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KTA Acquires Historic High Grade Gold Mines & Substantial Acreage Expansion in the Lachlan Fold Belt

- ***Application made for the Rand Project, covering a substantial area of 580km^2 in the Central Lachlan Fold Belt, NSW***
- ***Rand Project is prospective for multi million-ounce mineralisation-styles, including shear-hosted and intrusion-related gold systems like De Grey's Mallina Gold Project***
- ***The Project covers a 40km structural corridor that transects mineralised Silurian and Devonian granite and Ordovician sediments, which are masked by colluvium***
- ***The Project captures the Bulgandra Goldfield which comprises several shallow mines which historically produced gold at very high grades (up to 265g/t gold or 8.53oz per ton)***
- ***Rock and mullock samples across limited outcrop returned significant results including:***
    - ***9.60g/t gold, 31g/t silver (Welcome Find Reef)***
    - ***6.90g/t gold (Show Day Reef)***
    - ***6.50g/t gold (Show Day Reef)***
    - ***4.13g/t gold (Goombargana Hill)***
- ***Several holes from a 1988 shallow RC drill campaign ended in gold mineralisation preserved near the base of an intensively weathered and leached saprolite at the Welcome Find Reef and Show Day Reef with no subsequent exploration work.***
- ***The Company continues its strategy of value accretive acquisitions within the Lachlan Fold Belt, focused on gold +/- copper***

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to announce that it has considerably expanded its landholding in the Lachlan Fold Belt through direct license application. The 100%-owned Rand Project includes four contiguous exploration licence applications (ELA5982, ELA5985 ELA6012 and ELA6013), covering a combined area of 580km^2, located approximately 60km NNW of Albury in southern NSW. The historical Bulgandra Goldfield, which is captured by the Project, demonstrates the project area is prospective for shear-hosted and intrusion-hosted gold. Historical production records show substantial gold grades, including 512oz from 60 tons and 70oz from 74 tons, was respectively won from the exposed quartz veins in the Show Day and Welcome Find reefs at Bulgandra.

The Company believes the gold occurrences at Rand fit within the classification of significant gold deposits known as Intrusion-related gold systems (IRGS). Granite or sediment-hosted sheeted veins and stockworks like those already identified at Bulgandra are considered characteristic of IRGS systems.

Whilst the Company is not aware of any reason why the exploration licence for the Rand Project will not be granted in due course (anticipated within three to six months), investors are cautioned that there is a risk this may not occur.

Project Background

Gold was discovered at Bulgandra in 1894, with the peak of activity occurring in 1895 and 1896. Further production happened in the period between 1932-35, where mining was extended to depths of 30 metres and grades were very rich, up to 265g/t. Historical mining widths are poorly documented. However, a 2.6m wide lode was exploited at the Welcome Find reef. The total recorded gold production, from incomplete records, was 76.45 kg (2,458 ounces). High royalty demands from private landowners saw many mines abandoned by 1901 with all production in the camp ceasing during the drought of 1902. Table 1 summarises the reported production from the main historical workings present in the Bulgandra camp.

Working	Tonnes Mined (t)	Recovered gold (oz)	Average Grade (g/t)
Show Day Reef	60	512	265.38
Welcome Find Reef	74	70	29.4
Lone Hand Reef	38	103	84.3
Goodwood Reef	110	62	17.5

Table 1 - Bulgandra Goldfield, recorded production *(NSW Department of Mines Annual Reports)*

The known workings occur on small windows of deeply weathered and extensively leached bedrock in the variably thick blanket of recent sediments (Figure 1). Past exploration has concentrated on the areas of outcrop and was limited to the Show Day and Welcome Find Reefs. The Lone Hand and Goodwood Reefs have not been explored since their original closure pre-1902.

Geology

Ordovician-aged sediments of the Abercrombie Formation, including feldspathic-micaceous sandstone interbedded with laminated siltstone and mudstone, dominate the geology at Rand. The Abercrombie Formation is intruded by the Silurian Goombargana granite predominantly in the south and Devonian Jindera granite in the east of the Project (Figure 1). Felsic volcanics of the Devonian Wallandoon ignimbrite lie along the Project's northern boundary. Several apophyses of the Goombargana granite crop out within the project area, which is mostly dissected by faulting. Much of the Paleozoic geology is deeply weathered and obscured by Tertiary to Recent sediments up to 50m thick.

The Project lies in the Tabberabbera Zone of the Central Lachlan Fold Belt between two regional shear systems, the NW-trending Kancoona shear zone (located near Coreen) in the west and the north-trending Kiewa shear zone to the east. A SW-trending shear zone transects the entire tenement package linking the two regional shears. The shear zone bifurcates into several subordinate splays forming a distinct structural corridor some 40 km in length (Figure 2). The subsidiary shears develop a distinctive pattern (similar to a diffraction array in appearance) upon exiting the Goombargana granite in the west, which supports a westward propagation. The Goombargana granite failed brittlely promoting a north-block westerly shear sense. The Abercrombie Formation sediments in contact with the Goombargana granite also fail progressively resulting in an anastomosing interlocking network of shear zones.

The shears, north of Mullemblah Hill in the Project’s east, interact and partially wrap the Jindera granite intrusion.

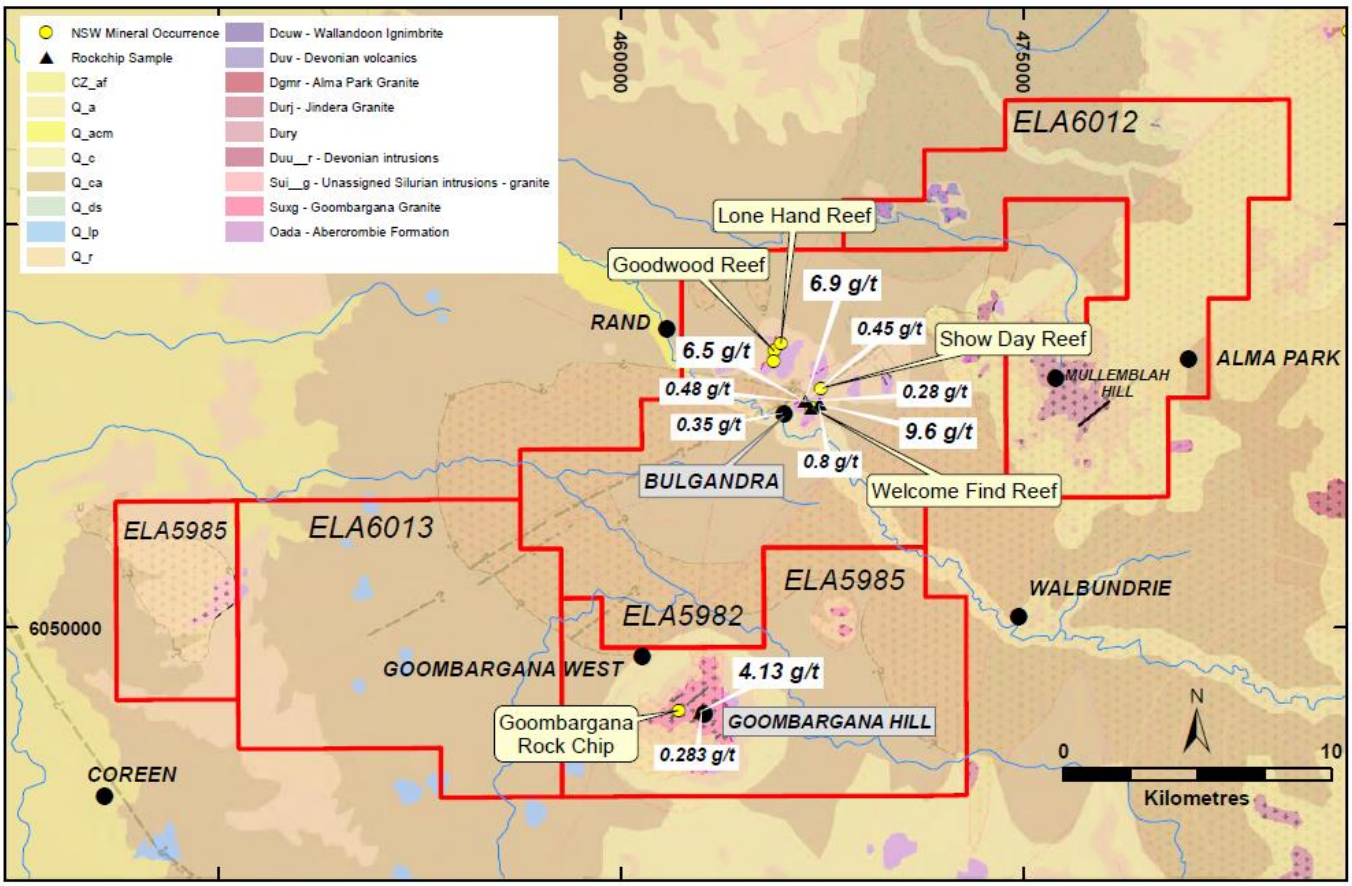

Figure 1 – Project geology, historical workings and chip sampling, Rand Project.

Mineralisation

Gold mineralisation in the Central Lachlan is spatially related to the granitoid bodies, their contact aureoles and associated regional structures. For example, tin and gold mineralisation occur within veins related to main northeast-striking faults in the Goombargana Hill granite. The Goombargana Hill granite margin is considered a prime target area for Krakatoa. Further gold mineralisation was also most likely introduced with the emplacement of the I-type Jindera granite during the Tabberanean Orogeny[1]. Therefore, Rand is prospective for the intrusion-related gold (IRG) deposits. However, more work is required to unequivocally link the mineralised systems to the predictive IRGS model present at Rand.

More specifically, gold mineralisation in the Bulgandry Goldfield is hosted in quartz lodes in a regionally persistent shear zone. The shear-hosted mineralisation is best exemplified by the high-grade Show Day Reef group of workings which directly lie over an interpreted primary shear (Figure 2). The gold at Bulgandra resides in narrow, sheeted quartz veins and stockworks within the Abercrombie Formation. Alteration associated with the veins is weakly expressed as a narrow centimetre-scale selvage, and observations support visible gold in quartz veins exposed in and around the historical workings. Mines Department records indicate that some workings contain evidence of intrusive dykes and felsites.

[1] https://www.smedg.org.au/mines-wines-2019-presentations/DTT-Gilmore-ERIV.pdf (pages 25-29)

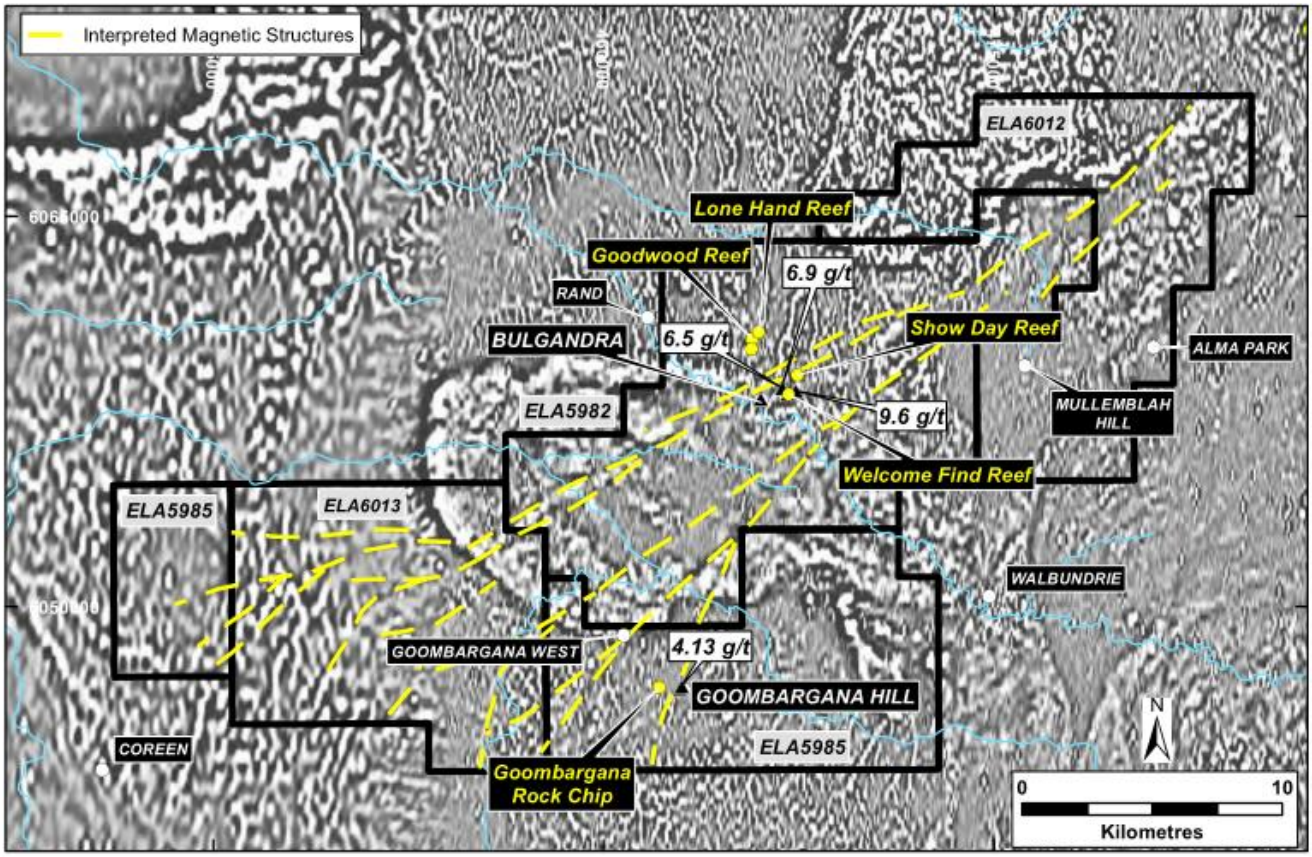

Figure 2 – Interpreted 40km structural corridor over TMI RTP 1VD

Historical exploration

Bulgandra Goldfield

Transit Mining Pty Ltd explored the Welcome Find and Show Day Reefs between 1985 to 1989. Transit collected fourteen rock chip samples during geological mapping (Annexure 1). The samples returned strongly anomalous results in Au (including 9.6ppm, 6.9ppm and 6.5ppm), Ag (to 31ppm), As (to 2410ppm), Bi (to 40ppm), and Pb (to 5100ppm) (Elliot, 1986). Granite outcrop was identified within 50m of the Show Day Reef, and a road cutting 800m from the same mine also produced anomalous gold, supporting near-term exploration upside.

In late 1988, Transit developed 17 short inclined reverse circulation holes for approxiamately 525m drilled (Annexure 1). The program included six holes at the Welcome Find Reef and eleven holes at the Show Day Reef at an average depth of approximately 30m per hole, with a maximum depth of 39m. All holes terminated in the deeply weathered and leached upper regolith: a zone where gold is commonly depleted or leached altogether. Encouragingly, several drill holes terminated in mineralisation and/or display anomalous gold towards the end of hole. The results include:

- HB10 - 9m @ 0.41g/t Au from 21m to EOH
- HB19 – 1m @ 1.23g/t Au from 28m
- HB4 – 6m @ 0.28g/t Au from 24m to EOH

These results confirm gold is being leached from within the upper saprolite and indicate that satisfactory drilling depths were not achieved. No subsequent exploration work was conducted. The Company considers the Bulgandra Goldfield as largely untested.

Goombargana Hill

Goombargana Hill is a prominent granite body that rises over 200m above the surrounding plains. Limited exploration work has been completed across the area, with reconnaissance sampling of quartz veining within the Goombargana Hill granite by Cullen Resources in 2005, (EL6235), returning 4.13ppm Au and 0.28ppm Au with anomalous Ag, As, Bi, Mo, Pb, and Sb. Cullen considered no further work and withdrew from the farm-in after their partner failed to meet their obligations.

Next steps

The Company will undertake a comprehensive review of the historical work completed and publicly available datasets to generate targets for field reconnaissance.

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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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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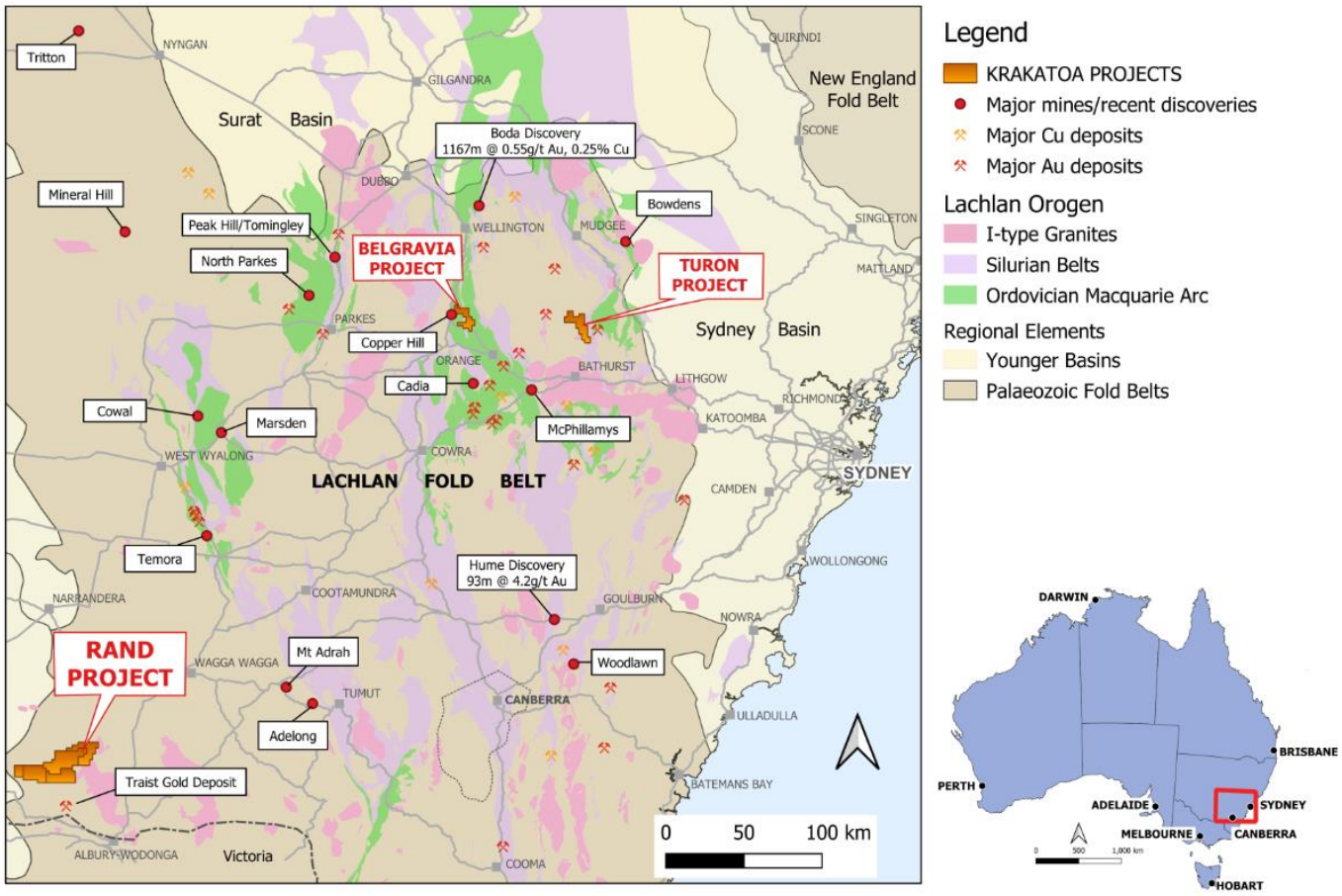
ABOUT KRAKATOA:

Krakatoa is an ASX listed public Company predominately focused on gold exploration in the world class Lachlan Fold Belt, NSW across three projects: Belgravia, Turon and Rand.



Belgravia Project (100%):

The Belgravia Project covers an area of 80km^2 and is located in the central part of the Molong Volcanic Belt (MVB), East Lachlan province, between Newcrest Mining's Cadia Operations and Alkane Resources Boda Discovery. The Project has six initial target areas considered highly prospective for porphyry Cu-Au and associated skarn Cu-Au, with Bell Valley and Sugarloaf representing the two most advanced target areas. Bell Valley contains a considerable portion of the Copper Hill Intrusive Complex, the interpreted porphyry complex which hosts the Copper Hill deposit (890koz Au & 310kt Cu) and has highly prospective magnetic low features spanning 6km. Sugarloaf contains a 900m Deep Ground Penetrating Radar anomaly located within a distinctive magnetic low feature considered characteristic of a porphyry-style deposit and co-incident with anomalous rock chips including 5.19g/t Au and 1.73% Cu.

Turon Project (100%):

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 (up to 10m @ 1.64g/t Au from surface to end of hole) that warrant detailed investigation.

Rand Project (100% - application)

The Rand Project covers an area of 580km^2, located 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 Bulgandra Goldfield, which is captured by the Project, demonstrates the project area is prospective for shear-hosted and intrusion-hosted gold. Historical production records show substantial gold grades, including up to 265g/t Au from the exposed quartz veins in the Show Day Reef.

ANNEXURE 1 – HISTORICAL EXPLORATION RESULTS

ROCK CHIP SAMPLES - TRANSIT

Sample	MGA_E	MGA_N	Au_ppm	Ag_ppm	As_ppm	Bi_ppm	Cu_ppm	Pb_ppm	Comments
9406	466867	6058420	0.48	3	1430	-1.0	136	115	Show Day Mine
9407	466860	6058425	0.14	-1	580	-1.0	48	82	Show Day Mine
9408	466867	6058418	0.16	-1	360	-1.0	85	40	Show Day Mine
9409	466867	6058416	0.45	-1	2410	1.5	86	287	Show Day Mine
9410	466845	6058427	0.04	-1	1380	-1.0	48	57	Show Day Mine
9411	466845	6058425	**6.90**	1	2100	4.0	72	342	Show Day Mine
9412	466845	6058423	0.28	-1	350	1.0	66	82	Show Day Mine
9413	466883	6058395	**6.50**	-1	1330	1.0	56	366	Show Day Mine
9414	467075	6058165	0.19	-1	730	-1.0	40	60	Welcome Find Mine
9415	467373	6058295	0.80	-1	2040	2.0	78	**4660**	Welcome Find Mine
9416	467375	6058295	**9.60**	**31**	2000	**40.0**	69	**5100**	Welcome Find Mine
9417	**466025**	**6057965**	**0.35**	**-1**	**160**	**2.0**	**108**	**136**	**road cutting**
9418	466035	6057965	0.12	-1	30	1.0	31	54	road cutting
9419	466040	6057960	0.02	-1	12	-1.0	52	22	road cutting
9420	466042	6057960	-0.01	-1	31	-1.0	37	23	road cutting

EL2427 rock chips 1986

ROCK CHIP SAMPLES – CULLEN

Sample	MGA_E	MGA_N	Au_ppm	Ag_ppm	As_ppm	Bi_ppm	Cu_ppm	Pb_ppm	Comments
G001	**462920**	**6046837**	**4.130**	**1.72**	**1420**	**21.0**	**20**	**1210**	**outcrop**
G002	463010	6046923	0.283	0.53	192	12.0	10	35	outcrop
G003	463081	6047249	0.020	0.19	142	2.7	18	38	outcrop
B001	465696	6060279	0.019	0.32	161	0.9	28	81	dump
B002	465145	6059751	-0.005	0.08	33	0.3	13	20	outcrop

EL6235 rock chips 2005

DRILL HOLE DETAILS - TRANSIT

Hole ID	MGA_E	MGA_N	Azimuth	Dip	Depth (m)
HB1	467065	6058162	100	-55	29
HB2	467064	6058143	100	-55	30
HB3	467068	6058181	100	-90	30
HB4	467066	6058198	100	61	30
HB5	467069	6058216	100	61	30
HB6	466897	6058357	41	60	30
HB7	466916	6058349	50	59	30
HB8	466886	6058369	40	60	30
HB9	466873	6058385	40	61	30
HB10	466931	6058333	51	61	30
HB13	467416	6058873	320	60	39
HB15	467432	6058885	320	61	25
HB15A	467436	6058884	320	62	39
HB17	467447	6058896	320	61	30
HB19	467464	6058909	320	61	33
HB21	467480	6058921	320	65	30
HB23	467496	6058932	320	62	30

Summary RC drill results from EL2427 (Sund 1989)

DRILL RESULTS - TRANSIT (0.1g/t cut off)

Hole_ID	From_m	To_m	Interval_m	Au_ppm	Comments
HB1	16	23	7	0.11	
HB2	No significant intercept				
HB3	No significant intercept				
HB4	21	22	1	0.13	
	24	27	3	0.35	
	29	30	1	0.50	mineralised at end of the hole
HB5	No significant intercept				
HB6	No significant intercept				
HB7	22	27	5	0.15	anomalous at end of hole
HB8	No significant intercept				
HB9	25	26	1	0.19	anomalous at end of hole
HB10	6	8	2	0.14	
	10	11	1	0.11	
	14	17	3	0.29	
	21	30	9	0.41	mineralised at end of hole
HB13	23	24	1	0.18	
	36	37	1	0.23	
HB15	26	27	1	0.25	abandoned in old workings
HB15A	36	37	1	0.11	anomalous at end of hole
HB17	25	26	1	0.17	mineralised at end of hole
HB19	26	27	1	0.26	
	28	29	1	1.23	
HB21	No significant intercept				
HB23	No significant intercept				

Summary RC drill results from EL2427 (Sund 1989)

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.*	• Reverse circulation drilling (Warman Iniversal 650 multipurpose) and chip sampling at Bulgandra was completed by Transit Mining Pty Ltd in 1988. Their work was restricted to the historical workings that they could access, namely the Welcome Find and Show Day Reefs. Cullen Resources completed chip sampling during reconnaissance of Goombargana Hill exploring for intrusion-related gold and tin deposits. • The drilling was completed almost 30 years ago • Each inclined hole (Annexure 1) was developed to an average depth of 30 metres and sampled throughout its development length as individual metre samples. Samples were split to ~1kg weight and submitted to SGS Labs in Sydney. • QA/QC procedures unknown. • Drilling issues were encountered due to the deep and highly weathered nature of the bedrock. • Chip samples by Transit tested mullock where available (as most had been removed for road base) and vein material where encountered during mapping • Chip samples were collected at a reconnaissance level
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).*	• After the failure of (triple tube) diamond drilling to provide meaningful material for geological assessment, Transit switched to RC • Both blade and limited hammer was employed by the RC contractor
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.*	• Not documented (holes developed in 1988) • Drilling issues were encountered due to the deep and highly weathered nature of the bedrock which forced the switch from initial diamond to RC drilling with a further change down from hammer (repeated blocked bits) to blade • All holes terminated in the deeply weathered and leached upper regolith: a zone where gold is commonly depleted or leached altogether

Criteria	JORC Code explanation	Commentary
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.*	• All holes were quantitatively geologically logged and sampled as they were developed. • The work was not for resource estimation
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.*	• A 1kg subsample was split and submitted for analysis. • Presumably riffle split, but this is not stated • No QA/QC process was described (drilling completed in 1988)
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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All drill samples were sample and chip samples were submitted to SGS Laboratories in Sydney • Standard procedures were adopted for all Transit samples: dried, jaw and roll crushed, split and pulverized in a chrome steel mill • Fire Assay gold only analysis: 50g charge
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.*	• Any verification of significant intersections have not been qualified • Drilling was on 10 or 20 line spacing • Importantly, none of the drilling is considered deep enough to test the mineralisation beneath the leached horizon • No adjustments have been made to the assay 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.*	• The work was for exploration not resource estimation • Collar locations require field validation • Drill collar locations are in MGA94

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	
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 spacing is suitable for the exploration stage, which is mostly at the reconnaissance level • The work completed was appropriate for the exploration stage • Drilling was not resource focused • No sample compositing completed
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.*	• Drilling was completed normal to the strike of the quartz vein
Sample security	• *The measures taken to ensure sample security.*	• Not established
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not established

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 Rand Project comprises four exploration licence applications, 5982, 5985 6012 and 6013 and is wholly-owned by Krakatoa Australia Pty Ltd, a wholly owned subsidiary of Krakatoa Resources Ltd • Upon grant of title, the Company will hold 100% interest and all rights in the Rand Project
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Past explorers completed RC drilling and limited chip sampling. Krakatoa has reviewed this work and has some concerns over its effectiveness, as large number of holes terminated in the leached upper saprolite and failed to test the target at a satisfactory depth, i.e. beneath the depletion zone. • Cullens sampling attests to the prospectivity of the Goombargana Hill area for IRGS.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Rand Project is located in the Central Lachlan Fold Belt in NSW. The fold belt contains a sequence of Ordovician-Silurian aged back-arc sediments (Abercrombie Formation) intruded by significant volumes of granite and granodiorite, e.g Goombergana and Jindera Granites • The fold belt is noted as host to important intrusion-releated tin-tungsten and prospective for gold mineralisation under the same model • Gold is thus spatially related to the granite bodies, their contact aureoles and associated regional structures

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*
		• Seventeen inclined RC holes developed by Transit MiningPty Ltd in 1988
		• All holes targeted to intersect reef systems within the leached upper saprolite zone
		• Collar locations, dip, azimuth and hole depths, along with the key intersections, are provided in Annexure 1 of the report
		• Three unsuccessfully developed diamond drill holes were not discussed in the report. Their failure led Transit to switch to RC drilling and are not material to the report.

Criteria	JORC Code explanation	Commentary
	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 applied
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').*	• All holes terminated in the deeply weathered and leached upper regolith: a zone where gold is commonly depleted or leached altogether • Any relationship is difficult to determine because of the highly oxidised and leached nature of the sampled materials
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 Project are included in the release. • 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.*	• All data is reported as presented in the historical records
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.*	• The Company is reviewing other potential datasets to assist exploration in the Rand area.
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 will geological map and systematically sample the environment, including accessing the underground workings • On grant of tenure, the Company will prepare to drill several of the targets outlined in this release