



TRAKA RESOURCES LTD

(A.B.N. 63 103 323 173)

Quarterly Activity Report for the three months ended 31st March 2005

OVERVIEW

Ravensthorpe Nickel Project:

- Numerous high priority nickel targets have been highlighted and drilling and an escalation of exploration work programs to start testing some of these targets is scheduled to begin within the month.
- Various strategies consistent with producing the best possible return to the company's shareholders are being considered to accelerate and fund the large drilling and exploration programs at Ravensthorpe.
- A scout RAB drilling program has been completed north of Mt Short. Assay results are awaited.

The Capricorn Joint Venture

- RC drilling and DHEM surveys are underway on the Millipede Prospect nickel shoot.

The Ravensthorpe Iron Ore Project

- Various strategies are being considered to accelerate the exploration work on the Ravensthorpe Iron Ore Project.

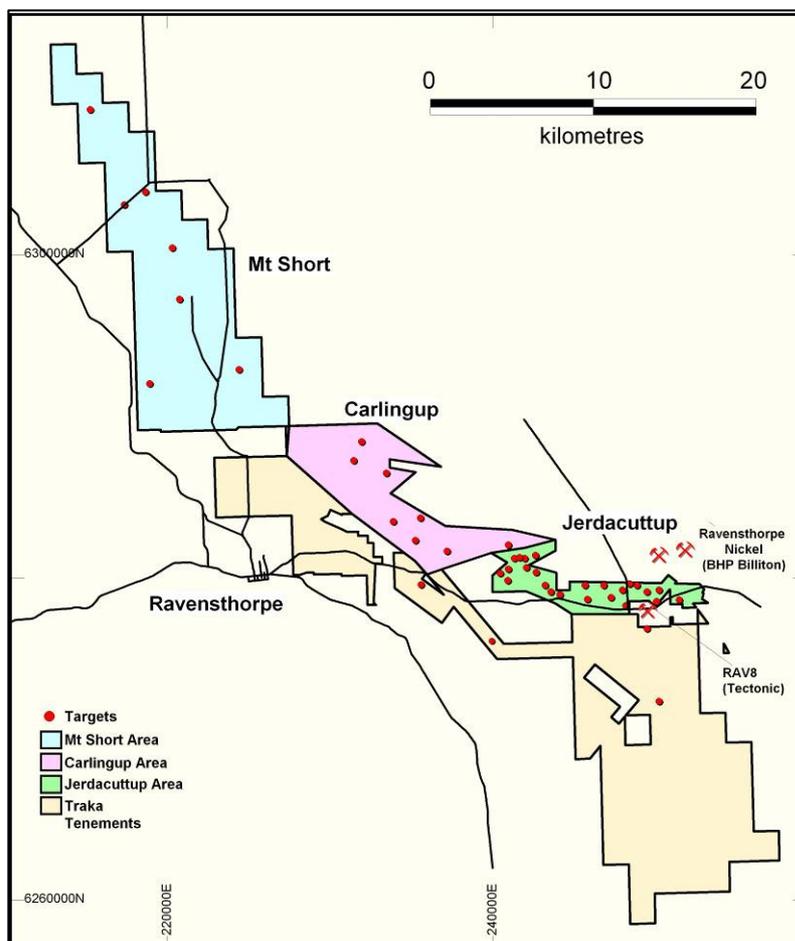
The Ravensthorpe Nickel Project.

Exploration program status:

Exploration work completed by Traka to date has advanced the project to a mature stage where the Ravensthorpe Greenstone Belt is showing the same scope as the better known Forrestania and Lake Johnstone Greenstone belts to the north. Nickel sulphide resources rarely occur in isolation and given that there is already a mine at RAV 8 (owned by Tectonic Resource NL) and that there are drilling targets and anomalies of various types on the strike extensions, the fundamental indications are very good.

Traka has completed a comprehensive review of the Ravensthorpe nickel project data which incorporates all Traka's own exploration work plus all historic data. Forty-four (44) targets have been identified that merit immediate follow up work (Figure 1). These targets include some where low grade nickel resources existed (RAV 4 and RAV 1) prior to the Traka purchase of the project as well as new Traka generated targets. New geological modelling has highlighted additional potential in the vicinity of the existing resources.

An immediate escalation of exploration work programs at Ravensthorpe is now planned to follow-up on this very encouraging outcome. Reverse Circulation ("RC") drilling, as one component of the work program, is scheduled to commence in about 1 months time.



The scale of the drilling program required to undertake the first pass RC and diamond drilling component on the higher priority targets of the exploration program is estimated to be in the order of 20,000 metres. The cost of this work plus other exploration programs is above the company's current cash resources. Although drilling will start soon, consideration is being given to the long term funding of the program as a whole. A number of funding strategies will be considered with the aim of providing the best possible outcome for the Company.

Figure 1. Exploration Targets on the Ravensthorpe Nickel Project.

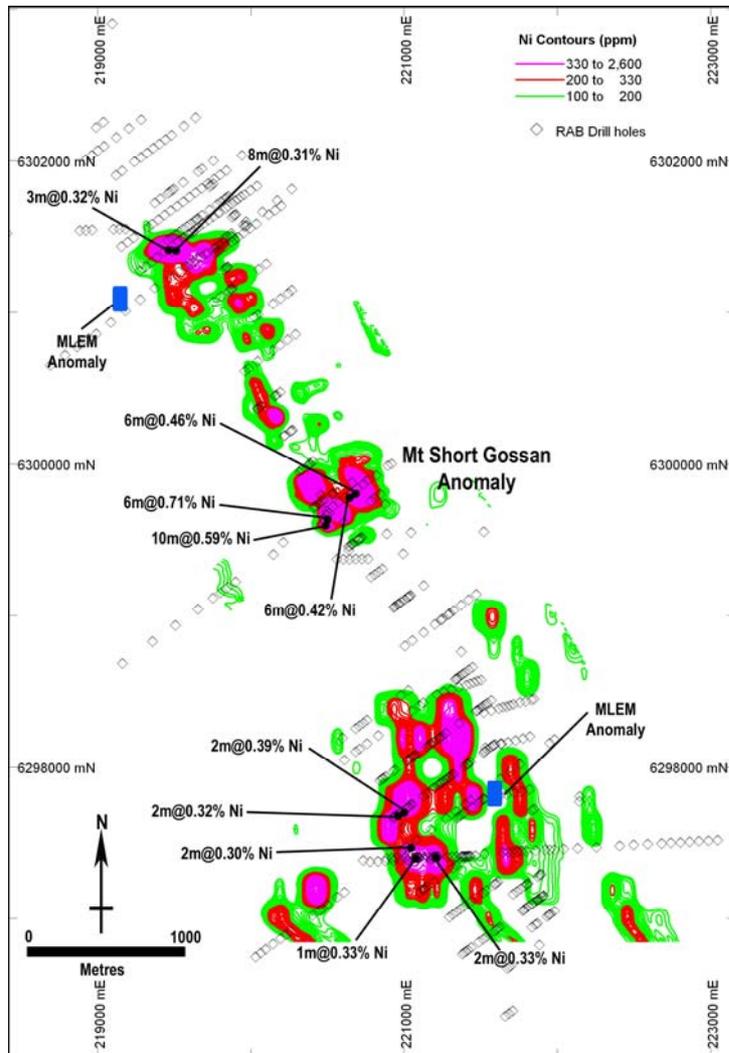
A description of the exploration work completed during the quarter period follows. Traka has divided the project into three areas based on different geological settings; The Mt Short, Jerdacuttup and Carlingup areas (Figure 1).

Geochemical survey results:

A large soil geochemical sampling program started 6 months ago and completed last month has highlighted the presence of a number of strongly anomalous targets. A summary of the results is presented below:

The Mt Short area.

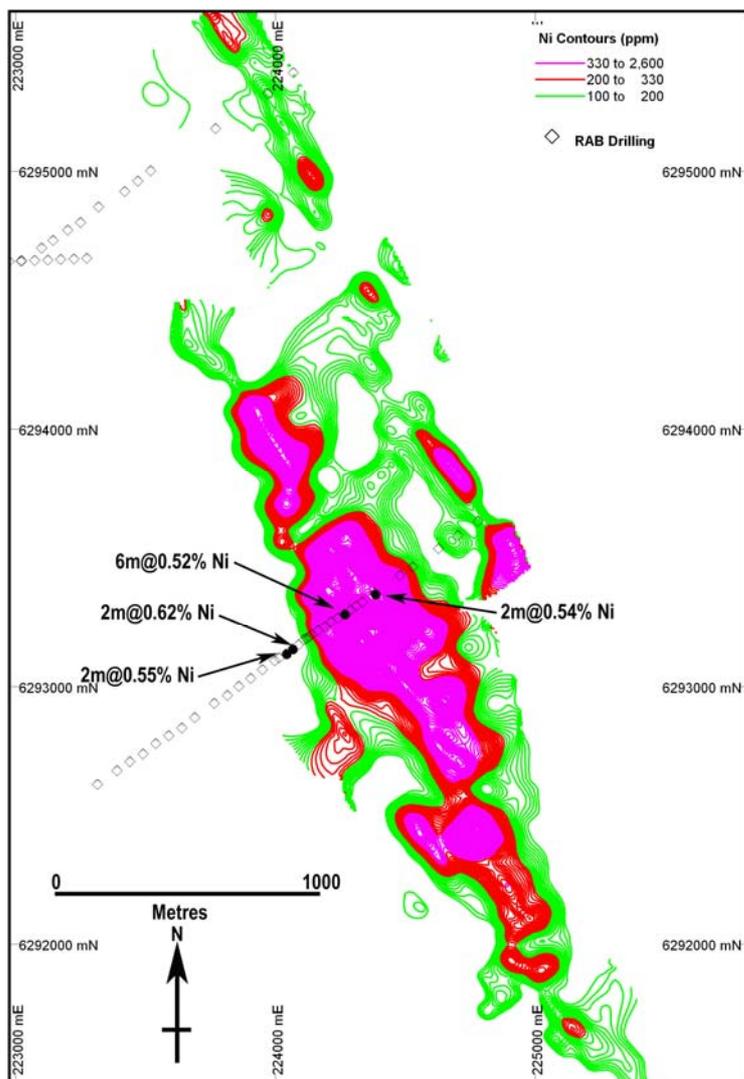
Four prominent multi-element soil geochemical targets have been highlighted in the Mt Short area. These are described below. A number of other weaker anomalies, which may prove to be significant, have also been located but are not described in this report. All the anomalies will be investigated in due course.



1. The Mt Short Gossan anomaly (Figure 2). This anomaly is located on the basal contact horizon of cumulate ultramafic rocks and is associated with a nickel gossan partially tested by earlier explorers. The anomaly extends over about 500 metres in length, where nickel values peak at 2228 parts per million nickel (“ppm Ni”) and 115 ppm copper (“Cu”) where the background is <350ppm Ni and <50ppm Cu. There is also coincident anomalism in the pathfinder elements cobalt (“Co”), chrome (“Cr”), gold (“Au”) and lead (“Pb”). A downhole geophysical anomaly (“DHEM”) and old RAB drilling intersections including 10 metres @ 0.59% Ni and 6 metres @ 0.46% Ni occur within the anomaly and are to be followed up.

Figure 2. Geochemical anomalies at Mt Short showing selected drill hole intercepts.

2. A soil anomaly 1 kilometre north of the Mt Short Gossan (Figure 2) strikes over about 700 metres and occurs on the northern strike extensions of the same ultramafic horizon as the Mt Short Gossan. Values peak at 536ppm Ni and 58ppm Cu. There is also coincident anomalism in the pathfinder elements Co, Cr and Pb. A number of old shallow RAB drill holes within the anomaly returned best results of 3 metres @ 0.32% Ni and 8 metres @ 0.31% Ni. The anomaly coincides with an airborne electromagnetic anomaly (“AEM”) and there is shallow east dipping moving loop electromagnetic anomaly (“MLEM”) immediately to the west.
3. Anomaly 1.2 kilometres south of the Mt Short Gossan (Figure 2). This area has several peaks to the anomaly clustered in area over 1.4 kilometres long. The centres of anomalism appear to lie on the southern strike extensions of the Mt Short Gossan ultramafic horizon. The unit appears to thicken and bends in an easterly direction in the anomaly area. The peaks of soil geochemical anomalism range up to 1067ppm Ni and 74ppm Cu. The pathfinder elements Co, Cr, Au and Pb are also anomalous in places. A number of old RAB drill holes intersected anomalous mineralisation in the vicinity. Some of the better results include 2 metres @ 0.39% Ni and 2 metres @ 0.33% Ni. A strong MLEM bedrock conductor occurs close to one of the minor peaks of geochemical



4. The fourth anomaly at Mt Short is located about 7 kilometres south of the Mt Short Gossan Anomaly (Figure 3). It was highlighted by earlier explorers but remains largely untested. The anomaly strikes over about 2 kilometres with peak values ranging between 2900ppm and 6900ppm Ni and 2500ppm and 2900ppm Cu. Some RAB drilling has been completed in the past with best results of 2 metres @ 0.62% Ni and 0.83% Cu plus 6 metres @ 0.52% Ni and 0.18% Cu.

Figure 3. Geochemical anomalies south of Mt Short showing selected drill hole intercepts.

The Carlingup area.

Six prominent soil geochemical anomalies have been highlighted in the Carlingup area (Figure 4). The anomalies occur in a few stratigraphic positions extending over about 10 kilometres. The soil geochemical anomalies are defined by nickel values ranging between 600ppm and 3000ppm, where background values are ≤ 350 ppm Ni. There is coincident anomalism at various levels in the pathfinder elements Cu, Co, Cr and Pb. The anomalies are associated with cumulate ultramafic rocks within a sequence of mafic and ultramafic komatiite lavas. Anomalous rock-chip gossan samples have been collected on some of the anomalies e.g. 1.0% Ni and 0.22% Cu, 0.55% Ni and 430ppm Cu.

The strength and size of the new targets indicate that the few old known targets in the area, like the B1 Prospect, are only a poor representation of the overall potential. The B1 Prospect itself still merits follow up work on drill intersections e.g. 4.6 metres @ 1.1% Ni and DHEM anomalies, but much more scope is shown and there appear to be stronger targets in untested areas.

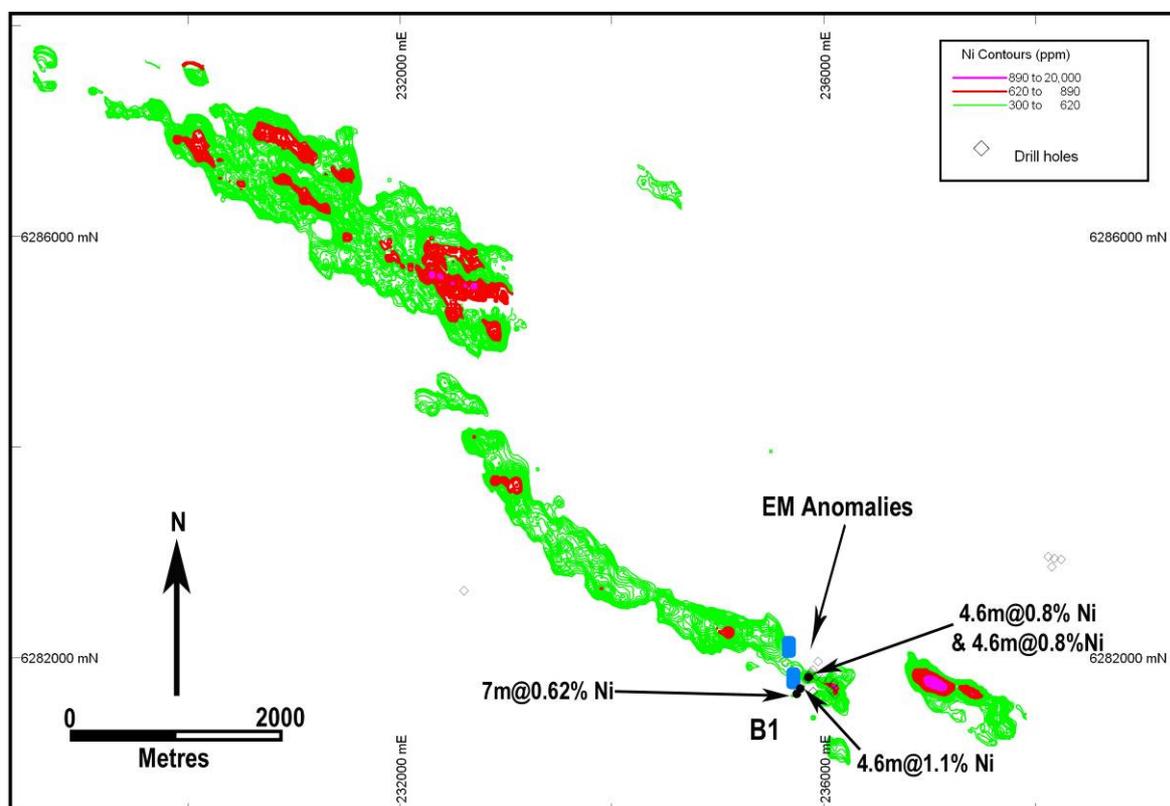


Figure 4. Geochemical anomalies in the Carlingup Area showing selected drill hole intercepts.

Geological survey results:

A large portion of the Ravensthorpe Nickel project has been re-mapped over the past six month period resulting in some significant new insights into the setting and potential for discovery of sulphide nickel mineralisation. A brief description for each area is provided below:

The Jerdacuttup area (Figure 5)

1. The high grade mineralisation previously located at the RAV 4 West prospect (best drill result 2.56 metres @ 7.85% Ni) is on the basal contact of a shallow south dipping ultramafic unit that is open at depth. Previous interpretations had the down-dip potential terminated by a fault.
2. The RAV 4 and RAV 1 targets, where there are existing low grade nickel resources, are now interpreted to be open along strike and at depth.
3. There are a number of high priority targets in the vicinity of the RAV 8 Nickel Mine owned by Tectonic Resources NL. These targets are associated with shallow south dipping cumulate ultramafic rocks within the sedimentary and felsic rocks forming the footwall sequence to the RAV 8 mine massive sulphide mineralisation.
4. A large cumulate ultramafic rock horizon which strikes over 8 kilometres and resembles the host rock for the RAV 8, RAV 4 and RAV 4 West mineralisation is considered very prospective. No drilling has ever been undertaken to test the basal contact zone of this unit. A number of aeromagnetic and geochemical anomalies along this ultramafic unit highlight locations of some future drill targets.
5. Many of the targets that have been the dominant focus of previous work at Ravensthorpe are now interpreted to be on an ultramafic unit that is higher up in the stratigraphic sequence than that which correlates with RAV 8 mine sequence.

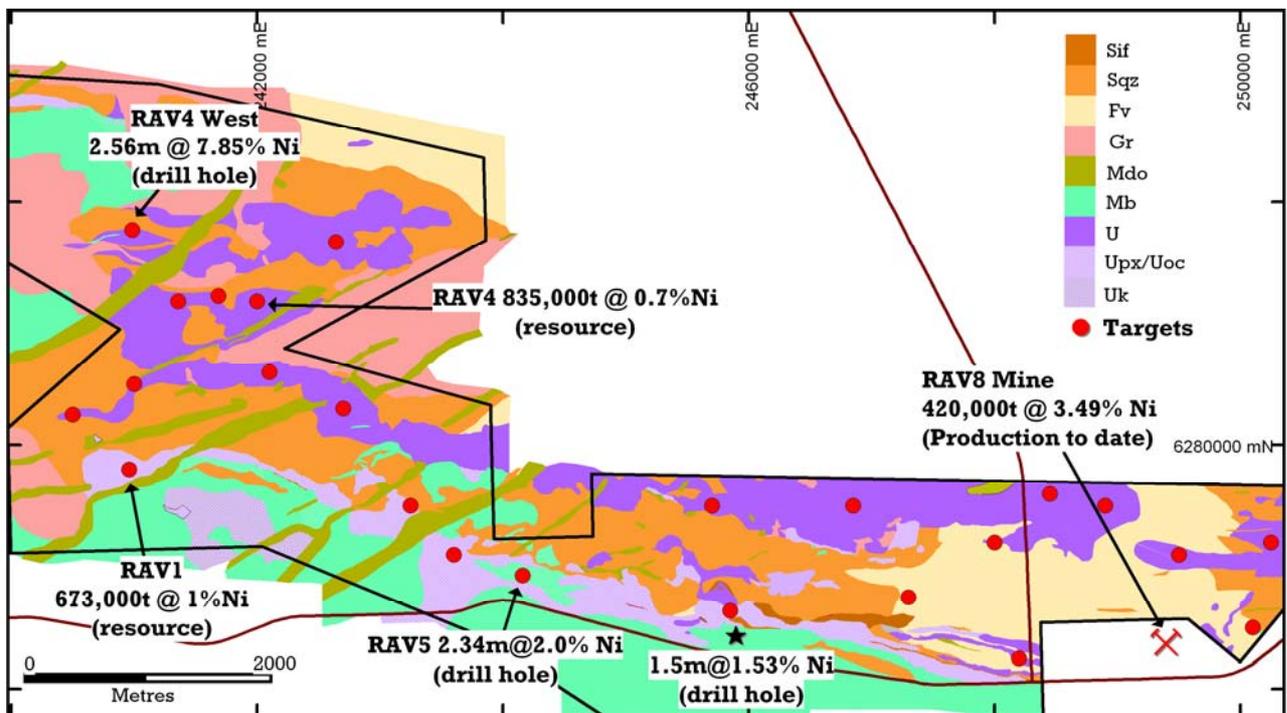


Figure 5. Geological Map of the Jerdacuttup Area showing selected drill hole intercepts and mineral resource positions.

The Carlingup area (Figure 6).

1. The gossans and soil geochemical anomalies in this area are related to cumulate ultramafic rocks within a thick sequence of thin of komatiitic lavas. Some cumulate ultramafic horizons occur within the komatiites and several have strongly anomalous gossans associated with them.
2. The original B1 prospect which was the original focus of exploration in this area is now viewed as being just one of several targets that remain to be followed up. The new targets are in most instances stronger and larger than B1 and have not previously been discovered or drill tested.
3. The geological setting in the Carlingup area is different to that of the Jerdacuttup area, but it is apparent that there is significant untested potential in a very favourable geological environment that has been largely overlooked in the past.

The Mt Short area (Figure 6).

1. There are a several ultramafic horizons at Mt Short which are prospective for nickel sulphide mineralisation. The recent geochemical survey results attest to this with a number of anomalies identified that merit immediate follow up work.
2. Regolith cover and laterite blanket much of the ground at Mt Short and this has previously prevented the recognition of stratigraphic continuity that is now evident.
3. The favoured basal contact zone of a few ultramafic units can now be defined and future exploration will have a better focus.

Mt Short RAB drilling program:

A RAB drilling program comprising 83 drill holes for a total of 2633 metres was completed last week north of Mt Short (Figure 6). The program was of a scout nature to test aeromagnetic anomalies and the continuation of the prospective ultramafic stratigraphy under areas of regolith cover.

Assay results of the assay data are awaited and compilation of the data is underway.

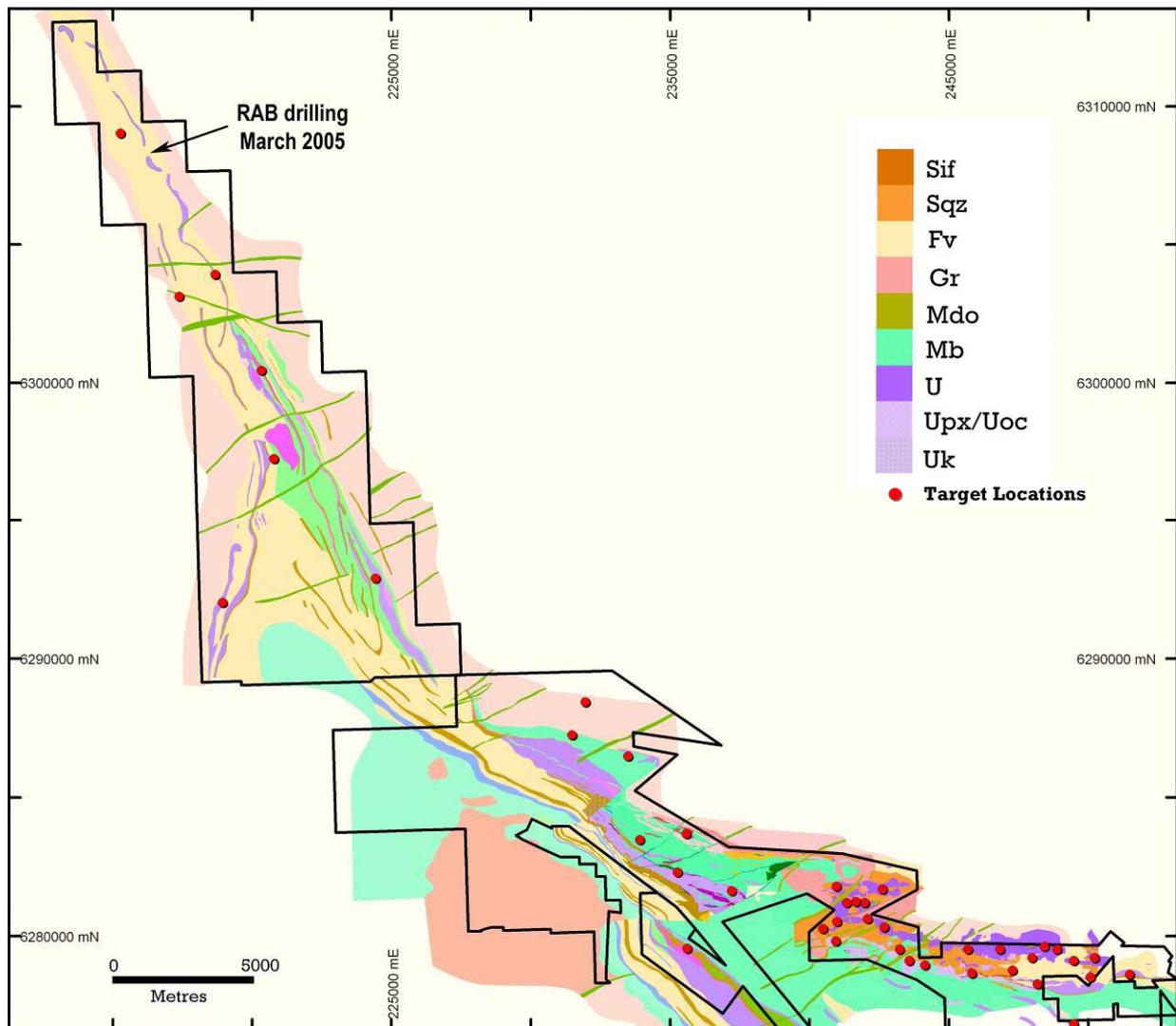


Figure 6. Geological Map showing the Mt Short and Carlingup Areas.

The Capricorn Joint Venture:

An RC drilling program on the Millipede Prospect nickel shoot and a nearby DHEM anomaly is underway. A DHEM survey on the drill holes is expected next week. Assay results and a compilation of the data is expected within several weeks of completion of the program.

Drilling on the Millipede Prospect has been directed to test a nickel shoot and anomalous nickel and copper mineralisation in two steeply south dipping parallel ultramafic units. An old drillhole on the basal unit returned 6 metres @ 0.38% Ni, 0.2% Cu and 0.8 ppm platinum 15 metres below surface where gossanous rock and soil geochemical anomalism in nickel, copper and platinum group elements were originally highlighted. Drill holes on the upper unit returned best intersections of 2 metres @ 1.36% Ni, 0.62% Cu and 5 metres @ 0.31% Ni and 0.21% Cu. The drilling just completed has tested the down dip and strike extensions of both the basal and upper ultramafic units.

Ravensthorpe Iron Ore Project:

Various strategies including the possibility of a joint venture are under consideration for testing the iron ore potential at Ravensthorpe. The exploration program required to test the iron ore potential necessitates work by a focused and experienced team. The company will review the various opportunities available to select the best outcome. The iron ore potential at Ravensthorpe occurs in a stratigraphic sequence that strikes through Traka's ground for over 15 kilometres (Figure 7).

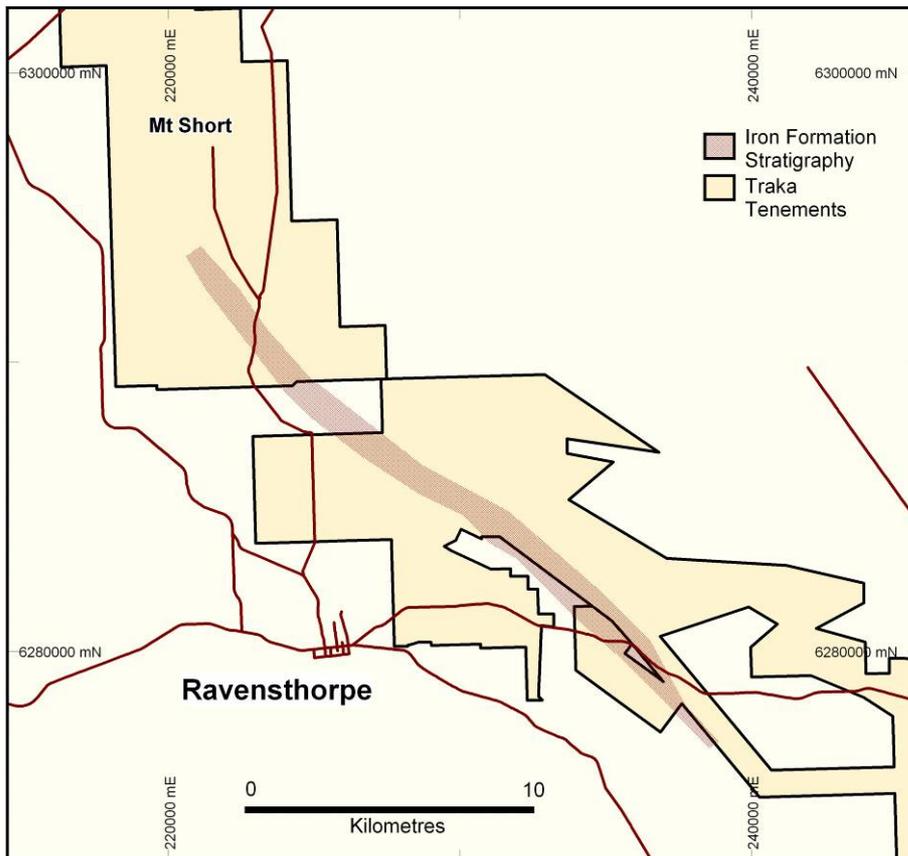


Figure 7. Location of the Iron Formation at Ravensthorpe.

Quarterly Exploration Expenditure:

Exploration Expenditure for the three month period ending March 2005 is \$378,000.

For any additional information please contact:

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12th April 2005

The technical information contained in this report is based on information compiled by Mr. P. A. Verbeek a Member of the Australasian Institute of Mining and Metallurgy. Mr Verbeek has more than five years experience on the field of activity being reported on and qualifies as a Competent Person as defined by the Australasian Code for Reporting of Mineral Resources and Ore Reserves.