KRAKATOA
RESOURCES LTD.

www.ktaresources.com

Lv 8, London House
216 St. Georges Terrace,
Perth WA, Australia 6000

T. +61 (08) 9481 0389
E. locke@ktaresources.com

15 March 2023

SHALLOW REE DRILL PROGRAM COMPLETED AT RAND PROJECT

HIGHLIGHTS

- **Completion of 27 hole, 1,318m air core drill program, focused on REE targets at the Rand Project**
- **Drilling targeted the highly prospective REE-enriched Ryan and Jindera Granites**
- **Drill program is the first exploration for possible clay hosted ionic REEs over Devonian aged granites**
- **Drilling defined thick saprolitic clays over vertical depths of 60+metres**
- **Assay results awaited and expected in 8 weeks**

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to announce the completion of a 27 hole, 1318m Air Core (AC) drill program at the Company's 100% owned Rand Project, centred approximately 60km NNW of Albury in Southern NSW.

Figure 1: Roadside easement AC drill site RAC015

Krakatoa's CEO, Mark Major commented "*After inclement weather forced the postponement of drilling for several months, we are pleased to report the successful completion of the air core drill program at Rand, which focused on highly prospective REE targets across the Ryan and Jindera Granites.*

"Prior work by the NSW Geological Survey and Geoscience Australia highlighted these granites as I-Type and possibly A-Type granites which are importantly, prospective for REE mineralisation. Furthermore, the Ryan Granite is an alkaline metasomatically altered granite, enriched in REE-silicates.

"The fact that this inaugural drill program defined thick, clay-dominated saprolites developed over the granites is extremely encouraging, and we eagerly await the assay results".

DRILL PROGRAM SUMMARY

The AC program was drilled on roadside easements (Figure 1) during February 2023. Eight holes were collared within EL9000 "Rand" and the remainder on EL9366 "Urana" (Figures 2 and 3). A total of 27 vertical, 89mm diameter holes (RAC001 to 027 inclusive; Table 1) for 1318.7 metres were completed.

Twelve (12) holes tested the Ryan Granite ("Dury") at ~1km centres along 7.5 km of (NE-SW) strike, a further 12 holes tested the northern Jindera Granite ("Durj") as wide-spaced E-W fences with 1.5 to 2.5km spacings and RAC020 tested an unassigned Devonian rhyolite dyke ("Duu_r"; Figure 2).

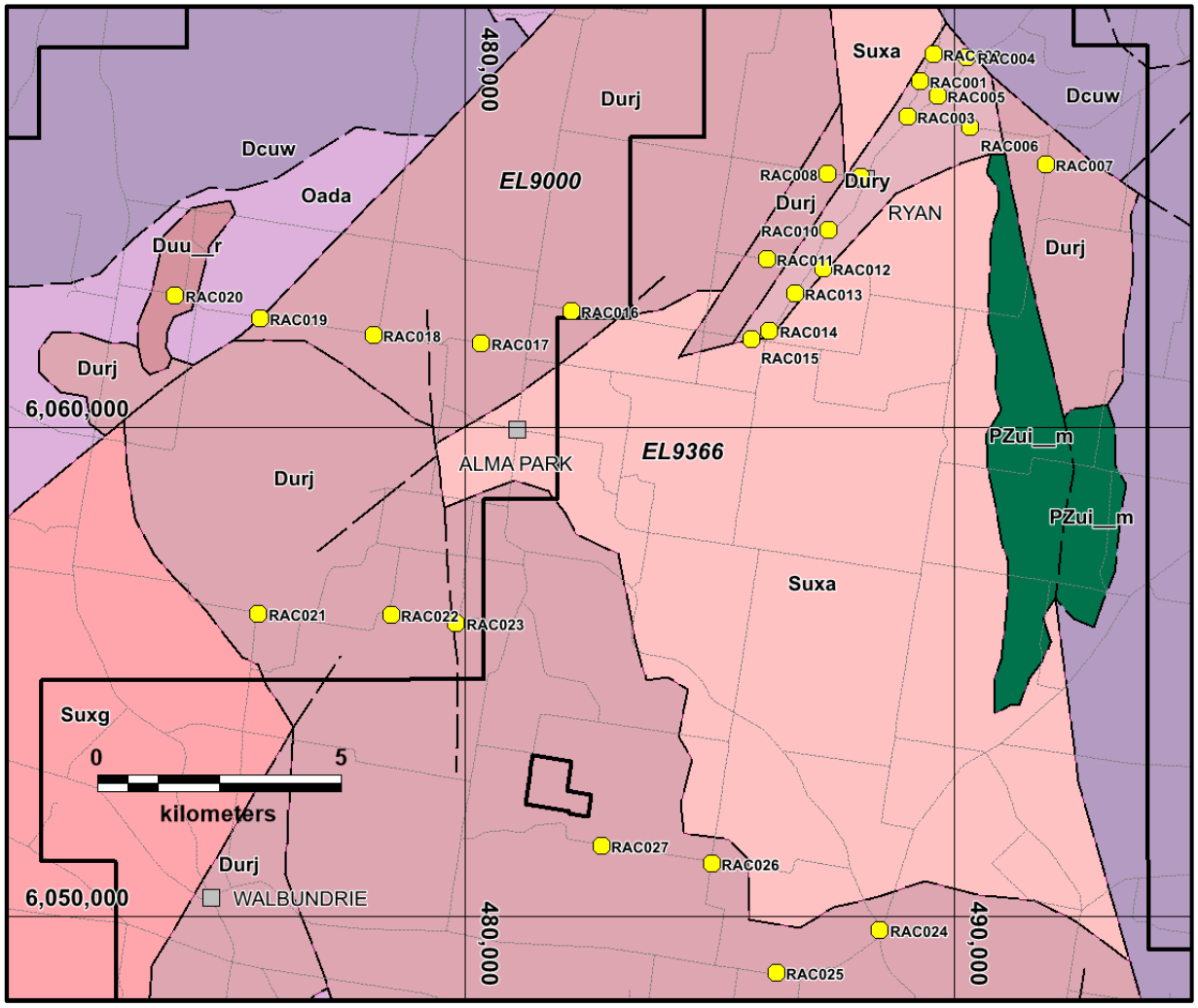

Figure 2: Completed AC drillholes over bedrock geology. Tenure outlines (black), roads (grey) and localities are shown for reference. Map grid is MGA94 z 55. (Durj = Jindera Granite, Dury = Ryan Granite, Duu_r = unassigned rhyolite dyke)

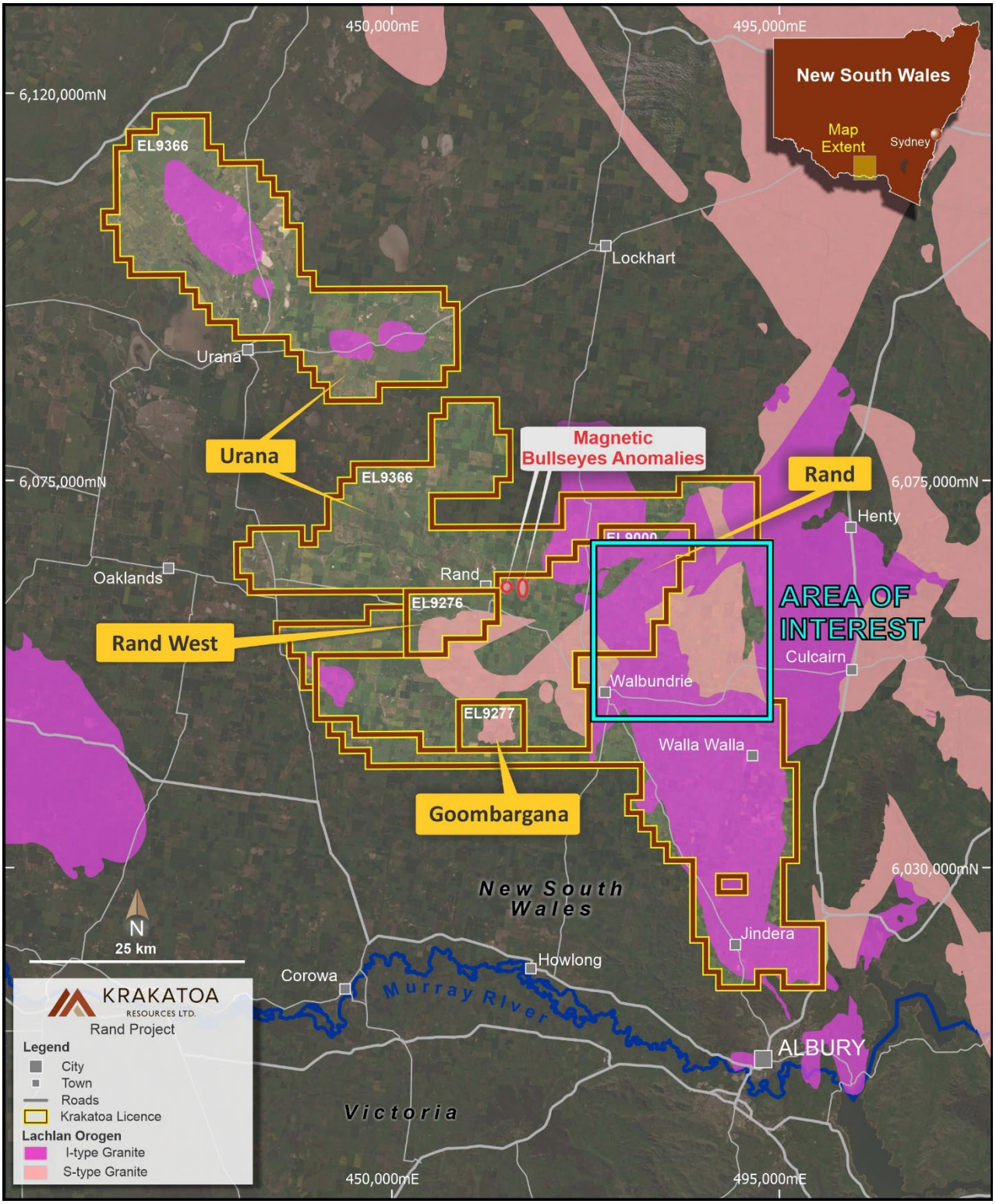

Figure 2: Rand Project showing tenements, current area of drilling and Siluro-Devonian granites (as determined by NSW geological survey)

The final two holes that targeted Durj intersected Abercrombie Fm ("Oada"). Hole depths ranged from 3 to 72 metres, with a median depth of 54 metres. Wallis Drilling completed the drill program using a Toyota Landcruiser-mounter Mantis AC rig (Figure 1). Most holes were terminated at the top of saprock (Figure 4), unless terminated sooner due to bad drilling conditions.

Figure 4: AC chips from RAC010 (66m TD), Ryan Granite (left); and (b) RAC018 (72m TD), Jindera Granite (right) showing red hematitic clays, yellow-orange goethitic material and white clays (pallid zones)

The holes intersected various Fe-oxide- (goethitic and hematitic) bearing zones (interpreted as mottled zones and ferruginous saprolites), in addition to clean clays (interpreted as the pallid (or upper) saprolite). Examples of the regolith drilled are presented as Figure 4.

Almost 400 composited samples are currently being prepped by ALS Global for a lithium borate, multi-element suite analysis. Assay results are expected in approximately 8 weeks. If the results are encouraging, KTA will move to quickly start follow-up drilling, as 90 holes have been permitted, of which only 27 were drilled in this initial program.

-END-

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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

Table 1: AC drillhole specifications. (Geology unit key: Dur_r – unassigned rhyolite dyke, Durj – Jindera Granite, Dury -Ryan Granite, Oada Abercrombie Formation). All holes drilled vertically

Hole ID	Max Depth (m)	East GDA94	North GDA94	RL AHD	EL	Unit drilled	Regolith Landform Setting
RAC001	37	489300	6067100	288	EL9366	Dury	relict erosional
RAC002	13.5	489571	6067637	297	EL9366	Dury	relict erosional
RAC003	62	489033	6066376	275	EL9366	Dury	relict erosional
RAC004	44	490263	6067584	282	EL9366	Dury	relict erosional
RAC005	48	489653	6066794	288	EL9366	Dury	relict erosional
RAC006	70	490324	6066153	282	EL9366	Dury	relict erosional
RAC007	3	491870	6065383	297	EL9366	Durj	relict erosional
RAC008	30	487413	6065204	278	EL9366	Oada	relict erosional
RAC009	33	488087	6065127	276	EL9366	Dury	relict erosional
RAC010	66	487433	6064037	249	EL9366	Dury	colluvial depositional
RAC011	30	486160	6063441	255	EL9366	Oada	relict erosional
RAC012	51	487320	6063259	242	EL9366	Dury	colluvial depositional
RAC013	66	486737	6062754	233	EL9366	Dury	colluvial depositional
RAC014	60	486215	6061984	227	EL9366	Dury	colluvial/alluvial depositional
RAC015	63	485839	6061823	227	EL9366	Dury	colluvial depositional
RAC016	48	482164	6062380	228	EL9000	Durj	colluvial depositional
RAC017	60	480322	6061737	229	EL9000	Durj	colluvial depositional
RAC018	72	478116	6061905	218	EL9000	Durj	colluvial/alluvial depositional
RAC019	66	475796	6062230	219	EL9000	Durj	colluvial depositional
RAC020	51	474064	6062704	205	EL9000	Duu_r	colluvial depositional
RAC021	66	475773	6056193	207	EL9000	Durj	colluvial depositional
RAC022	57	478489	6056181	220	EL9000	Durj	colluvial depositional
RAC023	33	479814	6055997	218	EL9000	Durj	colluvial depositional
RAC024	59	488473	6049729	224	EL9366	Durj	relict erosional
RAC025	10.2	486362	6048858	201	EL9366	Durj	colluvial depositional
RAC026	60	485044	6051092	185	EL9366	Durj	colluvial aeolian depositional
RAC027	60	482787	6051457	183	EL9366	Durj	colluvial aeolian depositional

Competent Person's Statement

The information in this announcement is based on, and fairly represents information compiled by Erik Conaghan who is a Member of the Australian Institute of Geoscientists, is a shareholder and an employee of Krakatoa Resources. Mr Conaghan 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 Conaghan consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

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.

Disclaimer

In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcement.

Appendix 1 -JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

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 (e.g.' 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.*	• KTA drilled 27 air-core (AC) holes for 1318.7metres. All holes are interpreted to have drilled in situ regolith, where transported cover material was suspected this was noted in the logs and samples. AC holes were sampled nominally by composited 4 metre intervals. At the end-of-hole, narrower samples intervals were composited. A representative sample was taken by scooping from each one metre bulk sample bag then depositing into calico bags to create a composited 2.5-3kg sample. • 375 original samples were collected and submitted to the laboratory. Individual 1m calico samples (also taken using a scoop) were kept for each metre drilled to enable for future resampling or metallurgical work. • No assay results are reported in this release. • All AC samples were sent to ALS Global in Orange, NSW.
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.).*	• Wallis Drilling were contracted to perform the drilling work. A 6-wheel drive, Toyota Landcruiser-mounted "Mantis" drill rig was used. • AC holes were drilled at a nominal 89 mm (NQ) diameter with various patented Wallis Drilling AC drill bits.
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 (wet, dry, damp) was monitored and recorded. Generally sample recovery was satisfactory. Sample recovery was generally lower when significant groundwater was encountered. When the driller injected water (to aid drilling), this was also noted. • AC sample contamination was minimized by routine by cleaning out the cyclone and hoses between holes and by routine cleaning of the scoop. • No assays /grades have been reported.
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 samples were collected on 1 metres intervals then qualitatively and quantitatively logged in detail, for particular observations such as regolith position, weathering, alteration, and lithology a quantitative recording is made. A representative sample of every metre drilled was placed into chip trays which were photographed and retained for future review. • The detailed descriptions recorded are 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*	• Composite AC samples were scooped from the bulk samples, which are collected in bulk sample bags from the rig's cyclone. Sample moisture was recorded. • Sample preparation comprises an industry standard of drying and pulverizing to -75 microns (95% passing). Samples over 3kg will be split before pulverizing. • AC sample duplicates were collected at the rate of one duplicate sample for every 40 normal samples. This was done by the scoop sampling method. Ten duplicates were inserted into the sample batch. • Ten, ~100 gram certified OREAS standards were inserted into the sample batch at the nominal rate of 1 standard for every 40 samples. • The size of the sample is considered to have been appropriate to the grain size for all holes.

Criteria	JORC Code explanation	Commentary
	sampled.	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory 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.*	• All AC samples were analyzed for 30 elements by the following: lithium borate fusion and ICP-MS: 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 and Zr. • Nine samples that contained quartz and/or Fe-oxides veins will also be also analyzed for gold by a 30g charge by FA-AA (method Au-AA21). • These methods are considered to be total digestion. • N/A – no results reported.
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.*	• N/A – no results reported. • Twinned holes are inappropriate at this stage of work. • AC data has been recorded in a database with QA-QC analysis undertaken to validate data prior to it being inserted into the external database by a qualified database administrator. • N/A – no results reported.
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.*	• AC drillhole collars were surveyed by a handheld GPS (Garmin Map 64sx with 3-5m precision). The grid system used is MGA94 Zone 55. • Collar RLs are in AHD and were taken from a 20 metre DEM produced from the SRTM. • All AC holes were drilled vertically so downhole surveys were not done.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.*	• Drill holes were designed as wide-space, first pass reconnaissance drilling of the Ryan Granite and the northern parts of the Jindera Granite. Final hole locations were determined in the field and located so not to impinge on existing vegetation. Data spacing is suitable for this early exploration stage. • No results are reported in this report. • Nominal 4m composited samples were nominally taken on site for the AC Drilling, with narrower samples taken at end-of-hole. Some sample widths were based on geological observations.
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. Assuming REE elements are hosted by clays in the saprolite, and if the weathering profile is roughly horizontal in nature, then the orientation of the drillholes is optimal. • No results are reported so no statements about any mineralization can be made.
Sample security	• *The measures taken to ensure sample security.*	• A single 396 sample batch was submitted. All samples were collected in calico bags that were placed into polyweave sacks that were sealed with plastic cable ties. The single sample batch was taken to TOLL Freight (Albury NSW) by the CP from where it was freighted to ALS Global (Orange, NSW).
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

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 knownimpediments to obtaining a licence to operate in the area.*	• The AC drilling was done on EL9000 Rand (8 holes) and EL9366 Urana (19 holes), both of which are wholly owned by Krakatoa Australia Pty Ltd, a wholly owned subsidiary of Krakatoa Resources Ltd. The Company holds 100% interest and all rights in both tenements. KTA entered into formal, separate land access agreements with the Lockhart and Greater Hume Shire Councils in order to conduct the AC drilling reported herein. All necessary permits were obtained by the NSW Regulator before drilling commenced. • Both EL9000 and 9366 are in good standing.
Exploration by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Various parties have held different parts of the broader project area and explored for different commodities over several decades. • No company has ever completed systematic exploration across the area. • Samedan Oil worked this area in the early 1980, targeting VMS and metasomatic veins and Sn-W deposits associated with the Devonian volcanics and Jindera Granite. They flew airborne magnetics, completed mapping, stream sediment and soil sampling. They completed a few shallow rotary mud with diamond tail drillholes at the Hickory Hill (W, Au) prospect that lies within EL9366 and shallow "stratigraphic drilling" elsewhere. Pan Australian Mining completed regional work from 1985-1987 across the area targeted greissen hosted Sn-W and Au associated with the granites. They completed localised drainage and soil sampling, rock-chip sampling and limited RC drilling of Sn-W targets.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The current AC drilling is targeting ionic/clay-hosted rare earth elements (REEs) in the weathered saprolite of the Ryan and Jindera Granites. • Known styles of hard-rock mineralisation in the area include polymetallic vein (Pb-Ag) deposits at Fig Tree Corner, Sn-W associated with S-Type granites (Goombargana) and diorites (Hickory Hill Prospect) and orogenic lode gold in quartz veins at Bulgandra.
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) of the 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.*	• Drillhole information including collar details, maximum hole depths are tabulated in the body of the report. • A map displaying all drillhole locations is included in the body of the report. • No assay results are presented in this report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximumand/or minimum grade truncations (e.g., 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*	• NA • NA

	and longer lengths of low grade results, the procedure used for suchaggregation 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 beclearly stated.*	• NA
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 shouldbe a clear statement to this effect (e.g. 'down hole length, true width not known').*	• NA • NA • NA
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 exploration are included in the release. All drillhole locations are shown in a map and a table with collar coordinates are in MGA94 Z55 are included in this report.
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 practiced to avoid misleading reporting of Exploration Results.*	• NA
Other substantive explorationdata	• *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, geotechnicaland rock characteristics; potential deleterious or contaminating substances.*	• An airborne magnetics survey flown over the entirety of EL9000 was previously reported by the company.
Further work	• *The nature and scale of planned further work (e.g., 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.*	• Any future work for clay-hosted REEs is dependent on the results of the first pass AC drilling reported herein. • All diagrams shown are suitable for this level of exploration.