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APPENDICES

Appendix 1  RC Drill Logs: Field Sheets: KORC10-005,006.
Appendix 2  RC Drill chip sample assays: NT22248 (Samples 13632-13651)
Appendix 3  Spreadsheet: Sample data, geology and assays.
SUMMARY

During the year two RC holes were drilled on the EL targeting a small outcrop of Mount Deane Volcanics. No significant mineralisation was intersected.

1. INTRODUCTION

This document is the Fifth Annual report for Exploration Licence 25136. It covers the period 12 September 2010 to 11 September 2011.

The tenement comprises part of Korab Resources Ltd.’s Green Alligator Project in the Batchelor area of the Northern Territory, Australia.

2. TENEMENT STATUS

EL 25136 was granted 100% to Korab Resources Ltd. on 12 September 2006. EL 25136 consists of 3 sub-blocks totaling 1.59 km².

A waiver of reduction was once again applied for during the year and granted, allowing Korab Resources to retain the entire length of their prospective stratigraphy.

3. LOCATION

EL 25136 is located approximately 88 kms south of Darwin, west of and contiguous with the Stuart Highway, just south of the Batchelor turnoff as shown on Figure 1.

EL 25136’s centroid is at approximately 13º 2´ S, 131º 7´ E (WGS 84); UTM 729800E, 8558800N.

4. GEOLOGY

EL 25136 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 as shown on Figure 2.

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

Ppw Wildman Siltstone
Ppa Acacia Gap Quartzite
Ppd Mount Deane Volcanic Member

Mudrovska (2008) describes in considerable detail the distribution of various metal prospects in the near vicinity of EL 25136.
5. **PREVIOUS EXPLORATION**

EL 25136 has been covered by a number of exploration licences in the past. In the 1970s and 1980s Uranerz Australia Ltd and Minad had a joint venture in the area. Their target was uranium mineralisation as known at Whites / Dysons in the Embayment Area of the RJUF.

As the area of EL 25136 did not include either the Coomalie Dolomite or Whites Formation, no detailed work was done on the ground as they were the only stratigraphic units targeted in that era.

More regional exploration by other companies has been described in Year 1 and 2 Annual Reports.

6. **EXPLORATION PROGRAM AND TARGETS**

The RJUF is prospective for the following commodities: uranium, copper, cobalt, nickel, lead, silver, gold, phosphate, magnesium and platinum/palladium and these remain targets on EL 25136.

In 2008 Korab, along with the sampling of other stratigraphic units, took several samples from the very weathered outcropping Mt Deane Volcanic Member alongside the Stuart Highway.

Several of these samples returned values well over 1000ppm Ni, with a maximum of 1730ppm as revealed by assay results of 2008 samples.

In 2009 a further 99 rock chip samples were collected corroborating the Ni anomalism and defining the stratigraphic continuity of the Mt Deane Volcanic unit as shown on Figures 4 and 5.

The Mt Deane Volcanic Member of the Wildman Siltstone has therefore been targeted for systematic sampling including drilling. On EL 25136 this stratigraphic unit outcrops well but much of it falls inside AAPA Restricted Work Areas rendering the best drill targets unavailable as shown on Figure 3.

7. **METHODS**

The field distribution of the target Mt Deane Volcanics on EL 25136 is difficult to follow because its outcrops are often hidden under the talus slope of the adjoining Acacia Gap Tongue quartzite unit which is ridge forming.

Outcrop/suboutcrop and rubble can only be located by difficult traversing up and along the talus slopes.
7.1 Drill Site Preparation

The drill sites proposed for EL 25136 in the original EAMP draft had to be changed due to being within an AAPA Restricted Works Area. The new sites were inspected in the field by DoR staff and approved for use. To minimise affecting the environment and WW11 sites, the company carefully selected routes using existing tracks from WW11 activities and/or previous explorers to access the two drill sites.

7.2 RC Drilling

7.2.1 Drilling

Drilling was carried out by local contractor, Geodrilling, based in Batchelor. Their rig was a Schramm 1000.

7.2.2 Sampling

Routine 1m chip samples were collected from a splitter after passing through a cyclone. Representative 2kg samples were collected in prenumbered calico bags. The remaining sample left on site in green plastic. First pass assaying was done on 6m composite samples collected from the green plastic bags.

7.2.3 Scintillometry

A handheld RS-125 Radiation Solutions scintillometer/spectrometer was used to scan each 1m green bagged sample with TC value recorded on the log sheet.

7.2.4 Magnetic Susceptibility

A magnetic susceptibility meter was used to scan each green bagged sample where possible. In many cases a reading could not be taken as the sample was too finely ground to give the required contact with the “Mag-Susc” meter.

7.3 Assaying

All assaying of Korab’s samples continue to be done at the Northern Territory Environment Lab (NTEL) in the Darwin Business Park.

In the case of chip samples from the 2010 RC drill holes assaying was only done for Au, Co, Cu, Ni, Pb and Zn.
7.4 EAMP (MMP) Maintenance

As required by NT legislation, Korab Resources Ltd had submitted a comprehensive Exploration Activity Management Plan (EAMP) covering the planned drilling on EL 25136 as well as drilling on other nearby tenements.

7.5 Land Owner Liaison

The freehold land under EL 25136 was the subject of a contested will during the year. This delayed Korab’s field activities as the company was obliged to deal with the Public Trustee for permission to access the freehold. This matter was resolved in time to complete the drilling in November 2010.

7.6 Contractor Negotiations

Local, Batchelor-based earthmoving and drilling contractors were approached to quote on the necessary track and drill site preparation and drilling itself.

7.7 Drill Site Rehabilitation

Track and drill sites were rehabilitated following DoR guidelines as shown in the EAMP submitted to the Department.

8 WORK DONE AND RESULTS

8.1 Drill Site Preparation

As the initial chosen drill sites could not be used due to an AAPA Restricted Work Area covering the target, Korab was obliged to choose alternative sites further south as shown on Figure 6. These second sites were inspected and approved by DoR staff.

Site access was chosen to avoid WWII relics as were the two drill sites.

Site preparation was carried out by Batchelor-based, RS Gardening Care using their CAT backhoe. Site and track preparation followed the guidelines of DoR as specified in the EAMP document.
8.2 Drilling

Geodrilling’s Schramm1000 rig carried out the drilling of both holes on 15\textsuperscript{th} November 2010.

Drill hole KORC10-005 was collared at (GDA94) 729994E, 8559248N five meters west of an outcrop of the target Mt Deane volcanic unit which in that location the dip could not be determined. The vertical hole was stopped at 60m without having intersected the basic volcanics.

Appendix 1 shows the field log sheet of the hole. Figure 7 is a drill section showing the relationship of the two holes and an interpretation of the geology.

Drill hole KORC10-006 was collared 40m east at 730039E, 8559272N and drilled at 60 degrees to the east to intersect the dipping(?). Mt Deane volcanic unit. This hole also went to 60m without intersecting the Mt Deane volcanic body. See Appendix 1 for log sheet and Figure 7.

8.3 Assaying

The assay results of the 6m composite samples of the drill hole chip samples are shown in Appendix 2 and with other information in Appendix 3. No 1m samples were assayed as the composite results were not considered high.

However it is interesting to note that all the maximum values in the elements assayed came from hole KORC10-006 as follows: Au10ppb, Co49.8ppm, Cu130ppm, Ni154ppm, Pb32ppm and Zn91.5ppm.

And conversely all the minimum values for the same elements came from hole KORC10-005 as follows: Au1ppb, Co3.45ppm, Cu20.4ppm, Ni38.6ppm, Pb7.4ppm and Zn28ppm.

This could be interpreted to indicate some hydrothermal activity affecting the underlying(?) sediments at the time of the deposition of the volcanic Mt Deane volcanics.

Thus the sediments/volcanics in the vicinity of the drill holes are younging to the west.

8.4 EAMP (MMP) Submission

The required EAMP was submitted to the DoR and Authorisation 0590-02 was issued allowing the drilling of the two RC drill holes reported in this document.
8.5 Land Owner Status

The Public Trustee gave permission for Korab to complete its planned 2010 exploration while the Albany family will was being contested.

8.6 Contractors

Geodrilling of Batchelor carried out the drilling of the two holes efficiently and on budget although the rains that arrived a week later would have posed problems.

8.7 Drill Site Rehabilitation

The two drill sites were both rehabilitated to DoR standards on November 24th using the same local backhoe that had prepared the sites. Both PVC collars were cut off 1m below surface and the hole backfilled with rock and top soil. Surplus chip samples from both holes were placed in a one metre deep trench at the bottom of the hill and covered with top soil.

Photos of the rehabilitation were included in the annual update of the EAMP.

9. CONCLUSIONS

Unfortunately the drill sites available for testing the target Mt Deane Volcanics on EL 25136 in 2010 were limited due to the AAPA designated Restricted Work Areas. The RWAs cover the wider better outcropping target lithology.

The two drill holes did not intersect the target lithology nor did they return any significant assay results.

10. RECOMMENDATIONS

In view of the limited access to the target stratigraphy because of AAPA restrictions, it is recommended no further drilling on the tenement be carried out.

Negotiations through the AAPA should be initiated in order for Korab to access other parts of the Mt Deane Volcanics for drilling where high nickel values are known.

11. EXPENDITURE STATEMENT

(Attached)

12. NEXT YEARS PROGRAM

AAPA negotiations are recommended in order to access current Restricted Work Areas. If the costs are seen to be prohibitive it is recommended Korab surrender the tenement.
Figure 1  Location of EL 25136
Figure 2  NTGS Geology of EL 25136
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