East Coast RESEARCH

ASX: KTA
Krakatoa Resources

Derisking Zopkhito with Successful Phase 1 Drilling Program

Metals & Mining

Date	23 April 2026
Current Price (A$)	0.007
Target Price (A$)	0.026
Market Cap (A$m)	7.27
52-week H/L (A$)	0.020/0.006
Free Float (%)	79.03%
Bloomberg	KTA AU
Reuters	KTA.AX

We value KTA with a target share price of $0.026, representing a total upside potential of 278% from the current $0.007 share price. The valuation is anchored to Zopkhito's de-risking trajectory. Phase 1 confirmed that the historical antimony-gold system is drillable under modern conditions and that both metals are present at material grades, shifting the project's technical foundation from a foreign historical estimate to assay-backed data. That shift is the precondition for everything that follows: a maiden JORC-compliant Mineral Resource, improved comparability with peer assets, and a market re-rating as geological uncertainty is systematically reduced. Phase 2 is the mechanism by which that resource gets defined. It is a structured program of drilling, modelling and metallurgical work with a defined technical endpoint. Successful delivery and further de-risking are the key catalysts, and JORC conversion is where the strongest re-rating case is made.

Phase 1: The Zopkhito Historical System Is Real and Drillable

Before drilling could begin, KTA spent 2025 rebuilding Zopkhito's operational foundation, restoring access tracks, refurbishing camp infrastructure, and preparing drill platforms. That groundwork enabled the maiden drilling program to run efficiently, eventually with two rigs operating concurrently. The January 2026 assay results, which measure the actual concentrations of metals in drilled rock samples, provided the first modern confirmation that the historical system is real. The grades returned were high by industry standards. Surface drilling hit 8m @ 14.1g/t Au, while underground sampling returned intervals including 5.07% antimony and 6.4g/t gold. 16 of 18 underground holes recorded visible antimony; 12 of 15 surface holes intersected mineralised veins. Phase 1 confirmed that Zopkhito's historical mineralised system holds under modern methods, and that both antimony and gold are present at commercially relevant grades.

Phase 2: From Resource Validation to JORC Conversion

With Phase 1 validation complete, the program shifts from confirming the system to defining it. Phase 2, expected to commence in April 2026, is planned to include targeted surface and underground drilling, geological modelling, metallurgical test work, and baseline environmental studies, each aimed at generating the data required to report a maiden JORC-compliant Mineral Resource. An extended option runway provides the runway for this work and associated transaction milestones. JORC conversion is the central value catalyst: it is the step that moves Zopkhito from a historically supported exploration asset to a technically defined, lower-risk development opportunity that the market can price with greater confidence.

Building The Team for What Comes Next

KTA has strengthened its operating platform in direct response to the demands of the next phase. Specialist underground narrow-vein mining expertise addresses the technical requirements of a system in which vein geometry, continuity, and dilution assumptions are central to resource definition. In-country operational capability in Georgia improves contractor coordination, site logistics and day-to-day field execution as activity at Zopkhito intensifies.

Valuation Driven by Project Scale, Gold Price & Exploration Potential

We value KTA at A$0.015/ share in our base case (+121% upside) and A$0.037/share in our bull case (+435% upside). Using the midpoint, our A$0.026/share target price implies +278% potential upside from the current price of A$0.007. The valuation is anchored to Zopkhito's de-risking trajectory. Phase 1 confirmed the historical antimony-gold system with modern assay data, the precondition for JORC conversion. Phase 2 delivers that outcome through systematic drilling, modelling and metallurgical work. Successful execution is the central catalyst and the basis for re-rating.

Price Performance (in A$)

Source Capital IQ

Business description

Krakatoa Resources is an exploration company focused on advancing its flagship Zopkhito Project in Georgia, a high-grade, large-scale antimony-gold asset in Eastern Europe with a JORC compliant resource expected imminently. With a first-mover advantage in Georgia and a leadership team with a track record of success in overseas jurisdictions, Krakatoa is executing an aggressive exploration strategy.

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Investment Rationale

Investment Thesis: Krakatoa Resources (ASX: KTA)

Krakatoa Resources is an exploration company increasingly defined by the Zopkhito antimony-gold project in Georgia, which is now the Company's clear flagship asset and primary value driver. Zopkhito offers exposure to high-grade antimony with associated gold, providing both critical-minerals relevance and precious-metals upside in a strategically important, European-aligned setting. Supported by substantial historical underground development and sampling, the project starts from a stronger technical base than most assets at a similar stage. Phase 1 surface drilling and underground sampling have since provided modern assay confirmation of high-grade antimony and gold, materially improving confidence in the underlying system. The investment case is centred on advancing Zopkhito toward a maiden JORC-compliant Mineral Resource through Phase 2 drilling, geological modelling and metallurgical work, supported by improved site readiness, an extended option period, and a stronger technical and operating team in Georgia.

1. High-Grade Antimony-Gold Exposure in a Rare Western-Aligned Jurisdiction

Both commodity exposure and location differentiate Zopkhito. The project's foreign estimate stands at 225kt @ 11.6% Sb for 26,000 tonnes of contained antimony and 7.1 Mt @ 3.7g/t Au for 815,119oz of gold, a high-grade antimony system with a substantial associated gold component. The project is held within a granted 1,779ha licence valid until March 2042 and is located approximately 170km from Kutaisi, with rail access to the Black Sea ports of Poti and Batumi. This combination of grade, scale and location gives Zopkhito a differentiated strategic position within Europe's critical minerals corridor at a time when Western buyers are seeking more secure antimony supply. While the estimate is not yet JORC-compliant, it provides a substantial historical basis from which KTA is now working.

2. Phase 1 Drilling Validated the Historical System

Before 2025, the investment case at Zopkhito relied primarily on historical records, visual observations, and a foreign estimate that had not yet been validated under modern reporting standards. Phase 1 materially advanced that position. KTA completed surface drilling and underground in-adit sampling at Adit 80, then reported the first modern assay results in January 2026. These results confirmed high-grade antimony and gold from both programs, including 8m @ 14.1g/t Au in surface hole DD25ZOP007, including 1.5m @ 38.5g/t Au, and 4.99m @ 6.4g/t Au and 5.07% Sb in underground hole UG25ZOP003. Additional underground results included 1.93m @ 7.59% Sb and 5.04g/t Au in UG25ZOP008 and 1.7m @ 16.30% Sb and 2.47g/t Au in UG25ZOP016. These results show that the historical mineralised system can be confirmed through modern drilling and sampling methods, and that both the antimony and gold components are material. This provides a stronger technical foundation for Phase 2 and for progressing the project toward resource definition.

3. Phase 2 Is Designed to Scale and Define the System

Phase 2 is expected to move Zopkhito from validation into resource definition. While Phase 1 was designed to confirm the historical system through modern drilling and sampling, the next phase is intended to define that system in greater detail by expanding drilling coverage, refining vein geometry and continuity, advancing geological modelling, and commencing metallurgical test work. The objective is to generate sufficient data to support a maiden JORC-compliant Mineral Resource. Importantly, the key groundwork required for a more efficient 2026 season has already been completed, including access-track rehabilitation, camp refurbishment, drill platform preparation, and in-adit sampling support. Together with the extended option runway and capital allocated toward modelling, resource conversion and metallurgy, this should support a longer and more effective field season and a clearer pathway toward formal resource definition.

4. JORC Conversion Is the Key Value Catalyst

JORC conversion is the central value catalyst. While the foreign estimate lends Zopkhito historical credibility, the market is unlikely to fully recognise that value until a maiden JORC-compliant Mineral Resource is reported. Achieving that outcome requires modern drilling, transparent sampling controls, 3D geological modelling, and reporting in accordance with current standards, which is precisely what KTA's recent technical work has been designed to deliver. The project already benefits from a substantial historical foundation, including more than 25km of underground adits and over 15,000 historical samples. Still, that legacy dataset is unlikely to be fully reflected in valuation until it is translated into a compliant modern resource. A successful JORC conversion would mark an important transition for Zopkhito, repositioning it from a historically supported exploration asset to a more technically defined, lower-risk development opportunity. That transition is where the strongest re-rating potential sits.

5. The Team Now Matches the Demands of the Next Phase

KTA has strengthened its operating platform at an appropriate point in the project cycle. Existing leadership from Colin Locke and Mark Major has guided the technical program to date, and the appointments of Owen Mihalop and Graham Wall have now supplemented this. Mihalop brings more than 30 years of underground and narrow-vein mining experience in mine redevelopment, technical studies, and resource and reserve reviews, which is directly relevant to a project where vein continuity and dilution will be central to future resource definition. Wall adds more than 30 years of project and operating experience across Eastern Europe and Central Asia, including 20 years based in Tbilisi, which should improve contractor coordination, logistics, and field execution as site activity scales. This is important for a small-cap company entering a more execution-heavy phase; technical and in-country capability are direct inputs into whether drilling, sampling, and JORC-related milestones are delivered on schedule.

These factors support a target price of $0.026

These factors support a target price of A$0.026. Under our sum-of-parts valuation, we derive a fair value range of A$0.015 to A$0.037 per share, implying 121% to 435% percent upside to the last close. The key value driver is Zopkhito derisking and progressing toward a maiden JORC resource and early economic work, supported by improved funding and upgraded execution capability.

Catalysts: Phase 2 Zopkhito drilling and assays, maiden JORC resource progress, metallurgy and early economic studies, Tower licence grants and step-out drilling.

Risks: JORC conversion shortfall, funding and dilution, Georgia execution and permitting, exploration continuity risk, commodity price and risk-off sentiment.

Key Developments Since Last Report

This update is driven by several key developments that have materially strengthened the Zopkhito investment case and clarified the pathway to a more focused 2026 resource-definition program.

- **Site works completed.** Access tracks restored, camp refurbished, drill platforms prepared, reducing mobilisation time for Phase 2.
- **Phase 1 confirmed the system.** Maiden surface and underground programs delivered the first modern assays: DD25ZOP007 at 8m @ 14.1g/t Au and UG25ZOP003 at 4.99m @ 6.4g/t Au and 5.07% Sb.
- **JORC pathway clarified.** KTA's 2026 program targets resource drilling, metallurgy and mining studies to advance JORC conversion and preliminary economic assessment.
- **Zopkhito deal restructured:** staged earn-in to 80% directs more capital into drilling and studies, reducing upfront cost and dilution risk.
- **Funding and capability strengthened.** KTA raised $4.35m across two placements. Owen Mihalop and Graham Wall add underground technical and in-country Georgian depth.

Project development

Project Overview and Strategic Relevance

Zopkhito is the centre of the Krakatoa investment case. The project covers 1,779 hectares in Georgia's Racha region under a licence valid until March 2042, with KTA holding a staged earn-in pathway to acquire up to 80%. It is not a greenfield target, but a historically substantial antimony-gold system supported by approximately 27km of underground adits, more than 15,000 channel and geochemical samples, and over 60 identified veins, of which only 16 underpin the current foreign estimate of 225kt @ 11.6% Sb and 7.1Mt @ 3.7g/t Au. This gives KTA a stronger starting point than most projects at a similar stage. Strategically, Zopkhito is located approximately 170km from Kutaisi with rail access to the Black Sea ports of Poti and Batumi, providing a credible export corridor for a European-aligned antimony-gold asset at a time when Western markets are seeking more secure supply.

Figure 1: Location of the Zopkhito project, Georgia, and associated infrastructure

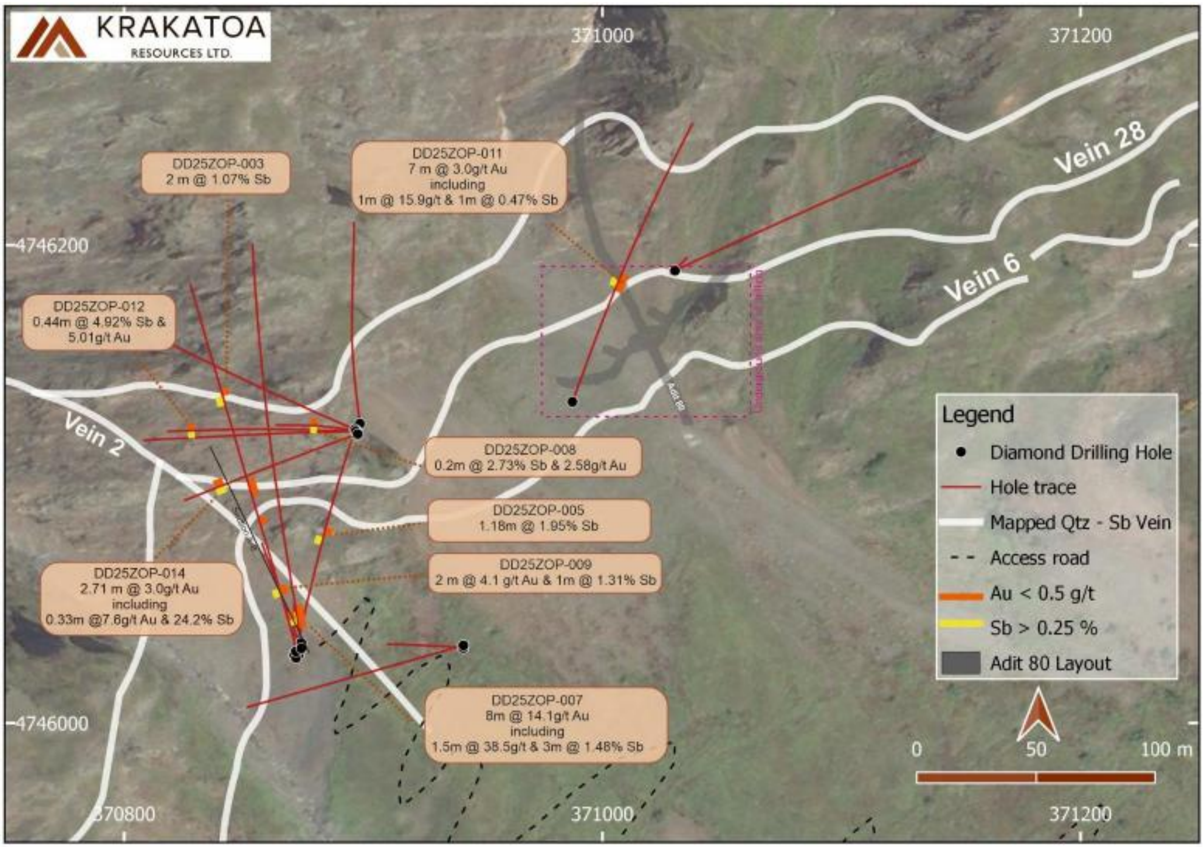
Source: Company

Phase 1 Validation and 2026 Readiness

The defining shift in 2025 was that Zopkhito moved from a historically supported project to one backed by modern drilling and assay confirmation. Before drilling commenced, KTA completed the groundwork required to resume field activity, including access track restoration, camp refurbishment, and drill platform preparation. This is important because it reduces mobilisation time and should allow future field seasons to commence more efficiently. Krakatoa then advanced into its maiden drilling program, planned at 7,000 to 10,000m, initially with one rig and later with two rigs operating concurrently. In parallel, KTA commenced underground in-adit core sampling at Adit 80 to obtain JORC-acceptable samples directly from the historical mineralised zone.

Phase 1 delivered a meaningful technical outcome. By December 2025, KTA had completed 18 underground in-adit holes, of which 16 recorded visible antimony, while 12 of 15 completed surface holes intersected antimony-rich veins. The January 2026 assay release then converted these visual observations into quantified results, covering 274 samples from 15 surface holes and 119 samples from 18 underground holes. Key surface results included DD25ZOP007 at 8m @ 14.1g/t Au from 8m, including 1.5m @ 38.5g/t Au and 3m @ 1.48% Sb. Key underground results included UG25ZOP003 at 4.99m @ 6.4g/t Au and 5.07% Sb, UG25ZOP008 at 1.93m @ 7.59% Sb and 5.04g/t Au, and UG25ZOP016 at 1.7m @ 16.30% Sb and 2.47g/t Au. These results confirm that the historical system can be replicated with modern drilling and sampling methods, and that both the antimony and gold components are material. This materially improves confidence in the geological model and provides a stronger basis for the 2026 program. Readiness for the next season also appears stronger, with the December quarterly noting that underground drone LiDAR and gas surveys were completed, and that Phase 2 was expected to commence in April 2026.

Figure 2: Phase 1 surface drilling confirms high-grade antimony-gold mineralisation at Zopkhito and strengthens the basis for 2026 JORC-focused drilling.

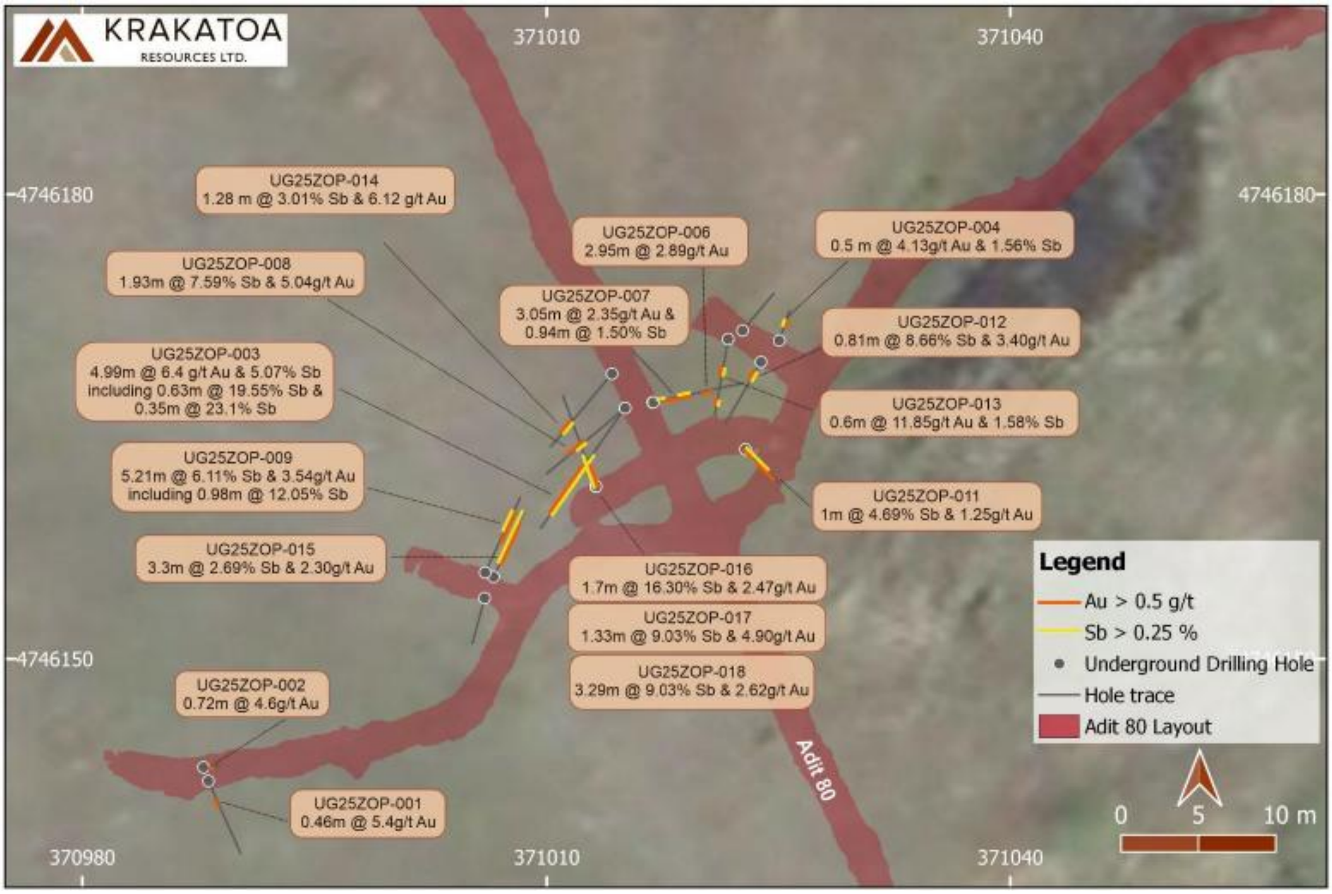


Source: Company

Pathway to JORC Conversion

The central value driver at Zopkhito remains the conversion of the current foreign estimate into a maiden JORC-compliant Mineral Resource. While the foreign estimate provides the project with historical scale and credibility, the market is unlikely to attribute the full value to that estimate until it is supported by modern drilling, robust sampling controls, and reporting in accordance with current standards. KTA has made clear that this is the objective of its current technical program. Phase 1 was designed to validate historical high-grade results, define vein geometry and extent, and generate the dataset required to underpin a maiden JORC resource. Phase 2 is expected to extend that work through additional surface and underground drilling, adit remapping, metallurgical sampling and laboratory work, baseline environmental studies, and geological modelling. The extended option runway provides additional time for resource-definition work and associated transaction milestones. At the same time, the A$1.25m February 2026 placement allocated capital specifically toward geological modelling, resource conversion, and metallurgical studies ahead of Phase 2. The sequence is now clear: Phase 1 validated the system, while Phase 2 is intended to define it to the JORC standard. If executed successfully, this should move Zopkhito from a historically supported exploration asset to a more technically defined, lower-risk development opportunity, where the re-rating potential lies.

Figure 3: Underground drill plan at Adit 80 showing short core holes and significant antimony-gold assays used to support modern validation and resource-definition work at Zopkhito.



Source: Company

Corporate Update

Capital-Efficient Pathway to Zopkhito Ownership

KTA has restructured the Zopkhito transaction to better align ownership progression with project advancement. The amended terms retain a pathway to up to 80% ownership through a staged earn-in, comprising an initial 30% interest followed by a further 50%, while reducing the burden of heavier upfront acquisition payments. This is strategically important because it allows more capital to be directed toward drilling, resource definition and development studies, while lowering near-term funding pressure and dilution risk. The revised structure should also support more disciplined capital deployment as KTA advances Zopkhito toward JORC conversion and preliminary development work.

Funding and Capital Allocation

KTA has raised capital progressively as Zopkhito has advanced, with each funding round linked to a defined stage of technical work. In June 2025, the Company raised $1.3m to fund the maiden drilling campaign, in-adit sampling and geophysics. In September 2025, KTA raised a further $3.1m to support continued drilling, additional underground work and early JORC-related activities. In February 2026, the Company raised another $1.25m to fund geological modelling, Phase 2 preparation, metallurgical studies and working capital. The significance of this funding history is that capital has been deployed in line with project advancement, rather than raised without a defined use, helping to reduce the risk of funding gaps interrupting Phase 2 execution.

Team Upgrades Reduce Execution Risk for a Narrow-Vein Underground System

KTA has strengthened its operating platform to better align with Zopkhito's technical and logistical demands as the project moves from initial validation to resource definition.

- **Specialist underground capability:** Owen Mihalop’s appointment as Technical Consultant adds more than 30 years of underground mining experience, including narrow-vein operations, mine redevelopment, technical studies and resource and reserve reviews. This is particularly important at Zopkhito because, if the project advances as an underground operation, resource definition, mine design and eventual development planning will depend heavily on an accurate understanding of vein continuity, mining widths and dilution.
- **Local operating capability in Georgia:** Graham Wall’s appointment as Country Operations Manager brings more than 30 years of regional project and operating experience, including 20 years based in Tbilisi. This should improve in-country execution, contractor coordination, logistics and day-to-day field management as activity increases.
- **Sharper portfolio focus:** The agreed sale of the non-core Belgravia Project for up to $350,000 should help concentrate management attention and capital allocation on Zopkhito, reinforcing Georgia as the Company’s clear operational priority.

These changes are important because execution is a key differentiator for small-cap mining companies. Stronger technical capability, local oversight, and tighter portfolio focus should improve the likelihood that drilling, sampling, modelling, and JORC-related work are delivered efficiently and on schedule. That, in turn, supports technical de-risking, project advancement, and potential re-rating.

Valuation

Updated Valuation of $0.015 - $0.037 per share.

Krakatoa Resources is a Zopkhito story. Through 2025, the Company restored site access, refurbished camp infrastructure, and completed its maiden surface and underground drilling programs, delivering the first modern assay results to confirm high-grade antimony and gold mineralisation at the project. The investment case has shifted: this is no longer about historical potential; it is about a technically de-risked asset moving toward a maiden JORC-compliant Mineral Resource. Three factors underpin the valuation:

- **High-grade antimony-gold in a strategically relevant jurisdiction.** Zopkhito offers exposure to a high-grade antimony system with associated gold, located in Georgia, a gateway to European markets at a time when Western buyers are actively seeking a more secure antimony supply. The combination of commodity relevance and geographic positioning is a material differentiator.
- **Phase 1 validates the historical system under modern standards.** The critical development in 2025 is that KTA has moved the project from a foreign historical estimate to an assay-backed system. Phase 1 confirmed drilling effectiveness, the persistence of high-grade zones, and the practical utility of the historical dataset, reducing geological uncertainty and establishing a credible technical foundation for JORC resource definition.
- **Funding, focus and team capability support execution.** KTA has secured capital for Phase 2, added underground mining and in-country Georgian expertise, and divested the non-core Belgravia Project. With a sharper portfolio and a more capable team, the probability of delivering the next stage, drilling, sampling and JORC work, on schedule is meaningfully higher.

The re-rating catalyst is derisking and a maiden JORC resource. KTA is now systematically building toward it, and Phase 1 has provided the technical credibility to make that pathway real.

Methodology

We value KTA using a sum-of-the-parts market-multiples approach, which is more appropriate than an earnings-based method for an exploration-stage company with no near-term cash flow. Each asset is valued separately using the peer metric most relevant to its commodity: EV per antimony tonne for Zopkhito Sb, EV per gold-equivalent ounce for Zopkhito Au, probability-weighted value for Zopkhito exploration upside, and EV per TREO tonne for Mt Clere. We apply risk adjustments to reflect resource confidence, reporting standard and project stage, then apply discounted peer multiples under base and upside cases. At Zopkhito, we also adjust for KTA's current option-based ownership structure. The project values are then aggregated, adjusted for cash and debt, and divided by diluted shares to derive the implied valuation range and midpoint target price.

To reflect inherent uncertainties, two scenarios are modelled: a base case and an upside case. The implied share price is then derived using a midpoint approach, averaging the outcomes of both scenarios. This ensures that the target price reflects an expected-value framework that balances conservatism with upside potential.

Assumptions

To manage the inherent uncertainty of an exploration-stage company, our valuation applies a transparent set of assumptions, including confidence-adjusted resources, exploration factors and scenario analysis. These are used to adjust project values to incorporate realism and conservatism, thereby reflecting the economic viability of KTA's resource base. Together, they provide a clear and robust framework for estimating Krakatoa Resources' fair enterprise value.

Confidence Adjustments to Resources

Not all resource categories carry equal weight in the valuation, and the discounts applied here reflect that directly. For JORC-classified material, we apply a 50% discount to Inferred ounces. Inferred resources carry the lowest drilling density of any JORC category and limited metallurgical or engineering support, which means conversion to Measured and Indicated, and ultimately to mineable reserves, is genuinely uncertain at the grades, tonnes and recoveries currently interpreted. Measured and indicated material is taken at face value; it already meets the higher confidence standards JORC requires.

Zopkhito's estimate falls entirely outside the JORC framework and is reported instead under the Russian GKZ classification system. The two codes are not directly interchangeable, but broadly accepted parallels exist in drilling density, data quality, and historical application in mine planning. We treat GKZ B and C1 as analogous to Measured and Indicated, respectively; both are typically supported by closely spaced drilling and detailed geological interpretation and have historically been used as the basis for reserve and production planning. GKZ C2, which relies on more widely spaced data and more interpretive geology, is treated as broadly equivalent to Inferred. P1 and P2 are treated as exploration potential only.

On top of that equivalence mapping, we apply additional haircuts to reflect the conversion risk from GKZ to JORC, as well as the age and uncertainty of the underlying datasets: 60% to B and C1 material, and 70% to C2. These are steeper than the discounts applied to JORC-classified resources, and deliberately so; a foreign historical estimate compiled under a different regulatory framework and without modern sampling controls carries classification, reporting and conversion risk that a standard Inferred discount would understate.

Exploration Potential

Zopkhito's P1 and P2 targets sit outside the defined resource base and do not map cleanly to any JORC category; they are geological targets supported by historical data rather than drilled and sampled mineralisation. We include them in the valuation, but separately and at a steep discount, because their scale is material enough that excluding them entirely would understate the project's genuine exploration optionality. The conversion factors applied are deliberately conservative and are kept distinct from the resource-based multiples to avoid conflating defined inventory with speculative upside.

Scenario Analysis

We present two scenarios, Base Case and Upside Case, with identical operating and capital assumptions. The scenarios differ across only three variables: the multiple applied to peer benchmarks, the exploration conversion factor, and the ownership interest attributed to KTA.

- Multiple Factor: We use the peer averages for each commodity as the benchmark and then apply a discount of 30% in the base case and 20% in the upside case. These discounted multiples are applied to KTA's risk-adjusted metal based on an EV-per-adjusted-metal basis. The discount is intended to reflect KTA's smaller current EV and earlier project stage relative to peers, particularly given the Zopkhito estimate's non-JORC status and the need for further technical de-risking. The base case reflects current uncertainty, while the upside case allows for re-rating as technical risk falls and market conditions improve.

- Exploration Factor: P1 and P2 targets are valued using a conversion factor of 5% in the base case and 10% in the upside case, applied to the tonnage implied by the foreign estimate. These factors reflect the low-confidence, pre-JORC nature of the targets while preserving some recognition of the scale embedded in the historical data. The two-scenario spread captures the range between a conservative floor and a more constructive view of geological continuity.
- Ownership Factor: KTA does not currently hold a direct ownership interest in Zopkhito but instead has a staged pathway to acquire up to 80% of the project. We therefore apply an ownership adjustment to project value. In the upside case, we assume KTA completes the full earn-in and reaches an 80% attributable interest. In the base case, we apply a 30% attributable interest, which aligns with the first stage of the earn-in structure. This approach reflects both the project's potential value and the conditional nature of KTA's current ownership position, while remaining consistent with the staged pathway to ownership at Zopkhito.

Peers Comparison

KTA is valued using a peer-multiple, sum-of-parts approach across three commodity-specific peer sets, antimony, gold, and rare earth oxides, reflecting the distinct market dynamics that drive value in each of KTA's project components.

The antimony peer set comprises listed producers and advanced developers with meaningful exposure to antimony. This anchors the Zopkhito antimony valuation to market prices for non-Chinese antimony tonnes across the exploration-to-development curve, incorporating both critical-mineral scarcity and jurisdictional risk.

Figure 4: Peer Set

Company	Ticker	Market Cap[1] (A$m)	EV[1] (A$m)	Total Resource (kt Sb)	Sb Grade (%)	Inferred Resource (kt Sb)	Adjusted Sb Resource (kt)	EV / Adjusted Resource (A$'000/Sb)
Larvotto Resources Limited	ASX:LRV	709.9	766.2	93.00	1.30%	26.0	80.0	9.6
American Tungsten & Antimony Limited	ASX:AT4	102.1	88.0	15.60	2.56%	15.6	7.8	11.3
Siren Gold Limited	ASX:SNG	24.0	20.6	14.50	1.71%	14.5	7.3	2.8
Peer Average								**7.9**

Source: Company disclosures, Capital IQ and East Coast Research

The gold peer set comprises ASX-listed gold explorers and developers with comparable scale, grade, and jurisdictional exposure. EV per million ounces is applied to confidence-adjusted contained gold, capturing how the market prices incremental ounces in the ground for companies still progressing toward studies and development decisions.

Figure 5: Peer Set

Company	ASX Code	Market Cap[1] (A$m)	EV[1] (A$m)	Total Resources (Moz)	Grade (g/t)	Inferred Resources (Moz)	Weighted Average Comparable Total Resources (Moz)	EV / Weighted Average Comparable Total Resources (A$m/Moz)
Riversgold Limited	ASX:RGL	34.5	29.8	0.380	5.80	0.380	0.19	156.6
Hamelin Gold Limited	ASX:HMG	20.8	18.2	0.450	2.20	0.450	0.23	80.8
Alice Queen Limited	ASX:AQX	17.3	10.1	0.500	2.10	0.500	0.25	40.2
Great Western Exploration Limited	ASX:GTE	14.8	9.5	0.350	1.60	0.350	0.18	54.3
Peer Average								**83.0**

Source: Company disclosures, Capital IQ and East Coast Research

The TREO peer set benchmarks Mt Clere against rare-earth companies with clay- or hard-rock rare-earth elements (REE) resources at an early stage. The EV per tonne of TREO is applied to confidence-adjusted inventory, reflecting how investors price REE tonnage considering long-term demand growth and strategic supply dynamics.

Figure 6: Peer Set

Company	Ticker	Market Cap[1] (A$m)	EV[1] (A$m)	Total TREO (kt)	Inferred TREO (kt)	Adj. TREO (kt)	EV/Adj TREO (A$/kt)
OD6 Metals Limited	ASX:OD6	53.4	36.2	514.70	421.10	304.2	0.1
Australian Rare Earths Limited	ASX:AR3	35.8	29.4	123.50	64.60	91.2	0.3
Fortuna Metals Limited	ASX:FUN	24.1	17.6	101.70	47.90	77.8	0.2
West Cobar Metals Limited	ASX:WC1	7.4	5.8	160.60	129.90	95.7	0.1
Heavy Rare Earths Limited	ASX:HRE	7.3	6.0	69.20	69.20	34.6	0.2
OD6 Metals Limited	ASX:OD6	53.4	36.2	514.70	421.10	304.2	0.1
Peer Average							**0.2**

Source: Company disclosures, Capital IQ and East Coast Research
Note:
[1] as of 22 April 2026, [2] Adjustments are made to reflect ownership stake

Each peer set is curated by development stage, resource size and grade, contained metal, market capitalisation, and jurisdiction, the variables that determine where a project sits on the exploration-to-development continuum and what the market is willing to pay for it.

Before any multiple is applied, contained metal across KTA and all peers is converted to confidence-adjusted units using consistent rules. JORC Measured and Indicated material is retained at full value. Inferred material is discounted 50% to reflect lower drilling density and limited metallurgical support. Zopkhito's GKZ estimate is first mapped to JORC-equivalent categories, then subjected to additional haircuts, 60% on B and C1 material, 70% on C2, to capture the classification, reporting and conversion risk that a foreign historical estimate carries relative to a modern compliant resource. Applying identical adjustment rules across all three peer sets preserves comparability and ensures that lower-confidence metal is consistently treated more conservatively, regardless of the commodity to which it belongs.

Equity Dilution

KTA is valued on a fully diluted basis, assuming all options and performance rights convert into ordinary shares. We consider this the more conservative approach, as it incorporates potential dilution upfront rather than treating it as a later adjustment and therefore avoids overstating per-share value.

Equity Valuation

Our valuation applies peer-based EV multiples to the Zopkhito Project, valuing antimony, gold and exploration upside as separate components, and incorporates the Mt Clere Project and balance sheet adjustments to derive KTA's total enterprise value. On this basis:

We have revised our target price to $0.026, representing a 278% potential upside from the current share price, based on a Price/NAV multiple of 0.26

The analysis highlights material upside, with the base case implying A$0.015/share (+121.2%) and the upside case A$0.037/share (+434.8%). This positions Krakatoa Resources as a compelling, diversified explorer, well placed for a valuation re-rating as it advances resource definition across its key projects.

Figure 7: Sum of the Parts Valuation.

KTA Equity Valuation (A$m)	Base Case	Upside Case	Remarks
Zopkhito Project			
Zopkhito Sb			
Project Resources (Sb kt)	26.12	26.12	Defined as non-JORC Foreign Resource Estimates
Risk Adjusted Project Resources (Sb kt)	8.65	8.65	67% Discounted for Resource Confidence
Discounted Peers Multiple EV / Sb (A$/kt)	5.53	6.32	Discount multiples by -30% & -20%
Zopkhito Sb Resource Value (A$m)	**47.85**	**54.68**	
Zopkhito Au			
Project Resources (Moz)	0.82	0.82	
Risk Adjusted Project Resources (Moz)	0.08	0.08	90% Discounted for Resource Confidence
Discounted Peers Multiple EV / AuEq (A$/Moz)	58.09	66.39	Discount multiples by -30% & -20%
Zopkhito Au Resource Value (A$m)	**4.69**	**5.36**	
Zopkhito Exploration Au			
Exploration Conversion Success	5.0%	10.0%	Represents conversion probability
Potential Resources (Moz)	0.55	0.55	Au Exploration Resource (P1 & P2)
Discounted Peers Multiple EV / AuEq (A$/koz)	58.09	66.39	Discount multiples by -30% & -20%
Exploration Value (A$m)	**1.59**	**3.62**	
Total Zopkhito Project Value (A$m)	**16.24**	**50.94**	Ownership probability adjustment
Mt Clere Project			
Project Contained TREO (kt)	84.84	84.84	
Risk Adjusted Project Contained TREO (kt)	58.95	58.95	31% Discounted for Resource Confidence
Discounted Peers Multiple EV / TREO (A$/kt)	0.13	0.14	Discount multiples by -30% & -20%
Mt Clere Project Value (A$m)	**7.43**	**8.49**	
Implied EV (A$m)	**23.67**	**59.43**	
Cash & cash equivalent[1,2] (A$m)	1.55	1.55	From Qtrly adjusted for Feb26 placement
Debt[1,2] (A$m)	0.00	0.00	
Total Market Value of Equity (A$m)	**25.22**	**60.98**	
Number of shares (m)	1628.88	1628.88	
Implied price (A$)	**0.015**	**0.037**	
Current price (A$)[3]	0.007	0.007	
Upside (%)	*121.2%*	*434.8%*	
Mid-point Target Price (A$)	**0.026**		
Mid-point Target Price Upside (%)	*278.0%*		
Price / NAV (X)	**0.26x**		

Note:
[1] as of 31 Dec 2025
[2] Includes dilution by options and performance rights
[3] as of 22 April 2026
Source: ASX, Company and East Coast Research

Risks & Re-Rating

Key Catalysts

- **Phase 2 drilling and resource growth (Zopkhito):** Follow-up surface and underground drilling in 2026 can extend mineralisation beyond historical adits and convert recent assay success into larger, higher-confidence inventory.
- **Maiden JORC conversion at Zopkhito:** Progressing from the historic foreign estimate to a JORC-compliant Mineral Resource is the key de-risking event. It improves comparability, lifts institutional relevance, and can drive a meaningful re-rating as confidence increases.
- **Metallurgical test work and early economic work:** Commencing metallurgy and preliminary economic assessment work can translate resource potential into a clearer development pathway, improving market confidence in project economics.
- **Geological modelling and resource-definition work:** Further 3D modelling, adit remapping, and integration of surface and underground data should improve understanding of vein geometry, continuity, and grade distribution. This is an important step in converting a historically supported system into a modern resource model.
- **Strategic funding or partnership interest:** Antimony is a critical mineral in the EU and US, and Zopkhito's location within Europe's corridor creates scope for strategic partners, offtake discussions, or non-dilutive funding that could accelerate development and set valuation benchmarks.

Key Risks to Price Target

- **Resource conversion risk:** The investment case relies on converting foreign estimates and drilling results into JORC categories. If JORC outcomes are lower than expected in grade, thickness, or continuity, valuation upside may not be realised.
- **Exploration risk:** Phase 2 drilling must demonstrate repeatable continuity and scale. If follow-up drilling fails to extend mineralisation or reduces confidence in vein geometry, the market may discount optionality.
- **Funding and dilution risk:** KTA has raised capital, but continued drilling, metallurgy, and study work require ongoing funding. Weak equity markets could increase dilution and extend funding overhang.
- **Jurisdictional and operating risk (Georgia):** Zopkhito is in an emerging jurisdiction and includes underground narrow-vein work. Any permitting, access, logistics, or execution issues could delay timelines and raise costs.
- **Commodity and sentiment risk:** KTA is leveraged to antimony, gold and REE prices and to broader small-cap risk appetite. Price weakness or risk-off sentiment can lower peer multiples and delay re-rating.

Appendix I: Analyst's Qualifications

Michael Jarvis

Michael is an Equity Research Analyst at Shares in Value (East Coast Research) and the analyst on this report. He holds a Bachelor of Business from the University of Technology Sydney, has passed Level I CFA exam, and holds the Advanced Financial Modeler (AFM) accreditation.

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