KRAKATOA
RESOURCES LTD.

www.ktaresources.com

Lv 11, London House
216 St. Georges Terrace,
Perth WA, Australia 6000

T. +61 (08) 9481 0389
E. locke@ktaresources.com

18 November 2021

Sugarloaf Porphyry Deep Diamond Drilling Completed

- **Maiden, deep diamond drilling program completed at Sugarloaf target**
- **Intrusive, sulfide bearing rocks intersected in SDD001**
- **Propylitic alteration and sulphides encountered in both holes**
- **Epithermal veins intersected in SDD002**

Krakatoa Resources Limited (ASX: KTA, "Krakatoa" or the "Company") is pleased to provide an update on it's maiden diamond drilling program at the Sugarloaf Cu-Au Porphyry target on EL8153, Belgravia Project, near Molong in Central West 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. Sugarloaf is located 7 kilometres southeast of 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).

Krakatoa's CEO commented "*We are pleased to have completed this important, initial phase of this porphyry hunt. This drilling program was a fact finding and information gathering exercise; the data obtained from the diamond core will provide invaluable information to ascertain what level of system lies below the current drillholes and to guide future drilling.*"

Two initial deep diamond holes (SDD001 and SDD002, Figure 1) totalling 1039.3 metres were completed. The holes were drilled as an approximate east-west oriented fence across the centre of the coincident magnetic-zoned geochemical anomaly (Figure 1) to a vertical depth of 500 metres below surface.

Hole SDD001 was collared in the eastern side of the magnetic low-geochem anomaly zone and drilled at 60° towards the west to a total depth of 561.7m, finishing under the coincident magnetic high and soil geochemical anomaly core.

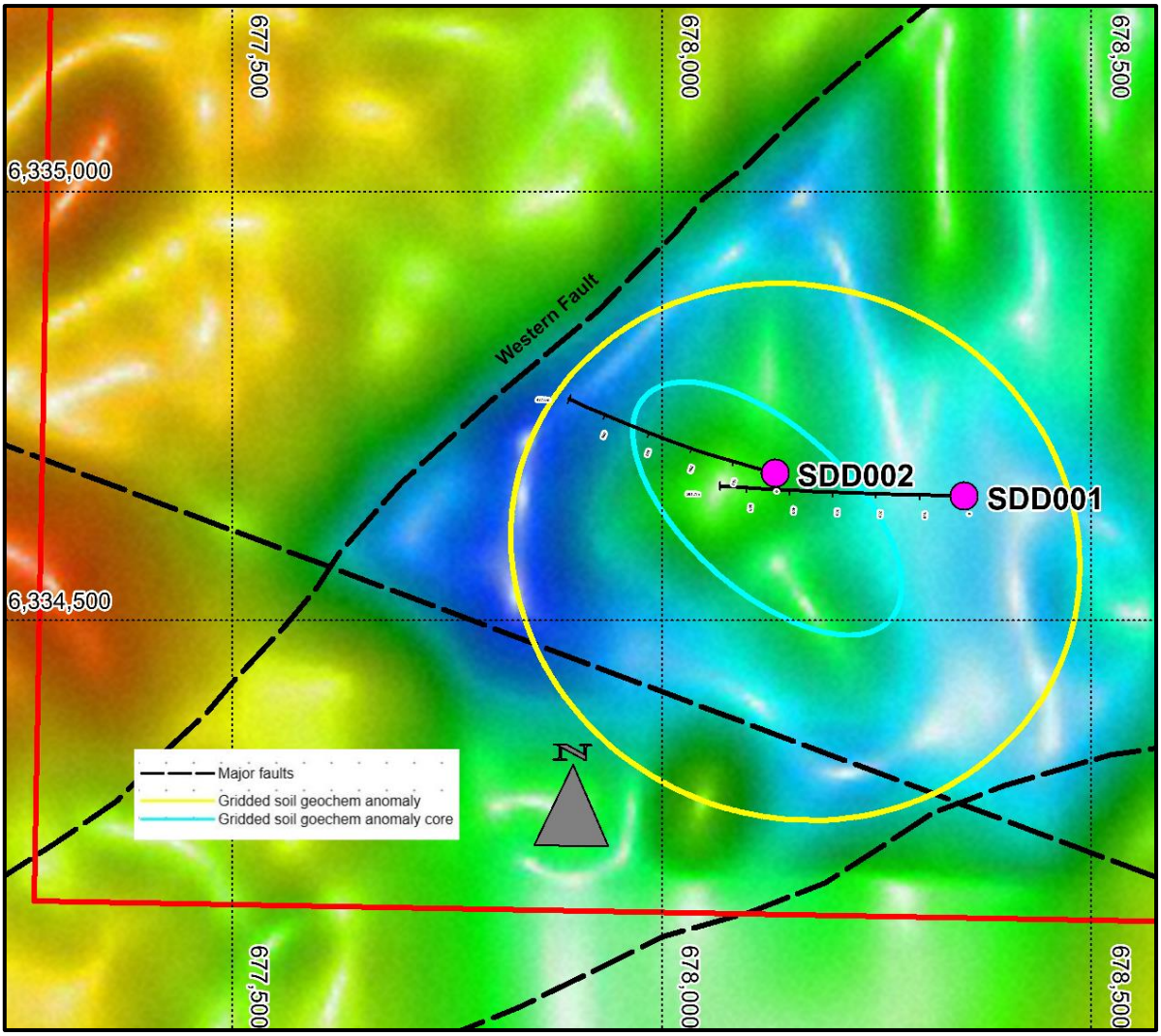


Figure 1: *Plan map of drillholes, showing location of soil anomalies and major faults over RTP TMI magnetics. Map Grid is MGA94.*

The hole intersected predominantly massive volcaniclastic sandstones, conglomerates and fine breccias and lesser shoshonitic basalt lavas with minor jaspers and clastic siltstones and mudstones. **Between 116.6 and 118.4 metres several cm thick, hornblende microsyenite with minor fine-grained pyrite-pyrrhotite-chalcopyrite (Figure 2) occur, cross-cutting a shoshonitic basalt.** Trace pyrite-chalcopyrite was observed in calcite-hematite-magnetite veins and veinlets between 46 and 70 metres and as blebby grains and/or altered clasts in pebbly sandstone beds between 180 and 400 metres (Figure 3).

Hole SDD002 was collared 220 metres west of SDD001 on the same northing and was drilled at a dip of 60° towards 285° (GDA) to a total depth of 477.6 metres. It was collared in the eastern part of the central discrete magnetic high, drilled through the western half of the broad magnetic low zone and was terminated in the footwall of the Western Fault (Figure 1). The hole drilled massive volcaniclastic sandstones (generally magnetic) siltstones, conglomerates and breccias and lesser shoshonitic basalt and pillow basalt lavas with minor laminated pyritic siltstones and massive silicified mudstones. **Several banded and colloform epithermal silica (-hematite-feldspar ± pyrite) veins were intersected between 301 and 313 metres (Figure 4).**

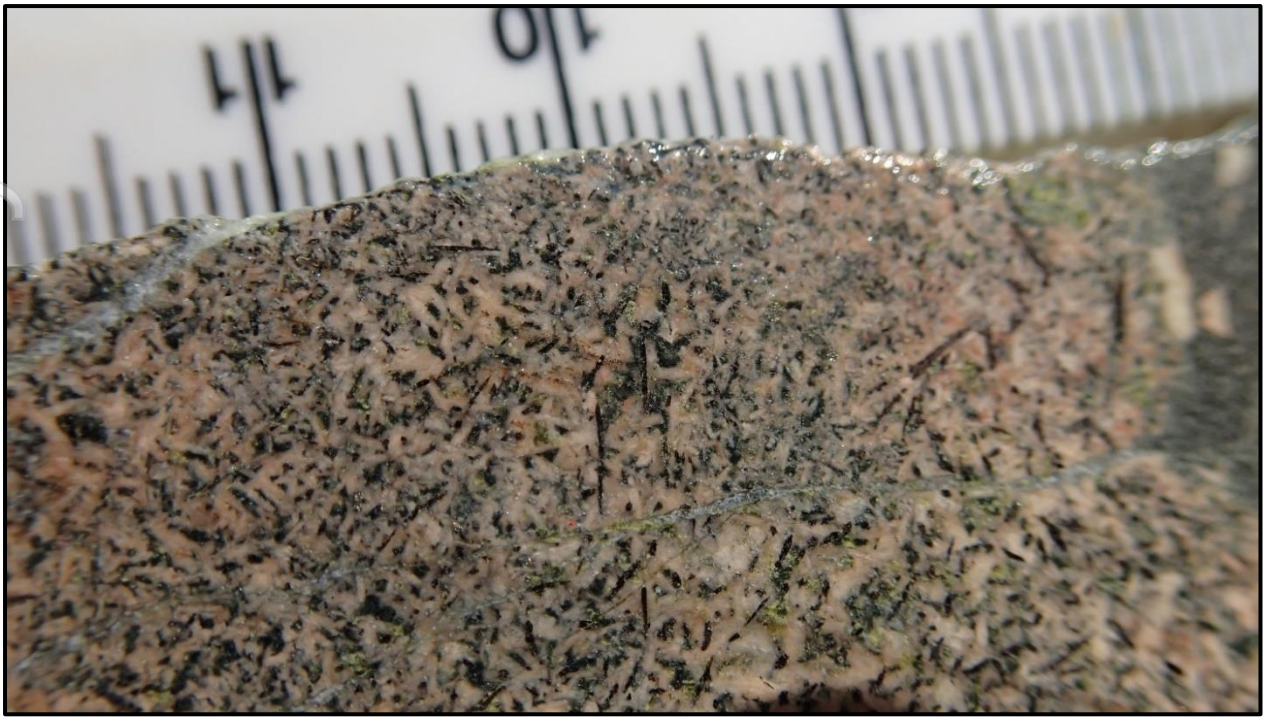


Figure 2: *Sulfide-bearing, hornblende microsyenite at 118 metres in SDD001. (Ruler for scale in centimetres)*

Figure 3: *Coarse-grained blebby chalcopyrite and lesser pyrite at 365.75 metres in a chloritic volcaniclastic sandstone hostrock in SDD001. (Ruler for scale in cm)*

Within SDD002 pyrite occurs as coarse blebs and clasts in the coarser beds (sometimes with chalcopyrite) and as fine-grained alteration in the matrix of the hostrock and also as fill in calcite veins, veinlets and breccias. The most chalcopyrite noted was as very fine-grained infill with magnetite and in a calcite crackle breccia at 262.9 metres.

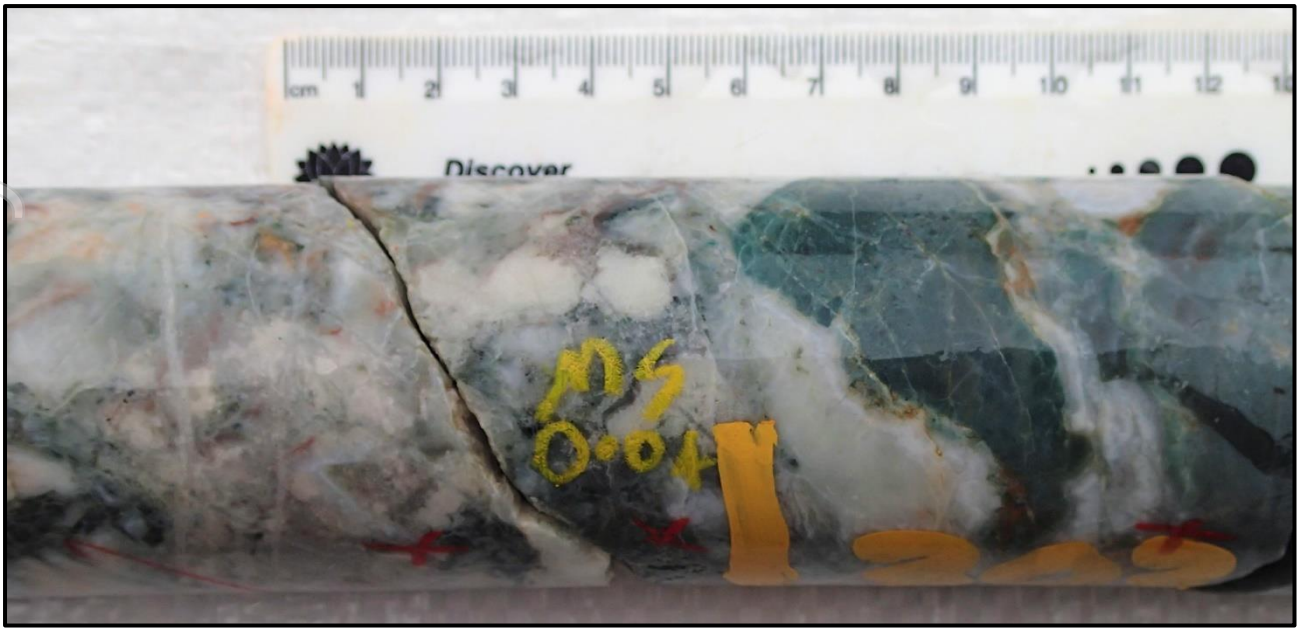


Figure 4: *Banded, epithermal textured silica-feldspar vein at 303 metres in SDD002. (Ruler for scale in cm).*

The volcaniclastic host rocks feature variable intensity chlorite ± calcite ± albite ± epidote ± very fine-grained disseminated pyrite (inner propylitic alteration) and variable magnetite ± hematite alteration. The shoshonitic basalt flows range in (downhole) thickness from tens of centimetres to 35 metres, are magnetite ± clinopyroxene ± pyrite ± pyrrhotite bearing and are strongly magnetic.

The third (proposed hole F), shallow hole was not drilled in the current program, due to slow drilling from broken ground encountered within the upper 70 metres on the initial hole and poor ground conditions due to the high rainfall encountered making the area inaccessible at the present. This hole maybe drilled using a reverse circulation (RC) drill rig in the future.

Visuals estimates of sulphide minerals are not an accurate representation of the expected assay value and are provided for indicative purposes only. All core samples were submitted to ALS Global for multi-element and hyperspectral analysis. Twenty-three samples were cut for petrography. Upon receipt of these results, the Company will complete a full analysis and interpretation to determine the next stages of work for Sugarloaf.

Table 1: *Diamond drillhole specifications (grid is MGA94 Z55)*

Hole ID	Easting	Northing	RL (AHD)	Total Depth (m)	Dip (°)	Azimuth (°)
SDD001	678352	6334645	592	561.7	-60	270
SDD002	678132	6334672	587	477.6	-60	285

Authorised for release by the Board.

FOR FURTHER INFORMATION:

Colin Locke
Executive Chairman
+61 457 289 582
locke@ktaresources.com

Competent Person's Statement

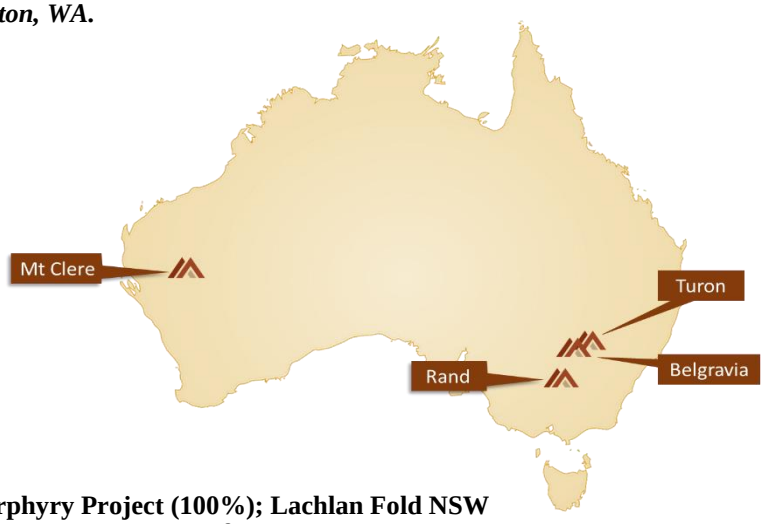
The information in this announcement is based on, and fairly represents information compiled by Erik Conaghan, Exploration Manager, who is a full-time employee of Krakatoa Resources. Mr Conaghan is a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style 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. 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 (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), 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).

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 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

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

Appendix A - 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.*	• *Diamond half core samples were taken over selective intervals deemed to be of geological interest, or of igneous lithologies for wholerock analysis Sample widths were generally between 30 cm and 1.5 metres in downhole length.* • *Alteration and mineralisation were visually estimated and recorded by the geologist who logged the hole. Where noticeable mineralisation was observed sample selection and widths were adjusted accordingly.* • *Mineralisation of note included trace to minor amounts of pyrite, chalcopyrite and pyrrhotite.* • *Magnetic susceptibility measurements were taken on one metre intervals of the drill core throughout the hole.* • *All DD half core samples were submitted to ALS Global in Orange, NSW for sample preparation.* • *Laboratory analysis is yet to commence but it will comprise jaw crushing and pulverising to -75 microns (85% passing) to produce sufficient sample for fire assay (Au) and multi-element analyses.* • *No relationship has been observed between sample recovery and grade. Sample bias is unlikely due to the excellent (generally 100%) recovery of the drill core* • *No assay nor results have been received yet.*
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.).*	• *Schonknecht Drilling were contracted to complete the drilling work. They used a Sandvik DE740 diamond rig and all drilling completed was diamond core drilling.* • *Diamond drilling commenced at surface as HQ diameter core (63.5mm) then reduced to NQ core diameter (47.6mm) in competent, unweathered bedrock.* • *A standard core tube was used.* • *All core was oriented whenever possible (i.e., in highly fractured rock) and the bottom of hole marked with red chinograph pencil. A REFLEX ACT III core orientation tool was used to locate bottom of hole.* • *Downhole surveys were conducted using a REFLEX EZ (north seeking) GYRO survey tool.*
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.*	• *Diamond core sample recovery is measured and recorded routinely on an individual run by run basis.* • *Diamond core runs were a nomnal 3.0 or 3.1 metres but were shorter in broken ground to maximise core recovery. Overall >95% drill core/sample recovery is estimated from the fresh rock.* • *No assay results have been received. Sample bias is unlikely due to the general excellent sample recovery.*
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.*	• *Logging of the two diamond holes has been completed. Logging included detailed lithological, alteration, vein and structural logging in addition to basic geotech logging. No Mineral Resource Estimation, mining studies nor metallurgy is being considered for these holes.* • *Downhole orientation measurements were taken on core and magnetic susceptibility was measured for all holes a KT10 instrument* • *All holes were qualitatively logged and for particular observations such as vein and mineral content, quantitative recording was taken. Wet and dry photos of diamond core were taken before cutting.* • *All drill core was logged fully.*
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,*	• *All core was cut with a diamond saw and half core submitted for analysis.* • *No field duplicates or second half core samples were taken.* • *Certified OREAS standards were inserted into the sample batch at the rate of 1 standard for every 50 normal samples.* • *The size of the sample is considered to have been appropriate to the grain size for all holes.*

	including for instance results for field duplicate/second-half 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.*	• *Assay results have not been received.*
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 assay results have been received nor reported - there are no intervals to report.* • *No verification was necessary due to the nature of the results.* • *Twinned holes are inappropriate at this stage of work.* • *All data will be validated then imported into the Company's Datashed database by an independent, professional database administrator.*
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.*	• *Both drillhole collars locations were surveyed by a handheld GPS (Garmin Map 64sx) with 3-5m precision.* • *The grid system used is MGA94 Zone 55.* • *Collar RLs are in AHD and were taken from a DEM produced from the SRTM.* • *Downhole surveys were completed at the base of HWT casing (3 to 6 metres), then nominally every 30 metres downhole. An end of hole survey was also taken on each hole.*
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.*	• *Analytical data points downhole are sufficient to characterise the nature of the lithology, alteration and potential mineralisation. The drill holes were designed to test a modelled magnetic anomalies and a conceptual geological model.* • *All are appropriate for exploration results reporting. Data spacing is suitable for this early exploration stage. No Mineral Resource is being calculated in this report.* • *No sample compositing has 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.*	• *Drillhole orientation was based on interpreted geology from surface mapping, air-core drilling and modelled aeromagnetic data.* • *The orientation of key structures is currently being interpreted.* • *Orientation of drilling and mineralisation intersected is not considered to have introduced a material sample bias. The style and orientation of the mineralisation is still being determined at this stage.*
Sample security	• *The measures taken to ensure sample security.*	• *Selected drillcore was cut into half core samples. All samples were deposited in calico bags that were placed into polyweave sacks, sealed with plastic cable ties. All sample batches were submitted to ALS Global (Orange, NSW) personally by the exploration team. No third part transport company was used for sample transportation to the laboratory.*
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 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 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 Project. EL8153 lies within rural free-hold land requiring KTA Australia 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 exploration parties ranging from juniors to majors 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 and drilling is shallow, sparse and extremely limited.* • *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.* • *Minor shallow air-core drilling was conducted about 5kms NE from Sugarloaf by Newcrest Mining in 1998*
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) 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 the report, the Competent Person should clearly explain why this is the case.*
		• *Drillhole information including all relevant collar details, hole depths and locations are tabulated in the body of the report.*
		• *No assay data has been received nor reported in this release.*

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/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 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 assay results and no intersection lengths have been reported.* • *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 should be a clear statement to this effect (e.g., 'down hole length, true width not known').*	• *No assay results and no intersections have been reported* • *No substantial information is known about mineralisation style nor geometry at this early stage.*
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.*	• *Both drillhole locations with hole traces are included in this report.*
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.*	• *N/A*
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, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Other pertinent geological, surface geochemical and geophysical survey results for the Sugarloaf Target were previously reported by the company.*