



TRAKA RESOURCES LIMITED

ABN 63 103 323 173

Quarterly Activities Report

for the three months ended 30 September 2017

Summary

- Drilling on Latitude Hill Joint Venture tenements is almost complete and results are awaited.
- Exploration for blind but near surface flat lying lithium bearing pegmatites on the Mt Cattlin North JV tenements is commencing with a ground penetrating radar survey followed by drilling.
- A strong IP anomaly has been highlighted under near-surface lead and zinc geochemical anomalism at Mt Short. Follow-up drilling is planned over the summer period after the harvest is complete.
- Traka has withdrawn from the Yallalong Joint Venture.



Figure 1. Location plan of Traka's Projects

The Musgrave Project

The Latitude Hill Joint Venture (Chalice earning 51%)

Chalice Gold Mines Limited (Chalice) reports the following details in relation to the drill program currently underway at Latitude Hill:

A 4,000m RC drilling program commenced this quarter to test up to 11 separate conductor plates modelled from ground EM surveys completed over six prospects across the main project area (Figure 2).

The results of RC drilling to date show that the conductors represent zones of strongly graphitic gneiss or metasediments hosted within either basement gneiss or dominantly metasedimentary sequences, both of which are poorly exposed in the region. Graphitic zones are commonly associated with minor disseminated iron sulphides, although the EM conductors are likely explained by the strong abundance of graphite.

The drilling program is expected to be completed in late October and selected intervals will be assayed for base metals.

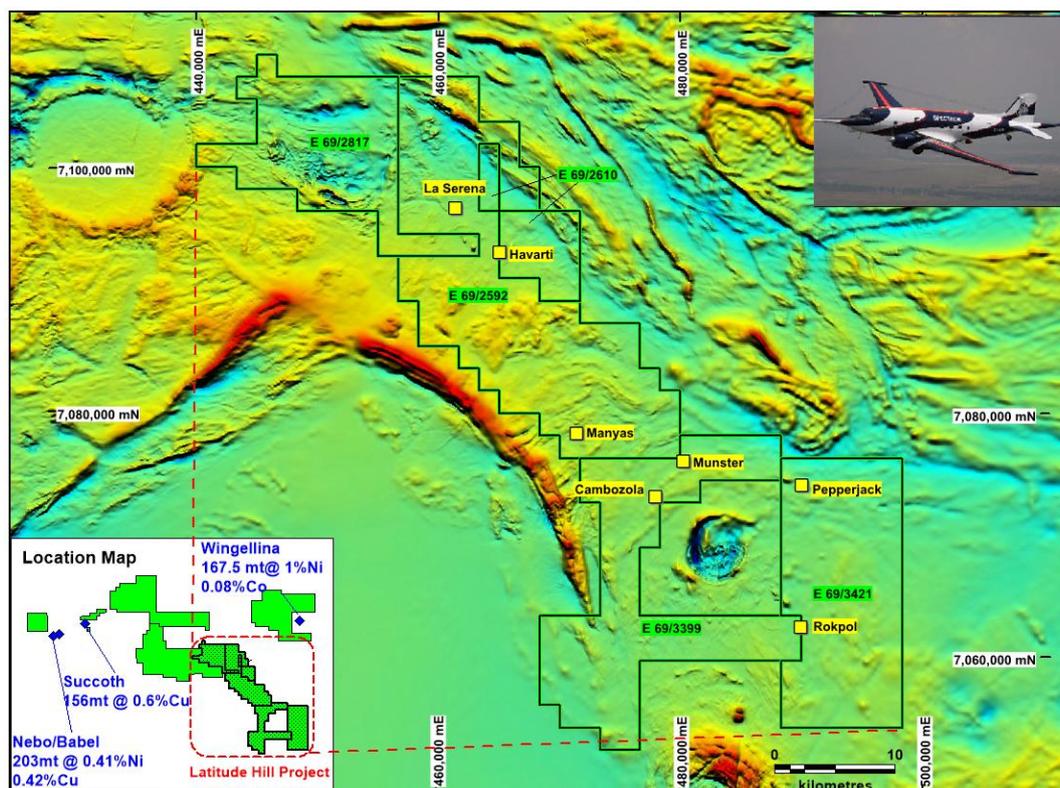


Figure 2. Aeromagnetic image showing the location of the Latitude Hill joint venture tenements and the seven Spectrem targets

The Mt Morphett Project

The Mt Morphett Project tenements lie immediately west of the Latitude Hill Project and cover the 12 kilometre long copper-nickel-PGE (Platinum Group Elements) Araplate Prospect in addition to IOCG (Iron Oxide Copper Gold) and hydrothermal copper targets associated with the Tollu Granite intrusive and Fault (Figure 3).

The Araplate Prospect is defined by anomalous copper, nickel and platinum soil geochemical sampling in historic exploration data. It coincides with the southern margin of the Saturn

Intrusive which is one of the large layered mafic bodies making up the Giles Intrusive Complex. The model for mineralisation is sulphide hosted magmatic copper, nickel and PGE in the basal layer of the intrusive or chonolith style bodies similar to that interpreted for the Spectrem targets at Latitude Hill. The Araplate Prospect is well defined and can be progressed to drilling quickly following minimal infill geochemical sampling and a ground electromagnetic survey.

Permitting requirements to gain access to this project are ongoing.

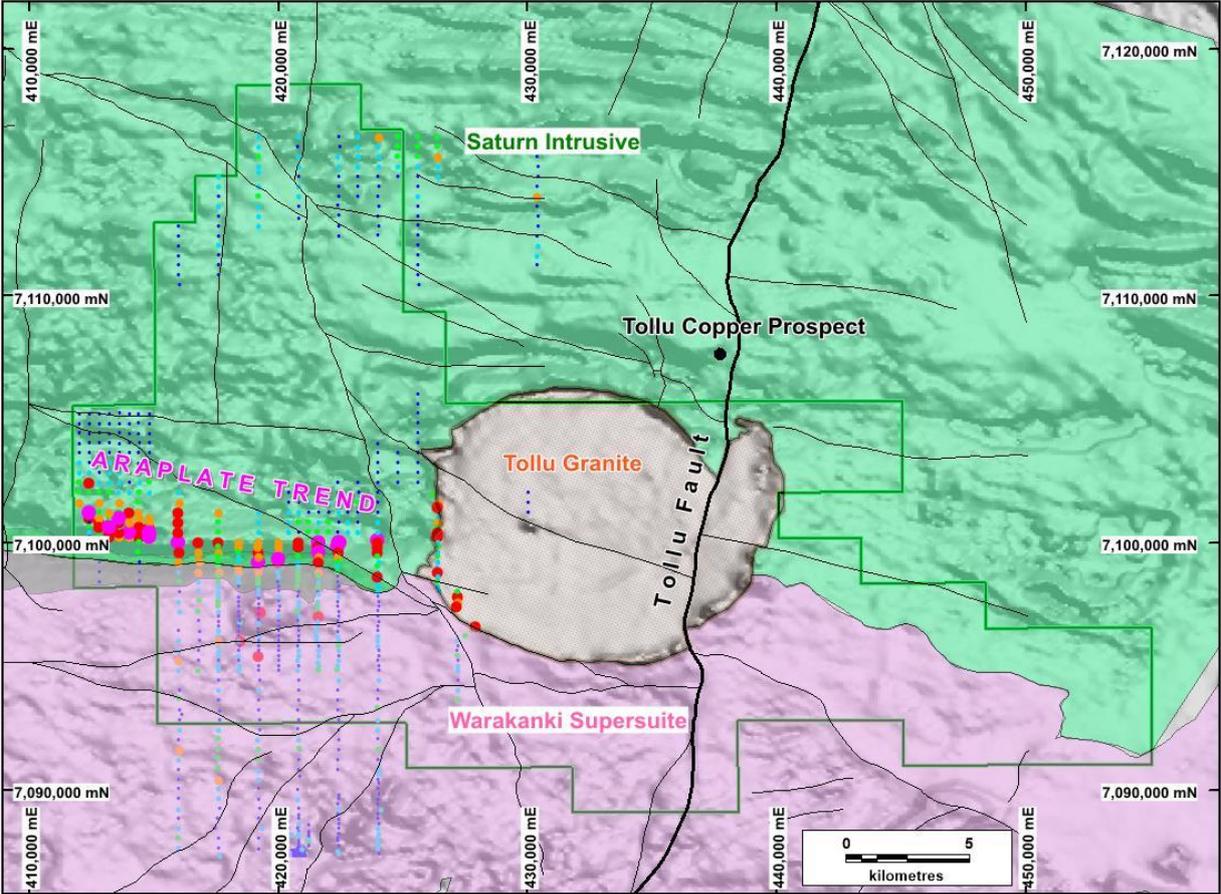


Figure 3. An aeromagnetic image showing main geological features and the Araplate Prospect

The Ravensthorpe Project

Traka has interests in three projects in the Ravensthorpe region (Figure 4):

- The Mt Cattlin North Project involving a 20% joint venture interest free carried by Galaxy Resources Limited (Galaxy) in a tenement that abuts the Mt Cattlin Lithium Mine;
- The wholly owned Mt Short Base Metal Project;
- The Bandalup Project in which Traka has a 20% free carried interest in a joint venture with ACH Minerals Pty Ltd (ACH).

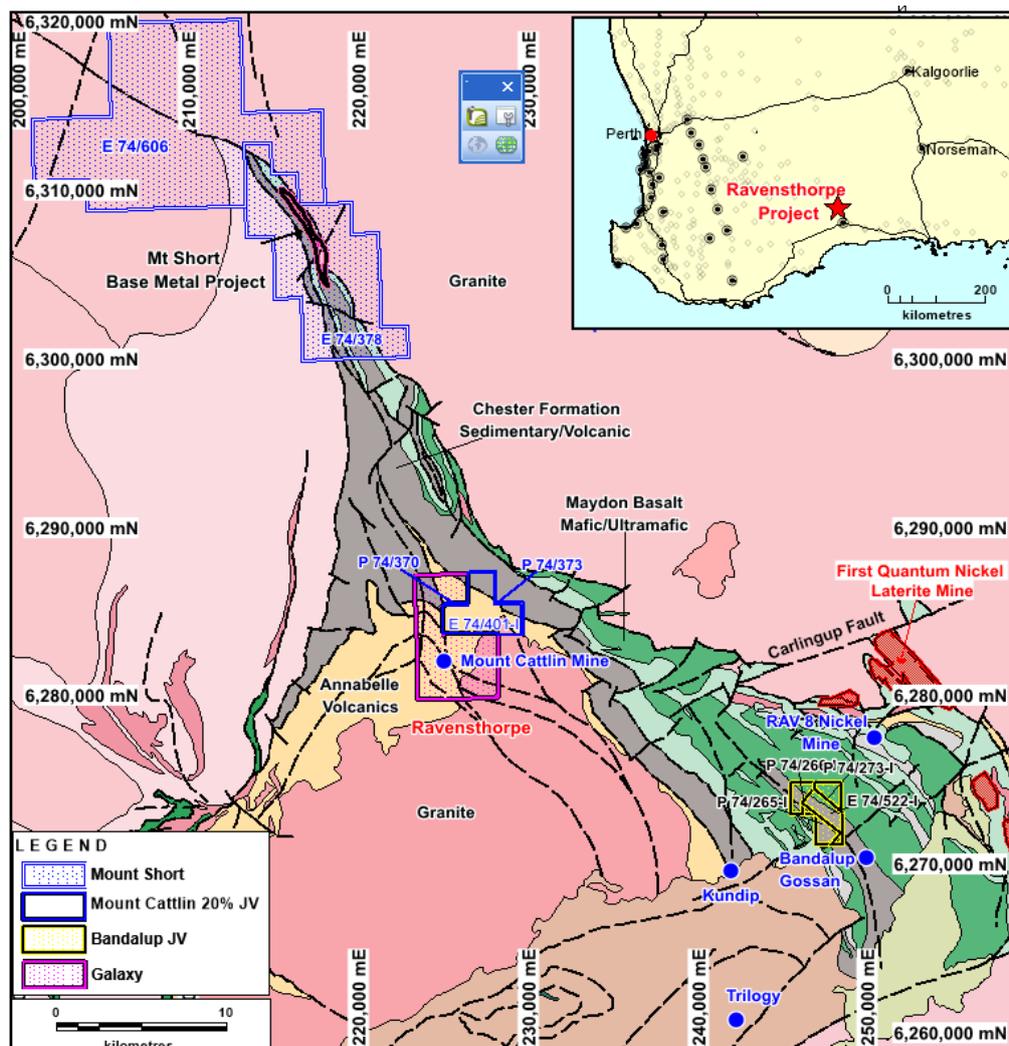


Figure 4. Location plan of the Ravensthorpe Project

The Mt Cattlin North Project (Traka 20% Free Carried)

Galaxy have informed Traka that exploration on the surrounding tenements, including the Mt Cattlin North tenements, will commence with a ground penetrating radar (“GPR”) survey to guide target generation for drilling. The GPR is targeting shallow blind pegmatite bodies that sub-crop away from known pegmatite outcrops. The GPR survey is expected to be completed in Q4 2017 with follow up drilling in Q1 2018 subject to Mines Department approvals.

The pegmatite dykes at Mt Cattlin and in the adjoining Traka joint venture tenements are peripheral intrusions related to a large granitic body east of Mt Cattlin joint venture tenements (Figure 5). This late stage intrusive body is postulated to have been the heat, pressure and fluid source for the lithium and tantalum bearing pegmatite mineralisation.

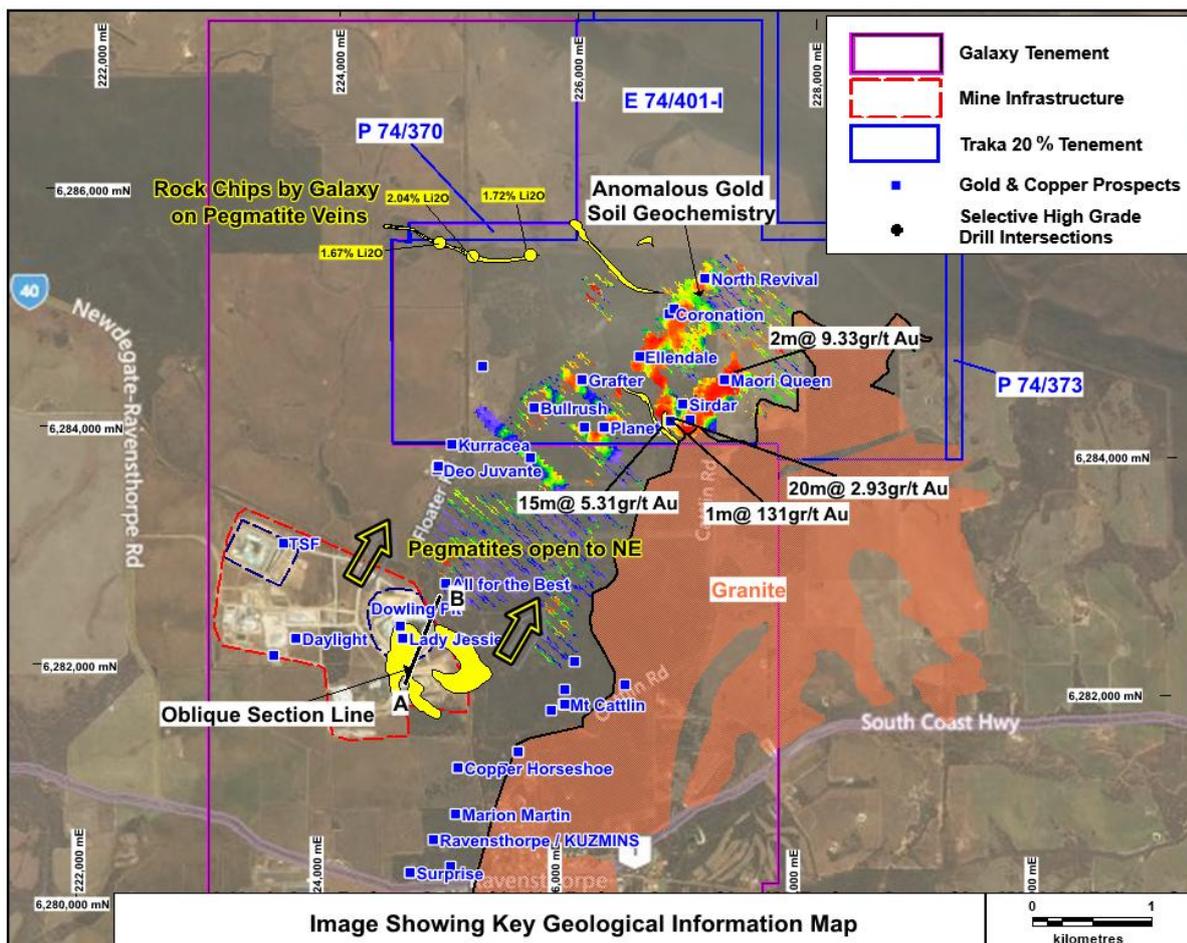


Figure 5. The Mt Cattlin Lithium Mine within the Galaxy mine tenements plus Traka's 20% joint venture tenement in the north-east quarter

In addition to lithium potential recognised on the joint venture tenements, there remains very good scope for delineation of a number of high grade gold shoots. These shoots, last worked by prospectors in the 1930's, commonly occur in immediate juxtaposition with the lithium and tantalum bearing pegmatites.

Earlier work by Traka demonstrated the continuity at depth of a number of these high grade gold shoots with peak intersections being 15 metres @ 5.31g/t (grams per tonne) and 1 metre @ 131g/t (1).

The Mt Short Base Metal Project

An Induced Polarisation (IP) geophysical survey was completed and a strong anomaly under near surface lead and zinc mineralisation was highlighted (Figure 6). Previous work on this target, which is entirely under regolith cover in wheat paddocks, showed the presence of massive and disseminated sulphide mineralisation within a sedimentary rock sequence. The disseminated lead and zinc mineralisation detected in drilling (peak values 5 metres @ 2.38% Pb, 0.66% Zn) is 700 metres south of where the IP anomaly suggests stronger mineralisation occurring. The IP anomaly is open to the north and at depth and the sedimentary rock sequence hosting the mineralisation is now thought to extend over 13 kilometres in length. In a sequence of this magnitude there is significant scope for hosting volcanogenic and/or sedimentary hosted style deposits (Figure 7).

Drilling the IP anomaly is now being planned for the summer period when this year's harvest has been completed.

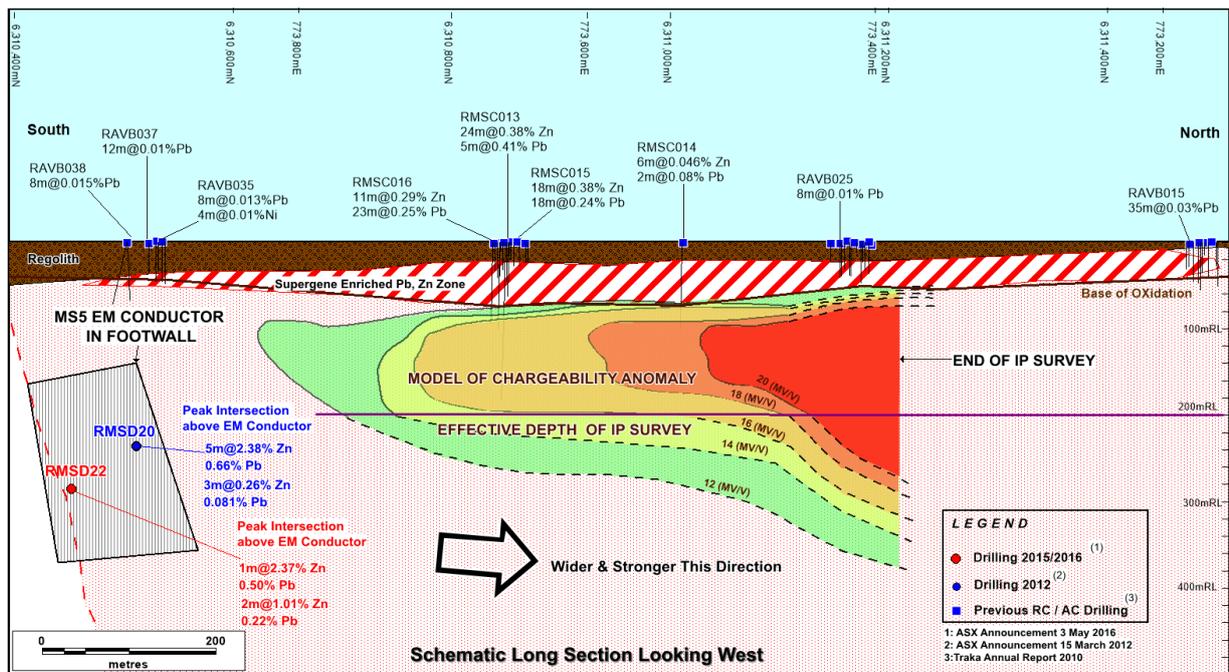


Figure 6. Schematic long section showing the position of the MS5 IP anomaly under near surface lead and zinc mineralisation

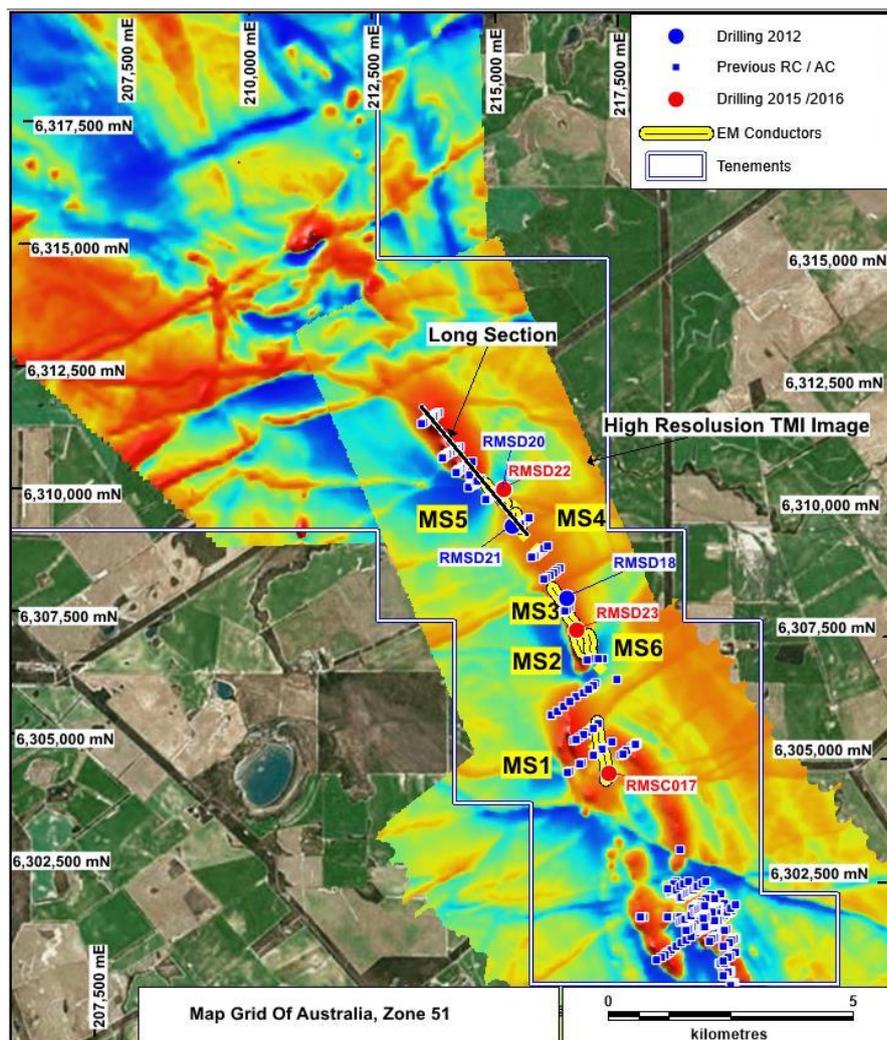


Figure 7. An aeromagnetic image draped over the land surface showing the EM and IP targets plus historic drill hole locations

***Bandalup Joint Venture
(Traka Free Carried 20%)***

No joint venture activity was reported for the quarter by the project manager, ACH.

The Yallalong Antimony Project

Traka has withdrawn from the Yallalong Joint Venture. Geochemical and geophysical surveys were completed which highlighted 4 targets, but it was considered that these were too small to be of economic proportions.

New Project Development

Whilst the Company is busy on several projects, ongoing efforts will continue to be made for other good opportunities to expand the company's exploration portfolio.

Patrick Verbeek
Managing Director

31 October 2017

(1) Traka ASX Announcement: *Exploration Program Update 28 August 2004.*

COMPLIANCE STATEMENT

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr P Verbeek a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is engaged full time as the Managing Director of the Company. Mr Verbeek has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 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 it appears.

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, 01/09/16

Name of entity

TRAKA RESOURCES LTD

ABN

63 103 323 173

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(102)	(102)
(b) development	-	-
(c) production	-	-
(d) staff costs	(48)	(48)
(e) administration and corporate costs	(81)	(81)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material):		
Receipt:	-	-
Payment:	-	-
1.9 Net cash from / (used in) operating activities	(226)	(226)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.1 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	855	855
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(226)	(226)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	629	629

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	129	65
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Term Deposits	500	790
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	629	855

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	88
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

6.1	Director Remuneration	85
	Storage rent paid to director related entity	3

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	110
9.2 Development	-
9.3 Production	-
9.4 Staff Costs	58
9.5 Administration and corporate costs	72
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	240

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E70/4276	Tenement surrendered	0%	0%
	E70/4444	Tenement surrendered	0%	0%
	E70/4653	Tenement surrendered	0%	0%
	E09/2232	Application withdrawn	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:Peter Rutledge..... Date: 31 October 2017
(Director/Company secretary)

Print name:Peter Rutledge.....

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

TRAKA RESOURCES LIMITED
MINERAL TENEMENT INFORMATION (ASX Listing Rule 5.3.3)
For the quarter ended 30 September 2017

Mining tenements and beneficial interests held at quarter end and their location:

Type	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
E	69/2592	Musgrave, WA	0%	0%	0%	0%
EA	69/2609	Musgrave, WA	100%	100%	100%	100%
E	69/2610	Musgrave, WA	100%	100%	100%	100%
EA	69/2749	Musgrave, WA	100%	100%	100%	100%
E	69/2817	Musgrave, WA	100%	100%	100%	100%
EA	69/3156	Musgrave, WA	100%	100%	100%	100%
EA	69/3157	Musgrave, WA	100%	100%	100%	100%
EA	69/3356	Musgrave, WA	100%	100%	100%	100%
E	69/3399	Musgrave, WA	100%	100%	100%	100%
E	69/3421	Musgrave, WA	100%	100%	100%	100%
EA	69/3490	Musgrave, WA	100%	100%	100%	100%
P	74/0370	Ravensthorpe, WA	0%	0%	20%	20%
P	74/0373	Ravensthorpe, WA	0%	0%	20%	20%
E	74/0378	Ravensthorpe, WA	100%	100%	100%	100%
E	74/0401	Ravensthorpe, WA	20%	20%	20%	20%
E	74/0522	Ravensthorpe, WA	20%	20%	20%	20%
E	74/0606	Ravensthorpe, WA	100%	100%	100%	100%

Mining tenements and beneficial interests acquired during the quarter, and their location:

None

Mining tenements and beneficial interests disposed of during the quarter, and their location:

Type	Tenement	Location	Registered Holding		Beneficial Interest	
			From	To	From	To
E	70/4276	Yallalong, WA	0%	0%	0%	0%
E	70/4444	Yallalong, WA	0%	0%	0%	0%
E	70/4653	Yallalong, WA	0%	0%	0%	0%
EA	09/2232	Yallalong, WA	100%	100%	100%	100%

Key:

E: Exploration licence
P: Prospecting licence

EA: Exploration licence application