

13 July 2020

KTA Completes Oversubscribed Placement to Fund Drill Programs

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 \$2,400,000 (before costs) via a placement ("Placement") of 30,000,000 ordinary shares at an issue price of \$0.08 (8 cents) per share ("Placement Shares"). Demand for the Placement was extremely strong and significantly oversubscribed.

The funds raised will be used primarily to advance the Company's three projects in New South Wales' Lachlan Fold Belt, including drill programs at Turon and Belgravia (Sugarloaf Target Area), an IP Program at Belgravia (Bell Valley Target Area) and target generation including geophysical surveys across the Rand Project. Funds will also be used to pursue other project opportunities as well as covering costs of the issue and working capital.

Allotment of the Placement Shares is anticipated to occur on or about 14 July 2020 under the Company's existing placement capacity:

- 8,125,000 shares to be issued under the Company's ASX Listing Rule 7.1 capacity; and
- 21,875,000 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:

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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

Directors

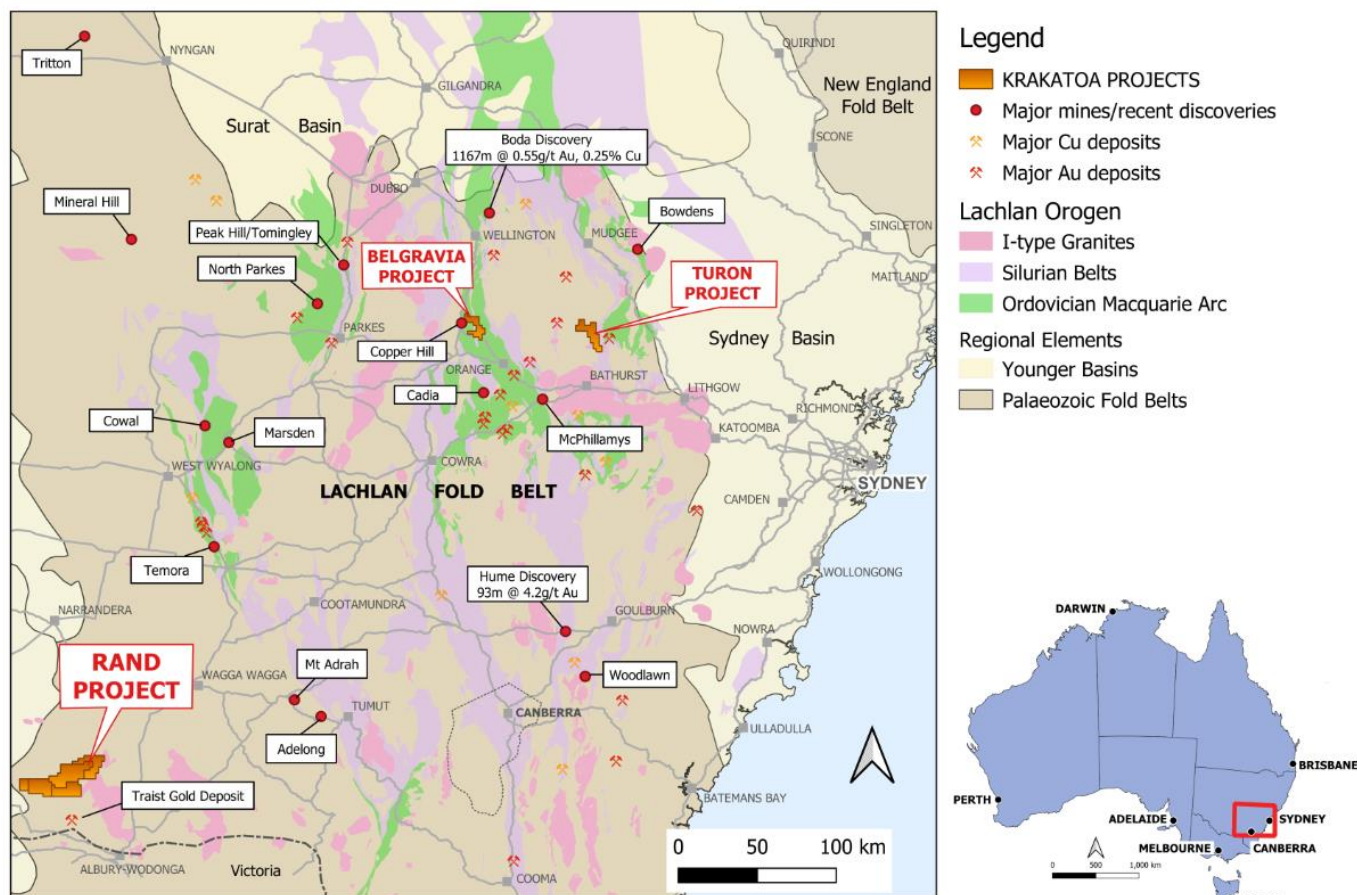
Colin Locke
David Palumbo
Timothy Hogan

Enquiries regarding this

announcement can be directed to
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ABOUT KRAKATOA:

Krakatoa is an ASX listed public Company predominately focused on gold exploration in the world class Lachlan Fold Belt, NSW across three projects: Belgravia, Turon and Rand.



Belgravia Project (100%):

The Belgravia Project covers an area of 80km² and is located in the central part of the Molong Volcanic Belt (MVB), East Lachlan province, between Newcrest Mining's Cadia Operations and Alkane Resources Boda Discovery. The Project has six initial target areas considered highly prospective for porphyry Cu-Au and associated skarn Cu-Au, with Bell Valley and Sugarloaf representing the two most advanced target areas. Bell Valley contains a considerable portion of the Copper Hill Intrusive Complex, the interpreted porphyry complex which hosts the Copper Hill deposit (890koz Au & 310kt Cu) and has highly prospective magnetic low features spanning 6km. Sugarloaf contains a 900m Deep Ground Penetrating Radar anomaly located within a distinctive magnetic low feature considered characteristic of a porphyry-style deposit and co-incident with anomalous rock chips including 5.19g/t Au and 1.73% Cu.

Turon Project (100%):

The Turon Project covers 120km² and is located within the Lachlan Fold Belt's Hill End Trough, a north-trending elongated pull-apart basin containing sedimentary and volcanic rocks of Silurian and Devonian age. The Project contains two separate north-trending reef systems, the Quartz Ridge and Box Ridge, comprising shafts, adits and drifts that strike over 1.6km and 2.4km respectively. Both reef systems have demonstrated high grade gold anomalism (up to 1,535g/t Au in rock chips) and shallow gold targets (up to 10m @ 1.64g/t Au from surface to end of hole) that warrant detailed investigation.

Rand Project (100% - application)

The Rand Project covers an area of 580km², located approximately 60km NNW of Albury in southern NSW. The Project has a SW-trending shear zone that transects the entire tenement package forming a distinct structural corridor some 40 km in length. The historical Bulgandra Goldfield, which is captured by the Project, demonstrates the project area is prospective for shear-hosted and intrusion-hosted gold. Historical production records show substantial gold grades, including up to 265g/t Au from the exposed quartz veins in the Show Day Reef.