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IP INDICATES CONTINUANCE OF ZOPKHITO ANTIMONY – GOLD MINERALISATION

- **Induced polarisation (IP) has for the first time been modelled with topography data, resulting in the identification of a potential significant extension of the Zopkhito Sb-Au resource at depth and along strike**
- **Modelling supports the continuation of the Sb-Au system to depths well below previous exploration and potential for parallel mineralisation veins untouched by exploration**
- **Zopkhito contains a foreign resource estimate of 225Kt @ 11.6% Sb for a contained 26,000 tonnes of antimony and 7.1Mt @ 3.7g/t for 815,119oz of gold**[1]
- **27km of exploration adits have exposed over 60 antimony and gold mineralised veins, of which only 16 have been investigated to delineate the foreign resource estimate**
- **The Company is continuing its historical data compilation and review with the aim to establish priority target areas for drill confirmations**
- **Krakatoa has an opportunity to acquire an 80% interest in the globally significant Zopkhito Project (see ASX Announcement 9 December 2024)**
- **The Company is committed to completing a JORC standard mineral resource estimate and undertaking a preliminary economic assessment**

Krakatoa Resources Limited (**ASX: KTA**) ("**Krakatoa**" or the "**Company**") is pleased to provide an update on the latest results, ongoing work programs and planned exploration activities at the Zopkhito Sb-Au Project ("Project") in Georgia. The Company has an exclusive option to acquire up to an 80% legal and beneficial interest in the granted mining license covering the Project.

[1] **Cautionary statement: The foreign estimate and foreign exploration results in this announcement were first released by the Company in an announcement titled "Option to Acquire Major Antimony and Gold Project" on 9 December 2024 ("Announcement") and are not reported in accordance with the JORC Code 2012. A competent person has not done sufficient work to classify the foreign estimate as a Mineral Resource, or disclose the foreign exploration results, in accordance with the JORC Code 2012. It is uncertain that following evaluation and/or further exploration work the foreign estimate will be able to be reported in accordance with the JORC Code 2012, and it is possible that following further evaluation and/or exploration work that the confidence in the reported foreign exploration results may be reduced when reported under the JORC Code 2012. The Company confirms that the supporting information provided in the Announcement continues to apply and has not materially changed.**

Krakatoa's CEO, Mark Major commented, *"The geophysical survey adds an extra dimension to the already substantial Sb and Au mineralisation systems at Zopkhito. The scale and coherent anomaly over the two lines and depth levels shown establishes this as an exciting high-priority target for drill testing in 2025.*

The Company is focused on consolidating the extensive historical data and expanding the known footprint of the Project and plans to initiate our first drill testing once permitting and access is available. In the interim, the Company is continuing its data consolidation of the historical 27km adit channel samples, surface mapping and geochemical sampling. This work will help to further refine suitable target areas and provide a better understanding of the larger mineralised system to support the planning of the 2025 drilling program. All this leads to completing a JORC standard mineral resource estimate and undertaking a preliminary economic assessment."

INDUCED POLARISATION SURVEY

The induced polarisation survey was completed in 2017 by Quantec Geoscience. The resulting data from the three IP lines (Figure 1) was recovered and remodelled by Montana GIS ("Montana") as consultant geophysics specialist. On quality control assessment review, the data was classified by Montana as of good quality with strong signal and repeatable coherent decays, thus suitable for interpretation. The QCed data was modelled using the Zonge 2D smooth model inversion routine; a robust way of converting the observed pseudo-section data into models which reflect the geometries and locations of the anomaly source (allowing for topographical variation).

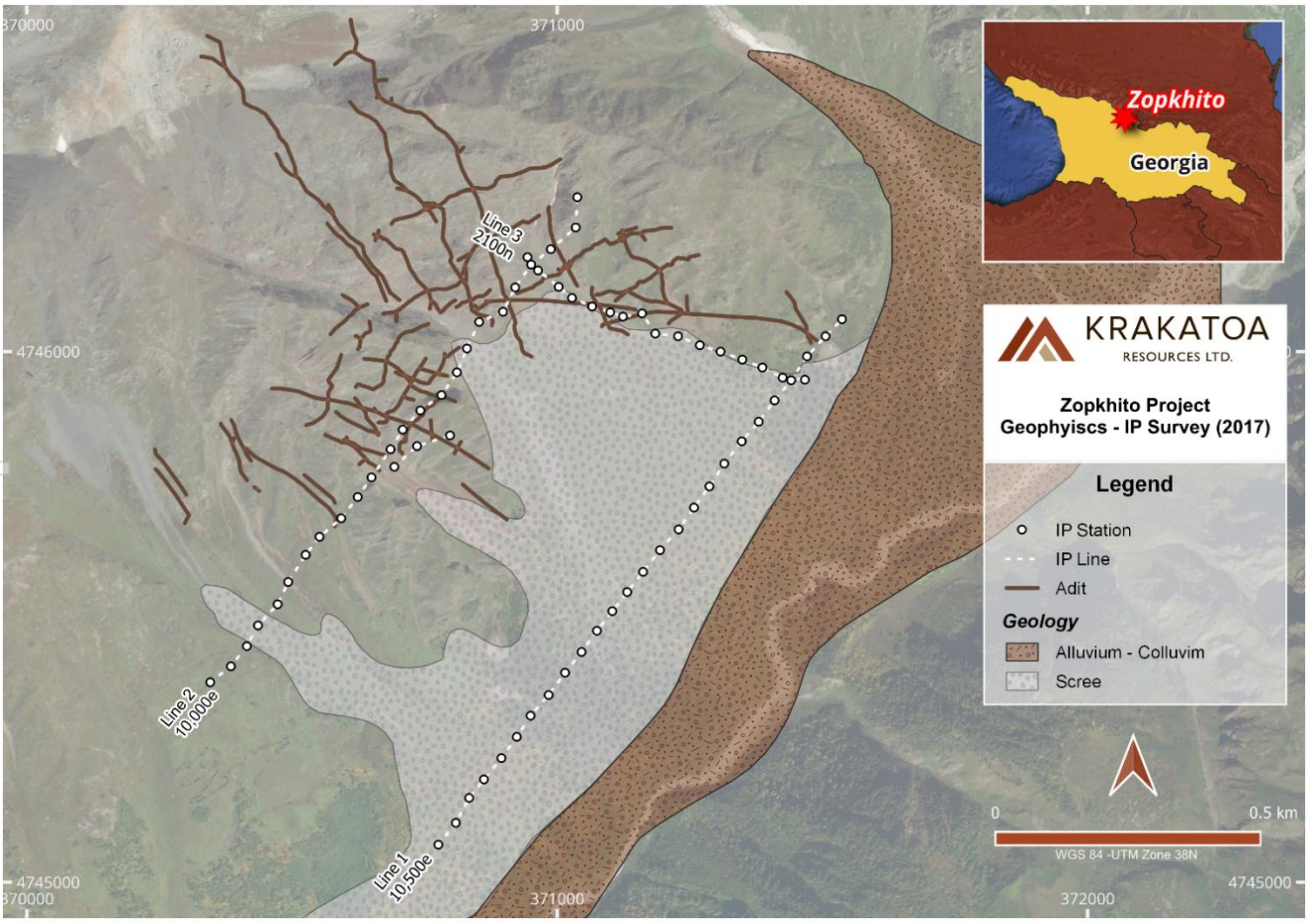

Figure 1 Location of the 2017 IP Geophysics Survey over transported geology.

All details of the survey are presented in Appendix A – Table 1 and 2

The resultant modelling found the upper line (Line 2) had a very strong chargeable anomaly associated with a zone of low resistivity (Figure 2). This area is adjacent to known adits where veins of high-grade antinomy mineralisation has been identified historically (Figure 3).

The lower line (Line 1) model indicates that this chargeable body (of Line 2) may strike 500m to the south-east, which may be masked under a layer of highly resistive material interpreted as the colluvium and scree (Figure 2).

PROJECT INTRODUCTION

The Zopkhito Project covers an area of ~1,779 hectares in the northern part of Racha region in Georgia, a country which borders Eastern Europe and Asia and has Azerbaijan, Russia, Turkey and Armenia as neighbours (Figure 1).

The region is characterised by high mountains, 2000m+ MSL, and steep side valleys cut by fast flowing rivers. Vegetation is dominated by alpine and sub-alpine species with the lower parts of the mountains covered by forested tracts before transitioning to alpine meadows at higher elevations

The Project is situated ~170km from Kutaisi (second biggest town in Georgia), where rail infrastructure links to the western ports (Poti and Batumi) on the Black Sea. The closest town is a village called Gebi, some 20km from site.

EXPLORATION AHEAD

Krakatoa is advancing its data review and collation. The Company will use the results of the review to develop an exploration plan for the commencement of the exploration field season, which is expected to commence early April 2025.

During the initial 12-month option period, the Company is endeavouring to increase the confidence in the geological model and geochemical database to a JORC 2012 standard to complete a mineral resource estimate. The Company intends to complete a preliminary economic assessment of the project before the end of the option period. This initial field program will entail additional surface mapping, geochemical sampling, adit sampling, diamond core drilling and additional geophysical surveys. The Company will also evaluate processing solutions for both antimony and gold.

ANTIMONY

Antimony is a high value, highly strategic critical metal that is used in wide ranging industrial and military applications including solar panel production, lead alloying for car batteries, bearings, cable sheathing and tin alloys for solder used in electronics and plumbing. Antimony is used in semiconductors, electronics, glass, ceramics, pigments, plastic production, rubber vulcanisation, pharmaceuticals, brake pads, clutches, coatings, paints and universal flame retardants.

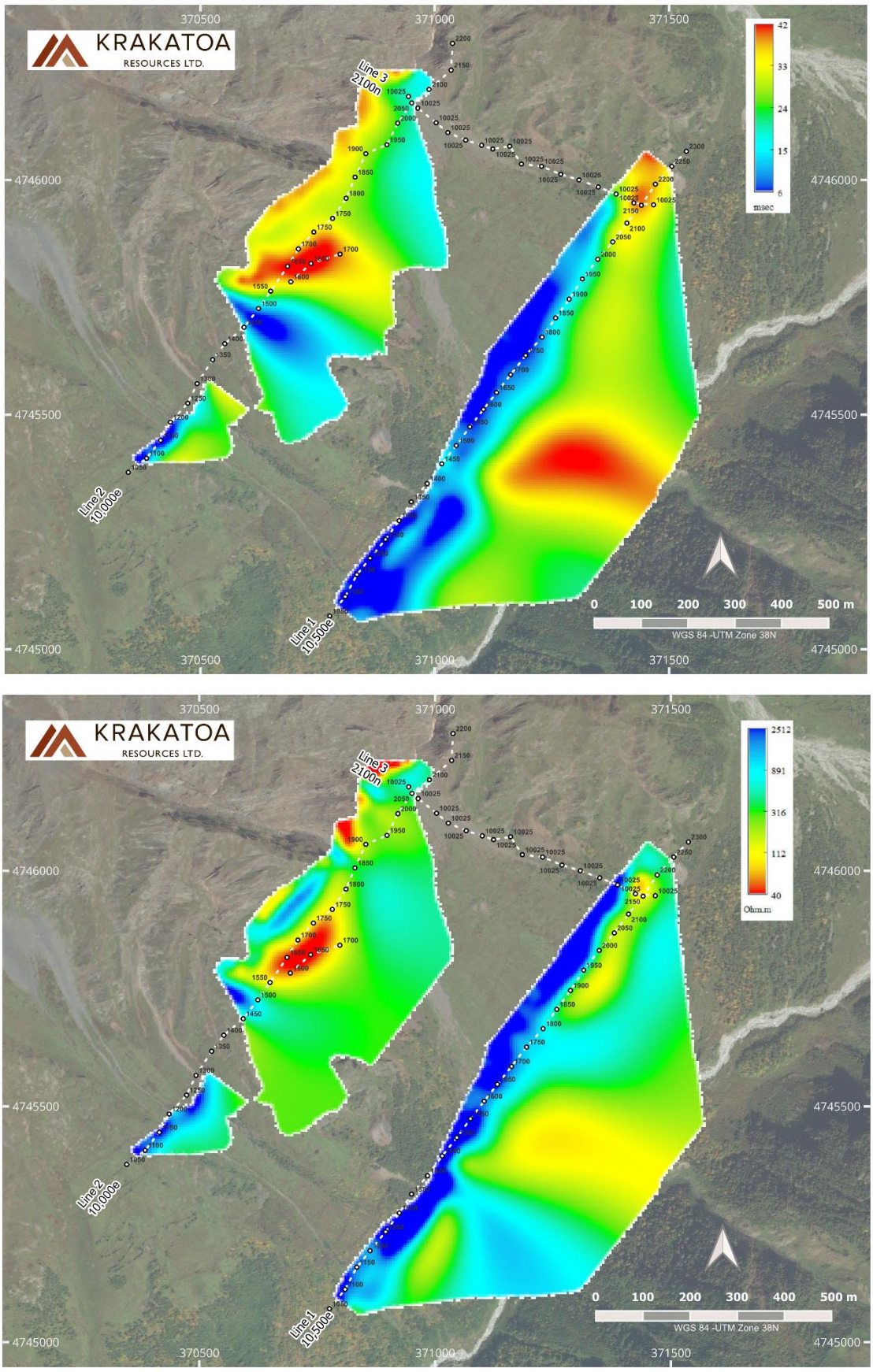

Figure 2 Lines 1 and 2 Chargeability (top image: red = high chargeability) and Resistivity (bottom image: red = low resistivity) models projected in 2D plan view.

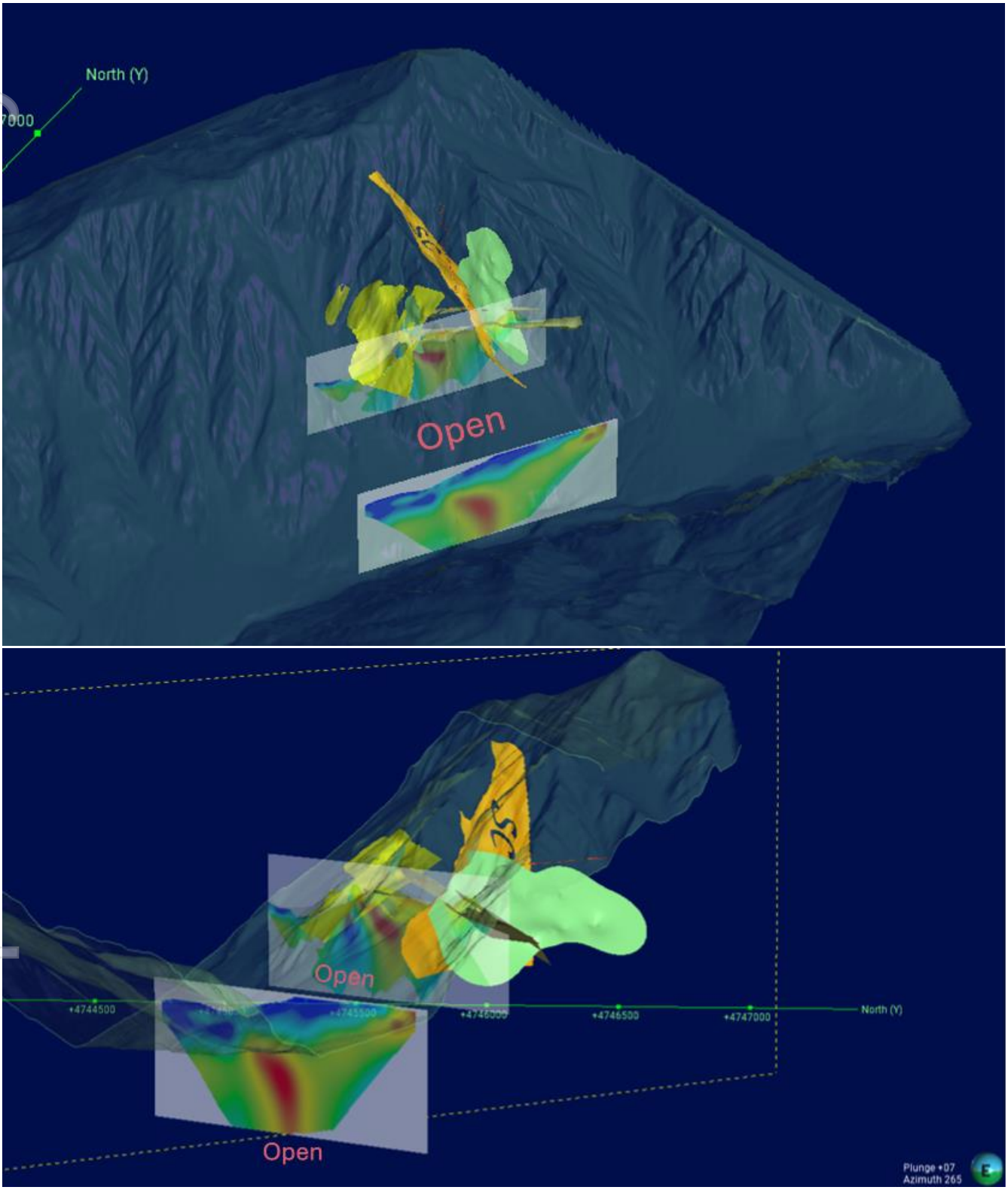

Figure 3 Images showing 3D wireframe modelling with interpreted mineralised veins and location of IP geophysical survey showing chargeability. Top image looking northeast (azimuth 327), bottom image looking west (azimuth 265).

GEORGIA

Georgia is an investor-friendly nation strategically positioned as a trade gateway between Europe and Asia. With a population of 3.7 million, the country has achieved remarkable economic milestones.

In 2023, Georgia's GDP stood at USD 30.5 billion, with a GDP per capita of USD 8,210. The country demonstrated an average annual real GDP growth of 5.2% from 2012 to 2023, with a robust 7.5% growth rate in 2023 despite global economic challenges. Georgia's commitment to economic openness is reflected in its position as:

#7 globally for ease of doing business and protecting minority investors.
#2 globally in starting a business.
#12 globally in enforcing contracts.
#1 globally in budget transparency[1].

Georgia provides duty-free access to a market of approximately 2.8 billion people through its network of free trade agreements (FTAs) and preferential trade regimes. Key agreements include:

- The Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU.
- FTAs with China, Turkey, CIS countries, EFTA nations, and Hong Kong.
- GSP agreements with the USA, Canada, and Japan.
- Negotiations for FTAs with India and Israel are also underway.

With a simple and service-oriented customs policy, about 80% of goods imported into Georgia are exempt from tariffs, supporting its role as a regional trade hub.

END-

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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Competent Person's Statements

The information in this announcement that relates to exploration results from geophysical data taken in 2017 and foreign exploration results from 2012 onwards is based on and fairly represents information reviewed and compiled for Mark Major, Krakatoa Resources CEO, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Krakatoa Resources. Mr Major has sufficient experience relevant to the styles of mineralisation and types 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 Major consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

[1] https://archive.doingbusiness.org/en/data/exploreeconomies/georgia

Forward Looking Statements

This document may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. No representation is made that, in relation to the tenements the subject of this announcement, the Company has now or will at any time in the future develop resources or reserves within the meaning of the JORC Code 2012.

Any forward-looking statements in this document speak only at the date of issue of this document. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and, unless required by applicable law, the Company is not under 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.

Appendix A -JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	IP and AMT Geophysical suvey • The ground based gravity survey was carried out by QUANTEC Geoscience. A total of 11 AMT sites and 3 lines (3.1km) of DCIP were surveyed. • DCIP survey was configured using 50m dipole spacing, • AMT survey was completed using 100m E-field dipole lengths, using multiply HF and LF time series for a maximum of 8.5 hours. • A GDD GRx8-32 (16 Channel) receiver and GDD TxII-5000 (%kw) with CRU & CM were used for the DCIP. A RT160Q Qantec datalogger with a synchronized GPS clock and steel plate receiver's in conjunction with a Geometrics GK100K magnetic field sensors and Phoenix MTC50 magnetic field sensors were used for the AMT survey. • The sampling techniques used are deemed appropriate for the style of exploration.
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).*	• Not applicable – no drilling reported
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Not applicable – no drilling reported
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not applicable – No drilling reported
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable – no drilling reported
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• Not applicable – no sampling reported
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Original data files underwent QA/QC and were found to be of good quality with strong signal and repeatable coherent decays. • The final data was modelling using Zonge 2D smooth model inversion routine. This converts the observed data into geometices and location of the anomaly sources allowing for topographical changes.

	• *Discuss any adjustment to assay data.*	

Location of data points	• *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.*
	• *Specification of the grid system used.*
	• *Quality and adequacy of topographic control.*
		• The data collection points where setup as follow:
		  ○ Pole – Dipole array
		  ○ Receiver dipole spacing = 50m, dipole array = n= 1to10
		  ○ Infinite pole location 370123E, 4738725N.
		• Location by GPS using WGS 84, UTM38N zone
		• Line spacing is as shown in Figure 1 and 2 of the report.
		• Accuracy is considered good. In the order of +/- 20cm in most cases.

Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Not applicable
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.* • *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.*	• Two data lines run perpendicular to the geological unit's strike. Line 3 ran semi-parallel to the geology.
Sample security	• *The measures taken to ensure sample security.*	• Not applicable.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed to date by the Company, just a review of the original data sets.

Section Table 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• The mineral license (License Number: 1001467 and 1000477) is wholly owned by JSCCM. • License was awarded on 14 March 2012 and is valid for a period of 30 years with an expiry date of 15 March 2042. • At the end of an initial exploration period of 5 years JSCCM are required to submit a report to the National Environmental Agency (NEA) detailing the completion of the exploration works. JSCCM are currently in the process of obtaining an extension to the exploration period. The Company understands from JSCCM that the extension should be granted. • Exploration rights are not restricted to specific minerals thus allowing JSCCM to explore and extract antimony, gold and other ferrous, noble and rare minerals. .
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Initial exploration at Zopkhito occurred between 1929 and 1979 with exploration works carried out by the State. • Between 1929 and 1932 exploration was focussed on developing underground exploration drives along the strike of the antimony veins. No channel samples were taken during this period. • Following the end of World War II up until 1956 the exploration drives were extended and channel samples were taken on each 1m face advance with samples taken perpendicular to the vein. In places samples were also assayed for gold typically with a face spacing of 10m. • In 1957 a Mineral Resource estimate for both antimony and gold was submitted to the Russian State Commission for Reserves (Gosudarstvennaya Komissia po Zapasam) – GKZ, at which point the potential of gold mineralisation was flagged up. • Between 1966 and 1978 exploration continued with channel sampling of underground exploration drives with focus on antimony and to a slightly lesser extent gold. • Based on review of the historical 1929-1978 exploration data, the Competent Person is of the opinion that the exploration activity was systematic and it adequately defined the geological continuity of the antimony veins although the limited assaying and assessment of gold mineralisation lowers the confidence that can be place on the spatial extents and associations of the gold mineralisation. • No historical QA/QC data is available for the 1929-1978 channel samples therefore JSCCM undertook a programme of resampling in 2013/14 to provide support to the historical channel samples. The results of the JSCCM resampling show a high level of support for the historical sample data. • It has been reported that in the 1980s some repeat sampling was carried out at Zopkhito on 4 veins in the central part of the deposit. Whilst a summary of the results has been provided to us no specific details on the methods or the direct results have been located by JSCCM. • In 2005 Eastern Mediterranean Resources Public Ltd (EMED) acquired the rights to Zopkhito and carried out some additional exploration. It is reported that over 800 new channel samples were taken by EMED. Reports by EMED have been shown to support the historical GKZ resource reporting for antimony and increased the gold resources (Soviet classification) as this was a major focus of EMED. EMED mining are a public listed company now trading under Atalaya Mining. • JSCCM have also completed resampling, geophysics and LIDAR surveying of the adits and topography.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Zopkhito deposit represents a Phanerozoic Orogenic Sb-Au deposit related to convergent plate boundaries. • Tectonic activity in the development of the Caucasus Mountains resulted in the development of the fold thrust belt of the Greater Caucasus which comprises three zones, Fore, Main and Southern Slope with the Zopkhito deposit situated in the Southern Slope zone. • The deposit is underlain by Jurassic sedimentary rocks, the lowermost unit of which comprises basal conglomerates. Overlying the basal conglomerates are Jurassic-Cretaceous flysch sequences of alternating coarse sandstones, polymictic sandstones, sandy shales, and black slates. • Fractures cut through the slates and shales and have acted as mineralisation pathways leading to the formation of the Sb-Au veins.

Criteria	JORC Code explanation	Commentary
		• To date there are around 60 known veins with variable strike orientations ranging from N-S to E-W, with the dominant strike orientation to the NE. Vein dips ranges from 30°-70° predominantly dipping to the NW. • Surrounding the veins are alteration halos with the host slates and shales having undergone silicification and sulphidisation. The alteration zones are enriched in pyrite, arsenopyrite, antimony and gold.
Drill hole Information	• *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*	• N/A – no drilling is being reported.
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• None used
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Not applicable
Diagrams	• *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.*	• Pertinent maps are included in the body of the report are appropriate for this stage of work.
Balanced reporting	• *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.*	• Not applicable
Other substantive exploration data	• *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 density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No additional data was used for this report • All known data has been presented in previous reports
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The Company plans as part of its exploration efforts to conduct the following activities: ○ Additional re-sampling of underground drives in areas not previously covered and those not covered. ○ Density testwork. ○ Underground or surface fan drilling to test extents of current mineralised veins and to better delineate mineral associations, and potential of blind veins between the current known vein mineralisation. ○ Metallurgical testwork to assess antimony and gold recoveries. ○ Development of a JORC compliant mineral resource estimate. ○ Further reconnaissance mapping and surface sampling to examine and further refine areas of possible mineralisation are warranted.