



# KRAKATOA

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## Clay Hosted REE Drilling Imminent at Mt Clere

- **Drilling contractor secured**
- **Permitting granted for drilling two areas of interest**
- **A 3000m air core (AC) drilling program has been designed to test for clay hosted REE and extent of alluvial development**
- **Extensive laterite drilling will focus on the Tower area of interest, where extensive regolith development > 30m thick**
- **A large scale ~1,800 line kilometre airborne VTEM Max survey is also scheduled for late November with the goal to generate high conductance targets over areas identified to have ultramafic intrusive rocks**



**Figure 1** Photograph of the Tower AOI showing well developed lateritic cap and extent of regolith, which extends for kilometres



**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.

### Directors

Colin Locke  
David Palumbo  
Timothy Hogan

### Enquiries regarding this

**announcement can be directed to**

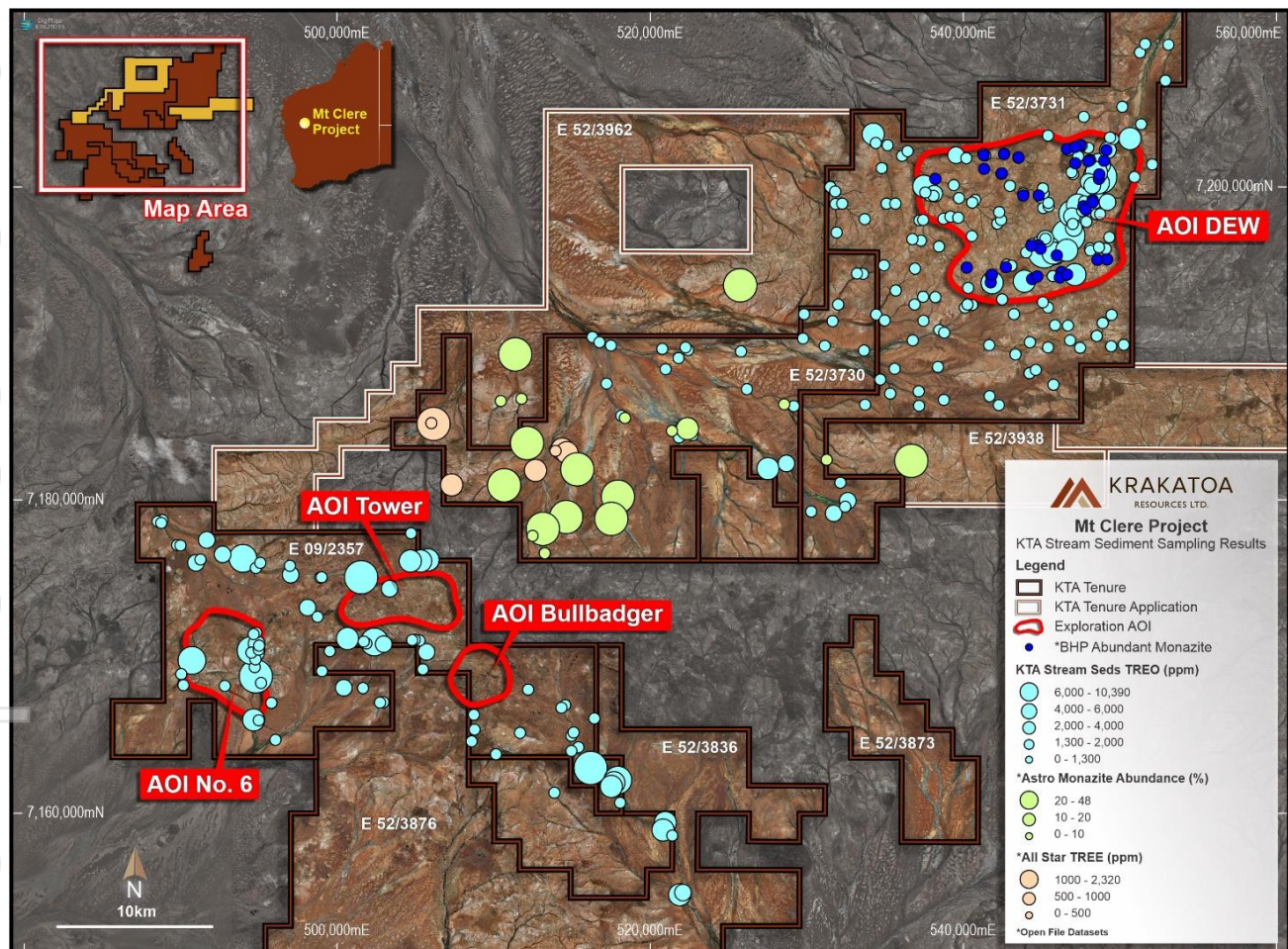
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Krakatoa Resources Limited (ASX: KTA) (“Krakatoa” or the “Company”) is pleased to provide an update on the Company’s Mt Clere project. The Company has engaged a drilling contractor and received all the regulatory approvals to launch the Company’s maiden drilling program.

Krakatoa’s CEO Mark Major commented: “We are looking forward to drilling over the tower area where we recorded significant levels of rare earth elements within the stream sediments earlier this year. The Tower AOI comprises of widespread regolith development profiles and is the most accessible of our target areas, so is the logical place to investigate the clay development and its association with the REE’s. We will also investigate the alluvial terraces within braided creeks of the Bubbagundry and Wheelo creek areas to determine the extent of the alluvium profile and mineral content. These areas are made up of multiple channels and alluvial terraces of more than 10 kilometres in length and 2 kilometres across. With the expected volume of material we are exploring, the drilling across the terraces has the potential to discover significant quantities of heavy minerals containing REE’s. Historical work undertaken by BHP, Astro Mining N.L. and All Star have shown the presence of HMS including abundant monazite within this area.”

The initial work program consists of around 3,000 meters of air-core (AC) drilling over two prospective areas, namely the Tower AOI and the extensive alluvial plains covering exploration license E52/3730 (Figure 2).



**Figure 2** Krakatoa Resources exploration licenses and applications within the Narryer Terrane, Mt Clere Project, Gascoyne Region, Western Australia. Highlighting current derived REE anomalies determined from KTA stream sampling geochemistry analysis, BHP (abundant), Astro’s significant stream sampling abundance monazite, and All Star’s auger samples.

This drilling will be undertaken over the extensive laterite terraces around the Tower anomaly and along the vast alluvial terraces. The Tower area has extensively developed laterite and regolith profiles, some areas are in the order of 30-40 meters thick and are believed to be prospective for REE ion adsorption clays over the alkaline granite and gneiss basement rocks.

The drilling will target the lower portion of the regolith developed between the REE-rich intrusive/granitoid and the strongly weathered layers which are not exposed within the breakaways. These holes will allow exploration down to the base rock, allowing sampling and analytical testing of the complete regolith profile for REE and other elements of interest. It will also aid with establishing chemical composition and physical properties of regolith that hosts the rare earths.

Planned drilling over the alluvial terraces is designed to test the viability of heavy mineral sands (HMS) including monazite sands and potential for secondary ionic weathered clays. A series of drill holes traverses will be drilled over several of the prospective alluvial bars within the E52/3730 tenement area. These traverses will enable the Company to determine the thickness of alluvial material, types of mineral assemblage and the depth to bedrock.

A 1,800 line kilometre airborne VTEM Max survey is scheduled to be carried out next month. This survey will be undertaken over areas identified over the Narryer Terrane which showed structural complexity and some geochemical analogies that are thought to represent reworked remnants of greenstone sequences that are prospective for intrusion-hosted Ni-Cu-(Co)-(PGE's) and possible gold.

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.*

## 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<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 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<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).

### **Rand Gold Project (100%); Lachlan Fold NSW**

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

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. 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