
TRAKA RESOURCES LIMITED

ABN 63 103 323 173

INTERIM FINANCIAL STATEMENTS

FOR HALF YEAR ENDED 31 DECEMBER 2009

The interim financial statements do not include all the notes of the type normally included in an annual financial statement. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Traka Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

TRAKA RESOURCES LIMITED

**INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

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TRAKA RESOURCES LIMITED

CORPORATE DIRECTORY

Directors

Neil Tomkinson LLB (Hons) Non-Executive Chairman
Patrick Verbeek BSc, MAusIMM Managing Director
George Petersons Non Executive Director
Joshua Pitt BSc, MAusIMM, MAIG Non Executive Director

Company Secretary

Peter Rutledge BSc, CA, FFin

Principal and Registered Office

Suite 2 Ground Floor
43 Ventnor Avenue
West Perth WA 6005

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Share Register

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Tce
PERTH WA 6000
Telephone (08) 9323 2000
Facsimile (08) 9323 2033

Stock Exchange Listing

Traka Resources Limited shares (TKL) are listed on the
Australian Securities Exchange

TRAKA RESOURCES LIMITED

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

Your Directors present their report on Traka Resources Ltd ("Traka" or the "Company") for the half-year ended 31 December 2009.

DIRECTORS

The following persons were directors of the Company during the whole of the half-year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Neil Tomkinson
Patrick Andrew Verbeek
George Juris Petersons
Joshua Norman Pitt

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

Traka has interests in six exploration projects in Western Australia. The status of these projects is presented below:

The Musgrave Project

The very large Musgrave Project occurs within Aboriginal Lands in the centre of Australia. The region is generally considered to be highly prospective for nickel, copper, platinum, palladium, gold and vanadium but has had very little history of exploration activity. Half of the project area is in joint venture with Anglo American (Australia) Pty Ltd ("AAE"). AAE can earn 75% equity by the expenditure of \$9 million over 7 years. The other half of the project comprises other exploration licences held by Traka as well as joint ventures with Polaris Metals Ltd and Sammy Resources Pty Ltd. Traka is the manager and has the rights to earn 90% equity in the third party agreements outside of our joint venture interest with AAE.

Reconnaissance style geochemical and geophysical surveys completed in 2008 and 2009 have highlighted a number of targets. Foremost of these is the Navigator Target which comprises a multi-element geochemical target coincident with a number of geophysical anomalies. Drilling on Navigator is planned for May 2010.

Outside of drilling on specific targets a high level of reconnaissance style exploration activity is currently being planned for both the AAE and Traka managed areas in the Musgraves. This work is expected to commence at the start of the field season April 2010.

The Ravensthorpe Nickel Project

The Ravensthorpe Nickel Project is currently being presented to potential joint venture partners. Previous exploration activity included completion of systematic geological, geochemical and geophysical surveys. Numerous targets have been highlighted of which only a few have been drill tested.

The Sirdar Joint Venture

In September 2009 Traka entered into a sale and Joint Venture Agreement with Galaxy Resources Ltd ("Galaxy") on the Sirdar Project area immediately north of Ravensthorpe. Galaxy are developing the Mt Cattlin Lithium and Tantalum Mine on ground abutting Traka's Sirdar Project and there is good scope for the lithium and tantalum mineralisation to extend into this area. Traka sold 80% interest in the Sirdar Project to Galaxy for \$145,000 cash and a 20 % Free Carry to Production for any lithium and tantalum discovered on Sirdar and 20% Free Carry through to completion of a Feasibility Study for any other commodity including gold in this project area.

TRAKA RESOURCES LIMITED

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

The Ravensthorpe Pyrite Project

This project was initially developed from the company's initial interests in evaluating the iron ore potential at Ravensthorpe. Much of the near-surface high grade hematite iron ore samples discovered at the time were found to be associated with underlying massive pyrite bodies which showed more potential as a sulphide source than for iron ore. The existing poor market conditions preclude any meaningful advancement of this project at this point in time.

The Ravensthorpe and Hopetoun Base Metal and Gold Project

The southern portion of Traka's ground holding at Ravensthorpe, immediately south of and abutting the Ravensthorpe Nickel Project is prospective for gold, copper and lead. Previous exploration work has highlighted mineralisation in a similar setting to the nearby Trilogy Prospect held by Tectonic Resources Ltd. A number of targets have been highlighted for drill testing. Discussions are underway with a number of parties with respect to forming a joint venture on this area.

The Lort River Project

This project comprises two exploration licences located within the prospective geological corridor existing between the Archean and Proterozoic aged rocks north of Esperance in Western Australia. Geological mapping and geochemical sampling of these licences have recently been completed and this data is currently being compiled. Exploration work by other parties in the same area has highlighted a number of gold anomalism extending into Traka's tenements.

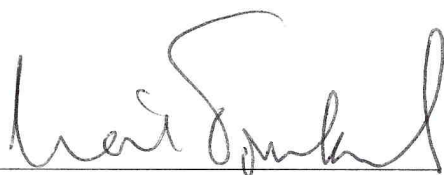
COMPLIANCE STATEMENT

The information in this report that relates to exploration results is based on information compiled by Mr. P. A. Verbeek, the Managing Director of Traka Resources Ltd. Mr. Verbeek is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Verbeek consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out in this Interim Financial Report.

This report is made in accordance with a resolution of the Directors



NEIL TOMKINSON
Chairman

Dated at Perth on 10th March 2010

TRAKA RESOURCES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Note	31 December 2009 \$	31 December 2008 \$
Revenue from continuing operations	3	5,151	27,307
Other income		41,034	48,851
Exploration and evaluation expenditure		(141,832)	(42,910)
Administration expenses	4	(248,181)	(285,389)
Loss before income tax		(343,828)	(252,141)
Income tax expense		-	-
Loss for the half year		(343,828)	(252,141)
Total comprehensive loss for the half year attributable to owners of the Company		(343,828)	(252,141)
		Cents	Cents
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company		(0.76)	(0.56)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

TRAKA RESOURCES LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

	31 December 2009 \$	30 June 2009 \$
Current Assets		
Cash and cash equivalents	92,662	408,252
Trade and other receivables	17,173	35,850
Total current assets	109,835	444,102
Non-current Assets		
Property, plant and equipment	52,115	64,658
Total non-current assets	52,115	64,658
Total assets	161,950	508,760
Current Liabilities		
Trade and other payables	47,220	50,202
Provisions	1,528	1,528
Total current liabilities	48,748	51,730
Total liabilities	48,748	51,730
Net assets	113,202	457,030
Equity		
Contributed equity	6,421,879	6,421,879
Reserves	245,580	245,580
Accumulated losses	(6,554,257)	(6,210,429)
Total equity	113,202	457,030

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

TRAKA RESOURCES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Contributed Equity	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
As at 1 July 2009	6,421,879	245,580	(6,210,429)	457,030
Loss for the period	-	-	(343,828)	(343,828)
Total comprehensive loss for the period	-	-	(343,828)	(343,828)
Transactions with equity holders in their capacity as equity holders:				
Issue of options	-	-	-	-
	-	-	-	-
As at 31 December 2009	6,421,879	245,580	(6,554,257)	113,202
As at 1 July 2008	6,421,879	212,680	(5,439,887)	1,194,672
Loss for the period	-	-	(252,141)	(252,141)
Total comprehensive loss for the period	-	-	(252,141)	(252,141)
Transactions with equity holders in their capacity as equity holders:				
Issue of options	-	32,900	-	32,900
	-	32,900	-	32,900
As at 31 December 2008	6,421,879	245,580	(5,692,028)	975,431

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

TRAKA RESOURCES LIMITED**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	31 December 2009 \$	31 December 2008 \$
Cash flows from operating activities		
Interest received	5,789	27,307
Other revenue received	40,414	39,262
Payments to suppliers and employees (including GST)	(361,793)	(630,623)
Net cash outflow from operating activities	(315,590)	(564,054)
Cash flows from investing activities		
Payments for plant & equipment	-	(11,043)
Net cash outflow from investing activities	-	(11,043)
Cash flows from financing activities		
There were no cash flows from financing activities		
Net increase/(decrease) in cash and cash equivalents	(315,590)	(575,097)
Cash and cash equivalents at the beginning of the half year	408,252	1,090,623
Cash and cash equivalents at the end of the half year	92,662	515,526

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

TRAKA RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2009

NOTE 1. BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL STATEMENTS

The half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements.

The half-year financial statements should be read in conjunction with the annual financial statements of Traka Resources Limited as at 30 June 2009.

It is also recommended that the half-year financial statements be considered together with any public announcements made by Traka Resources Limited during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of Accounting

The half-year financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including AASB 134 *“Interim Financial Reporting”* and other mandatory professional reporting requirements.

The half-year financial statements have been prepared on the accruals basis and are based on historical cost modified for financial assets and liabilities for which the fair value basis of accounting has been applied.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

Traka Resources Limited is a listed public company, incorporated and domiciled in Australia.

(b) Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Company's annual Financial Statements for the year ended 30 June 2009 and corresponding interim reporting period except as set out below.

The Company has applied AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. This presentation has been applied in these interim financial statements as of and for the six months to 31 December 2009.

The Company has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting to the chief operating decision maker, which has been identified by the Company as members of the Board of Directors.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

TRAKA RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED) FOR THE HALF YEAR ENDED 31 DECEMBER 2009

(c) Going Concern

The Company incurred a loss for the half year of \$343,828 (2008: \$252,141) and a net cash outflow from operating activities of \$315,590 (2008: \$564,054).

At 31 December 2009 the Company had cash assets of \$92,662 (2008: \$515,526) and working capital of \$61,087 (2008: \$892,222).

During the next financial year, the Company has ongoing exploration commitments of \$1,044,278 associated with expenditures required under the terms of granted tenements and primarily relating to the Ravensthorpe project. Commitments in respect of this project's tenements were met in previous years by a joint venture partner who withdrew from the joint venture. The Company on an ongoing basis applies for exemptions to expenditure commitments as applicable based on previous expenditure. Expenditure on the Ravensthorpe project to date has exceeded annual commitments and consequently the Company expects favourable response to applications which it has submitted for exemptions over the next 12 months.

The Company has accepted an offer of a short-term unsecured loan facility of \$500,000 from two companies associated with two of the Company's directors to meet its working capital requirements for up to 6 months from the first date of drawdown. The first drawdown of \$50,000 from each company was made on the 12 January 2010.

Whilst the Directors consider that the Company has sufficient cash and assets to meet its ongoing exploration commitments and administration expenditure through the next 6 months, they recognise the need for the supply of additional funds to meet working capital requirements into the future. Based on known potential to raise the additional working capital and the Company's modest ongoing exploration costs, the Directors consider it appropriate that the finance report be prepared on a going concern basis.

NOTE 2. SEGMENT INFORMATION

The Management of Traka Resources Limited has determined that the Company has one reportable operating segment, being mineral exploration within Western Australia. The Board monitors the Company based on actual versus budgeted exploration expenditure. This internal reporting framework is the most relevant to assist the Board with making decisions regarding its ongoing exploration activities.

	31 December 2009 \$	30 June 2009 \$
Reportable segment assets	52,115	64,658
	31 December 2009 \$	31 December 2008 \$
Reportable segment loss	(141,832)	(42,910)
Reconciliation of reportable segment loss		
Reportable segment loss	(141,832)	(42,910)
Other profit	46,185	76,158
Unallocated:		
- Corporate expenses	(248,181)	(285,389)
Loss before tax	(343,828)	(252,141)

TRAKA RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	31 December 2009	31 December 2008
	\$	\$
NOTE 3. REVENUE		
Revenue from continuing operations		
Interest received	<u>5,151</u>	<u>27,307</u>

NOTE 4. EXPENSES

Loss before income tax includes the following specific administration expenses:

Personnel expenses		
Salaries, superannuation and associated expenses	61,114	53,056
Share based payments	-	32,900
Depreciation	12,543	25,058
Other Expenses		
Management fee	30,728	45,806
Rental and rates (office, storage, parking)	60,872	49,999
Company secretarial and accounting	24,000	24,000
Audit and tax	9,626	9,468
Communications	10,830	13,025
ASX fees	10,820	12,120
Other	27,648	19,957
	<u>248,181</u>	<u>285,389</u>

NOTE 5. EQUITY SECURITIES ISSUED

	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	No.	No.	\$	\$
Options to acquire ordinary shares issued during the half year				
Grant of options to a director pursuant to shareholder approval	-	1,000,000	-	32,900
Shares issued during the half year				
No shares were issued during the half-year				

TRAKA RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	31 December 2009	31 December 2008
NOTE 6. LOSS PER SHARE		
	Cents	Cents
Basic and diluted loss per share (cents per share)	(0.76)	(0.56)
Weighted average number of ordinary shares used as a denominator	No.	No.
In calculating basic and diluted earnings per share	44,782,202	44,782,202
The loss used in the calculation of basic and diluted earnings per share is the loss before income tax as shown on the Condensed Income Statement	\$ (343,828)	\$ (252,141)

NOTE 7. COMMITMENTS FOR EXPENDITURE

Lease Commitments

Commitments in relation to leases contracted for at the end of the reporting date but not recognised as liabilities, payable:

Not later than one year	27,277	55,383
Later than one year but not later than five years	-	23,076
Later than five years	-	-
	27,277	78,459
Representing:		
Minimum lease payments in relation to non-cancellable operating leases	27,277	78,459

Exploration Tenements

In order to maintain the mineral tenements in which the Company and other parties are involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Industry and Resources for the next financial year is set out below.

Minimum estimated expenditure requirements	1,044,278	720,000
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These requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

Remuneration Commitments

Since the end of each reporting date, there has been no material change to these commitments.

TRAKA RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

NOTE 8. RELATED PARTIES

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2009 annual financial statements.

On 3 November 2009, two companies associated with two of the Company's directors made binding offers to provide a short term unsecured loan facility of \$500,000 to the Company for a period of six months from the first drawdown. The first drawdown of \$50,000 from each Company took place on the 12 January 2010. The interest on the loan facility is 5% per annum.

NOTE 9. EVENTS OCCURRING AFTER BALANCE DATE

Except for the item noted in note 8, there are no significant events that have occurred subsequent to balance date that would have a material effect on the interim financial statements.

NOTE 10. CONTINGENT LIABILITIES

At the end of the financial period the Company had no contingent liabilities.

TRAKA RESOURCES LIMITED

**DIRECTORS DECLARATION
FOR HALF YEAR ENDED 31 DECEMBER 2009**

The directors of the Company declare that:

1. the financial statements and notes, as set out on this Interim Financial Statement, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the company's financial position as at 31 December 2009 and of the performance for the half-year ended on that date.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



NEIL TOMKINSON
Chairman

Dated at Perth on 10th March 2010

10 March 2010

Board of Directors
Traka Resources Limited
Suite 2, Ground Floor
43 Ventnor Avenue
West Perth WA 6005

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF TRAKA RESOURCES LIMITED

As lead auditor of Traka Resources Limited for the year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.



Peter Toll
Director



BDO Audit (WA) Pty Ltd
Perth, Western Australia

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

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Traka Resources Limited for the six months ended 31 December 2009 included on Traka Resources Limited's web site. The disclosing entity's directors are responsible for the integrity of Traka Resources Limited's web site. We have not been engaged to report on the integrity of Traka Resources Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Traka Resources Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Traka Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

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

- (a) giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the interim financial report which indicates that Traka Resources Limited incurred a net loss of \$343,828 during the half year ended 31 December 2009 and has working capital of \$61,087. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the disclosing entity's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

BDO Audit (WA) Pty Ltd

BDO


Peter Toll

Director

Subiaco, Western Australia

Dated this 10th day of March 2010