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14 April 2020

Significant gold and copper result increases mineralisation potential at Sugarloaf

- ***Mineralised float sample [IC200323-10] assays 5.19g/t gold and 1.73% copper***
- ***Mineralised float sample is located 82m from a historical chip sample that assayed 0.53g/t gold and 1,250ppm copper, confirming the presence of significant gold and copper enrichment in the Sugarloaf area***
- ***These results, along with the previously described legacy stream geochemistry, coincide with a large magnetic target with characteristics of porphyry-style mineralisation***
- ***The anomalous float sample also returned 11ppm silver, 0.12% lead, 0.23% zinc, 19ppm molybdenum, and 14ppm antimony***
- ***Further field mapping, geochemical sampling and drilling are scheduled for Sugarloaf***

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is delighted to announce results including **5.19g/t gold** and **1.73% copper** from a float sample collected at the Sugarloaf Target on its 100% owned Belgravia Project, located near Orange, NSW. The float sample (Figure 1) lies on the northwestern margin of a geophysical pattern considered indicative of porphyry-style mineralisation. It confirms previously recorded mineralisation in a chip sample that assayed **0.53g/t gold** and **1,250ppm copper** (see 11 February market release - Porphyry pattern delineated at Sugarloaf) and raises the potential of Sugarloaf for hosting porphyry-style mineralisation.

The Sugarloaf Target lies within the same Ordovician volcanic belt that hosts the Copper Hill Deposit to the immediate northwest, Newcrest's Cadia Valley Operations and the recent Kaiser-Boda discovery by Alkane Resources.

Krakatoa's Executive Chairman, Colin Locke, stated, *"Systematic exploration using airborne geophysics, detailed field mapping and surface geochemistry continues to pay dividends and create exciting opportunities for Shareholders. The Company will continue to expand upon this early success to build further successes at Sugarloaf and within the greater Belgravia Project".*

Prospectivity

The Company implemented a field mapping and sampling program after reconsidering the regional aeromagnetic data. That exercise identified a sizeable geophysical pattern considered characteristic of porphyry-style copper-gold mineralisation. The aforementioned program remains ongoing.

Figure 1 Sample IC200323-10 - assaying 5.19g/t Au and 1.73% Cu, and comprising quartz–epidote–malachite–chalcocite–chalcopyrite veining.

To date, thirty-seven (37) chip or float samples have been collected mainly across the western margin of the Sugarloaf area (Figure 2). The collected samples are mostly in the vicinity of the historical Sugarloaf Creek copper drainage anomaly and across the western margin of the interpreted magnetic pattern. Rock samples are chipped from outcrop or collected as 'float' when encountered in the scarified and cleared crop paddocks. All float samples are interpreted to be locally sourced.

The commodity-rich sample (IC200323-10), comprising mainly of quartz, epidote, malachite, chalcocite and chalcopyrite veining, reported 5.19g/t gold, 1.73% copper, 10.65 ppm silver, 0.12% lead, 0.23% zinc, 19ppm molybdenum, and 14ppm antimony. The float sample, along with the previously reported historical sample that assayed 0.53g/t gold and 1,250ppm copper, considerably elevate the exploration potential at Sugarloaf. Both samples lie on a northeast-trending fault (Figure 2) along the northwest margin of the geophysical pattern with the historical sample located 82m north of the new sample. The significance of the fault on the indicated mineralisation is yet to be determined.

Other nearby samples also exhibit minor gold and copper enrichment (Table 1). Table 2 lists the full results.

Sample_id	GDA55_E	GDA55_N	Sample_Type	Ag	As	Au	Bi	Cu	Mo	Pb	Sb	Zn
IC200323-10	678030	6334920	float	10.65	6.7	5.19	14.9	17300	19.55	1230	13.65	2250
IC200323-16	677519	6334744	outcrop	0.1	7.8	0.01	0.02	336	0.67	5	0.28	89
IC200324-12	677928	6335801	outcrop	0.08	14.7	0.005	0.02	178.5	0.89	8.4	1.08	95
IC200323-02	678040	6335327	outcrop	0.05	6.9	0.005	0.01	174	0.87	3	0.41	111
IC200323-04	677709	6335426	outcrop	0.05	6.2	0.005	0.02	172.5	0.55	2.5	0.14	109
IC200324-01	677353	6334429	outcrop	0.04	5.5	0.007	0.02	151	0.52	2.2	0.3	101
IC200323-11	677949	6334829	outcrop	0.1	4	0.005	0.01	149	1.67	6.8	0.64	59
IC200323-15	677908	6334531	outcrop	0.07	7.4	0.015	0.06	145	0.83	8	0.47	104
IC200323-09	678030	6334945	outcrop	0.07	4	0.023	0.09	120	0.55	10	0.82	68
IC200324-07	677835	6334256	outcrop	0.04	5.4	0.017	0.02	111.5	0.72	1.9	0.16	88

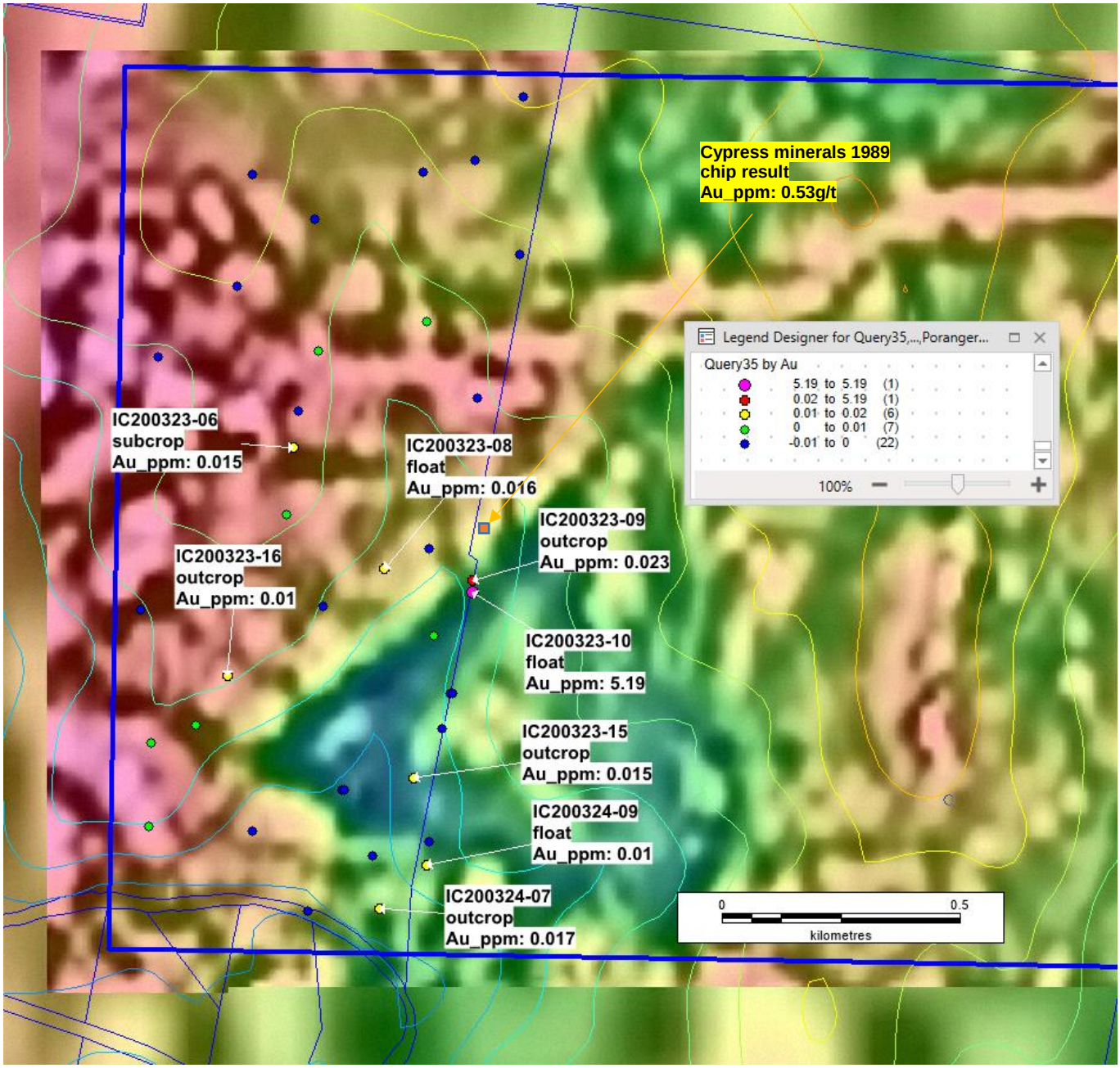

Figure 2: Sizeable porphyry pattern identified in regional aeromagnetic data

The thirty-seven chips samples, collected as part of the mapping effort on the Sugarloaf target, were submitted to ALS in Orange mainly for ICP-MS analysis: gold by fire assay. Each sample was assayed for: Ag, Al, As, Au, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, and Zr using 4-acid digestion.

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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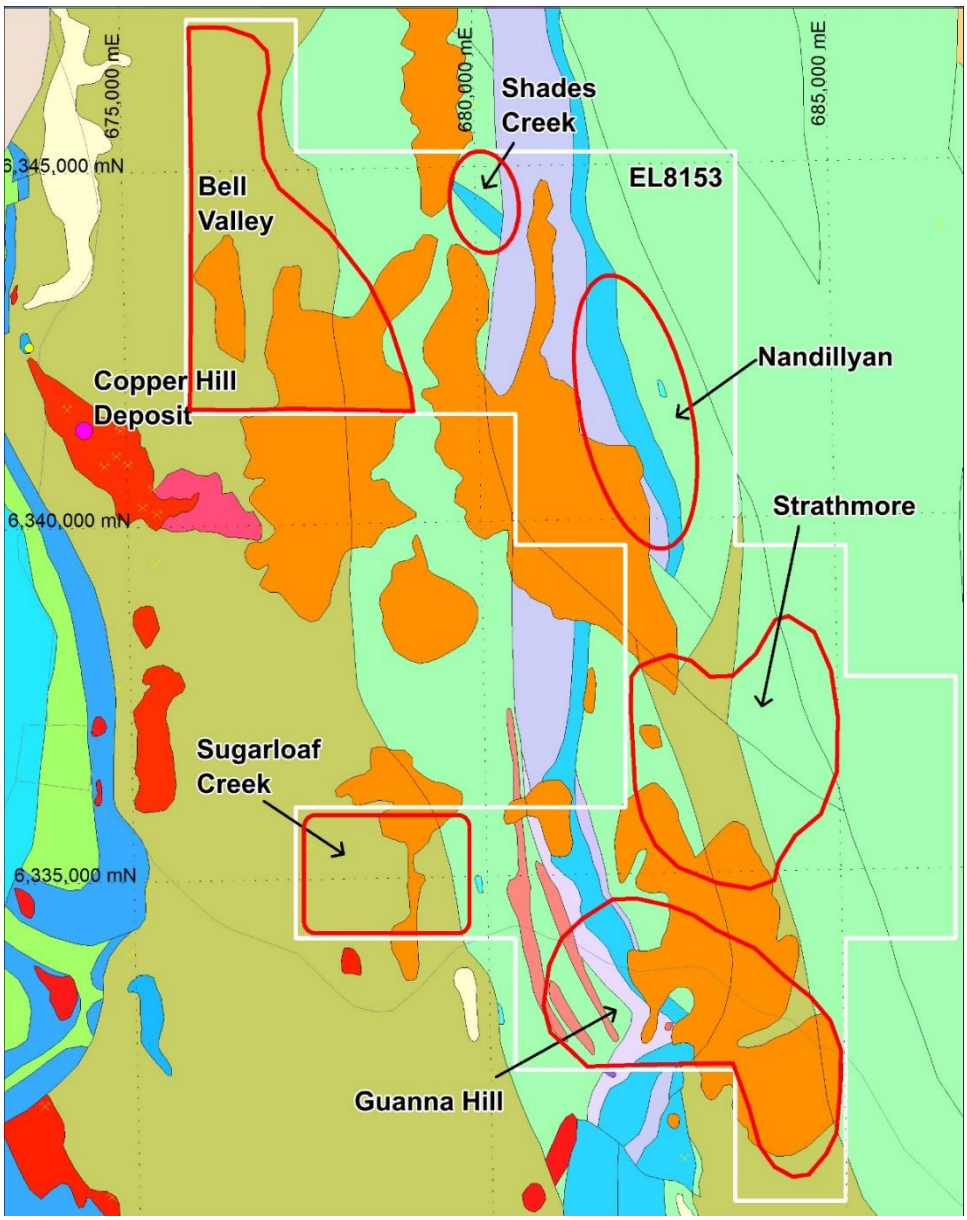
ABOUT BELGRAVIA PROJECT:

The Belgravia Project covers an area of 80km^2 and is located in the central part of the Molong Volcanic Belt (MVB), which forms as part of the East Lachlan province within the Lachlan Fold Belt, NSW. The East Lachlan region constitutes the largest porphyry province in Australia.

The Project lies approximately 7km east of the township of Molong and 20km northwest of the regional centre of Orange, providing excellent road, rail, power, gas and water infrastructure.

The Belgravia Project has six initial target areas considered highly prospective for porphyry Cu-Au and associated skarn Cu-Au. Historical exploration appears to have failed to adequately consider the regolith and tertiary basalt (up to 40m thick) that obscures much of the prospective geology.



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.

Competent Persons Statement

The information in this announcement is based on and fairly represents information compiled by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Collective Prosperity Pty Ltd, and is an accurate representation of the available data and studies for the Project. Mr King 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 King consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

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Sample	GDA55_E	GDA55_N	AHD	Rocktype	Comments	Sample Type	Wt_ kg	Ag (ppm)	As (ppm)	Au (ppm)	Bi (ppm)	Ca (%)	Cd (ppm)	Co (ppm)	Cu (ppm)	Fe (%)	K (%)	Mg (%)	Mn (ppm)	Mo (ppm)	Ni (ppm)	Pb (ppm)	Sb (ppm)	Te (ppm)	U (ppm)	W (ppm)	Zn (ppm)
IC200323-01	677940	6335012	578	haematite altered basalt		outcrop	1.76	0.02	16.9	-0.005	0.01	4.82	0.05	45.9	53.6	8.27	0.26	2.11	1500	0.72	26.1	2.9	0.42	-0.05	0.8	0.2	117
IC200323-02	678040	6335327	599	basalt	minor quartz+calcite veinlets	outcrop	2.14	0.05	6.9	-0.005	0.01	5.4	0.11	36.6	174	7.79	1.28	2.43	1320	0.87	18.4	3	0.41	-0.05	0.9	0.2	111
IC200323-03	677936	6335486	593	feldspar phyric shoshonite	minor epidote+quartz +calcite veinlets	outcrop	2.8	0.09	62.1	0.006	0.22	5.11	0.36	30	134.5	7.09	1.19	1.78	1360	0.85	13.3	1.9	0.53	0.31	0.9	0.2	157
IC200323-04	677709	6335426	595	basaltic volcaniclastic conglomerate or flow top breccia	monomict subangular clasts to 10cm	outcrop	1.84	0.05	6.2	0.005	0.02	4.45	0.11	46.9	172.5	8.25	0.72	3.09	1870	0.55	31.8	2.5	0.14	0.09	0.9	0.1	109
IC200323-05	677665	6335300	594	vein quartz with epidote selvedge	angular 10cm paddock block	float	0.74	-0.01	9.9	-0.005	0.06	6.68	0.34	3.4	10.2	5.32	0.08	0.09	920	0.35	3.3	12.6	7.31	-0.05	0.2	-0.1	7
IC200323-06	677656	6335223	598	epidote alteration zone +/- vein quartz	~1m wide; traceable for 40m	subcrop	2.46	0.01	26.9	0.015	0.53	11.55	0.33	21.7	69.8	7.83	0.01	0.31	1590	0.62	15	12.4	6.34	-0.05	0.7	0.2	36
IC200323-07	677642	6335083	597	pyroxene basalt + epidote amygdules	bleached	outcrop	1.7	0.01	115	0.009	0.01	5.69	0.1	39.6	47.7	7.54	0.41	2.35	1410	0.37	49.2	3.2	1.3	-0.05	0.7	0.1	79
IC200323-08	677847	6334968	577	epidotised pyroxene basalt + vein quartz	angular paddock float blocks to 20cm	float	2.04	0.03	11.4	0.016	0.05	8.29	0.17	24.1	85.6	6	0.05	1.03	945	0.69	27.1	6.4	2.4	-0.05	0.5	0.2	48
IC200323-09	678030	6334945	573	feldspar phyric shoshonite	minor quartz+calcite veinlets; gully outcrop	outcrop	2.44	0.07	4	0.023	0.09	3.63	0.08	12	120	3.54	0.85	1.51	689	0.55	9	10	0.82	-0.05	1	0.2	68
IC200323-10	678030	6334920	575	epidotised basalt + vein quartz + malachite + chalcocite + chalcopyrite	near property boundary; angular blocks to 20cm	float	2.52	10.65	6.7	5.19	14.9	0.18	4.44	5.6	17300	3.61	0.63	0.29	363	19.55	5.4	1230	13.65	-0.05	0.8	0.2	2250
IC200323-11	677949	6334829	566	epidotised pillow basalt + vein quartz + scorodite + pyrite	pillows to 40cm; irregular quartz veining; gully outcrop	outcrop	2.24	0.1	4	0.005	0.01	0.43	0.08	11.6	149	2.11	0.45	0.61	1200	1.67	16.3	6.8	0.64	-0.05	2.3	0.3	59
IC200323-12	677985	6334707	579	red interpillow jasper	angular blocks to 10cm	float	1.74	0.11	12.6	-0.005	0.01	0.07	-0.02	4.9	13	7.7	0.11	0.13	486	2.5	8.2	2.7	1.49	-0.05	0.2	1	9
IC200323-13	677990	6334707	579	vein quartz + Feox	angular blocks to 10cm	float	2.26	0.02	1.7	-0.005	-0.01	0.32	-0.02	4.6	11.6	0.89	0.15	0.06	310	1.14	7.2	1.4	1.17	-0.05	0.1	0.1	5

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Sample	GDA55_E	GDA55_N	AHD	Rocktype	Comments	Sample Type	Wt_ kg	Ag (ppm)	As (ppm)	Au (ppm)	Bi (ppm)	Ca (%)	Cd (ppm)	Co (ppm)	Cu (ppm)	Fe (%)	K (%)	Mg (%)	Mn (ppm)	Mo (ppm)	Ni (ppm)	Pb (ppm)	Sb (ppm)	Te (ppm)	U (ppm)	W (ppm)	Zn (ppm)
IC200323 -14	677966	6334634	575	vein quartz + Feox	angular blocks to 25cm	float	2.42	0.02	1	-0.005	0.01	0.07	-0.02	1.8	7.6	0.89	0.08	0.06	189	1.18	4.2	0.7	0.81	-0.05	-0.1	0.1	4
IC200323 -15	677908	6334531	573	mafic volcaniclastic conglomerate + quartz veinlets	polymict subrounded clasts to 4cm; matrix supported	outcrop	1.48	0.07	7.4	0.015	0.06	3.25	0.09	21.5	145	6.44	0.7	2.5	1520	0.83	13.8	8	0.47	-0.05	1.1	0.1	104
IC200323 -16	677519	6334744	590	feldspar + pyroxene phyric shoshonite	some flow top breccias	outcrop	2.28	0.1	7.8	0.01	0.02	5.49	0.08	30.6	336	7.62	0.73	2.16	1440	0.67	13	5	0.28	-0.05	1.2	0.2	89
IC200323 -17	677452	6334642	572	quartz veined basalt		subcrop	2.18	0.12	12.9	0.005	0.02	4.66	0.3	9.5	60.9	2.39	0.27	0.36	1540	1.58	9.6	4.2	5.1	-0.05	0.2	0.6	74
IC200323 -18	677335	6334882	580	haematite altered pyroxene basalt	tor outcrop near edge of lease	outcrop	2.24	0.03	5.7	-0.005	0.01	4.47	0.05	33.4	99.6	7.16	1.94	3.31	1240	0.53	27.9	2.5	0.36	-0.05	1	0.2	83
IC200323 -19	677719	6334890	577	bleached and weakly gossanous basalt + epidote + vein quartz	40m x 20m area; angular blocks to 30cm	float	1.74	0.05	24.2	-0.005	0.01	0.22	0.03	8.1	67.9	7.78	0.65	0.14	173	1.06	17.8	2.8	1.26	3.77	0.8	0.3	19
IC200324 -01	677353	6334429	581	basaltic conglomerate	monomict subrounded clasts to 40cm; clast supported	outcrop	2.24	0.04	5.5	0.007	0.02	6.02	0.06	36.7	151	7.53	0.72	3.9	1260	0.52	37.8	2.2	0.3	-0.05	1.1	0.1	101
IC200324 -02	677569	6334420	560	pyroxene basalt + quartz veinlets	gully outcrop	outcrop	2.52	0.03	23.1	-0.005	0.02	5.04	0.06	34.7	142.5	7.85	1.56	3.14	1400	0.67	26.7	3.8	0.73	-0.05	0.9	0.2	75
IC200324 -03	677358	6334603	580	strongly epidotised basalt + vein quartz		subcrop	2.4	0.01	12.8	0.009	0.04	13.3	0.11	12.1	49.4	7.29	0.08	0.6	1020	0.62	8.6	14.9	4.03	-0.05	0.9	0.1	15
IC200324 -04	677757	6334506	563	vein quartz + Feox	angular blocks to 15cm	float	2.6	0.01	4.9	-0.005	-0.01	0.12	-0.02	1.8	10.3	0.93	0.09	0.05	127	1.17	4.9	0.8	2.05	-0.05	0.1	0.1	5
IC200324 -05	677763	6334505	563	strongly epidotised basalt	angular blocks to 15cm	float	2.52	-0.01	15.5	-0.005	0.02	11.7	0.11	6	4.6	7.86	0.02	0.26	909	1.01	5.4	9.4	5.4	0.05	0.4	0.2	11
IC200324 -06	677687	6334251	552	porphyritic microdiorite + quartz veinlets	outcrop in Molong Creek near edge of lease	outcrop	2.18	0.01	5.1	-0.005	0.01	6.74	0.11	29.5	46.5	7.64	0.52	2.94	1440	0.98	44.7	2.2	0.19	-0.05	0.5	0.2	93
IC200324 -07	677835	6334256	557	strongly chloritised pyroxene gabbro	2mm grainsize	outcrop	2.04	0.04	5.4	0.017	0.02	7.88	0.08	46.7	111.5	7.88	0.52	6.07	1480	0.72	112	1.9	0.16	-0.05	0.5	0.2	88

Sample	GDA55_E	GDA55_N	AHD	Rocktype	Comments	Sample Type	Wt_ kg	Ag (ppm)	As (ppm)	Au (ppm)	Bi (ppm)	Ca (%)	Cd (ppm)	Co (ppm)	Cu (ppm)	Fe (%)	K (%)	Mg (%)	Mn (ppm)	Mo (ppm)	Ni (ppm)	Pb (ppm)	Sb (ppm)	Te (ppm)	U (ppm)	W (ppm)	Zn (ppm)
IC200324-08	677822	6334367	562	mafic volcaniclastic conglomerate	polymict subangular clasts to 8cm; 1% disseminated pyrite; secondary K-feldspar?	outcrop	2.24	0.03	9.9	-0.005	0.03	2.91	0.06	18.1	60.2	6.08	0.46	2.24	1350	0.81	4	5.3	0.4	0.13	1.5	0.3	115
IC200324-09	677935	6334347	568	red interpillow jasper + vein quartz	angular blocks to 40cm; on boundary fence	float	2.74	-0.01	8.1	0.01	-0.01	0.03	0.03	2.3	6.8	8.52	0.02	0.03	163	3.88	4.2	1.5	2.53	-0.05	-0.1	1.6	10
IC200324-10	677940	6334398	568	red interpillow jasper + vein quartz	with shoshonite; on boundary fence	subcrop	2.48	0.12	4.4	-0.005	0.01	0.11	-0.02	1.5	24.6	4.27	0.03	0.05	166	3.66	4.3	2.3	1.55	0.07	0.1	1.7	9
IC200324-11	677700	6335701	598	mafic volcaniclastic grit / conglomerate	matrix supported; subangular clasts to 3cm	outcrop	1.82	0.04	5.3	-0.005	0.03	3.02	0.17	18.4	134.5	6.45	0.19	1.78	1200	0.55	3.9	7.9	0.38	-0.05	1.3	0.2	125
IC200324-12	677928	6335801	603	mafic volcaniclastic conglomerate	polymict subrounded clasts to 7cm; matrix supported	outcrop	2.14	0.08	14.7	-0.005	0.02	3.38	0.06	24.4	178.5	6.44	0.37	3.1	1180	0.89	24.8	8.4	1.08	-0.05	1.6	0.4	95
IC200324-13	678037	6335824	606	vein quartz + Feox	paddock float	float	1.7	-0.01	6.2	-0.005	0.01	1.57	0.04	2.5	6.7	1.56	0.03	0.08	299	1.21	6.2	3.2	2.54	-0.05	0.2	0.1	6
IC200324-14	678137	6335958	618	red interpillow jasper + vein quartz	angular blocks to 25cm; Tertiary basalt float from upslope	float	2.2	0.02	9	-0.005	0.01	0.04	-0.02	8.3	5.3	5.12	0.06	0.05	439	2.01	9.5	1.2	0.79	-0.05	-0.1	0.7	3
IC200324-15	678129	6335628	600	mafic volcaniclastic conglomerate + quartz veinlets	polymict subrounded clasts to 5cm; matrix supported	outcrop	2.1	0.04	13.5	-0.005	0.01	3.47	0.04	24.7	135.5	6.66	0.69	2.11	1040	0.95	23.9	5.8	0.71	-0.05	1.2	0.4	94
IC200324-16	677539	6335560	603	strongly epidotised basalt + vein quartz	angular paddock float blocks to 15cm	float	2.82	-0.01	6.2	-0.005	0.07	6.34	0.1	3.5	15.3	4.63	0.03	0.09	803	0.2	3.4	9.2	1.39	-0.05	0.4	0.1	5
IC200324-17	677372	6335413	593	feldspar phyric shoshonite		outcrop	2.14	-0.01	61.1	-0.005	-0.01	7.39	0.08	32.5	21.2	6.91	0.03	2.09	1240	0.6	27.9	2.9	1.09	-0.05	0.6	0.2	81
IC200324-18	677570	6335795	605	strongly epidotised basalt + vein quartz	angular paddock float blocks to 10cm	float	1.46	-0.01	13.2	-0.005	-0.01	10.4	0.23	9	29.2	7.36	0.12	0.27	1320	0.52	6.5	19.8	3.54	-0.05	0.7	0.1	16

Table 2: Rock chip sample data, Sugarloaf

JORC Code, 2012 Edition – Table 1 report template

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 (eg cut channels, random chips, or specific specialised 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 pulverised 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 (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock chips taken with a geological hammer and collected into labelled calico bags. • The samples were assayed by ALS in Orange for gold and multi-element geochemistry. Gold (30g charge) by FA-AA (Au-AA23), ME by four acid digestion and ICP_MS finish (ME-MS61 for 48 elements). • Each sample was assayed for: Ag, Al, As, Au, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, and Zr. • Samples were crushed to a nominal 3mm then pulverised to 95% passing 75 micron. • Sample weights were captured.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	• No drilling

Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise 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.*	• No drilling
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, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Chip samples were collected and systematically logged at the time the outcrop was being mapped. • The logging is qualitative and of sufficient detail to support the current work
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, 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 maximise 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.*	• The Project is at an early stage of evaluation and the suitability of sub-sampling methods and sub-sample sizes for all sampling groups has not been comprehensively established. The available data suggests that sampling procedures provide sufficiently representative sub-samples for the current interpretation.
Quality of assay data and	• *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*	• The laboratory checks confirm assay precision and accuracy with sufficient confidence for the current results. • Samples were submitted to ALS Laboratories in Orange, where they were prepared, processed and analysed via fire assay and

laboratory tests	*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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	digested for ICP-MS.
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.*	• The samples were collected and submitted by an independent consulting geologist. • No adjustments were made to any assays of data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations were collected by handheld GPS, utilising GDA94, Zone 55.
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.*	• Data spacings were random and restricted to areas of identified outcropping rock during the mapping campaign
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.*	• Primary and secondary mineralisation, though identified, remains undrilled

Sample security	• *The measures taken to ensure sample security.*	• Samples were collected in heavy- duty polywoven bags which were immediately sealed. These bags were delivered to the assay laboratory by the consultant geologist.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The competent person independently reviewed the consultant's sample quality information and database validity. • These reviews included consistency checks within and between database tables and comparison of assay entries with original source records. • The review showed no material discrepancies. • The competent person considers that the results have been sufficiently verified to provide an adequate basis for the current reporting of exploration results.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or 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.*	• The Belgravia Project (EL8153) is wholly-owned by Krakatoa Australia Pty Ltd, a wholly owned subsidiary of Krakatoa Resources Ltd who bought the licence from Locksley Holdings • The company holds 100% interest and all rights in the Belgravia Project • Sugarloaf is one of several priority exploration targets outlined by the Company.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Parts of the Project area have been explored at various times by Cypress in their own right and then through joint venture with various companies, including Homestake Mining, Mount Isa Mines and Newcrest Mining
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Volcanism within Molong Volcanic Belt, as part of the Macquarie Arc in the Lachlan Fold Belt, relates to distinct groups and ages of porphyritic intrusion that vary from monzodiorite-diorite through monzonite-granodiorite compositions and correspond with porphyry copper-gold and epithermal gold-silver mineralisation
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.*	• No drilling

	• *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.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/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.*	• No weightings or other manipulations were made to the data. • No metal equivalents were used or calculated
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 (eg 'down hole length, true width not known').*	• No drill confirmed primary mineralisation identified as yet
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 appropriate sectional views.*	• The pertinent maps for this stage of the Project are included in the release. • The geological mapping remains incomplete and requires compilation into a digital framework • Co-ordinates in MGA94Z55
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.*	• The report has relied on the information provided by an independent consultant that oversees the company's activities at Belgravia. • The Competent person has reviewed this information and

		believes it is consistent with his observations and knowledge of the Project
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.*	• Reprocessing and reinterpretation of the regional magnetics drove the exploration strategy at Sugarloaf. • It also expedited requirements for a high-resolution aeromagnetic survey and field mapping. • Field mapping and ground geochemistry continue
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or 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.*	• The company is negotiating access to several properties captured by the Sugarloaf Target Area. Field mapping and geochemical sampling will continue, as the Company develops its drilling strategy for the target. • The market will be updated as information comes to hand