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Krakatoa Awarded Highly Prized Mt Clere Rare Earths ELs

- ***Exploration license's E52/3730 and E52/3731 granted.***
- ***Granted tenure as noted by previous explorers is prospective for three REE deposits:***
  - ***Ion adsorption clays in extensive laterite areas;***
  - ***Monazite sands in vast alluvial terraces; and***
  - ***Carbonatite dyke swarms akin to Hasting's (ASX: HAS) Yangibana Project.***
- ***Mt Clere's entire multi element tenement package is prospective for:***
  - ***Monazite-hosted Rare Earth Elements;***
  - ***Heavy Mineral Sands hosted Zircon-Ilmenite-Rutile-Leucoxene; and***
  - ***Gold and Intrusion hosted Ni-Cu-(Co)-(PGEs).***
- ***Since applications were lodged, a pegging rush has ensued around KTA's tenure, Figure 2.***
- ***Latest grants the result of a breakthrough in heritage agreements.***
- ***The Company holds 1,780km^2 of prospective tenure, with 1,080km^2 now granted and active for exploration.***

Krakatoa Resources Limited ("Krakatoa" or the "Company") (ASX: KTA) is pleased to announce it has received further granted tenure over its highly prospective Mt Clere Project, located in the north western margins of the Yilgarn Craton, Gascoyne Region of Western Australia. The exploration licenses E52/3730 and E 52/3731 cover an area of 749 km^2 and were granted following a breakthrough in heritages agreements, which had been subject to negotiation since application in 2019.

Krakatoa commands 1,780km^2 of highly prospective geology at the Mt Clere Project with 1,080km^2 now live under granted licenses and approximately 700km^2 remaining under application (Figure 1 and Table 1).

Background

Mt Clere hosts significant Rare Earth Element (REE) geochemical anomalies originally delineated by BHP Minerals and subsequently confirmed by Astro Mining in the 1990's. (Refer to ASX announcement October 9, 2020). Several previous explorers have reported significant REE findings including widespread monazite sands concentrated within drainage networks within the newly granted licenses. Previous work by BHP and Astro Mining NL confirmed the ample presence of monazite in pan concentrates, with grades exceeding 50% in a large number of samples resulting in an anomaly exceeding 100km^2. Ion adsorption clay REE targets in "extensive laterite areas" were documented by previous explorer La Trobe Magnesium.

The source of the monazite is postulated as coming from either REE ion adsorption on clays within the widely preserved deeply weathered lateritic profiles developed in gneissic rocks or potentially from monazite-rich carbonatites associated with the adjacent Mt Gould Alkaline Province.

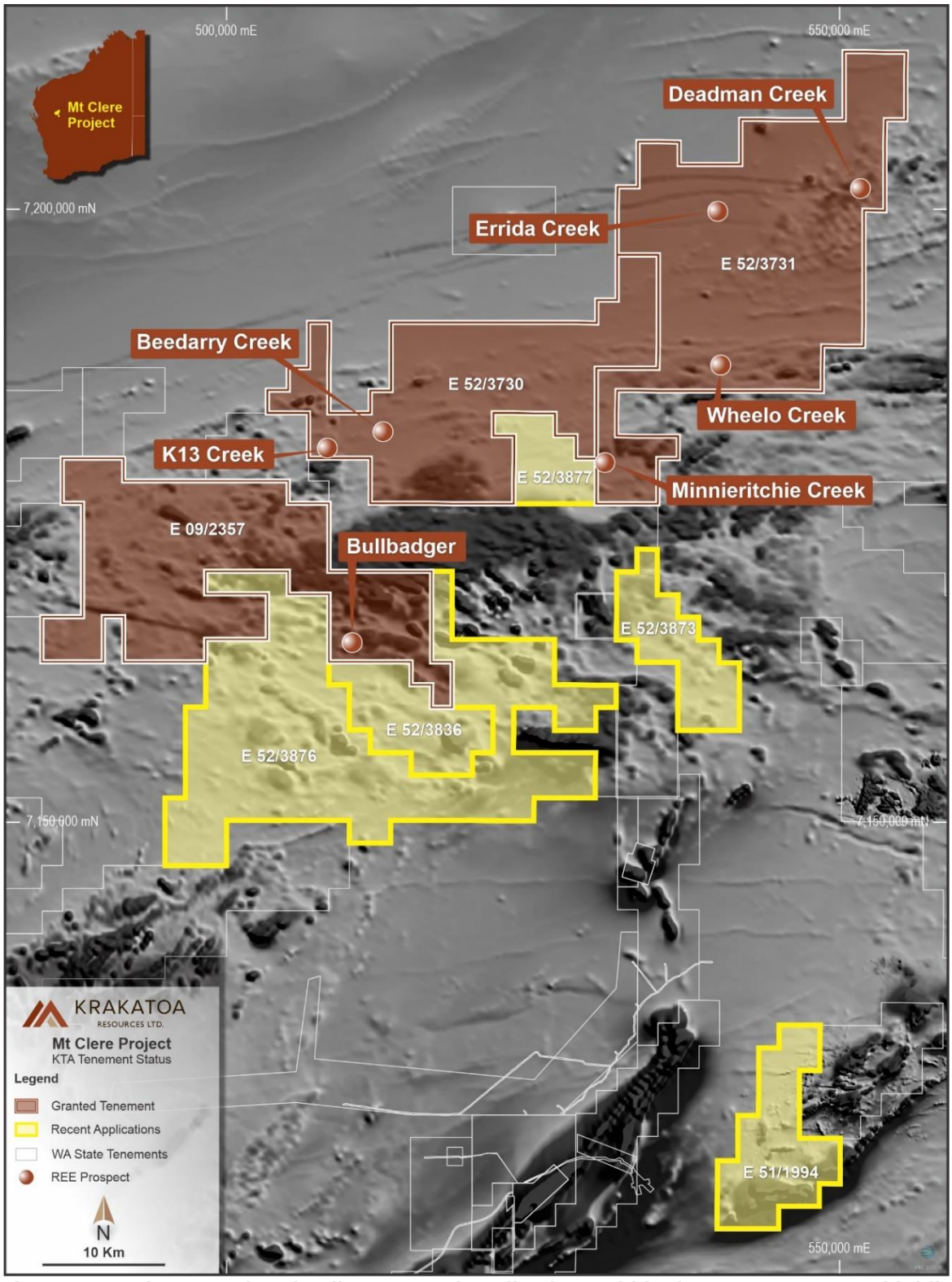

Figure 1 – Krakatoa exploration licences and applications within the Narryer Terrane, highlighting known REE anomalies, Mt Clere Project, Gascoyne Region, Western Australia.

Table 1: Krakatoa Resources Mt Clere Project (100% subject to grant)

TENID	STATUS	HOLDER	AREA	UNIT	Area (km²)
E 09/2357	LIVE	KRAKATOA RESOURCES LIMITED	107	BL.	330.53
E 52/3730	LIVE	KRAKATOA RESOURCES LIMITED	97	BL.	299.97
E 52/3731	LIVE	KRAKATOA RESOURCES LIMITED	145	BL.	448.78
E 52/3836	PENDING	KRAKATOA RESOURCES LIMITED	24	BL.	74.07
E 51/1994	PENDING	KRAKATOA RESOURCES LIMITED	31	BL.	95.43
E 52/3873	PENDING	KRAKATOA RESOURCES LIMITED	23	BL.	71.03
E 52/3876	PENDING	KRAKATOA RESOURCES LIMITED	135	BL.	416.64
E 52/3877	PENDING	KRAKATOA RESOURCES LIMITED	14	BL.	43.27

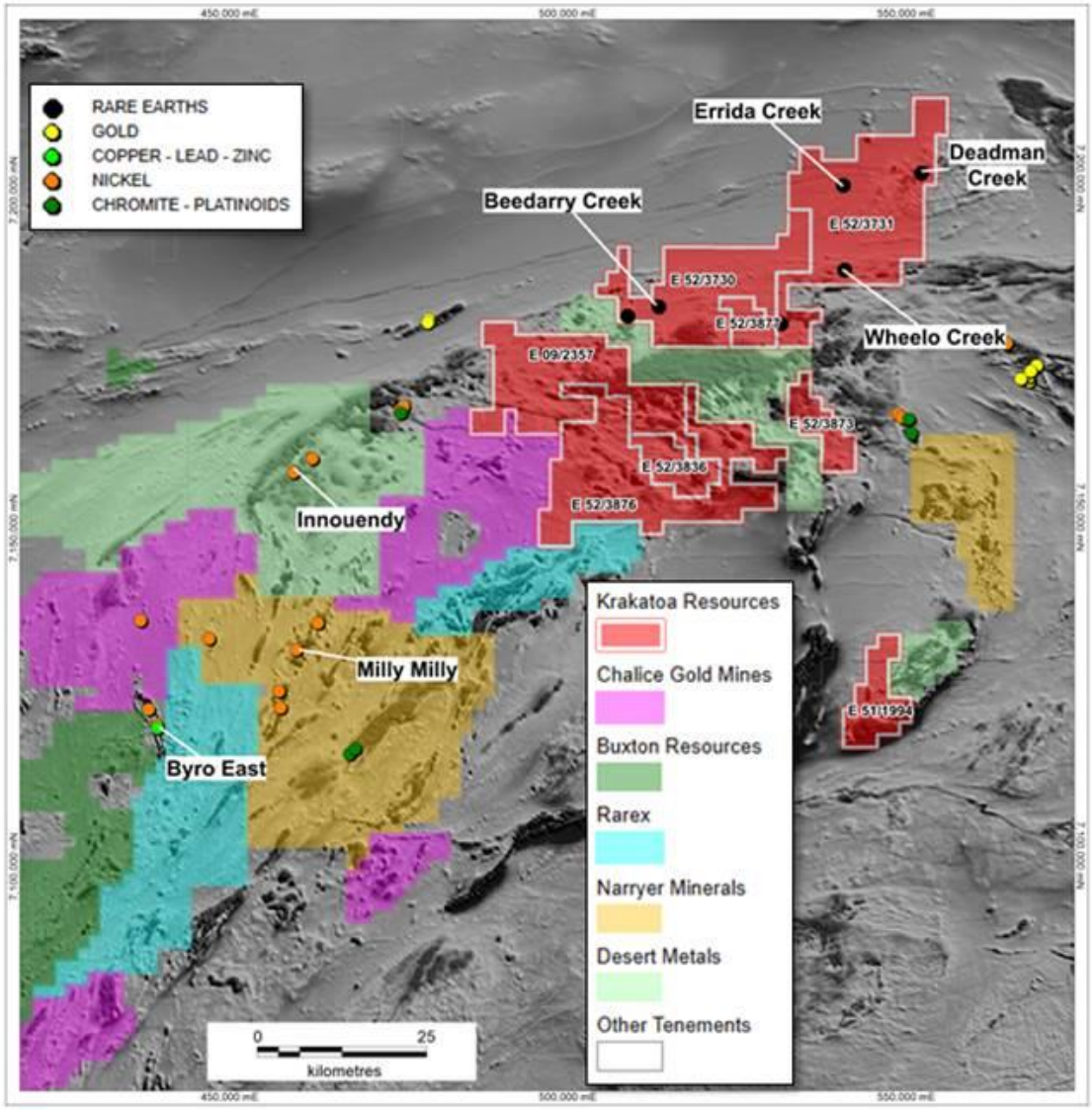

Figure 2 – Krakatoa's tenure and recent peer pegging activity.

Significantly, the project also 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). However, the Company's priority exploration drive over the newly granted tenure will be to determine the nature and extent of any ion -adsorption clay REE's.

NEXT STEPS

The Company is currently planning to commence its maiden field program which is anticipated to be undertaken within the month; contingent on suitable access can be obtained due to the road damaging high rainfall events over the course of the last few week. The program will consist of initial field reconnaissance, geological and geochemical mapping, sampling of geological outcrops and stream sampling. All current programs will be limited to low impact exploration activities.

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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Competent Persons Statement

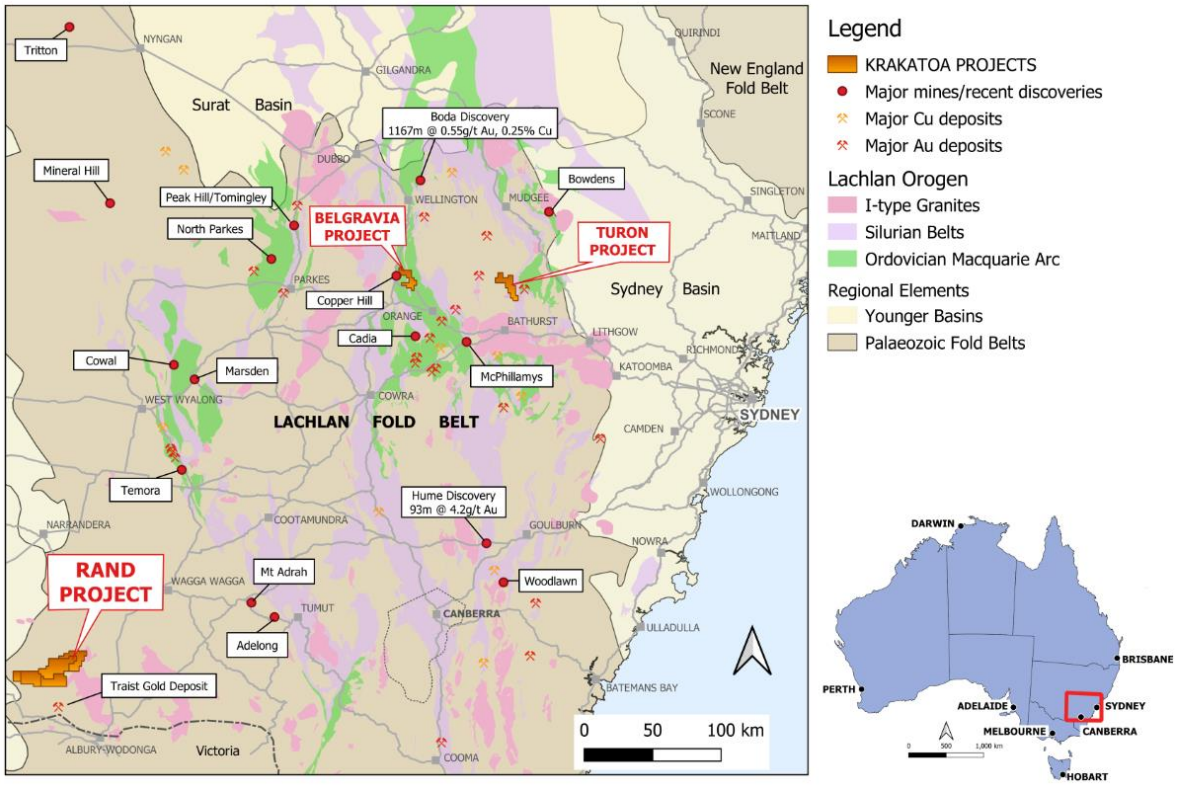
The information in this announcement is based on and fairly represents information compiled by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Collective Prosperity Pty Ltd, and is an accurate representation of the available data and studies for the Project. Mr King 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 King 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.

ABOUT KRAKATOA:

Krakatoa is an ASX listed public Company predominately focused on gold exploration in the world class Lachlan Fold Belt, NSW across three projects: Belgravia, Turon and Rand.



Belgravia Project (Krakatoa 100%):

The Belgravia Project covers an area of 80km^2 and is located within 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 has six initial target areas 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 Project (Krakatoa 100%):

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) that warrant detailed investigation.

Rand Project (Krakatoa 100%)

The Rand Project covers an area of 580km^2, located 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 Bulgandra Goldfield, which is captured by the Project, demonstrates the project area is prospective for shear-hosted and intrusion-hosted gold. Historical production records show substantial gold grades, including up to 265g/t Au from the exposed quartz veins in the Show Day Reef.