

30 January 2020

KTA Completes Oversubscribed Placement to Advance Belgravia

Krakatoa Resources Ltd (ASX: KTA) ("Krakatoa" or "the Company") is pleased to announce that it has received firm commitments from professional and sophisticated investors to raise \$1,312,500 (before costs) via a placement ("Placement") of 43,750,000 ordinary shares at an issue price of \$0.03 (3 cents) per share ("Placement Shares"). Demand for the Placement was strong, with the Company scaling back interest to its full placement capacity.

The funds raised will be used primarily to advance the Belgravia Project in New South Wales' Lachlan Fold Belt through drilling at the Bell Valley target area and generation of additional drill targets. A portion will also be allocated to exploration at the Turon Project, also in the Lachlan Fold Belt, and the Mt Clere Rare Earth Project in Western Australia, as well as covering costs of the issue and working capital.

Krakatoa's Executive Chairman Colin Locke commented:

"We thank our existing shareholders for their continued support and welcome several new broking groups to the Company. We think 2020 could be a stellar year for stakeholders, especially as we look forward to the commencement of our maiden drill campaign at the 100% owned Belgravia Project, located in an area that has potential for further large porphyry gold-copper deposits."

Allotment of the Placement Shares is anticipated to occur on or about 5 February 2020 under the Company's existing placement capacity:

- 26,250,000 shares to be issued under the Company's ASX Listing Rule 7.1 capacity; and
- 17,500,000 shares to be issued under the Company's ASX Listing Rule 7.1A capacity.

Brokers with an AFSL participating in the Placement will receive a 6% fee on all funds raised.

Authorised for release by the Board.

FOR FURTHER INFORMATION:

Colin Locke
Executive Chairman
+61 457 289 582
locke@ktaresources.com



ASX Code
KTA, KTAOC

Capital Structure

175,000,000 Fully Paid Shares
85,000,000 Options @ 5c exp 31/07/21
5,000,000 Options @ 7.5c exp 31/07/21
12,000,000 Options @ 10c exp 24/10/20

Directors

Colin Locke
David Palumbo
Timothy Hogan

Enquiries regarding this

announcement can be directed to
Colin Locke
T. +61 457 289 582

ABOUT BELGRAVIA PROJECT:

The Belgravia Project covers an area of 80km² and is located in the central part of the Molong Volcanic Belt (MVB), which forms as part of the East Lachlan province within the Lachlan Fold Belt, NSW. The East Lachlan region constitutes the largest porphyry province in Australia.

The Project lies approximately 7km east of the township of Molong and 20km northwest of the regional centre of Orange, providing excellent road, rail, power, gas and water infrastructure.

The Belgravia Project has six initial targets considered highly prospective for porphyry Cu-Au and associated skarn Cu-Au. Historical exploration appears to have failed to adequately consider the regolith and tertiary basalt (up to 40m thick) that obscures much of the prospective geology.

