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Thursday, 20 March 2008

By Electronic Lodgement

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

## **KORAB SHAREHOLDERS RECEIVE ADDITIONAL PRIORITY ENTITLEMENT TO PARTICIPATE IN URANIUM AUSTRALIA IPO**

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### **SUMMARY**

<b>Record date:</b>	5 pm Perth time, Wednesday, 2 <sup>nd</sup> April 2008
<b>Priority entitlement:</b>	1 UAU IPO share for 3 KOR shares, or \$2,000 worth of UAU IPO shares (whichever is greater)
<b>Qualifying shareholding:</b>	No minimum KOR shareholding required to qualify for the priority
<b>Other priority entitlements:</b>	This entitlement is in addition to priority entitlement announced in 2007 (record date of 30 June 2007)

### **MEDIA RELEASE**

Korab directors wish to advise the market that they have received from Uranium Australia Ltd notification of additional priority entitlement for Korab shareholders in the IPO of Uranium Australia.

The new terms of the priority entitlement of Korab shareholders to participate in the IPO of Uranium Australia on the following terms:

- (a) Any shareholder being shown by the Korab's share registry as a holder of shares in Korab Resources at **5 pm Perth time on Wednesday 2<sup>nd</sup> April 2008 (the Record Date)** will have a priority entitlement to apply

ASX TRADING CODE  
**KOR**

SHARE INFORMATION  
45 million shares on issue  
Last share price: AU\$0.16  
Market capitalisation  
AU\$7.2 million



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for shares in the IPO of Uranium Australia on the basis of (whichever is greater):

1. **1 Uranium Australia IPO share for each 3 Korab Resources** shares held on Record Date; or
  2. such number of Uranium Australia IPO shares which has a IPO **subscription cost of \$2,000** at the IPO price (the IPO subscription price per share has not yet been determined).
- (b) There will be **no minimum** Korab shareholding required to qualify for participation in this additional priority entitlement.
- (c) This priority entitlement will be **in addition to and not in substitution** of the 1 for 3 Uranium Australia IPO priority entitlement for Korab shareholders announced to ASX in 2007.

An example of how to calculate the priority entitlement of a Korab shareholder to participate in Uranium Australia IPO follows:

*Korab shareholder who held 90,000 Korab shares on 30 June 2007 and who will hold 60,000 Korab shares on 2 April 2008 will have priority entitlement to apply for Uranium Australia IPO shares as follows:*

*90,000 / 3 = 30,000 shares; plus (30 June 2007 record date)*

*60,000 / 3 = 20,000 shares; (2 April 2008 record date)*

*a total of 50,000 Uranium Australia IPO shares.*

All Korab shareholders who will hold Korab shares on 2 April 2008 will be able to take advantage of this additional priority entitlement. There is no requirement for them to have held Korab shares continuously between the 30 June 2007 and the Record Date of 2<sup>nd</sup> April 2008.

My personal belief is that this is a very positive development for Korab shareholders because it will enable them or increase their participation in the IPO of Uranium Australia.

Consequently, this additional priority entitlement will allow Korab shareholders to retain a greater share of the value inherent in Uranium Australia's assets both, directly through their holding of Uranium Australia IPO shares, and indirectly through Korab's holding of Uranium Australia pre-IPO shares.

Furthermore, it will reward Korab shareholders who have shown their loyalty to the Company in the face of very difficult market conditions and continued to support our efforts despite severe delays in completion of the IPO of Uranium Australia.

Korab board has also been advised that further details of Uranium Australia IPO such as:

1. the amount to be raised under the IPO prospectus;

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2. the type of Uranium Australia IPO shares to be offered under the IPO prospectus (for example: fully paid shares or partly paid shares);
3. the price per share to be paid on initial subscription; and
4. the issue date of the prospectus;

are currently being finalised by Uranium Australia and will be provided shortly to Korab Resources for release to the market.

Regards

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

**For more information call:  
Andrej KCK Karpinski – (08) 9474 6166**

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