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MORE HIGH-GRADE LITHIUM DISCOVERED AT KING TAMBA

- **New lithium outcrop (Loader prospect) discovered with a rock-chip result returning 1.70% Li_2O**
- **The Loader prospect is located 125m southeast of Wilsons prospect, where previous rock chips returned up to 4.3% Li_2O**
- **Another new nearby train of greisen altered pegmatite float has also been discovered (MGM prospect) and sampled with assays pending**
- **Significant niobium and high-grade tantalum zone identified near remnant open pit, with peak assay of 2387 ppm Ta_2O_5**
- **Tenement wide expanded soil geochemical program completed, to define the extensions of the existing 800m mineralised Li-Rb-Cs corridor**
- **Preparations underway for drilling these lithium prospects**

Krakatoa Resources Limited (ASX: KTA) ("Krakatoa" or the "Company") is pleased to announce assay results from the Phase 2 rock sampling program at the King Tamba project, centred 80km northwest of Mount Magnet in Western Australia. The results reported herein contain additional highly elevated LCT anomalism, with results up to 2.92% Li_2O.

Having secured funding via a $3.78m Placement (ASX Announcement 10 July, 2023) and with the recent discovery of the Wilsons Prospect (Wilsons) consisting of high-grade rock chips grading up to 4.3% Li_2O (ASX Announcement 5 July, 2023) the Company has prioritised the exploration program and expanded the target areas for exploration. The Company has been actively mapping and geochemical sampling at King Tamba, investigating various exploration targets.

NEW PEGMATITE OCCURRENCES DISCOVERED

Whilst preparing for the upcoming drill program, another occurrence of greisen-altered pegmatite was unearthed approximately 125m metres southeast of Wilsons (Figure 2). This previously unknown pegmatite (named Loader prospect) was concealed by thin soil cover. A boulder of the mineralised material was sampled, returning 1.70% Li_2O plus elevated rubidium and caesium.

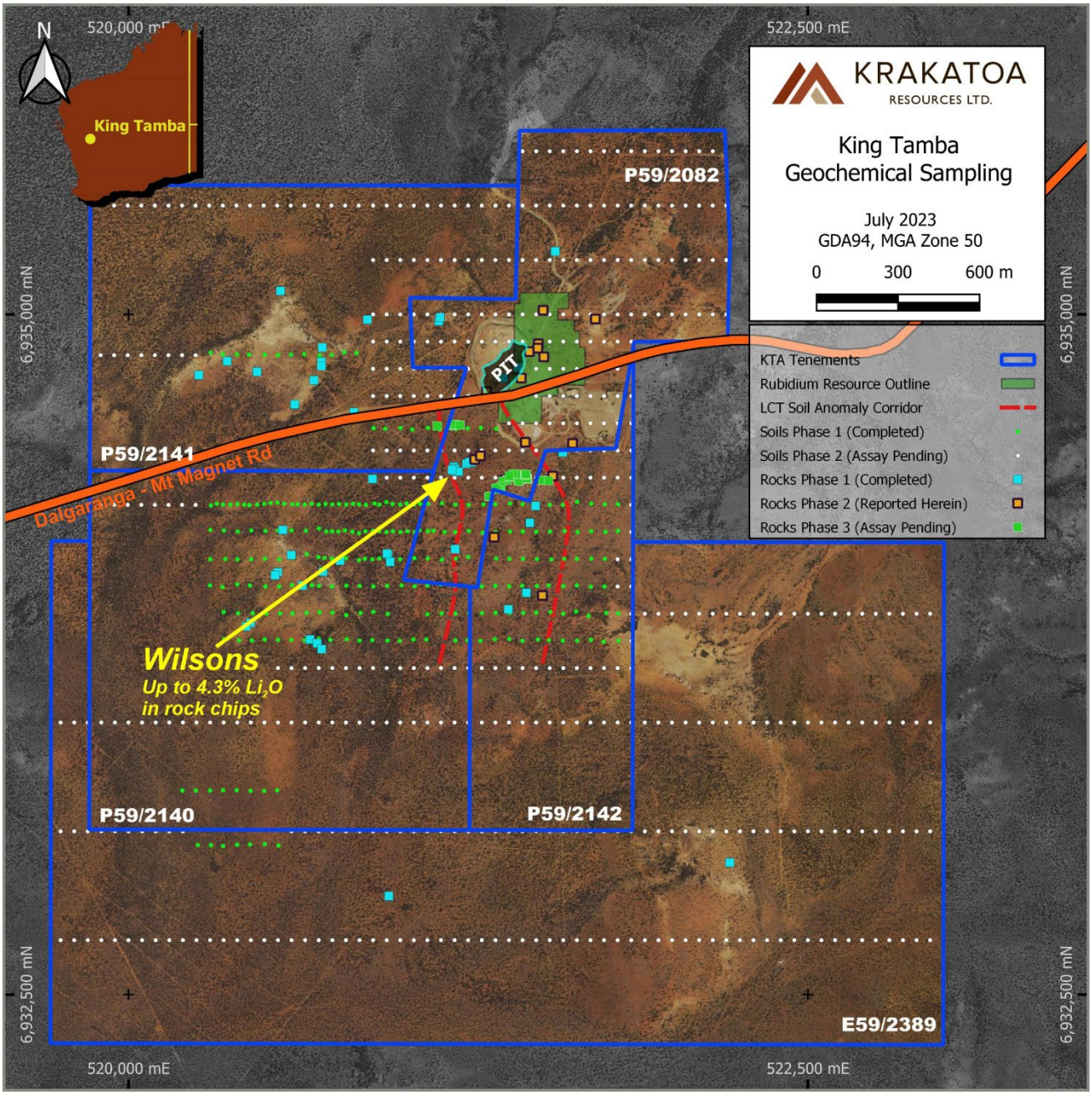

Figure 1: King Tamba geochemical sampling locations taken in 2023 showing location of the Wilsons prospect, remanent open pit and JORC resource

Further field work has since delineated a train of greisen altered pegmatite float (MGM prospect) extending NE and SW from this sample and trending approximately parallel to the strike of the Wilsons Pegmatite. The MGM prospect (MGM) is located 150m north of Wilsons and corresponds to a single line of soil sampling which returned a multi-element LCT anomaly over multiple samples.

Field checking of this soil anomaly revealed greisen-altered pegmatite float strung out in a linear fashion suggesting there may be another previously unmapped pegmatite below shallow cover.

The MGM has been sampled extensively as part of the Phase 3 rock samples which were recently collected and are currently being analysed. The discovery of parallel mineralised pegmatites within the soil anomaly zone fits well with the Company's exploration model and is a significant development.

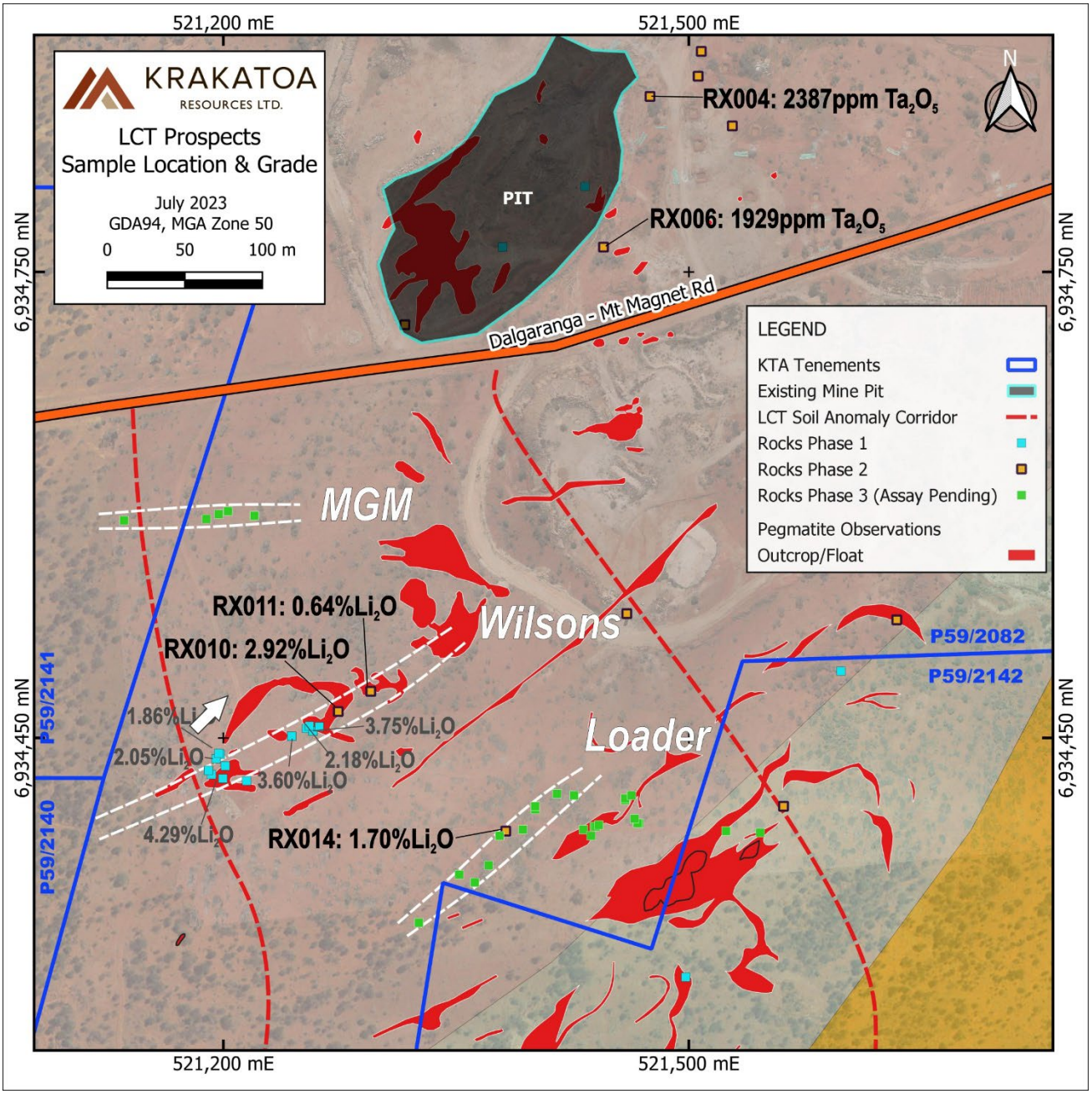

Figure 2 New prospects (Loader and MGM) location alongside the Wilsons Prospect showing sample locations, mapped and interpreted pegmatite outcrops

The high-grade mineralised lithium rock samples from Loader, Wilsons and surrounding areas are described as coarse-grained highly micaceous greisen-altered pegmatites (Figure 3). At this stage it is not clear which minerals are hosting the lithium mineralisation. A wide range of micas are commonly observed at King Tamba, Zinnwaldite is found in the open-pit in association with high grade tantalum mineralisation. Muscovite (including high-Rb variants) and Phlogopite were widespread in the 2022 RC drilling. Lepidolite was previously noted during field mapping. Several of the pegmatite samples had a light-green tinge which may be due to the presence of Cookeite (a lithium bearing chlorite mineral) and small amounts of a purple crystalline mineral possibly the spodumene variety Kunzite. The Company has commenced work to determine the exact mineralogy and lithium deportment within these samples.

Additional rock chips taken from around the remnant open pit showed high grade Tantalum (Ta) and significant Niobium (Nb). Historically the pegmatites mined in this area were analysed and mined specifically for Ta. According to the annual technical report dated 30 October 2012 by Meridian 120 Mining Pty Ltd[1]; the average grade of the hard rock open pit was around 320ppm Ta_2O_5.

Figure 3: Photographs of mica dominant greisen rock samples taken from over the Loader Prospect.

Krakatoa's CEO, Mark Major commented, "*More encouraging results continues to highlight the prospectivity of the new Wilsons and Loaders high grade lithium rock chip discoveries with a potential third discovery at MGM. Having mineralised pegmatite systems repeated within "a stone's throw" of each other is a favourable key aspect when considering a suitable tonnage development opportunity."*

PHASE TWO SOIL SAMPLING

The recently reported soil sampling results from King Tamba were part of an orientation program to determine if soil sampling would be effective at this project, hence the limited areal extent. Now that the assay results have shown a clear anomalous Li-Cs-Rb trend, the Company expanded the soil coverage to the entirety of its King Tamba landholding. Sampling crews recently completed the collection of these additional samples which will undergo laboratory analyses in the coming weeks. This dataset may prove critical in determining the location of more lithium-enriched pegmatites and further understanding the fractionation trends within those pegmatites.

[1] WAMEX Open File Report – C82/2012. Annual Technical report for the year ending 26 August 2012. Meridian 120 Mining Pty Ltd.

Table 1: Significant Assay Results Table - Rock Sampling.
Showing all samples with Li_2O > 0.1% or Ta > 200ppm.

Sample ID	Li_2O %	Cs_2O %	Rb_2O %	Nb_2O_5 ppm	Ta_2O_5 ppm
RX010	2.92	0.14	1.44	86	84
RX014	1.70	0.09	0.99	39	27
RX011	0.64	0.04	0.67	133	51
RX004	0.38	0.10	0.92	106	2387
RX006	0.35	0.03	0.54	230	1929
RX008	0.30	0.06	0.92	37	145
RX003	0.29	0.05	0.90	41	147
RX009	0.28	0.05	0.89	41	141
RX005	0.24	0.02	0.29	68	61
RX002	0.22	0.10	0.89	42	205
RX007	0.21	0.02	0.37	134	112
RX001	0.20	0.03	0.66	149	75
RX013	0.14	0.01	0.16	7	3

FORWARD PLANS

The company has begun preparations for drill-testing the subsurface lithium prospects of King Tamba. A programme of works has been submitted and approved by the WA Department of Mines. Heritage approvals are being sought and discussions are underway with drilling contractors.

-END-

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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Related released ASX Material References

31 October 2017 – Rubidium mineralised pegmatites confirmed at Dalgaranga
7 October 2021 – Major developments at Dalgaranga Critical Metals project, WA
8 November 2021 – Critical Metals Exploration Target defined at Dalgaranga Project , WA
16 May 2022 – Resource Drilling Commences at Critical Metals Project
5 July 2022 – Extension of Pegmatite Complex identified at Dalgaranga
9 March 2023 – Impressive Maiden Mineral Resource Delivered at King Tamba
5 July 2023 High Grade Lithium up to 4.3% Li_2O Discovered at King Tamba

Competent Person's Statement

The information in this report that relates to Mineral Exploration is based on information compiled by Mr David Nelson, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr Nelson is a full-time employee of Krakatoa Resources Ltd where he holds the position of Exploration Manager - WA. Mr Nelson 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'.
Mr Nelson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 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.

Appendix 1 -JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized 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 pulverized 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 may warrant disclosure of detailed information.	Soil samples were collected from a depth of 5-10cm below surface by digging with hand-tools. Samples were screened in the field to <2mm particle size. Screened samples with a minimum weight of 100g were placed into paper geochemical sample bags and sealed. Batches of soil sample bags were then placed inside heavy duty plastic bags and sealed for transport to the laboratory. Once received by the laboratory the samples were dried, weighed, pulverised, digested via a sodium peroxide fusion, and analysed by ICP-MS. Rock samples were collected from areas of outcrop by hand using a 4lb crack hammer. Samples were chosen to be representative of the entire outcrop in which they occurred, or to represent specific units within an outcrop if multiple rock types were present. Samples of 1-3kg were collected in the field and placed into numbered calico bags. Post-field, these samples were split approximately 70:30 by hand to ensure a reference sample is retained by the company should the assay results warrant further work, with the reference being stored in a separate numbered calico bag. The larger splits were then transported to the laboratory for coarse-crushing, pulverisation, four-acid digest, and analysis by ICP-MS plus selected major elements by pXRF.
Drilling techniques	• Drill type (e.g., core, RC, open-hole hammer, RAB, auger etc.) and details (e.g., 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 maximize 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) photography. • The total length and percentage of the relevant intersections logged.	Soil Samples: The nature of the soil sampled and its geomorphological setting were briefly described for each sample. Rock Samples: Sampling locations were logged to a level of detail appropriate for the size and quality of the outcrop. As a minimum, GPS location, interpreted lithology, and field relationship were noted along with a photograph. Wherever possible, structural data were recorded for outcrops.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn, whether 1/4, 1/2 or whole core taken. • If non-core, whether riffled, 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 maximize 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

Criteria	JORC Code explanation	Commentary
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	All samples were sent to an accredited laboratory (ALS Malaga) for sample preparation and analysis. Assay methods were selected after consultation with the laboratory to determine the most appropriate method to achieve the desired outcomes. The digest used is considered near-total for the elements and minerals of interest. A field portable XRF (SciAps X555) unit is used during sampling for orientation purposes, however this data is only used for lithogeochemistry and identification of pathfinder anomalism. The data is not considered quantitative due to the lack of appropriate sample preparation and is therefore not stored in the company database. Quality control measures employed include the use of certified reference standards and blanks, plus the collection of field duplicate samples. We consider the data to have acceptable levels of accuracy and precision.
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. • Discuss any adjustment to assay data.	Reference samples were retained for all rock samples collected during the campaign. These reference samples have been reviewed by the Exploration Manager and CEO during the interpretation of these assay results to verify the geological observations. Field duplicate rock samples were collected in lieu of twin holes. Data capture in the field is digital with automated data transfer to reduce the likelihood of transcription errors. Once validation is completed, all data is uploaded to a master database managed by a third-party. Interpretation work is then carried out on exports from this master database. No adjustments have been made to any data reported herein.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar & downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	Survey of sample locations was carried out using handheld GPS units with an accuracy of +/-3m. All recording and reporting of coordinates uses the datum GDA1994 MGA Zone 50 with elevations in AHD. Topographic control is provided by a 30cm spaced drone Lidar survey DTM in the near-mine area, and a 30m spaced SRTM DTM in the broader project area.
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.	Rock-chip sample spacing is random and is controlled by the occurrence of suitable outcrop. Soil samples were collected on a nominal 50m spacing along lines of variable spacing ranging between 100m and 300m. The data has not and will not be used for calculation of an MRE. No compositing has been applied.
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.	Not applicable to surface geochemical sampling.
Sample security	• The measures taken to ensure sample security.	Samples were hand-delivered to the laboratory in sealed bags by the geologists who carried out the sampling. Sample receipts were issued by the laboratory once sample sorting and cataloguing had been completed, at which point these were reconciled against the sampling records maintained by the field geologists.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	No audits have been conducted to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement andland tenure status</td><td>• Type, reference name/number, location and ownership including agreementsor 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 knownimpediments to obtaining a licence to operate in the area.</td><td>• The King Tamba Project includes one granted exploration tenement (E59/2389) and four granted prospecting licences (P59/2082, 2140-2142) registered to Krakatoa Resource Limited. The combined area of the licences is ~900 Ha.
<table>
<tr><th>Tenement ID</th><th>Status</th><th>Grant</th><th>Expiry</th><th>Area</th><th>Units</th></tr>
<tr><td>E59/2389</td><td>LIVE</td><td>29/08/2019</td><td>30/06/2026</td><td>2</td><td>BL.</td></tr>
<tr><td>P59/2141</td><td>LIVE</td><td>27/08/2017</td><td>2/05/2026</td><td>145.6</td><td>HA.</td></tr>
<tr><td>P59/2082</td><td>LIVE</td><td>5/12/2015</td><td>28/07/2024</td><td>107.71</td><td>HA.</td></tr>
<tr><td>P59/2140</td><td>LIVE</td><td>27/08/2017</td><td>2/05/2026</td><td>176.82</td><td>HA.</td></tr>
<tr><td>P59/2142</td><td>LIVE</td><td>26/08/2017</td><td>2/05/2026</td><td>79.11</td><td>HA.</td></tr>
</table>
The licences are in good standing</td></tr>
<tr><td>Exploration by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• The King Tamba Project has been mined for tantalum previously with an historic open pit and associated waste dumps and tailings dams.
• There have been numerous exploration/resource development campaigns undertaken at King Tamba, with historic records compiled into the drill hole database where available.
• Past drilling on the project is summarised as follows:
<table>
<tr><th>Year</th><th>Operator</th><th>No. Holes</th><th>Metres</th></tr>
<tr><td>2022</td><td>KTA</td><td>32</td><td>3,045</td></tr>
<tr><td>2017</td><td>KTA</td><td>11</td><td>1,066</td></tr>
<tr><td>2002</td><td>Tantalum Australia</td><td>22</td><td>649</td></tr>
<tr><td>2001</td><td>Tantalum Australia</td><td>12</td><td>345</td></tr>
<tr><td>2000</td><td>Aust. Gold Mines</td><td>121</td><td>4,258.1</td></tr>
<tr><td>1999</td><td>Aust. Gold Mines</td><td>15</td><td>424</td></tr>
<tr><td>1994</td><td>WRF Investments</td><td>11</td><td>339</td></tr>
<tr><td>Unknown</td><td>Various</td><td>149</td><td>3,858</td></tr>
<tr><td>Grand Total</td><td></td><td>373</td><td>13,984.1</td></tr>
</table>
•</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting, and style of mineralisation.</td><td>• The geology of the King Tamba Project consists of a suite of fine-grained, variably deformed clastic sediments (that grade from relatively massive siltstone and arkose to knotted schists closer to the hinge) with tuffaceous units occurring on the eastern margin. Metadolerite crops out extensively south of the main open pit.
• Pegmatite has preferentially intruded the metadolerite unit. Its distribution parallels the NE-trending fold axis of the antiform and a series of substantial NE to NNE-trending faults, suggesting they are all related.
• The main tantalum minerals at Dalgaranga Mine were tapiolite and tantalite, with lesser microlite. Tantalite ranged from very fine-grained to very coarse, up to several centimetres. Occurrences of Zinnwaldite (lithium mineral, KFe22Al(Al2Si 2O10)(OH)2 to KLi2Al(Si4O10)(F, OH)2) and lepidolite in pegmatite were noted during the reporting period confirming the potential for lithium mineralisation within the Project.
• All pegmatites appear to display similar fundamental mineralogy of quartz, microcline, albite and muscovite, with accessory beryl and tourmaline
• The rubidium mineralisation is typically associated with mica and K-feldspar minerals.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
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: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) ofthe drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• No drillholes reported in this announcement
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximumand/or minimum grade truncations (e.g., 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.	• No averaging, cut-off grades, or metal equivalents have been applied
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 shouldbe a clear statement to this effect (e.g., 'down hole length, true width not known').	• Only surface geochemistry is reported in this announcement. • In reference to previous drilling, only downhole lengths are reported. Given the relationship between drilling angle and pegmatite geometry, true width is estimated to approximate the downhole widths in the majority of cases.
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 sectional views.	• Appropriate diagrams are included within the body of the announcement
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.	• Balanced reporting is practiced in this announcement, with discussion of all samples collected
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 other significant unreported exploration data for King Tamba are available currently.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensionsor 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.	• Exact plans for further work are still being developed, however potential options have been discussed within the body of the announcement