TRAKA RESOURCES LTD

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

Quarterly Activity Report

for the three months ended 31st June 2004

OVERVIEW

Ravensthorpe Nickel Project:

- Drillhole intersections anomalous in nickel together with geophysical anomalies at B1 have highlighted new targets for follow up work.
- The RAV 4 West target has been reinterpreted and a new nickel shoot appears to have been located. Further drilling is now planned.
- Drillhole intersections anomalous in nickel together with geophysical anomalies on the JEM 1, 2 and 5 targets indicate the presence of a favourable geological setting for RAV 8 Mine style mineralization. Further drilling is now planned.

Ravensthorpe Gold Project:

- A reverse circulation ("RC") drilling program, geological mapping and geochemical surveys have been completed on the Sirdar Prospect. Assays of drill chips are awaited.

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The Ravensthorpe Nickel Project:

An RC drilling program (6 RC holes for 941 meters), down-hole electromagnetic surveys ("DHEM"), geological mapping and data collation was undertaken during the quarter. The progress of exploration activity and the significant results achieved for this work is presented below:

The B1 area:

Two separate zones were drilled at the B1 target.

The first zone is near the centre of the area. A single drill hole intersected a peak value of 0.70% nickel over 3 meters at 100 meters vertical depth within a 30m wide zone of disseminated sulphide mineralisation occurring at the basal contact with sedimentary rocks. A DHEM survey of this hole has detected a strong off-hole conductor, which is interpreted to be 30m west of the hole. An old drillhole on the same section returned 7.62 metres @ 1.02% nickel and 1.5 meters @ 1.75% nickel between 32 and 45 meters vertical depth. Another old hole intersected 4.57 meters nickel @ 1.01% nickel between 172 and 177 meters vertical depth.

These exploration results are considered to be very encouraging and further drilling is now being planned. The drilling results, the DHEM target and the 30m wide zone of disseminated nickel mineralization highlights the presence of an unexplored basal contact zone which appears to strike another 1.5 kilometres east and 4 kilometres to the west.

The second target drilled on the northern margin of the B1 target area tested a Moving-Loop Electromagnetic ("MLEM") anomaly previously interpreted to represent a south dipping conductor associated with massive sulphides. A single drill hole intersected trace amounts of disseminate sulphides in olivine rich ultramafics but no massive sulphides were encountered or explanation for the MLEM anomaly was made and the MLEM anomaly remains unexplained. High water flows and a collapsed drillhole collar prevented a DHEM probe of this hole and as a consequence no clear conclusions can be made. This target obviously merits further investigation but priority will be given to other targets at this point in time.

Apart for the two targets described above two other MLEM anomalies have been locate at B1. These anomalies appear to occur on a second basal contact zone and on the basis of the new geological knowledge gained in the area merit immediate follow up exploration work.

The RAV 4 West target:

Compilation of the geological database during the quarter has improved the outlook for location of economic nickel mineralisation at the RAV 4 West target. Nickel mineralisation at RAV 4 West is interpreted to be located on the basal contact of a shallow south dipping ultramafic unit that has over 700 meters of strike. The ultramafic terminates against a granite intrusive to the west and appears to terminate against a

Proterozoic dyke to the east, although further drilling may define an extension beyond the dyke.

A number of old drillhole intersections, which previously could not be readily collated with each other or with Traka's own recent work are now seen to lie on the one basal contact. There appears to be a southeast trending nickel shoot on this basal contact although an uneven drillhole spacing and an apparent lack of continuity in a few places prevents confirmation of this. A strongly anomalous nickel gossan on surface is believed to be the surface expression of the nickel shoot. Mineralisation on the basal contact is reported to occur as matrix, massive and brecciated sulphides underneath 5 to 10 meters of cloud sulphides. The drill hole intersections that define the shoot are presented below (Table 1). A number of the old drillhole results have not previously been reported and in some cases inaccurately reported.

Table 1 Drillhole intersections on the RAV 4 West Shoot:

Hole	North	East	Dip	Azimuth	From (m)	To (m)	Width (m)	Ni %
RB279	6281693	240851	-90	0	18.29	24.38	6.09	0.60
RB4W/5	6281561	240937	-87	360	71.02	72.30	1.28	3.37
RB4W/2	6281603	240982	-90	0	54.86	57.42	2.56	7.86
RB4W/2A	6281603	240982	-90	0	59.44	61.33	1.89	5.79
RB4W/4B	6281579	241102	-90	0	71.68	74.68	3.00	3.24
GRC40	6281601	241131	-90	0	69.00	72.00	3.00	2.78
GRC42	6281585	241099	-90	0	81.00	82.00	1.00	2.13
GRC41	6281577	241123	-90	0	80.00	81.00	1.00	1.09
GRC43	6281618	241110	-90	0	71.00	73.00	2.00	0.73
RB4W/7	6281583	241188	-90	0	64.19	66.54	2.35	6.45

Co-ordinates are in AMG84 Zone 51.

The geological setting for RAV 4 West now appears to resemble that of the RAV 4 target itself, although the targets are approximately 500m distance apart and there is still some apparent geological discontinuity separating the two.

The geological complexity in the RAV 4 West and RAV 4 areas plus the presence of faults that appear to terminate the down-dip potential of these targets has discouraged previous workers from persisting with exploration in this general area. However, with the benefit of an improved geological understanding plus the fact that good nickel grades have been located near surface further drilling is now being planned.

The JEM 4 target:

A single RC drillhole tested a strong MLEM anomaly on the JEM 4 target. Five meters of barren massive sulphides were intersected, which explained the anomaly. No follow-up work is now planned on this target.

The RAV 5 target:

A single RC hole was attempted on this target to test the down dip extension of the RAV 5 shoot. Unfortunately the hole had to be abandoned because of high water flows. A diamond drill rig will be required to do further drilling on this target and this is now being planned.

The JEM 1, 2 and 5 targets:

A DHEM survey on an old drillhole at the JEM 2 target located 2 strong off-hole conductors; one at about 155 meter depth and the other at about 260 meter depth. The upper conductor appears to occur on a stratigraphic horizon with nickel mineralisation in another old drillhole 90m away (2.22 meters @ 1.19% nickel and 0.54 meters @ 1.12% nickel). The lower conductor is on the basal contact of the ultramafic sequence and is interpreted to be about 20 meters off hole.

Two other MLEM anomalies (one at the JEM 1 and another at the JEM 5 target) occur within 300 metres of the JEM 2 target. It is possible that these anomalies are all part of a large and single feature although there is insufficient data to be conclusive at this at this point in time. The JEM 5 anomaly is modelled to occur at 370 meters depth and the JEM 1 anomaly is unclosed and cannot be modelled without further MLEM surveys.

The geological setting and aeromagnetic signature of the JEM 2, 5 and 1 targets indicates that they occur within an embayment feature similar to that hosting the RAV 8 Ore Shoot, currently being mined by Tectonic Resource Ltd. A diamond drilling program is currently being planned to further test these anomalies. A pre-collar RC hole drilled to 140 meters depth has already been completed on the JEM 5 target..

The Mt Short Area:

The geochemical drilling program planned to test targets in the Mt Short area has not started as yet due to a combination of delays caused by wet weather, drill rig availability and pastoral activity. This work will commence as soon as possible.

The Ravensthorpe Gold Project:

RC drilling (11 holes for 798m), geochemical surveys and geological mapping were completed on this project during the quarter. All the drilling was undertaken on the Sirdar Prospect in this campaign to follow up on the very encouraging drillhole intersections returned from there last quarter. Data compilation is currently underway and assay results are awaited.

The Capricorn Joint Venture:

RC drilling planned for the Capricorn Joint Venture has been delayed due to the lack of drill rig availability. This work will be undertaken as soon as possible.

Quarterly Exploration Expenditure:

Exploration Expenditure for the three month period ending June 2004 was $273,000.

For any additional information please contact:

Mr Patrick Verbeek
Managing Director
14th July 2004

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.