KRAKATOA RESOURCES LTD
ACN 155 231 575

Notice of General Meeting

The General Meeting of the Company will be held at the offices of the Company, at Level 8, 216 St Georges Terrace, Perth, Western Australia on Monday, 28 August 2023 at 10am AWST.

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on +61 8 9481 0389.

Shareholders are encouraged to vote by lodging the proxy form attached to the Notice

Krakatoa Resources Limited

ACN 155 231 575

(Company)

Notice of General Meeting

Notice is given that the general meeting of Krakatoa Resources Limited will be held at Level 8, 216 St Georges Terrace, Perth, Western Australia on Monday, 28 August 2023 at 10am AWST (***Meeting***).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 5.00pm (AWST) on 26 August 2023.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

Resolutions

Resolution 1– Ratification of prior issue of Tranche 1 Placement Shares

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

'That the issue of:

(a) *28,529,009 Placement Shares under Listing Rule 7.1; and*

(b) *34,470,991 Placement Shares under Listing Rule 7.1A,*

at $0.036 per Placement Share is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Approval to issue Tranche 2 Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That the issue of 42,000,000 Placement Shares at $0.036 per Share is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval to issue Options to Lead Manager

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That the issue of 10,000,000 LM Options to CPS Capital (or its nominees) is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Ratification of prior issue of April Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That the issue of 18,666,667 April Placement Shares under Listing Rule 7.1 at $0.03 per April Placement Share is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

(a) Resolution 1(a) or Resolution 1(b) by or on behalf of any person who participated in the issue of the Placement Shares or any of their respective associates;

(b) Resolution 2 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or any of their respective associates;

(c) Resolution 3 by or on behalf of CPS Capital and any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and

(d) Resolution 4 by or on behalf of any person who participated in the issue of the April Placement Shares or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

    (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

    (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

BY ORDER OF THE BOARD

David Palumbo
Company Secretary
Krakatoa Resources Limited
Dated: 26 July 2023

Krakatoa Resources Limited
ACN 155 231 575
(*Company*)

Explanatory Memorandum

1 Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 8, 216 St Georges Terrace, Perth, Western Australia on Monday, 28 August 2023 at 10am AWST.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes information about the following to assist Shareholders in deciding how to vote on the Resolutions:

Section 3	Resolution 1(a) and (b) – Ratification of prior issue of Tranche 1 Placement Shares
Section 4	Resolution 2 – Approval to issue Tranche 2 Placement Shares
Section 5	Resolution 3 – Approval to issue Options to Lead Manager
Section 6	Resolution 4 – Ratification of prior issue of April Placement Shares
Schedule 1	Definitions
Schedule 2	Terms and conditions of LM Options

A Proxy Form is located at the end of the Explanatory Memorandum.

2 Voting and attendance information

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

To vote in person, attend the Meeting at the time, date and place set out above. You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting, however, representatives from the share registry will need to verify your identity. You can register from 9.30am WST on the day of the Meeting.

2.2 Voting by proxy

Shareholders are encouraged to vote by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

(a) each Shareholder has a right to appoint a proxy;

(b) the proxy need not be a Shareholder of the Company; and

(c) a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

(d) if proxy holders vote, they must cast all directed proxies as directed; and

(e) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Proxy Forms can be lodged:

Online:	www.investorvote.com.au
By mail:	Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001, Australia
By fax:	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile:	Scan the QR Code on your Proxy Form and follow the prompts

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.3 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on any of the Resolutions by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

3 Resolution 1(a) and (b) – Ratification of prior issue of Tranche 1 Placement Shares

3.1 General

On 10 July 2023, the Company announced that it had received binding commitments for a placement to raise $3.78 million (before costs) (***Placement***) by the issue of 105 million Shares at $0.036 each (***Placement Shares***) to sophisticated and professional investors (***Placement Participants***). The Placement comprises of two tranches of Placement Shares and was lead managed by CPS Capital.

On 19 July 2023, the Company issued a total of 63 million Placement Shares to Placement Participants using the Company's placement capacity under Listing Rules 7.1 and 7.1A to raise approximately $2.27 million (before costs) (***Tranche 1 Placement Shares***).

The issue of 42 million Placement Shares (***Tranche 2 Placement Shares***) to raise approximately $1.51 million is subject to Shareholder approval (see Resolution 2), as the Company did not have sufficient capacity available under Listing Rules 7.1 and 7.1A for the issue of the Tranche 2 Placement Shares.

Resolution 1(a) and Resolution 1(b) seek the approval of Shareholders to ratify the issue of Tranche 1 Placement Shares to the Placement Participants under and for the purposes of Listing Rule 7.4.

3.2 Listing Rules 7.1, 7.1A and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained this approval at its annual general meeting held on 18 November 2022.

The issue of Tranche 1 Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up all of the 15% and 10% limits under each of Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 or 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, the resolutions which form part of Resolution 1 seek Shareholder approval to ratify the issue of 63,000,000 Tranche 1 Placement Shares under and for the purposes of Listing Rule 7.4.

If the resolutions which form part of Resolution 1 are passed, the issue of the Tranche 1 Placement Shares will be excluded in calculating the Company's 15% and 10% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Placement Shares.

In the event that Resolution 1(a) is not passed, 28,529,009 Tranche 1 Placement Shares will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval over the 12 month period following the issue of those Placement Shares.

In the event that Resolution 1(b) is not passed, 34,470,991 Tranche 1 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, until the earlier of:

(a) 18 November 2023;

(b) the Company's next annual general meeting; or

(c) the date Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

3.3 Specific information required by Listing Rule 7.5

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Tranche 1 Placement Shares:

(a) 63,000,000 Tranche 1 Placement Shares were issued to the Placement Participants being sophisticated and professional investors to whom a disclosure document does not need to be provided under the Corporations Act, none of whom is a related party of the Company. CPS Capital acted as lead manager to the Placement.

(b) a total of 63,000,000 Tranche 1 Placement Shares were issued on 19 July 2023 as follows:

- (i) 28,529,009 Tranche 1 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
- (ii) 34,470,991 Tranche 1 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;

(c) the Tranche 1 Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;

(d) the Tranche 1 Placement Shares were issued at $0.036 per Share;

(e) the proceeds from the issue of the Tranche 1 Placement Shares are intended to be used towards the exploration and development of the Company's King Tamba Lithium Project and Mt Clere Rare Earth Project, as well as for costs of the Placement and general working capital;

(f) there are no additional material terms with respect to the agreements for the issue of the Placement Shares; and

(g) a voting exclusion statement is included in the Notice.

3.4 Board recommendation

Each of the resolutions which forms part of Resolution 1 is an ordinary resolution.

The Board unanimously recommends that Shareholders vote in favour of each of the resolutions which forms a part of Resolution 1.

4 Resolution 2 – Approval to issue Tranche 2 Placement Shares

4.1 General

A summary of the Placement is in Section 3.1.

The Company does not currently have sufficient placement capacity under Listing Rules 7.1 or 7.1A to issue the Tranche 2 Placement Shares.

Resolution 2 seeks the approval of Shareholders to approve the issue of the 42,000,000 Tranche 2 Placement Shares to raise approximately $1.51 million (before costs) under and for the purposes of Listing Rule 7.1.

4.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 3.2 above.

The proposed issue of Tranche 2 Placement Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

To this end, Resolution 2 seeks the required Shareholder approval to the issue of Tranche 2 Placement Shares under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares and raise up to ~$1.51 million to be used as described in Section 3.3(e). In addition, the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares and will need to seek alternative sources of funding in order to undertake the work planned at the King Tamba and Mt Clere projects.

4.3 Specific information required by Listing Rule 7.3

Under and for the purposes of Listing Rule 7.3, the following information is provided in relation to the approval of the issue of Tranche 2 Placement Shares:

(a) a maximum of 42,000,000 Placement Shares are to be issued as Tranche 2 Placement Shares;

(b) the Tranche 2 Placement Shares are fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;

(c) the Tranche 2 Placement Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). It is intended that the Tranche 2 Placement Shares will be issued on 31 August 2023;

(d) the Tranche 2 Placement Shares will be issued at $0.036 per Placement Share;

(e) the proceeds from the issue of the Tranche 2 Placement Shares are intended to be used towards the use of funds described at Section 3.3(e); and

(f) a voting exclusion statement is included in the Notice.

4.4 Board recommendation

Resolution 2 is an ordinary resolution.

The Board unanimously recommends that Shareholders vote in favour of Resolution 2 and intend to vote any Shares in which they or their associates hold an interest in favour of Resolution 2.

5 Resolution 3 – Approval to issue Options to Lead Manager

5.1 General

CPS Capital Group Pty Ltd (***CPS Capital***) acted as lead manager to the Placement. In consideration for these services, the Company has agreed to:

(a) pay a cash fee of up to 6% of the gross proceeds of the Placement; and

(b) issue 10,000,000 unquoted Options exercisable at $0.075 each with an expiry date of 29 November 2023. (***LM Options***).

The issue of LM Options is subject to the approval of Shareholders under this Resolution 3.

In addition to the above, in the mandate between the Company and CPS Capital it has also been agreed:

(a) to pay a corporate advisory fee of $5,000 per month for a minimum term of twelve months for the provision of ad hoc corporate advisory services. This fee is due and payable in full should the mandate be terminated;

(b) that the mandate can be terminated by CPS Capital on 14 days notice in the event the Company commits a material breach of the mandate, and by the Company on 7 days notice.

5.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 3.2 above.

The issue of the LM Options does not fit within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 for the issue of up to 10,000,000 LM Options.

If Resolution 3 is passed, the Company can proceed with the issue of the LM Options.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of LM Options and the Company will not be able to satisfy its payment obligations under the lead manager mandate. This in turn may require the Company to negotiate alternative forms of remuneration to be paid to CPS Capital, which may include the payment of cash in lieu of the LM Options.

5.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

(a) the LM Options will be issued to CPS Capital (or their nominees) in accordance with the terms of the mandate with CPS Capital;

(b) a maximum of 10,000,000 Options will be issued as LM Options;

(c) the LM Options will have an issue price of $0.00001 each, be exercisable at $0.075 each, have an expiry date of 29 November 2023 and will otherwise be issued on the terms and conditions in Schedule 2.

(d) it is intended that the issue of LM Options will occur on or about 31 August 2023;

(e) Funds raised ($100) from the issue of the LM Options will go towards costs of the issue;

(f) a summary of the material terms of the lead manager mandate is set out in Section 5.1 above; and

(g) a voting exclusion statement is included in the Notice.

5.4 Board recommendation

Resolution 3 is an ordinary resolution.

The Board recommends Shareholders vote in favour of Resolution 3.

6 Resolution 4 – Ratification of prior issue of April Placement Shares

6.1 General

On 20 April 2023, the Company announced that it had received binding commitments for a placement to raise $560,000 (before costs) (***April Placement***) by the issue of 18,666,667 Shares at $0.03 each (***April Placement Shares***) to sophisticated and professional investors (***April Placement Participants***).

On 28 April 2023, the Company issued a total of 18,666,667 April Placement Shares to April Placement Participants using the Company's placement capacity under Listing Rules 7.1.

Resolution 4 seeks the approval of Shareholders to ratify the issue of the April Placement Shares to the April Placement Participants under and for the purposes of Listing Rule 7.4.

6.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 are set out in Section 3.2 above.

The issue of the April Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up all of the 15% limit under Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12 month period following the issue of the April Placement Shares.

If Resolution 4 is passed, the issue of the April Placement Shares will be <u>excluded</u> in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Placement Shares.

In the event that Resolution 4 is not passed, 18,666,667 April Placement Shares will be <u>included</u> in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval over the 12 month period following the issue of those Placement Shares.

6.3 Specific information required by Listing Rule 7.5

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the April Placement Shares:

(a) 18,666,667 April Placement Shares were issued on 28 April 2023 to the April Placement Participants being sophisticated and professional investors to whom a disclosure document does not need to be provided under the Corporations Act, none of whom is a related party of the Company. Shaw & Partners acted as lead manager to the April Placement.

(b) the April Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;

(c) the April Placement Shares were issued at $0.03 per Share;

(d) the proceeds from the issue of the April Placement Shares are intended to be used towards the continued exploration of the Mt Clere Rare Earth Project, as well as for costs of the April Placement and general working capital;

(e) there are no additional material terms with respect to the agreements for the issue of the April Placement Shares; and

(f) a voting exclusion statement is included in the Notice.

6.4 Board recommendation

Each of the resolutions which forms part of Resolution 4 is an ordinary resolution.

The Board unanimously recommends that Shareholders vote in favour of each of the resolutions which forms a part of Resolution 4.

Schedule 1

Definitions

In the Notice, words importing the singular include the plural and vice versa.

$ or A$	means Australian Dollars.
April Placement	has the meaning given in Section 6.1.
April Placement Participants	means the sophisticated and professional investors who participated in the Placement, none of whom is a related party of the Company and each of whom are clients of Shaw & Partners, the lead manager of the April Placement.
April Placement Shares	has the meaning given in Section 6.1.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
AWST	means Australian Western Standard Time, being the time in Perth, Western Australia.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Company	means Krakatoa Resources Limited (ACN 155 231 575).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the *Corporations Act 2001* (Cth).
CPS Capital	means CPS Capital Group Pty Ltd (ACN 088 055 636).
Director	means a director of the Company.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Lead Manager	means the lead manager to the Placement, being CPS Capital.
Listing Rules	means the listing rules of ASX.
LM Options	means the 10,000,000 unquoted Options the subject of Resolution 3, issued on the terms set out in Schedule 2.

Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of general meeting.
Option	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
Placement	has the meaning given in Section 3.1.
Placement Participants	means the sophisticated and professional investors who participated in the Placement, none of whom is a related party of the Company and each of whom are clients of the Lead Manager.
Placement Shares	has the meaning given in Section 3.1.
Proxy Form	means the proxy form attached to the Notice.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Tranche 1 Placement Shares	means the 63,000,000 Placement Shares issued on Wednesday, 19 July 2023 to the Placement Participants under the Placement, which are the subject of Resolution 1.
Tranche 2 Placement Shares	means up to 42,000,000 Placement Shares, which are the subject of Resolution 2.

Schedule 2

Terms and conditions of LM Options

For the purposes of the terms set out below, 'Options' refers to 'LM Options':

1. (**Entitlement**): Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. (**Issue Price**): $0.00001 is payable for the issue of each Option.

3. (**Exercise Price**): Each Option will be exercisable at $0.075 per Share.

4. (**Expiry Date**): The Options expire at 5.00pm (AWST) on 29 November 2023 (***Expiry Date***). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

5. (**Exercise Period**): The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

6. (**Quotation of the Options**): The Company will not apply for quotation of the Options on ASX.

7. (**Transferability of the Options**): The Options are not transferable, except with the prior written approval of the Company.

8. (**Notice of Exercise**): The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (***Notice of Exercise***) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

   Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (***Exercise Date***).

9. (**Timing of issue of Shares on exercise**): Within 5 Business Days after the Exercise Date the Company will:

   (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

   (b) if required, give ASX a notice that complies with section 7I(5)(e) of the Corporations Act; and

   (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

10. (**Restrictions on transfer of Shares**): If the Company is required but unable to give ASX a notice under paragraph 9(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

11. (**Shares issued on exercise**): Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

12. (**Quotation of Shares on exercise**): If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.

13. (**Reconstruction of capital**): If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

14. (**Participation in new issues**): There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

15. (**Adjustment for bonus issues of Shares**): If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

    (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and

    (b) no change will be made to the Exercise Price.

KRAKATOA
RESOURCES LTD.
ABN 39 155 231 575

Need assistance?

Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT
For your proxy appointment to be effective it must be received by **10:00am (AWST) on Saturday, 26 August 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 182797

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

Proxy Form

Please mark X to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Krakatoa Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Krakatoa Resources Limited to be held at the offices of the Company, at Level 8, 216 St Georges Terrace, Perth, WA 6000 on Monday, 28 August 2023 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1a	Ratification of prior issue of 28,529,009 Placement Shares under Listing Rule 7.1			
Resolution 1b	Ratification of prior issue of 34,470,991 Placement Shares under Listing Rule 7.1A			
Resolution 2	Approval to issue Tranche 2 Placement Shares			
Resolution 3	Approval to issue Options to Lead Manager			
Resolution 4	Ratification of prior issue of April Placement Shares			

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
			/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

Mobile Number	Email Address

KTA 999999A

computershare