



Q1
25



KRAKATOA

RESOURCES LTD.

QUARTERLY ACTIVITIES REPORT

March 2025



Capital Structure
620,134,025 Fully Paid Shares
80,000,000 Performance Rights
20,000,000 Options

Directors
Colin Locke
David Palumbo
Timothy Hogan

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HIGHLIGHTS FROM MARCH 2025 QUARTER

ZOPKHITO ANTIMONY-GOLD PROJECT

- Krakatoa maintains the right to acquire an 80% interest in the globally significant Zopkhito Antimony-Gold Project in Georgia¹
- Identification of a potential significant extension of the Zopkhito Sb-Au resource at depth and along strike through induced polarisation (**IP**) and topography data modelling
- 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 gold²
- Only 16 of a total 60 antimony and gold mineralised veins identified through historic exploration have been investigated to delineate the foreign resource estimate
- Historical data compilation and review continues with the aim to establish priority target areas for future drilling
- The Company is committed to completing a JORC standard mineral resource estimate (MRE) and undertaking a preliminary economic assessment of Zopkhito

MT CLERE PROJECT

- The Company has been granted up to \$220,000 from the Western Australian Government as part of the state's Exploration Incentive Scheme (EIS) for drilling at the Stone Tank Prospect
- The proposed drill program will test two large high priority, discrete and strong amplitude gravity anomalies identified in 2024
- One target is coincident with a buried magnetic high, while the other running parallel to a magnetic low feature is interpreted to be a structural lineament
- Drilling expected to commence in mid 2025

COMPANY

- Cash on hand at end of the quarter is \$1.29M
- All resolutions duly passed at the General Meeting of Shareholders held on 21st March 2025
- Half yearly accounts were released on the 12 March 2025

Krakatoa Resources Limited (**ASX: KTA**) (**Krakatoa** or **the Company**) is pleased to provide the following summary of activities conducted over the three-month period to 31 March 2025, where the Company's activities were focused on the Zopkhito Antimony-Gold Project in Georgia.

¹ See ASX Announcement 9 December 2024

² 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. The resource estimate is broken down into soviet classification groups B, C1, C2, P, P1 and P2 – see Appendix 2 in this document. 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.

ZOPKHITO ANTIMONY GOLD PROJECT

The Zopkhito Antimony-Gold Project is located in the Racha area of Georgia, covering an area of 1,779 hectares with an active exploration-mining licence valid until March 2042. As announced in December 2024, KTA maintains an exclusive option to acquire up to an 80% legal and beneficial interest in the granted mining licence covering the Zopkhito Project.

Zopkhito was discovered in 1929 and explored by the Soviet Government until 1979, with additional exploration being carried out during 2006-2019. Historic exploration activity at the Project includes:

- 27km of underground adit exploration drives developed during the Soviet-era
- Over 15,000 geochemical samples taken mostly as channel samples
- Antimony foreign resource estimate completed and a Gold foreign resource estimate
- LiDAR survey and IP geophysics completed

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.

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 gold². See Appendix 2 for the details of the foreign Resource estimate broken down into the Soviet classification system.

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.

During the Quarter, Krakatoa advised that it had been consolidating the extensive historical data from the Project, focusing on expanding the known footprint and looking ahead, plans to initiate first drill testing once permitting and access is available.

As part of its initial exploration program at Zopkhito, Krakatoa for the first time combined historic IP data with topography data which resulted in the identification of a potential significant extension of the Zopkhito Antimony-Gold (Sb-Au) resource at depth and along strike. This modelling supports the continuation of the Sb-Au system to depths well below previous exploration and potential for parallel mineralisation veins untouched by exploration.

The Company will continue its historical data compilation and review with the aim to establish priority target areas for drill confirmations.

IP Survey Indicates Continuance of Antimony-Gold Mineralisation

An induced polarisation (IP) survey was completed by Quantec Geoscience in 2017. 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).

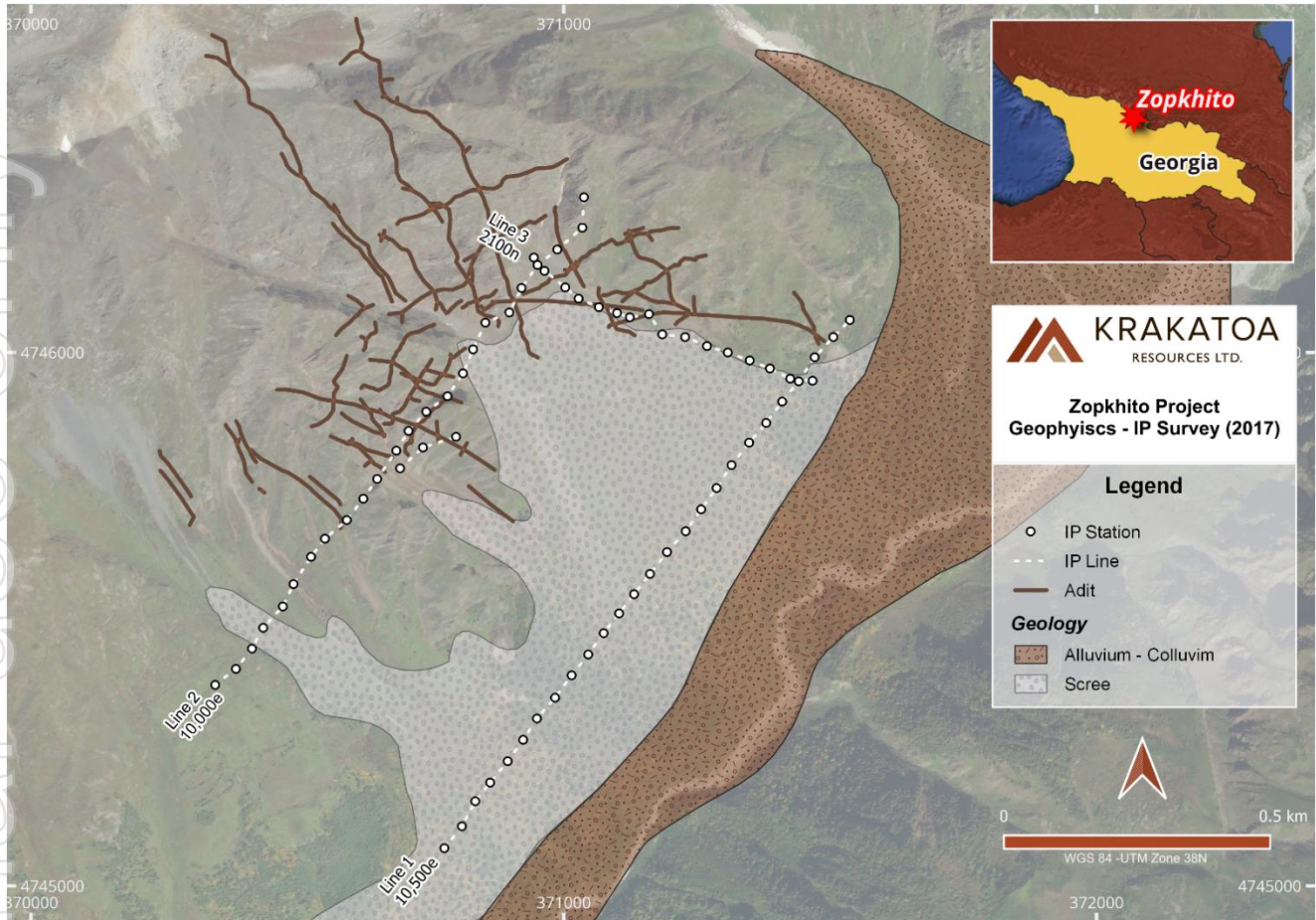


Figure 1 Location of the 2017 IP Geophysics Survey over transported geology.

All details of the survey were presented in Appendix A – Table 1 and 2 of the Company’s 5th February 2025 ASX Announcement³.

The 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 antimony 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).

³ <https://wcsecure.weblink.com.au/pdf/KTA/02909691.pdf>



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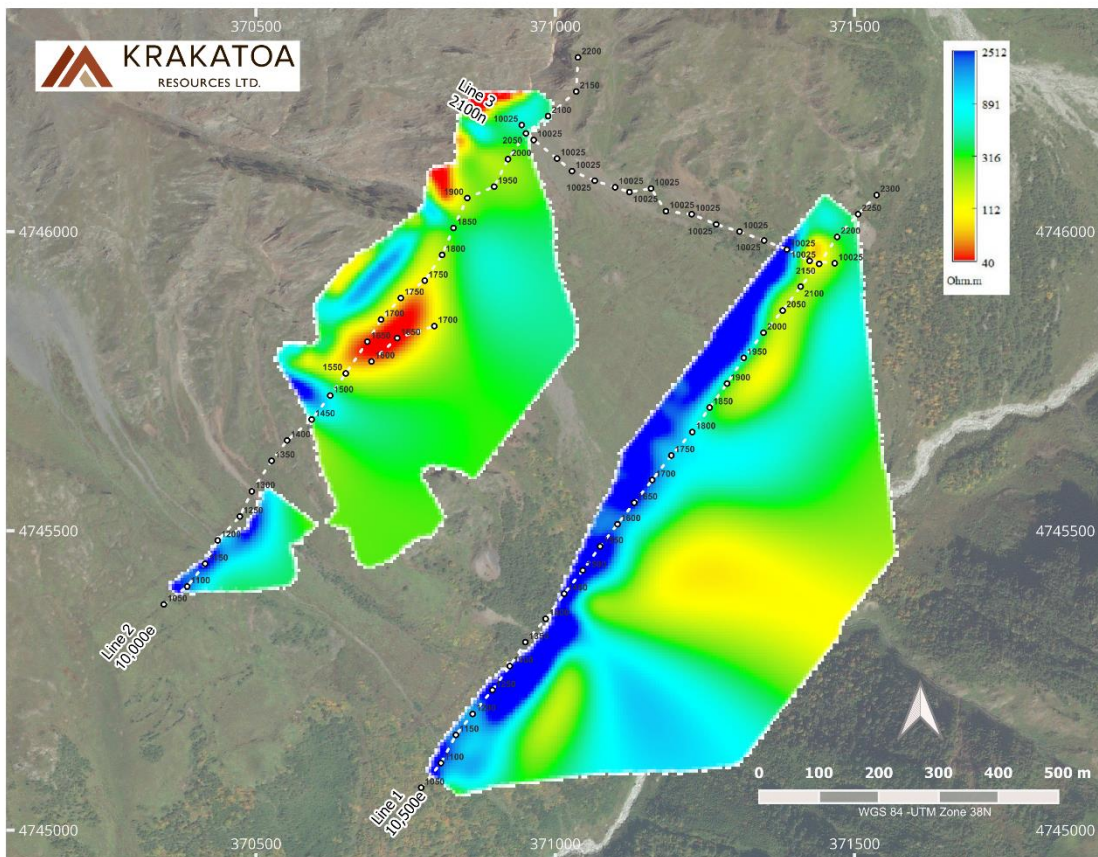
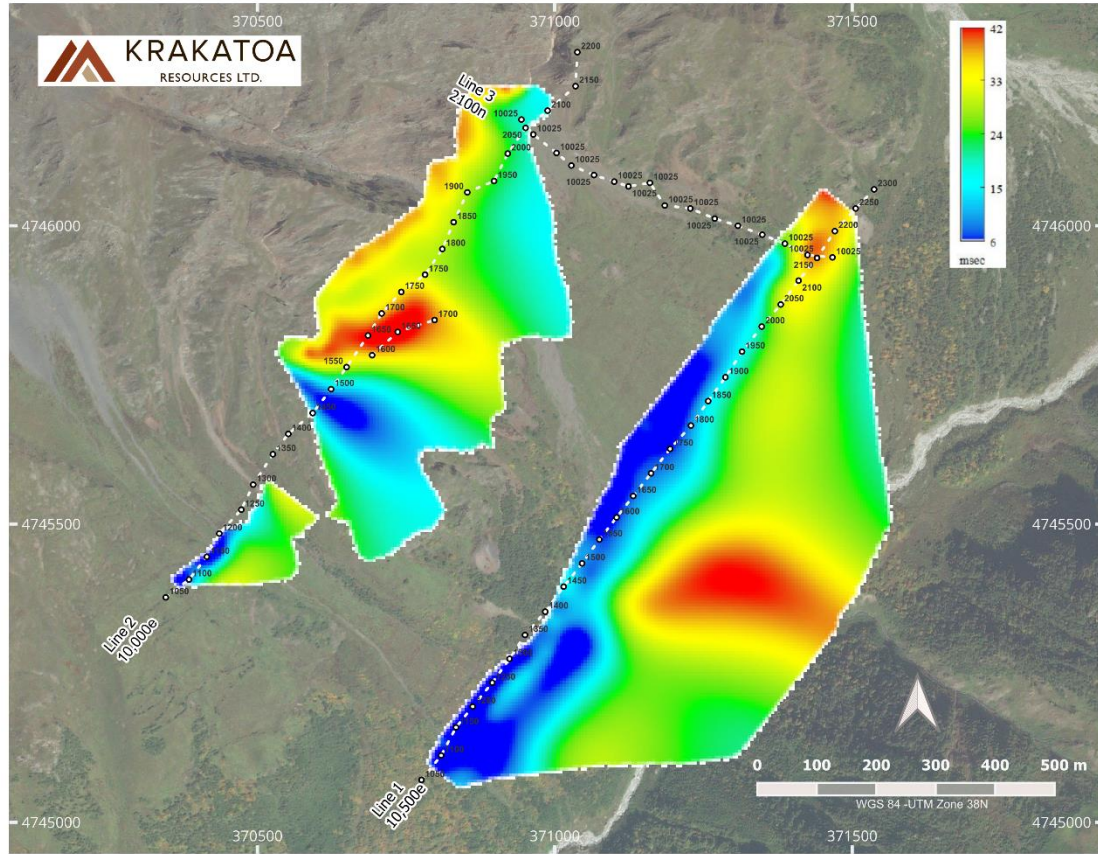


Figure 2 Lines 1 and 2 Chargeability (top image: red = high chargeability) and Resistivity (bottom image: red = low resistivity) models projected in 2D plan view

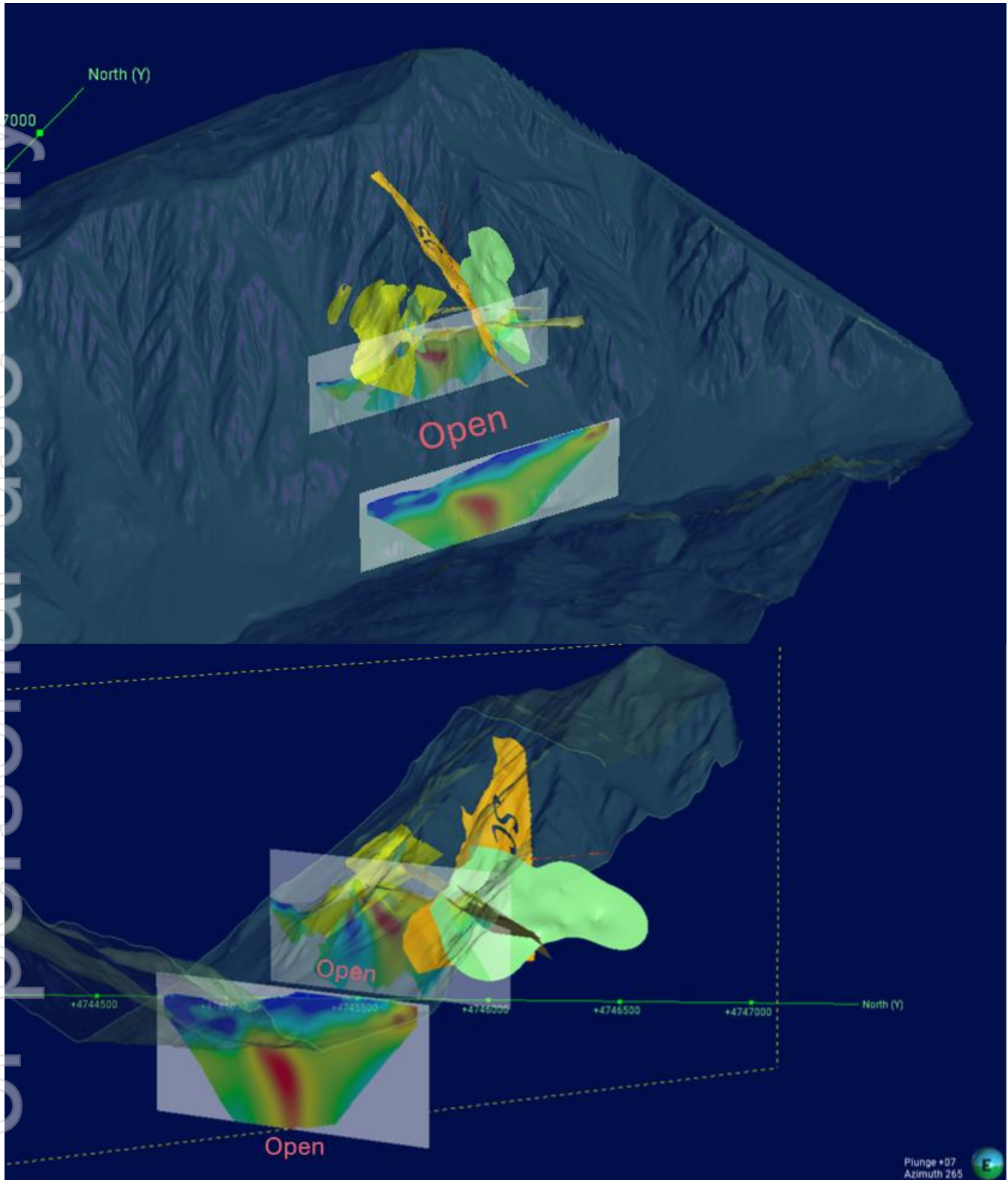


Figure 3 Images showing 3D wireframe modelling with interpreted mineralised veins and location of IP geophysical survey showing chargeability. Top image looking northeast (azimuth 327), bottom image looking west (azimuth 265).

Zopkhito Presentation

Krakatoa presented at the NWR Antimony Webinar in February where it released an updated presentation pertaining to the Zopkhito Antimony-Gold Project, a copy of which can be viewed on the Company's website [here](#).

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 transparency⁴

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.

MT CLERE PROJECT (WA)

During the December 2024 Quarter, the Company advised its application for a Western Australian State Government grant under the Exploration Incentive Scheme (**EIS**) was successful. Under the EIS, the Company can receive up to \$220,000 in costs associated with drilling exploration.

The Company is currently undergoing preparations for the drill program with the expectation to be drilling by mid-2025.

RAND IRGS PROJECT (NSW)

No exploration work was conducted on the project during the last quarter.

TURON AU-CU PROJECT (NSW)

No work was conducted on the Project during the last Quarter. The Company may look for a partner to explore this project in due course.

⁴ <https://archive.doingbusiness.org/en/data/exploreconomies/georgia>

BELGRAVIA CU-AU PROJECT (NSW)

No work was conducted on the Project during the last Quarter. The Company may look for a partner to explore this project in due course.

KING TAMBA PROJECT

No work was conducted on the Project during the last Quarter.

CORPORATE

The Company's General Meeting of Shareholders was held on 21st March 2025 where all resolutions were duly passed. For full results of the meeting see ASX Announcement 21 March 2025, "[Results of General Meeting.](#)"

As at the end of the quarter the Company has \$1.29M cash on hand.

The company holds a \$109K drilling credit with Topdrill which can be used on further drilling exploration.

Exploration

ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$134k. Exploration during the Quarter largely comprised of reconnaissance exploration, mapping, geochemical sampling, heritage and land access negotiations, target generation and preparation for future exploration programs - full details of activity during the Quarter are set out above.

ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

Tenements held by the company, at the end of the quarter are presented in Appendix 1.

Related Party Payments

Pursuant to item 6 in the Company's Appendix 5B – Quarterly Cashflow Report for the Quarter ended 31 March 2025, the Company made payments of \$72k to related parties which relate to existing remuneration arrangements (director fees and superannuation).

Authorised for release by the Board.

Yours faithfully,



Colin Locke
Executive Chairman

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 Person's Statement

The information in this announcement is based on, and fairly represents information compiled by 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 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 Major consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

ASX Announcement (Price Sensitive) released during the Quarter

Date	Headline
21 March 2025	Results of General Meeting
5 February 2025	IP Indicates Continuance of Zopkhito Sb-Au Mineralisation

Appendix 1 - Details of Tenements Held at 31 March 2025

Project	Tenement Licence	Interest held at at 31 December 2024	Interest acquired/ disposed	Interest held at 31 March 2025
Belgravia	EL8153	100%	-	100%
Turon	EL8942	100%	-	100%
Rand	EL9000	100%	-	100%
Rand	EL9276	100%	-	100%
Rand	EL9277	100%	-	100%
Rand	EL9366	100%	-	100%
Mt Clere	E09/2357	100%	-	100%
Mt Clere	E52/3730	100%	-	100%
Mt Clere	E52/3731	100%	-	100%
Mt Clere	E52/3836	100%	-	100%
Mt Clere	E52/3873	100%	-	100%
Mt Clere	E52/3876	100%	-	100%
Mt Clere	E52/3877	100%	-	100%
Mt Clere	E51/1994	100%	-	100%
Mt Clere	E52/3938	100%	-	100%
Mt Clere	E52/3962	100%	-	100%
Mt Clere	E52/3972	100%	-	100%
King Tamba	P59/2082	100%	-	100%
King Tamba	P59/2140	100%	-	100%
King Tamba	P59/2141	100%	-	100%
King Tamba	P59/2142	100%	-	100%
King Tamba	E59/2389	100%	-	100%
King Tamba	E59/2503	+	-	+
Zopkhito	#10001467	0	-	Option*

+ Tenement applications subject to grant

*Option to acquire 80%

Appendix 2 – Details of the Zopkhtio foreign resource estimate, broken down into the Soviet (Russian GKZ) classification system.

Resource Classification (Russian GKZ)	Grade (Sb%)	Tonnes (t)	Number of veins	Mean vein thickness (m)	Contained Sb Metal (t)
B	12.32	9,479	3	0.35	1,231
C1	11.71	69,715	16	0.34	8,492
C2	11.41	137,668	14	0.33	15, 874
P	11.54	7,673	8	0.28	523
Total⁽¹⁾	11.63	224,535	17	0.34	26,120

Resource Classification (Russian GKZ)	Ore Tonnes (t)	Grade Au (ppm)	Au (kg)	Au (oz)
C2	1,994,500	4.2	8,377	269,323
P1	2,907,150	3.0	8,721	280,401
P2	2,358,491	3.5	8,255	265,395
TOTAL⁽¹⁾	7,260,141	3.7	25,353	815,119

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

KRAKATOA RESOURCES LIMITED

ABN

39 155 231 575

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(134)	(768)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(105)	(482)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	11	31
1.9 Net cash from / (used in) operating activities	(228)	(1,219)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	-	-
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100	1,280
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(81)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	96	1,199
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,426	1,314
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(228)	(1,219)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	96	1,199

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,294	1,294

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,279	1,411
5.2	Call deposits	15	15
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,294	1,426

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	72
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(228)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(228)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,294
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,294
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.67
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **28 April 2025**

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.