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Encouraging first pass reconnaissance rock samples at Mt Clere

- **Rock chip assays reveal coincident elevated nickel (upto 714ppm), platinum (upto 20.1ppb), palladium (upto 12.6ppb), chromite (5,220ppm), +/- copper and cobalt; over two areas with extensive mafic-ultramafic rocks**
- **Encouraging rare earth elements (upto 664ppm TREE) were found in ultramafic to intermediate (Gabbro - Gabbroic diorite) intrusive rocks, as well as several invasive quartz veins**
- **Coarse-grained magnetic BIF identified - Fe_2O_3 concentration ranging from 48.8 to 64.1%, with negligible deleterious elements**
- **Recent stream geochemistry supports these positive results and show:**
  - **potential for Ni-Cu-PGE systems in mafic-ultramafic rocks**
  - **REE-enriched streams drain from deeply weathered profiles typically preserved in the backslope environments**
  - **metamorphosed banded iron formations exist as semi-continuous arcuate bands that traverse the property from west to east**
- **Five new exploration licenses granted taking the area for exploration to over 1,780km^2; low impact exploration to commence shortly**
- **Next phase of exploration is under preparation and will include systematic soil/rock surveys; airborne EM survey over areas inducive of Ni-Cu-PGE development**

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to report highly encouraging rock chip sample results of the reconnaissance mapping survey on tenements E09/2357, E52/3730 and E52/3731 (Figure 1) undertaken during April/May 2021. The reconnaissance survey initiated the systematic tenement wide exploration program over its highly prospective Mt Clere Project, located in the north-western margins of the Yilgarn Craton, Gascoyne Region of Western Australia.

Low impact exploration program included the collection of 266 stream sediment geochemical samples and over 40 rock and regolith samples. The exploration program was split into two phases with the initial phase undertaken on exploration license E09/2537 (reported in ASX announcement dated 5 July 2021), and the second phase over exploration licenses E52/3730 and E52/3731. The geochemical results presented in this report are for the rock samples taken over all exploration licenses (Figure 1- 3 & Table 1-2). Krakatoa is currently awaiting the laboratory results from stream sediment programs over E52/3730 and E52/3731.

Rock samples were collected from areas of interest identified from historical reports, existing geophysics (aeromagnetic and satellite imagery) and adhoc rock outcrops encountered along station tracks, which were used during the reconnaissance over the 1,080km^2 area.

Krakatoa's CEO, Mark Major, commented.

"The results are considered highly encouraging as an initial pass. The volume of samples is negligible when you consider the size of the areas under exploration. Once we have all our stream sediment geochemistry data, we can focus our exploration efforts. We have established suitable host environments for Ni-Cu-PGE's, iron ore and are closer to understanding the nature and the potential for clay-hosted REE. The next six months will be an exciting time for the company, and its shareholders, as we progress exploration at Mt Clere."

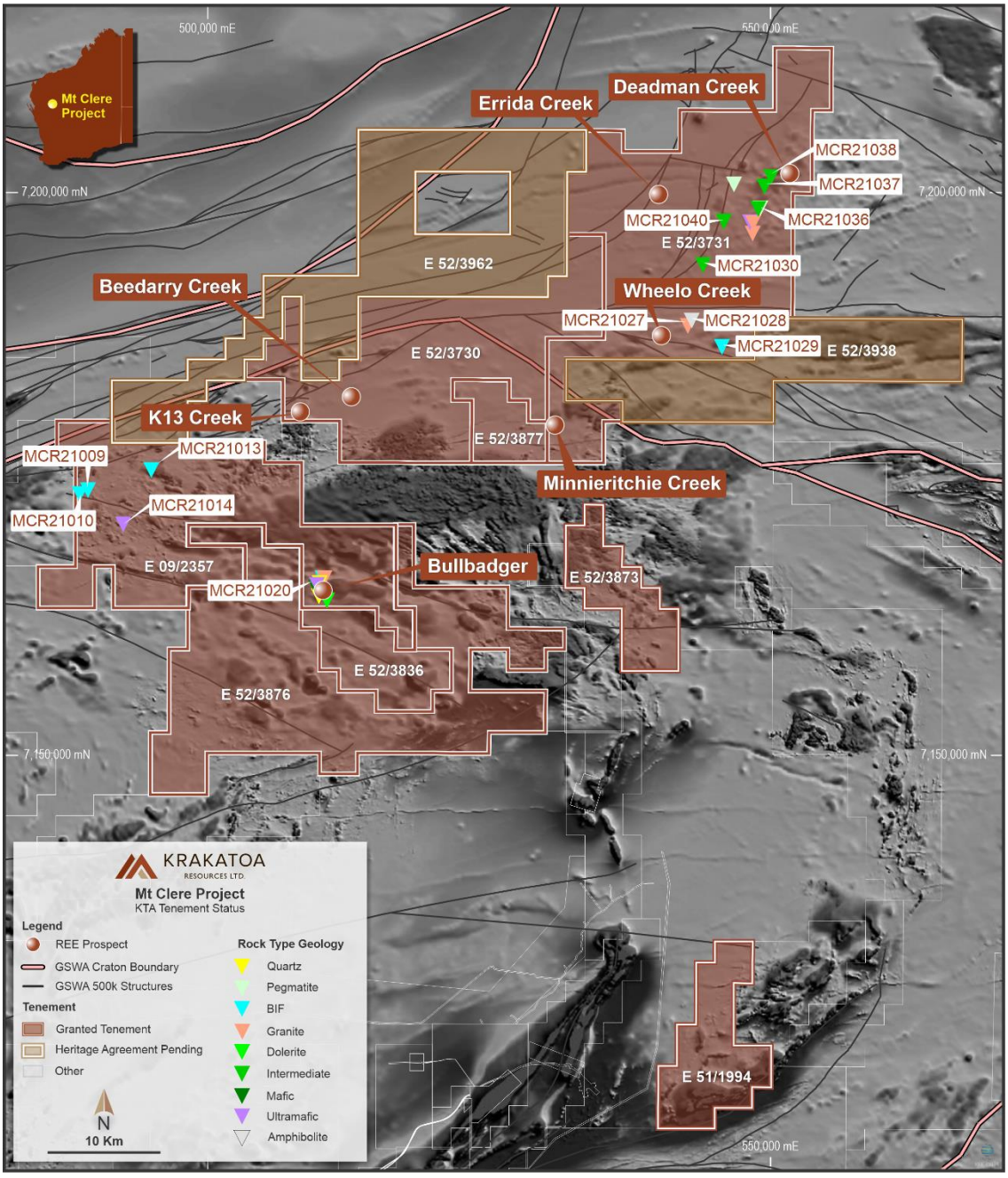

Figure 1 Krakatoa exploration licenses and applications within the Narryer Terrane, highlighting known REE anomalies and rock chip locations, Mt Clere Project, Gascoyne Region, Western Australia

EXPLORATION COMMENTS

Forty rock chip and regolith (fresh, duricrust, saprolitic) samples were collected across the three granted exploration licenses during the Company's initial reconnaissance field trip. Of the 40 samples only 28 were selected to undergo various laboratory assay. The selected 28 were nominated to represent a variety of rock types in areas of interest.

Noteworthy rocks of interest were found in the headwaters or Wheelo and Errida Creeks (Figure 2) were sample MCR21040, a gabbroic diorite returned significant rare earth elements (TREE 664.67ppm), including elevated neodymium (Nd 159ppm). Other samples within gabbroic diorites along strike returned significant TREE assays as well; MCR21036 (3.3km east northeast) and MCR21038 (5.5km north east) (Table 2). Within kilometres of these samples, sample MCR21037 returned 20.1ppb Pt, 12.6ppb Pd and elevated Cr, Ni, Cu and Co (Table 2) (Figure 2).

The Bullbadger area (Figure 3) rock chip sample MCR21020 returned significant Pt (19.4ppb), Pd (11.2ppb), Ni (714ppm), Cr (3,580ppm) within the Pyroxenite. REE were encountered in the granite and invasive quartz vein.

Extensive outcrops of banded iron formations (BIF), scattered throughout the Narryer section of the project, returned Fe_2O_3 concentration ranging from 48.8 to 64.1%, with negligible deleterious elements. All showed magnetic reaction with the grain sizes ranging from medium fine to course.

All samples were transported to ALS Perth and 28 were selected to undergo various analyses. Further details can be found in the JORC Code - Table1 (2012 Edition) (Appendix A). All assayed rock sample details and selected elemental assay results are presented in Table 1 and Table 2.

The visit was designed to inspect the historical exploration activity and survey the outcropping geology to establish context for previous results and identify other opportunities. Numerous dismembered layers of amphibolite, ultramafic, banded iron-formation and calc-silicate gneissic rocks, typically interleaved with leucocratic and mylonitic granitic gneiss, were encountered in the Narryer section of the project. Traversed metasedimentary rocks exemplify the geological complexity in the Narryer Terrane, where metamorphism and deformation has obliterated much of their original sedimentary character. Sills of dolerite and gabbro were regularly crossed.

The north-eastern area (mainly within E52/3731 where BHP was active in the early 1990s) is pervasively deformed and metamorphosed and interpreted as belonging to the Yarlarweelor Gneiss Complex (YGC), includes granitic sheets intruding reworked zones of the adjacent Narryer Terrane. The country rock is pervasively invaded by coarse-grain pegmatite, with several generations of faults were observed. To the west, the Errabiddy Shear Zone cuts the YGC and separates it from rocks of the Glenburgh Terrane. The Seabrook Fault separates the YGC from the Narryer Terrane to the south.

Remnants of a previous land surface are identified by extensive lateritic surfaces that dominate the higher topography. The surface is preserved mainly in the backslope positions and mantles deeply weathered bedrock. Drainages associated with Wheelo, Errida and Deadman Creek have locally incised the backslopes and the weathered profile to return the most consistent and higher grades of monazite-bearing sands in the earlier BHP work (Figure 2). The headwater areas to these drainages form potential exploration targets for REE mineralisation. Notably, sediments draining from rocks stripped of their deeply weathered skin report lower tenor and inconsistent results. The spatial relationship between preserved deeply weathered profile and notable heavy mineral sands or REE occurrences was observed in several areas across the project, such as that at Tower and Bullbadger. However, the level of erosion is slightly greater at Ballbadger than that found in the Wheelo Creek or Tower areas.

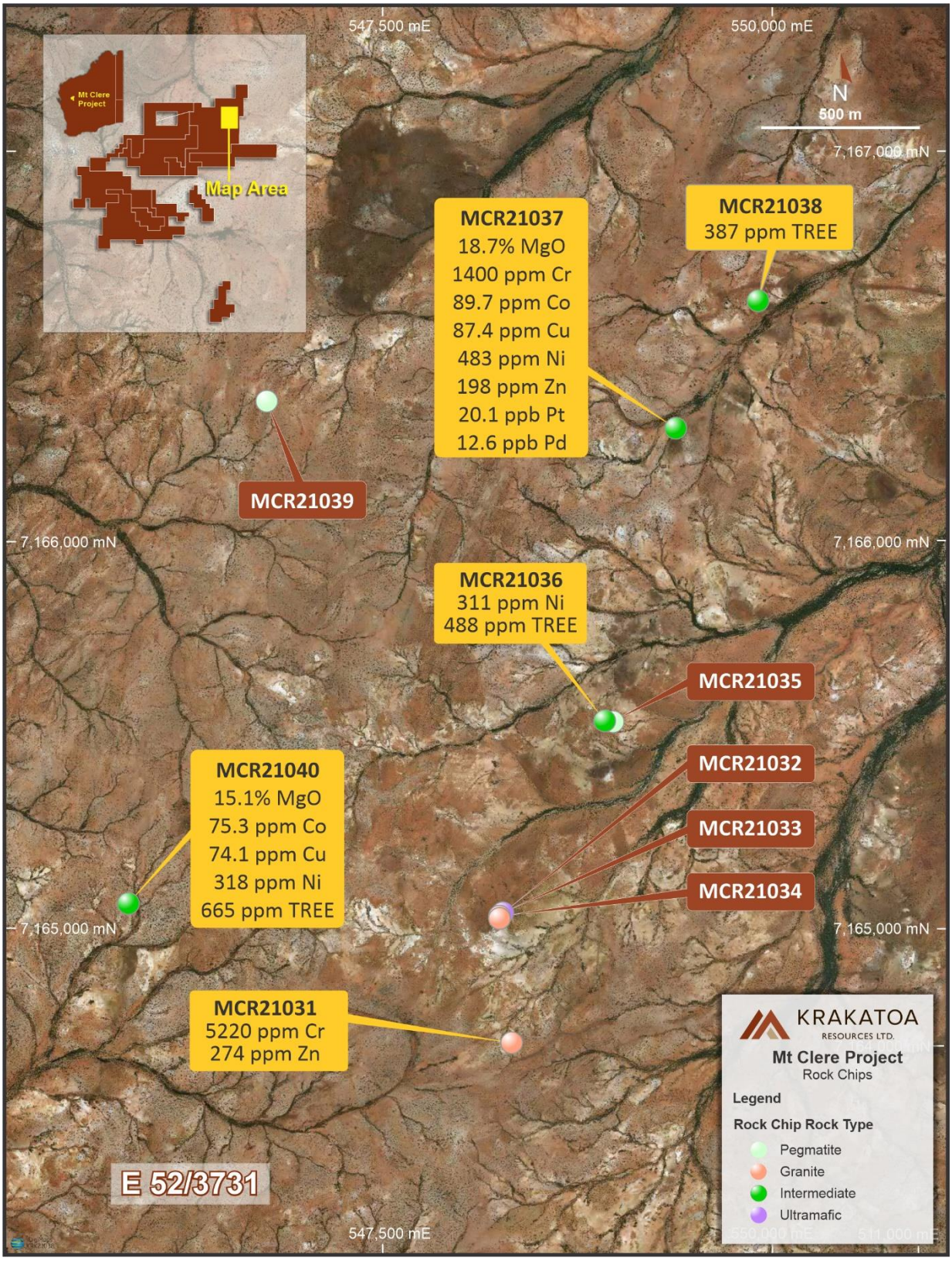

Figure 2. Exploration License E52/3731 rock chip samples around the headwaters of the Wheelo, Errida and Deadman creeks, on satellite imagery.

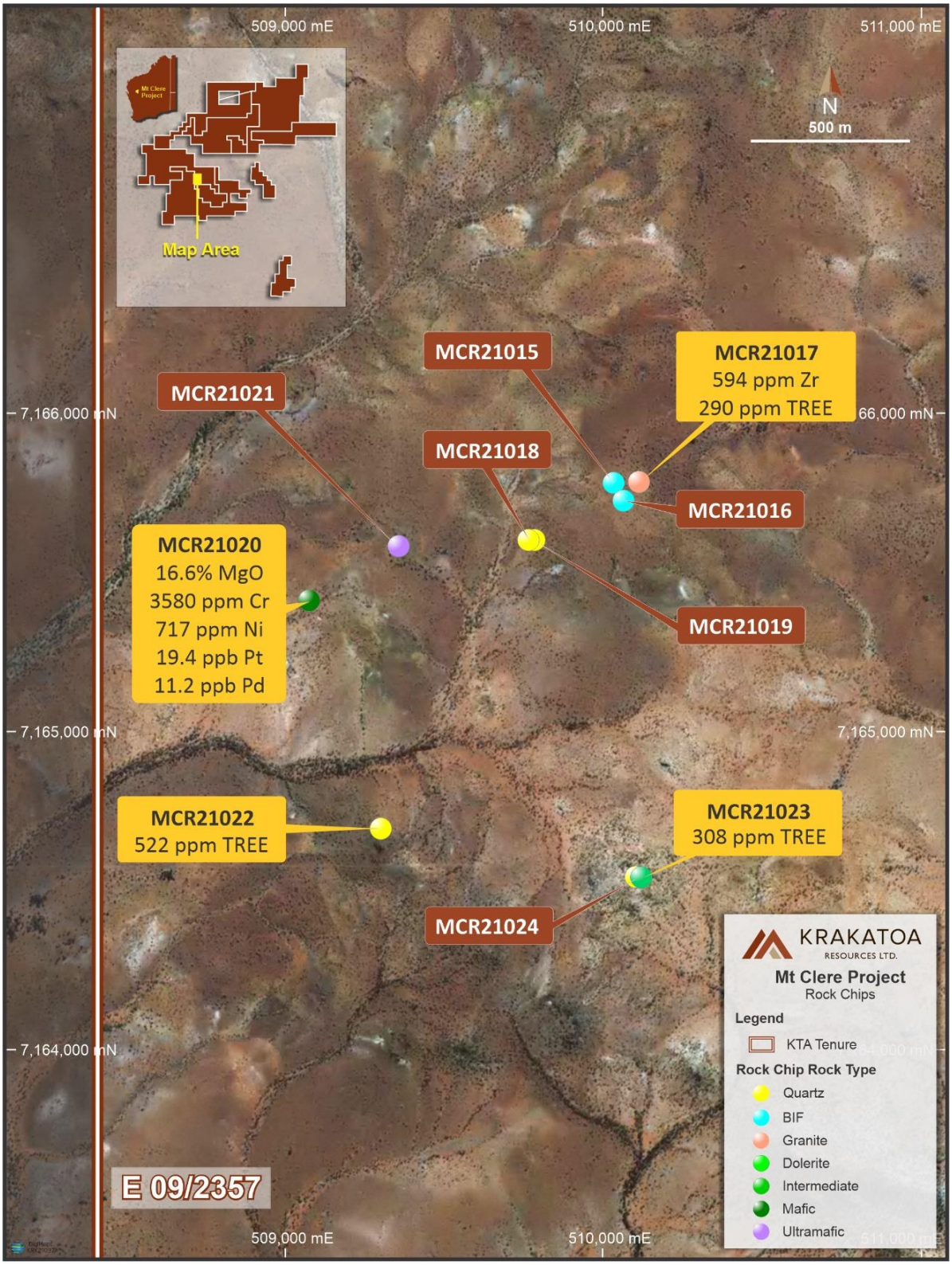

Figure 3. Exploration License E09/2357 rock chip samples around the Bullbadger area, on satellite imagery.

Pegmatite, granite and granitic gneiss were identified as potential source rocks for the monazite in the observed areas. The geochemistry of the sampled rocks establishes their fertility as a potential source rocks for any identified mineralisation. Similarly for the BIF and mafic and ultramafic outcrops encountered during reconnaissance of the Narryer Terrane.

GRANTED TENURE

The Company now commands 2,425km^2 of highly prospective geology along the Yilgan craton boundary within the Yarlarweelor Gneiss Complex and Narryer Terrane. Recently five applications were granted taking the land available for exploration to 1,780km^2 . Approximately 645km^2 was recently applied for and remains under application (Figure 1).

Table 3 – List of Krakatoa Resources exploration tenure around Mt Clere.

TENEMENT ID	STATUS	AREA	UNIT	Area (km^2)
E 09/2357	LIVE	107	BL.	330.53
E 52/3730	LIVE	97	BL.	299.97
E 52/3731	LIVE	145	BL.	448.78
E 52/3836	LIVE	24	BL.	74.07
E 51/1994	LIVE	31	BL.	95.43
E 52/3873	LIVE	23	BL.	71.03
E 52/3876	LIVE	135	BL.	416.64
E 52/3877	LIVE	14	BL.	43.27
E 52/3938	PENDING	62	BL	192.20
E 52/3962	PENDING	111	BL	344.10
E52/3972	PENDING	35	BL	108.50

BACKGROUND

Mt Clere hosts significant Rare Earth Element (REE) geochemical anomalies originally delineated by several previous explorers (Refer to ASX announcement October 9, 2020). They reported significant REE findings (located in KTA's exploration licenses E52/3730 and E52/3731) including widespread monazite sands concentrated within drainage networks as well as ion adsorption clay REE targets in "extensive laterite areas". Significantly, the project covers regions of structural complexity within the Narryer Terrane in the Yilgarn Craton said to represent reworked remnants of greenstone sequences, including metaperiodotite (or pyroxenite) and gabbro that are prospective for intrusion-related Ni-Cu-(Co)-(PGE's).

The Company commenced low impact exploration and reconnaissance mapping over the current granted exploration licenses in late April 2021. The program included the collection of 266 stream sediment geochemical samples and over 40 rock and regolith samples taken.

The exploration program was split into two phases: the initial phase undertaken on exploration license E09/2537 (reported in ASX announcement dated 5 July 2021), and the second phase over exploration licenses E52/3730 and E52/3731. The geochemical results presented in the report are for the rock samples taken (Figure 2). Krakatoa is currently awaiting the laboratory results from stream sediment programs over E52/3730 and E52/3731.

NEXT STEPS

Krakatoa is currently preparing for an intense 6-month exploration program over Mt Clere; which will commence immediately and include:

- field mapping and intensive soil and rock survey over identified geochemical areas of interest

- stream sediment sampling and reconnaissance mapping on newly granted licences
- airborne EM surveys
- electron paramagnetic resonance surveys
- mineral petrology
- Ionic geochemical sampling over prospective areas
- target generation and selection for drill testing

The program will be reviewed and include the E52/3730 and E52/3731 license area once all stream and rock samples from the initial phase of exploration are received and interpreted.

The presence of extremely anomalous REE within the license area provides exceptionally good news for shareholders. The Company is yet to confirm the prospectivity for clay-hosted-ion-adsorption-type REE deposits though suitable geological environments were identified in Tower and Wheelo Creek, among others. The host geology consists of reworked dismembered remnants of greenstone sequences (which are prospective for intrusion-related Ni-Cu-PGE's) and relatively high-grade granitic gneisses interlayered with metasedimentary rocks that are intruded by swarms of alkaline ultramafic dykes, granite and pegmatites occur within the area.

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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Competent Person's Statement

The information in this announcement is based on, and fairly represents information compiled by Mark Major, Krakatoa Resources CEO, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Krakatoa Resources. Mr Major 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 Major consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Disclaimer

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Table 1 Rock chip sample details (MDA Zone 50)

	Easting	Northing	Regolith	Rock Class	Description
MCR21009	489864.40	7175263.90	Lsap	BIF	Fine grained recrystallised BIF
MCR21010	489274.72	7174978.95	Usap	BIF	Massive, fine grained BIF
MCR21013	495715.06	7177125.07	Usap	BIF	BIF
MCR21014	493143.75	7172302.77		Ultramafic	Pyroxenite - Coarse grained ultamafic
MCR21015	510047.16	7165773.94		BIF	Coarse grained BIF - Strongly oxidised
MCR21016	510079.77	7165717.02		BIF	Coarse grained BIF - Strongly oxidised
MCR21017	510129.81	7165777.00	Lsap	Granite	Graphic granite
MCR21018	509788.79	7165587.64		Quartz	Smokey quartz vein adjacent dolerite dyke
MCR21019	509770.00	7165587.74		Quartz	Smokey quartz vein in graphic granite
MCR21020	509054.29	7165390.47	Lsap	Mafic	Pyroxenite - Peridotites
MCR21021	509346.66	7165568.07	Fresh	Ultramafic	Pyroxenite - Peridotites
MCR21022	509287.80	7164646.91		Quartz	Quartz vein - Open recumbent folded
MCR21023	510134.63	7164491.07		Quartz	Weakly aplitic quartz vein
MCR21024	510136.99	7164488.39	Sapr	Dolerite	Dolerite
MCR21027	542747.30	7188503.33	Lsap	Granite	Pegmatoidal granite
MCR21028	542731.16	7188508.43	Sapr	Amphibolite	Amphibolite
MCR21029	545708.89	7186442.48		BIF	Medium grained BIF
MCR21030	543982.51	7193800.85	Fresh	Intermediate	Coarse grained gabbroic diorite
MCR21031	548337.02	7196644.35	Usap	Granite	Silicious granitoid, Oxidised,
MCR21032	548277.69	7197511.09	Fsap	Ultramafic	Ferruginous cap on granitoid
MCR21033	548257.25	7197489.66	Hpd Usap	Granite	Indurated granite
MCR21034	548257.47	7197473.81	Lsap	Granite	Granite
MCR21035	549012.98	7198784.68	Lsap	Pegmatite	Pegmatite
MCR21036	548957.99	7198789.98	Fresh	Intermediate	Coarse grained gabbroic diorite
MCR21037	549429.63	7200741.39	Fresh	Intermediate	Coarse grained gabbro
MCR21038	549977.77	7201592.89	Fresh	Intermediate	Coarse grained gabbro
MCR21039	546703.85	7200921.45	Fresh	Pegmatite	Pegmatite
MCR21040	545781.36	7197573.16	Fresh	Intermediate	Coarse grained gabbro

Table 2: Rock sample assay for selected metals and pathfinder elements.

Sample	Rock Type	SiO2 %	Fe2O3 %	MgO %	Ce ppm	Cr ppm	Dy ppm	Nb ppm	Nd ppm	Pr ppm	V ppm	Zr ppm	Co ppm	Cu ppm	Ni ppm	Pb ppm	Sc ppm	Zn ppm	Pt ppb	Pd ppb	TREE ppm
MCR21009	BIF	32.5	64.1	0.06	24.7	70	1.03	0.6	13.8	4.14	35	13	3.1	18.8	5.9	16.5	5.4	15	*na*	*na*	73.78
MCR21010	BIF	69.1	25.5	0.08	9	570	0.51	2	3.8	1.08	363	187	1.4	20.9	4.4	14.9	4.1	10	*na*	*na*	26.31
MCR21013	BIF	35.6	59.7	0.03	6.6	70	0.31	3	2.5	0.74	17	31	5.5	19.3	11.6	12.3	4.6	31	*na*	*na*	16.84
MCR21014	Ultramafic	43.2	50.2	3.44	10	20	1.54	1	5.4	1.37	16	34	6.2	7.9	13.2	2.1	2.7	58	0.4	0.2	39.5
MCR21015	BIF	43.5	55.5	0.04	11.1	40	1.76	1.2	5.6	1.41	13	10	4.5	33.2	12.2	5.1	6.2	36	*na*	*na*	37.68
MCR21016	BIF	35.1	61.6	0.02	11.3	60	1.98	4.1	7.6	1.76	28	25	7.1	42.5	27.2	5	9.4	55	1.2	0.7	41.3
MCR21017	Granite	66	7.24	0.04	113	40	5.31	20.5	46.7	12.9	64	594	5.2	12.8	36.3	36.9	20.3	35	2.9	2.4	290.07
MCR21018	Quartz	86.2	1.84	0.03	15.7	30	0.65	1.1	4.7	1.41	<5	91	0.6	4.5	3.4	25.9	0.5	6	0.2	<0.2	40.55
MCR21019	Quartz	86.7	2.07	0.01	20.8	40	0.29	0.2	5.8	1.93	<5	85	0.7	3.7	3	28.3	0.5	6	0.2	<0.2	48.27
MCR21020	Mafic	46.4	10.8	16.65	13	3580	2.8	1.6	5.5	1.39	163	40	63	16	714	10.7	30.6	115	19.4	11.2	55.54
MCR21021	Ultramafic	36.9	58.2	0.12	9.4	180	0.44	9.5	2.6	0.68	43	20	5.6	33.2	23.1	14.4	7.2	31	0.9	0.2	21.1
MCR21022	Quartz	94.1	1.5	0.03	156.5	60	13.8	0.6	117.5	30.7	22	21	4.4	44.6	14.2	15.1	4.9	11	0.5	0.4	522.5
MCR21023	Quartz	65	6.87	1.39	136	90	5.44	11.3	41.7	13.1	160	120	15.7	21.3	26.1	28.1	11.6	52	0.3	<0.2	308.67
MCR21024	Dolerite	46.9	15.35	6.18	25.4	240	3.52	4.3	13.7	3.23	406	69	47	50.8	77.2	10.3	37.6	118	0.1	<0.2	89.86
MCR21027	Granite	73.7	1.15	0.13	16.1	20	0.71	1.1	6.9	1.86	9	56	1.7	5.3	3.6	17.5	1	8	0.2	0.3	43.39
MCR21028	Amphibolite	46.4	15.25	9.19	19.7	710	3.14	3	10.9	2.42	245	45	67.2	10.7	215	8.9	39.1	151	*na*	*na*	74.11
MCR21029	BIF	47	48.8	1.17	3.2	20	0.63	0.4	2.6	0.62	14	6	7.3	18.4	15.5	1	0.8	35	*na*	*na*	16.5
MCR21030	Intermediate	57.9	10.3	7.81	60.1	110	5.87	4.4	27.4	7.34	69	128	30.4	4.7	52.9	22.7	13.9	77	1.5	0.6	192.84
MCR21031	Granite	94.3	2.07	0.38	25	5220	0.94	0.7	6.3	1.93	20	5	13.8	7.1	53.5	30.2	3	274	1	0.7	56.06
MCR21032	Ultramafic	6.83	76.2	0.08	67.2	60	1.11	0.2	17.6	6.49	50	8	9.9	23.9	38.6	31.7	15.2	55	2.2	1.9	145.83
MCR21033	Granite	68.2	2.64	0.27	41.9	60	0.93	5	9.7	3.23	165	210	3.9	25.8	14	7.4	11.2	14	0.7	0.9	83.08
MCR21034	Granite	78.8	1	0.12	14.8	60	0.43	3.8	3.6	1.23	85	327	1.4	15.9	6.2	7.5	7.1	5	0.4	0.3	32.37
MCR21035	Pegmatite	75.1	2.44	0.04	3.8	20	0.31	6.1	1.6	0.4	<5	7	0.8	2.3	3.3	16.4	0.7	22	0.3	<0.2	11.34
MCR21036	Intermediate	53.4	10.9	10.2	58.5	710	20.3	6.3	78.2	19.05	201	113	54.2	18.3	311	3.8	40.1	93	10.6	2.5	488.25
MCR21037	Intermediate	53	17.2	18.7	50.5	1400	2.69	1.9	24.7	7.1	144	36	89.7	87.4	483	1.9	32.9	198	20.1	12.6	142.51
MCR21038	Intermediate	53.6	11.2	13.2	71.3	380	15.15	2.6	71	18.1	197	43	59.2	45.5	287	6.8	52.4	98	0.7	0.2	386.99
MCR21039	Pegmatite	76.2	1.36	0.33	4.4	20	0.65	11.3	2.3	0.58	7	3	1.6	2.8	3.5	32.6	5.6	15	0.2	<0.2	16.8
MCR21040	Intermediate	53.1	12.6	15.05	109.5	850	18.5	2.1	159	41.8	150	46	75.3	74.1	318	5.9	37.1	130	5.9	2.8	664.67

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 coincident with anomalous rock chips including 5.19g/t Au and 1.73% Cu.

Turon Gold Project (Krakatoa 100%); Lachlan fold NSW
The Turon Project covers 120km^2 and is located within the Lachlan Fold Belt's Hill End Trough, a north-trending elongated pull-apart basin containing sedimentary and volcanic rocks of Silurian and Devonian age. The Project contains two separate north-trending reef systems, the Quartz Ridge and Box Ridge, comprising shafts, adits and drifts that strike over 1.6km and 2.4km, respectively. Both reef systems have demonstrated high grade gold anomalism (up to 1,535g/t Au in rock chips) and shallow gold targets (up to 10m @ 1.64g/t Au from surface to end of hole).

Rand Gold Project (100%); Lachlan Fold NSW
The Rand Project covers an area of 580km^2, centred approximately 60km NNW of Albury in southern NSW. The Project has a SW-trending shear zone that transects the entire tenement package forming a distinct structural corridor some 40 km in length. The historical Bulgandry Goldfield, which is captured by the Project, demonstrates the project area is prospective for shear-hosted and intrusion-related gold. Historical production records show substantial gold grades, including up to 265g/t Au from the exposed quartz veins in the Show Day Reef.

Mt Clere REEs, HMS & Ni-Cu-Co, PGEs Project (100%); Gascoyne WA
The Mt Clere REE Project located at the north western margins of the Yilgarn Graton. The Company holds 2,310km^2 of highly prospective exploration 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.

APPENDIX A

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

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.*	• Rock chip samples were collected from outcrops at adhoc locations. • Samples were geologically logged and described. • A representative sample of greater than 2kg was obtained for most samples. The only exception was MCR21017 where the rock mallets were not able to chip enough from the surface expression of a granite. A 700g sample was obtained. • This is the standard procedure for reconnaissance rock chip geochemical exploration. • No duplicates or standards were taken. • Samples were transported to ALS laboratories (Perth) by the company consultants.
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).*	• No drilling undertaken
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.*	• No drilling undertaken
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.*	• All rock chips were geologically logged detailing rock characteristics, including: lithology, mineralogy, weathering and alteration.

	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Photographs of each rock sample and ample site were taken.
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 sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No subsampling was undertaken at site. • The sub-sample preparation for all samples follows industry best practice and was undertaken by ALS laboratories in Perth where they were crushed, dried, and pulverized to produce the subsample for analysis.
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 preparation and analysis protocol used are as follows: *WEL-21* – Received sample weight *CRU21*-coarse crushing of rock chips *SPL -22Y* – Rotary Split using Boyd rotary splitter *LOG-22* – Sample Login/ID tracking system *PUL-31* – Pulverize 250g split to better than 85% passing minus 75micron. PUL-QC – Pulverizing QC test • The assay techniques used varied between sample (rock) type, however the follow were undertaken: Moisture and LOI determination GEO-4A01 –Multi-Element method using a four acid "near" total digestion on 25g sample analyzed via ICP-MS (ME-S61) Elements include: Ag, Cd, Co, Cu, Li, Mo, Ni, Pb, Sc, Zn, • FUS-Li01 – Lithum borate fusion with finish via ME-MS81 for Ba, Ce, Cr, Cs, Dy, Er, Eu, Ga, Gd, Ge, Hf, Ho, La, Lu, Nb, Nd, Pr, Rb, Sm, Sn, Sr, Ta, Tb, Th, Tm, U, V, W, Y, Yb, Zr • ME-MS42 using aqua regia for Bi, Hg, In, Re, Sb, Se, Te and Tl.

		• PGM-MS23L - Fire assay with ICP-MS finish for Pt, Pd and Au. • Whole rock ICP-AES analysis (MEICP-06). • Laboratory standards, duplicates and blanks are considered appropriate
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.*	• Verification is not applicable as not drilling was undertaken. • No drilling • Assay data was received in digital format from the laboratory and merged with the sampling data into an Excel spreadsheet format for QAQC analysis and review against field data. Once finalised and validated data is stored in a protected database. • Data validation of assay data and sampling data have been conducted to ensure data entry is correct. • All assay data is received from the laboratory in element form is unadjusted for data entry. • Total rare earth elements represents the sum of all REE in elemental form: TREE:La+Ce+Pr+Nd+Sm+Eu+Gd+Tb+Dy+Ho+Er+Tm+Yb+Lu+Y
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.*	• No drilling undertaken. • Rock chip sample locations were located by handheld GPS • All coordinates are in MGA Zone 50J • All locations will be within 3 m of their true location • No formal grids were established. • No resource work was completed
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.*	• No resource is currently identified • No sample compositing was used

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.*	• No bias introduced. • Sample sizes are only reflective of that point.
Sample security	• *The measures taken to ensure sample security.*	• Samples were transported and delivered direct to the laboratory by the company geologist.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No reviews or audits of sampling techniques was undertaken.

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

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.*	• E09/2537, E52/3730 and E52/3731 are granted licenses to Krakatoa • Krakatoa has submitted several Exploration license applications within the area. These are E51/1994, E52/3876, E52/3836, E52/3873, E52/3877, E52/3938 and E52/3962 • The tenements are owned and managed by Krakatoa, subject to grant • KTA is not in partnership or any joint venture with respect to the tenement. • Krakatoa doe not perceive any impediments that would prevent grant of title
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project area was previously explored by BHP and Astro Mining NL respectively for Pb-Zn-Ag mineralisation and diamonds (see ASX announcement 9 October 2020).
Geology	• *Deposit type, geological setting, and style of mineralisation.*	• The project is focused on multiple REE opportunities, including REE and thorium in enriched monazite sands released from gneissic rocks, REE ion adsorption on clays within the widely preserved deeply weathered lateritic profiles and lastly REE occurring in plausible carbonatites associated with alkaline magmatism. • The project covers regions of structural complexity within the Narryer Terrane in the Yilgarn Craton said to represent reworked remnants of greenstone sequences that are prospective for intrusion-hosted Ni-Cu-(Co)-(PGE's).

Criteria	JORC Code explanation	Commentary

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.*
		• No drilling was undertaken

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 weightings or other manipulations were made to the data. • No cut off grades were applied • Relative mineral abundance numbers were either binned or subject to rounding • 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').*	• Too early for any relationship to be determined.
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.*	• The pertinent maps for this stage of project are included in the release. • Co-ordinates in MGA94Z50 are shown on all maps
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.*	• Sample data is presented in Tables 1 and 2 for all elements of economic or scientific interest.

Criteria	JORC Code explanation	Commentary
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.*	• No applicable
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.*	• Geological mapping and regolith/soil/rock sampling and to review the targets (areas of interest) • Airborne geophysical surveys are being planned as reported in this announcement.