

KRAKATO A RESOURCES LTD

Dated: 16 March 2016

Board:

Colin Locke (Exec. Chairman)

Aryo Bimo (Non-Exec. Director)

Timothy Hogan (Non-Exec. Director)

Capital Structure:

53,492,768 Fully Paid Shares

25,063,002 Listed Options @ 20c exp 31/03/17

838,333 Unlisted Options @ 20c exp 31/03/17

8,000,000 Unlisted Options @ 40c exp 31/03/17

ASX Code:

KTA

KTAOA

WA Projects:

- Dalgaranga, WA, Ta-Li-Sn
- Mac Well, WA, Beryl

Krakatoa expands land holding in Dalgaranga region

- **66.9Km² Exploration Licence Application made by Krakatoa across the Mac Well Project**
- **Numerous pegmatite units identified by previous operators**
- **Review of historical exploration reports and data underway**
- **Reprocessing of available geophysical coverages commenced**



Figure 1: Location Plan



Krakatoa Resources Ltd ("Krakatoa" or "the Company", ASX: **KTA**) is pleased to announce that it has made an Exploration Licence Application across the Boungoonoo pegmatite hosted beryl occurrence. The Mac Well Project has a land area of 66.9km², covers the pegmatite occurrence, and is located 10km west of Krakatoa's Dalgara Project.

Project Geology

The Mac Well Project ("Mac Well" or "the Project") area contains outcrops of metamorphosed basic rocks enclosed by granitic migmatite. South of the project area, the migmatites become more porphyritic.

Banding in the migmatite mimics the granite contact with basic rocks and swings from northeast to northwest.

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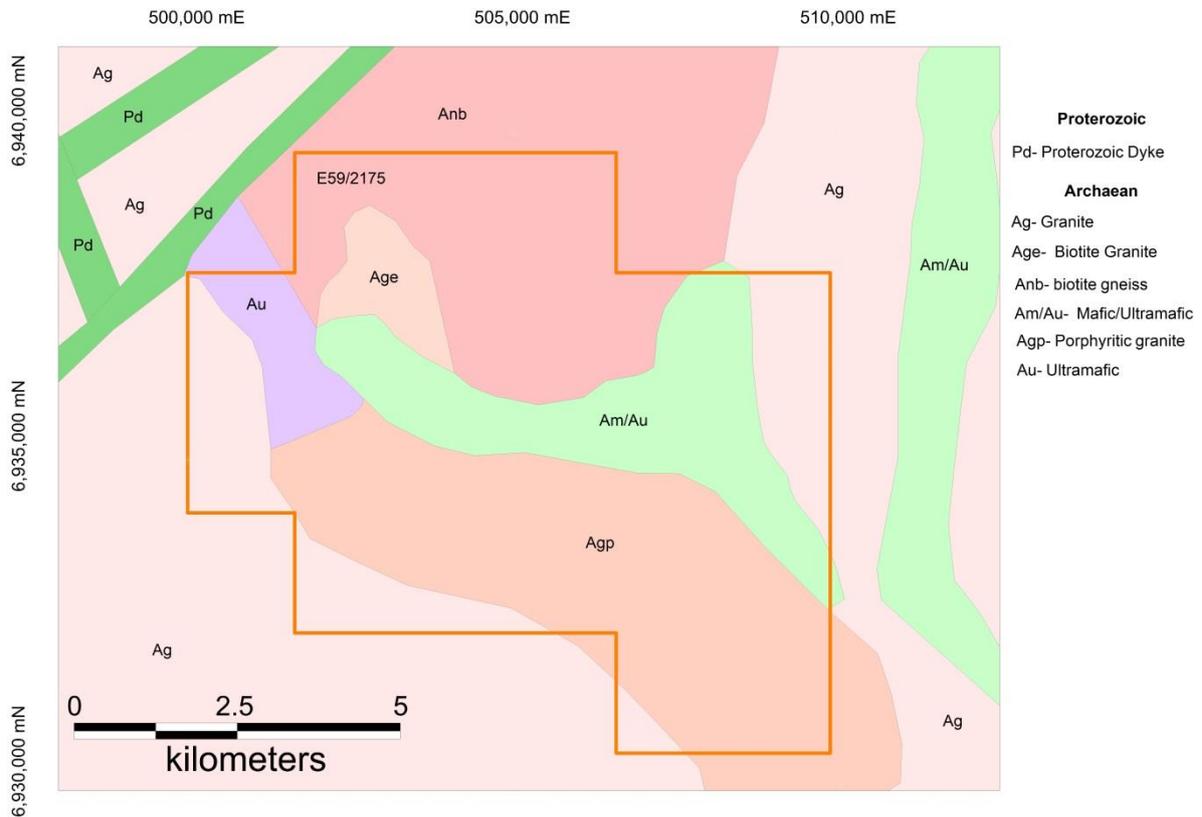


Figure 2: Preliminary Geological Interpretation

Pegmatites within the application area have been identified by historical pitting. These pegmatites have been logged as containing large crystals of biotite. In addition beryl occurrences are widespread within the Project area. Previous operators suggest that the strong lineaments associated with folding, presence of coarse grained pegmatite, and widespread beryl float, attests to the presence of an intrusive pegmatite body.

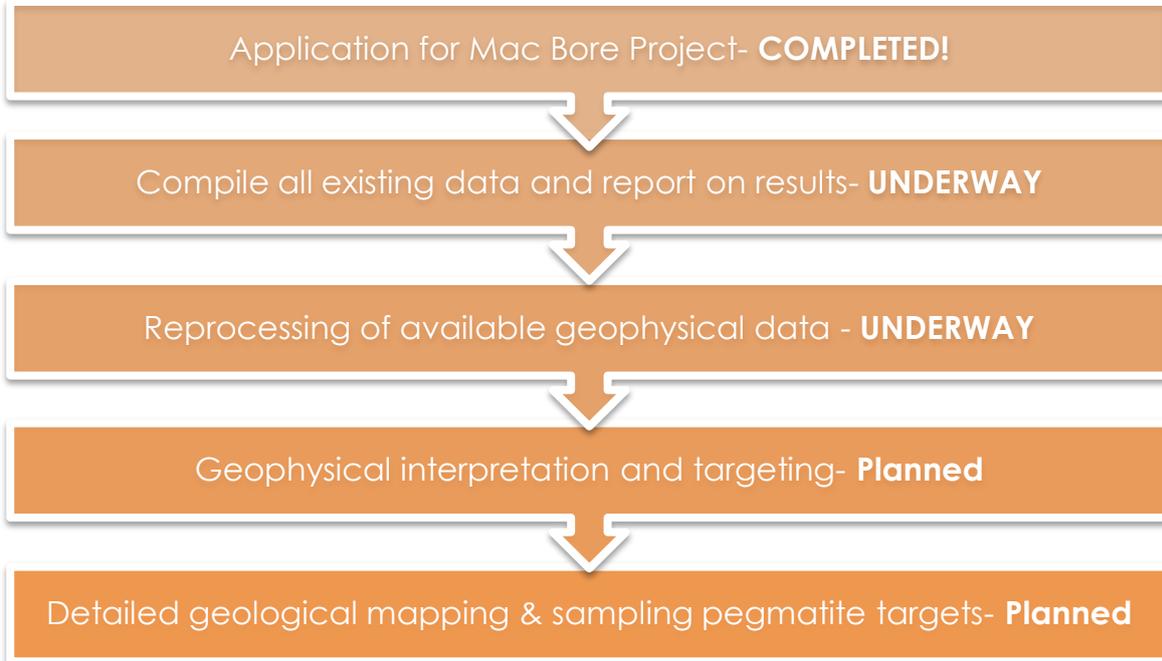
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Work Program



About Tantalum

Tantalum is a critical component in the manufacture of electrical equipment components including capacitors and high powered resistors. In addition tantalum is used to produce a variety of metal alloys that have high melting points, strength and ductility. These alloys are utilised in making carbide tools for metal working equipment and the production of superalloys for jet engine components, chemical process equipment, nuclear reactors and defence technology.

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About Lithium

The recent demand for lithium-ion batteries through substantial recent growth in the renewable energy storage, hybrid vehicles and electric bike industries has resulted in profound increases in the pricing of lithium. Presently conventional applications (predominantly glass and ceramics) comprise 70% of global market share.

Contact:

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Forward Looking Statements

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Competent person's statement:

The information in this announcement that relates to Dalgara Project 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.



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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Comments
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	No sampling reported
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	No sampling reported
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	No sampling reported
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	No drilling reported

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Criteria	JORC Code explanation	Comments
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling reported
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No drilling reported
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No drilling reported
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	No drilling reported
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	No drilling reported
	<i>The total length and percentage of the relevant intersections logged.</i>	No drilling reported
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling reported
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	No drilling reported
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation techniques</i>	No drilling reported
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	No drilling reported
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	No drilling reported

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Criteria	JORC Code explanation	Comments
Quality of assay data and laboratory tests	Whether sample sizes are appropriate to the grain size of the material being sampled.	No drilling reported
	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	No assaying reported
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical results reported
Verification of sampling and assaying	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	No sampling reported
	The verification of significant intersections by either independent or alternative company personnel.	No sampling reported
	The use of twinned holes.	No drilling reported
Location of Data Points	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	No exploration results reported
	Discuss any adjustment to assay data.	No assay data reported
	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	No location data reported
	Specification of the grid system used.	MGA94- Zone 50
	Quality and adequacy of topographic control.	No drilling or sampling undertaken
	Data spacing for reporting of Exploration Results.	No drilling reported

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Criteria	JORC Code explanation	Comments
Data spacing and distribution	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	No drilling reported
	Whether sample compositing has been applied.	No drilling reported
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	No drilling reported
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No drilling reported
Sample security	The measures taken to ensure sample security.	No samples reported
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits conducted. Data is in the process of being collated into digital form.

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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>The Mac Well Project consists of a single exploration licence application applied for directly by Krakatoa Resources Ltd.</p> <p>The exploration licence number is E59/2175 and covers a legal area of 22 Blocks, 66.9km².</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The Exploration Licence Application E59/2175 has no known impediments towards its grant.
Exploration	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Buxton Resources Limited and AXG Mining Ltd have undertaken exploration for nickel, copper and gold.</p> <p>Messrs Fieldgate and Devereux commissioned K.H Morgan consulting geologists to evaluate the potential for hosting beryl, emeralds, tin, tantalite and associated pegmatite minerals. Activities undertaken were limited to aerial photograph interpretation and geochemical sampling. No locations of the sampling was provided in historical reports.</p>
	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The surface geology of the project area consists of metamorphic basic rocks enclosed in a granitic migmatites. To the south the migmatites is a porphyritic granite.</p> <p>The contact between the granites curves from north east around to the north west and this is reflect in the banding of the migmatites and basic metamorphic rocks.</p> <p>Much of the project is covered by surficial transported cover sequences.</p> <p>Pegmatites have been identified from pitting. In addition beryl float has been identified throughout the project area. Krakatoa is targeting pegmatite hosted tantalum, lithium, tin and beryl.</p>
Geology		
Drill Hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i>	No Drilling Reported

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Criteria	JORC Code explanation	Commentary
	o easting and northing of the drill hole collar	No Drilling Reported
	o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar	No Drilling Reported
	o dip and azimuth of the hole	No Drilling Reported
	o down hole length and interception depth	No Drilling Reported
	o hole length.	No Drilling Reported
Data Aggregation Methods	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	All historical exploration data is in the process of being compiled. Further releases will be made to the market upon finalisation of the collation process and verification.
	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	No exploration results reported
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	No exploration results reported
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents are reported.
	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	No exploration results reported
Relationship between mineralisation widths and intercept lengths	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	No geometry information relating to the pegmatites is presently available.
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	No drilling reported.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	No results reported
Balanced Reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	No results reported
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk</i>	At present historical data pertaining to the project area is being compiled. Further releases will be made to market upon completion.

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Criteria	JORC Code explanation	Commentary
Further Work	<i>density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Detailed geological mapping and sampling is planned to be conducted to define the extent and mineralisation potential of pegmatites within the project area
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Further exploration will be planned once available data has been compiled and reviewed.

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