



8 February 2023

RIU Explorers Conference Guide Clarification

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") refers to the RIU Explorers Event Guide published in The Australian newspaper on 8 February 2023.

The Company wishes to clarify that details of the JORC Mineral Resources and Exploration Target for the Company's Tower Deposit at its Mt Clere Project referred to in the guide, can be found on the ASX announcement released on 21 November 2022 and is summarised in Table 1.

Table 1. Tower project Mineral Resources estimate and Exploration Target.

Resource Classification JORC	Tonnes (Mt)	TREO (ppm)	TREO - CeO ₂ (ppm)	CREO (ppm)	HREO (ppm)	LREO (ppm)	U ₃ O ₈ (ppm)	ThO ₂ (ppm)
Indicated	40	824	481	233	182	642	1	31
Inferred	61	852	540	290	266	586	2	32
Total⁽¹⁾	101	840	517	267	233	607	2	32
Exploration Target ⁽²⁾	57 - 481	530 - 1050	320-625				1 - 4	10-35

Notes:

- (1) Mineral Resources reported at a cut-off grade of 300 ppm TREO-CeO₂
- (2) Exploration target is reported as a range. The potential quantity and grade of the Exploration Target is conceptual in nature and is therefore an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource

The Exploration Target has been estimated using modelling completed in the Mineral Resource estimate work and the vertical reconnaissance air core (AC) drill holes assay results with the projection of the mineralisation extending over adjoining geologically prospective areas that have similar basement geology, regolith development, radiometric and spectral indices. The parameters and assumption of the various input parameters are detailed below:

Table 2: Tower Deposit Exploration Target parameters and assumptions

Parameter	Comments
Geological model	Based on drill hole regolith logging, assay results, geological mapping, radiometric and spectral imagery
Bulk Density	1.78 g/cm ³ – estimated based on known clay material characteristics and reflects same density as the Mineral resource estimate
Number of drill holes,	139 drill holes in total: 39 logged and assayed over the Tower West area, plus 100 holes drilled and assayed that make up the Mineral resource estimates over the Tower central and southern area; Clay hosted >500ppm TREO intersection identified with geological information
Cut-off grades	200ppm TREO, no other element cut offs were used
Target grade	>750ppm TREO
Mineralisation zonation factor – dilution factor	REO zone thickness in drilled areas were averaged and those REO zone thickness outside the drilled area is discounted by ~35-40% to account for variability in mineralisation zonation due to topographical and basement highs.



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

The Company is currently evaluating the next phase of the metallurgical and mineralogy programs which are expected to commence in early 2023. Krakatoa will look to undertake initial beneficiation testing, supplementary mineralogical studies and particle size distribution of the clay hosted REEs to help assist with optimisation of the REE recoveries and overall metallurgical process.

In addition to this, the Company is currently completing all the regulatory permitting and preparatory works for infill core drilling in order to collect bulk samples of in-situ material for further metallurgical and material classification works, while also providing an increase in the level of resource classification over areas identified with greater mineability (low strip and thick consistent grades).

The Company will undertake mapping and geochemical sampling over additional targets identified within the 2,000 square kilometre land holding once the field season commences late in the first quarter of 2023.

The Company also wishes to clarify that details of the Exploration Target for the Company's King Tamba Project referred to in the guide, can be found on the ASX announcement released on 8 November 2021 and is summarised in Table 3.

Table 3: King Tamba Exploration Target

Tonnes	Rb	Li	Nb	Ta	Sn	W
1,470,000 – 3,185,000	500 - 2,000	50- 300	100- 500	25-100	50-700	10-100

The Exploration Target has been estimated following a remodelling exercise that included all of the project's drilling data and internal geological review. The geological model was constrained by the limits of the known drilling which consisted of 156 historical holes (5071m) and 11 holes (1066m) drilled by Krakatoa in 2017 that excluded mined out areas. The geological zones highly likely to contain the mineralisation were interpreted to be within the pegmatites. The parameters and assumption of the various input parameters are detailed below:

Table 4: King Tamba Exploration Target parameters and assumptions

Parameter	Comments
Geological model	Limited to drill holes with confirmed logged pegmatite
Specific Gravity	2.8 t/m ³ - based from historical mining data
Number of drill holes,	309 holes with geological information, including 167 holes with QA/QC assays
Cut-off grades	200ppm Rb, no other element cut offs were used
Target grade	1,000ppm Rb.
Pegmatite mineralisation zonation factor – dilution factor	40% discount based on results of block modelling of Rb, Li, Nb, Ta and Sn; where values were below the lower range for each element – considered barren material.

The Company drilled 32 RC drillholes for a total of 3045m during May and June 2022 and released assay results in the ASX announcements dated 31 August 2022 and 12 October 2022.

The Company intends to complete structural geology modelling and mineral deportment work at King Tamba before finalising a maiden mineral resource estimate (MRE) in Q1, 2023. An aggressive program of geochemical sampling and drilling is now being prepared for 2023, following the release of the MRE.

The potential quantity and grade of the Exploration Targets are conceptual in nature and are therefore an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Authorised for release by the Board.

-END-

Authorised for release by the Board.

FOR FURTHER INFORMATION:

Colin Locke
Executive Chairman
+61 457 289 582
locke@ktaresources.com

Competent Person's Statement

The exploration and metallurgical information in this announcement are 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.

The information in this announcement which relates to Mineral Resources for the Tower rare earth deposit is based upon and fairly represents information compiled by Mr Greg Jones who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Jones is a full-time employee of IHC Mining and has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Jones consents to the inclusion in this report of the matters based on his 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.