KRAKATOA
RESOURCES LTD.

www.ktaresources.com

Lv 11, London House
216 St. Georges Terrace,
Perth WA, Australia 6000

T. +61 (08) 9481 0389
E. locke@ktaresources.com

23 June 2020

Shallow Gold Targets Outlined at Britannia Mine, Turon Project

- ***Two priority DGPR targets outlined at the historical Britannia Mine:***
  - ***A shallow target that directly corresponds with the historical mine sequence***
  - ***A deeper target (from 60m below surface) which remains completely open and untested***
- ***The Britannia Mine produced ~10,000oz gold pre-1904 over a small area before encountering water which stopped mining at 30m depth***
- ***Samples along adit walls outline a coherent remnant zone of high-grade mineralisation, with grades up to 60g/t gold***
- ***Adit provides direct access for rapid confirmation of high-grade zone and conceivable exploitation***
- ***The Britannia Mine forms part of the Box Ridge line of gold workings, comprising many historic showings developed with shafts, adits and drifts across a 2.4km strike length***

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to report further Deep Ground Penetrating Radar (DGPR) results for its survey of the historical Britannia Mine found within the 100% owned Turon Project, located near Bathurst, NSW. The Turon Project lies 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 Britannia Mine forms the southern extent of the historical Box Ridge line of gold workings which strike over a length of 2.4km.

Recently the Company finalised a DGPR survey across the historical Britannia Mine gold workings, where 10,000oz[1] were won from a small development area attesting to significant high-grade gold mineralisation. Two targets were delineated with a shallow response directly corresponding with the mineralised Britannia mine sequence. A second deeper, offset target (modelled to come within 60m of surface) has not been previously explored. The high correlation between the shallow DGPR anomaly with the exploited high-grade mineralisation at Britannia is encouraging for the second deeper target.

Krakatoa's Executive Chair, Colin Locke, stated, "The DGPR survey results provide a focus and advance the Britannia target to drill-ready status. The alignment between the interpreted DGPR anomaly's with the historical workings, known veining and drill-intersected mineralisation could potentially represent something substantially more than a technical success. The Company is thrilled with the outcome, especially after recently identifying a remnant pod of high-grade mineralisation that may be amenable to further testing and early exploitation."

1 BHP report GS1989/381

Survey Parameters

Loza Radar Australia ("LRA") was contracted by Krakatoa to undertake deep ground penetrating radar ("DGPR") surveys to map the sub-surface geology and provide evidence of favourable hosting environments for mineralisation at the historic Britannia Mine within the Turon Project, located 35km north of Bathurst, NSW. Loza Radar uses Deep GPR Loza, a ground scanning device designed for studying subsurface structure at depths from a few metres to hundreds of metres.

The Britannia survey comprised a total of 8 lines for 3,448 metres on a line spacing of ~70m (Figure 1; Table 1). The survey equipment and general configurations and parameters were discussed previously (see ASX announcement 9 June 2020).

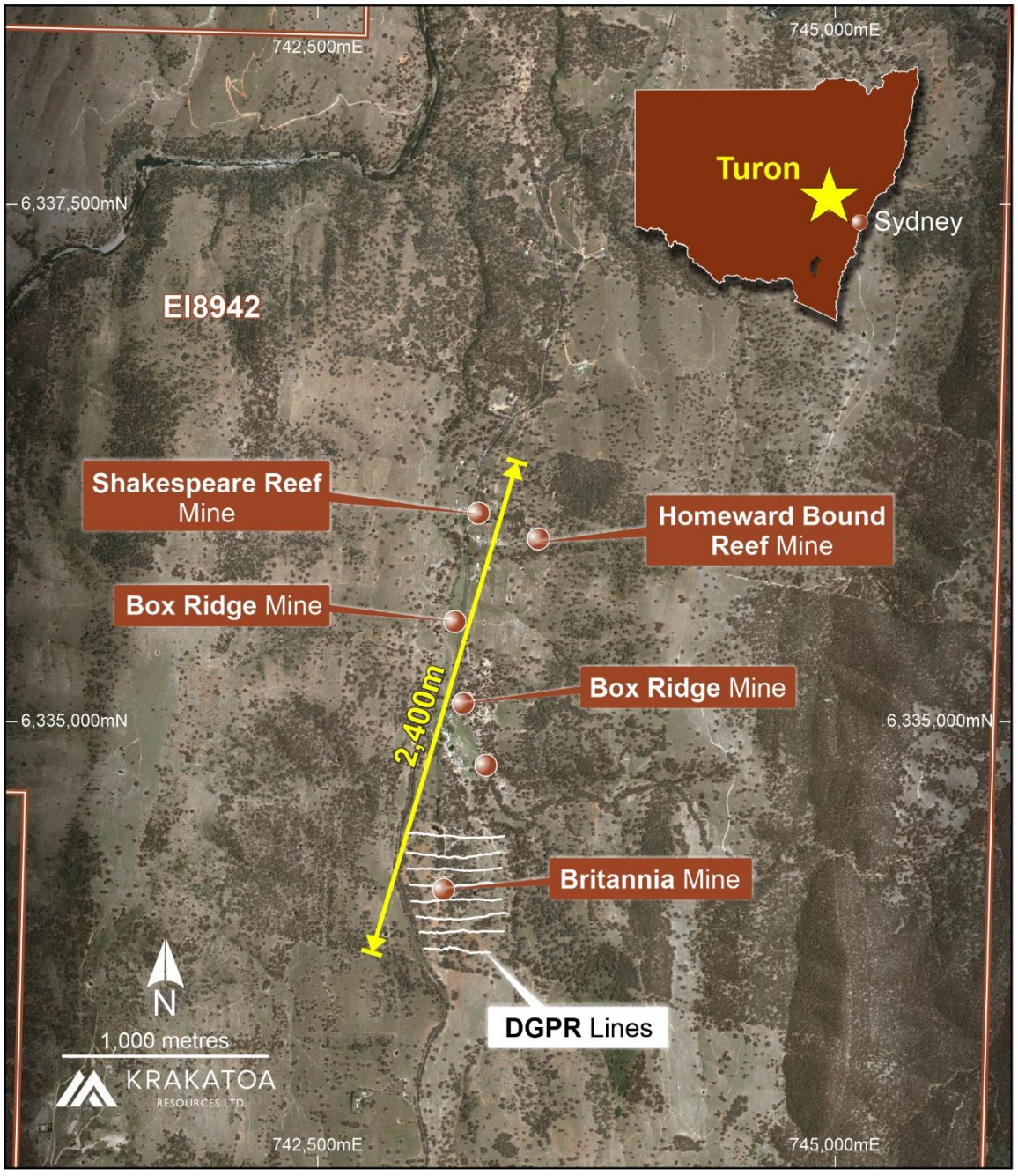


Figure 1 - Britannia Mine and DGPR Survey area, Turon Project.

Table 1 - A summary of radar lines completed

Date	Line	Planned (m)	Actual (m)	Comments
8/05/2020	B1	385	363	First 100m thick vegetation and fallen timber, steep gullies
10/05/2020	B2	405	410	On planned line
10/05/2020	B3	425	442	Extended due to possible structure observed
10/05/2020	B4	455	437	Stopped before planned end due to water in gully
9/05/2020	B5	455	408	Stopped before planned end due to water in gully
9/05/2020	B6	475	460	Stopped before planned end due to metal scrap
9/05/2020	B7	475	460	Stopped before planned end due to metal scrap
10/05/2020	B8	475	468	Stopped before planned end due to metal scrap
	Total	**3550**	**3448**	

The historic Britannia Mine was chosen as a case study for the broader application of DGPR at Turon because:

- It produced ~10,000oz of gold over a small area implying the presence of high-grade gold mineralisation
- BHP drilled three vertical holes (for 199m), and extensively sampled surface and underground workings, mullock and chip sampling all veining and host lithologies in the Britannia Mine in the late 1980s
- Chip samples along adit walls by BHP outlined a coherent remnant zone (approximately 20m in strike) of high-grade mineralisation with five samples exceeding 2.5g/t, including 4.46g/t, 6.87g/t, 10.2 g/t and a peak value of 60g/t Au.
- The Britannia geology bears many similarities in terms of host-rocks, structural-style and mineralisation-style to other turbidite-hosted gold deposits, including the nearby Hill End gold deposit and the Bendigo-Ballarat zone in central Victoria (e.g. Fosterville)

Table 2 – Located rock chip data (previously announced, see ASX 25/11/2019)

Sample_id	MGA94_55E	MGA94_55N	AHD	Rocktype	Comments	Au_av_ppm
TD/B05	743139	6334027	665	vein quartz	UG sample Adit "B"	10.20
TD/B14	743138	6334060	675	vein quartz	UG sample Adit "B"	2.61
TD/B15	743134	6334045	672	vein quartz + visible gold + arsenopyrite	UG sample Adit "B"	60.00
TD/B16	743134	6334045	673	vein quartz; hanging wall to TD/TB15	UG sample Adit "B"	4.46
TD/B17	743142	6334050	675	vein quartz	UG sample Adit "B"	6.87

BHP targeted through drilling stacked saddle reef and related gold mineralisation. Drilling sought extensions both north and south of the main mineralised zone, which is associated with a south-plunging, upright, tight anticline.

The mineralisation reportedly consists of saddle veins several metres thick at the crest of the anticline that decrease in width down the legs. Stockwork 'spur' zones extend up to 2m into the hangingwall zone.

Of the three holes BHP drilled, only TD1, the middle hole, intersected significant quartz veining producing a grade of 0.43g/t gold from a single two-metre composite sample.

Table 3 – BHP Drilling (previously announced, see ASX 25/11/2019)

HoleID	E_MGA55	N_MGA55	Depth (m)
TD1	743138	6334136	75
TD3	743144.6	6333979	70
TD2	743115.6	6334252	54

DGPR Results

The DGPR interpretation across Britannia identified two critical anomalies thought to coincide with structurally-controlled quartz veining. Their relative depth distinguishes the anomalies with a shallower anomaly that directly corresponds with the historic Britannia workings, and a deeper anomaly offset from the known mineralisation which remains untested (Figure 2). Line profiles with their interpretation are presented in Appendix 1.

The Britannia anomaly (green hatching) immediately north of the mine is offset to the west by between 50 to 75m. Drag movements along the fault plane are implied within the DGPR response imparting a sigmoidal offset geometry to the target zone. Interestingly, BHP drilling may validate this interpretation as the central hole TD1 intersected mineralisation, whereas holes TD2 and TD3 both missed.

The association between the DGPR response with mineralisation is best exemplified by Line B4, which passed directly over the old workings and hole TD1. The response displays the disturbed ground associated with the underground workings and a near-vertical structure on the anticlinal hinge of a tight fold. The conductive response is perceivably related to quartz with minor sulphide or other materials. Interestingly, BHP identified sulphides such as galena and pyrite in the gold-rich veins.

The deeper anomaly (red hatching), which coincidently is considered as the stronger of two, perhaps represents a parallel system that remains open in all directions and is untested by modern exploration with no evidence of historical mine workings or prospecting. The length of the identified structure exceeds 300m and ranges in width from less than 5m and up to 40m. The distinctive response associated with the referenced structure is best seen on lines B5 and B7. The same structure on line B6 and B8 is narrower and weaker, supporting the pinch and swell of veining. The DGPR signature suggests a quartz zone with sulphides or other material.

The survey identified several other near-vertical or steeply-dipping structures that have corresponding significantly broad anomalous zones related to alteration of the host beds in the country-rock. DGPR patterns likened to those resulting from stockwork veins are observed on some lines (e.g. B5).

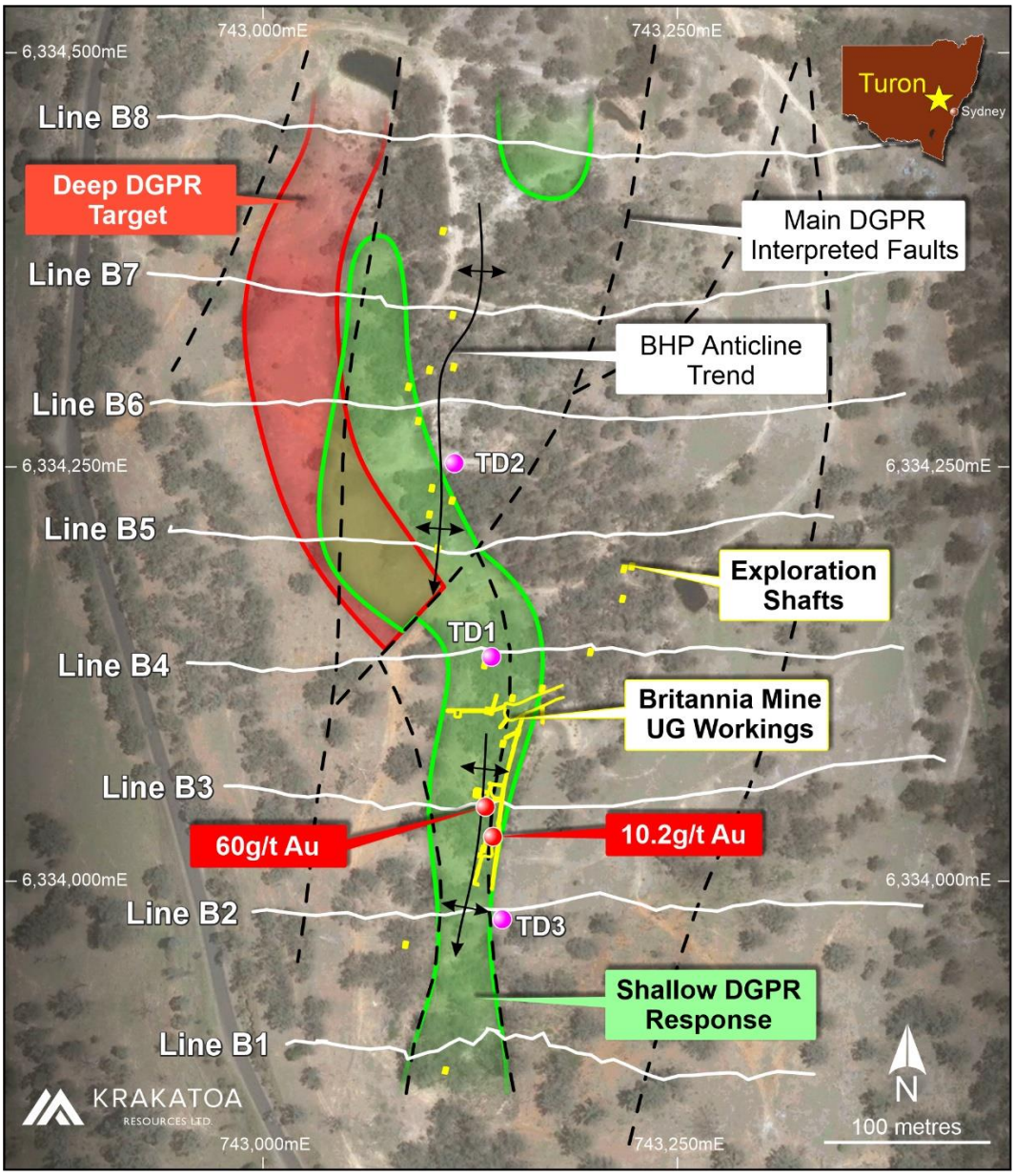


Figure 2 - Britannia Mine DGPR Survey interpretation, Turon Project.

The Company is encouraged by the survey response and takes assurance in the coincidence between DGPR response with the historical workings, known veining and drill-intersected mineralisation. The Company anticipates more than a technical success and will implement a drill program as soon as practicable.

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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

Disclaimer

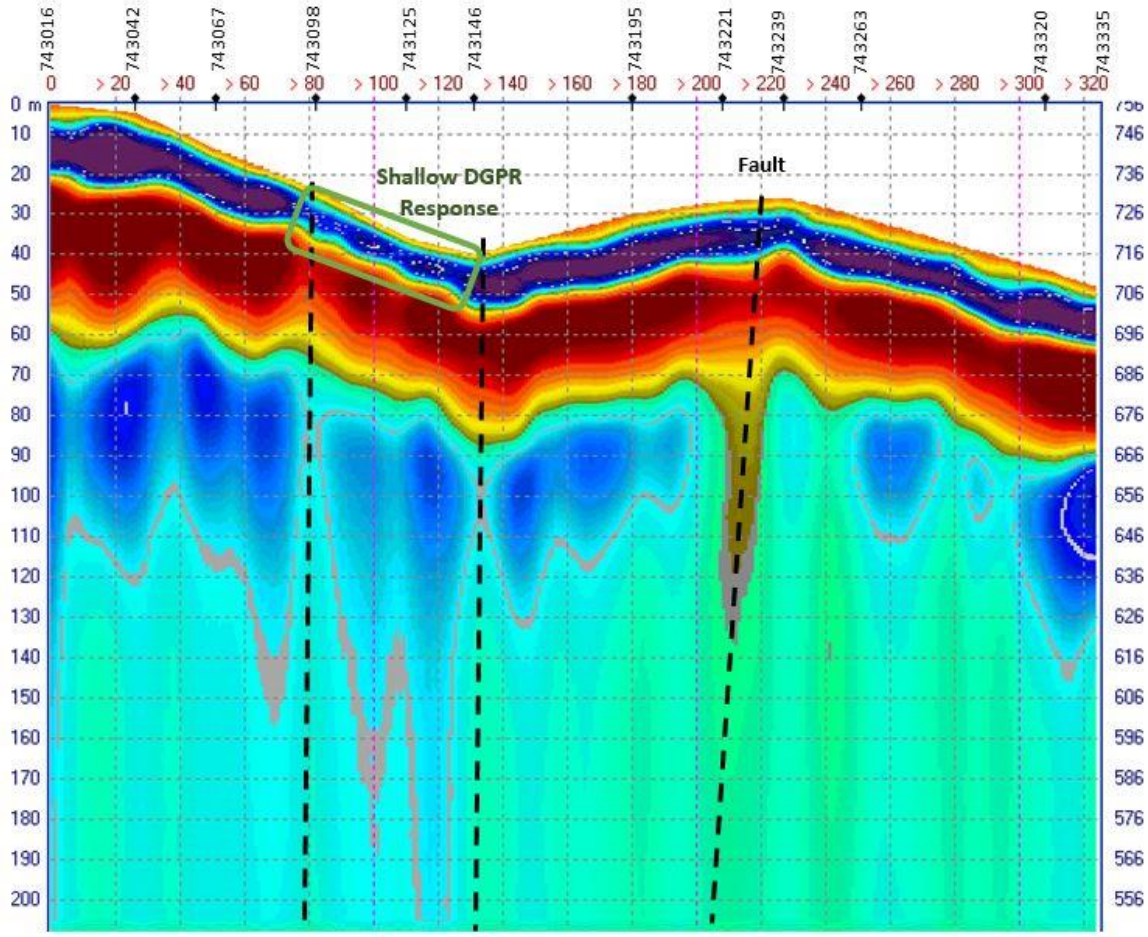
Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding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

Competent Persons Statement

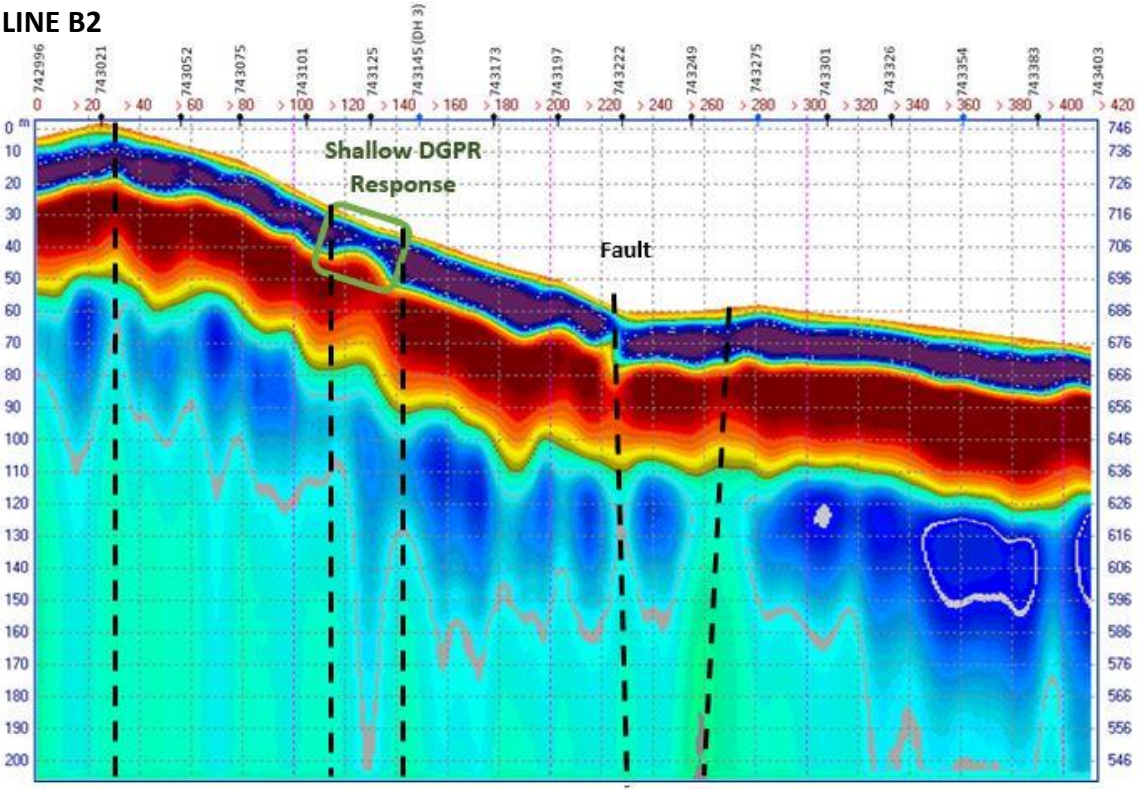
The information in this announcement is based on and fairly represents information compiled by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Collective Prosperity Pty Ltd, and is an accurate representation of the available data and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

APPENDIX 1: DGPR LINE PROFILES

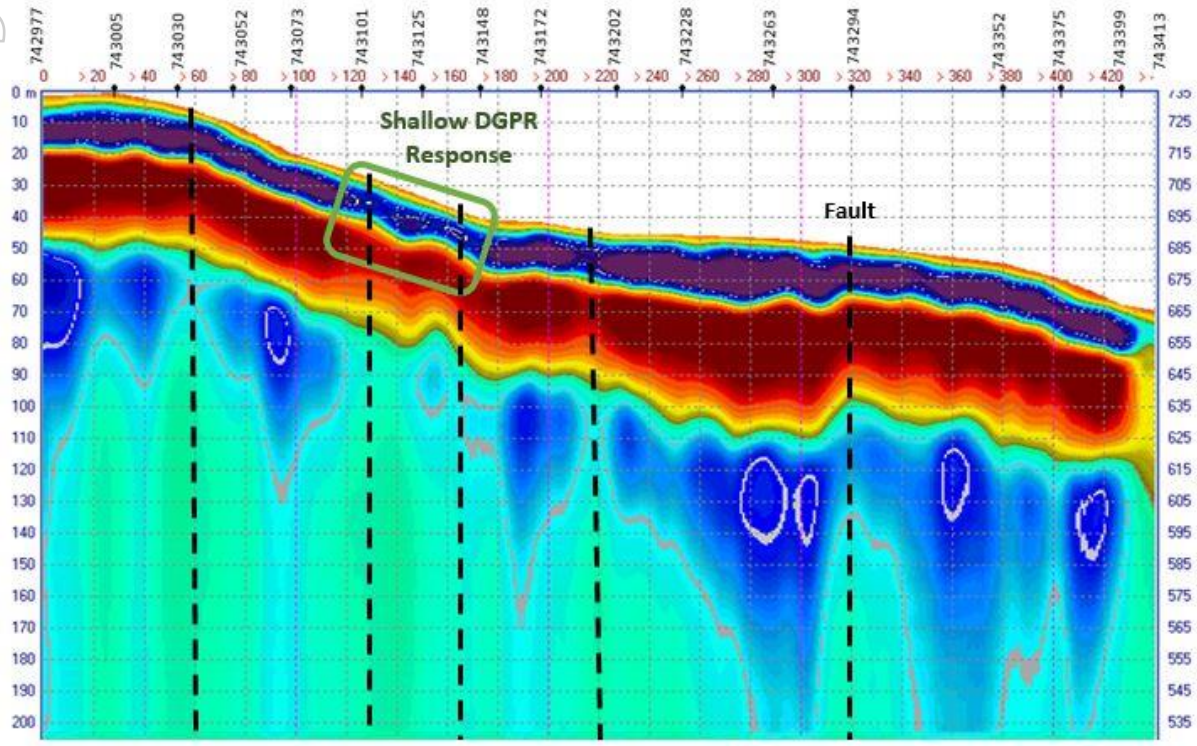
LINE B1



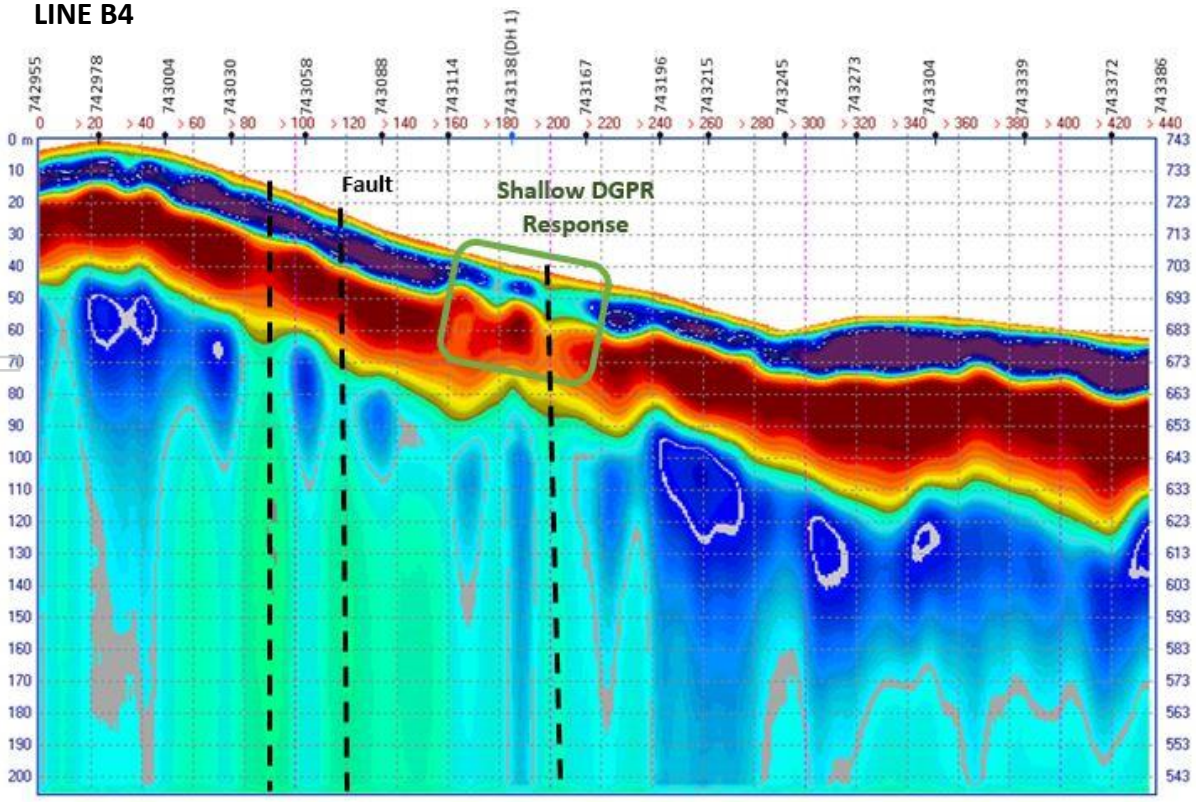
LINE B2



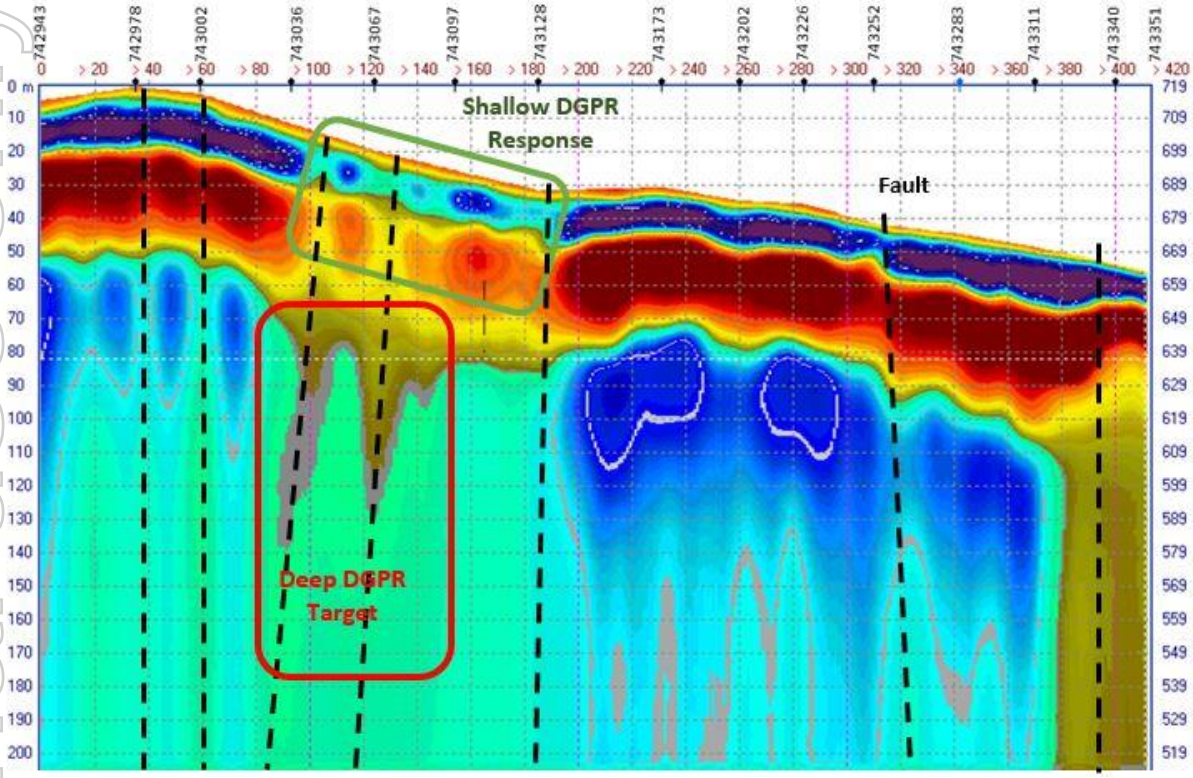
LINE B3



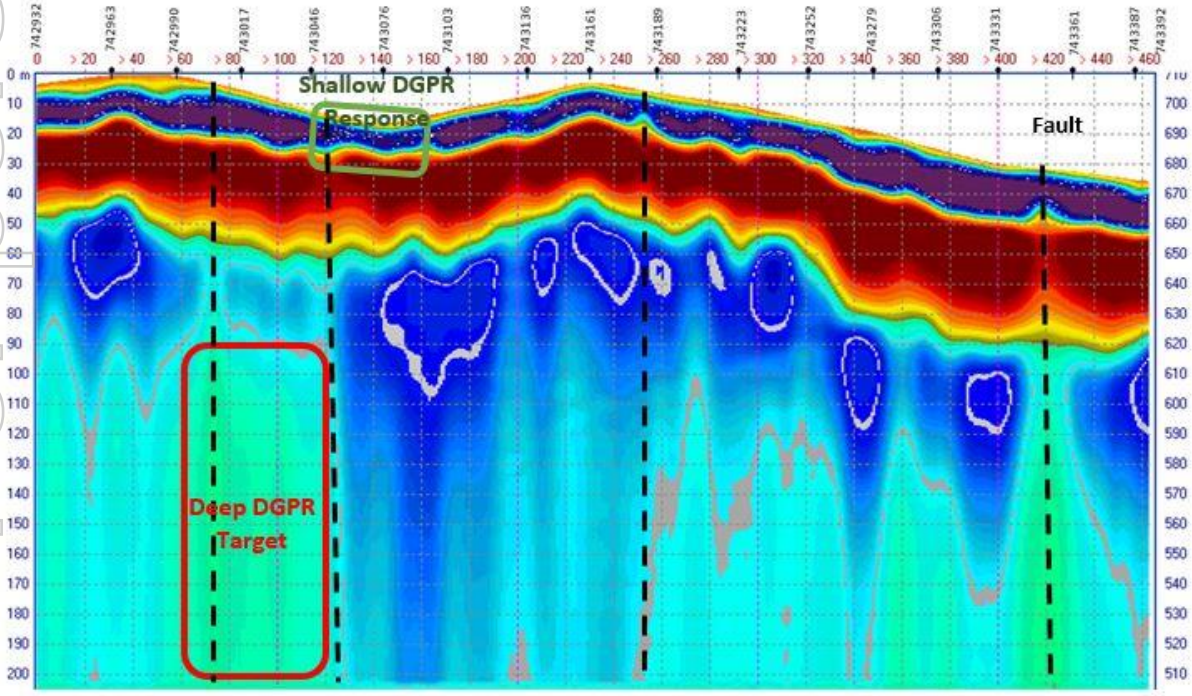
LINE B4



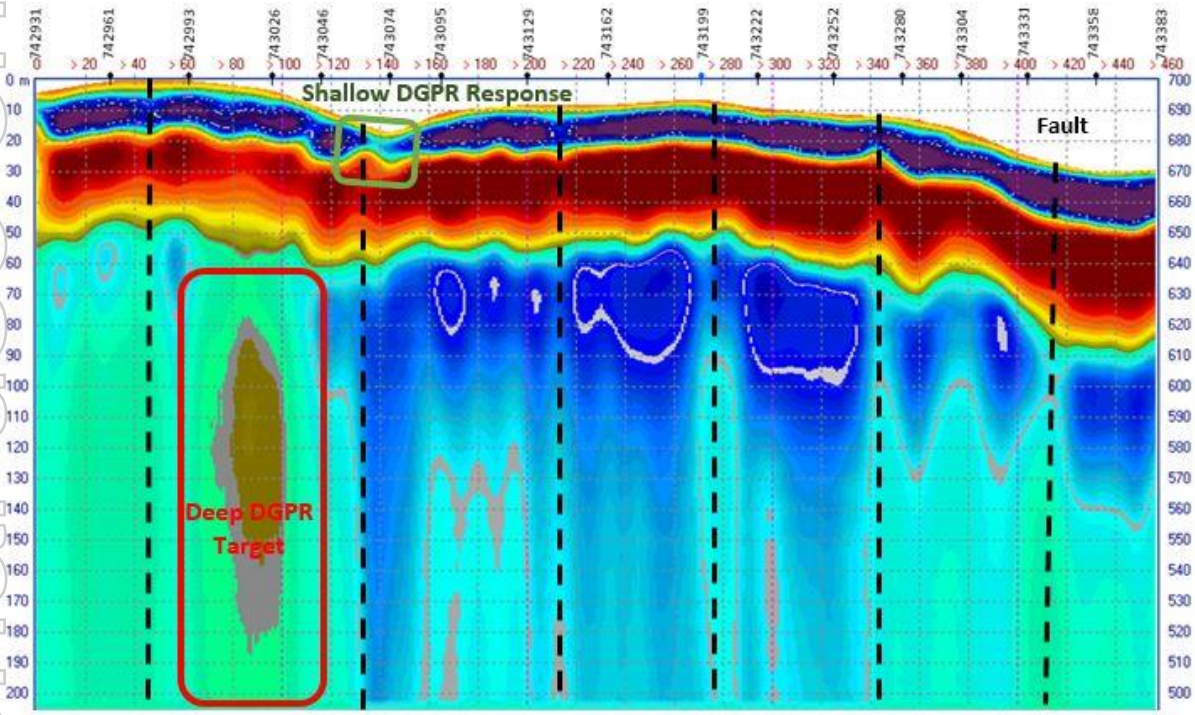
LINE B5



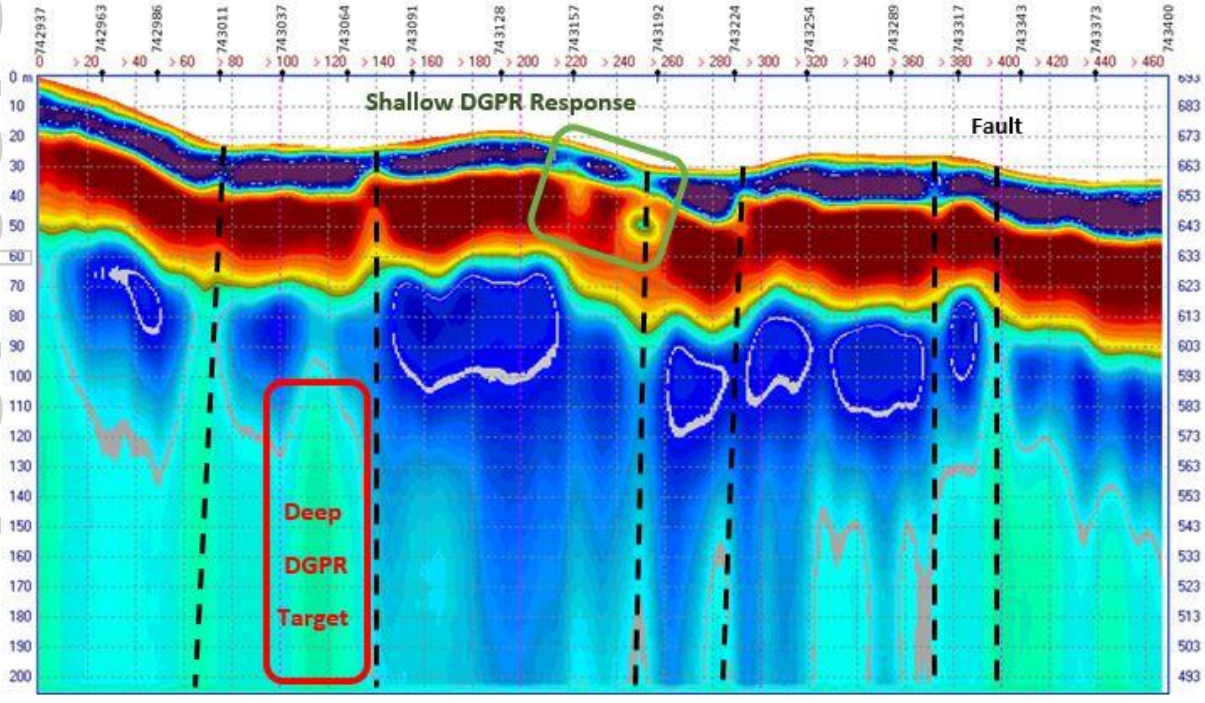
LINE B6



LINE B7



LINE B8



JORC Code, 2012 Edition – Table 1 report template

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.*	• Deep Ground Penetrating Radar (DGPR) ground survey acquired by Loza Radar Australia (LRA). • Eight lines for 3,448m East-West traverses at nominally 70m spacing. • Along line DGPR sampling at 1m. • 2m accuracy GPS sample location recorded every 25m. • Deep GPR Loza instrumentation @25 MHz employed. • In-line 6m antenna configuraton for maximum depth penetration. • Post processing and profile generation completed by LRA utilising proprietry software. • LRA provided raw and processed datasets for archive as well as Bitmap DGPR profiles for integration with existing exploration datasets.
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).*	• Previously reported see ASX 25/11/2019 • Three vertical RC holes (TD1 to 3) of variable depth (75, 54 and 70m respectively • Sampled as two-metre composites through the length of development
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.*	• Not documented (holes developed in 1989)
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean,*	• Holes were logged throughout the length developed in one-metre increments

Criteria	JORC Code explanation	Commentary
	channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
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.*	• Sampled as two-metre composites through the length of development
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.*	• Fire Assay gold only analysis by Australian Assay's Laboratories Group (precursor to ALS)
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.*	• Raw, Located, and profile Bitmap data stored in digital format by the company.
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.*	• The DGPR survey was acquired in MGA94Z55 with an accuracy of 2m.
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*	• Data spacing is suitable for the exploration stage, which is mostly at the reconnaissance level • The work completed was appropriate for the exploration stage

Criteria	JORC Code explanation	Commentary
	Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drilling targeted the hinge zone of the Anticline looking for repetitions beneath the upper developed zone
Sample security	• *The measures taken to ensure sample security.*	• Not established
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not established

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.*	• The Turon Project (EL5882) is wholly-owned by Krakatoa Resources Ltd • The company holds 100% interest and all rights in the Turon Project
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• There are no other DGPR surveys by other parties in the tenement area.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Turon application is situated in the Hill End Trough, north of the Bathurst Batholith. It straddles the moderate to tightly folded, north-plunging Tripleys Creek Anticline. The various domains are comprised of Devonian and Silurian sediments intercalated with felsic volcanic and volcaniclastic rocks, and minor limestone, which rest on Ordovician rocks. Three Carboniferous stocks intrude in the south of the application area. They parallel and lie approximately 12km north of the 35km wide Lachlan Transverse Zone • A number of mineral deposit styles are present in the Hill End Trough. Styles include: orogenic gold (and base metal) vein systems; stratabound base metal sulphide mineralisation associated with Silurian felsic volcanism; lead–zinc and iron skarns of various ages; intrusive related molybdenum and tungsten mineralisation related to Carboniferous fractionated granites; Permian epithermal silver–lead–zinc and skarn-type mineralisation, and auriferous placer deposits ranging in age from Permian to Recent.

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*
		• Three drill holes developed by BHP Minerals in 1989
		• All holes were vertical and targeted repetitions in the saddle gold mineralisation in the hinge zone of the anticline
		• Collar locations and hole depths are provided in the body of the report along with the key intersection. These results were originally announced on 25/11/2019 (see ASX)
		• One intersection of interest TD1: 32-34m – 0.43g/t Au

Criteria	JORC Code explanation	Commentary
	○ *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.*	
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 applied • Sampled as two-metre composites
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').*	• Not established by BHP
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 MGA94Z55
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 results were reported previously – detailed explanations of the results are available in the 25/11/2019 market release (see ASX)
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Other geophysical data sets for the project area are available in the public domain. These have been recovered and reprocessed and integrated into the GIS environment to support future exploration
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*	• Integration of the DGPR dataset with future geochemical sampling and geological mapping will be ongoing.

Criteria	JORC Code explanation	Commentary
	main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	