

7 October 2020

## KTA Granted the Rand Gold Project, Lachlan Fold Belt

- ***Krakatoa granted the Rand Project, covering a substantial area of 580km<sup>2</sup> in the Central Lachlan Fold Belt, NSW***
- ***The Rand Project (announced July 6, 2020):***
  - ***is prospective for multi million-ounce mineralisation-styles, including shear-hosted and intrusion-related gold systems like De Grey's Mallina Gold Project***
  - ***covers a 40km structural corridor that transects mineralised Silurian and Devonian granite and Ordovician sediments, mostly obscured by colluvium and underexplored***
  - ***captures the historical Bulgandra Goldfield, which includes several mines that produced gold at very high grades (up to 265g/t gold)***
  - ***contains samples across limited outcrop with significant results such as 9.60g/t gold, 31g/t silver (Welcome Find Reef) and 6.90g/t gold (Show Day Reef)***
  - ***has several historical drill holes that ended in gold mineralisation preserved near the base of an intensively weathered and leached saprolite, which remain untested***
- ***Exploration work to commence immediately, including:***
  - ***review the available drill cores held in the NSW Government core archive at Londonderry in Sydney's west***
  - ***landholder liaison and access agreements over critical areas of interest***
  - ***aeromagnetics program across the entire project to commence this month***
  - ***site visit to sample areas of the Bulgandra Goldfield and Goombargana Hill***

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to announce grant of EL 9000, comprising the Rand Project ("Project"), which replaces the earlier direct licence applications (ELA5982, ELA5985 ELA6012 and ELA6013) announced on 6 July 2020. The Rand Project covers a combined area of 580km<sup>2</sup>, located approximately 60km NNW of Albury in southern NSW.

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 linking the two regional shears. The shear zone bifurcates into several subordinate splays forming a distinct structural corridor some 40 km in length. The geological environment, though distinctly younger than the Central Pilbara, shares many similarities with De Grey Mining's Mallina Gold Project, which includes the stunning Hemi gold deposit. These similarities extend to the presence of mineralised intrusives and sediments within an anastomosing shear corridor.



**ASX Code**  
KTA, KTAOC

### Capital Structure

250,950,000 Fully Paid Shares  
82,800,000 Options @ 5c exp 31/07/21  
5,000,000 Options @ 7.5c exp 31/07/21  
12,000,000 Options @ 10c exp 24/10/20

### Directors

Colin Locke  
David Palumbo  
Timothy Hogan

### Enquiries regarding this

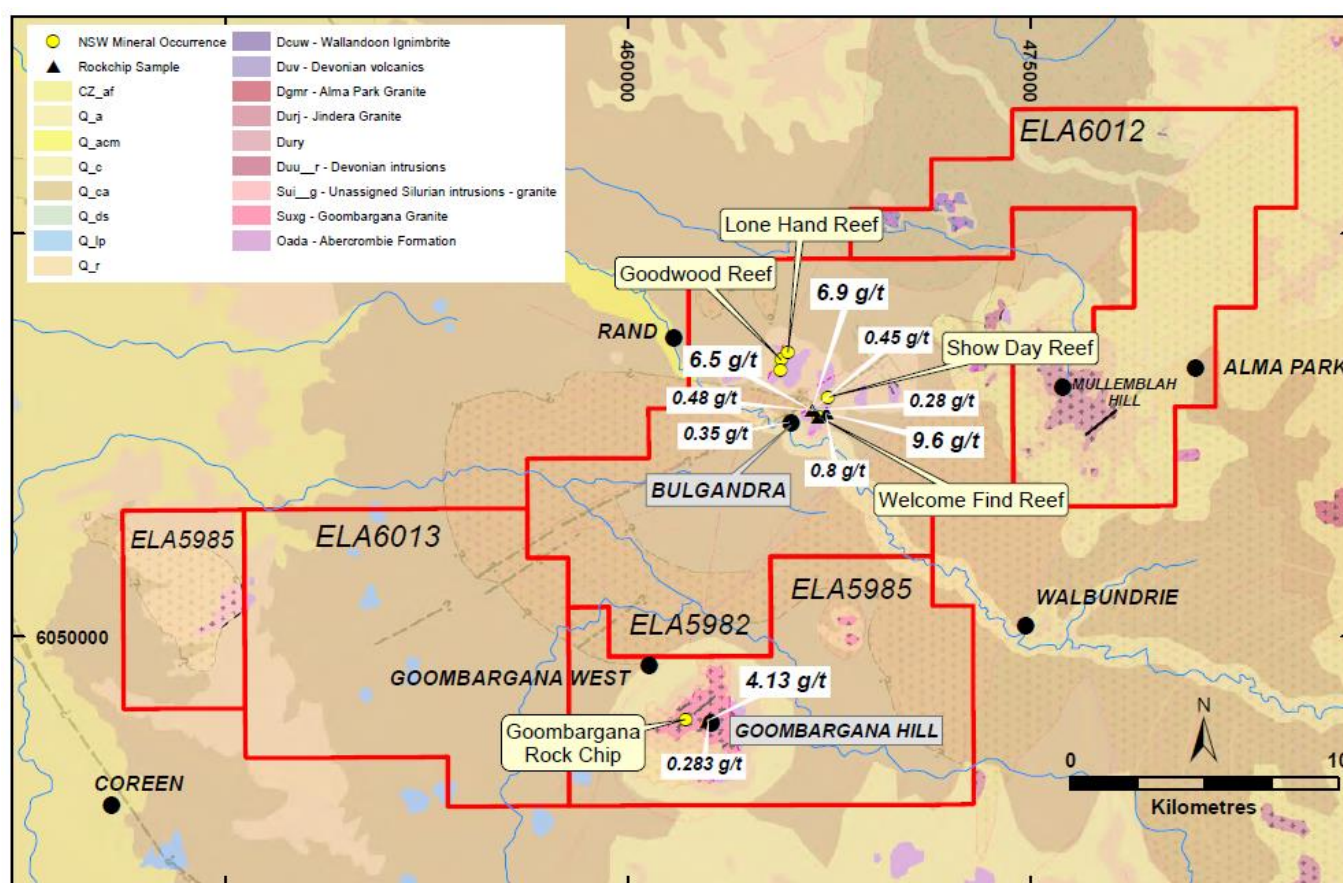
**announcement can be directed to**  
Colin Locke  
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The historical Bulgandra Goldfield, which is captured by the Project, demonstrates the project area is prospective for shear-hosted and intrusion-hosted gold. Historical production records show substantial 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. 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 exist in small windows of deeply weathered and extensively leached bedrock through the variably thick blanket of recent sediments (Figure 1).



**Figure 1 – Project geology, historical workings and chip sampling, Rand Project. Note these applications are now grouped under a single granted title, EL 9000.**

Past exploration work completed in the late 1980's was limited to the Show Day and Welcome Find Reefs and achieved results that 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 Lone Hand and Goodwood Reefs have not been explored since their original closure pre-1902. The Company considers the Bulgandra Goldfield as largely untested.

The Project's geology, mineralisation and exploration history are discussed in further detail in the Company's announcement dated 6 July 2020.

Executive Chairman, Colin Locke, said "Rand represents further non-dilutive growth in the Company, presenting a major win for shareholders. We are looking forward to discovering Rand's potential. We have immediately ordered a high resolution magnetic survey to explore for Hemi-style signatures and develop a pipeline of drilling targets."

### **Next steps**

The Company will commence its exploration work immediately, including:

- Review of the available drill core held in the NSW Government core archive at Londonderry, Western Sydney
- Landholder liaison and access agreements over critical areas of interest
- Aeromagnetics program across the entire project to commence this month
- Site visit to sample areas of the Bulgandra Goldfield and Goombargana Hill

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.*

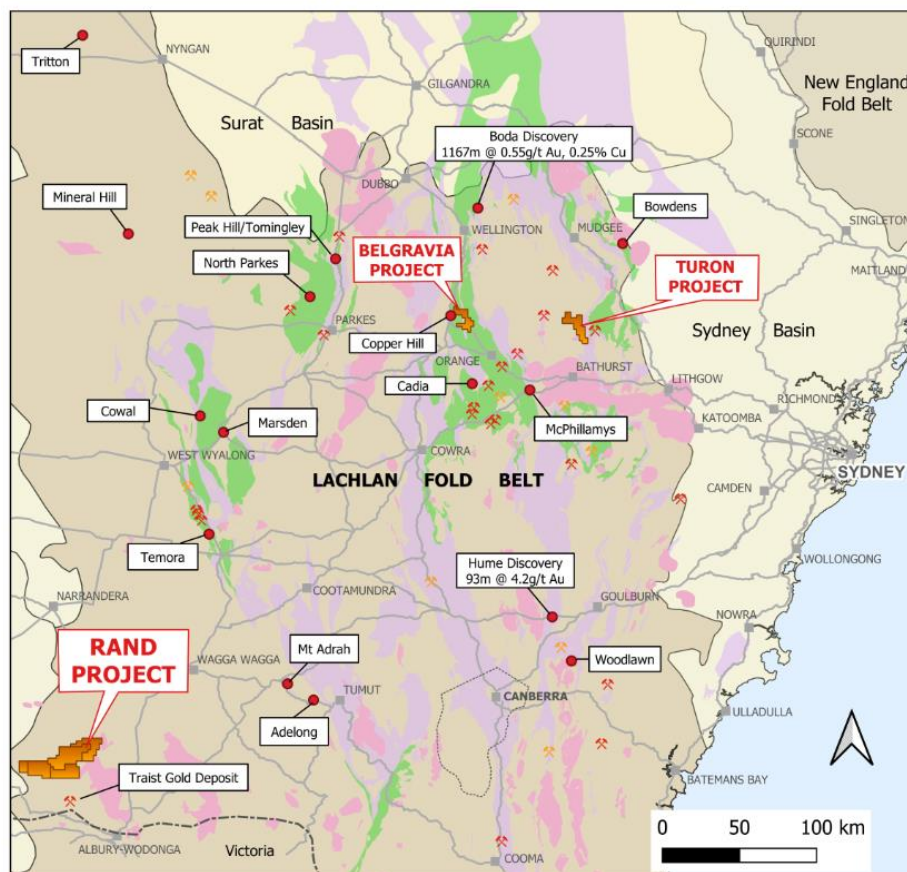
### **Competent Persons Statement**

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.



## 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.



### Legend

- KRAKATOA PROJECTS
- Major mines/recent discoveries
- Major Cu deposits
- Major Au deposits
- Lachlan Orogen**
  - I-type Granites
  - Silurian Belts
  - Ordovician Macquarie Arc
- Regional Elements**
  - Younger Basins
  - Palaeozoic Fold Belts



### Belgravia Project (Krakatoa 100%):

The Belgravia Project covers an area of 80km<sup>2</sup> 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 (Krakatoa 100%):

The Turon Project covers 120km<sup>2</sup> 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 (Krakatoa 100%):

The Rand Project covers an area of 580km<sup>2</sup>, 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.