



KRAKATOA

RESOURCES LTD.

ABN: 39 155 231 575

Interim Financial Report
For the Half-Year Ended 31 December 2025

KRAKATOA RESOURCES LIMITED
INTERIM FINANCIAL REPORT
For the Half-Year Ended 31 December 2025

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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

Level 8, 216 St Georges Terrace

PERTH WA 6000

Telephone: (08) 9481 0389

Facsimile: (08) 9481 6103

AUDITORS

RSM Australia Partners

Level 32 Exchange Tower

2 The Esplanade

PERTH WA 6000

SHARE REGISTRAR

Computershare Investor Services Pty Ltd

Level 17, 221 St Georges Terrace

PERTH WA 6000

Telephone: (08) 9323 2000

Facsimile: (08) 9323 2033

STOCK EXCHANGE CODE

KTA

KRAKATOA RESOURCES LIMITED
DIRECTORS' REPORT
For the Half-Year Ended 31 December 2025

Your directors submit the financial report of the Krakatoa Resources Limited and its controlled entities (referred to hereafter as “the Group”) for the half-year ended 31 December 2025.

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 2025 was \$4,269,988 (31 December 2024: \$1,209,607).

REVIEW OF OPERATIONS

The Group is an ASX listed exploration and development company focusing 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 completed drilling programs at the Zopkhito gold and antimony asset in Georgia and Stone Tank Prospect, at Mt Clere Project in Western Australia.

Details of the project specific exploration operations are provided below.

Zopkhito 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 advanced 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 gold¹.

During the reporting period the Company completed 2,039 metres of diamond core drilling, inspected various underground adits using Drone LiDAR and extended the option period on the project for an additional 12 months.

¹ 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.

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The project 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 being 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).

Drilling successfully intersected mineralisation across multiple target zones, providing strong geological validation of the historical model and reaffirmed the high-grade nature of the antimony as well as extended the understanding of the extensive gold system associated with it.

Significant gold and antimony results released subsequent to the reporting period include:

DD25ZOP007 8m @ 14.1g/t Au from 8m including
1.5m @ 38.5 g/t from 13m &
3m @ 1.48% Sb from 10m
DD25ZOP011 7m @ 3.0g/t Au from 66.86m including
1m @ 15.9 g/t from 67.86m & **1m @ 0.47% Sb**
DD25ZOP014 2.71m @ 3.0g/t Au from 108.54m including
0.33m @ 7.6g/t Au & **24.2% Sb**,
DD25ZOP005 1.18m @ 1.95% Sb from 68.91m
DD25ZOP003 2m @ 1.07% Sb from 134.05m
UG25ZOP003 4.99m @ 6.4g/t Au & 5.07% Sb from 4m, including
0.63m @ 19.55% Sb from 5m and
0.35m @ 23.1% Sb from 7.4m
UG25ZOP008 1.93m @ 7.59% Sb & 5.04g/t Au from 4.87m
UG25ZOP009 5.21m @ 6.11% Sb & 3.54g/t Au from surface including
0.98m @ 12.05% Sb
UG25ZOP016 1.7m @ 16.30% Sb & 2.47g/t Au from surface
UG25ZOP018 3.29m @ 9.03% Sb & 2.62g/t Au from surface
UG25ZOP017 1.33m @ 9.03% Sb & 4.90g/t Au from surface
UG25ZOP014 1.28m @ 3.01% Sb & 6.12g/t Au from 6.4m
UG25ZOP015 3.3m @ 2.69% Sb & 2.30g/t Au from 3.43m
UG25ZOP012 0.81m @ 8.66% Sb & 3.40g/t Au from 1.1m
UG25ZOP013 0.6m @ 11.85g/t Au & 1.58% Sb from 2.8m
UG25ZOP007 3.05m @ 2.35g/t Au & 0.94m @ 1.50% Sb from 2.5m
UG25ZOP006 2.95m @ 2.89g/t Au from 2.31m
UG25ZOP011 1m @ 4.69% Sb & 1.25g/t Au from surface

Results of the drilling and key intersection locations are shown in Figure 1 and 2. Photography of drill core showing the high-grade assay intersection can be seen in Figure 3 and 4.

To support safe access underground and JORC-compliant sampling, Krakatoa completed an underground drone LiDAR and gas inspection survey across accessible historical adits during this period. The survey generated high-resolution 3D LiDAR datasets, enabling accurate mapping of adit geometries, identification of hazardous zones, and reopening of areas that have not been accessed for decades.

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Importantly, the LiDAR data is being used to recalibrate historical channel sample locations collected between the 1950s and 2014, significantly improving positional accuracy and strengthening the technical foundation for resource estimation and geological modelling.

The Company successfully secured a 12-month extension to the option period, providing the flexibility required to complete additional drilling for resource definition works as well as advance the transaction. Site access works completed during 2025 have extended the available drilling window for Phase 2 exploration in 2026, improving operational efficiency and program flexibility. This extension strengthens Krakatoa's position to assess the value of the Zopkhito Antimony-Gold Project.

Krakatoa's focus at the Zopkhito Antimony-Gold Project is to validate historical high-grade antimony and gold mineralisation and progressing the Project toward its maiden JORC-compliant Mineral Resource Estimate. Results from the Phase 1 exploration program completed during the reporting period of 2025, will be used to assist with the process by helping to confirm grade continuity within and between historical adits, refine the geological model, and better define the scale and geometry of the quartz-stibnite vein systems and associated gold mineralisation.

The Company is now focused on planning for the 2026 field season which is envisaged to include:

- additional drilling from surface and underground;
- remapping of adits;
- metallurgical sampling and laboratory work;
- baseline environmental studies, and;
- investigative mineral assessments and gold emplacement studies will be undertaken on the core samples where significant gold concentrations were found.

Antimony is recognised as a critical mineral by both the European Union and the United States due to its importance in energy storage, advanced materials, and defence applications. With 90% of global supply currently controlled by China, demand for secure, Western-aligned sources continues to intensify.

Zopkhito's location within Europe's critical minerals corridor positions it as one of the few emerging antimony and gold projects with direct exposure to European markets. The project benefits from Georgia's established mining framework, developed infrastructure, and free-trade agreements with the EU and other key trading partners.

By combining strong geological foundations with clear strategic relevance, Zopkhito offers a rare opportunity for Krakatoa to contribute to Europe's transition toward secure, diversified critical mineral supply chains.

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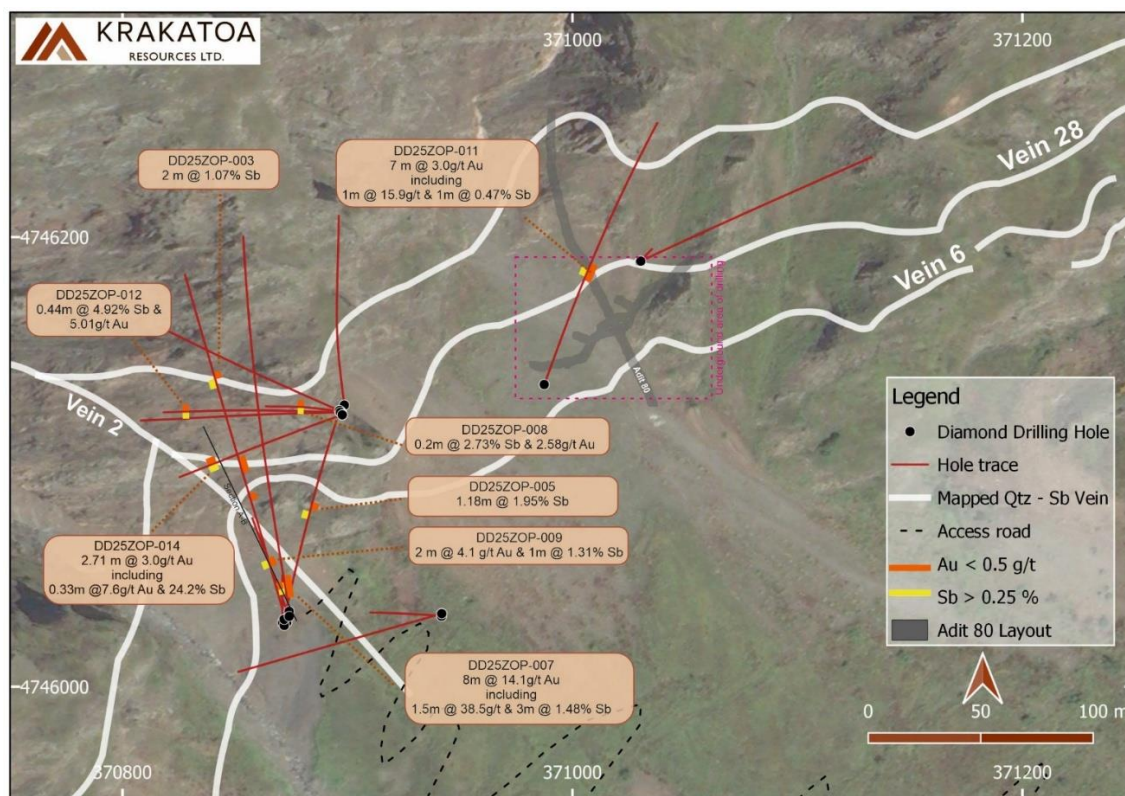


Figure 1: Plan view showing the drill hole collar and drill trace locations of all surface diamond drill holes. Significant assay results (>0.5 g/t Au and/or 0.25% Sb) reflecting mineralised intercepts are shown

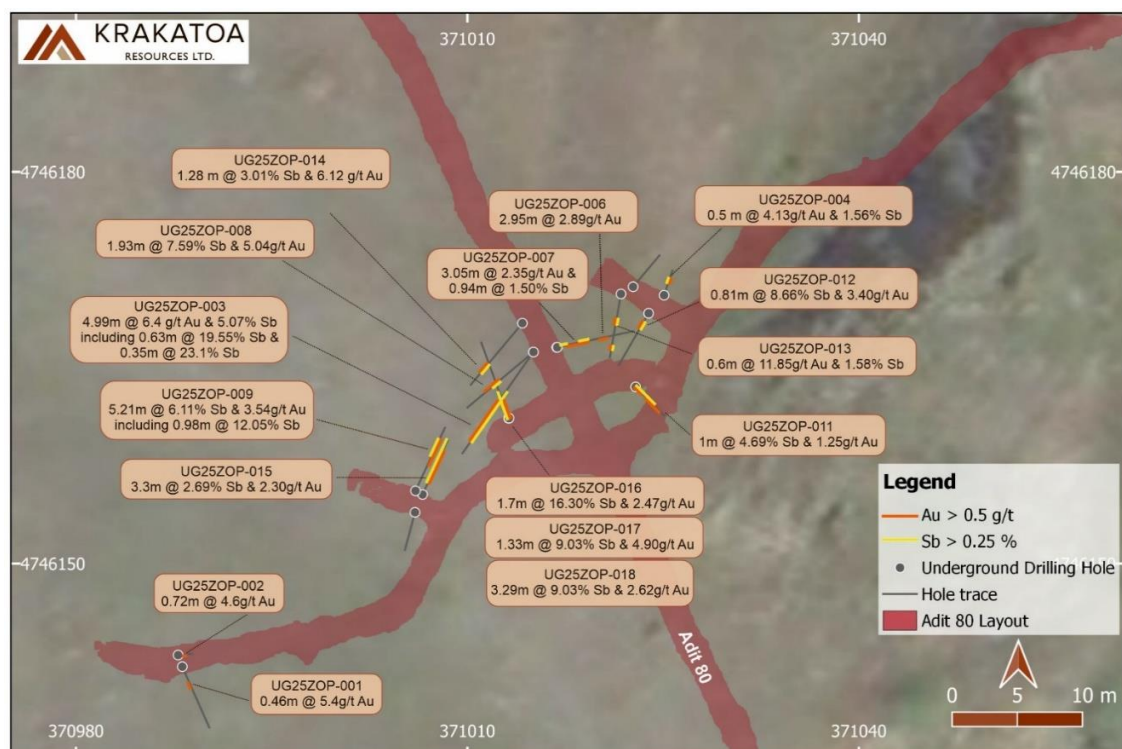


Figure 2: Plan view showing the underground core sampling drill hole collar and drill trace locations within Adit 80. Significant assay results (>0.5 g/t Au and/or >0.25% Sb) showing mineralised intercepts are shown

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Figure 3: Photo of the core from drillhole DD25ZOP014 showing distribution of the mineralised zone with high-grade antimony and gold grades.



Figure 4: Photo of core from drillhole UG25ZOP003 showing distribution of sample intervals and high-grade assay results

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

During the financial year, the Mt Clere Project tenements were explored further for sources of 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.

During the reporting period the Company commenced and completed the drilling of the two-gravity high discrete geophysical targets. Each hole was drilled to 500m targeting the centre of each anomaly within the Stone Tank prospect. This program was partially funded through a grant Krakatoa received from the Western Australian Government as part of the State's Exploration Incentive Scheme (EIS), as announced in October 2024.

Lithologies intersected were similar to those seen in the surrounding areas and are typical of the metamorphic terrain of the Gascoyne, being BIF, meta-sediments/gneiss, amphibolite, granite and diorite. No obvious ultramafic or carbonatites were observed. Both holes had significant silicification and minor amounts of sulphides.

The Company subsequently logged, cut and submitted ½ diamond core to the Department of Mines, Petroleum and Exploration to undertake a HyLogger spectral scan (using visible and infrared spectroscopy – see Figures 1 and 2). This will be retained as part of the state core library.

The Company subsequently selected 45 samples to undergo multi elemental analysis at ALS laboratory in Perth. Sample intervals ranged from 0.6 – 1m lengths. No significant results were found, and no additional work is currently planned at the Stone Tank Prospect.

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 only completed desktop reviews.

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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 the 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. The Company endeavours to expand on these 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.

During the reporting period the Company entered into a binding tenement option and sale agreement with Agriculture Equity Investments Pty Ltd, for the sale of the Belgravia Project. A non-refundable fee of \$100,000 (excl GST) was paid to Krakatoa for the option. Late in the reporting period Agriculture Equity Investments Pty Ltd exercised its option to acquire 100% of its legal and beneficial interest in the tenement EL8153, associated statutory rights, and technical data. The remaining \$250,000 (excl GST) is payable subject to completion of customary closing conditions including transfer of title. This is expected to be complete within the June 2026 quarter.

Competent Person's Statement

The information in this report that relates to exploration results 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.

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SUBSEQUENT EVENTS

On 4 February 2026, the Company announced a \$1.25m placement to advance Zopkhito Project through the issue of 138,888,889 fully-paid ordinary shares at an issue price of \$0.009, with a free-attaching option exercisable at \$0.02 for every two shares subscribed for. The placement was completed on 10 February 2026.

No other 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 28.

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: 13 March 2026

KRAKATOA RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Half-Year Ended 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
Other income	2	253,175	34,563
Administration expenses		(178,662)	(40,030)
Compliance and regulatory expenses		(161,848)	(151,800)
Employee benefits and consulting expense		(150,886)	(120,655)
Share based payments expense	6	(89,581)	(245,089)
Net foreign exchange gain/(loss)		(6,882)	-
Depreciation expense		(28,703)	(62,879)
Exploration expenditure and project evaluation costs		(3,906,601)	(623,717)
Loss before income tax expense		(4,269,988)	(1,209,607)
Income tax expense		-	-
Loss after income tax expense for the half-year		(4,269,988)	(1,209,607)
Other comprehensive loss		-	-
Total comprehensive loss for the half year		(4,269,988)	(1,209,607)
Total comprehensive loss for the half year is attributable to:			
Members of the parent entity		(4,269,988)	(1,209,607)
		(4,269,988)	(1,209,607)
Basic and diluted loss per share (cents per share)		(0.47)	(0.25)

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 2025

	Note	31 December 2025 \$	30 June 2025 \$
CURRENT ASSETS			
Cash and cash equivalents	3	338,192	1,544,735
Trade and other receivables		234,893	82,044
Other assets	4	535,726	529,380
TOTAL CURRENT ASSETS		1,108,811	2,156,159
NON-CURRENT ASSETS			
Trade and other receivables		13,000	23,000
Right-of-use assets		41,853	5,131
Property, plant, and equipment		116,022	133,329
TOTAL NON-CURRENT ASSETS		170,875	161,460
TOTAL ASSETS		1,279,686	2,317,619
CURRENT LIABILITIES			
Trade and other payables		364,542	321,593
Lease liability		23,201	5,694
Provisions		20,453	29,107
TOTAL CURRENT LIABILITIES		408,196	356,394
NON-CURRENT LIABILITIES			
Lease liability		19,140	-
TOTAL NON-CURRENT LIABILITIES		19,140	-
TOTAL LIABILITIES		427,336	356,394
NET ASSETS		852,350	1,961,225
EQUITY			
Issued capital	5	31,803,868	29,181,052
Reserves	6	646,935	108,638
Accumulated losses		(31,598,453)	(27,328,465)
TOTAL EQUITY		852,350	1,961,225

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 2025

	Issued Capital \$	Share based Payment Reserve \$	Accumulated Losses \$	Total \$
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
Balance at 1 July 2025	29,181,052	108,638	(27,328,465)	1,961,225
Loss for the period	-	-	(4,269,988)	(4,269,988)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(4,269,988)	(4,269,988)
<i>Transactions with owner directly recorded in equity:</i>				
Shares issued during the period	3,331,500	-	-	3,331,500
Share based payments expense	-	538,297	-	538,297
Less: Transaction costs arising from issue of shares	(708,684)	-	-	(708,684)
Balance at 31 December 2025	31,803,868	646,935	(31,598,453)	852,350

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 2025

	31 December 2025 \$	31 December 2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(633,540)	(332,137)
Exploration expenditure and project evaluation costs	(3,636,869)	(633,940)
Other income	129,091	20,839
Net cash used in operating activities	(4,141,318)	(945,238)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of tenement	100,000	-
Net cash from investing activities	100,000	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	3,181,500	1,180,268
Payments for capital raising costs	(335,330)	(77,474)
Lease payments	(11,395)	(45,429)
Net cash from financing activities	2,834,775	1,057,365
Net increase in cash held	(1,206,543)	112,127
Cash and cash equivalents at beginning of period	1,544,735	1,314,206
Available cash and cash equivalents at end of reporting period	338,192	1,426,333
Restricted cash (note 3)	-	100,000
Cash and cash equivalents at end of reporting period	338,192	1,526,333

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 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2025 have 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 Reporting.

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 be read in conjunction with the annual financial report for the year ended 30 June 2025 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.

Going Concern

These general purpose interim financial statements has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 31 December 2025, the Group incurred a net loss after tax of \$4,269,988 and utilised cash in operating activities of \$4,141,318. As at that date, the Group had net current assets of \$700,615.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the company to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

The Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- The company's ability to issue additional shares under the Corporations Act 2001 to raise further working capital; and
- The ability of the consolidated entity to further scale back certain parts of their activities that are non-essential to conserve cash.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

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.

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2025

2. OTHER INCOME

	31 December 2025 \$	31 December 2024 \$
Other Income		
Sale of Belgravia tenement ¹	100,000	-
Government Grant Income	127,677	-
Other income	25,498	34,563
	<u>253,175</u>	<u>34,563</u>

¹On 27 October 2025, the Company through its wholly owned subsidiary Krakatoa Australia Pty Ltd entered into a binding tenement option agreement with Agriculture Equity Investments Pty Ltd to sell its Belgravia project (EL8153). A non-refundable option fee of \$100,000 (exclusive GST) was received upfront. A further fee of \$250,000 (exclusive GST) is receivable upon completion of customary closing conditions including transfer of title expected to occur in the June 2026 quarter.

3. CASH AND CASH EQUIVALENTS

	31 December 2025 \$	30 June 2025 \$
Cash and cash equivalents	338,192	1,544,735
	<u>338,192</u>	<u>1,544,735</u>

4. OTHER ASSETS

	31 December 2025 \$	30 June 2025 \$
Prepayments	237,495	179,418
Zopkhito Project – Deposit paid ¹	298,231	349,962
	<u>535,726</u>	<u>529,380</u>

¹ Amounts paid relate to Energold Drilling Limited a Georgia based exploration Company contracted to provide exploration works on Zopkhito Project.

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2025

5. ISSUED CAPITAL

	31 December 2025 No.	31 December 2025 \$	30 June 2025 No.	30 June 2025 \$
Ordinary shares fully paid	1,073,372,120	31,803,868	756,086,406	29,181,052
Ordinary shares				
At the beginning of reporting period 1 July 2025	756,086,406	29,181,052	472,107,220	26,421,761
Shares issued during the financial period:				
18 December 2024 (i)			118,026,805	1,180,268
25 March 2025 (ii)			30,000,000	300,000
26 June 2025 (iii)			97,190,476	1,020,500
30 June 2025 (iv)			38,761,905	407,000
11 July 2025 (v)	19,047,619	200,000		
27 August 2025 (vi)	3,000,000	31,500		
18 September 2025 (vii)	190,000,000	1,995,000		
18 November 2025 (viii)	105,238,095	1,105,000		
Transaction costs	-	(708,684)	-	(148,477)
Net share capital at 31 December 2025	1,073,372,120	31,803,868	756,086,406	29,181,052

- (i) 118,026,805 shares were issued on 18 December 2024 at an issue price of \$0.01 per share to raise \$1.18m before costs.
- (ii) On 25 March 2025, the Company issued 30,000,000 fully-paid ordinary shares at an issue price of \$0.01. 10,000,000 fully paid ordinary shares were placed to directors after shareholder approval at General Meeting on 21 March 2025 to raise \$100,000, and 20,000,000 fully paid ordinary shares were issued to vendors for the acquisition of the Zopkhito Antimony-Gold Project for a nominal value of \$200,000.
- (iii) On 26 June 2025, the Company issued 97,190,476 fully-paid ordinary shares at an issue price of \$0.011 per share to raise \$1,020,500 before costs.
- (iv) On 30 June 2025, the Company issued 38,761,905 fully-paid ordinary shares at an issue price of \$0.011 per share to raise \$407,500 before costs.
- (v) On 11 July 2025, the Company issued 19,047,619 fully-paid ordinary shares at an issue price of \$0.0105 per share to raise \$200,000 before costs.
- (vi) On 27 August 2025, the Company issued 3,000,000 fully-paid ordinary shares at an issue price of \$0.0105 per share to raise \$31,500 before costs.
- (vii) On 18 September 2025, the Company issued 190,000,000 fully-paid ordinary shares at an issue price of \$0.0105 per share to raise \$1,995,000 before costs.
- (viii) On 18 November 2025, the Company issued 105,238,095 fully-paid ordinary shares at an issue price of \$0.0105 per share to raise \$1,105,000 before costs.

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2025

6. RESERVES

	31 December 2025 \$	30 June 2025 \$
(a) Share based payment reserve	646,935	108,638
(b) Movement in share-based payment reserve	No.	\$
Balance at 1 July 2024	-	-
9 December 2024 (i) – Share Performance Rights	35,000,000	47,636
25 March 2025 (ii) – Director Share Performance Rights	45,000,000	21,002
25 March 2025 (iii) – Facilitator Options	20,000,000	40,000
Balance at 30 June 2025	100,000,000	108,638
Share based expense – Advisors and CEO (i)	-	51,529
Share based payment expense – Directors (ii)	-	38,052
27 August 2025 – free-attaching unquoted options (iv)	79,000,000	-
28 November 2025 – free attaching quoted options (v)	147,619,024	-
28 November 2025 – lead manager quoted options (v)	90,000,000	448,716
Balance at 31 December 2025	416,619,024	646,935

(i) On 9 December 2024, the Company issued 35,000,000 share performance rights in the following 3 classes:

- 5,000,000 Class A Share Performance Rights vesting on remaining as Company CEO after two years from date of issue.
- 10,000,000 Class B Share Performance Rights vesting on a JORC MRE of >26,000t of contained Antimony within 3 years of issue.
- 20,000,000 Class C Share Performance Rights vesting on a price hurdle of \$0.05 within 3 years of issue.

For the period ended 31 December 2025, a total of \$51,529 (30 June 2025: \$47,636) has been recognised as a share-based payment expense. Share performance rights were valued using the Hoadley's Monte Carlo Method (refer note 6c).

(ii) On 25 March 2025, 45,000,000 Share Performance Rights were awarded to the directors with a 10-day VWAP share price vesting hurdle of \$0.05 expiring 3 years from the date of issue. For the period ended 31 December 2025 a total of \$38,052 (30 June 2025: \$21,001) has been recognised as share-based payment expense. Director share performance rights were valued using the Hoadley's Monte Carlo Method (refer note 6c).

(iii) On 25 March 2025, 20,000,000 Facilitator Options were issued to facilitators for the acquisition of the Zopkhito Project. Options are exercisable at \$0.05 expiring 25 March 2027. The facilitator options vested in full on issue and a \$40,000 share-based expense was recognised at 30 June 2025 (refer to Note 6d).

(iv) As part of the placement completed on 27 August 2025, the Company issued free-attaching unquoted options to placement participants. The options are exercisable at \$0.02 on or before 30 September 2026. Per accounting standards, the fair value of the free-attaching options is taken to be ascribed in the value of the placement.

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2025

6. RESERVES (continued)

(b) Movement in share-based payment reserve (continued)

- (v) As part of the share placement completed on 18 November 2025, the Company issued 237,619,024 quoted options on 28 November 2025. The quoted options are exercisable at \$0.02 on or before 29 September 2028. As part of the brokerage fee, 90,000,000 options were awarded to the lead managers and vested on the completion of the transaction. The Company recognised a share-based payment expense of \$448,716 for the period ended 31 December 2025. The options were valued using the Black-Scholes Merton method (refer to note 6d). Per accounting standards, the fair value of the 147,619,024 free-attaching listed options is taken to be ascribed in the value of the placement.

Below is a summary of share-based payments made by the Company and their respective valuations:

c) Performance Rights

	Performance Rights – Class A	Performance Rights – Class B	Performance Rights – Class C
Methodology	Black Scholes Merton	Black Scholes Merton	<i>Hoadley Barrier 1 Valuation</i>
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	\$0.0067
Total fair value	\$50,000	\$100,000	\$133,648
Total share-based payment recognised for period ended 31 December 2025	\$12,517	\$16,697	\$22,315
Total share-based payment recognised at 30 June 2025	\$13,953	\$9,307	\$24,376

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2025

6. RESERVES (continued)

c) Performance Rights (continued)

	Director - Performance Rights
Methodology	<i>Hoadley Barrier 1 Valuation</i>
Grant date	25 March 2025
Vesting date	25 March 2028
Expiry date	25 March 2028
Spot price	\$0.009
Share Price target	\$0.05
Risk-free rate	3.77%
Volatility	124.0%
Dividend Yield	-
Number	45,000,000
Value per PR	\$0.0051
Total fair value	\$228,727
Total share-based payment recognised for period ended 31 December 2025	\$38,052
Total share-based payment recognised at 30 June 2025	\$21,001

d) Unquoted Options

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 30 June 2025	\$40,000

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2025

6. RESERVES (continued)

d) Unquoted Options (continued)

Broker Listed Options

Methodology	Black Scholes Merton
Grant date	9 September 2025
Vesting date	28 November 2025
Expiry date	29 September 2028
Exercise Price	\$0.02
Spot price	\$0.01
Risk-free rate	3.014%
Volatility	100%
Dividend Yield	-
Number	90,000,000
Value per Option	\$0.005
Total fair value	\$448,716
Total share-based payment recognised at 31 December 2025	\$448,716

7. DIVIDENDS

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

8. OPERATING SEGMENTS

Basis of Segmentation

The Group has identified its operating segments based on the reports reviewed by the Chief Operating Decision Maker (“CODM”), being the Board of Directors and CEO who is responsible for allocating resources and assessing performance of the operating segments.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the CODM, and for which discrete financial information is available.

Reportable Segments

The Group engages in a single operating segment, being mineral exploration and development. The Group operates in two geographic segments being Australia and Georgia. Accordingly, segment information has been provided for these geographic segments.

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2025

8. OPERATING SEGMENTS (continued)

Segment Performance

Period ended 31 December 2025

	Australia (\$)	Georgia (\$)	Total (\$)
Other income	253,175	-	253,175
Exploration and evaluation expenditure	(700,124)	(3,206,477)	(3,906,601)
Segment expenses	(616,562)	-	(616,562)
Loss before income tax expense	(1,063,511)	(3,206,477)	(4,269,988)
Loss after income tax	(1,063,511)	(3,206,477)	(4,269,988)
 Segment Assets	 981,455	 298,231	 1,279,686
Segment Liabilities	(176,309)	(251,027)	(427,336)
Net Assets	805,146	47,204	852,350

Segment Performance

Period ended 31 December 2024

	Australia (\$)	Georgia (\$)	Total (\$)
Other income	34,563	-	34,563
Exploration and evaluation expenditure	(623,717)	-	(623,717)
Segment expenses	(620,453)	-	(620,453)
Loss before income tax expense	(1,209,607)	-	(1,209,607)
Loss after income tax	(1,209,607)	-	(1,209,607)

Year ended 30 June 2025

Segment Assets	2,317,619	-	2,317,619
Segment Liabilities	(356,394)	-	(356,394)
Net Assets	1,961,225	-	1,961,225

9. EVENTS SUBSEQUENT TO REPORTING PERIOD

On 4 February 2026, the Company announced a \$1.25m placement to advance Zopkhito Project through the issue of 138,888,889 fully-paid ordinary shares at an issue price of \$0.009, with a free-attaching option exercisable at \$0.02 for every two shares subscribed for. The placement was completed on 10 February 2026.

No other 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.

KRAKATOA RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2025

10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

On completion of the sale of its Belgravia project, the Company will receive an additional \$250,000.

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

11. COMMITMENTS

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

KRAKATOA RESOURCES LIMITED
DIRECTOR'S DECLARATION
For the Half-Year Ended 31 December 2025

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 2025 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: 13 March 2026

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) and its subsidiaries (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2025, 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 to the financial statements 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 financial position as at 31 December 2025 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 Half-Year 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.

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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.

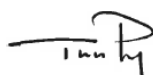
Auditor's Responsibility for the Review of the Half-Year Financial Report

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 2025 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.

A stylized, handwritten-style signature of the letters 'RSM' in a dark blue or black ink.

RSM AUSTRALIA

A handwritten signature in dark blue or black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 13 March 2026



RSM Australia Partners

Level 32 Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

www.rsm.com.au

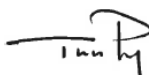
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Krakatoa Resources Limited for the half-year ended 31 December 2025, 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: 13 March 2026

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