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23rd March 2022

New Gold Targets defined at Bulgandry, Rand NSW

- **Standout gold anomaly (TW) defined by the Phase 2 soil survey**
- **TW is a large coherent gold soil anomaly straddling a prominent hill, is open to the south and returned a peak assay of 90ppb Au**
- **Multiple other new gold anomalies defined and existing gold anomalies from Phase 1 refined**
- **Gradient Array Induced Polarisation surveys commenced**
- **New rock-chip samples returned up to 70g/t Au from new, previously unexplored zones**

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to update the market on its gold exploration progress on its 100% owned Rand Gold and REE Project ("Project"). The Bulgandry Phase 2 soil survey has better constrained the initial broad anomalies defined by the Phase 1 survey and has also defined a new, large coherent anomaly on a discrete hill in the far south of the survey area. Current ongoing gold exploration is targeting blind, intrusive-related (IRGS) and orogenic gold systems and mature gold systems near surface. EL9000 is one of 4 granted tenements that collectively comprise the "Rand Project" centred approximately 60km NNW of Albury in southern NSW that covers 580km^2 of an under-explored part of the Lachlan Fold Belt (Figure 1).

The Phase 2 auger soil geochemical survey infilled and extended the Phase 1 survey (completed in February 2021) that defined over 20 high tenor coherent pathfinder multi-element anomalies (refer to ASX release 8 June 2021) that occur within, and proximal to the historical Bulgandry Goldfield.

Six rock-chip samples were collected during the Phase 2 survey, which returned gold grades of up to 70 g/t Au.

A gradient array induced polarisation survey (GAIP) commenced on 11th March 2022, with 2 of the 3 planned grids covering historical mines within the Bulgandry Goldfield. It is envisaged that this detailed survey will map potentially gold-bearing structures to aid drill target definition.

ASX Code
KTA

Capital Structure
294,709,917 Fully Paid Shares
21,200,000 Options @ 7.5c exp 29/11/23
15,000,000 Performance Rights at 20c, 30c and 40c.

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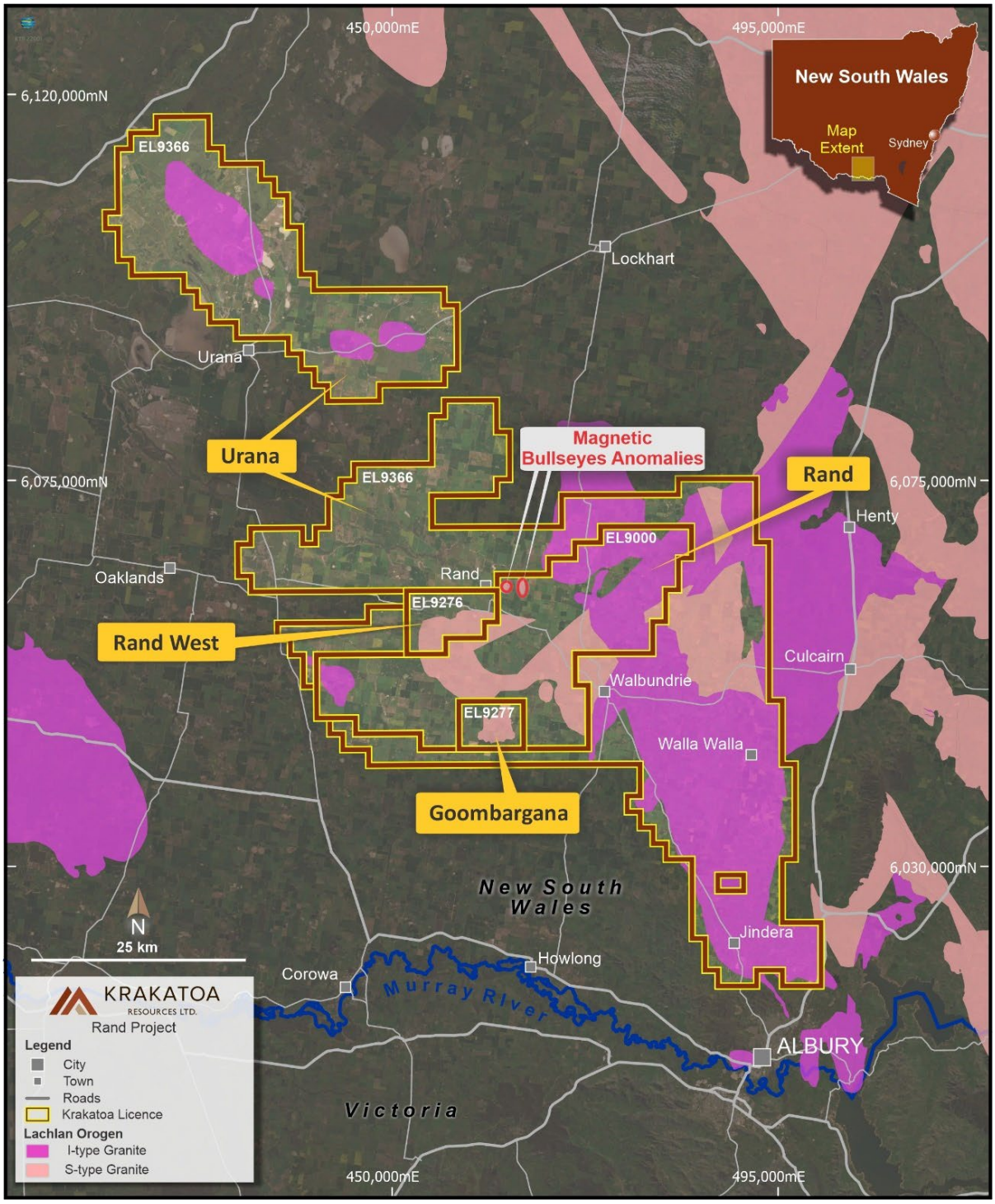

Figure 1: Rand Project tenements map

Krakatoa's CEO, Mark Major commented:

"Our systematic exploration approach at Rand continues to deliver new targets and redefine previously identified gold zones. The Phase 2 soil survey has better defined the broad anomalies from Phase 1 and has defined a significant new gold zone. This zone is supported by rock-chips of 70g/t Au from historical workings that has never been explored. The GAIP survey will map out potentially mineralised structures, complimenting the completed soil surveys and field mapping. Ultimately, we will be endeavouring to drill these targets this year."

PHASE 2 AUGER SOIL GEOCHEMICAL SURVEY & RECONNAISSANCE ROCK-CHIP SAMPLING

A total of 842 auger soil samples were collected on north-south oriented lines during December 2021 making a combined total of 1,654 soil sample points for Phases 1 and 2. Whilst carrying out the soil survey, 6 rock-chip samples of veined material were collected. The soil survey was designed to infill and extend the Phase 1 survey anomalies. Phase 2 lines varied in design; typically, the infill lines were spaced 100 metres from the Phase 1 lines with 50 metre spacings over the areas of known anomalism. Over the eastern part of the survey the lines were spaced at 200 metres (from Phase 1 lines) with 100 metres sample spacing. The western end of the survey comprised mixed line and sample spacings and extended the original survey 600 metres west.

Phase 2 samples were collected and analysed using the same methods and protocols as Phase 1. Twenty centimetre (20cm) diameter auger holes were drilled with a post hole auger tool mounted on a Bobcat machine. Bulk soil was collected nominally from the B horizon (generally between 10 and 50cm depth) from *in situ* soils.

Samples were sent to Labwest Minerals Analysis (Perth) where a fine (<2µm) fraction was prepared then analysed by ultrafine analysis (UFF^{TM}) for gold and 48 other elements. The UFF^{TM} technique has extremely low gold detection limits, gives an increased signal to background ratio and eliminates the nugget effect, yielding lower absolute gold values.

Phase 2 results were combined with Phase 1 data then the complete dataset (1654 samples) was interpreted by plotting thematic maps and manually contouring gold at 4ppb (75th percentile), and 20ppb (~98th percentile), while referring to the structural controls. Survey and sample statistics are summarised in Table 1.

RESULTS

The results from closer sample and line spacings have more accurately separated the broader anomalies originally defined by Phase 1 into several more discrete zones (Figure 2) and defined new anomalies. The discrete zones include the newly named *Rockingham,* and *Optux* anomalies, *Lone Hand* and *Goodwood* anomalies, *Grant's*, *TW, Middle* and *KBRC2* anomalies. The new anomalies are shown in Figure 2 and Figure 3.

The strongest zones of Au anomalism correlate with known workings/structures including *Lone Hand* and *Show Day*.

- At *Show Day*, the centre of the 150m long 065°(MGA) striking +40ppb Au soil anomaly lies 125m west of RC drillhole KBRC001 (drilled by KTA in early 2021), suggesting that this hole didn't test the best part of the workings. Several KTA rock-chips taken from Show Day in 2021 assayed over 1 g/t up to 8.7g/t Au with strong As.
- The Junkyard Shaft was sunk on the main, mined lode that strikes roughly 100° (MGA) which was tested by drillhole KBRC009 (6m @ 0.17g/t Au). However, the centre of the newly defined *Junkyard Shaft* +40ppb Au soil anomaly is centred 60m east of the shaft, strikes N-S and corresponds exactly

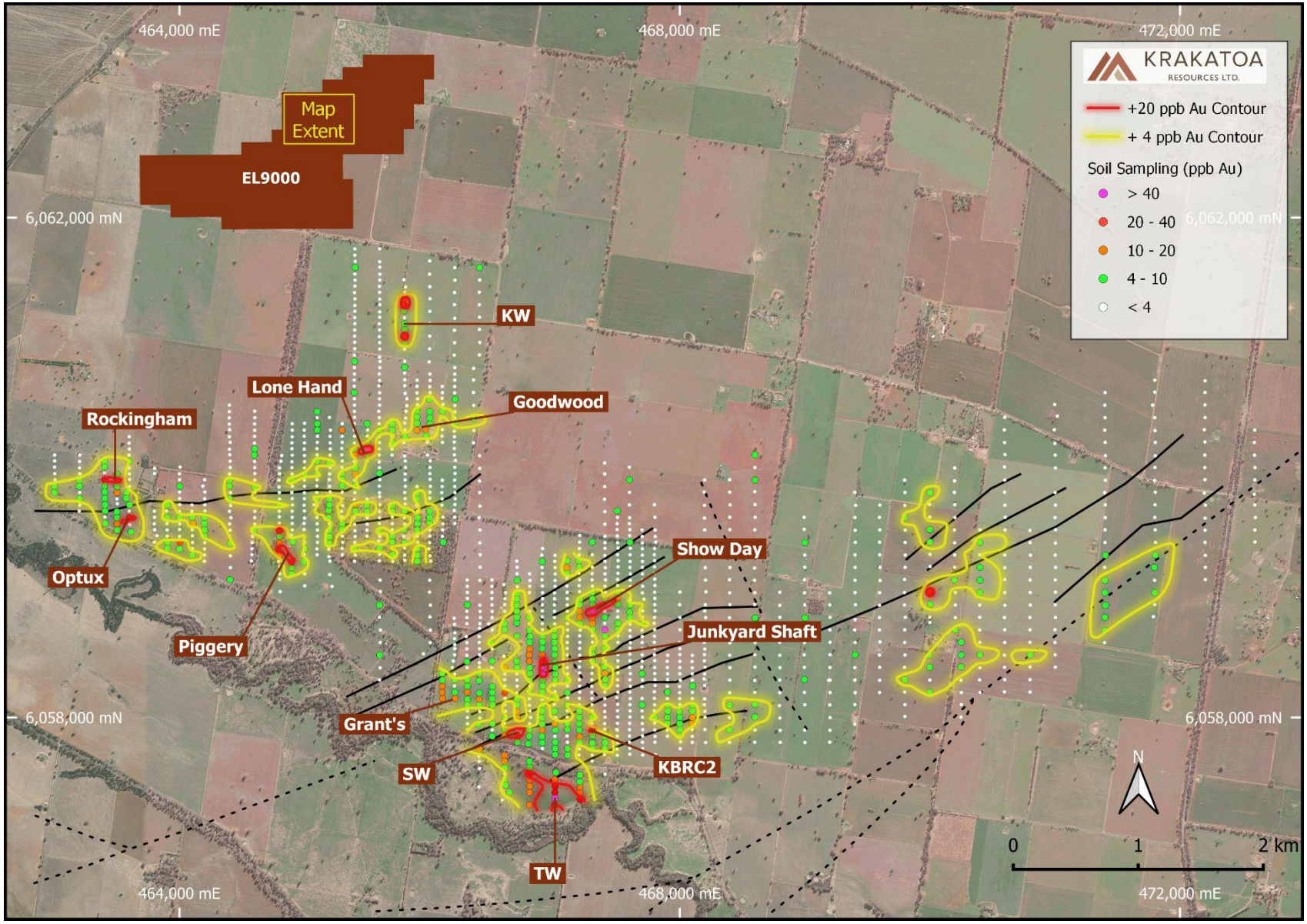

Figure 2 Auger soil samples thematically mapped with 4ppb and 20ppb contours showing locations of new soil anomalies with selected magnetic linears

with a discrete N-S magnetic linear (Figure 3). This zone features shallow pits on sheared and silicified stockwork veined meta-sediments that returned 80.6g/t from a rock-chip (ASX 23 February 2021) and has never been drilled.

The Phase 2 survey defined the new *Piggery* Anomaly (Figure 2) that strikes NNW, straddles 2 grid lines and comprises 5 samples over 10ppb of which 3 are over 20ppb Au and the single (spoil) line *KW* Anomaly that occurs on a low ridge with several shallow workings.

The standout new anomaly is the newly named *TW* (Figure 3). The TW anomaly is a large, coherent Au-in-soil anomaly that straddles a prominent hill in the far south of the grid. The 4 soil lines over the hill define a strong Au anomaly at all levels from >4 to >40ppb with a peak individual value of 90.2ppb (Figure 3). Two open mine shafts occur within a structural demagnetised zone within the core of the soil anomaly. Rock-chips collected in December 2021 assayed up to 70.2g/t Au (Figure 3 and Table 2) from veined mullock adjacent to the western shaft. KTA's 2021 work is the first know on-ground surface exploration work on this area.

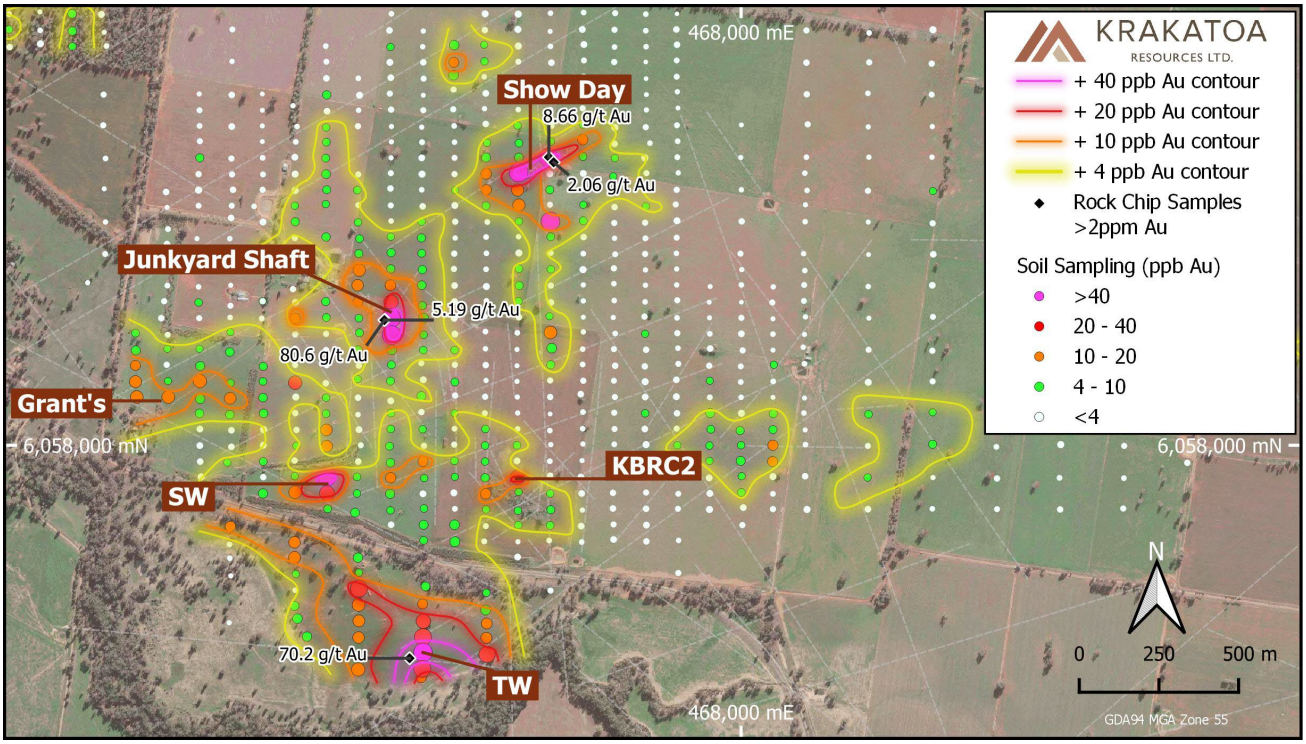

Figure 3: Map showing the new soil anomalies in the southern part of soil grid, depicting new soil samples thematically mapped, soil contours, KTA rock-chip samples and magnetic linears

GRADIENT ARRAY INDUCED POLARISATION PROGRAM

A gradient array induced polarisation survey (GAIP) commenced on 11th March 2022. The 2 priority grids (Show Day and Gold Hill) cover known historical mines within the Bulgandry Goldfield. These detailed surveys (comprising 100m line spacings with 25m spaced dipoles) are designed to map potentially gold-bearing structures, complementing the soil geochemistry to aid drill target definition.

Table 1: Auger soil statistics and calculated percentiles (%ile)(Combined Phase 1 and 2 samples)

Element	Count	Minimum	Maximum	Mean	Median	Range	Variance	SD	25th %ile	50th %ile	75th %ile	90th %ile	95th %ile	98th %ile
Au_ppb	1654	-0.5	90.2	3.91	2.7	90.7	29.42	5.42	1.90	2.70	4.00	6.07	9.84	17.69
Ag_ppm	1654	0.003	1.08	0.05	0.046	1.08	0.00	0.05	0.03	0.05	0.06	0.09	0.11	0.16
As_ppm	1654	3	1260	21.85	13.5	1260	1568	39.60	10.10	13.50	21.80	37.88	60.15	99.27
Be_ppm	1654	1.28	7.23	2.74	2.7	7.23	0.62	0.79	2.32	2.70	3.10	3.60	3.96	4.64
Bi_ppm	1654	0.327	5.89	0.77	0.684	5.89	0.14	0.38	0.61	0.68	0.81	1.04	1.33	1.82
Ce_ppm	1654	35.5	710	111.76	103	710	2682419	51.79	84.60	103.00	128.00	160.00	191.00	255.94
Cr_ppm	1654	32	381	64.81	65	381	287.97	16.97	58.25	65.00	72.00	79.00	85.00	93.00
Cu_ppm	1654	10.3	101	31.95	31.9	101	77.16	8.78	27.63	31.90	35.70	40.34	43.87	50.69
In_ppm	1654	-0.001	0.157	0.08	0.079	0.158	0.00	0.02	0.07	0.08	0.09	0.09	0.10	0.10
Mo_ppm	1654	0.47	6.33	1.38	1.37	6.33	0.18	0.42	1.17	1.37	1.56	1.80	1.98	2.26
Ni_ppm	1654	10.3	117	31.64	30.8	117	94.72	9.73	26.50	30.80	35.60	43.10	47.74	53.50
Pb_ppm	1654	15.1	630	38.52	33.4	630	678.08	26.04	29.70	33.40	40.10	53.67	70.27	92.59
Sb_ppm	1654	0.131	9.1	0.42	0.395	9.1	0.07	0.27	0.35	0.40	0.45	0.53	0.64	0.77
Sn_ppm	1654	1.63	29.5	3.83	3.64	29.5	2.52	1.59	3.24	3.64	4.09	4.89	5.81	7.48
Te_ppm	1654	0.009	1.61	0.05	0.046	1.61	0.00	0.04	0.04	0.05	0.05	0.06	0.06	0.07
W_ppm	1654	0.021	140	0.62	0.23	140	19.67	4.44	0.16	0.23	0.32	0.59	1.08	2.94
Zn_ppm	1654	20	228	56.43	56.6	228	270.48	16.45	49.80	56.60	62.38	68.87	75.97	92.69

Table 2: Rock-chip sample details with selected IRGS element assays (co-ordinates in MGA94 zone 55)(yellow highlight indicates significant IRGS values)

Sample ID	East	North	Type	Wt (kg)	Au (ppm)	Ag (ppm)	As (ppm)	Bi (ppm)	Mo (ppm)	Pb (ppm)	Sb (ppm)	Sn (ppm)	Te (ppm)	W (ppm)	Zn (ppm)
R1001	467412	6058886	float	0.8	2.06	4.67	1360	5.13	0.6	1080	8.95	14.9	0.14	6.2	108
R1002	466959	6057336	subcrop/float	1.28	0.002	0.8	671	1.61	0.84	207	9.52	21.2	0.13	21.6	45
R1003	466960	6057333	float/mullock	2.18	70.2	5.41	1575	14.05	0.37	2020	24.4	19.2	0.36	11.1	101
R1005	466780	6058380	float	3	0.026	0.02	12.2	1.97	0.13	66.3	0.14	57.1	-0.05	6.8	5
R1006	466881	6058392	float	1.46	5.19	0.6	410	2.45	0.13	129	2.93	8.7	0.14	4.5	4
R1007	466858	6058426	float	1.18	0.337	0.09	577	0.56	6.32	40.5	11	8.6	0.21	6.9	48

NEXT STEPS

Looking ahead, the next steps involve completing the GAIP surveys, processing then interpreting the data, then synthesising these with all other datasets to define drill targets

Authorised for release by the Board.

FOR FURTHER INFORMATION:
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Competent Person's Statement

The information in this announcement is based on, and fairly represents information compiled by Erik Conaghan, Exploration Manager, who is a Member of the Australian Institute of Geoscientists and a full-time 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.

ABOUT KRAKATOA

Krakatoa is an emerging as a diversified high value critical metal and technology element company catering to the exponential demand spawned by electrification and decarbonisation.
It is an ASX listed public Company with assets associated with copper-gold exploration in the world class Lachlan Fold Belt, NSW and multielement metals including the increasingly valued rare earths, nickel and heavy mineral sands in the highly prospective Narryer Terrane, Yilgarn Craton, WA and critical metals at Dalgaranga, WA

The company is focused on systematic exploration and development of their key project.

Mt Clere REEs, HMS & Ni-Cu-Co, PGEs Project (100%); Gascoyne WA
The Mt Clere REE Project located at the north western margins of the Yilgarn Graton. The Company holds 2,310km^2 of highly prospective exploration licenses prospective for rare earth elements, heavy mineral sands hosted zircon-ilmenite-rutile-leucoxene; and gold and intrusion hosted Ni-Cu-Co-PGEs. Historical exploration has identified the potential presence of three REE deposit types, namely, Ion adsorption clays in extensive laterite areas; monazite sands in vast alluvial terraces; and carbonatite dyke swarms.

Dalgaranga Critical Metals Project, Nb, Li, Rb, Ta, Sn, (100%); Mt Magnet WA.
The Dalgaranga project has an extensive rubidium exploration target defined next to the old Dalgaranga tantalum mine, with extensive pegmatite swarms with little exploration completed throughout the area. The project is clearly under-explored, the historical drilling was very shallow as it mainly focused on defining shallow open pitable resources in the mine area.

Rand Gold, REEs Project (100%); Lachlan Fold NSW
The Rand Project covers an area of 580km^2, centred 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 Bulgandry Goldfield, which is captured by the Project, demonstrates the project area is prospective for shear-hosted and intrusion-related gold. Historical production records show substantial gold grades, including up to 265g/t Au from the exposed quartz veins in the Show Day Reef. REE's have recently been identified over several intrusive basement areas which lead to extensive exploration application (2,008km^2) being placed over recognised prospective areas which will undergo clay hosted REE exploration once granted.

Belgravia Cu-Au Porphyry Project (100%); Lachlan Fold NSW
The Belgravia Project covers an area of 80km^2 and is in the central part of the Molong Volcanic Belt (MVB), between Newcrest Mining's Cadia Operations and Alkane Resources Boda Discovery. The Project target areas are considered highly prospective for porphyry Cu-Au and associated skarn Cu-Au, with Bell Valley and Sugarloaf the most advanced target areas. Bell Valley contains a considerable portion of the Copper Hill Intrusive Complex, the porphyry complex which hosts the Copper Hill deposit (890koz Au & 310kt Cu) and Sugarloaf is co-incident with anomalous rock chips including 5.19g/t Au and 1.73% Cu.

Turon Gold Project (100%); Lachlan fold NSW
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 (10m @ 1.64g/t Au from surface to EOH).

The information in this section that relates to exploration results was first released by the Company on 19 June 2019, 25 November 2019, 3 December 2019, 14 April 2020, 20 May 2020, 26 June 2020, 6 July 2020, 9 August 2021, 8 November 2021. 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

JORC Code, 2012 Edition – Table

Section 1 Sampling Techniques and Data

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.*	**AUGER SOIL SAMPLES:** • Soil samples collected from a 200mm diameter post hole auger spiral blade, mounted onto the front of a New Holland C327, 3.7 tonne skid steer "Bobcat" machine. • A total of 842 samples were collected (including 16 duplicates) were collected on N-S grid lines, either infilling or extending the original Phase 1 soil grid. Accordingly sample line spacings were variable – at either 200 or 400m (which is 100 or 200mfrom Phse 1 lines) with 50m sample spacing or 100m sample spacing. Some Phase 1 lines were infilled from the original 100m to 50m sample spacing. • Samples were primarily interpreted as representing residual soils and were collected nominally from the B horizon at depths between 0.1m and 0.5m from vertical holes drilled to a nominal (vertical) depth of <1.0 metre. • In the field a bulk sample of approximately 500 grams was collected, of which 200 to 300grams was sealed into a kraft packet and the rest retained as a master sample in a labelled calico bag. • The sub samples were freighted to Labwest Minerals Analysis (Perth) where they were then sieved to 2µm. The fine (<2µm) fraction underwent UltraFine+ analysis (UFF™) for Au and 48 other elements. • The UltraFine+ technique developed through CSIRO/MRIWA research project M462 delivers highly sensitive analysis of gold and multi-elements in the ultrafine (<2µm) fraction of the soil. The <2µm soil fraction is separated and collected for Au and multi-element analysis by ICP-MS for 48 elements: Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, Hg, In, K, La, Li, Mg, Mn, Mo, Nb, Ni, Pb, Pt, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn and Zr. **ROCK-CHIP SAMPLES** • Rock chips and grab samples taken with a geological hammer and collected into labelled calico bags. • Samples were prepped by ALS in Orange then analyzed in Perth for gold and multi-element geochemistry. Gold (30g charge) by fire assay method FA-AA (Au-AA21), ME by four acid digestion and ICP_MS finish (ME-MS61 for 48 elements). Samples with over-range (>10g/t) gold was reanalyzed by method Au-GRA21. • 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 recorded.
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).*	• The auger was mounted on the front of a New Holland C327 3.7 tonne, 75 horse power track-mounted "Bobcat" machine. The post hole auger bit was 200mm in diameter and holes were drilled to a maximum of 1 metre depth.
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.*	• No drilling reported

Criteria	JORC Code explanation	Commentary
	• *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.*	
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.*	**SOIL SAMPLES** • Soil samples were logged for sample depth and interpreted soil horizon, moisture content, soil colour and soil type. Bedrock lithology and the occurrence of quartz veins were also noted if encountered. Cultural features (such as potential sources of site contamination) or soils affected by cropping techniques were also noted. **ROCK-CHIP SAMPLES** • Samples were geologically described and photographed at the time of collection. The descriptions were 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.*	**SOIL SAMPLES** • In the field approximately 0.5kg of bulk unsieved sample was collected, of which a 300g sub sample was sealed into a kraft packet and the rest retained as a master sample in a labelled calico bag. • The sample preparation technique for all samples follows industry best practice, by an accredited laboratory. The techniques and practices are appropriate for the sample type and style of mineralisation. The field screened (<2mm) soil product is stored in numbered paper geochemical sample bags for transport. At the laboratory the soil samples are sorted and the ultrafine fraction separated and collected. The method uses approximately <40g of soil from the bulk (<2mm) material. Gravity settling following dispersion of clays is used to separate the <2µm size fraction. The separated fine soil fraction is analysed using a microwave aqua regia digestion and analysis of the solution for 48 elements using ICPOES and ICPMS. • If the site location was deemed to have possible transported material, either the soil sample was not taken, or taken from a different site • Field duplicates were inserted into the batch at a rate of 1 duplicate every 50 samples. • The sample sizes are standard industry practice sample sizes collected under standard industry conditions and by standard methods that are considered appropriate for the medium being sampled, the laboratory techniques employed and the type and style of mineralisation which might be encountered at this project. • The auger blade was cleaned between holes using a stainless-steel wire brush to minimise potential contamination. **ROCK-CHIP SAMPLES** • Samples collected were representative of the material identified during fieldwork • The available data suggests that sampling procedures provide sufficiently representative sub-samples for the current interpretation
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*	**SOIL SAMPLES** • The techniques and practices are appropriate for the sample type and style of mineralisation. The field soil product is stored in numbered paper geochemical sample bags for transport. At the laboratory the soil samples are sorted, and the ultrafine fraction separated and collected. The method uses approximately <40g of soil from the bulk (<2mm) material. Gravity settling following dispersion of clays is used to separate the <2µm size fraction. The separated fine soil fraction is analysed using a microwave aqua regia digestion

Criteria	JORC Code explanation	Commentary
	accuracy (ie lack of bias) and precision have been established.	and analysis of the solution for approximately 45 elements using ICPOES and ICPMS. • Results for the standards and duplicates were within the normal accepted range of tolerance for the metals and elements of interest. Additionally the laboratory is accredited and uses its own certified reference material. The laboratory use, and reports, one of its internal standards or blanks per every 20 assays. **ROCK-CHIP SAMPLES** • Internal laboratory checks confirm assay precision and accuracy with sufficient confidence for the current results. No standards nor duplicates were submitted.
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.*	**SOIL SAMPLES** • The Company's exploration manager reviewed the assay results. The Company utilises industry standard sampling techniques and accredited independent assay laboratories. • Not applicable to auger sampling. • All sample data was captured in excel spreadsheets and plotted using GIS software. Assay results were merged with the primary data when received electronically from the laboratory using established database protocols. **ROCK-CHIP SAMPLES** • The samples were collected by the exploration manager and contract field geologist. • No adjustments were made to any assays for soil and rock-chip 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.*	• Handheld GPS controlled soil sample locations with error range of ± 3 to 5metres for easting and northing. • MGA94Z55 grid. • Topo control is NA.
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.*	**SOIL SAMPLES** • Data spacing of combined Phase 1 & 2 soil samples is now either 100 metre lines with 50 m sample spacings or 200 m line spacings with 50 or 100 m sample spacings over the more distant regional pats of the grid, outside the known areas of mineralisation. • The work completed was appropriate for the current early exploration stage. • Compositing has not been applied. **ROCK-CHIP SAMPLES** • N/A • N/A • Compositing has not been applied.
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.*	**SOIL SAMPLES** • The only known mineralisation parameters are those of the historical workings which have a range of strikes and dips. The majority strike ENE or ESE for which the survey grid is at the optimal orientation and to minimise any bias. • The soil grid was oriented north-south so as to not bias the results. **ROCK-CHIP SAMPLES** • N/A • N/A

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	**SOIL SAMPLES** • Samples were carefully packaged into several cardboard boxes that were sealed with packing tape. These were delivered to Main Freight Albury, who then freighted them by truck to Labwest in Perth W.A.. Upon delivery to the lab the boxes were check by staff for damage and/or tampering. The boxes were in adequate condition. **ROCK-CHIP SAMPLES** • Rock-chips in calico bags were placed into polyweave sacks sealed with cable ties. The sacks were delivered to Main Freight Albury by company employees where they were freighted them to ALS Global in Orange NSW
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed to date.

Section 2 Reporting of Exploration Results

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 (EL9000) is wholly-owned by Krakatoa Australia Pty Ltd, a wholly owned subsidiary of Krakatoa Resources Ltd. • The Company holds 100% interest and all rights in the Rand Project. • EL9000 lies within rural free-hold land requiring KTA Resources Pty Ltd to enter into formal land access agreements with individual landowners, prior to any field activity, as prescribed by New South Wales State Law including the Mining Act 1992. The Company has rural land access agreements over the majority of the Bulgandry Goldfields area. • EL9000 is considered to be in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Various parties have held different parts of the Rand Project in different periods and explored for different commodities. • No party has ever completed systematic exploration across the Rand area, nor adequately considered the regolith during their work. Transit Mining in 1986 and 1987 completed a few small soil grids, a small IP survey and shallow inadequate percussion and diamond drilling over a few of the known gold mines within the Bulgandry Goldfield. The soil grids were tiny, and shallow drillholes failed to test the mineralised lodes below the base of weathering. All relevant historical data was compiled into a Datashed database and reviewed the Exploration Manager.

Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Project lies in the Wagga-Omeo Metamorphic Zone of the Central Lachlan Fold Belt, which includes the Wagga Tin-Tungsten Belt.
		• Major rock units through the project area are described and mapped on the recently completed NSW GS 500k East Riverina Map Sheet:
		  ○ Ordovician metasedimentary rocks of the Abercrombie Formation
		  ○ Silurian S-type granites of the Alma Park and Goombargana suites
		  ○ Early Devonian volcanic rocks (e.g. Wallandoon Ignimbrite)
		  ○ Devonian I-type granites (e.g. Jinderra)
		• The area is prospective for a range of deposit styles, including intrusion-related gold (IRGS), shear-hosted (orogenic) gold, magmatic tin–tungsten deposits, rare earth elements in the regolith, and copper–gold porphyries with associated epithermal systems.
		• IRGS deposits are located either within or near granitic intrusions, often associated with tin-tungsten belts

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*
		• N/A

Criteria	JORC Code explanation	Commentary
	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 weighting of averaging techniques have been utilized. • No aggregations are reported. • 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').*	• The soil sampling assay defines a geochemical surface expression and depending on sample spacing maybe used to interpret possible mineralisation strikes. Rock-chip samples are collected at random when interesting material is located in the field. The samples reported herein are generally float or mullock, so do not reflect mineralisation trends. • No drilling reported in this report. • N/A
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.*	• Pertinent maps for this stage of Project are included in the release. • Coordinates in MGA94 Z55.
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.*	• Minimum and maximum assays values per element tabled for soil samples. • Results for all rock-chip samples are reported in the release.
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.*	• Other geophysical data sets for the project area are available in the public domain and were previously reported *ad nauseum* by the company. • The GAIP data for the current surveys has not yet been processed so no comments can be made.
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.*	• Further soil sampling maybe done over the TW anomaly. More reconnaissance geology mapping and rock-chip sampling may be done on new anomalies defined by the work reported herein. The company is planning on conducting RC drilling of areas reported herein. • KTA was successful in its application for co-operative funding for diamond drilling at the Bullseye Magnetic Anomaly and Goodwood Reef and plans to drill these holes at a suitable time.