



KORAB RESOURCES LIMITED

KORAB HOUSE

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Tuesday, 3 April 2012

LOYALTY OPTION ISSUE

Korab Resources Limited (ASX:KOR, "Korab" or "the Company") is pleased to confirm that the Board has resolved to offer all shareholders of Korab a loyalty option. The loyalty option will be offered on the basis of 1 loyalty option for every 3 Korab shares held on the record date, at a price of 0.5 cents per loyalty option. The loyalty options will have an exercise price of 25 cents per share and will expire two years from date of issue.

Korab will apply to the ASX for quotation of the loyalty options once issued. The record date will be in accordance with the timetable as required by ASX but in any case no earlier than 6 days after the date of dispatch of the prospectus. Korab expects to dispatch the prospectus to shareholders in May 2012.

Confirmation of the offer of loyalty options follows the recent successful \$1.78 million placement announced on 23 March 2012, which highlighted the Directors intention to offer loyalty options following completion of the placement. Korab will principally apply the proceeds of the placement to advance mining and exploration activities at Company's projects, alongside the additional objectives outlined in the 23 March 2012 announcement, including debt reduction and working capital.

Korab Executive Chairman, Andrej Karpinski, said that the loyalty option offer was intended to give existing shareholders an opportunity to participate in future company upside, as well as provide a platform for potential future development funding.

"I am very pleased to be able to offer these loyalty options to existing shareholders, at a minimal entry price. The Board felt this was an excellent opportunity to reward current shareholders, whilst also potentially raising a significant level of funds in future, should these options be exercised," said Mr Karpinski.

Funds raised from the option issue will be used to cover the cost of the offer and to supplement general working capital. Shareholder approval for the issue is not required, as the offer is made on a pro-rata basis to all shareholders.

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FOR FURTHER INFORMATION, CONTACT:

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