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15 November 2022

Mt Clere Basement Sulphide Drilling Update

HIGHLIGHTS

- **Final preparations near complete for 6-8 hole, ~3,000m Reverse Circulation (RC) drill program targeting Ni, Cu, Co and PGE sulphides**
- **Drill rigs being mobilised to site, with drilling to commence next week**
- **Program will test multiple, highly prospective late time conductors, identified through a combination of airborne and ground EM surveys, geochemical and geological data**
    - **6 conductors identified with >8000 siemens**
- **Priority targets are the Milly Milly and North Bullbadger east plates**
    - **Milly Milly - Main - NS & EW targets recorded >10000 Siemens and N1/N2 ~3000 Siemens**
    - **North Bullbadger - S1a & S1b targets recorded >8000 Siemens LS1 & SE targets ~4000 Siemens**

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to provide an update on the upcoming basement sulphide drilling program, at its 100% owned Mt Clere Project located in the north-western margins of the Yilgarn Craton, Western Australia.

Final preparations for the program are near complete, with drill rigs being mobilised to site and Krakatoa expecting the 6-8 hole, 3,000m drill program to commence next week.

The upcoming drill program will initially target the highly prospective Milly Milly ("MM") (Figure 1 and 2) and North Bullbadger ("NBB") (Figure 1 and 3) conductors, where exceptional readings of up to 10,000 plus Siemens were recorded through previously completed airborne and ground EM surveys.

Commenting on the upcoming basement sulphide drill program Krakatoa CEO, Mark Major said,

"We are very excited to commence our sulphide drill program at Mt Clere and get the drill rigs spinning, with an initial focus on the highly exciting Milly Milly and North Bullbadger targets.

"With recent PGE hits by Desert Metals nearby, the drilling of our late time EM conductors for basement sulphide targets, especially those over 4000 siemens along edges of magnetic features, adds to the anticipation. We have recorded readings of over 10,000 Siemens at Milly Milly and over 8,000 Siemens at North Bullbadger. These types of targets share some similar traits to other discoveries such as Gonneville (Julimar) EM Conductor, discovered by Chalice Resources, and the Nova Bollinger EM conductor discovered by Sirius Resources.

"We have already experienced great success at Mt Clere through the discovery of our Tower Rare Earths Project and are now focused on achieving similar success through this upcoming drill program."

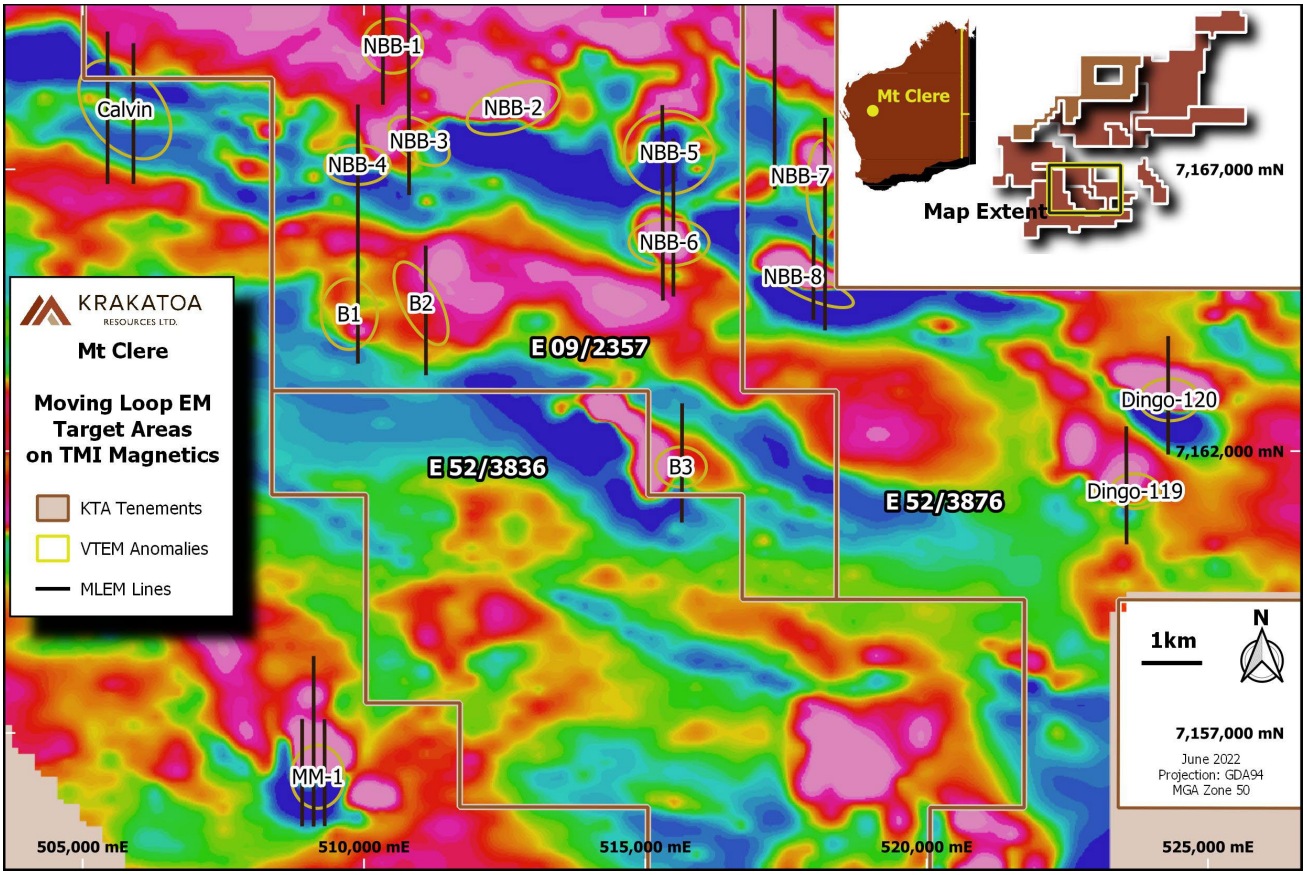

Figure 1 Map of Southern Cluster AEM targets showing MLEM lines over TMI magnetics

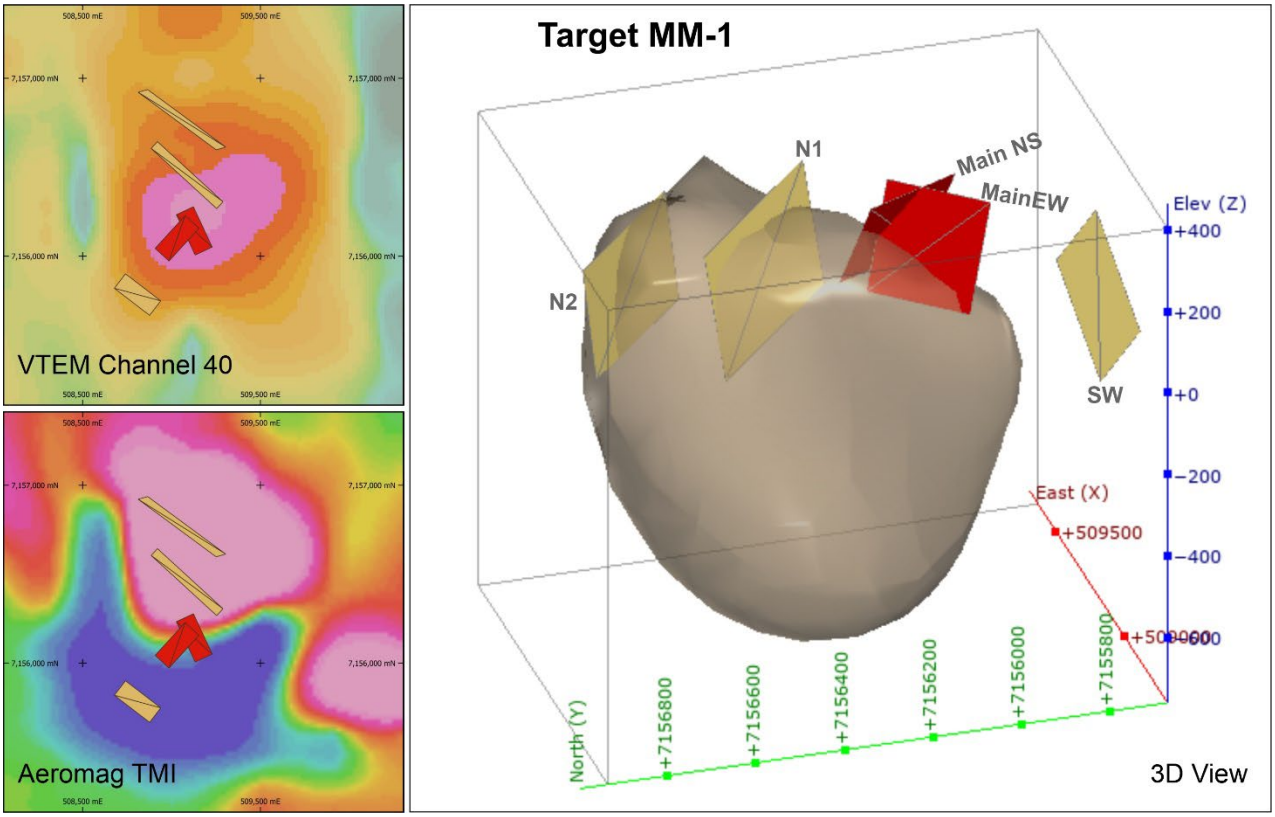

Figure 2 Milly Milly (MM-1) Prospect, MLEM plates over AeroMag TMI and AEM VTEM Ch40, with oblique view of 3D magnetic susceptibility isosurface (0.2 SI units)

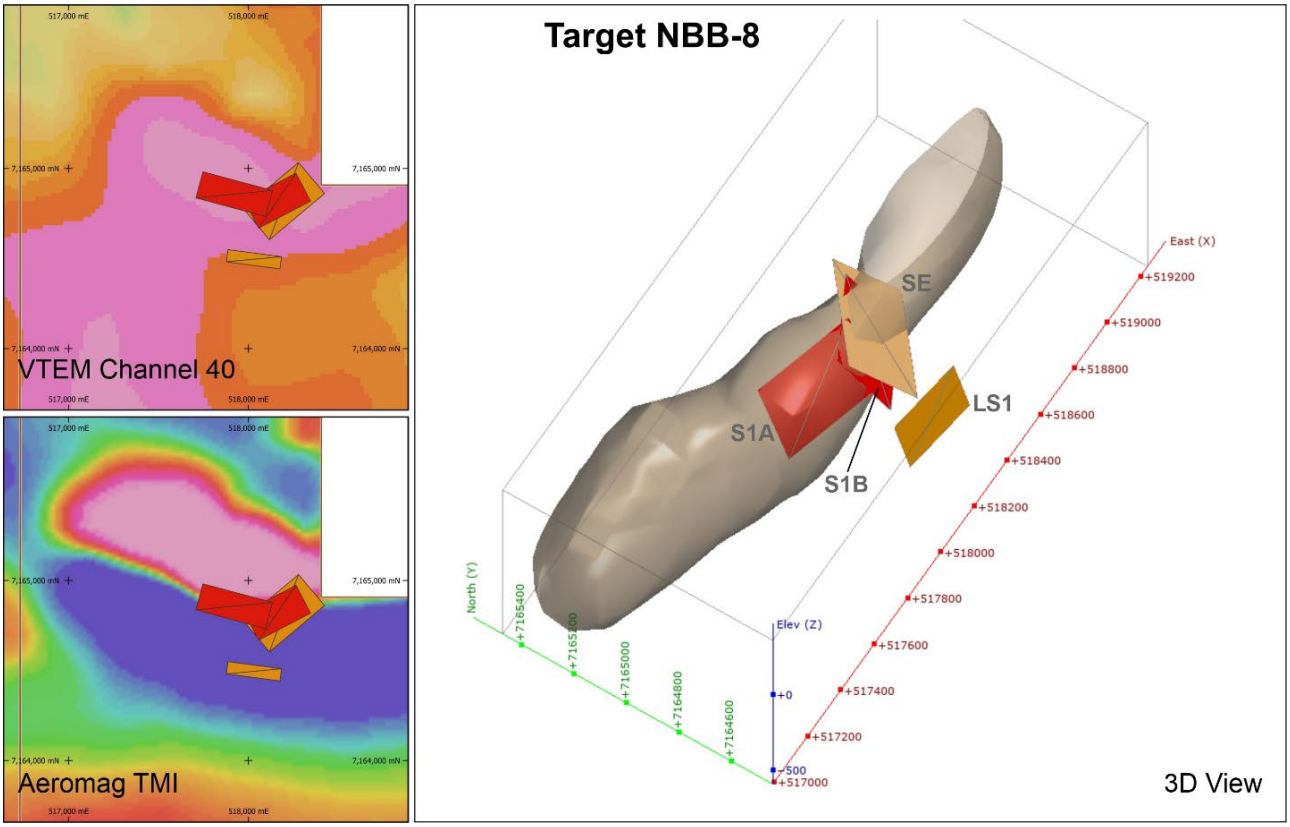

Figure 3 NBB-8 Prospect, MLEM plates over Aeromag TMI and AEM VTEM Ch40, with oblique view of 3D magnetic susceptibility isosurface (0.2 SI units)

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.

Geophysical Information in this report is based on exploration data modelled by David McInnes, who is engaged as a geophysical consultant through Montana GIS. Mr McInnes is a member of the Australian society of Exploration Geophysicists and has sufficient experience of relevance in the types of survey's completed and the types of mineralisation under consideration.

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. 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 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. 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 2241km^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. REE's have recently been identified over several intrusive basement areas which lead to extensive exploration application (2,008km^2). 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 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 until the 11 November 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