



KRAKATOA
RESOURCES LTD.

KRAKATOA RESOURCES LIMITED

(ACN 155 231 575)

OPTIONS PROSPECTUS

For the offer of:

- (a) up to 147,619,024 New Options to participants in the Placement on the basis of one free New Option for every two New Shares subscribed for and issued under the Placement (**Placement Options Offer**); and
- (b) 90,000,000 New Options to the Joint Lead Managers (or their nominees) of the Placement (**Lead Managers Options Offer**),

(together, the **Offers**).

No application monies are payable for the grant of New Options. No funds will be raised by the Company in connection with the Offers unless and until the New Options are exercised in due course.

The Offers are not underwritten.

This Prospectus is being issued under section 713 of the Corporations Act.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

Not for release to US wire services or distribution in the United States

IMPORTANT INFORMATION

General

This Prospectus is dated 20 November 2025 and was lodged with ASIC on that date with the consent of all Directors.

Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No New Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply to ASX for Official Quotation by ASX of the New Options offered under this Prospectus within seven days of the date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 8, London House, 216 St Georges Terrace, Perth WA 6000 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Section 4.4).

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not detailed in this Prospectus. Any information or representation not detailed in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of New Options in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. See Section 1.12 of this Prospectus for further information.

Notice to nominees and custodians

Applicants resident in Australia and New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Options does not breach regulations in the relevant jurisdiction.

Continuously quoted securities

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to

investors and professional advisers whom potential investors may consult.

Exposure period

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74.

Speculative investment

An investment in the New Options should be considered highly speculative. Refer to Section 3 for details of the key risks applicable to an investment in the Company.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Persons wishing to apply for New Options should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to Shares and Options.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Options have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Options will make a return on the capital invested, that dividends will be paid on the New Options or that there will be an increase in the value of the New Options in the future.

Forward-looking statements

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new

information, future events or any other factors affect the information detailed in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements detailed in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Currency

All financial amounts detailed in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables detailed in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to Australian Western Standard Time (AWST), unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 5.

CORPORATE DIRECTORY

Directors

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

Senior Management

Mr Mark Major – Chief Executive Officer

Company Secretary

Mr David Palumbo

Registered Office

Level 8
216 St Georges Terrace
Perth WA 6000
Email: admin@ktaresources.com
Website: <https://ktaresources.com/>

ASX Code: KTA

Share Registry*

Computershare Investor Services Pty Limited
Level 17
221 St Georges Terrace
Perth WA 6000
Telephone (inside Australia): 1300 850 505
Telephone (outside Australia): +61 8 9323 2000

Auditors*

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

Lead Managers to the Placement*

Ignite Equity Pty Ltd
426 Glen Huntly Road
Elsternwick, VIC 3185
AFSL 554315

GBA Capital Pty Ltd
Level 6, 190 St Georges Terrace
Perth, WA 6000
AFS Representative Number 001285020

** These entities has not been involved in the preparation of this Prospectus and is named for information purposes only.*

PROPOSED TIMETABLE

Key Dates	Date / time (AWST) ¹
Lodgement of Prospectus for issue of New Options with ASIC and ASX	20 November 2025
Offers Opening Date	20 November 2025
Offers Closing Date	5.00pm (AWST) on 27 November 2025
Issue of New Options under the Offers	28 November 2025
Quotation of New Options under the Offers	28 November 2025
Dispatch of Holding Statements for New Options under the Offers	28 November 2025

Notes:

1. These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates without prior notice.

RISK FACTORS

There a number of risks associated with investing in the Company and in the share market generally. The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can affect the value of an investment in the Company.

An investment in the Company is speculative in nature and investors should be aware that they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety, and in particular, consider the risk factors detailed in Section 3.

1 Details of the Offers

1.1 Placement Background

On 12 September 2025, the Company announced to ASX that it had received firm commitments to raise \$3.1 million (before costs) via a two-tranche placement of 295,238,095 new fully paid ordinary shares (**New Shares**) to new and existing Institutional and Sophisticated Investors and the Directors (**Placement Investors**) at an issue price of \$0.0105 per New Share (**Placement**).

The Placement was conducted as follows:

(a) **Tranche 1:**

- (i) 112,186,598 New Shares issued on 18 September 2025 pursuant to the Company's placement capacity under Listing Rule 7.1;
- (ii) 77,813,402 New Shares issued on 18 September 2025 pursuant to the Company's placement capacity under ASX Listing Rule 7.1A; and

- (b) **Tranche 2:** 105,238,095 New Shares issued on 18 November 2025, which were subject to shareholder approval. Shareholder approval was obtained at the General Meeting of the Company held on 31 October 2025 (**General Meeting**).

As noted in the Placement Announcement, the terms of the Placement also provided that one free attaching quoted Option in the Company (**New Option**) would be issued to the Placement Investors for every two New Shares allocated under the Placement.

Funds raised under the Placement will be used, amongst other things, for the maiden drilling programme at the Company's Zopkhito Antimony-Gold Project in Georgia (**Project**).

The Company's Board of Directors participated in the Placement for a total of 5,000,000 New Shares and 2,500,000 New Options, which were subject to shareholder approval (**Director Participation**). Shareholder approval for the Director Participation was obtained at the General Meeting. The allocation of Placement Options to the Directors is as follows:

- (a) up to 1,000,000 New Options to Mr Colin Locke;
- (b) up to 1,000,000 New Options to Mr David Palumbo; and
- (c) up to 500,000 New Options to Mr Timothy Hogan.

1.2 The Offers

(a) **Placement Options Offer**

The Placement Options Offer is an offer of one New Option for every two Shares subscribed for and issued under the Placement, and comprises the issue of up to:

- (i) 145,119,024 New Options to Placement Investors; and
- (ii) 2,500,000 New Options to Directors (as set out at Section 1.1 above).

(b) **Lead Managers Options Offer**

The Lead Managers Options Offer is an offer of 90,000,000 New Options to the Joint Lead Managers to the Placement or their nominee(s).

The New Options offered under the Offers pursuant to this Prospectus will be exercisable at \$0.02 each on or before 29 September 2028, and otherwise be on the terms and conditions set out in Section 4.2.

No funds will be raised through the issue of the New Options pursuant to this Prospectus as the New Options issued under the Placement Options Offer are being issued for nil consideration and the New Options issued under the Lead Managers Options Offer are being issued as part consideration for services provided by the Joint Lead Managers in relation to the Placement.

Shareholder approval was obtained at the General Meeting for issue of the New Options.

Refer to Section 4.1 for a summary of the rights and liabilities attaching to the Shares on exercise of New Options. Shares issued upon exercise of the New Options will be fully paid and will rank equally with the Company's existing Shares on issue at the date of this Prospectus. A summary of the terms and conditions of New Options is contained in Section 4.2.

Where the determination of the entitlement of any Placement Participant under the Placement Options Offer would result in a fraction of a New Option, such fraction will be rounded down to the nearest whole number of New Options.

Refer to the Placement Announcement for further information.

1.3 Purpose of this Prospectus

The purpose of this Prospectus is to make the Offers.

1.4 No amount payable on issue

Nothing is payable upon issue of the New Options and no funds will be raised by the Company in connection with the Offers. This is because:

- (a) the New Options issued under the Placement Options Offer are being issued to the Placement Investors as free attaching Options to the New Shares subscribed for and issued under the Placement; and
- (b) the New Options issued under the Lead Managers Options Offer are being issued to the Joint Lead Managers pursuant to a joint lead manager mandate entered into with the Company as part consideration for services performed in connection with the Placement (***Joint Lead Manager Mandate***).

1.5 Not underwritten

The Offers are not underwritten.

1.6 Joint Lead Managers

Ignite Equity and GBA Capital acted as joint lead managers and bookrunners to the Placement pursuant to the Joint Lead Manager Mandate.

In consideration for the provision of lead manager services, the Company agreed to pay Ignite Equity and GBA Capital an aggregate 6% fee on funds raised under the Placement.

Under the Lead Managers Options Offer, Ignite Equity and GBA Capital will also receive 90,000,000 New Options, which was subject to shareholder approval. Shareholder approval was obtained at the General Meeting on 31 October 2025.

The Joint Lead Manager Mandate is on standard terms and conditions for an agreement of its kind.

1.7 Closing Date

The closing date for the Offers is 5.00pm (AWST) on Thursday, 27 November 2025 (***Closing Date***). The Company reserves the right, subject to the Corporations Act and the Listing Rules to

extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.8 Application for New Options

Accompanying and forming part of this Prospectus is an Application Form for use if you wish to apply for New Options under the Offers.

Only Placement Investors and the Joint Lead Managers may participate in the Placement Options Offer and Lead Managers Options Offer (respectively) and this Prospectus will be sent to Placement Investors and the Joint Lead Managers only.

Placement Investors and the Joint Lead Managers who are entitled to participate and who wish to make an application for New Options under the Offers (**Application**) will receive a personalised Application Form in relation to their participation in the Placement Options Offer and Lead Managers Options Offer (respectively) and must comply with the instructions in their personalised Application Form in order to make an Application. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

An Applicant cannot apply for more New Options than as shown in their Application Form. Completed Application Forms must be received by the Company prior to the Closing Date. No application monies are required to accompany the Application Form (refer to Section 1.4).

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.

By making an Application, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offers detailed in this Prospectus.

1.9 ASX quotation

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made within seven days of the date of this Prospectus.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

1.10 Costs of participation

You must pay any fees or charges incurred by you in making an Application under the Offers, for example, professional advisor fees.

1.11 CHES

The Company participates in the Clearing House Electronic Sub-Register System (**CHES**), operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Options. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will set out the number of Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Option.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by Computershare and will contain the number of Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however, a charge may be imposed for additional statements.

1.12 International offer restrictions

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia, may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set forth below. Any failure to comply with such restrictions could constitute a violation of applicable securities laws. In particular, this Prospectus may not be distributed to any person, and the New Options may not be offered or sold, in any country outside Australia except to the extent permitted below.

(a) New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The New Options are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(b) Nominees and custodians

Nominees and custodians may not submit an Application on behalf of any Placement Investor resident outside Australia or New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Confirmation will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.13 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers or, subject to applicable law, amend the terms of the Offers.

1.14 Risks factors

An investment in New Options under this Prospectus should be regarded as speculative. In addition to the general risks applicable to all investments in securities, there are specific risks associated with an investment in the Company, which are detailed in Section 3.

1.15 Taxation implications

The Directors do not consider it appropriate to give advice regarding the taxation consequences of subscribing for New Options under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences. As a result, you should consult your professional tax adviser in connection with subscribing for New Options under this Prospectus.

1.16 Major activities and financial information

A summary of the major activities and financial information relating to the Company can be found in the Company's annual financial report for the year ended 30 June 2025 lodged with ASX on 29 September 2025 (**Annual Report**). The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report.

The Company's continuous disclosure notices since the lodgement of its Annual Report are detailed in Section 4.4.

Copies of the Annual Report are available free of charge from the Company. The Directors strongly recommend that you review these documents and all other announcements prior to deciding whether or not to participate in the Offers.

1.17 Privacy

The Company collects information about each Applicant provided with an Application for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application, each Applicant agrees that the Company may use the information provided with the Application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's or its subsidiaries' agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required with your Application, the Company may not be able to accept or process your Acceptance.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers detailed in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of

certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

1.18 Enquiries concerning Prospectus

Enquiries relating to this Prospectus or the Offers can be directed to the Company on 08 9481 0389 between 8:30am and 5:00pm (AWST).

2 Purpose and Effect of the Offers

2.1 Purpose of the Offers

The purpose of the Offers is to reward the Investor Participants for supporting the Placement and to align those key investors and advisors with the Company, and as part consideration for services in connection with the Placement (for the Placement Options Offer and the Lead Managers Options Offer, respectively). The Offers are not expected to have a material impact on the Company's financial position other than the decrease in cash reserves of approximately \$35,000 resulting from the expenses of the Offers.

A maximum of approximately \$4.7m (before costs) would be raised if all New Options are exercised. The Company intends that any capital raised through the exercise of New Options will be used to strengthen the Company's balance sheet, to provide flexibility to support its future growth and for general working capital.

2.2 Financial effect of the Offers

No funds will be raised from the Offers as the Offers are under this Prospectus are being issued for nil cash consideration. However, if all Options are exercised into Shares, the Company will receive approximately \$4.7m (before costs).

The expenses of the Offers are estimated to be approximately \$35,000 (excluding GST). The expenses of the Offers will be met utilising the Company's existing cash reserves.

Accordingly, the immediate financial effect of the Offers will be to reduce the Company's existing cash reserves by \$35,000.

2.3 Effect of the Offers on capital structure

The effect of the Offers on the capital structure on the Company, assuming all New Options are issued, is as follows:

	Shares	Options	Performance Rights
Securities on issue prior to the Offers	1,073,372,120	99,000,000 ⁽¹⁾	80,000,000 ⁽²⁾
New Securities to be issued under the Offers	-	237,619,024 ⁽³⁾	-
Balance after the Offers	1,073,372,120	336,619,024	80,000,000

Notes:

- Unquoted Options comprising:
 - 79,000,000 Options exercisable at \$0.02 each on or before 30 September 2026; and
 - 20,000,000 Options exercisable at \$0.05 each on or before 25 March 2027.
- Performance Rights comprising 35,000,000 Performance Rights issued on 9 December 2024, vesting at various milestones, and 45,000,000 Performance Rights issued on 25 March 2025, expiring three years from the date of issue.
- New Options exercisable at \$0.02 each on or before 29 September 2028, and on the terms and conditions set out in Section 4.2.

2.4 Effect of the Offers on control of the Company

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers (refer to Section 4.9).

3 Risk Factors

The New Options offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's particular interests or projects will be successful. Potential investors should consider whether the New Options offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors detailed below.

This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offers.

3.1 Specific Risks Associated with the Company

Applicants should be aware of the risks specific to an investment in the Company, which may include, but are not limited to those risks detailed below:

(a) Additional Requirements for Capital

As a junior exploration and development company, the Company's activities will require substantial ongoing expenditure.

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties, or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

There can be no assurances that the Company will be able to obtain additional resources on terms acceptable to the Company or at all after the substantial exhaustion of the net proceeds of the Placement. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise funding if and when needed could delay or suspend the Company's business strategy, could have a material adverse effect on the Company's activities and affect the Company's ability to continue as a going concern.

(b) Sovereign Risks

The Company has exploration projects located outside Australia in Georgia, including the Project. There are risks associated with operating in jurisdictions outside Australia, including, but not limited to, economic, social or political instability or change, hyperinflation, currency instability and changes of law affecting foreign ownership,

government participation, taxation, working conditions, royalty arrangements, mining, rates of exchange, export duties, mine safety, labour relations, exploration licensing, environmental protection, as well as government control over mineral properties or government regulations that require the employment of local residents or contractors. In addition, changes to exploration, mining or investment policies or a shift in political attitude in the jurisdictions in which the Company operates may have a material adverse effect on the Company, including the Company's ability to raise additional equity and debt funding. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of the Company's securities. No assurance can be given regarding future stability in any country in which the Company operates.

(c) New Projects and Acquisitions Risk

The Company may pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project or asset acquisitions, joint ventures, farm-ins, acquisition of tenements / permits, merger with or acquisition of another business/company and/or direct equity participation.

The acquisition of projects, businesses/companies or assets (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If a proposed acquisition is not completed, monies advanced may not be recoverable, which may have an adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to existing and new projects, which may result in the Company reallocating funds from the existing projects and/or raising additional capital (if available).

Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(d) No Production Revenues

At present, the Company is not generating any revenues from its projects. The Company expects to continue to incur losses unless and until such time as one or more of its projects enters into commercial production and generates sufficient revenues to fund its continuing operations.

(e) Title and Access

Interests in exploration and mining tenements held by the Company are evidenced by the granting of licences, leases, permits or authorities.

Each of the tenements the Company has an interest in has been granted for a specific term and generally speaking, carries rental, annual expenditure and reporting commitments, as well as other conditions imposed under the relevant regulation applying in the jurisdiction the tenement is situated. The Company could face penalties, lose title to or its interest in tenements, or any other tenements that may be acquired by the Company in the future, if such conditions are not met or if insufficient funds are available to meet expenditure commitments.

The Company's rights in tenements may be obtained by grant by regulatory authorities or be subject to contracts with third parties. Any third party may terminate or rescind the

relevant agreement whether lawfully or not and, accordingly, the Company may lose its rights to exclusive use of, and access to any, or all, of the tenements. Third parties may also default on their obligations under the contracts which may lead to termination of the contracts.

The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed. In respect of the Company's interest in the Project, the vendors have provided an extension to the option period which will expire in late 2026. Subject to Resolution of the Government of Georgia N464 of 2025 coming into force in Georgia, the Government of Georgia may extend the exploration expiry date to 2028, subject to the Company satisfying several requirements.

Additionally, the Company may not be able to access its tenements due to natural disasters or adverse weather conditions, political unrest, hostilities or failure to obtain the relevant approvals and consents.

(f) **Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(g) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to extract economic minerals and produce a saleable product, and by nature, the development of suitable metallurgical extraction techniques contain elements of significant risk such as identifying a metallurgical process through test work to produce a saleable metal, and/or concentrate or intermediate; developing an economic process route to produce a metal and/or concentrate; and changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(h) **Operational**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical challenges which may affect performance and extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining and metallurgical processing of its tenement interests.

Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(i) Exploration and Development Risk

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Company's tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company. In the event that exploration programs prove to be unsuccessful, this could lead to a diminution in the value of the tenements and possible relinquishment of the tenements.

(j) Native Title and Aboriginal Heritage Risk

It is possible that, in relation to tenements in Australia which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Indigenous Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations, may be affected and this may have an adverse impact on the Company's activities.

There is a risk that Aboriginal sites and objects may exist on the land the subject of the Company's Australian tenements, the existence of which may preclude or limit activities in certain areas of the Company's tenements.

(k) Mine development

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in mining and metallurgical extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining and

metallurgical processing of its projects. The risks associated with the development of a mine will be considered in full should the Company's projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

(l) **Commodity price and exchange rate**

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The prices of commodities which the Company is targeting fluctuate widely and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, market sentiment, futures markets, forward sales of metals by producers and speculators, stockpiling and destocking of metals as well as other global or regional political, social or economic events.

Future serious price declines in the market values of Company targeted commodities could cause the development of, and eventually the commercial production from, the Company's projects to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(m) **Environmental**

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

(n) **Climate Risk**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to

manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

- (ii) change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(o) **Competition**

Competition from other international gold, silver and antimony producers and explorers may affect the potential future cash flow and earnings which the Company may realise from its projects. This includes competition from existing production and new entrants into the market. The introduction of new mining and processing facilities and any increase in competition and supply in the global graphite market could lower the price of this commodity. The Company may also encounter competition from other mining and exploration or anode companies for the acquisition of new projects required to sustain or increase its potential future production levels. The Company's downstream operation may also be impacted by new entrants to the market, or existing graphite and/or anode producers, pursuing a similar strategy.

3.2 General Risks

A summary of the major general risks are detailed below:

(a) **General Economic Conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, commodity prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, may have an adverse impact on the Company's operating and financial performance and financial position. The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company.

(b) **Market conditions**

The price of the shares of resource companies tends to be volatile. Fluctuations in the world price of gold, silver and antimony and many other elements beyond the control of the Company could materially affect the price of the Shares of the Company.

There can be no assurance that an active market for the Shares would be sustained after any offering of securities. Securities of companies with smaller capitalizations have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include global economic developments and market perceptions of the attractiveness of certain industries. There can be no assurance that continuing fluctuations in price will not occur. If an active market for the Shares does not continue, the liquidity of a purchaser's

investment may be limited. If such a market does not develop, purchasers may lose their entire investment in the Shares of the Company.

As a result of any of these factors, the market price of the Shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages, and also divert management's attention and resources.

(c) **Contractual**

If the Company enters into agreements with third parties for the acquisition or divestment of equity interests in mineral exploration and mining projects, there are no guarantees that any such contractual obligations will be satisfied in part or in full. The ability of the Company to achieve its stated objectives may be materially affected by the performance by the parties of obligations under certain agreements. The Directors are unable to predict the risk of financial failure or default by any third party. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(d) **Litigation and Infringement Risk**

The Company may be involved in claims, litigation and disputes from time to time including in relation to contractual disputes, claims from local indigenous groups, tenure disputes, environmental claims, occupational health and safety claims, intellectual property disputes and employee claims. Claims, litigation and disputes can be costly, including amounts payable in respect of judgments and settlements made against, or agreed to by, the Company. They can also take up significant time and attention from management and the Board. Accordingly, the Company's involvement in claims, litigation and disputes may have an adverse impact on its financial performance.

(e) **Key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The Company may be detrimentally affected if one or more of the key management or other personnel cease their engagement with the Company.

(f) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been considered in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(g) **Infrastructure**

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supplies, as well as the location of population centres and pools of labour, are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could impact the Company's ability to explore its properties, thereby adversely affecting its business and financial condition.

(h) **Policies and Legislation**

Any material adverse changes in government policies or legislation of Australia or Georgia or any other country that the Company has economic interests may affect the prospects and profitability of the Company.

(i) **Force Majeure**

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters - such as earthquakes, fires (including forest fires) or floods or the outbreak of epidemic disease – could disrupt the Company's operations and interrupt critical functions, or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and solutions, its business, results of operations and financial condition could be harmed.

(j) **Risks relating to holding New Options**

The Company's Share price may not exceed the exercise price of the New Options during the exercise period. In such circumstances, an Option holder is likely to let the New Options lapse without any value being realised.

Subject to the Corporations Act, the Company must issue or transfer to the Option holder one Share on exercise of a New Option within 5 Business Days of the date on which the New Option exercise took effect. There is a risk that the Company's Share price may fall below the exercise price during the period between exercise of the New Option and issue or transfer of Shares. In addition, where an Option holder exercises a New Option within 5 Business Days of a record date for a future dividend or other corporate action undertaken by the Company, there is a risk that the Option holder may not be issued or transferred Shares until after the relevant record date for determining entitlements has passed and will therefore be unable to participate in the future dividend or other corporate action.

(k) **Public Company Obligations**

As a publicly listed corporate entity, the Company is subject to evolving rules and regulations promulgated by a number of governmental and self-regulated organizations, including the ASX, which govern corporate governance and public disclosure regulations. These rules and regulations continue to evolve in scope and complexity creating many new requirements, which increase compliance costs and the risk of non-compliance. The Company's efforts to comply with these rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from financing, development, operations and, eventually, revenue-generating activities.

(l) **Taxation**

The acquisition and disposal of New Options may have tax consequences, which will differ depending on the individual financial affairs of each Investor. All potential investors in the Company are urged to obtain independent financial and tax advice about the consequences of acquiring New Options from a taxation viewpoint and generally.

3.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the New Options offered under this Prospectus. Therefore, the New Options carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Options.

Potential investors should consider that any investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Options.

4 Additional Information

4.1 Rights and Liabilities Attaching to Shares on Exercise of New Options

A summary of the rights attaching to Shares on the exercise of New Options, is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities that attach to Shares on the exercise of New Options, in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Voting Rights):** Subject to any rights or restrictions for the time being attached to any class or classes of Shares, whether by their issue, the Constitution, the Listing Rules or the Corporations Act, at a general meeting each Shareholder present in person or by proxy, company representative or attorney, is entitled to one vote on a show of hands. Upon a poll, every Shareholder present in person or by proxy, company representative or attorney, is entitled to one vote for each Share that the Shareholder holds.
- (b) **(General Meetings):** Each Shareholder is entitled to receive notice of and to be present, to vote and to speak at a general meeting of the Company. Further, each Shareholder is entitled to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Listing Rules or the Corporations Act.
- (c) **(Dividend Rights):** The Directors may, subject to the Corporations Act, Constitution and terms of issue or rights of any shares with special rights to dividends, determine or declare that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Shareholder entitled to that dividend. The Company does not expect to pay dividends in the short to medium term.
- (d) **(Transfer of Shares):** Subject to the Constitution, the Corporations Act, the ASX Settlement Operating Rules and the Listing Rules, Shares are freely transferable. Shares may be transferred as set out in the Constitution, including by way of a market transfer. The Company may decline to register a transfer (other than a market transfer) where permitted by law, the Listing Rules or the ASX Settlement Operating Rules.
- (e) **(Changes in capital):** Subject to the Corporations Act, the Constitution and the Listing Rules, the Directors may consolidate, or divide the Shares, allot, issue or otherwise dispose of new Shares on such terms and conditions as they determine.
- (f) **(Variation of Rights):** The Company may only modify or vary the rights attaching to any class of Shares with the consent in writing of three quarters of the issued shares of that class or by a special resolution of the Company passed at a meeting of the holders of the issued Shares of that class.
- (g) **(Rights on winding-up):** If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for

the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, any shares classified as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

- (h) **(Election of Directors):** There must be a minimum of 3 but not more than 10 Directors. At every annual general meeting one third of the Directors (rounded to the nearest whole number) must retire from office. If the Company has less than 3 Directors, one Director must retire from office together with any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting. These retirement rules do not apply to certain appointments including the managing director.
- (i) **(Indemnities):** To the extent permitted by law the Company must indemnify every officer, auditor or agent of the Company out of the property of the Company against any liability incurred by him or her in their capacity as officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceeding, whether civil or criminal.
- (j) **(Shareholder Liability):** As the New Options issued under the Offers detailed in this Prospectus will become fully paid Shares upon exercise, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.
- (k) **(Alteration of Constitution):** The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.
- (l) **(Listing Rules):** If the Company is admitted to trading on the official list, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

4.2 Terms and Conditions of New Options

The terms and conditions of the New Options are as follows:

- (a) **(Entitlement):** Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.
- (b) **(Issue Price):** No cash consideration is payable for the issue of the New Options.
- (c) **(Exercise Price):** The New Options have an exercise price of \$0.02 per New Option (*Exercise Price*).

- (d) **(Expiry Date)**: The New Options expire at 5.00 pm (AEDT) on 29 September 2028 **(Expiry Date)**. An New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Exercise Period)**: The New Options are exercisable at any time up to the Expiry Date.
- (f) **(Quotation of the Options)**: The Company will apply for quotation of the New Options on ASX.
- (g) **(Transferability of the Options)**: The New Options are freely transferable, subject to compliance with the Corporations Act.
- (h) **(Notice of Exercise)**: The New Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

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

- (i) **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, the Company will:
 - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (v) apply for quotation on the ASX of Shares issued pursuant to the exercise of the New Options.
- (j) **(Restrictions on transfer of Shares)**: If the Company is required but unable to give ASX a notice under paragraph 4.2(i)(iv), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of New Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (k) **(Shares issued on exercise)**: Shares issued on exercise of the New Options will rank equally with the then Shares of the Company.
- (l) **(Quotation of Shares on exercise)**: Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options in accordance with the Listing Rules.
- (m) **(Reconstruction of capital)**: If at any time the issued capital of the Company is reconstructed, all rights of an New Option holder are to be changed in a manner

consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

- (n) **(Participation in new issues):** There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the Options.
- (o) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the New Option holder would have received if the Option holder had exercised the New Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

4.3 Company is a Disclosing Entity

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. Shares issued upon the exercise of New Options, will be in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Securities on the Company and the rights attaching to the New Options. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the Company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the Annual Report being the most recent annual financial report of the Company lodged with ASIC before the date of issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at an ASIC office (refer to Section 4.4 below).

4.4 Copies of Documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Half Yearly Report for the period ending 31 December 2024 as lodged with ASX on 12 March 2025;
- (b) the Annual Report for the period ending 30 June 2025 as lodged with ASX on 29 September 2025; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Report and before the date of issue of this Prospectus which are as follows:

Date Lodged	Subject of Announcement
29 September 2025	Annual Report to shareholders
29 September 2025	Appendix 4G and Corporate Governance Statement
1 October 2025	Notice of General Meeting/Proxy Form
1 October 2025	General Meeting - Letter to Shareholders
1 October 2025	Date of AGM and closing date for director nominations
7 October 2025	Exploration Advancing Rapidly at the Zopkhito Au-Sb Project
21 October 2025	Drone survey opens new Sb-Au exploration areas at Zopkhito
27 October 2025	Sale of Belgravia Project
28 October 2025	Notice of Annual General Meeting/Proxy Form
28 October 2025	Letter to Shareholders - Upcoming AGM
30 October 2025	Quarterly Activities/Appendix 5B Cash Flow Report
31 October 2025	Results of Meeting

Date Lodged	Subject of Announcement
11 November 2025	Antimony Intersected in Multiple Holes at Zopkhito
18 November 2025	Application for quotation of securities - KTA
18 November 2025	Notice under Section 708A
19 November 2025	Change of Director's Interest Notice x 2

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company at Level 8, 216 St Georges Terrace Perth WA 6000:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.16 and the consents provided by the Directors to the issue of this Prospectus.

The announcements are also available through the Company's website at <https://www.ktaresources.com/>.

4.5 Information Excluded from Continuous Disclosure Notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Prospectus.

4.6 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing New Securities under this Prospectus.

4.7 Market Price of Shares

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.02 per Share on 15 October 2025
Lowest: \$0.01 per Share on 30 September 2025

On 19 November 2025 being the last practicable date prior to the date of lodgement of this Prospectus with ASIC, the closing market sale price of the Shares on ASX was \$0.011 per Share.

4.8 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4.9 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, no persons (together with their associates) have a relevant interest in 5% or more of the Shares on issue on completion of the Offers (assuming the Offers are fully subscribed) and Placement.

4.10 Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the New Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the New Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or New Securities offered under this Prospectus.

4.11 Directors' Interests in Securities

The Directors' relevant interests in the securities of the Company as at the date of this Prospectus are detailed below:

Director	Shares	Options	Performance Rights
Mr Colin Locke	7,329,000 ⁽¹⁾	-	20,000,000 ⁽⁴⁾
Mr Timothy Hogan	400,000	-	-
Mr David Palumbo	13,500,000 ⁽²⁾	1,500,000 ⁽³⁾	15,000,000 ⁽⁴⁾

Notes:

- 1. Comprising 7,015,000 Shares held directly and 314,000 Shares in which Mr Locke has a relevant interest.
- 2. Comprising 4,400,000 Shares held directly and 9,100,000 Shares in which Mr Palumbo has a relevant interest.
- 3. Unquoted Options exercisable at \$0.02 on or before 30 September 2026.
- 4. Performance Rights issued on 25 March 2025, expiring three years from the date of issue and subject to the vesting condition of the Company's share price reaching \$0.05 over 10 consecutive Trading Days.

4.12 Remuneration of Directors

The remuneration of executive Directors is determined by the Board, subject to the provisions of any contract between each of them and the Company.

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors' remuneration for the past two financial years is detailed in the below table:

Director	Financial Year	Short Term Benefits (\$)	Long Term Benefits (\$)	Superannuation (\$)	Share Based Payments (Shares, Options, Rights) (\$)	Total (\$)
Mr Colin Locke	Ending 30 June 2024	160,000	-	17,600	-	177,600
	Ending 30 June 2025	160,000	-	18,400	9,334	187,734
Mr Timothy Hogan	Ending 30 June 2024	40,000	-	4,400	-	44,400
	Ending 30 June 2025	40,000	-	4,600	4,667	49,267
Mr David Palumbo	Ending 30 June 2024	59,955	-	6,595	-	66,550
	Ending 30 June 2025	60,000	-	6,900	7,000	73,900

4.13 Related party transactions

There are no related party transactions involved in the Offers that are not otherwise detailed in this Prospectus.

4.14 Interests of Other Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the New Options offered under this Prospectus, or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the New Options offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the New Options offered under this Prospectus.

4.15 ASIC Instruments

The Offers are made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that section prohibits the Company from issuing Options in the seven-day period after the date of lodgement of this Prospectus with ASIC.

4.16 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of New Securities under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other

parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of this Prospectus or the making of the Offers;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Each of GBA Capital and Ignite Equity have given their written consent to being named as a Joint Lead Manager and bookrunner to the Placement. Neither GBA Capital nor Ignite Equity has withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement with ASIC of this Prospectus.

4.17 Authorisation

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of Company by:



Mr Colin Locke
Executive Chairman
20 November 2025

5 Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Acceptance means a valid acceptance of New Options under the Offers made pursuant to this Prospectus.

Annual Report means the annual financial report of the Company for the period ending 30 June 2025 as lodged with ASX on 29 September 2025.

Applicant means a person who submits an Application.

Application means a valid application for New Options under the Offers made on an Application Form.

Application Form means the application form provided by the Company with a copy of this Prospectus.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

AWST means Western Standard Time, being the time in Perth, Western Australia.

Board means the Board of Directors of the Company as constituted from time to time.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date has the meaning given in Section 1.7.

Company or **Krakatoa** means Krakatoa Resources Limited (ACN 155 231 575) and any of its controlled entities, if the context requires.

Computershare means Computershare Investor Services Pty Limited.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Director Participation has the meaning given in in Section 1.1.

FMC Act has the meaning given in Section 1.12(a).

General Meeting has the meaning given in Section 1.1.

GBA Capital means GBA Capital Pty Ltd (ACN 643 039 123).

Half Yearly Report means the half yearly report of the Company for the period ending 31 December 2024 as lodged with ASX on 12 March 2025.

Ignite Equity means Ignite Equity Pty Ltd (ACN 658 888 601).

Institutional and Sophisticated Investors means an institutional, sophisticated or professional investor that is eligible to apply for New Options under the Placement and which is:

- (a) if it (or any person for whom it is acting) is in **Australia**, a person who does not require disclosure pursuant to section 708 of the Corporations Act; or
- (b) if it (or any person for whom it is acting) is in **New Zealand**, a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act, (ii)

meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification).

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Joint Lead Managers means GBA Capital and Ignite Equity.

Joint Lead Manager Mandate has the meaning given in Section 1.41.6.

Lead Managers Options Offer has the meaning given in Section 1.2(b).

Listing Rules means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

New Options has the meaning given in Section 1.1.

New Securities means New Shares and New Options.

New Shares has the meaning given in Section 1.1.

Offers means the Placement Options Offer and Lead Managers Options Offer.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Option means an option to acquire one Share.

Option Holder means a registered holder of a New Option.

Placement has the meaning given in Section 1.1.

Placement Announcement means the Company's announcement of the Placement released on 12 September 2025.

Placement Investor has the meaning given in Section 1.1.

Placement Options Offer has the meaning given in Section 1.1(c).

Project has the meaning given in Section 1.1.

Prospectus means this prospectus dated 20 November 2025.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.