



26 April 2018

March 2018 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 2018 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.

Drilling results received by the Company in the previous quarter 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.

During the March 2018 quarter, the Company reviewed its understanding of the observed geochemical zonation patterns at Dalgaranga to target further rubidium and tantalum mineralisation in future exploration programs.

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 March 2018 quarter.

Corporate

Krakatoa reviewed a number of opportunities during the March 2018 quarter. The Company continues to assess new opportunities that will add value for shareholders.

Subsequent to quarter end, the Company entered into a binding sale and purchase agreement with CBLT Inc. (TSXV: CBLT), an unrelated party, to acquire two claim blocks prospective for cobalt-silver mineralisation, located in the Gowganda area of north-eastern Ontario. The Cobalt-Gowganda mining area (otherwise known as the Cobalt Camp) of Ontario is historically one of the most prolific cobalt and silver mining areas in the world.

Registered office:

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The claims are peripheral to a cluster of historic high-grade silver-cobalt mines, with the Corkill-Lawson Block partially enclosed by cobalt-focused company, Battery Mineral Resources Pty Ltd. Limited diamond drilling intersected significant silver and cobalt mineralisation at Corkill-Lawson, yielding:

- 2,393 g/t Ag, 0.31% Co and 0.46% Cu over 0.41m from 99.97m (Hole HCL0701)
- 30.8 g/t Ag (Co not assayed) over 1.47m from 27.58m (Hole HCL0708)
- 93 g/t Ag over 0.46m from 113.20m (Hole HCL0712)

Upon transaction completion, Krakatoa intends to compile the legacy data with a focus on reprocessing the existing geophysical datasets (IP, Aeromagnetics and VTEM) using modern approaches and enhancements.

To support the proposed exploration program, identify and review of further acquisition opportunities and for working capital, the Company raised \$525,000, through the issue of 15,000,000 ordinary shares at a price of \$0.035 per share. The shares were issued on 9 April 2018.

Competent person's statement:

The information in this announcement is based on information compiled by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Collective Prosperity Pty Ltd, and is an accurate representation of the available date and studies for the claim blocks. 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 announcement 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 March 2018

Project	Tenement Licence	Interest held at 31 December 2017	Interest acquired/ disposed	Interest held at 31 March 2018
Dalgaranga	P59/2082	100%	-	100%
Mac Well	E59/2175	100%	-	100%

Yours faithfully,

Colin Locke
Executive Chairman

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