

24 May 2017

Closure of 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 exp 12/12/19

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 non-renounceable pro-rata rights issue and option placement pursuant to the Prospectus dated 24 April 2017 has closed.

The Company has received application funds totaling:

- 17,559,660 Shares at an issue price of \$0.025 each to raise approximately \$438,991;
- 35,900,184 Options with an exercise price of \$0.10 and exercisable on or before 31 May 2019, at an issue price of \$0.001 each to raise approximately \$35,900.

The Company will seek Shareholder approval for the option placement at a general meeting to be held on 25 May 2017.

The anticipated date for issue of Shares and Options is 25 May 2017 with applications to the ASX for official quotation of the New Shares and New Options to occur shortly thereafter.

The Directors will seek to place the shortfall of 16,298,820 Shares and 12,773,225 Options in accordance with Section 1.2 of the Prospectus dated 24 April 2017.

Yours sincerely,

Colin Locke
Executive Chairman

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