



**KRAKATOA**

RESOURCES LTD.

**ABN: 39 155 231 575**

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Interim Financial Report  
For the Half-Year Ended 31 December 2023

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**KRAKATOA RESOURCES LIMITED**  
**INTERIM FINANCIAL REPORT**  
**For the Half-Year Ended 31 December 2023**

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**KRAKATOA RESOURCES LIMITED**

**CORPORATE DIRECTORY**

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**EXECUTIVE CHAIRMAN**

Colin Locke

**NON-EXECUTIVE DIRECTORS**

Timothy Hogan

David Palumbo

**CHIEF EXECUTIVE OFFICER**

Mark Major

**COMPANY SECRETARY**

David Palumbo

**REGISTERED OFFICE**

Level 8, 216 St Georges Terrace

PERTH WA 6000

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**AUDITORS**

RSM Australia Partners

Level 32 Exchange Tower

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PERTH WA 6000

**SHARE REGISTRAR**

Computershare Investor Services Pty Ltd

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PERTH WA 6000

Telephone: (08) 9323 2000

Facsimile: (08) 9323 2033

**STOCK EXCHANGE CODE**

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## **KRAKATOA RESOURCES LIMITED DIRECTORS' REPORT**

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Your directors submit the financial report of the Krakatoa Resources Limited and controlled entities (referred to hereafter as “the Group”) for the half-year ended 31 December 2023.

### **DIRECTORS**

The names of Directors who held office during or since the end of the half-year are:

|               |                        |
|---------------|------------------------|
| Colin Locke   | Executive Chairman     |
| Timothy Hogan | Non-Executive Director |
| David Palumbo | Non-Executive Director |

### **PRINCIPAL ACTIVITIES**

The principal activities of the Group during the financial period was mineral exploration and evaluation of acquisition opportunities.

### **RESULTS**

The loss after tax for the half-year ended 31 December 2023 was \$2,084,280 (2022: \$2,030,687).

### **REVIEW OF OPERATIONS**

During the financial period, the Company continued its active systematic exploration over its assets. The company continued to undertake drilling over lithium soil targets at King Tamba, regional greenfield exploration at the Mt Clere project and reviewed historical ground exploration on the New South Wales projects.

Details of the project specific exploration operations are provided below.

#### **Mt Clere Project – Prospective for REE, HMS, Ni, Cu +/- Co, PGE**

During the financial period the Mt Clere Project tenements were continually systematically explored for rare earth element, heavy mineral sands and nickel-copper metal sulphides. The company currently controls more than 2,100km<sup>2</sup> of prospective land separated over 13 tenements.

The project is located approximately 200km northwest of Meekatharra, within the Narryer terrane, Gascoyne Region of Western Australia. The Narryer Terrane is thought to represent reworked remnants of greenstone sequences that are prospective for intrusion-hosted Ni-Cu-(Co)-(PGE's) as well as alkaline intrusives (REE prospectivity).

In previous reporting periods the company discovered and drilled a major clay hosted rare earth mineral project (Tower project). This culminated in a maiden Mineral Resources estimate of an impressive 101Mt grading 849ppm total rare earth oxide (TREO) – see ASX announcement dated 21 November 2022)

The regional geochemical exploration programs completed prior to the discovery highlighted areas with anomalous rare earth elements, base metals and pathfinder elements associated with platinum group mineralisation systems helped to identify the Tower project as an area of interest.

## **KRAKATOA RESOURCES LIMITED DIRECTORS' REPORT**

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The objective of the 2023 campaign was to carry out regional exploration programs to replicate the discovery success at Tower, while also investigating other commodity opportunities within the extensive ~2,100km<sup>2</sup> land holding.

The exploration program continued with the same methodology as previous. The focus was to advance the exploration activities in the northern tenement areas and investigate geological and geophysical features of interest. The field team finished the 8-month work campaign over the northern tenement area and demobilised from site in late October 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 km<sup>2</sup> of outcrop geological prospecting and mapping, with over 50% of the outcrop visited in the Northern tenement area.
- 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.

All field data and geochemical analyses work is being interpreted in the coming period to assist with design of the 2024 field programs.

### **King Tamba Project – Prospective for Ta, Rb, Nb, Sn, W, Li,**

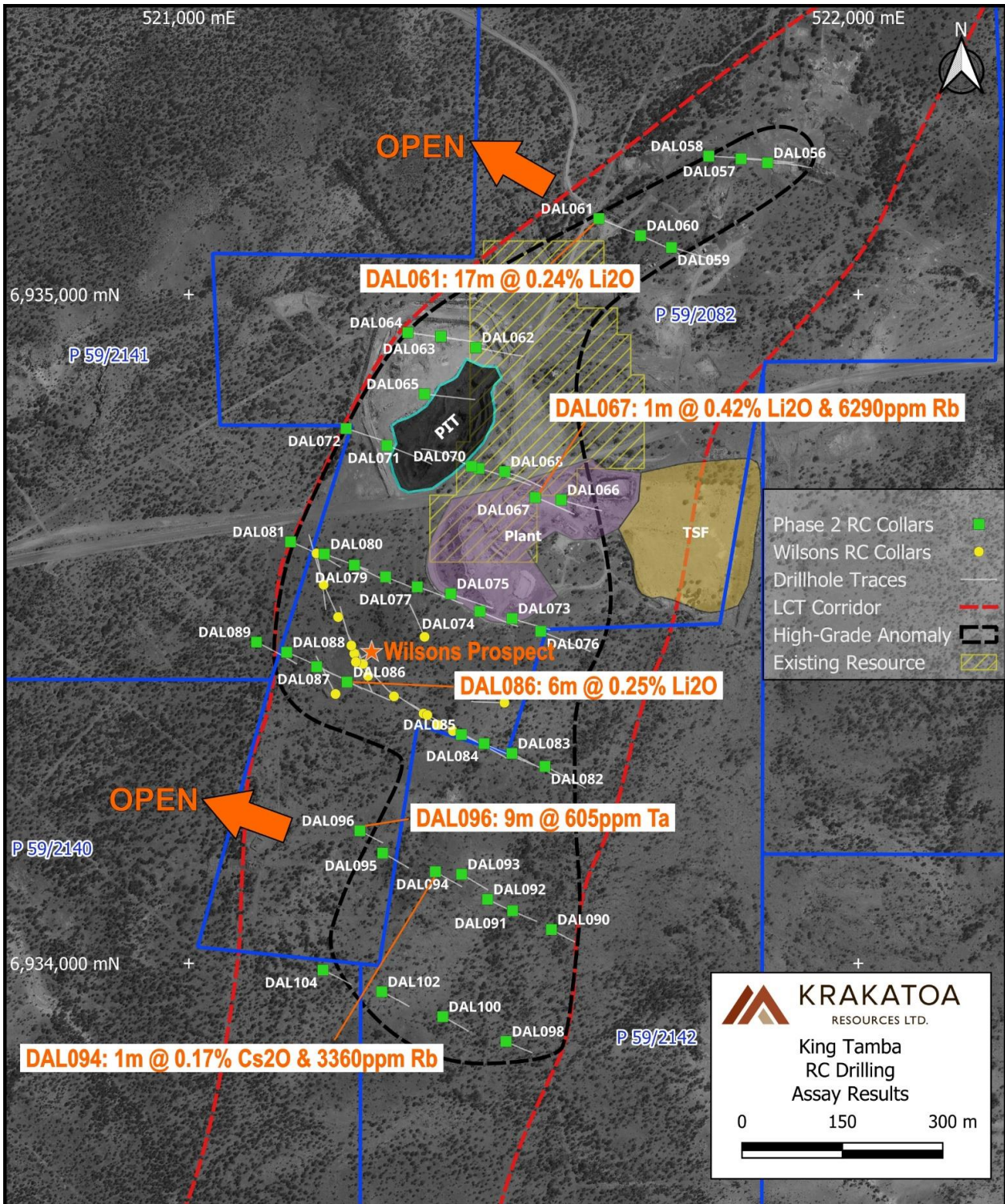
The King Tamba Project is located 80km northwest of Mount Magnet in Western Australia and lies within the Dalgaranga Greenstone Belt. The Dalgaranga Greenstone Belt is about 50km long and up to 20km wide and contains gold mineralisation (Dalgaranga gold mine), a zinc deposit (Lasoda), graphite deposits, and occurrences of tantalum, beryllium, tin, tungsten, lithium, and molybdenum related to LCT pegmatites.

The presence of critical metal minerals such as tapiolite, tantalite, columbite, zinnwaldite and lepidolite (lithium-bearing micas) were recognised during field mapping and confirmed anomalous critical metals during the rock chip sampling programmes completed in late 2016 to mid-2017.

During the reporting period, the Company received the assay results from the field sampling undertaken over Sentiental-2 spectral targets identified the previous period. This work included soil samples collected on tightly spaced grid and rock samples taken over areas which were of interest which hosted pegmatites.

Several high-grade rock samples were found (Wilson, Loader and MGM prospects) as well as a significant highly elevated LCT soil anomalism over a span of 1.3km by 0.5km zone within a broader enriched 3km LCT corridor (Figure 1). The proceeding interpretation highlighted areas to be drill tested. This cumulated in the completion of two targeted reverse circulation (RC) drilling programs. One under the high-grade rock prospects and the second over the extent of the soil anomaly.

**KRAKATOA RESOURCES LIMITED  
DIRECTORS' REPORT**



**Figure 1:** Location of Phase 1 (yellow) and 2 (green) drill holes completed during the period including those completed in January 2024; showing lithium in soil anomaly, and significant drill intersections.

## KRAKATOA RESOURCES LIMITED DIRECTORS' REPORT

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The company undertook and completed the initial (Phase 1) RC drilling program over the high-grade lithium rock prospects (Wilson, Loader and MGM) (Figure 2). After the successful completion of the Phase 1 RC drilling program a second phase (Phase 2), 6000m RC drilling program commenced late in the reporting period. This program was 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).

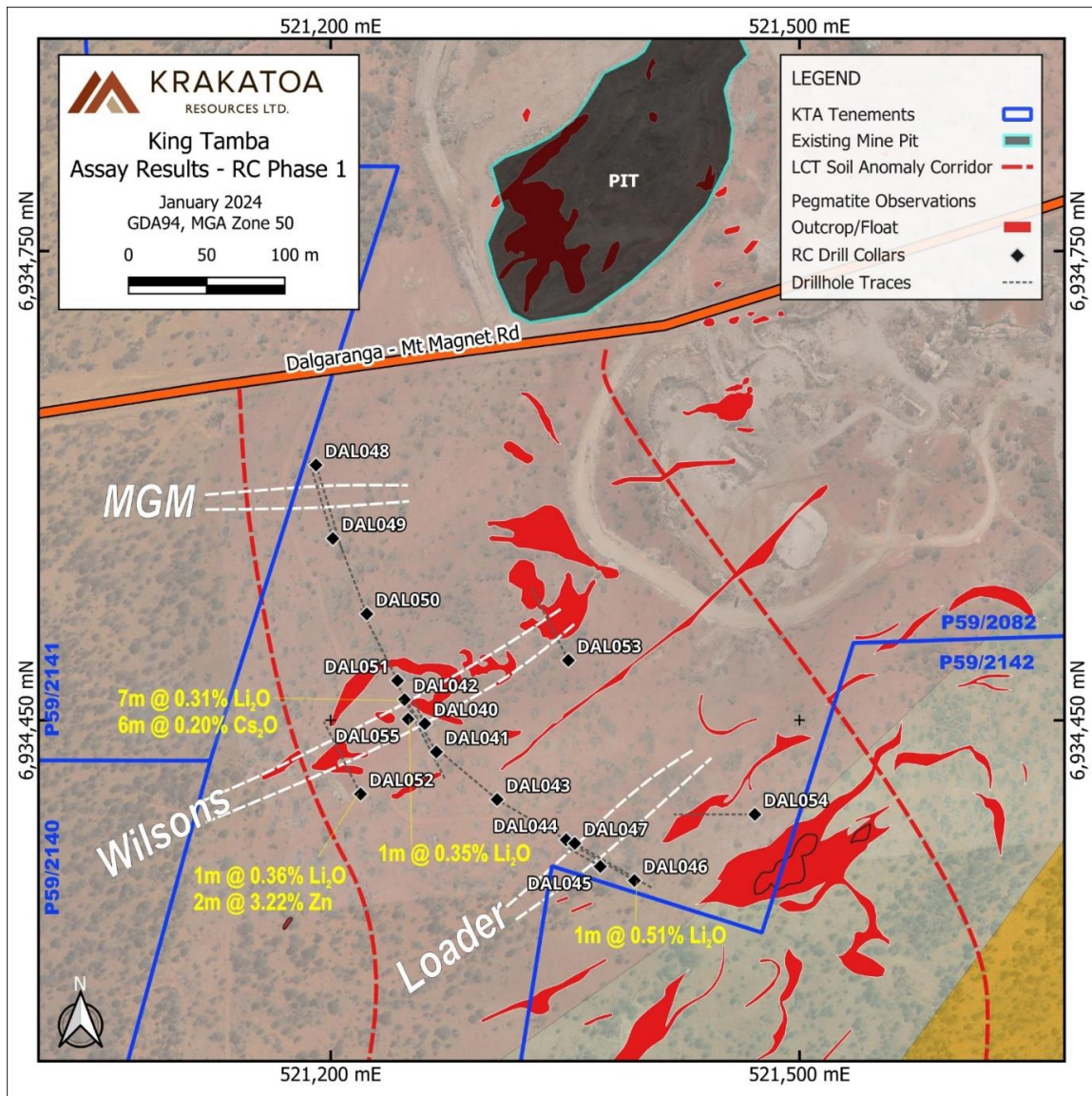
In total 16 holes, for 1806m of drilling were completed in Phase 1 and 27 holes (3938m) of the proposed Phase 2, 49-hole program were completed during the reporting period, before demobilising for the planned festive season break. The remaining Phase 2 holes were drilled in January 2024.

Majority of the holes drilled intersected pegmatites. Some as thick as 39m were intersected below the high-grade Wilson prospect. The mineralogy of the pegmatites showed variable proportions of quartz, feldspar, and mica along with traces of accessory minerals such as fluorite and tourmaline in places. Multiple highly micaceous zones were intersected which shared visual similarities with the greisen altered surface samples taken from Wilsons prospect earlier in the year. Large pegmatites (>10m downhole width) generally showed good continuity across section, whilst smaller pegmatites tended to have a more erratic distribution and be less continuous.

The multi-element assay results from the Phase 1 drilling identified several zones of LCT mineralisation with enrichment in lithium and caesium with minor rubidium. One discrete 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, lithium and caesium mineralisation tend to extend beyond the pegmatite and into the country rock. Initial assays were restricted to samples which contained pegmatite along with a buffer of several metres of the surrounding country rock. Further samples will be collected to increase the coverage of hole DAL042. Other mineralisation including zinc sulphide (sphalerite) and elevated arsenic have been identified within the sampled zones.

Phase 2 drilling samples have been delivered to the laboratory over the course of the drilling program assay results had not been received at the end of the reporting period. All assays were reported in the following period on 8 March 2024.

**KRAKATOA RESOURCES LIMITED  
DIRECTORS' REPORT**



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

**Competent Person’s Statement**

*The exploration 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 which relates to Mineral Resources for the Tower rare earth deposit is based upon and fairly represents information compiled by Mr Greg Jones who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Jones is a full-time employee of IHC Mining and has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration and to the activity which he is undertaking 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 Jones consents to the inclusion in this report of the matters based on his information in the form and context in which it appears*



**KRAKATOA RESOURCES LIMITED  
DIRECTORS' REPORT**

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**SUBSEQUENT EVENTS**

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Group during the financial half-year.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 20.

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306 (3)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Colin Locke  
Executive Chairman

Perth  
Dated: 8 March 2024

**KRAKATOA RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
For the Half-Year Ended 31 December 2023

|  | Note | 31 December<br>2023<br>\$ | 31 December<br>2022<br>\$ |
|--|------|---------------------------|---------------------------|
| Revenue  |      | 15,652                    | -                         |
| Administration expenses  |      | (78,104)                  | (234,233)                 |
| Compliance and regulatory expenses                             |      | (254,772)                 | (113,514)                 |
| Employee benefits and consulting expense                       |      | (136,281)                 | (88,940)                  |
| Share based payments expense                                   |      | -                         | (7,957)                   |
| Depreciation expense   |      | (44,840)                  | (10,454)                  |
| Exploration expenditure and project evaluation costs           |      | <u>(1,585,935)</u>        | <u>(1,575,589)</u>        |
| <b>Loss before income tax expense</b>                          |      | <b>(2,084,280)</b>        | <b>(2,030,687)</b>        |
| Income tax expense   |      | -                         | -                         |
| Loss after income tax expense for the half-year                |      | <u>(2,084,280)</u>        | <u>(2,030,687)</u>        |
| Other comprehensive loss                                       |      | -                         | -                         |
| <b>Total comprehensive loss for the half year</b>              |      | <b><u>(2,084,280)</u></b> | <b><u>(2,030,687)</u></b> |
| Total comprehensive loss for the half year is attributable to: |      |                           |                           |
| Members of the parent entity                                   |      | <u>(2,084,280)</u>        | <u>(2,030,687)</u>        |
|  |      | <u>(2,084,280)</u>        | <u>(2,030,687)</u>        |
| Basic and diluted loss per share (cents per share)             |      | (0.48)                    | (0.59)                    |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**KRAKATOA RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2023

|                                      | Note | 31 December<br>2023<br>\$ | 30 June<br>2023<br>\$ |
|--------------------------------------|------|---------------------------|-----------------------|
| <b>CURRENT ASSETS</b>                |      |                           |                       |
| Cash and cash equivalents            |      | 2,310,101                 | 951,702               |
| Trade and other receivables          |      | 191,421                   | 48,297                |
| Other assets                         | 2    | 339,821                   | 26,262                |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>2,841,343</b>          | <b>1,026,261</b>      |
| <b>NON-CURRENT ASSETS</b>            |      |                           |                       |
| Trade and other receivables          |      | -                         | 68,000                |
| Right-of-use assets                  |      | 62,808                    | 89,725                |
| Property, plant, and equipment       |      | 185,432                   | 203,356               |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>248,240</b>            | <b>361,081</b>        |
| <b>TOTAL ASSETS</b>                  |      | <b>3,089,583</b>          | <b>1,387,342</b>      |
| <b>CURRENT LIABILITIES</b>           |      |                           |                       |
| Trade and other payables             |      | 229,556                   | 383,584               |
| Lease liability                      |      | 58,474                    | 55,588                |
| Provisions                           |      | 28,809                    | 22,314                |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>316,839</b>            | <b>461,486</b>        |
| <b>NON-CURRENT LIABILITIES</b>       |      |                           |                       |
| Lease liability                      |      | 10,133                    | 39,990                |
| <b>TOTAL NON CURRENT LIABILITIES</b> |      | <b>10,133</b>             | <b>39,990</b>         |
| <b>TOTAL LIABILITIES</b>             |      | <b>326,972</b>            | <b>501,476</b>        |
| <b>NET ASSETS</b>                    |      | <b>2,762,611</b>          | <b>885,866</b>        |
| <b>EQUITY</b>                        |      |                           |                       |
| Issued capital                       | 3    | 26,446,801                | 22,485,776            |
| Reserves                             | 4    | 3,301,922                 | 3,301,922             |
| Accumulated losses                   |      | (26,986,112)              | (24,901,832)          |
| <b>TOTAL EQUITY</b>                  |      | <b>2,762,611</b>          | <b>885,866</b>        |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**KRAKATOA RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Half-Year Ended 31 December 2023

|   | Issued<br>Capital<br>\$ | Share based<br>Payment<br>Reserve<br>\$ | Accumulated<br>Losses<br>\$ | Total<br>\$      |
|---|-------------------------|---|-----------------------------|------------------|
| <b>Balance at 1 July 2022</b>                               | <b>21,968,622</b>       | <b>3,293,270</b>                        | <b>(21,435,829)</b>         | <b>3,826,063</b> |
| Loss for the period   | -                       | -                                       | (2,030,687)                 | (2,030,687)      |
| Other comprehensive income                                  | -                       | -                                       | -                           | -                |
| Total comprehensive loss for the period                     | -                       | -                                       | (2,030,687)                 | (2,030,687)      |
| <i>Transactions with owner directly recorded in equity:</i> |                         |   |                             |                  |
| Shares issued during the period                             | -                       | -                                       | -                           | -                |
| Options and Performance rights issued during the period     | -                       | 7,957                                   | -                           | 7,957            |
| Less: Transaction costs arising from issue of shares        | -                       | -                                       | -                           | -                |
| <b>Balance at 31 December 2022</b>                          | <b>21,968,622</b>       | <b>3,301,227</b>                        | <b>(23,466,516)</b>         | <b>1,803,333</b> |
| <b>Balance at 1 July 2023</b>                               | <b>22,485,776</b>       | <b>3,301,922</b>                        | <b>(24,901,832)</b>         | <b>885,866</b>   |
| Loss for the period   | -                       | -                                       | (2,084,280)                 | (2,084,280)      |
| Other comprehensive income                                  | -                       | -                                       | -                           | -                |
| Total comprehensive loss for the period                     | -                       | -                                       | (2,084,280)                 | (2,084,280)      |
| <i>Transactions with owner directly recorded in equity:</i> |                         |   |                             |                  |
| Shares issued during the period                             | 4,174,769               | -                                       | -                           | 4,174,769        |
| Less: Transaction costs arising from issue of shares        | (213,744)               | -                                       | -                           | (213,744)        |
| <b>Balance at 31 December 2023</b>                          | <b>26,446,801</b>       | <b>3,301,922</b>                        | <b>(26,986,112)</b>         | <b>2,762,611</b> |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**KRAKATOA RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Half-Year Ended 31 December 2023

|   | <b>31 December<br/>2023<br/>\$</b> | <b>31 December<br/>2022<br/>\$</b> |
|---|------------------------------------|------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                                    |                                    |
| Payments to suppliers and employees                         | (525,083)                          | (493,514)                          |
| Exploration expenditure and project evaluation costs        | (1,466,278)                        | (1,675,662)                        |
| Other income  | 15,652                             | -                                  |
|   | <u>(1,975,709)</u>                 | <u>(2,169,176)</u>                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                                    |                                    |
| Payments for plant and equipment                            | -                                  | (52,576)                           |
|   | <u>-</u>                           | <u>(52,576)</u>                    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                                    |                                    |
| Proceeds from issue of shares                               | 3,574,769                          | -                                  |
| Payments for capital raising costs                          | (213,744)                          | -                                  |
| Lease payments  | (26,917)                           | -                                  |
|   | <u>3,334,108</u>                   | <u>-</u>                           |
| <b>Net increase / (decrease) in cash held</b>               | <b>1,358,399</b>                   | <b>(2,221,752)</b>                 |
| Cash and cash equivalents at beginning of period            | 951,702                            | 4,220,925                          |
| <b>Cash and cash equivalents at end of reporting period</b> | <b>2,310,101</b>                   | <b>1,999,173</b>                   |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**KRAKATOA RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2023

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**1. MATERIAL ACCOUNTING POLICIES**

**Basis of Preparation**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Krakatoa Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year, except in relation to the matters disclosed below.

**New and Revised Accounting Standards**

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

**2. OTHER ASSETS**

|                         | <b>31 December<br/>2023</b> | <b>30 June<br/>2023</b> |
|-------------------------|-----------------------------|-------------------------|
|                         | \$                          | \$                      |
| <i>Current</i>          |                             |                         |
| Prepayment <sup>1</sup> | 339,821                     | 26,262                  |
|                         | <hr/> 339,821               | <hr/> 26,262            |

<sup>1</sup> includes prepaid drilling services of \$283,299 with drilling contractor, Topdrill Pty Ltd, agreed for equity share subscription (Note 3)

**KRAKATOA RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2023

**3. ISSUED CAPITAL**

|  | <b>31 December<br/>2023<br/>No.</b> | <b>31 December<br/>2023<br/>\$</b> | <b>30 June<br/>2023<br/>No.</b> | <b>30 June<br/>2023<br/>\$</b> |
|--|-------------------------------------|------------------------------------|---------------------------------|--------------------------------|
| <b>Ordinary shares fully paid</b>  | <b>472,107,220</b>                  | <b>26,446,801</b>                  | 363,376,584                     | 22,485,776                     |
| <b>Ordinary shares</b>   |                                     |                                    |                                 |                                |
| At the beginning of reporting period                                       |                                     | 363,376,584                        | 22,485,776                      |                                |
| <b>Shares issued during the year:</b>                                      |                                     |                                    |                                 |                                |
| - Issue of fully paid ordinary shares at \$0.036 – 19/07/2023              | 63,000,000                          | 2,268,000                          |                                 |                                |
| - Issue of fully paid ordinary shares at \$0.036 – 25/09/2023              | 8,521,333                           | 306,768                            |                                 |                                |
| - Issue of fully paid ordinary shares at \$0.043 – 06/12/2023 <sup>1</sup> | 37,209,303                          | 1,600,000                          |                                 |                                |
| Transaction costs  | -                                   | (213,743)                          |                                 |                                |
| <b>Net share capital</b>   | <b>472,107,220</b>                  | <b>26,446,801</b>                  |                                 |                                |

<sup>1</sup> During the Company's \$1.6m raise in December, drilling contractor, Topdrill Pty Ltd, agreed to a drill for an equity share subscription for \$600,000 as part of the raise. A total of 13,953,488 at \$0.043 fully-paid ordinary shares were issued to Topdrill Pty Ltd for drilling exploration services (non-cash) on 6 December 2023.

**4. RESERVES**

|   | <b>31 December<br/>2023<br/>\$</b> | <b>30 June<br/>2023<br/>\$</b> |
|---|------------------------------------|--------------------------------|
| <b>(a) Share based payment reserve</b>                | <b>3,301,922</b>                   | <b>3,301,922</b>               |
| <b>(b) Movement in share based payment reserve</b>    | <b>No.</b>                         | <b>\$</b>                      |
| Balance at 1 July 2023                                | 41,200,000                         | 3,301,922                      |
| Expiry of \$0.075 unlisted options - 29 November 2023 | (21,200,000)                       | -                              |
| Expiry of \$0.15 unlisted options - 29 November 2023  | (5,000,000)                        | -                              |
| Expiry of share appreciation rights <sup>1</sup>      | (15,000,000)                       | -                              |
| Balance at 31 December 2023                           | -                                  | 3,301,922                      |

<sup>1</sup> During the period share performance rights issued to Executive Chairman Colin Locke and CEO Mark Major expired on 29 November 2023.

**KRAKATOA RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2023

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**5. DIVIDENDS**

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

**6. SEGMENT INFORMATION**

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Group has organised its operations into two reportable segments on the basis of stage of development as follows:

- Development assets; and
- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the half-year ended 31 December 2023, the Group had no development assets. The Board considers that it has only operated in one segment, being mineral exploration.

The Group is domiciled in Australia. All revenue from external customers are only generated from Australia.

No revenues were derived from a single external customer.

**7. EVENTS SUBSEQUENT TO REPORTING PERIOD**

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

**8. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There has been no material change in contingent liabilities or contingent assets since the last annual reporting date.

**9. COMMITMENTS**

There has been no material change in commitments since the last annual reporting date.



**KRAKATOA RESOURCES LIMITED**  
**DIRECTORS' DECLARATION**  
For the Half-Year Ended 31 December 2023

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In the opinion of the Directors of Krakatoa Resources Limited:

1. The financial statements and notes thereto of the Group, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to Section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Colin Locke  
Executive Chairman

Perth  
Dated: 8 March 2024



**RSM Australia Partners**

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GPO Box R1253 Perth WA 6844

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF KRAKATOA RESOURCES LIMITED**

**Report on the Half-Year Financial Report**

*Conclusion*

We have reviewed the accompanying half-year financial report of Krakatoa Resources Limited (the Company) which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Krakatoa Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

*Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Krakatoa Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

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### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Krakatoa Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

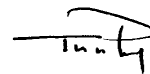
### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature of 'RSM' in a cursive, stylized font.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG  
Partner

Perth, WA  
Dated: 8 March 2024



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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Krakatoa Resources Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

TUTU PHONG  
Partner

Perth, WA  
Dated: 8 March 2024

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