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

24th November 2021



# Clay Hosted REE Drilling commences at Mt Clere

- **A >3000m air core (AC) drilling program has now commenced**
- **Program to test for clay hosted REE in the Tower area of interest, where extensive laterite regolith development is in excess of 30m thick**
- **Alluvial terraces will also be drilled to test the viability of heavy mineral sands (HMS) including monazite and zircon sands, and the potential for any secondary ionic weathered clays**

**Figure 1** Photograph of the Jackarro Well, located in the Wheelo creek catchment, showing typical site conditions along the alluvial terraces.

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to announce it has commenced the 3,000m+ air-core drilling program to test for potential Ionic Absorption Clay-hosted Rare Earth Element (IAC REE) mineralisation, along with drilling of broad alluvial terraces for heavy mineral sands (HMS) (Figure 1).

Krakatoa's CEO Mark Major commented: *"This drilling will be the Company's first at Mt Clere. It's exciting to have seen the project advance into reconnaissance drill testing over some of the thickest regolith profiles encountered in the area thus far. 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. This project has many opportunities for the Company and our shareholders, all of which we will explore."*

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

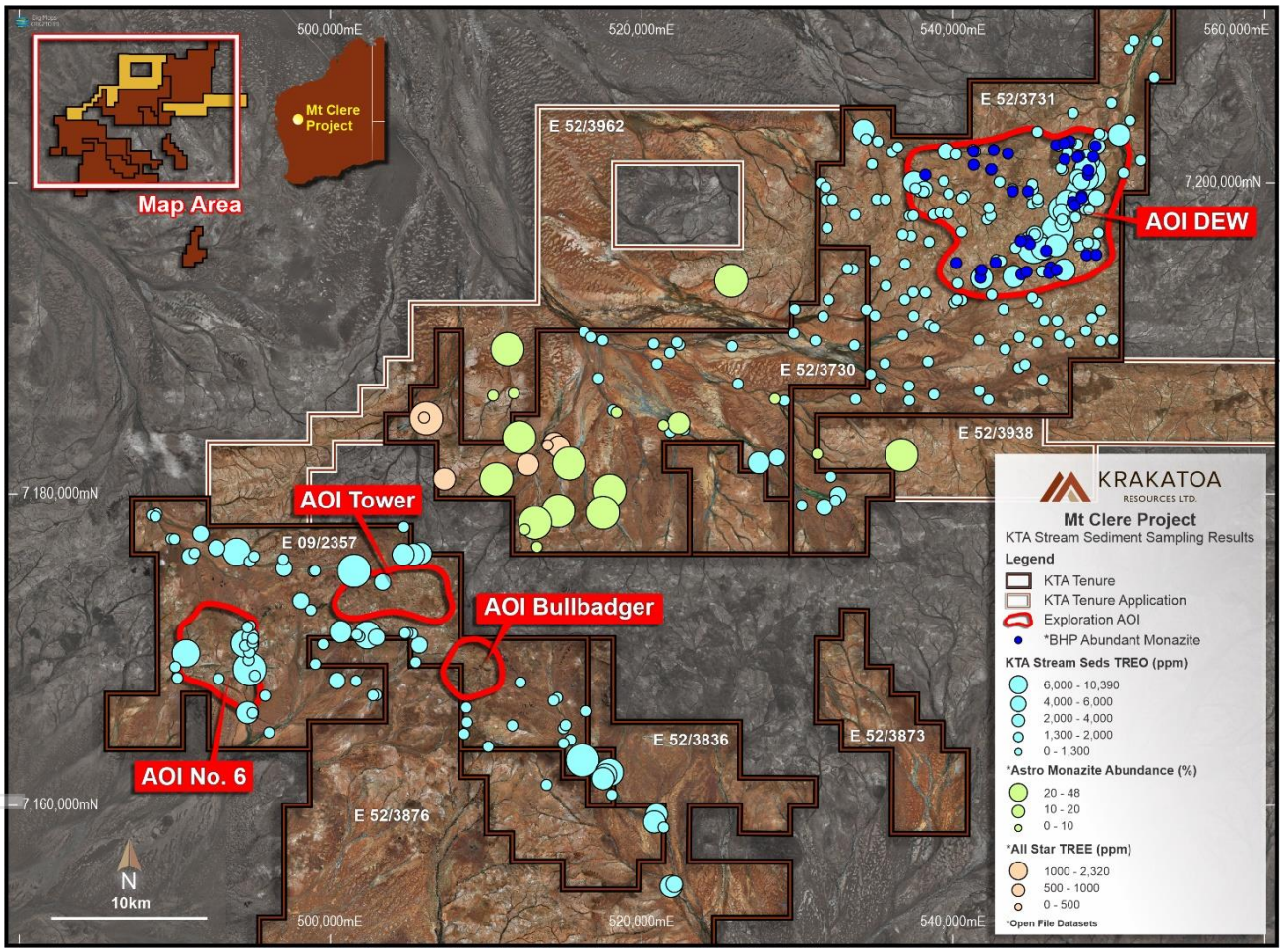



**Figure 2** Krakatoa Resources exploration licenses and applications within the Narryer Terrane, Mt Clere Project, Gascoyne Region, Western Australia. Highlighting current derived REE anomalies determined from KTA stream sampling geochemistry analysis, BHP (abundant), Astro's significant stream sampling 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. The target area is known to host HMS as monazite (rare earth mineral), zircon (which has been found at up to 60% concentration in historical sampling), ilmenite and leucoxene from the same area, and if successful may indicate placer deposits of easily recoverable material. See Company ASX announcement dated 9 October 2020 for more details on this.

Authorised for release by the Board.

**FOR FURTHER INFORMATION:**

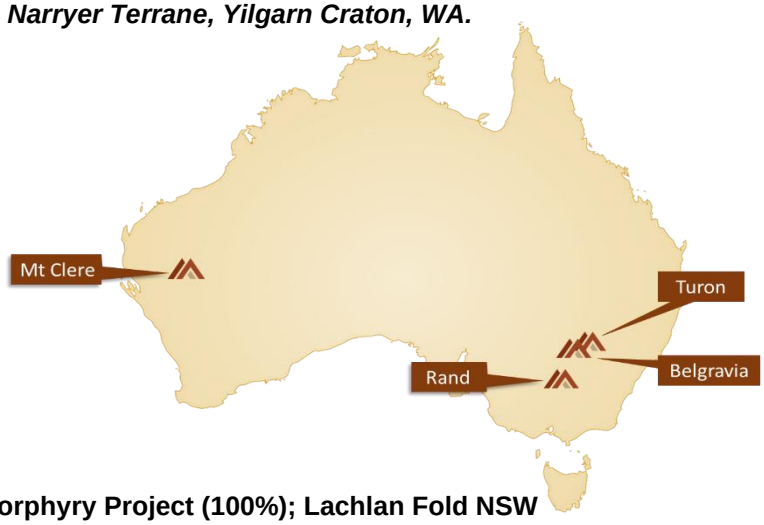
Colin Locke
Executive Chairman
+61 457 289 582
locke@ktaresources.com

**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 (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