



18 October 2022

EM Target Sulphide Drilling to Commence at Mt Clere, supported by EIS Drilling Grant

- **Successful application for a \$180,000 drilling grant from the WA Government under the Exploration Incentive Scheme (EIS)**
- **This drilling program will target the high priority and prospective late time conductors identified through a combination of airborne and ground EM surveys, geochemical and geological data.**
- **Heritage clearance is complete and drill services have been secured for drilling to commence this quarter**

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to advise that it has been successful in an application for the Western Australian State Government Exploration Incentive Scheme (EIS) grant of up to \$180,000 in support of drilling several significant late time conductors targets within the Southern Cluster area (Figure 1) of Mt Clere project located in the north-western margins of the Yilgarn Craton, Western Australia.

The grant was offered following a competitive application process under Round 26 of the Government Exploration Incentive Scheme. Only 38 EIS grants were offered in this round.

The company recently completed a successful heritage survey over the southern cluster targets and are now progressing with the site preparation works. All permitting has been complete, and a drill rig has been secured for anticipated commencement this quarter.

Krakatoa's CEO, Mark Major commented

"The successful application for the EIS grant shows the level of prospective targets the company has identified with our systematic exploration over the course of the last 18 months. We would like to thank the WA government and acknowledge the DMIRS for their continued investment and support into greenfield exploration throughout the state. We have been planning to drill these targets since June and are now on the cusp of undertaking the initial maiden drilling. Our team have recently completed the heritage survey work and have now secured a suitable drill rig to start before the end of this quarter."



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

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Timothy Hogan

Enquiries regarding this

announcement can be directed to
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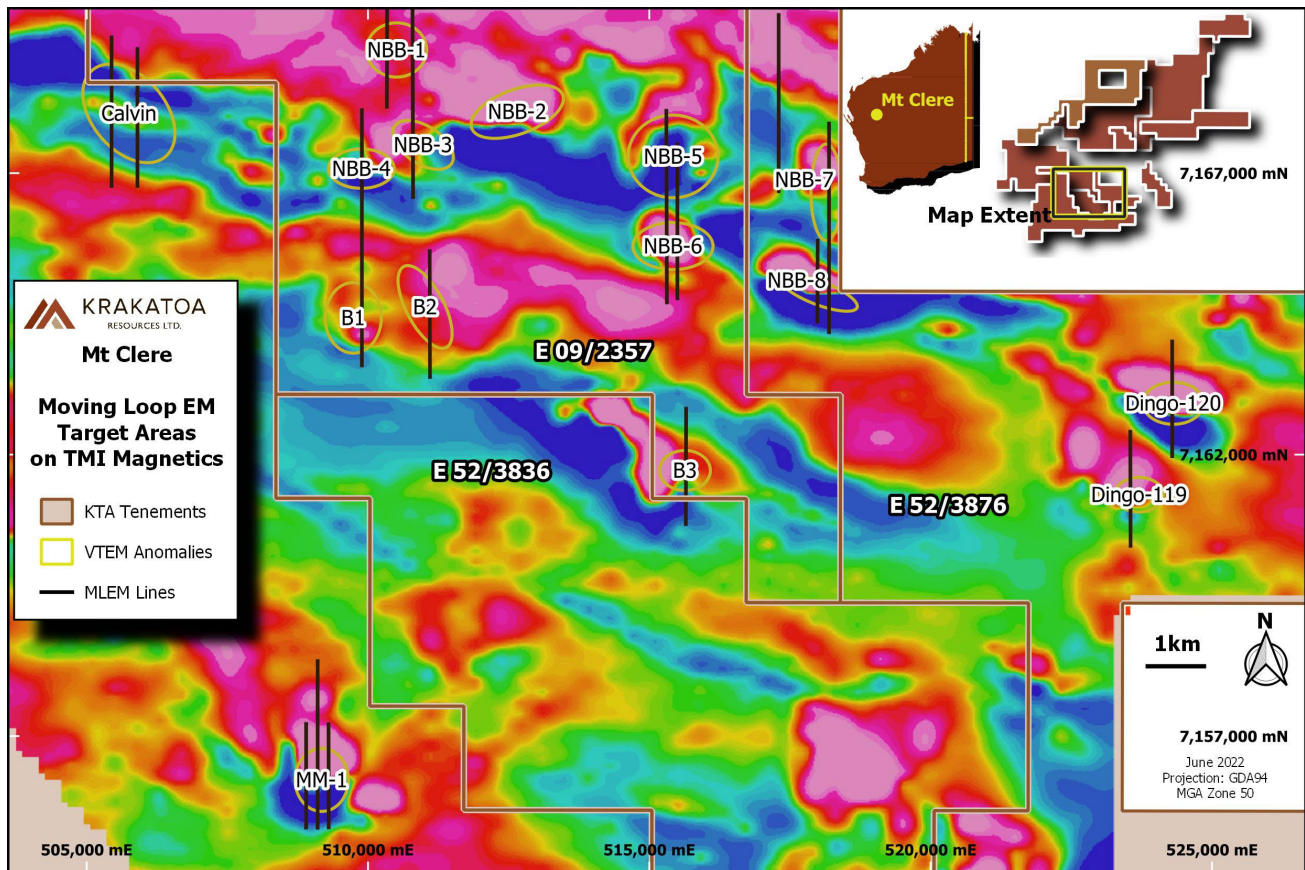


Figure 1 Map of Southern Cluster AEM targets showing MLEM lines over TMI magnetics

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

The company is not aware of any new information or data that materially affects the information included in the exploration target announcement dated 19 May 2022. 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 Dalgaranga, 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. 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. The Company has recently discovered the presence of Ion adsorption clays enriched in REE within extensive laterite areas; and is also investigating the monazite sands in vast alluvial terraces; and possibility of carbonatite dyke swarms. The company has identified multiply and discrete late time EM conductors via VTEM and ground MLEM surveys. These conductors are thought to be basement rocks enriched with massive sulphide mineralisation and will be drill tested in 2022.

Dalgaranga Critical Metals Project, Nb, Li, Rb, Ta, Cs, 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. Resource development drilling is currently being undertaken.

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

The Rand Project covers an area of 2241km², 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. REE's have recently been identified over several intrusive basement areas which lead to extensive exploration application (2,008km²). Now granted a reconnaissance air-core drilling campaign will be completed to help identify other prospective areas for clay hosted REE.

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

The Belgravia Project covers an area of 80km² 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 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 (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 until the 24 May 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