock in aggregate from several suppliers.

Furthermore, Korab advised that it has received additional request for samples to be provided to four additional domestic and overseas users and distributors.

In addition to the above potential multi-year sale agreements, Korab submitted a Framework Agreement to Supply Rock Phosphate to another potential buyer. This

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SHARES

ASX: KOR

Last price: AU\$ 5.1

BERLIN: C6S.BE

Last price: € 0.04

OPTIONS

ASX: KORO

Last price: AU\$ 0.4





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agreement envisions supply of up to 20,000 tonnes of RP per annum for 3 years with an option to renew for further 3 years.

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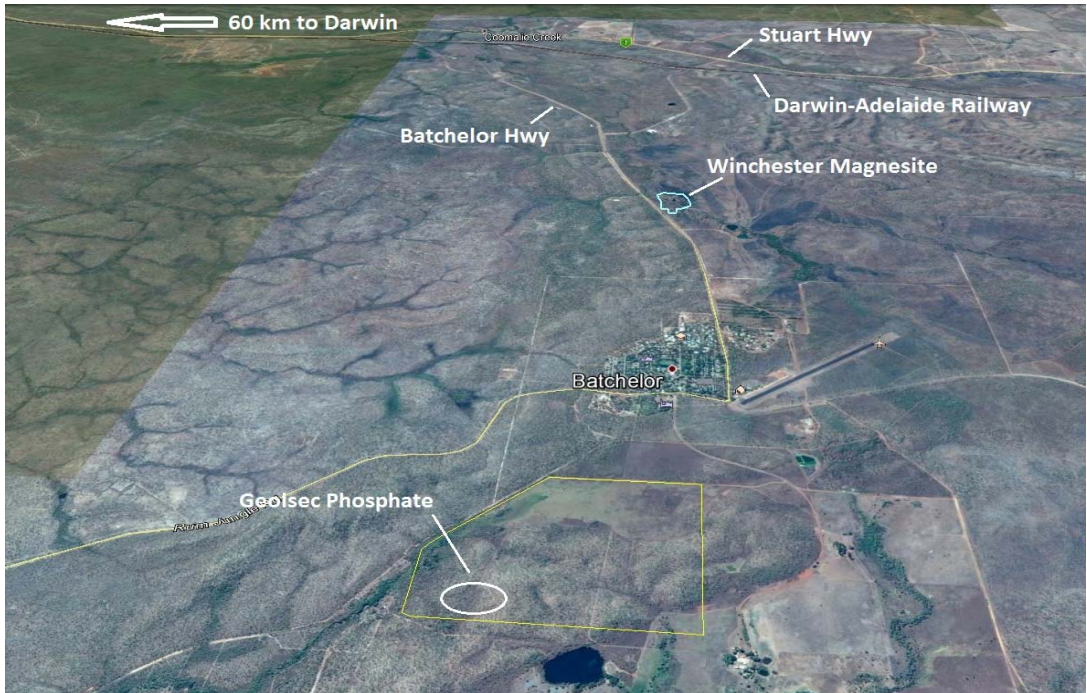


Figure 2 Geolsec's location near Batchelor. Deposit is close to a highway, rail, water, gas, and power. This makes the Geolsec arguably the best located rock phosphate project in Australia.

About Geolsec Phosphate Project

Location of the Geolsec project, just south of the port of Darwin and within a short distance to majority of Asian ports (see Figures 1 and 2) gives Geolsec significant advantage over phosphate producers located in Africa and the Middle East when supplying Asian and Australian buyers and distributors. Furthermore, being located next to trans-continental rail-way link and highway connecting to Ord River agricultural region, Queensland, NSW and Victoria, Geolsec has excellent access to the main agricultural regions in all Australian states.

The primary target markets for the sales of the direct shipping phosphate rock, ground-up phosphate rock and phosphate rock blends are plantations and pastoralists around Darwin (NT), mango growers in Ord River (WA), as well as organic farmers in SA, Eastern States and WA and Asian distributors and end users. Geolsec aims to supply environmentally-friendly organic fertiliser to the agricultural sector in the Northern Territory and beyond and thus support expansion of sustainable agriculture. Geolsec direct application RP has a potential to provide substantial ongoing benefits to the environment by improving soil fertility and improving nutritional quality of produce grown on fields fertilised with RP and rock dust products. More information about Geolsec's benefits and the benefits of direct application of phosphate rock to soils is available from Korab website at www.korabresources.com.au/geolsec

Geolsec rock phosphate deposit is located approximately 3km west of the town of Batchelor and approximately 70km from Darwin. The project is accessible by sealed road all year round and is located near trans-continental highway linking Darwin with Adelaide, the national rail and road network, high-voltage power and a gas pipeline giving it the best logistics of any phosphate rock



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project in Australia. The deposit outcrops on a hill with no pre-strip required and can be mined using a low-cost open cut method.

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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 gold and silver deposit at Bobrikovo in eastern Ukraine, Geolsec phosphate rock deposit and Winchester magnesite deposit at Batchelor in the Northern Territory of Australia. The Company also explores for gold and copper at Ashburton Downs in Western Australia and for polymetallic deposits 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.

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PAGE 3