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Deep Drilling Imminent at Sugarloaf Cu-Au Porphyry Target

- **Shallow air-core drilling and soil survey results have reinforced expectations**
- **Land access agreement executed to enable deep drilling**
- **Drilling contractor appointed to test Sugarloaf anomaly**
- **Deep reverse circulation and diamond drilling program to commence next month**

Krakatoa Resources Limited (ASX: KTA, "Krakatoa" or the "Company") is pleased to update the market on progress on the Sugarloaf Cu-Au Porphyry target on EL8153, Belgravia Project, near Molong in Central NSW. The Sugarloaf Target sits within the Molong Volcanic Belt (MVB), home to Australia's premier copper-gold province featuring Cadia-Ridgeway, Boda-Kaiser, Copper Hill and Browns Creek deposits (Figure 1). Sugarloaf is located 7 kilometres southeast of the GCR's Copper Hill Porphyry Cu-Au Deposit (890,000 ounces of gold and 310,000 tonnes of copper (GCR ASX release 19 January 2021).

The Sugarloaf Porphyry Target is a prominent, structurally bound magnetic low ("demag") zone spanning 800 x 900 metres (Figures 2 and 3). Within the centre of this demag zone lies a central core which is a discrete magnetic high featuring anomalous soil metal geochemistry, measuring 400 x 200 metres (oriented NW-SE; Figure 2).

Recent soil geochemical surveys completed by the Company have defined a clear annular geochemical zonation pattern corresponding to this geophysical anomaly, typical of porphyry systems. Supporting this hypothesis is the fact that dioritic intrusives have been mapped by the NSW GS immediately south of the Target. Geochemical relationships (refer to KTA ASX announcement 31 March 2021) also highlight the potential for epithermal (gold-silver) and contact-metasomatic (skarn and carbonate-replacement styles) gold-base metals deposits along the western bounding, NE-trending fault margin. Besides the recent shallow air-core (AC) program, Sugarloaf is yet to be drilled.

After years of ongoing landholder negotiations, permission to commence an inaugural deep reverse circulation (RC) and diamond drilling (DD) program has been finalised. Furthermore, a drilling contract has been signed for a multi-purpose (RC-DD) rig for a mid-September start*.

Krakatoa's Exploration Manger commented:

"The Company is pleased to have reached this point after a prolonged period of landholder negotiations. The preliminary exploration work completed over 2020-2021 (detailed aeromagnetics, surface geochemical sampling supported by geological mapping and air-core drilling) has defined 2 clear, robust drill targets that we are eager to finally drill. The Sugarloaf target exhibits clear porphyry characteristics and represents a potential Company-maker."

**COVID-19 regulations dependent*

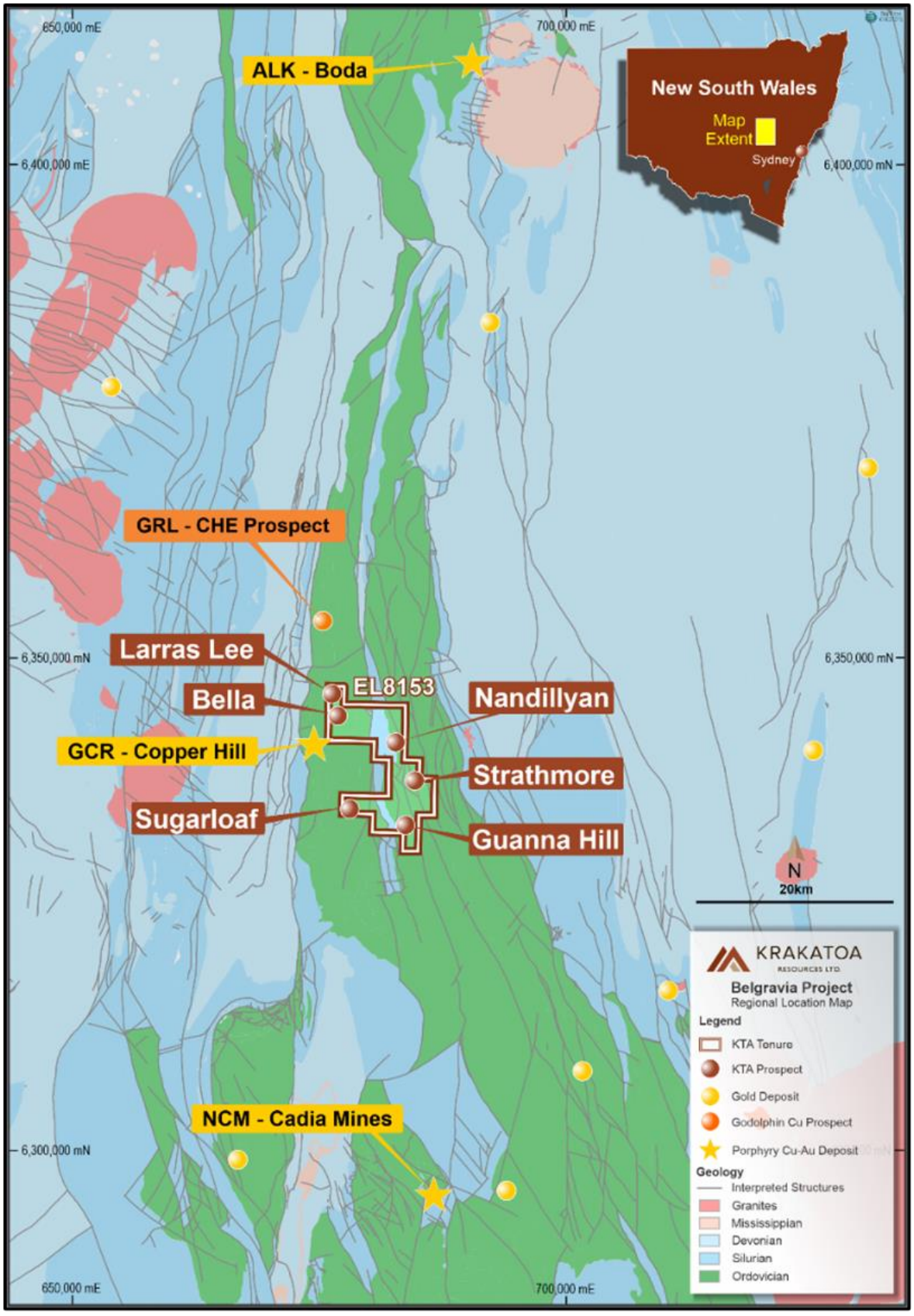


Figure 1: Belgravia Project location map, prospects and major copper & gold mines and deposits on regional bedrock geology

A multi-purpose RC-DD drill rig will be utilized to drill at least 3 initial holes totalling approximately 1200 metres with the flexibility to drill additional holes. RC drilling will test the northwestern margin for structurally controlled gold – copper on a significant NE trending structural - demagnetized feature featuring anomalous surface geochemistry (soil samples to 433 ppb (0.43 g/t) Au and rock-chip samples to 5.15 g/t Au and 1.73 % Cu (Hole F in Figure 3). Two RC-DD holes with proposed depths of 450 to 600+ metres will test the coincident magnetic low-geochemical anomaly (Holes C and E in Figure 3). The holes are supported by deep ground penetrating radar (DGPR) data and are constrained by the 3D magnetic models (Figure 3b).

RECENT EXPLORATION SUMMARY

Air-core Program

In June 2021 an AC drilling program of 37 holes (SAC001 to SAC037; Figure 2 and Table 1) totalling 295.5 metres was completed. Holes tested magnetic features, several soil and/or rock-chip (Au, Cu and Mo) anomalies, DGPR anomalies, structural features, and mapped alteration areas. The regolith profile developed at Sugarloaf is relatively thin; hole depths were relatively shallow ranging from 1 to 15 metres depth with an average of 8.0 metres (Table 1).

Drillhole geology confirmed the geological mapping, magnetic susceptibility the magnetic interpretation, and assays the bedrock soil anomalies. The assays confirmed that the mafic volcanic and their volcaniclastic equivalents feature relatively high background (metal) values. Samples were collected in one metre increments and nominally composited into 2 metre sample intervals with narrower samples taken at the end-of-hole. Samples were subjected to a four acid digest and analysed by ME-MS61 for 48 elements and for Au by fire assay method Au-ICP21. Individual copper values ranged from 22.3 to 454.7 ppm with a median of 114.5 ppm. Gold values ranged from below detection (1 ppb) to 16 ppb (Table 1) with a median value of 3.79 ppb. Eight holes confirmed the western bounding, NE structural-demag zone (Figure 2) to be anomalous in the metals of interest, further enhancing its prospectivity. Additionally, four holes penetrated intrusive rocks (Table 1).

Extensional Soil Geochemical Survey

The 2020 soil survey of 290 samples that covered an area 850 metres east-west by 950 metres north-south over the central magnetic low was expanded recently to the west, north and east. An additional 594 samples were collected during June 2021 and the resultant survey area now covers an area spanning 1.35 kilometres east-west by 1.65 kilometres north-south (Figure 2). Samples were taken on a 50 x 50 metre grid at depths between 5 and 40 centimetres from the B, or B-C horizon. The <1 mm fraction was dissolved by aqua-regia and analysed by method AuME-TL43 for Au and 50 other elements. The combined 2020 and 2021 soil dataset totals 884 samples.

Analysis of the new dataset expands upon, and reinforces earlier observations (refer to ASX release 31 March 2021). The data shows a distinct geochemical change across the western bounding NE structural-demag zone with generally higher metal values on the western side compared to the eastern side (Figure 2).

The new data provides a wider background across the Target zone, further reinforcing that the main Sugarloaf Target comprises a central (magnetic high) core geochemically enriched in certain elements encompassed within a geochemically depleted, demagnetised zone (Figure 2). The central core is enriched in Au, Be, Cu, Li, Se, Sn and depleted in K and Mo. The surrounding depletion zone is relatively enriched in K and Mo and depleted in Au, As, Be, Li, Se, Sn and strongly depleted in Cu. This relationship signifies the potential for a buried porphyry intrusive occurring within a few hundred metres of surface.

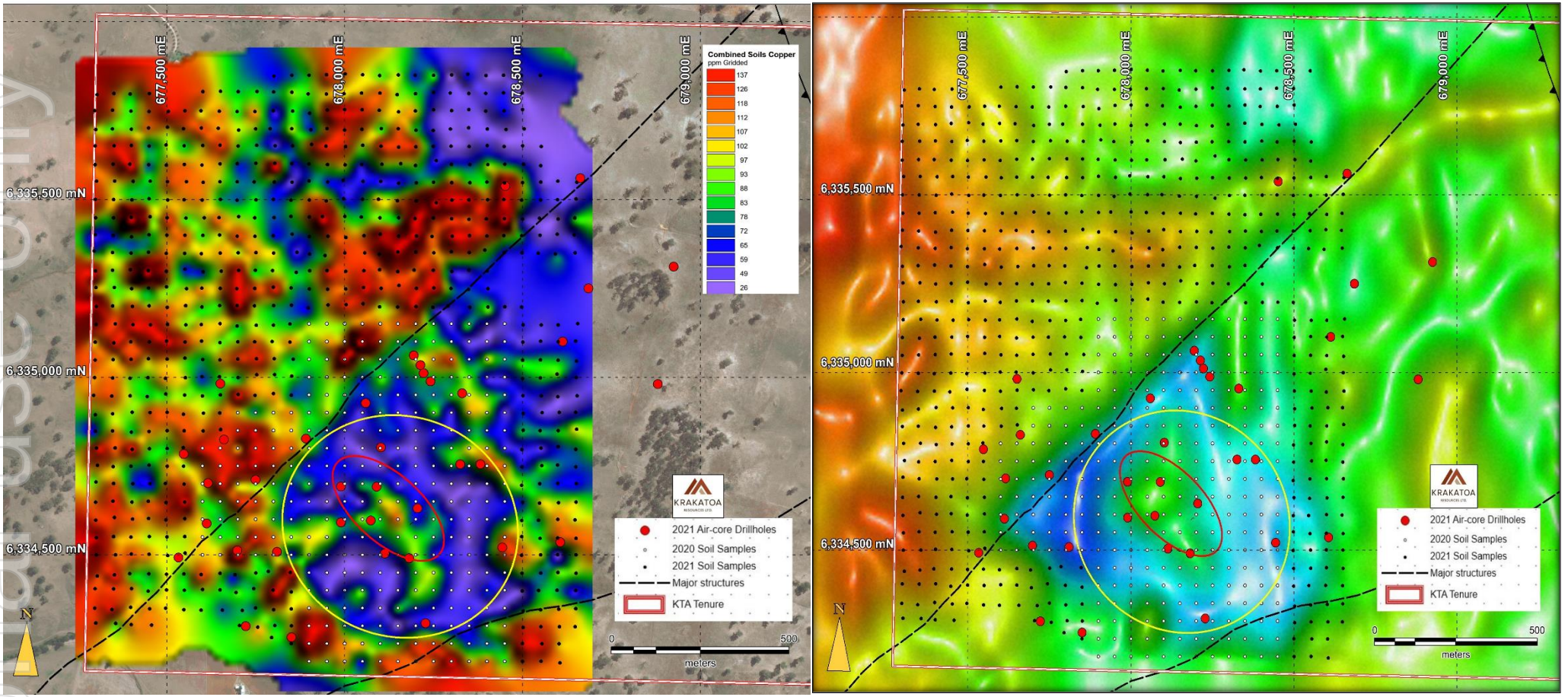
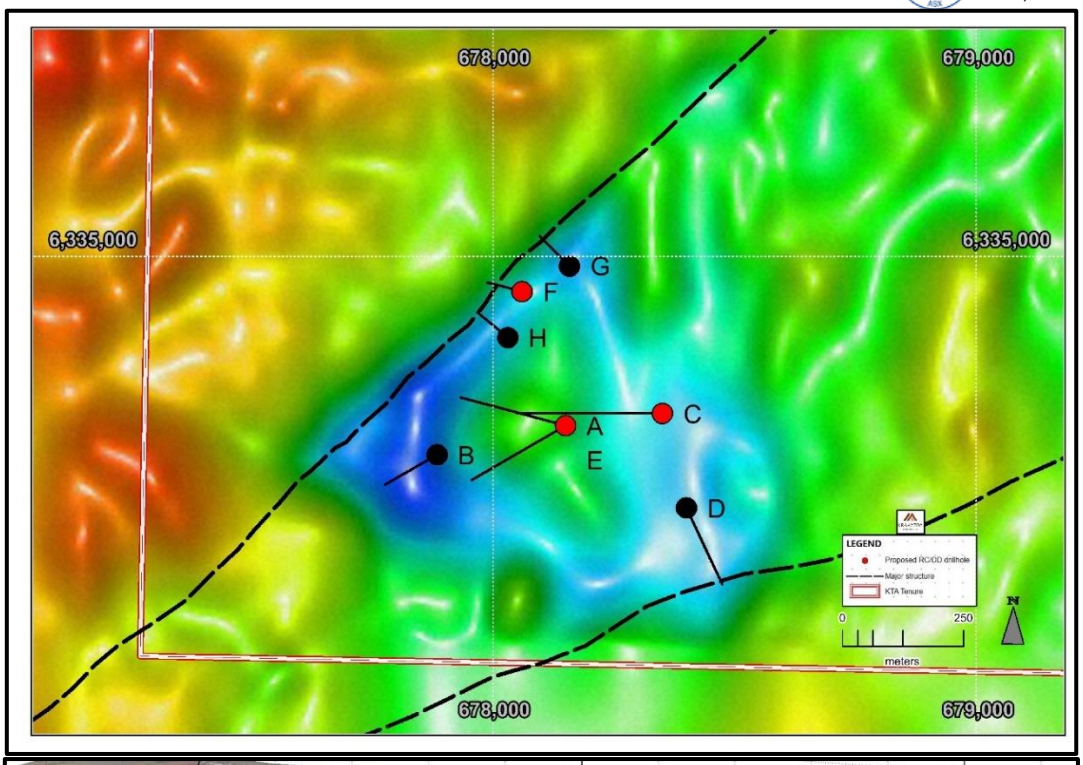


Figure 2: Maps showing recent air-core drillholes and soil samples. Background image on left is gridded (combined 2020-2021) Cu soil geochemistry and, on right RTP magnetics. Note the distinctive ring feature defined by both the Cu geochemistry and magnetics. The red ellipse marks the central core of multi-element geochemical anomalism (left) which is coincident with a magnetic high (right), and the yellow circle the approximate outer extent of the geochemical depletion zone.



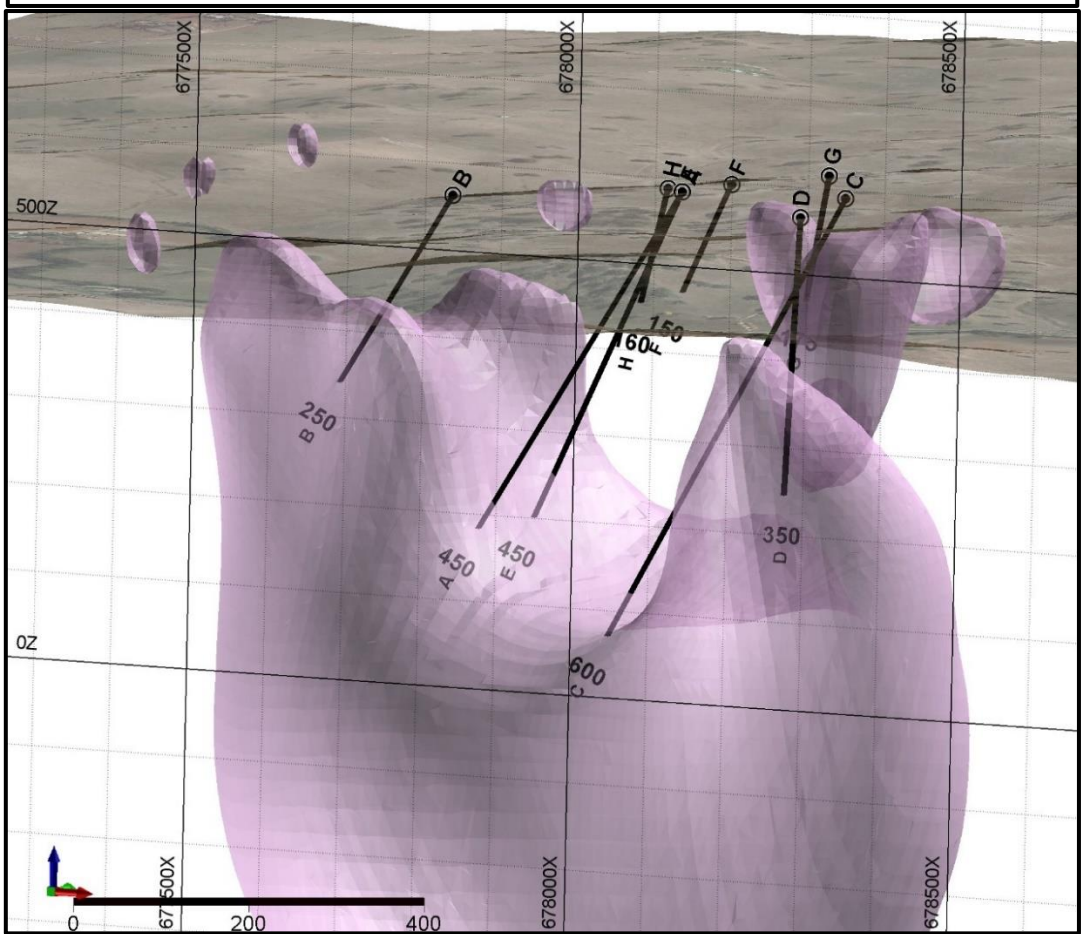


Figure 3a (top): plan view of proposed drillhole traces over RTP magnetics. Red collars are phase 1 holes (C, E & F), black collars are phase 2 holes (A, B, D, H & G) dependent on phase 1. A & E have the same collar location. **3b (bottom):** Oblique 3D model view looking down towards the NNW showing drillholes, modelled magnetic low shells and sat image draped over DEM surface (MGA94Z55 grid)

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 full-time employee of Krakatoa Resources. Mr Conaghan is a Member of the Australian Institute of Geoscientists and 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.

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.

Table 1: Air-core drillhole collar details and maximum individual assay values. Nominal (and maximum) sample width of 2 metres. Re lithology, VSS = volcaniclastic sandstone and VCG = volcaniclastic conglomerate

Hole ID	TD (m)	East MGA94	North MGA94	RL (AHD)	Dip (°)	Max Cu (ppm)	Max Au (ppb)	Lithology
SAC001	8.6	677722	6334299	550.7	-90	125	5	gabbro
SAC002	7	677850	6334268	555.1	-90	117	4	gabbro
SAC003	11.2	677989	6334692	573.0	-90	139	6	VSS
SAC004	4	677698	6334512	560.8	-90	123	3	VSS
SAC005	8.6	677533	6334492	561.5	-90	162	16	basalt
SAC006	6.5	677810	6334508	557.5	-90	201	3	VSS
SAC007	15	677750	6334711	568.8	-90	199	11	basalt
SAC008	14.8	677612	6334588	563.7	-90	228	8	VSS
SAC009	9	677615	6334702	572.8	-90	130	5	basalt
SAC010	12	677547	6334784	582.2	-90	157	6	basalt
SAC011	10.7	677661	6334824	581.4	-90	148	8	basalt
SAC012	10.5	677651	6334982	585.4	-90	252	6	basalt
SAC013	12	677891	6334827	566.0	-90	135	4	basalt
SAC014	8	678613	6335100	611.5	-90	156	5	siltstone
SAC015	2	678331	6334955	595.5	-90	132	5	basalt
SAC016	4	678242	6334988	590.9	-90	109	4	VSS
SAC017	11	678663	6335560	620.6	-90	104	4	VCG/VSS
SAC018	14.5	678452	6335538	609.5	-90	102	4	gabbro
SAC019	14	678685	6335250	616.2	-90	111	5	basalt
SAC020	1	678925	6335311	624.4	-90	152	10	Tertiary basalt
SAC021	9	678881	6334981	622.8	-90	103	5	VSS/VSG
SAC022	6	678222	6335011	588.0	-90	99	4	basalt
SAC023	4	678194	6335061	584.0	-90	132	4	basalt
SAC024	2	678213	6335034	587.2	-90	198	6	basalt
SAC025	4	678606	6334536	596.3	-90	135	5	VSS
SAC026	12	678443	6334520	586.0	-90	139	7	basalt
SAC027	7	678181	6334491	580.8	-90	125	4	gabbro
SAC028	10	678113	6334504	578.6	-90	299	8	VSS
SAC029	9	677990	6334591	571.2	-90	112	3	VSS
SAC030	8.1	678073	6334597	581.1	-90	105	12	VSS-VCG
SAC031	7	678205	6334631	587.2	-90	131	4	siltstone
SAC032	4	678090	6334692	581.4	-90	109	4	VSS
SAC033	6	678102	6334802	582.1	-90	99	3	VSS
SAC034	7	678059	6334927	572.9	-90	477	9	basalt
SAC035	7	678325	6334755	594.6	-90	114	4	siltstone
SAC036	3	678382	6334755	596.4	-90	122	4	basalt
SAC037	6	678228	6334307	568.5	-90	114	4	VSS

ABOUT KRAKATOA

Krakatoa is an ASX listed public Company focused on copper-gold exploration in the world class Lachlan Fold Belt, NSW and multielement metals including the increasingly valued rare earths in the highly prospective Narryer Terrane, Yilgarn Craton, WA.

Belgravia Cu-Au Porphyry Project (Krakatoa 100%); Lachlan Fold NSW
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 target areas are 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 Gold Project (Krakatoa 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 (up to 10m @ 1.64g/t Au from surface to end of hole).

Rand Gold 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.

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 deposits types, namely, Ion adsorption clays in extensive laterite areas; monazite sands in vast alluvial terraces; and carbonatite dyke swarms.

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 and 6 July 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g., cut channels, random chips, or specific specialized 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 (e.g.,' reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized 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 may warrant disclosure of detailed information.*	• Aircore (AC) holes were sampled nominally on composited 2 intervals by the spear method. At the end-of-hole, narrower samples intervals were composited. A representative sample was taken by spearing from each one metre bulk sample bag and depositing into calico bags to create a composited 2-3kg sample. Sample weights were monitored in the field. • 594 soil samples were collected, primarily interpreted to be residual soils with any possible transported soils were noted. Samples were collected on a 50m x 50m grid from the B or B-C horizon at depths between 5 and 45 cm. Due to wet soil, "bulk" ~1kg samples were collected in the field, unsieved and placed into labelled calico sample bags. • All AC and rock samples were prepped by ALS Global in Orange, NSW. AC samples were analysed in Perth and soil samples in Brisbane. • Soil samples were dried then sieved to 1mm at the lab, with the <1mm fraction analysed. • All AC and soil samples were pulverised to 95% passing 75 microns. • Samples over 3kg were split. • All soil and AC sample weights were recorded by the laboratory. • AC samples were analysed by the following: gold analyses comprised a 30g charge by FA-AA (method Au-AA21), ME by four acid digestion with an ICP_MS finish (ME-MS61) for 48 elements: Ag, Al, As, 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. • Soil samples were analysed for 51 elements by method AuME-TL43: Au, Ag, Al, As, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, Hg, 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.
Drilling techniques	• *Drill type (e.g., core, RC, open-hole hammer, RAB, auger etc.) and details (e.g., 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.).*	• Wallis Drilling were contracted to perform the drilling work, utilising a 6 wheel drive, Toyota Landcruiser mounted drill rig. • Air-core drillholes were 90 mm nominal hole diameter drilled with a NQ Aircore (Wallis Aircore) drill bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximize 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.*	• AC sample recovery and moisture content was monitored and recorded. Water was injected into many holes. • AC sample recovery is ensured by cleaning out the cyclone between holes. • No relationship has been observed between sample recovery and grade. Sample bias is unlikely due to the good general recovery of sample.
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) photography.* • *The total length and percentage of the relevant intersections logged.*	• All AC samples were sieved on 1 metres intervals then qualitatively logged in detail, for observations such as weathering, alteration, vein and mineral content a quantitative recording is made. Wet photos of chip trays were taken for each hole. Representative reference AC sticks were labelled and kept in a core tray, 1 from each hole. • Soil samples were described (colour, moisture, grain size etc) and location (regolith-landscape position) recorded. • All bulk AC sample bags were measured for magnetic susceptibility with a KT10 instrument. • The detailed descriptions recorded were more than sufficient in detail to support the current work.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn, whether 1/4, 1/2 or whole core taken.* • *If non-core, whether riffled, 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 maximize 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*	• AC samples are speared from the bulk samples, which are collected in buckets from the rig's cyclone then tipped into plastic bulk sample bags. Sample moisture is recorded. Most samples were dry. • AC sample duplicates were collected at the rate of one duplicate sample for every 29 normal samples. This was done by the spear sampling method. • Certified OREAS standards were inserted into the sample batch at the rate of 1 standard for every 30 samples. • The size of the sample is considered to have been appropriate to the grain size for all holes.

	sampling. • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• <u>AC samples:</u> ALS Global method Au-ICP21 is used for gold analysis. A 30g fire assay with ICP-AES finish with a wide detection limit from 1 ppb to 10 g/t. ALS Global method ME61 by four acid digestion and ICP_MS finish for the multi-element analysis. Both methods are considered to be near total. A certified OREAS standard and a speared duplicate were inserted into the AC sample batches at the rate of 1 in every ~30 normal samples. The nature and quality of the QA-QC and analytical methods are considered appropriate to style of mineralisation at this early stage of the project. • <u>Soil samples:</u> ALS global method AuME-TL43 for Au and multi-element analysis. Aqua-regia digest is considered to be a partial digest. No standards nor duplicates were inserted into soil sample batches. The lab performs its own routine internal QA-QC which is considered sufficient for this type of survey.
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.*	• No verification was necessary due to the nature of the results. • Twinned holes are inappropriate at this stage of work. • AC and rock sample data has been recorded in a database with QA-QC analysis of AC results undertaken to validate data prior to it being inserted into the external database by a qualified database administrator. • No adjustments have been made to and assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar & downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• AC drillhole collars and soil sample locations were surveyed by a handheld GPS (Garmin Map 64sx with 3-5m precision). The grid system used is MGA94 Zone 55. • Collar and soil RLs are in AHD and were taken from a DEM produced from the SRTM. • All AC holes were drilled vertically and downhole surveys were not taken.
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.*	• For AC work, drillhole spacings are designed to test specific anomalies relative to ease of access. All are appropriate for exploration results reporting. • No Mineral Resource is being calculated in this report. • 2m AC sample composites were nominally taken on site, with narrower samples taken at end-of-hole. • Data spacing is suitable for this early exploration stage.
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.*	• All AC holes were drilled vertically because the drill rig can not drill angled holes. The holes were designed to test various anomalies defined by airborne magnetics, DGPR, mapping and surface (soil and rock-chip) sampling. • The style and orientation of the mineralisation is unknown at this stage of work.
Sample security	• *The measures taken to ensure sample security.*	• Soil samples were submitted as two sample batches. The AC samples were submitted as one sample batch. All samples were collected in calico bags that were placed into polyweave sacks that were sealed with plastic cable ties. All sample batches were submitted to ALS Global (Orange, NSW) personally by the exploration manager.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement andland tenure status	• *Type, reference name/number, location and ownership including agreementsor 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 knownimpediments 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. 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 in place. • EL8153 is in good standing.
Exploration by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Various parties have held different parts of the Belgravia Project in different periods and explored for different commodities over several decades. • No company has ever completed systematic exploration across the Belgravia area. • Homestake Mining and Cypress Minerals investigated the Sugarloaf Creek area through BCL stream sediments and rock-chip sampling in the late 1980s - early 1990s. • Both companies conducted conventional reconnaissance exploration phases. • Stream sediment samples targeted second or third-order drainages identifying Sugarloaf as copper-rich stream sediment anomaly. Anomalous Cu and Au rock-chip samples were identified over the western margin of the Sugarloaf target, along the western-bounding NE-striking fault zone.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Volcanism within the Molong Volcanic Belt (MVB), is part of the Ordovician aged Macquarie Arc within the Lachlan Orogen, 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 associated epithermal gold-silver mineralisation. Skarn mineralisation also occurs locally, outside of the tenement.
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) ofthe 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 the report, the Competent Person should clearly explain why this is the case.*	• Drillhole information including collar details, hole depths and maximum assay values are tabulated in the body of the report. • A map displaying all drillhole and soil sample locations is included in the body of the report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximumand/or minimum grade truncations (e.g., 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*	• For AC and soil assay results, no weighting of averaging techniques has been utilised. • No aggregations are reported.

Criteria	JORC Code explanation	Commentary
	and longer lengths of low grade results, the procedure used for suchaggregation 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 beclearly stated.*	• No metal equivalent reporting is used or 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 shouldbe a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The AC drilling intercepts are reported as downhole (vertical) widths. True widths are not known. • No substantial information is known about mineralisation style nor geometry at this early stage of exploration.
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 sectional views.*	• The pertinent maps for this stage of Project are included in the release. • All drillhole and soil sample locations are shown in figures in this report. • All drillhole and soil sample coordinates are in MGA94 Z55 and AHD.
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, maximum and median Cu and Au results are reported.
Other substantive explorationdata	• *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, geotechnicaland rock characteristics; potential deleterious or contaminating substances.*	• Other geophysical data sets (magnetics and DGPR) for the Sugarloaf Target were previously reported by the company.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensionsor 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.*	• RC and diamond drilling has been proposed, approved, and is outlined in this report.