



16<sup>th</sup> December 2021

## Drilling and VTEM Completed at Mt Clere

- **The maiden 3,383m (95 hole) reconnaissance air core (AC) drilling program has been completed, of which:**
  - **39 holes for 1,047m were drilled around the Tower area, testing the regolith profile for clay hosted REE mineralisation**
  - **7 holes for 242m were drilled to test deeply-weathered regolith profiles across the erosional plain, testing for possible clay hosted REE, and**
  - **49 holes for 2,094m were drilled across the alluvial plain, testing for the possibility of heavy mineral sands (HMS) including monazite and zircon, and the potential for any secondary ionic weathered clay hosted REE**
- **Stage 1 heliborne VTEM max 1,936 line km survey has been completed**
- **AC Drilling and VTEM results due in Q1, 2022 – ground exploration over generated targets will be a key focus for the Company in 2022**

Krakatoa Resources Limited (ASX: KTA) (“Krakatoa” or the “Company”) is pleased to update shareholders on the exploration activities at the Mt Clere project, WA.

The Company has recently completed an air core (AC) drilling program to test the potential for Ionic Absorption Clay-hosted Rare Earth Element (IAC REE) and heavy mineral sands (HMS) (Figure 1).

The Company has also completed a 1,936 line kilometre heliborne VTEM survey to examine geophysical signatures characteristic of Ni-Cu-PGEs.

Both programs were initially announced on 22nd November and 24th November 2021.

Krakatoa’s CEO Mark Major commented:

*“This is an exciting time for Krakatoa and its shareholders.*

*We have completed our first pass VTEM geophysical survey which provides a direct detection method to identify nickel, copper and PGE-bearing sulphides; as well as reconnaissance drill testing over several regolith profiles to test for clay hosted REE’s and heavy mineral sands within depositional alluvial terraces.*

*This project has many opportunities for the Company and our shareholders.”*



**ASX Code**  
KTA

### Capital Structure

294,709,917 Fully Paid Shares  
21,200,000 Options @ 7.5c exp 29/11/23  
15,000,000 Performance Rights at 20c, 30c and 40c.

### Directors

Colin Locke  
David Palumbo  
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### Enquiries regarding this

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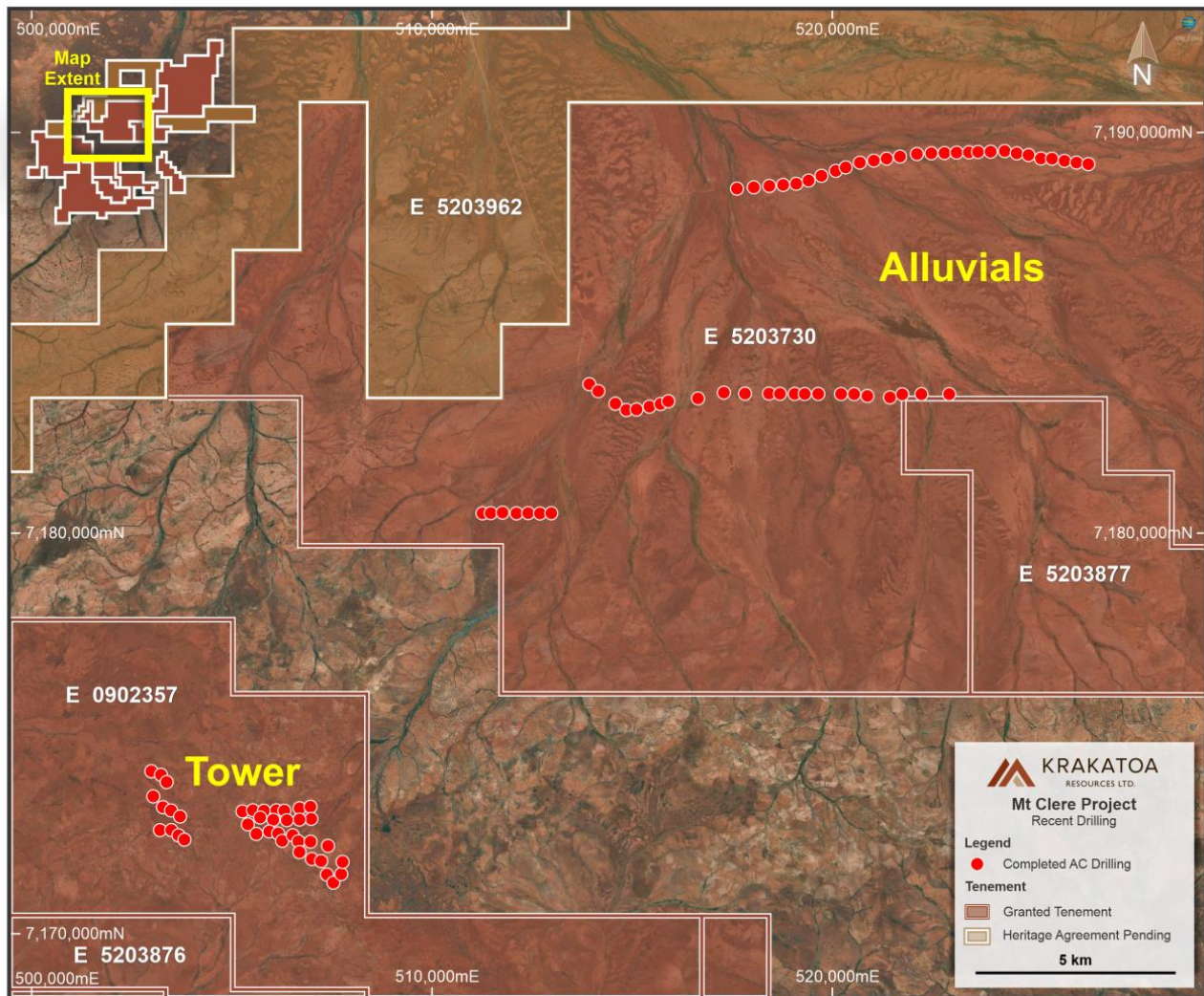


## Reconnaissance Drilling

The reconnaissance drilling program consisted of 95 holes for 3,383 metres of AC drilling over several prospective areas. A total of 39 holes (for 1,047m) were drilled into the deeply weathered relict regolith profiles around the Tower anomaly; an additional 7 holes (for 242m) were drilled into the deep regolith north of the Tower area; and two traverses totalling 49 holes (for 2,094m) were drilled along the vast alluvial terraces in the south of the Wheelo Creek catchment area.

The drilling undertaken over the Tower area was to investigate and test for well-developed clay-rich regolith profiles that could be prospective for ion adsorption REE mineralisation. Most of the holes intersected the expected bedrock of alkaline granitic and gneissic basement rocks, which are typical precursor rocks for this style of mineralisation. The pallid clay zones were well developed and varied in thickness from 10 to 33m (see photographs in Figure 2).

An additional short traverse was drilled along the mid to upper alluvial plains north of Tower to investigate the extent of relict regolith profile below the shallow transported materials, and to confirm the bedrock in this location. This traverse also encountered clay zones up to 33 metres thick within a regolith profile up to 66 metres deep. These clays will also be tested for IAC REE mineralisation.



**Figure 1** Location of the drill holes within the Krakatoa Resources exploration licenses.





**Figure 2** Photographs of typical drill spoil from aircore holes drilled in the Tower area (21MAC021 and 21MAC029).

Drilling over the alluvial terraces was designed to test the viability of HMS including monazite sands and the potential for secondary ionic weathered clays. Two significant drill hole traverses were completed, with the south line run over along the mid-level alluvial plain and the north line drilled within the lower reaches of the plain (Figure 3).

The southern line encountered a mixture of shallow felsic crystalline bedrock (less than 10 metres) and several areas exhibiting deeper regolith profiles (up to 81 metres deep) with some transported material. The northern line was more consistent and encountered considerable thicknesses of recently transported material (23 to 39 metres), then generally passed into a stripped (eroded) regolith profile underneath. Most holes in this line were terminated at around 40 meters, or upon drilling through the transported material.

Samples are currently being prepared for laboratory analysis with results expected to be returned within the first quarter 2022.

### **Heliborne VTEM Survey**

UTS Geophysics Pty Ltd has completed an extensive helicopter-borne Versatile Time Domain Electromagnetic (VTEM<sup>TM</sup> Max) geophysical survey system (Figure 4) over a large proportion of the southern tenements and three discrete targets in the north at the Mt Clere project. VTEM is an effective first-pass screening tool for detecting shallow conductive sources such as accumulations of sulphides.

A total of 1,936 line-kilometres was flown over areas identified within the Narryer Terrane which show structural complexity, and where strong magnetic anomalies and surface nickel and chromium geochemical results indicate that these areas represent reworked remnants of greenstone sequences that are prospective for intrusion-hosted Ni-Cu-(Co)-(PGE's) and possible gold. There are mafic and ultramafic intrusive bodies identified within these areas.

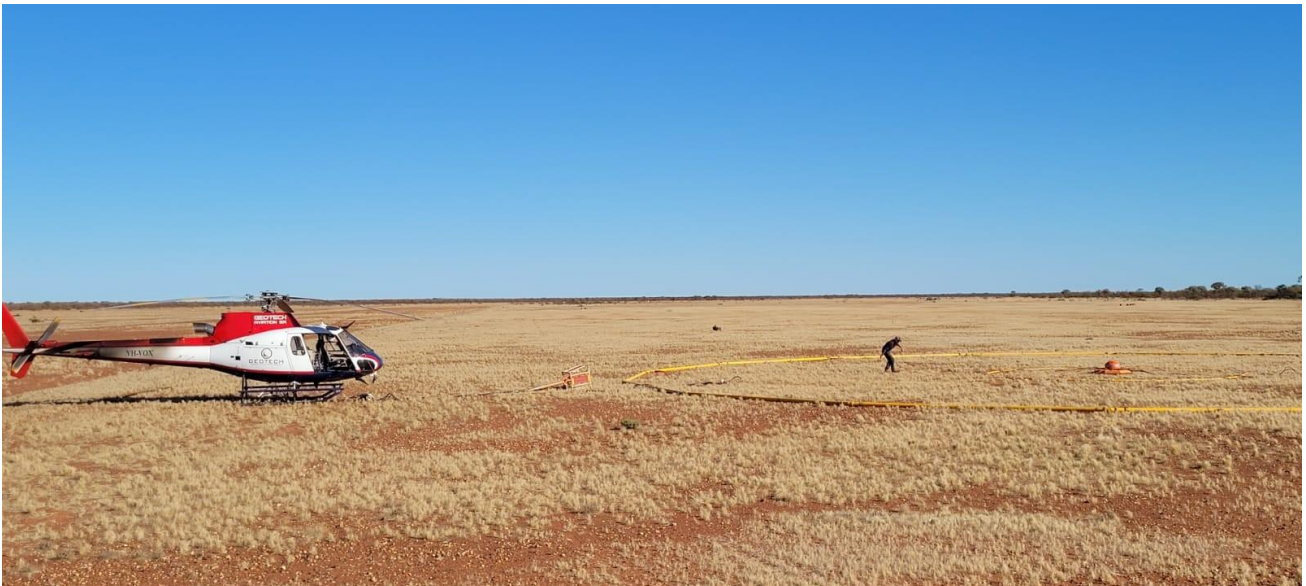
Areas identified within the Yarlalweelor Gneiss complex (Northern most areas) are discrete magnetic anomalies adjacent to interpreted structures which have strong geochemical signatures.



The data from the VTEM is currently being processed with results envisaged to be interpreted mid-late January.



**Figure 3** Photograph of the Jackarro Well, located in the Wheelo creek catchment, showing typical site conditions along the alluvial terraces.



**Figure 4** Photograph of the UTS Helicopter setting up the VTEM transmitter and receiver loops.

Authorised for release by the Board.

**FOR FURTHER INFORMATION:**

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**Forward Looking Statements**

*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. 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.*

**Disclaimer**

*In relying on the above mentioned ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcements.*

## 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.*



### **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 2,310km<sup>2</sup> 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.

### **Dalgaranga Critical Metals Project, Nb, Li, Rb, Ta, Sn, (100%); Mt Magnet WA.**

The Dalgaranga project has an extensive rubidium exploration target defined next to the old Dalgaranga tantalum mine, with extensive pegmatite swarms with little exploration completed throughout the area. The project is clearly under-explored, the historical drilling was very shallow as it mainly focused on defining shallow open pitable resources in the mine area.

### **Rand Gold, REEs Project (100%); Lachlan Fold NSW**

The Rand Project covers a significant area, 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.

### **Belgravia Cu-Au Porphyry Project (100%); Lachlan Fold NSW**

The Belgravia Project covers an area of 80km<sup>2</sup> and is located in the central part of the Molong Volcanic Belt (MVB), 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 the most advanced target areas. Bell Valley contains a considerable portion of the Copper Hill Intrusive Complex, the porphyry complex which hosts the Copper Hill deposit (890koz Au & 310kt Cu) and Sugarloaf is co-incident with anomalous rock chips including 5.19g/t Au and 1.73% Cu.

### **Turon Gold Project (100%); Lachlan Fold NSW**

The Turon Project covers 120km<sup>2</sup> 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 (10m @ 1.64g/t Au from surface to EOH).

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, 8 November 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.