

6 May 2021

Stage 1 Drilling Program Complete at Rand Gold Project

- **Maiden drill program at the Rand Gold Project successfully completed, comprising:**
 - Extensive 806 hole auger soil sample over the 8km length of ENE-trending Bulgandry magnetic lineaments;
 - 2,760m of Air-Core (AC) drilling for 43 holes over the magnetic “bullseye” targets defined by the recent aeromagnetic and supplementary induced polarization surveys;
 - 1,275m of Reverse Circulation (RC) drilling for 9 holes over the historical workings at Bulgandry including the Goodwood and Lone Hand Reef mines areas where no drilling has ever been done despite historical production gold grades of up to 265g/t.
- All samples from the drilling program have been provided to ALS Global for assay.
- First batch of assay results are expected to be received within the next few weeks, with results to help refine targets for the Stage 2 drilling program.



Photograph 1: Drill rig setup over GoodWood Mine area.

Capital Structure

278,950,000 Fully Paid Shares
82,800,000 Options @ 5c exp 31/07/21
5,000,000 Options @ 7.5c exp 31/07/21
16,200,000 Options @ 7.5c exp 29/11/23
15,000,000 Performance Rights at 20c, 30c and 40c.

Directors

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Krakatoa Resources Limited (ASX: KTA) (“Krakatoa” or the “Company”) is pleased to provide an update on the current exploration program over its 100% owned Rand Gold Project (“Project”). The Project covers a combined area of 580km² and is located approximately 60km NNW of Albury in southern NSW within an under-explored part of the well-endowed Lachlan Fold Belt.

Krakatoa completed an extensive 800 plus auger soil sampling program over the Bulgandry goldfield area targeting magnetic lineaments below the historical mines, some of which had recorded head grades of 265g/t gold (Figure 1). Following this a 1,275 metre reverse circulation (RC) drilling program (Photograph 1) was complete within 9 holes positioned over the Goodwood Mine, Lone Hand and Showday reef areas. These holes tested several historical gold mines and workings across the Bulgandry Goldfield. Some of these workings have never been drilled, and others have been ineffectively drilled; by shallow RC holes generally to a maximum depth of 30 metres.

The program of 43 air-core (AC) holes, for a total of 2,760 metres was completed over the magnetic bullseye target area north of the Rand township. The AC holes were designed to test for IRGS mineralisation associated with discrete bullseye magnetic (high) anomalies under thin transported cover. Additionally some holes were designed to test for “deep lead” alluvial gold in palaeochannels, and other anomalies defined in the recent IP geophysical survey.

All samples have been provided to ALS Global. It is known that all laboratories are experiencing backlog and time delays with undertaking the analysis. Results for the initial exploration are expected within the next few weeks while the more recently submitted samples could be approximately 6 weeks away.

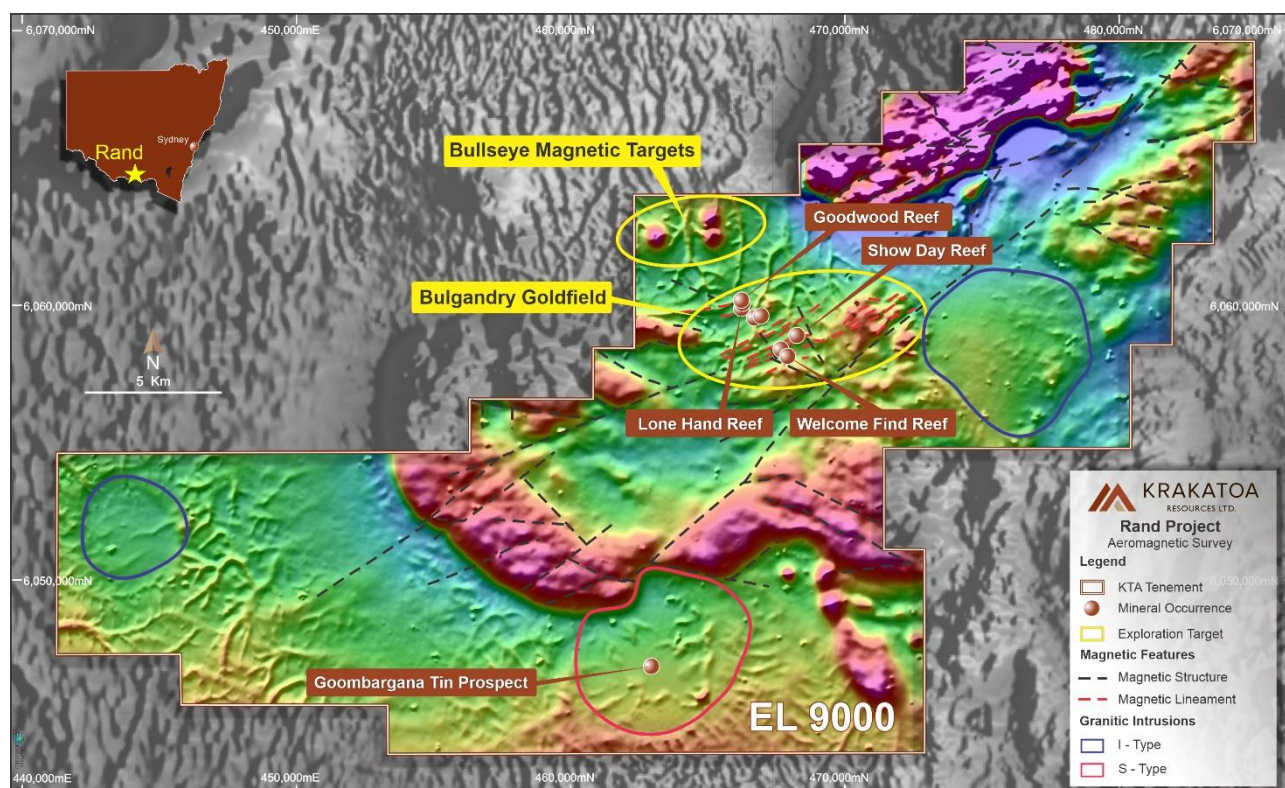


Figure 1 – Priority exploration targets (Bullseye Magnetic and Bulgandry Goldfield), on Aeromagnetic TMI-RTP

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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Disclaimer

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Competent Person's Statement

The information in this announcement is based on, and fairly represents information compiled by Mark Major, Krakatoa Resources CEO, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Krakatoa Resources. Mr Major has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Major consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

ABOUT KRAKATOA:

Krakatoa is an ASX-listed public Company, focused on copper-gold exploration in the world class Lachlan Fold Belt of NSW, and multielement metals including the increasingly valued rare earths in the highly prospective Narryer Terrane, Yilgarn Craton of WA.



Belgravia Cu-Au Porphyry Project (100%); Lachlan Fold Belt, NSW

The Belgravia Project covers an area of 80km² and is located in the central part of the Molong Volcanic Belt (MVB), East Lachlan province, between Newcrest Mining's Cadia Operations and Alkane Resources Boda Discovery. The Project target areas are considered highly prospective for porphyry Cu-Au and associated skarn Cu-Au, with Bell Valley and Sugarloaf representing the two most advanced target areas. Bell Valley contains a considerable portion of the Copper Hill Intrusive Complex, the interpreted porphyry complex which hosts the Copper Hill deposit (890koz Au & 310kt Cu) and has highly prospective magnetic low features spanning 6km. Sugarloaf contains a 900m Deep Ground Penetrating Radar anomaly located within a distinctive magnetic low feature considered characteristic of a porphyry-style deposit and co-incident with anomalous rock chips including 5.19g/t Au and 1.73% Cu.

Turon Gold Project (100%); Lachlan Fold Belt, NSW

The Turon Project covers 120km² and is located within the Lachlan Fold Belt's Hill End Trough, a north-trending elongated pull-apart basin containing sedimentary and volcanic rocks of Silurian and Devonian age. The Project contains two separate north-trending reef systems, the Quartz Ridge and Box Ridge, comprising shafts, adits and drifts that strike over 1.6km and 2.4km respectively. Both reef systems have demonstrated high grade gold anomalism (up to 1,535g/t Au in rock chips) and shallow gold targets (up to 10m @ 1.64g/t Au from surface to end of hole).

Rand Gold Project (100%); Lachlan Fold Belt, NSW

The Rand Project covers an area of 580km², centred approximately 60km NNW of Albury in southern NSW. The Project has a SW-trending shear zone that transects the entire tenement package forming a distinct structural corridor some 40 km in length. The historical Bulgandry Goldfield, which is captured by the Project, demonstrates the project area is prospective for shear-hosted and intrusion-related gold. Historical production records show substantial gold grades, including up to 265g/t Au from the exposed quartz veins in the Show Day Reef.

Mt Clere REEs, HMS & Ni-Cu-Co, PGEs Project (100%); Gascoyne, WA

The Mt Clere REE Project located at the north western margins of the Yilgarn Craton. The Company holds 1,780km² of highly prospective exploration licences prospective for rare earth elements, heavy mineral sands hosted zircon-ilmenite-rutile-leucoxene; and gold and intrusion hosted Ni-Cu-Co-PGEs. Historical exploration has identified the potential presence of three REE deposit types, namely, ion adsorption clays in extensive laterite areas; monazite sands in vast alluvial terraces; and carbonatite dyke swarms.

The information in this section that relates to exploration results was first released by the Company on 19 June 2019, 25 November 2019, 3 December 2019, 14 April 2020, 20 May 2020, 26 June 2020 and 6 July 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.