



21 April 2017

March 2017 Quarterly Activities Report

Krakatoa Resources Limited (ASX: **KTA**) ("**Krakatoa**" or the "**Company**") is pleased to provide the following summary of activities conducted in the March 2017 quarter.

Clean Energy Opportunities

As announced on 24 March 2017, the binding agreement with United Mining Group ("UMG") to jointly pursue opportunities in the energy sector with the focus on clean energy interests in Australia, was terminated by mutual agreement.

In the December 2016 quarter, the Company with its partner UMG and corporate adviser Azure Capital submitted a bid and an expression of interest regarding the potential acquisition of two separate remnant coal assets along with associated rehabilitation works. Both assets included the prospect of implementing certain green energy facilities that would become components of the rehabilitation plans.

Due to several changing circumstances beyond the Company's control, the Board determined that it was in the best interests of shareholders to discontinue pursuing the two aforementioned projects.

Pursuant to the termination agreement between KTA and UMG, should UMG or any of its related entities become successful in acquiring either of the potential acquisitions outlined above, the Company will receive staged payments of up to \$1,500,000 over a period of 12 months as a reimbursement for funds expended by KTA on the bid processes.

Dalgaranga Project (Ta-Li-Sn)

The Dalgaranga Project (P59/2082) is located 80km north-west of Mount Magnet in Western Australia and is considered prospective for Tantalum, Niobium and Lithium. Dalgaranga was initially discovered by Dann Todd in about 1961 and subsequently underwent small scale mining over many years, producing tantalum, beryl, tin and tungsten. Alluvial mining of tantalite has additionally been mined throughout the project area. The Dalgaranga open pit is 200m long, 40m wide and up to 15m deep.

During the March 2017 quarter, the Company completed a soil geochemical sampling program across Dalgaranga and is currently awaiting the geochemical analysis results for interpretation.

The Company's proposed exploration program over the next 6 months is to develop and complete infill and extensional geochemical sampling programs across Dalgaranga, as well as obtain permitting and undertake a scout aircore drilling program of defined targets at Dalgaranga.

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Mac Well Project (Beryl-Li-Ni)

The Mac Well Project (E59/2175) has a land area of 66.9km² is located 10km west of Krakatoa's Dalgaranga Project and is considered prospective for Beryl and Lithium.

During the March 2017 quarter, the Company completed a soil geochemical survey across Mac Well to determine the potential of hosting lithium bearing pegmatites and locating their extents.

The Company's proposed exploration program over the next 6 months is to develop and complete infill and extensional geochemical sampling programs across Mac Well.

BCS Tenement (Iron-Ore)

During the March 2017 quarter, The Company decided not to renew its license covering the BCS Iron Ore tenement, concluding its operations within Indonesia to focus on its core projects, Dalgaranga and Mac Well.

ASX Listing Rule 5.3.3 - Details of Tenements Held at 31 March 2017

Project	Tenement Licence	Interest held at 31 December 2016	Interest acquired/ disposed	Interest held at 31 March 2017
Dalgaranga	P59/2082	100%	-	100%
Mac Well	E59/2175	100%	-	100%
BCS	IUP No.540/23/IUP/DESDM/BUP-2010	99.8%	99.8%	-

Yours faithfully,

Colin Locke
Executive Chairman