



# TRAKA RESOURCES LIMITED

ABN 63 103 323 173

## Quarterly Activities Report for the three months ended 30 June 2013

### SUMMARY

- A joint venture agreement has been entered into with Western Areas Limited (“WSA”) on key tenements in the Jameson area of the Musgrave Project. The discovery of high grade copper and nickel massive sulphide targets is the focus of WSA’s active exploration program.
  - A strong EM conductor and drill target has been highlighted on the Finlay Prospect.
  - Two EM geophysics crews are active in the Traka/WSA joint venture tenements
  - Drilling of the Bergenost Prospect by Traka’s joint venture partner Anglo American Exploration (Australia) Pty Ltd (“AAE”) is scheduled for commencement in the August/September 2013 period.
  - Traka and AAE are the recipients of grants under the State Government’s Exploration Incentive Scheme of up to \$150,000 toward drilling costs on exploration licence EL69/2253 and up to \$55,000 on the Bergenost Prospect.
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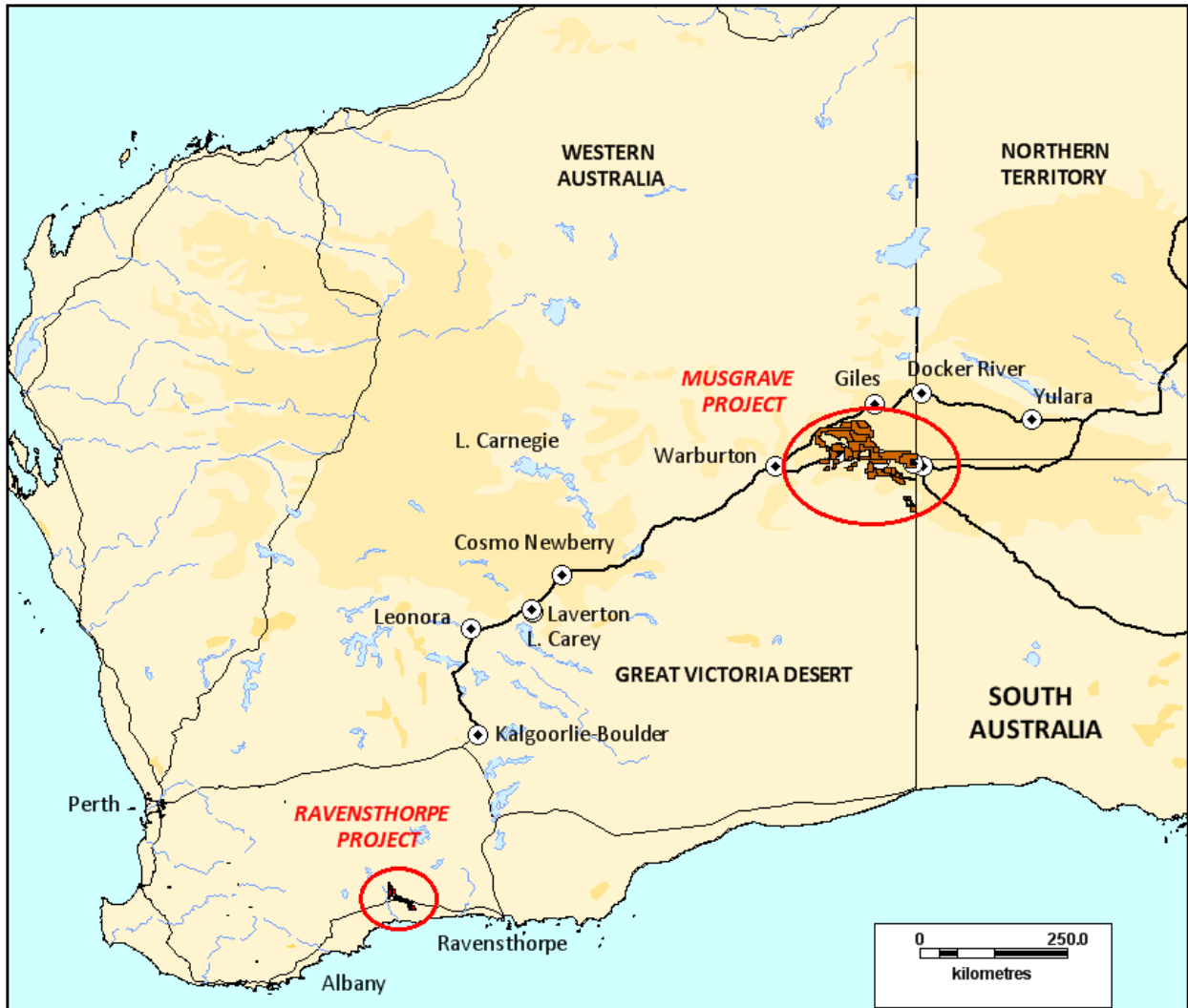
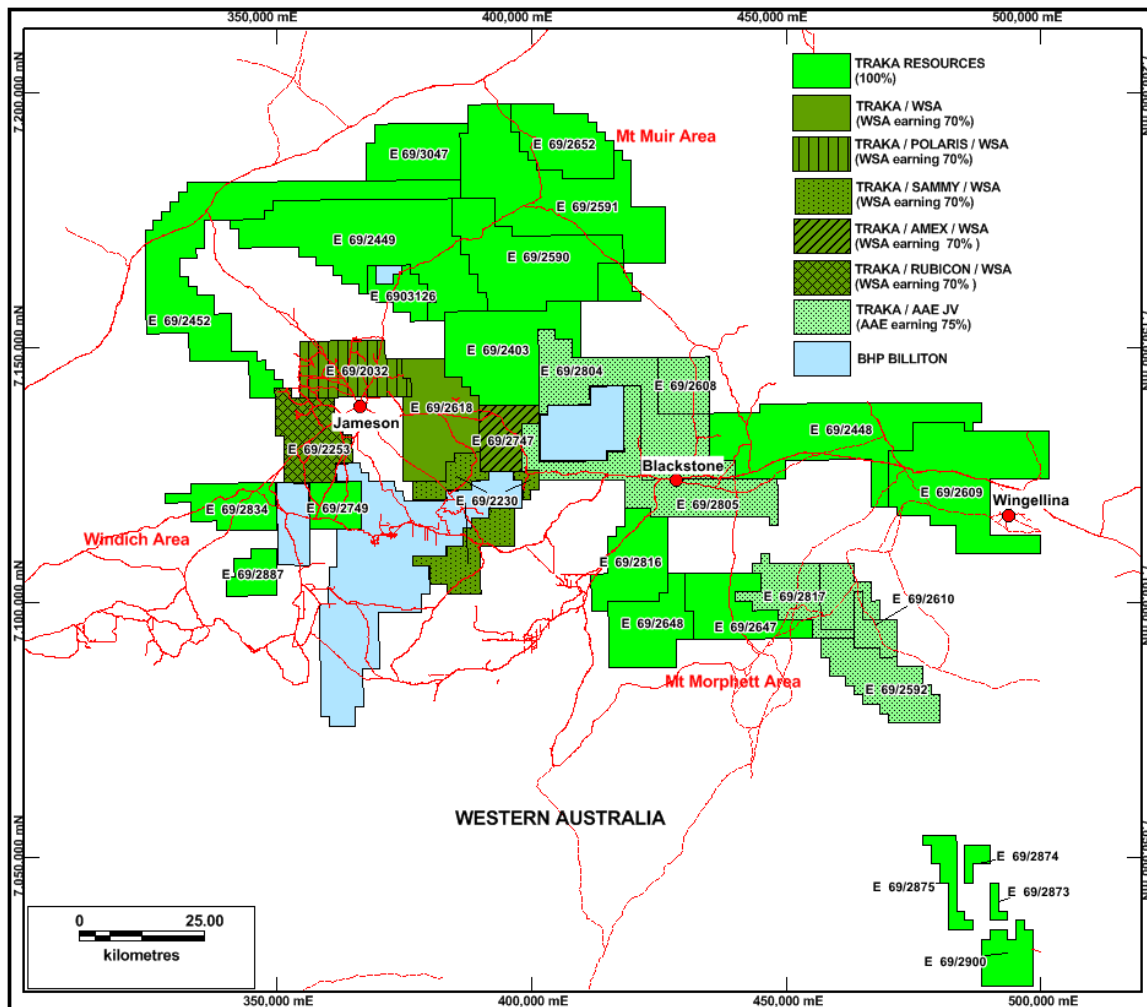


Figure 1: Location plan of Traka's Projects in Western Australia

## **CORPORATE**

### ***Joint Venture with Western Areas Limited:***

At quarter end Traka entered into a joint venture with Western Areas Limited on five strategic tenements in the Jameson area of Traka's large Musgrave Project (Figure 2). The agreement with WSA introduces a partner with both the expertise and resources to pursue and exploit the intrusive related high grade copper and nickel sulphide mineralisation being sought. Exploration commenced immediately on a number of priority areas following the announcement of the joint venture. WSA have a remarkable track record of discovery and mine development in the Forrestania area of Western Australia and Traka will obviously benefit from this experience.



**Figure 2: A tenement plan of the Musgrave Project**

The joint venture agreement with WSA relates to exploration licences EL69/2032, 2230, 2253, 2618 and 2747 (Figure 3). WSA may earn-in to Traka’s interests in these tenements in the following manner:

- WSA has made an initial \$200,000 payment to Traka as partial reimbursement of Traka’s incurred exploration expenditure. This was received after the quarter end.
- Stage 1: WSA may earn the right to 30% equity by expending \$1.3 million within 18 months of the date of the Agreement, with a committed expenditure of \$1 million. WSA may withdraw after expending the committed expenditure without retaining any interest.
- Stage 2: In the event that WSA earns a 30% equity, it can elect to earn an additional 21% equity by further expending \$2.5 million within the next 18 month period. If WSA elects to cease expenditure during this stage, a joint venture will be formed with Traka having 70% equity and WSA having 30% equity.
- Stage 3: If WSA earns 51% equity by having expended a total of \$3.8 million, it can elect to increase its equity to 70% by the expenditure of a further \$5 million within an additional 3 year period and agreeing to free carry Traka through to completion of a Bankable Feasibility Study (“BFS”).

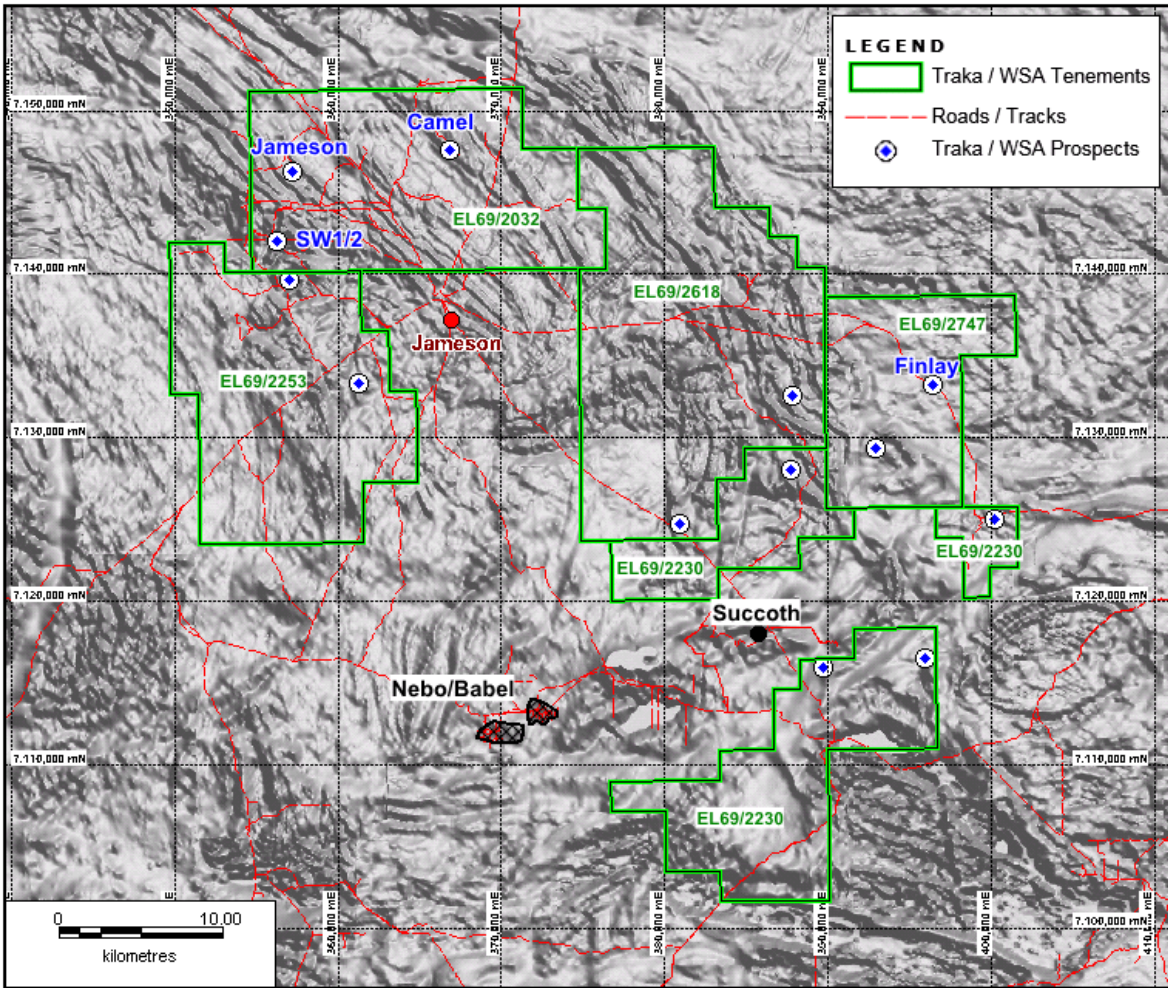


Figure 3: Traka/WSA joint venture tenements and prospect locations shown over a greyscale aeromagnetic image

***EIS Drilling Grants:***

Traka has received a grant under the State Government’s Exploration Incentive Scheme (“EIS”) for up to \$150,000 towards drilling costs on programs conducted within Exploration Licence EL69/2253. Funds from this grant will contribute to the cost of any drilling targets generated from electromagnetic (“EM”) surveys currently underway.

Traka’s joint venture partner Anglo American Exploration (Australia) Pty Ltd has also received a grant under the EIS of \$55,000 towards the cost of drilling the Bergenost Prospect. This drill program is scheduled for commencement in late August 2013.

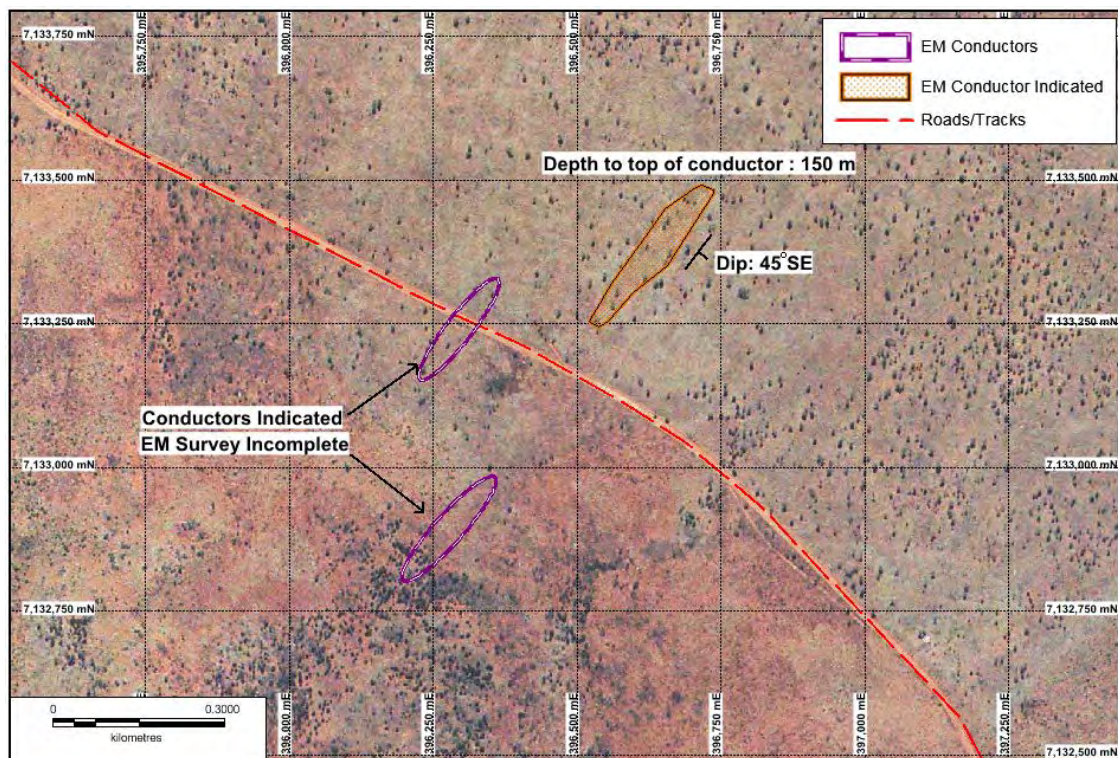
# EXPLORATION

## The Musgrave Project

Traka has a dominant position in the West Musgraves with interests in 30 exploration licences extending over about 9000 square kilometres (Figure 2). The Company's wholly owned interests comprise 18 exploration licence applications. A further 5 tenements are held in joint venture with WSA and 7 others in joint venture with AAE (Figure 3). WSA and AAE are the Managers respectively of each of their joint ventures with Traka and, in each case, these parties can earn majority equity of between 70% and 80% by agreeing to expenditure commitments and free-carrying Traka's retained equity of between 20% and 30% through to completion of a Bankable Feasibility Study. An active and exciting exploration program is underway on all of the granted tenements in this very large project.

A summary of exploration activity undertaken by Traka and its joint venture partners is provided below:

- 1. *Finlay Prospect:*** A ground EM survey of the Finlay Prospect (EL69/2747) completed by Traka has confirmed the presence of a strong conductor starting at about 150 meters below surface (Figure 4). The strongest part of the conductor extends over 300 metres in length and dips at about 45 degrees in a south-easterly direction. The possibility of other conductors being present on the western margins of the original survey area was also highlighted. Additional infill EM work in this western margin is now planned by WSA to provide better definition ahead of drilling. The strength of the conductors indicates a massive sulphide source.



**Figure 4: Orthophoto showing position of the Finlay EM anomalies**

2. **VTEM anomalies - EL69/2253:** Ground based EM surveys of 9 of the 10 prioritised VTEM anomalies have been completed on this tenement. The majority of the VTEM anomalies have been downgraded but several target areas are still under evaluation.
3. **WSA/Traka Joint Venture - EM Surveys:** Two EM crews are currently operating in a number of priority areas within the Traka/WSA joint venture tenements (Figure 5). The targets in these areas are mineralised structures and late phase intrusives that are similar to the styles of mineralisation already highlighted by BHP Billiton in the neighbouring tenements e.g. Babel Nebo and Succoth. Economic levels of precious metals, copper and nickel often preferentially accumulate in these types of geological settings. The EM programs underway at the moment are expected to continue for a number of months. Drilling will be scheduled as soon as there is a sufficiently large program in place to allow efficient use of the drill rig.

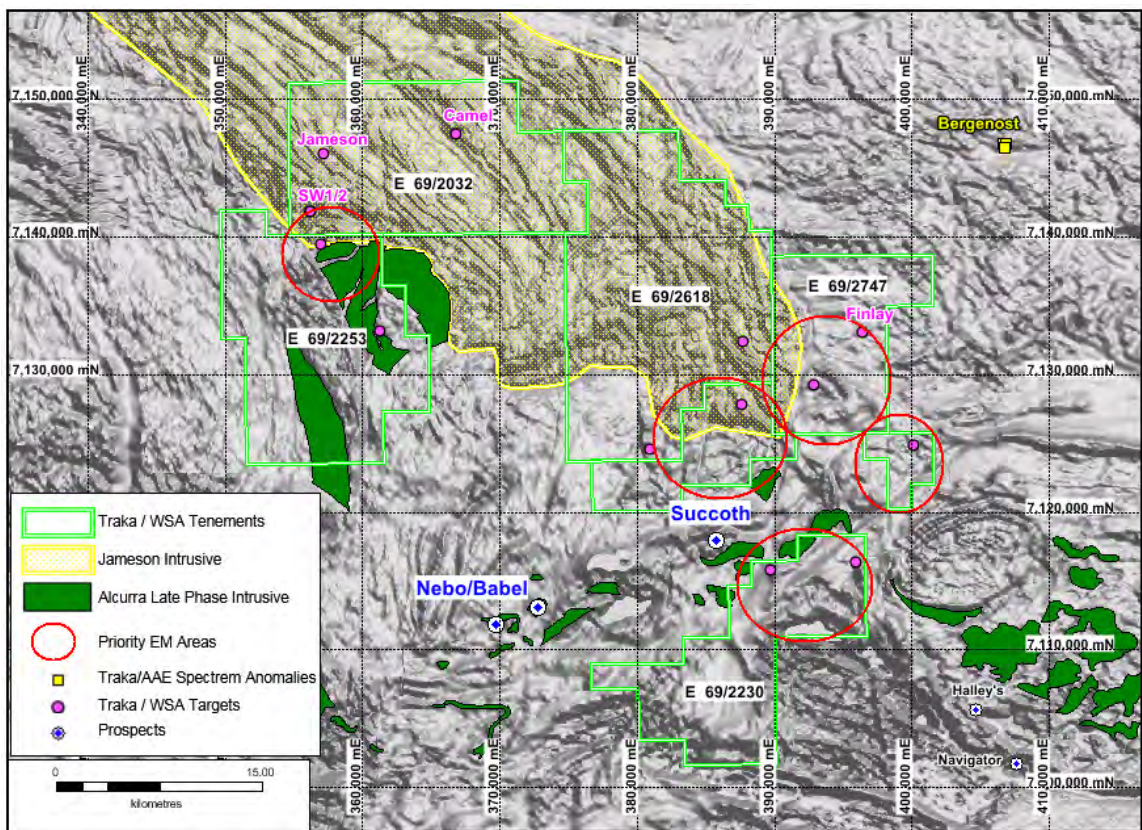


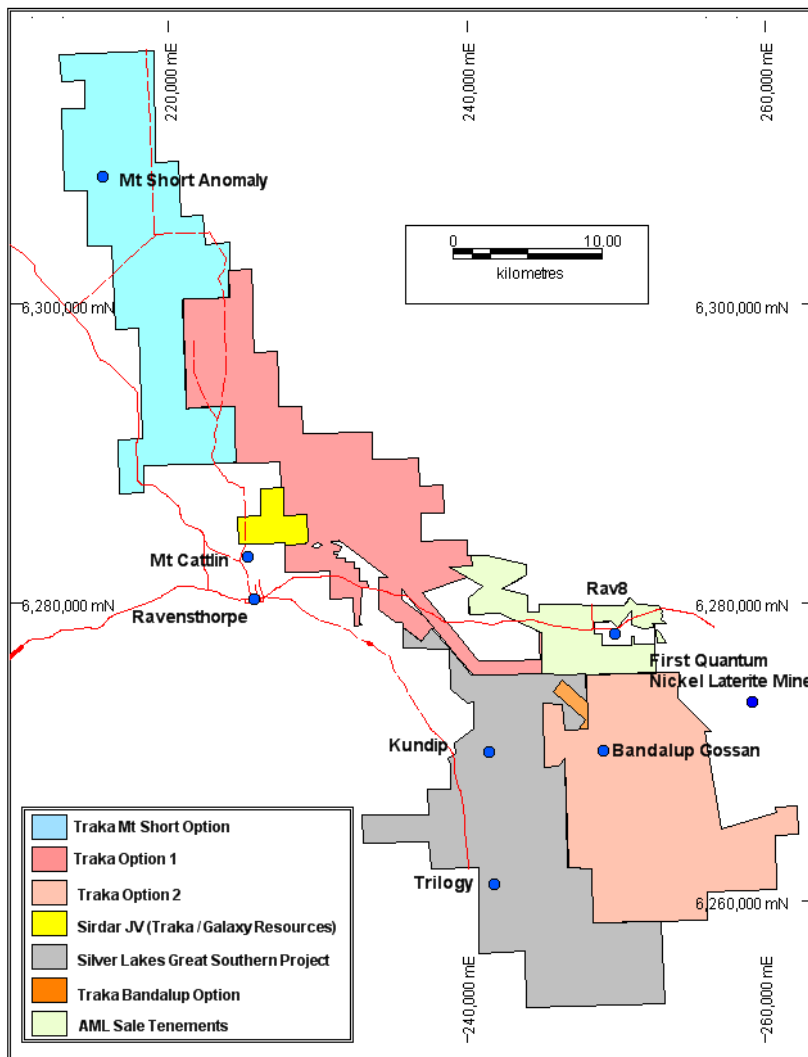
Figure 5: Greyscale aeromagnetic image showing prospect locations and priority EM areas

4. **AAE/Traka Joint Venture – Drilling Bergenost Prospect:** AAE have scheduled to drill the Bergenost Spectrem EM target in the upcoming August/September period. The Bergenost Prospect is one of a number of EM targets highlighted by the Spectrem airborne EM system. Bergenost is interpreted to be derived from a massive sulphide source in a body which starts at about 70 metres below surface and strikes over about 300 metres in length.

## The Ravensthorpe Project

Traka's interests in the Ravensthorpe Project are entirely farmed-out to Silver Lake Resources Limited ("SLR") subject to the terms of 4 separate Option Agreements, each relating to a separate part of the project. SLR have an initial 12 month Option Period after which time they may choose to retain an interest and/or return separate option areas subject to various terms (Figure 6).

There was no updated information available from SLR for this joint venture, at the time of writing this report.



**Figure 6: Location plan of the Ravensthorpe Project**

### ***Sirdar Joint Venture***

(Galaxy 80%; Traka free carried)

No updated information is available for this joint venture.

Mr Patrick Verbeek  
**Managing Director**

30<sup>th</sup> July 2013

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***JORC 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 Limited. 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.*

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13

Name of entity

TRAKA RESOURCES LTD

ABN

63 103 323 173

Quarter ended ("current quarter")

30 June 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(251) - - (120)	(644) - - (523)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	13
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	115	375
<b>Net Operating Cash Flows</b>	<b>(256)</b>	<b>(780)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - 6	- - 6
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>6</b>	<b>6</b>
1.13 Total operating and investing cash flows (carried forward)	(250)	(774)

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(250)	(774)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	910
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	50
1.17	Repayment of borrowings	-	(200)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	760
	<b>Net increase (decrease) in cash held</b>	(250)	(14)
1.20	Cash at beginning of quarter/year to date	297	61
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	47	47

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	86
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.7 Other Receipts YTD comprises option fees received in connection with the Ravensthorpe tenements.  
1.22 Subsequent to the end of the quarter, the Company has received \$318,000 cash in respect of recovered exploration costs and option fees which were receivable at the end of the quarter.

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	80
4.2 Development	-
4.3 Production	-
4.4 Administration	140
<b>Total</b>	<b>220</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	47	297
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>47</b>	<b>297</b>

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+ See chapter 19 for defined terms.

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A		

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	92,806,559	92,806,559	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b> (description)			

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	<b>2,650,000</b> <b>1,100,000</b>		<i>Exercise price</i> <b>21.250 cents</b> <b>20.625 cents</b>	<i>Expiry date</i> <b>17 November 2013</b> <b>15 November 2014</b>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~\* (delete one) give a true and fair view of the matters disclosed.

Sign here: Peter Ruttledge  
Company Secretary

Date: 30 July 2013

Print name: Peter Ruttledge

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+ See chapter 19 for defined terms.

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.