



22 June 2022

## Resource drilling commenced at Tower REE Prospect, WA

- A 3000m resource development and step-out air core (AC) drilling program has commenced at Mt Clere
- Program is designed to infill and expand the areas identified to be containing extensive laterite regolith development within the Tower REE prospect exploration target
- Modelling demonstrates clay mineralisation is flat lying with thickness currently averaging 16.7m
- Initial air core drilling supports the exploration target with resource defining drilling underway
- High value magnetic REE's are the focus of the developing metallurgical leach studies

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to announce the commencement of the resource drilling at the Tower REE prospect; at its wholly owned Mt Clere project located in the north-western margins of the Yilgarn Craton, Western Australia.



**Figure 1** Drilling at the Tower Prospect, Mt Clere



**ASX Code**  
KTA

### Capital Structure

344,709,917 Fully Paid Shares  
21,200,000 Options @ 7.5c exp 29/11/23  
5,000,000 Options @15c exp 29/11/23  
15,000,000 Performance Rights at 20c, 30c and 40c.

### Directors

Colin Locke  
David Palumbo  
Timothy Hogan

### Enquiries regarding this

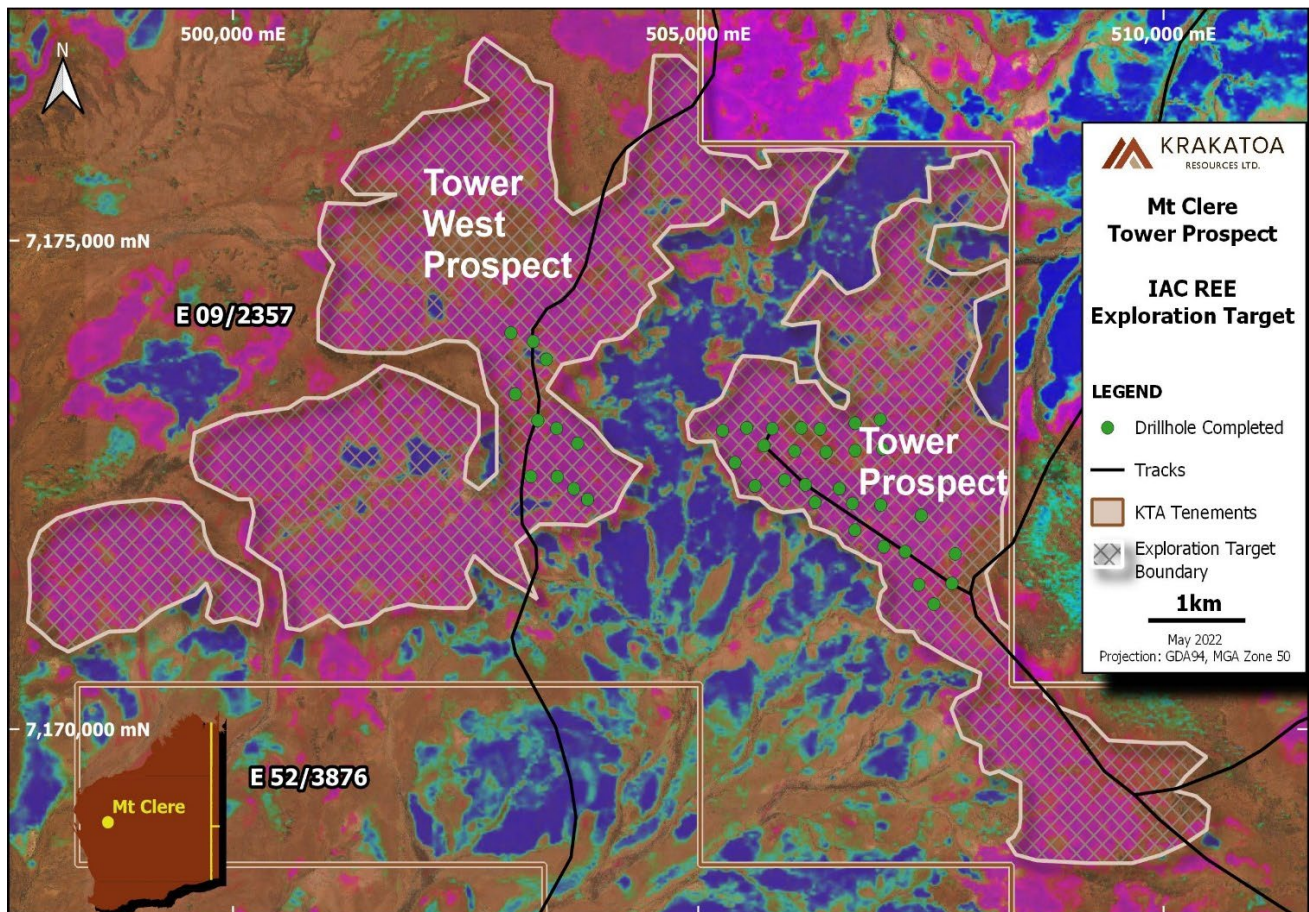
**announcement can be directed to**  
Colin Locke  
T. +61 457 289 582

**Krakatoa’s CEO, Mark Major commented**

*“Its fantastic we have been able to get back into the next phase of drilling after only recently discovering the clay hosted REE within the thick laterite regolith around the Tower area of the Mt Clere project. This drilling will allow the company to work towards completing a resource estimation over the area. We are looking forward to completing this infill and extensional drilling as we work on completing the initial metallurgical review.”*

The work program consists of around 3,000 meters of air-core (AC) drilling, which is fast and relatively cheap. Systematic drilling over the Tower prospect will assist with future resource estimation work. After which step-out opportunistic drilling over the Tower west prospect in conjunction with additional reconnaissance exploration will also assist with resource development (Figure 2).

The drilling program is expected to be completed within three to four weeks.



**Figure 2** Map showing the prospect locations with discovery AC drill holes and area identified as the clay hosted REE Exploration Target

The Company is planning additional reconnaissance drilling of other highly prospective IAC REE targets such as the DEW area, when a more portable drill rig becomes available and regulatory permits and access is granted. This program will include drilling the downslope areas of the hard capped breakaways (upper erosional areas), where it is believed the mineralisation may extend below these and have less unmineralised cover, with REE mineralisation being closer to surface.

The company is still in the process of completing the initial metallurgical leach test work at ANSTO.

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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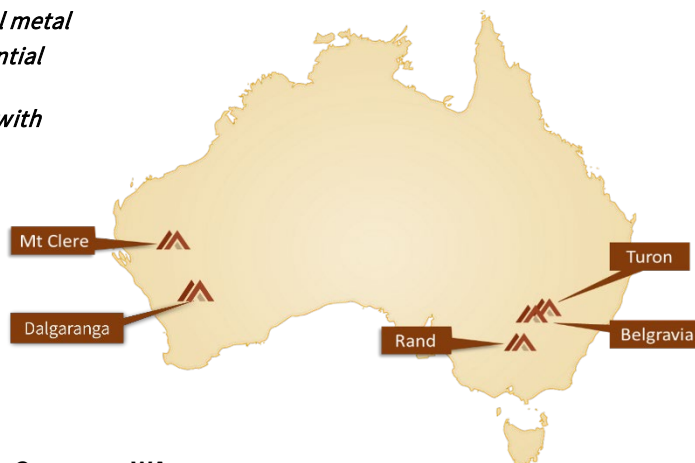
**Disclaimer**

*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.*



*Krakatoa is an emerging as a diversified high value critical metal and technology element company catering to the exponential demand spawned by electrification and decarbonisation. It is an ASX listed public Company with assets associated with copper-gold exploration in the world class Lachlan Fold Belt, NSW and multielement metals including the increasingly valued rare earths, nickel and heavy mineral sands in the highly prospective Narryer Terrane, Yilgarn Craton, WA and critical metals at Dalgarranga, WA*

*The company is focused on systematic exploration and development of their key project.*



#### **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. It currently has an Exploration target of 87-519Mt grading 580-1120ppm TREO. 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.

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

The Dalgarranga project has an extensive rubidium exploration target defined next to the old Dalgarranga 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. Current exploration target is 1.47-3.19Mt of Rb, Li, Nb, Ta, Sn and W ranging from 800-3,700ppm.

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

The Rand Project covers an area of 580km<sup>2</sup>, 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. REE's have recently been identified over several intrusive basement areas which lead to extensive exploration application (2,008km<sup>2</sup>) being placed over recognised prospective areas which will undergo clay hosted REE exploration once granted.

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

The Belgravia Project covers an area of 80km<sup>2</sup> and is 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, and all those up until 7 June 2022. 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