



KORAB RESOURCES LIMITED

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Thursday, 21 April 2011

MELROSE GOLD MINES (MGH) LODGES ITS IPO PROSPECTUS

Korab has been advised by Melrose Gold Mines Limited (MGH) that it has lodged today its IPO prospectus which can be downloaded from MGH website. A link to MGH website is located on the home page of Korab website at www.korabresources.com.au

MGH holds large number of gold projects at various stages of development and exploration located in Western Australia and the Northern Territory. The most advanced of these is the Melrose project which has gone through the scoping study stage and where MGH plans to complete definitive feasibility study within 12 months from listing on ASX. Other advanced projects are Wonganoo and Darlot East prospects where previous drilling has discovered gold mineralisation. For a map showing location of all projects please see map on page 4.

Korab holds approximately 100 million shares in MGH. These shares will be distributed in specie to Korab shareholders within 6 months from the listing of MGH on ASX. This distribution has been approved by Korab shareholders at an EGM which was held in July 2010.

MELROSE GOLD MINES (MGH) IPO PRIORITY OFFER

Korab shareholders wishing to apply for MGH shares to be issued under the IPO prospectus will have priority ahead of other applicants. The priority IPO ratio has been determined as greater of \$2,000 worth of MGH shares, or 1 MGH IPO share for each 6 Korab shares. Korab has approximately 1,460 shareholders, including 1,300 shareholders who hold fewer than 60,000 Korab shares each. These shareholders will be entitled to apply for 10,000 MGH IPO shares each (or \$2,000 worth of MGH shares per shareholder). In aggregate this represents approximately 13 million MGH shares. The remaining Korab shareholders who hold in aggregate approximately 68 million Korab shares will be entitled to apply for approximately 11.3 million MGH shares. In total, Korab shareholders will be able to apply on priority basis for approximately 24.3 million shares in the IPO of MGH. MGH plans to issue between 25 and 27 million shares at 20 cents each to raise between \$5 million and \$5.4 million. Consequently, should all Korab shareholders decide to take advantage of their priority offer, it is possible that a small number of IPO shares would be left available for non-Korab investors. The Record Date for the determining Priority Entitlement of Korab shareholders has been set as 6 May 2011.

PROGRAM OF WORKS

MGH has received approvals for drilling programs at the Melrose and Wonganoo gold projects in Western Australia. Melrose program will consist of diamond to be drilled within Boundary, Bungarra and Hurleys deposits which contain JORC code mineral resource of 340,000 ounces in measured, indicated and inferred categories. Wonganoo program will consist of RC holes within Freemans and Eclipse gold prospects where gold mineralisation has been previously discovered by shallow drilling. Previous drilling at Freemans has discovered gold mineralisation over wide intercepts grading between 10 and 233 g/t Au x meters Au, including 2 holes grading between 40 and 233 g/t Au x meters, 4 holes grading between 20 and 40 g/t Au x meters and 13 holes grading between 10 and 20 g/t Au x meters. For details and location please see diagram on page 5. MGH will also drill test using RC drilling gold anomaly discovered by previous sampling and shallow drilling at Darlot East located just 3 km east of the Darlot Centenary gold mine. For details and location of Darlot East project please diagram on page 4.

Melrose Gold Project (Eastern Goldfields, WA)

Uranium Australia 90% of uranium, Melrose 10% of uranium and 100% of all commodities other than uranium.

- Mineral resource of 340,000 ounces AU in measured, indicated and inferred categories
- Deposits are located on granted mining leases

ASX
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- Mineralisation open at depth and along strike

Melrose gold project is located in the Eastern Goldfields of Western Australia and contains a JORC code compliant resource of approximately 340,000 ounces of gold in measured, indicated and inferred categories (see table below).

JORC Code compliant resource at Melrose (Above 0.5 g/t cut-off)

Category	Zone	Ore Mass (t)	Grade (g/t)	Ounces
Measured	Boundary	652,154	1.73	36,262
Indicated	Boundary	2,662,763	1.73	148,506
Inferred	Boundary	703,209	1.36	30,822
	Bungarra	2,144,332	1.56	107,385
	Stirling	404,000	1.31	17,000
TOTAL RESOURCE		6,566,458	1.61	339,975

MGH has received approvals for a drilling program at Melrose project. This program will consist of diamond holes to be drilled within Boundary, Bungarra and Hurleys deposits. The aim of the program is to improve resource classification, test for extensions to known resource and to provide samples for metallurgical and geotechnical studies necessary for pit and process design. All necessary equipment and personnel are currently on stand-by and the program will commence either just prior to the listing of MGH on ASX or immediately after.

Wonganoo Project (Eastern Goldfields, WA)

Melrose 100% of gold, Uranium Australia 100% of all commodities other than gold.

- High grade zone of gold anomalism extending over 1.5 km confirmed by shallow drilling and soil sampling

At Wonganoo project (adjoining the Melrose project) a wide zone of soil gold anomalism has been drilled to assess potential for additional resource in proximity to the Melrose gold deposits. This drilling program has discovered **high grade gold mineralisation at Freemans which is extending over 1.5 km strike length with similar tenor to the nearby Bronzewing gold mine**. Following the closing of its IPO prospectus, MGH will commence reverse circulation (RC) drilling program to test this target (and the nearby Eclipse target) at depth. The Wonganoo RC drilling program is to be run in conjunction with the diamond drilling program at the nearby Melrose project and will commence either just prior to the listing of MGH on ASX or immediately after.

Ashburton Downs Project (Pilbara, WA)

Melrose 100% of gold, Korab 10% of uranium and 100% of all commodities other than gold and uranium, Uranium Australia 90% of uranium.

- Porphyry and hydrothermal gold and copper mineralisation
- Rock-chip samples assay up to 29 g/t
- Target anomalies extending over 27 km strike and are associated with a major fault
- Largest target anomaly is 10km by 3 km

MGH and Korab intend to commence following the closing of MGH's IPO prospectus Mobile Metal Ion (MMI) sampling program at the Ashburton Downs copper/gold project where MGH owns 100% rights to gold. Ashburton Downs project where Korab and MGH have a joint venture, is located in the Pilbara in Western Australia and has potential for hydrothermal gold and copper mineralisation associated with four large-scale alterations suggesting widespread hydrothermal activity. These alterations extend over a distance of 27 km. The largest of the anomalies has a surface expression of 10 km long by up to 3 km wide and is associated with a major fault structure. Past exploration has been limited to evaluation of the small area located in the vicinity of multiple outcropping gossans. Rock chip values from this area ranged up to 29 g/t gold. Diamond drilling in the

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vicinity intercepted volcanic hosted sulphides assaying up to 1.3% copper in multiple holes. All holes intersected ore minerals containing ankerite, chalcopyrite and pyrite. Rock-chip samples collected from nearby gossan/quartz vein assayed up to 10% copper. Diagrams showing anomalies and the locations of the samples are attached on page 4. Similarly to the Melrose project drilling program, all necessary equipment and personnel required for this MMI sampling program are currently on stand-by and the program will commence either just prior to the listing of MGH on ASX or immediately after.

Darlot East Project (Eastern Goldfields, WA)

Melrose 100% of all commodities.

- Wide zone of gold anomalism conformed by first-pass drilling and lag sampling indicates potential for structurally controlled deposits formed synchronously with the 3 million ounce Darlot gold deposit located just 3km due west

Another gold exploration project is Darlot East project located near Leinster in the Eastern Goldfields. The project is located just 3 km east of the Darlot and Centenary gold mines. At the Darlot East project independent consultants have identified exploration targets for structurally controlled deposits that formed synchronously with the 3 million ounce Darlot gold deposit. Previous work which included first-pass drilling, rock-chip and soil sampling has confirmed a wide zone of gold anomalism. This target will be drilled in conjunction with the Melrose diamond drilling and Wonganoo RC drilling programs and will commence either just before or after listing of MGH on ASX

Rum Jungle Projects (Pine Creek, NT)

Melrose 100% of gold, Korab 10% of uranium and 100% of all commodities other than gold and uranium, Uranium Australia 90% of uranium.

- Massive auriferous pyrite with drill intercepts of 7.1m at 45.2 g/t Au, 11m at 12.1 g/t Au, Au
- Two other anomalies present within 10 km distance with drill intercepts of 11 meters at 6.4 g/t Au, 7m at 8.53 g/t Au, 12 meters at 2.98 g/t
- Several geochemical anomalies that have not been drilled indicate wide-spread gold mineralisation

Other MGH exploration projects are located at Rum Jungle within the Pine Creek orogen in the Northern Territory. Rum Jungle projects include the Sundance gold mine where shallow oxidised ore was removed for toll treatment in a relatively high grade open-cut operation with a mined grade of 10.7 g/t gold. Primary ore which was intersected in drilling below the open-cut pit comprises massive auriferous pyrite. Drill samples below the pit include **7.1 meters at 45.2 g/t Au** and **11 meters at 12.1 g/t Au**. Sundance is located on granted mining leases. Drill samples from the area to the east of Sundance pit include intercepts of **11 meters at 6.4 g/t Au**, **7 meters at 8.53 g/t Au**, **12 meters at 2.98 g/t Au** and **7 meters at 2.56 g/t Au**. This and other targets at Rum Jungle projects will be drilled within 6 months after the listing of MGH on ASX.

CONTACT

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ABOUT KORAB RESOURCES LIMITED

Korab Resources Ltd is an Australian mining and exploration company based in Perth with operations in Australia and Europe. Korab's quarrying and mining projects include rock phosphate and magnesium. The company also manages exploration projects in Western Australia and the Northern Territory. More information about Korab's projects can be sourced from our website at www.korabresources.com.au Korab's shares are listed on Australian Securities Exchange (ASX) and trade on Australian Securities Exchange (ASX) and on the Berlin Stock Exchange (Berliner Börse).

Competent Person: The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Hawker, who is an independent geological consultant and is a member of The Australasian Institute of Mining and Metallurgy. Andrew Hawker has in excess of 5 years experience which is relevant to the style of mineralisation and type of deposit under

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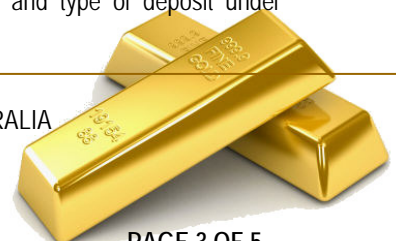
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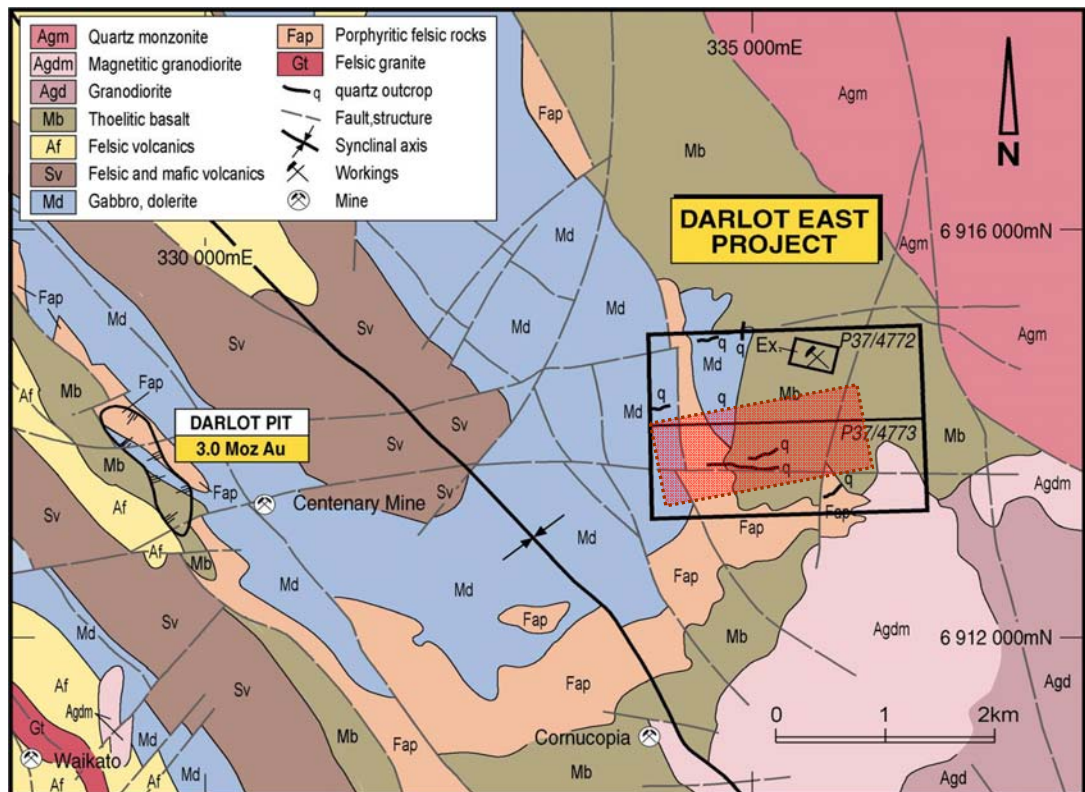
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consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Andrew Hawker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Melrose Gold Mines Limited (MGH) Project Locations



Darlot East Project – RC drill ready targets (red shaded rectangle) associated with high grade gold samples from quartz veins and gold anomalies discovered by shallow drilling

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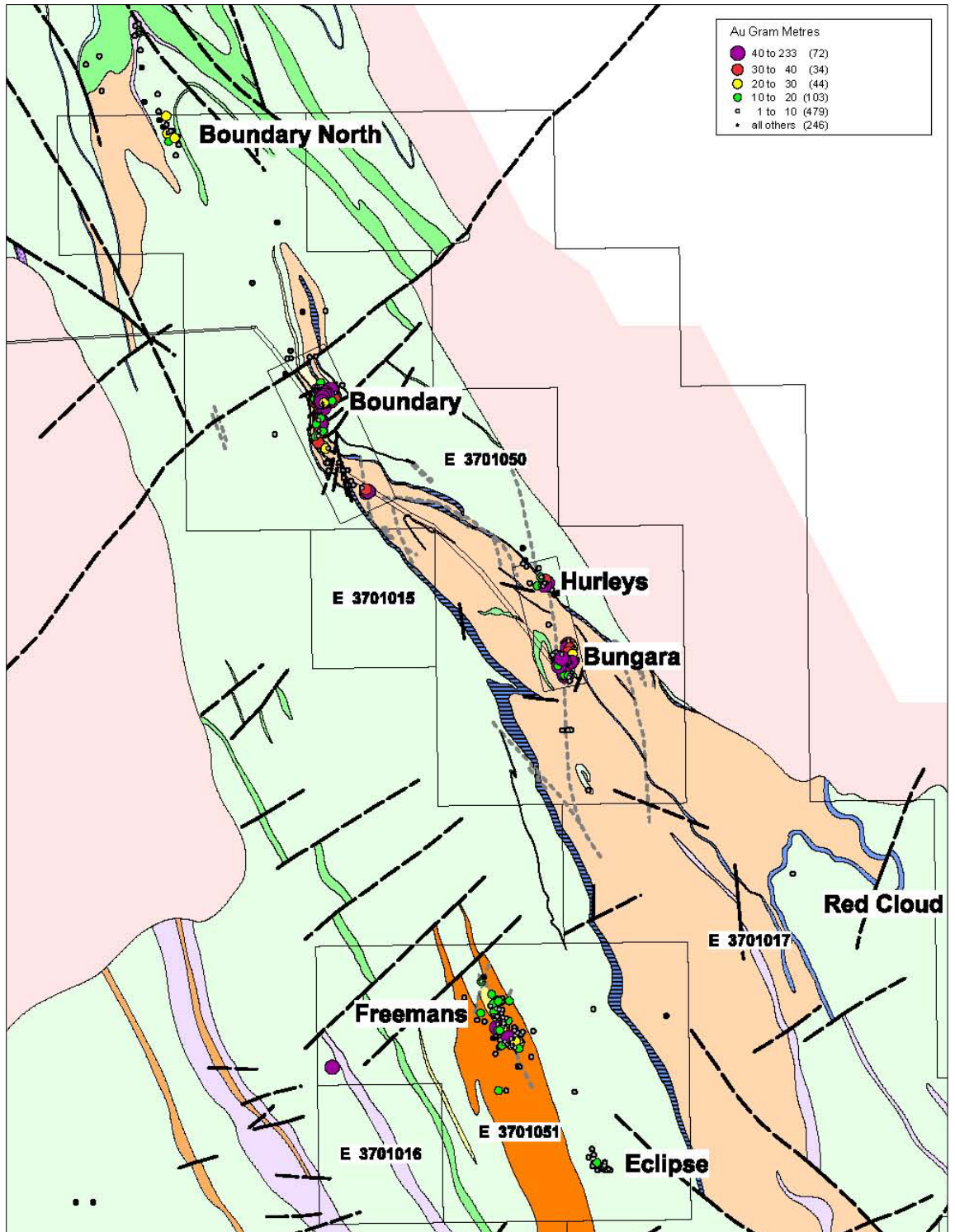




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Melrose and Wonganoo Projects - Drill hole locations showing gold mineralisation (grams per tone Au x meters)

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