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29 March 2023

MT CLERE EXPLORATION UPDATE

- **2023 to focus on systematic exploration with key objectives to expand the current REE resource and continue to make new discoveries**
- **Tower deposit boasts a Mineral Resource estimate (MRE) of 101MT @ 840ppm TREO[1], with only 20% of landholding explored to date**
- **Results from reconnaissance auger drilling program south of Tower deposit returned positive REE grades from surface potentially expanding the reach of the Tower MRE**
- **Natural Gamma Survey results from an area immediately west of 'Tower West' provides a compelling drill target to expand the Tower MRE**
- **Historical data and recent exploration work have identified and supports large scale potential for carbonatite hard rock REE bodies across the large Mt Clere landholding**
- **High conductance EM targets have been successfully drill-tested with discovery of REE enriched felsic granitoid**

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to provide an exploration update on the Company's 100% owned, flagship Mt Clere Project ("Mt Clere" or "the Project"), located approximately 180km northwest of Meekatharra, Western Australia.

Since 2021, the Company has successfully and systematically explored and developed Mt Clere, with a focus on rare earth elements (REE), basement sulphide complexes and heavy minerals sands. The extensive amount of work completed by Krakatoa has led to the discovery of the Tower deposit, definition of a maiden Mineral Resource estimate (MRE) of 101Mt @ 840ppm TREO[1] and identification of exciting basement sulphide targets. Impressively, this has been achieved through exploration on only 20% of the Company's 2,400 square kilometre landholding, providing exceptional upside potential for further exploration and discovery growth at Mt Clere.

The Company is set to recommence exploration at Mt Clere, focusing on infill and extensional drilling programs around the Tower deposit and regional exploration targeting advanced prospects. The primary objective of these activities is to make new hard rock and clay hosted rare earth discoveries.

[1] Refer to ASX Announcement, 21 November 2022, KTA Delivers Maiden Rare Earth Mineral Resource at Tower

2023 EXPLORATION PROGRAM

Krakatoa has developed a range of exploration initiatives across Mt Clere for the upcoming 2023 field season, with the objective to expand the Tower deposit through infill and extensional drilling programs and carry out regional exploration programs to replicate the Tower discovery success.

Exploration is set to commence in April, through the commencement of regional reconnaissance, mapping, and geochemical field programs.

Key workstreams at Tower include:

- Further aircore (AC) drilling to expand the current clay hosted REE Mineral Resource estimate
- Diamond drilling program for further geochemical and geotechnical work, along with providing samples for the ongoing metallurgical test work
- Environmental baseline and Aboriginal heritage surveys at main Tower area, which will likely feed into a Scoping Study on the Tower deposit

Regional programs across Mt Clere include:

- Outcrop geological mapping and geochemical (rock and soil) sampling to generate new targets across under-explored region (80% of landholding yet to be explored)
- Targeted exploration fieldwork at specific areas of interest which include Wheelo Creek & Number 6 bore, and a zone of elevated metal values in stream samples identified northeast of One Gum bore
- Petrological work will be completed in order to continue advancing our geological knowledge of the area.
- Geophysical and reconnaissance drill programs will be defined on further successful targeting and completion of fieldwork programs

Krakatoa's CEO, Mark Major commented, *"We look forward to commencing the initial field exploration program of 2023 at Mt Clere in the coming weeks. Last year's field program resulted in the discovery of the Tower Project and since then we have been able to quickly define a sizeable Resource of 101MT @ 840ppm TREO, which positions Mt Clere as the biggest clay hosted REE resource in Western Australia. We are excited to get on the ground and as we focus on replicating previous success.*

"Size matters when it comes to developing clay hosted REE projects and importantly, we are only starting to scratch the surface on the possible size and scale at Mt Clere, with 80% of our landholding remaining underexplored. The future for Krakatoa is very exciting as we continue to focus on the rapid development of our unique and high-value critical metals portfolio, to supply into a growing market and play a role in global decarbonisation efforts".

RARE EARTHS

On reviewing the historical BHP stream geochemistry data in 2020, Krakatoa identified the presence of monazite at Mt Clere. Monazite is a well-known REE-bearing mineral, which typically contains 30% of the highly valued magnetic REE. Since identification, the Company undertook a further regional stream survey in 2021 across targeted catchments over only 1,500 square kilometre of project area. The results showed anomalous concentrations of REE throughout, with one of these catchments (Tower) drill tested in late 2021 and through further successful exploration work, a discovery was made April 2022 and a major clay hosted REE JORC Resource defined in November 2022. Importantly, the Tower deposit MRE, is one of the largest Resources in Australia.

Hard Rock REE Sources

The Company undertook several geochemical, geophysical and imagery studies to help with identifying target areas within unexplored regions of Mt Clere. Several highly anomalous REE areas have been identified as well as processing of radiometric and magnetic data (Figure 1). The Company can now reveal several circular, high-thorium, magnetic features are present; which may be intrusive alkaline rock units such as carbonatites, lamprophyres, or kimberlites; all which showed similar genesis.

It is important to note that the Project area was previously explored for diamonds (BHP and Astro Mining – see ASX Announcement 9 October 2020) and multiple lamprophyre intrusions were identified across the Project by Astro Mining. The discovery of lamprophyres having deep crustal origin in a highly complex area at the edge of an Archaean craton, indicated that the area has considerable potential for a broader suite of alkaline ultramafic rocks including carbonatites.

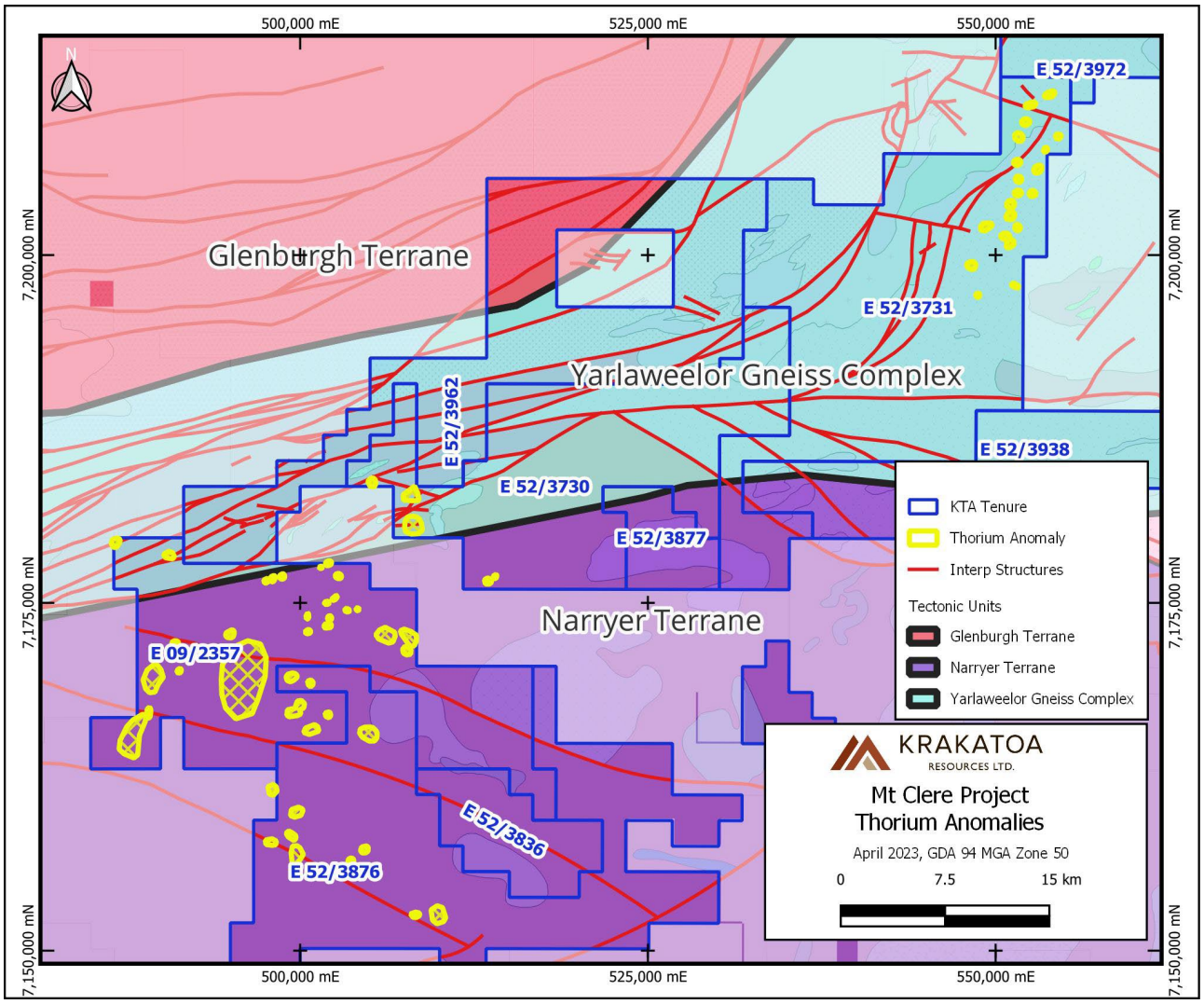

Figure 1: Thorium anomalies over structural & tectonic geology framework

Carbonatites typically occur as small plugs within zoned alkalic intrusive complexes, or as dikes, sills, breccias, and veins. They are almost exclusively associated with continental rift-related tectonic settings; the same setting present along the Yilgarn craton margin (where Mt Clere is located). They are typically associated with silica undersaturated alkaline igneous rocks. Many carbonatites are enriched in REEs, in fact majority of the world's REE resources are found in mineral deposits associated with carbonatites.

Several of the stream sampled catchments show elevated levels of TREO up to a maximum of 1.03% (See ASX Announcements 5 July 2021 and 9 August 2021) along with high levels of Thorium and magnetic features (where data resolution is suitable) which tend to be circular, possibly representing pipelike intrusive bodies. These areas will be ground-truthed in the upcoming field season. Other areas may be flown with higher resolution airborne magnetic and radiometric surveys during 2023 to define new and further exploration targets.

Tower Extensional Auger Drilling Program

Krakatoa completed a 37-hole, 294m reconnaissance auger drilling program at Tower in late 2022. The objective of the program was to gauge the thickness of the regolith profile across targeted areas to determine if any remnant Tower REE mineralisation continued into this terrain. In most cases the regolith profile is lacking with most of upper remnant regolith profile already eroded and transported. However, the area to the south of the Tower MRE returned reasonable grades and thicknesses from a cluster of ten holes.

A total of 100 auger samples were assayed for REE content resulting in a maximum value of 1699 ppm TREO-CeO_2 over four metres (from surface) in auger hole 22AUG016. This was one of four samples which came back in excess of 500ppm TREO-CeO_2. These results highlight a potential near term drilling target which may assist with future development as these zones feature mineralisation from surface.

Table 1: Significant Intersections (>300ppm TREO) from Auger Drilling

Hole ID	Depth From (m)	Depth To (m)	Width (m)	TREO (ppm	TREO – CeO_2 (ppm)
22AUG012	0	20	20	611	345
22AUG016	0	8	8	1343	1098
22AUG019	0	9	9	781	437
22AUG015	7	18	11	560	320
22AUG021	0	9	9	494	267
22AUG017	0	4	4	800	458
22AUG018	4	11	7	399	216
22AUG013	0	5	5	414	243
22AUG007	0	3	3	644	390
22AUG020	0	2	2	938	664
22AUG009	0	1	1	1027	449
22AUG010	0	2	2	463	257
22AUG001	0	1	1	899	467
22AUG028	19	21	2	361	188
22AUG014	1	3	2	340	198
22AUG008	0	1	1	514	191
22AUG002	0	1	1	362	267
22AUG011	2	3	1	309	189

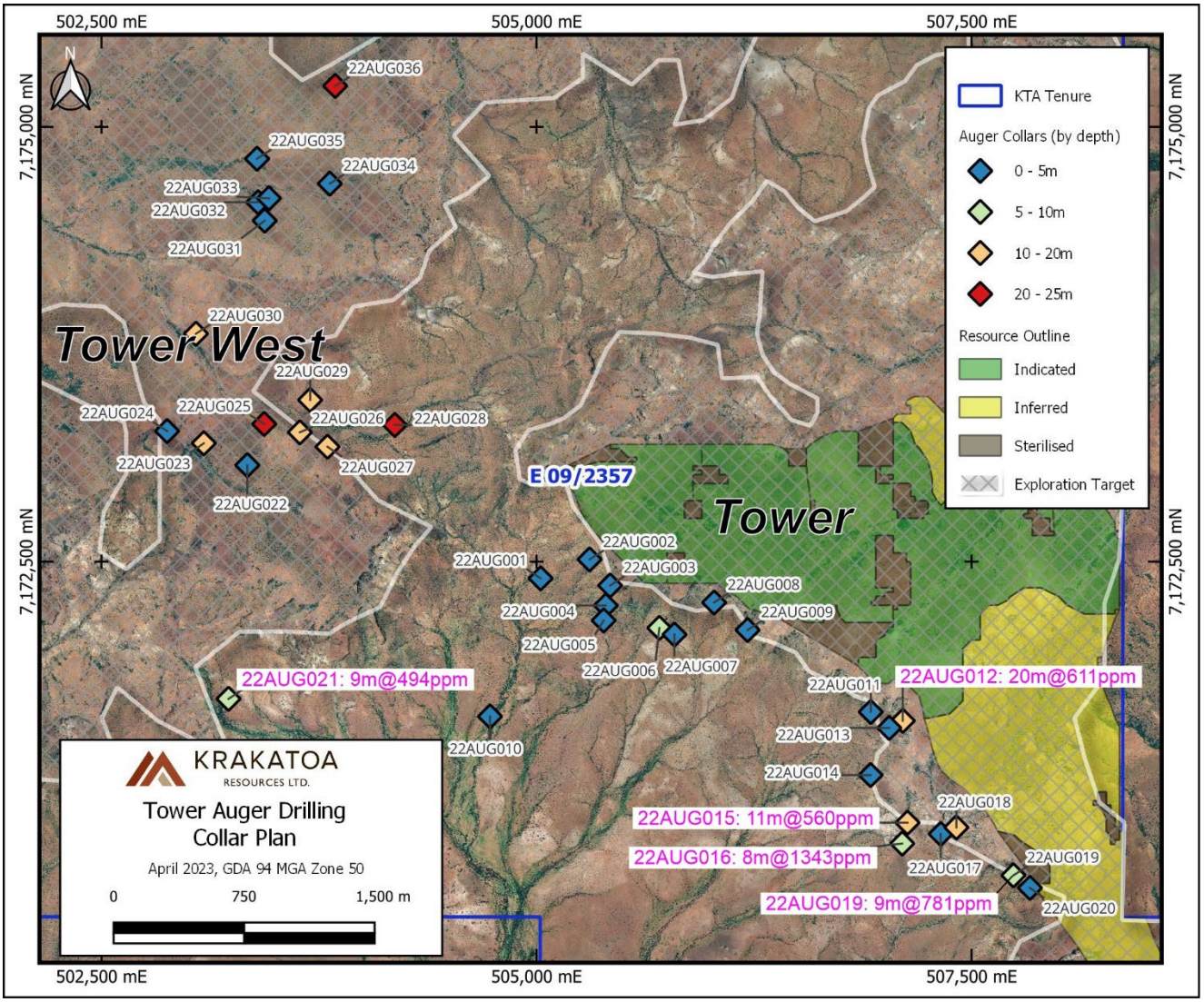

Figure 2: Location of Auger Drill Holes over satellite image with Tower MRE location for reference

Natural Gamma Scintillometer Survey and Electromagnetic Targeting

A section of the Tower MRE area was recently surveyed with a gamma-ray scintillometer as part of the Company's focus to determine the relationship with thorium and the concentration of REE within the regolith and/or basement. In addition to this work, early time airborne electromagnetic survey (AEM) data obtained from a survey flown in late 2021. This data was processed and reviewed to help with identification of other prospective extensive clay locations.

It was noted that areas of elevated scintillometer count show a reasonable correlation with mineralised areas within the Tower MRE boundary. Further to this, a zone of consistent high scintillometer counts was also surveyed to the immediate west of the 'Tower West' prospect in an area with no previous drilling (see Figure 3). The Company considers this to be a valid exploration target for expansion of the Tower MRE and intends to carry out further work programs during the 2023 field season.

The AEM data interpretation has assisted in identifying and delineating the distribution, depth and thickness of clay rich zones, which are ideal hosts to REE mineralisation through modelling of the observed IP effect. Correlation of this IP effect with known mineralised zones from past drilling at Tower has proven to be effective and has potential to be a rapid and cost-effective targeting tool across the tenement package. This cutting-edge modelling is being exclusively carried out by the Company and their consultants. Highly prospective zones targeting additional clay-hosted REE will be ground-truthed and likely be drill tested during the 2023 field season.

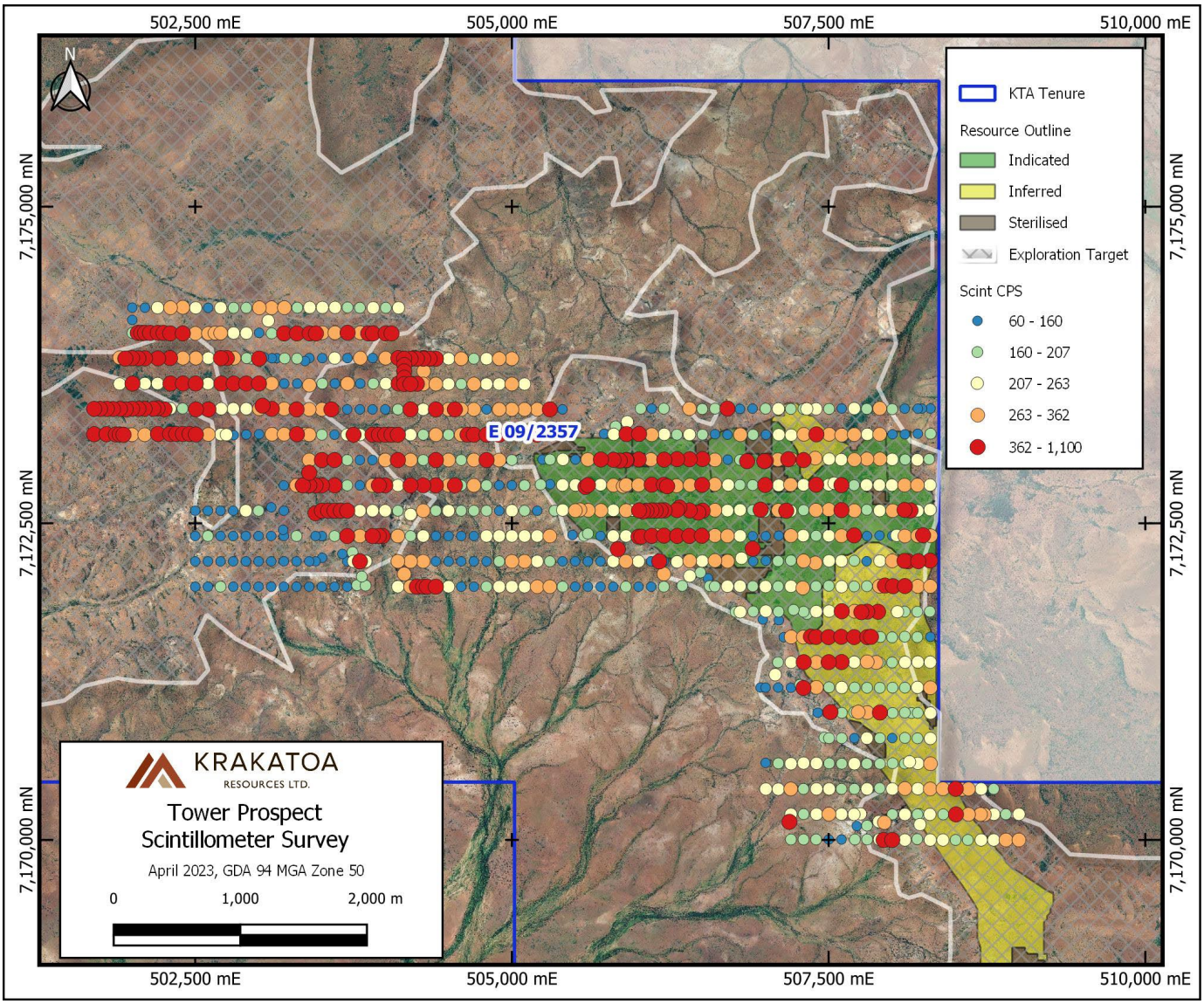

Figure 3: Scintillometer survey over Tower area showing areas of elevated natural gamma which are likely to correlate with increased monazite and REE content

SOUTHERN CLUSTER EM BASEMENT SULPHIDE PROGRAM

In late 2022, Krakatoa completed five Reverse Circulation (RC) drill holes for 1,570m over multiple, highly conductive targets (basement bodies with up to 10,000 Siemens). Collar locations are shown in Figure 4.

The conductors were interpreted as potential pods of sulphides associated with mafic/ultramafic intrusions and were the main targets of the program.

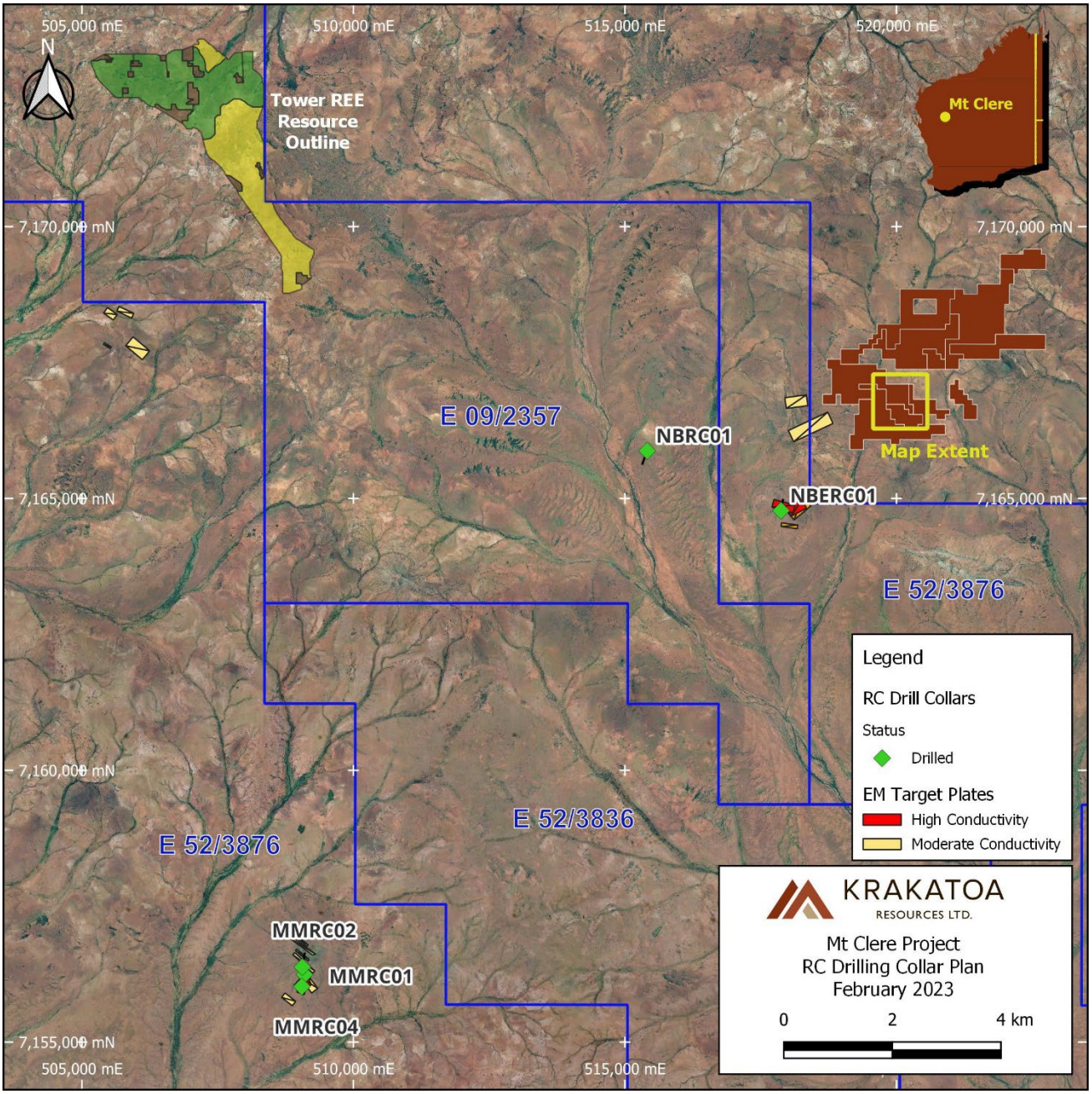

Figure 4: Location of RC Drill Holes over satellite image with Tower MRE location for reference

Following completion of drilling, Krakatoa has identified that the geophysical response in this area was due to highly magnetic iron sulphide minerals pyrrhotite and pyrite, which are thought to be zones of intense alteration and replacement of magnetite. These minerals are highly conductive and explain the presence of the EM anomalies. No significant base metal anomalies of note were intersected.

One sample (drillhole NBRC01 from 124 – 133m) showed weakly elevated Ni and Cr, indicating the unit is likely an altered remnant ultramafic rock. Interestingly, this unit also contained low-level PGE anomalism, with the 1m sample (132-133m) returning 106ppb total PGE (Pt+Pd). The Company has commenced petrological work on this sample in order to better understand the rocks and their deformation history.

Four holes reported moderately anomalous REE indicator elements such as Lanthanum and Thorium within felsic granitoids and gneiss. Further specific REE assaying results were encouraging with a maximum of 4029ppm (0.4%) TREO from 210-214m downhole in drillhole MMRC02, within a broader zone of 44m at 1859ppm (0.19%)TREO. Whilst these REE levels are not considered economic within hard rock, they are anomalous and notable in terms of the Company's REE exploration. The Milly Milly drillholes MMRC01 & MMRC02 displayed the highest concentrations of REE and these are shown in cross-section (Figure 5).

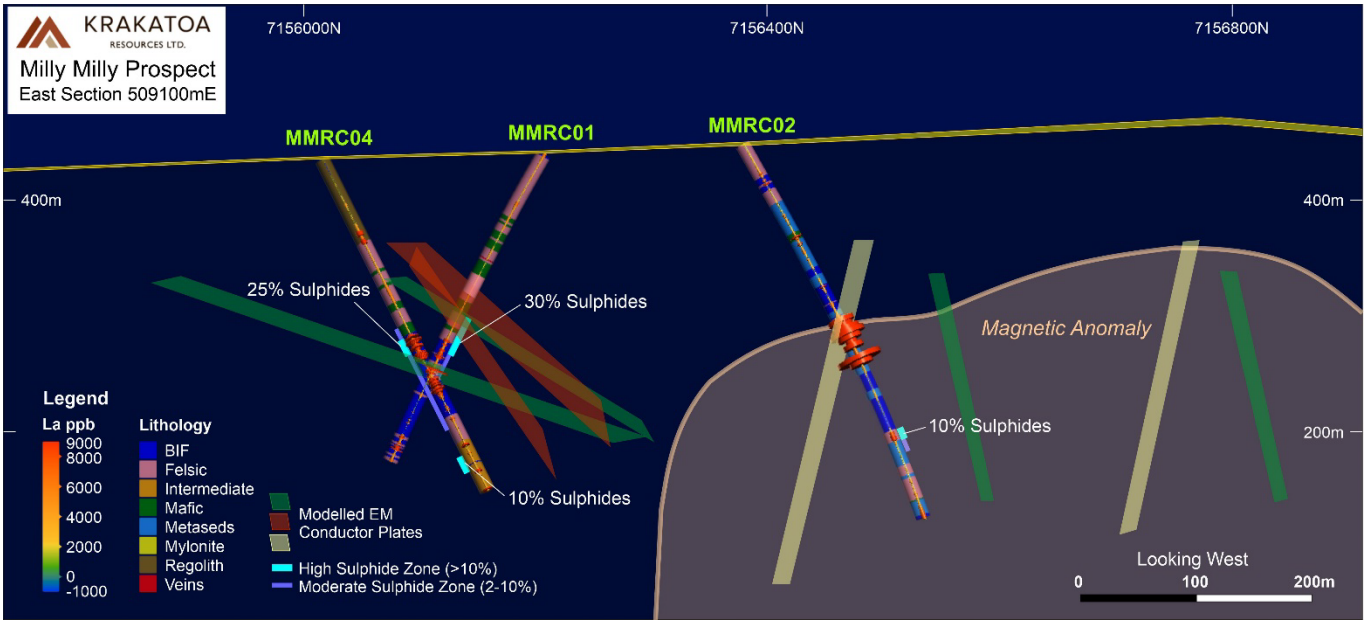

Figure 5: Cross-section through Milly Milly drillholes showing elevated La within felsic gneiss units

The felsic host rocks to the REE mineralisation were highly deformed, however geochemical analysis using ioGAS software showed an affinity with the A-Type granite classification (Figure 6). A-type granites are significant in mineral exploration because they are associated with a variety of mineral deposits, including lithium, tin, tungsten, beryllium, and REE. In the case of Mt Clere, it is possible that REE-enriched A-type granites have supplied the REE which are being concentrated into the weathering profile.

Alternatively, these A-type granites may be part of a broader alkaline igneous complex, along with lamprophyres (previously identified within the project area) and carbonatites (which have not been identified yet). Further understanding of the distribution of these rock units may then enable the Company to zone in on higher grade pods of clay-hosted mineralisation.

Several other highly conductive untested EM anomalies are located in the northern sector of the Project area, positioned along major magnetic lineaments representing deep seated structures. These target areas will undergo additional exploration this year to determine if drill testing is warranted in future.

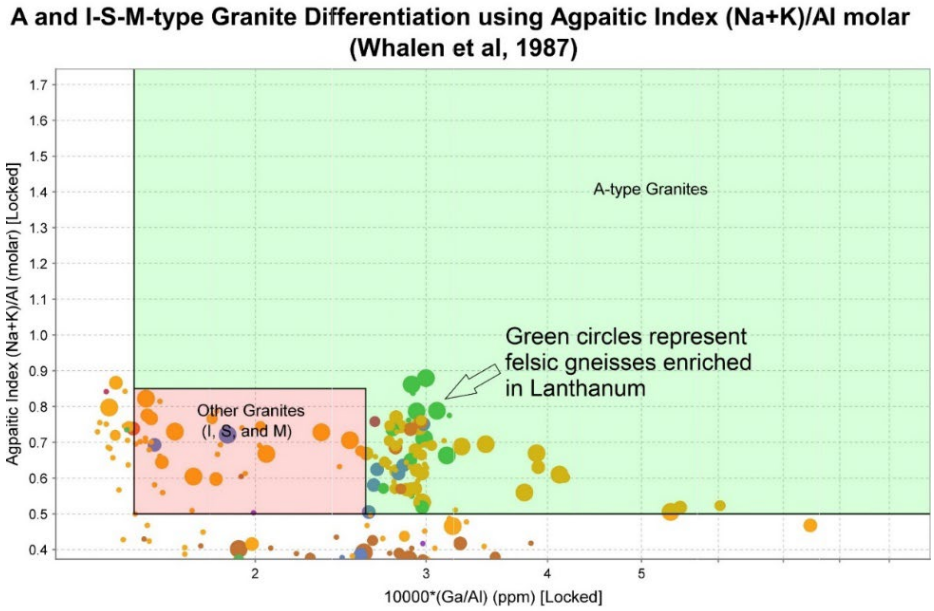

Figure 6: SIAM granite differentiation diagram with all felsic/granitoid rocks sampled during the program

HEAVY MINERAL SANDS

The Company has completed a small program of AC drilling, testing potential heavy mineral sands (HMS) targets at Mt Clere in 2021 (See ASX Announcement 16 December 2021). Test work was carried out on selected samples with float-sink testing and grain point counting completed. The results have been encouraging, warranting further work. The Company is preparing to submit a selection of samples with high proportions of heavy minerals for mineralogical analysis by QEMSCAN, in order to determine detailed mineralogy. Future work will be dependent on the results of the QEMSCAN mineralogy and expert advice provided by our specialist HMS consultant.

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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 deposits 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.

The information in this report which relates to Mineral Resources for the Tower rare earth deposit is based upon and fairly represents information compiled by Mr Greg Jones who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Jones is a full-time employee of IHC Mining and has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". 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 (ASX announcement dated 21 November 2022) and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement (ASX announcement dated 21 November 2022) continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement (ASX announcement dated 21 November 2022).

Disclaimer

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events

Related released ASX Material References that relate to this announcement include:

9 October 2020 – KTA Significantly Expands Rare Earth Acreage at Mt Clere
8 December 2020 – El Granted at Highly Prospective Mt Clere REE Project
5 July 2021 – KTA Discovers Widespread Magnet REE's & Ni-Cu at Mt Clere
14 July 2021 – Encouraging first pass rock samples at Mt Clere
9 August 2021 – More Magnet REE's Discovered at Mt Clere
25 January 2022 – VTEM Survey identifies multiple conductors at Mt Clere
10 March 2022 – MLEM Survey at Mt Clere Refine Ni-Cu Sulphide Targets
12 April 2022 – Major Clay Hosted Ionic Rare Earth Discovery at Mt Clere
19 May 2022 – Exploration Target Highlights Potential – Tower REE Prospect
15 November 2022 – Expansion of Clay Hosted REE Confirmed at Tower
21 November 2022 – KTA delivers Maiden Rare Earth Mineral Resources at Tower
23 January 2023 – Positive Metallurgy at Tower REE Project

TABLE 2 – Summary details of RC drillholes (*Coordinates are in GDA94 MGA Zone 50, with elevations in AHD. Drillhole locations were determined by handheld GPS with accuracy +/-3m).*

Hole ID	Northing	Easting	Elevation	Dip (deg)	Azimuth (deg)	EOH Depth (m)	Status
MMRC01	7156208	509106	456	-60	182	298	Complete
MMRC02	7156379	509063	464	-60	013	363	Complete
MMRC04	7156016	509044	447	-60	030	330	Complete
NBERC01	7164776	517882	439	-60	010	364	Complete
NBRC01	7165872	515411	438	-61	207	215	Stopped early - ground conditions

TABLE 3 – Summary details of Auger drillholes (*Coordinates are in GDA94 MGA Zone 50, with elevations in AHD. Drillhole locations were determined by handheld GPS with accuracy +/-3m).*

Hole ID	Northing	Easting	Elevation	Dip (deg)	Azimuth (deg)	EOH Depth (m)	Status
22AUG001	7172404	505024	456	-90	0	1	Complete
22AUG002	7172513	505305	467	-90	0	1	Complete
22AUG003	7172363	505423	474	-90	0	3.5	Complete
22AUG004	7172248	505398	470	-90	0	1	Complete
22AUG005	7172162	505386	467	-90	0	1	Complete
22AUG006	7172119	505706	473	-90	0	6	Complete
22AUG007	7172081	505793	467	-90	0	3	Complete
22AUG008	7172265	506021	471	-90	0	1	Complete
22AUG009	7172107	506213	461	-90	0	1	Complete
22AUG010	7171610	504733	448	-90	0	2	Complete
22AUG011	7171636	506921	507	-90	0	3	Complete
22AUG012	7171585	507105	507	-90	0	20	Complete
22AUG013	7171544	507027	507	-90	0	5	Complete
22AUG014	7171273	506920	507	-90	0	3	Complete
22AUG015	7170999	507132	506	-90	0	20	Complete
22AUG016	7170879	507102	506	-90	0	8	Complete
22AUG017	7170934	507323	506	-90	0	4	Complete
22AUG018	7170972	507413	506	-90	0	11	Complete
22AUG019	7170696	507741	505	-90	0	9	Complete
22AUG020	7170624	507836	505	-90	0	2	Complete
22AUG021	7171711	503230	453	-90	0	9	Complete
22AUG022	7173055	503338	472	-90	0	2.5	Complete
22AUG023	7173181	503088	460	-90	0	12	Complete
22AUG024	7173251	502877	455	-90	0	1	Complete
22AUG025	7173292	503435	461	-90	0	24	Complete
22AUG026	7173244	503640	467	-90	0	16	Complete
22AUG027	7173161	503799	468	-90	0	20	Complete
22AUG028	7173286	504186	469	-90	0	21	Complete
22AUG029	7173430	503699	460	-90	0	20	Complete
22AUG030	7173811	503043	510	-90	0	20	Complete
22AUG031	7174461	503438	473	-90	0	3	Complete
22AUG032	7174567	503400	469	-90	0	2	Complete
22AUG033	7174590	503462	469	-90	0	3	Complete
22AUG034	7174674	503812	473	-90	0	2	Complete
22AUG035	7174817	503394	470	-90	0	3	Complete
22AUG036	7175236	503843	460	-90	0	24	Complete
22AUG037	7169281	510193	425	-90	0	6	Complete

APPENDIX A: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g., cut channels, random chips, or specific 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.	The samples discussed in the report were obtained by either Auger Drilling or Reverse Circulation (RC) drilling. For RC, A series of 140mm diameter holes were drilled and sampled, with samples collected at 1m intervals using a cyclone-mounted cone splitter which produced a ~35kg bulk sample and one ~3kg split. For Auger, a series of 102mm (4") holes were drilled and sampled, with samples collected at 1m intervals using a sampling shoe which produced a ~20kg bulk sample from which a 3kg scooped sub-sample was taken for analysis. In both cases, samples for assaying were selected as 4m composites scooped from the bulk material or the individual metre split samples, based on geological logging.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Company sampling protocols include the use of regular field duplicate samples, certified reference materials and blank material. Sampling errors were mitigated by checking sample bag number sequences at the end of every drill rod (6m for RC, 2m for Auger) and immediately rectifying errors.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple. (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was 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 (e.g. submarine nodules) may warrant disclosure of detailed information.	RC and/or Auger drilling was used to obtain material, from which either 1m samples or 4m composite samples were taken, weighing around 3kg. The samples were delivered to ALS Laboratory in Perth for preparation and analysis. Samples were crushed and pulverised to produce a 750g pulp before near-complete digestion of a 0.25g charge by four acids and analysis using ICP-AES. Over-limit XRF methods are employed by the laboratory when upper detection limits of the stated method are exceeded.
Drilling techniques	Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details	RC Drilling was completed using a Schramm T685 Reverse Circulation drill rig fitted with a 140mm diameter face sampling bit. Downhole surveys were taken every 30m using a gyroscopic survey tool operated by the drilling crew. Auger Drilling was completed using a custom made auger drilling system mounted on a trayback utility vehicle. The auger was 102mm diameter. No downhole surveys were considered necessary due to the shallow depths and vertical orientation.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Sample recovery was estimated visually. Greater than 95% of samples were considered to have excellent recovery and over 95% of samples were dry. Data was recorded in the geological logs and later uploaded to the Company's

Criteria	JORC Code explanation	Commentary
		secure database. Small intervals of poor recovery were noted while collaring the hole and some wet samples were noted where there was high groundwater influx.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	For RC drilling, the sample cyclone and splitter were cleaned between each drill hole and after drilling each rod. Thorough cleaning after intervals of significant water was also done. RC sample recovery was visually assessed with recovery, moisture and contamination recorded. For auger drilling, no voids were encountered and sample weights were consistent indicating good recovery throughout. The samples were considered representative but with potential for some contamination due to the open hole nature of the technique. The degree of potential contamination is considered acceptable for the early stage of exploration work being carried out.
	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.	The company is not aware of any relationship between sample recovery and grade. No preferential loss or gain has been recorded in mineralised zones.
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 drill chips were geologically logged on site on a metre-by-metre basis by qualified geologists following the KTA logging scheme. All recorded information was loaded to a digital database and validated.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Geological logging is qualitative in nature and records interpreted lithology, alteration, mineralisation and veining. Mineralisation logging includes visual estimation of the percentage content of economic minerals within the rock mass, which can be considered quantitative.
	The total length and percentage of the relevant intersections logged.	All drill holes are logged in full, from collar to end-of hole.
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.	RC Samples were either collected at 1m intervals using a cyclone-mounted cone splitter or scooped from spoil piles to create a 4m composite sample. Samples were collected dry where possible, with less than 5% of samples being wet due to groundwater. Auger bulk samples were collected at 1m intervals using a sample shoe and placed on the ground in piles. Subsamples for assaying were then taken by scooping the piles, either as a single metre sample weighing ~3kg or as composite samples over up to 4m weighing a total of ~3kg.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The samples were sent to an accredited laboratory for sample preparation and analysis. All samples were sorted, dried, pulverised to 85% passing -75µm to produce a homogenous representative 750g pulp for analysis.

Criteria	JORC Code explanation	Commentary
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	QC procedures involved the use of Certified Reference Materials (CRM) along with sample duplicates and blanks. Selected sample pulps are also re-analysed to confirm anomalous results. Laboratory QAQC includes insertion of certified standards, blanks, check replicates and fineness checks to ensure grind size of 85% passing -75µm.
	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.	Field duplicates are taken at least three times in every 100 samples. All samples submitted were selected to weigh less than 5kg to ensure total preparation at the pulverisation stage. Duplicate sample results are reviewed regularly for both internal and external reporting purposes.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate for the grain size of the material being sampled.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	The analytical scheme used is ALS ME-ICP61 which is designed as a multi-element exploration suite. It employs digestion of a 0.25g charge by a four-acid digest then analysis using ICP-AES. Over-limit XRF methods are employed by the laboratory when upper detection limits of the stated method are exceeded. The digest is considered near total for the minerals of interest. Additional assays for REE were carried out under ALS analytical scheme ME-MS81 which uses a lithium borate fusion digest followed by ICP-MS. Additional assays for Au & PGE's used PGM-ICP23 which is a lead collection fire assay followed by ICP-AES finish.
	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.	No geophysical tools were used to determine any reported element concentrations.
	Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.	Laboratory QAQC involves the use of internal lab standards using certified reference material and blanks as part of inhouse procedures. The company also submitted an independent suite of CRMs and blanks. A formal review of this data is completed on a periodic basis. No significant issues have been encountered and the data shows acceptable levels of accuracy and precision.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Intersections included in this report were identified by a contract geologist and have been verified by the Competent Person.
	The use of twinned holes.	No twinned holes have been drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Data is collected in the field using MS Excel logging templates with in-built data validation. The data is uploaded to an MS Access database and stored offsite.
	Discuss any adjustment to assay data.	No adjustments have been made to assay data.

Criteria	JORC Code explanation	Commentary
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.	Drill hole collars are initially located by handheld GPS, and then picked up by an accredited surveyor if expected to be used in resource modelling. Expected accuracy is +/- 3m for Handheld GPS and +/- 0.1m or less for surveyor data.
	Specification of the grid system used.	The grid system is GDA94, MGA Zone 50.
	Quality and adequacy of topographic control.	The topographic control is taken from a 5m digital elevation model and is considered to be adequate.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Drillhole spacing is sporadic due to these holes being targeted at specific geophysical conductors or geological targets.
	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.	No MRE has been completed or classification applied at this stage.
	Whether sample compositing has been applied.	Sample compositing to 4m for initial analysis has been applied through zones not considered of primary geological interest.
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 orientations of the mineralised zones are unknown at this time, thus the intervals reported here should not be assumed to represent true-width intersections.
Sample security	The measures taken to ensure sample security.	Samples were securely sealed and stored onsite, until delivery to Perth laboratories via contract freight transport. Chain of custody consignment notes and sample submission forms are sent with the samples. The laboratory confirms receipt of all samples on the submission form on arrival. All assay pulps are retained and stored in a Company facility for future reference.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No Audits or reviews of sampling techniques and data have been undertaken.

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 Mt Clere Project is located 200km northwest of Meekatharra in Western Australia. It comprises ten granted Exploration Licences, all held by Krakatoa Resources Ltd. The two tenements on which holes were drilled as reported in this announcement include: • E09/2357 • E52/3876 The Wajarri Yamatji people are the Native Title holders over the relevant portion of the Project and the company has an agreement in place with them.
	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 tenure is held in good standing and the company is in compliance with all relevant conditions and legislation.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Due to the relatively remote location, very little previous exploration has been conducted by other parties in the area of activity. Helix and Normandy Yandal Operations took regional bleg samples over the area in the search for gold mineralisation from 1994-2000 but were discouraged by the local results and moved to focus on deposits discovered to the west. Astro Mining NL conducted regional exploration for diamondiferous pipes in the area in 1998. They utilised stream sediment samples during their initial work but, despite returning pan concentrates with high proportions of heavy mineral sands, did not receive sufficient encouragement to continue. Geotech International conducted targeted stream sediment programs in K13 and Bedarry Creeks near to Astro's previous indications of high Monazite content pan concentrates. They also conducted auger programs along adjacent station tracks without success. All Star Minerals PLC conducted a regional stream sediment program around their North Bullbadger target during 2007, followed by a soil program and rock chip sampling exploring for REEs. This lies at KTA's Bananas targets, west of North Bullbadger Bore. They had initially encouraging indications of elevated REE's but did not continue work there.

Criteria	JORC Code explanation	Commentary
Geology	Deposit type, geological setting and style of mineralisation.	The project lies predominantly in the Narryer Terrane, which forms the northwest part of the Archean Yilgarn Craton in Western Australia. The Narryer Terrane contains the oldest known rocks in Australia (c. 3730 Ma) and has been reworked by multiple phases of deformation and metamorphism during the late Archean. The terrane comprises several groups of gneisses derived from early to late granites and interleaved metasedimentary and mafic meta-igneous rocks. The Narryer Terrane is separated from the Gascoyne Complex of the Glenburgh Terrane to the north by the <20km wide Errabiddy Shear Zone. A number of banded iron formation (BIF) outcrops have been mapped through the project area, which may represent dismembered lenses/keels of a former greenstone belt. Lamprophyre dykes have been noted throughout the Narryer but no diamondiferous pipes have been discovered to date. Several large Proterozoic dolerite dykes run roughly east-west through the project area. The drilled targets returned significant magnetic and electromagnetic anomalism, and were modelled as suspected sulphide-rich mineral bodies. Due to the high degree of deformation and metamorphism, the appearance of surface rock samples near the anomalies was not diagnostic as to the potential for mafic/ultramafic intrusive-hosted styles of mineralisation or whether the geophysical anomalies could possibly represent structurally-derived features.
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	Refer to Tables 2 & 3 within the body of the report for all relevant drillhole information.

Criteria	JORC Code explanation	Commentary
	understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	No significant intersections have been reported to date. Any quoted result thicknesses are given as downhole widths and length-weighted averages. No top-cuts or cut-off grades have been used. No metal equivalent calculations have been used.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known').	Only downhole lengths are reported. Given the unknown relationship between drilling angle of the percussion holes and the geometry of mineralisation, true width cannot currently be estimated from downhole intervals.
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.	Appropriate plans and sections are included in this announcement.
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.	All drillhole information, including collar location, is included. Representative reporting of all results has been practiced throughout.
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.	The surface expression of some EM anomalies were previously investigated by the company and sampled for analysis with rock chips and surrounding soil samples. Some samples returned low levels of anomalism however most of the soil was in an active state of erosion, hence not necessarily representative of underlying mineralisation. Rock chip samples were strongly weathered and sulphide mineralisation could be expected to have been weathered from outcropping material.

Criteria	JORC Code explanation	Commentary
Further work	The nature and scale of planned further work (e.g., 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.	Potential further work programs are discussed within the body of the announcement. Appropriate plans are included in the announcement.