KRAKATOA
RESOURCES LTD.

QUARTERLY ACTIVITIES REPORT

June 2024

ASX Code
KTA

Capital Structure
472,107,220 Fully Paid Shares

Directors
Colin Locke
David Palumbo
Timothy Hogan

www.ktaresources.com
Lv 8 London House
216 St. Georges Terrace,
Perth WA, Australia 6000

HIGHLIGHTS FROM JUNE 2024 QUARTER

MT CLERE TARGET GENERATION IDENTIFIES NEW AREAS OF INTEREST

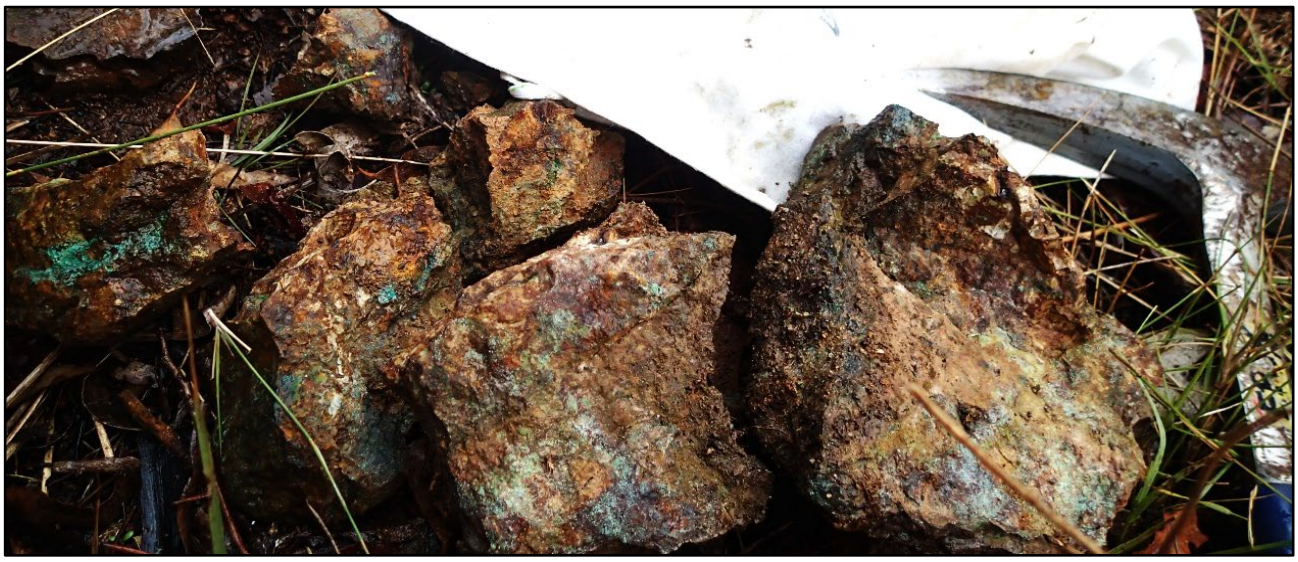
- Systematic exploration programs have identified several new areas of interest, one a large niobium-REE geochemical anomaly positioned over a major regional gravity high (Stone Tank).
- Anomalous Nb-REE assays show an extensive 40km long target catchment area potentially prospective for alkaline intrusive systems including carbonatites
- The target area coincides with a large 15km long regional gravity high
- Additional soil sampling highlights carbonatite pathfinder element signature with enriched Nb- REE zonation aligning with 15km long gravity feature
- Recent ground gravity survey data defines a large 5km positive complex with several dense targets in the Stone Tank prospect area
- Two large high priority, discrete and strong amplitude gravity anomalies have been identified for future drill targeting
- One target is coincident with a buried magnetic high, the other running parallel to a magnetic low feature interpreted to be a structural lineament

TURON EXPLORATION IDENTIFIES COPPER AND GOLD SYSTEM

- New copper-gold prospect on Turon Project defined with rock-chip assays to 1.24g/t Au, 10.45% Cu, with anomalous Mo, and Sn
- Four samples returned over 1% Cu, averaging 4.83% Cu to a maximum of 10.45 % Highest ranked targets correlate with previously mapped pegmatite outcrops
- Work to investigate prospective geological corridor underway

COMPANY

- Cash on hand at end of the quarter is $1.3m.



Photograph of Turon rock sample R1026: 1.235g/t Au, 39.1g/t Ag, 10.45% Cu, 331ppm La, 45.3ppm Mo, 4850ppm Pb & 19.6ppm Sn

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

MT CLERE PROJECT

During the quarter, Krakatoa updated shareholders on the exploration results taken across Mt Clere project during the 2023 field season and proceeded in early 2024. The objective was to carry out regional exploration programs to replicate the Tower discovery success.

The Company commenced regional reconnaissance, mapping, and geochemical field programs at Mt Clere from middle 2023. Since then, it has been systematically exploring areas of interest identified from satellite, remote sensing, stream geochemistry data and various geophysical interpretations.

Mapping, stream sediment and soil sampling by the Company has resulted in the identification of a significant new niobium (Nb) and rare earth element (REE) anomalous catchment area (The target) which may host hidden alkaline intrusive systems such as carbonatite, obscured by cover.

The target area incorporates the Stone Tank and Bullbadger prospect areas which reside in the district level Nb-Ce-Y-Th stream geochemical anomaly coinciding with a large 15km long gravity high geophysical signature (Figure 1). The Company's findings are further supported by the Geological Survey of Western Australia stream sediments data which capture a distinct carbonatite signature (Nb-Ce-Y-Th anomalies) in drainages surrounding the gravity high and adjacent to where historical mapping had identified three lamprophyres (alkaline igneous rocks known to be an associated with carbonatites, lamproites and kimberlites).

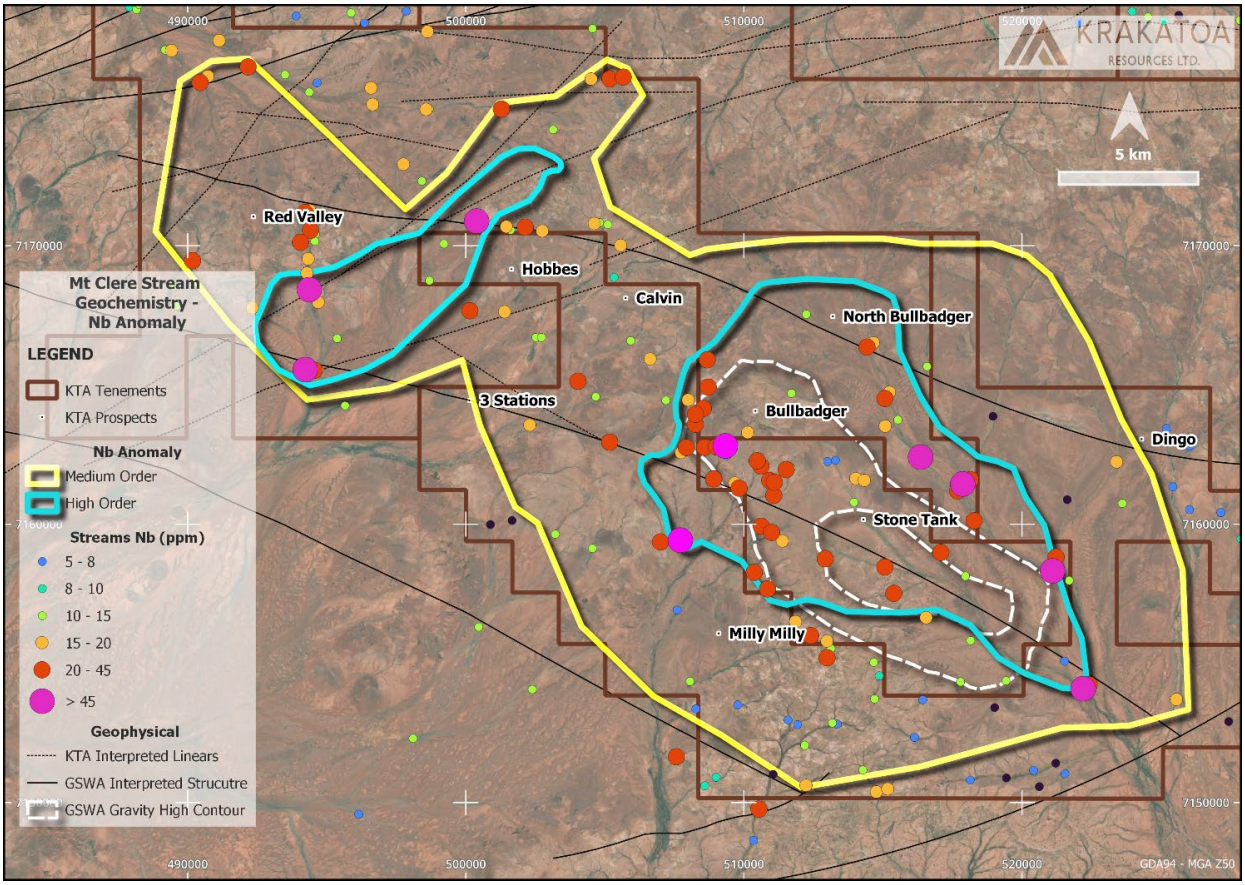


Figure 1: Overview of niobium (Nb) assay stream sediment results (dots) across the southern proportion of Krakatoa Resources Mt Clere tenements, overlain on satellite imagery showing the Nb catchment areas of interest and location of the regional gravity high outline (white dashed line).

The Company completed an intensive soil sampling program over the Stone Tank and Bullbadger prospect in May to follow up the previous smaller first pass reconnaissance ultrafine soil sampling competed in late 2023.

A total of 450 soil samples were collected over the second phase. They were sampled on a variable spaced grid, with a spacing of 200m on the east-west intervals and lines ranging from 500m to 1000m north-south depending on the topographical and geological knowledge known in the area.

The results show several zones of enriched known carbonatite pathfinder element (Nb-REE-Ti-P) signatures, which are encircled by an elevated U-Th-Cu-V zones (Figure 2 and Figure 3). The elevated Nb-REE enriched zones are typically located over the edges of the regional gravity signature, especially where it corresponds with the transition of mid to high magnetic signatures (Figure 3).

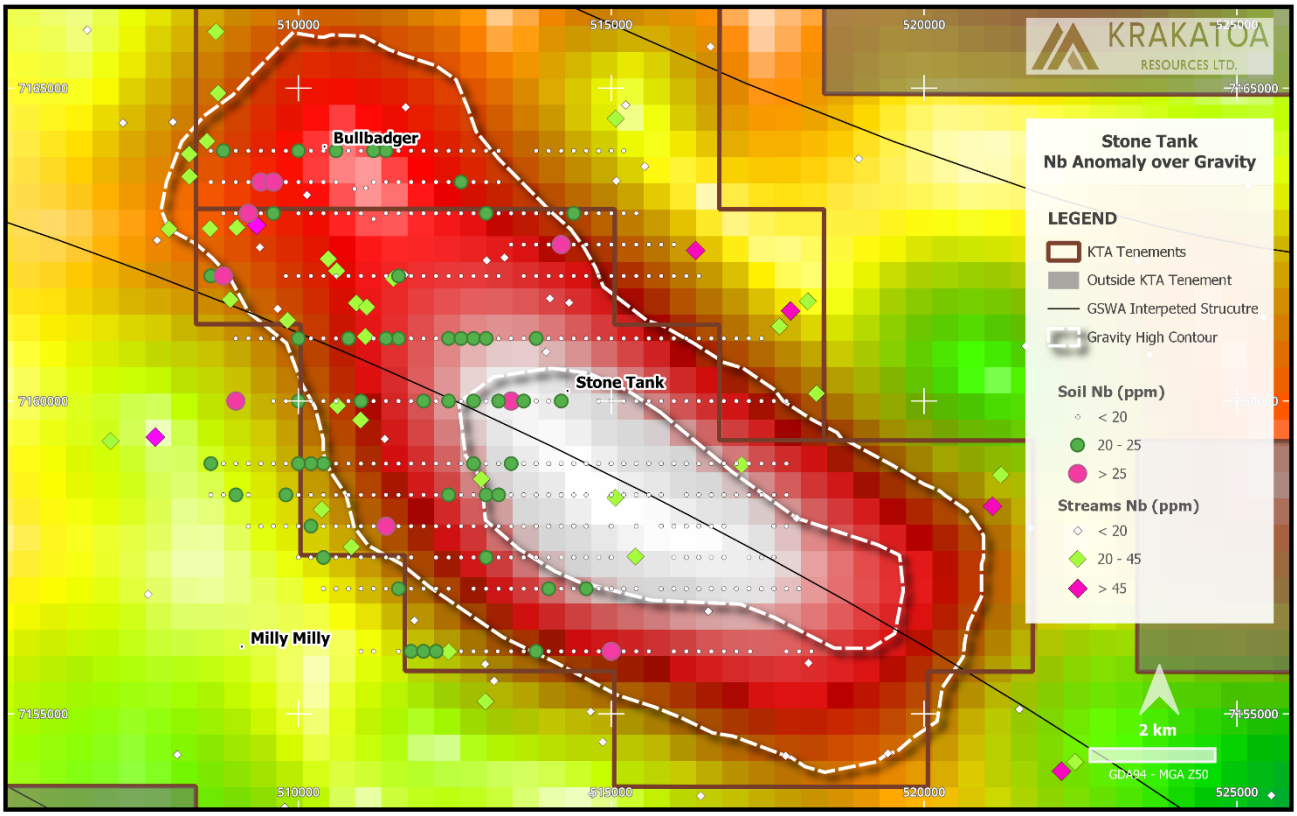


Figure 2: Image showing Stone Tank - Bullbadger anomalous Nb soil and stream results over gravity image with residual gravity high outline (MGA94 zone 55).

During the quarter the company completed a ground gravity survey around the Stone Tank prospect. The Survey was undertaken at an initial 1km station spacing and reduced to 250m station spacing over the areas which showed stronger amplitude gravity response.

These new ground gravity stations greatly improved the resolution and better defined the amplitudes of gravity anomaly patterns within the Stone Tank prospect area, and have assisted with target generation and ranking, modelling for future initial drill targeting.

The data was processed and modelled late in the quarter and reported to the shareholders in July 2024 (outside the quarter – refer to ASX Announcement dated 2 July 2024). The modelling has defined two large priority targets and three smaller secondary targets.

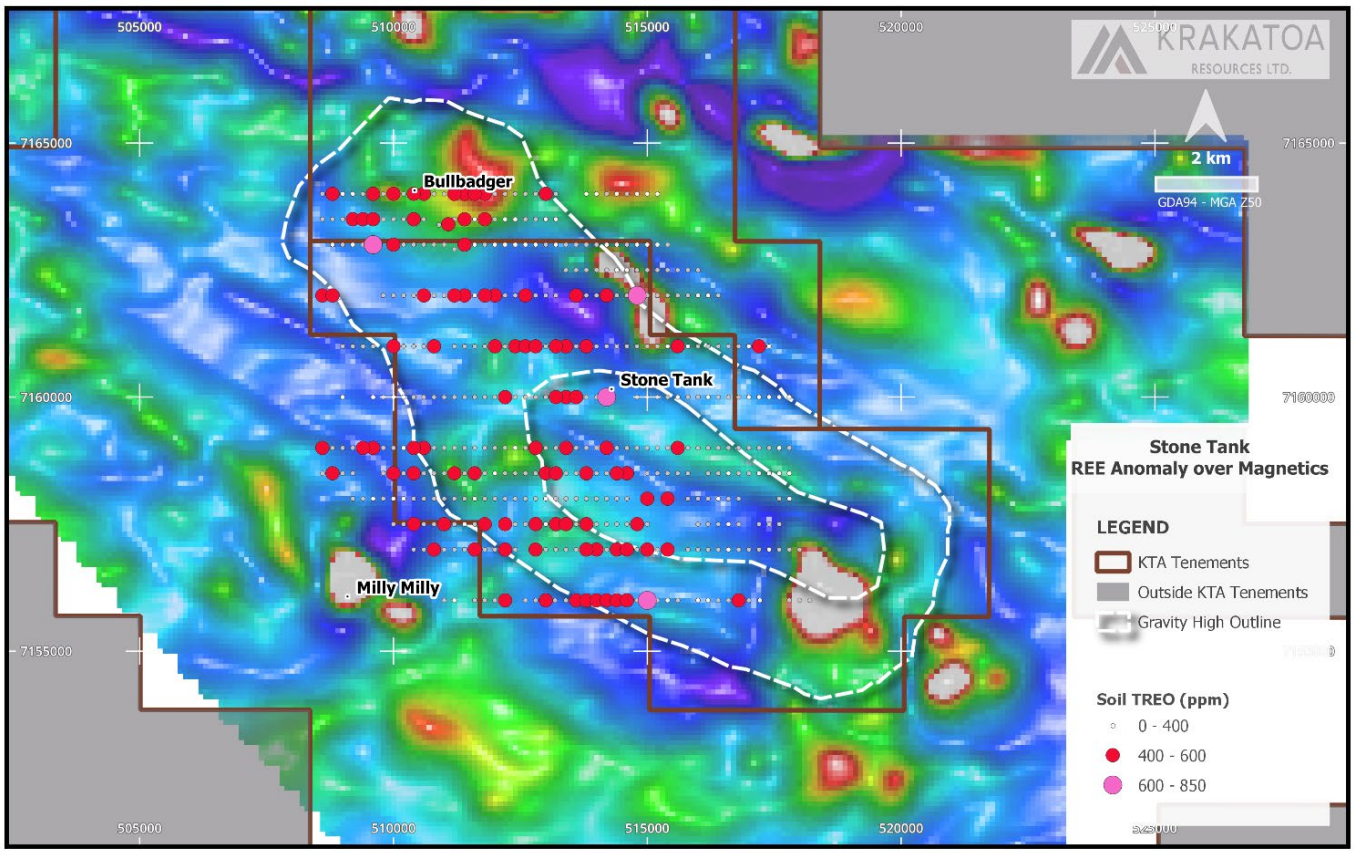


Figure 3: Image showing Stone Tank - Bullbadger anomalous TREO soil results over RTP magnetics with residual gravity high outline (MGA94 zone 55).

The newly identified Jagger target covers an oblong shaped area with an extensive lateral extent of 1.5km by 0.8km. It is located within the southeast area of the Stone Tank prospect and is characterised by a discrete and strong amplitude gravity anomaly response coincident with a highly magnetic feature, in a resistive zone adjacent to a strong conductor. The target is positioned within a topographical low and cut by a creek bed (Figure 4).

The Richards target is a more elongated gravity body around 1300m long by 450m wide body with a 800m long high density core. The target has limited coincident magnetic anomaly response, which runs adjacent to a medium elevated magnetic ridge and is bound to the southern extent by magnetic low features which are interpreted as two key interpreted structural features. This area is a more resistive zone and is located on the northern edge of an intermittent dry creek bed.

A combined gravity and magnetic 3D inversion model has been created for the Jagger and Richards area (Figure 5). This model utilised the detailed magnetic data to help constrain the model and show the relationship between the density variations and magnetic properties.

This model has defined the Jagger gravity anomaly to be sourced by a dense “heart shaped” body coincident with a strong magnetic core, which may extend to over 1km in depth (Figure 5). The Richards anomaly located to the northwest has a dense plugging “kidney shape” core encapsulated within a less dense body which elongates parallel to the magnetic feature (Figure 5).

During the quarter, the Company reduced the Mt Clere land holding from over 2,400km^2 to 1,800km^2. A reduction of over 600km^2. Exploration planned for the current season will most likely result in further reductions in land holdings.

Going forward, the Company will complete additional deeper regolith geochemical sampling of the two gravity anomalies. This may involve auger or air core drilling to sample below the transported cover. The Company may look to infill and refine the gravity survey over the priority targets to assist with initial drill targeting. The Company will then be able to finalise preparations for a maiden drilling campaign.

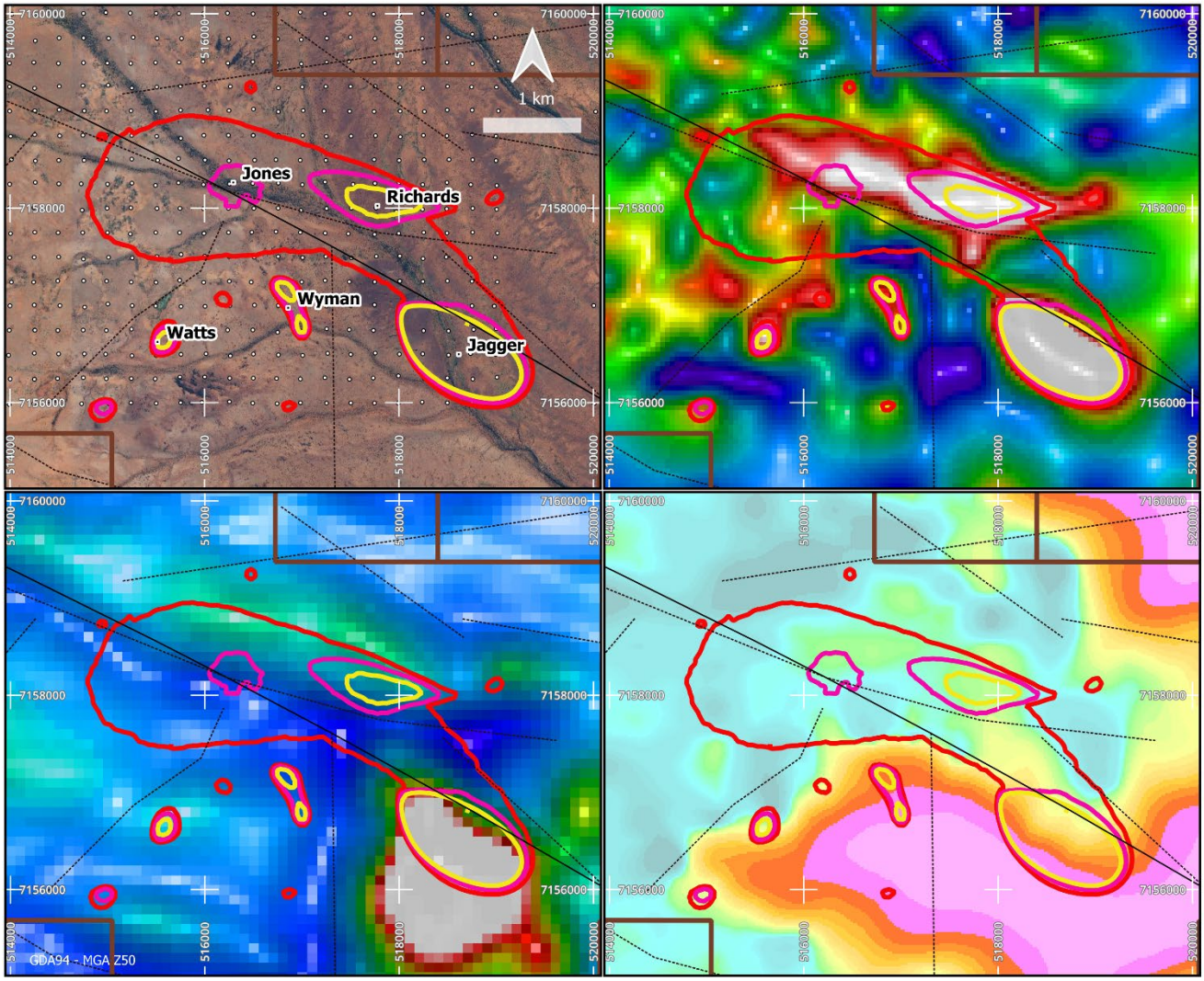


Figure 4: Modelled gravity body silhouettes (Yellow 200, Pink 180, Red 160) over various images; Top Left – Gravity station on satellite image; Top Right – Total Bouguer Gravity image; Bottom Left - RTP magnetic image; Bottom Right – AEM time channel 30z.

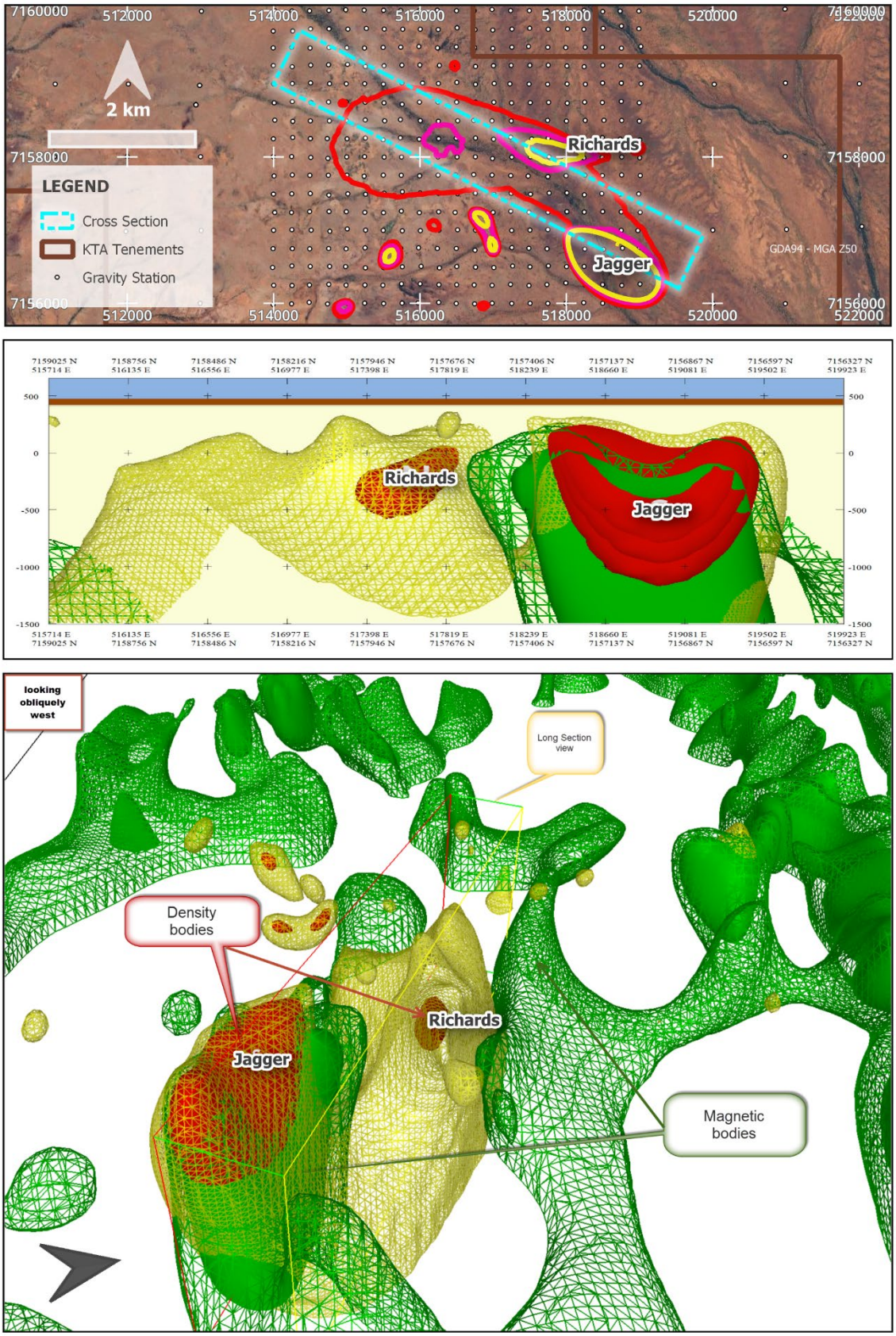


Figure 5: Top – Plan View, Middle – Cross section, Bottom – 3D Gravity and Magnetic Inversion Model. *Schematics of the modelled gravity anomalies (total bouguer 2.67g/cc iso-surfaces, red>0.25g/cc, orange=0.13g/cc) combined with VRMI iso-surfaces (green mesh 0.1SI, green solid 0.2SI units).*

TURON PROJECT

During the quarter, Krakatoa provided an update to the market and announced the results of some rock sampling which returned highly encouraging copper – gold grades from the Southern areas of the Turon exploration lease.

The area features extensive areas of historical alluvial (gold) workings including the Dry Ck and Dam Ck mineral occurrences (Figure 2). Although the main target style on EL8942 is orogenic/lode gold (Hill End Mine), there are also several intrusive-related targets yet to be examined.

During the reconnaissance work 17 rock-chip samples were collected and analysed by ALS laboratories.

Jews Creek is a historical copper occurrence where mineralisation occurs on the margins of a Devonian quartz-rich, chlorite-altered intrusive. The last noted fieldwork from 1973 defined 2 main groups of hard-rock workings, ~600 metres apart herein named Jews Ck North and Jews Ck South. The historical workers collected a few surface samples that yielded anomalous base metal values but were not analysed for gold.

At Jews Ck South, an area of apparent hard-rock workings over at least 100 x 100 metres was located. The workings comprise several shallow prospecting pits and a significant mullock dump adjacent to a back-filled shaft. Four mullock samples (R1025 to R1028 inclusive) were taken of gossanous, veined and silicified igneous and metasedimentary rocks with abundant secondary Cu minerals (malachite, azurite, chrysocolla and possibly chalcocite. Sample R1026 returned impressive values of 1.235g/t Au, 39.1g/t Ag, 10.45% Cu, 331ppm La, 45.3ppm Mo, 4850ppm Pb, 19.6ppm Sn and 1330ppm Zn (Figure 6).

All four samples returned over 2.2% Cu, averaging 4.83% Cu with a maximum of 10.45% (sample R1026; Figure 1); for Au, they averaged 0.500g/t with a maximum of 1.235g/t. Base and pathfinder metals were strongly anomalous with maximum individual values of 39.1ppm Ag, 306ppm As, 86.8ppm Co, 45.3ppm Mo, 4850ppm Pb, 17.3ppm Sb, 3.93ppm Te and 1330ppm Zn (Table 1). These values are thought to be indicative of an intrusive-related system. Furthermore, the samples were also strongly anomalous in REEs with maximum values of 509ppm Ce, 331ppm La and 42ppm Y.

At Jews Creek North, mullock features quartz-oxidised sulfide-secondary Cu veins and malachite-stained fractures. Several shallow prospecting pits have been excavated into the massive intrusive hostrock in this area. Two mullock samples were collected here (R1031 and R1032; Figure 3) which returned maximum values of 1825ppm Cu, 7.96ppm Bi, 168.5ppm Ni, 31.6ppm Mo, 21.3ppm Sb and 105ppm Zn (Table 1). The causative intrusive, as defined (by the NSWGS) occurs over > 1km of strike (Figures 2 and 3) and extends north into the adjacent property. The northern extent of the Jews Ck North was not field checked during the March visit.

Other samples were taken to the south of Jews Creek at areas identified as Mt Rosette and dry creek. The Mt Rosette area has an adit and mineral occurrence associated with a reported gold-bearing quartz vein. There are no historic production records for this adit, nor the numerous alluvial workings that occur for over 1km along the adjacent Dry Ck. An extensive quartz veins system occurs over several kilometers of strike, on the main N-S trending ridge west of the adit. A total of 9 quartz vein samples were collected along the main ridgeline and 2 samples further northwest in the flats. These pitted, sulfide-bearing sampled returned low gold values but were anomalous for pathfinders including As, Be and Sb with maximum values of 434ppm, 1.51ppm and 6.07ppm respectively (see ASX Announcement 11 April 2024 for full details and assay results).

The Company will now look to define the extremities of the intrusive and Cu-Au mineralisation at Jews Ck, through further mapping and sampling.

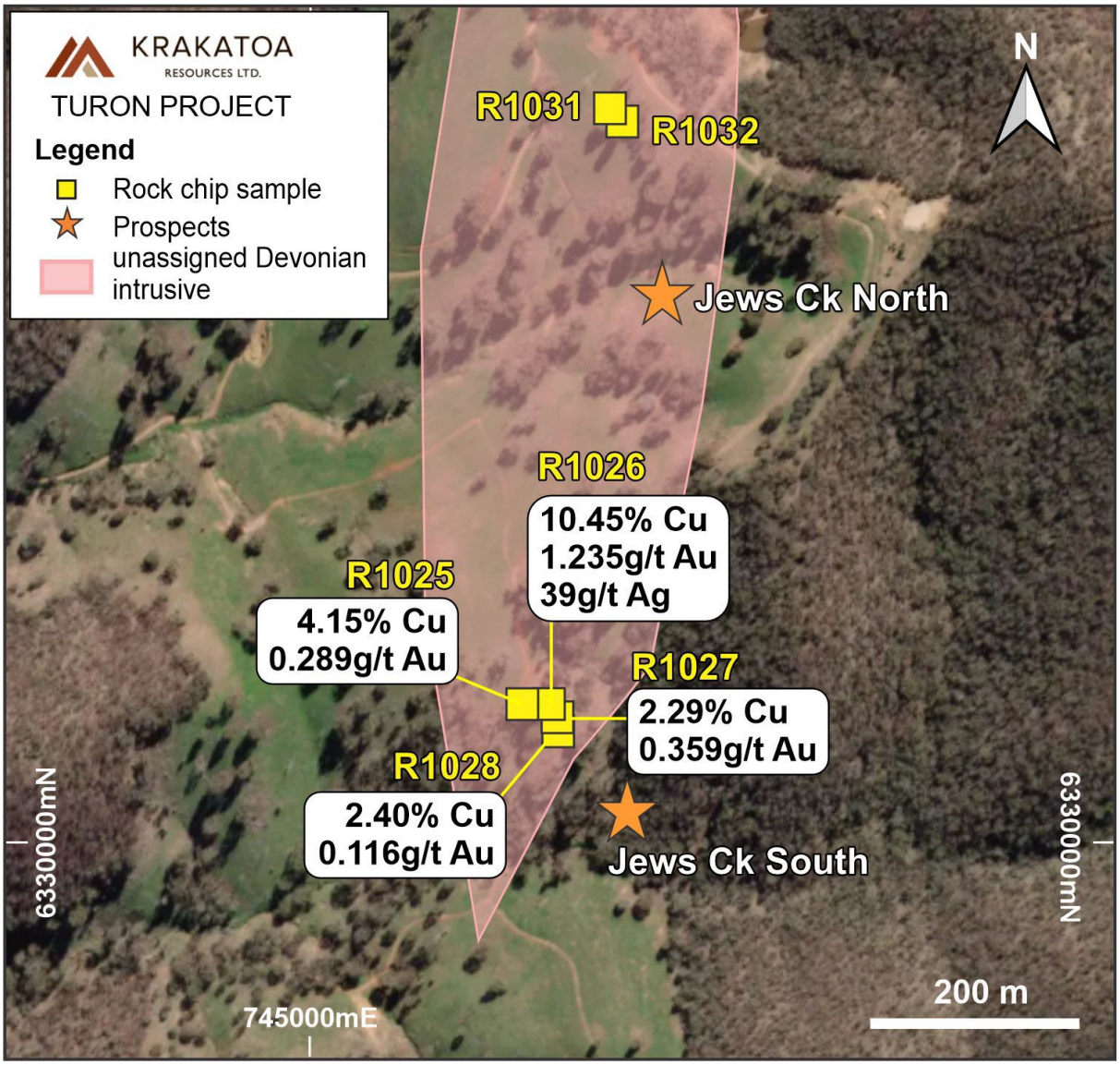


Figure 6: Jews Creek area showing interpreted intrusive and recent KTA rock-chip samples (MGA94 zone 55)

KING TAMBA PROJECT

The Company is reviewing the 2024 drilling and exploration results with the aim of planning additional work programs in late 2024. No new information work has been undertaken during the quarter.

RAND PROJECT

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

BELGRAVIA CU-AU PORPHYRY PROJECT

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 GOLD PROJECT

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.

CORPORATE

As at the end of the quarter the Company has $1.3M 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 $174k. Exploration during the Quarter largely comprised of drill rehabilitation, 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.

ASX Listing Rule 5.3.3: 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 30 June 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.

ASX Announcement (Price Sensitive) released during the Quarter

Date	Headline
11-Apr-24	1.2g/t Gold and 10.5% Copper Identified at Turon
26-Apr-24	Quarterly Activities Report & Appendix 5B cash flow report
2-May-24	New Niobium-REE Gravity Target Identified at Mt Clere
23-May-24	Exploration Update at Nb-REE Gravity Target, Mt Clere
12-Jun-24	Mt Clere Nb-REE Gravity Target Continues to Emerge

Appendix 1 - Details of Tenements Held at 30 June 2024

Project	Tenement Licence	Interest held at at 31 March 2024	Interest acquired/ disposed	Interest held at 30 June 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 application 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	**Quarter ended ("current quarter")**
39 155 231 575	30 June 2024

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(174)	(2,113)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(109)	(886)
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)	1	9
1.9	**Net cash from / (used in) operating activities**	**(282)**	**(2,974)**

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		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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	-	(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**	**-**	**3,336**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,596	952
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(282)	(2,974)
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)	-	3,336

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,314**	**1,314**

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	1,299	1,581
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)**	**1,314**	**1,596**

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** *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.*	**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.		

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(282)
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)	(282)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,314
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,314
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	4.65

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.

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

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.

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: **29 July 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.