



25 October 2017

September 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 September 2017 quarter.

Dalgaranga Project (Ta-Li-Rb-Nb)

The Dalgaranga Project (P59/2082) is located 80km north-west of Mount Magnet in Western Australia and is considered prospective for Tantalum, Lithium, Niobium and Rubidium. 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 July 2017, the Company completed further chip sampling around the previously delivered high-grade rubidium results announced to ASX in June 2017. The sampling program was concentrated in two areas: on the existing waste dump where a value of 3820 ppm Rb was returned, and around the sample with a peak value exceeding 5000 ppm Rb in the project’s southern extent.

The chip sampling results, announced to ASX on 14 August 2017, confirmed the previously delivered high-grade rubidium results across the waste dump and elsewhere in the tenure. Thirteen (or 65%) of the 20 samples taken from the waste dump reported anomalous rubidium levels, with a peak value of 2133.8ppm Rb. Most values range between 700 and 1300 ppm Rb. Peak Rb results of 3463.9 (Sample 17D022) and 2440.5 ppm (Sample 17D023) were returned from near the anomalous pegmatite sampled in the prior round.

Subsequently, historical drilling data was compiled and evaluated to assist with drill planning. The historical drill sections support the pegmatite as forming a distinct, northeast-trending corridor that deepens and thickens in the same direction. The combined chip sampling results support the geochemistry as most elevated adjacent to internal or bounding northeast-trending structures.

The Company moved quickly to progress Reverse Circulation (RC) drilling of the outlined Li-Ta-Rb-Nb mineralisation and pegmatite near the open pit with an expanded 12 vertical hole program, which commenced in early September 2017 following heritage clearance from the Wajarri Yamatji Native Title Claim and approval of its programme of work (POW) application from the Department of Mines, Industry, Regulation and Safety.

On 18 September 2017, the Company announced completion of the RC drill program with a total of 1,066 metres completed to assess grade along strike of mineralisation exposed in the open pit, where the pegmatite occurrences are known to thicken and test areas where the presence of zinnwaldite and lepidolite was noted and have returned anomalous Li, Rb, Nb, or Ta geochemistry. Samples were dispatched to Intertek laboratory for analysis.

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



Subsequent to quarter end, the Company made direct application to the Department of Mines, Industry Regulation and Safety for three additional prospecting licences (P59/2140, P59/2141 and P59/2142) which adjoin P59/2082. The three prospecting licence applications, if granted, will substantially expand Krakatoa's foot print at the Dalgara Project.

A program of geological mapping and collation of all available historical exploration data on the newly acquired project area will commence in the event of grant of the new prospecting licences.

Mac Well Project (Be-Li)

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

During the September 2017 quarter, a review of historical work at the Mac Well Project was conducted. A magnetic anomaly was identified which previous sampling programs have not adequately tested.

A sampling program targeting the contact area between the intruding granite and the magnetic structure is planned for the December 2017 quarter.

Corporate

Krakatoa continues to assess new opportunities that will add value for shareholders.

Competent person's statement:

The information in this announcement that relates to Exploration Results is based on information compiled and fairly represented by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Geonomics Australia Pty Ltd. 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 report of the matters based on this information in the form and context in which it appears.

ASX Listing Rule 5.3.3 - Details of Tenements Held at 30 September 2017

Project	Tenement Licence	Interest held at 30 June 2017	Interest acquired/ disposed	Interest held at 30 September 2017
Dalgara	P59/2082	100%	-	100%
Mac Well	E59/2175	100%	-	100%

Yours faithfully,

Colin Locke
Executive Chairman

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