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By Electronic Lodgement

Company Announcements Office
Australian Stock Exchange Limited
2 The Esplanade
PERTH WA 6000

QUARTERLY ACTIVITY REPORT QUARTER ENDING 30 JUNE 2008

EXPLORATION AND DEVELOPMENT ACTIVITY

June 2008 quarter saw an increase in expenditure on exploration and development. During the quarter, Korab and its subsidiaries have had four teams of in-house and contract geologist working on five projects targeting gold, phosphate, iron ore, nickel and uranium mineralisation. This work is continuing and the exploration results will be announced to the market once they have been compiled after the programs have been completed.

This increase in exploration and development expenditure was accompanied by a substantial decrease in administrative and office expenses. The decrease was achieved primarily through a reduction in the number of administrative support staff and through outsourcing of non-core functions previously performed by in-house staff.

At Bobrikovo gold/silver project in eastern Ukraine the company has completed the pre-strip of ore. The ore is exposed and ready to be mined. The company is now in the process of establishing the site infrastructure. The short term activities planned for the July-September 2008 period include preparation of ore storage pad, construction of a road, and establishment of office facilities.

NEW PROJECTS ACQUISITIONS

Korab's subsidiary Uranium Australia has signed an option agreement to acquire three projects in the Northern Territory and one project in Queensland:

EPM 15306 – Blue Mountain Gold-Copper-Uranium Project (Queensland),

EL 26367 – Mt Ida Uranium Project (Northern Territory),

EL 26368 – Mt Michael Uranium Project (Northern Territory),

ELA26551 – East Alice Springs Uranium-phosphate-Base Metal Project (Northern Territory).

SHARE INFORMATION

Last price
AU\$0.10

Issued capital
67.5 million shares

Market capitalisation
AU\$6.75 million



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KORAB RESOURCES LIMITED

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All projects have potential for uranium mineralisation. One the projects has also returned phosphate intercepts from previous drilling program (as reported by Korab to ASX on 18 July 2008)). At the East Alice Springs project, drill hole RR2 has intersected 6 meters at 22.8% P2O5 and drill hole RR1 has intersected 2 meters at 4.3% P2O5 in phosphatic calcareous silty shale. The lateral size of the radiometric anomaly with which this phosphatic anomaly coincides is approximately 1 km long by 0.5 km wide.

CORPORATE ACTIVITY

During the quarter, Uranium Australia Ltd has been continuing its work on the proposed IPO and listing of its shares on ASX. The structure of the proposed IPO has been substantially modified in view of prevailing market conditions and the uranium sector sentiment. These changes have required substantial revisions to the IPO prospectus. Boards of Korab and Uranium Australia are currently reviewing two alternative options for the future of Uranium Australia.

Both options have their advantages and risks and will have differing implications for Korab and Uranium Australia shareholders in a short and long term.

No decision has been made at this stage and the boards of both companies are currently evaluating implications and risks associated with each option. It is expected that the decision regarding the way forward for Uranium Australia will be made and announced to the market by the end of next week.

Regards

A handwritten signature in black ink, appearing to read 'Andrej KCK Karpinski'.

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

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