krakatoa resources limited
ABN 39 155 231 575

KRAKATOA RESOURCES LTD

Board:
Colin Locke (Exec. Chairman)
David Palumbo (Non-Exec. Director)
Timothy Hogan (Non-Exec. Director)

Capital Structure:
165,000,000 Fully Paid Shares
75,000,000 Options @ 5c exp 31/07/21
12,000,000 Options @ 10c exp 24/10/20
10,893,878 Options @ 40c exp 12/12/19

ASX Codes:
KTA, KTAOC

Projects
Belgravia (Au-Cu)
Mt Clere (REE)
Dalgaranga (Ta-Li-Rb)
Mac Well (Be, Au)
Corkill-Lawson (Co-Ag)

5 November 2019

Field-based exploration commences at the Bell Valley Target

- ***Key land access agreements secured enabling field-based exploration to commence immediately***
- ***Krakatoa to focus exploration on the Bell Valley target where due diligence highlighted significant exploration prospectivity***
- ***Field-based exploration activities at the Bell Valley target to assist in preparation for a maiden drill program***
- ***Field team comprising experienced porphyry geologist and mining engineer, Mr Ian Cooper and Rangott Mineral Exploration Pty Ltd***

Krakatoa Resources Limited ("Krakatoa" or the "Company") (ASX: KTA) is pleased to announce it has commenced field-based exploration activities at the Bell Valley target.

Bell Valley represents one of 6 initial targets on the Belgravia Project. It is prospective for porphyry Cu-Au and associated skarn Cu-Au.

The Belgravia Project is located in the Lachlan Fold Belt, NSW and positioned between Newcrest Mining's Cadia Valley Mine and Alkane Resources' Northern Molong Porphyry Project.

The Lachlan Fold Belt constitutes the largest porphyry province in Australia. Significantly, copper-gold porphyry deposits typically cluster and the Belgravia Project lies in a very fertile metallogenic province, bounded by the Macquarie Arc and Lachlan transverse zone. There remains considerable potential for more discoveries.

Experienced porphyry geologist and mining engineer, Mr Ian Cooper, and Rangott Mineral Exploration Pty Ltd will lead the exploration activities.

Registered office:
Level 11, London House, 216 St Georges Terrace, Perth, W.A. 6000
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Bell Valley Target

The Company has moved swiftly to secure land access to the targeted area. Key land access agreements have been signed, enabling the Company to commence exploration activities on the Bell Valley target.

The Bell Valley target contains the eastern half of the Copper Hill Igneous Complex (CHIC), which locally hosts the Copper Hill deposit with a total resource of 87Mt @ 0.32g/t Au & 0.36% Cu comprising indicated resources of 47mt @ 0.39g/t Au & 0.4% Cu and inferred resources of 39mt @ 0.24g/t Au & 0.32% Cu, using a 0.2% copper cut-off grade[1].

Like Cadia, emplacement of the CHIC was facilitated by the development of a major NW to SE-trending dilational structural zone evident in magnetic data (Figure 1).

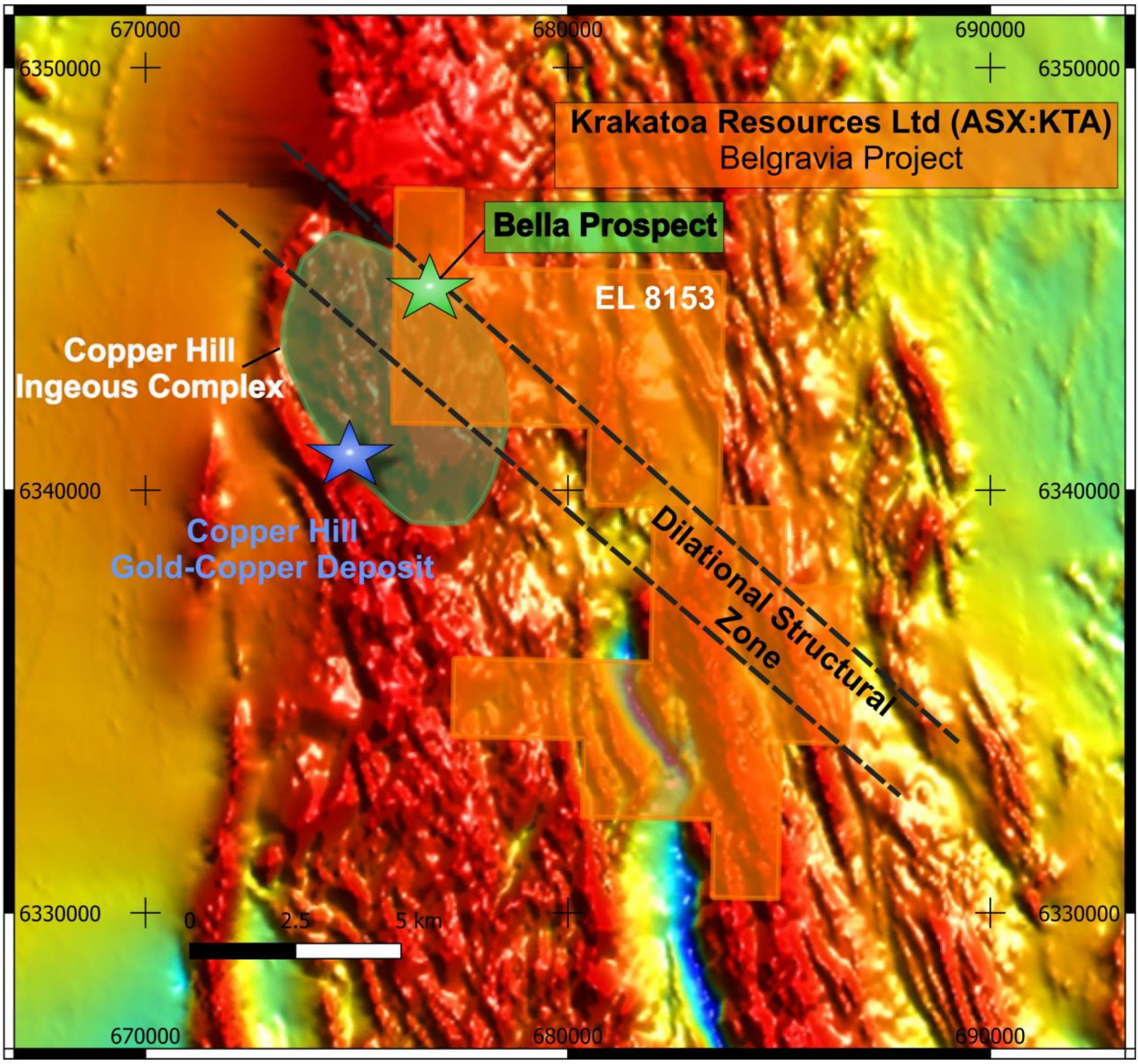

Figure 1: TMI Magnetics and Structural Interpretation

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During due diligence, the Company identified the Bella Prospect, a “doughnut” shaped magnetic pattern considered characteristic of porphyry intrusion, present within the Bell Valley target (Figure 2). Bella, which has a diameter of approximately 500m, sits near the edge of the CHIC, in a juxtaposition to the Copper Hills Deposit (Figure 1).

Bella also coincides with an interpreted NW-trending structure thought to control the emplacement of the porphyry bodies. Similar oriented structures control emplacement of the porphyry-related mineralised systems at Cadia.

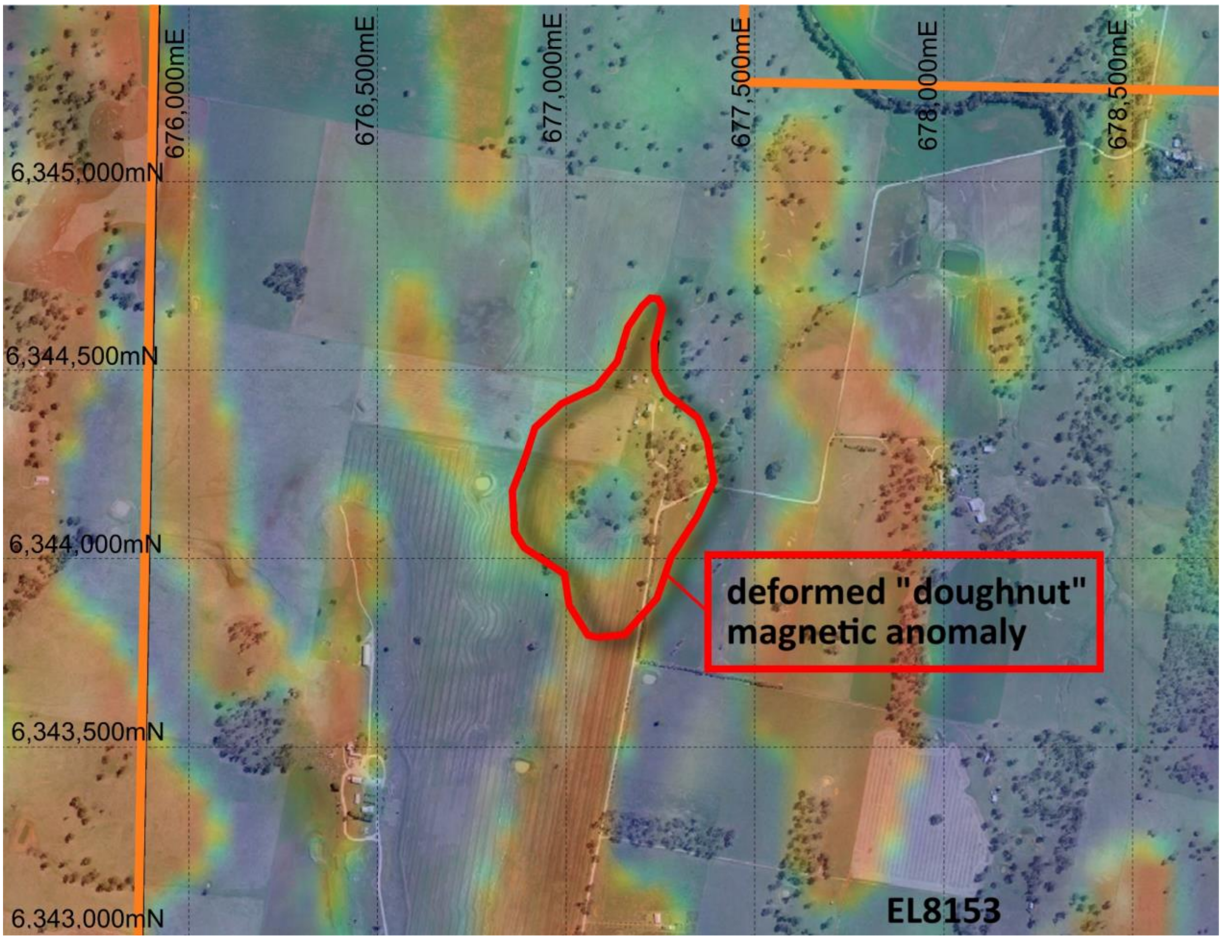

Figure 2: The Bella prospect, a deformed “doughnut” magnetic anomaly

During field due diligence, large-scale and pervasive alteration was identified at Bell Valley. The widespread chlorite-epidote ± carbonate alteration is consistent with intersecting the outer propylitic assemblage of a mineralising system. The observed alteration coincides with an interpreted northwesterly-trending dilation zone developed along the northeastern flank of the CHIC.

Review of lithological loggings of historical water bores have assisted in confirming the underlying geology and spatial extent of the CHIC.

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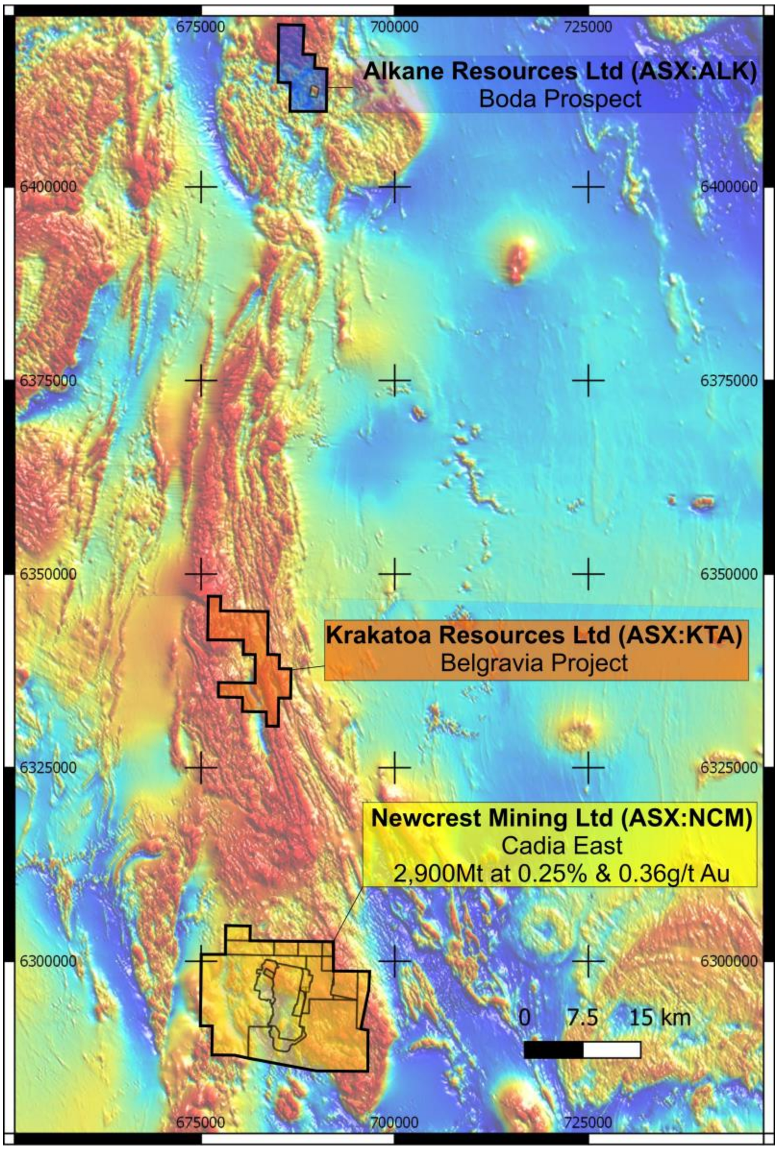
ABOUT BELGRAVIA PROJECT:

The Belgravia Project covers an area of 80km^2 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 6 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.



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FOR FURTHER INFORMATION:

Colin Locke

Executive Chairman

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REFERENCES

[1] Golden Cross Resources (ASX: GCR) announcement dated 24 March 2015" updated JORC 2012 compliant Resource Estimate"

Disclaimer

Competent Persons Statement

The information in this announcement is based on and fairly represents 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 data and studies for the Project. 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.