



29 January 2018

December 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 December 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 December 2017 quarter, the Company received the assay results from its 11 vertical RC drill hole program for 1,066 metres completed in September 2017 (refer to ASX announcement dated 31 October 2017).

The drilling program revealed more extensive pegmatite intersections and widely distributed multi-element rare metal mineralisation than anticipated; highlighted by the discovery of a rubidium, tin and tantalum enriched 71-metre interval.

The assays showed evidence of Rubidium (Rb) enrichment in addition to confirming the existence of Tin (Sn), Tantalum (Ta), Lithium (Li), Cesium (Cs), and Niobium (Nb). One hundred and ninety-seven or 56% of the samples returned Rb values exceeding 1000ppm, with a peak value of 4943.3ppm (0.49%).

The drilling revealed that several elements, including Be, Cs, Ge, K, Rb, Sn, Ta, Tl and W, exhibit systematic zonation in and around the pegmatites on the Dalgaranga property. The association between these elements is characteristic and supports the presence of an LCT or Lithium-Cesium-Tantalum Pegmatite at Dalgaranga.

The presence of significant quantities of these elements contributes to the advancement of exploration on the property, both as potential commodities and by providing geochemical zonation in and adjacent to targeted rubidium and lithium mineralisation. The Company is encouraged by the results of its maiden drill campaign and is actively reviewing its understanding of the observed geochemical zonation patterns at Dalgaranga to advance exploration on the property to target further rubidium and tantalum mineralisation.

During the December 2017 quarter, the Company also completed prospecting licence applications (P59/2140, P59/2141 and P59/2142) which, upon grant, will significantly expand the Dalgaranga Project area. A program of geological mapping and collation of all available historical exploration data on the newly acquired project area will commence in due course in the event of the grant of the new prospecting licences.

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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 Dalgaranga Project and is considered prospective for Beryl and Lithium.

No work was completed at the Mac Well Project during 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 31 December 2017

Project	Tenement Licence	Interest held at 30 September 2017	Interest acquired/ disposed	Interest held at 31 December 2017
Dalgaranga	P59/2082	100%	-	100%
Mac Well	E59/2175	100%	-	100%

Yours faithfully,

Colin Locke
Executive Chairman

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