



KRAKATOA

RESOURCES LTD.

ABN: 39 155 231 575

Interim Financial Report
For the Half-Year Ended 31 December 2024

KRAKATOA RESOURCES LIMITED
INTERIM FINANCIAL REPORT
For the Half-Year Ended 31 December 2024

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**KRAKATOA RESOURCES LIMITED
CORPORATE DIRECTORY**

EXECUTIVE CHAIRMAN

Colin Locke

NON-EXECUTIVE DIRECTORS

Timothy Hogan

David Palumbo

CHIEF EXECUTIVE OFFICER

Mark Major

COMPANY SECRETARY

David Palumbo

REGISTERED OFFICE

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SHARE REGISTRAR

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STOCK EXCHANGE CODE

KTA

KRAKATOA RESOURCES LIMITED
DIRECTORS' REPORT
For the Half-Year Ended 31 December 2024

Your directors submit the financial report of the Krakatoa Resources Limited and controlled entities (referred to hereafter as “the Group”) for the half-year ended 31 December 2024.

DIRECTORS

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

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

PRINCIPAL ACTIVITIES

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

RESULTS

The loss after tax for the half-year ended 31 December 2024 was \$1,209,607 (31 December 2023: \$2,084,280).

REVIEW OF OPERATIONS

The Group is an ASX listed exploration and development company focussing on acquiring and exploring high-quality projects. The operations strategy is to undertake systematic exploration with the potential to discover major deposits and advance the projects to increase shareholder wealth. During the financial period the company advanced the Stone Tank project in Western Australia and took an option on a major advanced gold and antimony asset in Georgia.

Details of the project specific exploration operations are provided below.

Zopkhito Project

Late in the reporting period the Company successfully negotiated and signed a binding exclusive option agreement on the Zopkhito Sb-Au project. The Company has an exclusive option to acquire up to an 80% legal and beneficial interest in the granted mining license (Mineral Exploration License #10001467) over the globally significant antimony (Sb) and gold (Au) deposit in Georgia

Zopkhito contains a foreign resource 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.

The area has over 27km of mapped and sampled historical exploration adits (tunnels) which have defined the estimated antimony and gold mineralisation. It has over 15,000 geochemical samples taken with most been taken as channel samples from the underground exploration adits. The results of which have identified a high-grade antimony vein and gold system (up to 82.8% Sb – sample#777 V-2 A-21-1940 and 58.4g/t Au – sample 5963 V-28A 117-2014). Several mineralised veins extend to 1km within the adits and with recent IP geophysics indicating the system is open outside this area. Additional blue-sky opportunity exists with only 16 of the known 60+ mineralised veins having been investigated, providing substantial exploration upside.

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Metallurgical test work in 2018 achieved a 56% antimony concentrate which is considered to be a great initial start on the processing option for the antimony. Very little test work has been undertaken on the gold aspects of the project and will be a focus of the future work programs.

More recently interpretation of the geophysics and LiDAR drone surveys has been completed by the company. The Company will be undertaking exploration and advancing the development studies on this project during the course of the next 12 months or longer.

The Company has an initial 12 months, with the ability for one additional 12 month extension at the Company's election to complete the option. During this period the Company shall undertake financial, and legal due diligence on the Zopkhito Project which will include exploration and mine development studies and agrees to allocate a minimum of US\$2 million on activities.

If the Company exercises the Option, the Company's Project Interest will be acquired through shares in an incorporated joint venture vehicle ("IJV"), to be established. The consideration for the Option and Project Interest is comprised of payments US\$100,000 for the initial option fee (initial 12 month option period and 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"). Subject to prior approval from the Company's shareholders, the vendor 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. The maximum number of Company shares that may be issued for 50% of the Acquisition Consideration is 532 million shares.

¹Cautionary 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.

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DIRECTORS' REPORT
For the Half-Year Ended 31 December 2024

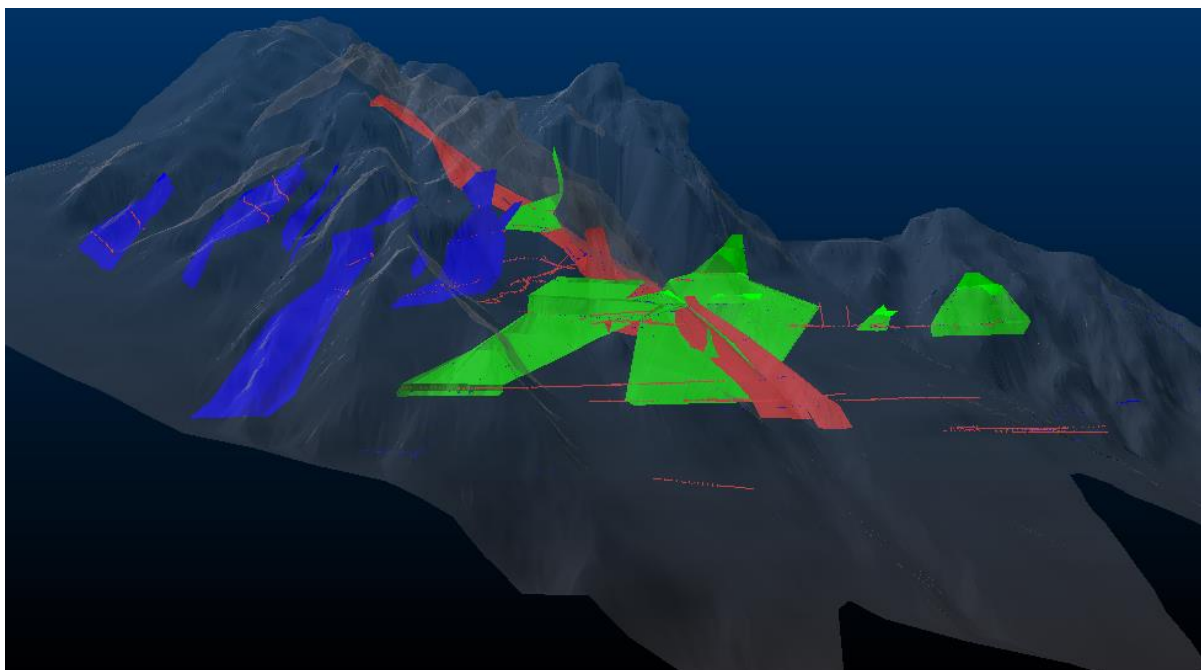


Figure 1: Image showing 3D wireframe modelling of 13 veins (blue, salmon and green) with historical adits sample (red and blue dots) locations, with DTM topography (transparent grey). Looking north.

Mt Clere Project – Prospective for REE, Au and Base Metals +/- PGE

During the financial year, the Mt Clere Project tenements were explored for critical minerals and elements, as well as gold and base metal occurrences. The project is located approximately 200km northwest of Meekatharra, within the Narryer terrane located in the north-western margins of the Yilgarn Craton in Western Australia. The Narryer Terrane is thought to represent reworked remnants of greenstone sequences.

In previous reporting period the Company completed a ground gravity survey around the Stone Tank prospect; a prospect which was defined as niobium and rare earth element geochemical area over regional gravity target which may be a hidden alkaline intrusive system such as a carbonatite.

The survey was undertaken at an initial 1km station spacing and reduced to 250m station spacing over the areas which showed stronger amplitude gravity response, and have assisted with target generation, ranking, and initial drill targeting.

The modelling defined two large priority targets and three smaller secondary targets (Figure 2). The Jagger target (priority) covers an oblong shaped area with an extensive lateral extent of 1.5km by 0.8km. It is located within the southeast area of the Stone Tank prospect and is characterised by a discrete and strong amplitude gravity anomaly response coincident with a highly magnetic feature, in a resistive zone adjacent to a strong conductor. The target is positioned within a topographical low and cut by a creek bed.

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DIRECTORS' REPORT
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The Richards target (priority) is a more elongated gravity body around 1300m long by 450m wide body with a 800m long high density core. The target has limited coincident magnetic anomaly response, which runs adjacent to a medium elevated magnetic ridge and is bound to the southern extent by magnetic low features which are interpreted as two key interpreted structural features. This area is a more resistive zone and is located on the northern edge of an intermittent dry creek bed. The Company was notified in October 2024 that it was successful in obtaining an Exploration Incentive Scheme (EIS) funding of up to \$220,000 from the Western Australian Government. Going forward, the Company will complete deep drilling of the gravity cores on the two priority targets using reverse circulation and diamond drilling in 2025.

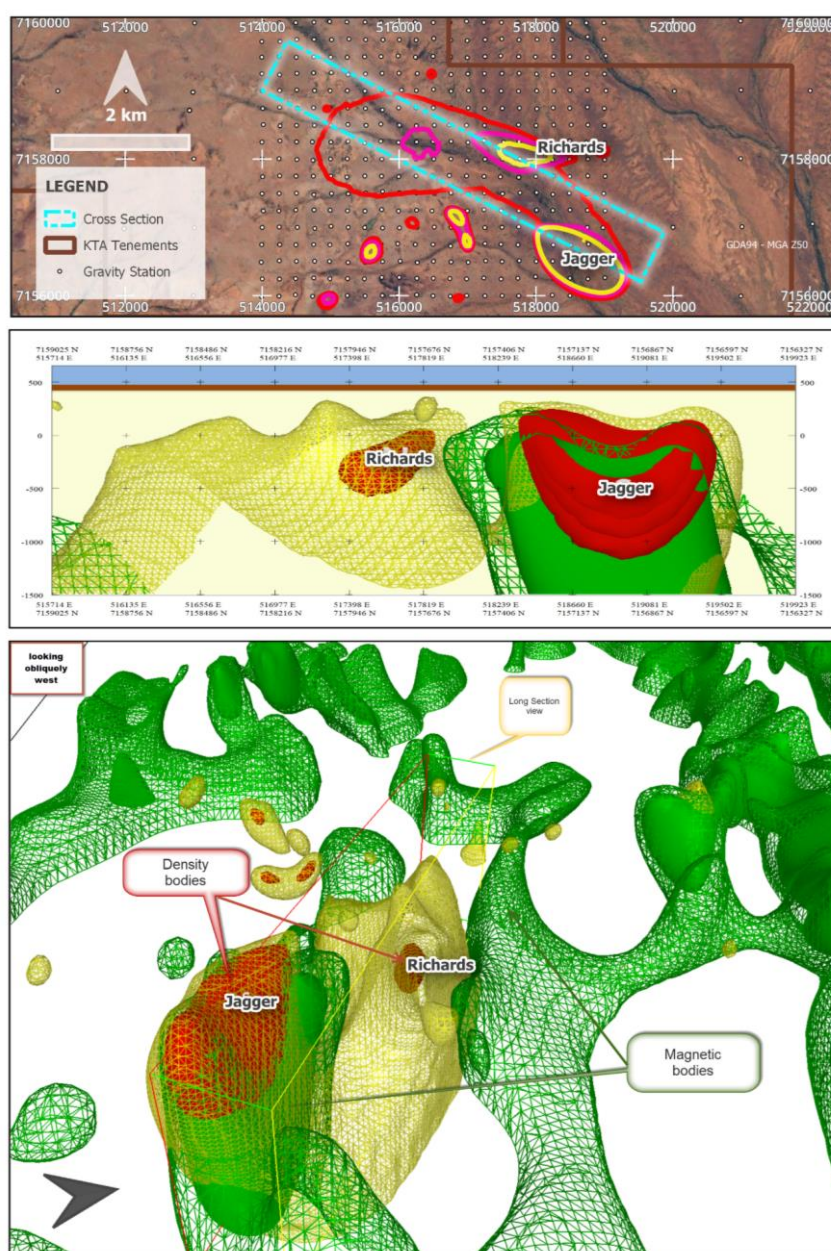


Figure 2: Top – Plan View, Middle – Cross section, Bottom – 3D Gravity and Magnetic Inversion Model. Schematics of the modelled gravity anomalies (total bouguer 2.67g/cc iso-surfaces, red>0.25g/cc, orange=0.13g/cc) combined with VRMI iso-surfaces (green mesh 0.1SI, green solid 0.2SI units).

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King Tamba Project – Prospective for Ta, Rb, Nb, Sn, W, Li, +/- Base metals

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

Turon Project – Au, +/-Cu

The Turon Project covers an area of 120km². It is situated approximately 50km east of the Company's Belgravia Project and 60km northeast of Newcrest Mining's Cadia Valley Operations, in the Hill End Synclinal Zone, NSW. The geology at Turon bears many similarities in terms of host-rocks, structural and mineralisation-style to other high-grade turbidite-hosted gold deposits, including Fosterville in the Bendigo-Ballarat zone, central Victoria.

During previous reporting period the Company announced the results of some rock sampling which returned highly encouraging copper – gold grades from the southern areas of the Turon exploration lease. Results from reconnaissance soil geochemical samples were collected. No significant samples were returned.

The Company endeavors to expand on this exploration efforts at Turon in the coming financial year. Past explorers report numerous significant gold grades from chip and mullock sampling along the length of the gold workings, including 1,535g/t, 135g/t, 26g/t, 14.6g/t, 12.55g/t and 11.3 g/t Au.

Belgravia Project – Cu, Au,

The Belgravia Project covers an area of 80km² and is located in the central part of the Molong Volcanic Belt (MVB), Lachlan Fold Belt, NSW. It contains the same rocks (Fairbridge Volcanics and Oakdale Formation), or their lateral equivalents, that respectively host the giant Cadia-Ridgeway mine 35km south and Alkane Resources' Boda discovery 65km north. Historical exploration at Belgravia has failed to adequately consider the regolith and tertiary basalt (up to 40m thick) that obscures much of the prospective geology. The Project contains six targets (Figure 6) with considerable exploration potential for porphyry Cu-Au and associated skarn mineralisation.

During the reporting period the Company reviewed the eastern prospects and is looking to advance its exploration efforts in this zone over the course of the next few years.

KRAKATOA RESOURCES LIMITED
DIRECTORS' REPORT
For the Half-Year Ended 31 December 2024

Competent Person's Statement

The information in this report that relates to exploration results of 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.

SUBSEQUENT EVENTS

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 21.

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

On behalf of the directors



Colin Locke
Executive Chairman

Perth
Dated: 12 March 2025

KRAKATOA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Half-Year Ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Other income		34,563	15,652
Administration expenses		(40,030)	(78,104)
Compliance and regulatory expenses		(151,800)	(254,772)
Employee benefits and consulting expense		(120,655)	(136,281)
Share based payments expense	4	(245,089)	-
Depreciation expense		(62,879)	(44,840)
Exploration expenditure and project evaluation costs		(623,717)	(1,585,935)
Loss before income tax expense		(1,209,607)	(2,084,280)
Income tax expense		-	-
Loss after income tax expense for the half-year		(1,209,607)	(2,084,280)
Other comprehensive loss		-	-
Total comprehensive loss for the half year		(1,209,607)	(2,084,280)
Total comprehensive loss for the half year is attributable to:			
Members of the parent entity		(1,209,607)	(2,084,280)
		(1,209,607)	(2,084,280)
Basic and diluted loss per share (cents per share)		(0.25)	(0.48)

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

KRAKATOA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
CURRENT ASSETS			
Cash and cash equivalents	2	1,526,333	1,314,206
Trade and other receivables		57,041	31,898
Other assets		222,455	193,385
TOTAL CURRENT ASSETS		1,805,829	1,539,489
NON-CURRENT ASSETS			
Trade and other receivables		23,000	23,000
Right-of-use assets		24,936	62,685
Property, plant, and equipment		150,441	167,891
TOTAL NON-CURRENT ASSETS		198,377	253,576
TOTAL ASSETS		2,004,206	1,793,065
CURRENT LIABILITIES			
Trade and other payables		98,786	86,016
Other Liability	2	100,000	-
Lease liability		27,291	23,673
Provisions		24,445	62,095
TOTAL CURRENT LIABILITIES		250,522	171,784
NON-CURRENT LIABILITIES			
Lease liability		-	5,871
TOTAL NON-CURRENT LIABILITIES		-	5,871
TOTAL LIABILITIES		250,522	177,655
NET ASSETS		1,753,686	1,615,410
EQUITY			
Issued capital	3	27,524,556	26,421,762
Reserves	4	245,089	-
Accumulated losses		(26,015,959)	(24,806,352)
TOTAL EQUITY		1,753,686	1,615,410

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

KRAKATOA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2024

	Issued Capital \$	Share based Payment Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2023	22,485,776	3,301,922	(24,901,832)	885,866
Loss for the period	-	-	(2,084,280)	(2,084,280)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(2,084,280)	(2,084,280)
<i>Transactions with owner directly recorded in equity:</i>				
Shares issued during the period	4,174,769	-	-	4,174,769
Less: Transaction costs arising from issue of shares	(213,744)	-	-	(213,744)
Balance at 31 December 2023	26,446,801	3,301,922	(26,986,112)	2,762,611
Balance at 1 July 2024	26,421,762	-	(24,806,352)	1,615,410
Loss for the period	-	-	(1,209,607)	(1,209,607)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,209,607)	(1,209,607)
<i>Transactions with owner directly recorded in equity:</i>				
Shares issued during the period	1,180,268	-	-	1,180,268
Share based payments expense	-	245,089	-	245,089
Less: Transaction costs arising from issue of shares	(77,474)	-	-	(77,474)
Balance at 31 December 2024	27,524,556	245,089	(26,015,959)	1,753,686

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

KRAKATOA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2024

	31 December 2024 \$	31 December 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(332,137)	(525,083)
Exploration expenditure and project evaluation costs	(633,940)	(1,466,278)
Other income	20,839	15,652
	<hr/>	<hr/>
Net cash used in operating activities	(945,238)	(1,975,709)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	-	-
	<hr/>	<hr/>
Net cash used in investing activities	-	-
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,180,268	3,574,769
Payments for capital raising costs	(77,474)	(213,744)
Lease payments	(45,429)	(26,917)
	<hr/>	<hr/>
Net cash from financing activities	1,057,365	3,334,108
	<hr/>	<hr/>
Net increase in cash held	112,127	1,358,399
	<hr/>	<hr/>
Cash and cash equivalents at beginning of period	1,314,206	951,702
	<hr/>	<hr/>
Available cash and cash equivalents at end of reporting period	1,426,333	2,310,101
Restricted cash (refer note 2)	100,000	-
	<hr/>	<hr/>
Cash and cash equivalents at end of reporting period	1,526,333	2,310,101
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The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2024

1. MATERIAL ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2024 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting¹.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by Krakatoa Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

New and Revised Accounting Standards

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

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

2. CASH AND CASH EQUIVALENTS

	31 December 2024	30 June 2024
	\$	\$
Cash and cash equivalents	1,426,333	1,314,206
Restricted cash ¹	100,000	-
	<u>1,526,333</u>	<u>1,314,206</u>

¹ Restricted cash pertains to cash held on trust for shareholders application proceeds received but not issued

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2024

3. ISSUED CAPITAL

	31 December 2024 No.	31 December 2024 \$	30 June 2024 No.	30 June 2024 \$
Ordinary shares fully paid	590,134,025	27,524,556	472,107,220	26,421,762
Ordinary shares				
At the beginning of reporting period 1 July 2024	472,107,220	26,421,762		
Shares issued during the year:				
- Issue of fully paid ordinary shares at \$0.011 – 18/12/2024	118,026,805	1,180,268		
Transaction costs	-	(77,474)		
Net share capital at 31 December 2024	590,134,025	27,524,556		

4. RESERVES

	31 December 2024 \$	30 June 2024 \$
(a) Share based payment reserve	245,089	-
(b) Movement in share based payment reserve	No.	\$
Balance at 1 July 2024	-	-
Issue of Share Performance Rights – Class A	5,000,000	1,507
Issue of Share Performance Rights – Class B	10,000,000	1,005
Issue of Share Performance Rights – Class C	20,000,000	2,577
Facilitator Shares and Options	-	240,000
Balance at 31 December 2024	35,000,000	245,089

On 9 December 2024, the Company issued performance rights with the following vesting conditions to the CEO and consultants:

- 5,000,000 Class A Share Performance Rights to the CEO, vesting on the CEO remaining employed as the CEO for two (2) years from the date of issue, expiry 9 December 2026;
- 10,000,000 Class B Share Performance rights vesting on the discovery of a JORC Mineral Resource Estimate of >26,000t contained Antimony within 3 years from the date of issue, expiry 9 December 2027;
- 20,000,000 Class C Share Performance Rights vesting on a share price hurdle of \$0.05 within three (3) years from the date of issue, expiry 9 December 2027; and

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2024

4. RESERVES (continued)

- The Company also agreed to facilitator consideration (subject to shareholder approval) for the issue of 20,000,000 fully paid ordinary shares and 20,000,000 unquoted options exercisable at \$0.05 expiring 2 years from the date of issue. The facilitator consideration vested on execution of the Zokphito Agreement, and the facilitator shares were valued at \$200,000 (ASX: KTA 9 December close \$0.01). Facilitator Options were valued at \$40,000 and vested on 9 December 2024.

	Performance Rights – Class A	Performance Rights – Class B	Performance Rights – Class C
Methodology	Share price at grant date	Share price at grant date	Monte-Carlo
Grant date	9 December 2024	9 December 2024	9 December 2024
Vesting date	9 December 2026	9 December 2027	9 December 2027
Expiry date	9 December 2026	9 December 2027	9 December 2027
Spot price	\$0.01	\$0.01	\$0.01
Share Price target	n/a	n/a	\$0.05
Risk-free rate	n/a	n/a	3.72%
Volatility	n/a	n/a	124.7%
Dividend Yield	-	-	-
Number	5,000,000	10,000,000	20,000,000
Value per PR	\$0.01	\$0.01	\$0.064
Total fair value	\$50,000	\$100,000	\$128,274
Total share based payment recognised at 31 December 2024	\$1,507	\$1,005	\$2,577
Facilitator Options			
Methodology	Black Scholes Merton		
Grant date	9 December 2024		
Vesting date	9 December 2024		
Expiry date	22 March 2027		
Exercise Price	\$0.05		
Spot price	\$0.01		
Risk-free rate	3.83%		
Volatility	100%		
Dividend Yield	-		
Number	20,000,000		
Value per Option	\$0.002		
Total fair value	\$40,000		
Total share-based payment recognised at 31 December 2024	\$40,000		

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2024

5. DIVIDENDS

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

6. SEGMENT INFORMATION

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

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

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

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

During the half-year ended 31 December 2024, the Group had no development assets. The Board considers that it has only operated in one segment, being mineral exploration.

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

No revenues were derived from a single external customer.

7. EVENTS SUBSEQUENT TO REPORTING PERIOD

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

8. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

9. COMMITMENTS

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

KRAKATOA RESOURCES LIMITED
DIRECTORS' DECLARATION
For the Half-Year Ended 31 December 2024

In the opinion of the Directors of Krakatoa Resources Limited:

1. The financial statements and notes thereto of the Group, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Colin Locke
Executive Chairman

Perth
Dated: 12 March 2025

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Krakatoa Resources Limited (the Company) which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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

THE POWER OF BEING UNDERSTOOD
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Directors' Responsibility for the Half-Year Financial Report

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

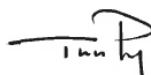
Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

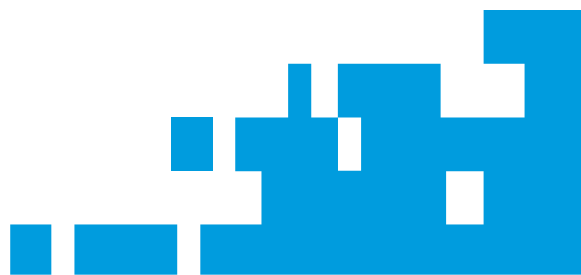


RSM AUSTRALIA



TUTU PHONG
Partner

Perth, WA
Dated: 12 March 2025



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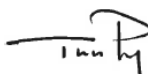
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Krakatoa Resources Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA

A handwritten signature in black ink that appears to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 12 March 2025

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