KRAKATOA
RESOURCES LTD.

QUARTERLY ACTIVITIES REPORT

September 2024

ASX Code
KTA

Capital Structure
472,107,220 Fully Paid Shares

Directors
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HIGHLIGHTS FROM SEPTEMBER 2024 QUARTER

MT CLERE PROJECT ADVANCES WITH STONE TANK GRAVITY WORK COMPLETED

- Systematic exploration programs from previous quarters helped identified several new areas of interest, one a large niobium-REE geochemical anomaly positioned over a major regional gravity high (Stone Tank).
- A ground gravity geophysical survey was completed at the end of last quarter with the processed data completed during the reporting period.
- The 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
- The Company has been successful in is seeking WA Government EIS funding up to $220,000 to undertake drilling of the high-density gravity cores in the 2025
- Regulatory approvals and heritage clearance for the drilling has began

TURON EXPLORATION ON SOUTHERN COPPER AND GOLD SYSTEMS PROGRESSING

- Field work over and around several identified copper-gold prospect on Turon Project was undertaken during the reporting period.
- Thirty-six rock chip samples were collected along with several lines of soil samples across geological boundaries and areas of prospectivity.
- All samples are currently at laboratories undergoing analysis.

COMPANY

- Cash on hand at end of the quarter is $1.013M.
- Annual report issued 27 September 2024
- AGM date set for 29 November 2024

Krakatoa Resources Limited (**ASX: KTA**) ("Krakatoa" or the "Company") is pleased to provide the following summary of activities conducted over the July to September 2024 quarter, which firmly focused on advancing the Stone Tank prospect at the Mt Clere project in the Yilgarn Craton, WA, and advancing the exploration at the Cu-Au Turon Project in NSW, both of which are 100% owned.

MT CLERE PROJECT

During the Quarter, the Company continued with its systematic exploration programs over the newly generated exploration prospects. The focus remains on the Stone Tank prospect

During the previous 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 by an external consultant geophysicist. The modelling has defined two large priority targets and three smaller secondary targets. The priority targets are the Jagger gravity anomaly, a dense "heart shaped" body coincident with a strong magnetic core, which may extend to over 1km in depth and the Richards anomaly located to the northwest which has a dense plugging "kidney shape" core encapsulated within a less dense body which elongates parallel to the magnetic feature (Figure 1).

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.

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.

After the quarter end, the Company was notified that it was successful in obtaining an Exploration Incentive Scheme (EIS) funding of up to $220,000 from the Western Australian Government. Going forward, the Company will complete deep drilling of the gravity cores on the two priority targets using reverse circulation and diamond drilling in 2025. Programming will be determined once permitting is completed, which includes any Heritage clearance that is deemed necessary.

During the quarter the company continued its review of the Mt Clere tenements and continued to relinquish areas which are not considered important or prospective. Current tenement holding at Mt Clere is now 1,122 km^2, reduced from over 2,400 km^2 in 2023.

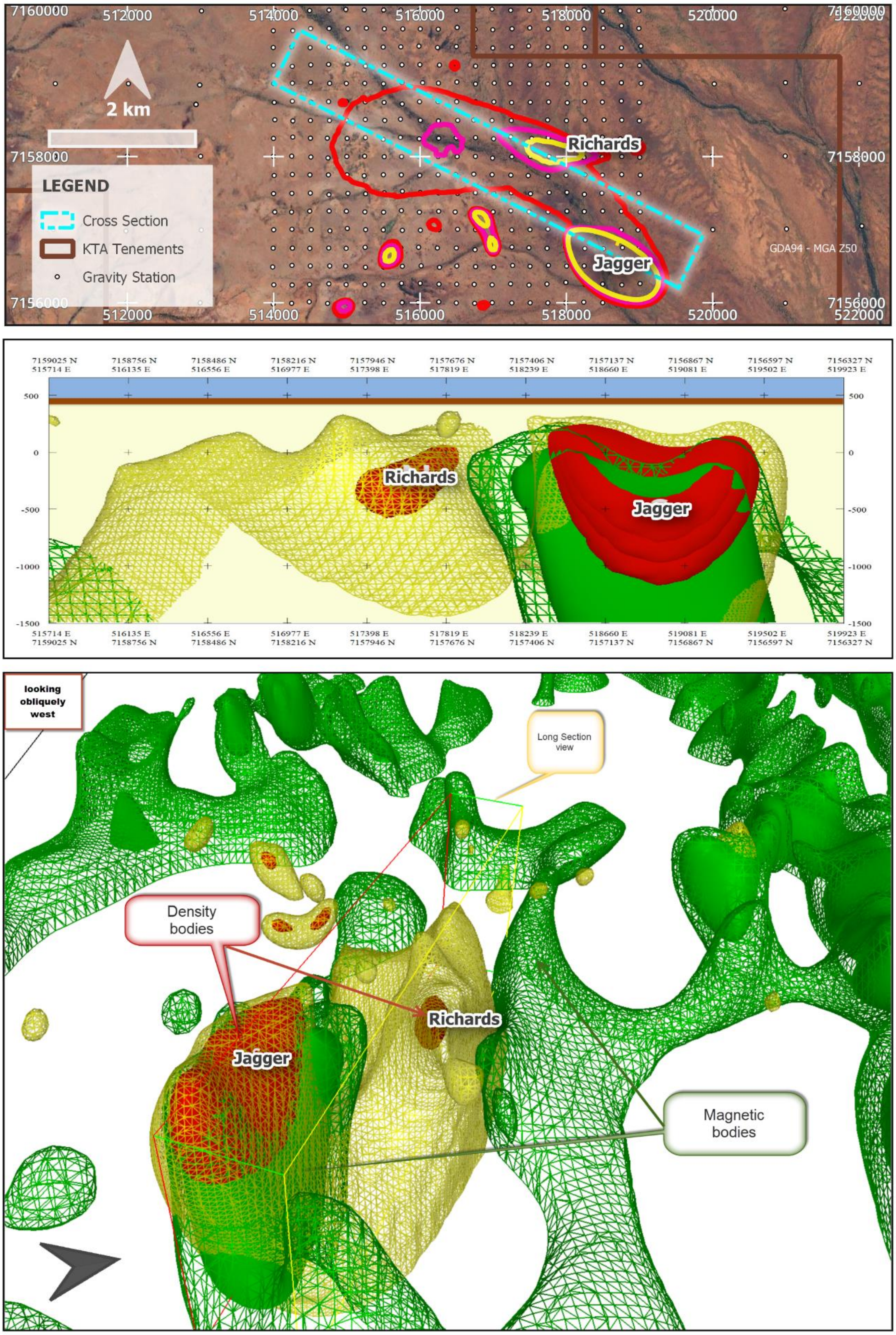

Figure 1 Top – Plan View, Middle – Cross section, Bottom – 3D Gravity and Magnetic Inversion Model. *Schematics of the modelled gravity anomalies (total bouguer 2.67g/cc iso-surfaces, red>0.25g/cc, orange=0.13g/cc) combined with VRMI iso-surfaces (green mesh 0.1SI, green solid 0.2SI units).*

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TURON PROJECT

During the quarter, Krakatoa undertook further geochemical sampling over several areas of interest in the southern Turon Cu Au prospective zone.

The southern Turon area features extensive zones of historical alluvial (gold) workings including the Dry Ck and Dam Ck mineral occurrences as well as several diggings including Mount Rosette, Millah Murrah copper mine and Jews creek (Figure 2). Although the main target style on Northern EL8942 tenement is orogenic/lode gold (Hill End Mine), the southern area contains several intrusive-related targets which are currently being examined.

During the reconnaissance work in the south, rock-chip samples and reconnaissance soil geochemical samples were collected. Three soil line were focused around the Millah Murrah Cu-Au prospect, with one from the Dry Creek prospect towards Jews creek prospect (Figure 2). All samples are currently being analysed by ALS laboratories.

Previous reconnaissance was undertaken over the hard-rock workings at Jews Creek area, spanning an area at least 100 x 100 metres in size. Four mullock samples returned over 2.2% Cu, averaging 4.83% Cu with a maximum of 10.45% (sample R1026; refer to ASX Announcement 11 April 2024); for Au, they averaged 0.500g/t with a maximum of 1.235g/t. 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.

The recent exploration focus was further understanding the Jews Creek prospect and to investigate the other known working and mines further south, closer to the outcropping intrusive system. The historical Millah Murrah copper mine was visited.

The Millah Murrah copper prospect is located in Devonian and Silurian metasediments that have been intruded by Carboniferous granites to the east and west (Figure 2). There are two recorded gold and copper workings in the area that have had negligible field work. It is hosted in a fine to medium grained quartz feldspathic volcaniclastic and sandstone/quartzite. Sulphide bearing quartz veins in tuffaceous greywacke and feldspathic sandstone have been described by previous explorers (Irons & Perkins 1973[1]).

The Company will continue to investigate the southern area and look to continue advancing the high-grade gold systems to the north in the coming 12 months.

[1] Irons, A. & Perkin, D.J., 1973. Final Report EL627 Peel – Mt Wigadon Area, near Bathurst N.S.W. *Metals Exploration Ltd. Report No.486. GS1973/351*

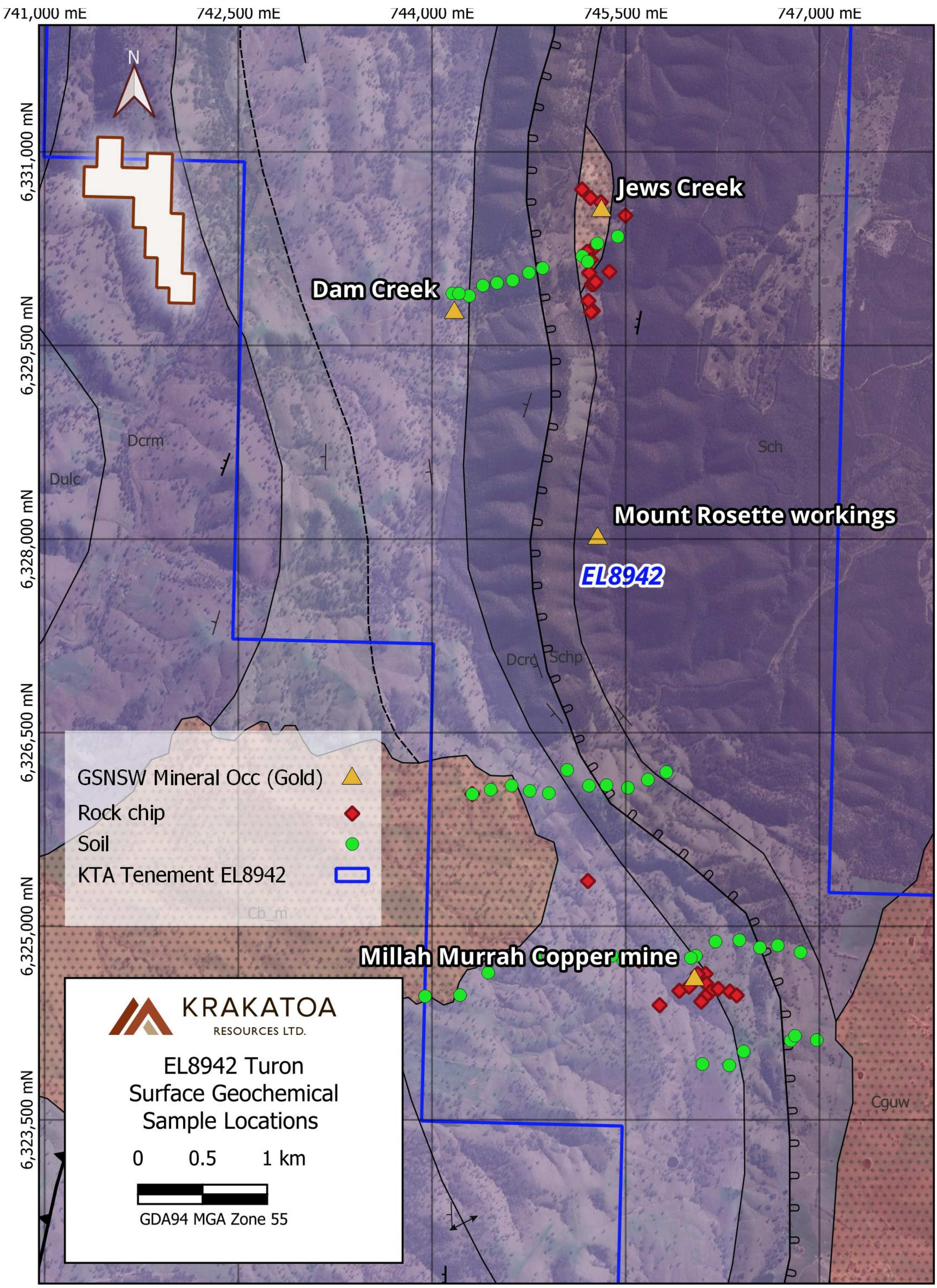

Figure 2: Turon prospects showing surface geochemical sample locations and interpreted bedrock geology

RAND PROJECT

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

BELGRAVIA CU-AU PORPHYRY PROJECT

No work was conducted on the Project during the last quarter. Land access discussions associated with new areas of interest are being undertaken.

MAC WELL GOLD PROJECT

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

KING TAMBA PROJECT

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

CORPORATE

As at the end of the quarter the Company has $1.013M 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 $137k. Exploration during the Quarter largely comprised of reconnaissance exploration, mapping, geochemical sampling, heritage and land access negotiations, target generation and preparation for future exploration programs - full details of activity during the Quarter are set out above.

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

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

Related Party Payments

Pursuant to item 6 in the Company's Appendix 5B – Quarterly Cashflow Report for the Quarter ended 30 September 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
2-Jul-24	Mt Clere Project – Significant New Anomalies
29-Jul-24	Quarterly Activities & Appendix 5B Report
27-Sep-24	Annual Report to Shareholders

Appendix 1 - Details of Tenements Held at 30 September 2024

Project	Tenement Licence	Interest held at at 30 June 2024	Interest acquired/ disposed	Interest held at 30 September 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	+	-	+
King Tamba	E59/2925	+	-	+

+ Tenement applications subject to grant

Appendix 5B

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

Name of entity
KRAKATOA RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
39 155 231 575	30 September 2024

	Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers			
1.2	Payments for			
	(a)	exploration & evaluation	(137)	(137)
	(b)	development		
	(c)	production		
	(d)	staff costs		
	(e)	administration and corporate costs	(176)	(176)
1.3	Dividends received (see note 3)			
1.4	Interest received		-	-
1.5	Interest and other costs of finance paid			
1.6	Income taxes paid			
1.7	Government grants and tax incentives		-	-
1.8	Other (provide details if material)		12	12
1.9	**Net cash from / (used in) operating activities**		**(301)**	**(301)**

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 (3 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)	-	-
3.2	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	-	-
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**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,314	1,314
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(301)	(301)
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)	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,013**	**1,013**

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	998	1,299
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)**	**1,013**	**1,314**

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)	(301)
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)	(301)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,013
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,013
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	3.36

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: **23 October 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.