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MEDIA RELEASE

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Korab Resources limited which is listing on Wednesday 31st August, has announced that the offer of 15 million shares issued at 20 cents each has closed heavily oversubscribed. Korab has received approximately 700 applications from securities industry professionals, small investors, institutions and sophisticated investors.

According to Korab's Executive Chairman Andrej K. Karpinski, this indicates a strong appetite for well priced resource issues backed by quality projects and strong management teams.

The recent focus on uranium exploration and mining has helped to attract strong public interest to Korab's IPO. Korab's portfolio of projects includes U-515 prospect which adjoins the Rum Jungle uranium mine in the Northern Territory and the Batchelor Project further along strike from the mine.

The two projects provide Korab with access to a long stretch of the contact zone between Coomalie Dolomite and the Whites Formation. This contact hosts most of the uranium, gold and base metal mineralisation in the Rum Jungle area.

"We are very pleased with the result of the IPO and we have ensured that all small investors received allocations of shares to allow them to participate in this public offer" - Mr. Karpinski said.

Korab intends to rapidly move forward with its uranium exploration program to take advantage of very favourable conditions which are currently being experienced by this segment of the resources sector. Although 80% of Korab's projects are in WA, its focus on the NT is understandable given the recent statements by the Chairman of the company.

Karpinski has been critical of the WA state government policy on uranium mining in the state arguing that the exploration dollars will go where they can do most good for the share price. "A million spent on uranium exploration in WA will not add as much to the share price as the same amount spent on drilling in the NT. Jobs will follow the exploration dollars" - he has been quoted as saying.

In addition to accelerating this season's exploration program at U-515 and at Batchelor, which are both in the Northern Territory, Korab wants to increase the rate of progress at Melrose gold project in Western Australia.

Directors are currently reviewing different development options for the 306,000 ounce JORC compliant resource which combines three discrete deposits: Bungarra (87,000 ounces), Boundary (203,000 ounces) and Stirling (17,000 ounces). It is envisaged that a decision with regard to this matter will be reached within weeks.

Korab's shares will be trading under a code "KOR".

For immediate release

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