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Multiple and Extensive Gold Anomalies Identified at Rand

- **Multiple large (1-3km) coherent and robust gold anomalies defined from maiden regional auger soil geochemical survey**
- **Over twenty extensive, high tenor and coherent pathfinder multi-element IRGS anomalies identified, many coincident with gold anomalies**
- **Several new IRGS targets defined outside of known workings**
- **Other anomalies support and are parallel with shallow historical workings and rock chips**
- **In-fill and extensional geochemical surveys to follow up the highly encouraging first pass regional soil sampling results**

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to report highly encouraging auger soil assay results from its 100% owned Rand Gold Project ("Project"). These results have provided further evidence of the potential for new, blind intrusive related gold systems (IRGS) within the tenement and mature gold systems near surface. The Project is centred approximately 60km NNW of Albury in southern NSW and covers 580km^2 of an under-explored part of the well-endowed Lachlan Fold Belt.

This auger soil geochemical survey is the first regional-scale gold focused exploration program undertaken in this area. The survey was completed in Q1 2021 and covered an area of approximately 32km^2 (9km [east-west] by 3.5km [north-south]). It focussed on areas where magnetic lineaments parallel to the ENE trending regional structure that transgresses the tenement. It is envisaged that this major structure is one of the major controls on local mineralisation that collectively define the historical Bulgandry Goldfield.

The survey area is characterised by flat to undulating topography typically with little to no outcrop, in cropped or pasture paddocks suitable for traditional soil sampling. Gold and multielement analysis of the samples revealed several anomalous zones of gold and key pathfinder geochemistry that overlie significant magnetic features identified by KTA's 2020 airborne magnetic and radiometric survey. Most encouraging is the fact that many of these new anomalies occur well outside the areas of known gold mineralisation, indicative of new potential areas of IRGS mineralisation.

Krakatoa's CEO, Mark Major commented:

"Our systematic exploration approach has continued to build the foundation of what appears to be a significant series of large intrusive related gold systems. The soil anomalies generated from this inaugural regional-scale soil survey demonstrate the clear potential for IRGS, within and well outside the known historical workings at Bulgandry. Elevated levels of gold and pathfinder elements have defined several new robust gold and multi-element anomalies, some of which are coincident with our magnetic lineaments and supported by our recent rock-chip sampling. All the known historic workings showed coherent anomalism, the majority of which have had not been subjected to modern exploration before now.

Additionally, the results indicate possible potential for granite related Sn-W deposits in the eastern portion of the survey area, which are known to also occur within this range of the Lachlan Fold Belt. Going forward, extension and infill auger soil sampling will be completed over many of these anomalies once the cropping season is complete to advance these new targets towards drilling."

AUGER SOIL PROGRAM SUMMARY

A total of 797 samples were collected from 787 sample sites on north-south oriented lines, spaced at 200 metre lines with 50 metre spacing over known gold workings and 400 metre line spacing with 100 metres spacing over the rest of the survey area. Twenty-centimetre (20cm) diameter auger holes were drilled with a post hole auger tool mounted on a Bobcat machine. Samples were collected nominally from the B horizon (generally between 10 and 50cm) then sieved to <2mm in the field.

Samples were freighted to Labwest Minerals Analysis (Perth) where they were then sieved to 2µm. The fine (<2µm) fraction underwent ultrafine analysis (UFF™) for gold and 48 other elements. The UFF technique has extremely low gold detection limits, gives an increased signal to background ratio and eliminates the nugget effect, yielding lower absolute gold values.

The results were interpreted by plotting thematic maps and manually contouring gold and 12 other selected metals and pathfinder elements (Table 1) while referring to the structural mapping using field and airborne magnetic geophysical survey interpretation. Analysis of the results using various upper level percentile contours (Table 2), generated over 20 discrete anomalies, several extensive gold (Figure 1) and multiple multi-element anomalies (BASA1 to BASA21; see Table 2 and Figure 2).

Six gold anomalies were generated, four of which occur outside known gold areas (Figure 1) and two which are associated with the known gold bearing systems within the historical Bulgandry goldfield. All of the gold anomalies appear to occur along magnetic structures and lineaments, some flanking deeper intrusive bodies (Figure 2).

The distribution of the pathfinder multielement geochemistry was investigated spatially and by exploratory data analysis, which links a range of geochemical processes to the underlying geology, alteration, and mineralisation. The resulting multivariate anomalies show spatial coincidence with known mineralisation at Bulgandry (Figure 2). However, many targets have trends that parallel Bulgandry and occur in areas outside of the known mineralisation (Figure 2).

Each anomaly is described in more detail below.

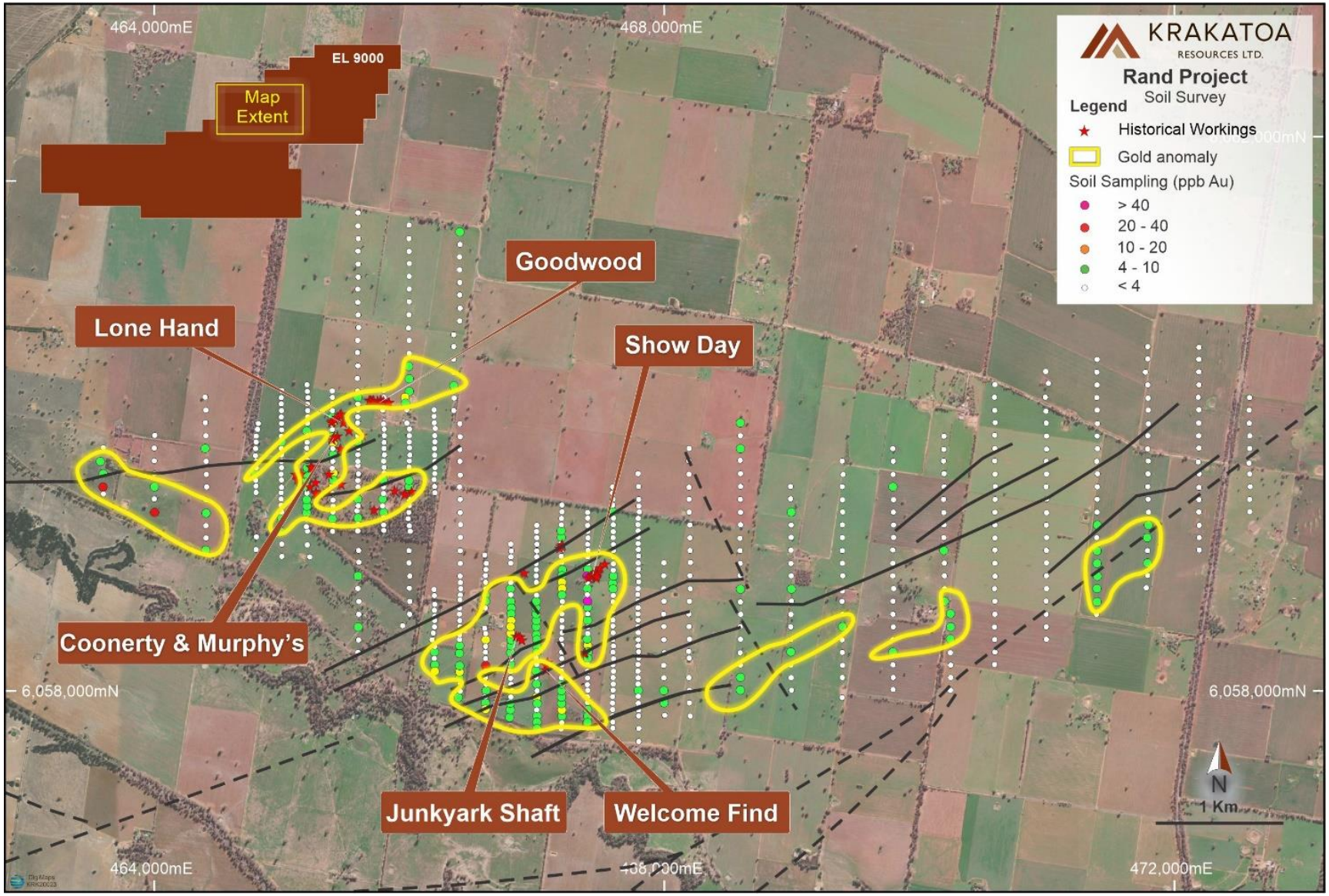

Figure 1: Gold soil geochemistry anomalies and prospect/mine locations over satellite image

Gold Anomalies

Two gold anomalies extend over the historical gold workings (Figure 1). One encapsulates the Goodwood, Lone Hand and Coonerty & Murphy's mines, totalling three kilometres of anomalism in a C shaped configuration. The second encompasses the Show Day, Junkyard and Welcome Find mines and continues south to the survey boundary totalling an area approximately 3km^2 over with multiple structures and magnetic lineaments. The anomaly remains open to the south. Both gold anomalies occur in areas of high topography.

Outside the main are of workings, four new gold anomalies were defined all along the southern margin of the survey (Figure 1). Several correspond with the pathfinder and multi-element anomalism; and are close to the margins of identified magnetic intrusives. Two are over 1.2 kilometres long while the other two are over 400m.

Multi-Element Anomalies

In additional to the gold anomalies several multi-element IRGS pathfinder anomalies were defined. The immediate standouts being BASA1, 2, 3, 6, 11, 12, 18, 19 and 21. Anomalies are shown in Figures 2 and 3 and summarised in Table 2.

BASA1 *(As-Be-Bi-Sn-Te-W)* & **BASA6** *(As-Sb-Te)*

BASA1 is an impressive anomaly both in size and magnitude, spanning more than 500 metres north-south and up to 1250 metres east-west. It is a strong coincident As-Be-Bi-Sn-Te-W anomaly with subordinate spotty Au (Figure 1), Ag, Be, Cu, Pb, and Zn. It features two of the highest individual gold values from the entire survey (25.6 and 29.6ppb).

Locals report the occurrence of shallow workings hidden by vegetation within the anomaly area which aren't on any historical maps nor in any prior datasets and are yet to be field checked by KTA geologists. The anomaly occurs at the western end of the entire grid on a hill and is open to the north, west and south.

Located on the NE corner (and being a possible extension) of BASA1, BASA6, is a 500 metre long (north-south) As-Sb-Te anomaly with quartz veins on a NE structure (and coincident paleochannel) at its northern end. It is open to the north and west.

BASA2 *(As-Au-Bi-Pb-Sn-W)*

BASA2 spans at least 500 (north-south) by 400 metres (east-west), centered on a prominent hill within the "Gold Hill" property. The soil anomaly is defined by strong coherent As-Au-Bi-Pb-Sn-W. The area is structurally complex, featuring numerous NE striking lineaments which host historic workings including backfilled shafts, N-S and minor E-W structures.
Several rock-chip samples of vein material collected within this soil anomaly by KTA (refer to KTA ASX announcement 21st April 2021), returned consistently, extremely anomalous metal and pathfinder assays including maximum values of >1% As, 80g/t Ag, 17.65g/t Au, 2.56% Pb, 222ppm Sb 63ppm Sn and 11.7ppm W.
Due to prior land access impediments, the area has not been explored until 2021.

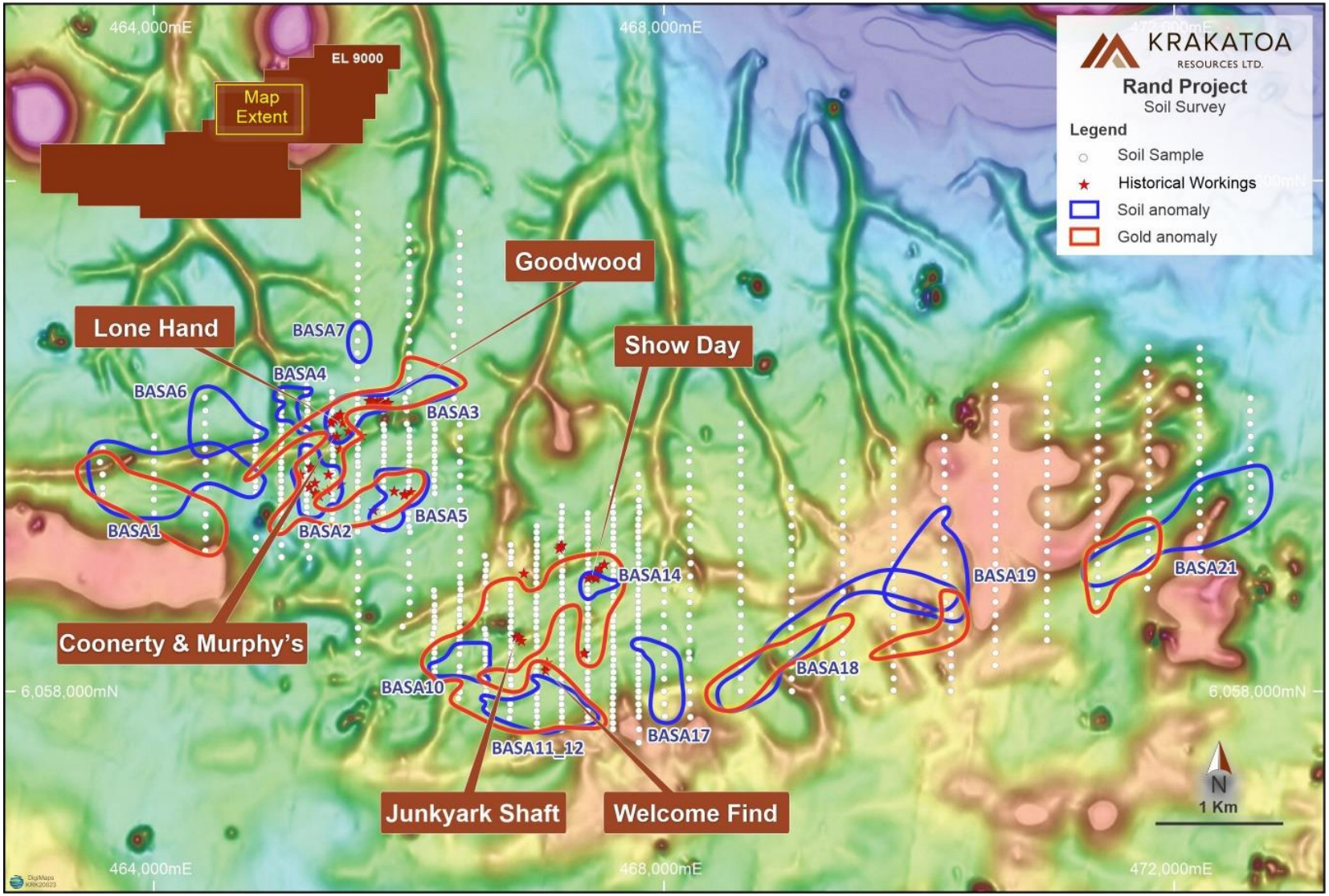

Figure 2: Multi-element and gold soil geochemistry anomalies, with prospect/mine locations over magnetic image.

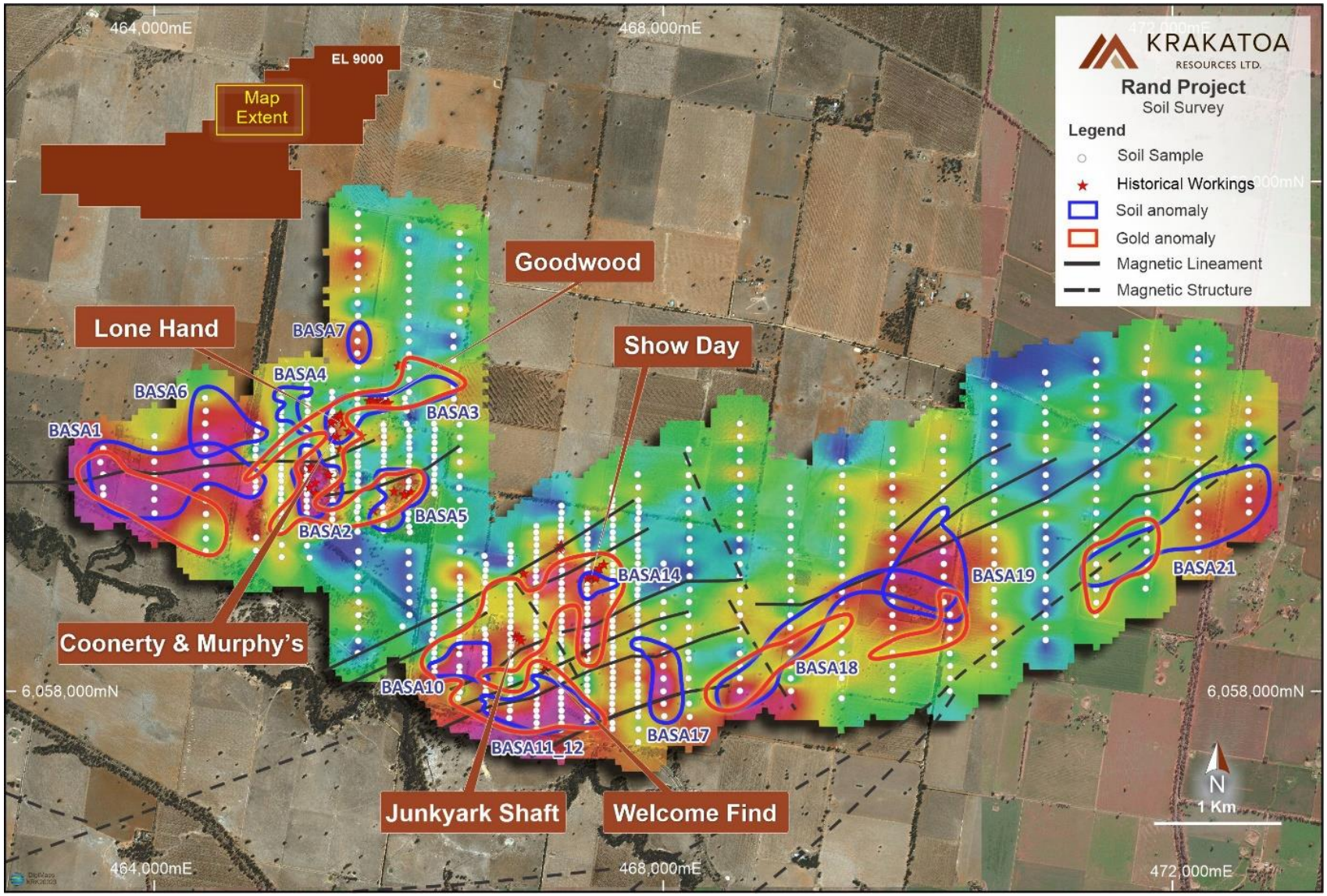

Figure 3: Gridded normalised 8 element (ore and alteration elements) multielement geochemistry image, over satellite image.

BASA3 (Au-As-Sb)

BASA3 is a strong Au-As-Sb anomaly encompassing the Goodwood, Lone Hand and Coonerty & Murphy's Mines. The Au anomaly closely follows the NE striking Lone Hand structure northeast then bends ESE to encompass the Goodwood Reef Mine. Notably the Au anomaly continues NE beyond the Goodwood Reef workings. Additionally, BASA3, 7 and 9 all fall within a large Sb anomaly.

BASA5 *(As-Bi-Pb)*

Centred 600 metres immediately east of BASA2, BAS5 is a coherent As-Bi-Pb soil anomaly measuring 400 metres (north-south) by 300 metres (east-west), encompassing numerous historic workings on ENE structures. Additionally, an Sb anomaly measuring 450 by 150 metres straddles the northern portion of the (main As-Bi-Pb) anomaly.

Rock-chips collected by KTA from BASA5 returned anomalous As, Be and Zn from NE striking quartz-sulfide veins exposed in a gravel quarry and from sulfide-rich mullock samples.

Prior to KTA no other apparent exploration work has been completed on BASA5.

BASA10 *(Au dominant)*

BASA10 lies at the southwest end of a continuous 1.5 kilometre ENE oriented Au anomaly (at the 90th percentile) that extends to BASA14 on Show Day gold Mine and encompasses the Junkyard Shaft. BASA10 and 14 are strongly anomalous in other elements (Table 2) although differ considerably possibly due the local effect of the granite at Show Day Mine and an interpreted N-S structure extending along 467400E from 6057750N at BASA12 for 1.3 kilometres through BASA15 to BASA14 (refer to Table 2). BASA10 remains open to the WSW.

BASA11 & 12 *(As-Au-Te-(Be-W-Pb))*

These anomalies located on the southern end of the grid collectively span 900 metres east west and appear to have a strong (WNW and ENE) structural influence. Some elements (mainly Te) encompass both and others define more discrete zones using the 90th percentile levels. The Au contour closely follows the WNW structures, in stark contrast to the dominant ENE and N-S (Welcome Find Mine) known trends in this immediate area. Numerous mineralised veins of various orientations have been mapped and sampled (and drilled by KBRC02) at BASA12 however no detailed work has been done around BASA11, yet. The anomaly is open to the south over a prominent magnetic high feature.

BASA14 (Au-Be-Cu-Mo)

BASA14 defines the Show Day Mine as a discrete Au-Be-Cu-Mo anomaly, the Mo possibly reflects the granite adjacent to the workings.

BASA18 *(Cu-Pb-Zn)*

BASA18 comprises a ~2km long, ENE oriented, coherent base metal dominated (Cu-Pb-Zn, with less coherent Au-Be-Bi-Mo) anomaly that define a palaeo topographic high. The western half of this anomaly lacks outcrop, but the eastern end is on a hill with outcropping silicified metasediments and shearing. The anomaly could reflect basement stratigraphy. Several elements coherently link MASA18 to BASA19, a strike distance of 2.2 kilometres.

BASA19 *(Ag-Bi-Be-Cu-Pb-Sn-Zn)*

BASA19 lies immediately east of BASA18 and is a continuation of it for Be and Bi at the 90th percentile level. However, BASA19 is more discrete and is oriented more north-south within an embayment in the magnetics. It features different geochemistry and is particularly anomalous in Ag and Sn. A large Mo anomaly flanks it on its east and north over the magnetic high.

BASA21 *(Au, Ag-Be-Bi-Cu-Te-Sn-W-Zn)*

BASA21 is a significant 1.6 kilometre long NE-SW, by 500 metres N-S multi-element anomaly. It straddles Ordovician metasediments of the Abercrombie Formation (in the SW) which is intruded by a Silurian granite to the east, and occurs immediately south of, and adjacent to the major regional scale structure that transects the entire tenement. The southwestern portion is Au and Te rich, the Te zone continues NE over the granite where the anomaly covers a sausage shaped magnetic (high) feature and is enriched in Ag, Be, Bi, Cu, Te, Sn, W and Zn. It is particularly strong in Bi, Sn and W, suggesting the potential for Sn-W deposits proximal to, or hosted within these granites. NE-SW striking structures are dominant with N-S, WNW-ESE and NNW-ESE magnetic lineaments also cross-cutting this anomaly. A prominent Mo anomaly spanning 1.3 kilometres NW-SE by 1.3 kilometres NE-SW over 2 different granites straddles the northern end of BASA21.

SUMMARY

The scale of the anomalous targets, extensive area, favourable geological characteristics masked by thin cover, and the tenor of the geochemical results being generated in this early phase of exploration all point to the strong potential of significant, large-scale IRG systems yet to be uncovered. The Company controls over 580km^2 of prospective tenure at the Rand project (Figure 4).

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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Competent Persons 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.

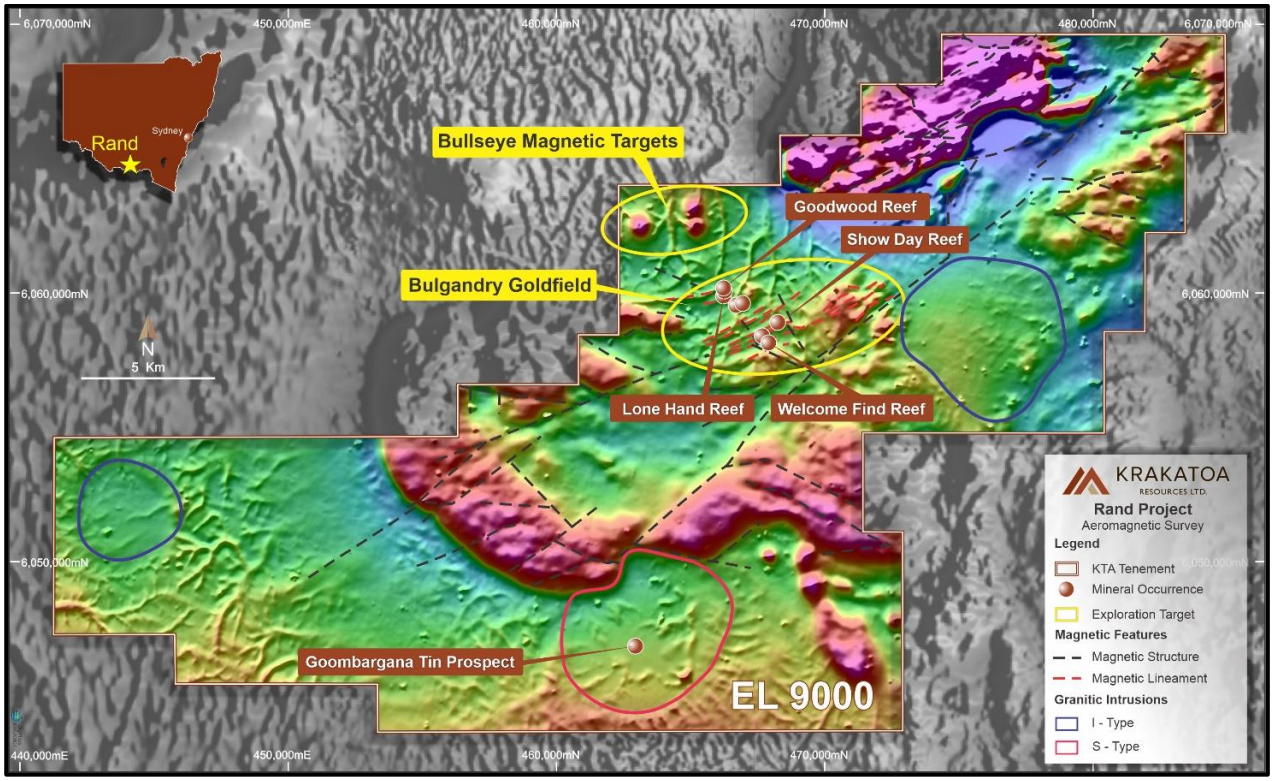

Figure 4: Rand Gold Project exploration targets (Bullseye Magnetic and Bulgandry Goldfield), on aeromagnetic TMI-RTP background

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: Auger soil statistics and calculated percentiles (%ile)

Element	Minimum	Maximum	Range	Mean	Median	Range	Variance	SD	25th %ile	50th %ile	75th %ile	90th %ile	95th %ile	98th %ile
Ag_ppm	0.003	0.398	0.395	0.054	0.048	0.395	0.001	0.032	0.036	0.048	0.063	0.085	0.10495	0.130
As_ppm	3	269	266	17.594	11.8	266	357.121	18.898	9.5	11.8	17.7	29.8	46.595	82.476
Au_ppb	0.6	51.6	51	3.279	2.6	51	10.959	3.310	1.9	2.6	3.6	5	7	10.638
Be_ppm	1.28	7.23	5.95	2.723	2.64	5.95	0.422	0.650	2.31	2.64	3.03	3.46	3.7895	4.364
Bi_ppm	0.327	5.89	5.563	0.750	0.663	5.563	0.134	0.366	0.601	0.663	0.7795	0.9938	1.21	1.689
Ce_ppm	52.6	511	458.4	124.159	115	458.4	2608.851	51.077	93.9	115	138	173	211.95	282.04
Cr_ppm	38	180	142	65.935	65	142	119.049	10.911	59.25	65	71	77	82	89
Cu_ppm	14.8	91	76.2	32.357	32.15	76.2	56.251	7.500	28.2	32.15	35.475	39.19	42.5	53.028
In_ppm	0.0005	0.157	0.1565	0.077	0.082	0.1565	0.0004	0.021	0.068	0.082	0.09	0.097	0.101	0.108
Mo_ppm	0.47	6.33	5.86	1.355	1.31	5.86	0.162	0.402	1.142	1.31	1.5	1.73	1.9595	2.248
Ni_ppm	18	117	99	33.769	32.3	99	66.595	8.161	28.6	32.3	37.175	44.6	47.985	52.6
Pb_ppm	15.1	425	409.9	41.514	34	409.9	767.751	27.708	30	34	43.375	64.75	79.885	114.14
S_ppm	66	762	696	185.373	180	696	3688.595	60.734	149.25	180	208.75	245	277.95	346.14
Sb_ppm	0.131	1.69	1.559	0.402	0.385	1.559	0.013	0.113	0.349	0.385	0.434	0.4989	0.5678	0.730
Sn_ppm	1.63	24.7	23.07	3.972	3.68	23.07	2.040	1.428	3.4	3.68	4.11	4.879	6.029	7.572
Te_ppm	0.009	0.09	0.081	0.045	0.044	0.081	0.0001	0.010	0.039	0.044	0.051	0.058	0.061	0.068
W_ppm	0.021	11.6	11.579	0.285	0.177	11.579	0.454	0.674	0.132	0.177	0.242	0.4158	0.6154	1.265
Zn_ppm	28.1	220	191.9	57.541	57.5	191.9	149.654	12.233	51.8	57.5	62.275	67.19	73.47	79.726

Table 2: Auger soil anomalies summary (XX indicates strong coherent anomalism, X indicates medium coherent anomalism)

Anomaly	Centre East (mga)	Centre North (mga)	Dimensions (E-W x N-S)	Au	Ag	As	Be	Bi	Cu	Mo	Pb	Sb	Sn	Te	W	Zn	Structure	Rock-chips	Workings	Comments
BASA01	464000	6059650	500x800	x	X	XX	XX	XX	X			X	XX	X	XX	X	E-W		according to locals, not checked yet	OPEN to W, S N
BASA02	465300	6059600	500x400	XX		XX	X	XX			X	X	XX	X	XX		4 sets	Strong pathfinders, spotty Au	yes	NE structural control on some min
BASA03	465400	6060100	variable	XX		XX	spot					XX		spot			NE	anom	L Hand +/- Coonerty & Murphys to G'dwood	strong structural control,
BASA04	465065	6060220	350x200						spot	X				X		XX	NW, N-S	none	none	Single line anomaly, open to N
BASA05	465900	6059530	400x300			XX		XX			XX	X					NE	anom As Be Zn	quarry, shallow pits on NE structs	
BASA06	464400	6060100	250x400			XX						XX		XX			NE	na	none	NE corner of BASA1, extends to E. OPEN to N
BASA07	465600	6060750	150x50								X		XX	X				none	none	single line 3 samples
BASA08	465600	6061350	150x50				X				X	X		X			NE to south	none	yes	single line 3 samples with spotty anomaly
BASA09	466350	6060200	150x50			X						X		X				none	none	incoherent
BASA10	466400	6058250	250x450	XX		XX		XX	spot	XX	XX	X	XX	spot	XX		NE	Anom p'fnders	minor, Junkyard Shaft	strong coherent anomaly

Anomaly	Centre East (mga)	Centre North (mga)	Dimensions (E-W x N-S)	Au	Ag	As	Be	Bi	Cu	Mo	Pb	Sb	Sn	Te	W	Zn	Structure	Rock-chips	Workings	Comments
BASA11	466800	6057800	150x450	XX		XX		XX						XX			NW, ENE l'sect	none	no	strong coherent anomaly, OPEN TO S
BASA12	467300	6057800	200x550	XX	spot	XX	X	XX	X	X			XX	XX	XX	XX	ENE vn, NW vn, N-S vn	str pfndrs	minor shallow pits	strong coherent anomaly
BASA13	467000	6058850	250X50			X	X		XX	X	X			X			?ENE	no		N-S single line, incoherent anomaly
BASA14	467400	6058850	200x250	XX			XX			XX	XX						N-S, ENE	spotty Au, str pfndrs	Show Day Mine	sample line follows a N-S structure-prob anom source. 1-2 line anom centred nr Show Day mine, multi-elements
BASA15	467400	6058450	350x50	X						X							N-S, ENE	spotty Au, str pfndrs	yes	S extent of BASA14. Single line anom, very spotty in multiple elements
BASA16	467200	6059135	200x50					X			X		X	X	X		ENE		yes	single line spotty multi-element anomalism
BASA17	468000	6058050	500x500		X	X	XX	X	XX		X	X					NE, ENE	2 anom samples	no	single line 4 sample anomaly, spotty
BASA18	469000	6058400	1.8km NE-SW	X			X	X	XX	X	X	XX				XX	NE, NW	no	no	big anom, multi-elements anomalism
BASA19	470200	6058800	500x400	spot	XX		XX	XX	X		XX		XX	spot		XX	NE, NW	no	no	E end of BASA18, big anomaly, multi-elements
BASA20	472600	6060200	250x50		X		X	XX	X	XX			X	X	X		NW, NE	no	no	1-2 sample anomaly on NW struc. within large Mo anom, Ag straddles S end
BASA21	472600	6059600	1.5km NE-SW x 500 N-S	X	X		XX	XX	XX	spot			XX	XX	XX	X	NE, WNW		no	1.5km long NE-SW anom, 2 discrete signtures seds & Silurian granite,strong Bi, W

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 1,780km^2 of highly prospective exploration licences 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 (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.*	• 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 797 samples were collected from 787 sample sites (including 15 duplicates) were collected on grids of either 200m line spacing with 50m sample spacing or 400 metre line spacing with 100m 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 approximately 1 kg of sample was collected after sieving to -2mm, of which a 300 gram sub sample 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.
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.* • *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.*	• All soil samples are a uniformly sieved size fraction, and a minimum sample size was collected.
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.*	• Each sample was logged for sample depth and interpreted soil horizon, moisture content, soil colour and soil type. Bedrock lithology and the occurrence of quartz ± sulfide veins were also noted when encountered. Any cultural features (such as potential sources of site contamination) or soils affected by cropping techniques were also noted.
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*	• In the field approximately 1 kg of sample was collected after sieving to -2mm, of which a 300g sub sample of the fine fraction 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, oven dried 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.

	sampling. • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Certified OREAS standards were inserted into the sample batch at a rate of 1 per 50 samples. The laboratory uses their own internal standards and blanks with one standard or blank per 20 assays. The laboratory also uses barren flushes on the pulveriser. • 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.
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 accuracy (ie lack of bias) and precision have been established.*	• 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, oven dried 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 approximately 45 elements using ICPOES and ICPMS. • No geophysical methods. • 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.
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.*	• The soil sampling was done by the Company's exploration manager who also reviewed the 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 are merged with the primary data when received electronically from the laboratory using established database protocols. • No adjustments were made to assay data. The distribution of the multielement geochemistry was investigated spatially and by exploratory data analysis, which links a range of geochemical processes to the underlying geology, alteration, and mineralisation.
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.*	• Data spacing is 200 metre lines with 50 m sample spacings over areas of known or interpreted mineralisation and 400 m line spacings with 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.
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.*	• 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 grid was oriented north-south and there are two known north-south oriented veins within the survey area. This is discussed in the body of the release.
Sample security	• *The measures taken to ensure sample security.*	• 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.
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. Shallow inadequate percussion and diamond drilling was completed by Transit Mining in 1986 and 1987. The hole had an average mx depth of 30 metres and failed to test the mineralised lodes below the bae of weathering. This data has been compiled 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, 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 the report, the Competent Person should clearly explain why this is the case.*
		• Sample locations are shown in figures in the body of the report in MGA94Z55 grid.
		• Summary statistics for each important element are presented in a table within the report.
		• Reporting levels range from background to highly anomalous which are summarised in tabular form and are discussed within the report.
		• The interrelationship between elements is critical and more likely to reflect geological process than the raw number from a sample taken in a cleared and periodically cropped and fertilised paddock. This interpretation relies on this view, which provides an alternate perspective to more conventional approaches to interpreting geochemical datasets.
		• For the data modelling work, principal components were used to study interelement relationships, no other datasets were considered. Most elements were individually imaged and assessed. Multivariate (principal components) distributions were also imaged.
		• For the manual data contouring percentiles were calculated for 13 elements then contours were manually drawn for the 90th percentile for each element.
		• The use of low level geochemical information to identify anomalous trends that have been statistically derived, rather than reporting individual assay values for each sample location, is considered appropriate for illustrating coincident structural, geological and geochemical anomalous trends that delineate targets for follow up exploration.

Criteria	JORC Code explanation	Commentary
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 utilised. • 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 no information regarding possible geometry of anomalous mineralisation is registered. • Known mineralised vein geometries are discussed earlier in the JORC table. • No drilling reported in this report.
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 values per element tabled. • The focus in this report is on the interelement relationship which is related to the geology underlying the sampling grid. Multi-element anomalies generated by both manual interpretation and data modelling are shown in two maps within the report.
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 by the company.
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, reconnaissance air-core where suitable, and follow-up RC and possibly diamond drilling.