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9 December 2024

OPTION TO ACQUIRE A MAJOR ANTIMONY AND GOLD PROJECT

- **Transformational opportunity to acquire an 80% interest in the globally significant Zopkhito project, a major antimony and gold deposit in Georgia**
- **Zopkhito contains a foreign estimate of 225Kt @ 11.6% Sb for a contained 26,000 tonnes of antimony and 7.1Mt @ 3.7g/t for 815,119 oz of gold***
- **27km of previous exploration adits (tunnels) have defined significant antimony and gold mineralisation**
- **Only 16 of the known 60+ mineralised veins have been investigated, providing substantial exploration upside**
- **Continuity of several mineralised veins extend to 1km within the adits and with recent IP geophysics indicating the system is open**
- **High grade Sb of 10.4% over 0.98m confirmed by 2019 channel sampling**
- **Metallurgical test work in 2018 achieved a 56% antimony concentrate with optimisation blue-sky**
- **Firm commitments received for a placement to raise $1.28M before costs, including $100k from Directors of Krakatoa (subject to shareholder approval)**

***Cautionary statement: The foreign estimate and foreign exploration results in this announcement are not reported in accordance with the JORC Code 2012. A competent person has not done sufficient work to classify the foreign estimate as a Mineral Resource, or disclose the foreign exploration results, in accordance with the JORC Code 2012. It is uncertain that following evaluation and/or further exploration work the foreign estimate will be able to be reported in accordance with the JORC Code 2012, and it is possible that following further evaluation and/or exploration work that the confidence in the reported foreign exploration results may be reduced when reported under the JORC Code 2012. Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the foreign exploration results, but the Company has not independently validated the foreign exploration results and therefore is not to be regarded as reporting, adopting or endorsing the foreign exploration results.**

Krakatoa Resources Limited (ASX: KTA) (“Krakatoa” or the “Company”) is pleased to announce that it has entered into a binding term sheet with JSC Caucasas Minerals (“JSCCM”) providing the Company with an exclusive option to acquire up to an 80% legal and beneficial interest in the granted mining license (Mineral Exploration License #10001467) ("Option Term Sheet")covering the well-known and significant Zopkhito antimony and gold project located in the Racha region of Georgia ("Zopkhito Project") (Figure 1).

Figure 1 Location of the Zopkhito project in Georgia

PROJECT INTRODUCTION

The Zopkhito project covers an area of ~1,779 hectares and is located in the northern part of Racha region in Georgia, a country which borders Eastern Europe and Asia and has Azerbaijan, Russia, Turkey and Armenia as neighbours (Figure 1).

The region is characterised by high mountains, 2000m+ MSL, and steep side valleys cut by fast flowing rivers. Vegetation is dominated by alpine and sub-alpine species with the lower parts of the mountains covered by forested tracts before transitioning to alpine meadows at higher elevations.

The project is situated ~170 km from Kutaisi (second biggest town in Georgia), where rail infrastructure links to the western ports (Poti and Batumi) on the Black Sea. The closet town is a village called Gebi some 20km from site.

Figure 2 Drone photograph showing access tracks and switchbacks up to the adits of the Zopkhito project.

FOREIGN ESTIMATE

The foreign estimate of mineralisation in respect to the Zopkhito Antimony and Gold project reported in this announcement are “foreign estimates” for the purpose of the ASX Listing Rules. The foreign estimate is not reported in accordance with the JORC Code 2012.

Foreign estimates completed by Eastern Mediterranean Resources Public Ltd ("EMED") in 2007 and 2008 report the resources to contain over 26,000 tonnes of antimony and 815,000 ounces of gold. Tabulated details of the resources are shown in Table 1 and 2. EMED disclosed the gold resource in an internal report titled: “Gold potential of Zopkhito Deposit (Republic of Georgia)” in 2007 and the antimony in a similar report in 2008. These resources were summarised in quarterly and annual report of the company during this period. The estimates were based on the EMED assays and previous Soviet exploration works. Key details are summarised in Appendix 1.

EMED used the State Commission for Reserves; Gosudarstvennaya Komissia po Zapasam (“GKZ”) guidelines and methodology for the resource estimation. It is understood that these resources were not registered with the State, but were disclosed publicly on AIM. It is understood that EMED relinquished the licence in 2008 to focus on the Riotinto mine in Spain.

Table 1 EMED 2008 – Zopkhito Sb Resource (Russian GKZ System) (Note that references to 'reserves' here are not 'Reserves' under the JORC Code 2012, but more akin to 'Mineral Resources' – see Appendix 1 for further information)

Vein	Area in the vein plane (m2)	Mean orebearig coefficient (Kr)	Block area with Kr	Mean vein thickness (m)	Vein volume (m3)	Mean density	Ore reserves (t)	Mean Grade (%)	Balance reserves										Out-of-balance reserves		Total metal (t)
									B		C1		B+C1		C2		B+C1+C2				
									Ore (t)	Metal (t)	Ore (t)	Metal (t)	Ore (t)	Metal (t)	Ore (t)	Metal (t)	Ore (t)	Metal (t)	Ore (t)	Metal (t)	
1	32201	0.91	29332	0.37	10872	2.8	30398	9.35			3542	440.8	3542	440.8	24469	2287.9	28011	2728.7	2387	113.4	2842.1
2	123105	0.48	59211	0.28	16586	2.9	48357	13.80	4157	602.3	11725	1728.3	5882	2330.6	30285	4179.3	46167	6509.9	2190	164.0	6673.9
3	2404	1.00	2404	0.13	312	2.9	903	12.79							612	78.3	612	78.3	291	37.2	115.5
4	3496	0.83	2801	0.25	677	3.1	90	16.17			577	97.0	577	97.0	383	223.6	1960	320.6	130	17.3	337.9
6	44059	0.65	28713	0.37	10613	0.9	30815	13.08			10576	1485.2	10576	1485.2	18882	2469.8	29458	3955.0	1357	75.2	4030.2
7	1441	0.81	1167	0.40	467	2.8	1308	9.65			1308	126.2	1308	16.2			1308	126.2			126.2
8	6462	0.38	2457	0.37	907	2.9	2641	13.34			1214	161.9	1214	161.9	1427	190.4	2641	352.3	-	-	352.3
9	44920	0.41	18348	0.29	5326	2.8	4881	9.23			4767	440.0	4767	440.0	10114	933.5	14881	1373.5		-	1373.5
10	8659	0.61	5272	0.62	3273	2.7	8877	8.10			3615	292.8	3615	292.8	5262	426.2	8877	719.0		-	719.0
11	9150	0.45	4220	0.29	1218	2.7	3288	7.88			648	52.8	648	52.8	1987	156.6	635	9.4	653	49.7	259.1
26-27	13985	0.76	594	0.34	3580	3.0	10740	14.52			5310	771.0	5310	771.0	5430	788.4	10740	1559.4			1559.4
28	39231	0.60	23507	0.37	8726	2.8	24592	11.43	2280	275.7	7090	802.0	9370	1077.7	15128	1729.1	24498	2806.8	94	4.1	2810.9
29	1017	0.53	539	0.17	92	3.0	276	5.92			276	43.9	276	43.9		-	276	43.9	-	-	43.9
33	44355	0.60	26720	0.42	11159	2.8	31463	10.98	3042	353.0	12016	1299.9	15058	1652.9	16405	1801.3	31463	3454.2		-	3454.2
52	22346	0.51	11375	0.27	3075	2.8	8611	9.41			3484	328.0	3484	328.0	5127	482.4	8611	810.4		-	810.4
56	6576	0.48	3145	0.20	628	2.9	1821	10.95			93	10.4	93	10.4	1157	126.7	1250	137.1	571	62.3	199.4
Level #45	6222	0.55	3422	0.35	1198	2.9	3474	11.85			3474	411.7	3474	411.7			3474	411.7		-	411.7
Total	**409,629**	**0.57**	**223,227**	**0.34**	**78,709**	**2.9**	**224,535**	**11.63**	**9,479**	**1,231.0**	**69,715**	**8,491.9**	**79,194**	**9,722.9**	**137,668**	**15,873.5**	**216,862**	**25,596.4**	**7,673**	**523.2**	**26,119.6**

Table 2 EMED 2007 – Zopkhito Au Resource (Russian GKZ system)

Resource	Tons ore	Avg Au ppm	Au (kg)	Au (oz)
C2	1,994,500	4.2	8,377	269,323
P1	2,907,150	3.0	8,721	280,401
P2	2,358,491	3.5	8,255	265,395
TOTAL	**7,260,141**	**3.7**	**25,353**	**815,119**

HISTORICAL EXPLORATION

Exploration of the Zopkhito Sb-Au deposit commenced in 1929 and continued until 1979 under the management of the Soviet Department of Metallurgy. Between 1929 and 1932, work started on the development of on-vein horizontal exploration adits. The underground workings were directed by stibnite mineralisation outcropping on surface. Exploration drives at Zopkhito are typically 2-3 m high and 1.5 m wide. Up to 1956, channel samples were taken from the vein face at 1 m intervals for Sb, with limited Au and Ag assays at 10 m intervals from selected drives.

In 1957, a report was submitted to the GKZ by the exploration institute describing work done in detail. Pleasingly, this report includes similar outcomes for mineralisation as reported by EMED with respect to the antimony deposit.

From 1966 until 1978, further drive development extended the orebody. In total 27,328 m of exploration drives were developed up until 1978 with 20,228 samples taken (Figure 3). During this work extended channel sampling discovered that Au-bearing mineralisation occurred in the broader alteration zone outside the main quartz vein which hosted the Sb mineralisation (with gold) which had not been sampled. Channel sampling during these exploration phases is believed to have comprised 5 to 10cm wide channels, with length dependant on the vein morphology, with sample intervals typically 1m at the advancing adit drive face.

Further exploration and data records showed concentrations of Au to be higher than previous exploration works had demonstrated.

After the collapse of the Soviet Union in 1989, the project lay dormant until the late 1990s. Exploration work continued between 1998 - 2000 by a small exploration company. The work comprised of collecting 71 samples. As part of this work, ACA Howe International also collected 33 samples for multi-element assays, from which it was concluded that existing GKZ maps and plans are reliable and that elevated Au grades occur also outside the Sb- Au-quartz veins.

In 2005 EMED acquired the rights to the Zopkhito deposit and carried out an extensive re-sampling (> 800 samples) program and remodelled the vein systems, confirming the reliability of the 1957 Soviet report. In 2007 and 2008 EMED disclosed resource estimates for the Zopkhito deposit based on the newly acquired data and GKZ data. The antimony resource was consistent with the 1957 GKZ report, while the gold resource was increased dramatically to account for the alteration zone gold mineralisation which was not part of the GKZ report in 1957.

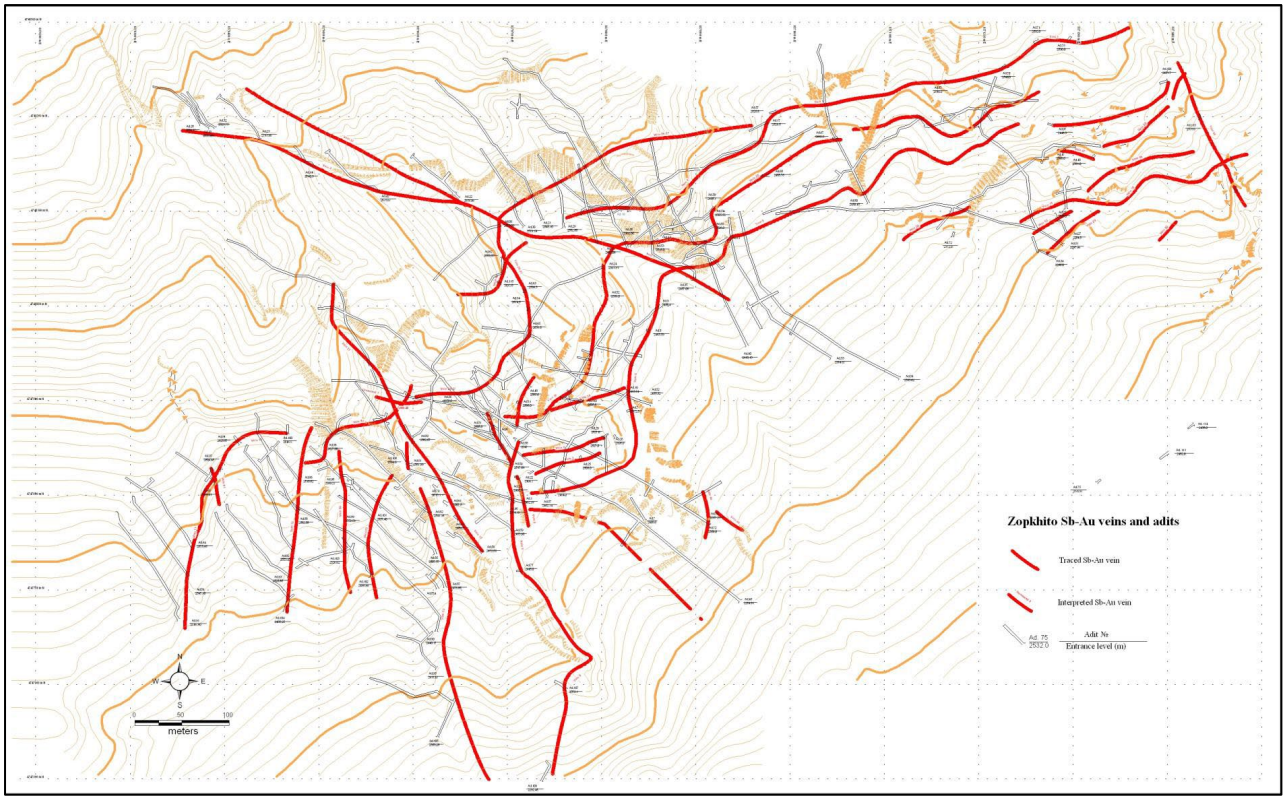

Figure 3 Map of Zopkhito veins and adits (EMED Mining report 2008)

In 2012, a 30 year exploration and mining license was granted to JSC Caucasus Minerals ("JSCCM"), the current project vendor. JSCCM carried out adit face re-sampling programmes in 2014 and again in 2019. The JSCCM resampling work focused on three main drives/adits which were open and safely accessible, namely adit 80 (Vein 6), 24 (vein 28) and 117 (vein 6). The 2014 sampling programme collected 6296 samples from 11 veins for Au and 13 veins for Sb. This programme also included sampling of immediate foot and hanging walls of the veins. Approximately 2000 samples were collected from the main mineralised Sb veins and assayed. The sampling was spaced at intervals approximating the location of historical GKZ channel samples to help support the development of a JORC mineral resource estimate, however the original samples were taken from the advancing face of the adit drive and perpendicular to the vein. It is thought that although samples are typically close spatially, they are reasonably grade variable, a typical characteristic of this style of mineralisation, thus are not suitable for Mineral Resource estimation under JORC 2012 without further work.

Sampling in 2019 was undertaken to further understand and compare the variation of Soviet and 2014 samples and help provide a pathway for future sampling to contribute to Mineral Resource estimation under JORC 2012. Around 90 samples were taken. Of note the following samples returned significant Sb results (which are reported herein under JORC 2012):

- Sample 80-02-01-15 returned 10.4% Sb and 1.8% As over 0.98m (Figure 4)
- Sample 24-01-119 returned 8.34% Sb and 2.9% As over 0.13m (Figure 4)
- Sample 117-03-01-33.5 returned 4.29% Sb and 2.1% As over 0.43m
- Sample 24-01-111 returned 4.65%Sb and 4.47% As over 0.22m

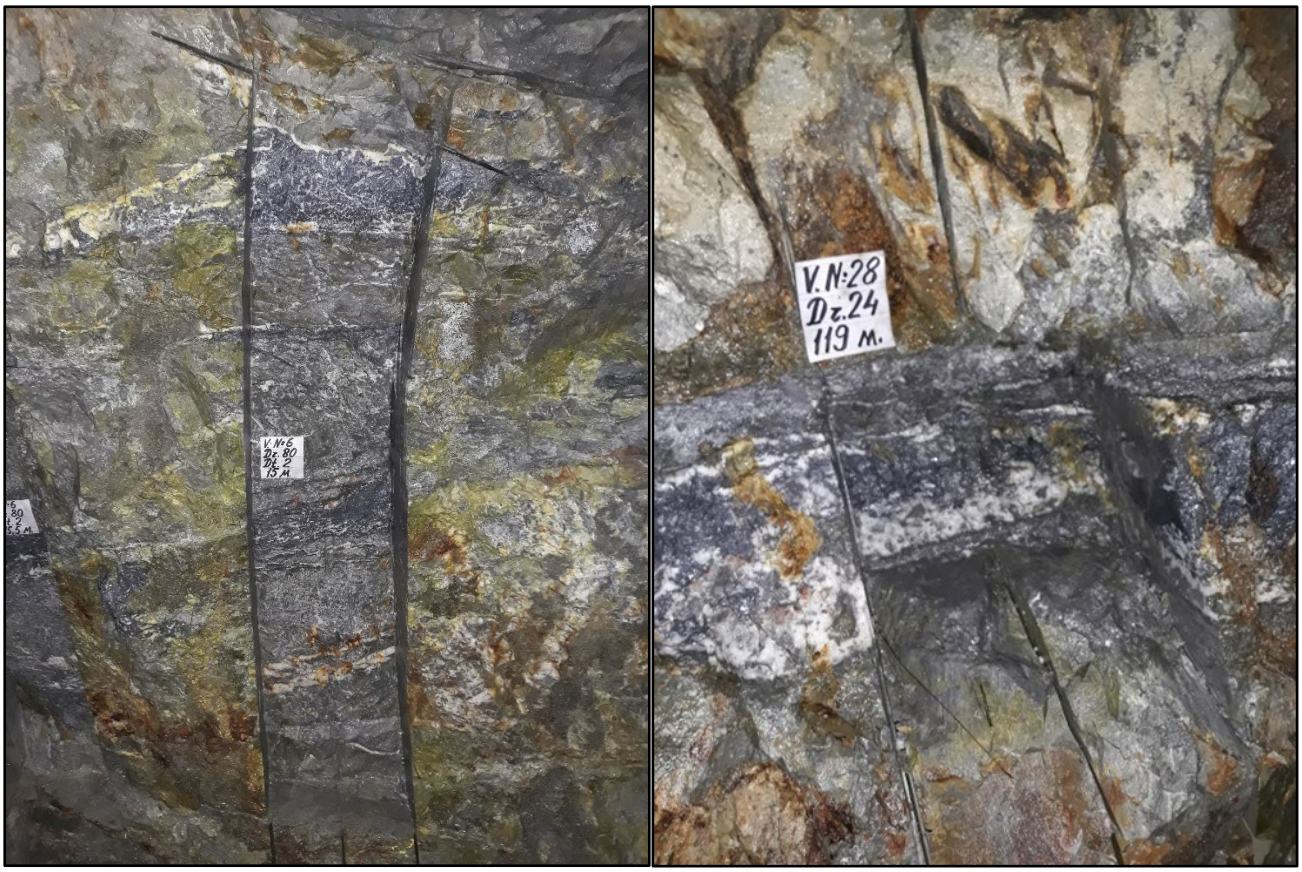

Figure 4, Photographs of 2019 channel sampling. **Left:** Sample 80-20-01-15 (Adit 80 on vein #6, drift 2, 15m location) Sample length is 0.98m with 10.4% Sb, **Right:** Sample 24-01-119 (Adit 24 on vein #28, at 119 location), Sample length 0.13m with 8.34% Sb.

JSCCM also completed bulk sampling for metallurgical processing sighter testing and undertook a successful IP/ AMT geophysical survey programme in 2017/2018 (Figure 6). Various mineralogical studies have been undertaken with the most recently completed on selected rock samples (4 areas) in 2018. The outcome of these studies are discussed further in this announcement.

JSCCM also completed a drone LiDAR survey over the topography at site and a point cloud LiDAR survey of the various principal adits and drives to assist with accuracy on the geochemical sampling and allow accurate modelling of the veins. The Soviet sample data from the various reports were freshly transcribed and remodelled along the new data to support the 3D model (Figure 5 and 6). The validation showed only minor inaccuracies with the historical and current locations. No drilling has been undertaken at the project to the Company's knowledge.

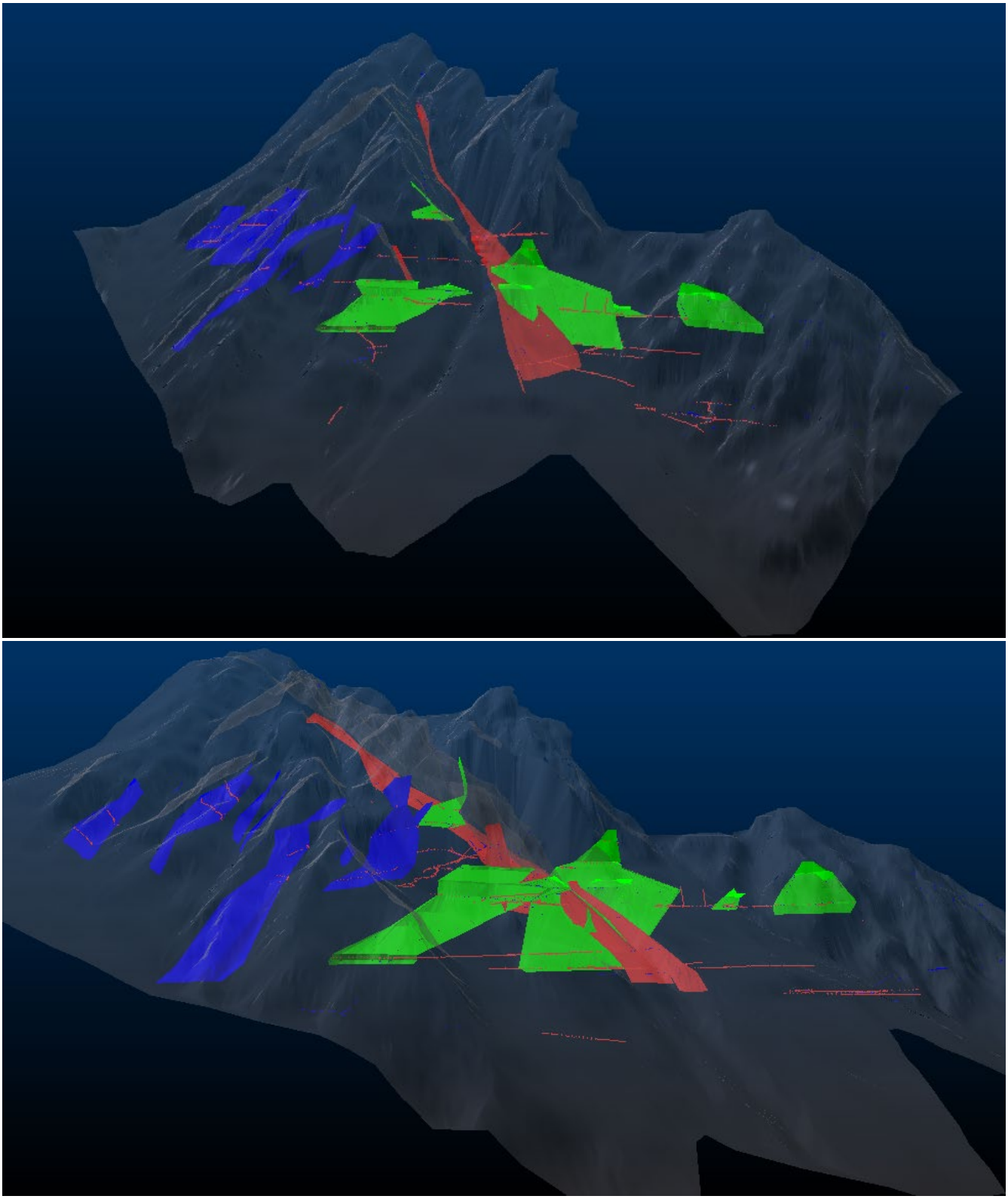

Figure 5 Image showing 3D wireframe modelling of 13 veins (blue, salmon and green) with historical adits sample (red and blue dots) locations, with DTM topography (transparent grey). Top looking north-west, Bottom looking north.

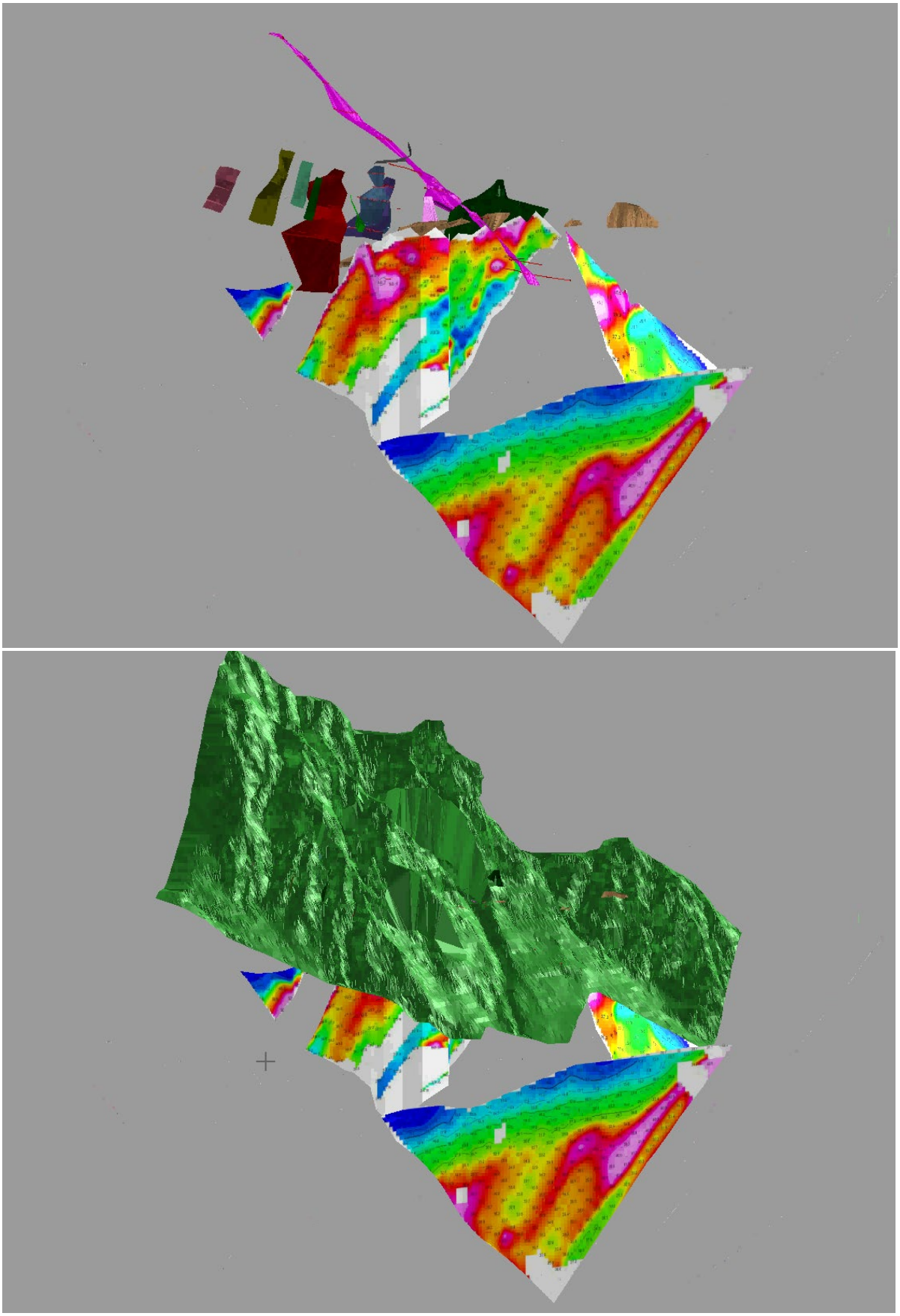

Figure 6 Image showing 3D wireframe modelling of with historical adits sample and location of IP geophysical survey showing chargeability; solid topography shown on bottom image. Images looking north – north east.

MINERALOGY AND METALLURGY

There are two distinct mineralised zones identified within the Zopkhito project. These are the main narrow (typically 0.4m) quartz vein that is dominated by Sb with associated gold and a secondary broader (typically 3-5m thick) alteration gold zone within the foot and hanging walls bounding the main Sb dominated vein.

The central quartz vein is the only host to antimony, while the gold has been reported within the Sb bearing quartz vein and within the alteration zone surrounding this. The identified and known minerals associated with the deposit zones are:

Main Minerals	Secondary Minerals	Gangue Minerals
Antimonite	Arsenopyrite	Quartz
Freibergite	Native Silver	
Native Gold	Berthierite	
	Pyrite	
	Pyrrhotite	
	Valentinite	
	Hydro-hematite	

Two main types of gold mineralisation zones have been distinguished:

- Vein type gold with the average grade ranging between 0.5 – 5 g/t Au, which are characterized with Sb mineralised zones. The gold occurs as native gold or within arsenopyrite and/or pyrite.
- Fine grained alteration zone of shale country rock mineralised with quartz and sulphides. This zone has a gold rich halo which tends to be characterised by 3-7g/t Au. The gold is not visible and tends to be encapsulated within the sulphides (arsenopyrite and pyrite).

It is understood that initial scoping metallurgical test work was undertaken at AMMEC (in 2012) which reported Sb rougher recovery greater than 90% from a high grade Au and high grade Sb sample. The Company understands that this work demonstrated that it would be possible to attain a maximum Sb recovery (>95%); with difference in kinetics between stibnite and arsenopyrite pointing at the potential to produce the Sb-rich product with low As content. Good Au recoveries (90%) were also achieved but at high mass pull of 30%.

More advanced floatation processing testwork followed in 2018. A bulk sample of approximately 800kg was composited and tested by Mintek (South Africa) for analysis. The measured head grade for the sample ore was 2.2% Sb, 1.7% As and 2.7g/t Au; other major gangue species included Si, Fe and Al, with their concentrations measured at 27.7%, 5.2% and 6.8%, respectively. A total of 12 tests were carried out, leading to a selective stibnite float route with one cleaning stage, which rejects and reduces the amount of As in the rougher concentrate and produces a high grade Sb-product.

The outcomes showed that at a grind size of 80 per cent passing 75µm, it was possible to produce the Sb product grading 56% Sb with As content of 1.8% As; through a single Sb product cleaning stage. The preliminary flotation conditions and flowsheet to producing the Sb-rich product and maximum Au recovery are presented in Table 3.

It was concluded that additional cleaning stages in the Sb product could be added to improve the quality of the final product, and that finer grinding may assist with higher gold recoveries.

It was recommended that additional optimisation be undertaken which could maximise return. Multistage cleaning to further reduce the As content on the final Sb product and maximising the Au recoveries in the As floating step could improve the results. Other downstream processing and purification tests were also recommended.

Table 3: Results of the optimisation sighter test work undertaken by Mintek.

Product	Mass		Sb		Au		As		S	
	g	%	%	% rec	ppm	% rec	%	% rec	%	% rec
Sb Cleaner Conc	33.1	3.3%	56%	87%	6.7	9.1%	1.8%	3.4%	29%	**27.7%**
Sb Cleaner Tail	35.3	3.5%	1.9%	3.1%	13	18.9%	6.9%	13.8%	23%	**23%**
As Conc 1	46.5	4.7%		1.7%	14.6	27.9%	12.4%	32.7%	20%	**26.8%**
As Conc 2	30	3%	0.1%	0.1%	10.2	12.6%	9.5%	16.2%	12%	**10.2%**
Rougher Tail	853.6	85.5%	0.2%	8%	0.9	31.6%	0.7%	33.9%	1%	**12.3%**
Calc Head	998.5	100%	2.13%	100%	2.4	100%	1.8%	100%	3.5%	**100%**
Head Assay			2.2%		2.7		1.7%			
Variance			-3.1%		-10.8%		3.7%			
Sb CC	33.1	3.3%	56%	87%	6.7	9.1%	1.8%	3.4%	29.10%	**27.7%**
As / Au Comp	111.8	11.2%	0.96%	5.03%	12.91	59.32%	9.89%	62.71%	18.72%	**60.09%**
Rougher	**853.6**	**85.49%**	**0.2%**	**8.01%**	**0.9**	**31.57%**	**0.7%**	**33.91%**	**0.5%**	**12.25%**

The Company understands that previous testwork (2012) on the gold dissolution by cyanidation was low; less than 20% of the gold was dissolved by a 48 hour leach with high levels of cyanide and oxygen. It is thought that some of the gold may be refractory; however, the studies to date do not conclusively prove whether the gold is refractory (i.e. occurring in solid solution in arsenopyrite) or passivated. This could be determined by future test work of low pH pressure oxygen cyanidation. This process has been used to leach gold from antimony gold concentrates at Consolidated Murchison Gold Antimony Mine in South Africa and at several gold antimony mines in Australia.

Krakatoa will look to advance the processing solution and optimise the process for both Sb and Au.

GEOLOGICAL OVERVIEW

Geologically the regional project area belongs to the Great Caucasus Thrust Belt, along which the Lower Jurassic thick slate sequence is seated on the Palaeozoic granite. It is a part of the Tethyan Belt spreading from the Carpathians in the west to northern Iran and further on to the East.

The Zopkhito deposit is an orogenic Sb-Au deposit linked to the Mesozoic/Cenozoic genesis of the Caucasus Mountains. The deposit sits within the southern slope zone of the Greater Caucasus range, which is the footwall of the main range zone. The host rock geology comprises mainly siliciclastic comprising Jurassic basal conglomerates overlain by sandstones, polymictic breccias, sandy and carbonaceous shales as well as slates.

The Sb-Au mineralisation of the Zopkhito deposit is associated with narrow quartz-stibnite veins hosted by carbonaceous shales and slates. Veining is associated with a wider hydrothermally alteration zone surrounding the Sb-Au-rich veins. Alteration includes silicification and sulphidisation of the shales and slates with increasing proportions of pyrite and/or arsenopyrite. The alteration halo shows elevated concentrations of minerals and metals of economic interest, particularly microscopic (possibly refractory) Au hosted in/by arsenopyrite. The halo extends metres into the hanging- and footwall of the veins. In addition, there is significant development of a quartz-stibnite stockwork/stringer zone in areas adjacent to the principal veins identified.

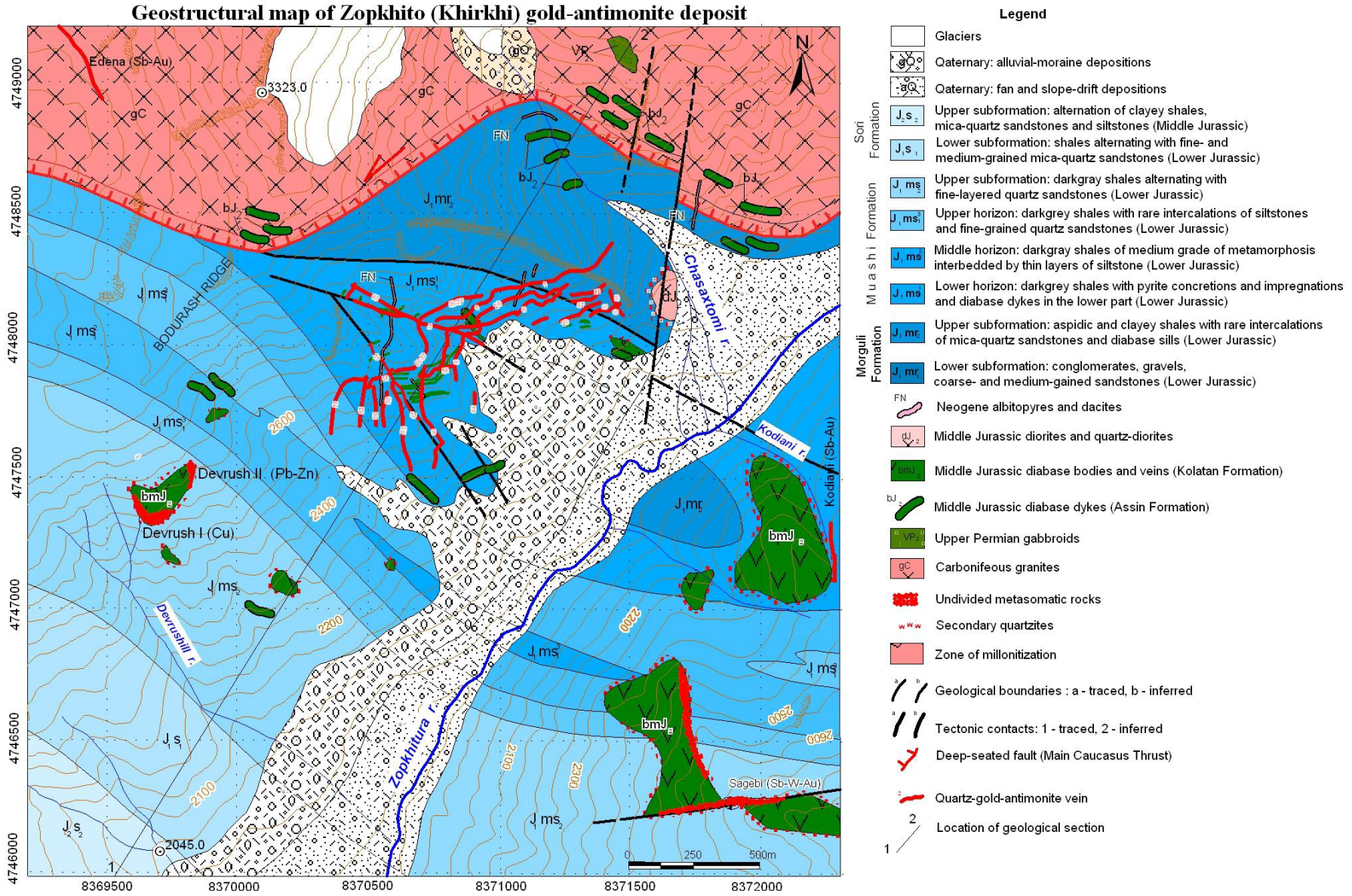

Figure 7 Geostructural map of Zopkhito Sb-Au deposit (from EMED 2008 report)

EXPLORATION AHEAD

Initially the Company will continue collating and quantifying the historical data and look to evaluate the area comprised by the foreign resource estimate, while preparing for the exploration field season in early 2025.

During the initial 12 month option period the Company will work on increasing the confidence in the geological model and geochemical database to a JORC 2012 standard. This will entail additional surface mapping, geochemical sampling, adit sampling, drilling from adits or surface, surface geophysical and airborne geophysical surveys. The Company will also look to evaluate the processing solutions for both the antimony and gold.

OPTION TERM SHEET

The key terms of the Option Term Sheet with JSCCM are set out below. JSCCM are a private Georgian company unrelated to the Company:

Option	The Company has the option to acquire an 80% interest in the Zopkhito Project anytime within the option period ("Project Interest"). The initial option period is 12 months, with the ability for one additional 12 month extension at the Company's election. During the option period the Company: • shall undertake financial, and legal due diligence on the Zopkhito Project; • will use its best endeavours to undertake exploration and mine development studies to achieve, at a minimum, a mineral resource estimation under the JORC Code and a preliminary economic study on various development options for the Project. Failure to achieve these objectives does not in any way derogate the Company's rights under the Option Term Sheet; and • agrees to allocate a minimum of US$2 million on the above exploration and development activities. Within the initial 12 month option period, JSCCM will use its best endeavours to obtain certain extensions to the exploration period under the License for a minimum 12 month period. Provided that the initial option period has been extended by the Company, and the Company has not exercised its option to acquire the 80% Project Interest, at any time during the extended option period JSCCM may provide a notice to the Company requiring the Company to purchase a 10% Project Interest ("Sell Right"). If JSCCM exercises its Sell Right, the Company is still entitled during the extended option period to exercise its option to acquire a further 70% Project Interest, to bring the total Project Interest to 80%.
On Exercise of Option	If the Company exercises the Option, or if JSCCM exercises its Sell Right, the Company's Project Interest will be acquired through shares in an incorporated joint venture vehicle ("IJV"), to be established by JSCCM. JSCCM will then undertake a restructure to transfer the Licence to the IJV within a 3 month period.

	The parties then have a further 3 months to agree the IJV formal documentation (i.e. the share sale agreement for the Company's IJV interest and shareholders' agreement to govern the IJV). Where the Company exercises the option JSCCM will be free carried until a decision to commence commercial mining operations is made. JSCCM has the option to then be loan carried, with its IJV contributions to be repaid from its portion of operational profits.
Consideration	The consideration for the Option and Project Interest is comprised of: • Payment of US$100,000 for the initial option fee (initial 12 month option period). • Payment of an additional US$100,000 for the extension of the option period (for an additional 12 months – total of 24 months under option). • At any time in the option period the Company can acquire an 80% Project Interest by payment of US$7,000,000 ("Acquisition Consideration"). • If JSCCM exercises the Sell Right, the Company must pay US$875,000 (allowing the remaining 70% Project Interest to be acquired for US$6,125,000). • Subject to prior approval from the Company's shareholders, JSCCM may elect to take 50% of the Acquisition Consideration in fully paid ordinary shares in the Company at a deemed price of A$0.01 (i.e. at 10% and or on 80%). • The maximum number of Company shares that may be issued for 50% of the Acquisition Consideration is 532 m shares.
Other terms	• On exercise of the option the Company will have a first right of refusal to acquire JSCCM's remaining 20% Project Interest should JSCCM wish to sell their remaining interest. • If the Company exercises its option and the formal documentation is not agreed within the timeframe above due to reasons attributable to JSCCM, JSCCM agree to refund the option fee and reimburse the Company for all expenses incurred (including those incurred during the option period). Additionally, JSCCM will pay compensation to the Company based on the value of the Company's 80% Project Interest as determined by an independent valuer.

Subject to shareholder approval, the Company has agreed to pay a facilitation fee of 20,000,000 shares and 20,000,000 options exercisable at $0.05 on or before 2 years from the date of issue for introducing the Project to the Company. The facilitators are not related parties of the Company. The facilitator shares will be subject to a 12 month voluntary escrow.

PLACEMENT

The Company is pleased to announce that it has received firm commitments from sophisticated and professional investors to raise ~$1.28 million (before costs) through a placement of a total of 128,026,805 fully paid ordinary shares in the capital of the Company ("Placement Shares") and an issue price of $0.01 each ("Placement"). The Placement includes firm commitments from Directors totalling $100,000, subject to receiving shareholder approval at a General Meeting to be held in late-January 2025.

70,816,083 shares will be issued pursuant to the Company's placement capacity under Listing Rule 7.1 and 47,210,722 shares will be issued pursuant to the Company placement capacity under Listing Rule 7.1A. 10,000,000 shares will be issued subject to receiving shareholder approval.

The issue price of $0.01 represents a 10% discount to the last traded price of $0.011.

Funds will be directed towards exploration activities in the Zopkhito Project, costs of the 12 month option and working capital.

The Placement Shares under Listing Rules 7.1 and 7.1A are expected to be issued on or around 13 December 2024.

INCENTIVE SECURITIES

The Company has agreed to issue 35,000,000 performance rights to management and contractors under its Employee Securities Incentive Plan ("ESIP"). The Company established the ESIP to assist in the reward, retention and motivation of employees, contractors and consultants selected by the Board,

CEO Mark Major has been issued the following:

- 5,000,000 performance rights which will convert into shares on a one for one basis subject to remaining as CEO of the Company after two years from the date of issue.
- 10,000,000 performance rights which will convert into shares on a one for one basis upon the Company trading for $0.05 over a consecutive 10-day period on which trades in the Company's shares were made, expiring three years from date of issue.
- 10,000,000 performance rights which will convert into shares on a one for one basis subject to the Company estimating a Mineral Resource under JORC 2012 of greater than 26,000 tonnes of contained antimony, expiring three years from date of issue.

The Company will also seek shareholder approval at the upcoming general for the issue of a total of 45,000,000 Performance Rights to Directors of the Company, which will convert into shares on a one for one basis upon the Company trading for $0.05 over a consecutive 10-day period on which trades in the Company's shares were made, expiring three years from date of issue.

ANTIMONY

Antimony is a high value, highly strategic critical metal that is used in wide ranging industrial and military applications that include solar panel production, lead alloying for car batteries, bearings, cable sheathing and tin alloys for solder used in electronics and plumbing. Antimony is used in semiconductors, electronics, glass, ceramics, pigments, plastic production, rubber vulcanization, pharmaceuticals, brake pads, clutches, coatings, paints and universal flame retardants.

GEORGIA

Georgia is an investor-friendly nation strategically positioned as a trade gateway between Europe and Asia. With a population of 3.7 million, the country has achieved remarkable economic milestones.

In 2023, Georgia's GDP stood at USD 30.5 billion, with a GDP per capita of USD 8,210. The country demonstrated an average annual real GDP growth of 5.2% from 2012 to 2023, with a robust 7.5% growth rate in 2023 despite global economic challenges. Georgia's commitment to economic openness is reflected in its position as:

#7 globally for ease of doing business and protecting minority investors.
#2 globally in starting a business.
#12 globally in enforcing contracts.
#1 globally in budget transparency[1].

Georgia provides duty-free access to a market of approximately 2.8 billion people through its network of free trade agreements (FTAs) and preferential trade regimes. Key agreements include:

- The Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU.
- FTAs with China, Turkey, CIS countries, EFTA nations, and Hong Kong.
- GSP agreements with the USA, Canada, and Japan.
- Negotiations for FTAs with India and Israel are also underway.

With a simple and service-oriented customs policy, about 80% of goods imported into Georgia are exempt from tariffs, supporting its role as a regional trade hub.

END-

Authorised for release by the Board.

FOR FURTHER INFORMATION:

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[1] https://archive.doingbusiness.org/en/data/exploreeconomies/georgia

Competent Person's Statements

The information in this announcement that relates to exploration results from 2012 onwards is based on and fairly represents information reviewed and 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 styles of mineralisation and types 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 announcement provided under Listing Rules 5.12.2 to 5.12.7 and for the foreign exploration results is an accurate representation which fairly represents information of the available data and studies for the Zopkhito Project. Details of Mr Major under Listing Rules 5.22(b) and (c) are contained in the paragraph above.

Forward Looking Statements

This document may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. No representation is made that, in relation to the tenements the subject of this announcement, the Company has now or will at any time in the future develop resources or reserves within the meaning of the JORC Code 2012.

Any forward-looking statements in this document speak only at the date of issue of this document. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and, unless required by applicable law, the Company is not under 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.

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Appendix 1 - Details of Historical and Foreign Estimates in relation to ASX LR Chapter 5

Listing Rules 5.10 to 5.12: Requirements applicable to reports of historical estimates and foreign estimates of mineralisation for material mining projects

5.10 - An entity reporting historical estimates or historic estimates of mineralisation in relation to a material mining project to the public is not required to comply with rule 5.6 (The JORC Code) provided the entity complies with rules 5.12, 5.13 and 5.14.	For the foreign estimate included in this market release, KTA is not required to comply with Listing Rule 5.6 (JORC Code) as all relevant and requested disclosures are stated in this announcement and tabulated below. The Company complies with Listing Rule 5.12 requirements for the statement of foreign estimates, as tabled below.
5.11- An entity must not include historical estimates or historic estimates (other than qualifying historic estimates) of mineralisation in an economic analysis (including a scoping study, preliminary feasibility study, or a feasibility study) of the entity's mineral resources and ore reserves holdings.	KTA is not applying any economic analysis or commentary to the foreign estimate in this market release.
5.12 - Subject to rule 5.13, an entity reporting historical estimates or foreign estimates of mineralisation in relation to a material mining project must include all of the following information in a market announcement and give it to ASX for release to the market.	
5.12.1 - The source and date of the historical estimates or foreign estimates.	***Primary Source*** The foreign estimate is derived from reports by EMED Mining (AIM listed under code AIM:EMED) namely the 2007 "Gold potential of Zopkhito deposit (Republic of Georgia)" and the 2008. "Antimonite Potential of upper Racha Deposits" and other reporting and disclosure announcements between 2006-2008. The extent of these reports are widespread (currently Atalaya Mining LSE.ATYM). ***Secondary Sources***. Secondary sources are a series of reports completed by the Ministry of Geology and Subsoil Protection of the USSR (Geological Department of Georgia) "Exploration and recalculation of antimony reserves of the Verkhne-Rachinskaya group of antimony deposits (Zopkhito, Kodiani, Adena, etc) located in the Onai region of Georgia SSR 1.1.1957"; authored by G.I. Togonidze, L.A. Gelovani and P.Z. Tsilosani. This source is composed of two books of main text documents, followed by five of books of text appendices. Summary Protocol Book 1 = Geological Exploration Book 2 = Reserves Calculations Book 3 = Technological Characteristics Book 4 = Technical Properties _ mining and technical conditions Book 5 = Block model calculations Book 6 = Forms and tables for calculating reserves of precious metals. Book 7 = details and descriptions of workings (adits) Books 8 and 9 = sampling logs and details Books 10 to 12 = Graphical material, including drawings, geological maps and section, reserve calculation schemes and other information (photographs, etc). Several other independent consultants reports on the foreign resource and resampling have also been provided by the owner. These reports are not public, however support the findings in the primary source. Several recognised technical journals have completed publications of the Zopkhito project and surrounding area. These are all within the public domain. One such journal – Ore Geology Reviews; Volume 34, Issue 3 November 2008 (Gold deposits and occurrences of the Greater Caucasus, Georgia Republic: Their genesis and prospecting criteria - ScienceDirect) has a detailed review of the various deposits within the region. Table 1 of this report highlights the various characteristics of the mineral deposit, including the metal tonnages. These are what has been reported by both the primary and other secondary sources. The Competent Person has also relied on these reports as they support the primary source documents.

5.12.2 - Whether the historical estimates or foreign estimates use categories of mineralisation other than those defined in Appendix 5A (JORC Code) and if so, an explanation of the differences	The foreign estimates are not reported in accordance with the JORC Code 2012. A competent person has not done sufficient work to classify the foreign estimates as a Mineral Resource Estimate in accordance with JORC Code 2012. Reference to the category of mineralisation at the time was different to the current JORC Code 2012. The foreign estimates were made prior to the JORC Code 2012 reporting guidelines being formulated and do not conform to the requirements in the JORC Code 2012. Soviet (Georgia) mineralisation reporting were always stated as "reserves" and classified according to the A+B+C1+C2+P1+P2 or "alphabetical" classification, which was derived from the Russian system and is still applied throughout many countries in southeast Europe and west Asia. The reserves had to be approved by the official Commission for Ore Reserves, the GKZ. The A, B, C1 and C2 categories reflect the levels of confidence in the actual tonnage exploited from a reserve, with confidence levels being - 95%, 80%, 70% and 35% respectively. P1 and P2 are inferred level resources. Henley (2004) and others have evaluated the alphabetical classification system with respect to the compliant codes in Canada and Australia and concluded that A+B is comparable to "measured", C1 to "indicated" and C2 to "inferred" in internationally acceptable codes for reporting resources. Mincon International (2024) detail the A, B and C1 with Measure resources, C2 and C1 (4th level complexity) as Indicated and P's as Inferred. Full details can be found at Mineral Resource Reporting - Differences between CIM, JORC, and Others - Mincon International However, any comparisons to codes in Canada and Australia are only an approximation and cannot be considered as equivalents.
5.12.3 - The relevance and materiality of the historical estimates or foreign estimates to the entity.	The foreign estimates for the Zophkhito deposit are relevant and material to KTA's planned exploration efforts at the Zophkhito deposit, as it pertains to a project that could potentially be economically viable for the Company. This data is relevant to future exploration efforts of the Company.
5.12.4 - The reliability of the historical estimates or foreign estimates, including by reference to any of the criteria in Table 1 of Appendix 5A (JORC Code) which are relevant to understanding the reliability of the historical estimates or foreign estimates.	KTA is not treating the foreign estimate as a Mineral Resource Estimate or Ore Reserve under JORC 2012 and considers the foreign estimate to represent an exploration project that requires verification. However, nothing has come to the attention of the Company or the Competent Person that causes it to question the accuracy or reliability of the foreign estimate and it is on this basis that the Company and Competent Person consider the said estimate to be reliable. It is possible that following evaluation and/or further exploration work the currently reported foreign estimate may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012
5.12.5 - To the extent known, a summary of the work programs on which the historical estimates or foreign estimates are based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historical estimates or foreign estimates.	To the extent known to the Company, the historic reports indicate the adit and drive sampling has occurred on the property and make up the foreign estimate: EMED Soviet based resource estimate (2007 and 2008) • collected 824 new samples (mainly focusing on the gold alteration zone) and remodelled each quartz-stibnite vein in detail. • Sb and Au reserves are calculated according to GKZ methodologies for reserve calculation and system of classification (as above). • The conditions for the Sb reserve calculation of balance reserves for Zopkhito deposit have been determined by the Ministry of Metallurgy of USSR (Protocol 946/24.08.1955). • Methods used for determination of the average width, grade and tonnage are valid. • Methods for the determination of the specific gravity are reasonable. • Classical laboratory methodology is applied for Sb and Au assaying. • The assayed samples and their spacing (grid) are sufficient and adequate to the corresponding reserve category. • Block models of the reserves along veins are constructed by means of interpolation and extrapolation, which are well constrained by the existing data and methodologies. • Block models are constructed on vertical ore horizontal projections. • Average gold content in the Sb ore was 2.68g/t and in surround walls 1.97-10.67g/t. (veins were block modelled and used for Au resource based on average gold per vein over an excavation thickness less than 1m. Grade varied from 0.99-6.18 g/t averaging 4.5 g/t.) • Parameters were total length of 34 veins = 6950m in total; ave thickness = 3m, depth 300m, average gold 4.5g/t and SG=2.8t/m3.

5.12.6 - Any more recent estimates or data relevant to the reported mineralisation available to the entity.	To the extent known to the Company, historic reports indicate the following has occurred on the property since the foreign estimate of 2008.
	• Resampling program was completed by the current owners in between 2012-2014.
	  ○ Over 2000 on-vein samples were taken.
	  ○ Review of the data in 2017 discovered significant grade disparity for Sb between the 2012-2014 resample data and the original Soviet assay base (which was consistent with EMED and other re-sampling programmes). This led to the conclusion that the 2012-2014 sampling campaign was probably subject to systematic dilution and is not suitable for confirmation purposes and inclusion in the overall assay data base.
	  ○ Interestingly, this lack of concordance was not observed for Au. It is believed that this might be due to the wider distribution of Au mineralization in the alteration zones surrounding the defined Sb-rich veins.
	  ○ A total of 6,272 channel samples were taken, over 6 veins (using 7 adit drives). Samples were taken every 1m from the adit porthole. At each location a total of 3 channel samples were obtained, corresponding with the hanging wall, vein and footwall. All samples were logged and described geologically.
	  ○ Samples underwent preparation by crushing at a facility located in Bolnisi. Each sample was crushed and a subsample pulverised to 95% passing <74um (200 mesh). A 200g subsample was collected to under analysis.
	  ○ Samples were analysed by SGS Lakefield laboratories in Canada using code GE_ICP90A, GE_ICP90A for >10% Sb a microwave ICP or internal standard XRF used; GO_FAA303 (Gold via Fire assay); and GE_AAS42E (Ag assay using 4-acid digestion).
	  ○ Blank, duplicates and certified reference materials were included in the programme for QA/QC controls.
	• Resampling 2019 completed by DMT consultants on behalf of current owners
	  ○ 90 channel samples taken over selected adit (5), veins (3) and zone intervals.
	  ○ Channels samples were cut 0.2x0.1m dimensions, encapsulating the sulphide bearing quartz vein. Some surface oxidation of the sulphides was noted.
	  ○ 84 pulp samples were submitted to ALS laboratory in Loughrea, Ireland (September 2019). Samples underwent high grade four acid digest with ICP-AES (ME-ICP61a) finish in addition to Ore grade Sb (Sb-OG62). Gold was not assayed.
	• Mineral processing testwork (Mintek)
	  ○ An 800kg bulk sample was taken (150, 1m long channel samples across the Sb-veins) was composited and shipped to Mintek (South Africa) for analysis.
	  ○ The complete sample was milled to 85 % passing < 100 µm, and then run through a series of processing options.
	  ○ 12 tests were carried out, leading to a selective stibnite float route with one cleaning stage (as detailed in this report).
	• Ground Geophysics
	  ○ A small IP / AMT programme was completed to ascertain if these methods would aid with mapping the conductive material beneath overburden and alluvial fans.
	  ○ It did and the conductive material matches the current geological model vein orientations and thus can be interpreted as continuation of the orebody.
	• Survey Validation work
	  ○ Principal drives were scanned with LIDAR, creating point clouds with known reference points at the drive entrances.
	  ○ The topography of the site was remodelled using an RTK drone survey with a base station, and rover-based surveying of the entries of the main drives.
	  ○ The entire programme provided a set of 3D models supported by high-resolution imagery, which allowed the construction of accurate drive midlines (generally to within 20 cm xyz).
	  ○ The Soviet sample data from the 1957 reports, as well as two later reports from the 1970s was freshly transcribed, and remodelled along the new midline base in order to support a high accuracy 3D model with consistent treatment for all sample data from 1929 to present.
	  ○ In summary, the validation showed only minor inaccuracies.

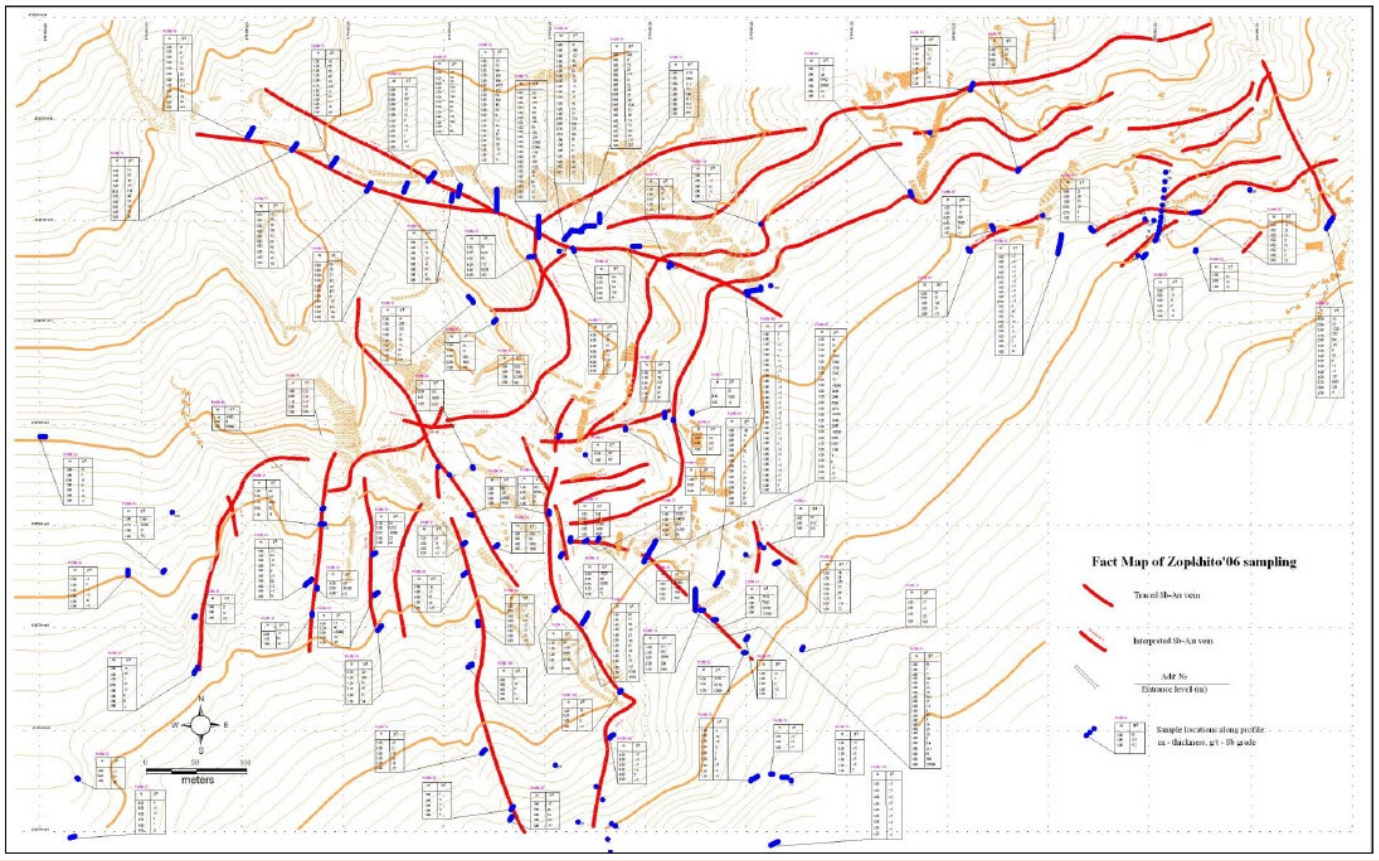
5.12.7 - The evaluation and/or exploration work that needs to be completed to verify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with Appendix 5A (JORC Code)	Initial geological field work will include identification of adits, sample locations (channels) field mapping and further technical document & data translation to establish a new geological database. KTA is attempting to source and review historical reports and information that is also required to verify further the foreign estimates and report the estimate as a Mineral Resource Estimate in accordance with the JORC Code 2012. The Company will be considering further bulk sampling, diamond drilling and other methods to help assist it with developing a Mineral Resource estimate in the future. It is uncertain that following further exploration work that the foreign estimate will be able to be reported as Mineral Resource Estimate within the JORC Code 2012.

5.12.8 - The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work.	KTA is currently in the process of sourcing data and has been in contact with many of the independent consultants who have completed studies and visited this project. KTA is an ASX-listed Company and will fund the initial phase of exploration work from the proceeds the capital raising announced at the same time as the Zopkhito option. As a junior exploration company, KTA will need to undertake further capital raisings in the future to fund ongoing exploration works
5.12.9 - A cautionary statement proximate to, and with equal prominence as, the reported historical estimates or foreign estimates stating that: the estimates are historical estimates or foreign estimates and are not reported in accordance with the JORC Code; a competent person has not done sufficient work to classify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with the JORC Code; and it is uncertain that following evaluation and/or further exploration work that the historical estimates or foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code	See page 1.
5.12.10 - A statement by a named competent person or persons that the information in the market announcement provided under rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The statement must include the information referred to in rule 5.22(b) and (c).	See Competent Person Statement in this announcement

Appendix 2 - Foreign Exploration Results

In compliance with Question 36 of the ASX "Mining Reporting Rules for Entities: Frequently ASX Questions" (FAQs) the following information is provided in relation to the information contained in this Announcement, in respect of the foreign exploration results (pre-2012).

Question	Answer
Source and Date of Exploration Results	Reports by EMED Mining (AIM listed under code AIM:EMED) namely the 2007 "Gold potential of Zopkhito deposit (Republic of Georgia)" and the 2008. "Antimonite Potential of upper Racha Deposits". Reports completed by the Ministry of Geology and Subsoil Protection of the USSR (Geological Department of Georgia) "Exploration and recalculation of antimony reserves of the Verkhne-Rachinskaya group of antimony deposits (Zopkhito, Kodiani, Adena, etc) located in the Onai region of Georgia SSR 1.1.1957"; authored by G.I. Togonidze, L.A. Gelovani and P.Z. Tsilosani. This source is composed of two books of main text documents, followed by five of books of text appendices. Summary Protocol = Book 1 = Geological Exploration Book 2 = Reserves Calculations Book 3 = Technological Characteristics Book 4 = Technical Properties _ mining and technical conditions Book 5 = Block model calculations Book 6 = Forms and tables for calculating reserves of precious metals. Book 7 = details and descriptions of workings (adits) Books 8 and 9 = sampling logs and details Books 10 to 12 = Graphical material, including drawings, geological maps and section, reserve calculation schemes and other information (photographs, etc).
Which edition of the JORC Code they were reported under and the fact that the reporting of those Exploration Results may not conform to the requirements in the JORC Code 2012	The foreign exploration results are not reported in accordance with the JORC Code 2012. A competent person has not done sufficient work to disclose the foreign exploration results in accordance with JORC Code 2012
Reliability of the Exploration Results	Nothing has come to the attention of the Company or the Competent Person that causes it to question the accuracy or reliability of the foreign exploration results and it is on this basis that the Company and Competent Person considers the foreign exploration results to be reliable. However, the Company and the Competent Person have not independently validated the foreign exploration results and therefore is not to be regarded as reporting, adopting or endorsing those results. It is possible that following evaluation and/or further exploration work the confidence in the foreign exploration results may be reduced when reported under the JORC Code 2012.
Summary of the work programs on which the Exploration Results were based	Foreign and historical (pre 2012) sampling has been carried out during two main phases of exploration at Zopkhito; GKZ period (1929-1979) exploration works carried out by the State Geological Department and the pre JSC-CM (1990's-2012) which includes exploration works carried out by various companies including EMED. • GKZ (1929-1979) channel sampling: o Focused on antimony. o Channel samples taken perpendicular to the antimony vein mineralisation across the full vein width. o Antimony samples taken on each face advance, typically at 1m intervals. Total of 20,228 Sb samples. o Gold samples taken from 18 veins, typically at 10m intervals. Total of 718 Au samples. o Antimony samples typically taken at 1m interval; Gold samples, typically taken at 10m intervals o Samples were assayed at a state run laboratory in Tbilisi (Central Laboratory of Georgia). o Approximately 10% of sample batch was sent as duplicate external samples for QA/QC checks in Yerevan, Armenia. o Additional QA/QC duplicate check assays were also carried out in Moscow. • GKZ 1929-1978 antimony vein samples: o Minimum channel length 0.03m; o Maximum channel length 1.60m; o Average channel length 0.27m; o Minimum Sb % grade 0.01% Sb;

	○ Maximum Sb % grade 82.88% Sb; ○ Average Sb % grade 4.94% Sb. • GKZ 1929-1978 gold samples: ○ Minimum gold grade 0.20g/t Au; ○ Maximum gold grade 25.8g/t Au; ○ Average gold grade 3.26g/t Au. EMED channel sampling (2005-2008): • Samples were assayed at a number of laboratories based in Uzbekistan (Tashkent), Canada, Australia and towards the end of the 1990s some samples were assayed in Tbilisi. • Sampling was undertaken with similar methodology as the GZK samples with the main difference being they were taken from the adit walls not the drives. • Sample locations and results are shown in the image below.  • No photographs of sample locations are known.
More recent Exploration Results or data relevant to understanding the Exploration Results	Information relating to the more recent exploration results and data are presented in Appendix 3. This data supports the foreign exploration results.

Evaluation and/or exploration work that needs to be completed to report the Exploration Results in accordance with the JORC Code 2012, including the proposed timing of any evaluation and/or exploration work that the acquirer intends to undertake and a comment on how the acquirer intends to fund that work	The Company plans as part of its exploration efforts to conduct the following activities to help verify the foreign exploration results: o Additional re-sampling of underground drives in areas not previously covered and those not covered. o Density testwork. o Underground or surface fan drilling to test extents of current mineralised veins and to better delineate mineral associations, and potential of blind veins between the current known vein mineralisation. o Metallurgical testwork to assess antimony and gold recoveries. Further reconnaissance mapping and surface sampling to examine and further refine areas of possible mineralisation are warranted.
Competent Person Statement	Refer to Competent Person Statement in this announcement
Cautionary statement	See page 1

Appendix 3 -JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary

Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*
	• *In cases where 'industry standard' work has been done this would be relatively simple (eg' reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*
		Underground Channel Sampling
		• JSCCM 2013/14 channel sampling:
		  ○ Re-sampling of 6 veins from 7 exploration drives.
		  ○ Taken on the wall of the exploration drive, at 1m intervals for the first 500m and at 5m intervals thereafter.
		  ○ Three samples taken at each location; a sample across the vein interval (across the full mineralised interval, multiple samples taken where the vein exceeds 1m), a sample from the hanging wall (1m length) and a sample from the footwall (1m length).
		  ○ Samples taken with a hammer and chisel producing a channel cross section of 5cm x 10cm with a maximum length of 1m.
		  ○ A consultant site visit (28 to 30 May 2014) was undertaken and the sampling method was reviewed and deemed to be robust for the style of mineralisation encountered at Zopkhito.
		  ○ Samples are assayed for antimony and gold.
		  ○ Total of 6,272 Sb samples and 5,130 Au samples.
		• JSCCM 2019 channel sampling:
		  ○ 90 channel samples taken over selected adit (5), veins (3) and zone intervals.
		  ○ Channels samples were cut 0.2x0.1m dimensions, encapsulating the sulphide bearing quartz vein. Some surface oxidation of the sulphides was noted.
		  ○ Samples were prepped in local laboratory with 95% passing 200mesh.
		  ○ 84 pulp samples were submitted to ALS laboratory in Loughrea, Ireland (September 2019).
		  ○ Samples underwent high grade four acid digest with ICP-AES (ME-ICP61a) finish in addition to Ore grade Sb (Sb-OG62). Gold was not assayed.
		
		IP and AMT Geophysical suvey
		• The ground based gravity survey was carried out by QUANTEC Geoscience. A total of 11 AMT sites and 3 lines (3.1km) of DCIP were surveyed.
		• DCIP survey was configured using 50m dipole spacing,
		• AMT survey was completed using 100m E-field dipole lengths, using multiply HF and LF time series for a maximum of 8.5 hours.
		• A GDD GRx8-32 (16 Channel) receiver and GDD TxII-5000 (%kw) with CRU & CM were used for the DCIP. A RT160Q Qantec datalogger with a synchronized GPS clock and steel plate receiver's in conjunction with a Geometrics GK100K magnetic field sensors and Phoenix MTC50 magnetic field sensors were used for the AMT survey.
		• The sampling techniques used are deemed appropriate for the style of exploration.

Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable – no drilling reported
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable – no drilling reported

Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*
	• *The total length and percentage of the relevant intersections logged.*
		• Basic geological logging has been carried out as part of the JSCCM 2013/14 and 2019 exploration programme with details recorded including:
		  ○ Whether the channel sample is antimony vein, hanging wall or footwall.
		  ○ Basic rock description i.e. Shale, quartz-antimony, clay etc.

Criteria	JORC Code explanation	Commentary
		○ Orientation of the antimony vein detailing dip and dip direction. • Photographs of the 2019 and more detailed logging was completed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Channel sampling: • Photographs taken of sample sites. • Samples are prepared by Caucasian Minerals Mining Group Ltd at a sample preparation facility located at Bolnisi. A chain of custody document is utilised with every shipment of samples from Zopkito to the sample preparation facility. • The average sample weight received is 9.13kg. • Samples are dried at 120°C for 24 hours. Samples are then left to cool for 1 hour before they are re-weighed. • The dried samples are then crushed to 4-5mm using a Turkish made jaw crusher before being passed onto one of two ESSA JC2501 jaw crushers where material is crushed to 90% passing <2mm. Out of every 100 samples crushed a total of 5 of the samples are checked for grain size to ensure samples are being adequately crushed. Sample size is reduced by passing the crushed sample material through a Jones Splitter to produce a 1kg sub sample for further processing. • Sub sample is pulverised using an ESSA LM-2-P disk pulveriser until 95% passes <74µm (200 mesh). Wet sieve analysis is carried out at least twice per day to ascertain suitable grinding is taking place. • The 2013/14 samples collected a 200 g sub samples for submission to the SGS Lakefield laboratory in Canada.; 2019 samples collected an 80g sub sample for submission to ALS laboratory in Loughrea, Ireland • A consultant site visit was conducted during both sampling periods to inspect the sample preparation facility was found to be well maintained with equipment in excellent condition. • 2013/14 went to the SGS Lakefield laboratory were the samples are pulverised to 75µm (200 mesh) and a 200 g riffle split is taken for assay. Assay methods used were: ○ GE_ICP90A for Sb <10%; ○ GE_ICP90A with XRF finish for Sb >10%; ○ GO_FAA303 for Au; and ○ GE_AAS42E for Ag. • 2019 samples went to ALS and samples underwent high grade four acid digest with ICP-AES (ME-ICP61a) finish in addition to Ore grade Sb (Sb-OG62). Gold was not assayed • Based on the style of mineralisation and the typical grades reported historically at Zopkhito, the CP and the consultants are of the opinion that the assay methods employed are suitable.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	2013/14 & 2019 channel sampling: • Caucasian Minerals insert blanks, certified reference materials (CRMs) and duplicates into the sample stream. • Samples are assayed at each respective laboratory. • Blank sample submissions show that the vast majority of assay results are below detection limits (72% for Sb, 69% for Au). • CRMs have been only used for Au assays and show reasonable levels of accuracy. The CRMs used for Au are deemed to be representative of the grades encountered at Zopkhito. • CRMs have not been submitted for Sb. • Lab duplicates demonstrate that the analytical methods provide repeatable and precise assay measurements. Mineral processing • AMMEC (2012) initial scoping metallurgical test work reported Sb rougher recovery greater than 90% from a high grade Au and high grade Sb sample. The Company understands that this work demonstrated that it would be possible to attain a maximum Sb recovery (>95%); with difference in kinetics between stibnite and arsenopyrite pointing at the potential to produce the Sb-rich product with low As content. Good Au recoveries (90%) were also achieved but at high mass pull of 30%. Full

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>details are not known by the CP at this stage.
• Mintek (2018)
○ An 800kg bulk sample was taken (150, 1m long channel samples across the Sb-veins) was composited and shipped to Mintek (South Africa) for analysis.
○ The complete sample was milled to 85 % passing < 100 µm, and then run through a series of processing options.
○ 12 tests were carried out, leading to a selective stibnite float route with one cleaning stage (as detailed in this report).
○ Floatation parameters
<table>
<tr><th>Description</th><th>Units</th><th>Value</th></tr>
<tr><td>Flotation Machine</td><td colspan="2">D12</td></tr>
<tr><td>Cell Size</td><td>[L]</td><td>2.5</td></tr>
<tr><td>Impeller Diameter</td><td>[mm]</td><td>80</td></tr>
<tr><td>Rotation Speed</td><td>[RPM]</td><td>1200</td></tr>
<tr><td>Aeration rate</td><td>[L/min]</td><td>60-70</td></tr>
<tr><td>Slurry Volume</td><td>[L]</td><td>2.1</td></tr>
<tr><td>Slurry % Solids</td><td>[%]</td><td>35</td></tr>
</table>
○ Generic reagents and corresponding dosages used
<table>
<tr><th>Reagent ID</th><th>Full Name</th><th>Strength</th><th>Aim</th><th>Dosage</th></tr>
<tr><td>Pb(NO3)2</td><td>Lead Nitrate</td><td>1%</td><td>Stibnite activation</td><td>200 g/t</td></tr>
<tr><td>MBS</td><td>Sodium Metabisulphate</td><td>10%</td><td>Pyrite/ arsenopyrite depression</td><td>1000 g/t</td></tr>
<tr><td>PAX</td><td>Potassium Amyl Xanthate</td><td>1%</td><td>Stibnite & pyrite collector</td><td>50 g/t & 210 g/t</td></tr>
<tr><td>DTP</td><td>Dialkyl thiophosphate</td><td>1%</td><td>Secondary stibnite collector</td><td>20 g/t</td></tr>
<tr><td>CuSO4</td><td>Copper Sulphate</td><td>1%</td><td>Arsenopyrite/pyrite activation</td><td>300 g/t</td></tr>
<tr><td>H27</td><td>Polyfroth H27</td><td>100%</td><td>Froth stability</td><td>220 g/t</td></tr>
</table>
○ Chemical Assy technique used where ICP-OES (Sb & Au), Fire Assay (Au) and Wet chemistry (total S)(Combustion Leco).</td></tr>
<tr><td>Verification of sampling and assaying</td><td>• The verification of significant intersections by either independent or alternative company personnel.
• The use of twinned holes.
• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.
• Discuss any adjustment to assay data.</td><td>• Compared historical channel samples to the 2013/14 and 2019 channel samples show some individual samples correlation, however it appears poor in many cases, however in comparing drive areas there is a good correlation.
• Correlation between the 2013/14 and 2019 samples is strong.
• Caucasian Minerals digitised historic sample data, underground surveys and surface topography from sections and plans held in the state archive. The spatial position of historic sample data was also back calculated with reference to base stations at the entrance to each drive, to verify the spatial positioning.
• Recent LIDAR survey found the spatial position along the adit to be within +/-20cm in accuracy.
• No data verification has been done on the DCIP or AMT geophysics</td></tr>
<tr><td>Location of data points</td><td>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.
• Specification of the grid system used.
• Quality and adequacy of topographic control.</td><td>• Principal drives were scanned with LIDAR, creating point clouds with known reference points at the drive entrances.
• The topography of the site was remodelled using an RTK drone survey with a base station, and rover-based surveying of the entries of the main drives.
• The entire programme provided a set of 3D models supported by high-resolution imagery, which allowed the construction of accurate drive midlines (generally to within 20 cm xyz).
• The Soviet sample data from the 1957 reports, as well as two later reports from the 1970s was freshly transcribed, and remodelled along the new midline base in order to support a high accuracy 3D model</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		with consistent treatment for all sample data from 1929 to present. • In summary, the validation showed only minor inaccuracies. In the order of +/- 20cm in most cases.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	2013/14 channel sampling: • Samples taken at 1m intervals for the first 500m and at 5m intervals thereafter (re-sampling of 6 veins from 7 exploration drives). • The density of sampling at Zopkhito demonstrates sufficient continuity in both geological and grade continuity. 2019 channel sampling: • Samples taken at 1m or 0.5 intervals for the length of vein sampled .
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Exploration drives at Zopkhito follow the strike of the mineralisation. • Historic (1929-1979) channel sampling was taken perpendicular to the antimony vein mineralisation during adit proeduction. • 2013/14 and 2019 channel sampling, Due to the way the exploration drives trace the mineralised veins the samples are taken on the wall of the adit or exploration drive, with separate samples taken for the antimony veins, hanging wall and footwall. Antimony vein samples are taken as close to perpendicular to the vein as possible
Sample security	• *The measures taken to ensure sample security.*	2013/14 channel sampling: • Samples are stored at the drive portals before being transported to the exploration camp. At the exploration camp samples are stored in an old semi enclosed oil tank. • Samples are transported by truck to the sample preparation facility at Bolnisi. A chain of custody document is utilised with every shipment. • Samples are transported to Caucasian Minerals office in Bolnisi and are then dispatched to SGS Lakefield laboratory in Canada. Details regarding the sample security and transport to the Lakefield laboratory, Canada are unknown. Samples received by Lakefield laboratory are checked against the sample submission sheets 2019 channel sampling • Followed the same process as 2013/14, but the pulp samples were dispatched to ALS laboratory in Loughrea, Ireland in one batch. All samples receive were checked and weight on reaching the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed to date by the Company.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The mineral license (License Number: 1001467 and 1000477) is wholly owned by JSCCM. • License was awarded on 14 March 2012 and is valid for a period of 30 years with an expiry date of 15 March 2042. • At the end of an initial exploration period of 5 years JSCCM are required to submit a report to the National Environmental Agency (NEA) detailing the completion of the exploration works. JSCCM are currently in the process of obtaining an extension to the exploration period. The Company understands from JSCCM that the extension should be granted. • Exploration rights are not restricted to specific minerals thus allowing JSCCM to explore and extract antimony, gold and other ferrous, noble and rare minerals. .
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Initial exploration at Zopkhito occurred between 1929 and 1979 with exploration works carried out by the State. • Between 1929 and 1932 exploration was focussed on developing underground exploration drives along the strike of the antimony veins. No channel samples were taken during this period. • Following the end of World War II up until 1956 the exploration drives were extended and channel samples were taken on each 1m face advance with samples taken perpendicular to the vein. In places samples were also assayed for gold typically with a face spacing of 10m. • In 1957 a Mineral Resource estimate for both antimony and gold was submitted to the Russian State Commission for Reserves (Gosudarstvennaya Komissia po Zapasam) – GKZ, at which point the potential of gold mineralisation was flagged up. • Between 1966 and 1978 exploration continued with channel sampling of underground exploration drives with focus on antimony and to a slightly lesser extent gold. • Based on review of the historical 1929-1978 exploration data, the Competent Person is of the opinion that the exploration activity was systematic and it adequately defined the geological continuity of the antimony veins although the limited assaying and assessment of gold mineralisation lowers the confidence that can be place on the spatial extents and associations of the gold mineralisation. • No historical QA/QC data is available for the 1929-1978 channel samples therefore JSCCM undertook a programme of resampling in 2013/14 to provide support to the historical channel samples. The results of the JSCCM resampling show a high level of support for the historical sample data. • It has been reported that in the 1980s some repeat sampling was carried out at Zopkhito on 4 veins in the central part of the deposit. Whilst a summary of the results has been provided to us no specific details on the methods or the direct results have been located by JSCCM. • In 2005 Eastern Mediterranean Resources Public Ltd (EMED) acquired the rights to Zopkhito and carried out some additional exploration. It is reported that over 800 new channel samples were taken by EMED. Reports by EMED have been shown to support the historical GKZ resource reporting for antimony and increased the gold resources (Soviet classification) as this was a major focus of EMED. EMED mining are a public listed company now trading under Atalaya Mining. • JSCCM have also completed resampling, geophysics and LIDAR surveying of the adits and topography.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Zopkhito deposit represents a Phanerozoic Orogenic Sb-Au deposit related to convergent plate boundaries. • Tectonic activity in the development of the Caucasus Mountains resulted in the development of the fold thrust belt of the Greater Caucasus which comprises three zones, Fore, Main and Southern Slope with the Zopkhito deposit situated in the Southern Slope zone. • The deposit is underlain by Jurassic sedimentary rocks, the lowermost unit of which comprises basal conglomerates. Overlying the basal conglomerates are Jurassic-Cretaceous flysch sequences of alternating coarse sandstones, polymictic sandstones, sandy shales, and black slates. • Fractures cut through the slates and shales and have acted as mineralisation pathways leading to the formation of the Sb-Au veins.

Criteria	JORC Code explanation	Commentary
		• To date there are around 60 known veins with variable strike orientations ranging from N-S to E-W, with the dominant strike orientation to the NE. Vein dips ranges from 30°-70° predominantly dipping to the NW. • Surrounding the veins are alteration halos with the host slates and shales having undergone silicification and sulphidisation. The alteration zones are enriched in pyrite, arsenopyrite, antimony and gold.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes*	• N/A – no drilling is being reported.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents have been used at Zopkhito. • Channel sample lengths represent either the full thickness of the antimony vein mineralisation or where samples of hanging wall and footwall material have been taken, represent a single sample to either side of the vein. As such samples have not been aggregated..
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Resampling of the underground exploration drives by JSCCM in 2013/14 and 2019 was limited to sampling the drives walls or roof, as such samples of the antimony veins are slightly off perpendicular to the veins thus not true width. It is our opinion that the amount of deviation between sample length and true vein width is minimal and will not materially affect the nature of the numbers.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Pertinent map and a summary assay table included in the body of the report are appropriate for this stage of work.

Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Given the quantity of channel samples it is not practicable to include detailed reporting in this section.
		  • JSCCM 2013/14 antimony vein samples:
		  ○ Minimum channel length 0.00m;
		  ○ Maximum channel length 1.35m;
		  ○ Average channel length 0.40m;
		  ○ Minimum Sb % grade 0.006% Sb;
		  ○ Maximum Sb % grade 37.1% Sb;
		  ○ Average Sb % grade 2.21% Sb.
		  • JSCCM 2019 antimony vein samples
		  ○ Minimum channel length 0.07m;
		  ○ Maximum channel length 1.31m;
		  ○ Average channel length 0.53m;
		  ○ Minimum Sb % grade 0.006% Sb;
		  ○ Maximum Sb % grade 10.4% Sb;
		  ○ Average Sb % grade 1.33% Sb
		  • JSCCM 2013/14 gold samples:
		  ○ Minimum gold grade 0.01g/t Au:
		  ○ Maximum gold grade 55.50g/t Au;
		  ○ Average gold grade 3.38g/t Au.

Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk*	• Density measurements have been carried out historically as part of the 2019-1978 exploration works and comprised taking 38 sample blocks from antimony veins (size and locations unknown) from which 22 of the blocks were tested for density, with three samples taken for each of the 22 blocks and an average recorded.

Criteria	JORC Code explanation	Commentary
	density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Some metallurgical testwork was carried out. The GSK metallurgical testwork reports are currently stored in the state archive and the Company aims to review the reports in detail as part of the ongoing exploration works. • All other exploration reports details are presented in this report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The Company plans as part of its exploration efforts to conduct the following activities: ○ Additional re-sampling of underground drives in areas not previously covered and those not covered. ○ Density testwork. ○ Underground or surface fan drilling to test extents of current mineralised veins and to better delineate mineral associations, and potential of blind veins between the current known vein mineralisation. ○ Metallurgical testwork to assess antimony and gold recoveries. ○ Development of a JORC compliant mineral resource estimate. ○ Further reconnaissance mapping and surface sampling to examine and further refine areas of possible mineralisation are warranted.