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KRAKATOA
RESOURCES LTD.

QUARTERLY ACTIVITIES REPORT
March 2024



Capital Structure
472,107,220 Fully Paid Shares

Directors
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HIGHLIGHTS FROM MARCH 2024 QUARTER

KING TAMBA PROJECT

- Phase 2 drilling recommenced (and was completed in the quarter) over the 1.3 x 0.5 km Li-Cs-Rb-Be mineralised soil anomaly in January, with the program consisting of 45 Reverse Circulation drill holes for a total of 5966m of drilling.
- Phase 1 multi-element assay results from the drilling (1806m drilling program) over the high-grade lithium rock chips prospects were received and reported.
- Drilling intersected flat-lying pegmatites with multiple thick pegmatites of up to 39m thick in several zones, with significant mineralised intersections of:
 - 7m @ 0.31% Li₂O from 3m (DAL042)
 - 6m @ 0.20% Cs₂O from 7m (DAL042)
 - 1m @ 0.51% Li₂O from 74m (DAL046)
- Phase 2 multi-element assay results were received and reported late in the quarter resulting in the following mineralised intersections:
 - 17m @ 0.24% Li₂O from 90m (DAL061)
 - 6m @ 0.25% Li₂O from 4m (DAL086)
 - 9m @ 605ppm Ta and 5m @ 305ppm Nb from 17m (DAL096)
- A mineralised pegmatite remains open to the west.

MT CLERE PROJECT

- The Company is currently reviewing the field data and geochemical assay data from the extensive 2023 reconnaissance mapping and geochemical sampling programs over the Mt Clere region.
- In total the Company undertook reconnaissance mapping and prospecting over 400km²; collecting over 2600 soil samples and around 200 rock samples, as well as expanded the stream sampling program coverage area with over 270 more samples collected.
- Numerous areas of interest including several pegmatite outcrops were discovered.

NEW SOUTH WALES PROJECTS

- The Company reviewed assay results from the Turon projects reconnaissance rock sampling program late in the quarter and reported them on 11 April 2024, subsequent to the reporting period.
- Land access negotiations over several areas of interest at the Rand Project are ongoing.

COMPANY

- Cash on hand at end of the quarter is \$1.596M.
- Half yearly accounts were released on the 8 March 2024

Krakatoa Resources Limited (**ASX: KTA**) ("Krakatoa" or the "Company") is pleased to provide the following summary of activities conducted over the March 2024 Quarter.

King Tamba Project

During the quarter, the Company completed the Phase 2 reverse circulation (RC) drilling which had been designed to test the extent of the high-grade lithium in soil anomalies within a 0.5 x 1.3 km halo surrounding the discreet high-grade lithium rock prospects drilled in Phase 1 (Figure 1). The Phase 2 program commenced the previous quarter and was demobilised during the festive season break between the reporting quarters. Drilling recommenced in January with the entire program consisting of 45 RC drill holes for 5966m of drilling.

The drilling program was designed to cover the footprint of the lithium soil anomaly using a 200m drill line spacing and 50m hole spacing. Drill holes were angled at 60° towards to southeast and drilled to test the vertical depth of at least 100m below surface in most cases.

The Phase 1 multi-element assay results for the November RC drilling, undertaken below the high-grade lithium rock chip prospects (Wilsons – Loader – MGM), were received during the quarter. The phase 2 multi-element assay results (over Lithium Soil anomaly) were received later in the quarter.

Several zones of LCT mineralisation have been identified showing enrichment in lithium, caesium and rubidium. One zone below the Wilsons prospect encountered an enriched zone of lithium and caesium from 3m (Figure 2). In this zone and especially in drill hole DAL042, the lithium and caesium mineralisation tend to extend beyond the pegmatite and into the country rock. This zone was also encountered in drill hole DAL086 (Figure 1) located near the Wilsons high-grade rock area and showed similar enrichment in lithium as reported in hole DAL042. A significant zone of high tantalum, niobium and rubidium was intersected in DAL096 (Figure 1) which remains open to the west.

Other mineralisation including zinc sulphide (sphalerite) and elevated arsenic have been identified within the sampled pegmatites.

Significant intersections are summarised in Table 1.

The King Tamba project has an existing JORC 2012 inferred mineral resource estimate of 5Mt @ 0.14% Rb₂O with 0.05% Li₂O credits (see ASX Announcement dated 9 March 2023 for full details). The company may seek to update and expand the resource model using the new data from the 2023/24 drilling.

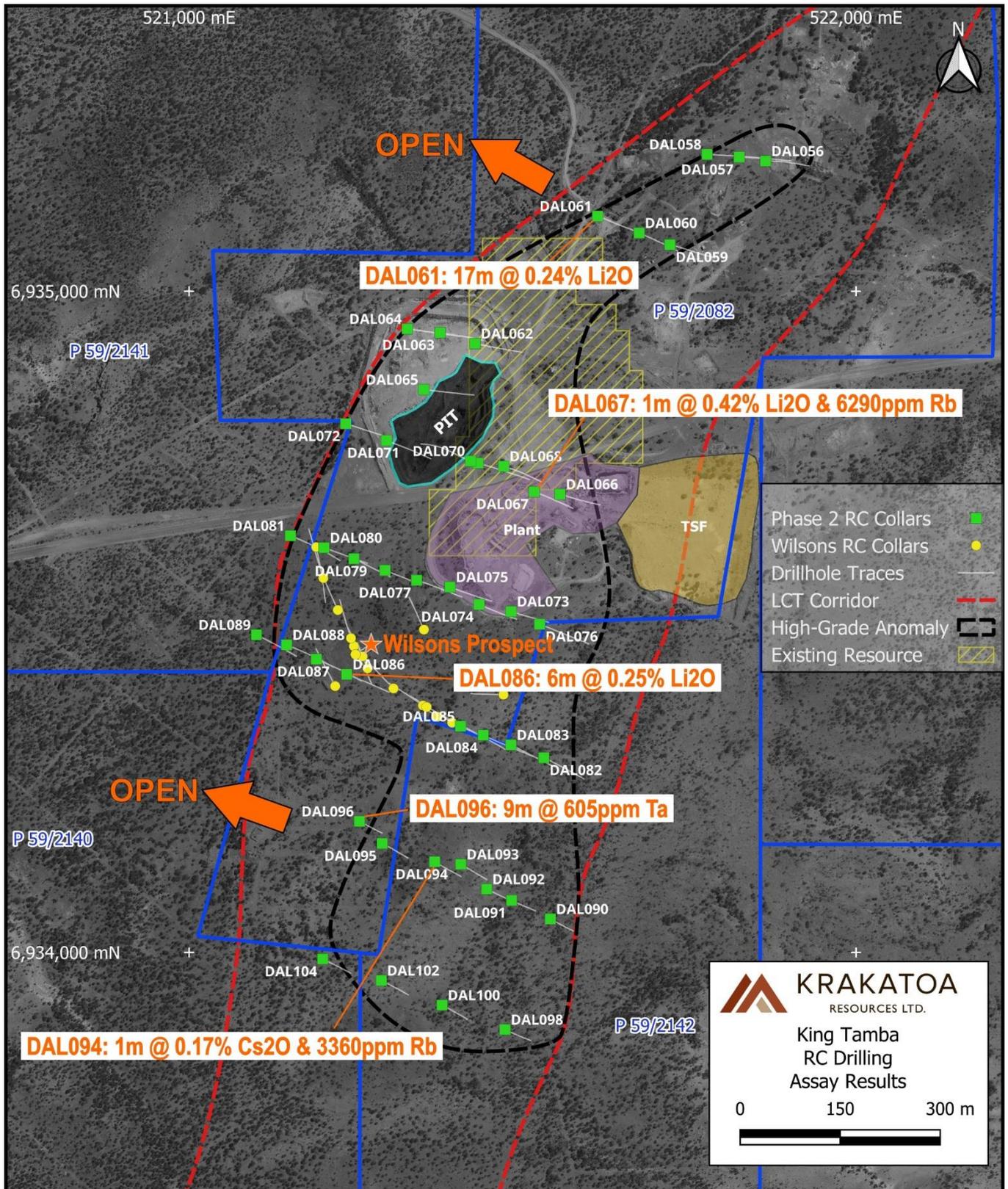


Figure 1 Drill Collar locations over satellite image showing high-grade lithium soil anomaly and significant drill intersections.

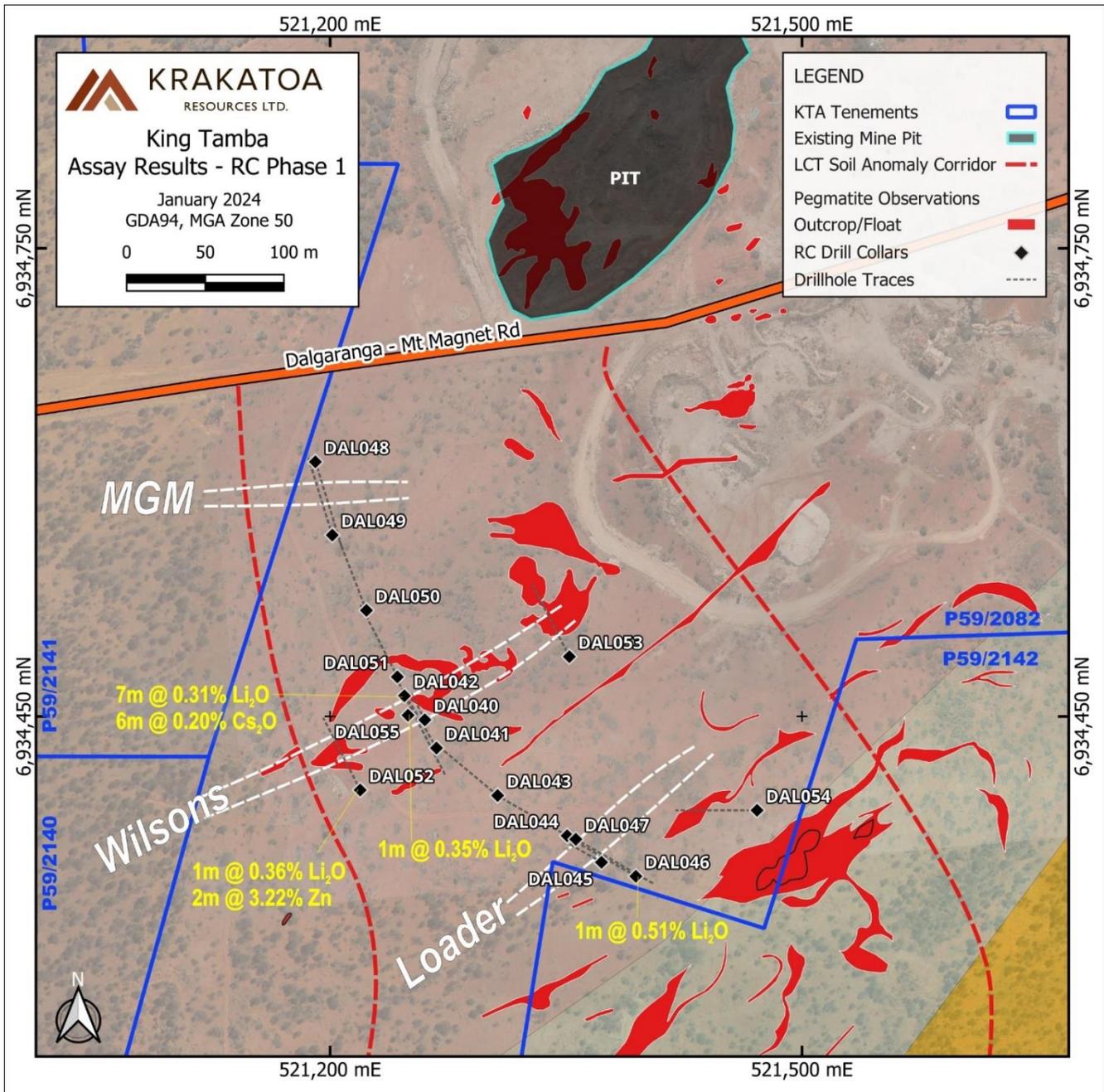


Figure 2 Drill Collar locations and notable intersections over the three high-grade lithium rock chip prospects (Phase 1 drilling program)

Table 1 – Significant intersections

Hole ID	From	To	Thickness (m)	Grade
DAL042	3	10	7	0.31% Li ₂ O
DAL042	12	13	1	0.32% Li ₂ O
DAL046	74	75	1	0.51% Li ₂ O
DAL052	111	112	1	0.36% Li ₂ O
DAL055	3	4	1	0.35% Li ₂ O
DAL042	7	13	6	0.20% Cs ₂ O
DAL052	106	108	2	3.22% Zn
DAL061	90	107	17	0.24% Li ₂ O
including	90	91	1	0.52% Li ₂ O & 4500ppm Rb
DAL086	4	10	6	0.25% Li ₂ O
including	4	5	1	0.37% Li ₂ O
DAL067	113	114	1	0.42% Li ₂ O & 6290ppm Rb
DAL096	66	67	1	0.34% Li ₂ O
and	17	26	9	605ppm Ta
including	20	22	2	1428ppm Ta
and	17	22	5	305ppm Nb
and	18	22	4	5315ppm Rb
DAL058	150	151	1	0.33% Li ₂ O & 4290ppm Rb
DAL056	95	96	1	371ppm Nb
and	129	130	1	307ppm Nb
DAL074	76	77	1	0.32% Li ₂ O
and	77	78	1	309ppm Nb
DAL094	7	8	1	329ppm Nb
and	12	13	1	0.17% Cs ₂ O & 3360ppm Rb
DAL069	134	148	14	3113ppm Rb
DAL089	87	90	3	3193ppm Rb
DAL073	134	135	1	343ppm Ta

Mt Clere Project

During the Quarter, the Company received all the outstanding multi-element geochemical assay results from its extensive regional reconnaissance, mapping and geochemical field programs completed in the previous quarters. The objective is to carry out regional exploration programs to replicate the discovery success at Tower, while also investigating other commodity opportunities within the large ~2,400km² land holding.

The focus of the year 2023, 8-month work campaign was to advance the exploration activities in the tenement and investigate geological and geophysical features of interest. The field team demobilised from site during the previous quarter, after completing all tasks. Soil and rock samples were selected for analysis and submitted to laboratories within the Perth region.

In total for the 2023 field season the company undertook the following:

- ~400 km² of outcrop geological prospecting and mapping
- 179 rock and 2568 soil sampling to generate new targets across under-explored regions.
- 271 stream sediment sampling in areas where no exploration has been undertaken.

Multi-elemental assay results have been received and are being interpreted by the Company and its consultants currently.

Rand IRGS Project (NSW)

Land access discussion associated with new areas of interest are progressing. No exploration work was conducted on the project during the last quarter.

Turon Au-Cu Project (NSW)

During the quarter the gold and multi-elements assay results of the seventeen (17) rock-chip samples collected in 2023 were reviewed and reported (on 11 April 2024) after the completion of the reporting period.

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.

Mac Well Project

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

CORPORATE

As at the end of the quarter the Company has \$1.596M 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 \$536k. Exploration during the Quarter largely comprised of reverse circulation (RC) drilling, geochemical assay test work, 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 2024, 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.

The information in this report that relates to Mineral Resources for King Tamba is based on information compiled by Mr Daniel Saunders, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Saunders is a full-time employee of Cube Consulting Pty Ltd, acting as independent consultants to Krakatoa Resources Limited. Mr Saunders has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement (ASX announcement dated 9 March 2023) and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement (ASX announcement dated 9 March 2023) continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement (ASX announcement dated 9 March 2023).

ASX Announcement (Price Sensitive) released during the Quarter

Date	Headline
9-Jan-24	RC Drilling Resumes at King Tamba
15-Jan-24	King Tamba Update
30-Jan-24	Quarterly Activities & Appendix 5B Cash Flow Report
8-Mar-24	Multi-element hits at King Tamba

Appendix 1 - Details of Tenements Held at 31 March 2024

Project	Tenement Licence	Interest held at at 31 December 2023	Interest acquired/ disposed	Interest held at 31 March 2024
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%
Mac Well	E59/2175	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	+	-	+

+ Tenement applications subject to grant

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 2024

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	(536)	(1,939)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(162)	(777)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	16
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)	8	8
1.9 Net cash from / (used in) operating activities	(690)	(2,692)

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)	-	3,575
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	(24)	(239)
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	(24)	3,336
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,310	952
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(690)	(2,692)
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)	(24)	3,336

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	1,596	1,596

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	1,581	2,295
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)	1,596	2,310

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	
<i>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.</i>		

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)	(690)
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)	(690)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,596
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,596
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.3
<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: **26 April 2024**

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.