

SHARE INFORMATION

ASX Listed Shares: 45 million
ASX Share Price: AU\$0.32
Market Cap.: AU\$14.4m

Korab Resources Limited is an Australian mining and exploration company operating gold, magnesium, base metals, cobalt, iron ore and uranium projects in Northern Territory and Western Australia

Information about Korab's projects may be sourced from Korab Resources website at www.korabresources.com.au



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By Electronic Lodgement

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BATCHELOR – RUM JUNGLE PROJECT DIVIDED BETWEEN KORAB AND URANIUM AUSTRALIA

As announced to the market on 10 September, Korab Resources Ltd (Korab) and its subsidiary Uranium Australia Ltd (UAU) have acquired 100% of the Batchelor Project. Prior to this acquisition, Korab had a right to earn a 60% interest in the project. The Directors of Korab believe this is a very positive outcome, as the Batchelor Project is a key project for the Company.

The Batchelor Project is immediately adjacent to the Rum Jungle Creek South pit in the Rum Jungle Mineral Field in the Northern Territory, 65 km south of Darwin. The Batchelor Project consists of tenements: SEL24855, ERL134, AN495, AN515, MLN512, MLN513, MLN514, MLN515, MLN542, MLN543 (the Tenements).

Further to the yesterday's announcement, Korab and UAU would like to provide to the market the following additional details of the transaction:

1. The assets forming the Batchelor Project have been divided between Korab and UAU as follows:
 - a. Korab has a 100% interest in the Tenements and related infrastructure, a 10% interest in rights to explore for and mine uranium and thorium mineralisation within the Tenements (Uranium Rights) and a 100% interest in rights to explore for and mine any minerals other than uranium and thorium within the Tenements (Non-uranium Rights).
 - b. UAU has a 90% interest in the Uranium Rights;
2. Korab's interest in the Uranium Rights will be free carried by UAU to a completion of the bankable feasibility study (BFS) stage at which time Korab will be able to either commence contributing to the development costs on a pro-rata basis or convert its interest in the Uranium Rights to a net smelter return royalty to be negotiated at that time.
3. Korab will have a right of first refusal to provide funding to UAU, or its related entities on commercial terms for any:
 - a. Bankable feasibility study;

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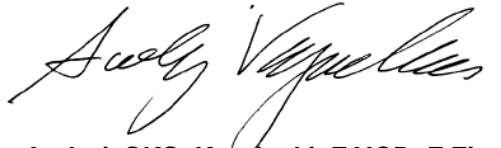
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b. Development of any uranium and thorium mineralisation within the Tenements.

4. UAU will have step-in right should Korab decide to surrender any of the Tenements.
5. UAU will have a right of first refusal should Korab decide to sell its interest in the Uranium Rights.
6. Korab will have a step-in right and a right of first refusal should UAU decide to dispose of its interest in the Uranium Rights.

Regards



**Andrej CKS Karpinski, FAICD, F Fin
EXECUTIVE CHAIRMAN**

**For more information call:
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