

25 February 2020

Drilling Underway at Bell Valley Porphyry Target Area

- **Drilling has commenced at the Belgravia Project, in the central part of the Molong Volcanic Belt, Lachlan Fold Belt, NSW**
- **127 aircore holes targeting interpreted porphyries at Bell Valley Target Area which lies in the same rocks that host the giant Cadia-Ridgeway mine 35km south and Alkane Resources Boda discovery 65km north**

Krakatoa Resources Limited ("Krakatoa" or the "Company"), is pleased to announce that drilling has commenced at Bell Valley Target Area, following Government approval and mobilisation of drill rig. The Bell Valley Target Area is one of six initial target areas contained within the Company's 100% owned Belgravia Project in the central part of the Molong Volcanic Belt, Lachlan Fold Belt, NSW.

The drill program, to be completed by local drilling contractor Durock Drilling Pty Ltd, comprises 127 aircore holes over three prospects: Bella, Lara 1 and Lara 2, which are part of the Copper Hill and Larras Lee Igneous Complexes. The former is host to the Copper Hill copper-gold deposit, which lies 2.7 km immediately southwest of the drilling and is the subject of a Pre-feasibility Study.

Drilling is to blade refusal seeking signals related to large porphyry-style gold and copper systems, beneath Tertiary regolith, in magnetically complex zones of the Molong Volcanic Belt (MVB). The MVB is the same Ordovician volcanic belt which hosts the giant Cadia-Ridgeway mine and recent Boda discovery by Alkane Resources.

Authorised for release by the Board

FOR FURTHER INFORMATION:

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ASX Code
KTA, KTAOC

Capital Structure

218,750,000 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

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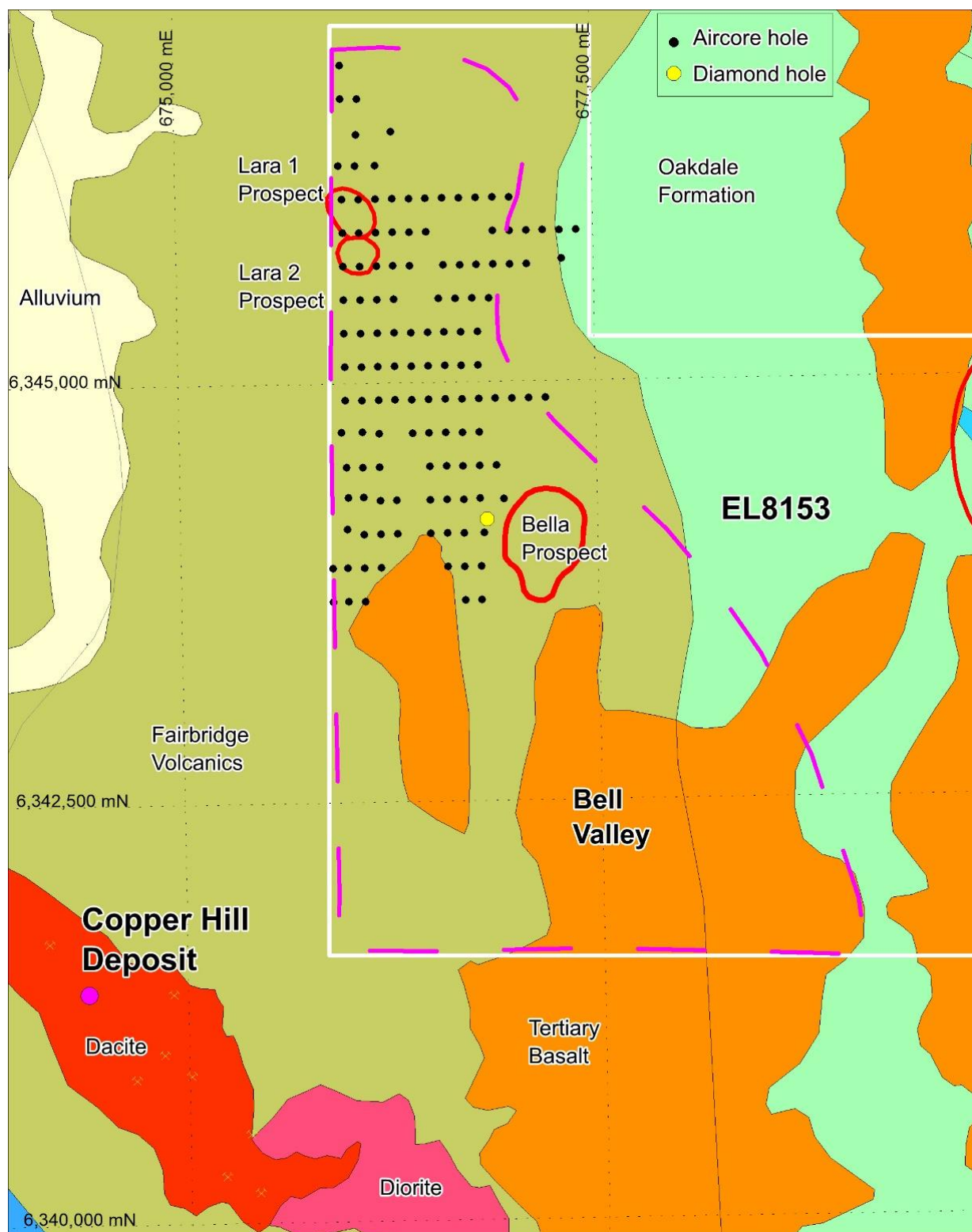


Figure 1: Proposed drill hole locations at the Bell Valley Target Area

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.

