



KORAB RESOURCES LIMITED

ERL 134

FINAL REPORT Incorporating Year 15 Annual Report

Period: 11 October 1994 to 2 October 2009

BATCHELOR PROJECT BATCHELOR Northern Territory

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for**

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REFERENCES

- Anon (1997) Third Annual Report ERL 134
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- Robinson, S.H. (2004) Tenth Annual Report ERL 134
Ausmet Resources Limited
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SUMMARY

ERL 134 has had a 15 year tenure during which time 4 different companies have owned the tenement. The ERL was originally granted to Giants Reef Mining Limited to cover a series of base metal prospects the main ones being White Bomb, Occidental and CRAE. A total of \$401,643 was spent during the fifteen year term.

The tenement was relinquished by Korab Resources Limited in 2009 as an ERL form of tenement was no longer considered warranted.

1 INTRODUCTION

This document is the Final Report for Exploration Retention License (ERL) 134 covering the 15 year period from 11 October 1994 to 2 October 2009 incorporating the Annual Report for Year 15 for the period 11 October 2008 to 2 October 2009

The tenement had four different operators during that period: Giants Reef Exploration Pty. Ltd., Savanna Mineral Resources Pty. Ltd., Ausmet Resources Limited and Korab Resources Limited.

2 TENEMENT STATUS

ERL 134 was originally granted to Giants Reef Exploration Pty. Ltd on 11 October 1994 for five (5) years. That company applied for the 9.68 square kilometer area to cover significant base metal mineralization discovered on its precursor EL 7366.

Ownership of ERL 134, along with other adjoining and nearby tenements, changed hands to Savanna Mineral Resources Pty. Ltd. (Savanna) in 1995. Ausmet Resources Limited (Ausmet) carried out work under a Joint Venture Agreement in 2003 before Korab Resources Limited (Korab) began work under a Joint Venture Agreement in 2004 and had the tenement transferred to it in April 2008.

Various renewals were applied for during its tenure and the size of the ERL remained the same throughout its 15 year life.

Korab decided to relinquish the ERL in 2009 and reapplied for the same ground as ELA 27683 on 2 October 2009.

3 LOCATION

ERL 134 is located approximately 70km southeast of Darwin and 8km east of the township of Batchelor. The ERL's centroid is at approximately 13° 04' S, 131° 06' E (WGS 84 726000E, 8554500N).

The tenement is accessible south off Crater Lake Rd. to meet the east-west base line on 8555600N, as well as south along the west side of the new Alice Springs/Darwin rail corridor to a point east of the White Bomb prospect then along old tracks established in the mid 1990s.

4 GEOLOGY

ERL 134 falls within the Rum Jungle Uranium Field (RJUF) of the Pine Creek Orogen and is underlain by the Early Proterozoic, Mount Partridge and South Alligator stratigraphic Groups.

More specifically recent NTGS government mapping shows the tenement to be underlain by the following units as listed:

Ppw	Wildman Siltstone
Ppa	Acacia Gap Quartzite
Psg	Gerowie Tuff
Psk	Koolpin Formation
Pso	Mt Bonnie Formation
Pdz	Zamu Dolerite

Figure 2 shows the ERL 134 on a geology base. Similarly Figure 3 is of the ERL with air magnetic base. Figure 4 is on a radiometric base.

5 PREVIOUS EXPLORATION

Several phases of exploration have taken place in the general area of ERL 134. The best summary is in Byrne, D.H. (1996) in which Consultant Geologist John Goulevitch has contributed a section.

6 EXPLORATION PROGRAM AND TARGETS

The RJUF is prospective for the following commodities: uranium, copper, cobalt, nickel, zinc, lead, silver, gold, phosphate, magnesium and platinum/palladium.

Over the years ERL 134 has been shown to have prospectivity for zinc, lead and silver with minor values in copper, cobalt, nickel and gold. The various companies that have held this tenement during its tenure have concentrated on its zinc, lead and silver potential.

7 METHODS

The four companies that have been active on ERL 134 over the fifteen years have employed all modern methods of exploration:

- Airborne geophysics including magnetics and radiometrics were used by two of the companies.
- Conventional ground geophysics plus gravity were used.
- Stream sediment sampling including BLEG, were employed in the earlier years.
- Surface Rock chip sampling and costean channel sampling, the latter where trenches were put across recognised gossans, were used.
- Various types of drilling were used; RAB for reconnaissance, RC for follow-up and diamond drilling for deeper testing of anomalous zones.
- Conventional assaying for base metals silver and gold were carried usually using Darwin laboratories.
- Thin section petrography was used to identify alteration types and the mineralogy of core specimens.

The reader is referred to the individual company annual reports as listed in Section 8 of this report chronologically.

8 WORK DONE AND RESULTS

As mentioned earlier, ERL 134 was applied for by Giants Reef in 1994 to cover anomalous zinc-lead-silver mineralization that had been identified within EL 7366. There are several reports by P.S.Simpson for Giants Reef that describe these earlier discoveries, but are not referenced in this report.

The following sections, in chronological order, summarise the work done and results obtained for each year. More detailed information is available in the annual reports referenced for each year.

8.1 Year 1 (1994-1995)

Year 1 of ERL 134 activities reported in Byrne, D. H.(1996) includes a detailed section on geology and mineralisation by Consultant J. Goulevitch who describes the stratigraphic correlation of the White Bomb, Occidental and CRAE prospects along with comparisons to the Woodcutters Orebody.

This years work included diamond drilling (WBD7) that tested for structure controlled mineralisation as opposed to stratabound mineralisation as per the previous years work. Reported expenditure was \$42,174.

Giants Reef downgraded the various prospects on ERL 134 as a result of drilling and sold the ERL tenement to Savanna Minerals.

8.2 Year 2 (1995-1996)

Savanna's first years activities consisted mainly of an aero magnetic survey that was carried out by World Geoscience. This is reported on in Walsh, J. F. (1996) and covered other nearby tenements held by Savanna. Reported expenditure was \$40,732.

8.3 Year 3 (1996-1997)

In Year 3 of tenure, Savanna carried out a large program of soil and rock chip sampling as well as 5 RC drill holes at White Bomb following up on Giants Reef work. Details are reported on in Anon (1997). Reported expenditure was \$116,310.

8.4 Year 4 (1997-1998)

In Year 4 Savanna compiled all previous work on to standard 1:10,000 sheets. Three RC drill holes put down at White Bomb (BRC9, 10 and 11). Details are reported in Uren, B.J. (1998). Reported expenditure was \$24,397.

8.5 Year 5 (1998-1999)

Year 5 consisted of no field work on ERL 134 as Savanna was preoccupied with magnesite exploration on adjoining tenements. Additional compilation of geochemical data was done. Details are reported in Uren, B.J. (1999). Reported expenditure was \$5,198.

8.6 Year 6 (1999-2000)

Savanna acquired reprocessed air magnetic data from the NTGS covering ERL 134 and contiguous ground. Further rock chip sampling at the Occidental Prospect and preparation for drilling at the White Bomb Prospect. Details are reported in Uren, B. J. (2000) Reported expenditure was \$5,105.

8.7 Year 7 (2000-2001)

Savanna completed 4 drill holes at the Occidental Prospect and 3 holes at White Bomb. Results were not encouraging. Details are shown in Robinson, S.H. (2001). Reported expenditure was \$49,827.

8.8 Year 8 (2001-2002)

No field work was done during this year. A detailed compilation and review of data was completed for presentation to prospective joint venture partners. Details are shown in Robinson, S.H. (2002). Reported expenditure was \$23,345.

8.9 Year 9 (2002-2003)

No field work done. Savanna continued to pursue joint venture possibilities. Details reported in Robinson, S.H. (2003). Reported expenditure was \$31,599.

8.10 Year 10 (2003-2004)

Savanna enters into an agreement with Ausmet Resources Limited. Detailed review and field inspection by Ausmet. Details reported in Robinson, S.H. (2004). Reported expenditure was \$35,215.

8.11 Year 11 (2004-2005)

Ausmet farm out ERL 134 to Korab Resources Limited in early 2005. Freehold land owner fences off his property and makes access difficult for Korab personnel. No field work completed. Details reported in Jordan, J. (2005). Reported expenditure was \$4,700.

8.12 Year 12 (2005-2006)

No field work done due to access problems. Major digital compilation of all data was commenced by Korab. Details in Karpinski, A. (2006). Reported expenditure was \$9,682.

8.13 Year 13 (2006-2007)

Several field visits by Korab personnel but no substantial work carried out. Major job of digitising all previous data continued. Details listed in Mudrovska, I. (2007). Reported expenditure was \$10,859.

8.14 Year 14 (2007-2008)

Still no field work as freehold land owner does not allow access. Korab files a Complaint with Mining warden to solve the problem. Details reported in Mudrovska, I. (2008). Reported expenditure was \$2,500.

8.15 Year 15 (2008-2009)

Korab, with advice from Mines Department, decides to proceed with non substantial exploration in spite of continuing access problems with land owner. Consultant geologist J. A. Earthroll of SilDol Pty. Ltd. proceeds with limited program of sampling as part of ongoing program on contiguous tenements.

8.15.1 Rock Chip Sampling

Fig 5 shows the location of 22 rock chip samples collected from the prospective stratigraphy along the northern and western boundary of the ERL. Appendix 1 lists the details of these rock chip samples with their coordinates.

8.15.2 Assaying

Assays of the 22 samples are shown in App 2.

9 CONCLUSIONS

The various companies that have held the ERL tenement over the fifteen years have recognised the base metal anomalism of the stratigraphy but have not clearly established the origins of the mineralisation.

The White Bomb, Occidental and CRAE prospects are all within the Wildman Siltstone Group but their mineralisation controls remain unidentified. The Zn-Pb-Ag mineralisation appears spatially related to the dolerite sill/dyke identified in drill holes but whether that basic rock or structure controls the mineralisation is not clear.

Drilling by Giants Reef and Savanna at these prospects was well formulated and it is unlikely a large body of Zn-Pb-Ag is present.

10 RECOMMENDATIONS

Korab decided to relinquish the ERL as there was no good reason to maintain such an expensive type of tenement in view of the results of drilling by other companies on the prospects in the ERL.

Other parts of the stratigraphy within the area of ERL 134 remain as having potential for base metal mineralisation. An EL (ELA 27683) has been applied for by Korab covering the ground that used to be ERL 134.

11 EXPENDITURE

11.1 Expenditure Years 1 to 14

The individual years expenditure are shown in sub - Sections 8. These total \$401,643 over the 14 year period.

11.2 Expenditure Year 15 (Attached)

Figure 1 Location of ERL 134 on Cadastral Base

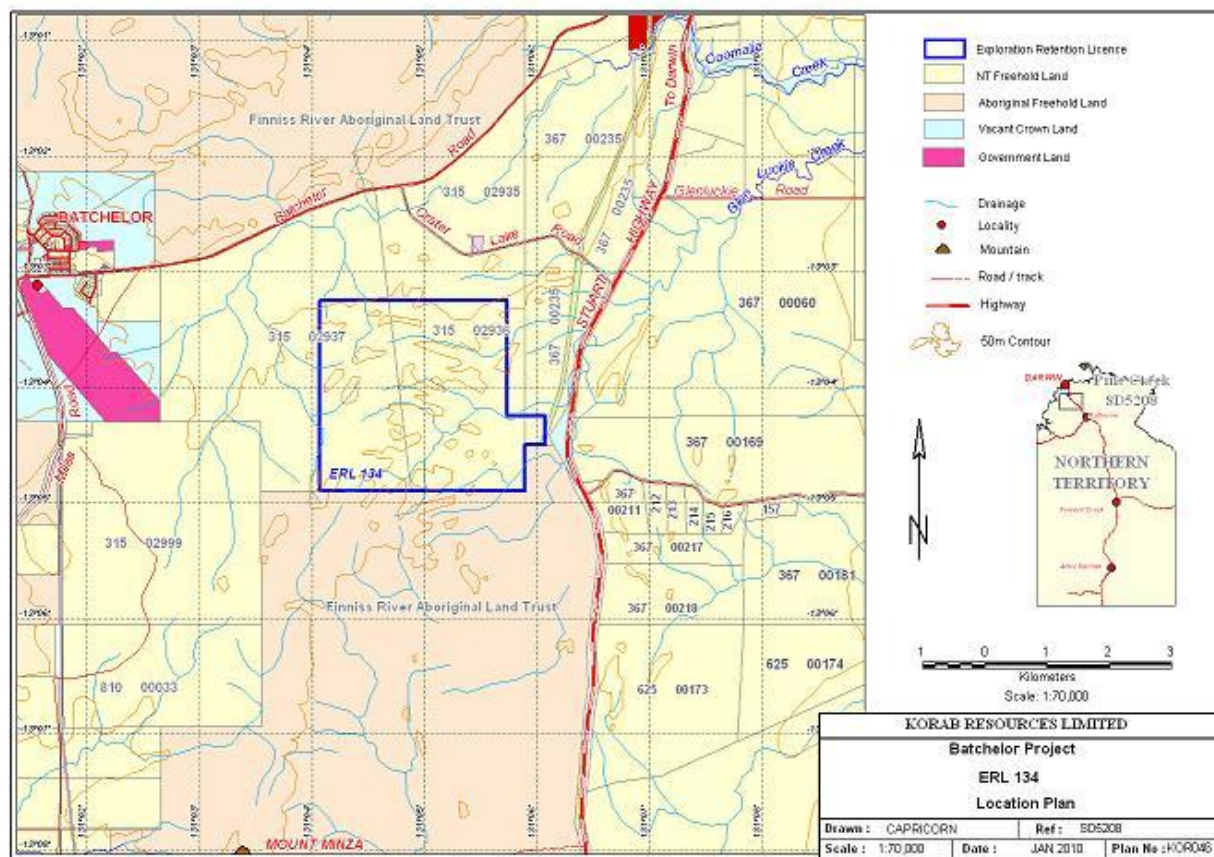


Figure 2 ERL 134 on Geology Base.

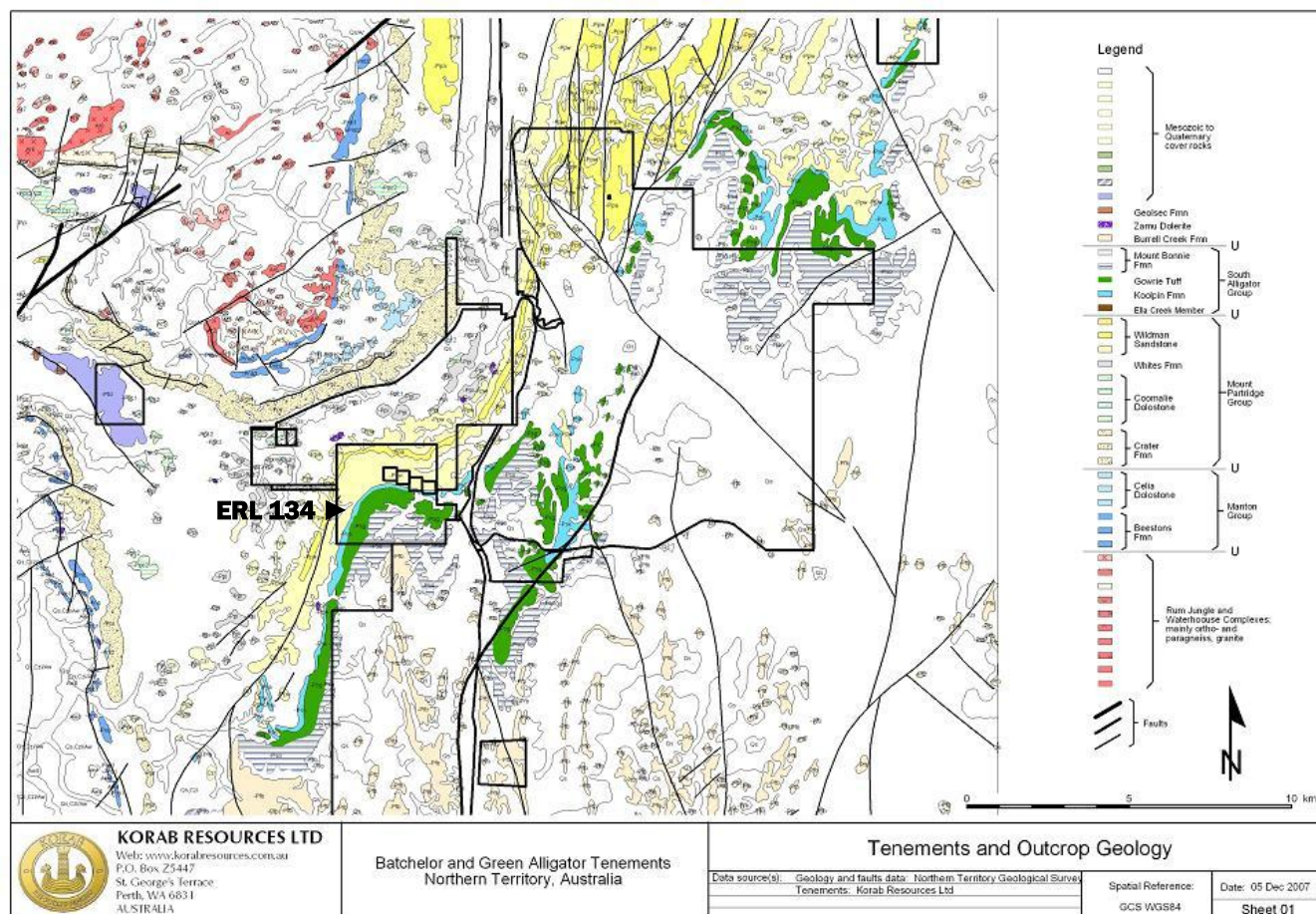


Figure 3 ERL 134 on Air Magnetics Base

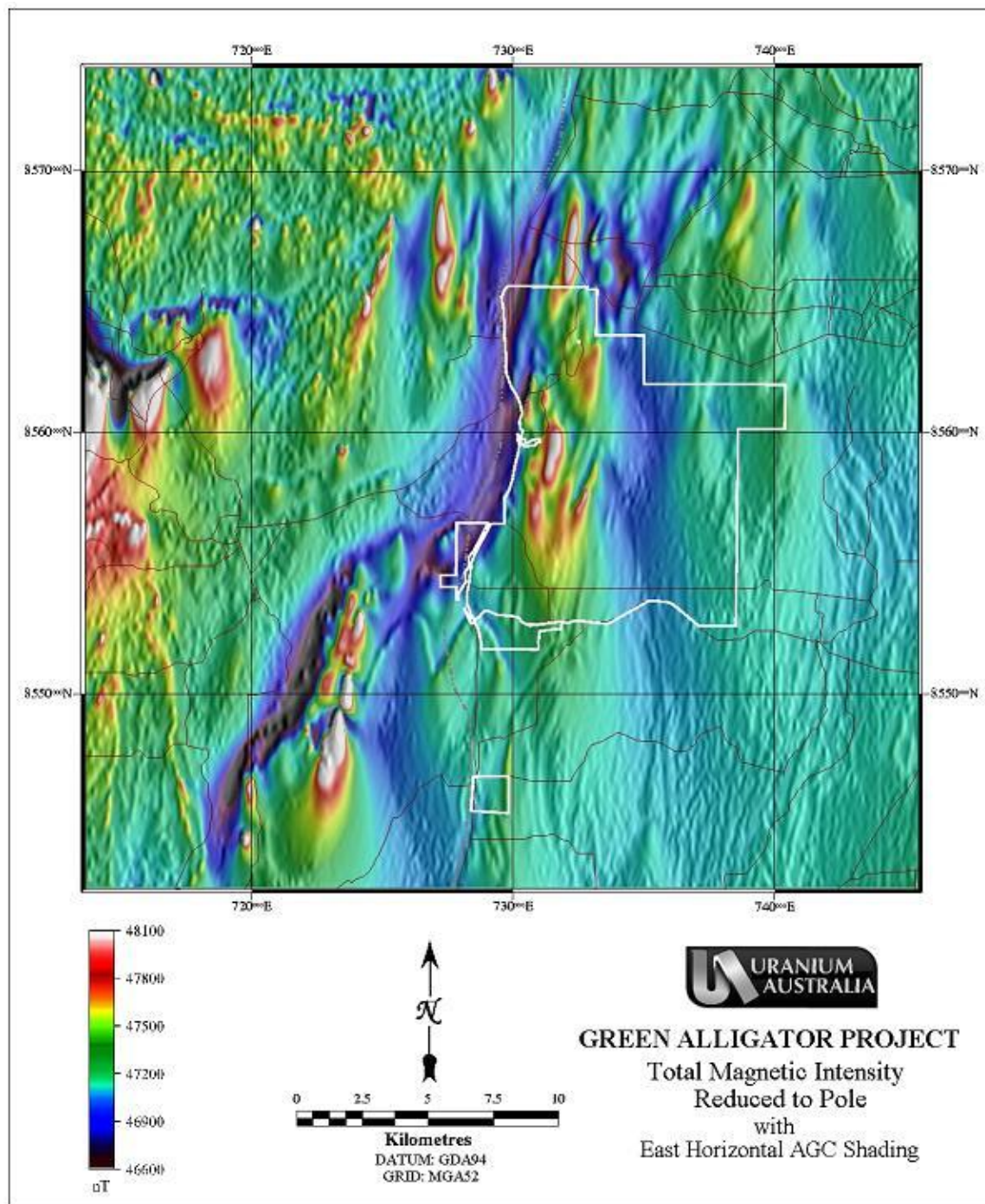


Figure 4 **ERL 134 on Air Radiometrics Base**

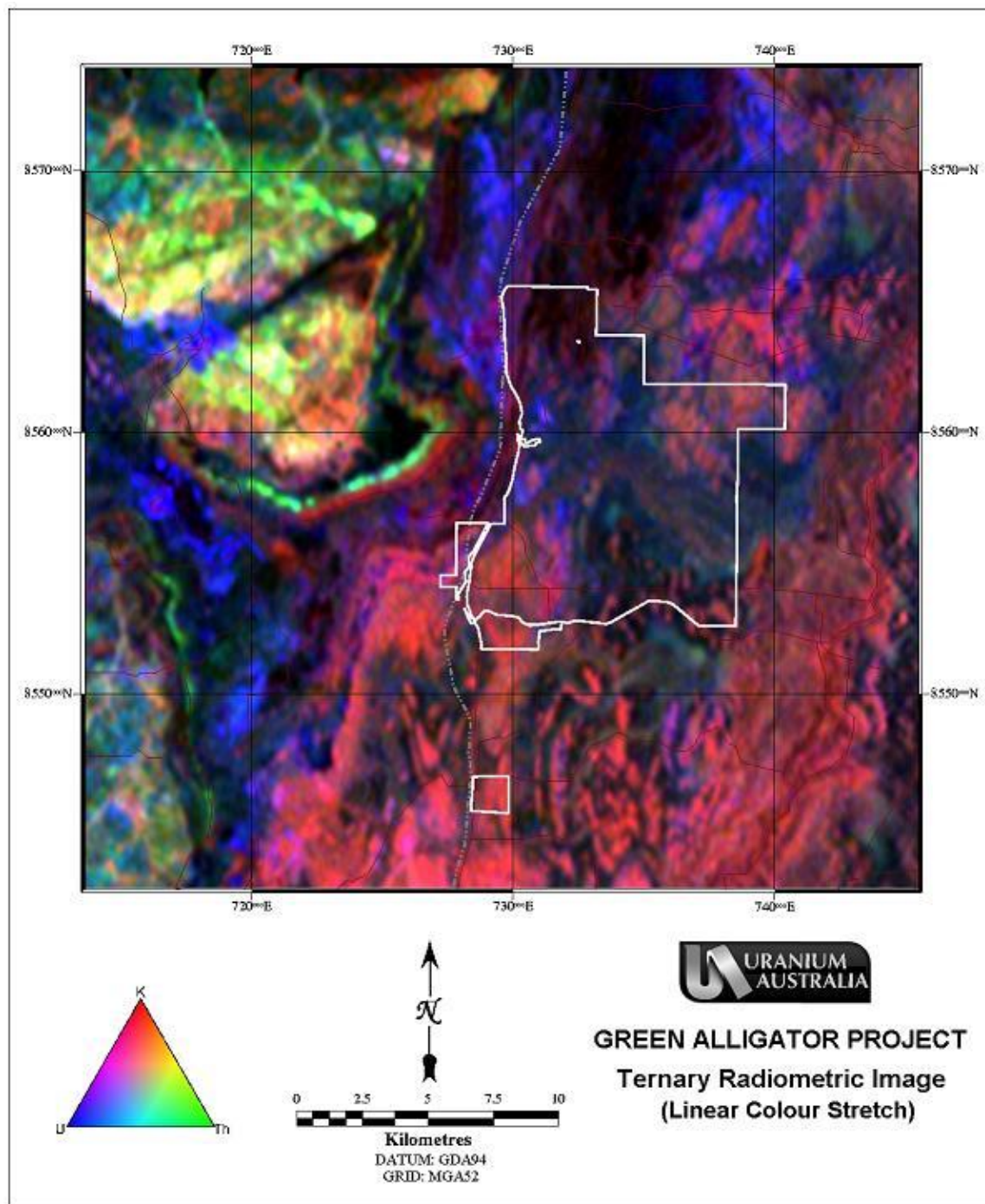


Figure 5 **ERL 134: Year 15 (2009) Rock Sample sites**

