



24 April 2017

Non-Renounceable Rights Issue and Option Placement



Board:

Colin Locke (Exec. Chairman)

Aryo Bimo (Non-Exec. Director)

Timothy Hogan (Non-Exec. Director)

Capital Structure:

67,716,959 Fully Paid Shares

10,893,878 Unlisted Options @ 40c exp12/12/19

ASX Code:

KTA

Projects

Dalgaranga, WA, Ta-Li-Sn

Mac Well, WA, Beryl

Krakatoa Resources Limited ("KTA" or the "Company") is pleased to announce the following capital raising initiatives:

- a non-renounceable pro-rata offer to eligible shareholders of one fully paid ordinary share (**Share**) for every two Shares held on the record date at an issue price of \$0.025 each to raise approximately \$845,000 (before costs) (**Rights issue**); and
- subject to shareholder approval, a placement to selected participants (including optionholders whose options expired on 31 March 2017 (**Previous Optionholders**), corporate advisors and directors) of up to 48,673,709 new options (**New Options**), with an exercise price of \$0.10 and exercisable on or before 31 May 2019, at an issue price of \$0.001 per New Option to raise approximately \$48,000 (before costs) (**Options Placement**).

The capital raising initiatives have been designed to provide existing shareholders and Previous Optionholders the opportunity to participate on relatively attractive terms.

Net proceeds from the Rights Issue and Options Placement will be used towards the costs of offer, exploration work on the Company's 100% owned Dalgaranga and Mac Well Projects and general working capital.

Shareholders with a registered address in Australia, New Zealand, Singapore and Indonesia on the record date will be eligible to participate in the Rights Issue. The Company has convened a shareholder meeting for 25 May 2017 to seek approval for, among other things, the Options Placement. A notice of meeting was released to the ASX today.

The proposed timetable for the Rights Issue and Options Placement is set out below. The proposed timetable is subject to the Listing Rules and the above dates may be changed without notice.

Registered office:

Level 11, London House, 216 St Georges Terrace, Perth, W.A. 6000

Ph: +618 9481 0389

Fax: +618 9463 6103

W: www.krakatoaresources.com

M: info@krakatoaresources.com

Announcement of Entitlement Offer and Options Placement Notice to Optionholders Anticipated despatch of Notice of Meeting	Monday, 24 April 2017
Lodgement of Appendix 3B and Prospectus with ASX	Monday, 24 April 2017
Notice of Entitlement Offer sent to Shareholders	Thursday, 27 April 2017
Shares quoted on an “EX” basis	Friday, 28 April 2017
Record Date for determining Entitlements to New Shares	Monday, 1 May 2017
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders Offers open	Thursday, 4 May 2017
Last day to extend the Entitlement Offer Closing Date	Monday, 15 May 2017
Closing Date of Entitlement Offer (5pm WST)*	Thursday, 18 May 2017
Shares quoted on a deferred settlement basis	Friday, 19 May 2017
Closing Date of Options Placement Offer	Monday, 22 May 2017
Notification of Shortfall	Tuesday, 23 May 2017
Anticipated Shareholder meeting to approve Options Placement	Thursday, 25 May 2017
Anticipated date for issue of New Shares and New Options Deferred settlement trading ends for Entitlement Offer	Thursday, 25 May 2017
Anticipated date for commencement of New Shares and trading on a normal settlement basis	Friday, 26 May 2017
Anticipated date for commencement of quotation of New Options	Friday, 26 May 2017

Further information on the Rights Issue and Options Placement will be contained within a prospectus which will be lodged with ASIC on or about 24 April 2017 and mailed to eligible shareholders and Previous Optionholders shortly after the record date.

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Applications will be made to the ASX for official quotation of the new Shares and New Options.

Persons should consider the prospectus before deciding whether to acquire securities, and will need to complete the personalised entitlement and acceptance form that will accompany the prospectus.

FOR FURTHER INFORMATION:

Colin Locke

Executive Chairman

+61 457 289 582

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