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8 December 2021

Ionic Clay Hosted Rare Earths Discovered at Rand Project, NSW

- **Supplementary analysis reveals anomalous REEs from the March 2021 shallow AC drilling program at the Rand Bullseyes**
- **Significant REE intersections discovered over re-assayed samples include:**
  - **11m @ 1,223ppm TREO from 43m (HAC020)**
  - **7m @ 1,285ppm TREO from 42m; within 28m @ 598ppm TREO from 38m to EOH (HAC023)**
  - **4m @ 1,424ppm TREO from 35m; within 12m @ 633ppm TREO from 31m (HAC029)**
  - **8m @ 1,230ppm TREO from 9m; within 35m @ 579ppm TREO from 1m to EOH (HAC043)**
- **Analysis using weak acid solution (WAR) displays weakly bound, highly soluble REEs, characteristic of ionic absorption clay REE deposits**
  - **Up to 86% recovery using WAR over intrusive basement and up to 77% recovery within metasediments**
- **Significant and strategic new regional land holding applications submitted, expanding the Rand Project by a further 2,241km^2**

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to announce the discovery of ionic type rare earth elements at the Rand project, NSW. The Company initially reported encouraging assay results for a large Intrusive Related Gold System (IRGS) from the maiden aircore (AC) drilling program at the Rand Bullseye Magnetic targets in June 2021 (see ASX Announcement 30 June 2021), The Bullseye targets are located 2.5 kilometres northeast of Rand township within EL9000 in the NSW Riverina district.

The Bullseye program targeted a variety of magnetic features (intrusives) exhibiting conductive and/or chargeable anomalies which were concealed by cover.

Krakatoa's CEO Mark Major commented *"We are excited with the recent rare earth element reconnaissance assay results. The review on the initial assay results identified anomalous REEs within the multielement program on many of the AC samples. As such a more detailed investigation was required to ascertain the significance of this find.*

We can now report we have identified significant levels of rare earth elements within the regolith profile of the bullseyes area; both within the metasediments and over the intrusives. We are still very early in this investigation and can only speculate on the origins of the rare earths, but it is clear they have concentrated in the clay rich saprolite zones above the intrusives as well as within the metasediments surrounding these.

The full hole analysis has shown significant widths of REE concentrations, and more recent weak acid testing indicates a high level of readily mobile REE exist. There seems to be an ionic clay host embodiment over the weathering of the intrusions which is the most likely source of the REE. Further work will be undertaken to understand the source and more importantly the distribution of the REE.

This is the first discovery of clay hosted REE within this area of NSW. The Company has significantly expanded its land holding over the already large area via applications of additional tenure with similar geophysical signatures and underlying geology."

Rare Earth Element Discovery

Krakatoa completed 43 vertical AC drill holes (~2,762 meters) in early 2021. The holes were nominally drilled to blade refusal, usually the top of fresh bedrock. Samples were initially taken as 2 to 5 metres composites with 1 metre samples taken near the bottom of hole. In addition to the gold and strongly anomalous IRGS pathfinder elements identified, high levels of Cerium (Ce), Lanthanum (La) and Yttrium (Y) were also recorded.

A small batch of 16 existing laboratory pulp samples were selected for rare earth elements analysis using full digestion lithium borate fusion analysis. The 16 samples were taken from 13 drillhole locations (Figure 1). This test work revealed significant levels of widespread REEs, with abundant quantities of Neodymium, Praseodymium and Yttrium within the various geological environments sampled. Five holes (HAC020, HAC023, HAC025, HAC029 and HAC043) were then selected to undertake full hole analysis for REEs using full digestion. Details of each sample location and analytical results associated with rare earth oxides are summarised in Table 1 and all relevant intersection data over 300 parts per million (ppm) total rare earth oxide (TREO) are presented in Table 2.

All identified lithological areas were tested. Most of the samples were taken from the various regolith weathering profiles within the metasediments (Abercrombie Fm) while only two were sourced from holes over the intrusives bodies.

Ionic Clay Prospectivity

A small batch of 19 samples (pulps) from within the five focused holes underwent digestion using weak acid solution to test for weakly bound - highly soluble REEs, a recognised characteristic of ionic absorption clay REE deposits. These 19 samples represented areas of various REE concentrations (Table 2) within metasediments and intrusive basement profiles. This method of digestion discovered that the samples over the intrusive bodies had significantly high recoveries (average 86%) while that within the metasediments ranged from 18 to 77 percent, all which have comparable levels with similar known ionic REE deposits.

Comparison of the full digestion assay results and the weak acid assay results are shown in Table 3.

Next Steps

The Rand area is considered prospective for IRGS, shear-hosted (orogenic) gold, magmatic tin–tungsten deposits, copper–gold porphyries with associated epithermal systems; and now REEs in shallow regolith. These regolith - clay associated hosted REE are thought to be associated with the weathering of the granitic intrusive basement rocks however with more study, the understanding of the genesis of the REE mineralisation will become apparent.

The Company has completed a review of the regional area and expanded its land holding to include additional prospective ground over potential REE hosting intrusives, with minor alluvial cover. This will increase the current landholding around Rand by 2,241km^2.

Detailed studies into the basement rock, as well mineral identification along with salt solution (pH 4-5, slightly acidic) leach test work will be undertaken on samples. Additional air core drilling is being planned over the granted tenements in the first quarter of 2022 subject to regulatory approvals and land access, where more extensive exploration over the various intrusives within the granted landholding will be tested.

We look forward to updating shareholders with a pipeline of news flow as the project develops.

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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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.

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.

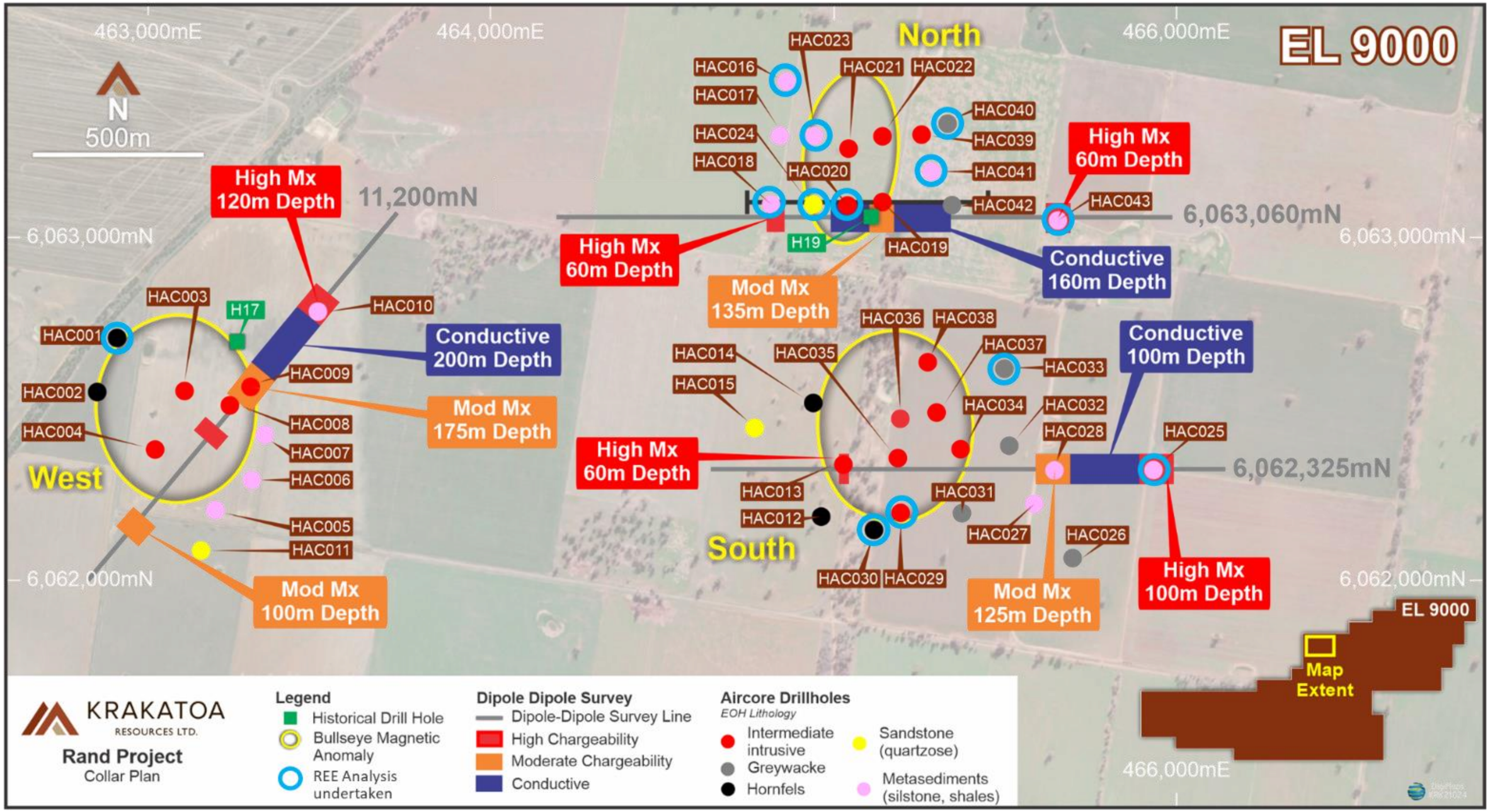

Figure 1 Map showing AC collars (thematically Mapped by end-of-hole lithology) with highlighted (light blue rings) holes that have had initial REE analysis; magnetic bullseye anomalies and dipole-dipole survey information.

Table 1: Significant drill hole rare earth oxide assay results.

TREO in green are above 500ppm, TREO in yellow are above 1000ppm.

Hole ID	Easting GDA94	Northing GDA94	Bedrock Lithology	Hole Depth (m)	From MBGL	To MBGL	Width (m)	Ce_2O_3 (ppm)	La_2O_3 (ppm)	Y_2O_3 (ppm)	Dy_2O_3 (ppm)	Er_2O_3 (ppm)	Eu_2O_3 (ppm)	Gd_2O_3 (ppm)	Ho_2O_3 (ppm)	Lu_2O_3 (ppm)	Nd_2O_3 (ppm)	Pr_6O_{11} (ppm)	Sm_2O_3 (ppm)	Tb_4O_7 (ppm)	Tm_2O_3 (ppm)	Yb_2O_3 (ppm)	TREO (ppm)
HAC001	462915	6062711	Hornfels	59	27	30	3	723	334	19	5	2	3	9	1	0	137	52	19	1	0	2	1308
HAC016	464869	6063460	Metasediment	72	30	31	1	795	70	32	6	3	2	7	1	0	52	16	9	1	0	3	998
HAC018	464824	6063101	Metasediment	93	51	54	3	615	34	27	5	3	1	5	1	0	27	8	5	1	0	3	737
HAC020	465047	6063098	Intrusive	59.8	43	54	11	163	221	313	41	24	13	49	9	3	244	63	50	7	3	20	1223
HAC023	464949	6063301	Metasediment	66	38	66	28	175	101	98	15	9	4	19	3	1	112	28	22	3	1	8	598
incl					42	49	7	294	220	214	34	19	10	46	7	2	287	71	57	6	3	16	1285
HAC024	464947	6063101	Sandstone	79	31	33	2	505	153	29	7	3	2	10	1	0	101	31	16	1	0	3	863
and					35	37	2	524	213	92	20	9	8	33	3	1	238	60	45	4	1	8	1260
HAC025	465940	6062325	Metasediment	66	34	66	32	196	81	48	9	5	3	11	2	1	79	21	15	2	1	4	475
incl					34	47	13	336	125	43	9	4	3	13	2	1	121	32	21	2	1	4	717
HAC029	465202	6062200	Intrusive	52.1	31	43	12	167	86	165	23	14	6	24	5	2	84	21	19	4	2	12	633
and					35	39	4	208	220	437	60	37	15	63	13	5	218	55	49	10	5	31	1424
HAC030	465124	6062150	Hornfels	84	44	48	4	574	70	51	9	5	2	11	2	1	68	18	13	2	1	5	829
HAC033	465505	6062621	Greywacke	75	30	34	4	565	262	53	12	5	4	17	2	1	202	64	30	2	1	5	1224
HAC040	465339	6063337	Greywacke	78	38	39	1	453	22	37	6	4	1	5	1	1	20	5	5	1	1	3	564
HAC041	465292	6063197	Metasediment	54	49	50	1	560	88	53	10	5	3	12	2	1	82	23	15	2	1	5	862
and					53	54	1	785	206	74	16	7	6	25	3	1	209	60	39	3	1	6	1442
HAC043	465661	6063054	Metasediment	36	1	36	35	221	118	59	11	6	3	13	2	1	94	27	17	2	1	5	579
incl					9	17	8	502	278	75	16	7	6	24	3	1	208	63	36	3	1	6	1230

Note results have been converted from elemental analysis (REE part per million) to stoichiometric oxide (REO parts per million) by using the standard stoichiometric oxide conversion factors. See further details in JORC Code – Table 1 at back of this announcement.

Table 2: All drill hole rare earth element assay results greater than 300ppm Total Rare Earths.

Hole ID	From (m)	To (m)	Int (m)	Ce ppm	Dy ppm	Er ppm	Eu ppm	Gd ppm	Ho ppm	La ppm	Lu ppm	Nd ppm	Pr ppm	Sm ppm	Tb ppm	Tm ppm	Y ppm	Yb ppm	TREE ppm
HAC001	27	30	3	617	4.8	2.0	2.3	7.6	0.8	285	0.3	118	44	16.5	1.0	0.3	17	1.9	1118
HAC008	36	39	3	201	64.8	47.9	9.2	55.1	15.3	186	7.0	144	34	31.2	9.3	7.0	587	42.3	1440
HAC016	30	31	1	679	4.8	2.6	1.3	6.0	0.9	60	0.4	45	13	7.8	0.9	0.4	26	2.6	850
HAC018	51	54	3	525	4.4	2.6	0.9	4.3	0.9	29	0.4	23	7	4.7	0.7	0.4	21	2.8	628
HAC020	43	44	1	269	2.5	1.5	0.9	2.5	0.5	18	0.3	19	5	3.9	0.4	0.3	10	1.7	336
HAC020	44	45	1	384	10.5	5.0	5.0	14.3	1.8	103	0.7	120	33	22.4	1.9	0.8	40	4.9	746
HAC020	45	46	1	326	56.0	21.2	29.3	81.1	8.7	486	2.4	642	172	128.0	10.9	2.9	182	18.3	2166
HAC020	46	50	4	107	62.7	33.5	20.2	75.1	12.4	330	4.1	352	89	73.9	10.9	4.6	325	28.7	1529
HAC020	50	54	4	31	19.0	17.6	2.5	16.8	5.5	36	2.6	27	6	6.6	2.6	2.4	295	14.4	484
HAC023	38	39	1	204	5.5	3.2	1.2	5.2	1.1	43	0.5	30	9	6.0	0.9	0.5	26	3.3	339
HAC023	39	40	1	222	5.4	3.2	1.3	6.0	1.0	52	0.5	44	12	7.8	0.9	0.5	27	3.4	386
HAC023	40	41	1	140	5.7	3.4	1.3	6.2	1.1	50	0.6	41	11	8.1	1.0	0.5	28	3.5	302
HAC023	42	43	1	202	14.4	6.8	4.5	19.7	2.5	209	0.8	156	41	27.0	2.6	0.9	65	5.6	758
HAC023	43	44	1	1015	145.0	79.2	47.5	207.0	28.8	802	9.9	1270	309	257.0	26.9	10.9	844	65.2	5117
HAC023	44	45	1	148	12.8	7.7	3.0	14.4	2.6	77	1.1	84	21	16.4	2.1	1.1	70	7.4	468
HAC023	45	49	4	97	9.0	4.9	2.1	9.7	1.8	56	0.7	53	14	10.9	1.5	0.8	50	5.0	316
HAC023	49	53	4	99	9.2	5.3	1.8	9.5	1.8	52	0.8	49	13	9.9	1.5	0.8	56	5.0	313
HAC023	53	57	4	102	8.9	5.2	1.8	9.6	1.8	54	0.7	50	13	10.3	1.5	0.8	55	4.8	318
HAC023	63	64	1	110	8.6	4.8	1.9	9.1	1.7	58	0.7	51	13	9.7	1.4	0.7	51	4.4	326
HAC023	64	65	1	105	7.8	4.6	1.6	8.8	1.6	54	0.7	48	13	9.3	1.3	0.7	47	4.3	306
HAC024	31	33	2	431	5.7	2.6	2.1	8.9	1.0	131	0.3	86	27	14.0	1.2	0.4	23	2.3	736
HAC024	35	37	2	447	17.7	7.8	6.5	28.4	3.0	182	1.0	204	51	39.2	3.6	1.1	72	6.8	1072
HAC025	34	38	4	220	4.9	2.6	1.5	6.3	0.9	85	0.4	61	18	9.8	0.9	0.4	24	2.5	440
HAC025	38	41	3	351	6.8	3.4	2.5	9.2	1.2	118	0.5	100	29	16.5	1.3	0.5	31	3.1	673
HAC025	41	44	3	300	8.8	4.1	3.4	12.7	1.6	126	0.6	131	34	22.7	1.7	0.6	38	3.8	688
HAC025	44	45	1	462	12.3	5.6	4.9	20.0	2.1	128	0.7	158	39	30.6	2.5	0.8	50	5.1	921
HAC025	45	46	1	188	11.7	5.7	4.1	16.7	2.0	88	0.8	119	27	24.4	2.2	0.8	47	5.4	542
HAC025	46	47	1	251	10.6	4.9	4.6	17.5	1.7	96	0.7	139	30	28.6	2.1	0.7	41	4.4	632
HAC025	62	63	1	112	7.8	3.8	2.2	9.3	1.4	76	0.5	61	17	11.2	1.4	0.5	34	3.4	343
HAC025	65	66	1	114	12.9	7.9	2.5	13.3	2.8	57	1.1	56	14	12.3	2.1	1.2	82	7.2	386
HAC029	35	39	4	178	52.5	32.2	12.6	54.3	11.4	188	4.2	187	47	42.4	8.3	4.4	344	27.3	1192
HAC030	44	48	4	490	7.7	4.2	2.0	9.4	1.5	59	0.6	58	15	11.1	1.4	0.6	40	4.1	706
HAC033	13	18	5	478	8.7	4.7	2.5	10.5	1.7	75	0.7	71	20	13.3	1.5	0.7	42	4.6	733
HAC033	30	34	4	482	10.1	4.7	3.8	15.0	1.7	223	0.6	173	55	26.1	2.0	0.7	41	4.3	1043
HAC040	38	39	1	387	5.0	3.1	0.9	4.3	1.1	19	0.4	17	5	3.9	0.8	0.5	29	3.1	479
HAC041	53	54	1	670	13.9	6.2	5.6	21.8	2.4	176	0.8	180	51	33.4	2.9	0.9	59	5.5	1228
HAC043	5	9	4	115	6.7	3.7	1.7	7.9	1.3	63	0.6	48	13	9.1	1.1	0.6	35	4.0	310
HAC043	9	13	4	165	10.9	7.1	2.1	11.6	2.3	62	1.0	49	13	10.3	1.7	1.0	72	6.8	415
HAC043	13	17	4	692	16.3	5.5	8.0	30.4	2.4	412	0.5	308	96	51.6	3.6	0.7	47	4.1	1678
HAC043	17	21	4	124	7.0	3.9	1.7	7.7	1.3	63	0.6	49	13	9.3	1.1	0.6	36	3.8	322
HAC043	21	22	1	111	7.2	4.1	1.7	8.1	1.4	57	0.7	49	13	9.6	1.2	0.7	38	4.1	307
HAC043	22	23	1	308	9.0	5.4	1.9	9.0	1.8	52	0.8	52	13	10.4	1.5	0.9	46	5.3	517

HAC043	23	24	1	122	11.1	5.7	3.0	13.7	2.1	75	0.9	87	21	17.2	1.9	0.9	55	5.5	422
HAC043	24	25	1	126	12.1	6.5	3.1	14.6	2.3	79	0.9	86	22	17.0	2.1	1.0	62	6.0	440
HAC043	25	29	4	112	9.4	5.4	2.1	10.5	1.9	60	0.8	55	14	11.3	1.6	0.8	51	5.3	341
HAC043	29	31	2	104	8.1	4.6	1.7	8.7	1.6	54	0.7	48	13	9.3	1.3	0.7	45	4.3	304
HAC043	31	32	1	110	7.7	4.4	1.8	8.6	1.5	57	0.6	49	13	9.5	1.2	0.7	44	4.2	312
HAC043	32	33	1	93	7.3	4.3	1.6	7.8	1.4	48	0.6	42	11	8.5	1.2	0.6	42	3.9	273
HAC043	33	34	1	108	7.7	4.4	1.7	8.5	1.5	56	0.7	49	13	9.6	1.2	0.6	44	4.3	310
HAC043	34	35	1	109	7.5	4.4	1.6	8.1	1.5	58	0.7	48	13	9.2	1.2	0.7	43	4.3	310
HAC043	35	36	1	104	7.6	4.3	1.7	8.3	1.5	56	0.6	47	13	9.4	1.2	0.6	41	4.0	300

Table 3: Comparison of Fusion and Weak Acid Aqua Reqia (WAR) extractions for each REO and TREO with recovery by WAR.

Hole ID	Bedrock Lithology	From MBGL	To MBGL	Width (m)	Anaylsis Type	Ce_2O_3 (ppm)	La_2O_3 (ppm)	Y_2O_3 (ppm)	Dy_2O_3 (ppm)	Er_2O_3 (ppm)	Eu_2O_3 (ppm)	Gd_2O_3 (ppm)	Ho_2O_3 (ppm)	Lu_2O_3 (ppm)	Nd_2O_3 (ppm)	Pr_6O_{11} (ppm)	Sm_2O_3 (ppm)	Tb_4O_7 (ppm)	Tm_2O_3 (ppm)	Yb_2O_3 (ppm)	TREO (ppm)
HAC020	Intrusive	44	54	10	Fusion	148	241	343	45	26	14	53	9	3	266	68	55	8	4	22	1306
					Weak AR	130	171	274	44	25	13	48	9	3	259	64	55	7	3	20	1126
					% Recovery	88%	71%	80%	97%	94%	93%	91%	91%	91%	98%	94%	100%	94%	93%	91%	86%
HAC023	Metasediment	42	45	3	Fusion	533	425	414	66	36	21	93	13	5	587	145	116	12	5	30	2500
					Weak AR	511	139	185	52	25	19	77	9	3	619	126	115	10	3	20	1914
					% Recovery	96%	33%	45%	79%	70%	90%	83%	71%	61%	105%	87%	99%	83%	70%	67%	77%
HAC025	Metasediment	34	47	13	Fusion	336	125	43	9	4	3	13	2	1	121	32	21	2	1	4	717
					Weak AR	100	26	10	3	1	1	5	0	0	28	7	6	1	0	1	189
					% Recovery	30%	21%	23%	34%	28%	32%	36%	29%	26%	23%	20%	30%	35%	27%	27%	26%
HAC029	Intrusive	31	43	12	Fusion	167	86	165	23	14	6	24	5	2	84	21	19	4	2	12	633
					Weak AR	139	80	124	21	12	5	21	4	2	82	20	18	3	2	10	544
					% Recovery	83%	93%	75%	94%	88%	90%	88%	88%	85%	98%	93%	97%	88%	89%	87%	86%
HAC043	Metasediment	9	21	12	Fusion	383	210	65	13	6	5	19	2	1	158	47	28	2	1	6	946
					Weak AR	76	29	13	3	1	1	4	0	0	27	7	5	0	0	1	169
					% Recovery	20%	14%	19%	19%	20%	18%	20%	19%	20%	17%	15%	19%	20%	20%	20%	18%

ABOUT KRAKATOA

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

Belgravia Cu-Au Porphyry Project (Krakatoa 100%); Lachlan Fold 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 (Krakatoa 100%); Lachlan fold 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 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 Graton. The Company holds 2,310km² of highly prospective exploration licenses 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, 6 July 2020, 9 August 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg' reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types may warrant disclosure of detailed information.*	• Aircore (AC) holes were sampled nominally on composited 2 to 5 metre intervals by the spear method. Near the end-of-hole narrower samples intervals, usually 1m for the last few metres. A representative sample was taken by spearing from each one metre bulk sample and depositing into calico bags to create a composited ~3kg sample. Additionally, a representative 1m calico sample was also speared from each bulk sample bag and kept as master sample. Sample weights were monitored in the field. • All AC samples were prepped by ALS Global in Orange. • All AC samples were pulverised to 95% passing 75 microns. • All AC sample weights were recorded. • Lithium Borate Fusion on sample pulps analyzed via ICP-MS (ME-MS81) Elements include: Ba, Ce, Cr, Cs, Dy, Er, Eu, Ga, Gd, Hf, Ho, La, Lu, Nb, Nd, Pr, Rb, Sm, Sn, Sr, Ta, Tb, Th, Tm, U, V, W, Y, Yb, Zr. • Weak Acid Aqua Regia digest (ME-MS41W with MS41W-REE) on sample pulps analyzed via ICP-MS Elements include: Ba, Ce, Cr, Cs, Dy, Er, Eu, Ga, Gd, Hf, Ho, La, Lu, Nb, Nd, Pr, Rb, Sm, Sn, Sr, Ta, Tb, Th, Tm, U, V, W, Y, Yb, Zr.
Drilling techniques	• *Drill type (e.g., core, RC, open-hole hammer, RAB, auger etc.) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• AC blade drilling with a face sampling bit, 90mm nominal hole diameter. • RC percussion drilling with a face sampling hammer bit, 105mm nominal hole diameter.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximize sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• AC sample recovery and moisture content was monitored and recorded. • AC sample recovery is ensured by keeping the hole as dry as possible and cleaning the cyclone out at regular intervals. If groundwater couldn't be controlled the holes were terminated. • No relationship has been observed between sample recovery and grade. Sample bias is unlikely due to the good general recovery of sample.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel) photography.* • *The total length and percentage of the relevant intersections logged.*	• All AC samples were sieved on 1 metres intervals then qualitatively logged in detail, for particular observations such as weathering, alteration, vein and mineral content a quantitative recording is made. Rock samples were described qualitatively. Wet photos of chip trays and dry photos or all rock samples were taken. • All bulk AC sample bags were measured for magnetic susceptibility with a KT10 instrument. • The detailed descriptions recorded were more than sufficient in detail to support the current work.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn, whether 1/4, 1/2 or whole core taken.* • *If non-core, whether riffled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• AC samples are speared from the bulk samples, which are collected in buckets from the rig's cyclone then tipped into plastic bulk sample bags. Sample moisture is recorded. Most samples were dry. • Sample preparation comprises an industry standard of drying and pulverising to -75 microns (85% passing). Samples over 3kg were split. • AC sample duplicates were collected every 30 samples for AC drilling. This was done by spear sampling method. • Certified OREAS standards were inserted into the sample batch at the rate of 1 standard for every 30 samples. • The size of the sample is considered to have been appropriate to the grain size for all holes.

Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• ALS Global method ME-MS81 are considered to be near total. • Analysis reported from ME-MS41W (including MS41W-REE) using weak acid aqua regia digestion are considered to be only a partial digestion method, as recognised method for determining the ionic nature of the elements • No standards were inserted into this batch of testwork. • The nature and quality of the QA-QC and analytical methods are considered appropriate to style of mineralisation at this early stage of the project.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Verification has been undertaken by Company personnel. • Sample results from previous methods are comparable to those undertaken in both campaigns. • AC sample data has been recorded in a database with QA-QC analysis of samples undertaken to validate data prior to it being inserted into the database. • Conversion of elemental analysis (REE parts per million) to stoichiometric oxide (REO parts per million) was undertaken by KTA geological staff using the below element to stoichiometric oxide conversion factors. Element -Conversion Factor -Oxide Form Ce 1.1713 Ce2O3 Dy 1.1477 Dy2O3 Er 1.1435 Er2O3 Eu 1.1579 Eu2O3 Gd 1.1526 Gd2O3 Ho 1.1455 Ho2O3 La 1.1728 La2O3 Lu 1.1371 Lu2O3 Nd 1.1664 Nd2O3 Pr 1.2083 Pr6O11 Sm 1.1596 Sm2O3 Tb 1.151 Tb2O3 Tm 1.1421 Tm2O3 Y 1.2699 Y2O3 Yb 1.1387 Yb2O3 • Rare earth oxide is the industry accepted form for reporting rare earths. The following calculations are used for compiling REO into their reporting and evaluation groups: • TREO (Total Rare Earth Oxide) = La2O3 + Ce2O3 + Pr6O11 + Nd2O3 + Sm2O3 + Eu2O3 + Gd2O3 + Tb2O3 + Dy2O3 + Ho2O3 + Er2O3 + Tm2O3 + Yb2O3 + Y2O3 + Lu2O3.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar & downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drillhole collars were surveyed by a handheld GPS (Garmin Map 64sx with 3-5m precision). The grid system used on the Rand Project for all surveys in this ASX report is GDA94 Zone 55. • Collar RLs are in AHD and were taken from a detailed DTM produced from the aeromagnetic survey flown by the company in 2020. • No downhole surveys were done on the AC holes. 42 of 43 were drilled vertically, the other was sighted with a sighting compass for azimuth. All collar surveys are tabulated in the report.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• analytical data points downhole are sufficient to characterize the nature of the rock and its mineralisation. Drill hole spacings are designed to test specific anomalies relative to ease of access. All are appropriate for exploration results reporting. • No Mineral Resource is being calculated in this report. • 2 to 5 m AC sample composites were nominally taken on site for the AC Drilling, with 1m samples taken near end of hole or from splits after initial analysis..
Orientation of data in relation	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key*	• 42 of 43 AC holes were drilled vertically. The area of drilling is covered by up to 40 metres of younger transported cover and insomuch lacks any outcrop - there is no data to base drill hole orientations on. The holes were designed to test various anomalies defined by gradient array IP, magnetic paleochannels and the 3 main bullseye magnetic high anomalies.

to geological structure	*mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of the mineralisation remains unknows at this stage.
Sample security	• *The measures taken to ensure sample security.*	• 2 to 5 meter composite sub-set samples were collected via the riffle splitter into pre-labelled calico bags. Calico bags were placed into polyweave sacks that were sealed with plastic cable ties. The polyweaves were submitted to in two batches, sent to Orange NSW by freight company *Main Freight* from Albury NSW. The single batch of rock-chips was delivered to ALS Global (Orange NSW) personally by the exploration manager. • All samples pulps have been stored at the ALS laboratory
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement andland tenure status	• *Type, reference name/number, location and ownership including agreementsor material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any knownimpediments to obtaining a licence to operate in the area.*	• The Rand Project (EL9000) is wholly-owned by Krakatoa Australia Pty Ltd, a wholly owned subsidiary of Krakatoa Resources Ltd. The Company holds 100% interest and all rights in the Rand Project. EL9000 lies within rural free-hold land requiring KTA Resources Pty Ltd to enter into formal land access agreements with individual landowners, prior to any field activity, as prescribed by New South Wales State Law including the Mining Act 1992. The Company has rural land access agreements in place. • EL9000 is considered to be in good standing.
Exploration by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Various parties have held different parts of the Rand Project in different periods and explored for different commodities over several decades. • No party has ever completed systematic exploration across the Rand area, nor adequately considered the regolith during their work. Shallow inadequate percussion and diamond drilling was completed by Transit Mining in 1986 and 1987 at selected prospects. The holes had an average max. depth of 30 metres and failed to test the mineralised lodes in fresh bedrock. Postage stamp sized soil surveys were done over some areas of known mineralisation by Transit Mining in the 1988 and North Ltd. conducted regional auger soil sampling along some roads in 1995. Two drillholes with rotary mud collars and short diamond tails were completed near the Bullseye targets in 1983 by Samedan. These have been relogged and resampled by The Company and were detailed in a prior ASX release. All major historical datasets have been compiled and reviewed by KTA.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Project lies in the Wagga-Omeo Metamorphic Zone of the Central Lachlan Fold Belt, which includes the Wagga Tin-Tungsten Belt. • Major rock units through the project area are described and mapped on the recently completed NSW GS 500k East Riverina Map Sheet: • Ordovician metasedimentary rocks of the Abercrombie Formation • Silurian S-Type granites of the Alma Park and Goombargana suites • Early Devonian volcanics (e.g. Wallandoon Ignimbrite) • Devonian I-Type granites (e.g. Jindera Granite) • The area is prospective for a range of deposit styles, including intrusion-related gold (IRGS), shear-hosted (orogenic) gold, magmatic tin–tungsten deposits, rare earth elements, and copper–gold porphyries with associated epithermal systems. • IRGS deposits are located either within or near granitic intrusions, often associated with tin-tungsten belts.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) ofthe drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Strongly anomalous assay results are shown in a figure and all relevant REEs are tabulated within the body of the report. • Drillhole information including collar and survey are tabulated in the body of the report and in previous ASX Announcements. • Anomalous REE intercepts are summarised in a table within the body of the report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximumand/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Assay results of REE are reported in ppm • Conversion of elemental analysis (REE parts per million) to stoichiometric oxide (REO parts per million) was undertaken using the below element to stoichiometric oxide conversion factors. Element -Conversion Factor -Oxide Form Ce 1.1713 Ce2O3 Dy 1.1477 Dy2O3 Er 1.1435 Er2O3 Eu 1.1579 Eu2O3 Gd 1.1526 Gd2O3 Ho 1.1455 Ho2O3 La 1.1728 La2O3 Lu 1.1371 Lu2O3 Nd 1.1664 Nd2O3 Pr 1.2083 Pr6O11 Sm 1.1596 Sm2O3 Tb 1.151 Tb2O3 Tm 1.1421 Tm2O3 Y 1.2699 Y2O3 Yb 1.1387 Yb2O3 •
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there shouldbe a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The AC drilling intercepts are reported as downhole (vertical) widths. No solid information is known or available about mineralisation true widths at the Bullseye Targets at this early stage of exploration.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and sectional views.*	• The pertinent maps for this stage of Project are included in the release. • All drillhole assay results are summarised in tables in the report. • All drillhole sample coordinates are in MGA94 Z55 and AHD.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Anomalous AC drilling results are fully reported for those holes sampled.

Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All new and meaningful material exploration data has been reported..
Further work	• *The nature and scale of planned further work (eg tests for lateral extensionsor depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the* • *main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Mineralogy and further analysis of additional samples is progressing and will be reported when received • Further drilling is being planned in conjunction with other drilling in early 2022.