

INVESTOR BRIEFING

July 2010

Andrej Karpinski
Executive Chairman

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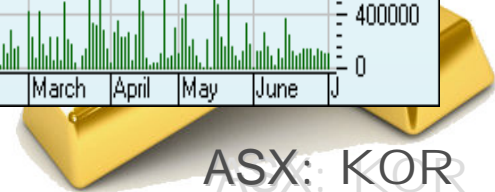
KORAB
RESOURCES





Overview

- ASX code: KOR
- Market Cap: ~\$36 M (@ \$0.45)
- Issued capital: 78.5 M
- Top 20 shareholders : 56%
- Directors shareholding: 34%
- Directors:
 - Andrej Karpinski
Executive Chairman
 - John McKenzie
Non Executive Director
 - Rodney Skeet
Non Executive Director





Company Profile

- Listed on ASX in August 2005
- Magnesium, organic rock phosphate, gold and silver projects in Australia and Europe
- IPO's of 2 gold companies with development-ready gold projects
 - Lugansk Gold - 1Mln oz Bobrikovo gold and silver mine located in eastern Ukraine
 - Melrose Gold Mines - 340K oz Melrose gold project located 70km from Leinster in WA
- Developing non-gold mining assets into a low-cost operations with a potential for long mine life
 - Winchester magnesium deposit located 65 km south from Darwin
 - GeolSec phosphate rock deposit located 65 km south from Darwin





Why Korab?

- Value proposition
- Tight register
- Constantly adding value for shareholders
- 700% share price growth over 52 weeks
- Korab offers low cost entry into 2 gold IPO's
- Korab shareholders will receive free shares in 2 new gold floats
 - Melrose Gold Mines – 1.266 shares for each Korab share
 - Lugansk Gold – 1.266 shares for each Korab share
- Potential for near-term income from GeolSec phosphate
- Strong exploration upside with base metal discoveries in WA and NT





Strategy & Objectives

- Establish Korab as a low cost niche operator in sectors with strong historical growth and a continuing long term growth potential
- Organic phosphate rock - growing demand for organic produce, addresses concerns over water pollution and soil salinity
- Magnesium – growing demand for strong, light, fire-proof, environmentally friendly building materials, lighter cars, light-weight alloys, steel, advanced aerospace and missile designs,
- Focus on projects with:
 - Located near existing infrastructure (mills, ports, rail, power, water)
 - High profit margin
 - Long mine life





Immediate Aims

- Spinning-off gold operations into 2 separate ASX listed entities Melrose Gold Mines and Lugansk Gold.
- Spin-off benefits:
 - Immediate value accretion to Korab shareholders
 - Allow each project to be evaluated by investors and analysts on its own merits
 - Fast-track development of gold mining projects to take advantage of the gold price
 - Provide CAPEX and working capital for the gold projects without diluting shareholders equity in non-gold assets
- Focus Korab on development of Winchester magnesium and GeolSec phosphate rock



Melrose Gold Mines

- 340K oz existing resource base on granted mining leases at Melrose
- Potential for near-term low cost gold production
- Great exploration upside at Melrose and Ballard, Wanganoo, Ashburton and Gascoyne, Batchelor and Green Alligator projects covering over 1,300 km² of gold exploration tenements
- Establishing management team with experience in open cut and underground gold mine development





Melrose Project JORC Resource

Mineral Resource at Melrose project (above 0.5 g/t Au cut-off grade)

Category	Tonnes	Grade g/t Au	Gold Ounces
Measured			
Boundary	652,154	1.73	36,262
Indicated			
Boundary	2,662,763	1.73	148,506
Inferred			
Boundary	703,209	1.36	30,822
Bungarra	2,144,332	1.56	107,385
Stirling	404,000	1.31	17,000
Total Resource	6,566,458	1.61	339,975



Melrose Project Timeline

- Following the spin-off Melrose will complete feasibility study on the Melrose project (completion mid 2011). This will include:
 - Geotechnical drilling
 - Metallurgy testing
 - Process design and mine design
 - Development option selection (heap leach, toll treat or reconditioned mill)
 - Permitting of the mine

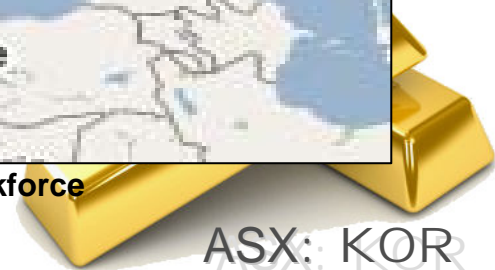




Lugansk (Bobrikovo) Project Location



Project Location – Old mining region with very good infrastructure and highly skilled workforce





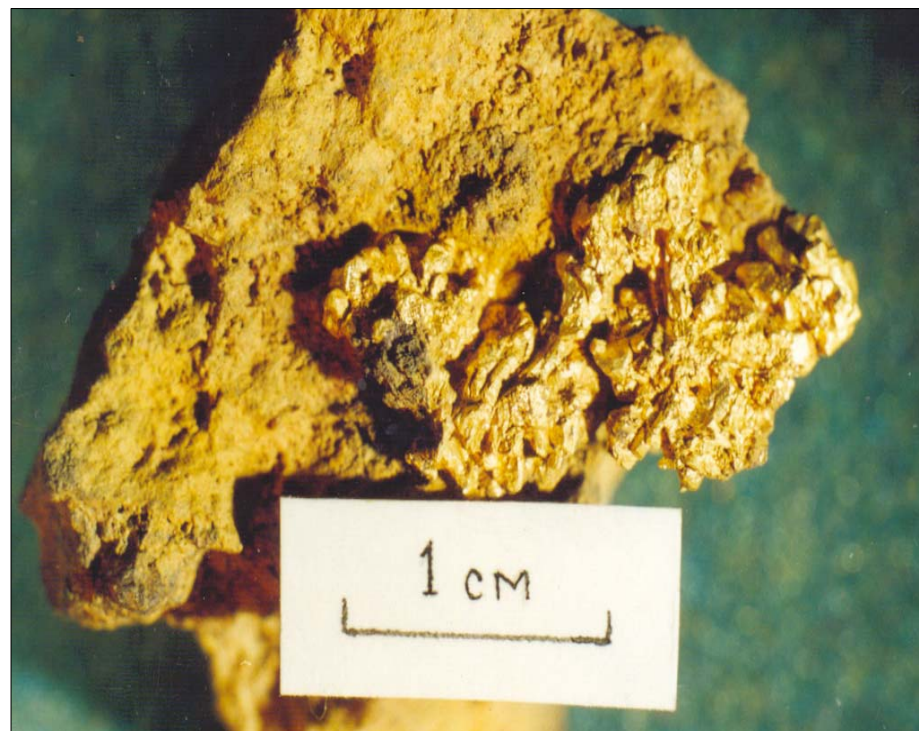
Bobrikovo Timeline

- Lugansk Gold Ltd (holding company of Bobrikovo project) to be listed on ASX in an IPO raising \$40-50 million
- Currently mining and stockpiling oxide ore (re-commenced mining in March 2010)
- Finalising the plant re-design to increase processing capacity
- All permits in hand for mining and processing using gravity circuit
- Plant construction to commence shortly after completion of the IPO
- First gold production scheduled for second half of 2011
- Production cost estimated at ~US\$250/oz



Lugansk Gold

- Well located project (old mining region with good infrastructure and highly skilled workforce)
- Resource base over 1 million ounces (JORC code)
- Deposit starts at surface
- Potential for low cost operation (~US\$250/ounce)
- Great exploration upside below existing resource
- Established local technical and management team with experience in open cut and underground gold mine development and exploration



Gold nugget from Bobrikovo open pit



ASX: KOR

Bobrikovo Resource Base

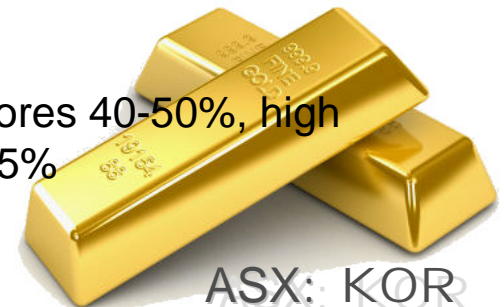
- Global resource at Bobrikovo mine is over 1 million ounces (20.2 Mt at 1.55 g/t Au)
- This includes high grade component of 0.5 million ounces (3.7 Mt at 4.30 g/t Au)
- Bobrikovo deposit remains open at depth and along strike with strong potential for additional resource.
- Measured and indicated resource totals 0.5 million ounces (5.77 Mt at 2.6 g/t Au)

Category	Zone	Ore Mass (t)	Grade (g/t)	Au (t)	Ounces
Measured	Oxide	1 660 326	2.05	3.408	109 614
	Fresh	-	-	-	-
	Subtotal	1 660 326	2.05	3.408	109 614
Indicated	Oxide	182 641	3.13	0.571	18 353
	Fresh	3 927 725	2.75	10.789	346 918
	Subtotal	4 110 366	2.77	11.360	365 271
Inferred	Oxide	217 322	0.70	0.152	4 883
	Fresh	14 257 912	1.16	16.559	532 454
	Subtotal	14 475 234	1.15	16.711	537 337
Grand Total		20 245 926	1.55	31.479	1 012 194



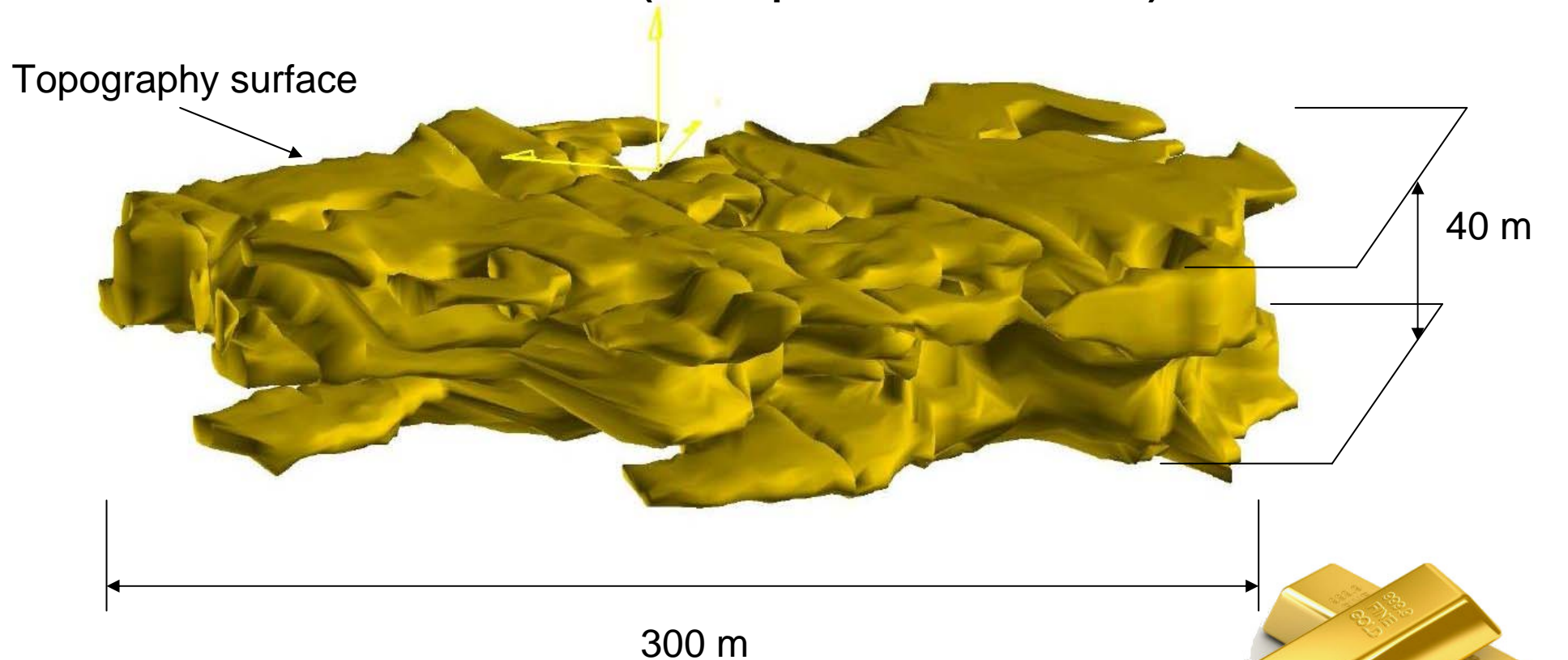
Metallurgy Testing Completed

- Metallurgy testing shows very good recoveries of gold
 - Hydrocyclone extraction; yield 72-79%
 - Gravitational extraction; yield 62%,
 - Hydrometallurgy with autoclave leaching; yield 97-98%
 - Gravitational concentrate; yield 46-81% (average 60%) tail cyanidation; yield 90%. Total extraction after gravitation and cyanidation; yield 94-98%
 - Cyanide leaching of test sample of 10k tons of ore. 40kg of Au was extracted. Extraction yield: 92%
 - Heap leaching; yield 92%
 - Concentrate obtained by KNELSON thickener; mixed ores yield 77%
 - Gravity table; yield 63-76%
 - Concentrate obtained by KNELSON thickener; yield: low grade ores 40-50%, high grade ores 90%. Combined gravitational-cyanidation; yield 90-95%



Bobrikovo Resource Base

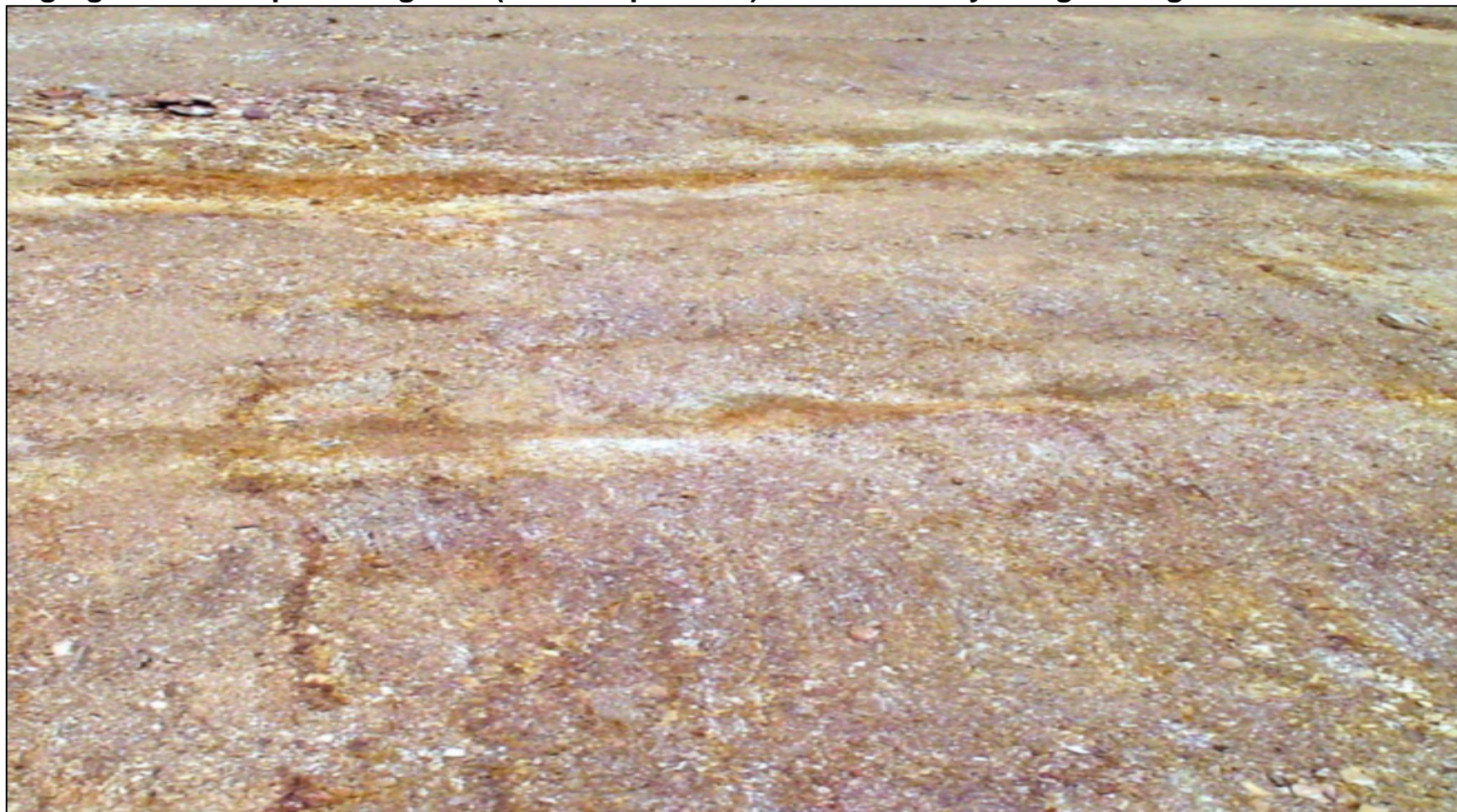
Measured resource at Bobrikovo (corresponds to oxide zone)



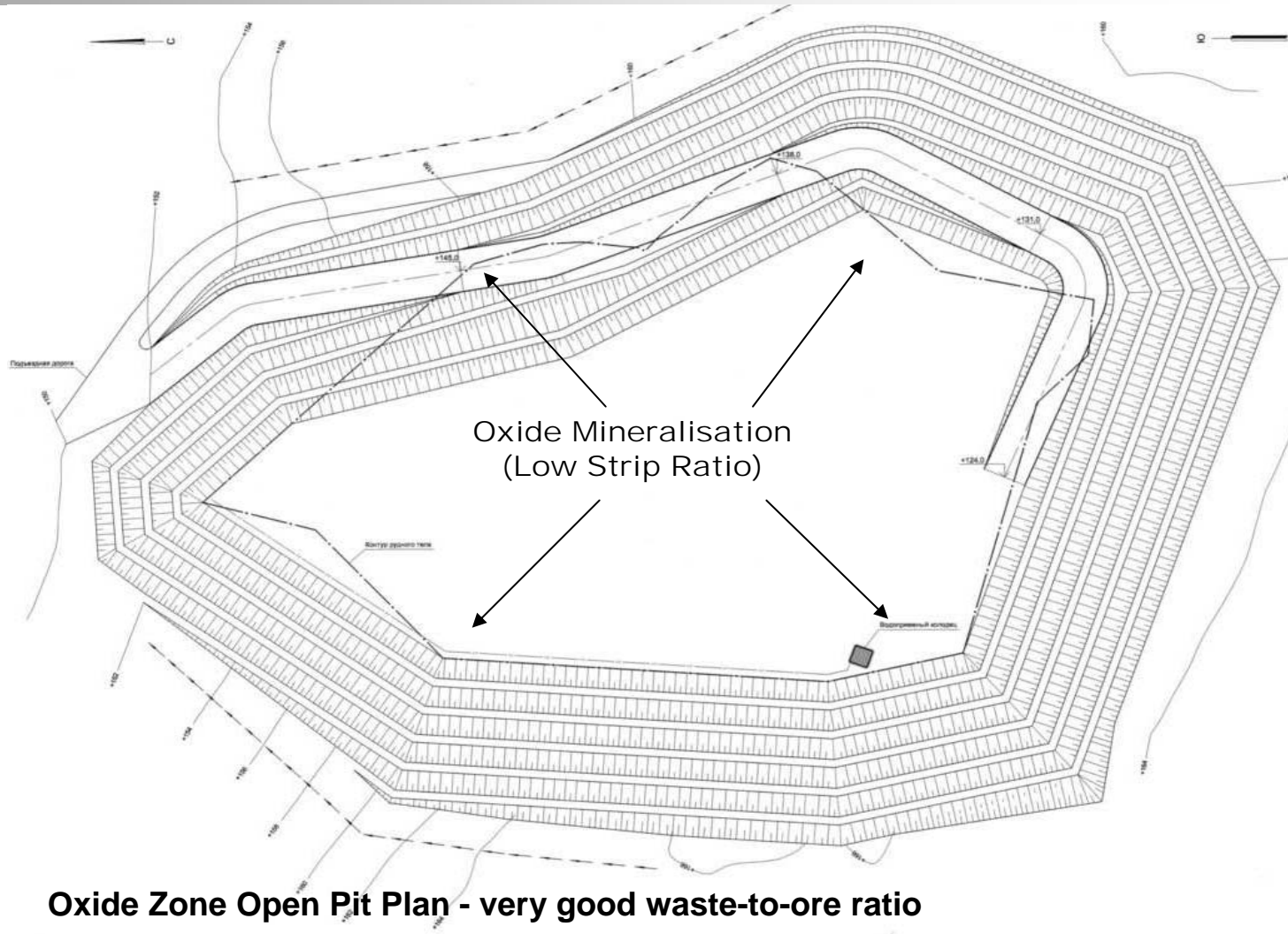
Oxide mineralisation - resource exposed at surface with no pre-strip required

Bobrikovo mineralisation - open pit

High grade rock up to 200 g/t Au (widths up-to 5 m) surrounded by low grade 1g/t Au rock



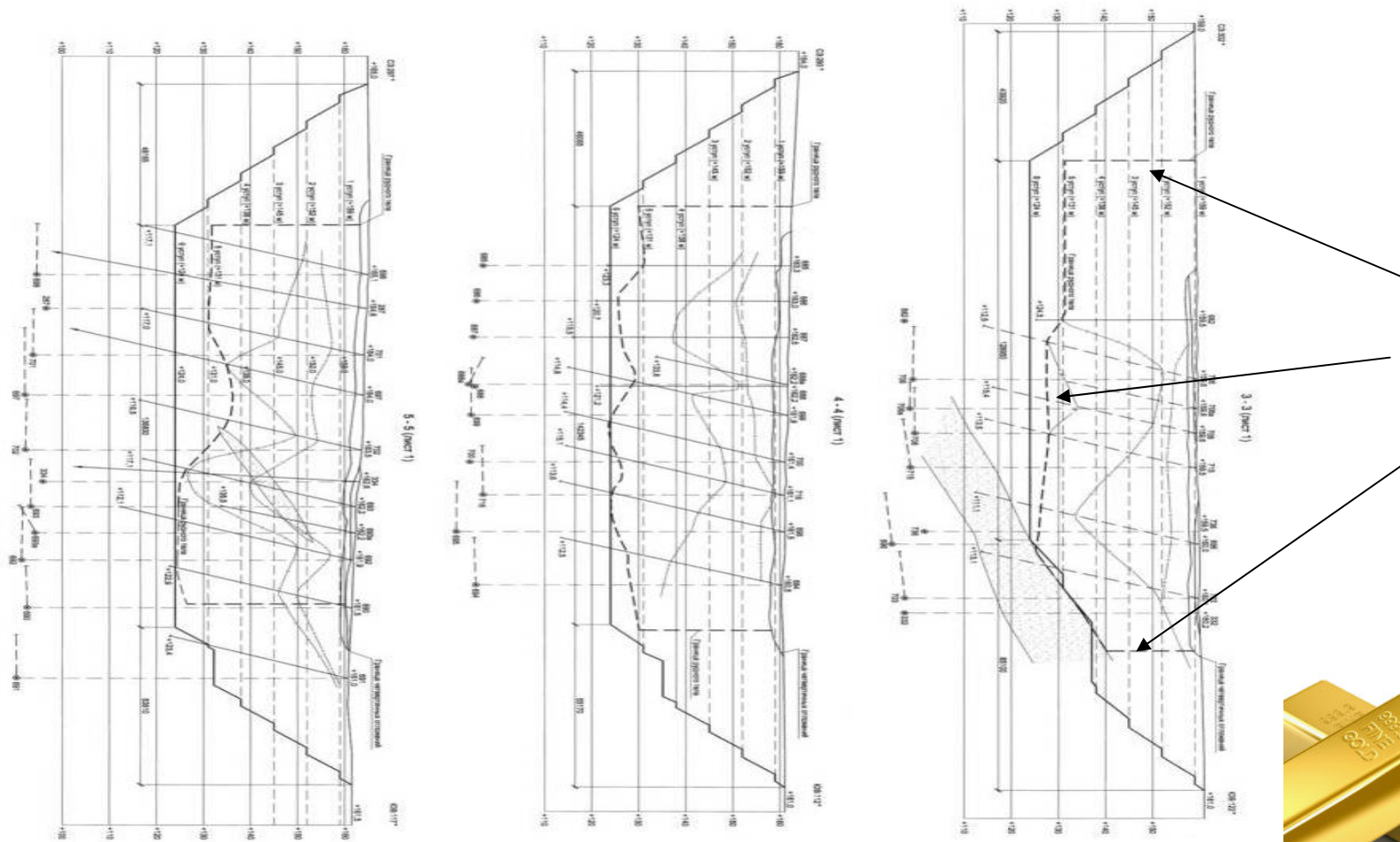
Bobrikovo 1st Stage Mine Design



Oxide Zone Open Pit Plan - very good waste-to-ore ratio



Bobrikovo 1st Stage Mine Design

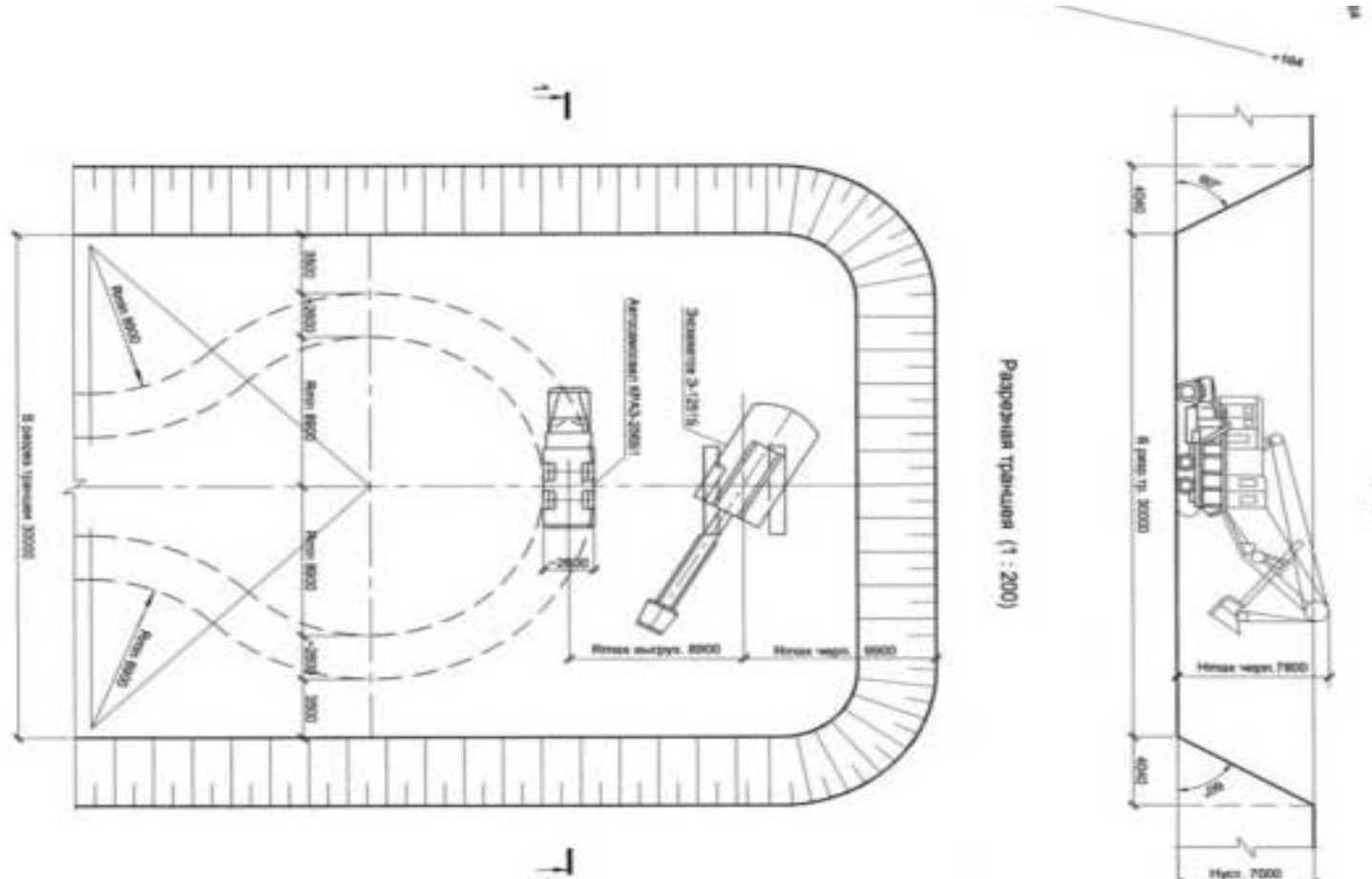


oxide mineralisation contour

Oxide Zone Pit Side View – very good waste-to-ore ratio
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Bobrikovo 1st Stage Mine Design

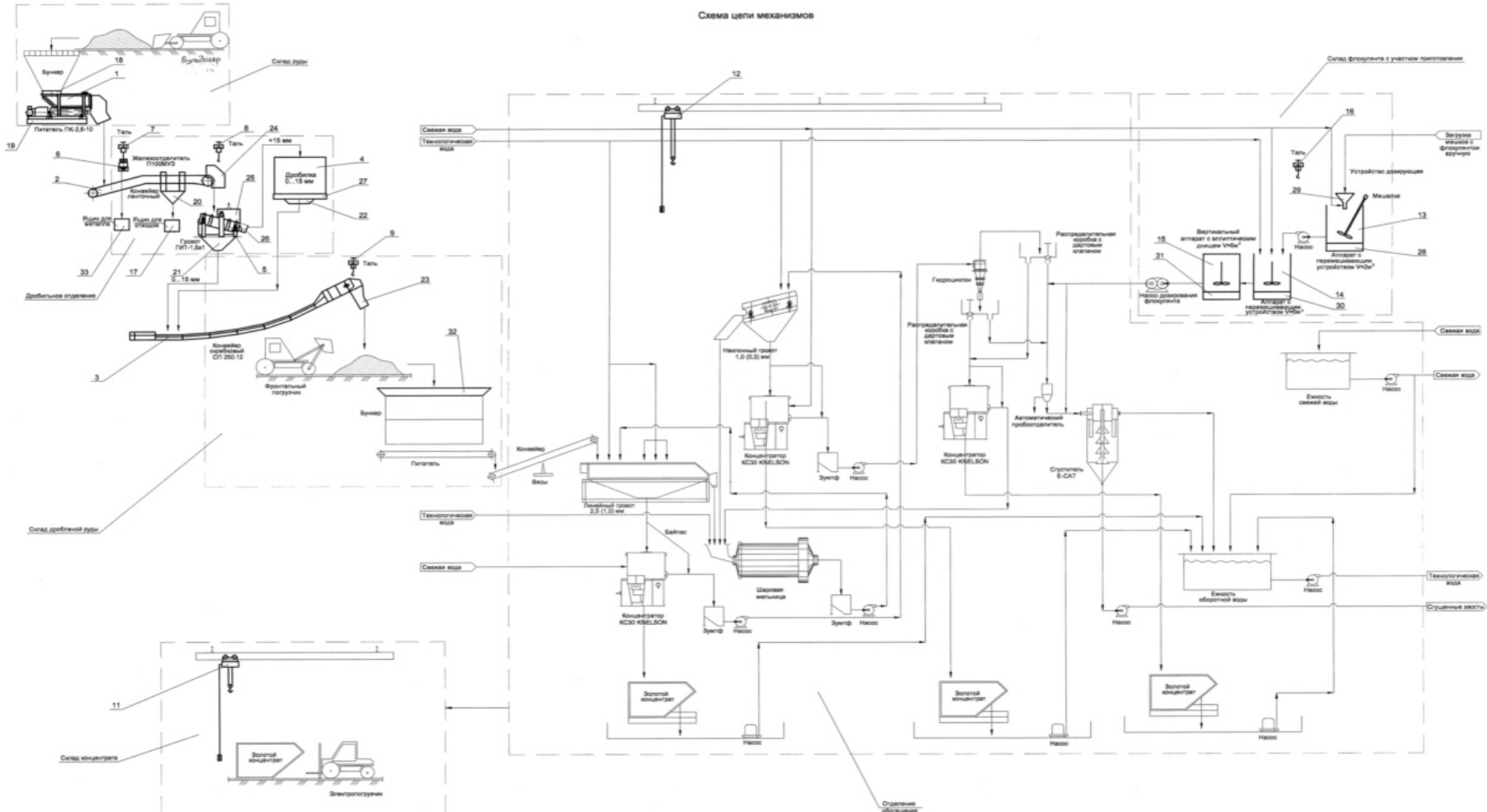


Simple truck and shovel mining method - low cost operation



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Bobrikovo Plant Design

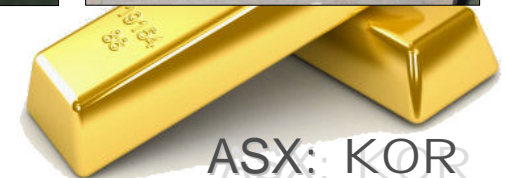


Gravity Circuit Processing Plant (low CAPEX and low cost operation)

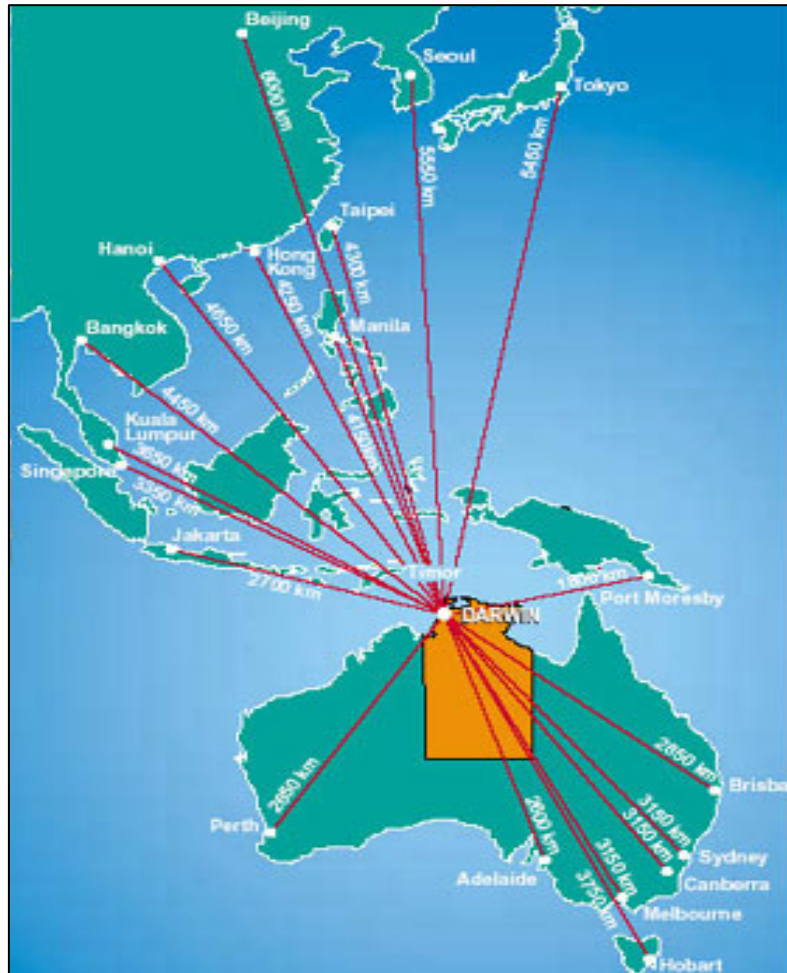


After spin-offs of Melrose and Lugansk

- Develop GeolSec phosphate rock deposit as a supplier of organic and direct application phosphate fertiliser
- Develop Winchester magnesium deposit as a supplier of magnesium oxide building products (1st stage)
- Develop Winchester magnesium deposit as a supplier of magnesium metal to automotive and aerospace industries (2nd stage)
- Continue exploration for base metals at Korab's exploration properties
- Look for other opportunities in the metals and energy sectors in Australia and overseas



GeoSec and Winchester Location



Location of projects



GeoISec Operations

- Access to a large local market = low transportation costs
- Location 65 km from port of Darwin = easy low-cost access to Asia, India and the rest of Australia
- Resilient market with 17% annual growth in USA during recession of 2008/2009
- Strong environmental credentials of the product
- Surface deposit = simple, low-cost quarrying of phosphate rock
- Simple grinding, no processing involved = low cost production



“Processing” plant



ASX: KOR

Geolsec Phosphate Timeline

- Granted mining lease
- 2010 - permitting, contracting, procurement, production and sales ¹
- Negotiating off-take agreements
- 2nd half of 2010 –Initial sales targets 15,000 to 20,000 tpa
- Potential for 1st year profit of \$5 million (pre-tax) ²
- Potential for 2nd year profit of \$9 million (pre-tax) ²

¹ *Subject to receiving all permits and approvals*

² *Subject to meeting targeted sales and margins*

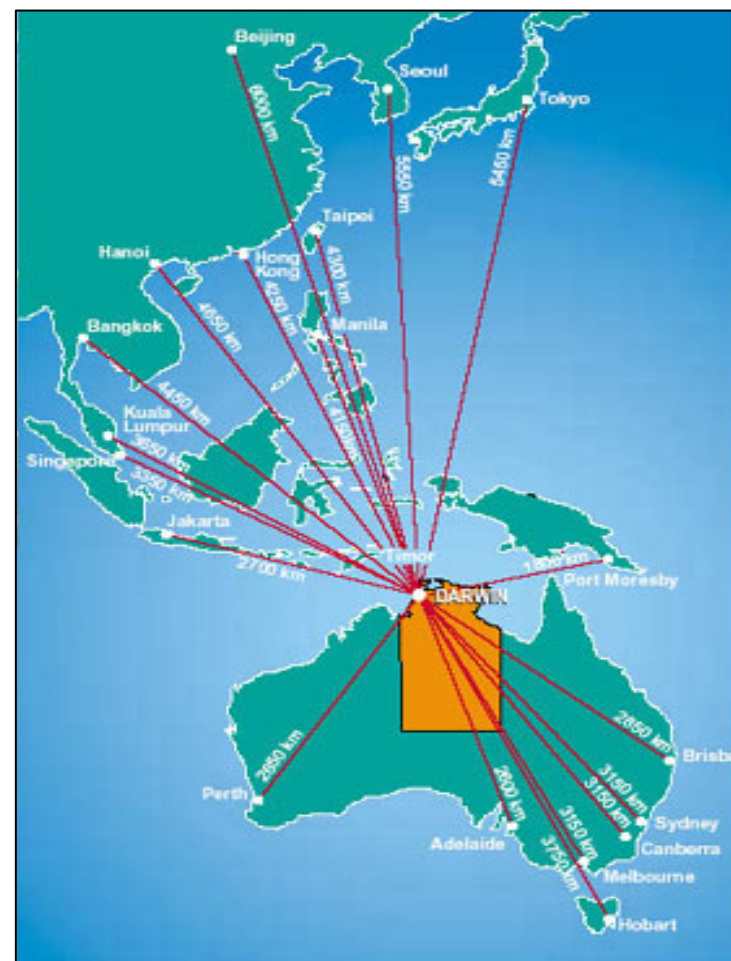


Sorghum crop fertilised with phosphate rock



Winchester Magnesium Project

- Located 65 km from Darwin, all infrastructure on site,
- Best logistics in Australia, access to rail, port, highway
- Close proximity to Asian markets
- Low operating cost potential
- Large resource base sufficient for 50 year mine life:
 - Indicated Resource of 12.2Mt @ 43.1% Magnesium Oxide (MgO)
 - Inferred Resource of 4.4Mt @ 43.6% Magnesium Oxide (MgO)
- Initial focus on MgO based building products at a rate of 75,000 tpa MgO
- Potential for future production of magnesium metal at 50,000 tpa Mg



Potential markets

Winchester Development – MgO

- Production of MgO and MgO based products for:
 - High rise buildings - internal and external cladding
 - Prefabricated commercial and residential buildings
 - Bushfire-proof and cyclone-proof housing
 - Structural walls, ceiling, wall and floor panels
 - Extruded and moulded products including artificial granite, marble and stone



MgO products in use



Winchester MgO and Mg Timeline

- Simple, low cost and low CAPEX calcining process
- Test mining completed
- Mine design completed
- Mg BFS completed
- Process design for Mg production completed
- Finalising modifications to equipment specifications for MgO production
- Permitting process partly completed



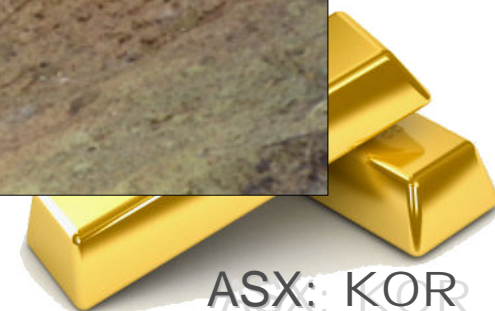
Rotary calcining kiln



Winchester Deposit



Shallow, easy to mine magnesite deposit





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