



7 June 2023

## EXPLORATION UPDATE AT MT CLERE

- **Systematic reconnaissance, mapping and geochemical surveys have commenced over the Company's 100% owned Mt Clere project**
- **Initial work is focusing on regional greenfield exploration over recently generated prospective targets**
- **Supplementary metallurgical test work programs are continuing over the Tower REE resource area, to refine and improve the metallurgical process design**

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to provide an update on exploration activities over the highly prospective Mt Clere project and at the Company's flagship Tower REE Project ("Tower"), located in the north-western margins of the Yilgarn Craton in Western Australia.

Following delivery of the maiden Mineral Resource Estimate of 101MT @ 840ppm TREO at Tower in late November (*ASX Announcement 21 November 2022*), the Company has commenced regional reconnaissance, mapping, and geochemical field programs at Mt Clere in early May.



**Figure 1:** Reconnaissance exploration at Mt Clere



**ASX Code**  
KTA

#### **Capital Structure**

363,376,584 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**  
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## 2023 EXPLORATION PROGRAM

Krakatoa has developed a range of exploration initiatives across Mt Clere for the 2023 field season, with the objective to carry out regional exploration programs to replicate the Tower discovery success. The Company will also advance the metallurgical studies over the Tower deposit with continued work programs to assist with process design. It is also anticipated later in 2023 the Tower deposit may undertake infill and resource extensional drilling programs.

### *Regional programs across Mt Clere include:*

- Outcrop geological mapping and geochemical (rock and soil) sampling to generate new targets across under-explored region (80% of landholding yet to be explored)
- Targeted exploration fieldwork at specific areas of interest which include Wheelo Creek & Number 6 bore, and a zone of elevated metal values in stream samples identified northeast of One Gum bore
- Petrological work will be completed in order to continue advancing our geological knowledge of the area.
- Geophysical and reconnaissance drill programs will be defined on further successful targeting and completion of fieldwork programs

### *Key workstreams at Tower include:*

- Further aircore (AC) drilling to expand the current clay hosted REE Mineral Resource estimate
- Diamond drilling program for further geochemical and geotechnical work, along with providing samples for the ongoing metallurgical test work
- Environmental baseline and Aboriginal heritage surveys at main Tower area, which will likely feed into a Scoping Study on the Tower deposit
- The metallurgical and mineralogy test work is continuing to assist with optimising the extraction process options and develop a viable processing and production pathway at Tower.

**Krakatoa's CEO, Mark Major commented,** *"It's great to be back in the field undertaking more discovery-based exploration. Last year's field program resulted in the discovery of the Tower Project and since then we have been able to quickly define a sizeable mineral resource of 101MT @ 840ppm TREO, which positions Mt Clere as the biggest clay hosted REE resource in Western Australia. With 80% of our landholding remaining underexplored. The future for Krakatoa is very exciting as we continue to focus on the rapid development of our unique and high-value critical metals portfolio, to supply into a growing market and play a role in global decarbonisation efforts".*

**-END-**

Authorised for release by the Board.

## FOR FURTHER INFORMATION:

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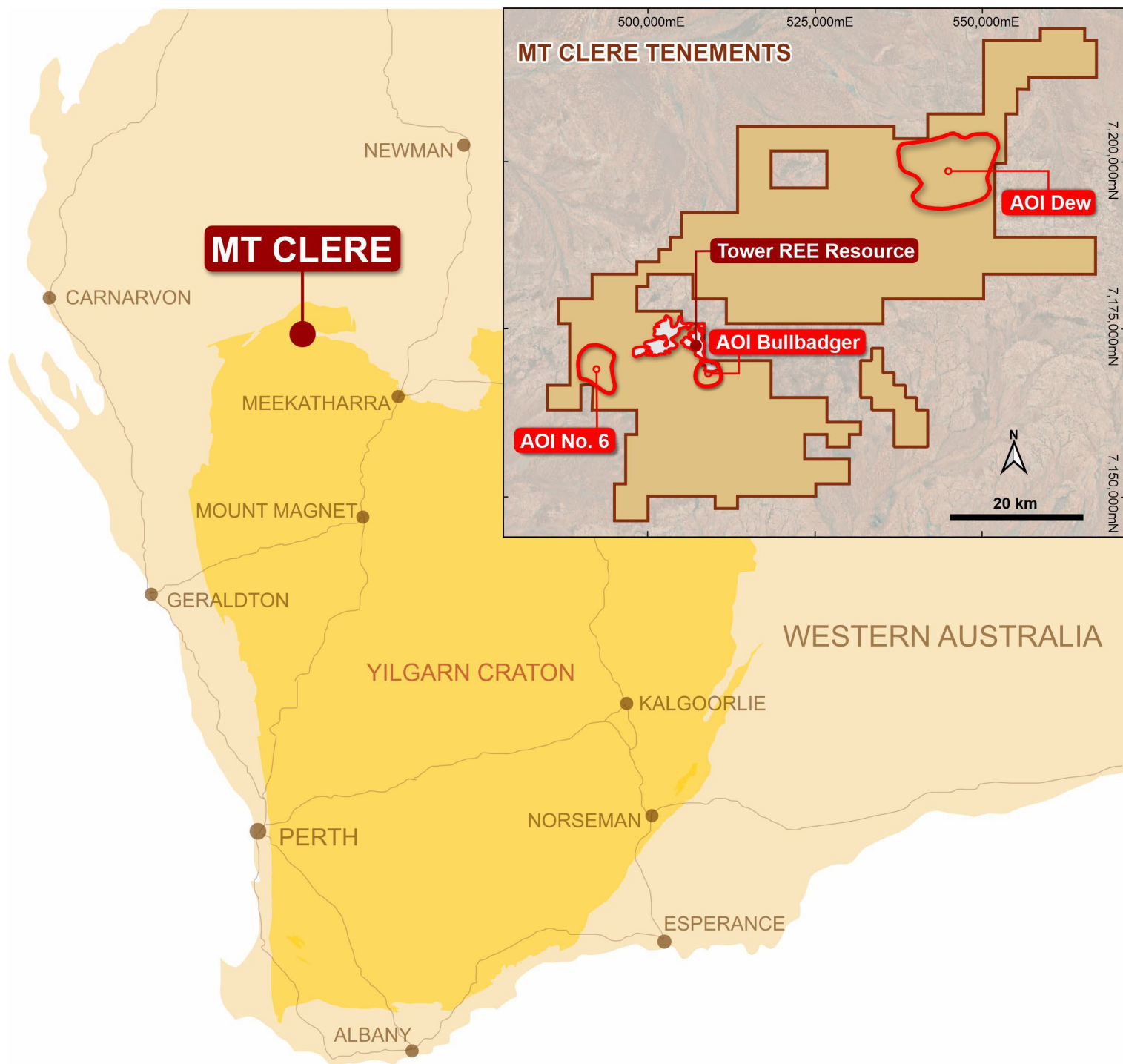
### **Competent Person's Statement**

*The information in this report 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". 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 (ASX announcement dated 21 November 2022) and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement (ASX announcement dated 21 November 2022) continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement (ASX announcement dated 21 November 2022).*

### **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.*





### Tower Mineral Resource Summary

JORC Classification	Tonnes (Mt)	TREO (ppm)	TREO – CeO <sub>2</sub> (ppm)	CREO (ppm)	HREO (ppm)	LREO (ppm)	U <sub>3</sub> O <sub>8</sub> (ppm)	ThO <sub>2</sub> (ppm)
Indicated	40	824	481	233	182	642	1	31
Inferred	61	852	540	290	266	586	2	32
<b>Total<sup>(1)</sup></b>	<b>101</b>	<b>840</b>	<b>517</b>	<b>267</b>	<b>233</b>	<b>607</b>	<b>2</b>	<b>32</b>

Notes:

- (1) Mineral Resources previously reported to the ASX on 21 November 2022, titled “KTA Delivers Maiden Rare Earth Mineral Resource at Tower”. The Mineral Resource is based on a cut-off grade of 300 ppm TREO-CeO<sub>2</sub>. The Mineral resource is produced in accordance with the 2012 Edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves (JORC 2012). The Company is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The information in this report and above, 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.