KORAB

ASX TRADING CODE: KOR

SHARE INFORMATION
ASX Listed Shares: 30.7m
ASX Share Price: AU$0.85
Market Cap.: AU$26.1m

FULLY DILUTED BASIS
Issued Shares: 45m
Market Cap.: AU$38.25m
Cash: AU$1.1m

ENTERPRISE VALUE
Enterprise Value: AU$37.15m
Resource: 306,000 oz
EV/oz resource: AU$121.41/oz
Market Cap./oz resource: AU$125/oz

Korab Resources Limited is a mining and exploration company based in Perth, Australia. Korab operates uranium, gold, zinc, copper, lead, cobalt, iron ore and magnesium projects in Western Australia and the Northern Territory.

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

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PO Box Z5447
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Wednesday, 31 January 2007

By Electronic Lodgement

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

MEDIA RELEASE

KORAB RESOURCES LTD SPIN-OFF- URANIUM AUSTRALIA LTD

HIGHLIGHTS

- **New company name: URANIUM AUSTRALIA LTD**
- **Assets to be transferred: 90% of uranium and thorium rights within Korab projects**
- **Projects included: Green Alligator, Hercules, Tank Well, Lohengrin, Maitland, Batchelor, Throssell, Melrose and other projects that Korab may acquire within the 2 month period following the transfer of uranium rights**
- **Projects cover over 15,000 square kilometres**
- **Projects location: Rum Jungle field in Northern Territory, Gascoyne region in Western Australia, Ashburton filed in Western Australia, Yilgarn Craton in Western Australia**
- **Best exploration results to date: a JORC compliant resource, large scale radiometric anomalies and geochemical anomalies grading up to 250,000 ppm uranium**
- **Korab to be issued 90,000,000 shares in Uranium Australia Ltd**
- **Upon distribution of the Uranium Australia Ltd shares received by Korab, Korab's individual shareholders are expected to receive between 1.61 and 2 shares in Uranium Australia Ltd for each share held in Korab Resources Ltd**

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URANIUM AUSTRALIA LIMITED REGISTERED

Korab Resources Ltd, a diversified exploration and mining company operating uranium, gold, zinc, lead, copper, cobalt, iron ore and magnesium projects announces that it has formed a wholly-owned subsidiary company called Uranium Australia Ltd which will hold the rights to uranium and thorium mineralisation within Korab Resources projects. Korab projects cover over 15,000 square kilometres in Northern Territory and Western Australia. In anticipation of the intended listing of Uranium Australia Ltd on ASX, the company has reserved an ASX listing code UAU.

URANIUM RIGHTS

It is anticipated that within the next 2 weeks Korab Resources will transfer to Uranium Australia Ltd 90% of its rights to any uranium and thorium mineralisation within its projects (the Rights). Projects included in the transfer are Green Alligator, Hercules, Tank Well, Lohengrin, Maitland, Batchelor, Throssell, Melrose and other projects that Korab may acquire within the 2 month period following the transfer of the Rights.

Korab will retain 10% free carried interest in the uranium and thorium rights until the bankable feasibility study (BFS) stage. Korab will have a right of first refusal to provide funding for the BFS and for the development of any uranium and thorium mineralisation within the projects included in the Rights transfer.

As consideration for the Rights transfer Korab will receive 90,000,000 shares in Uranium Australia Ltd. In addition, it is anticipated that Korab will receive cash payment of $3,500,000.

FREE SHARES FOR KORAB SHAREHOLDERS

It is anticipated that Korab will distribute majority of the shares received from Uranium Australia to Korab shareholders who will then receive between 1.61 and 2 shares in Uranium Australia Ltd for every share held in Korab Resources Ltd. The cut-off date for this entitlement has not been set. It is anticipated that the date will be finalised within the next few weeks.

PRIORITY ENTITLEMENT OF KORAB SHAREHOLDERS TO SUBSCRIBE FOR SHARES IN URANIUM AUSTRALIA IPO

It is anticipated that Korab shareholders will receive priority in subscribing for Uranium Australia shares issued under the prospectus as part of the IPO. The exact level of the entitlement is yet to be finalised but (as a guide) it is anticipated that each shareholder's entitlement will depend on the number of Korab shares held by that shareholder. It is further anticipated that the minimum holding of Korab shares required to qualify for the IPO entitlement will be not less than 1,000 shares in Korab Resources. It is anticipated that the details of this entitlement will be finalised and announced to the ASX within the next few weeks.

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Regards

Andrej C.K. Karpinski, FAICD, F Fin
EXECUTIVE CHAIRMAN

Note:

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, who is an independent geological consultant and is a corporate member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle has in excess of 5 years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Malcolm Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For more information call:
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