

27 November 2019

Drone Magnetics Survey commences at the Bell Valley Target



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)

Turon (Au-Cu)

Mt Clere (REE)

Dalgaranga (Ta-Li-Rb)

Mac Well (Be, Au)

Corkill-Lawson (Co-Ag)

- *Krakatoa continues to systematically explore its Bell Valley target, prospective for porphyry Cu-Au and associated skarn Cu-Au mineralisation*
- *Ultra-detailed 25m line space aeromagnetic survey, utilising Unmanned Aerial Vehicle (UAV) drone technology has commenced*
- *Thirty-four (34) rock chip samples taken by experienced porphyry geologist and mining engineer, Mr Ian Cooper, have been submitted to ALS for geochemical analysis*
- *Field-based exploration activities to assist in further de-risking the Bell Valley target in preparation for a maiden drill program*

Krakatoa Resources Limited ("Krakatoa" or the "Company") (ASX: KTA) is pleased to announce the commencement of an Unmanned Aerial Vehicle (UAV) magnetics survey by Thomson Aviation on the Company's Bell Valley Target. The Bell Valley is prospective for porphyry Cu-Au and associated skarn Cu-Au mineralisation and represents one of 6 initial targets on the Belgravia Project. Current activities are focused on the Bella Prospect, a "doughnut" shaped magnetic pattern considered characteristic of porphyry intrusion, present within the Bell Valley target.

Aeromagnetic survey

The survey utilising UAV drone technology (Figure 1) is flown at a flight height between 30m – 35m, on 25m line spacing in an east-west direction with tie lines every 250m in a north-south direction (Figure 2). The survey will result in over 320km line kilometres of data which is expected to highlight variations in local magnetic responses, areas of possible porphyry-style alteration, intrusive bodies and potential mineralising structures.

The Company expects the data acquisition and subsequent processing and interpretation will take 4 weeks.

Registered office:

Level 11, London House, 216 St Georges Terrace, Perth, W.A. 6000

Ph: +618 9481 0389 Fax: +618 9463 6103 W: www.ktaresources.com M: info@ktaresources.com



Figure 1: UAV hexacopter



Figure 2: UAV magnetics survey area

Registered office:

Level 11, London House, 216 St Georges Terrace, Perth, W.A. 6000

Ph: +618 9481 0389 **Fax:** +618 9463 6103 **W:** www.ktaresources.com **M:** info@ktaresources.com



Rock chip sampling program

Experienced porphyry geologist and mining engineer, Mr Ian Cooper, collected 34 rock chip samples around the Bell Valley Target.

With tertiary basalt (up to 40m thick) obscuring much of the prospective geology, the rock chip sampling program is intended to detect subtle features of alteration and mineralisation not immediately visible.

The samples were submitted to ALS for geochemical analysis. Results are anticipated within two weeks.

ABOUT 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 grade¹.

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

Bella also coincides with an interpreted a major NW to SE-trending dilational structural zone thought to control the emplacement of the porphyry bodies (Figure 3). Similar oriented structures control emplacement of the porphyry-related mineralised systems at Cadia.

Large-scale and pervasive alteration has been 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.

Registered office:

Level 11, London House, 216 St Georges Terrace, Perth, W.A. 6000

Ph: +618 9481 0389 **Fax:** +618 9463 6103 **W:** www.ktaresources.com **M:** info@ktaresources.com

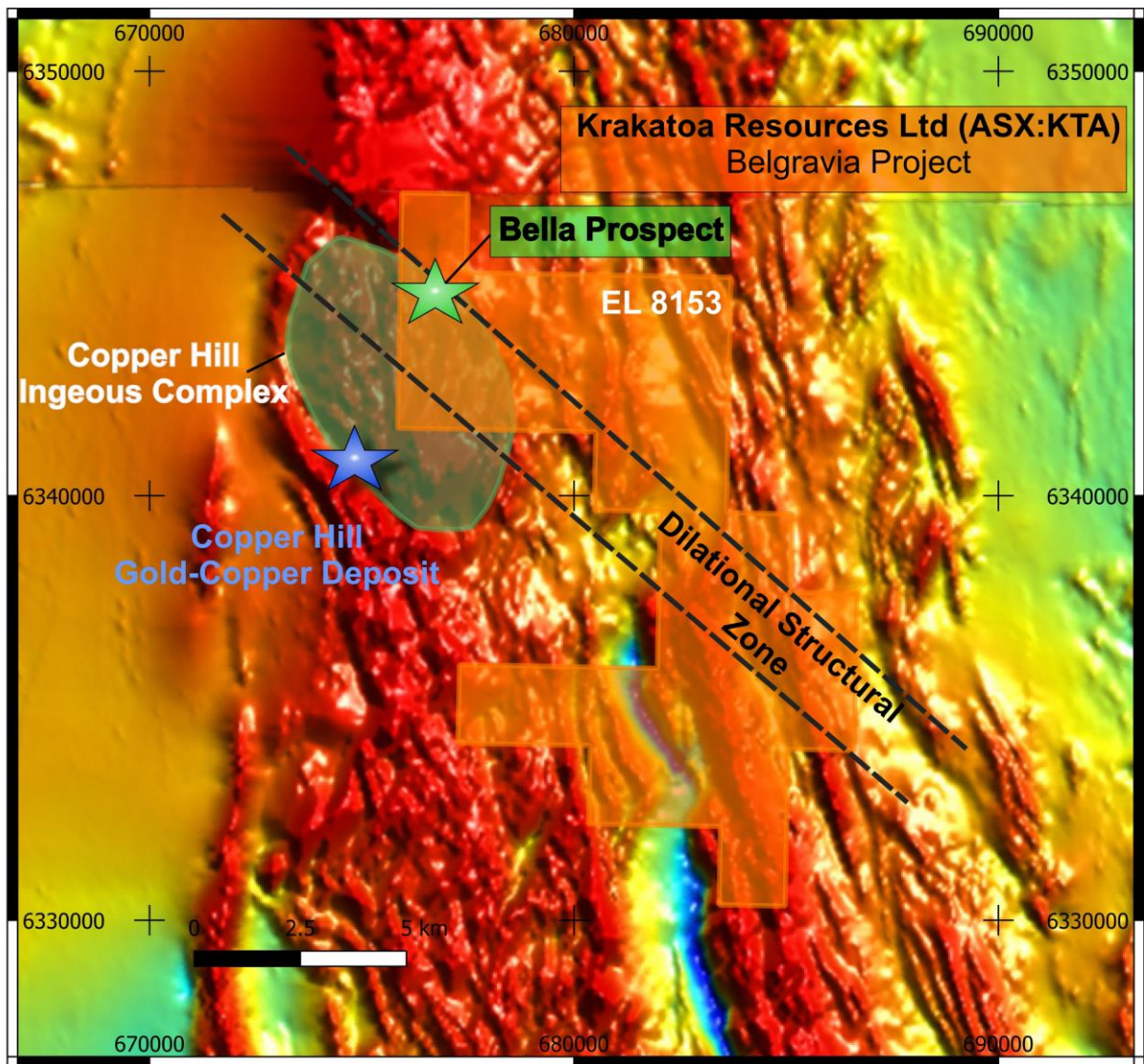


Figure 3: TMI Magnetics and Structural Interpretation

Registered office:

Level 11, London House, 216 St Georges Terrace, Perth, W.A. 6000

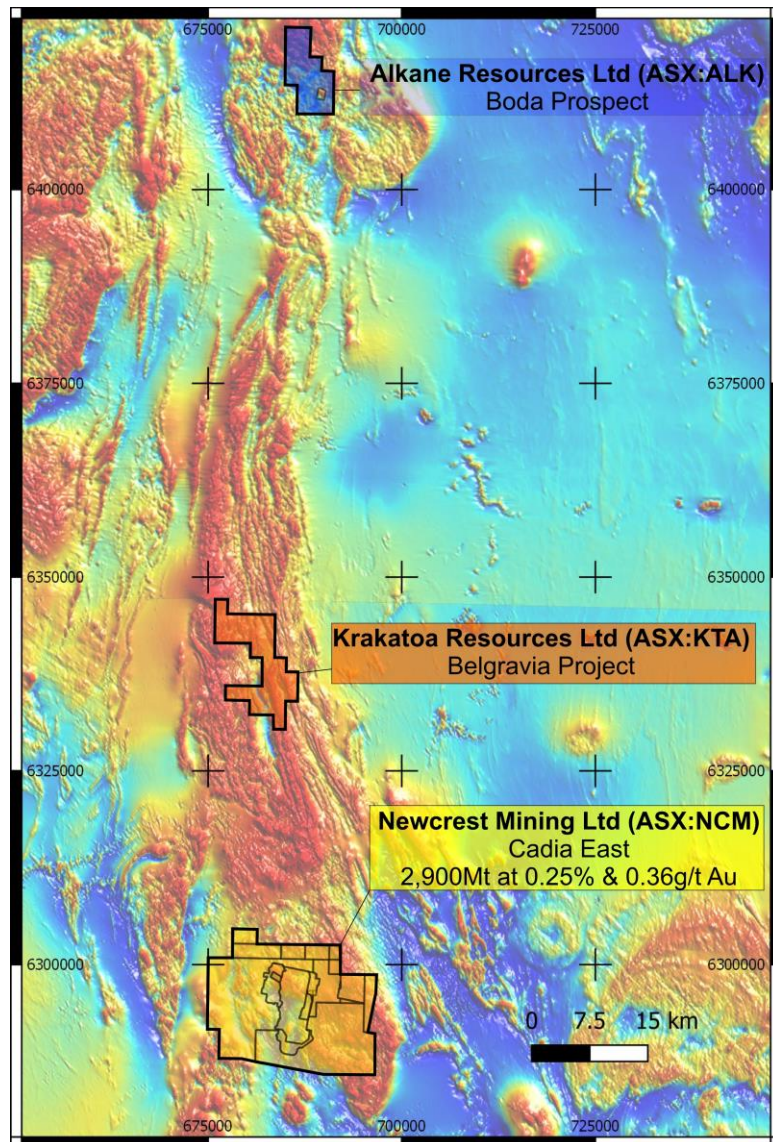
Ph: +618 9481 0389 **Fax:** +618 9463 6103 **W:** www.ktaresources.com **M:** info@ktaresources.com

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 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.



Registered office:

Level 11, London House, 216 St Georges Terrace, Perth, W.A. 6000

Ph: +618 9481 0389 **Fax:** +618 9463 6103 **W:** www.ktaresources.com **M:** info@ktaresources.com



FOR FURTHER INFORMATION:

Colin Locke

Executive Chairman

+61 457 289 582

REFERENCES

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

Disclaimer

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 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.

Registered office:

Level 11, London House, 216 St Georges Terrace, Perth, W.A. 6000

Ph: +618 9481 0389 **Fax:** +618 9463 6103 **W:** www.ktaresources.com **M:** info@ktaresources.com