



ASX Shareholders Report

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ASX Code: "TKL"

RAVENSTHORPE NICKEL PROJECT (IGO earning 51%)

UPDATE ON MINE SCOPING STUDY

An appraisal by a consultant to determine the viability of mining the low grade nickel mineralisation at Ravensthorpe has provided positive results.

Three scenarios based on open-pit mining individually and/or the combined nickel mineralisation present at the RAV 1, RAV 4, RAV 4 WEST and RAV 5 Prospects have been investigated.

Geological modelling indicates that there is potential for mineralisation ranging from about 500,000 tonnes @ 1.8% Ni at a 1.0% Ni bottom cut (9,000 Ni tonnes) to about 2,000,000 tonnes @ 0.9% Ni at 0.5% Ni bottom cut (18,000 Ni tonnes). There is currently insufficient drill data to accurately define a mineral resource at these prospects and it is uncertain whether further exploration will result in the determination of a mineral resource.

It was noted that, as the grade cut-off was reduced, the potential tonnages increased significantly. This is accounted for by the presence of a relatively large low grade zone lying immediately above a narrow high grade zone on the basal contact zones of gently south dipping ultramafic host rock.

This particular geometry to the mineralized zones will have a very significant effect on the ore to waste strip ratios and as would be expected, the potential mine size and economics in general.

The study has considered the viability of trucking the nickel ore to existing third party mills, the production of a nickel concentrate on site and the establishment of a Heap Leach operation. The relatively low capital and operating costs of a Heap Leach operation makes this option a particularly attractive proposition, although it is recognized that this technology has not been used on a commercial scale on an Australian nickel operation and may also delay project development.

Given the encouraging results, it has been decided to immediately proceed with further investigations on all the options identified. This work will include the commencement of drilling to obtain samples for metallurgical test work. A diamond drill rig is scheduled to start this work in a few weeks time.

Exploration activity on the Ravensthorpe Nickel Project will continue whilst the Scoping Study program is initiated. At the moment this work principally comprises electromagnetic ("EM") surveys in the Mt Short and Carlingup areas. New targets have already been identified by this work and these will be drilled at the first opportunity.

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. P. A. 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. P. A. Verbeek consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.