

ZOPKHITO DEAL RESTRUCTURED FOR GROWTH & FIELD PROGRAM UPDATE

Highlights

- **Zopkhito deal restructured** to direct **capital into the ground** by realigning upfront asset payments
- **Staged earn-in** for up to 80% ownership while **preserving cash for exploration**
- **Upfront cost** and dilution risk significantly reduced
- Early control enables Krakatoa to **drive exploration and maximise value creation**
- Flexible timing supports **disciplined capital deployment**
- Zopkhito positioned for **accelerated advancement** toward JORC resource and development
- **Site access underway** for camp reestablishment
- **Exploration program for 2026**, which will include targeted resource drilling, further metallurgical optimisation test work and high-level mining studies, is currently being undertaken
- **Additional satellite prospects of Antimony, Tungsten, Copper**, and other base metals have been identified within the license area – will be followed up in 2026

Krakatoa Resources Limited (**ASX: KTA**) (“**Krakatoa**” or “**the Company**”) is pleased to announce that it has executed a deed to amend and restate the Zopkhito Option Term Sheet with JSC Caucasus Minerals (“**JSCCM**”), delivering a **materially enhanced and capital-efficient pathway** to acquire up to an **80% interest in the Zopkhito Antimony-Gold Project** in Georgia.

The amended Option Term Sheet materially improves the commercial structure of the transaction originally announced on 9 December 2024, by changing from upfront acquisition payments to staged investment in the Zopkhito Antimony-Gold Project.

The Zopkhito Antimony-Gold Project is held under an existing exploration-mining license which is valid until March 2042. Discovered in 1929, the Soviet Government explored Zopkhito until 1979, with additional exploration undertaken between 2006-2019. 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 815,119oz of gold¹**. The Project benefits from extensive historical exploration, including approximately 27km of underground

¹ Cautionary statement: The foreign estimate and foreign exploration results in this announcement were first released by the Company in an announcement titled “Option to Acquire Major Antimony and Gold Project” on 9 December 2024 (“Announcement”) and 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. The Company confirms that the supporting information provided in the Announcement continues to apply and has not materially changed.

exploration adits, more than 15,000 historical channel and geochemical samples, and prior LiDAR and IP geophysical surveys.

In 2025, Krakatoa's exploration strategy at Zopkhito was to target areas between the historical adits where sampling demonstrated high-grade mineralisation. Drill testing of these areas aimed to confirm mineralisation beyond the adits and clarify the extent of the gold alteration system, as well as the high-grade quartz-antimony vein development. Drilling successfully intersected mineralisation across multiple target zones, providing strong geological validation of the historical model.

Mark Major, Krakatoa CEO, stated: "Restructuring the deal to acquire an 80% interest via staged investment in the Zopkhito Project, is a key milestone for Krakatoa, enabling us to focus our investment on development on the ground, rather than initial acquisition expenses. Importantly, it reflects the changes in the global political and supply environment over the past 18 months, particularly the increasing strategic importance of antimony. These changes now position us to create value more efficiently at Zopkhito, while maintaining a clear pathway to increased ownership."

Capital into the Ground

DRIVING VALUE CREATION

The revised terms allow Krakatoa to prioritise funding toward exploration, resource definition and development studies at the Zopkhito Antimony-Gold Project, rather than committing significant capital upfront to acquire the asset.

This delivers:

- **More metres drilled, more data generated and faster project advancement**
- A clear pathway toward **JORC resource definition and development studies**
- **Stronger capital efficiency and reduced dilution**
- Alignment between **investment and technical success milestones**
- **Increased focus on advancement** toward becoming a major European critical metals supplier

Importantly, Krakatoa retains exposure to up to 80% ownership, while progressing the Project in a disciplined, stage-gated manner.

KEY COMMERCIAL IMPROVEMENTS

The amended transaction structure provides Krakatoa with a disciplined and capital-efficient pathway to increase its interest in the Zopkhito Project through a staged earn-in arrangement, comprising an initial 30% interest, followed by the ability to acquire an additional 50% to reach 80% in total. This approach enables capital to be deployed progressively in line with project advancement, avoiding significant upfront acquisition payments that do not directly contribute to the value creation of the Project.

Importantly, it allows additional time for the Company to undertake the work required to make the potential investment decision in the best interest of shareholders and extends the period in which the acquisition payments are made.

Krakatoa has maintained its commitment to a minimum expenditure of US\$2 million, of which almost US\$1.6 million has already been directly focused on exploration as we progress the Project toward a JORC-compliant Mineral Resource and preliminary economic assessment.



The Company will also assume control over the deployment of funds at an early stage of ownership, supporting efficient exploration activities and timely decision-making. In addition, the option period has been structured to align with the timing of the exploration period extension, reducing tenure-related risk and removing the need to commit capital prematurely due to external administrative delays.

Exploration Ahead

In 2025, Krakatoa's exploration strategy at Zopkhito was to target areas between the historical adits where sampling demonstrated high-grade mineralisation. Drill testing of these areas aimed to confirm mineralisation beyond the adits and clarify the extent of the gold alteration system, as well as the high-grade quartz-antimony vein development. Drilling successfully intersected mineralisation across multiple target zones, providing strong geological validation of the historical model.

Work has commenced on the planning for the 2026 field season, which will focus on targeted resource drilling to expand and define the mineralisation, which will assist in the conversion of the historical resource into a JORC-compliant resource. Krakatoa is also undertaking further metallurgical optimisation test work and high-level mining studies, which will be used to undertake the preliminary economic assessment.

Additionally, the Company is carrying out environmental baseline work and permitting to prepare for future mining activities.

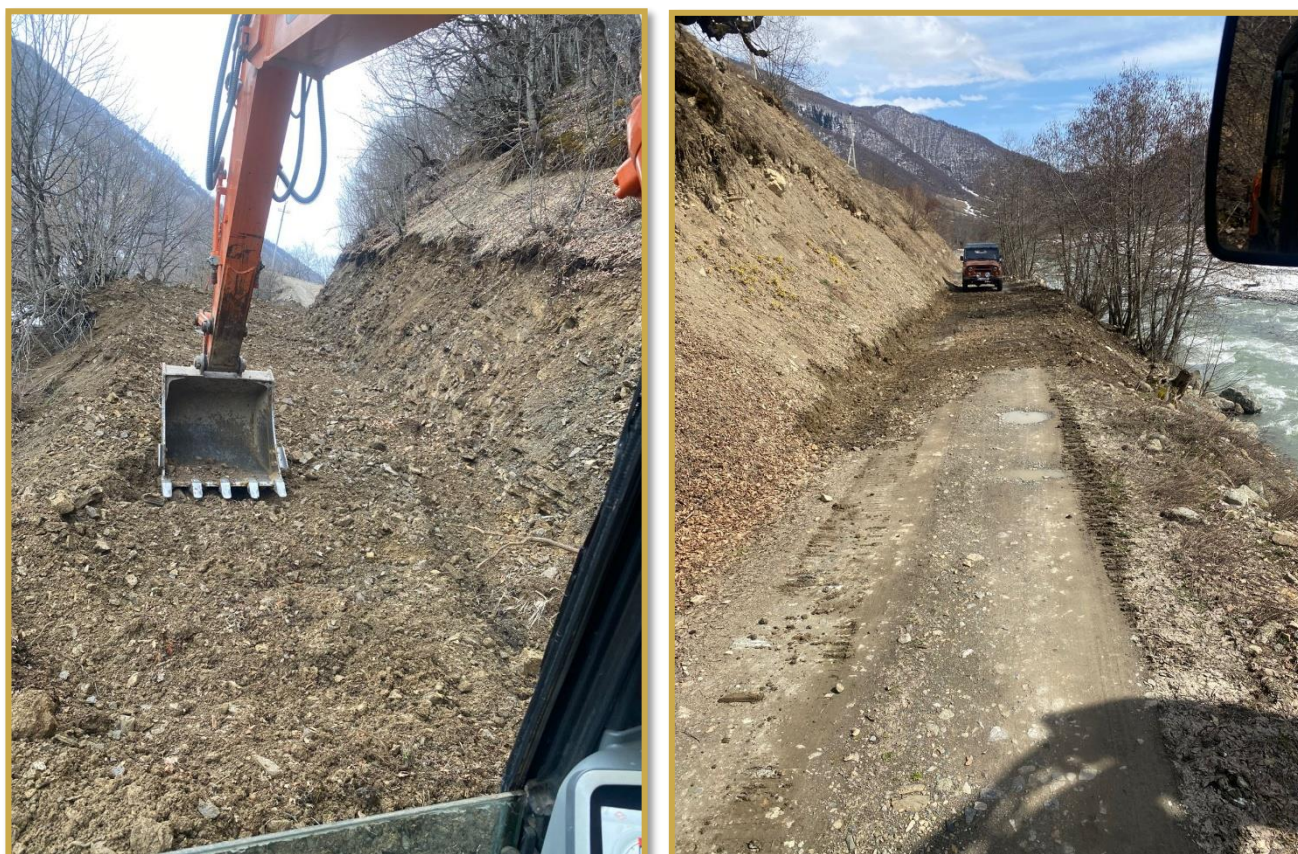


Figure 1 Photographs of the excavator clearing the access track to site

New Prospects Identified

While investigating the historical Soviet database and document undertaken by the Company geologists during the last 3 months has uncovered the presence of several significant prospects within the license boundary. There have been 4 additional prospective areas with various mineralized deposits identified in addition to the Zopkhito project.

These are:

- Devrushi I and II for copper (Cu), lead (Pb) and zinc (Zn)
- Sagebi for tungsten (W) and antimony (Sb)
- Kodiani for antimony (Sb) and,
- Edena for antimony (Sb) and gold (Au)

The location of these are shown in Figure 2. The Company is now compiling all the data from the various reports and will announce any significant information in due course. Several of these prospects have had some adit sampling and foreign estimates completed during the 1970's.

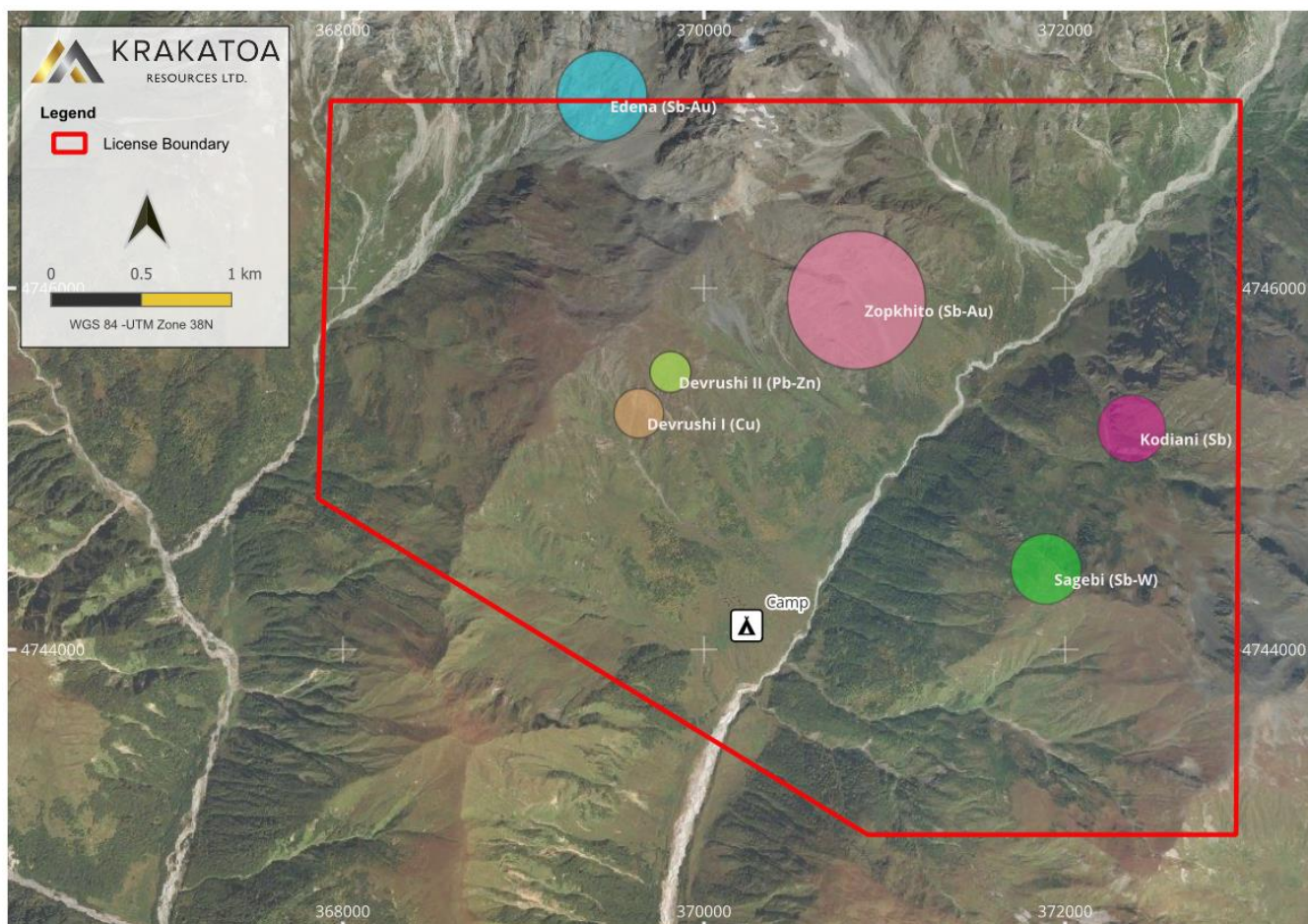


Figure 2 Location of Identified prospects within the Zopkhito mining license

Mark Major, Krakatoa Resources CEO, stated: "We are excited to have started preparing for the upcoming field season at Zopkhito following the robust results received from our 2025 drilling program which reaffirmed the high-grade nature of the antimony and gold. With the snow now melting and all the preparatory work on the access and camp carried out last year, we expect to be back drilling next month. This extended field season will provide valuable time to work towards converting the existing foreign resource to be JORC-compliant, as well as advancing the metallurgical process design and mining options this year.

It's an exciting time and our team is well placed to take the next step at Zopkhito further towards the development pathway while utilising all the historical works already in place."



This announcement has been authorised for release by the Board.

– ENDS –

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Competent Person's Statements

The information in this announcement 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.

Previously announced ASX material references and information relating to exploration results and foreign estimates are publicly available on the Company website and the ASX. The information in this announcement that relates to exploration results previously announced by the Company have been extracted from the Company's announcements to the ASX from 9 December 2024 to the 16 April 2026. The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcements.

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.

Appendix A: Amended Option Term Sheet

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

Option	<p>The Company maintains the option to acquire an 80% interest in the Zopkhito Project anytime within the option period ("Project Interest").</p> <p>During the option period (currently active) the Company:</p> <ul style="list-style-type: none"> • 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 amended Option Term Sheet; and • agrees to allocate a minimum of US\$2 million on the above exploration and development activities (commenced from Dec 2024). <p>During the option period, JSCCM will use its best endeavors to obtain an extension of the exploration period under the current License ("License Exploration Extension")</p> <p>The Company has the right to a acquire up to an 80% interest in the Project using a two-stage investment option – the First Investment Option (30%) and Second Investment Option (50%).</p> <p>Following the grant of the License Exploration Extension, but prior to the exercise of the First Investment Option, JSCCM may provide a notice to the Company requiring the Company to purchase 10% Project interest ("Sell Option"). If JSCCM exercises its Sell Option, the Company is still entitled to exercise its option to acquire a further 70% Project interest (by reducing the First Investment Option by an equivalent 10%), to bring its total interest in the Project to 80%.</p>
Investment Options	<p>The Company has a two stage Investment Option.</p> <p>Initially, the Company has the right to exercise the First Investment Option to obtain a 30% interest in the Project at any time before 31 December 2026 ("First Investment Option Period").</p> <p>Following exercise of the First Investment Option, the Company will have the right to exercise the Second Investment Option any time before 12 December 2027 or the date which is 3 months prior to the License Exploration Extension (whichever is later) ("Second Investment Option Period").</p> <p>Where the Company exercises the First Investment 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 contributions to be repaid from its portion of operational profits.</p>
Consideration	<p>The consideration is comprised of:</p> <ul style="list-style-type: none"> • At any time in the First Investment Option Period, the Company can acquire an 30% interest by payment of US\$2,625,000 ("First Option Purchase Price").

	<ul style="list-style-type: none"> • On completion of the First Investment Option, and anytime during the Second Investment Option Period, the Company can acquire a further 50% Project Interest by Payment of US\$4,375,000 ("Second Option Purchase Price") (a cumulative 80% Project Interest) • If JSCCM exercises the Sell Option, the Company must pay US\$875,000 in cash (allowing the remaining 70% Project Interest to be acquired for US\$6,125,000 with the First Investment Option changing to 20% for US\$1,750,000). • Subject to prior approval from the Company's shareholders, JSCCM may elect to take up to 20% of the First Option Purchase Price and Second Option Purchase Price in fully paid ordinary shares in the Company at a deemed price calculated by a 20-day volume-weighted average price (VWAP). • JSCCM can seek additional Company shares over the 20% level with approval from the Company.
Other terms	<ul style="list-style-type: none"> • On exercise of the First Investment 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. • Minority ownership for either party at the completion of the option periods will be subject to standard tag along and drag along rights to allow equal treatment if third party involvement is undertaken. • 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.