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2 November 2022

EXPANSION OF CLAY HOSTED REE CONFIRMED AT TOWER

- **Rare Earth Elements now confirmed over 5km extent at Tower prospect, Tower West prospect over 3km; still open**
- **Significant intersections from the resource drill holes highlights the consistency of thickness, grade distribution, and depth:**
  - **53m @ 722ppm TREO from surface, including 29m @ 1117ppm TREO from 24m (22MAC085)**
  - **48m @ 653ppm TREO from 6m (22MAC091)**
  - **47m @ 821ppm TREO from surface, including 27m @ 1205ppm TREO from 20m (22MAC094)**
  - **43m @ 551ppm TREO from 4m (22MAC075)**
  - **42m @ 769ppm TREO from 10m, including 32m @ 908ppm TREO from 12m (22MAC007)**
  - **39m @ 582ppm TREO from surface (22MAC070)**
  - **38m @ 642ppm TREO from surface (22MAC077)**
  - **33m @ 948ppm TREO from 6m, including 10m @ 2116ppm TREO from 28m (22MAC097)**
  - **31m @ 1036ppm TREO from 24m (22MAC090)**
  - **26m @ 1180ppm TREO from 18m (22MAC004)**
  - **29m @ 1117ppm TREO from 24m (22MAC085)**
  - **23m @ 949ppm TREO from 10m (22MAC063)**
  - **22m @ 1096ppm TREO from 20m (22MAC021)**
  - **22m @ 1466ppm TREO from 20m, including 12m @ 2348ppm TREO from 22m (22MAC003)**
  - **14m @ 1924pmm TREO from 16m (22MAC037)**
- **Key Magnet REO's (Nd-Pr-Dy-Tb) are up to 2058ppm and average 254ppm for >500ppm TREO (composite) intersections**
- **Maiden mineral resource estimate currently underway**
- **Auger drilling commenced below the mineralised plateau, seeking to further extend REE mineralisation**

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.

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Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to announce the assay results have been returned from the second phase drilling program at the Tower prospect, representing just one of many prospective clay hosted REE prospects at its 100% owned Mt Clere project located in the north-western margins of the Yilgarn Craton, Western Australia.

The 100 hole air core program resulted in 12 holes being drilled at Tower West (for 412m) and 88 holes at the Tower main area (for 2,801m) (Figure 1). Results from the recent infill and extensional drilling program at the Tower complement results from the discovery holes (see ASX Announcements dated 12 April 2022 and 19 May 2022). The extent of the mineralisation is now over 5km at the Tower prospect (Figure 2), the extent drilled to the south, while the Tower West Prospect (Figure 3) has expanded to 3km extent of mineralisation.

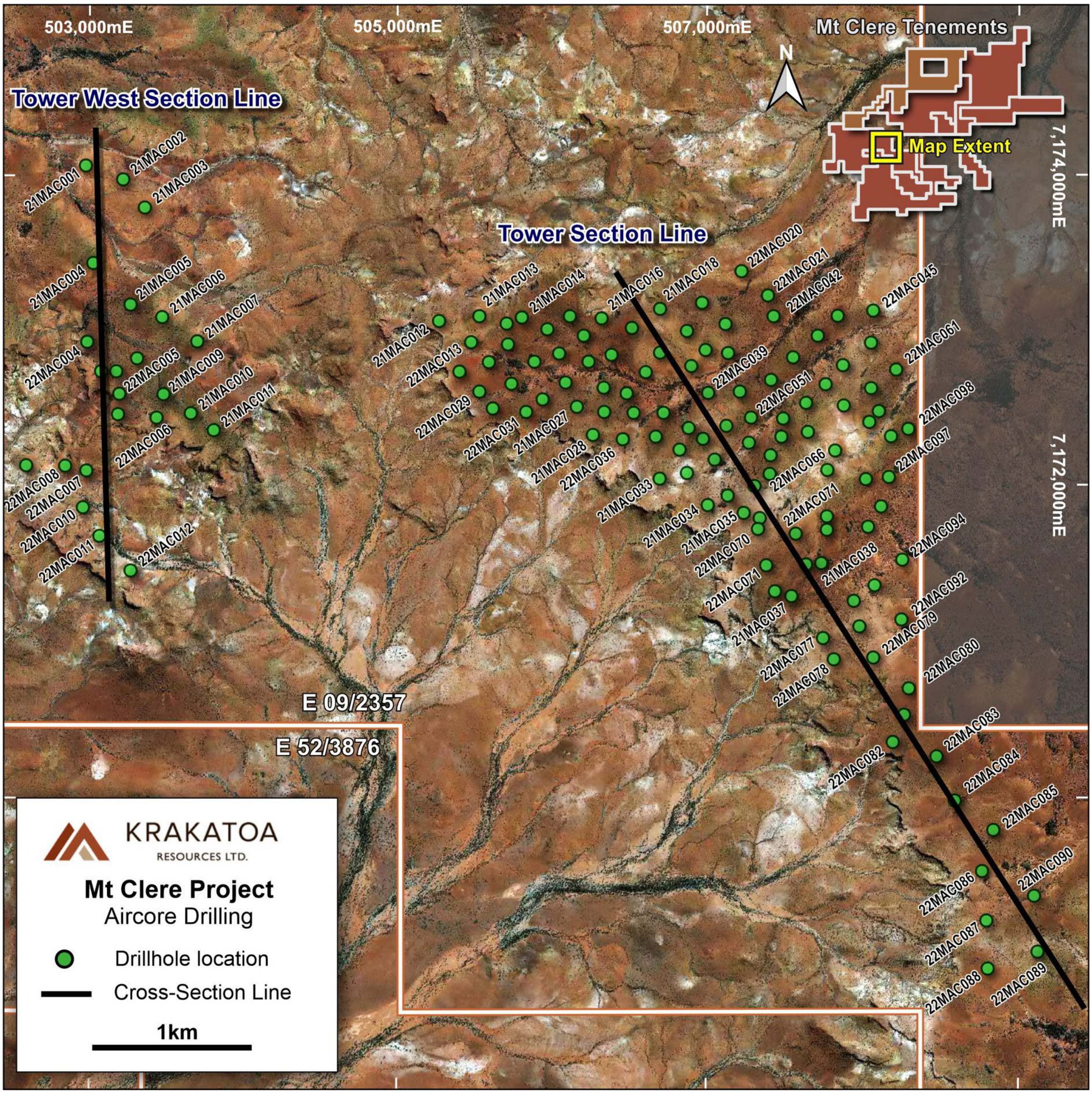

Figure 1 Map showing the extent of the clay hosted REE Exploration drilling over satellite image, with section lines

The core area of the Tower prospect is now covered by approximately 200m-spaced drill holes, which gives great confidence in the continuity of potentially economic mineralisation, considering the thick and flat-lying nature of the deposit. Several holes encountered the saprock closer to surface (8-15m) and typically did not carry any significant REE mineralisation. These areas are thought to represent basement highs. Two holes failed to be drilled due to drilling conditions.

While the drilling at the Tower was systematically spaced, locations for the Tower West scout drilling at this stage were based primarily on accessibility. The holes here confirmed similar saprolitic clays as those at the Tower with the target horizon thickening to the south.

Samples were collected each metre and combined into 2 to 4 metre composite samples from surface. End of hole samples composites varied from 1 to 4 metres, dependent on the depth encountered.

Majority of the holes intersected the expected bedrock of alkaline granitic and gneissic basement rocks with the pallid clay zones being well developed and having thickness from 10 to 50 plus metres. One hole encountered bedrock at 3 metres.

Krakatoa's CEO, Mark Major commented

> *" The drilling has now confirmed that we have a substantial clay hosted REE discovery at the Tower region of Mt Clere project. The continued thick clay regolith host has reaffirmed the exploration model and substantiated the extensive prospective area. It is a fantastic result and represents a major step forward for shareholders as we are now advanced to define our maiden JORC mineral resources estimate (MRE). There is still a lot of upside as we still have a lot of area untested around the Tower region as well as in the vast 2,300 square kilometre tenement package. We will look at these areas during 2023, right now we are looking forward to developing the MRE and completing the initial metallurgical review."*

Results

The analytical results revealed significant levels of widespread REEs, with abundant quantities of magnetic and critical rare earth elements along the entire length drilled.

Significant REE mineralised drill intersections (>500ppm TREO) are shown in Table 1. These additional drill hole assays are consistent with the initial samples results. Critical REO (CREO) and magnetic REO (MREO) concentrations as well as uranium (U) and thorium (Th) are also shown in Table 1.

The clay intersection of >500ppm TREO range in thickness from 3m to 32m within the current area of drilling.

Zirconium although not a rare earth element, was also elevated within several zones of the regolith, with several assays higher than 1000ppm returned and an average of 458 within intervals >200ppm TREO (see Table 3). Uranium and Thorium levels are low which is expected with ionic clay hosted REE deposits. They averaged 1.28ppm (U) and 25ppm (Th) respectively for >200ppm TREO intervals (Table 3).

The main mineralisation envelopes are interpretated to lie within the large horizontal clay saprolite layer and are open to the north, east and west. Additional areas within the laterite caprock and within the highly weathered saprock have also shown significant REE mineralisation. Figure 2 and 3 show cross sections of the simplified regolith profile with downhole TREO intersections, contoured with mineralised zones of >500ppm and >200ppm TREO.

Next Steps

The Company has validated these latest assay results and has commenced work on a maiden Mineral Resource Estimate for the Tower REE deposit, so far confined to the air core drilled area.

REE mineralisation on the Tower plateau is predominantly hosted within the lower saprolite unit of the regolith profile. The Company is happy to announce the imminent commencement of reconnaissance auger drilling on the downslope terraces to the southwest of the plateau to determine if mineralisation extends into this area. The lateritic cap and upper saprolite have largely been eroded from these terraces and the company believes the REE-hosting horizon is present in this area beneath less unmineralised cover. Positive indications from the auger program will justify future aircore drilling with the potential to add considerable volume to the known extent of REE mineralisation.

Initial metallurgical diagnostic leach tests at ANSTO are still ongoing to optimise possible extraction workflows.

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.

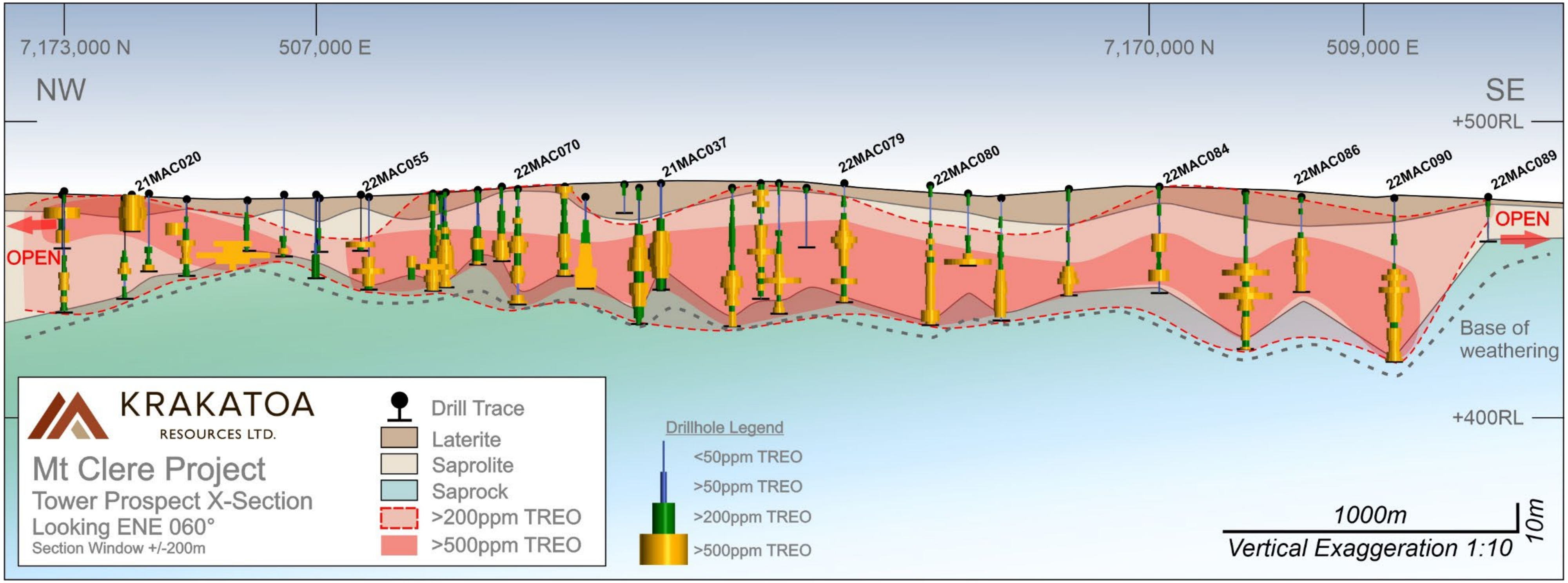

***Figure 2** Cross section Tower prospect showing simplified regolith profile, TREO zones of 500 and 200ppm, and downhole TREO intervals*

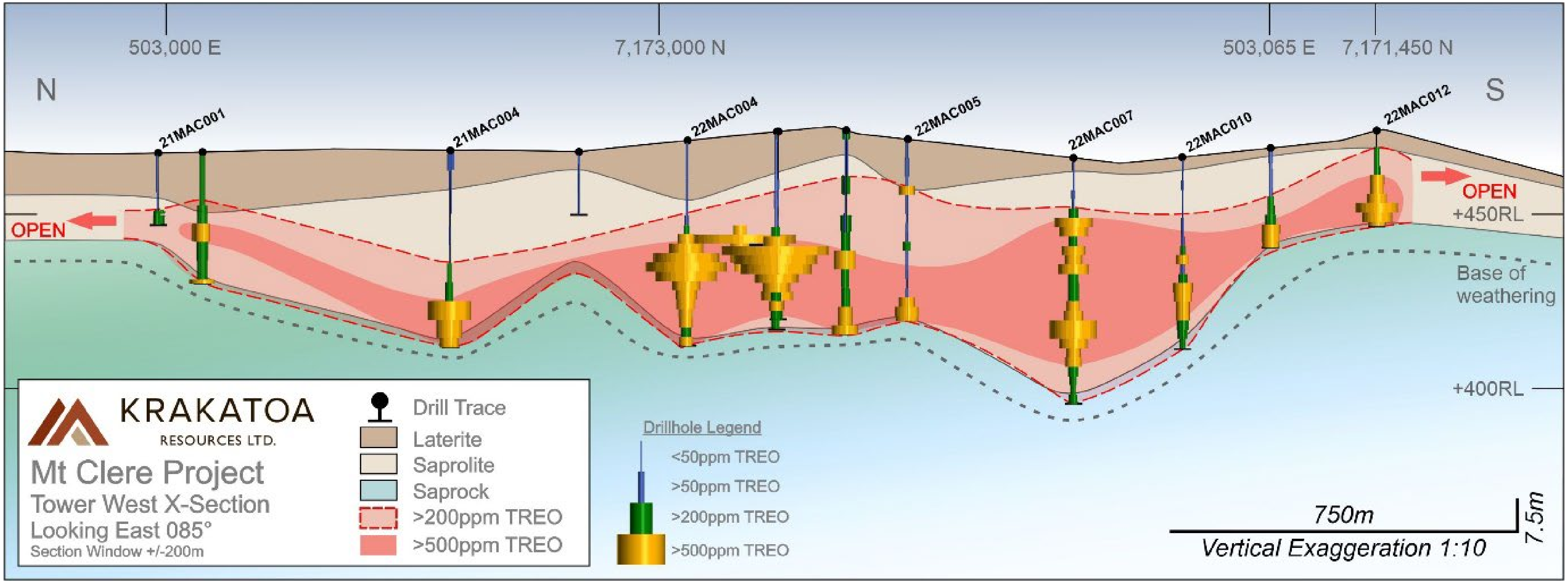

Figure 3 Cross section Tower West showing simplified regolith profile, TREO zones of 500 and 200ppm, and downhole TREO intervals

Table 1: Summary Table of significant intersection >500ppm TREO

Hole ID	From (MBGL)	To (MBGL)	Width (m)	TREO (ppm)	TREO-Ce (ppm)	CREO (ppm)	MREO (ppm)	Th (ppm)	U (ppm)
22MAC001	24	34	**10**	**1506**	775	330	335	27.23	1.32
22MAC002	26	40	**14**	**1227**	808	447	327	44.62	2.34
22MAC003	22	34	**12**	**2348**	1766	983	883	13.46	2.94
22MAC004	20	40	**20**	**1414**	817	400	409	11.34	1.87
22MAC005	34	39	**5**	**815**	447	232	215	1.62	0.86
22MAC007	12	44	**32**	**908**	574	300	242	26.41	1.24
22MAC008	26	30	**4**	**647**	399	195	178	5.22	1.03
22MAC009	16	26	**10**	**985**	657	369	253	4.49	0.83
22MAC010	28	36	**8**	**647**	356	195	140	1.28	0.65
22MAC011	18	23	**5**	**706**	459	259	170	1.93	0.91
22MAC012	6	17	**11**	**935**	509	270	218	8.21	1.55
22MAC013	12	16	**4**	**800**	514	221	264	5.33	0.83
22MAC013	32	36	**4**	**890**	307	166	138	1.15	0.77
22MAC014	24	28	**4**	**1134**	572	245	242	29.90	0.69
22MAC016	22	25	**3**	**2160**	1043	467	481	6.38	1.55
22MAC017	28	34	**6**	**680**	384	191	173	4.10	0.24
22MAC018	22	26	**4**	**710**	519	264	201	2.42	0.24
22MAC019	16	24	**8**	**560**	399	191	172	13.29	0.93
22MAC020	6	14	**8**	**523**	310	147	138	14.23	0.80
22MAC021	20	40	**20**	**1175**	733	315	312	50.82	1.81
22MAC022	22	40	**18**	**932**	555	248	241	66.91	1.36
22MAC024	14	22	**8**	**785**	390	187	170	1.76	0.38
22MAC026	22	30	**8**	**972**	643	332	261	0.74	0.54
22MAC028	18	24	**6**	**715**	418	160	170	10.50	0.81
22MAC029	6	10	**4**	**878**	455	150	195	7.75	1.15
22MAC029	20	31	**11**	**1501**	810	328	384	6.09	1.02
22MAC031	18	22	**4**	**815**	340	170	141	24.45	1.37
22MAC032	24	32	**8**	**677**	409	191	163	4.47	0.45
22MAC034	14	20	**6**	**836**	528	251	233	37.60	1.82
22MAC034	26	32	**6**	**1756**	1147	528	529	10.00	2.79
22MAC035	18	24	**6**	**1366**	881	412	395	38.83	1.41
22MAC036	16	24	**8**	**924**	476	216	217	49.53	1.57
22MAC037	16	28	**12**	**2197**	1362	677	620	12.57	3.22
22MAC040	10	24	**14**	**571**	346	158	161	3.87	0.86
22MAC041	20	28	**8**	**880**	612	307	279	8.42	1.94
22MAC042	12	26	**14**	**814**	563	316	233	58.40	1.32
22MAC043	22	38	**16**	**1095**	574	268	263	33.94	2.59
22MAC044	18	26	**8**	**1276**	756	342	361	5.15	1.09
22MAC046	18	26	**8**	**1195**	551	275	252	10.10	1.04
22MAC048	22	28	**6**	**709**	379	196	178	6.19	1.50
22MAC050	20	24	**4**	**801**	462	113	142	4.10	0.74
22MAC051	24	32	**8**	**783**	458	240	199	3.39	0.92
22MAC053	20	24	**4**	**1073**	435	219	191	2.55	0.69
22MAC056	20	30	**10**	**1065**	640	328	263	39.71	1.51
22MAC057	20	36	**16**	**1089**	563	300	242	35.28	0.89
22MAC058	14	21	**7**	**826**	454	187	230	81.43	0.77
22MAC061	24	30	**6**	**714**	414	196	185	2.92	1.06
22MAC062	16	28	**12**	**575**	375	185	159	24.02	0.94
22MAC063	10	33	**23**	**949**	528	217	233	89.82	1.46
22MAC064	12	23	**11**	**1090**	688	312	319	73.65	1.08
22MAC065	12	34	**22**	**747**	513	288	207	35.76	1.60
22MAC066	12	19	**7**	**1107**	467	256	194	43.10	1.51

Hole ID	From (MBGL)	To (MBGL)	Width (m)	TREO (ppm)	TREO-Ce (ppm)	CREO (ppm)	MREO (ppm)	Th (ppm)	U (ppm)
22MAC067	12	32	**20**	**913**	640	343	247	37.66	1.66
22MAC068	22	33	**11**	**1144**	661	366	273	18.51	1.36
22MAC069	16	25	**9**	**958**	597	320	233	25.21	1.40
22MAC070	10	39	**29**	**691**	470	261	184	39.14	1.20
22MAC071	0	4	**4**	**816**	517	264	244	93.55	1.84
22MAC071	16	30	**14**	**745**	483	259	194	27.03	1.49
22MAC075	28	47	**19**	**841**	602	343	223	36.80	1.32
22MAC076	24	44	**20**	**782**	544	308	221	33.27	1.37
22MAC077	2	8	**6**	**871**	660	412	218	48.13	2.55
22MAC077	14	32	**18**	**773**	442	227	190	30.79	1.71
22MAC079	12	34	**22**	**859**	556	300	228	37.40	1.57
22MAC080	22	47	**25**	**704**	504	290	207	28.78	1.38
22MAC081	20	24	**4**	**1833**	1234	656	521	7.67	1.27
22MAC082	24	40	**16**	**741**	485	272	192	20.94	1.63
22MAC083	26	36	**10**	**878**	555	313	212	2.97	1.05
22MAC084	16	22	**6**	**953**	536	227	259	77.83	0.88
22MAC084	28	32	**4**	**1325**	742	315	350	116.00	1.86
22MAC085	24	53	**29**	**1117**	742	409	304	18.80	1.90
22MAC086	14	32	**18**	**782**	560	318	221	32.32	1.85
22MAC088	2	6	**4**	**692**	508	307	196	25.65	1.58
22MAC090	24	55	**31**	**1036**	836	509	226	13.23	1.79
22MAC091	24	44	**20**	**980**	715	428	247	25.47	2.49
22MAC091	48	52	**4**	**904**	683	420	252	25.73	3.98
22MAC093	12	32	**20**	**633**	474	282	195	2.02	0.71
22MAC094	20	47	**27**	**1205**	596	336	245	22.88	2.53
22MAC096	34	48	**14**	**677**	357	178	163	17.08	2.00
22MAC097	20	24	**4**	**593**	376	179	189	20.28	1.68
22MAC097	28	38	**10**	**2116**	1250	616	581	24.58	1.47
22MAC098	16	38	**22**	**799**	571	285	242	26.25	1.48
22MAC099	12	16	**4**	**559**	435	266	151	28.35	1.23
22MAC099	22	38	**16**	**799**	525	273	224	13.54	1.58
22MAC100	16	20	**4**	**916**	616	278	265	13.78	0.95
22MAC100	24	29	**5**	**725**	471	237	186	22.49	1.01

Table 2: AC Drill hole collar locations. All holes drilled vertically

Hole ID	Easting MGA	Northing MGA	RL (m)	EOH (m)	Hole ID	Easting MGA	Northing MGA	RL (m)	EOH (m)
22MAC001	503316	7172815	470	37	22MAC051	507274	7172431	477	33
22MAC002	503183	7172731	467	42	22MAC052	507116	7172378	478	18
22MAC003	503084	7172731	471	42	22MAC053	506814	7172225	481	26
22MAC004	502996	7172921	468	44	22MAC054	506861	7172073	479	18
22MAC005	503194	7172453	472	39	22MAC055	507039	7172162	477	19
22MAC006	503443	7172431	474	12	22MAC056	507260	7172271	479	31
22MAC007	502989	7172090	458	52	22MAC057	507470	7172308	481	41
22MAC008	502853	7172122	460	34	22MAC058	507640	7172339	476	21
22MAC009	502601	7172124	457	28	22MAC059	507872	7172510	72	35
22MAC010	502968	7171855	457	42	22MAC060	508047	7172621	470	8
22MAC011	503074	7171669	453	23	22MAC061	508211	7172743	466	56
22MAC012	503276	7171447	453	17	22MAC062	508099	7172474	467	30
22MAC013	505469	7172919	489	36	22MAC063	508036	7172404	467	33
22MAC014	505698	7173037	486	29	22MAC064	507816	7172220	475	23
22MAC015	505961	7173002	485	22	22MAC065	507765	7172094	472	34
22MAC016	506197	7172959	484	25	22MAC066	507395	7172069	480	19
22MAC017	506507	7173009	485	41	22MAC067	507297	7171990	481	32
22MAC018	506860	7172991	471	34	22MAC068	507124	7171929	483	33
22MAC019	507110	7173035	469	34	22MAC069	507329	7171785	484	25
22MAC020	507214	7173377	464	14	22MAC070	507318	7171713	485	39
22MAC021	507384	7173218	475	47	22MAC071	507562	7171683	482	30
22MAC022	507420	7173084	473	40	22MAC072	507427	7171313	482	23
22MAC023	507126	7172847	475	15	22MAC073	507628	7171486	482	10
22MAC024	506889	7172763	479	26	22MAC074	507764	7171708	482	25
22MAC025	506595	7172726	479	26	22MAC075	507935	7171250	482	47
22MAC026	506226	7172793	481	32	22MAC076	507972	7171087	482	44
22MAC027	505879	7172793	484	27	22MAC077	507737	7171009	482	39
22MAC028	505584	7172789	476	25	22MAC078	507807	7170874	482	20
22MAC029	505523	7172600	456	31	22MAC079	508062	7170885	482	40
22MAC030	505729	7172650	483	29	22MAC080	508292	7170686	482	47
22MAC031	505825	7172468	482	22	22MAC081	508259	7170515	482	24
22MAC032	506078	7172657	481	34	22MAC082	508188	7170340	482	41
22MAC033	506325	7172625	482	19	22MAC083	508469	7170249	482	36
22MAC034	506474	7172588	476	36	22MAC084	508587	7169962	482	36
22MAC035	506327	7172469	482	25	22MAC085	508834	7169773	482	53
22MAC036	506447	7172293	483	26	22MAC086	508762	7169507	482	32
22MAC037	506710	7172462	477	34	22MAC087	508792	7169188	482	17
22MAC038	506873	7172365	476	21	22MAC088	508798	7168878	482	11
22MAC039	506998	7172591	473	17	22MAC089	509120	7168989	482	15
22MAC040	507201	7172599	477	27	22MAC090	509098	7169349	482	55
22MAC041	507402	7172674	477	33	22MAC091	509189	7169546	482	54
22MAC042	507545	7172819	468	26	22MAC092	508242	7171129	482	17
22MAC043	507703	7172960	465	39	22MAC093	508071	7171352	482	47
22MAC044	507832	7173087	468	38	22MAC094	508249	7171517	482	47
22MAC045	508062	7173122	464	38	22MAC095	508027	7171729	482	15
22MAC046	508047	7172916	460	49	22MAC096	508113	7171858	482	48
22MAC047	507867	7172770	457	33	22MAC097	508163	7172048	482	39
22MAC048	507754	7172646	462	40	22MAC098	508289	7172360	482	38
22MAC049	507630	7172527	472	25	22MAC099	508013	7172034	482	41
22MAC050	507481	7172425	473	32	22MAC100	508177	7172312	482	29

Table 3 Average grades for >200ppm and >500ppm TREO and other elements

Cut-off	Statistics	TREO (ppm)	TREO-Ce (ppm)	CREO (ppm)	MREO (ppm)	Zr (ppm)	Th (ppm)	U (ppm)
>200ppm	Average	665	420	217	175	458	25	1.28
	Max	5533	3485	1754	2058	1445	159	10.65
	90th Percentile	1207	770	409	327	736	54	2.07
>500ppm	Average	1011	630	326	265	450	29	1.51
	Max	5533	3485	1754	2058	1445	159	10.65
	90th Percentile	1645	964	522	401	734	66	2.45

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 Graton. The Company holds 2,310km^2 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 an area of 580km^2, 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^2) 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^2 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^2 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

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 collected at 1 metre intervals and contained in large plastic bags. Samples for geochemical analysis were collected as 2m to 4m composites, taken by the spear method from each 1 metre plastic bag. Near the end-of-hole narrower composite sample intervals, usually 3 to 1m depending on the depth of the reminder of the hole. 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. • All AC samples were prepped by ALS Global in Perth. • 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.
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. •
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 1 metre intervals were 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. • 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. • No Sample duplicates were collected as the program was designed for reconnaissance test work and internal laboratory QA/QC is considered suitable for this level of sampling. • The size of the sample is considered to have been appropriate to the grain size for all holes.
Quality of assay	• *The nature, quality and appropriateness of the assaying and laboratory*	• ALS Global method ME-MS81 are considered to be near total.

Criteria	JORC Code explanation	Commentary
data and laboratory tests	*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.*	• 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 1.2284 CeO2 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 1.1762 Tb4O7 Tm 1.1421 Tm2O3 Y 1.2699 Y2O3 Yb 1.1387 Yb2O3 Zr 1.351 ZrO2 • 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 + CeO2 + Pr6O11 + Nd2O3 + Sm2O3 + Eu2O3 + Gd2O3 + Tb4O7 + Dy2O3 + Ho2O3 + Er2O3 + Tm2O3 + Yb2O3 + Y2O3 + Lu2O3. • TREO-Ce = TREO – CeO2 • LREO (Light Rare Earth Oxide) = La2O3 + CeO2 + Pr6O11 + Nd2O3 + Sm2O3 • HREO (Heavy Rare Earth Oxide) = Eu2O3 + Gd2O3 + Tb4O7 + Dy2O3 + Ho2O3 + Er2O3 + Tm2O3 + Yb2O3 + Y2O3 + Lu2O3 • CREO (Critical Rare Earth Oxide) = Nd2O3 + Eu2O3 + Tb4O7 + Dy2O3 + Y2O3 • MREO (Magnetic Rare Earth Oxide) = Pr6O11 + Nd2O3 + Tb4O7 + Dy2O3.
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 Mt Clere Project for all surveys is GDA94 Zone 50. • No downhole surveys were done on the AC holes as all holes were drilled vertically.
Data spacing	• *Data spacing for reporting of Exploration Results.*	• analytical data points downhole are sufficient to characterize the nature of the rock and its mineralisation. Drill hole spacings are

Criteria	JORC Code explanation	Commentary
and distribution	• *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.*	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 4 m AC sample composites were nominally taken on site for the AC Drilling, with 1m samples taken near end of hole.
Orientation of data in relation to geological structure	• *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 mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• All AC holes were drilled vertically. The holes were designed to test various regolith geology. • The orientation of the mineralisation is typically within the saprolite of the regolith profile, although some areas of the laterite and saprock profiles are mineralised.
Sample security	• *The measures taken to ensure sample security.*	• 2 to 4 metre 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 placed into large bulka bags and submitted in four batches. Each batch was transported-frighted to ALS Global Perth.
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 known impediments to obtaining a licence to operate in the area.*	• E09/2537, E52/3730, E52/3731, E51/1994, E52/3876, E52/3836, E52/3873, E52/3938, E52/3962and E52/3877 are granted licenses to Krakatoa • The tenements are owned and managed by Krakatoa • The Company holds 100% interest and all rights in the Mt Clere tenements • All are 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 Mt Clere Project in different periods and explored for different commodities over several decades. • The project area was previously explored by BHP, All Star and Astro Mining NL respectively for Au, Pb-Zn-Ag mineralisation and diamonds (see ASX announcement 9 October 2020 and 19 June 2019).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Ionic absorption Clay and Clay hosted rare earth deposit. • The project is focused on multiple REE opportunities, including REE and thorium in enriched monazite sands released from gneissic rocks, REE ion adsorption on clays within the widely preserved deeply weathered lateritic profiles and lastly REE occurring in plausible carbonatites associated with alkaline magmatism. • The project covers regions of structural complexity within the Narryer Terrane in the Yilgarn Craton said to represent reworked remnants of greenstone sequences that are prospective for intrusion-hosted Ni-Cu-(Co)-(PGE's).

Criteria	JORC Code explanation	Commentary
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 figure2 and 3 and all relevant REEs are tabulated within the body of the report. • Drillhole information including collar and survey are tabulated in Table 4 of the body of the ASX Announcement. • 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.*	• A lower cut off of 500ppm TREO was used for data aggregation of significant intervals with a maximum of 2 meters on internal dilution and no top-cuts were applied. A cut-off of 200ppm TREO was used for reporting and establishing a potential secondary mineralised envelope. • Significant intervals were tabulated for reporting. All individual samples were included in length weighted averaging over the entire tabulated range, with averages, maximums and 90th percentiles reported. • Assay results of REE are reported in ppm and the conversion of elemental analysis (REE parts per million) to stoichiometric oxide (REO parts per million) was undertaken using stoichiometric oxide conversion factors.
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 should be 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. • The mineralisation is interpreted to be horizontal, flat lying within the regolith profile. 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 Z50 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 [illegible] to avoid misleading reporting of Exploration Results.*	• Anomalous AC drilling results are fully reported in Table 1 for all holes sampled. • Average, max and minimum values are shown in Table 3 for the total rare earth oxides
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 considered. • Maiden JORC Mineral resource estimation is being undertaken..